

**MINUTES OF A MEETING OF THE
NEWCASTLE PUBLIC WORKS AUTHORITY
(Opening Prayer & Flag Salute)**

DATE: July 9, 2018
TIME: 6:00 P.M.
PLACE: NEWCASTLE MULTI-PURPOSE CENTER
705 NW 10TH STREET

ITEM 1: CALL TO ORDER/ROLL CALL

Gene Reid called the meeting to order at 6:00 p.m.

PRESENT: Chair Gene Reid
Vice Chair Joe Covey
Trustee Mike Fullerton
Trustee Jimmy Gurley
Trustee Karl Nail

ABSENT: None

OTHERS PRESENT: Kevin Self, Interim General Manager; Jeanie Skeen, City Treasurer; Dinah Alizadeh, Executive Administrative Assistant; Camille Dowers, NPWA Secretary; Todd Kennemer, Community Development Director; Ted Haxel, City Attorney; Kenny Sullivan, P.E., City Engineer; Gordon Harness, Planning Commission Chair

ITEM 2: DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF THE AGENDA

Motion was made by Karl Nail and seconded by Joe Covey to approve the agenda. Board polled: Joe Covey, yes; Mike Fullerton, yes; Jimmy Gurley, yes; Karl Nail, yes; Gene Reid, yes. Motion carried.

ITEM 3: CITIZENS' COMMENTS

None

ITEM 4: CONSENT AGENDA

**A. Minutes: June 11, 2018
June 26, 2018**

B. Claims

C. Transfer of Funds

D. Appropriation of Funds

E. Budget Amendments

F. Approval of Claims in excess of \$25,000.00

G. Acknowledgment of ODEQ Permit No. SL000044180405 (494 l.f. of 8 in.; Pond Creek extension crossing SH-62 to serve Thru-Tubing Solutions)

Motion was made by Mike Fullerton and seconded by Karl Nail to approve the consent agenda. Board polled: Mike Fullerton, yes; Jimmy Gurley, yes; Karl Nail, yes; Joe Covey, yes; Gene Reid, yes. Motion carried.

ITEM 5: DISCUSSION AND POSSIBLE ACTION ON AWARD OF BIDS AND APPROVAL OF CONTRACT DOCUMENTS:

Bid tabs were provided from Sullivan Engineering from bid opening held on July 5, 2018.

A. NEWCASTLE ACRES WATERLINE EXTENSION—ROAD BORES

Kenny Sullivan reported the lowest and best bid received was from Bolding Construction, Haskell, Oklahoma. Motion was made by Karl Nail and seconded by Mike Fullerton to award the bid to Bolding Construction with approval of contract documents under Item 5(A). Board polled: Jimmy Gurley, abstain; Karl Nail, yes; Joe Covey, yes; Mike Fullerton, yes; Gene Reid, yes. Motion carried.

B. NEWCASTLE ACRES WATERLINE EXTENSION—MATERIALS ONLY

Kenny Sullivan reported the lowest and best bid received was from Core & Main, Oklahoma City. Motion was made by Karl Nail and seconded by Mike Fullerton to award the bid to Core & Main with approval of contract documents under Item 5(B). Board polled: Karl Nail, yes; Joe Covey, yes; Mike Fullerton, yes; Jimmy Gurley, abstain; Gene Reid, yes. Motion carried.

C. COUNTRY CLUB ROAD WATER LINE EXTENSION—ROAD BORES

i. Alternative Bid #1—for bore and 16” casing and appurtenances

No action was taken.

ii. Alternative Bid #2—for bore and 20” casing and appurtenances

Kenny Sullivan reported the lowest and best bid received was from Bolding Construction, Haskell, Oklahoma. Motion was made by Mike Fullerton and seconded by Karl Nail to award the bid to Bolding Construction with approval of contract documents under Item 5(C) (ii). Board polled: Joe Covey, yes; Mike Fullerton, yes; Jimmy Gurley, no; Karl Nail, yes; Gene Reid, yes. Motion carried.

D. COUNTRY CLUB ROAD WATERLINE EXTENSION—MATERIALS ONLY

i. Alternative Bid #1—for 8” waterline and appurtenances

No action was taken.

ii. Alternative Bid #2—for 12” waterline and appurtenances

Kenny Sullivan reported the lowest and best bid received was from Core & Main, Oklahoma City. Motion was made by Mike Fullerton and seconded by Joe Covey to award the bid to Core & Main with approval of contract documents under Item 5(D) (ii). Board polled: Mike Fullerton, yes; Jimmy Gurley, no; Karl Nail, yes; Joe Covey, yes; Gene Reid, yes. Motion carried.

ITEM 6: INTERIM GENERAL MANAGER’S COMMENTS

None

ITEM 7: TRUSTEES’ COMMENTS

None

ITEM 8: ADJOURNMENT

Motion was made by Joe Covey and seconded by Mike Fullerton to adjourn. The motion unanimously passed and the meeting was adjourned at 6:09 p.m.

Except for motions, the minutes only constitute an outline of discussion made by the Council/NPWA and legal advice by the City Attorney.

Chair

Vice Chair

Trustee

Trustee

Trustee

**MINUTES OF A MEETING OF
THE NEWCASTLE CITY COUNCIL**

DATE: July 9, 2018
TIME: 6:00 P.M.
PLACE: NEWCASTLE MULTI-PURPOSE CENTER
705 NW 10TH STREET

ITEM 1: CALL TO ORDER/ROLL CALL

Gene Reid called the meeting to order at 6:10 p.m.

PRESENT: Mayor Gene Reid
Vice Mayor Joe Covey
Council Member Mike Fullerton
Council Member Jimmy Gurley
Council Member Karl Nail

ABSENT: None

OTHERS PRESENT: Kevin Self, Interim City Manager; Jeanie Skeen, City Treasurer; Dinah Alizadeh, Executive Administrative Assistant; Camille Dowers, City Clerk; Todd Kennemer, Community Development Director; Ted Haxel, City Attorney; Kenny Sullivan, P.E., City Engineer; Gordon Harness, Planning Commission Chair

ITEM 2: DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF THE AGENDA

Gene Reid requested an amendment to the agenda to move Item 5 to follow Item 8. Motion was made by Mike Fullerton and seconded by Karl Nail to approve the agenda as amended. Council polled: Joe Covey, yes; Mike Fullerton, yes; Jimmy Gurley, yes; Karl Nail, yes; Gene Reid, yes. Motion carried.

ITEM 3: CITIZENS' COMMENTS

None

ITEM 4: CONSENT AGENDA

- A. Minutes: June 11, 2018
June 26, 2018**
- B. Claims**
- C. Transfer of Funds**
- D. Appropriation of Funds**
- E. Budget Amendments**
- F. Claims in excess of \$25,000.00**
- G. Dedication and acceptance of Easements:**
 - i. Blue Ridge Drainage Easement—tract in the NE/4 of Sec. 7-8N-3W**
 - ii. Fox Hollow ROW Easement—tract in the NW/4 of Sec. 23-9N-4W (0.183 ac.)**
 - iii. Fox Hollow ROW Easement—tract in the NW/4 of Sec. 23-9N-4W (0.194 ac.)**
 - iv. Fox Hollow ROW Easement—tract in the NW/4 of Sec. 23-9N-4W (0.861 ac.)**
 - v. Fox Hollow ROW Easement—tract in the NW/4 of Sec. 23-9N-4W (0.229 ac.)**
- H. Declare Surplus Property: iPhone 5c with EarPods-IMEI #013982000866651**

Motion was made by Karl Nail and seconded by Mike Fullerton to approve the consent agenda. Council polled: Mike Fullerton, yes; Jimmy Gurley, yes; Karl Nail, yes; Joe Covey, yes; Gene Reid, yes. Motion carried.

ITEM 5: DISCUSSION AND POSSIBLE ACTION REGARDING CITY COUNCIL'S ROLE IN THE PLANNING COMMISSION PROCESS

(Item 5 was deferred and called following Item 8.)

Regarding council members attending and speaking at Planning Commission meetings, Ted Haxel stated it is a public forum and the council members have a right to attend. He said his preference is that no more than 2 attend. He advised council members to refrain from addressing the commission when they are not affected property owners. Karl Nail noted the appearance of impropriety if more than 2 attend or speak at the meetings. No action was taken.

ITEM 6: PUBLIC HEARING AND DISCUSSION AND POSSIBLE ACTION ON PLANNING COMMISSION RECOMMENDATION REGARDING APPROVAL OF APPLICATION FOR USE PERMITTED ON REVIEW FOR A CONDITIONAL USE PERMIT FOR STANFORD FAMILY TRUST/EOG RESOURCES, INC. FOR THE USE OF OIL & GAS DRILLING LOCATED IN A 3.9 ACRE TRACT LOCATED IN SECTION 17, TOWNSHIP 9 NORTH, RANGE 4 WEST, MCCLAIN COUNTY, OKLAHOMA. PROPERTY LOCATION: NW HWY. 130/NW CORNER OF INTERSECTION OF ROCKWELL AVENUE AND HWY. 130, NEWCASTLE, OKLAHOMA (UPOR 2018-005 SPITFIRE 08171H) — (continued from 6/11/2018 City Council meeting)

Todd Kennemer presented the recommendations of the Planning Commission. Gordon Harness spoke and described the UPOR process. Todd Woolery of McAfee & Taft, attorney for EOG, appeared (along with 3 legal staff members and/or EOG representatives). Joe Covey stated that EOG has not complied with the permitting process because permits have not been issued and EOG is beginning actual site preparations for the pad without an accurate legal description, that no scaled site plan has been provided to the City, and that accessory equipment should be shown on a site plan so that noise issues may be addressed. Karl Nail stated compliance must be made with the noise ordinances regardless of the UPOR conditions to be imposed. Gordon Harness added that if compliance with the conditions of the UPOR are not met, the UPOR may be revoked. Ted Haxel stated that appeals would be to McClain County District Court. Mr. Woolery stated the location will be 354 ft. and that the compression equipment has been moved to the west side of the well location at approximately 450 ft., with a small compressor north of the wellhead. Mike Fullerton requested additional detail of the roads and equipment on the site plans. Joe Covey asked about the temporary work space shown. Jimmy Gurley inquired about the noise levels required by the ordinances. Mike Fullerton inquired about the finished grade, the drop in fencing, and silt accumulation in the bar ditches because of a 20 ft. drop. Mr. Woolery stated the fence will be placed on top of the work site. Gordon Harness noted that the condition of the Planning Commission regarding noise was 300 ft. from the sound source. Adjacent property owners, Mark and Lisa Moses of 2333 W. Hwy. 130 (east of drilling site) appeared. Mark Moses stated that 300 ft. is too close and will cause depreciation in property value of his property. He also said it destroys future building sites to the north for his children. Mr. Woolery requested 16 ft. sound walls on this site as imposed on other sites, and stated that compliance be made with the sound decibel requirements. Lisa Moses stated she doesn't think the City's UPOR application process has been followed. She requested compensation for grief and suffering, pain and misery as a result of negligence, and stated the City is setting itself up for a potential lawsuit. Gene Reid commented on the preliminary pad preparations and the site plan. He noted that a new Oil & Gas Ordinance was adopted at the last meeting. Jim Gurley commented on notices and the

legal description mailed to surrounding landowners. Gordon Harness stated that sound issues and sight issues exist which need to be addressed with the requirement of a 24 ft. permanent fence. Todd Woolery stated that state statutes do not allow "sight" regulation. Karl Nail inquired whether EOG would commit to correcting sound violations before going to District Court. Joe Covey asked who was responsible for taking decibel readings. Todd Woolery said the Corporation Commission can assist with sound readings.

One of the representatives from EOG stated she receives the complaints from OCC and explained the process, stating there are compliance deadlines imposed by OCC for legitimate complaints received.

Motion was made by Mike Fullerton and seconded by Karl Nail to approve all 15 conditions of the Planning Commission stated in Minutes of Planning Commission Meeting dated June 25, 2018, Item 8, with EOG to provide an accurate legal description, and with modifications to Planning Commission Condition No. 11 to require a 24 ft. temporary fence with sound decibels checked after the fence walls are erected (75 db max. at 300 ft. from the sound source), and after completion of the well, to require a 16 ft. permanent fence around the well site with sound decibels checked after erection of the 16 ft. fence (75 db max. at 300 ft. from the sound source), with all documentation provided to the City Council at the meeting tonight to be entered into the minutes (see attached). Council polled: Jimmy Gurley, abstain; Karl Nail, yes; Joe Covey, no; Mike Fullerton, yes; Gene Reid, yes. Motion carried.

ITEM 7: PUBLIC HEARING AND DISCUSSION AND POSSIBLE ACTION ON PLANNING COMMISSION RECOMMENDATION REGARDING APPROVAL OF APPLICATION FOR USE PERMITTED ON REVIEW FOR A CONDITIONAL USE PERMIT FOR MCMURTRY MANAGEMENT & INVESTMENTS, LLC /EOG RESOURCES, INC. FOR THE USE OF OIL & GAS DRILLING LOCATED ON A 3.9 ACRE TRACT LOCATED IN SECTION 7, TOWNSHIP 9 NORTH, RANGE 4 W, MCCLAIN COUNTY, OKLAHOMA. PROPERTY LOCATION: 3610 NW 24TH/WEST OF HWY. 76 AND NW 24TH STREET INTERSECTION, NEWCASTLE, OKLAHOMA (UPOR 2018-007 NIGHT HAWK 07181H)

Correction to Item 7 due to scrivener's error was made, correcting the name from "Night Hawk" to "War Hawk". Todd Kennemer stated the War Hawk is proposed on the same location as the Night Hawk which was previously approved. Gordon Harness and Todd Kennemer presented the recommendations of the Planning Commission. Discussion was held regarding conditions previously approved for the War Hawk well at this location. Gerald Smith, adjoining property owner, appeared and requested a complete enclosure of the well site with a sound barrier fence, moving the entrance from the east side of the site to the south side. He also requested "No Jake Brakes" signs be installed in well site areas around the city. Also, he asked that the sound barrier fence be extended an additional 200 ft. to make it 400 ft. from either side of the center line of his residence and that it be maintained as permanent.

Jim Gurley noted the location of the lease road on EOG's application filed with the City, and it was determined that he was referencing Planning Commission notes and not the application.

Discussion was held regarding chain link fence with slats. Gordon Harness recommended 8 ft. chain link, if approved.

Lisa Moses commented on the letter she sent on the well near her residence, stating that different consideration is given to different well sites and that she requested a screening fence but it was not favored.

Kevin Self stated EOG has not provided a signed copy of the Road Use Agreement to the City. Todd Woolery said he will send it.

Motion was made by Karl Nail and seconded by Mike Fullerton to approve the Planning Commission recommendations under Item 7 for the War Hawk site (UPOR 2018-007), with all Planning Commission conditions with amendments to Condition No. 10 of Item 9 of the Minutes of Planning Commission Meeting dated June 25, 2018, to require a 16 ft. sound barrier fence on the east, west and north sides of the site during drilling and completion, the south side shall have chain link fence at that time, and after completion of the well a 8 ft. chain link with opaque inserts that meet the requirements of the newly adopted Ordinance No. 814 (for reference), shall be erected around the exterior of the well site and a permanent 16 ft. sound barrier fence shall be extended to 600 ft. total along the east side of the location across from Gerald Smith's residence (400 ft. south and 200 ft. north of the center line of the Smith residence); that sound barriers be installed around all compression equipment, and subject to the road use agreement being signed and provided by EOG. Council polled: Karl Nail, yes; Joe Covey, yes; Mike Fullerton, yes; Jimmy Gurley, abstain; Gene Reid, yes. Motion carried.

ITEM 8: DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF RESOLUTION NO. 2018-09 APPROVING ASSIGNMENT OF 9-1-1 FEES TO 9-1-1 ACOG

Motion was made by Gene Reid and seconded by Mike Fullerton to approve Item 8 and adopt Resolution No. 2018-09. Council polled: Karl Nail, yes; Joe Covey, yes; Mike Fullerton, yes; Jimmy Gurley, yes; Gene Reid, yes. Motion carried.

Gene Reid called a 5-minute recess at 9:03 p.m. The regular meeting was reconvened at 9:08 p.m.

(Item 5 was called at this time.)

ITEM 9: INTERIM CITY MANAGER'S COMMENTS

Kevin Self commented that the new Economic Development Director, Jeannette McNally, began employment with the City last Monday. The new Code Enforcement employee starts on Wednesday.

ITEM 10: COUNCIL MEMBERS COMMENTS

Mike Fullerton requested more "No Jake Brakes" signs near well sites. Jimmy Gurley requested "No Trucks" and/or "Dead End" signs at NW 16th and Rockwell Ave. because of trucks not able to turn around. Karl Nail commented on the street in Eagle Lake Estates that is sinking and Kevin Self stated it is on the list for repairs.

ITEM 11: A. DISCUSSION AND POSSIBLE ACTION ON ENTERING INTO AN EXECUTIVE SESSION AS PERMITTED UNDER 25 O.S. SECTION 307(B)(2) DISCUSSING NEGOTIATIONS CONCERNING EMPLOYEES AND REPRESENTATIVES OF EMPLOYEE GROUPS (TWIN CITIES LODGE #135 AND IAFF LOCAL #3910)

Motion was made by Mike Fullerton and seconded by Joe Covey to convene the meeting of the Newcastle City Council into executive session to include the City Attorney and Interim City Manager. Council polled: Joe Covey, yes; Mike Fullerton, yes; Jimmy Gurley, yes; Karl Nail, yes; Gene Reid, yes. The motion carried and the Council convened into executive session at 9:45 p.m.

At 9:50 p.m. motion was made by Joe Covey and seconded by Mike Fullerton to exit executive session

and reconvene the open meeting of the Newcastle City Council. Council polled: Mike Fullerton, yes; Jimmy Gurley, yes; Karl Nail, yes; Joe Covey, yes; Gene Reid, yes. Motion carried and the open meeting was reconvened at 9:51 p.m.

B. DISCUSSION AND POSSIBLE ACTION ON ANY ITEMS DISCUSSED IN EXECUTIVE SESSION

Motion was made by Joe Covey and seconded by Mike Fullerton to approve the contract with Twin Cities Lodge #135. Council polled: Jimmy Gurley, yes; Karl Nail, yes; Joe Covey, yes; Mike Fullerton, yes; Gene Reid, yes. Motion carried.

ITEM 12: ADJOURNMENT

Motion was made by Joe Covey and seconded by Mike Fullerton to adjourn the meeting of the City Council. The motion passed unanimously and the meeting was adjourned at 9:52 p.m.

Except for motions, the minutes only constitute an outline of discussion made by the Council/NPWA and legal advice by the City Attorney.

Mayor

Vice Mayor

Council Member

Council Member

Council Member