MINUTES
LAWTON WATER AUTHORITY SPECIAL MEETING
OCTOBER 26, 2004 - 6:00 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

The meeting was called to order at 6:15 p.m. by Chairman, John P. Purcell Jr. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT: Randy Bass, Rex Givens, Glenn Devine, Amy Ewing-Holmstrom, Robert Shanklin, Jeffrey Patton, Stanley Haywood, Randy Warren.

ABSENT: None

ALSO PRESENT: Larry Mitchell, City Manager; John Vincent, City Attorney; Kathy Fanning, City Clerk.

Consider approval of minutes of September 28, 2004 Lawton Water Authority Special Meeting.

MOTION by Warren, SECOND by Bass, to approve the minutes of September 28, 2004 Lawton Water Authority Special Meeting. AYE: Patton, Haywood, Warren, Bass, Givens, Devine, Ewing-Holmstrom, Shanklin. NAY: None. MOTION CARRIED.

BUSINESS ITEMS:

1. Consider approving the rate modification P00041 to the Water Service Contract with Fort Sill.

Rick Endicott, Finance Director said this item is the modification to the current contract with Fort Sill to increase their water rate from 66¢ per thousand, to 69¢ per thousand, based on negotiations with them.

MOTION by Warren, SECOND by Bass, to approve the rate modification P00041 to the Water Service Contract with Fort Sill.

Mitchell informed everyone that Republic Paper's rate is also going to increase from 66¢ to 69¢ per thousand, as per their agreement.

VOTE ON MOTION WAS HELD AT THIS TIME

AYE: Haywood, Warren, Bass, Givens, Devine, Ewing-Holmstrom, Shanklin, Patton. NAY: None. MOTION CARRIED.

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2. Consider approving a resolution, authorizing filing application with the Oklahoma Water Resources Board for financial assistance in financing the expansion and improvement of the Authority's Wastewater Facilities.

Endicott said this item pertains to Phase II of the Sewer System Rehab. He said they are asking Council's approval to file the application. This doesn't create any obligation on Council's part to approve a loan, but we do need to process the application, if we are going to potentially borrow this money in the future.

Shanklin asked who the Engineer was and if we had a project coming out. Ihler said we are doing that in-house with Sewer Rehab. Endicott said it's Phase II of the Sewer Rehab Project.

MOTION by Devine, SECOND by Warren, to approve **LWA Resolution No. 04- 01** authorizing filing application with the Oklahoma Water Resources Board for financial assistance in financing the expansion and improvement of the Authority's Wastewater Facilities. AYE: Warren, Bass, Givens, Devine, Ewing-Holmstrom, Shanklin, Patton, Haywood. NAY: None. MOTION CARRIED.

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3. Consider awarding a lease of the City's oil and gas interests for a 324-acre tract and a 40-acre tract of land located in the vicinity of Lake Ellsworth in Comanche County to Marathon Oil Company and authorize the Chairman and Secretary to execute the lease document.

Vincent said Council previously authorized the City to go out for bids on the lease of the oil mineral interests on the two tracks, the 324 and the 40-acre tracts in the area of Lake Ellsworth. He said we did go out for bids for a three-year lease, with the 3/16ths override if there is production once they drill a well. Marathon Oil Company bid $200 an acre and was the only bidder and this was advertised in the newspaper.

Patton asked if there were any provisions for them to clean up the area once they were finished. Vincent said yes, they have to pull the permit from the City and the Oklahoma Corporation Commission. There is a pollution policy they do have to furnish us at the time they pull permit.

Patton asked what would be done with this money. Vincent said that is up to the Council once we actually get it in our hands. The Council can designate as they have in the past.

Shanklin asked if this money could be set-aside for the Lakes Improvement. Vincent said the last one was $108,000 and we took $50,000 to actual Lake CIP and the other was for Lake Operating.

Patton believed Council should have Shahan look at it and see where he needs to spend the money in the most necessary area. He said he has received several compliments on our Parks and Recreation Department and we really haven't given Shahan a lot to work with and he would like to see this go to that department. Vincent said we would need to bring back an agenda item once that's determined. Right now we are only approving the lease.

Warren asked if Council could direct where this funding should go, if they approve this in the Council Meeting. Vincent said if you want to. Purcell said we don't do that here, but in the Council Meeting and someone needs to pull that item off the Consent Agenda.

MOTION by Givens, SECOND by Warren, to approve awarding a lease of the City's oil and gas interests for a 324 acre tract and a 40 acre tract of land located in the vicinity of Lake Ellsworth in Comanche County to Marathon Oil Company and authorize the Chairman and Secretary to execute the lease document. AYE: Bass, Givens, Devine, Ewing-Holmstrom, Shanklin, Patton, Haywood, Warren. NAY: None. MOTION CARRIED.

There being no further business to consider, the meeting adjourned at 6:25 p.m. upon motion, second and roll call vote.

JOHN P. PURCELL JR., CHAIRMAN

ATTEST:

KATHY FANNING, SECRETATRY