

**7-OIL – ENERGY DISTRICT
BOARD OF DIRECTORS MEETING
J.M. Kelley Building
1779 MARSHALL
CLINTON, OK 73601
10:30 A.M., Tuesday June 23rd, 2020**

AGENDA

1. Call to Order by Joe Don Dickey, Chairman
2. Roll Call
3. Board approval and/or modification regarding April 28th, 2020, May 19th, 2020 and June 16th, 2020 meeting minutes
4. Board consideration and vote to approve Blanket approval form

(City of Clinton & CenterPoint Energy)
5. Board consideration and vote to pay all legal and just claims of CED#7 County Energy District Authority as presented
6. Board consideration and vote to accept current financial report
7. Board consideration regarding proposed FY 2020-21 CED7 County Energy District Authority's budget
8. Emulsion plant production/sales/expenses
9. County Commissioner Participation
10. New Business
11. Adjournment of Board of Directors

CED #7 COUNTY ENERGY DISTRICT AUTHORITY

MEETING MINUTES

J.M. Kelley Building

1779 Marshall Rd.

Clinton, OK 73601

11:00 A.M., Tuesday, April 28th, 2020

The Board of Directors for the CED #7 Energy District Authority had a video conference at 11:00A.M. Those present were:

BOARD MEMBERS

Johnny Davis

Steven Fite

Joe Don Dickey

Kirk Butler

Tim Bingham

Bart Gossen

Dillon Berry

Gary Lewis

Wade Anders

Mike Allen

Brian Hay

CALL TO ORDER MADE BY JOE DON DICKEY, CHAIRMAN:

Mr. Joe Don Dickey, Chairman, called the meeting to order at 11:00 AM.

ROLL CALL: Johnny Davis - absent

BOARD APPROVAL AND/OR MODIFICATION REGARDING December 3rd, 2019 MEETING

MINUTES:

Motion was made by Gary Lewis and seconded by Brian Hay to approve the minutes as presented. The motion carried with the following results of roll call:

Aye: Joe Don Dickey, Dillon Berry, Kirk Butler, Bart Gossen, Mike Allen, Wade Anders, Steven Fite and Tim Bingham
Nay: None

BOARD CONSIDERATION AND VOTE TO APPROVE BLANKET APPROVAL FORM:

Each member has a Blanket form in their packets. Motion was made by Tim Bingham and seconded by Brian Hay to approve the blanket as presented. The motion carried as follows of roll call:

Aye: Wade Anders, Bart Gossen, Mike Allen, Gary Lewis, Joe Don Dickey, Steven Fite, Dillon Berry and Kirk Butler
Nay: None

BOARD CONSIDERATION AND VOTE TO PAY ALL JUST AND LEGAL CLAIMS OF CED #7 COUNTY ENERGY DISTRICT AUTHORITY AS PRESENTED:

Claims were presented to the board. Motion was made by Steven Fite and seconded by Kirk Butler to approve as presented. The motion carried as follows of roll call:

Aye: Joe Don Dickey, Dillon Berry, Wade Anders, Brian Hay, Gary Lewis, Bart Gossen, Mike Allen and Tim Bingham
Nay: None

BOARD CONSIDERATION AND VOTE TO ACCEPT CURRENT FINANCIAL REPORT:

Financials were presented to the board. Motion was made by Gary Lewis and seconded by Tim Bingham approve as presented. The Motion carried as follows of roll call:

Aye: Steven Fite, Dillon Berry, Joe Don Dickey, Johnny Davis, Kirk Butler, Bart Gossen, Brian Hay and Mike Allen
Nay: None

Board consideration and vote to authorize the following individuals as signature authority for CED7 County Energy District Authority account: Brian Young, Allyson Adams, Lauren Morales, Joe Don Dickey, Tim Bingham, John Northup, Johnny Davis and Kirk Butler:

Motion was made by Brian Hay and seconded by Steven Fite to authorize the following signatures. The motion carried as follows of roll call:

Aye: Dillon Berry, Joe Don Dickey, Johnny Davis, Kirk Butler, Gary Lewis, Mike Allen, Wade Anders and Bart Gossen
Nay: None

Board consideration and action to open bids and award supplier of Asphalt of Penetration Oil (135-150), valid until December 31st, 2020:

Brian Young opened the sealed bid from Coastal Energy Corp. and read it out loud. The cost is the binder index plus \$5.00 and Joe Don Dickey asked if that was higher or lower than what we have previously paid. Brian Young stated it is cheaper and is based off of ODOT's website. Joe Don Dickey asked the board if they should consider a shorter term before locking into this bid or consider a rebid and Jerry Dean said if we rebid it in his opinion the price will stay the same.

Motion was made by Brian Hay and seconded by Tim Bingham to award the bid to Coastal Energy Corp. as presented. The motion carried with the following results of roll call:

Aye: Dillon Berry, Joe Don Dickey, Steven Fite, Kirk Butler, Gary Lewis, Mike Allen, Wade Anders and Bart Gossen
Nay: None

EMULSION PLANT PRODUCTION/SALES/EXPENSES:

Austin Palmer went over the repairs that were completed and what is left to be done. Jerry Dean stated that he has not been out due to the Covid-19 but will start going out for sales within the next week.

COUNTY COMMISSIONER PARTICIPATION: None

NEW BUSINESS: None

ADJOURNMENT:

Motion was made by Tim Bingham and seconded by Wade Anders at 11:16 AM. The motion carried as follows of roll call:

Aye: Dillon Berry, Joe Don Dickey, Kirk Butler, Steven Fite, Brian Hay, Bart Goosen, Gary Lewis and Mike Allen
Nay: None

CED #7 COUNTY ENERGY DISTRICT AUTHORITY

MEETING MINUTES

J.M. Kelley Building

1779 Marshall Rd.

Clinton, OK 73601

10:30 A.M., Tuesday, May 19th, 2020

The Board of Directors for the CED #7 Energy District Authority met at 1779 Marshall Rd., Clinton, Oklahoma. Those present were:

BOARD MEMBERS

Johnny Davis

Kirk Butler

Dillon Berry

Mike Allen

Steven Fite

Tim Bingham

Gary Lewis

Brian Hay

Joe Don Dickey

Bart Gossen

Wade Anders

CALL TO ORDER MADE BY JOE DON DICKEY, CHAIRMAN:

ROLL CALL: All board members – absent

No quorum present. No business will be conducted at this time. The meeting will be rescheduled and given proper notice at a later time.

BOARD APPROVAL AND/OR MODIFICATION REGARDING April 28th, 2020 MEETING MINUTES:

No quorum

BOARD CONSIDERATION AND VOTE TO APPROVE BLANKET APPROVAL FORM:

No quorum

BOARD CONSIDERATION AND VOTE TO PAY ALL JUST AND LEGAL CLAIMS OF CED #7 COUNTY ENERGY DISTRICT AUTHORITY AS PRESENTED:

No quorum

BOARD CONSIDERATION AND VOTE TO ACCEPT CURRENT FINANCIAL REPORT:

No quorum

Discussion and possible action on dissolving the joint venture agreement between the 7-Oil Energy District and CED-7

No quorum

Discussion and possible action on appointing a liquidator of the joint venture upon dissolution per the joint venture agreement

No quorum

Discussion and possible action on transferring 4.14 acres described in a Quit Claim Deed on book #1582 and page #769 with legal description of parcel land lying in 5.51 acre tract of land in the West Half (W/2) of the Southwest Quarter (SW/4) of Section 27, Township 12 North, Range 17 W.I.M., Custer County, Oklahoma, being more particularly described by metes and bounds as follows: Beginning at point on the North right of way line of Old U.S. Highway 66, said point being 80.00 feet North and 622.05 feet East of the Southwest corner of said W/2 of the SW/4 of section 27, thence N 00°06'30"E a distance of 250.00 feet; thence N 89°53'30" W a distance of 175.00 feet; thence N 00°06'30" #a distance of 60.00 feet; thence S 89°53'30"E a distance of 175.00 feet; thence N 00°06'30" E a distance of 90.00 feet; thence S 89°53'30"E a distance of 425.00 feet; thence S 00°06'30"W a distance of 400.00 feet to a point on said North right of way line of Old Highway 66; thence N 89°53'30"W a distance of 425.00 feet to the point of beginning, containing 4.14 acres more or less from the CED#7 County Energy District Authority to Circuit Engineering District #7

No quorum

Board consideration regarding proposed FY 2020-21 CED7 County Energy District Authority's budget

No quorum

Board consideration and action to open bids and award supplier of Latex and Corsamul products valid until December 31st, 2020

No quorum

EMULSION PLANT PRODUCTION/SALES/EXPENSES:

No quorum

COUNTY COMMISSIONER PARTICIPATION:

No quorum

NEW BUSINESS:

No quorum

ADJOURNMENT:

No quorum

**CED #7 COUNTY ENERGY DISTRICT AUTHORITY
SPECIAL MEETING MINUTES**

**J.M. Kelley Building
1779 Marshall Rd.
Clinton, OK 73601**

10:15 A.M., Tuesday, June 16th, 2020

The Board of Directors for the CED #7 Energy District Authority met at 1779 Marshall Rd., Clinton, Oklahoma. Those present were:

BOARD MEMBERS

| | | |
|--------------|-------------|----------------|
| Johnny Davis | Steven Fite | Joe Don Dickey |
| Kirk Butler | Tim Bingham | Bart Gossen |
| Dillon Berry | Gary Lewis | Wade Anders |
| Mike Allen | Brian Hay | |

CALL TO ORDER MADE BY JOE DON DICKEY, CHAIRMAN:

11:04 AM

ROLL CALL: Gary Lewis & Bart Gossen – Absent

Discussion and possible action on dissolving the “7 Oil Joint Venture” between the 7-Oil County Energy District Authority and CED-7.

Motion was made by Tim Bingham and seconded by Dillon Berry to approve the dissolving of the 7 Oil Joint Venture between the 7-Oil County Energy District Authority and CED-7.

The motion carried the following results:

Aye: Joe Don Dickey, Wade Anders, Mike Allen, Steven Fite, Kirk Butler and Brian Hay

Abstain: Johnny Davis

Nay:

Discussion and possible action on appointing a liquidator or liquidators of the “7 Oil Joint Venture” between the 7-Oil County Energy District Authority and CED-7 upon dissolution of the joint venture pursuant to paragraph 11.02 of the joint venture agreement.

Motion was made by Wade Anders and seconded by Johnny Davis to approve the appointing the liquidator or liquidators. Wade Anders voted to appoint Brian Young as the liquidator and Gary Perkins as the Co liquidator. The motion carried the following results:

Aye: Joe Don Dickey, Tim Bingham, Mike Allen, Steven Fite, Kirk Butler, Brian Hay and Dillon Berry

Nay:

ADJOURNMENT:

Motion was made by Tim Bingham and seconded by Brian Hay at 11:07 AM. The motion carried as follows:

Aye: Joe don Dickey, Dillon Berry, Mike Allen, Steven Fite, Kirk Butler, Johnny Davis, Wade Anders

June 23rd, 2020

BLANKET PO APPROVAL FORM FOR CED-7 ENERGY DISTRICT ACCOUNT:

ONG \$1,000.00

PSO \$5,000.00

CITY OF CLINTON \$575.00

CENTER POINT ENERGY \$3,000.00

COASTAL \$50,000.00

FLYING HIGH \$2,500.00

ACE HARDWARE \$1000.00

OTHER VENDORS: (up to a maximum of \$500.00)

H&C, Fred Yoder, Lincoln, O'Reily's,
Lampton, Weldon, Midwest Farmers, Notifact

Board Member

Board Member



CED7 Energy District
Income Expense Report
July 1, 2019 through June 19, 2020

| | |
|---------------------------------------|--------------|
| Ordinary Income/Expense | |
| Income | |
| 4110 · Chip Seal Oil | 1,194,227.21 |
| 4410 · Seal Coat Oil | 59,564.00 |
| Total Income | 1,253,791.21 |
| Cost of Goods Sold | |
| 4920 · COGS - 2 | 903,988.28 |
| Total COGS | 903,988.28 |
| Gross Profit | 349,802.93 |
| Expense | |
| 6152 · Liability Insurance | 2,604.48 |
| 6601 · Debt Service | 78,986.37 |
| 5000 · Payroll Expenses | |
| 5130 · Employee Insurance Expense | 9,342.08 |
| 5000 · Payroll Expenses - Other | 3,468.77 |
| Total 5000 · Payroll Expenses | 12,810.85 |
| 6110 · Automobile Expense | |
| 6112 · Automobile Expense - Other | 3,114.49 |
| 6111 · Fuel | 2,587.82 |
| 6110 · Automobile Expense - Other | 587.60 |
| Total 6110 · Automobile Expense | 6,289.91 |
| 6250 · Job Cost | |
| 6251 · Advertising | 65.05 |
| 6252 · Consulting Fees | 13,560.00 |
| 6256 · Subcontractors | |
| 6256.3 · Freight | 54,033.36 |
| 6256.2 · Contract Employees | 14,314.08 |
| 6256 · Subcontractors - Other | 33,080.00 |
| Total 6256 · Subcontractors | 101,427.44 |
| 6250 · Job Cost - Other | 200.00 |
| Total 6250 · Job Cost | 115,252.49 |
| 6300 · Office Expenses | |
| 6311 · Other Consumables | 1,962.48 |
| 6307 · Dues | 2,305.00 |
| 6308 · Office Supplies | 3,000.34 |
| 6310 · Other Expenses | 11,061.47 |
| 6300 · Office Expenses - Other | 3,343.21 |
| Total 6300 · Office Expenses | 21,672.50 |
| 6350 · Repairs | |
| 6351 · Building Repairs | 37,741.73 |
| 6354 · Equipment Repairs | 14,019.78 |
| 6350 · Repairs - Other | 22,678.78 |
| Total 6350 · Repairs | 74,440.29 |
| 6400 · Professional Fees | 50,000.00 |
| 6550 · Telephone | 190.55 |
| 6700 · Travel, Lodging, Meals | |
| 6702 · Meals | 1,360.31 |
| 6703 · Travel | 1,456.81 |
| 6700 · Travel, Lodging, Meals - Other | 12,082.56 |
| Total 6700 · Travel, Lodging, Meals | 14,899.68 |
| 6800 · Utilities | |
| 6801 · Water | 2,208.96 |
| 6802 · Gas & Electric | 38,480.23 |
| Total 6800 · Utilities | 40,689.19 |
| 6990 · Miscellaneous | 44.64 |
| 7000 · Capital Outlay | |
| 7200 · Vehicle Purchase | 34,722.00 |
| 7300 · Equipment Purchase | 5,332.57 |
| 7400 · Site Development | 59,499.90 |
| Total 7000 · Capital Outlay | 99,554.47 |
| Total Expense | 517,435.42 |
| Net Ordinary Income | -167,632.49 |
| Other Income/Expense | |
| Other Income | |
| 8000 · Interest | 100.99 |
| Total Other Income | 100.99 |
| Net Other Income | 100.99 |
| Net Income | -167,531.50 |

Register: 1050 · Interbank 2017

From 04/22/2020 through 06/19/2020

Sorted by: Date, Type, Number/Ref

| Date | Number | Payee | Account | Memo | Payment | C | Deposit | Balance |
|------------|--------|------------------------|-----------------------------|----------------------|----------|---|---------|------------|
| 04/22/2020 | 1952 | Clinton Daily News | 2000 · Accounts Payable | Ad for Pen Oil ... | 28.50 | | | 138,350.31 |
| 04/22/2020 | 1953 | DRIVERS PORTAB... | 2000 · Accounts Payable | Worked on top ... | 240.00 | | | 138,110.31 |
| 04/22/2020 | 1954 | H & C Services and ... | 2000 · Accounts Payable | | 495.11 | | | 137,615.20 |
| 04/22/2020 | 1955 | Lampton Welding Su... | 2000 · Accounts Payable | | 269.16 | | | 137,346.04 |
| 04/22/2020 | 1956 | Midwest Farm | 2000 · Accounts Payable | VOID: spray h... | | X | | 137,346.04 |
| 04/22/2020 | 1957 | Midwest Farmers, Inc | 2000 · Accounts Payable | Jomahawk, My... | 156.85 | | | 137,189.19 |
| 04/22/2020 | 1958 | Notifact | 2000 · Accounts Payable | Internet | 33.00 | | | 137,156.19 |
| 04/22/2020 | 1959 | Red Hot Steamers | 2000 · Accounts Payable | Clean tank & h... | 1,000.00 | | | 136,156.19 |
| 04/22/2020 | 1960 | Weldon Parts | 2000 · Accounts Payable | | 37.90 | | | 136,118.29 |
| 04/22/2020 | 1961 | Western Oklahoma T... | 2000 · Accounts Payable | Carlisle tube fo... | 8.00 | | | 136,110.29 |
| 04/23/2020 | 1962 | Weldon Parts | 2000 · Accounts Payable | | 256.21 | | | 135,854.08 |
| 04/23/2020 | 1963 | T.A.S. Trucking Inc | 2000 · Accounts Payable | | 950.00 | | | 134,904.08 |
| 04/28/2020 | ACH | Public Service Comp... | 6800 · Utilities:6802 · ... | PSO Plant | 2,003.68 | X | | 132,900.40 |
| 04/29/2020 | ACH | Oklahoma Natural Gas | 6800 · Utilities:6802 · ... | Natural gas | 418.27 | X | | 132,482.13 |
| 04/29/2020 | 1966 | Ace Home Center | 2000 · Accounts Payable | | 169.21 | | | 132,312.92 |
| 04/30/2020 | | | 8000 · Interest | Interest | | X | 5.76 | 132,318.68 |
| 05/07/2020 | 1966 | Midwest Farm | 2000 · Accounts Payable | spray hose, latc... | 82.28 | | | 132,236.40 |
| 05/11/2020 | 1967 | Clinton Daily News | 2000 · Accounts Payable | Ad for Corsam... | 36.55 | | | 132,199.85 |
| 05/11/2020 | 1968 | Flying High Truckin... | 2000 · Accounts Payable | | 3,490.00 | | | 128,709.85 |
| 05/11/2020 | 1969 | H & C Services and ... | 2000 · Accounts Payable | Male camlock ... | 38.82 | | | 128,671.03 |
| 05/11/2020 | 1970 | Notifact | 2000 · Accounts Payable | Internet | 33.00 | | | 128,638.03 |
| 05/11/2020 | 1971 | O'Reilly Auto Parts | 2000 · Accounts Payable | | 89.75 | | | 128,548.28 |
| 05/11/2020 | 1972 | Patent Trademark Bu... | 2000 · Accounts Payable | Trademark rene... | 1,900.00 | | | 126,648.28 |
| 05/11/2020 | 1973 | Patriot Diesel Service | 2000 · Accounts Payable | | 700.00 | | | 125,948.28 |
| 05/11/2020 | 1974 | T&W Tire | 2000 · Accounts Payable | (2) tires for one... | 636.26 | | | 125,312.02 |
| 05/11/2020 | 1975 | Weldon Parts | 2000 · Accounts Payable | | 136.40 | | | 125,175.62 |
| 05/18/2020 | ACH | City of Clinton | 6800 · Utilities:6801 · ... | | 29.83 | X | | 125,145.79 |
| 05/28/2020 | ACH | Public Service Comp... | 6800 · Utilities:6802 · ... | Electric | 1,143.28 | | | 124,002.51 |
| 05/29/2020 | 1976 | Ace Home Center | 2000 · Accounts Payable | | 321.99 | | | 123,680.52 |
| 05/29/2020 | 1977 | Jerry Dean | 2000 · Accounts Payable | april may milea... | 3,034.08 | | | 120,646.44 |
| 05/29/2020 | 1978 | Brian K Miller | -split- | | 1,066.87 | | | 119,579.57 |
| 06/01/2020 | ACH | Oklahoma Natural Gas | 6800 · Utilities:6802 · ... | Natural gas | 321.86 | | | 119,257.71 |
| 06/02/2020 | 1979 | Grainger | 2000 · Accounts Payable | Hot mill gloves | 60.28 | | | 119,197.43 |
| 06/09/2020 | 1980 | Clean Harbors | 2000 · Accounts Payable | disposal fee | 694.37 | | | 118,503.06 |
| 06/15/2020 | 1981 | Brian K Miller | -split- | | 1,066.88 | | | 117,436.18 |

| | EMULSION PLANT | TOTAL |
|--|---------------------|---------------------|
| Ordinary Income/Expense | | |
| Income | | |
| 4110 • Income for Chip Seal Oil | 1,050,000.00 | 1,050,000.00 |
| 4210 • Income for Patching Oil | - | - |
| 4310 • Income for Base Oil | - | - |
| 4410 • Income for Seal Coat Oil | 50,000.00 | 50,000.00 |
| | - | - |
| INCOME | 1,100,000.00 | 1,100,000.00 |
| Cost of Goods Sold | | |
| Pen Oil/Chemicals/Misc. Materials | 600,000.00 | 600,000.00 |
| Gross Income | 500,000.00 | 500,000.00 |
| Expense | | |
| 5000 • Personal Services | | |
| 5120 • Company Retirement | 7,500.00 | 7,500.00 |
| 5130 • Employee Insurance Expense | 11,000.00 | 11,000.00 |
| 513 • Healthcare Allowance | 6,000.00 | 6,000.00 |
| 5140 • Workers' Comp. Insurance | - | - |
| 5160 • Payroll Expenses | 65,000.00 | 65,000.00 |
| Total 5100 • Payroll Expenses | 89,500.00 | 89,500.00 |
| 6400 • Professional Fees | | |
| Interbank Loan Payment | - | - |
| Paul Beavers (formula) | - | - |
| Prof. Life Insurance | - | - |
| De Lage Landen (Tank Pmt) | - | - |
| Accounting/Legal | - | - |
| Total 6400 • Professional Fees | - | - |
| 6000 • Maintenance & Operations | | |
| 6110 • Automobile Expense | - | - |
| 6111 • Fuel | 4,000.00 | 4,000.00 |
| 6110 • Automobile Expense - Other | 1,500.00 | 1,500.00 |
| 6250 • Job Cost | | |
| 6252 • Consultant/Field Rep: | 50,000.00 | 50,000.00 |
| 6256 • Subcontractors: | - | - |
| 6256.1 Freight: | 60,000.00 | 60,000.00 |
| 6300 • Office Expenses | | |
| 6308 • Office Supplies | 5,000.00 | 5,000.00 |
| 6309. Postage and Delivery | 250.00 | 250.00 |
| 6310 • Other Expenses/Uniforms | 10,000.00 | 10,000.00 |
| 6350 • Repairs | | |
| 6351 • Equipment/trailer Repairs | 15,000.00 | 15,000.00 |
| 6352 • Computer Repairs | 1,500.00 | 4,000.00 |
| 6354 • Building Repair | 30,000.00 | 30,000.00 |
| 6355 • Consumables | 7,000.00 | 7,000.00 |
| 6700 • Travel, Lodging, Meals | | |
| 6701 • Lodging/Rent | 1,000.00 | 1,000.00 |
| 6703 • Meals | 3,000.00 | 3,000.00 |
| 6704 • Travel (mileage reimb) | 11,000.00 | 11,000.00 |
| 6800 • Utilities | | |
| 6801 • Water | 3,000.00 | 3,000.00 |
| 6802 • Gas and Electric | 42,000.00 | 42,000.00 |
| 6990 • Miscellaneous | | |
| 6240 • Miscellaneous | 2,000.00 | 2,000.00 |
| Total 6000 • Maintenance & Operations | 246,250.00 | 246,250.00 |
| 7000 • Capital Outlay | | |
| 7300.1 • Vehicle Purchase | - | - |
| 7300 • Equipment Purchase | 15,000.00 | 15,000.00 |
| Total 7000 • Capital Outlay | 15,000.00 | 15,000.00 |
| Total Expense | 335,750.00 | 335,750.00 |
| Net Income | 164,250.00 | 164,250.00 |