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Case Number:

**Condensed Transcript to the Deposition of  
Taken on May 26, 2009**

by:

**Transcript Prepared by:  
FRANK PETERSON REPORTING SERVICE**

CITY OF OWASSO

PUBLIC MEETING

MAY 26, 2009, 7:00 P.M.

OWASSO CITY HALL - OLD CENTRAL

109 NORTH BIRCH

OWASSO, OKLAHOMA

Reported by: Linda Fisher, CSR-RPR

1 MR. RODNEY RAY: Ladies and gentlemen, it's seven  
2 p.m. and I'd like to get started on time if we can. My name is  
3 Rodney Ray. I'm the city manager of the City of Owasso. And I'm  
4 going to do a brief introduction of this project.

5 I do want you to note that we can be found at -- on  
6 the worldwide web at [www.cityofowasso.com](http://www.cityofowasso.com). That's  
7 [www.cityofowasso.com](http://www.cityofowasso.com). And there's always updates on the projects  
8 there and things of some interest, I think, to you.

9 Before I give an update on the project and then we  
10 open it to the audience, I would certainly like to introduce a  
11 few folks that are in our midst. And I actually want to bring  
12 Joe up here in just a minute.

13 I understand that representative David Derby is here.  
14 Representative Derby? There he is. Representative, would you  
15 like to address the crowd?

16 MR. DAVID DERBY: No, thank you.

17 MR. RODNEY RAY: Okay. Representative Derby is  
18 finally out of the legislature and he thinks that's enough. So,  
19 Representative, thank you so very much for being here and thank  
20 you for your efforts to get this meeting called. We appreciate  
21 it very much.

22 I would be remiss if I didn't also pass on our thanks  
23 to Senator Randy Brogdon who I think also was instrumental in  
24 helping getting this meeting going. We also have a member of our  
25 city council here, Councilor Doug Bonebrake, I think toward the

1 back in the green shirt. And Councilor, I appreciate you being  
2 here this evening.

3 I think -- I'm looking around -- I see -- I see we've  
4 got some of our staff. There's some other folks here. I think  
5 I'll stop with the introductions right there and just kind of  
6 move on.

7 Before we get into an overview of the project, or  
8 before we get into your comments, let me introduce to you a  
9 member of the Oklahoma Water Resources Board staff, the financial  
10 director of that group, and a person that the City of Owasso has  
11 had a longstanding history with and it's been a very good one.

12 The OWRB provides financing over the past 20 years,  
13 that I know of, to the City of Owasso in a number of projects  
14 that has made our quality of life much greater, much better than  
15 it has been before. Bill, I think even back to the times when  
16 you were here we used the OWRB when Bill was mayor and got  
17 several things done.

18 Joe has been with the board for a number of -- number  
19 of years, and I'm going to call on Joe now for any comments that  
20 he may want to make and any comments you may want to make to him.  
21 Joe.

22 MR. JOE FREEMAN: Thank you, Rodney. I  
23 appreciate the opportunity to be here this evening. As Rodney  
24 said, the water board has been very instrumental over the last  
25 several years providing financing to the City of Owasso. You've

1 always been excellent customers of the water board. I think  
2 we've done probably going on 20 projects, about over \$27 - \$28  
3 million in financing for wastewater and water projects the water  
4 board has been able to provide to the City of Owasso.

5 We estimate that through our loan programs we've been  
6 able to save you as ratepayers over \$9 million in interest  
7 expense by the way we do our financing. I just wanted to speak  
8 with you a second and talk about the process. When it's any type  
9 of a project, be it a water or sewer project, it comes to the  
10 water board and we're approached by a municipality and a rural  
11 water district that needs financing for a water project.

12 One of the first things that a community would do,  
13 especially if they're a new borrower -- not like Owasso who we  
14 have already developed and organized files on -- is just  
15 preliminarily to look at and make sure that the entity is a legal  
16 entity to borrow from the board under the Oklahoma state  
17 statutes.

18 That is any municipality, rural water district,  
19 virtually any kind of public entity you might be talking about.  
20 We do not do any funding for a nonprofit or private corporation  
21 or business directly. It is only to municipalities.

22 We'll look at the orders incorporating a district,  
23 and trust a indenture creating a municipal authority to make sure  
24 it's created appropriately under state statutes. We'll look at  
25 financial data. We'll look at all type of economic sources

1 because the main basis of our funds that we loan back to  
2 communities for water and wastewater construction is through the  
3 issuance of municipal bonds. That is how we get our -- our  
4 funding to finance your projects is through tax exempt municipal  
5 bonds.

6 A community would come to us with a project. And  
7 once there is a resolution passed by the local authority board,  
8 your municipal authority here in Owasso, the Owasso Public Works  
9 Authority, once a community determines, by majority vote, of the  
10 authority board or council that they want to approach us for a  
11 loan, as long it's a public project, you financially qualify for  
12 the project, you've met all of our economic criteria to borrow,  
13 you show the ability to repay the debt, that you'll be able to  
14 maintain the ratios that are required under our loan agreements  
15 with an entity, that is how we look at the funding of a project.

16 The type of a project that would be a community wants  
17 to undertake is a local decision. We do not get involved in that  
18 part of decision. Any of our type of hearings that we hold are  
19 hearings to determine the environmental type of questions, not  
20 questions of does the community want the project.

21 Once the authority board would pass a resolution  
22 saying they want to file an application for a project, we would  
23 move forward from that point. Everything else is a local  
24 decision, not a decision that we make, a decision to be made in  
25 Oklahoma City.

1           With that, I am just going to -- I think that several  
2 questions are going to be taken. I'll be happy to try to respond  
3 to any of those questions. Detailed questions about specific  
4 questions about a project, I will be more than happy to answer  
5 them. I might not know the answers this evening. We have quite  
6 a few projects going on.

7           We're very pleased to see so many communities  
8 undertaking projects right now in the state. We currently have  
9 about \$400 million in projects under review. Demand is up.  
10 We're glad to see municipalities addressing their water and  
11 wastewater needs. I'll turn it back to you now, Rodney.

12           MR. RODNEY RAY: Okay. Thank you, Joe. I very  
13 much appreciate Joe's willingness to be here tonight. And if you  
14 have questions of Joe, you can see him after the -- after the  
15 hearing is over or you can approach him on the side, if you want  
16 to, in any way that you want to and get his response.

17           Let me go over a couple of the -- a couple of the  
18 procedures this evening. This is a public meeting. We do not  
19 have a time clock on anyone. We do not have a list that you have  
20 to sign up and speak from. The only thing that prevents you from  
21 talking to us is whether or not you're timid or not.

22           If you want to speak, if you want your comments  
23 recorded, and you want your questions answered, if you will  
24 please at some point -- and I'm going to give you the heads up  
25 when -- walk over to this side of the room and line up. And

1 whoever is next will be whoever speaks.

2 We're not going to call on people, we're not going to  
3 limit you. We'll stay here as long as you want to talk, as long  
4 as individually and corporately you want to talk. I would like  
5 to -- if I can find it -- I would like to introduce you to Linda  
6 Fisher who is up here in the front. Linda is a certified court  
7 reporter and is making a verbatim transcript tonight of the  
8 proceedings.

9 If you would, when you come to this podium, state  
10 your name clearly and your address for the record. We will then  
11 -- we will then take all questions that anyone may have. And we  
12 will develop answers to those questions. And we will get back to  
13 you as a -- as a group and individually.

14 A free copy of the transcript that we take this  
15 evening will be provided to any news outlet that requests it.  
16 And it will provided, one copy, to the Owasso Taxpayer Alliance,  
17 and one copy to everyone who is a member of the city council, and  
18 a copy or as many copies as the OWRB wants and Representative  
19 Derby and Senator Brogdon. So we will make copies of that for  
20 those people.

21 If you want a copy individually, however, this is a  
22 very expensive proposition. And we are going to ask that you pay  
23 the statutory fee for that copy. Now, if you want to get with  
24 the Taxpayer Alliance or with Representative Derby and they want  
25 to make you copies, then that certainly will be up to you. But

1 we're going to -- we're going to make copies for the council,  
2 copies for the OWRB, copies to the Taxpayer Alliance, and copies  
3 for the -- did I say the city council, for the city council.

4 Let me -- let me expand a little bit on the  
5 questions. We're not here this evening to have a debate about  
6 this issue. This is a public meeting that has been called to  
7 solicit input from citizens about the project. And the project  
8 truly is broader than what we're going to talk about tonight.

9 The project consists of a wastewater treatment plant,  
10 a detention -- an area detention facility, and the 76th Street  
11 wastewater interceptor line. I think we're developing -- I think  
12 we're focusing tonight on the 76th Street wastewater interceptor  
13 line. And that's what most of my comments are going to be on.

14 So if you have a question that you want  
15 Representative Derby or Senator Brogdon or the OWRB or the city  
16 council to see the answer to, and if you want to see it, please,  
17 at some point while you're at the podium, state your question  
18 very clearly. It will be transcribed and we will develop all of  
19 the rest of this week and early part of the next week to  
20 answering those questions.

21 They will be placed on the website, on our homesite  
22 clearly identifiable so you can go on there and say here's the  
23 question we asked and here's the answer, and it will be there.  
24 Any questions that you have of Mr. Freeman and OWRB, if you want  
25 them answered on the website, you need to ask them up here, too.

1 And if we don't know the answer -- and there's some process  
2 questions I simply don't -- I simply don't know.

3 I just know we have a very stable financial standing  
4 with the OWRB. And we -- our coverage rate is one of the highest  
5 in the state. And when we ask them to borrow money if the city  
6 council approves it, they generally have been very willing to  
7 help us build our new infrastructure.

8 So let me go over that. If you want to speak, in a  
9 few moments I'm going to ask you to line up here. Please, please  
10 be -- be gentle with each other. And whoever is first in line,  
11 just come and say whatever it is you want to say. Take all the  
12 time you want. Ask your questions. We will transcribe those  
13 questions down verbatim and then we will answer them and we will  
14 make those answers available.

15 I don't think there's anything else I really need to  
16 dwell on. So I will begin. I have just a few brief remarks to  
17 start so you will know and we will know what we're talking about.

18 First, let me talk a little bit about the project  
19 history. In October of 2007, the city council and the OPWA  
20 approved a resolution that authorized the financing, the  
21 financing application from the -- to the Oklahoma Water Resources  
22 Board. That resolution was passed unanimously by the city  
23 council, all five members.

24 In August of 2008, the city council and OPWA approved  
25 an engineering services agreement with Greeley and Hansen for the

1 design of the 76th Street sanitary sewer interceptor. We had  
2 previously contacted with Greeley and Hansen for the wastewater  
3 treatment plant. And that contract was approved unanimously; all  
4 five members of the city council voted in favor of that  
5 contract.

6 In January, January 20th, January 15th of 2009, the  
7 city council approved an ordinance that required a payback. We  
8 try to learn as we go and we've never required a payback before.  
9 By ordinance, we want everybody to pay their fair share. So the  
10 city adopted an ordinance that required anybody that attaches to  
11 the 76th Street North sewer interceptor to pay a per acre payback  
12 fee. And that fee was to be determined after we have all the  
13 costs in, interest, everything, everything in.

14 That ordinance was adopted four to one by the city  
15 council at that time. In March of 2009, we held our fourth  
16 meeting on this issue. And it was a public hearing conducted, I  
17 think, for the environmental -- the environmental section of the  
18 project. Ten citizens spoke. And I don't know the breakdown of  
19 how many said this is a good deal, and how many said it was a bad  
20 deal.

21 Then on May 19th of 2009, the trustees again approved  
22 a resolution adopting the environmental document and certifying  
23 that the public hearing wasn't conducted and again, in all except  
24 one vote, that was unanimous by the city council. So that's a  
25 little bit about the project history.

1           Let me talk to you a little bit about the area that  
2 this line will serve. Generally speaking, this area that will be  
3 served here is about 3800, 4000 acres of property that lies to  
4 the east of the City of Owasso, east of about 145th Street. It  
5 may actually serve some areas between 129th and 145th. But  
6 generally, it's to the east of the City of Owasso, and it  
7 encompasses a number of -- a number of acres.

8           The next slide you will see behind me, shows you the  
9 drainage basin, the actual drainage basin that this line is  
10 engineered to serve. And you can see the blue dotted -- you can  
11 see the blue dotted line that defines the entire basin.

12           Within that basin there are areas of developed and  
13 undeveloped properties. So the next slide you will see shows you  
14 the areas in that drainage basin that are already developed.  
15 That means they already have been platted or they have homes on  
16 them.

17           And then finally, the rest of that area is  
18 undeveloped. And I believe the net acres is 3,843. The  
19 developed land is 770 acres. And the undeveloped acreage is  
20 3,136 acres. No property is exempt from the payback. Whether  
21 you've got a cow pasture, a lake, a golf course, it doesn't make  
22 any difference, nothing is exempt from the payback.

23           The last slide on the map that I will show you is an  
24 area that shows you the proposed line. And I think it's more  
25 than proposed, Roger, it's under design. So it is the -- it is

1 the route that we are expecting that line to take.

2 I would like to just visit with you briefly about the  
3 project cost. The project cost is estimated at \$6,325,000. And  
4 the -- there is a mandatory payback fee. No one ever can attach  
5 to that line without violating an ordinance. No one can ever  
6 attach to that line without paying the fee. And that fee will be  
7 determined once we have every single cost including interest and  
8 everything else on there.

9 There will be no cost that will be exempt from the  
10 payback and no one will be exempt from the payback. We thought  
11 that was just a good business decision and makes sense, something  
12 else we learned from the Ranch Creek Project.

13 Next is the estimated payback time. We believe,  
14 based on a model that we have developed, that the payback, that  
15 the area we'll develop, the payback will last for about 27 years.  
16 Therefore, we'll probably look for the OWRB to give us a loan  
17 somewhere between 25 and 30 years in duration so that that line  
18 can be -- can be fully paid off.

19 But under no circumstances, even if the notice is  
20 paid off and there are people that still come on later, like we  
21 see now on the Ranch Creek, 30, 32 years later, people are still  
22 attaching to it free and the taxpayers, though, when that line  
23 was first built, footed the bill. So that can't happen here.  
24 Even after the note matures and it's paid off, someone attaches  
25 there, they still have to pay the payback fee to the citizens of

1 Owasso.

2 Please note the contact information that you may want  
3 to get in touch with us. You can reach me on the internet at  
4 rjray@cityofowasso.com.

5 Mr. Rooney, stand up. I know he's here. Mr. Rooney  
6 is way back in the back behind the glass. His -- he is the  
7 assistant city manager for operations. Mr. Rooney can be reached  
8 at tdrooney@cityofowasso.com.

9 Mr. Stevens, would you stand up. Mr. Stevens is the  
10 Director of Public Works, the Public Works Director. And Mr.  
11 Stevens can be reached on the internet at  
12 rstevens@cityofowasso.com.

13 The next slide is the slide of contact information  
14 for the City of Owasso city council. All city councilors can be  
15 reached at the address shown. It's their first initial, last  
16 name @cityofowasso.com. And they will get your e-mail.

17 Finally, the contact information for Mr. Freeman and  
18 the OWRB by -- by e-mail, at least, is www.owrb.ok.gov. And,  
19 Joe, I'm assuming if people e-mail there, that will get to the  
20 appropriate party and can get back to them.

21 I do want to tell you that we have a handout for you  
22 after the meeting is -- after the meeting is over. And I do want  
23 to tell you that this public meeting also provides for written  
24 comments. If you didn't get to say what you want, or if you're a  
25 little bit nervous and you don't want to get up before the folks,

1 or if you say something and you want to revise it, I think,  
2 Representative Derby, they call that revised and extended remarks  
3 that the legislature has.

4 We're just going to give you a time through June  
5 29th, five p.m. on June 29th (sic) to submit any follow-up  
6 comments that you may have on this project. All of those  
7 follow-up comments will be provided to the OWRB, will be provided  
8 to the city council, will be provided to the press and will --  
9 what did I do wrong?

10 JULIE: June 9th.

11 MR. RODNEY RAY: What did I say?

12 JULIE: 29th.

13 MR. RODNEY RAY: The paper says June 9th. I  
14 don't know what devil got into me with that. But it is June 9th.  
15 In other words, you have to get your comments in to us before the  
16 next action is going to be taken on this. We don't expect that  
17 action to take -- to be for a while. And we'll get the  
18 transcription done, we'll get all the answers out to the  
19 questions, we'll get all the comments to the people before we  
20 take any action, any further action on this before the city  
21 council or the OPWA.

22 So let me say that again. On Tuesday, June 9th at  
23 five p.m., if you have revised and extended remarks, please make  
24 those in writing by either e-mail or by the regular mail or by  
25 bringing them to City Hall and dropping them in someone's hands

1 and we will get them in.

2 Joe, I might just ask if someone sends you comments  
3 and you want them included in that transcript and in those --  
4 those extended remarks, we'll be glad to put those in, to put  
5 those in also. Let me see if I missed anything. I don't think I  
6 have.

7 Again, I want to remind you that every -- every word  
8 we say is being taken down for the -- in the interest of accuracy  
9 and we will have that transcript available for you. After the  
10 meeting is over, I think Joe is going to stick around till after  
11 the meeting is over and you can visit with him further.

12 So at this time if you would like to speak -- and we  
13 don't all have to get up -- the first two or three people can go  
14 over here and kind of come in. You can get behind Bill over  
15 here. And then just kind of line up. And the next person kind  
16 of stay back toward the wall.

17 We'll all listen to the folks that are here and we'll  
18 -- we'll move on. So I will simply quit now and ask Bill to set  
19 a good example as a former mayor and a former public works  
20 director and the champion frog jumping mayor in all of Tulsa  
21 County. I think I did beat you. I think that's right. As the  
22 runner up frog jumping mayor in all of Tulsa County.

23 Set a good example, Bill, state your name clearly and  
24 your address. And let's move forward.

25 MR. BILL WILLIAMS: Thank you, Rodney. I'm Bill

1 Williams. I live at 501 North Birch. I moved here in 1968. We  
2 never got very active in the city. At the very start I think the  
3 city was about 5,000 population. Got elected to the council and  
4 the first thing I knew, I was the mayor of the city and got in a  
5 lot of trouble here.

6 And in the sewer, and working as a contractor, my  
7 brother in water and sewer. And I guess that's why they put me  
8 on the council because I knew a little bit about the water and  
9 sewer. And I served there for a number of years and got to be  
10 public works director. And served on the planning commission for  
11 a number of years.

12 I kind of hesitate to come down here tonight and talk  
13 about this problem that we are having here. But, you know,  
14 that's the way we grew Owasso. We kind of took these satellite  
15 areas out like Hillside and Meadow Crest and Hale Acres and those  
16 places and kind of brought them into the city here. And that's  
17 the kind of the way we built Owasso.

18 And sometimes it's done good. I know we've got some  
19 problems in Hale Acres, but I think we're going to work those  
20 things out. You know, we -- we took those problems and we've  
21 been pretty good at solving some of them. And I -- and that's  
22 the way this whole city was built, you know. It was bringing  
23 those satellite communities in and developing them in and bring  
24 them into -- into the community.

25 Most people don't know that you live four or five

1 miles out here, six miles out here and you don't call -- you call  
2 it Owasso, you know. Everybody out there, I think, is Owasso.  
3 You know, you might not be in the city limits but still in  
4 Owasso, you know. So that's the way this thing was built. And  
5 we are proud of this little community.

6           And these developers that have got Stone Canyon out  
7 here, bless their heart. I know all of them. And no one has any  
8 more respect for them than I do. They're good developers, good  
9 people. And I know -- I knew them growing up, you know. And  
10 they might have something out there that -- they may not know all  
11 about, you know.

12           Rock is hard -- hard land to develop. I know that.  
13 I've been in rock. I ran a construction company for 13 years and  
14 when you get into rock it costs you a lot of money. And it's  
15 going to cost a lot of money out there. And this here little  
16 figure that Rodney gave a while ago of \$6 million, I don't know,  
17 Rodney. Have you ever dug rock? You know, it costs a lot of  
18 money.

19           And they might have something out there that's got a  
20 lot of unknowns, you know. And that's what I'm concerned about  
21 is OPWA. I helped put OPWA together. And that's what I get  
22 calls about. A lot of people is calling me that, you know, I  
23 never got so many calls in my life about OPWA. What are we going  
24 to do? This thing is going to go together out there. It's going  
25 to cost these old people a lot of money.

1           And I noticed, what, the other day, Broken Arrow went  
2 up \$40 on sewer rates and water rates, things like that. And  
3 what will happen here if it don't go together out there? Some of  
4 those people can't stand \$40, \$50 on their bills right now. You  
5 know that, we know that. And that's what's going to happen if  
6 this thing is going to go together out there.

7           OPWA is going to have to increase rates. I don't  
8 know what the golf course is doing. I don't think it's standing  
9 on its own now. And we can't stand another one of those, you  
10 know, and OPWA not being here. And I think that's what's going  
11 to happen out there. We're going to have to -- we're going to  
12 jack up OPWA rates. Everybody knows that. You know that. You  
13 know that.

14           And can we afford that? I don't think we can. And  
15 with the economy like it is, it's not a good time to look at a  
16 project like this, the size of it and the price it's going to  
17 cost to put that sewer line in out there. And I'm just deeply  
18 scared about it. I'm really concerned about it.

19           What I would like to propose -- I don't think it's  
20 been done -- but maybe have a performance bond, eight or 10-year  
21 performance bond. And I hate to pull that on the development,  
22 you know, but dad gum something is going to have to take -- if  
23 they perform for eight or 10 years and it looks good on that  
24 developer, you know.

25           We've got to keep OPWA in the clear for eight or 10

1 years and I'll be kind of happy, you know. If we can keep them  
2 clear for eight or 10 years, then I think our heads will be above  
3 water. But we sat up there with this kind of a bill up here and  
4 this economy like it is four or five more years, OPWA is going to  
5 be in trouble.

6 So we talked to the developer. And I don't think a  
7 performance bond is going to hurt them that bad. Put a five or  
8 \$6 million performance bond on the development because that's --  
9 you know, it's not that bad. You do it on streets and stuff like  
10 that all the time. And I think a bonding company would go along  
11 with the developers, good developers. There's sorry developers,  
12 you know. No problem out of people.

13 You put a good performance bond out there for eight  
14 or 10 years and keep OPWA, you know, the water, and things like  
15 that. But first on my list is the people I talk to, the only one  
16 they're concerned about is OPWA. Don't jack up our, you know,  
17 our water bills and sewer bills \$40, \$50 a month because no way  
18 some of those people can stand it, you know.

19 But see if we can work on something like that with  
20 the developer and keep -- keep citizens here kind of happy. And  
21 I think they'll -- you won't see any crowds coming in here or  
22 something like that, if you work with them, or something like  
23 that, talk to them about something like that. So now if you've  
24 got any questions, I'll be happy to answer some questions.

25 MR. D.J. GALL: D.J. Gall, 10950 (indiscernible).

1 Thank you. Thank you, everyone, for attending. I appreciate the  
2 gentleman breaking the ice for me a little bit. I would like to  
3 echo some of the same concerns.

4 It's not that we are against Stone Canyon  
5 development. I think it's a great development. But I don't  
6 think the taxpayers of Owasso should be paying the sanitary sewer  
7 to the benefit of the Owasso Land Trust. They stand to make a  
8 lot of money out of this deal.

9 The citizens shouldn't be on the hook for paying for  
10 this \$6.3 million sewer line. Council Bonebrake, I want to thank  
11 you for attending. It's nice to know that at least one of the  
12 five councilors felt like this was a worthwhile public meeting to  
13 attend, therefore, he would be here.

14 I'm going to start by getting a few facts out. There  
15 are, I believe there are three city councilors that should excuse  
16 themselves from any discussion or voting concerning the Stone  
17 Canyon development due to a conflict of interest with Owasso  
18 Planning Trust.

19 In the most recent election, 22 percent of Mayor  
20 Cataudella's campaign was financed by the Owasso Land Trust.  
21 Councilor Stovall's primary election campaign was financed 34  
22 percent by the Owasso Land Trust and his general election was  
23 financed 43 percent by the Owasso Land Trust. That's a conflict  
24 of interest.

25 In 2007, Councilor Guevera moved into a home in

1 Preston Lakes that was held for him for over seven months by the  
2 -- by an owner of the Owasso Land Trust. This gave that  
3 councilor time to sell his previous home in Three Lakes Village,  
4 during which time the city completely replaced the roads and  
5 sidewalks in Three Lakes Village so that he could move into a  
6 home that was being held by the Owasso Land Trust for him.

7 In previous public meetings, the developers of the  
8 Owasso Land Trust stated they were willing or are willing, maybe  
9 they still are willing to pay for the complete design and  
10 construction of the main sewer line. Other builders in this city  
11 have successfully extended sewer lines to their new developments.

12 If the developers of OLT fund the money to build their  
13 sewer line, the City of Owasso would immediately realize positive  
14 cash flow from anyone who ties in to this sewer line and the  
15 taxpayers of Owasso would not be on the hook for the debt for  
16 that sewer line. And the taxpayers would not be indebted for the  
17 benefit of the Owasso Land Trust.

18 I really think that this money that we're borrowing  
19 could be better spent in other areas of the community for the  
20 existing citizens of Owasso. We have infrastructure and sewage  
21 and drainage issues throughout the community that's failing or  
22 deteriorating.

23 I know there's some areas in the city that require  
24 monthly maintenance by the Public Works Department, on rainy  
25 occasions, the sewer lines, to make sure that they flow on a

1 regular basis. I think this money would better be spent  
2 addressing the needs of our existing citizens.

3           Additionally, normal to heavy rains typically cripple  
4 the inflow to our wastewater treatment plant. That's right.  
5 During heavy rains, our wastewater treatment plant sees two to  
6 three times the normal flow of the sewage. That's not just  
7 sewage, that's a lot of water in our wastewater treatment plant.

8           That's the process. That's because of inflow and  
9 infiltration to existing sewer lines, over bridges or water  
10 overflowing in the lift stations or what have you. But this  
11 money could be better spent addressing the existing needs of our  
12 infrastructure.

13           There are homes in Hale Acres with toilets that won't  
14 flush during the heavy rains. As it builds in the low spots  
15 allowing heavy rains to overflow into this sewer basin, there are  
16 serious -- there are serious flooding issues in old town,  
17 Brookfield Crossing, Hale Acres, Ator Heights, just to name a  
18 few.

19           I've not compiled the data but there have been  
20 numerous sewer bypasses in our community that discharges raw  
21 sewage into our yards, ditches and creeks. This is a stack  
22 (indicating) of reports that the City of Owasso is required to  
23 file with ODEQ. And this is from the last two to three years of  
24 bypass reports that are -- that have to be filed. So I don't  
25 know how many are here. I've not compiled them all. But we've

1 got drainage and sanitary sewer issues elsewhere in the city that  
2 this money should be spent to address before we add additional  
3 inflow to our wastewater treatment plant.

4           So if you're going to put us into debt, put us into  
5 debt to fix the existing needs of the citizens instead of, you  
6 know, building additional infrastructure that, you know, we're  
7 having a tough time affording right now. We're having to dip  
8 into our reserve funds to make ends meet in this budget year. We  
9 continue to add more services, more infrastructure. The existing  
10 funding methods won't support the cost the city incurs.

11           I mean, the next step will be property tax increases  
12 which have been discussed by the city council and city manager.  
13 Tulsa County is already the highest property taxed county in the  
14 state. Why are we going to levy -- we shouldn't even be  
15 discussing a property tax increase by the City of Owasso.

16           Earlier this year, during the council meeting, city  
17 manager Rodney Ray said that, in fact, it may take 50 years to  
18 attempt payback, not just 27. This is nothing more than a city  
19 level stimulus package that will indebt future generations of  
20 Owasso residents. I disagree with the funding method.

21           I don't think government should be involved in  
22 private developments. This money could be better spent  
23 addressing the needs of our existing citizens that have been  
24 ignored for years. If you have any questions, I'm available.

25           You can also go to the [owassotaxpayer.com](http://owassotaxpayer.com) website.

1 There's a lot of information on that website, owassotaxpayer.com.  
2 I don't know if I can answer questions, but if anyone would like  
3 to ask one, I'll try.

4 FROM THE FLOOR: I had one quick question. The  
5 total acreage was somewhere around 4,000 acres; is that right?

6 D.J. GALL: Yes.

7 FROM THE FLOOR: And there's going to be a total  
8 cost. And I understand it's going to be divvied up. And my  
9 understanding again was no one is going to get out of paying  
10 that. What about the uninhabitable acreage? Who is going to pay  
11 that? I mean, --

12 D.J. GALL: That's a very good point.

13 FROM THE FLOOR: -- if it's --if it's divided  
14 amongst all the acreage, it's obviously going to be diluted.  
15 Then if you add to that 26 years of interest, how much of this is  
16 actually going to get funded or paid back?

17 D.J. GALL: Well, that's a very good point. It's  
18 my understanding that if the land is never platted, it will never  
19 have to pay a tie in connection fee to the sanitary sewer. So if  
20 there's vacant land out there that never gets platted or existing  
21 homes that continue to use the sewer system that they're already  
22 on, they will never tie in to a sanitary sewer line and  
23 contribute to the payback.

24 Why would a citizen or a homeowner spend 15 to  
25 \$20,000 today to dig up their septic system and tie into a

1 sanitary sewer system? A lot of people don't have 20 grand  
2 laying around to dig up a septic system and then tie into a  
3 sanitary sewer. And I don't think including already developed  
4 homes in the payback should occur.

5 It should be just the -- the Stone Canyon development  
6 should be the sole calculation, minus the golf course, minus the  
7 land and whatever, a park, or something like that, you know, get  
8 a better deal for the citizens at the very least.

9 FROM THE FLOOR: There's lots of development,  
10 additions in that general area on the east side of the road that  
11 goes down over the bluff at the end of 76th Street at the curve.  
12 Those people have been out there a long time. Have they had any  
13 problems at all with the sewer with the septic system they have?  
14 Have they ever had any problems?

15 D.J. GALL: I can't answer that question. And I  
16 believe that area is up side of the basin.

17 FROM THE FLOOR: But they have never had any  
18 problems. It's been there for years.

19 D.J. GALL: Okay. I -- I can't answer that  
20 question without studying the map. Yes, sir.

21 FROM THE FLOOR: Are all of the future homes in  
22 Stone Canyon going to be required to tie into the city sewer line  
23 or are they going to be given the option?

24 D.J. GALL: The city ordinance states all new  
25 homes built inside Owasso city limits must tie into the sanitary

1 sewer. They cannot be built with a septic system.

2 FROM THE FLOOR: D.J., I think unless you ask a  
3 specific question, we're not going to get a specific answer. I  
4 think that was part of the protocol for this. And so all these  
5 questions I don't think we're going to get official answers on  
6 unless you ask a specific question. Wasn't that the rules?

7 I mean, you answering questions is great, but unless  
8 you speak in there, we're not going to get a reply. It's not  
9 going to be part of the --

10 D.J. GALL: Okay. The question was: Are all  
11 homes being built in the Stone Canyon required to tie into the  
12 sanitary sewer? And if a home is inside the city limits, then it  
13 will have to be tied in to the sanitary sewer.

14 FROM THE FLOOR: To the next point, if the  
15 clubhouse isn't built for the golf course that's going to be out  
16 there -- and I'm not sure how many acres it's going to occupy --  
17 is it going to have to pay a per acre fee to tie into that sewer  
18 line when it occupies 1500 acres of that land?

19 D.J. GALL: The question was: Will the clubhouse  
20 at the Stone Canyon have to pay the payback fee?

21 Again, if it's platted and it ties into the sanitary  
22 sewer, then it will have to pay a payback fee. If that land is  
23 platted. But now, the developer may choose not to develop or not  
24 to plat certain areas of that property.

25 FROM THE FLOOR: Exactly.

1           D.J. GALL: And take 30, 40, 50 years to plat all  
2 of that property. They can -- they can build that development  
3 out in as many phases as they want. They can plat 10 acres and  
4 build all the homes and plat another 10 acres and build those  
5 homes. So it can drag the development out for many years.

6           I appreciate all the citizens coming. One more  
7 question?

8           FROM THE FLOOR: Yes, sir. What's the interest  
9 rate on the loan that we're talking about from the OWRB?

10          D.J. GALL: The question is: What is the  
11 interest rate on the OWRB loan. I cannot answer that directly.  
12 I know it's --

13          FROM THE FLOOR: Well, he said we could ask  
14 questions and if he's here, --

15          D.J. GALL: Yes. We'd like to know the interest  
16 rate. Yes, sir.

17          FROM THE FLOOR: Do you have any idea how many  
18 homes we're talking about being built out there?

19          D.J. GALL: I do not. I don't know how many  
20 homes they're planning but I know that if it was a 20-year  
21 payback which we originally discussed, the OWRB loan was going to  
22 be 20 years. I did just a rough calculation and 40 half-acre lot  
23 homes would have to develop every single month for the next 20  
24 years in that development alone just to make the payments on that  
25 \$6.3 million loan.

1 FROM THE FLOOR: And that's the point I was  
2 getting to. When I bought my first home in Owasso, I had a 9  
3 percent interest rate. That was back in '89. And the payback on  
4 my \$72,000 loan was more than triple. So the \$6.3 million we're  
5 talking about is going to be at least 15 million, probably closer  
6 to 20 million if they have an aggressive rate of buildup out  
7 there.

8 D.J. GALL: I think the question is to make sure  
9 that the payback covers the cost of the interest. And the way  
10 the ordinance is written, the complete cost of the loan,  
11 principal and interest will have to be collected through paybacks  
12 no matter how long it takes.

13 FROM THE FLOOR: Or rate increases.

14 D.J. GALL: Or rate increases. This is a fixed  
15 rate loan. I appreciate everyone coming out tonight. Thank you.

16 MR. RODNEY RAY: Let me be sure I clarify one  
17 thing. The court reporter is not able to hear everyone. And  
18 some of the answers that you've just gotten are not exactly  
19 correct. So if you want your question answered, you would be  
20 better off to come up here and state your question here.

21 We're not going to stop. You can -- I mean, you can  
22 ask the speakers any question you want. But if you want the  
23 answers to your questions that are published and put out to  
24 everyone in the light of day for everyone to see, you would be  
25 better off coming to the wall and asking those questions.

1           And if you just want to get up here and say, I've got  
2 five questions: A, B, C, D, E, F, whatever five is, we'll write  
3 those down and we'll get them back to you, too. Whoever is next.  
4 I don't know who it is.

5           RICKY HAYES: My name is Ricky Hayes. I'm a  
6 resident of Owasso at 7527 North 133rd East Avenue. And I just  
7 want everybody to know that's not the first time Rodney has  
8 stepped in front of me in the lineup.

9           I'm a former employee of the City of Owasso. And probably  
10 can say, with all candidness, that my seven years and few days  
11 with the city were probably the highlight of my working career  
12 for a number of reasons.

13           After my time with the city, I started my -- a  
14 company, my own company which I'm very proud of, that works with  
15 other cities, primarily in the area of economic development and  
16 consulting. And although all of my clients are not municipal  
17 government entities, the majority are.

18           And I can tell you from experience that at least in  
19 Oklahoma and the cities I work with, there are four basic types  
20 of cities. There are forward cities and backward cities, and  
21 backward cities moving forward, and backward cities with no  
22 intention of moving forward.

23           And at some point in a city's -- in a city's life, a  
24 decision is made to -- to grow, or in the case of some cities, to  
25 die. Because in life, if you're not growing and in the -- the

1 life cycle of a city, if a city is not growing, it is  
2 deteriorating.

3 And I'm proud to say that during my time with Owasso  
4 and even now in my choosing to invest in this city in a home and  
5 to raise my last child here -- the other three were raised in  
6 Texas -- and I want to say also that this is the first time I've  
7 ever spoken at a city meeting when there was no time limit so  
8 I've been waiting for this for a long, long time.

9 And you can tell I'm a Texan. So I'm going to talk a  
10 little bit slower. And by no means am I going to write a written  
11 thing because it will take me forever. I can speak better than I  
12 can write. And so just -- just bear with me.

13 Owasso has always been a forward city. Mr. Williams  
14 alluded to that fact earlier. And I appreciate his time and his  
15 investment financially in this city. Because we've been a  
16 forward city, we've enjoyed unprecedented growth. Not -- not  
17 mediocre growth, not spurty growth, but unprecedented growth in a  
18 number of areas: In residential development, in retail  
19 development.

20 We have two state-of-the-art hospitals. We have a  
21 growing and enlarging and improving public school system. It's  
22 one of the best in the state. And now we have a post high school  
23 educational opportunity that's coming to our city because this  
24 city is a forward city.

25 We are here tonight to -- to voice our opinion about

1 a sewer line interceptor that the city is building. And I'm  
2 really a little upset when I read in various publications of the  
3 controversial "Stone Canyon sewer line." Because this is not the  
4 Stone Canyon sewer line. This is the East 76th Street North  
5 sewer line. And it goes right by my house.

6 And I am very happy to tell you that in my seven  
7 years in this city, we -- we grew in retail development to become  
8 the envy of the state which really gave me a platform to start my  
9 company.

10 There are other cities in this room here tonight  
11 represented. The mayor of Claremore is here, the city manager of  
12 Claremore is here. A staff member of the city manager is here.  
13 I ran into a city councilor from Broken Arrow. And in asking  
14 these people why are you here, they're here because this is  
15 important to them because they want to be forward cities, too.

16 And in the past years, and really before my time, the  
17 City of Owasso extended sewer lines north, south, east and west.  
18 And wherever sewer lines have been extended, there has been  
19 residential growth, there has been increased ad valorem value  
20 created, and there has been a growth in the overall quality of  
21 life of the city.

22 And the same thing is going to happen here. When we  
23 were doing the retail recruitment for the Targets of the world  
24 and the Best Buy's of the world and those type retailers that are  
25 here in our city, they all told us to the last one, when we first

1 got after them they all said, We would never come to a city this  
2 small. And what convinced them to come was public, private  
3 partnerships between the city and the developed community that  
4 caused the growth that you see.

5 Other cities who have hired my company have given me  
6 a mandate: We want to see the same type of retail growth here as  
7 you were a part of in Owasso. I just got back from the largest  
8 retail convention in the world. It happens every May in Las  
9 Vegas. And I am known to the retail groups in Las Vegas as "the  
10 guy from Owasso." Because Owasso has a reputation as being a  
11 forward city.

12 I'm not here to speak as a -- an expert. I'm  
13 certainly not an expert. But I can tell you what made our city  
14 great was the same type of effort that is being done to put this  
15 sewer line in. And that is, to make it easy for our city to  
16 grow.

17 And I want to say that I support the city. I support  
18 Mr. Ray and his staff. I'm also glad I don't have to wear a tie  
19 anymore. But I'm going to tell you, my time here was the best  
20 times of my life.

21 This city is a "think outside the box" and a "get it  
22 done" city. And we're truly the envy of the State of Oklahoma  
23 because of what's been done here. I applaud the staff and I  
24 applaud Mr. Ray and the vision of city council for -- for making  
25 that growth happen. Thank you very much.

1                   PHYLLIS LAVENDUSKY: Good evening. I am Phyllis  
2 Lavendusky. I live at 404 North Atlanta in this beautiful city  
3 of Owasso. I do have some comments about Owasso city getting  
4 private developers in a private addition a sewer line when we  
5 have people in Owasso, they'd like to have never got the city to  
6 take care of the sewer that was in the city that was running  
7 through their garage. The city finally did it but the people put  
8 it up for sale and left.

9                   And the streets, some of them are terrible; you don't  
10 want to drive too fast or you're going to have a blowout. And  
11 the developers, I know that one of them knows what kind of an  
12 area this Stone Canyon is because I've known him all his life.

13                   That rock crusher, they're just next door to it. We  
14 have felt what feels like a small earthquake. It has cracked  
15 mortar in the bricks in the city. In fact, it has caused some  
16 fireplaces to lean. We had to have ours put back up.

17                   And I cannot believe that these five men would think  
18 that this was a good thing to do to people. Many people can't  
19 afford it. They're losing their jobs, there's many working two  
20 jobs. The council may not associate with the people I know and  
21 who I've met passing a petition.

22                   But David knows as well as I, one of the developers.  
23 He was raised in a house just across the street from me. The  
24 walls cracked. It's a mess. What is going to happen out there  
25 when that rock crusher is much closer than it is to us. And I

1 think maybe if you haven't lived here for years, you wouldn't  
2 know it. I don't think it's even being fair to those people.

3 And I just think that our city council should better  
4 step back and take a look at this. They're doing nothing but  
5 hurting people if you go through with developing this thing. All  
6 I'm asking is you just think before you go or get into something  
7 like this. Because I guarantee you I may not be here to tell you  
8 I told you so. I want to tell you now if I'm not here, that I  
9 told you so.

10 And I would appreciate everybody really thinking  
11 about it. It's a burden we can't afford. I was in Hale Acres  
12 the other day. This was a good one. I said, Why does everyone  
13 have all of these little gullys washed out on both sides of their  
14 yard. And they said, Well, that's what the city said we had to  
15 do. It was flooding us out up here. So they said just dig a  
16 gully down the side of your house.

17 That's really helpful to people paying the bill,  
18 isn't it? So I just -- I just want to let you know it's not a  
19 good thing to do. I don't have a college degree but you know  
20 what? I did get blessed with common sense.

21 JEAN WEBB: My name is Jean M. Webb. I live at  
22 601 North Birch. And I want to thank Rodney and the other  
23 officers here. Thank you for letting me have my say. I  
24 appreciate it.

25 We moved here in 1955. And there was 500 people

1 here. And we have been real fortunate to see this town grow from  
2 a little town that had dirt roads to what we have now. And it  
3 has been a wonderful experience growing with this town. I  
4 noticed that, according to the map, that most of this is going to  
5 be on the other side of 145th Street.

6 Most of the people that I have spoken to in regard to  
7 this, their question is: Are the people of Owasso going to have  
8 to pay for this. I have been told no, that we are not going to  
9 have to pay for this, that it will be people that live in the  
10 area that will be using this pipeline, which I think is a fair  
11 assumption.

12 However, no one has ever put it in the paper that we  
13 who live in the City of Owasso will not be charged for this pipe.  
14 And I think that the city fathers need to contact the paper and  
15 let the people know that the people that live in the area that  
16 this line is going to be put in are the people that are going to  
17 pay for the line.

18 And I feel like we should not have to pay in our bill  
19 for something that's going to be done in Rogers County, and on a  
20 very far distant path from where we live. We will not be using  
21 it. And the pipe is going to be done. There's no question about  
22 that. There's no -- there's no stopping it. It's progress.

23 But my further concern is what about the growth of  
24 the city, the water treatment plant and the sewage? The  
25 gentleman was talking about the sewer that is a problem where

1 he's at. And where is the money going to come from, Mr. Ray, in  
2 order to pay for all the new water treatment plants, new roads  
3 put in. The roads are beginning to tell their age.

4 There are a lot of things that we really need to have  
5 done. And how far will that set all these other projects back  
6 that need to be fixed? They -- we live in an economy that is  
7 really, really tough right now. And things that need to be fixed  
8 are going to be absolutely in terrible shape by the time we'll be  
9 able to fix it.

10 So my question is: What about all the things that  
11 need to be fixed? Are they going to take another back seat to  
12 what they have already taken? I remember when we put the water  
13 treatment plant in. That was going to last us for a long time.  
14 I think you were here when we did that, Rodney, and we were so  
15 proud that we were going to get that water treatment plant in, we  
16 wouldn't have to do anything for 20 years. And it outlived its  
17 use probably 15 years, 10 or 15 years after we got it in, the  
18 town grew so fast.

19 So my question is, I think people are going to have  
20 to bear with it. I think they're going to have to see that in  
21 the future perhaps this will be something that we can learn to  
22 live with. But I think the city owes the people an explanation  
23 of who is going to pay for this, and tell us that we're not going  
24 to have to have to pay for something that is not in -- that is  
25 out of the city limits.

1           And I think we would all be very relieved to hear  
2 that. Thank you very much. I appreciate it.

3           KELLY PERKINS: Good evening. My name is Kelly  
4 Perkins, 10705 East 99th Place North, Owasso, Oklahoma. I've  
5 lived here in this town since 1965. And I want to speak tonight  
6 on the 76th Street water interceptor.

7           You know, I don't know where to start. My parents  
8 lived here all their life. And how they're going to pay more for  
9 this, I don't know. And I worked for the same company 30 years.  
10 The recession is here. I lost my job today. Thirty years, one  
11 company, lost my job. The recession is coming from the coast in,  
12 people. Pay attention.

13           Pay attention. Do not spend your money before it's  
14 here. Save it. Save it. I'm telling you. And I don't know. A  
15 performance bond, a 10-year performance bond, it puts so much  
16 down. A 10-year performance bond. What's the big deal? Get it,  
17 you know, if it's such a good deal.

18           Yes, I'm all for Owasso growing. I've been here  
19 since there was nothing on the east side of 169, nothing but  
20 pastures and ponds. And now it's all growed up. And I'm proud  
21 of it. And it's something to be proud of: Football, baseball,  
22 basketball, girl's soccer, boy's soccer, all the sports in  
23 Owasso, the school system, everything you've got to be proud of  
24 it.

25           But let's don't go in debt. Let's hang our heads up

1 high, and come out of this on top of all the other cities in the  
2 surrounding areas of Tulsa County. Let's show them we stood up,  
3 we showed them, we knew what we was doing. Because it's -- it's  
4 there, people. I'm telling you. It's going to happen. And I'm  
5 not willing to pay for it.

6 You get a performance bond for 10 years. If it's so  
7 good, let them pay for it. If it don't pay for it, then the bond  
8 will pay for it.

9 And, I don't know, I'm just at a loss for words. Pay  
10 for their fair share? If I'm already out there in the developed  
11 part, I've got a sewer system or a road problem, I'm not getting  
12 onboard. Hell, I've done paid for mine, you know.

13 Why are you going to make me get onboard your sewer  
14 system because I done paid you \$10,000 for my septic tank or my  
15 road system, you know. It's working fine. And when it goes  
16 down, what are you going to charge me to get on line? Let's see,  
17 if it costs 5,000 to fix this and you charge me 10,000 to get on  
18 the sewer, I'm going to back to the road or sewer. Or, well,  
19 they won't let you. That's right. You have to get onboard.  
20 Probably, I'm not for sure.

21 But have your neighbors, get attention, have them  
22 come, bring them with you. Let them know what's going on. Thank  
23 you.

24 RICH SCOTT: I'm Rich Scott, 9207 North 103rd  
25 East Place. I've just got a couple of comments, and a couple of

1 questions. First off, I never did get the answer for what that  
2 interest rate was.

3                   JOE FREEMAN: I can go ahead and answer that now.  
4 That's an easy question. Our interest rate is based upon 70  
5 percent of what the AAA market tax exempt bonds are selling for  
6 10 days before the loan is closed approximately.

7                   RICH SCOTT: So if it were done today, it would  
8 be?

9                   JOE FREEMAN: About three percent.

10                  RICH SCOTT: Okay. So we're going to pay at  
11 least twice. I heard a couple of people because the sewer line  
12 goes right by my house: Are you going to tie in?

13                  FROM THE FLOOR: I'm already on the sewer.

14                  RICH SCOTT: Okay. For those people who aren't  
15 are on the sewer -- the septic system, do you think they're going  
16 to pay the money to tie in? We're going to get stuck with a huge  
17 bill. And like the gentleman before me said, we're not  
18 guaranteed any of these things, that there's going to be that  
19 rate of bills of 40 units per month to pay it back in 20 years.  
20 We're going to pay for it several times over.

21                  There are no guarantees. None of us have a  
22 guarantee. And if they take it out of your pocket, obviously,  
23 you have a business that's doing well. Not everyone has that.  
24 That's a luxury right now. That's all I've really got. Thank  
25 you.

1 J.B. ALEXANDER: My name is J.B. Alexander. I  
2 live at 7612 North 127th East Avenue in Owasso. And I would like  
3 to thank Rodney and the city council for holding the meeting and  
4 Mr. Freeman for traveling up here from Oklahoma City to attend  
5 this evening.

6 I'm with the Owasso Taxpayer Alliance. And I'm also  
7 the vice-chairman of the Tulsa Republican party. And I would  
8 like to start out by addressing Pete and David and Greg Simmons.  
9 Those are the owners of Owasso Land Trust. I ran into Pete about  
10 a week ago. We have an addiction to Papa Murphy's pizza. We ran  
11 into each other and visited a little bit.

12 But I've worked with the city for five and a half  
13 years. And I've worked with these gentlemen in Owasso Land  
14 Trust. And just starting off, I can tell you these guys are  
15 honorable people. They stand behind their developments. Go  
16 drive through Coffee Creek, Lake Valley. Drive out to Stone  
17 Canyon and look at it. It's a beautiful development.  
18 These guys have stepped up to the plate.

19 And I can name two incidents where other developers  
20 have walked away from problems within a subdivision and these  
21 guys went in and fixed the problems in Preston Lakes and Coffee  
22 Creek without -- just on their own dime that other developers  
23 have actually walked away from.

24 So as I start to talk to the city for a little bit, I  
25 want to make it clear that Owasso Land Trust, I like these guys

1 and they are good people. The problem that we have here tonight  
2 that I see is not their credibility or not the Stone Canyon's  
3 development itself. It's the how is it going to be paid for.  
4 And it's the taxpayer's money that's doing it that I'm against.

5 On April 6th, we filed a letter with the OWRB  
6 protesting the loan application process. Part of that loan  
7 application process did have an environmental study. And this is  
8 probably just a minor thing. But, you know, when you don't have  
9 anything else to do at night, you get out an environmental study  
10 and read it, you know you're kind of bored at home at night.

11 But, anyway, that study, just to let Rodney and the  
12 council know, it called out that 1,280 acres when asked, and I  
13 believe it was 990. Am I correct on that? So that may be after  
14 the council has approved that, that is a little bit off.

15 And second of all, before I get too much further,  
16 Phyllis talked a few minutes ago -- Lavendusky -- she walked  
17 around with another lady, and she's responsible for the main  
18 part, put a lot of work and effort into collecting 350 signatures  
19 protesting this loan process. And, Phyllis, thank you very much  
20 for that.

21 The -- the Owasso Taxpayer Alliance did file a  
22 protest with Mr. Freeman with the OWRB. We haven't got a  
23 response to those questions. And there were four questions so  
24 that everybody here this evening knows what we filed to begin  
25 with. And I've got a couple more.

1           In the OWRB rules, we read through those, and the  
2 questions we have was, one was: "The OWRB shall consider the  
3 extent and agree on local support." That's in the rules that  
4 they have to look at when they look at a loan.

5           "The applicant or entity which stands to receive the  
6 benefit of financial assistance is not an eligible entity." Who  
7 is receiving the many -- the benefit of it, are they eligible or  
8 not.

9           Eligibility project, the inflow and outflow  
10 correction. As several people have talked about the existing  
11 issues that we have in the city, this money can be used for that  
12 exactly what is being borrowed, that exact money can be used to  
13 fix the problem in Hale Acres or in old part of town. And those  
14 -- the Meadow Crest lift station that's flooded. That money can  
15 be used to fix the existing problems within Owasso. And it also  
16 has a dedicated source of revenue is available to pay that loan  
17 back.

18           As of right now, we haven't gotten a response back  
19 from the OWRB on those questions. And I believe that we probably  
20 will since I've recorded it this evening. The city has said that  
21 they will get answers and they will post them on the internet,  
22 and we'll receive a copy of it. So we're looking forward to  
23 hearing those answers.

24           A couple of other questions I have. And Mr. Freeman  
25 may or may not be able to answer them this evening. But I'd like

1 to bring those up. This is a secured loan. If you go to the  
2 bank and you buy a home or a car, you have to secure it with  
3 something. And that's either a down payment plus the title of  
4 the car or your home's title. You have to secure it. This loan  
5 is no different.

6 The City of Owasso has to secure this loan through  
7 the state by certain means. Those means on these loans are  
8 revenues from the water, wastewater, garbage, the Bailey Golf  
9 Course plus two percent of our three percent sales tax. So two  
10 percent of our sales tax is put up for "collateral" for this loan  
11 should something happen.

12 That keeps the state from having to, you know, lose  
13 money, if you will. They can go into a city just like a lender  
14 would come to your home and repossess your car or kick you out of  
15 your house because you didn't make your house payments. That  
16 secures this loan. And that's the collateral that the city has  
17 put up for this loan.

18 One of the questions I have for the city -- and it's  
19 probably maybe an error, and it may have already been done and I  
20 didn't catch it -- but since the Bailey Golf Course has been put  
21 up for collateral, the revenues, did the Owasso Golf Course  
22 Authority, the OPGA, did they vote on that to approve their  
23 revenues to be used by the OPWA? I'm not -- I'm not sure if that  
24 occurred but that would be one of my questions.

25 And is this information all considered for the loan?

1 Mr. Freeman, is this application packet the financial data in the  
2 application packet generally, is that what is used by the OP --  
3 or by the OWRB -- there's too many initials here on this stuff --  
4 by the state, is that used for you to evaluate the stability of  
5 the city to be able to pay it back?

6 JOE FREEMAN: Yes.

7 J.B. ALEXANDER: Okay. There's a question I have  
8 on that loan. In Section D4 of that loan talks about the 10  
9 largest taxpayers in ad valorem tax. And the city has listed up  
10 this last year \$25 million.

11 The city collects zero ad valorem tax from property  
12 owners in the City of Owasso. So if that's being considered,  
13 then the state needs to relook at that. All the ad valorem tax  
14 in the city of Owasso goes to the school systems, the county and  
15 different entities. The City of Owasso and OPWA collect zero  
16 from the City of Owasso.

17 And I -- I was a little curious as to why that  
18 information was in there because it wasn't pertinent to the  
19 city's loan. Schedule 1, outstanding debt and obligations. Is  
20 the city supposed to list all debt or just part of the debt in  
21 that application packet?

22 JOE FREEMAN: It would be the debt associated  
23 with Public Works Authority.

24 J.B. ALEXANDER: I'm sorry, the --

25 JOE FREEMAN: The debt associated with the Public

1 Works Authority.

2 J.B. ALEXANDER: Anything associated with the  
3 OPWA? Okay. Because I saw a lot of other things listed there  
4 with sales tax and different things. And as I added those up  
5 from a list that was distributed in October, there's about \$9  
6 million in loans that weren't listed on there that the city does  
7 owe. So I didn't know if -- and it's not all through the OPWA.  
8 But it is developer agreements for payback on roads and different  
9 things.

10 And one of them is on the golf course; they weren't  
11 listed on there. I was curious about -- under that Schedule I on  
12 that. Something that, you know, we did talk about is economic  
13 development. Owasso has grown greatly and has grown a lot in the  
14 last five, six, seven years. Ricky Hayes was part of that.

15 And I've got to tell you this guy is actually in --  
16 responsible for Smith Farm. I was working for the city at that  
17 time. And he did a lot of hard work on his funnel theory. And  
18 that little tornado coming out of Kansas all the way down and  
19 funneled into Owasso. And it worked out great and it did bring  
20 the Smith Farm Shopping Center to Owasso.

21 What a lot of people are not aware of are the  
22 paybacks that are associated with that. With J.C. Penney and  
23 Smith Farm, the taxpayers are paying the developer back about  
24 \$6.8 million for that development, 2.2 for the roadway structure  
25 development and a little over \$4 million to bring J.C. Penney

1 here. That was for no infrastructure that I'm aware of. That  
2 was just to get the Penney's here. The developer is going to get  
3 a "kickback", if you will, or a percentage of the sales tax for a  
4 certain amount of years, back to the developer for the purpose of  
5 bringing that back. That's listed on the debt.

6 Right now with what is proposed in the last six  
7 months, the City of Owasso will increase their debt about 61  
8 percent with the proposal of the needs and wants that they have  
9 got on the plate right now. I foresee that the Stone Canyon  
10 sewer line is a want for the city taxpayers.

11 The need is getting ready to come and that's about 10  
12 and a half million dollars for a treatment plant. We do have to  
13 have a treatment plant. The city has expanded, its overgrown,  
14 it's maxed out. As somebody said earlier, it infiltrates almost  
15 three times the amount when it rains. That problem won't be  
16 fixed with this 10 and a half million dollars. That's just the  
17 treatment plant improvements. And I think the lift station over  
18 on 117th behind Wendy's is going to get replaced, too.

19 But that won't take care of the infiltration problems  
20 throughout the city. But that's -- that's a need and we're going  
21 to have to pay for it because of the expansion within the city.

22 But we have passed out of your capital improvements  
23 project, \$4.6 million to give the Tulsa Technology Center that  
24 you're going to pay for. I am pro education. But Tulsa  
25 Technology and Tulsa Community College this past year have \$140

1 million in carryover funds. And Tulsa Community College has  
2 \$12.3 million in unobligated reserves. That's a matter of  
3 record. And we are borrowing \$4.6 million -- it's a done deal;  
4 it's going to happen -- \$4.6 million to get these two entities to  
5 locate in Owasso.

6 The economy. As somebody said, they just lost their  
7 job today after 30 years in one place. I got my neighbor who  
8 lost his job last year with EDS after 30 years, after EDS shipped  
9 out 900 jobs in six years out of Tulsa County. And then our  
10 school system voted and gave them a five-year tax break on their  
11 building after that.

12 Some of this has got to stop, folks. Borrowing money  
13 goes -- that money has a face to it. That money has got to get  
14 paid back. It has a face of every one of these citizens sitting  
15 here in the audience tonight. Our children and our  
16 grandchildren, we talk about the national debt and the trillions  
17 of dollars that we owe China and all these other countries, and  
18 all this debt. This is what is going on on the local level.

19 It's not like, Oh, well, it's going to get paid back.  
20 If we aren't able to pay that back, that loan payment is going to  
21 come due every month or once a year. Whenever that loan payment  
22 comes due, we have to pay it. If we can't pay it, one of four  
23 things is going to happen.

24 It's either going to be they're going to raise your  
25 rates will be the first thing. And within two years, that will

1 happen. I believe in two years we're going to see a rate  
2 increase. And it's not going to be just based on the cost of  
3 everything that has risen, it's going to be based upon we have to  
4 pay these loans back. We have a lot of loans to the OPWA. We've  
5 got to pay them back. So they can raise your rates, or they can  
6 sell the infrastructure.

7           It's legal now that your community could improve this  
8 treatment plant by \$10.5 million, whatever, they could either  
9 sell or lease out that infrastructure, like, for 50 years. The  
10 state of Texas is currently doing it with Interstate 35 and  
11 leasing it to a private company for 50 years as a toll road.

12           The City of Owasso can take your public  
13 infrastructure and sell it off to the highest bidder or lease it  
14 out to the highest bidder. That's the second way they can come  
15 up with the money. They could do layoffs or furloughs. We see  
16 that happening in the city of Tulsa right now. They're having to  
17 lay people off.

18           If we can't make the payments, we've got to get that  
19 money somehow. So then they have to cut jobs. Or the worst  
20 case, when they default on a loan, the state steps in and uses  
21 the collateral.

22           I don't ever foresee that happening. But that is an  
23 option. But those are the things, if we can't make our payments,  
24 something is going to have to happen. The payback drainage area,  
25 Larry, would you mind putting that back up on the screen for a

1 second. I would like to talk for just a second on the map.

2 Somebody tell me when it appears.

3 I'll talk to you a second about -- talk for a second  
4 about what went on. As the Taxpayer Alliance and myself, we  
5 brought up in 2003 the city passed a permanent CIP tax to where  
6 the citizens don't go back to revote on it. There's a CIP  
7 Committee, Capital Improvements Committee that approves any  
8 change to that list. And then the city council votes on it. It  
9 never has to go back to the citizens again.

10 My opinion is that needs to go back to vote of the  
11 people. That needs to be cut. We need to vote on that CIP as  
12 citizens every five years and approve that.

13 Here's what's happened since 2003. Every year since  
14 then the Capital Improvements Committee has reprioritized that  
15 list and sent that list to the council. And the council has  
16 approved it every time. In 2008 that list was reprioritized  
17 twice and changed off.

18 The original list had 11 miles of roads that were put  
19 on there. 76th Street, some of you guys live in Copper Meadows  
20 by 76th. That was on the 2003 list. Garnett Road, 96th to  
21 106th, all the way to 116th. That was on that list.

22 Now we're hearing that Garnett from 96th to 106th  
23 won't happen for at least two or three more years. And at least  
24 two more years past that for 106th to 116th. Now the city is  
25 currently designing an intersection at 106th and Garnett but the

1 road widening itself won't occur.

2 Think about it for a minute. \$4.6 million to Tulsa  
3 Tech and what we're spending here, Garnett will be widened all  
4 the way out to German Corner. And the existing citizens, the  
5 existing citizens that have been paying the taxes for all these  
6 years, they could start -- drive out -- the existing citizens  
7 could then benefit from that widening that road project.

8 I put a new ringer -- I've got to tell you this -- I  
9 put a new ringer on my phone that says, "I see you." I laid it  
10 by my wife's side of the bed and I hit it after she went to bed  
11 and she about killed me.

12 Anyway, anyway, back to the topic. That list in 2003  
13 had a lot of other things on it. The things that were changed  
14 and added to that list, are they good projects? Yes, they were.  
15 But that's not what was told to the city and the taxpayers in  
16 2003. Let's stick to what we -- our government tells us they're  
17 going to spend our money on.

18 Let's hold their feet to the fire and make sure they  
19 spend it on what they told us they were going to spend it on, and  
20 what we approve. And I'd still push that 2003 tax list. Only  
21 four miles of the 11 miles have been completed. Once 129th is  
22 done, that's only four of the 11 miles. And other than 106th and  
23 Garnett, I'm not aware of any other road project that's under  
24 design. But right now we're looking at possibly doing service  
25 roads from 116th to 120th up by QuikTrip to be able to open up

1 that land for commercial development.

2 Take care of the existing citizens' needs and then  
3 let's look at future development. We have citizens that have  
4 been here for 20 or 30 years that are having issues that need to  
5 be addressed. And they're not small issues. These are people  
6 that have been paying taxes for years in this city. Address  
7 their issues.

8 On the map you will see a blue line that goes around.  
9 I believe that needs to be reidentified. That's identified on  
10 the map as a drainage basin. That blue line makes 90-degree  
11 turns and it bypasses people's lots. That needs to be --  
12 actually, I believe, reidentified as a payback area not a  
13 drainage basin.

14 A drainage basin will go from the highest land to the  
15 lowest land. And if you'll look at that, that blue line makes  
16 all these nice curves in a lot of areas that go along property  
17 lines. And that to be all transparent, I believe that that needs  
18 to be reidentified as a payback area.

19 If you'll also look at the top on the red -- the red  
20 line, the artery line, that's the proposed sewer line. You'll  
21 see three little lines that go out to the side of it, two to the  
22 north and one to the east. Those are the areas that we've been  
23 talking about that are already developed.

24 And as Mr. Williams has said earlier, he's been in  
25 the construction business and it's a lot of rock out there. They

1 don't call that fire department out there the Limestone Fire  
2 Department for no reason. That's because that's limestone out  
3 there. It's not sandstone. If you're going to dig in it, you're  
4 going to have to blast away at it. And it's going to be  
5 expensive.

6 Those people that live in those areas will be  
7 responsible for their own construction costs. So they will have  
8 to pay to tie in to get to the red line themselves, whether they  
9 do it as a group or an individual. And I would easily say, I  
10 work with a bunch of engineers and costs with rock, just a  
11 guesstimate, you're looking at, in some of those areas, probably  
12 \$20,000 a home just to pool their money together.

13 And everybody would have to do it to make it work.  
14 Unless you had somebody real rich who wanted to give you a gift  
15 out there. To be able to tie into that sewer line, you've got to  
16 go south of 76th. The people that we have visited with out in  
17 that area, we have not found one person that said that they would  
18 be willing to pay \$20,000 to be able to tie into the sewer line  
19 at any time.

20 And as Mr. Williams said, there was, you know,  
21 there's septic tanks -- or one other person said that -- why  
22 would I want to spend that money, when all I've got to do is  
23 rebuild my septic tank or my aerator system and I can pocket the  
24 rest of the money; I don't have to incur that cost. But those  
25 areas are included in this payback.

1           And as one person said, that's a diluted cost. Those  
2 areas that they never develop will never collect the money on  
3 that. The citizens will never be paid back for that.

4           In closing, I just -- I would just like to close with  
5 this: Our city charter says, We, the people, the citizens of  
6 Owasso. Our charter and our city council, this is a city council  
7 and a charter for the citizens of Owasso.

8           A lot of people that promote these things and are  
9 coming in here developing are not citizens of Owasso. They're  
10 not responsible for these loans. You are and I am. We're  
11 responsible for these loans and these paybacks.

12           If you live out in rural Rogers County or you live in  
13 rural Tulsa County and you don't have any tie in to the sewer  
14 line or the water, you're not paying a fee, and there are a few  
15 rural people that are on water or sewer around here. But for the  
16 most part, if you live outside the city limits, you're not going  
17 to be responsible for these fees. Your rates are not going to go  
18 up. You're not going to have to deal with this. The citizens of  
19 Owasso are responsible for these loans.

20           And our government, our city council is responsible  
21 to the citizens of Owasso. And if somebody lives out in the  
22 rural area, that's great, you make that decision. If you want to  
23 be part of Owasso, move into the city limits, run for city  
24 council, so forth like that.

25           And I would like to address something my brother and

1 friend over here, Ricky Hayes -- I love him to death -- but  
2 there's sometimes I have to -- I'm going to have to disagree with  
3 him. Competition. When he talked a few minutes ago about other  
4 cities, you're either going to move forward or you're going to  
5 move backwards.

6           What good is it to the citizens if we strap on and  
7 throw on a huge amount of debt on our backs all for the cause of  
8 progress? Whose progress is that? Is that your progress? Is  
9 that mine? Whose progress is that?

10           If we have to tie on this debt and we have to pay  
11 this back by higher sewer rates or higher taxes? And I can tell  
12 you right now I, for one, am not going to vote for a property tax  
13 and I know a lot of people who want to do that. And I'm not --  
14 I, for one, am not going to do that.

15           So I would just like to close with that. I have  
16 totally supported Stone Canyon going in. The developers have  
17 talked about putting in a sanitary lift station and pumping it  
18 in. It won't cost the taxpayers any amount of money. The  
19 developers themselves can have a pre-made agreement that  
20 identifies the drainage area where they can get the payback after  
21 they invest the money in over the years.

22           I totally support that. I totally support the Stone  
23 Canyon subdivision going in the area. Drive through it. It's a  
24 beautiful area. But I do not support the taxpayers footing the  
25 bill and using our line of credit with the state for \$6.3 million

1 to build a sewer line out there.

2 That's all I have unless somebody wants to throw a  
3 question at me.

4 FROM THE FLOOR: I'm just wondering about the  
5 school. The school is already built. So what kind of sewer  
6 system does it have? They will have to have something.

7 J.B. ALEXANDER: I'm not -- I'm not sure about  
8 that.

9 FROM THE FLOOR: It's already there. Is it on a  
10 septic tank? What's -- what's the deal with the school?

11 J.B. ALEXANDER: I don't -- I will have to leave  
12 that up to the Owasso Land Trust to answer that. I don't know  
13 how it's going to -- I think it's supposed to open this fall from  
14 what I've heard. But I'm not sure about how the sewer system --

15 FROM THE FLOOR: Well, they have to have that  
16 line.

17 FROM THE FLOOR: State it as a question so they  
18 have to answer.

19 J.B. ALEXANDER: Who -- I'm sorry. Who supplies  
20 the sewer to the school that's currently being built at Stone  
21 Canyon? I don't have that answer for you. But that will be  
22 recorded and the answer will come out.

23 FROM THE FLOOR: Are Stone Canyon residents' kids  
24 going to attend the school? Because right now there's probably  
25 50 kids out there maybe.

1 J.B. ALEXANDER: I couldn't hear the full  
2 question. I'm sorry.

3 FROM THE FLOOR: Where are the kids coming from  
4 that are going to attend this school?

5 J.B. ALEXANDER: You know, that's -- that's a  
6 school district question. I have no idea about that. I don't  
7 know if -- did they just redistrict? I read in the paper --

8 The question was: Where are the kids coming from  
9 that are going to go to this school? The school district, you'd  
10 have to get hold of your school board members and find out about  
11 that. I'm not fully familiar with how they redistrict and where  
12 all those kids are coming from. I don't have an answer for you.  
13 Okay, thank you very much.

14 GARY AKIN: Good evening. My name is Gary Akin.  
15 I'm president of the Owasso Chamber of Commerce. Our address is  
16 315 south Cedar. And it's a pleasure to be here this evening.  
17 It's not just a pleasure to be here, it's the opportunity that we  
18 all have.

19 Phyllis Lavendusky, you're probably one of the first  
20 people I met with you and your husband being members or patrons  
21 of First Bank back at the time in 1976 when that was the only  
22 bank in town, believe it or not. And the years, for 14 years now  
23 as your chamber president have been very good years and a great  
24 time.

25 We often speak, and we've heard this evening, about the

1 growth that's taken place in recent times. And that's true.  
2 Obviously, we have been -- Mr. Hayes and I, we can say similar  
3 things because we see the vision and the economic development and  
4 things that I work with in selling the City of Owasso every  
5 single day as your chamber president. And it's a wonderful job  
6 to have.

7 But you know from the time approximately from 1990  
8 documented to the end of the decade of the nineties, we were the  
9 fastest growing city in the State of Oklahoma, U.S. census  
10 information. If you add about three more years to that in the 12  
11 to 13-year period, our city grew a hundred percent, phenomenal  
12 growth as a percentage of growth. It's continued at a very  
13 positive growth rate.

14 And in talking, in selling the city and looking at  
15 the future, I tend to get disagreed with with Mr. Alexander in  
16 the fact that you do grow or you shrink but seldom do you stay  
17 the same. And with conversations and going back and looking at  
18 our progress, wouldn't it be -- you base your decisions today on  
19 what's happened in the past.

20 I wish we had, in my business, a crystal ball. You  
21 know Mr. Gall, you're members of our Chamber of Commerce, have  
22 been ever since you opened up your business.

23 D.J. GALL: I cancelled.

24 GARY AKIN: I have -- I have --

25 D.J. GALL: I cancelled.

1           GARY AKIN: And you cancelled. And that's fine.  
2 This is America, you know. And we have opportunity. But we can  
3 come up here and we stand and we talk and we have the opportunity  
4 to discuss and look forward. But I can tell you, as your chamber  
5 president, I can echo what Ricky was saying about the vision of  
6 Owasso. And how we're viewed.

7           I had the opportunity to go across the State of  
8 Oklahoma. Owasso is well known across the state for our  
9 progress. Our city government is well known and appreciated. We  
10 have a chamber that's well known. But it's not because the  
11 individuals, per se. It's what's happened in the past by all of  
12 us being a part of the growth pattern.

13           I remember attending many, many city meetings and  
14 city council meetings over 33 years where the people were  
15 concerned about that next Preston Lakes or going into that next  
16 -- well, I like the cattle across from me, you know, the costs  
17 would come in. We don't want the annexation, we don't want the  
18 growth.

19           And yet any period of time you go back and look at,  
20 there's going to be those concerns about growth. There's going  
21 to be concerns about that expansion. And it just moves up to  
22 this point in time and it's well understood.

23           I understand exactly what you're saying. And I just  
24 simply say, from a business perspective, that the businesses that  
25 are coming here today, they make decisions based on history. And

1 our history in Owasso has been good.

2 The decisions that have been made have not been made  
3 with crystal balls. We don't have that luxury. We don't have  
4 that magical device. It's been made with educated, if you will,  
5 guesses, call that hypothesis, based on facts, based on past  
6 experiences and the probability of being successful in the  
7 future.

8 I doubt that your elected officials sitting in the  
9 city council positions, receiving zero dollars of pay, are  
10 saying, What can we do to harm Owasso? I think they are saying,  
11 What can we do to help Owasso progress. How can we make it  
12 better for the future of people who are moving here, and want to  
13 make Owasso the fine home for their families that you decided to  
14 make for your families. It's the future growth of Owasso.

15 And so from a business perspective, we see this as a  
16 good project. The technicalities, the indebtedness and such as  
17 that, that's for the bond people and the city officials to  
18 consider with a lot of input from the citizens.

19 And God bless us all for being able to be here  
20 tonight and add that input. When it's all said and done, the  
21 evaluation will be made and Owasso will progress. And I thank  
22 you for your time. Thank you.

23 KIMBERLY JACKSON: I'm Kimberly Jackson. I live  
24 at 12008 North 109th Street in the Country Estates Addition. And  
25 I didn't actually plan on speaking tonight. A friend encouraged

1 me to come and see what's going on in my community. And I'm  
2 happy that I'm here, and that I do have the opportunity to state  
3 my thoughts. I appreciate that.

4 I had a few concerns when I arrived, but after  
5 listening to everyone speak, I think I'm even more concerned. I  
6 do -- I'm a single parent. I have one child in college and one  
7 young second grader. And so for me, my budget is a concern. And  
8 when I'm looking to the future, it may not seem like a lot but to  
9 someone who has lost a job or those who are on a fixed income or  
10 for someone like me, that \$20, \$30, \$40 a month does mean a lot.

11 And when I moved to Owasso 11 years ago, if I'd just  
12 look at my city bill, I recall that it was about \$40 a month.  
13 Now it's about \$63 a month. I know that we've had enhancements  
14 and services and things that have happened over the years that  
15 caused some of those fees to go up. And based on what I am  
16 hearing tonight, I anticipate that growing larger. And I could  
17 easily see in not too distant future having a much larger bill to  
18 pay each month. And that concerns me.

19 And not so much for myself but I look at others  
20 around me who may struggle more to pay and meet their  
21 obligations. And the point is that we've got choices and money  
22 that's being spent and how it can be funded.

23 So one of my questions this evening would be what  
24 funding alternatives were considered besides the water board. I  
25 would like to approve the admission of the performance bond. And

1 I would like to understand -- and forgive me for not being  
2 prepared -- but I would like to understand more about what does  
3 that mean if a funding method such as that were chosen, what does  
4 that mean to us.

5 And maybe, it sounds to me, like that should have  
6 been something considered. I'm curious. Was something like that  
7 considered? And perhaps that's something that we could all be  
8 more comfortable with and not worry about such impact in the  
9 future on all this payback.

10 One gentleman, the first gentleman that spoke  
11 actually had raised questions in my head when he was a former  
12 Owasso public works director, I believe, if I remember that  
13 correctly. And he stated concerns about this development and  
14 developing in this rocky terrain and what the true costs would  
15 really be. And perhaps this has been made available and I just  
16 missed it by not being an involved citizen which I hope to -- I  
17 won't make that mistake in the future.

18 What are the considerations for that development?  
19 And I know if we take out this loan, what happens if the costs  
20 end up exceeding the expectation?

21 I mean, what if those costs are greater; how is that  
22 handled? Do we then have to borrow more money to complete the  
23 development? Or I'd like to know how all that works. Yes,  
24 ma'am.

25 PHYLLIS LAVENDUSKY: Well, honey, I can answer

1 one of the questions. It will exceed because that is solid rock  
2 out there. And part of it is very, very hard. They don't know  
3 what that's going to cost until it's finished. The cemetery,  
4 they dynamite and the graves shake. So it will be more than we  
5 think it's going to.

6 KIMBERLY JACKSON: I guess that's a concern that  
7 I guess the costs may be greater than we're anticipating.  
8 Secondly, I know there are a lot of citizens wondering -- one  
9 lady who spoke earlier, how is it going to benefit her all the  
10 way across town. I mean I'm on the opposite side of town also.

11 My concern is -- and even though I'm not an engineer  
12 or certainly have no expertise in this area. But I live in  
13 Country Estates. When do my sewers start backing up on that side  
14 of town? Do I need to be concerned about that when the neighbors  
15 across 116th Street in Hale Acres have issues? How do I know  
16 that at some point -- I live in a modest neighborhood. Will they  
17 spend any money out there?

18 I understand this evening we're not going to get any  
19 money for roads for many years to come. What would lead me to  
20 believe that if I had sewer issues, that that would be attended  
21 to? And I've heard time and again in the paper, and again this  
22 evening, it seems that Hale Acres keeps being put off and put off  
23 again.

24 I guess my final question would be how does the city  
25 prioritize these water projects? I know we need to stick to

1 water and stay off roads because we're here to talk about the  
2 sewer line. But how are these water projects prioritized? And I  
3 would like to know the ranking of these priorities. As a  
4 citizen, I understand the wastewater treatment plant or whatever;  
5 that would be important for all of us in a growing community.

6 But what about the other projects and how are they  
7 ranked? And if we're going to be spending money, I'm all for  
8 that. But again, I believe, as many others speaking here this  
9 evening, that we need to take care of what we have first. And  
10 then also look to the future, but wisely, and consider all  
11 funding alternatives. Thank you.

12 DAVID CHARNEY: Good evening, folks. My name is  
13 David Charney. And together with my partners, Pete Kourtis and  
14 Greg Simmons, we are the principals of Owasso Land Trust. We are  
15 the developers of the Stone Canyon Project. And we thought it  
16 was both honorable and appropriate for us to come and make a few  
17 comments tonight.

18 We understand a great many concerns. We -- we  
19 disagree with many of the things that have been said, not all.  
20 We disagree with many of them. Some of them, we feel, are based  
21 upon folks not having all of the information.

22 But I don't fault anyone for that. If someone  
23 disagrees philosophically with how money should be spent, I don't  
24 fault someone for that. If someone disagrees with me because  
25 they think there's a better use for certain funds, I can't

1 disagree with that.

2           But I can disagree with certain things. And I think  
3 that probably -- and I do know two of you here extremely well who  
4 would agree with me on more than a few things that I'll say  
5 tonight because I've known you since I was in diapers. One was  
6 my little league baseball coach and one babysat me, maybe two,  
7 three of you. And so although you can disagree with me, I think  
8 there are a few things that when I state them you will say, Huh,  
9 I didn't know that. And that's the purpose of my remarks here.

10           Specific questions that you've asked that are  
11 reasonable and fair, they're going to get answered. I appreciate  
12 and thank Rodney's approach for doing this. The questions have  
13 been asked and I believe that they will be answered in a public  
14 manner so certain questions can be had.

15           I think it's important, by way of the background, to  
16 know that, gosh, I think it was a little over 30 years ago, may  
17 have been while some of you were on the city council. It was the  
18 wisdom of the council at that point in time to place certain  
19 areas within the fence line of the city because they wanted the  
20 city to have the opportunity to grow.

21           Certain of those areas were placed way, way, way up  
22 north called Hale Acres and German Corner. And there was a  
23 decision by the council to annex a good piece of ground up there  
24 that wasn't contiguous. The city did it. I remember there was a  
25 big discussion should we grow that direction, should we, should

1 we not. A few handful of y'all were probably in the room at the  
2 time that that meeting occurred.

3 I also remember coming up here once with my father  
4 whenever there were big discussions about having parks that were  
5 in the outlying areas, big discussions whether that should happen  
6 or not. And you know what, the city usually, not every time,  
7 came forward and said, We want to grow, we want to grow in an  
8 outward direction.

9 About 35 years ago, the very piece of property that  
10 we're talking about tonight was the subject of a discussion like  
11 that. And the city council -- Bill, you may have been on it at  
12 the time, I don't know -- decided to extend the fence line way  
13 out east to encompass the very property we were talking about.

14 It wasn't me. It wasn't Pete. It wasn't anyone here. It  
15 wasn't any of the existing councilors. They said, Hey, we want  
16 to make certain that we have an area around our core city that we  
17 can grow into logically some day. That was done long before we  
18 came along.

19 Now, I want to fast forward a bit and just let you  
20 know that the reason that is done is so that if and when it makes  
21 sense to grow, you're able to do so. There are many landlocked  
22 cities throughout the state that don't have the ability to grow  
23 that wish they could. Many, many of them.

24 We had some foresight, more than many municipalities,  
25 thanks to some of the folks in this room to say, Let's make

1 certain when it makes sense to grow, we're able to grow. Today  
2 where do we find ourselves?

3 I have never been more thankful that my partners, who  
4 are very gifted men actually, very gifted guys, and I were able  
5 to have extensive discussions with the Oxley family about a  
6 gorgeous piece of ground, the likes of which we're not ever going  
7 to see again in our lifetime. It's incredible. It's an  
8 incredible piece of ground.

9 And we said, Is there any chance your family would  
10 trust us to take this 3,000-acre blank canvas and do something  
11 very special with it? And they kind of said, Why you guys?

12 And we said, We'll tell you why. We're Owasso boys.  
13 We love this place and we're going to do it nice. We think we're  
14 capable. We think we're the rate age; it's a long-term project.  
15 and we went through about a two-year vetting process with them.

16 And after they saw what our vision was, they said,  
17 You guys really do care about this on a visceral level. Sure, we  
18 hope to make money. We often hope to make money. Sometimes we  
19 do, very often we do not. But we've been successful making money  
20 more often than not thankfully. That's why we're in business.

21 But they said, You know what, we're going to go with  
22 you guys on this. We've been approached by folks from Arizona,  
23 California, Colorado, people all over because you don't get a  
24 3,000-acre blank canvas on the front door of a major metropolitan  
25 area.

1           And so whenever we were faced with this opportunity,  
2 on the front door of a major metropolitan area, 3,000 continuous  
3 acres, we felt a tremendous burden to do it well. You may think,  
4 wow, that is a dream, it was fun, go get it. Yes, it was that.  
5 But with that came a huge sense of responsibility. Probably  
6 because we are who we are, that's the way we were raised and we  
7 wanted to do it well.

8           So what we decided to do was let's plan it carefully  
9 with the assistance of folks who have done huge projects like  
10 this before. We spent a great deal of private money. And that  
11 is kind of the theme of my -- of my comments. A great deal of  
12 private money has been expended to try and determine how best to  
13 do this.

14           So when you sometimes paint with a broad brush, I've  
15 heard it here today. And if there's one thing that probably  
16 turned my stomach more than any other, it's not that you disagree  
17 this is a good project. If you do that, that's your God-given  
18 right to come up and tell the world about it. And I respect that  
19 and I'll fight to my death for your right to come up here and  
20 argue that.

21           But what I don't like is when you say, There's a  
22 bunch of public money going in to benefit the back pockets of  
23 these private developers. That isn't what this is, folks. Let  
24 me tell you what it is.

25           It is an effort for the city to come forward and say,

1 We, as a city, do certain things. We build bones. That's what  
2 we do. We build water line transmission lines, the public sector  
3 does that. We build big wastewater lines. We build big sewer  
4 lines. We build highways. We build the bones for a society.  
5 The municipal portions, the governmental portions of society do  
6 those, bone-building, if you will, major water transmission,  
7 major sewer transmission and highways, roadways.

8           Do you know what? We build every dime of sewer line  
9 in our subdivisions. I think that's worth repeating. We build  
10 every single inch of sewer lines in our subdivisions, always  
11 have, always will. Here's another statement: We build every  
12 single inch of pavement in our subdivisions, always have, always  
13 will.

14           The government doesn't build any of those. The water  
15 lines -- this is really a kicker -- we build every inch of the  
16 water lines in our subdivisions and then guess what, we give it  
17 to the city because they say you must. And then we'll charge you  
18 for the water. But you've got to build it on the front end  
19 because it's going in your subdivision.

20           And you know what, we do it because those are the  
21 rules of the game. You build the infrastructure within your own  
22 subdivision. You know, I like those rules. I think that's fair.  
23 You hope that you sell what's in your subdivision for more than  
24 it cost you to put it in. A bunch of risk goes into it, a lot of  
25 hope, a lot of prayer. Sometimes they work, sometimes they

1 don't.

2 But I want you to know it is wrong to say that there  
3 is a significant public taxpayer dollars going in to benefit a  
4 private subdivision. That isn't what's happening here. There is  
5 a bone building, a structure going out to open up an entire  
6 region of the city that has never had a sanitary sewer line to  
7 it.

8 I remember when the sanitary sewer was run up for  
9 Hale Acres. That's the part that almost makes me chuckle over  
10 here. It was done with taxpayer money so that you all can live  
11 where many of you are living today and flush your toilets today.  
12 That was done with public money with no payback through the  
13 private developer, zero dollars.

14 So I want you to know there's strong history for  
15 building huge trunk lines that move into certain regions to open  
16 them up for development. It has happened going north, it has  
17 happened on the west side of town, it happened up at 145th. I  
18 argue those were good, wise investments which we sought and seek  
19 and actually receive significant returns. I'm glad our city has  
20 done that.

21 Now, if you can disagree that we should take -- that  
22 now is the time to build the bone, a big structure and go open up  
23 a whole region out east, because by the way, it benefits lots of  
24 land that I don't even come close to owning. We're not the only  
25 ones there. It has been named that because we're starting

1 development now.

2           And I'm okay with people kind of -- I guess I'm okay  
3 -- calling it the "Stone Canyon interceptor." It's the east  
4 Tulsa -- the southeast Tulsa interceptor -- the southeast Owasso  
5 interceptor is what it is. Now, if you disagree that it's time  
6 to do that, I can shake your hand and smile and buy you a Coke  
7 and a hamburger and say that's fine, we happen to disagree.

8           I think it's a wise investment. Yet some of you all  
9 may not think it is. But please don't say that it is some  
10 surreptitious, sneaky way to line your back pockets with  
11 government monies. Because that's not what it is. It's just  
12 building a big trunk out there.

13           And we are spending tons of private dollars building  
14 every inch of an infrastructure within the subdivisions out  
15 there. That's just what I want everyone to know. That's the  
16 most significant thing. If you take that bit of information from  
17 here, I'll feel good about it.

18           You can disagree with whether it's wise to do it.  
19 But please don't think that there is this effort to build our  
20 system that we should otherwise be building because we are  
21 spending all of our own dollars doing that.

22           There were some folks -- and I think this is a very  
23 worthy comment. And Mr. Gall, I can see that your hand is up. I  
24 don't know, sir, that I -- that it's wise for me to take  
25 questions. I want to answer everyone's questions. And I care

1 immensely about the -- nothing but the truth being stated. But I  
2 want you to hear one other thing about the investment.

3           If someone said, We can go incent a retailer and if  
4 we have to -- let's spend \$2 million to incent a retailer to  
5 build something in our City of Owasso. Man, I would say, What?  
6 Give a private company \$2 million? That would be the first thing  
7 I would ask.

8           I have to work for every single dollar that I make.  
9 And I work very hard. My folks worked very hard and instilled  
10 me with a great work ethic, and all the people on my team with a  
11 great work ethic. Why give someone some money?

12           And if someone says, Well, if you invest that \$2  
13 million in the city, what if you got back a million dollars a  
14 year for the next 20? I'd say I would do that. I would do that  
15 in a heartbeat. I would do 20 of those deals if we get the money  
16 back through a wise investment.

17           I can speak on behalf of the city's effort to try and  
18 incent certain things to occur. And I think they were wise. And  
19 I would stand up here and defend that daily. Why? Because I see  
20 it working. It's already working. If you say that's some sort  
21 of corporate welfare give-away, if it weren't bringing a return  
22 back, I would agree with you. We're getting a return 20-fold on  
23 those efforts that were made.

24           So, again, you can disagree with the concept of  
25 incentives. And I'm okay with that. You can say, David, I just

1 think it's wrong. You never should help make it easier for  
2 someone to locate in your neighborhood. You just shouldn't do  
3 it.

4 Certain cities have that attitude. And I just -- I'm  
5 glad that I'm not heavily involved in one that believes that way  
6 because I think that is -- I disagree with it simply. I just  
7 disagree with it. I think it's wise to make investments. You  
8 make a calculated risk, hope it will return. And it's working.

9 That's the thing I want you to know. These  
10 investments that have occurred are working. Now, whether this  
11 one will work or not, I believe it will. You may disagree, and  
12 I'm okay with that. And I'll still -- you'll still be my friend,  
13 Bill, and you'll still be my friend, Phyllis, because of the way  
14 that I was raised and the way that you all treated my folks for  
15 many, many, many years. We just disagree on potentially on  
16 whether it's a wise move.

17 I happen to think that it's going to go very well out  
18 there. Many things have been studied. I'm amazed at how this  
19 gorgeous piece of ground has been absorbed. It had a difficult  
20 time, yes, but it's still absorbing nicely.

21 I'm confident it will work. But I understand your  
22 right and I understand your ability to disagree with me. I just  
23 feel that there's another way to approach it. With that, I'm  
24 going to hang around here. And if anyone wants to come and say,  
25 Hi to me, ask me a question or come ask it into this so that you

1 may answer it, Pete and I and Greg will be happy to answer  
2 anything that we can as truthfully as we can with nothing to  
3 hide.

4 I also want to say one other thing before it return.  
5 Very few people have come up to ask us, Hey, how do you feel  
6 about this? Or David, Pete, why are you doing this? I wish  
7 someone would call me or come see me.

8 I've been here forever. You can anytime. I think  
9 that's a pretty fair thing before one indicts I won't say  
10 integrity. I don't know if it was that. It may have been.

11 Please feel free to call me. We're around. We'll  
12 talk any time. Thank you all for letting me speak. Thank you.

13 D.J. GALL: Mr. Charney, when you introduced  
14 yourself, you introduced that you grew up in Owasso but you  
15 failed to disclose where you choose to live.

16 DAVID CHARNEY: Oh, I -- I live in Tulsa.

17 D.J. GALL: Your address -- you live in Tulsa?

18 DAVID CHARNEY: Yes, sir. Yes.

19 D.J. GALL: Okay.

20 DAVID CHARNEY: I do. I live in Tulsa with my  
21 family for some -- for some --

22 D.J. GALL: Okay.

23 DAVID CHARNEY: -- proximity to certain faith  
24 services. But I'm happy and I love -- I have tremendous amount  
25 OF real estate investment here, sir.

1 D.J. GALL: For profit?

2 DAVID CHARNEY: Pardon me?

3 D.J. GALL: For profit?

4 DAVID CHARNEY: There is a significant amount of  
5 for profit. I have a very significant amount -- I'm quiet about  
6 it -- a nonprofit as well. It's a combination, sir.

7 D.J. GALL: Thank you.

8 JAMES PARSONS: James Parson. I live on 710  
9 North Carlsbad. If you ever want to know where I live, it's  
10 nothing but gravel in front of my house. And I'm inside the city  
11 limits. Please come by. I would love to visit with you.

12 First of all, I want to say -- and first, thanks to  
13 the city for this opportunity. But to say that I am anti-growth  
14 or not forward thinking, I take kind of offense to that also.  
15 Just because other cities do it doesn't make it right. Just  
16 because they have done it in the past doesn't make it right. And  
17 so those excuses, I just -- I just don't -- it doesn't sit well  
18 with me.

19 I do know that Stone Canyon is a great investment as  
20 far as with the investors. But what they are asking for you to  
21 do as an investment is for you to invest your hard-earned monies  
22 to do that. I find that completely wrong. And that could be a  
23 philosophical disagreement but that's just where I stand on that.

24 The question I have for the OWRB -- and you can  
25 answer it now or whenever. That is: On the land that is

1 voluntary to tap in, do you find it right to make that a  
2 calculation inside the basin area? That is my question for you.  
3 I personally do not find it to be right, that that should be  
4 calculated into the old area of the basin. And I think that's  
5 misleading as far as the numbers are to the citizens of Owasso.

6 I also have a question on whether or not you feel  
7 that a private golf course should be included in the acreage for  
8 the basin which will never tap in, a golf course, mind you, that  
9 will be private, will be by membership, that will be in complete  
10 competition with our public golf course which is now having a  
11 deficit in its budget.

12 Right now that's -- well, that will be all I have for  
13 you. Thank you.

14 MR. RODNEY RAY: Okay. I am delighted that you  
15 are here. About 40 -- 64. I'm sorry, about 64 people showed up  
16 tonight to express your position. We thank you. And the meeting  
17 is adjourned. As soon as I tell you again, transcripts will be  
18 available on line. You will be able to get them with the  
19 Taxpayer Alliance.

20 Who is the contact person for the Taxpayer Alliance?  
21 J.B. Alexander will be the contact person for the Taxpayer  
22 Alliance. I'm sure if you go to [www.taxpayeralliance](http://www.taxpayeralliance) --

23 J.B. ALEXANDER: Owassotaxpayer.

24 RODNEY RAY: [Owassotaxpayeralliance.com](http://Owassotaxpayeralliance.com)?

25 J.B. ALEXANDER: Just [owassotaxpayer.com](http://owassotaxpayer.com).

1                   RODNEY RAY: Owassotaxpayer.com, you can -- you  
2 can access J.B. or other members of the group. And you can get  
3 those -- you can see if they will give you a copy. If they  
4 won't, we certainly will give you one. And again, you can reach  
5 us on the website.

6                   If you would like to sit down with some of our folk  
7 and talk about that or with some others, please just let us know.  
8 We'll try to arrange any meetings that you want to have. Again,  
9 thank you very much for being here.

10                  (Whereupon, the proceedings were concluded.)

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CERTIFICATE

STATE OF OKLAHOMA )  
COUNTY OF TULSA ) ss.

I, Linda Fisher, a Certified Shorthand Reporter and Notary Public in and for the State of Oklahoma, do hereby certify that on the 26th day of May, 2009, at the Owasso City Hall - Old Central, 109 North Birch, Owasso, Oklahoma, the within and foregoing TRANSCRIPT OF PROCEEDINGS was reduced to writing by me in stenograph, and thereafter transcribed by me, and is fully and accurately set forth in the preceding pages.

I do further certify that I am not related to nor attorney for any of the said parties, nor otherwise interested in the event of said action.

WITNESS my hand and official seal this 29th day of May, 2009.

\_\_\_\_\_  
Linda Fisher, CSR-RPR #866