

SPECIAL MEETING OKEMAH CITY COUNCIL

WHEN: MONDAY, AUGUST 19, 2024 @ 4:00 P.M.

PLACE: OKEMAH CITY HALL, 502 WEST BROADWAY, OKEMAH, OK

Attendees

- Mayor Ron Gott
- Chris Wolff (Municipal Finance Services Representative)
- Board member Brandon Anderson
- Board member Wayne Bacon
- City manager Kristy Lesley
- City Clerk Treasurer Relena Haddox

Pledge of Allegiance & Roll Call

- Mayor Gott called the meeting to order and led the Pledge of Allegiance.
- A roll call was conducted by Relena Haddox, with all members present.

Approval of Water and Sewer Rate Increases

- **Resolution:** Approve and consider a resolution of the Okemah Utilities Authority establishing rates for residential and commercial water and residential and commercial wastewater disposal and service, effective October 1, 2024.
- Mayor Gott made a motion to approve the resolution.
- The motion was seconded.
- **Vote:** The resolution was unanimously approved by the council members.

Mayor Gott's Statement on Rate Increases

- Mayor Gott provided a detailed explanation for the rate increases, emphasizing that the decision was not made lightly and was necessary for the long-term well-being of the community.
- **Key points from the Mayor's statement:**
 - Mayor Gott acknowledged the impact of the \$18 monthly increase on residents' water and sewer bills.
 - The current water plant, built in the 1960s, is outdated and requires extensive repairs.
 - Multiple engineers confirmed the need for a new plant, as refurbishment would be nearly as costly.
 - The initial plan for the new plant was streamlined to save the city several million dollars.
 - Funding for the new plant includes:
 - \$21.5 million loan from the Oklahoma Water Resource Board (OWRB).
 - \$10 million pledge from Indian Health Services (IHS).
 - \$1 million grant from OWRB.
 - \$100,000 grant from the Oklahoma Rural Water Association.

- Due to rising costs of materials, the lowest bid for the new plant came in \$2.3 million over budget. After consulting with financial counsel and OWRB, the decision was made to move forward with the current bid as future bids were likely to be higher.
- The city is required by law to send any interest accrued on the OWRB loan to the Internal Revenue Service.
- The \$10 million from IHS will be disbursed upon completion of agreed-upon project milestones.
- To secure the additional \$2.3 million, the OWRB mandated a \$9 increase to both water and sewer bills based on debt-to-income ratio requirements.
- The city is actively working on a Tax Increment Financing (TIF) district to generate additional sales tax revenue for infrastructure improvements.
- There is no existing debt on the current water plant, but the city is still paying for flow equalization basins at the sewer plant.
- The city will continue to seek grants and funding options to mitigate the impact of the rate increases on residents.
- Residents are encouraged to use the Neptune app to monitor water usage.
- A new water induction system at the lake will be installed along with the new water plant.
- Future plans include replacing the six-mile water line from the lake to the plant, estimated at \$10 million two years prior, and addressing water line breaks within the city.

Public Comments/Questions

- The transcript does not indicate any public comments or questions.

Adjournment

- Mayor Gott adjourned the meeting at 4:08p.m

Relena Haddox, City Clerk

Ron Gott, Mayor