

Yukon Municipal Authority Minutes
Special Meeting
September 24, 2002

A Special Meeting of the Yukon Municipal Authority was held at 7:30 p.m. September 24, 2002, in the Council Chambers of the Centennial Building, 12 South Fifth Street.

Roll Call: (present) Earline Smaistrila, Chair
Dewayne Maxey, Vice Chair
Ron Jurgensen, Trustee
John Alberts, Trustee
Genie Vinson, Trustee

Others Present:

Jim Crosby, City Manager
Pat Hargis, City Clerk
Tammy Nemecek, Administrative Assistant
Mike Segler, City Attorney
Robbie Williams, Engineer
Loretta Hale, Building Maintenance
Tim Rundel, Personnel/Safety Director

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- 1. Consider approving a Declaration of Intent and Commitment to enter into a “take or pay” contract with PESA, L.L.C., providing for the purchase, production and delivery of an annual average of 4.7 million gallons per day of Arbuckle Simpson groundwater**

A motion was made by Vice Chair Maxey, seconded by Trustee Jurgensen, to approve entering into a Declaration of Intent and Commitment to enter into a “take or pay” contract with PESA, L.L.C., providing for the purchase, production and delivery of an annual average of 4.7 million gallons per day of Arbuckle Simpson groundwater.

Gary Jackson, managing partner of PESA, LLC, addressed the Council and advised they are working with Canadian County cities in an effort to help them obtain underlying surface water. Mr. Jackson stated the area they are looking at is in the Arbuckle Simpson groundwater area and does meet all EPA standards. After completion of the project, member cities will own the water rights, lines, pipes, etc.

Trustee Jurgensen asked if this was a non-binding agreement.

Mr. Jackson stated it was.

Trustee Alberts asked what other cities were considering this proposal.

Mr. Jackson replied at this time, Piedmont, Okarche and Mustang.

Vice Chair Maxey asked if any cities outside Canadian County were considering joining.

Mr. Jackson advised that Chickasha is considering the plan, and presentations have been made to Norman, Newcastle and Goldsby.

Trustee Alberts asked the City Attorney, Mike Segler, if he considers this a non-binding agreement.

Mr. Segler said that it is non-binding, that this is just an agreement to investigate the feasibility of the project. Mr. Segler said we have yet to prove this is the sole source of this service and there has been no bidding, etc. so we can't enter into a binding contract.

Trustee Alberts asked Mr. Jackson to clarify the “non-binding” statement.

Mr. Jackson said this is only a letter of intent and perhaps the wording needs clarification.

PESA’s attorney stated that although this document is non-binding, that if the City of Yukon is not interested in participating, please advise so now, as there is a lot of expense involved, as well as needing to confirm the number of participants. He asked that the Council not take this issue lightly, as they will expend a lot of money to go forward with this project.

Jim Crosby, City Manager, stated this is a letter of intent to see if this is economically feasible and then they will bring the contract to buy water to the Council and it will be binding.

The vote on the motion:

AYES: Vinson, Alberts, Jurgensen, Maxey, Smaistrila

NAYS: None

VOTE: 5-0

MOTION CARRIED

2. Adjournment

Earline Smaistrila, Chair

Patricia G. Hargis, Secretary