



City of Broken Arrow
Minutes
Broken Arrow Municipal Authority

City Hall
220 S 1st Street
Broken Arrow OK
74012

Chairman Craig Thurmond
Vice Chair Richard Carter
Trustee Mike Lester
Trustee Johnnie Parks
Trustee Scott Eudey

Monday, November 7, 2016

Council Chambers

1. Call to Order

Chairman Craig Thurmond called the meeting to order at approximately 7:52 p.m.

2. Roll Call

Present: 5 - Scott Eudey, Johnnie Parks, Mike Lester, Richard Carter, Craig Thurmond

3. Consideration of Consent Agenda

Chairman Thurmond asked if there were any items to be removed from the Consent Agenda. There being none, he asked for a motion.

MOTION: A motion was made by Mike Lester, seconded by Richard Carter.

Move to approve the Consent Agenda as presented

The motion carried by the following vote:

Aye: 5 - Scott Eudey, Johnnie Parks, Mike Lester, Richard Carter, Craig Thurmond

A. 16-1363 **Approval and authorization to execute a Professional Consultant Agreement with Holloway, Updike and Bellen, Inc. (HUB) for Water Distribution Storage Tank Mixing Improvements**

B. 16-845 **Approval of the Broken Arrow Municipal Authority Claims List for November 7, 2016**

4. Consideration of Items Removed from Consent Agenda

No items were removed from the Consent Agenda. No action was required or taken.

5. Public Hearings, Appeals, Presentations, Recognitions, Awards

There were no public hearings, appeals, presentations, recognitions, or awards.

6. General Authority Business

A. 16-1260 **Consideration, discussion, and possible approval and authorization to execute Resolution Number 944; a resolution repealing and replacing Resolution Number 555 and approving and adopting a financial policy for the Broken Arrow Municipal Authority relating to maintaining Emergency Reserve Fund Balance**
Finance Director Tom Caldwell recalled that in 2007/2008 the City Council approved Resolution Number 944, requiring a 180-day Emergency Reserve Fund balance, based on the first six months expenditures of the previous year. It included not only operations and maintenance but all debt service and all capital outlay. The new Resolution which they were recommending for approval, reduced the required Emergency Reserve Fund balance to 90 days. It would retain capital outlay, operations and maintenance, but eliminate debt service associated with the Oklahoma Water Resources Board (OWRB) loans which

referred to as FAP loans under the Financial Assistance Plan. Those loans had a one-year reserve balance already built into the bond issue, so that they already had the last year of payment on the bonds, plus in an emergency they could draw from that money to pay debt service. He believed that there was a policy also, that they were not recommending necessarily, for the first three months of the year. What would happen before with the six months of Emergency Reserve Fund balance, was when they had a debt service payment of over \$1 million in principal, it only hit once a year and they had to keep \$1 million in the balance because they hit in the first six months. Additionally, depending on when they spent their capital, if they purchased a number of trucks, say, in the first six months of the year, it would all count towards the calculation of the Reserve balance. In a way, the previous policy inflated the amount that was actually necessary or what they would deem necessary to meet their needs. Mr. Caldwell and his staff thought the change to 90 days was an appropriate response, which would allow them to keep the rates a bit more stable, and would fill their needs.

MOTION: A motion was made by Johnnie Parks, seconded by Mike Lester.

Move to approve Resolution Number 944 and authorize its execution

The motion carried by the following vote:

Aye: 5 -

Scott Eudey, Johnnie Parks, Mike Lester, Richard Carter, Craig Thurmond

B. 16-1371

Consideration, discussion, and possible approval and authorization to execute Resolution Number 957; a resolution agreeing to file an Amended Application with the Oklahoma Water Resources Board (“OWRB”) for Financial Assistance through the State Loan Program, with the loan proceeds being for the purpose of paying for costs related to design, construction, and inspection of water and sewer system improvements; designating a previously paid application fee; designating legal and financial professionals to assist in the application process; authorizing the Chairman and Secretary to execute certain application documents; and containing other provisions related thereto

Assistant City Manager of Operations Ken Schwab recalled that on September 20th BAMA approved a Resolution for an application to go before the Oklahoma Water Resources Board (OWRB) for some water and sewer projects. One of the amounts was \$20,200,000. He reported that in the interim, staff took a look at the Timber Brook lift station, which was supposed to collect wastewater from new school being constructed. The plan had been to upgrade the 209th lift station and the Timber Brook lift station accordingly, before the next school opened, there being two schools planned for the site. Staff realized that it needed to go ahead and get construction going immediately, which led them to consider amending the application amount by adding about \$1.4 million. Secondly, they needed to add some mixers in their ground storage tank at Tiger Hill, and possibly Battle Creek, to help the residual disinfectant. The total cost of that was less than \$2 million. Fortunately, OWRB waived some of the reserve requirements, so that the actual amendment to the application was for \$800,000 only, covering the two projects. Essentially, the City was still putting in almost \$2 million itself, but the OWRB had waived some of the reserve that the City had had to hold previously. In summary, were only asking for the amount to go from \$20,200,000 to \$21 million, with the rest of the application remaining as the initially.

MOTION: A motion was made by Mike Lester, seconded by Richard Carter.

Move to approve Resolution Number 957 and authorize its execution

The motion carried by the following vote:

Aye: 5 -

Scott Eudey, Johnnie Parks, Mike Lester, Richard Carter, Craig Thurmond

7. Executive Session

There was no Executive Session.

8. Adjournment

The meeting adjourned at approximately 7:59 p.m.

MOTION: A motion was made by Johnnie Parks, seconded by Scott Eudey.

Move to adjourn

The motion carried by the following vote:

Aye: 5 -

Scott Eudey, Johnnie Parks, Mike Lester, Richard Carter, Craig Thurmond

Attest:

Chairman

Secretary