

**RURAL WATER DISTRICT NO. 7
WAGONER COUNTY
P. O. BOX 67
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(918) 683-4737**

Rural Water District No. 7, Wagoner County held its regular board meeting on Thursday, February 7, 2013. The meeting was called to order at 7:00 PM by Chairman Gary Crow. Those present were Vice Chairman – Lavoy Young, Secretary – Richard Roberts, Member – Scott Reno, Plant Manager – Brian Hathaway and Office Manager – Heather Bradham. Member – Clay Myers was absent. John Asher was the only visitor.

Board Meeting Minutes from the January 10, 2013 regular meeting were presented to the board for approval. Scott Reno made a motion to accept the minutes as presented. Richard Roberts seconded the motion. Crow – yes; Young – yes; Roberts – yes; Reno – yes. Motion carried.

The floor was turned over to customer John Asher to present his request concerning his water service account. Mr. Asher stated that he had a leak on his water line where a 90 degree angle was put in. It looked like there was no glue on the joint and it had pulled apart. This was the second leak that he's had recently. Scott Reno made a motion to adjust Mr. Asher's bill down to his average bill (5,000 gallons) plus our cost for the remaining 202,000 gallons of water (\$5.45/1,000 gallons), for a total bill of \$1,144.37. Lavoy Young seconded the motion. Crow – yes; Young – yes; Roberts – yes; Reno – yes. Motion carried.

The preliminary audit for 2012 was presented and reviewed. Robert Clothier, CPA will officially present the audit at the Annual Membership Meeting on February 21, 2013. Scott Reno made a motion to accept the preliminary audit for 2012. Richard Roberts seconded the motion. Crow – yes; Young – yes; Roberts – yes; Reno – yes. Motion carried.

The 2012 Management Discussion and Analysis (MD&A) Report was presented and reviewed. Scott Reno made a motion to accept the 2012 MD&A Report as presented. Richard Roberts seconded the motion. Crow – yes; Young – yes; Roberts – yes; Reno – yes. Motion carried.

Two possible budgets for 2013 were presented to the board for review and approval. Version 1 was based on the amounts for each revenue and expense item from the 2012 actual numbers. The net revenue on Version 1 is not enough to meet the 1.25% debt ratio required by the district's loan from Oklahoma Water Resources Board (OWRB). In Version 2, the amount of depreciation was reduced so the net revenue would be above the debt ratio required for the OWRB loan. A rate increase was discussed as another option. This option will be reviewed after the 2013 first quarter numbers are in, so a more informed decision can be made. Richard Roberts made a motion to approve Version 2 as the 2013 Budget. Scott Reno seconded the motion. Crow – yes; Young – yes; Roberts – yes; Reno – yes. Motion carried.

The floor was opened for the discussion of the district's Annual Membership Meeting. Chairman Crow mentioned that the meeting will be held on February 21, 2013 at 7:30pm at the Okay Schools Cafeteria. Two board members will be elected, one for a full 3 year term and one

for 1 year to finish out Jim Gabbard's term. There will be a short board meeting after the annual meeting to elect officers of the board and to rehire employees.

Brian Hathaway reported that he and Vicki cleaned the basins this month because the strainer kept getting clogged. They put two meters in down the hill below the office. They fixed a leak on 40th Street where a joint had pulled apart. DEQ is coming to do an inspection on February 20th, because Fort Gibson Dam got 4 bad Bac-T samples back. They are having a hard time keeping chlorine in their tower since they aren't using much water. Brian also thinks that they may not be sampling correctly. He is trying to talk the Corp of Engineers into putting a flush valve in to keep water moving in the lines. He also met with them and showed them how we take our samples. Our last HAA5 test came back good, but we may have another violation on the HAA5s since DEQ bases those on the average over the last 12 months. Brian spoke to Kelly Cook from Cook Construction about our permit for the line upgrade on 49th Street. Kelly said he would contact the engineer to see if he could speed up the process. Rocky Electric should start the work on the breaker box in the old plant building soon. Scott Reno made a motion to accept the Plant Manager's Report presented by Brian Hathaway. Lavoy Young seconded the motion. Crow – yes; Young – yes; Roberts – yes; Reno – yes. Motion carried.

Heather Bradham reported that she is looking into purchasing a new safe for the office. The old one is getting hard to open and the door is pretty loose. Scott Reno made a motion to accept the Office Manager's Report presented by Heather Bradham. Richard Roberts seconded the motion. Crow – yes; Young – yes; Roberts – yes; Reno – yes. Motion carried

Richard Roberts made a motion to accept the financial statements and pay claims. Scott Reno seconded the motion. Crow – yes; Young – yes; Roberts – yes; Reno – yes. Motion carried.

New Business: None.

Scott Reno made a motion to adjourn. Seconded by Richard Roberts. Crow – yes; Young – yes; Roberts – yes; Reno – yes. Motion carried.

Chairman Gary Crow

Secretary Richard Roberts

NOTE: Three board members were actually elected at the Annual Meeting on February 21, 2013.