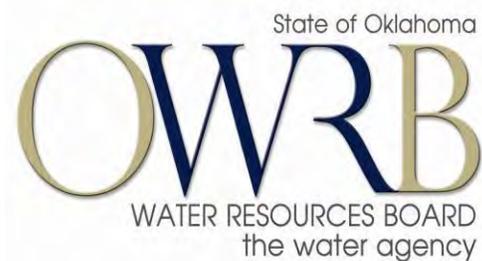


**DRINKING WATER STATE REVOLVING FUND (DWSRF)  
SFY 2022 Annual Report**

(Pursuant to: The Safe Drinking Water Act, Section 1452(g)(4))

December 15, 2022

FINAL



**Prepared for the:  
United States Environmental Protection Agency**

**Prepared by:  
The Oklahoma Department of Environmental Quality  
And  
The Oklahoma Water Resources Board**

## TABLE OF CONTENTS

<b>I. Background, Key Aspects, and Loan Funding Activities</b>	<b>1</b>
<b>A. Background</b>	<b>1</b>
<b>B. Key Aspects</b>	<b>1</b>
<b>C. Loan Funding Activities</b>	<b>2</b>
<b>D. Additional Requirements (Subsidies, DB, PBR, FFATA, DWNIMS, AIS, Sustainability, and State Laws and Procedures, etc.)</b>	<b>11</b>
<b>II. DWSRF Summary</b>	<b>11</b>
<b>A. Set-asides</b>	<b>13</b>
1. DWSRF Administration	13
2. Small System Technical Assistance	17
3. State Program Management	17
4. Local Assistance and Other State Programs	20
<b>B. State Matching Funds</b>	<b>25</b>
<b>C. Project Activities</b>	<b>26</b>
<b>D. Prospective Loan Projects</b>	<b>33</b>
<b>III. DWSRF Goals Attained</b>	<b>34</b>
<b>A. Project Accomplishments</b>	<b>34</b>
<b>B. Program Accomplishments</b>	<b>35</b>
<b>IV. Capacity Development Strategy Activities</b>	<b>40</b>
<b>V. Operator Certification Activities</b>	<b>41</b>
<b>VI. EPA Automated Standard Application for Payments (ASAP) Payment System</b>	<b>41</b>
<b>VII. Interest Rates/State Financing Plan</b>	<b>41</b>
<b>VIII. Current and Five Year Projection of Water Needs</b>	<b>42</b>
<b>IX. Ten and Twenty Year Projection of DWSRF Needs</b>	<b>43</b>
<b>X. Detailed Financial Report</b>	<b>43</b>
<b>XI. Cross-Collateralization of the DWSRF and Clean Water State Revolving Fund (CWSRF)</b>	<b>43</b>
<b>XII. Transfer Authority Between Drinking Water and Clean Water SRFs</b>	<b>44</b>
<b>XIII. DWSRF Program Changes</b>	<b>44</b>

**Tables:**

<b>Table 1: Awarded Funds _____</b>	<b>12</b>
<b>Table 2: Capitalization Budget and Expenses (Set-Aside Accounts) _____</b>	<b>15</b>
<b>Table 3: DWSRF Outside Account Administration Fees _____</b>	<b>16</b>
<b>Table 4: DWSRF Project and Loan Details _____</b>	<b>27</b>
<b>Table 5: Total Percentage of Small Systems Funded _____</b>	<b>28</b>
<b>Table 6: Binding Commitment Financial Summary _____</b>	<b>31</b>
<b>Table 7: DBE Procurement Activity _____</b>	<b>33</b>

**Attachments:**

- Attachment 1 DEQ/OWRB Interagency Agreement for SFY 2022**
- Attachment 2 SFY 2022 Intended Use Plan (IUP) and Project Priority List**
- Attachment 3 Capacity Model for SFY 2022**
- Attachment 4 Oklahoma Drinking Water Treatment Loan Administrative Fund Audit Report for SFY 2022**
- Attachment 5 SFY 2022 Financial Statements for the DWSRF Program**
- Attachment 6 Capacity Development Annual Report for SFY 2022**
- Attachment 7 Sources and Uses of Funds Statement**
- Attachment 8 Loans Receiving Subsidy and Extended Term Financing**
- Attachment 9 FFATA Cumulative Report**
- Attachment 10 Subsidy Tracking Chart by Grant and Projects**
- Attachment 11 DWNIMS Financial Indicators (Unavailable)**
- Attachment 12 DWSRF SFY 2022 Intended Use Plan (IUP) Revisions**
- Attachment 13 Documentation for EPA Guidelines for Enhancing Public Awareness of SRF Assistance Agreements**
- Attachment 14 DWSRF Assistance Agreement Report**
- Attachment 15 Subsidy Draw Down Tracking Chart by Projects**

## **I. Background, Key Aspects, and Loan Funding Activities**

### **A. Background**

The Safe Drinking Water Act (SDWA), as amended in 1996, requires each state with a Drinking Water State Revolving Fund (DWSRF) program to publish and submit to the United States Environmental Protection Agency (EPA) Administrator a report every 2 years on its DWSRF activities. The Oklahoma Department of Environmental Quality (DEQ) and Oklahoma Water Resources Board (OWRB) choose to submit a report annually.

The United States Congress authorized the DWSRF as part of the SDWA in August of 1996. The DWSRF allows each state, which successfully applies for and receives a capitalization grant, funding for loans to public water supply systems to make infrastructure improvements to achieve compliance with national primary drinking water regulations or otherwise further the public health protection objectives of the SDWA. In Oklahoma, OWRB provides low-interest loans to eligible public water supply systems according to the project priority system developed by DEQ. In addition, Congress provided funding for set-aside activities to administer the DWSRF program and benefit water supply systems in meeting the requirements of the SDWA.

DEQ and OWRB herewith submit the State Fiscal Year (SFY) 2022 DWSRF Annual Report to EPA. For the purpose of this report and future reports on the DWSRF, the reporting period will be the state's fiscal year from July 1, 2021, through June 30, 2022.

### **B. Key Aspects**

The SFY 2022 Audit contains the following information:

#### Financial Highlights:

- The Program's net position increased by over 2.8% from \$314,835,651 in SFY 2021 to \$323,767,946 in SFY 2022. The increase in net position is primarily attributable to an increase in federal grant revenue retained to fund loans.
- The Program experienced an increase of \$79,812,401 in the amount of outstanding loans. As of June 30, 2022, the Program had 160 outstanding loans with a principal balance of \$662,905,990. At the end of SFY 2021, the Program had 152 outstanding loans with a principal balance of \$583,093,589.

#### Program Highlights:

- During SFY 2022, nineteen (19) construction loans totaling approximately \$269.9 million were made to correct deficiencies and achieve compliance with the national primary drinking water regulations or otherwise further the public health protection objectives of the SDWA. Please see Table 4 on page 27.
- Completed construction during the year on nine (9) projects totaling \$25 million.
- Made binding commitments for twenty (20) new loans, totaling approximately \$270.4 million, in drinking water construction for communities to correct problems and achieve compliance with the SDWA. See pages 3-8.

### **C. Loan Funding Activities**

DEQ and OWRB made binding commitments to twenty (20) projects during SFY 2022. Twelve (12) of which were long-term loans to small communities including: New Cordell Utilities Authority (UA); Okmulgee County Rural Water District (RWD) #4; Comanche Public Works Authority (PWA); Porter Public Works Authority (PWA); Anadarko Public Works Authority (PWA); McIntosh County Rural Water District (RWD) #9; Comanche County Rural Water District (RWD) #2 (II); Welch Public Works Authority (PWA); Pontotoc County Rural Water District (RWD) #6; Hominy Public Works Authority (PWA) (II); Cherokee County Rural Water District (RWD) #1 (II); and Wewoka Public Works Authority (PWA). Eight (8) of them were long-term loans to large communities. They include McAlester Public Works Authority (PWA); Okmulgee Municipal Authority (MA) (V); Oklahoma City Water Utilities Trust (X); Edmond Public Works Authority (PWA) (VII); Edmond Public Works Authority (PWA) (IX); Elk City Public Works (PWA) (II); Enid Municipal Authority (MA) (V); and Lawton Water Authority (WA) (IV). One other small community received a binding commitment during SFY 2022. It was Cherokee County Rural Water District (RWD) #1 (II).

DEQ and OWRB closed loans with eighteen (18) systems for nineteen (19) projects by June 30, 2022. One system, Cherokee Co. RWD #1 (II) de-obligated loan funds in the amount of \$430,000, from SFY 2022, because they are eligible to receive “Congressionally Directed Spending” funds during FFY 2023. See Tables 4 and 5.

The Federal Fiscal Year (FFY) 2021 appropriation grant assistance agreement had a subsidy requirement of 14%. It also included a minimum 6% subsidy requirement for Disadvantaged Systems. Although the appropriation also encouraged assistance for Green Project Reserve (GPR) projects, GPR was not mandatory for FFY 2021. DEQ and OWRB did not provide subsidy for GPR projects during SFY 2022.

DEQ targeted the additional subsidies to public water supplies who have health-based violations, primarily as Disinfection Byproduct (DBP) issues, and regionalization projects. A “disadvantaged community” is defined at VII.B in the SFY 2022 Intended Use Plan (IUP). Please see Attachment 2. DEQ amended the SFY 2022 IUP in November of 2021 and raised the limit of subsidy funds that systems could receive to attempt to obligate the remaining subsidy funds from the last few grants. This change obligated all the remaining subsidy funds for the 2018, 2019, 2020 and 2021 grants. The remaining regular funds were made available in the form of a below market interest rate DWSRF loan. Please see Attachment 8. Seventeen (17) out of nineteen (19) closed loans were considered “disadvantaged” according to the definition. Please see Attachment 10 for subsidy funds by Grant and Projects, and Attachment 15 for Subsidy Draw Down by Projects.

The project descriptions listed on the following pages show twenty (20) projects that received a binding commitment during SFY 2022.

**SFY 2022 Project Descriptions**

**New Cordell Utilities Authority (UA)**

*Binding Commitment Date:* December 21, 2021

*Binding Commitment Amount:* \$2,250,000

*Loan Closing Date:* December 21, 2021

*Loan Closing Amount:* \$2,250,000

*Loan Term:* 19 years

*Principal Forgiveness (Subsidy) Amount:* \$562,500 (Regular) \$100,000 (Disadvantaged)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Construction of 10,600 linear feet of 6-inch PVC or HDPE potable waterline, 1,100 linear feet of 12-inch PVC or HDPE potable waterline, and the rehabilitation of West Side Storage Tank.

Construction completion is estimated to occur in the winter of 2022.

**Comanche Public Works Authority (PWA)**

*Binding Commitment Date:* December 21, 2021

*Binding Commitment Amount:* \$200,000

*Loan Closing Date:* February 4, 2022

*Loan Closing Amount:* \$200,000

*Loan Term:* Zero (0) years

*Principal Forgiveness (Subsidy) Amount:* \$104,530 (DBP) \$95,470 (Disadvantaged)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Reduction of Disinfection Byproduct by Chlorine Dioxide Chemical Feed System for TTHM compliance per consent order.

Construction completion is estimated to occur in the fall of 2022.

**McAlester Public Works Authority (PWA)**

*Binding Commitment Date:* December 21, 2021

*Binding Commitment Amount:* \$32,500,000

*Loan Closing Date:* December 21, 2021

*Loan Closing Amount:* \$32,500,000

*Loan Term:* 30 years

*Principal Forgiveness (Subsidy) Amount:* \$1,000,000 (Regular) \$100,000 (Disadvantaged)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Project consists of citywide waterline replacement, and the rehabilitation of four existing tanks over the next several years.

Construction completion is estimated to occur in the winter of 2024/spring 2025.

**Okmulgee County Rural Water District #4**

*Binding Commitment Date:* December 21, 2021

*Binding Commitment Amount:* \$300,000

*Loan Closing Date:* January 28, 2022

*Loan Closing Amount:* \$300,000

*Loan Term:* Zero (0) years

*Principal Forgiveness (Subsidy) Amount:* \$225,000 (DBP) \$75,000 (Disadvantaged)  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Chloramines Booster Pump Station for TTHM compliance per consent order.

Construction completion is estimated to occur in the spring of 2023.

**Okmulgee Municipal Authority (MA) (V)**

*Binding Commitment Date:* December 21, 2021  
*Binding Commitment Amount:* \$1,350,000  
*Loan Closing Date:* December 21, 2021  
*Loan Closing Amount:* \$1,350,000  
*Loan Term:* 15 years  
*Principal Forgiveness (Subsidy) Amount:* \$337,500 (Regular) \$100,000 (Disadvantaged)  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Construction of 1,350 linear feet of eight-inch (8") PVC waterline, and 8,360 linear feet of six-inch (6") PVC waterline.

Construction completion is estimated to occur in the spring of 2023.

**Anadarko Public Works Authority**

*Binding Commitment Date:* February 15, 2022  
*Binding Commitment Amount:* \$141,551.33  
*Loan Closing Date:* April 6, 2022  
*Loan Closing Amount:* \$135,686.43  
*Loan Term:* Zero (0) years  
*Principal Forgiveness (Subsidy) Amount:* \$102,406.43 (DBP) \$33,280 (Disadvantaged)  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Tank ventilation and flushing hydrants.  
Construction completion occurred in the summer of 2022.

**Porter Public Works Authority (PWA)**

*Binding Commitment Date:* March 15, 2022  
*Binding Commitment Amount:* \$890,000  
*Loan Closing Date:* April 6, 2022  
*Loan Closing Amount:* \$787,480  
*Loan Term:* 30 years  
*Principal Forgiveness (Subsidy) Amount:* \$196,870 (DBP) \$100,000 (Disadvantaged)  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Rehabilitation to ground storage tank and elevated storage tank to enhance mixing and lower water age. Reconfiguration of piping between ground storage tank and booster pump station to increase tank turnover. Replacement of pumps, drives, and motors in the booster pump station.

Construction completion is estimated to occur in the winter of 2023.

**Welch Public Works Authority**

*Binding Commitment Date:* March 15, 2022  
*Binding Commitment Amount:* \$450,000  
*Loan Closing Date:* June 30, 2022  
*Loan Closing Amount:* \$450,000  
*Loan Term:* Zero (0) years  
*Principal Forgiveness (Subsidy) Amount:* \$350,000 (Health Based) \$100,000 (Disadvantaged)  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Construction of an ion exchange water treatment plant designed for radium removal.  
Construction completion is estimated to occur in the spring of 2023.

**Edmond Public Works Authority (PWA) (VII)**

*Binding Commitment Date:* April 18, 2022  
*Binding Commitment Amount:* \$45,000,000  
*Loan Closing Date:* April 28, 2022  
*Loan Closing Amount:* \$45,000,000  
*Loan Term:* 30 years  
*Principal Forgiveness (Subsidy) Amount:* \$1,000,000 (Regular)  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Construction of new intake structure on Lake Arcadia.  
Construction completion is estimated to occur in the summer of 2024.

**Edmond PWA (IX)**

*Binding Commitment Date:* April 18, 2022  
*Binding Commitment Amount:* \$140,000,000  
*Loan Closing Date:* April 28, 2022  
*Loan Closing Amount:* \$140,000,000  
*Loan Term:* 30 years  
*Principal Forgiveness (Subsidy) Amount:* \$0.00  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Water Treatment Plant Improvements.  
Construction completion is estimated to occur in the winter of 2026.

**Enid Municipal Authority (MA) (V)**

*Binding Commitment Date:* April 18, 2022  
*Binding Commitment Amount:* \$4,000,000  
*Loan Closing Date:* May 17, 2022  
*Loan Closing Amount:* \$4,000,000  
*Loan Term:* 2 years  
*Principal Forgiveness (Subsidy) Amount:* \$1,000,000 (Regular) \$100,000 (Disadvantaged)  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Water main and line improvements.

Construction completion is estimated to occur in the fall of 2024.

### **Oklahoma City WUT (X)**

*Binding Commitment Date:* April 18, 2022

*Binding Commitment Amount:* \$31,645,000

*Loan Closing Date:* April 26, 2022

*Loan Closing Amount:* \$31,645,000

*Loan Term:* 30 years

*Principal Forgiveness (Subsidy) Amount:* \$1,000,000 (Regular) \$100,000 (Disadvantaged)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Rehabilitate elevated water storage tank.

Construction completion is estimated to occur in the summer of 2025.

### **Elk City PWA (II)**

*Binding Commitment Date:* April 18, 2022

*Binding Commitment Amount:* \$1,700,000

*Loan Closing Date:* May 10, 2022

*Loan Closing Amount:* \$1,700,000

*Loan Term:* 2 years

*Principal Forgiveness (Subsidy) Amount:* \$425,000.00 (Regular) \$100,000 (Disadvantaged)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Water line replacement.

Construction completion is estimated to occur in the fall of 2022.

### **McIntosh County Rural Water District #9**

*Binding Commitment Date:* May 17, 2022

*Binding Commitment Amount:* \$695,000

*Loan Closing Date:* June 2, 2022

*Loan Closing Amount:* \$695,000

*Loan Term:* 20 years

*Principal Forgiveness (Subsidy) Amount:* \$200,000 (DBP) \$100,000 (Disadvantaged)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Construction of two chlorine booster stations and the installation of a mixer and forced draft aerator into the water storage facility.

Construction completion is estimated to occur in the spring of 2023.

### **Comanche Co. RWD #2 (II)**

*Binding Commitment Date:* June 21, 2022

*Binding Commitment Amount:* \$2,545,000

*Loan Closing Date:* June 24, 2022

*Loan Closing Amount:* \$2,545,000

*Loan Term:* 30 years

*Principal Forgiveness (Subsidy) Amount:* \$636,250 (Regular)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Construction of 2,650 linear feet (L.F.) of 2-inch polyvinyl chloride (PVC) potable water line, 4,030 L.F. of 4-inch PVC potable water line, 59,480 L.F. of 6-inch PVC potable water line and 1,635 LF of 6-inch high density polyethylene (HDPE) potable water line along with all appurtenances throughout the distribution system. Construction completion is estimated to occur in the summer of 2023.

#### **Lawton Water Authority (WA) (IV)**

*Binding Commitment Date:* June 21, 2022

*Binding Commitment Amount:* \$5,000,000

*Loan Closing Date:* June 29, 2022

*Loan Closing Amount:* \$5,000,000

*Loan Term:* 9.5 years

*Principal Forgiveness (Subsidy) Amount:* \$565,472.07 (Regular) \$15,250 (Disadvantaged)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Design and construction of a new SCADA system. Construction completion is estimated to occur in the fall of 2023.

#### **Pontotoc County Rural Water District #6**

*Binding Commitment Date:* June 21, 2022

*Binding Commitment Amount:* \$730,000

*Loan Closing Date:* June 30, 2022

*Loan Closing Amount:* \$730,000

*Loan Term:* 15 years

*Principal Forgiveness (Subsidy) Amount:* \$182,500 (Regular) \$100,000 (Disadvantaged)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Installation of 385 water meters with meter boxes and a drive by read system plus two (2) pressure management valve vaults along with all appurtenances. Construction completion is estimated to occur in the spring of 2023.

#### **Hominy Public Works Authority**

*Binding Commitment Date:* June 21, 2022

*Binding Commitment Amount:* \$300,000

*Loan Closing Date:* June 30, 2022

*Loan Closing Amount:* \$237,403

*Loan Term:* Zero (0) years

*Principal Forgiveness (Subsidy) Amount:* \$147,755 (DBP) \$89,648 (Disadvantaged)

*Green Project Reserve Amount:* \$0.00

*Project Description:* Installation of an aeration system into the ground storage tanks, relocation of the caustic soda feed system, and replacement of granular activated carbon in the existing filters to address disinfection byproducts violations. Construction completion is estimated to occur in the winter of 2023.

**Wewoka Public Works Authority***Binding Commitment Date:* June 21, 2022*Binding Commitment Amount:* \$400,000*Loan Closing Date:* June 30, 2022*Loan Closing Amount:* \$400,000*Loan Term:* Zero (0) years*Principal Forgiveness (Subsidy) Amount:* \$400,000 (DBP)*Green Project Reserve Amount:* \$0.00*Project Description:* Construction of a 500,000 Gallon Prestressed Concrete Clearwell at the new Water Treatment Plant.

Construction completion is estimated to occur in the summer of 2023.

The following project received a binding commitment during SFY 2022, but did not close a loan and will probably de-obligate the funds during SFY 2023. The project will receive Congressionally Directed Spending funds.

**Cherokee County Rural Water District #1 (II)***Binding Commitment Date:* March 15, 2022*Binding Commitment Amount:* \$430,000*Loan Closing Date:* Did not close in 2022*Loan Closing Amount:* Will probably de-obligate in 2023*Loan Term:* Zero (0) years*Principal Forgiveness (Subsidy) Amount:* \$430,000 (Regionalization)*Green Project Reserve Amount:* \$0.00*Project Description:* Abandoning the existing water treatment plant and connecting to Muskogee Co RWD #7 for the purchase of treated water.

Construction was not started.

**D. Additional Requirements (Subsidies, DB, PBR, FFATA, DWNIMS, AIS, Sustainability, and State Laws and Procedures, etc.)**

The following information shows the accounting of subsidies for the FFY 2018, 2019, 2020, and 2021 capitalization grants as of June 30, 2022. DEQ/OWRB uses principal forgiveness when assigning subsidies.

<b><u>FFY 2018 Grant Amount</u></b>	<b><u>\$15,747,000.00</u></b>
20% Subsidy	\$ 3,149,400.00
Subsidy Amount Awarded	<u>\$ 3,149,400.00</u>
Subsidy Amount left to Award	\$ 0.00
Remaining Amt. Carried Forward to SFY 2023	\$ 0.00

**FFY 2019 Grant Amount \$15,600,000.00**

20% Subsidy	\$ 3,120,000.00
Subsidy Amount Awarded	<u>\$ 3,120,000.00</u>
Subsidy Amount left to Award	\$ 0.00

6% Disadvantaged Subsidy	\$ 936,000.00
Subsidy Amount Awarded	<u>\$ 936,000.00</u>
Subsidy Amount left to Award	\$ 0.00

Remaining Amt. Carried Forward to SFY 2023	\$ 0.00
---	---------

**FFY 2020 Grant Amount \$15,610,000**

14% Subsidy	\$ 2,185,400.00
Subsidy Amount Awarded	<u>\$ 2,185,400.00</u>
Subsidy Amount left to Award	\$ 0.00

6% Disadvantaged Subsidy	\$ 936,600.00
Subsidy Amount Awarded	<u>\$ 936,600.00</u>
Subsidy Amount left to Award	\$ 0.00

Remaining Amt. Carried Forward to SFY 2023	\$ 0.00
---	---------

**FFY 2021 Grant Amount \$15,596,000**

14% Subsidy	\$ 2,183,440.00
Subsidy Amount Awarded	<u>\$ 2,183,440.00</u>
Subsidy Amount left to Award	\$ 0.00

6% Disadvantaged Subsidy	\$ 935,760.00
Subsidy Amount Awarded	<u>\$ 935,760.00</u>
Subsidy Amount left to Award	\$ 0.00

Remaining Amt. Carried Forward to SFY 2023	\$ 0.00
---	---------

The total combined subsidy forwarded to SFY 2023, is \$0.

DWSRF projects receiving loan subsidies and/or extended-term financing are listed in Attachment 8. Also, please see Attachment 10 for the Subsidy Tracking Chart by Grant and Projects.

All projects funded with grant funds are required to include the Davis-Bacon Provisions as defined in the capitalization grant conditions. DWSRF staff monitored each project through planning, bidding, contracting, and construction to ensure that these provisions were met.

DEQ is required to report project level data in the DWSRF SRF Data System on a quarterly basis. All nineteen (19) projects that closed a loan in SFY 2022 have been entered in SRF Data System. See list in Attachment 14.

DEQ is required to report project funding in the Federal Funding Accountability and Transparency Act (FFATA) database. An amount reported for funded projects, equal to the capitalization grant amount (minus the set-aside amount), was submitted to the FFATA database during SFY 2022. The FFY 2021 capitalization grant amount was \$15,596,000, minus the set-aside amount of \$4,834,760, which equals \$10,761,240. Three (3) projects totaling \$36,100,000, were used for reporting. Only \$10,761,240 was entered as of June 30, 2022 since the loan amounts exceeded the reporting maximum. The projects are New Cordell UA, Okmulgee MA (V), and McAlester PWA. DEQ did not report on the set-aside total because there were not any eligible expenses. Please see Attachment 9.

DEQ is required to report all financial information into the Drinking Water National Information Management System (DWNIMS) database on a yearly basis. All financial information was entered into DWNIMS by the EPA deadline.

On January 17, 2014, H.R. 3547, "Consolidated Appropriations Act, 2014," was enacted. This law provides appropriations for the DWSRF for FFY 2014 while adding an American Iron and Steel requirement. H.R. 3547 included language in Division G, Title IV, under the heading "Use of American Iron and Steel". DEQ implemented the provisions of this new act on January 17, 2014. Also, the DWSRF forms were updated to include this new requirement.

DEQ continues to encourage a range of practices that support sustainable water infrastructure and overall system sustainability through the Capacity Development program by implementing the Capacity Development Assessment for each loan recipient.

On June 23, 2015, EPA sent out guidelines for Enhancing Public Awareness of SRF Assistance Agreements. The "Signage Requirement" has been adopted by DEQ and OWRB. DEQ purchased "EPA" stickers to be placed on the construction sign. Please see Attachment 13 for documentation.

### State Laws and Procedures

DEQ complied with the following state laws and procedures:

Oklahoma Public Competitive Bidding Act of 1974

OS Title 74 – Central Purchasing Act

OS Title 61 – Public Buildings and Public Works

OS Title 82 – Waters and Water Rights

OS Title 785 Chapter 50 – Financial Assistance

OAC 252-004 Rules of Practice and Procedure

OAC 252-626 Public Water Supply Construction Standards

OAC 252-631 Public Water Supply Operation

OAC 252-633 Drinking Water State Revolving Fund

OAC 252-710 Water Works and Wastewater Works Operator Certification

## **II. DWSRF Summary**

In anticipation of the federal re-authorization of the SDWA and creation of the DWSRF, H.B. 2426 was signed into law creating the Drinking Water Treatment Revolving Loan Account on May 10, 1994. Re-authorization of the SDWA was accomplished August 6, 1996, and H.B. 1084 was signed into law, amending the previous action to implement Section 1452 of the SDWA.

Table 1 is a summary of federal and state matching funds available to the DWSRF from 1997 through 2022 as a result of federal capitalization grants authorized to be awarded to the State of Oklahoma. Provided the federal SDWA is re-authorized, capitalization grants from the federal government are expected to continue beyond 2023.

**Table 1 – Awarded Funds**

Federal Fiscal Year (FFY)	Federal Appropriation	20% State Match	Total	Reserved for Set-Asides	Total Available for Assistance
1997	\$17,561,900	\$3,512,380	\$21,074,280	\$5,444,189	\$15,630,091
1998	\$10,224,200	\$2,044,840	\$12,269,040	\$3,169,502	\$9,099,538
1999	\$10,716,000	\$2,143,200	\$12,859,200	\$3,321,960	\$9,537,240
2000	\$11,137,000	\$2,227,400	\$13,364,400	\$1,781,920	\$11,582,480
2001	\$11,183,000	\$2,236,600	\$13,419,600	\$2,247,253	\$11,172,347
2002	\$12,446,500	\$2,489,300	\$14,935,800	\$3,236,090	\$11,699,710
2003	\$12,371,700	\$2,474,340	\$14,846,040	\$2,845,492	\$12,000,549
2004	\$12,833,800	\$2,566,760	\$15,400,560	\$3,336,788	\$12,063,772
2005	\$12,806,700	\$2,561,340	\$15,368,040	\$3,009,575	\$12,358,465
2006	\$13,285,600	\$2,657,120	\$15,942,720	\$3,141,612	\$12,801,108
2007	\$13,285,600	\$2,657,120	\$15,942,720	\$3,383,424	\$12,559,296
2008	\$13,151,000	\$2,630,200	\$15,781,200	\$3,534,820	\$12,246,380
2009	\$13,151,000	\$2,630,200	\$15,781,200	\$6,074,218	\$9,706,982
ARRA	\$31,481,000	\$0	\$31,481,000	\$1,259,240	\$30,221,760
2010	\$16,863,000	\$3,372,600	\$20,235,600	\$5,227,530	\$15,008,070
2011	\$11,701,000	\$2,340,200	\$14,041,200	\$3,627,310	\$10,413,890
2012	\$11,151,000	\$2,230,200	\$13,381,200	\$3,456,810	\$9,924,390
2013	\$10,463,000	\$2,092,600	\$12,555,600	\$3,243,530	\$9,312,070
2014*	\$14,226,000	\$2,850,200	\$17,101,200	\$4,392,810	\$12,683,390
2015	\$14,157,000	\$2,831,400	\$16,988,400	\$4,388,670	\$12,599,730
2016	\$13,393,000	\$2,678,600	\$16,071,600	\$4,151,830	\$11,919,770
2017	\$13,279,000	\$2,655,800	\$15,934,800	\$4,116,490	\$11,818,310
2018	\$15,747,000	\$3,149,400	\$18,896,400	\$4,881,570	\$14,014,830
2019**	\$15,580,000	\$3,120,000	\$18,700,000	\$4,836,000	\$13,864,000
2020	\$15,610,000	\$3,122,000	\$18,732,000	\$4,839,100	\$13,892,900
2021	\$15,596,000	\$3,119,200	\$18,715,200	\$4,834,760	\$13,880,440
<b>TOTAL</b>	<b>\$363,401,000</b>	<b>\$66,393,000</b>	<b>\$429,794,000</b>	<b>\$97,782,493</b>	<b>\$332,011,508</b>

\*A \$25,000 contract was issued through EPA and taken off the top of the grant amount (Grant amount \$14,251,000 minus \$25,000 left an awarded amount of \$14,226,000).

\*\*A \$20,000 contract was issued through EPA and taken off the top of the grant amount (Grant amount \$15,600,000 minus \$20,000 left an awarded amount of \$15,580,000).

Federal capitalization grant funds were awarded to DEQ during SFY 2022. DEQ applied for the FFY 2021 capitalization grant on April 14, 2021. EPA awarded \$15,596,000, to DEQ on September 28, 2021. The state matching funds for the FFY 2021 capitalization grant in the amount of \$3,119,200 were provided partially through the Series 2020 DWSRF Bond Issue in the amount of \$2,567,600, and through a transfer from the DWSRF Administrative Fund held outside the DWSRF in the amount of \$551,600, with the option to refund the Drinking Water Administrative Fund with bond proceeds from an anticipated bond issue scheduled to close during SFY 2023. See page 46 for more information regarding revenue bond issues. See Attachment 7 for the Sources and Uses of Funds Statement.

#### **A. Set-asides**

Section 1452 of the SDWA authorizes four set-asides to enable states to implement requirements of the SDWA. DEQ reserved 31% of the FFY 2021 capitalization grant. The following is a description of the four set-aside account activities.

##### **1. DWSRF Administration**

Funds equal to 4% of the FFY 2021 federal capitalization grant were set-aside to offset administrative costs incurred by DEQ and OWRB during SFY 2022. Administrative tasks include loan portfolio management; debt issuance; financial, management, and legal consulting fees; and technical tasks, including the review of planning and design documents, construction documents, and project inspection. A copy of the DEQ and OWRB Interagency Agreement for SFY 2022 is included as Attachment 1.

The DWSRF Administration Set-aside from the FFY 2021 capitalization grant was \$623,840. This entire amount was specified for staff salaries, to provide travel and training necessary for the adequate performance of staff, to pay DWSRF audit costs, and to provide equipment and supplies to meet the needs of the administration of the DWSRF during SFY 2022. A total of \$443,840 for SFY 2022 was budgeted for DEQ expenses associated with administration of the DWSRF and \$180,000 was budgeted for OWRB expenses associated with administration of the DWSRF. Table 2, included on page 15, contains budget and expense data.

DEQ and OWRB expended \$376,783 from the FFY 2020 grant Administration Set-aside, and \$218,321 from the FFY 2021 grant Administration Set-aside during SFY 2022. The 2018 and 2019 grants incurred expenditures which included payroll funding corrections.

In the SFY 2022 work plan, two (2) contracts were listed as potential projects during the year. The first contract was the Annual Audit Contract listed for \$37,670. The contract was awarded for \$37,670, and this amount was expended for contracted work. The second contract was the Interagency Agreement (I/A) with OWRB for \$180,000 and this amount was expended during SFY 2022. Also, DEQ is a member of the Oklahoma "Funding Agency Coordinating Team" (FACT). This team is made up of members of the various funding agencies for water projects in

the state. The Team meets quarterly to discuss systems pursuing funding, and to help systems decide the best option for their situation. FACT has an “Engineering/Environmental Conference” each year or every other year. This brings together the consulting engineers and agency staff for training and updates. DEQ and OWRB meet monthly to discuss the projects pursuing DWSRF funding.

During SFY 2022, DEQ did not transfer any unexpended Administration Set-aside funds from the capitalization grant to the project loan fund. In accordance with EPA’s DWSRF Set-aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify any transferred funds from future capitalization grants if they are needed. Set-aside amounts are listed in Table 2.

In accordance with the governing state revolving fund bond documents, including but not limited to the Bond Indenture, administrative funds utilized to administer the program may be paid from the 0.5% administration fee collected on DWSRF loans. The borrowers are billed 0.5% of the outstanding loan principal semi-annually along with their principal and interest payments. As authorized by H.B. 1084 (May 1998), administrative fees collected by OWRB will be held outside the DWSRF account in the Drinking Water Treatment Administrative Fund (DWTAF).

During SFY 2022, administration fees of \$3,177,781 were invoiced and collected. Additionally, the DWTAF earned \$80,458, in interest, for SFY 2022. During SFY 2022, \$1,184,216 was expended from the DWTAF for staff training, Council of Infrastructure Financing Authorities (CIFA) workshop registration, publications, accounting software, annual maintenance fee, state match, and payroll. All expenditures made from the DWTAF were for eligible DWSRF purposes. The balance of the DWTAF at June 30, 2022, was \$9,178,320. Table 3, located on page 16 of this report, includes cumulative DWTAF income and expenditure data. See page 10 of the financial statements for detail on how the administrative fee is collected. Also, see page 10 of the financial statements for the fee balance.

The specific goal for the DWSRF Administrative account is to provide administration of the DWSRF by providing loans to the systems designated for funding in the IUP. Outputs and deliverables for this set-aside will be the successful completion of loans for infrastructure construction projects to public water systems to ensure drinking water is safe and in compliance with the goals of the SDWA. Each employee in the DWSRF program is evaluated throughout the year based on tasks and goals set up at the beginning of each state fiscal year. These tasks are required to accomplish the goals listed in the IUP each year. During these reviews, tasks that are not on schedule will be addressed by the section supervisor. The necessary corrective action of goal emphasis or staff readjustment can be initiated as required.

12/15/22

Table 2: Capitalization Budget and Expenses (Set-Aside Accounts)

Grant/Use	Total Set-Aside	Specified	Unspecified	Unspecified & Moved to Loan Fund	Cumulative Unspecified & Moved to Loan Fund	Current Year Transfer	Date of Transfer	Expended	Remaining Balance*
<b>FFY 2019 Capitalization Grant = \$15,600,000 - \$4,836,000 = \$10,764,000 to the loan fund</b>									
Admin	604,000	604,000	0	0	1,308,691	0		604,000	0
SSTA	312,000	312,000	0	0	959,478	0		312,000	0
SPM	1,560,000	1,560,000	0	0	5,873,807	215,127	6/9/2022	1,560,000	0
LA	2,340,000	2,340,000	0	0	9,573,722	335,672	6/9/2022	2,340,000	0
Totals	4,816,000	4,816,000	0	0	17,715,698	550,799		4,816,000	0
<b>FFY 2020 Capitalization Grant = \$15,610,000 - \$4,839,100 = \$10,770,900 to the loan fund</b>									
Admin	624,400	624,400	0	0	1,308,691	0		615,913	8,487
SSTA	312,200	312,200	0	0	959,478	0		312,200	0
SPM	1,561,000	1,561,000	0	0	5,873,807	0		1,536,389	24,611
LA	2,341,500	2,341,500	0	0	9,573,722	0		2,199,898	141,602
Totals	4,839,100	4,839,100	0	0	17,715,698	0		4,664,400	174,700
<b>FFY 2021 Capitalization Grant = \$15,596,000 - \$4,834,760 = \$10,761,240 to the loan fund</b>									
Admin	623,840	623,840	0	0	1,308,691	0		218,283	405,557
SSTA	311,920	311,920	0	0	959,478	0		48,594	263,326
SPM	1,559,600	1,559,600	0	0	5,873,807	0		723,691	835,909
LA	2,339,400	2,339,400	0	0	9,573,722	0		1,380,379	959,021
Totals	4,834,760	4,834,760	0	0	17,715,698	0		2,370,947	2,463,813
<b>Cumulative FFY 1997-2021 Grants</b>									
Admin	14,517,840	13,800,947	126,353	1,182,338	1,308,691	0		12,914,251	414,044
SSTA	6,639,299	6,242,928	65,567	893,911	959,478	0		5,676,611	263,326
SPM	33,335,483	30,752,649	1,440,661	4,648,273	6,088,934	0		28,190,002	860,520
LA	43,294,871	39,747,279	1,570,160	8,339,234	9,909,394	0		35,338,366	1,100,623
Totals	97,787,493	90,543,803	3,202,741	15,063,756	18,266,497	0		82,119,230	2,638,513

\*Remaining balances might not match EPA balances due to delay in drawing down funds

12/15/22

DWSRF OUTSIDE ACCOUNT ADMINISTRATION FEES

Table 3

STATE FISCAL YEAR	RECEIVED IN OUTSIDE ACCOUNT ADMIN FEES	RECEIVED IN OUTSIDE ACCOUNT APPLICATION FEES	RECEIVED IN OUTSIDE ACCOUNT INTEREST EARNED	EXPENDED FROM OUTSIDE ACCOUNT	OUTSIDE ACCT BALANCE CUMMULATIVE
					\$0
1999	\$10,106	\$1,750	\$124		\$11,980
2000	\$27,103	\$2,250	\$1,178	\$58	\$42,453
2001	\$55,593	\$2,750	\$2,820	\$53,283	\$50,333
2002	\$124,102	\$3,850	\$1,561	\$12,369	\$167,478
2003	\$108,724	\$2,850	\$1,199	\$176,084	\$104,166
2004	\$180,786	\$5,000	\$740	\$168,729	\$121,963
2005	\$264,917	\$3,600	\$3,494	\$102,857	\$291,117
2006	\$483,417	\$5,250	\$13,396	\$182,222	\$610,958
2007	\$676,705	\$3,000	\$31,255	\$693,954	\$627,964
2008	\$875,695	\$4,500	\$32,551	\$454,583	\$1,086,127
2009	\$1,416,043	\$10,850	\$53,443	\$528,296	\$2,038,167
2010	\$1,330,896	\$10,500	\$74,719	\$471,636	\$2,982,646
2011	\$1,615,020	\$4,750	\$90,420	\$279,347	\$4,413,488
2012	\$2,123,263	\$5,500	\$114,422	\$4,618,824	\$2,037,849
2013	\$2,181,973	\$5,500	\$52,811	\$381,803	\$3,896,330
2014	\$2,464,260	\$2,750	\$84,739	\$373,893	\$6,074,186
2015	\$2,097,528	\$3,250	\$116,547	\$251,373	\$8,040,137
2016	\$2,363,671	\$2,500	\$118,486	\$3,518,792	\$7,006,002
2017	\$1,916,955	\$2,750	\$123,540	\$709,580	\$8,339,667
2018	\$2,216,896	\$4,000	\$120,160	\$3,277,933	\$7,402,790
2019	\$2,559,207	\$3,917	\$183,679	\$1,284,872	\$8,864,721
2020	\$2,768,155	\$4,367	\$178,577	\$3,766,334	\$8,049,486
2021	\$2,682,216	\$4,600	\$104,734	\$3,736,739	\$7,104,297
2022	\$3,169,881	\$7,900	\$80,458	\$1,184,216	\$9,178,320
<b>TOTALS</b>	<b>\$33,713,112</b>	<b>\$107,934</b>	<b>\$1,585,052</b>	<b>\$26,227,778</b>	

CASH BASIS

FY 2012 – Money provided for Delaware #10 Loan Write-off

FY 2016, 2018, 2019, 2020, and 2021 expenditures includes state match transfers

## **2. Small System Technical Assistance**

Funds equal to 2% of the FFY 2021 federal capitalization grant were set-aside to fund small system technical assistance during SFY 2022. These funds were reserved to provide technical assistance to public water supply systems serving populations of 10,000 or fewer. In Oklahoma, during SFY 2022, 96% (1,279) of the public water supply systems met the definition of a small system and served 1,218,192 Oklahomans. This technical assistance was provided by DEQ personnel.

The Small System Technical Assistance Set-aside from the FFY 2021 capitalization grant was \$311,920. This entire amount was specified for staff salaries and related expenses.

The Small System Technical Assistance Set-aside fund expended \$240,262 from the FFY 2020 grant, and \$60,485 from the FFY 2021 grant during SFY 2022. The 2018 and 2019 grants incurred expenditures which included payroll funding corrections.

During SFY 2022, DEQ did not transfer any unexpended Small System Technical Assistance Set-aside funds from the capitalization grant to the project loan fund. In accordance with EPA's DWSRF Set-aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify the transferred funds from future capitalization grants if they are needed. Set-aside amounts are listed in Table 2.

Efforts funded by the Small Systems Technical Assistance Set-aside include assistance to small water supply systems in preparation and application for DWSRF loan projects and to systems deemed in need of improved operational controls. DEQ Public Water Supply District Engineers and Representatives along with DWSRF staff accomplished much of this effort. Other technical assistance to the defined small systems is provided through the Program Management Set-aside described in the following section.

## **3. State Program Management**

Funds equal to \$1,559,600 (10%) of the FFY 2021 federal capitalization grant were set aside to fund a portion of the Public Water Supply Supervision (PWSS) Program during SFY 2022. The FFY 2021 funds were reserved to provide technical assistance and other enforcement activities of the PWSS Program, as well as conducting Sanitary Surveys. The PWSS Program, as administered by the Water Quality Division (WQD) of DEQ, regulated 1,333 water supply systems which served 3,817,332 Oklahomans in SFY 2022. The required tasks of the Program Management set-aside were accomplished by WQD staff, in particular the Public Water Supply District Engineers and Representatives along with the Environmental Complaints and Local Services (ECLS) Division of DEQ.

The Program Management Set-aside from the FFY 2021 capitalization grant was specified for staff salaries and related expenses and contracts during SFY 2022.

During SFY 2022, the Program Management set-aside expended \$729,461 from the FFY 2020 capitalization grant, and \$790,009 from the FFY 2021 grant.

During SFY 2022, DEQ transferred \$215,127 from the 2019 grant into the loan fund to close it. In accordance with EPA's DWSRF Set-aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify the transferred funds from future capitalization grants if they are needed. Set-aside amounts are listed in Table 2.

The State Program Management Set-aside program was administered by WQD staff, State Environmental Lab Services (SELS) staff, and ECLS staff. See program information and accomplishments below.

### **Lab Capacity and Development (LCD)**

The SELS has effectively used DWSRF funding for activities associated with maintaining adequate analytical capacity in the State to support the Safe Drinking Water Act and the conditions of agency drinking water primacy. Primarily, utilization of this funding has gone for participation in various workshops and informational exchanges associated with Lead and Copper Rule Revisions (LCRR), perfluoroalkyl substances (PFAS), and other emerging contaminants. Time has been spent and will continue to be spent on analytical method development for quantifying PFAS and Lithium in drinking water and expanding analytical capacity for Polymerase Chain Reaction (PCR) testing as it relates to source water protection and identification and quantification of microbial contaminants. In addition, these funds were used and will continue to be used for drinking water testing and reporting outside of normal business hours to increase PWS monitoring compliance and respond to public health emergencies.

### **Lab Accreditation Program Activities (LAP)**

The SELS Laboratory Accreditation Program (LAP) is no longer utilizing DWSRF funding for this program due to a rule change at the state level.

### **State Environmental Laboratory Capacity Maintenance Activities**

In order to maintain laboratory capacity and fulfill PSL mission critical functions, the SELS has the ongoing and critical need to replace outdated, inefficient, unserviceable and nonfunctional equipment and instrumentation that supports the drinking water program. This need also includes the purchase of new technology to prepare for future rule promulgation. This fiscal year the SELS utilized DWSRF funding to procure the following:

A high-performance liquid chromatograph – triple quadrupole mass spectrometer was purchased with DWSRF funds and installed in November 2021 for the purpose of analyzing PFAS in drinking water in support of UCMR 5 under the Safe Drinking Water Act. This purchase has put SELS in a position to be an approved laboratory under the UCMR 5 program, and sampling begins January 2023. This instrument once fully validated will expand laboratory capacity to analyze emerging contaminants of interest such as perfluorooctane sulfonate (PFOS), perfluorooctanoic acid (PFOA) and other PFAS in public water supplies to

determine occurrence and assess risk in response to the EPA's Drinking Water Health Advisories for PFOS/PFOA as well as future MCLs. It would also be able to identify non-target PFAS to further characterize the occurrence of these chemicals in Oklahoma's public water supplies. Specifically, this instrument is validated to run EPA Method 533 and 537.1: Determination of Selected Perfluorinated Alkyl Acids in Drinking Water by Solid Phase Extraction and Liquid Chromatography – Tandem Mass Spectrometry.

In November 2021, the SELS procured an LCMSMS instrument, and the associated equipment, supplies, chemicals and standards needed to run EPA Methods 533 and 537.1 for PFAS.

During SFY 2022, WQD staff accomplished the following activities through State Program Management Set-aside funding:

- 1) Tracking and technical assistance associated with Inorganic Chemicals;
  - (a) *Quantity was 631 systems with current arsenic schedules in SFY 2022.*
  - (b) *Quantity was 929 systems with current nitrate schedules for SFY 2022.*
  - (c) *Quantity was 314 systems with current nitrite schedules in SFY 2022.*
  - (d) *Quantity was 633 systems with current other phase 2 & 5 inorganic schedules in SFY 2022.*
- 2) Tracking and technical assistance associated with the Organic Chemicals;
  - (a) *Quantity was 627 systems with current volatile organic schedules in SFY 2022.*
  - (b) *Quantity was 633 systems with current synthetic organic schedules in SFY 2022.*
- 3) Tracking and technical assistance associated with the Stage 2 Disinfectant/DBPs Rule; *Quantity was 881 systems with current DBP schedules in SFY 2022.*
- 4) Updating PWS inventory information such as administrative contact information, sources of water and treatment processes; *Quantity was 55 updates for systems in SFY 2022.*
- 5) Updating latitudes and longitudes for surface water intakes and public water supply wells; *Quantity was 256 new or updated/corrected locations in SFY 2022.*
- 6) Reviewed and evaluated the eligibility of projects and compliance issues surrounding each system that requested placement on the DWSRF project priority list; *Quantity was 41 for SFY 2022.*
- 7) Tracking and database maintenance for systems affected by drought conditions; *Quantity was 35 systems for SFY 2022.*
- 8) Tracking and technical assistance associated with the Lead and Copper Rule; *Quantity was 944 systems with current lead and copper schedules for SFY 2022.*
- 9) Performance of comprehensive performance evaluations (CPEs); *Quantity was zero (0) (due to COVID) mandatory CPEs for SFY 2022.*
- 10) Tracking and technical assistance associated with the Consumer Confidence Rule (CCR); *Quantity was 893 systems with CCR schedules for SFY 2022.*

- 11) Tracking and technical assistance associated with the Revised Total Coliform Rule (RTCR); *Quantity was 1,336 systems with current RTCR schedules for SFY 2022.*
- 12) Tracking and technical assistance associated with Ground Water Rule; *Quantity was 155 systems with triggered ground water schedules for SFY 2022.*
- 13) Tracking and technical assistance associated with radionuclides; *Quantity was 544 systems with radionuclide schedules for SFY 2022.*
- 14) Tracking and technical assistance associated with Surface Water Treatment Rules (SWTR); *Quantity was 162 systems with SWTR requirements for SFY 2022.*
- 15) Tracking of public notice; *Quantity was 4,447 public notices requested for SFY 2022.*
- 16) Daily importation of electronic sample data into SDWIS; *Quantity was 67,914 samples imported for SFY 2022.*

#### **4. Local Assistance and Other State Programs**

Funds equal to \$2,339,400 (15%) of the FFY 2021 federal capitalization grant were reserved for capacity development activities, which include the Water Loss and Leak Detection Program, Asset Management Plan Development, Rate Studies and other technical assistance during SFY 2022.

During SFY 2022, DEQ transferred \$335,672 from the 2019 grant into the project loan fund to close it. Unexpended Local Assistance and Other State Programs Set-aside funds from the FFY 2018, FFY 2019, FFY 2020, and FFY 2021 Capitalization Grants were utilized to cover expenses during SFY 2022.

During SFY 2022, the Local Assistance and Other State Programs' set-aside expended \$1,556 from the FFY 2018 capitalization grant including payroll funding corrections, \$37,856 from the FFY 2019 grant, \$754,143 from the FFY 2020 grant, and \$1,483,223 from the FFY 2021 grant for a total of \$2,276,652. The FFY 2018, 2019, 2020, and 2021 capitalization grant expenditures are broken down as follows:

Local Assistance and other State Programs' Activities:	\$ 669,768
Water Loss Program Activities:	\$ 428,391
ECLS – Non-Primacy:	\$ 710,581
Crypto Activities:	\$ 45,870
Harmful Algal Blooms (HAB):	\$ 43,365
RTCR Assessments:	\$ 90,064
Capacity Development Assessments:	\$ 213,645
Pilot PWS Small System Technical Sampling Assistance:	\$ 57,071
EPA DBP Pilot Project:	<u>\$ 17,897</u>
	\$ 2,276,652

The required tasks of the Local Assistance and Other State Programs Set-aside were accomplished by Capacity Development Section (CapDev) staff, ECLS staff, WQD staff, and SELS staff. See program information and accomplishments below.

### **Water Loss Program Activities**

In SFY 2022, DEQ continued work supporting better water loss management and reduction across Oklahoma. WQD with assistance from ECLS continued efforts to promote water loss auditing by conducting water loss audits at 26 public water supplies across the state during the fiscal year. The work consisted of both conducting the audit according to the American Water Works Association (AWWA) M36 method as well as training system personnel to continue performing the audit work on their own. The auditing work found 1,622.173 MG/yr in real loss and 202.672 MG/yr in apparent loss. The work continues to show that levels of real and apparent loss continue to be a concern across the state.

In SFY 2022, DEQ has also continued its work with the Oklahoma Rural Water Association (ORWA) to conduct leak detection and meter analysis at public water supplies that have had a water loss audit performed. During SFY 2022, ORWA staff performed leak detection and meter analysis technical assistance at 6 water systems. Over the course of SFY 2022, 38,131,056 million gallons of lost water per year were identified, at a value of \$108,393.40/yr. Of the loss that was identified, 25,497,360 million gallons were repaired by the water systems, saving them an estimated total of \$71,215.80/yr. In each instance, water systems received training from ORWA on how to conduct leak detection and meter analysis on their own, as well as help in locating leaks and faulty meters.

### **Capacity Development Assessments**

During SFY 2022, DEQ completed implementation of the second phase of Project Baseline, a state-wide capacity development assessment of municipal water supplies and rural water districts serving 10,000 or fewer people. Working in concert with staff from the agency's ECLS division, 1,066 water systems received a capacity development assessment focused on the system's Technical, Managerial, and Financial (TMF) condition. Of the assessments completed, most of the assessed systems (73%) demonstrated borderline to adequate levels of TMF capacity, having successfully implemented between 50%-90% of capacity development factors. Twenty-four percent (24%) of assessed systems demonstrated ideal levels of TMF capacity (possessing 90% or greater of capacity development factors), and 3% of assessed systems had a critical lack of capacity (possessing fewer than 50% of recommended capacity development factors). The information gathered during the baseline assessment is being used to guide targeted TMF technical assistance to water systems in greatest need of help, as well as strategically to broadly plan technical assistance outreach and focus areas for DEQ and other technical assistance providers.

**Rate Analysis Activities**

During SFY 2022, DEQ through its contract with ORWA conducted 14 rate studies with 8 municipal systems and 6 rural water districts. In each case, the ORWA works with the system to comprehensively account for all expenses and revenue streams, develops a model that forecasts and considers asset management concerns as well as planned capital improvements, and helps the system implement the new rate structure by presenting it to the governing board and the public. Based on the rate studies completed, the participating systems experienced an average improvement in operating ratio of 0.22, and 12 systems moved from insolvency to financial sustainability.

**Complaint and Spill Investigations**

A cornerstone of the ECLS Division is the Environmental Complaints Program. ECLS procedures allow for a rapid response and a quick resolution to environmental complaints. ECLS, through its 57 local Environmental Programs Specialists (EPSs) strategically located across the state, investigates citizen complaints, and documents each investigation in a central repository. ECLS works toward correction of all complaints in its jurisdiction within 90 days or moves the complaint to enforcement. If the investigation requires the assistance of another Division at DEQ, the complaint is referred to that Division. ECLS handles all initial investigations for all public water supply complaints. ECLS investigated 227 complaints involving public water supplies during SFY 2022.

When a spill is reported, whether by the responsible party or a first responder, the local Environmental Programs Specialist (EPS) will determine if the location is within a delineated area. If the spill is within a delineated area, the EPS will contact the community to ensure awareness and to facilitate discussion about inclusion in the wellhead protection plan as if the spill was from a potential source of contamination. ECLS investigated 272 spills in 2022.

**Technical Assistance**

ECLS, through its local EPSs, has a long history of providing technical service to the citizens and communities of Oklahoma. ECLS provides technical assistance to its citizens and public water supply systems, including the following:

- Discussion and clarification of rules and regulations through site visits; phone calls; and mailing DEQ regulations, fact sheets, and/or letters.
- Operational and compliance assistance to municipalities and/or regulated facilities.
- Participation in public meetings.

In SFY 2022, ECLS provided 136 technical assistance visits to public water supply systems and Oklahoma citizens with questions about their drinking water.

### **Sanitary Surveys and Site Inspections**

Sanitary Surveys are in-depth inspections of EPA's eight elements of a PWS system:

(1) source, (2) treatment, (3) distribution system, (4) finished water storage, (5) pumps, pump facilities, and controls, (6) monitoring and reporting and data verification, (7) system management and operation, and (8) operator compliance with State requirements.

Oklahoma's primacy agreement with EPA requires a sanitary survey be conducted for each PWS system once every three years (triennial). PWS District Engineers and Representatives have taken over the responsibility from ECLS of conducting Sanitary Surveys of PWS systems that provide complex treatment. During SFY 2022, PWS District Engineers and Representatives received training, created forms, and developed procedures to conduct Sanitary Surveys. Two-hundred-forty-eight (248) Sanitary Surveys were completed during SFY 2022.

ECLS EPSs conducted 1001 (non-primacy) site inspections at all PWS systems not scheduled for triennial Sanitary Surveys during SFY 2022. These site inspections are conducted to ensure PWS systems are continuing to be properly operated and maintained and to continue maintaining good working relationships with PWS Operators.

### **Crypto Accreditation Activities**

With the goal of being able to support small public water systems impacted by the Long Term 2 Enhanced Surface Water Treatment (LT2) Rule, the SELS has successfully renewed its TNI accreditation for Cryptosporidium/Giardia analysis. DWSRF funds are being used for the fees associated with re-accreditation along with required proficiency testing samples, and certified organism-specific reference materials. There is also a significant amount of staff training associated with developing and maintaining this capacity which is critical in building expertise and demonstrating competency in this field of testing and a condition of the accreditation. Most sample analysis for Round 2 of the LT2 Rule was completed in the Spring of 2022, with the final system being completed in July 2022. The SELS will continue to maintain capacity for this analysis through competency samples and proficiency testing to fulfill PSL responsibilities.

### **Harmful Algal Blooms (HAB) Activities**

The SELS continues to budget for and procure vendor trainings to expand the expertise of staff and better prepare for emergency response HAB events that continue to threaten public and environmental health. The SELS continues to protect public water supply source waters by responding to HAB events with field investigations, sample collections, and post bloom monitoring for toxins. The SELS contributed to an Agency-wide HAB Response SOP which was finalized in April 2022. In SFY 2022, SELS used DWSRF funding for proficiency sample testing and the purchase of certified reference materials to keep a high level of capacity and further prepare SELS to respond effectively to such intermittent and unscheduled events. A

mobile laboratory was procured in June of 2022 with multipurpose grant funding, and this lab has the potential to be used to improve response to HAB events. A significant investment in continuous Identification/Enumeration microscopy and Cyanotoxin training (for new and experienced lab staff) remains critical to building expertise and demonstrating competency in both the field and laboratory, especially as these activities are seasonal in nature.

### **Laboratory Capacity Expansion Activities**

In association with an EPA multipurpose grant, all needed equipment, supplies, and chemicals were procured to run the PFAS methods 537.1 and 533. In addition, method development has been completed for Lithium by 200.7 and the SELS has passed one set of PTs for this method. The laboratory is well on the way to completing all requirements to become an approved UCMR5 laboratory for these methods and expects to be approved by August 2022 and have PTs and TNI accreditation for these methods by the end of the year. SELS has partnered with the Arkansas Dept. of Health's PHL to share related technical and operational knowledge and experience. Procedures and Initial Demonstration of Capability have been completed for Enterococci by qPCR testing, and supplies have been procured to expand into E. coli testing. Research is being done to determine future enhancements/expansions to include Legionella and E. coli O157 qPCR testing. Research is also underway to utilize CEC grant funding to procure a LCMSMS for cyanotoxin analysis.

### **PWS Small System Technical Sampling Assistance**

The SELS continues to utilize DWSRF to fund one technical FTE to support the SSA Program. In coordination with WQD, SELS has continued and expanded a Program to target small systems in the State that are currently out of compliance, often due to lack of funding, technical, and operational competency. Activities include system specific targeted outreach to provide system personnel with advanced technical assistance to explain and demonstrate proper sample collection techniques with an emphasis on the importance of sample integrity and traceability. With a focus on building a sustainable training infrastructure, significant effort is made to help the system staff to better understand compliance sample rules, schedules, sample collection techniques, and test results. With a goal of improved compliance rates, on-line training videos and other training tools have also been created and deployed for use by these small public water supplies throughout the state. In SFY 2022, SELS provided oversight and assistance for the collection of 241 compliance samples through 98 site visits and technical assistance events to small PWSs serving 9,937 citizens in 8 counties. The viability of these samples were 99%, with 1 health-based occurrence, and the traceability was at 100%.

### **Revised Total Coliform Rule Assessments**

In SFY 2022, DEQ completed level 1 and level 2 assessments for PWSs that were required to comply with that specific part of the RTCR. An assessment is required when total coliform sample results show that a PWS may be vulnerable to contamination. The goal of an assessment is to find sanitary defects which can

provide pathways of entry for contamination into a PWS distribution system. A level 1 assessment may be performed by anyone; however, a level 2 assessment must be performed by qualified personnel.

Working in concert with staff from ECLS, DEQ is offering and completing level 1 and level 2 assessments at all PWSs. ECLS staff completed 92 assessments during SFY 2022. WQD completed 4 assessments.

DEQ staff that perform assessments at a PWS used that opportunity to teach the PWS's operators and owners how to assess their own system. By using this opportunity to teach PWS operators and owners, DEQ's goal is that they will be more likely in the future to find sanitary defects on their own before problems arise.

### Other Eligible Activities

In the SFY 2022 work plan, contracts and software/hardware items were listed as potential purchases to be funded by the Local Assistance and Other State Programs set-aside during the year. The contracts are listed as follows:

1. Geographical Information System (GIS)/Global Positioning System (GPS) Application Training contract. This item was listed for \$1,500. This item was not awarded in SFY 2022.
2. GPS Maintenance contract. This item was listed for \$1,000. No maintenance was required so this item was not awarded during SFY 2022.

The following software/hardware items were planned to be utilized to support the implementation of the contract information listed above:

- a. Feature Manipulation Engine (FME) Annual Maintenance for GIS Software. This item was listed for \$1,900. The annual license and support were purchased for \$1,900 during SFY 2022.
- b. GIS/GPS Software. This item was listed for \$5,000. This item was not purchased during SFY 2022.
- c. GPS Equipment. This item was listed for \$10,000. This item was not purchased during SFY 2022.
- d. ESRI Data Viewer updates. This item was listed for \$5,250. This item was not purchased during SFY 2022.

## **B. State Matching Funds**

The SDWA requires state matching funds equivalent to 20% of each capitalization grant. The state match must be received before capitalization grant project fund payments can be accepted. The state matching funds for the FFY 2021 capitalization grant in the amount of \$3,119,200 were provided partially through the Series 2020 DWSRF Bond Issue in the amount of \$2,567,600, and through a transfer from the DWSRF Administrative Fund held outside the DWSRF in the amount of \$551,600, with the option to

refund the Drinking Water Administrative Fund with bond proceeds from an anticipated bond issue scheduled to close during SFY 2023. Please see page 45 & 46 of this report, which provides more details about the bond issues.

### **C. Project Activities**

Eligible projects proposed by applicants requesting funding from the DWSRF are ranked and prioritized according to the Project Priority System procedures. The project with the most points shall be first on the Project Priority List. The project with the least points shall be last. The specific categories of source, treatment, storage, and distribution are not ranked separately. Projects will be funded in order of priority as each project meets the program requirements throughout the state fiscal year. For a project to be funded, it must meet “ready to proceed” criteria as listed in the IUP.

Projects that have met the “Ready to proceed” requirements are moved to the fundable portion of the PPL and bypass those projects that are not on schedule. The project is then recommended to the OWRB Board for approval. If approved, DWSRF funds are committed through a board order. The project is advertised, and bids received pursuant to the Oklahoma Public Competitive Bidding Act of 1974. The loan amount is then sized in accordance to the bid to be accepted and awarded. The loan is then closed, contract documents signed, and “Notice to Proceed” is issued to the contractor to start construction on a specified date.

DEQ and OWRB provide DWSRF assistance to the eligible projects of highest priority that are ready to proceed with their project. If the highest priority system is not ready to proceed, it may be bypassed to fund the next highest priority system that is ready to proceed. A bypass letter is sent to each system on the PPL whenever the bypass procedures are needed. The bypass procedures were used during the year when the highest ranked projects were not ready to proceed. Lower ranked projects were funded as their projects were determined to be ready to proceed. The original IUP for SFY 2022 is included as Attachment 2. For revisions to the IUP, please see Attachment 12.

Table 4

2022

Project Name	SFY of Loan Closing	Pop.	Environmental Decision		Binding Commit. Date	Loan Closing			Start Const.	Project Component				Planning and Design
			Date	Type		Amount	Interest Rate	Admin. Fee		Treatment	Transmission & Distribution	Source	Storage	
McAlester PWA	2022	24,659	9/24/21	CATEX	12/21/21	\$32,500,000	1.40%	0.50%	3/7/22	\$0	\$30,711,649.00	\$0	\$1,788,351,000	\$0
New Cordell UA	2022	2,903	11/8/21	CATEX	12/21/21	\$2,250,000	1.23%	0.50%	3/1/22	\$0	\$1,020,131.00	\$0	\$1,229,869.00	\$0
Okmulgee MA (V)	2022	20,673	11/29/21	CATEX	12/21/21	\$1,350,000	1.11%	0.50%	3/21/22	\$0	\$1,350,000.00	\$0	\$0	\$0
Okmulgee Co. RWD #4	2022	1,913	7/2/21	CATEX	12/21/21	\$300,000	0.00%	0.00%	2/14/22	\$300,000.00	\$0	\$0	\$0	\$0
Comanche PWA	2022	7,364	2/22/21	CATEX	12/21/21	\$200,000	0.00%	0.00%	2/8/22	\$200,000.00	\$0	\$0	\$0	\$0
Porter PWA	2022	2,506	1/14/22	CATEX	3/15/22	\$787,480	0.00%	0.00%	6/27/22	\$0	\$0	\$0	\$787,480.00	\$0
Anadarko PWA	2022	7,604	3/8/21	CATEX	2/15/22	\$135,686.43	0.00%	0.00%	6/1/22	\$0	\$135,686.43	\$0	\$0	\$0
OKC WUT (X)	2022	1,114,000	3/14/22	CATEX	4/18/22	\$31,645,000	2.40%	0.50%	9/12/22	\$28,830,000.00	\$2,050,000.00	\$0	\$765,000.00	\$0
Edmond PWA (VII)	2022	80,214	2/4/2021	Accepted USACE EA/FONSI	4/18/22	\$45,000,000	2.40%	0.50%	9/6/22	\$0	\$0	\$45,000,000	\$0	\$0
Edmond PWA (IX)	2022	80,214	2/4/2021	Accepted USACE EA/FONSI	4/18/22	\$140,000,000	2.40%	0.50%	7/5/22	\$140,000,000.00	\$0	\$0	\$0	\$0
Elk City PWA (II)	2022	10,510	4/1/22	CATEX	4/18/22	\$1,700,000	1.82%	0.50%	6/15/22	\$0	\$1,700,000.00	\$0	\$0	\$0
Enid MA (V)	2022	52,650	4/1/22	CATEX	4/18/22	\$4,000,000	1.88%	0.50%	5/25/22	\$0	\$4,000,000.00	\$0	\$0	\$0
McIntosh Co. RWD #9	2022	1,861	4/15/22	CATEX	5/17/22	\$695,000	2.33%	0.50%	7/15/22	\$0	\$460,737.00	\$0	\$234,263.00	\$0
Comanche Co. RWD #2 (II)	2022	1,840	5/2/22	CATEX	6/21/22	\$2,545,000	2.63%	0.50%	N/A	\$0	\$2,545,000.00	\$0	\$0	\$0
Welch PWA	2022	800	9/10/21	CATEX	3/15/22	\$450,000	0.00%	0.00%	8/8/22	\$450,000.00	\$0	\$0	\$0	\$0
Lawton WA (IV)	2022	114,387	6/7/22	CATEX	6/21/22	\$5,000,000	2.17%	0.50%	N/A	\$0	\$5,000,000.00	\$0	\$0	\$0
Pontotoc Co. RWD #6	2022	896	5/31/22	CATEX	6/21/22	\$730,000	2.42%	0.50%	11/7/22	\$0	\$730,000.00	\$0	\$0	\$0
Hominy PWA (II)	2022	3,814	12/9/21	CATEX	6/21/22	\$237,403	0.00%	0.00%	9/9/22	\$237,403.00	\$0	\$0	\$0	\$0
Wewoka PWA	2022	4,257	1/31/22	Accepted CDBG EA/FONSI	6/21/22	\$400,000	0.00%	0.00%	8/2/22	\$0	\$0	\$0	\$400,000.00	\$0
<b>Totals:</b>						<b>\$269,925,569.43</b>				<b>\$170,017,403.00</b>	<b>\$49,703,203.43</b>	<b>\$45,000,000</b>	<b>\$5,204,963.00</b>	<b>\$0</b>

The total percentage of small systems funded through the Oklahoma DWSRF program is shown in Table 5 below. Currently, 18% of all DWSRF funds have been utilized for small systems. Also 3.4% of the current year's funds have been utilized for small systems.

<b>Table 5 Total Percentage of Small Systems Funded</b>				
<b>Binding Commitments</b>	<b>SFY</b>	<b>Pop.</b>	<b>Small</b>	<b>Large</b>
SFY 1998-2001			\$22,548,975	\$25,989,280
SFY 2002-2005			\$14,465,983	\$117,672,718
SFY 2006-2018			\$247,845,626	\$753,401,429
SFY 2019-2021			\$65,784,408	\$462,420,014
New Cordell UA	2022	2,903	\$2,250,000	
Comanche PWA	2022	7,364	\$200,000	
McAlester PWA	2022	24,659		\$32,500,000
Okmulgee Co. RWD #4	2022	1,913	\$300,000	
Okmulgee MA (V)	2022	20,673		\$1,350,000
Anadarko PWA	2022	7,604	\$141,551.33	
Porter PWA	2022	2,506	\$890,000	
Welch PWA	2022	800	\$450,000	
Cherokee Co. RWD #1 (II)	2022	710	\$430,000	
Edmond PWA (VII)	2022	80,214		\$45,000,000
Edmond PWA (IX)	2022	80,214		\$140,000,000
Enid MA (V)	2022	52,650		\$4,000,000
OKC WUT (X)	2022	1,114,000		\$31,645,000
Elk City PWA (II)	2022	10,510		\$1,700,000
McIntosh Co. RWD #9	2022	1,861	\$695,000	
Comanche Co. RWD #2 (II)	2022	1,840	\$2,545,000	
Lawton WA (IV)	2022	114,387		\$5,000,000
Pontotoc Co. RWD #6	2022	896	\$730,000	
Hominy PWA (II)	2022	3,814	\$300,000	
Wewoka PWA	2022	4,257	\$400,000	
<b>Total for 2022</b>			\$9,331,551.33	\$261,195,000
Total Overall			\$359,976,543.33	\$1,620,678,441
Percentage			18%	82%

As part of the on-going efforts to meet the small system funding provisions, the DWSRF program notes continuing efforts towards marketing, outreach, and technical assistance, including but not limited to the following activities.

- Small system technical assistance provided by DEQ staff, such as the Public Water Supply Engineering & Enforcement Section and Environmental Complaints and Local Services Division;
- Active participation in quarterly meetings of the FACT – including the United States Department of Agriculture Rural Development (USDA-RD), OWRB, ORWA, Indian Health Services (IHS), Oklahoma Department of Commerce (ODOC), Communities Unlimited (CU), Oklahoma Development Finance Authority (ODFA), and Oklahoma Association of Regional Councils (OARC) – wherein invitations are extended to water systems with the most urgent technical and financial needs;
- Water Loss Program Activities are provided free of charge to small systems. We plan to continue the voluntary audits with a focus on small systems (see page 21 for activities);
- Monthly meetings and/or consultations by DWSRF staff with small systems on the PPL that are not yet “ready to proceed” to assist them to become “shovel ready”;
- Coordination with OWRB and ORWA staff to provide financial and technical consultations (see pages 3-9 and table 4);
- Presentations at conferences and workgroups to establish availability of small systems technical and financial assistance (see page 37, Short-Term Goal 9);
- OWRB sends funding resource letters to all drinking water Consent Order recipients;
- Continue to provide subsidy for public water systems with health-based violations, such as DBP issues (see pages 3-9);
- DWSRF presented, or assisted at a booth, at eleven (11) conferences during SFY 2022. Seven (7) were in person, and four (4) were remote. OWRB presented/attended 20 conferences during SFY 2022.

### **Fund Financial Status**

#### **Binding Commitments:**

A Binding Commitment is a loan application that is approved for funding by the OWRB. DEQ prepares and sends out the Binding Commitment notifying applicants that OWRB had approved their applications and concurred in awarding DWSRF loans. Before issuance of these commitments, the projects were reviewed in accordance with DEQ’s EPA approved State Environmental Review Procedures.

Binding commitments must be made in an amount equal to each grant payment that is deposited into the loan fund and state match within one year of receipt of each grant payment. As of June 30, 2022, DEQ had entered into binding commitments for 554% over the required binding commitment amount. Oklahoma’s binding commitments are displayed in Table 6.

During SFY 2022, many projects had an adjustment between the binding commitment amount and the amount at loan closing due to bid prices coming in lower or higher than expected. The total of these adjustments are listed in Table 6.

12/15/22

Table 6 details the payment schedule and binding commitments for Oklahoma's Drinking Water State Revolving Fund. The table demonstrates that during state fiscal year 2022 the Oklahoma Department of Environmental Quality entered into binding commitments within one year of receipt of payments. Please note that the table lists actions by federal fiscal years.

**Table 6**

1997 - 2018 Cumulative data is hidden

FFY	QTR	2019 Grant	2020 Grant	2021 Grant	Set-Aside	TOTAL	CUMULATIVE	BINDING	CUM. BIND.	PROJ.	BINDING	CUM. BIND.	% OF
		Loan	Loan	Loan	Payments	QTR.	LOAN	COMMIT.	COMMIT.		COMMIT.	COMMIT.	BIND COM
		Payments	Payments	Payments		PAYMENTS	PAYMENTS	REQUIRED	REQUIRED		ACTUAL	ACTUAL	REQUIRED
<b>2019</b>	1st				\$1,158,213	\$5,432,715	\$251,058,063	\$5,691,331	\$302,851,307	(bz)	\$32,974,803	\$1,187,391,944	392%
	2nd				\$1,158,213	\$0	\$251,058,063	\$193,825	\$303,045,132	(ca)	\$20,823,180	\$1,208,215,124	399%
	3rd				\$1,158,204	\$0	\$251,058,063	\$193,824	\$303,238,956	(cb)	\$15,680,051	\$1,223,895,175	404%
	4th	\$5,382,000			\$1,370,910	\$5,382,000	\$256,440,063	\$6,800,646	\$310,039,602	(cc)	\$17,493,694	\$1,241,388,869	400%
<b>2020</b>	1st	\$5,382,000			\$1,155,030	\$5,382,000	\$261,822,063	\$6,750,901	\$316,790,502	(cd)	\$11,169,783	\$1,252,558,653	395%
	2nd				\$1,155,030	\$0	\$261,822,063	\$231,643	\$317,022,145	(ce)	\$3,476,063	\$1,256,034,715	396%
	3rd				\$1,135,030	\$0	\$261,822,063	\$231,641	\$317,253,786	(cf)	\$126,613,287	\$1,382,648,002	436%
	4th		\$5,385,450		\$1,429,775	\$5,385,450	\$267,207,513	\$6,732,582	\$323,986,368	(cg)	\$1,416,358	\$1,384,064,360	427%
<b>2021</b>	1st		\$5,385,450		\$1,136,442	\$5,385,450	\$272,592,963	\$6,689,406	\$330,675,774	(ch)	\$217,533,310	\$1,601,597,670	484%
	2nd				\$1,136,442	\$0	\$272,592,963	\$231,006	\$330,906,780	(ci)	\$1,675,000	\$1,603,272,670	485%
	3rd				\$1,136,441	\$0	\$272,592,963	\$227,006	\$331,133,786	(cj)	\$40,301,223	\$1,643,573,893	496%
	4th			\$5,380,620	\$1,372,190	\$5,380,620	\$277,973,583	\$6,748,495	\$337,882,281	(ck)	-\$171,927	\$1,643,401,966	486%
<b>2022</b>	1st			\$5,380,620	\$1,154,190	\$5,380,620	\$283,354,203	\$6,689,828	\$344,572,109	(cl)	\$36,600,000	\$1,680,001,966	488%
	2nd				\$1,154,190	\$0	\$283,354,203	\$227,288	\$344,799,398	(cm)	\$1,911,551	\$1,681,913,517	488%
	3rd				\$1,154,190	\$0	\$283,354,203	\$227,288	\$345,026,686	(cn)	\$227,946,538	\$1,909,860,055	554%
	4th												
<b>Total</b>		\$10,764,000	\$10,770,900	\$10,761,240		\$283,354,203		\$344,572,109			\$1,680,001,966		

### Timely and Expeditious Use of Funds

DEQ's goal is to have less than 2 years' worth of capitalization grants open. As of June 30, 2022, DEQ had two open grants, which are for FFY 2020, and FFY 2021. The FFY 2020 grant will be closed out during SFY 2023. Federal funds are drawn as quickly as possible using the First-In-First-Out (FIFO) method.

### Recipient Accounting Requirements

DWSRF recipients are required to maintain project accounts in accordance with Generally Accepted Government Accounting Standards (GAGAS). All loan agreements for DWSRF recipients stipulate that the "Borrower shall maintain separate Project accounts in accordance with GAGAS." Active borrowers are required to submit financial audits annually to the OWRB. OWRB staff review the audits and work with the borrowers or their auditors to resolve any issue encountered.

### Cash Draw Proportionality

Since program inception, DEQ/OWRB has expended available State matching funds prior to expending federal funds for the convenience of accounting for the drawdown of State funds to ensure Federal capitalization grant funds are not drawn down prior to State funds, in accordance with Federal regulations. These regulations, found in 40 CFR 35.3135, stipulate that, at a minimum, State match funds proportional to the State match share (17% of combined State match and capitalization grant funds) must be expended as Federal funds are drawn down. This approach is not intended to alter any relationship, legal or otherwise, that would have existed had the prescribed drawdown ratio been followed.

### Cross-Cutting Authorities

DEQ has reviewed all DWSRF funded projects for compliance with the following Federal cross-cutting authorities: National Environmental Policy Act; National Historic Preservation Act; Archeological and Historic Preservation Act; Protection of Wetlands; Environmental Justice; Flood Plain Management; Farmland Protection Policy Act; Wild and Scenic Rivers Act (only in certain counties of Oklahoma); Endangered Species Act; Clean Air Act; Safe Drinking Water Act; Disadvantaged Business Enterprise Provisions; Equal Employment Opportunity Executive Order; Civil Rights Act of 1964; Section 13 of the Federal Water Pollution Control Act Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; The Age Discrimination Act of 1975; Clean Water Act; Debarment and Suspension Executive Order; Environmental Justice Executive Order; Demonstration Cities and Metropolitan Development Act; Uniform Relocation Assistance and Real Property Acquisition Act; and Lobbying Disclosure Rules. The cross-cutters are applied to all projects funded through DWSRF.

For SFY 2022, the DEQ negotiated the following Disadvantaged Business Enterprise/ goals with EPA Region 6, for the capitalization grant, as follows (Table 7):

Table 7 – DBE Procurement Activity

Total 2022 Procurements	MBE Goals	SFY 2022 MBE Actual		WBE Goals	SFY 2022 WBE Actual	
		Dollar Value	% of Procurement		Dollar Value	% of Procurement
\$13,880,440.00		\$0	0%		\$9,200.00	.067%
Construction	11.25%	\$0	0%	7.41%	\$9,200.00	.067%
Services	9.04%	\$0	0%	19.85%	\$0	0%
Supplies	16.15%	\$0	0%	16.43%	\$0	0%
Equipment	6.68%	\$0	0%	12.16%	\$0	0%
Overall DBE Procurements					.067%	

The DWSRF Loan Program will continue to strive to meet these goals in the future.

The DWSRF met 0% (zero percent) of the goals in the above categories for DBE as related to the set-aside portion of the grant for SFY 2022. Procurement is encouraged by the following: the list is kept and maintained by another state agency. The list is open to all vendors, including DBEs, so long as they provide the necessary information and documents to be considered for this list. All purchases for the state, or on behalf of the state, have to go through a solicitation process from the said list. DEQ sends out Vendor Information Requests yearly to suppliers that we use asking if they are a Minority Business Owner, Small Business, Female Owned Business, or Veteran Owned Business for our internal solicitations.

#### D. Prospective Loan Projects

During SFY 2022, forty-one (41) projects were added to the DWSRF Project Priority List. Based on the original SFY 2022 IUP, the DWSRF Priority List contained fifty-three (53) projects. Also, twenty-four (24) projects were removed from the PPL either by request or by receiving a binding commitment. All of these projects were on the planning portion of the list and are working to comply with DWSRF planning and design requirements. Twenty (20) of these projects received a binding commitment during SFY 2022. The remaining projects are at various staged in the planning process. The SFY 2022 IUP is included as Attachment 2.

During SFY 2022, environmental decisions were finalized for twenty-five (25) DWSRF projects. The breakdown of these decisions is as follows: twenty (20) Categorical Exclusions (CATEXs); two (2) Environmental Assessment (EA)/Finding of No Significant Impact (FONSI); and three (3) reviews and acceptance of EAs/FONSIs. These three environmental decisions were issued by the Northern Oklahoma Development Authority, Community Development Block Grant, and United States Army Corps of Engineers.

### III. DWSRF Goals Attained

#### A. Project Accomplishments

The DWSRF loans made to projects during SFY 2022, detailed in Table 4, were specifically directed at achieving the goals (as listed) of the DWSRF program and were accomplished (in italics) as follows:

1. To assist public drinking water systems in maintaining the health objectives of the SDWA;
  - Assisted public drinking water systems in maintaining the health objectives of the SDWA by conducting monthly inspections of systems under construction and training sessions which included consulting engineers, system officials, and other agencies;
2. To rehabilitate or replace contaminated drinking water sources;
  - Initiated construction on zero (0) projects.
3. To install or upgrade treatment that improves the capability of public drinking water systems to comply with primary or secondary drinking water standards;
  - Initiated construction on three (3) projects.
4. To install or upgrade storage facilities to prevent contamination from entering the drinking water system;
  - Initiated construction on five (5) projects.
5. To install or replace transmission and distribution facilities to prevent contamination;
  - Initiated construction on seven (7) projects.
6. To assist in consolidation or interconnection of water supply systems to improve service;
  - Initiated construction on zero (0) projects.
7. To assist public drinking water systems to ensure quality water at an affordable cost;
  - Initiated construction on nineteen (19) projects.
8. To assist in acquisition of land needed to locate an eligible project from a willing seller who receives fair market value for the land;
  - Initiated construction on zero (0) projects.
9. To assist in costs of planning, design, and other related costs of eligible projects;
  - Initiated construction on twelve (12) projects in which these costs were reimbursed.
10. To provide loans to assist public drinking water systems that are under enforcement actions in attaining compliance by established deadlines;
  - Initiated construction on eight (8) projects.
11. To provide loans to assist public drinking water systems in eliminating drinking water deficiencies and to improve the quality of drinking water in the state;
  - Initiated construction on eight (8) projects.
12. To provide loans to assist public drinking water systems in constructing water facilities needed to maintain quality drinking water;
  - Initiated construction on nineteen (19) projects.

13. To provide loans to assist public drinking water systems to provide affordable drinking water by building cost effective water treatment, storage, and distribution facilities. The interest rate of these loans shall be at approximately seventy percent (70%) of market rate for long-term loans from the DWSRF.
  - Initiated construction on nineteen (19) projects.
14. To provide at least fifteen percent (15%) of each DWSRF capitalization grant to assist small public drinking water systems to the extent that there are a sufficient number of eligible projects to fund.
  - Initiated construction on eleven (11) projects that had a population of 10,000 or less. For SFY 2022, DWSRF provided 3.4 percent of assistance to small public drinking water systems. See Table 5, and the following paragraph, to see how we are proceeding with this goal.

All of the project accomplishments listed above were achieved in SFY 2022 as long as there were projects that met the criteria in the goal.

Please refer to page 12, Table 1, for total grants available for assistance and page 28, Table 5, for total percent of small systems funded since inception of DEQ's loan program.

DEQ funded systems whose projects were determined to be eligible and whose costs were eligible.

## **B. Program Accomplishments**

The application and receipt of capitalization grant funding, the provision of state matching funds, and the proposition to provide low interest loans to eligible loan applicants are the specific efforts required to achieve the following goals of the DWSRF program:

1. To maintain the fiscal integrity of the DWSRF and to assure a continuous enhancement of the loan fund for future generations;
  - *The DWSRF program has been leveraged to meet the funding needs in the future. See Pages 45 & 46.*
2. To maintain the fund in perpetuity; perpetuity consists of maintaining the principal amounts of the state matching funds and capitalization grants, less set-asides, within the DWSRF;
  - *The DWSRF program has been leveraged which will provide state matching funds for future grants. A bond issue was issued in December 2021, during SFY 2022. See Attachment 3.*
3. To assist the State in meeting its total drinking water funding needs by providing long-term, low-interest financing;
  - *Provided construction loan financing for systems through DWSRF loans provided to Oklahoma water systems. See Tables 4 and 5, and Attachments 4 and 5.*

4. To obtain maximum capitalization of the fund for the State in the shortest time possible;
  - *The DWSRF program has been leveraged to meet the funding needs in the future. See Attachment 3.*
5. To provide the necessary state matching funds prior to accepting capitalization grant payments for the FFY 2021 capitalization grant.
  - The state matching funds for the FFY 2021 capitalization grant in the amount of \$3,119,200 were provided partially through the Series 2022 DWSRF Bond Issue in the amount of \$2,567,600, and through a transfer from the DWSRF Administrative Fund held outside the DWSRF in the amount of \$551,600, with the option to refund the Drinking Water Administrative Fund with bond proceeds from an anticipated bond issue scheduled to close during SFY 2023. See page 27 and Attachments 4 and 5.

All of the program accomplishments listed above were achieved in SFY 2022. Also, DEQ complied with general grant regulations.

Since we have more demand for funding than we can supply, another bond issue is planned for SFY 2023.

#### Short-term Goals for SFY 2022

1. Provide twenty-six (26) loans to the twenty-six (265) water systems listed on the Fundable Portion of the SFY 2022 Project Priority List (PPL). (Target Completion: June 2022)

Answer: The State closed nineteen (19) loans to systems on the SFY 2022 Project Priority List. Please see Table 4 for a list of systems, including all pertinent information.

2. Apply for FFY 2022 capitalization grant in the first year that it is appropriated. (Target Completion: April 2022)

Answer: DEQ applied for the 2022 capitalization grant on June 16, 2022.

3. Complete set-aside work plans specifying funds from the 2021 capitalization grant. (Target Completion: Within 90 days of grant award)

Answer: DEQ submitted set-aside work plans for the 2021 capitalization grant on December 22, 2021, and the deadline was December 27, 2021.

4. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2022)

Answer: Based on the information provided in completed source water assessments, DEQ has partnered with the ORWA to develop source water

protection plans for small public water supplies. This project is funded via DWSRF set-asides and began work in SFY 2021. During SFY 2022, two (2) source water protection plans were completed by ORWA.

5. Use set-aside funds to provide technical assistance to systems to comply with LT2ESWTR, S2DBPR; RTCR; LCR, and GWR. (Target Completion: June 2022)

Answer: DEQ meets this goal. See pages 19, 20, and 24 for accomplishments.

6. Issue DWSRF Revenue Bonds in an estimated amount of \$160,000,000 to finance the additional demand for drinking water loan funds. (Target Completion: June 2022)

Answer: OWRB issued DWSRF Revenue Bonds in the amount of \$199,000,000 during this SFY.

7. Expend Capitalization Grant within two years of grant award.

Answer: The FFY 2020 and 2021 Capitalization Grants will be expended by June 30, 2023.

8. Promote and market the DWSRF program by giving presentations around the State. (Target Completion: June 2022)

Answer: DWSRF staff attended and presented at the ORWA Fall and Spring Conferences, the ORWA EXPO conference, three (3) Quarterly AWOP Meetings along with the National AWOP Meeting; as well as the Governor's Water Conference and a Career Fair HIRE OK. DEQ cancelled five (5) in- person Outreach Workshops in coordination with PWS which were scheduled during the spring of 2022 due to COVID. OWRB attended twenty (20) workshops and conferences. Many communities attended the FACT meetings to find funding resources.

### Long-term Goals

1. Maintain the fiscal integrity of the DWSRF and assure a continuous enhancement of the loan fund for future generations.

Answer: DEQ and OWRB work together to assure the long-term financial health of the loan fund through contracts and an annual audit. See Attachments 4 & 5.

2. Maintain the fund in perpetuity. Perpetuity consists of maintaining the principal amounts of the state matching funds and capitalization grants, less set-asides, within the DWSRF.

Answer: The perpetuity of the program can be found in Attachments 3 and 5.

3. Assist the State in meeting the total drinking water funding needs by blending DWSRF capitalization grant and state match funds with leveraged DWSRF bond proceeds to provide long-term low interest drinking water financing.

Answer: OWRB and DEQ leverage the program when needed for funding projects. See Attachment 5.

4. Obtain maximum capitalization of the fund for the State while generating sufficient investment and loan interest earnings to retire revenue bonds.

Answer: OWRB and DEQ decide on the loan terms and conditions for each borrower to optimize the fund. See Attachment 1.

5. Use set-aside funds along with DWSRF loans to maximize compliance and public health protection.

Answer: DEQ uses set-aside funds to ensure public health protection. OWRB and DEQ make loans to systems which need to come back into compliance or remain in compliance. See Attachments 1 and 2.

6. Promote technical, managerial, and financial capability of all public water supply systems.

Answer: OWRB and DEQ conduct financial analysis and overview of the ability of the borrower to run the system. See Attachments 1 and 6.

7. Encourage the consolidation and/or regionalization of small public water systems that lack the capability to operate and maintain systems in a cost-effective manner.

Answer: OWRB and DEQ may offer subsidization in the form of principal forgiveness as encouragement to systems to consolidate or regionalize. See Attachment 1 and pages 3-9, of the annual report, under project descriptions.

8. Target public water supply projects with health-based violations to reduce the number of public water supplies with health-based violations by at least 25% by the end of FFY 2022.

Answer: During SFY 2022, OWRB and DEQ continued its effort to target public water systems with health-based violations (HBV), primarily DBPs. During this period, 8 out of 19 projects funded were systems with HBV. All these systems received principal forgiveness (PF), with majority were funded at 100% PF.

9. Continue to refine the Capacity Development Program through the following actions:
  - a. Revising the capacity development strategy to reflect current goals and methods used by the Capacity Development Section, including the promotion of proper asset management at Oklahoma water supplies.
  - b. Enhancing implementation of the Water Loss Auditing and Leak Detection Program.
  - c. Increasing the amount of technical, managerial, and financial assistance provided to small Oklahoma public water supplies, both from Capacity Development Section staff and from 3<sup>rd</sup>-party technical assistance providers.

Answer: WQD created a new section entitled Capacity Development. It currently consists of a Program Manager and four (4) FTE positions. See pages 20, 21, and 40.

All the long-term goals were achieved in SFY 2022 as discussed throughout this report.

Oklahoma provides a “disadvantaged community program” for systems wishing to receive financing for up to a 30-year loan (up to a 40-year loan for eligible communities subject to useful life of infrastructure). DEQ closed six (6) loans for a term between 20 and 30 years during SFY 2022.

### **Environmental Results under EPA Assistance Agreements**

1. In accordance with “EPA’s Environmental Results under EPA Assistance Agreements, Order No. 5700.7”, which became effective on January 1, 2005, DEQ herein describes the outcome of the output goals listed below.

Output 1 – Provide twenty-six (26) loans to the twenty-six (26) water systems listed on the Fundable Portion of the SFY 2022 PPL. See Appendix B, of the SFY 2022 IUP, for a list of projects on the PPL.

Outcome:

The State closed loans to nineteen (19) projects (18 systems) on the SFY 2022 PPL. See Table 4 for system names and amounts.

Output 2 – Enter into binding commitments with twenty-two (22) small systems and four (4) large systems for a total of twenty-six (26) projects during SFY 2022. See Appendix B, of the SFY 2022 IUP, for a list of these systems and their population.

Outcome:

DEQ made binding commitments with twenty (20) systems on the SFY 2022 PPL. See Table 4 and Table 5 for system names and amounts. Of these systems, twelve (12) were small systems, and eight (8) were large systems.

2. Environmental benefits will result from loans made and projects completed to reduce specific contaminants, create energy savings, conserve water, increase capacity to meet current water needs, replace aging infrastructure, and comply with state and federal regulations.

#### Output and Outcome

1. Assisting non-compliant systems to achieve compliance: 8 systems (McAlester PWA, Okmulgee Co. RWD #4, Comanche PWA, Porter PWA, McIntosh Co. RWD #9, Welch PWA, Hominy PWA (II), and Wewoka PWA)
2. Assisting compliant systems to maintain compliance: 9 systems (New Cordell UA, Okmulgee MA (V), Anadarko PWA, OKC WUT (X), Edmond PWA (VII), Edmond PWA (IX), Elk City PWA (II), Comanche Co. RWD #2 (II), Lawton WA (IV))
3. Assisting compliant systems to meet future requirements: 0 systems
4. Other assistance not compliance related: 2 systems (Enid MA (V), and Pontotoc Co. RWD #6)

#### **IV. Capacity Development Strategy Activities**

The SDWA includes requirements for states to obtain authority to: (1) ensure that new systems have TMF capacity to provide safe and affordable drinking water for now and in the future; (2) ensure that all DWSRF loan recipients have sufficient TMF capacity prior to receiving loan funds (or that the loan funds will allow them to receive the capacity they require); and (3) develop a strategy to address the capacity of existing systems.

The Capacity Development Strategy document, which demonstrates that DEQ has the statutory authority to ensure that all proposed new water supply systems have TMF capabilities to provide safe and affordable drinking water, was initially submitted to EPA and was approved on July 6, 1999. DEQ revised the Capacity Development Strategy Document twice since inception of the programs: first in 2012, which updated regulatory citations and incorporated language to facilitate implementation of EPA's Sustainable Infrastructure initiative and expansion of future DWSRF grant funding, and again in 2020 to include training and development/implementation assistance for system asset management plans. DEQ has the authority to review and approve all planning, design documents, and applications to construct and operate waterworks, as well as ensure that proper technical, managerial, and financial requirements are met during the life of the plant. DEQ jurisdiction over the "permit to construct process" is the main control point through which all public drinking water systems must be approved before construction can be initiated and drinking water supplied to the public.

The Capacity Development requirements for DWSRF loan recipients are attained via a multi-agency approach coordinated by the agency Capacity Development Section. All loan fund applicants are assessed for TMF capacity by the Capacity Development Section, who assists the applicants in developing policies, procedures, or making other changes to obtain and maintain appropriate capacity and sustainability.

Additional assistance is provided to applicants by the OWRB (managerial and financial capacity assistance), via technical assistance from DEQ permitting, inspection, and enforcement staff, and via assistance from 3rd-party providers. All loan applicants that had projects listed on the PPL have received technical assistance and have been thoroughly reviewed to ensure that they are fully capable of operating and maintaining a public water supply system.

The WQD maintains a complete inventory of all public water supply systems, monitoring data, and records of violations. Public water supply systems with actual or potential problems are targeted to receive TMF capacity assistance, increased monitoring, and/or legal oversight to ensure that the problem does not continue or increase to the point that public health is threatened.

DEQ's Existing System Capacity Development program was approved by EPA Region 6 on August 25, 2000. DEQ submitted the 2021 annual report to EPA in September 2021.

DEQ will submit the 2022 report within 90 days of the close of the fiscal year. See Attachment 6 for a copy of the 2022 report.

## **V. Operator Certification Activities**

The SDWA directs the Administrator of EPA, in cooperation with the States, to specify minimum requirements for certification of operators of community and non-transient non-community water systems. EPA's final guidelines were published on February 5, 1999. States had two years from this date to adopt and implement an operator certification program that complies with EPA's guidelines.

DEQ currently has an operator certification program that requires certification of operators for community water systems. DEQ has amended Oklahoma's rules related to operator certification to ensure that the program complies with EPA's final guidelines, including required certification of non-transient non-community system operators. DEQ submitted documentation of the revised operator certification program to EPA in August 2000. EPA approved the program in March 2001. The DWSRF grant application does not specify funds for the Operator Certification program.

## **VI. EPA Automated Standard Application for Payments (ASAP) Payment**

In lieu of depositing federal capitalization grant funds directly into the DWSRF, the federal government has implemented the Automated Standard Application for Payments (ASAP) system. The ASAP system is a federal cash management tool that allows the state to draw down the capitalization grant funds only when eligible costs are actually incurred. The ASAP system was developed by the U.S. Office of Management and Budget to improve cash management of federal payments. Since federal cash payments to the state cannot be made until costs are incurred, this procedure eliminates any potential interest earnings between the time the capitalization grant was awarded and the time the funds were utilized (loaned). The 20 percent state match is placed into the DWSRF prior to receiving federal grant payments.

## **VII. Interest Rates/State Financing Plan**

The SDWA places certain federal requirements on projects that receive assistance from the DWSRF. These federal requirements include "cross-cutting" federal laws and authorities. Loans below market rate are necessary to create program incentives to comply with the federal cross-cutting measures and to reduce the cost of compliance with the SDWA. Federal cross-cutting laws and authorities will continue to be a requirement

for all DWSRF projects utilizing federal capitalization grant funds and state matching funds.

The Oklahoma DWSRF financing plan objective is to provide (1) a pool of funds to meet program demand, which is well above that anticipated to be available directly from the DWSRF, (2) below market interest rate loans which provide program incentives for Oklahoma water supply systems to become compliant with the federal SDWA, (3) flexibility/perpetuity of the DWSRF, and (4) a strategy to assist small water systems. To meet the program objectives of the DWSRF program in an efficient and cost-effective manner, the Oklahoma DWSRF financing plan consists of the following:

The DWSRF program may provide up to 40-year loan terms that are only available to eligible disadvantaged communities and subject to the useful life of infrastructure to be constructed. The loan bears a fixed interest rate. Loans require an interest and administrative fee to be paid semi-annually as funds are drawn. Occasionally, principal re-payments may begin prior to construction completion based on each borrower's promissory note. Once construction is completed, loans require that principal, interest and administration fee are paid monthly to a local trustee until the loan is paid off. The DWSRF provides loans for both small and large public drinking water systems at an interest rate equal to 70% of the AAA Municipal Market Daily (MMD) rate plus 40-76 basis points depending on the loan term. An administration fee of 0.5% is added.

### **VIII. Current and Five Year Projection of Water Needs**

As a result of the efforts by DEQ and OWRB to establish a "lower than market rate" loan program, several water supply systems have responded favorably by requesting that their projects be added to the DEQ DWSRF five (5) year project priority list. The DEQ Project Priority List for SFY 2021 contained the current year's needs plus anticipated needs for the next five years. The SFY 2021 Project Priority List reflected a cumulative demand of \$574,429,999 over the next five years. The SFY 2021 Project Priority List is included as Appendix B to the SFY 2021 IUP. The SFY 2021 IUP is in Attachment 2 of this annual report. For revisions to the IUP, please see Attachment 12.

For SFY 2022, twenty-six (26) projects were identified on the Project Priority List as being potentially ready to proceed with financing and were identified in the SFY 2021 IUP. All projects are ranked in accordance with the DEQ priority ranking system. The State's DWSRF Priority List and IUP are adjusted periodically to reflect changes in project status, new requests, and available funds. The sources of funds necessary to finance SFY 2022 loan requests include FFY 1997 through 2021 federal capitalization grants, state match, principal and interest payments on outstanding loans, investment earnings, and leveraged bonds. For SFY 2022, a complete breakout of the sources of funds is included in Table 1 of the IUP (included as Attachment 2) and a final version can be found in Attachment 7 of this report. It is anticipated that future federal appropriations for capitalization grants requiring state matching funds will continue through the year 2023.

## **IX. Ten and Twenty Year Projection of DWSRF Needs**

Oklahoma has approximately 760 operational public water treatment facilities and distribution systems that are eligible for DWSRF assistance. Most treatment facilities were originally designed with a 20-year design life, whereas, the design life of a distribution system is normally 40 years. Based on these facts, it is reasonable to assume that 5% of all public water treatment facilities and 2.5% of all distribution systems will need to be replaced or rehabilitated each year. Additional annual needs will occur as a result of poor operation and maintenance.

The most current estimate of water infrastructure needs conducted by EPA reflects total public water supply system needs for the entire nation of greater than \$472.6 billion. This current estimate takes into consideration all drinking water needs for the next 20 years. This estimate is from EPA's 2015 Needs Survey and Assessment. The current state estimate of needs does not forecast ten-year needs nor does the state currently have a way of estimating public drinking water needs for the next ten years. The 2015 Needs Survey results was published on EPA's website and in the March 2018 Sixth Report to Congress. For Oklahoma, the 2015 Needs Survey results showed a decrease in percentage of needs from 1.61% (in 2011) to 1.42%. This state percentage, utilizing the results of the 2015 Needs Assessment, will be in effect for allocating DWSRF program funds for fiscal years 2018 through 2021 appropriations. 2021 Drinking Water Infrastructure Needs Survey Assessment data collection is underway.

## **X. Detailed Financial Report**

During SFY 2022, DEQ used the 2018, 2019, 2020, and 2021 capitalization grants to fund set-aside activities and DWSRF loans. DEQ entered into a contract for the 23rd annual financial and compliance audit of the DWSRF program for SFY 2022 which will be performed during SFY 2023. The audited financial statements can be found in Attachment 6.

Audited financial statements for the Oklahoma Drinking Water Treatment Loan Administrative Fund for SFY 2022 are included as Attachment 4.

## **XI. Cross-Collateralization of the DWSRF and Clean Water State Revolving Fund (CWSRF)**

The Master Trust Agreement dated as of October 1, 2003, provides a bond structure that allows for cross-collateralization of the CWSRF and the DWSRF in order to provide additional bond security and ratings enhancement for both programs. With cross-collateralization, excess CWSRF revenues (revenues pledged to repayment of CWSRF bonds over and above what is needed to make actual debt service payments) would be available to cure any DWSRF bond payment default or reserve fund deficiency. Likewise,

excess DWSRF revenues would be available to cure any CWSRF bond payment default or reserve fund deficiency. Pursuant to federal regulations, cross-collateralization support cannot extend to debt specifically issued for the purpose of providing state matching funds. The Master Trust Agreement provides adequate safeguards to ensure that future CWSRF or DWSRF bond issues will comply with this limitation.

A new Master Trust Indenture was created on December 1, 2019 for the DWSRF and CWSRF bond programs. The indenture makes some technology changes to the document, modifies the flow of funds, includes changes implemented in tax law, and moves the bonds from a reserve fund model to cash flow model. In the new indenture, the loans are pledged to the specific program and not to individual bond issues; therefore, all the funds are available to pay the bonds in the specific programs. As bonds are defeased or refunded in the 2003 Master Trust Agreement, any outstanding loans will be moved to the 2019 Master Trust Indenture and the funds will be used to pay the 2019 outstanding bonds. The cross- collateralization and security between the two programs has not changed.

## **XII. Transfer Authority Between Drinking Water and Clean Water SRFs**

In accordance with the SDWA SRF funds transfer provisions (Section 302), Oklahoma reserved the authority to transfer funds between the DWSRF and CWSRF in order to assure adequate capacity to meet funding demands for both programs.

The OWRB had previously reserved the authority to transfer up to 33% of the DWSRF capitalization grants. The total amount of transfers from CWSRF to DWSRF is \$47,992,182 leaving \$37,377,630 available to transfer through the FFY 2021 capitalization grant. No transfers were made during SFY 2022.

## **XIII. DWSRF Program Changes**

In future years, the Revenue Bonds will be sized, based on the amount of identified need, and a portion of the proceeds may include funds for the purpose of providing the state matching funds for future capitalization grants. DEQ and OWRB remain committed to achieving the goals of the SDWA by providing the greatest amount of low-interest financing to the greatest number of borrowers possible. The structure and size of the Revenue Bond issue will be designed to minimize the impact of program changes on local borrowers and maintain the DWSRF Program as a permanent and perpetual source of financing.

The following table includes the current outstanding DWSRF Bond Issues:

## Outstanding OWRB Obligations

<u>Issue</u>	<u>Issue Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Outstanding Balance (June 30, 2022) Total</u>
Series 2013B DW*	\$35,505,000	9/19/2013	4/1/2025	\$3,965,000
Series 2016 DW	\$90,000,000	10/19/2016	4/1/2041	\$85,500,000
Series 2018 DW	\$80,055,000	3/22/2018	4/1/2038	\$61,375,000
Series 2019 DW**	\$28,210,000	12/19/2019	4/1/2042	\$27,475,000
Series 2020 DW	\$95,000,000	10/22/2020	4/1/2040	\$91,300,000
Series 2021 DW	<u>\$199,000,000</u> \$527,770,000	12/22/2021	4/1/2051	<u>\$196,590,000</u> \$466,205,000

\* Refunding of the 2003 DW Series

\*\*\*Refunding of the 2011 and 2012 CW/DW Series - Total issue was \$154,420,000 for CW/DW combined

Issues starting with Series 2019 were issued under the 2019 Master Trust Indenture, all others were issued under the

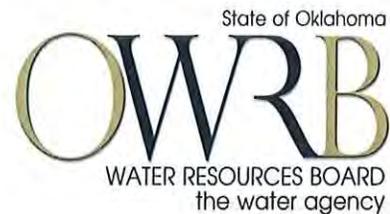


# **Attachment 1**

## **DEQ/OWRB Interagency Agreement For SFY 2022**

**DRINKING WATER  
STATE REVOLVING FUND  
INTERAGENCY AGREEMENT**

**BETWEEN  
THE  
OKLAHOMA WATER RESOURCES BOARD  
AND  
THE DEPARTMENT OF  
ENVIRONMENTAL QUALITY**



**State FY 2022**  
(From July 1, 2021 Through June 30, 2022)

# **DRINKING WATER STATE REVOLVING FUND**

## **DEQ/OWRB Interagency Agreement**

### **TABLE OF CONTENTS**

<b>SECTION I:</b>	<b>INTRODUCTION AND PURPOSE</b>
<b>SECTION II:</b>	<b>DWSRF CAPITALIZATION GRANT</b>
<b>SECTION III:</b>	<b>ANNUAL JOINT REPORT TO THE GOVERNOR AND LEGISLATURE</b>
<b>SECTION IV:</b>	<b>ANNUAL REPORT</b>
<b>SECTION V:</b>	<b>LOAN APPLICATION</b>
<b>SECTION VI:</b>	<b>BINDING COMMITMENT</b>
<b>SECTION VII:</b>	<b>BIDDING AND CONTRACT DOCUMENTS</b>
<b>SECTION VIII:</b>	<b>LOAN CLOSING</b>
<b>SECTION IX:</b>	<b>CHANGE ORDERS AND CONSTRUCTION RELATED DOCUMENTS</b>
<b>SECTION X:</b>	<b>INSPECTION OF PROJECT, BOOKS, AND RECORDS</b>
<b>SECTION XI:</b>	<b>LOAN DISBURSEMENT</b>
<b>SECTION XII:</b>	<b>LOAN TERMINATION</b>
<b>SECTION XIII:</b>	<b>RETURN OF FUNDS TO THE DWSRF</b>
<b>SECTION XIV:</b>	<b>ADMINISTRATIVE COSTS</b>
<b>SECTION XV:</b>	<b>LOAN REPAYMENT</b>
<b>SECTION XVI:</b>	<b>INTEREST RATE DETERMINATION/FINANCING PLAN</b>
<b>SECTION XVII:</b>	<b>ANNUAL AUDIT</b>
<b>SECTION XVIII:</b>	<b>COOPERATION AND INFORMATION EXCHANGE</b>
<b>SECTION XIX:</b>	<b>FORCE MAJEURE</b>
<b>SECTION XX:</b>	<b>AMENDMENTS; EFFECTIVE TERM</b>

**SECTION I: INTRODUCTION AND PURPOSE**

The 1996 amendments to the Safe Drinking Water Act (P.L. 104-182)(SDWA) authorize a Drinking Water State Revolving Fund (DWSRF) program to assist public water systems to finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect public health. Section 1452 of the SDWA authorizes the Administrator of the U.S. Environmental Protection Agency (EPA) to award capitalization grants to states, which in turn can provide low cost loans and other types of assistance to eligible systems.

Title 82 of Oklahoma Statutes, Section 1085.71 et seq., establishes the DWSRF to implement portions of the federal SDWA. Sections 1085.71 through 1085.84A establish the duties of the Oklahoma Water Resources Board (OWRB) and the Department of Environmental Quality (DEQ). This Interagency Agreement shall constitute the joint operating agreement between DEQ and OWRB required by section 1085.82 and shall further clarify the duties and roles of each agency by establishing procedures to ensure compliance with state and federal laws.

**SECTION II: DWSRF CAPITALIZATION GRANT**

The DWSRF Capitalization Grant Agreement between the State of Oklahoma, by and through its authorized agency and the EPA, consists of the Grant Application, Intended Use Plan (IUP), and Operating Agreement between DEQ and EPA.

- The DEQ has the responsibility to make application for, enter into and be recipient of the capitalization grant from the EPA.
- DEQ shall prepare an IUP with the cooperation of OWRB, including amendments, for submittal to EPA. The amount of the capitalization grant to be utilized for administrative costs will be identified in the IUP. OWRB will prepare and submit to DEQ, prior to the beginning of each state fiscal year, an annual budget that reflects the anticipated administrative expenses of OWRB for the DWSRF program for the upcoming state fiscal year.
- DEQ and OWRB will jointly prepare the Operating Agreement and, as necessary, annual updates. DEQ will submit the documents to EPA.
- DEQ and OWRB jointly covenant that, to the extent the OWRB has agreed to apply any DWSRF Capitalization Grant funds in connection with the issuance of any DWSRF Revenue Bonds or other series bonds on a parity therewith (issued pursuant to a Master Trust Agreement by and between the OWRB and its Trustee Bank and dated as of October 1, 2003, as amended by the Master Trust Indenture dated December 1, 2019, and including all bond series indentures and any superseding master indenture; collectively referred to as the “DWSRF Revenue Bonds”), such funds shall be drawn as rapidly as is permissible under law, rules and regulations applicable to the DWSRF Program and the DWSRF Capitalization Grants, provided however, that this covenant is understood by DEQ and the OWRB to only apply to those portions of the Capitalization Grant funds permitted to be used to make DWSRF loans. The DEQ and the OWRB further covenant to take all actions required to comply with the terms and conditions of

the DWSRF Capitalization Grants and not omit to take any action if such omission would result in noncompliance with any term or condition of the

DWSRF Capitalization Grant Agreement(s). The agreements of DEQ and OWRB in this paragraph shall survive the expiration or other termination of this SFY 2022 Agreement and, if a new Interagency Agreement is entered into for subsequent fiscal years, identical language shall be included in each such Interagency Agreement until such time as all obligations under this paragraph are satisfied. The provisions of this paragraph are for the benefit of the Trustee Bank for the DWSRF Revenue Bonds and may be directly enforced by said Trustee Bank.

**SECTION III: ANNUAL JOINT REPORT TO THE GOVERNOR AND LEGISLATURE**

DEQ and OWRB will coordinate the preparation of an Annual Joint Report for submittal to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. Submission of the Annual Joint Report will be within 120 days of the end of each fiscal year.

**SECTION IV: ANNUAL REPORT**

DEQ and OWRB will coordinate the preparation of an annual report for submittal to EPA according to the schedule identified in the capitalization grant. The Annual Joint Report to the Governor and Legislature described in Section III herein may also be prepared by DEQ and OWRB to meet the biennial reporting requirements of EPA.

**SECTION V: LOAN APPLICATION**

OWRB will accept DWSRF loan applications from those projects identified in the fundable portion of the project priority list in the current IUP. Upon receipt of a loan application and design documents, DEQ and OWRB will review documents for completeness. If the loan application is incomplete, OWRB will notify the applicant of the deficiencies.

OWRB will review the loan application to determine whether the applicant's financial, legal, and managerial capabilities are sufficient to ensure repayment of a loan from the DWSRF.

DEQ will review the priority ranking request, planning, design, and related application documents for compliance with the applicable requirements of Part E, Section 1452 of the SDWA, and other applicable federal and state requirements. If DEQ cannot certify planning and design documents, it will advise the applicant and OWRB of the reason(s) for rejection. If OWRB cannot approve an application for financial assistance, OWRB will notify the applicant and DEQ of the reason(s) for rejection.

DEQ will maintain the official engineering and technical project files. OWRB will maintain the official financial review files.

DEQ will review all project planning documents and make a determination of the eligibility of the scope of the project.

DEQ will review project design documents to assure uniformity with planning documents for compliance with state and federal requirements.

DEQ will provide written documentation to OWRB indicating that the project has received appropriate planning and design approvals from DEQ.

OWRB agrees that a project loan will not be approved without appropriate planning and design approvals from DEQ, except as provided for under Section VI herein.

#### **SECTION VI: BINDING COMMITMENT**

Upon approval of an Engineering Report, an environmental decision, plans and specifications, and issuance of a "Permit to Construct" by DEQ, and approval of the loan application and issuance of a Board Order by OWRB, DEQ will issue a binding commitment of loan funds for the planning, design, and/or construction of the drinking water project. This binding commitment may contain those conditions deemed necessary by DEQ and OWRB. A binding commitment may be issued by DEQ prior to plans and/or specifications approval in cases where both DEQ and OWRB agree that it would be advantageous to the loan applicant and/or the DWSRF, or where DEQ and OWRB want to make a loan for planning and/or design. In the event that either DEQ or OWRB believe it would be advantageous to the loan applicant and/or the DWSRF (or in the event that either DEQ or OWRB want to make a loan for planning and/or design), each agency agrees to notify the other agency that it has determined that such a binding commitment is warranted prior to the approval of the plans and specifications. DEQ and OWRB agree that the agency receiving the notification has a duty to inform the other agency as to whether it agrees that such binding commitment is warranted within fourteen (14) days. Binding commitments will expire if the recipients have not closed on a DWSRF loan within one year of the date of the OWRB order approving the loan. However, the binding commitment may be extended if mutually agreed to by DEQ, OWRB, and the recipient.

#### **SECTION VII: BIDDING AND CONTRACT DOCUMENTS**

DEQ will review project bidding documents for compliance with state and federal requirements following bid opening. Upon authorization by DEQ, each loan recipient shall execute the construction contract and submit one copy of same, with related documents, to DEQ for review and concurrence that contract award is consistent with approved bidding documents.

DEQ will maintain a copy of all approved bidding and contract documents for the term of the loan. Upon request, DEQ will provide OWRB with a copy of the bidding and contract documents approval letter(s).

For projects seeking an alternative project delivery method, DEQ will ensure the procurement process for federally funded projects is followed. DEQ will also review requests for qualifications and proposals from engineer/contractor quality based services, contracts, and sub-contractor bidding documents.

#### **SECTION VIII: LOAN CLOSING**

Following approval of all bidding documents by DEQ, OWRB will coordinate, prepare for and schedule a loan closing which will include all applicable loan documents. DEQ may review preliminary loan documents and provide loan conditions that DEQ deems necessary to ensure

compliance with any local, state, or federal requirements. In addition, DEQ will, prior to loan closing, provide OWRB with the following:

- Written documentation that DEQ has completed their review of the technical documents and that the project is available for loan closing.
- A detailed project budget which limits the contingency to 5% of the contracted amounts.
- A detailed project schedule that has been coordinated with federal and/or state enforcement officials.
- Special condition(s) required by DEQ, if any.

The OWRB will maintain the loan closing documents (Transcript of Proceedings). A copy of each executed loan agreement and promissory note will be provided to DEQ.

**SECTION IX: CHANGE ORDERS AND CONSTRUCTION RELATED DOCUMENTS**

Change orders and construction related documents will be submitted by the recipients to DEQ for review. When change orders that will not exceed the loan contingency amount are submitted, DEQ may modify the project budget and notify OWRB of the determination (approval/denial) at the same time the recipient is notified.

If a change order will exceed the loan contingency amount or the loan project period, DEQ will notify OWRB before taking any action on the change order, and both agencies will work together to reach an agreement on the appropriate action to be taken.

**SECTION X: INSPECTION OF PROJECT, BOOKS, AND RECORDS**

At any time during normal business hours, the DEQ may inspect any and all projects, any and all incidental works, areas, facilities and premises otherwise pertaining to the project for which application is made. From the time of receipt of the pre-application, throughout all stages of construction, and at any other time while any assistance from the DWSRF Program recipient is outstanding, DEQ and the OWRB, in addition to the inspections by DEQ solely, agree that they both may inspect any and all projects, any and all incidental works, areas, facilities and premises otherwise pertaining to the project for which application is made. DEQ and OWRB further may inspect any and all books, accounts, records, contracts, or other instruments, documents, or information possessed by recipient or its contractors, agents, employees, or representatives which relate in any respect to the receipt, deposit, and/or expenditure of DWSRF assistance funds.

Upon substantial construction completion and initiation of operation of the project, DEQ will receive from the applicant a certification regarding the construction completion date and recovery of unexpended loan funds. The certification will be forwarded to OWRB at which time OWRB will de-obligate any unpaid loan proceeds. At the time specified by loan documents, OWRB shall provide a final amortization for the loan proceeds drawn.

**SECTION XI: LOAN DISBURSEMENT**

After loan closing, DEQ shall have authority to approve the disbursement of loan proceeds. OWRB shall have the authority to then release the funds.

Requests for loan disbursements and budget revisions will be submitted to DEQ from the loan recipients based upon actual project costs incurred. Both OWRB and DEQ agree to establish and maintain a loan disbursement procedure that will minimize the time a borrower has to wait on loan disbursements.

**SECTION XII: LOAN TERMINATION**

If at any time DEQ and OWRB determine that there is cause to believe the project may not be completed or undertaken according to the terms of the loan agreement and applicable statutes and rules, DEQ and OWRB will issue the recipient a letter requiring specific action to be undertaken within a specified time period to assure timely completion of the project or otherwise to assure remedy of the defect(s). Failure to complete the specific action within the specified time period may result in withholding disbursements or loan default, as provided in the loan agreement between the recipient and OWRB. However, DEQ and OWRB will work with the recipient in an effort to avoid termination of the loan commitment or loan default.

**SECTION XIII: RETURN OF FUNDS TO THE DWSRF**

DEQ agrees that financial assistance funds made available to a recipient by the DWSRF shall be utilized and expended by the recipient solely and exclusively for the payment of authorized and allowable costs and expenses of the project for which assistance was approved. In the event funds furnished to a recipient by the DWSRF are not utilized and expended by the recipient for the specified project as indicated in each loan agreement, DEQ will notify the recipient who shall return or otherwise pay to OWRB, for deposit in the DWSRF, any and all such unused funds or any amounts of funds used and expended for unauthorized purposes plus a market rate of interest on the unused or unauthorized amount.

**SECTION XIV: ADMINISTRATIVE COSTS**

Money made available as a result of the capitalization grant administrative set aside may be used for reasonable costs of administering the DWSRF Program, provided that the amount does not exceed four percent (4%) of all EPA grant awards received by the DWSRF.

Disbursement requests for incurred administrative costs from the DWSRF shall be paid 100% (no state match) from the administrative set aside. Payment of administrative funds from the capitalization grant will be in accordance with this Interagency Agreement, grant conditions, and the EPA Operating Agreement.

OWRB will maintain an administrative fund as established by 82 O.S. 2011, Section 1085.84A, the Master Trust Agreement dated October 1, 2003, the Master Trust Indenture dated December 1, 2019, and supplements thereof outside the DWSRF. Monies to be deposited into the Drinking Water Treatment Loan Administrative Fund (OWRB Account Number 444-835) include loan application fees, program income from administrative fees assessed as established in individual

loan agreements, and interest earnings from administrative fund investments. Monies in this fund will be utilized solely for the purpose of reimbursing actual and eligible expenditures by OWRB and DEQ identified in the annual Interagency Agreement for the administration of the DWSRF Program. Monies in this fund may be invested and maintained by the Office of the State Treasurer in accordance with applicable state law. OWRB will be responsible for processing requests for reimbursement from this fund and will provide an annual accounting of the administrative funds.

The division of the available funds for the administration of the program will be negotiated annually by OWRB and DEQ prior to finalizing agency fiscal budgets.

**DWSRF Administrative Set Aside**

DEQ and OWRB agree that sufficient funds will be made available to pay for program administrative costs as a result of the 4% administrative set aside from the DWSRF capitalization grants. All costs billed for SFY 2022 from the 4% administrative set aside shall not exceed the proposed DWSRF total administrative budget for each agency, as shown below.

<b>SFY 2022 Proposed DWSRF 4% Administration Budget</b>		
	<b>OWRB</b>	<b>DEQ</b>
<b>Salary</b>	\$73,272.00	\$176,517.00
<b>Indirect Costs <sup>1</sup></b>	\$48,535.37	\$61,425.00
<b>Fringe Benefits <sup>1</sup></b>	\$58,192.63	\$77,622.00
<b>Equipment/Supplies</b>	\$ 0.00	\$6,290
<b>Contractual</b>	\$ 0.00	\$37,670.00
<b>Travel/Training/Other</b>	\$ 0.00	\$84,316.00
<b>TOTALS</b>	<b>\$180,000.00</b>	<b>\$443,840.00</b>

**Note 1. Indirect Costs and Fringe Benefits**

**Payments to DEQ:** The rate of indirect costs and fringe benefits utilized in the above budget estimates for DEQ are from the DEQ State FY 2022 Indirect Cost Proposal that has been approved by EPA. DEQ is attaching the State FY 2022 Indirect Cost Proposal from EPA to this agreement.

**Payments to OWRB:** The rate of indirect costs utilized in the above budget estimates for OWRB is from the latest A-87 EPA/State negotiated Indirect Cost Agreement that will become effective July 1, 2021.

**Drinking Water Treatment Loan Administrative Fund (DWTLAF)**

DEQ and OWRB agree that funds in the Drinking Water Treatment Loan Administrative Fund as allowable will be available for DWSRF administrative purposes and may be utilized to pay for the following OWRB and DEQ DWSRF expenses not paid from the 4% capitalization grant set aside including as necessary, the state match for DWSRF capitalization grants:

**Proposed Budget\***

<b>Costs Classifications</b>	<b>OWRB</b>
Salary	\$276,728.00
Indirect Costs	\$183,304.63
Fringe Benefits	\$219,777.38
Equipment/Supplies/Memberships/Publications	\$147,705.00
Professional Services	\$361,775.00
Travel/Training	\$41,137.50
Trustee Fees	\$43,773.76
<b>Total from Loan Administrative Fund</b>	<b>\$1,274,201.27</b>

**SECTION XV: LOAN REPAYMENT**

Payment of principal, interest, and administrative fees on loans shall be made to OWRB as provided in the loan documents. Such repayments will be deposited in the appropriate DWSRF funds.

OWRB will be responsible for the collection of delinquent interest and principal payments, and the maintenance of the record of collection actions taken. In the event of default, OWRB will utilize all available means to remedy the default.

**SECTION XVI: INTEREST RATE DETERMINATION/FINANCING PLAN**

All loans from the DWSRF will be made at or below market interest rates, which may include interest-free loans. OWRB and DEQ will jointly agree on an annual financing plan as set forth in the Drinking Water IUP.

**SECTION XVII: ANNUAL AUDIT**

The State is required to conduct an annual independent financial audit and an annual independent compliance audit of its DWSRF program, including set-aside programs. These audits will be in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

The OWRB will maintain accounting records for the DWSRF loan account. These records will be maintained in accordance with generally accepted accounting practices.

The DEQ will contract with an independent auditor annually to perform a financial audit in accordance with generally accepted governmental auditing standards which are defined, but not limited to those contained in the U.S. General Accounting Office (GAO) publication Governmental Audit Standards, as revised. The audit report will contain an opinion on the financial statements of the DWSRF and set-aside programs. DEQ will arrange for the audit to be completed within three (3) months of the end of the State fiscal year (June 30) at which time a copy will be provided to the OWRB.

The OWRB agrees to make all DWSRF financial records available to the DEQ and/or the auditors selected by DEQ. In addition, OWRB agrees to review draft audit reports and respond to DEQ regarding any audit findings.

#### **SECTION XVIII: COOPERATION AND INFORMATION EXCHANGE**

DEQ and OWRB jointly recognize that the successful implementation and management of the DWSRF Program requires close cooperation and an open exchange of information between the two agencies. In this regard, the agencies will cooperate in the development of rules and policies relating to the DWSRF Program and will freely share information concerning loan recipients and project status. The agencies will copy each other on all project related correspondence sent to applicants and loan recipients in the DWSRF Program.

DEQ and OWRB additionally recognize the fact that program development and management will require continuous communication and coordination. To this end the Director of the Water Quality Division, DEQ, or designee and the Chief of the Financial Assistance Division, OWRB, or designee are designated as the contact persons for their respective agencies.

#### **SECTION XIX: FORCE MAJEURE**

DEQ and OWRB shall take reasonable efforts to minimize any delays and will perform the requirements of this Interagency Agreement within the approved schedule unless performance is prevented or delayed by events, which constitute a Force Majeure. "Force Majeure," for purposes of this Agreement, is defined as any event arising from causes beyond the reasonable control of the DEQ or OWRB or their contractors or subcontractors which delays or prevents the performance of any obligation under this Agreement, such as, without limitation, acts of God; vandalism; fire; flood; labor disputes or strikes; weather conditions which would prevent or impair construction activities; civil disorder or unrest. Force Majeure events do not include increased costs of performance of the tasks agreed to by the Parties or changed economic circumstances. DEQ or OWRB shall notify the other in writing within fifteen (15) days after DEQ or OWRB knew or should have known of a Force Majeure event that will cause a delay or anticipated delay in achieving compliance with any requirement of the Interagency Agreement.

SECTION XX: AMENDMENTS; EFFECTIVE TERM

This Interagency Agreement may be amended annually prior to the beginning of the state's fiscal year or at any other mutually agreeable time to incorporate program changes and annual agency program budgets.

This agreement shall be in full force and effect from July 1, 2021 to June 30, 2022.

Department of Environmental Quality

Oklahoma Water Resources Board

CMS Sharp  
Catherine Sharp  
Director of Administrative Services

[Signature]  
Robert L. Stallings  
Chairman

ATTEST:

ATTEST:

[Signature]  
Date: June 1, 2021

[Signature]  
Date: May 18, 2021



ATTACHMENTS

- OWRB Indirect Cost Agreement
- DEQ Indirect Cost Agreement



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
 WASHINGTON, D.C. 20460  
COGNIZANT AGENCY  
NEGOTIATION AGREEMENT

Oklahoma Water Resources Board  
 Oklahoma City, OK

Date: June 1, 2021

Filing Ref: May 14, 2020

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which 2 CFR Part 200 applies, subject to the limitations contained in the Circular and in Section II, A below.

JC

---

SECTION I: RATES

---

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Base</u>
	<u>From</u>	<u>To</u>		
<u>Fixed:</u>				
Fringe Benefits	7/1/2021	6/30/2022	74.33%	(a)
Indirect Costs	7/1/2021	6/30/2022	68.77%	(a)

Basis for Application

(a) Direct salaries and wages

Treatment of Fringe Benefits: FICA, Retirement, Health Insurance, Unemployment Compensation, Longevity Pay and Leave (Annual, Sick and Administrative applicable to direct salaries are included in the fringe benefit rate.

JC

---

SECTION II: GENERAL

---

A. LIMITATIONS: The rates in this Agreement are subject to any statutory and administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the department/agency or allocated to the department/agency by an approved cost allocation plan were included in the indirect cost pool as finally accepted; such costs are legal obligations of the department/agency and are allowable under governing cost principles; (2) The same costs that have been treated as indirect costs have not been claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the department/agency which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

- B. CHANGES. The fixed rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the authorized representative of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowances.
- C. THE FIXED RATE contained in this agreement is based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate for the difference between the cost used to establish the fixed rate and that which would have been used were the actual costs known at the time.
- D. NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.
- E. SPECIAL REMARKS: Please confirm your acceptance of the terms of the indirect cost rate agreement by signing and returning this letter to me. Please retain a copy for your records.

ACCEPTANCE

The undersigned official warrants that he/she has the proper authority to execute this agreement on the behalf of the State Agency:

By the Federal Agency:

Julie Cunningham Digitally signed by Julie Cunningham  
Date: 2021.06.03 11:02:44 -05'00'

(Signature)

**Julie Cunningham**

(Name)

**Executive Director**

(Title)

Oklahoma Water Resources Board

(Agency)

**June 3, 2021**

(Date)

JACQUELINE SMITH Digitally signed by JACQUELINE SMITH  
Date: 2021.06.01 13:51:58 -04'00'

(Signature)

National Policy, Training and  
Compliance Division  
U.S. Environmental Protection  
Agency

Negotiated by: Jacqueline Smith  
Telephone: (202) 564-5055



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
 WASHINGTON, D.C. 20460  
 COGNIZANT AGENCY  
NEGOTIATION AGREEMENT

Oklahoma Department of  
 Environmental Quality  
 Oklahoma City, Oklahoma

Date: October 26, 2020  
 Filing Ref: November 8, 2019

The indirect cost rate contained herein is for use on grants and contracts with the Federal Government to which 2 CFR Part 200 applies, for fiscal years beginning on or after December 26, 2014 subject to the limitations in Section II.A. of this agreement. Applicable OMB Circulars and regulations will continue to apply to federal funds awarded prior to December 26, 2014.

**SECTION I: RATES**

<u>Type</u>	<u>Effective Period</u>		<u>Rate</u>	<u>Base</u>
	<u>From</u>	<u>To</u>		
<u>Fixed:</u> Indirect	7/1/2021	6/30/2022	24.17%	(a)

Basis for Application

(a) Direct salaries and wages plus applicable fringe benefits.

Treatment of Fringe Benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs.

**SECTION II: GENERAL**

- A. **LIMITATIONS:** The rates in this Agreement are subject to any statutory and administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the department/agency or allocated to the department/agency by an approved cost allocation plan were included in the indirect cost pool as finally accepted; such costs are legal obligations of the department/agency and are allowable under governing cost principles; (2) The same costs that have been treated as indirect costs have not been claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the department/agency which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.
- B. **CHANGES.** The fixed rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting

for costs, which affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the authorized representative of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowances.

C. THE FIXED RATE contained in this agreement is based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate for the difference between the cost used to establish the fixed rate and that which would have been used were the actual costs known at the time.

D. NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.

E. SPECIAL REMARKS: Please confirm your acceptance of the terms of the indirect cost rate agreement by signing and returning this letter to me. Please retain a copy for your records.

ACCEPTANCE

The undersigned official warrants that he/she has the proper authority to execute this agreement on the behalf of the By the State Agency:

By the Federal Agency:



(Signature)

Scott Thompson

(Name)

Executive Director

(Title)

Okla Dept of Environmental Quality

(Agency)

Signed by Executive Director on 11/10/2020

(Date)

JACQUELINE  
SMITH

Digitally signed by JACQUELINE  
SMITH  
Date: 2020.10.26 13:12:11 -04'00'

(Signature)

National Policy, Training and  
Compliance Division  
U.S. Environmental Protection Agency

Negotiated by: Jacqueline Smith  
Telephone: (202) 564-5055



## **Attachment 2**

### **SFY 2022 Intended Use Plan (IUP) and Project Priority List**

**STATE OF OKLAHOMA**  
**DEPARTMENT OF ENVIRONMENTAL QUALITY**



**FINAL**  
**INTENDED USE PLAN**

**DRINKING WATER STATE REVOLVING FUND**  
**STATE FISCAL YEAR 2022**

**Effective 7-1-2021 through 6-30-2022**

I. INTRODUCTION.....	1
II. LIST OF PROGRAMS .....	3
A. SET-ASIDE PROGRAMS.....	3
1. DWSRF ADMINISTRATION .....	3
2. SMALL SYSTEM TECHNICAL ASSISTANCE .....	4
3. STATE PROGRAM MANAGEMENT .....	4
4. LOCAL ASSISTANCE AND OTHER STATE PROGRAMS.....	5
B. DRINKING WATER STATE REVOLVING FUND PROJECTS.....	6
1. DWSRF PROJECT PRIORITY SYSTEM.....	6
2. READY TO PROCEED.....	7
3. BYPASS PROJECTS NOT READY TO PROCEED AND SMALL SYSTEMS .....	7
4. ALLOCATION OF FUNDS.....	8
5. STATUS OF PROJECTS ON THE FUNDABLE PORTION OF THE PRIORITY LIST .....	8
6. SRF AVAILABLE FUNDS .....	9
C. AMERICAN IRON AND STEEL (AIS).....	9
D. ADDITIONAL SUBSIDIZATION .....	9
E. DAVIS-BACON WAGE RATES .....	9
F. SUSTAINABILITY POLICY.....	10
G. REPORTING REQUIREMENTS .....	10
III. DWSRF GOAL STATEMENTS.....	11
A. SHORT-TERM GOALS .....	11
B. LONG-TERM GOALS .....	11
C. ENVIRONMENTAL RESULTS UNDER EPA ASSISTANCE AGREEMENTS .....	12
IV. FINANCING PLANS .....	12
A. DWSRF INTEREST RATES.....	13
B. ADMINISTRATION FEES.....	13
C. BINDING COMMITMENTS .....	13
V. ASSURANCES AND SPECIFIC PROPOSALS .....	14
VI. CRITERIA FOR PROJECT SELECTION AND DISTRIBUTION OF FUNDS .....	15
A. DISTRIBUTION OF FUNDS.....	15
B. FUNDS AVAILABLE FOR DWSRF PROJECTS .....	16
C. DWSRF LEVERAGED BOND ISSUE.....	16
D. DESCRIPTION OF FINANCIAL STATUS OF DWSRF .....	16
E. DEVELOPMENT OF PAYMENT SCHEDULE .....	16

F.	FINANCIAL PLANNING PROCESS AND MANAGEMENT OF FUNDS .....	17
G.	CASH DRAW RATIO .....	17
VII. SAFE DRINKING WATER ACT AMENDMENT OPTIONS.....		17
A.	PRIVATELY OWNED DRINKING WATER SYSTEMS.....	17
B.	DISADVANTAGED COMMUNITIES.....	18
C.	TRANSFER OF FUNDS.....	18
VIII. PUBLIC REVIEW AND COMMENT .....		18
IX. AMENDMENTS TO THE PLAN.....		19

#### EXHIBITS AND TABLES

TABLE 1	SOURCES AND USES FOR DWSRF PROGRAM .....	2
TABLE 2	DWSRF SET-ASIDE ACTIVITIES.....	3
TABLE 3	SUBSIDY FUNDS.....	9
TABLE 4	DRINKING WATER TREATMENT ADMINISTRATION FUND.....	13
EXHIBIT 1	DWSRF PROPOSED LOANS TO SMALL SYSTEMS SFY 2022.....	14

#### APPENDICES

APPENDIX A	PROJECT PRIORITY SYSTEM
APPENDIX B	PROJECT PRIORITY LIST
APPENDIX C	FEDERAL PAYMENT SCHEDULE
APPENDIX D	NOTICE OF PUBLIC MEETING

## I. INTRODUCTION

The Safe Drinking Water Act (SDWA) Amendments of 1996 authorized a Drinking Water State Revolving Fund (DWSRF) program to assist public water systems in financing the cost of replacement and repair of drinking water infrastructure to achieve or maintain compliance with the SDWA requirements and to protect public health. The DWSRF program will help ensure that drinking water supplies remain safe and affordable, and that the systems that receive funding will be properly operated and maintained.

The SDWA places a strong emphasis on preventing contamination rather than reacting to problems. Central to this emphasis is the development of state prevention programs including source water protection, capacity development, and additional requirements for operator certification. To fund these activities, the SDWA allowed not only the creation of the loan fund but also four set-aside accounts to fund the following state activities:

1. Administration of DWSRF;
2. Small System Technical Assistance Program;
3. State Program Management; and
4. Local Assistance and other State Programs.

As required by the SDWA, the State of Oklahoma, through the Department of Environmental Quality (DEQ), is required to prepare this annual Intended Use Plan (IUP) in order to identify the set-aside programs and DWSRF loan projects that will utilize the funds available to the DWSRF. This IUP is prepared for State Fiscal Year 2022 (SFY 2022) and identifies those sources and uses of available program funds. For the purpose of the DWSRF and this IUP, the fiscal year identified is the SFY 2022, beginning July 1, 2021, and ending June 30, 2022. The capitalization grants and state matching funds to fund these activities are from prior fiscal years and the Federal Fiscal Year 2021 (FFY 2021) appropriation. DEQ has already applied for the FFY 2021 grant to ensure funding will be available on July 1<sup>st</sup>, which is the beginning date of SFY 2022.

To ensure that the public had an opportunity to review DEQ's proposed plans for the DWSRF, a draft IUP was made available 30 days prior to the IUP public meeting which was held on June 7, 2021. To ensure that interested parties were aware of the public meeting date, DEQ posted notice on DEQ's web-site and distributed announcements to a mailing list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial consultants, and interested citizens. The public comment period closed on June 8, 2021.

As a result of federal appropriations to the State, DEQ has received federal capitalization grants totaling \$347,805,000.00 from FFY 1997 thru FFY 2020. DEQ will apply for the FFY 2021 Capitalization Grant in the amount of \$15,596,000.00 approved by Congress. This IUP includes the total funds received from repayments and interest earnings, state match, capitalization grants less set-asides, and leveraged revenue bond funds. These federal and state funds will be utilized by DEQ in accordance with the purposes identified in this IUP. The state is required to provide 20 percent matching funds for each capitalization grant as the federal payments are received for DWSRF projects. Table 1 reports the sources of funds available to the DWSRF program and their intended uses.

It is the intent of the Oklahoma DWSRF program to consistently comply with all requirements as stipulated in each year's grant agreement for the capitalization grant. However, procedural changes and reporting requirements may be modified by the Environmental Protection Agency (EPA). These changes will be incorporated into the Oklahoma DWSRF program, as necessary.

**TABLE 1  
Sources and Uses**

<b><u>SOURCES OF FUNDS</u></b>	
Beginning July 1, 2021	
Beginning Balance (SFY 2021 Carryover)	<b>\$41,546,958</b>
Projected Bond Issue	\$ 160,000,000
Federal Grant Carryover from Previous FFYs	\$ 11,128,645
Federal Grant FFY 2021	\$ 15,596,000
State Match SFY 2022	\$ 3,119,200
Principal Repayments	\$ 24,934,222
Release of 2013B Bond Reserve Funds	\$ 2,640,895
Interest Earnings on Loans	\$ 11,091,355
Interest Earnings from Bond Funds	\$ 203,000
Interest Earnings on Fund 473	\$ 150,000
<b>Sub Total</b>	<b>\$ 228,863,317</b>
<b>Total Sources of Funds</b>	<b>\$ 270,410,275</b>
<b><u>USES OF FUNDS</u></b>	
<b>\$115,634,310 Expected DWSRF Loan Commitments for SFY 2022</b>	
<b>Disbursements - Anticipated 30% of Loan Commitments SFY 2022</b>	<b>\$ 34,690,293</b>
<b>DWSRF Set-Aside Programs for SFY 2022</b>	
Administration	\$ 623,840
Small System Technical Assistance	\$ 311,920
Program Management	\$ 1,559,600
Local Assistance	\$ 2,339,400
<b>Subtotal</b>	<b>\$ 4,834,760</b>
<b>Debt Service Obligations</b>	
Debt Service on 2013A Bonds	\$ 4,472,419
Debt Service on 2013B Bonds	\$ 2,601,270
Debt Service on 2016 Bonds	\$ 4,764,063
Debt Service on 2018 Bonds	\$ 11,423,163
Debt Service on 2019 Bonds	\$ 1,404,815
Debt Service on 2020 Bonds	\$ 5,184,575
<b>Subtotal</b>	<b>\$ 29,850,305</b>
<b>Previously Committed/Obligated Funds - SFY 2021 (Estimated)</b>	<b>\$ 200,500,000</b>
<b>Total Uses of Funds</b>	<b>\$ 269,875,358</b>
<b>** Additional Funds Needed</b>	<b>\$ 534,917</b>

\*Will use Clean Water State Revolving Fund (CWSRF) transfer funds, future cap grant, future state match, and bond issues to fund future needs as required.

## II. LIST OF PROGRAMS

### A. SET-ASIDE PROGRAMS

Section 1452 (g) and Section 1452 (k) of the SDWA authorizes set-asides to enable states to implement the requirements of the SDWA. The set-asides are based on a percentage of the capitalization grant as specified in the SDWA. DEQ will reserve the following amounts in the FFY 2021 capitalization grant for set-asides as follows: 4 percent for Administration; 2 percent for Small System Technical Assistance; 10 percent for Program Management; 15 percent for Local Assistance and other State Programs. The 15 percent for Local Assistance and other State Programs will be broken into 10 percent for Capacity Development Program and 5 percent for the following uses: Water Loss Audit and Leak Detection Program; *Cryptosporidium* special monitoring capabilities; Lead Service Line Inventory Contract, and harmful algae bloom (HAB) special monitoring capabilities. DWSRF program continues to work with the State Environmental Laboratory Services (SELS) Division to further its special monitoring capabilities for *Cryptosporidium* and HAB. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2021 capitalization grant funds are to be expended during SFY 2022.

As done in the previous year, DEQ plans to continue to utilize the remaining funds (FFY 2020 capitalization grant) to conduct and complete Sanitary Surveys and other eligible DWSRF activities as needed. The Sanitary Surveys will be conducted on a third of the State's public water supplies that are groundwater, surface water, and purchase without treatment. Table 2 shows DWSRF Set-aside activities for SFY 2022.

**TABLE 2  
DWSRF Set-Aside Activities  
SFY 2022**

Set-aside category	Percent of Set - Aside Program	Total amount reserved from FFY 2021 grant	Reclaimed credit from old grants	Cumulative amount to be specified in workplans
Admin.	4	\$ 623,840	\$ -	\$ 623,840
Tech. Asst.	2	\$ 311,920	\$ -	\$ 311,920
St. Prg. Mgt.	10	\$ 1,559,600	\$ -	\$ 1,559,600
Local Assist.	15	\$ 2,339,400	N/A	\$ 2,339,400
Total	31	\$ 4,834,760	\$ -	\$ 4,834,760

#### 1. DWSRF Administration

Section 1452(g) of the SDWA authorizes states to provide funding for the DWSRF Administration as a set-aside activity. The administration of the fund will be accomplished by DEQ personnel and through an interagency agreement with the Oklahoma Water Resources Board (OWRB). Administrative tasks include portfolio management; debt issuance; DWSRF program costs; support services; and financial, management, and legal consulting fees.

Title 82 of Oklahoma Statutes, Section 1085.71 through 1085.84A establishes the DWSRF program duties of OWRB and DEQ. The interagency agreement between OWRB and DEQ specifies the responsibilities of each agency in regard to the following

tasks: DWSRF capitalization grant application and management; annual joint report to the Governor and Legislature; annual report to EPA; loan applications; binding commitment to loan applicants; bidding and contract documents; loan closings; change orders and other related construction documents; inspections of projects, books and records; environmental reviews; payments; loan terminations; and the return of funds.

As allowed by the SDWA, DEQ reserved and specified an amount equal to 4 percent of the FFY 2021 capitalization grant for administrative support of the DWSRF. DEQ and OWRB will use an estimated amount of \$623,840.00 (see Table 2) from set-aside funds for SFY 2022 DWSRF administration. This set-aside is to fund activities that implement, administer, and operate the DWSRF program during SFY 2022.

In addition to set-aside funds, the Drinking Water Treatment Loan Administration Fund can be utilized by DEQ and OWRB for additional administrative expenses. This fund is a statutory account outside DWSRF and is funded through fees applied to each loan. At the end of SFY 2022, it is projected that approximately \$8,783,159.97 will be available. Table 4 shows accumulated amounts of available funds from FFY 1997 through FFY 2021 and the projected amount for SFY 2022. Additional information concerning this fund is located in Section IV.B. of this report.

Competency of the program is demonstrated through EPA approval of the Quality Management Plan for DEQ. The DWSRF ensures competency of personnel through an established hiring process, training programs, standard operating procedures, and implementation of the quality assurance system within the agency.

## **2. Small System Technical Assistance**

Section 1452(g)(2)(D) of the SDWA authorizes states to provide funding for technical assistance to public water systems serving a population of 10,000 or fewer. DEQ staff will provide technical assistance and compliance determinations for small systems to assist with compliance of the SDWA.

Small water systems will be provided technical assistance to improve treatment and capacity to operate surface water systems, to improve compliance with drinking water standards, comply with monitoring and reporting requirements, to improve the quality of service to customers along with the quality of water system management, and to increase the knowledge of board members in efficient water system operation.

As allowed by the SDWA, DEQ reserved and specified an amount equal to 2 percent of the FFY 2021 capitalization grant to fund small system technical assistance activities for SFY 2022. DEQ will use an estimated amount of \$311,920.00 (see Table 2) from set-aside funds for SFY 2022.

## **3. State Program Management**

Section 1452(g)(2) of the SDWA, authorizes states to provide funding to finance State Program Management (SPM) requirements. These requirements are to provide technical assistance to small water systems, to provide technical assistance through source water protection programs, to develop and implement the Capacity Development Strategy, to provide Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR) assistance, to provide Stage 2 Disinfectant/Disinfection

Byproducts Rule (S2DBPR) assistance, to provide Revised Total Coliform Rule (RTCR) assistance, to provide Lead and Cooper Rule (LCR) assistance, to conduct Sanitary Surveys, and to provide Ground Water Rule (GWR) assistance. DEQ personnel will accomplish these tasks.

As allowed by the SDWA, DEQ reserved and specified an amount equal to 10 percent of the FFY 2021 capitalization grant for state program management. DEQ will use \$1,559,600.00 (see Table 2) from set-aside funds for SFY 2022 public water supply state program management.

Using DWSRF funding, SELS plans to obtain additional analytical based resources and training to build Lab Capacity and Development (LCD) and technical competency. These extended capabilities will enable the SELS to prepare for expanded support for current and new rules under the SDWA and develop the analytical methodologies needed to respond to emerging contaminants.

#### **4. Local Assistance and other State Programs**

Section 1452(k) of the SDWA authorizes states to provide funding for Local Assistance and other State Programs. The Local Assistance and other State Programs set-aside funds will be used for the Water Loss Audit Program, development of SELS special monitoring capabilities, RTCR assessments, and the Capacity Development Section as allowed under Section 1452(k)(1) of the SDWA.

DEQ has completed over 1,100 Source Water Assessment and Protection (SWAP) plans for drinking water suppliers in the State. The plans defined the areas of concern around either drinking water wells and/or surface water sources, determined the potential sources of contamination within those areas, and completed a susceptibility analysis for each source and system. At this point, DEQ will be maintaining the program by reviewing and updating existing SWAPs, as well as working with Oklahoma Rural Water Association (ORWA) and other entities to promote the adoption of and engagement with source water protection plans by public water supplies.

Local Assistance funding will be designated to fund two programs internal to the agency that are managed by the Capacity Development Section Manager: a capacity development assessment and assistance program and a water loss auditing program, both focused on helping water supplies serving fewer than 10,000 persons. The state-wide capacity development assessment and assistance program involves meeting with water system personnel, conducting interviews focused on determining the technical, managerial, and financial (TMF) condition of the water supply, and offering assistance and resources to the system to address noted deficiencies. In addition to providing assistance, another important goal for capacity development is determining state level trends in TMF conditions and tracking how water system TMF conditions have changed over time to determine the effectiveness of current capacity development technical assistance efforts and to guide future work. The assessments also serve to introduce public water supply personnel to capacity development concepts that they may not be familiar with and to give personnel an opportunity to request capacity development help if they need it.

The water loss auditing program is focused on conducting water loss audits at public water supplies using the American Water Works Association (AWWA) M36 method

and software. Local Assistance funding is used to conduct water loss audits at public water supplies that request it, and the work serves to both conduct the audit and to teach public water supply personnel how to conduct future audits by themselves. Using the AWWA software, public water supplies obtain the knowledge necessary to begin controlling and reducing non-revenue water which increases system efficiency, enhances system sustainability, and reduces the impact on the environment.

Local Assistance funding will also be used to fund two contracts outside of DEQ that is overseen by the Capacity Development Section Manager. The first, focused on leak detection / meter analysis, is implemented by the ORWA at public water supplies referred to them by DEQ that have received a water loss audit. ORWA will use the results of the audit to conduct leak detection and meter analysis, with the goals of finding leaks (which the system can repair), determining production and consumer meter accuracy, and training system personnel on how to conduct leak detection and meter analysis on their own.

The second contract is focused on providing needed TMF assistance to small PWSs in areas identified as significant needs by the state-wide capacity development assessment. Via this contract, ORWA helps small PWSs develop and implement asset management and source water protection plans, conduct rate analyses, develop operation and maintenance plans, and other tasks. Starting in FY2022, lead service line inventory assistance will be added to the contract.

SELS will continue to utilize DWSRF funding to maintain *Cryptosporidium* accreditation and analytical emergency response capabilities that pose a threat to public health like those associated with HAB events.

As allowed by the SDWA, DEQ reserved and specified an amount equal to 15 percent of the FFY 2021 capitalization grant for Local Assistance and other State Programs. DEQ will use \$2,339,400.00 (see Table 2) from set-aside funds for SFY 2022. Ten (10) percent for Capacity Development Section and 5 percent for the following uses: Water Loss Audit and Leak Detection Program; *Cryptosporidium* special monitoring capabilities; Lead Service Line Inventory Contract; and HAB special monitoring capabilities. In accordance with EPA's DWSRF Set-Aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify the transferred funds from future capitalization grants if they are needed.

## **B. DRINKING WATER STATE REVOLVING FUND PROJECTS**

### **1. DWSRF Project Priority System**

DEQ has established the Project Priority System, included as Appendix A, and prepared the comprehensive Project Priority List (PPL), included as Appendix B. The comprehensive PPL demonstrates which eligible drinking water projects are to receive loan funds from the DWSRF. The comprehensive PPL is comprised of a Funding List and a Contingency List that ranks projects according to the DWSRF Project Priority System that:

- a. Address the most serious risk to human health;
- b. Are necessary to ensure compliance with the requirements of the SDWA;

- c. Assist systems most in need, on a per household basis; and,
- d. Emergencies including natural and man-made disasters. \*

\*Projects, deemed by DWSRF which come about as a result of an emergency and pose an immediate public health concern, will be made a priority over current projects on the PPL.

Eligible projects proposed by applicants requesting funding from the DWSRF are ranked and prioritized according to the Project Priority System procedures. The project with the most points shall be first on the PPL; the project with the least points shall be last. The specific categories of source, treatment, storage, and distribution are not ranked separately. Projects will be funded in order of priority as each project meets the program requirements throughout the state fiscal year. For a project to be funded, it must be “ready to proceed.”

## **2. Ready to Proceed**

“Ready to proceed” means a project that has met the following requirements:

- a. Approved engineering report;
- b. Approved construction permit for plans and specifications;
- c. Approved financial application;
- d. Completed environmental review; and
- e. Approved capacity development assessment and asset management plan.

Projects that have met the above requirements will be moved ahead of projects that are not on schedule on the PPL. The project is then recommended to the OWRB Board for approval. If approved, DWSRF funds are committed through a board order.

The project is advertised and bids received pursuant to the Oklahoma Public Competitive Bidding Act. The loan amount is then sized in accordance to the bid to be accepted and awarded. The loan is then closed, contract documents signed, and “Notice to Proceed” is issued to the contractor to start construction on a specified date.

## **3. Bypass Projects Not Ready to Proceed and Small Systems**

A project may be bypassed if it is not on schedule and not “ready to proceed.” Bypassed projects will be monitored and encouraged to meet program requirements so that they may be reinstated to the fundable portion of the list.

In addition, SDWA §1452(a)(2) states, “Of the amount credited to any State loan fund established under this section in any fiscal year, 15 percent shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons to the extent such funds can be obligated for eligible projects of public water systems.” If this SDWA small system funding provision has not been met with projects above the PPL’s fundable line but there are “ready to proceed” small system projects below the fundable line, projects should be bypassed to reach those small system projects to the extent such funds can be obligated for eligible projects.

Oklahoma DWSRF expects to meet the SDWA small system funding provision for SFY 2022, although economic conditions in the State due to the pandemic may prove challenging. As part of the on-going efforts to meet the small system funding provisions, the DWSRF program notes continuing efforts towards marketing, outreach, and technical assistance, including but not limited to the following activities:

- a. Small system technical assistance provided by DEQ staff, such as the Public Water Supply Engineering and Enforcement Section and Environmental Complaints and Local Services Division;
- b. Water Loss Audits, including leak detection and meter calibration services;
- c. Monthly meetings and/or consultations by DWSRF staff with small systems on the PPL that are not yet “ready to proceed” to assist them to become “shovel ready;”
- d. Coordination with OWRB and ORWA staff to provide financial and technical consultations;
- e. Presentations at conferences and workgroups to establish availability of small systems technical and financial assistance;
- f. DWSRF outreach and marketing (presentations are to be scheduled in different regions of the State)
- g. Active participation in quarterly meetings of the Funding Agency Coordinating Team (FACT) – including the United States Department of Agriculture Rural Development (USDA-RD), OWRB, ORWA, Indian Health Services (IHS), Oklahoma Department of Commerce (ODOC), Communities Unlimited (CU), Oklahoma Development Finance Authority (ODFA), and Oklahoma Association of Regional Councils (OARC) – wherein invitations are extended to water systems with the most urgent technical and financial needs.

#### **4. Allocation of Funds**

Allocation of funds among the eligible projects is based on a six-step process:

- a. Projects of eligible applicants that request financial assistance are ranked according to the Project Priority System and placed on the PPL;
- b. The financial assistance needed for each drinking water project that is “ready to proceed” is determined;
- c. Sources of unobligated funds available to the DWSRF that are necessary to provide the requested financial assistance are identified;
- d. The highest priority projects that will be ready to proceed during SFY 2022 are placed on the SFY 2022 Funding List, included as Appendix B;
- e. Bypass letters can be issued to applicants which have projects not ready to proceed according to the Priority Ranking System procedures; and
- f. The consistency with the funds available and the financial assistance requested is determined.

Information pertinent to each DWSRF project is included on the PPL pursuant to the requirements of the SDWA. To be placed on the fundable portion of the list the project must be “ready to proceed.”

The contingency portion of the PPL, included as Appendix B, is developed from the projects of applicants that are bypassed and projects of applicants that do not rank high enough to receive funding. This contingency list includes projects which may receive loan funds should projects in the fundable portion not proceed on schedule.

#### **5. Status of Projects on the Fundable Portion of the Priority List**

The SFY 2022 PPL attached as Appendix B shows a total of twenty-six (26) projects on the fundable portion of the PPL with their assigned priority points, project name,

loan amount, population, project description, anticipated binding commitment date, and project number.

**6. SRF Available Funds**

For SFY 2022, the total need of \$115,634,310.00 for projects is shown in Appendix B. It is estimated that \$34,690,293.00 will need to be disbursed in SFY 2022. These funds are derived from past capitalization grants and state matching funds, FFY 2021 capitalization grant and state match, investment income, interest income, and projected bond issue funds. Additional needed funds will be obtained as indicated in the bottom of Table 1.

**C. AMERICAN IRON AND STEEL (AIS)**

On January 17, 2014, H.R. 3547, “Consolidated Appropriations Act, 2014,” (Appropriations Act) was enacted requiring that “none of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or made available by a drinking water treatment revolving loan fund as authorized by Section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States.”

**D. ADDITIONAL SUBSIDIZATION**

As in the previous year, DEQ’s primary focus for the subsidy (14%) will be with public water supplies which have health-based violations (HBV), such as disinfection byproduct (DBP) issues. However, if these types of projects are not ready to proceed, the focus may shift towards other initiatives, such as, regionalization, consolidation, or other compliance issues. Additionally, during SFY 2022, DEQ plans to provide additional subsidization to all eligible projects seeking funding through the DWSRF program. For these projects, the amount of subsidy per project will be \$250,000.00 or 25%, whichever is less.

**TABLE 3  
Subsidy Funds  
SFY 2022**

FFY 2018	FFY 2019	FFY 2020	FFY 2021	Available for SFY 2022
\$999,434.00	\$3,120,000.00	\$2,185,400.00	\$2,183,440.00	\$8,488,274.00

**E. DAVIS-BACON WAGE RATES**

The requirement for implementation of the Department of Labor (DOL) Davis-Bacon Prevailing Wage Rates for DWSRF projects is a mandatory condition of the capitalization grant. DEQ has fully implemented this requirement by ensuring that the latest DOL wage rates for each contract of each project are established prior to bidding, that weekly payroll reports are received from the prime and sub-contractors and reviewed by the water system, that employee interviews are conducted at least

twice during the contract period, and that all complaints regarding the wage rate determinations are investigated and resolved.

## **F. SUSTAINABILITY POLICY**

EPA finalized their Sustainability Policy on February 12, 2011. The primary direction of the policy is "...encouraging communities to develop sustainable systems that employ effective utility management practices to build and maintain the level of technical, financial, and managerial capacity necessary to ensure long-term sustainability."

The Capacity Development Section maintains a strong capacity development program which includes a comprehensive review of each DWSRF applicant for technical, financial, and managerial capacity. This program is the platform for a sustainability program because it already incorporates the three-tiered review. Applicants are evaluated through detailed technical reviews, financial audits, and managerial checklists. To qualify for a DWSRF loan, an applicant must meet a minimum debt coverage requirement of 1.25 times.

The Capacity Development Section, through the use of the set-asides for State Program Management and Small System Technical Assistance and Local Assistance, expands the review of systems from the DWSRF applicants to all Oklahoma public water supply systems. An annual Capacity Development Report is provided to EPA each year, prior to September 30<sup>th</sup>, detailing all of the activities which are incorporated into the ongoing strategy for ensuring capacity development for public water supply systems. The report provides information on Oklahoma's efforts through enforcement, permitting, operator certification, source water assessment, the Area Wide Optimization Program (AWOP), small system technical assistance program, and the Public Water Supply Sanitary Survey program.

## **G. REPORTING REQUIREMENTS**

DWSRF provides numerous reports to EPA and other entities as required by capitalization grant agreement, or other federal and state requirements.

Oklahoma will report quarterly in the DWSRF Project Benefits Reporting (PBR) System on the use of all DWSRF funds. This information will also be included in the Annual Report. Quarterly reporting shall include use of the funds for loan forgiveness, as well as information on the environmental benefits of DWSRF assistance agreements.

Oklahoma will report annually to the Drinking Water National Information Management System (DWNIMS). Detailed reporting will include all required information related to the DWSRF capitalization grant, set-asides, leveraged funds, and project and loan costs.

Oklahoma will report to the Federal Funding Accountability and Transparency Act (FFATA) database as each project loan is closed up to the amount of the capitalization grant for each year.

### **III. DWSRF GOAL STATEMENTS**

#### **A. SHORT-TERM GOALS**

1. Provide twenty-six (26) loans to the twenty-six (26) water systems listed on the Fundable Portion of the SFY 2022 PPL. (Target Completion: June 2022)
2. Apply for FFY 2022 capitalization grant. (Target Completion: April 2022)
3. Complete set-aside work plans specifying funds from the capitalization grant. (Target Completion: Within 90 days of grant award)
4. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2022)
5. Use set-aside funds to provide technical assistance to systems to comply with LT2ESWTR, S2DBPR, RTCR, LCR, GWR, and Sanitary Surveys. (Target Completion: June 2022)
6. Issue DWSRF Revenue Bonds in an estimated amount of \$160,000,000.00 to finance the additional demand for drinking water loan funds. (Target Completion: June 2022)
7. Expend Capitalization Grant within two years of grant award.
8. Promote and market the DWSRF program by giving presentations around the State. (Target Completion: June 2022).

#### **B. LONG-TERM GOALS**

1. Maintain the fiscal integrity of the DWSRF and assure a continuous enhancement of the loan fund for future generations.
2. Maintain the fund in perpetuity. Perpetuity consists of maintaining the principal amounts of the state matching funds and capitalization grants, less set-asides, within the DWSRF.
3. Assist the State in meeting the total drinking water funding needs by blending DWSRF capitalization grant and state match funds with leveraged DWSRF bond proceeds to provide long-term low-interest drinking water financing.
4. Obtain maximum capitalization of the fund for the State while generating sufficient investment and loan interest earnings to retire revenue bonds.
5. Use set-aside funds along with DWSRF loans to maximize compliance and public health protection.
6. Promote technical, managerial, and financial capability of all public water supply systems.
7. Encourage the consolidation and/or regionalization of small public water systems that lack the capability to operate and maintain systems in a cost-effective manner.
8. Target public water supply projects with health based violations to reduce the number of public water supplies with health based violations by at least 25% by the end of FFY22.
9. Continue to refine the Capacity Development Program through the following actions:
  - a. Revising the capacity development strategy to reflect current goals and methods used by the Capacity Development Section, including the promotion of proper asset management at Oklahoma water supplies.
  - b. Enhancing implementation of the Water Loss Auditing and Leak Detection Program.

- c. Increasing the amount of technical, managerial, and financial assistance provided to small Oklahoma public water supplies, both from Capacity Development Section staff and from 3rd-party technical assistance providers.

### **C. ENVIRONMENTAL RESULTS UNDER EPA ASSISTANCE AGREEMENTS**

1. In accordance with “EPA’s Environmental Results under EPA Assistance Agreements, Order No. 5700.7,” which became effective on January 1, 2005, DEQ herein describes the outputs to be used as a measure to comply with the new requirements.
  - a. Output 1 – Provide twenty-six (26) loans to the twenty-six (26) water systems listed on the SFY 2022 PPL. See Appendix B, for a list of projects on the PPL.
  - b. Output 2 – Enter into binding commitments with twenty-two (22) small systems and four (4) large systems for a total of twenty-six (26) projects during SFY 2022. See Appendix B, for a list of these systems and their population.
2. Environmental benefits will result from loans made and projects completed to reduce specific contaminants, create energy savings, conserve water, increase capacity to meet current water needs, replace aging infrastructure, and comply with state and federal regulations.

## **IV. FINANCING PLANS**

The type of assistance to be provided will be loans for up to 100 percent of the eligible cost of drinking water projects. DWSRF program requirements are defined in DEQ and OWRB program regulations. OWRB provides a DWSRF financing plan that maintains funds to meet the program demand. Loans at below market interest rates provide affordable financing and incentives for loan applicants to meet the program requirements. The program provides for flexibility and the perpetuity of the DWSRF.

DEQ and OWRB provide one financing plan for both small and large systems, a long-term DWSRF loan. The long-term DWSRF loan is a 30-year loan (up to a 40-year loan for eligible disadvantaged communities subject to useful life of infrastructure) with a fixed interest rate used for the construction of drinking water infrastructure improvements. During the construction phase, interest and administration fees are paid semi-annually as funds are drawn. Once construction is completed, principal, interest, and administration fees are paid semi-annually until loan is paid.

Beginning with the 2009 American Recovery and Reinvestment Act and the FFY 2010 Capitalization Grant, DWSRF may grant subsidies in the form of principal forgiveness to systems. Those systems which met the criteria for consolidation and/or regionalization were granted principal forgiveness in accordance with the DWSRF procedures for each type of project. Starting in SFY 2019, DEQ’s focus for the subsidy became public water supplies who have HBV, such as DBPs issues. In addition to HBV and regionalization/consolidation projects, during SFY 2022, DEQ plans to provide additional subsidization to all eligible projects seeking funding through the DWSRF program.

The total amount of subsidies given will be determined by the FFY 2021 Capitalization Grant. The method the DWSRF uses to fund projects is to draw all of the state matching funds first, federal capitalization grants next (up to subsidy amount), bond fund, and then second round funds.

**A. DWSRF INTEREST RATES**

DWSRF will provide long-term financing loans for both small and large public drinking water systems at an interest rate equal to 70% of Municipal Market Daily (MMD) AAA scale spot rates plus 0.40% to 0.76% to account for interest rate risk, where 0.40% is charged on the shortest maturities and 0.76% is charged on the longest maturities. An additional 0.50% administrative fee is charged on the unpaid principal balances. The interest rate calculation is reviewed annually by the OWRB and is subject to change on future loans.

**B. ADMINISTRATION FEES**

OWRB charges an annual administration fee of 0.50% on the unpaid loan balance, and an administrative fee upon application filing. This fee is based on the size of the application. If the application is for \$249,999 or less, the fee is \$100. If the application is for \$250,000 to \$999,999, the fee is \$250. If the application is for \$1,000,000 or more, the fee is \$500. Administrative fees collected are deposited into the Drinking Water Treatment Loan Administration Fund as shown in Table 4. This fund is a statutory account outside the DWSRF, and fees deposited into this fund will be used to offset the future DWSRF administrative expenses of DEQ and OWRB including, as necessary, the state match for DWSRF capitalization grants and a reserve to issue bonds. It is projected that the Drinking Water Treatment Loan Administrative Fund will contain approximately \$8,783,159.97 at the end of SFY 2022.

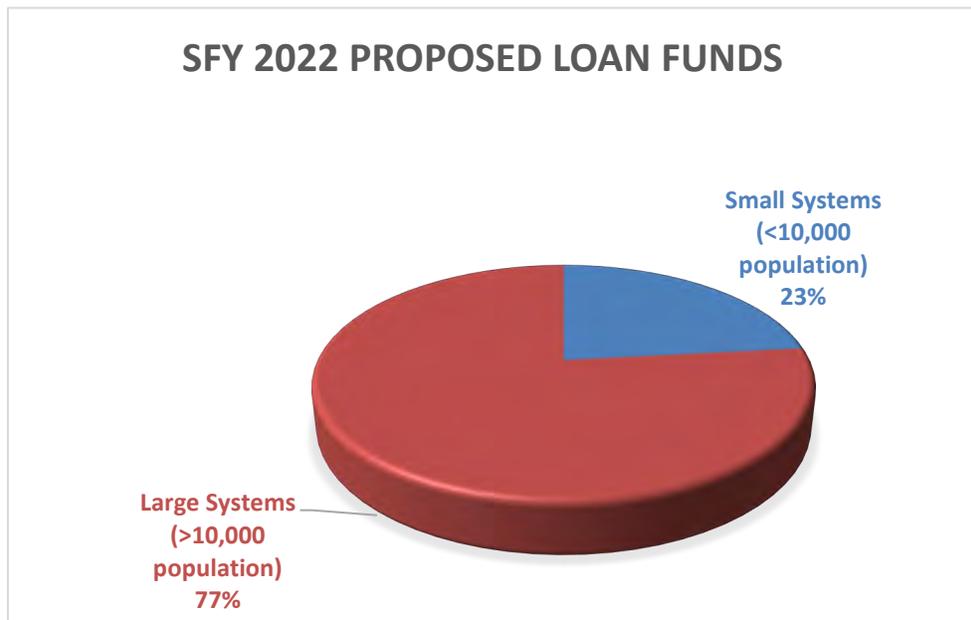
**TABLE 4  
Drinking Water Treatment Loan Administration Fund**

<b>Revenue</b>	<b>FY1997-2021*</b>	<b>FY 2022</b>	<b>Total</b>
<b>Application Fee</b>	\$ 99,284.00	\$ 3,500.00	\$ 102,784.00
<b>Administration Fees on Loans (.5%)</b>	\$ 30,322,944.34	\$ 2,258,035.97	\$ 32,580,980.31
<b>Interest Earnings on Fund 444</b>	\$ 1,470,455.00	\$ 96,650.00	\$ 1,567,105.00
<b>Recovery of Loan Default</b>	\$ 359,488.66	\$ 35,000.00	\$ 394,488.66
<b>Total Revenue</b>	\$ 32,252,172.00	\$ 2,393,185.97	\$ 34,645,357.97
<b>Expenses</b>			
<b>Administrative Costs</b>	\$ 8,579,094.55	\$ 900,000.00	\$ 9,479,094.55
<b>Transfer to DWSRF for Loan Write-Off</b>	\$ 4,159,703.45	\$ -	\$ 4,159,703.45
<b>Funds Used for State Match</b>	\$ 12,223,400.00	\$ -	\$ 12,223,400.00
<b>Total Expenses</b>	\$ 24,962,198.00	\$ 900,000.00	\$ 25,862,198.00
<b>Balance</b>	<b>\$ 7,289,974.00</b>	<b>\$ 1,493,185.97</b>	<b>\$ 8,783,159.97</b>
*Includes projections for April, May & June 2020			

**C. BINDING COMMITMENTS**

It is anticipated that DEQ will enter into twenty-six (26) binding commitments with twenty-two (22) small systems and four (4) large systems during SFY 2022. The amount of funding for small systems is anticipated to be \$26,934,310.00 which is equal to 23 percent of the amount of funding available for projects on the fundable portion of the SFY 2022 PPL. This amount exceeds the requirement that at least 15 percent of

loan funds be utilized for small systems. A graphical presentation of this information is presented in Exhibit 1.



**Exhibit 1 – DWSRF Proposed Loans to Small Systems SFY 2022**

## **V. ASSURANCES AND SPECIFIC PROPOSALS**

DEQ provides the necessary assurances and certifications as a part of the Operating Agreement between DEQ and EPA. The DEQ/EPA Operating Agreement includes the requirements of the SDWA, as follows:

1. The State has the authority to establish a DWSRF project loan fund and to operate the DWSRF program in accordance with the SDWA.
2. The State will comply with its statutes and regulations.
3. The State has the technical capability to operate the program.
4. The State will accept capitalization grant funds in accordance with a payment schedule.
5. The State will deposit all capitalization grant funds in the DWSRF project fund or set-aside account.
6. The State will provide an amount at least equal to 20 percent of the capitalization grant (State match) in the DWSRF project fund.
7. The State will deposit interest earnings and repayments into the DWSRF project fund.
8. The State will match capitalization grant funds the State uses for 1452(g)(2) set-asides.
9. The State will use Generally Accepted Accounting Principles.
10. The State will have the DWSRF project fund and set-aside account audited annually in accordance with General Accepted Government Auditing Standards.
11. The State will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments.
12. The State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner.

13. The funds will be used in accordance with the IUP.
14. The State will provide EPA with an Annual Report.
15. The State will comply with all federal cross-cutting authorities.

The State agrees that binding commitments for DWSRF projects which receive loan funds made available from the capitalization grant will be made only after the State has conducted an environmental review according to DWSRF regulations (OAC 252:633) and a determination is executed and distributed using the EPA approved State Environmental Review Process (SERP).

The State agrees to submit Annual Reports to EPA on the actual use of funds and how the State has met the goals and objectives for the previous fiscal year as identified in the IUP for the previous year.

## **VI. CRITERIA FOR PROJECT SELECTION AND DISTRIBUTION OF FUNDS**

### **A. DISTRIBUTION OF FUNDS**

The following criteria were used to develop the proposed distribution of the DWSRF funds:

1. Utilize set-asides as authorized by the SDWA.
2. Identify all possible public drinking water systems eligible to receive DWSRF assistance.
3. Identify and rank public drinking water system projects requesting financial assistance that results in compliance with SDWA requirements on the DWSRF PPL.
4. Determine the readiness to proceed of each project ranked on the DWSRF PPL.
5. Identify the sources and spending limits of DWSRF.
6. Allocate funds to projects ready to proceed according to the Project Priority System, Appendix B.
7. Develop a grant payment schedule that will be used to make timely binding commitments to the projects selected for DWSRF assistance. The anticipated federal DWSRF loan fund payment schedule for the FFY 1997 through FFY 2021 capitalization grants is included as Appendix C.
8. Develop an outlay schedule to pay project costs as incurred.

All funds in the DWSRF will be used to provide direct construction loans, long-term small community loans, or to refinance existing debt obligations of eligible applicants, when such debt obligations were incurred, and the construction commenced after July 1, 1993, and all program requirements have been met.

Provisions for project bypass, assistance deadlines, and default are addressed in the DEQ DWSRF Regulations and/or State legislation implementing the DWSRF.

Set-aside funds are used for the administration of the DWSRF program, to provide small system technical assistance, to manage the State program, and to provide local assistance and fund other State programs for water systems. These activities have a direct impact on solving existing problems and preventing future problems. By implementing these programs, the costly need for infrastructure may be reduced. An example is the Small System Technical Assistance Program that provides a water

system with training and assistance to operate a plant more efficiently. This will enable the water system to make operational changes to meet the stringent levels for turbidity, total trihalomethanes, and the five haloacetic acids, rather than spending funds on costly construction for upgrades that may be unnecessary.

Though using set-asides may take away from the amount of grant funds to be used for loans, the long term plan is to concomitantly implement the set-aside programs with the loan program to provide the best overall assistance to water systems.

DEQ decides each year on which programs are needed and prepares a budget for each of the programs. Based on the budgets and past history of the program, DEQ determined that 31 percent of the FFY 2021 grant for set-asides is needed to fund the programs for SFY 2022. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2021 capitalization grant funds are to be expended during SFY 2022.

## **B. FUNDS AVAILABLE FOR DWSRF PROJECTS**

As discussed in Section III. A. 1, and shown in Table 1, a total of \$270,410,275.00, less set asides, will potentially be available during SFY 2022 to fund twenty-six (26) projects listed on the PPL. There is a great need for funding drinking water infrastructure and the current demand for funds by projects that are ready to proceed will justify leveraging of funds. The OWRB estimates issuing \$160,000,000.00 of bonds in SFY 2022 to meet needed funding for DWSRF projects.

## **C. DWSRF LEVERAGED BOND ISSUE**

Similar to previous years, substantial demand for drinking water funds exceeds capitalization grants and state match amounts. DEQ and OWRB are proposing to issue DWSRF Revenue Bonds in an estimated amount of \$160,000,000.00 (subject to change) to finance the additional demand. The Revenue Bonds will be sized based on the amount of identified need, and a portion of the proceeds may include funds for the purpose of providing the state matching funds. The Revenue Bonds may be issued in a single series, or multiple, smaller series as funds are required for eligible project costs. The series of Revenue Bonds will be issued as needed.

## **D. DESCRIPTION OF FINANCIAL STATUS OF DWSRF**

During SFY 2022, the funds expected to be available to the DWSRF include past capitalization grants and state matches, FFY 2021 capitalization grant and state match, transfer of funds from the CWSRF, investment income, interest earnings, loan repayments, and leveraged revenue bond funds. The financial status of the DWSRF is further detailed in Table 1: DWSRF Sources and Uses.

## **E. DEVELOPMENT OF PAYMENT SCHEDULE**

The total amount of loan funds and spending limits are identified in the grant payment schedule included as Appendix C. This chart shows the federal payment schedule for loan funds for FFY 2021 capitalization grant. This amount is summarized by quarter and the totals are shown.

All project loans scheduled for funding from the DWSRF will be reviewed for consistency with appropriate planning, design, and construction requirements. Evidence of this review and funding shall be documented in each DWSRF project file.

For any fiscal year, fifteen percent (15%) of a capitalization grant amount shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons to the extent such funds can be obligated for eligible projects of public water systems.

To the extent Capitalization Grant funds are to be disbursed to loan recipients for direct project costs, those funds will be drawn from the EPA's Automated Clearing House (ACH). State match will be expended prior to the draw upon Capitalization Grant funds.

The FFY 2021 State Match requirement has been met as part of the SFY 2021 DWSRF Bond issue. Any overmatch will be claimed for credit to be used towards meeting match requirements associated with future capitalization grants.

Oklahoma's projected grant payment schedule is based on the time of the capitalization grant award, expenditure of the state match, the scheduled dates for binding commitments, projected construction schedules for projects as specified for a particular bond series, and the proposed budget for set-asides.

#### **F. FINANCIAL PLANNING PROCESS AND MANAGEMENT OF FUNDS**

The OWRB and Hilltop Securities, Inc., have developed the DWSRF cash flow analysis/capacity model to gauge the long-term health of the SRF. The model is continually monitored throughout each fiscal year to assure that the perpetuity of the DWSRF program is sustainable. Moreover, the model is used to aid in illustrating the overall impact to program capacity as a result of extended term financing, fluctuating federal funding levels, lending rate policies, market volatility, etc.

#### **G. CASH DRAW RATIO**

All state match funds will be drawn prior to capitalization grant draws to ensure the required cash draw ratio will be maintained.

### **VII. SAFE DRINKING WATER ACT AMENDMENT OPTIONS**

#### **A. PRIVATELY OWNED DRINKING WATER SYSTEMS**

Although the SDWA provides for funding of privately owned drinking water systems, DEQ has determined that funding these systems is not in compliance with the state statutes and constitution. According to Oklahoma Annotated Code Title 82 Section 1085.72 and Article 10, Paragraph 39 of the Constitution of Oklahoma, the definition of eligible entity is limited to mean "any city, town, county or the State of Oklahoma, and any rural water district, public trust, master conservancy district, any other political subdivision or any combination thereof." By law, the funds established for the DWSRF are limited to those entities, precluding any privately owned entities from receiving monies.

## **B. DISADVANTAGED COMMUNITIES**

The DWSRF program may provide up to 40-year loan terms that are only available to eligible disadvantaged communities and subject to the useful life of infrastructure to be constructed. A “disadvantaged community” means those communities with a median household income that is less than or equal to 85% of the national median household income according to the United States Census Bureau/American Community Survey. Also, DWSRF is mandated to provide a minimum of 6% and not to exceed 35% of the capitalization grant to disadvantaged communities. In addition to the uncommitted disadvantaged community funds from FFY 2020, DWSRF will use 6% of the FFY 2021 Capitalization Grant, or \$935,760.00, for disadvantaged communities primarily serving 10,000 population or fewer. The amount of subsidy per project will be \$100,000.00 or 25%, whichever is less for a project costing \$300,000.00 or more. For a project costing less than \$300,000.00, the amount of subsidy will be decided on a case-by-case basis. Further, the DWSRF project priority system provides for priority points to be given to projects that benefit disadvantaged communities.

## **C. TRANSFER OF FUNDS**

Under the SDWA, the state is allowed to transfer and/or cross-collateralize fund assets of the DWSRF program and the CWSRF program. Oklahoma may take advantage of funding flexibility between the CWSRF and DWSRF programs, provided by EPA, in order to assure adequate capacity to meet all funding demands. In accordance with the Safe Drinking Water Act – State Revolving Fund (SRF) funds transfer provisions (Section 302), the State hereby reserves the authority "to transfer an amount up to 33 percent of the Drinking Water SRF program capitalization grant to the Clean Water SRF program or an equivalent amount from the Clean Water SRF program to the Drinking Water SRF program." With this IUP, Oklahoma requests the ability to transfer funds as necessary between the DWSRF and CWSRF during SFY 2022. The approval of the IUP will constitute the approval of the transfer request. It is understood that fund transfers between the programs during SFY 2022 or in future years may not be available for return to the SRF fund of origin if a permanent extension of transfer authority is granted.

## **VIII. PUBLIC REVIEW AND COMMENT**

On June 7, 2021, a public meeting was held in compliance with the Oklahoma State Administrative Procedures Act and DWSRF regulations. To ensure that interested parties were made aware of the public meeting, DEQ posted notice on the DEQ web-site and distributed announcements to a mailing list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial consultants, and interested citizens. The agenda was posted at the meeting site and on the DEQ website. A draft copy of the public notice is included as Appendix D. The public meeting was held to review this IUP, the Project Priority System, and the Funding and Contingency PPL. A thirty (30) day comment period started on May 8, 2021, and closed on June 8, 2021. No comments were received during the public comment period.

## **IX. AMENDMENTS TO THE PLAN**

Revisions to this plan determined to be insignificant and/or minor revisions required for administrative purposes, shall be made by DEQ without notification to the public, and will be reported to EPA in the Annual Report.

## APPENDIX A PROJECT PRIORITY SYSTEM

### OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY DRINKING WATER STATE REVOLVING FUND

**Statutory References:**    **OAC 252:633-1-5,**  
                                  **OAC 252:633-3-4, and**  
                                  **OAC 252:633 Appendix A**

#### **PART I: DWSRF PROJECT PRIORITY SYSTEM**

A. **Projects included.** The comprehensive PPL shall consist of all eligible projects requesting placement on the PPL. Projects which meet all requirements for funding shall be placed on a Fundable List and included in the current Intended Use Plan (IUP). Projects which rank below the available funding level shall be considered the contingency section of the Fundable List. Projects in this part of the list may receive loans due to bypass provision or due to additional funds becoming available.

B. **Project ranking.** The ranking factors are based on the relative impact of the project in achieving the objectives of the Safe Drinking Water Act Amendments of 1996. The ranking factors are listed in Part II of this Appendix.

#### **C. Management of the Project Priority List.**

1. **Tie breaking procedure.** A tie breaking procedure shall be used when two or more projects have equal points under the Project Priority System and are in competition for funds. Tied projects will be ranked with the first project which has the greatest value for the ranking factor for Violations of Maximum Contaminant Levels (Primary Standards).
2. **Project bypass.** A project on the fundable portion of the PPL may be bypassed for one year if it is not on schedule as indicated in the IUP or the project's specific consent/administrative order. The applicant whose project is affected shall be given a written notice that the project is to be bypassed. Bypassed projects may be reinstated on the funded portion of the list if sufficient funds are available, and the applicant completes the necessary tasks to proceed. Funds which become available due to the utilization of these bypass procedures will be applied to the next ranked project on the PPL.
3. **Project Priority List update.** The priority list shall be periodically reviewed by the DEQ Water Quality Division Director and changes (i.e., loan award dates, estimated construction assistance amounts, project bypass, addition of new projects, etc.) will be made as necessary.

#### **PART II RANKING SYSTEM**

A. **Formula.** The project priority points (P) are derived from the formula:

**$P = A + B + C + D + E + F + G + H + I$** , where the factors are defined as:

1. A = Violations of Maximum Contaminant Levels (Primary Standards).
2. B = Quantity Deficiencies.
3. C = Design Deficiencies.

4. D = Vulnerability to Potential Pollution.
5. E = Violation of Recommended Maximum Levels (Secondary Levels).
6. F = Consolidation.
7. G = Compliance Orders.
8. H = Source Water Protection.
9. I = Affordability.

Ranking factors one through eight are to address the risks to human health and compliance with the Safe Drinking Water Act Amendments of 1996. Ranking factor nine addresses the affordability requirements of the Safe Drinking Water Act Amendments of 1996.

## B. Factors Descriptions.

### 1. Violations of Maximum Contaminant Levels (Primary Standards) (A).

Maximum contaminant levels are established for those parameters which may be detrimental to public health. Severity point values will be the sum of points for the violations of a contaminant during a 24 month period from the date of the request. Contaminants reported quarterly, such as nitrate, may include up to eight violations during this 24 month period. Those contaminants reported monthly, such as fecal coliform, may include up to twenty-four violations during this 24 month period. Violations of standards of contaminants based on a running annual average, such as total trihalomethanes, will be based on a 12 month reporting period and will include only severity value. Violations of more than one contaminant are additive. These violations are documented by inclusion in the Safe Drinking Water Information System (SDWIS). These values may be increased quarterly in the event that there are repeated violations.

<b>Contaminant</b>	<b>Severity</b> <b>(points per violation)</b>
Antimony	10
Arsenic	10
Asbestos	10
Barium	2
Beryllium	10
Bromate	10
Cadmium	10
Chlorates	10
Chlorine Dioxide	10
Chromium	10
Copper >1.3	5
Fecal Coliform	20
Fluoride > 4	5
Gross Alpha Radioactivity	5
Gross Beta Radioactivity	5
Lead	30
<b>Contaminant</b>	<b>Severity</b> <b>(points per violation)</b>
Mercury	10
Nitrate	30
Pesticides and other SOCs	10
Radium	10
Selenium	5

Thallium	10
Total Coliform (Significant Non-complier)	10
Total Haloacetic Acids	30
Total Organic Carbon	10
Total Trihalomethanes	30
Turbidity (Significant Non-complier)	10
Uranium	10
Volatile Organic Contaminants	10

2. **Quantity Deficiencies (B).** Quantity deficiencies are shortages of water due to source, treatment, or distribution problems. Deficiencies of only one condition will be allowed. These conditions are documented by inspection records, a comprehensive performance evaluation, or another system evaluation.

<u>Condition</u>	<u>Severity</u>
Continual shortage	60
Shortage during high use (seasonal)	60

3. **Design Deficiencies (C).** Design deficiencies are those which could be corrected by enlargement, repair, or replacement of a portion of the system. Deficiencies of more than one condition are additive. These conditions are documented by inspection records, a comprehensive performance evaluation, or another system evaluation.

<u>Condition</u>	<u>Severity</u>
Demand exceeds design capacity	30
Groundwater under the influence of surface water	120
Improper well construction	30
Inadequate chemical feed	25
Inadequate disinfection	30
Inadequate distribution (area not served)	25
Inadequate distribution (deterioration)	25
Inadequate distribution (low pressure)	25
Inadequate filtration (surface)	30
Inadequate intake structure	25
Inadequate laboratory equipment	20
Inadequate mixing	25
Inadequate settling	25
Inadequate storage	25
Inadequate water treatment wastewater disposal	10
Lack of generator	120

4. **Vulnerability to Potential Pollution (D).** Vulnerability describes a condition in which the source of supply for a system could potentially be contaminated and for which the project will address. Vulnerabilities to more than one condition are additive. These conditions are documented by vulnerability assessments for monitoring waivers or source water protection area assessments.

<u>Condition</u>	<u>Severity</u>
Point source discharge in delineated area	10
Subject to agricultural chemicals	5
Subject to industrial spills	5

Subject to oil/gas/coal/mineral operations	5
Unprotected watershed	3

5. **Violation of Recommended Maximum Levels (Secondary Standards) (E).** Recommended maximum levels are set for parameters which are not harmful to health, but make the water undesirable for use. Deficiencies of more than one condition are additive. These conditions are documented in the State Environmental Laboratory data base.

<b>Contaminant</b>	<b>Severity</b>
Chloride	3
Color	3
Corrosivity	3
Foaming Agents	3
Iron	20
Manganese	20
Odor	3
pH	3
Sulfate	3
TDS	3
Zinc	3

6. **Consolidation (F).** Projects which result in the consolidation, interconnection, or improvement of services for two or more water systems shall add twenty (20) for consolidation, ten (10) for interconnection, and ten (10) for improvement of services such as back-up or emergency supply. Projects may meet more than one of these conditions. The points awarded for this category are documented in the engineering report.
7. **Compliance Orders (G).** Projects that will result in the compliance with a formal enforcement action will receive one hundred fifty (150) points.
8. **Source water protection (H).** Water supply systems which have implemented source water protection programs such as watershed protection programs or wellhead protection programs will add one hundred (100) points to their total.
9. **Affordability (I).** This element is to assist systems most in need, on a per household basis. The points awarded for this category are documented by the latest census information.

<b>Median Household Income</b>	<b>Severity</b>
Less than \$28,400	60
Between \$28,400 and \$33,400	40
Greater than 33,400	0

**OK DWSRF PPL SFY 2022 Project Priority List  
for IUP 7/1/2021**

PRIORITY POINTS	SYSTEM	LOAN AMOUNT	CUMULATIVE AMOUNT	POPULATION	Dis-advantaged Y or N	PROJECT DESCRIPTION	Anticipated Binding	Anticipated	Project Number
							Commitment Date	Construction Date	
<b>Funding List</b>									
1160	Okmulgee Co. RWD #4	\$ 250,000.00	\$ 250,000.00	1,913	Y	Construct a new combined booster pump station and chloramine booster station.	8/1/2021	10/1/2021	P40-3005602-01
1050	Beggs PWA	\$ 100,000.00	\$ 350,000.00	1,364	Y	Improvements to reduce Disinfection By-Products (DBPs).	10/1/2021	12/1/2021	P40-1020707-01
810	Hominy PWA (II)	\$ 300,000.00	\$ 650,000.00	3,814	Y	Rehabilitation of the existing north water storage tank which would include design and installation of a water circulation system.	12/1/2021	2/1/2022	P40-1021306-02
780	Pushmataha Co. RWD #3	\$ 100,000.00	\$ 750,000.00	4,825	Y	Improvements for non-compliance with disinfection-by-product (DBP) issues.	1/1/2022	3/1/2022	P40-1010318-01
780	Porter PWA	\$ 785,000.00	\$ 1,535,000.00	2,506	Y	Water system improvements consisting of rehabilitation of an elevated water storage tank, ground storage tank, and booster pump station, and addressing DBP issues.	10/1/2021	12/1/2021	P40-3007306-01
750	Muskogee Co. RWD #3	\$ 200,000.00	\$ 1,735,000.00	1,725	Y	Installing water lines to loop in dead end lines to help with water age and two (2) booster stations to help with pressure issues.	1/1/2022	3/1/2022	P40-1020710-01
690	Maysville MA	\$ 6,600,000.00	\$ 8,335,000.00	1,212	Y	Abandon the dilapidated surface water treatment plant, develop 2 new wells, construct a new water treatment plant, and replace the majority of our distribution system to meet ODEQ regulations.	12/1/2021	2/1/2022	P40-1010807-01
580	Pittsburg PWA	\$ 120,000.00	\$ 8,455,000.00	280	Y	Replacement of the filter media in the slow sand filter, additional chlorine feed point at the WTP, flushing hydrant, and booster chlorine station in the distribution system.	9/1/2021	11/1/2021	P40-1020604-01
490	Okarche PWA	\$ 2,775,000.00	\$ 11,230,000.00	1,110	N	Construct a Treatment Plant for Nitrate Removal.	2/1/2022	4/1/2022	P40-2003703-01
470	Cherokee Co. RWD #1 (II)	\$ 430,000.00	\$ 11,660,000.00	710	Y	Construction of approximately 25,500 LF of 8 inch line, 6,500 LF of 6 inch line, a water storage tank, a pump station, and new water meters to connect to Muskogee Co. RWD #7. The project would eliminate a water treatment plant that is in disrepair and would also address water loss issues within the district.	3/1/2022	5/1/2022	P40-1021621-02
450	Wewoka PWA	\$ 300,000.00	\$ 11,960,000.00	4,257	Y	Construct a new 500,000 gallon fully baffled clearwell at the WTP to assist in reduction of disinfection by-products.	12/1/2021	2/1/2022	P40-1020510-01
450	Comanche PWA	\$ 100,000.00	\$ 12,060,000.00	7,364	Y	Treatment plant improvements consist of installing a chlorine dioxide system and appurtenances for the reduction of disinfection byproducts.			P40-1011101-01
420	Taft PWA	\$ 100,000.00	\$ 12,160,000.00	250	Y	Installing a dedicated water line to the standpipe to ensure all customers receive aerated/recirculated water and DBP compliant water.	9/1/2021	11/1/2021	P40-3005118-01
365	McAlester PWA	\$ 22,000,000.00	\$ 34,160,000.00	24,659	Y	Replacement of water transmission and distribution lines throughout the City.	12/1/2021	2/1/2022	P40-1020609-01
340	Frederick PWA (II)	\$ 130,000.00	\$ 34,290,000.00	4,218	Y	Installation of a permanent Chlorine Dioxide Feed System and a separate chlorine gas storage/feed building.	10/1/2021	12/1/2021	P40-1011401-02
285	Town of Loyal	\$ 150,000.00	\$ 34,440,000.00	81	Y	Installation of an Ion Exchange Treatment Unit, Building and Wastewater Disposal Storage Facility.	9/1/2021	11/1/2021	P40-2003701-01
285	Rogers Co. RWD #4 (II)	\$ 3,600,000.00	\$ 38,040,000.00	7,725	N	Addition of a third "Actifloc" clarification/filtration unit at the existing RWD #4 water treatment plant; installation of a 500,000 gallon water storage tank at the existing RWD #4 treatment plant, and construct a two-mile long twelve-inch (12") water line project on S. 4100 Road, located near Talala, OK.	7/1/2021	9/1/2021	P40-1021506-02

**OK DWSRF PPL SFY 2022 Project Priority List  
for IUP 7/1/2021**

270	Anadarko PWA	\$	100,000.00	\$	38,140,000.00	7,604	Y	Installation of automated flushing and tank aeration with blowers.	9/1/2021	11/1/2021	P40-1010806-01
260	Garfield Co. RWD #6	\$	900,000.00	\$	39,040,000.00	1,430	Y	Install iron and manganese treatment system, line extension and booster station.	10/1/2021	12/1/2021	P40-2002415-01
240	Welch PWA	\$	397,000.00	\$	39,437,000.00	800	Y	Rehabilitation of a well, pilot testing, and construction of an ion exchange treatment plant.	9/1/2021	11/1/2021	P40-2001801-01
185	New Cordell UA	\$	1,900,000.00	\$	41,337,000.00	2,903	Y	Replace existing water lines and associated improvements.	11/1/2021	1/1/2022	P40-2007502-01
130	Edmond PWA (VII)	\$	45,000,000.00	\$	86,337,000.00	80,214	N	This phase of the project (INT-01), consists of the following: Preparing a site and access road within the United States Army Corps of Engineers (USACE) Property for the construction of a new intake adjacent to Arcadia Lake. This will require securing a Section 408 permit from the USACE. Construction of a below grade shaft for launching a tunnel boring machine and placing concrete and mechanical works in the shaft to allow it to function as a wet well for the low lift pumping station. The wet well will have a design capacity of 65 MGD. Construction of three (3) 60-inch diameter wet lake taps and intake screens for a design capacity of 65 MGD – firm capacity. Excavation within Arcadia Lake for receiving the tunnel boring machine and construction of foundations within the lake for placement of the intake screens. Construction of a 30 MGD firm capacity pump station (expandable to 65 MGD firm capacity) and appurtenances over the wet well. Construction of the yard piping, paving, and an emergency generator adjacent to the pump station. The yard piping will mainly involve construction of a new 42-inch HDPE discharge raw water transmission main to the boundary of the INT-01 site for connection to a new 42-inch HDPE raw water transmission main connecting the INT-01 site to the existing water treatment plant. This portion of the raw water transmission main will be constructed under a different project under a separate funding request.	12/1/2021	2/1/2022	P40-1020723-07
125	Lone Grove Water and Sewerage Trust Authority	\$	4,140,000.00	\$	90,477,000.00	4,863	Y	Water system improvements including: groundwater wells, waterlines, and a 0.40MG elevated water storage tank.	9/1/2021	11/1/2021	P40-20010047-01
120	Porum PWA	\$	3,457,310.00	\$	93,934,310.00	5,290	Y	Installation of approximately 72,000 L.F. of line replacement and additional line, a proposed water storage tank, rehabilitation of two standpipes, and a proposed booster station.	7/1/2021	9/1/2021	P40-1020302-01
100	Norman UA (III)	\$	16,000,000.00	\$	109,934,310.00	92,256	N	Install collection lines to bring the majority of the groundwater wells to one centralized location, storage tank, pumping station, and distribution lines.	5/1/2022	7/1/2022	P40-1010801-03
50	Bixby PWA (II)	\$	5,700,000.00	\$	115,634,310.00	20,475	N	Construction of the South Storage Tank and transmission line.	12/1/2021	2/1/2022	P40-3007243-02
	<b>Total:</b>			\$	<u>115,634,310.00</u>						

**2023**

950	Fairfax PWA	\$	100,000.00	\$	100,000.00	1,655	Y	Improvements will address disinfection byproducts violations.	9/1/2022	11/1/2022	P40-1021204-01
940	Cleveland MA	\$	100,000.00	\$	200,000.00	4,870	Y	Installation of an aeration system and mixing system in the primary elevated water storage tanks and automated flushing hydrants.	11/1/2022	1/1/2023	P40-1021210-01
930	Waurika PWA	\$	100,000.00	\$	300,000.00	7,890	Y	Construction improvements will be made to correct DBP problems.	7/1/2022	9/1/2022	P40-1011201-01

**OK DWSRF PPL SFY 2022 Project Priority List  
for IUP 7/1/2021**

710	Talihina PWA	\$	275,000.00	\$	575,000.00	4,981	Y	Improvements include clearwell modifications and tank aeration; rehabilitation of the existing filters and repainting the steel components in Clarifier 3.	10/1/2022	12/1/2022	P40-1010304-01
510	Wetumka PWA	\$	100,000.00	\$	675,000.00	2,221	Y	Improvements to the raw water intake, treatment plant, and/or distribution system to address the DBP exceedances occurring within the system.	8/1/2022	10/1/2022	P40-1020508-01
490	Hugo MA	\$	100,000.00	\$	775,000.00	5,786	Y	Installation of a tank mixing system in the existing elevated tank to assist in reduction of DBPs.	9/1/2022	11/1/2022	P40-1010314-01
413	Fairview UA	\$	3,500,000.00	\$	4,275,000.00	2,690	Y	Construct a new water treatment plant and appurtenances.	7/1/2022	9/1/2022	P40-2004404-01
365	McAlester PWA	\$	9,000,000.00	\$	13,275,000.00	24,659	Y	Replacement of water transmission and distribution lines throughout the City.	12/1/2022	2/1/2023	P40-1020609-01
360	Devol PWA	\$	100,000.00	\$	13,375,000.00	150	Y	Water treatment improvements for reduction of disinfection byproducts.	9/1/2022	11/1/2022	P40-3001701-01
330	Checotah PWA (II)	\$	1,200,000.00	\$	14,575,000.00	8,250	Y	Water treatment plant improvements to reduce disinfection by-products.	3/1/2022	5/1/2022	P40-1020515-02
310	Foss Reservoir MCD (II)	\$	15,000,000.00	\$	29,575,000.00	17,888	Y	Construct a second, redundant, clarifier to allow for maintenance of the existing clarifier; construct a mixing basin along with additional bypass piping; and rehabilitation of the sand filter and reworking the piping to increase redundancy.	7/1/2022	9/1/2022	P40-1010829-02
295	Stillwater UA (V)	\$	16,000,000.00	\$	45,575,000.00	40,800	Y	Construction of a WTP Finished Water Pump Station and Clearwell Replacement.	12/1/2022	2/1/2023	P40-1021220-05
250	Canadian Co. RWD #1	\$	2,000,000.00	\$	47,575,000.00	750	Y	Construct one new Ion Exchange nitrate reduction water treatment plant, two new distribution standpipes, and install eight new well pumps.	12/1/2022	2/1/2023	P40-2000908-01
165	Ellis Co. RWD #1	\$	75,000.00	\$	47,650,000.00	43	Y	Install a water storage tank and pump station to provide adequate pressure to customers in the Town of May.	8/1/2022	10/1/2022	P40-2002318-01
150	Creek Co. RWD #2	\$	4,800,000.00	\$	52,450,000.00	13,051	Y	Construction of four (4) miles of 12" water line, a water tower and a pump station.	10/1/2022	12/1/2022	P40-3001902-01
140	Beckham Co. RWD #2	\$	850,000.00	\$	53,300,000.00	857	Y	Construct a waterline to supply water to the community of Delhi.	9/1/2022	11/1/2022	P40-2000510-01
125	Edmond PWA (VIII)	\$	15,000,000.00	\$	68,300,000.00	80,214	N	Installation of a 24-inch Water Line project along E. 33rd Street from east of S. Broadway/Highway 77 to I-35. The water system improvements will increase distribution reliability, boost pressure and loop into other existing water lines.	11/1/2022	1/1/2023	P40-1020723-08
125	Oklahoma City WUT (X)	\$	31,645,000.00	\$	99,945,000.00	1,114,000	Y	<b>WT-00757II</b> Atoka pipeline surge tank replacement for the McComb station due to end of useful life. \$8,000,000 <b>WT-0224</b> Draper WTP clearwells (15 MG) replacement due to end of useful life. \$20,000,000 <b>WC-0991</b> MacArthur water storage tank structural deterioration repairs and paint to prevent corrosion. \$850,000 <b>WC-0992</b> South Hefner backwash tank structural deterioration repairs and paint to prevent corrosion. \$275,000 <b>WC-0993</b> West Draper backwash repairs and paint to prevent corrosion. \$520,000 <b>WC-0994</b> South Overholser tank structural deterioration repairs and paint to prevent corrosion \$2,000,000.	7/1/2022	9/1/2022	P40-1020902-10
100	Stilwell Area Development Authority	\$	15,500,000.00	\$	115,445,000.00	6,475	Y	Expansion of the water treatment plant.	8/1/2022	10/1/2022	P40-1020205-01
95	Ottawa Co. RWD #5	\$	400,000.00	\$	115,845,000.00	750	Y	Construct approximately 13,500 feet of six-inch water line into a part of the district currently experiencing low water pressure, zero at times in many households, and erecting a standpipe on the point of highest elevation in that area.	10/1/2022	12/1/2022	P40-2005840-01

**OK DWSRF PPL SFY 2022 Project Priority List  
for IUP 7/1/2021**

90	Stillwater UA (VI)	\$ 60,000,000.00	\$ 175,845,000.00	40,800	Y	WTP Rehabilitation and Improvements: New chemical building, new filters, new recarb., rehabilitation/expand chlorine system.	7/1/2022	9/1/2022	P40-1021220-06
80	Nowata MA	\$ 450,000.00	\$ 176,295,000.00	5,566	Y	Rehabilitation of the water treatment plant consisting of new pumps, variable frequency drives, and installation of SCADA system for plant automation.	9/1/2022	11/1/2022	P40-1021503-01
40	Jones PWA	\$ 3,200,000.00	\$ 179,495,000.00	1,727	N	Replace the water storage tank with a new tank, rebuild the water wells, develop a new well and add a waterline, and install Automated Meter Reading (AMR) software and meters.	10/1/2022	12/1/2022	P40-2005507-01
<b><u>2025</u></b>									
60	Stillwater UA (VII)	\$ 250,000,000.00	\$ 250,000,000.00	40,800	Y	Rehabilitate existing 36" Raw WL, add new 42" parallel Raw WL, involves major river crossings.	7/1/2024	9/1/2024	P40-1021220-07
60	Stillwater UA (VIII)	\$ 25,000,000.00	\$ 275,000,000.00	40,800	Y	Expand Raw Water Supply PS to 25 MGD.	7/1/2024	9/1/2024	P40-1021220-08
60	Stillwater UA (IX)	\$ 50,000,000.00	\$ 325,000,000.00	40,800	Y	Terminal Storage Reservoir.	7/1/2024	9/1/2024	P40-1021220-09
<b><u>2030</u></b>									
60	Stillwater UA (X)	\$ 40,000,000.00	\$ 40,000,000.00	40,800	Y	Water line from WTP to 6th Street.	7/1/2029	9/1/2029	P40-1021220-10
<b>Requests in-house</b>									
Being Ranked	Indiahoma PWA	\$ 268,000.00		350	Y	Install an aeration system in the water tower, replace blending station, repair wellhouse, chlorination machine, and tank level guide repair.	10/1/2021	12/1/2021	P40-2001609-01

**APPENDIX C  
FEDERAL DISBURSEMENT SCHEDULE**

FFY	Cumulative Disbursements	FFY 2020				FFY 2021				FFY 2022			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1997-2019 Grants	\$ 226,030,651.00												
2020 Grant	\$ 10,770,900.00				\$ 5,385,450.00	\$ 5,385,450.00							
2021 Grant *	\$ 10,761,240.00								\$ 5,380,620.00	\$ 5,380,620.00			
<b>Total Grants</b>	<b>\$ 247,562,791.00</b>												

\* Estimated Grant Amount minus Set-Asides



707 North Robinson, P.O. Box 1677, Oklahoma City, Oklahoma 73101-1677

## News Release

---

For Immediate Release: May 5, 2021  
Media Contact: Erin Hatfield, (405) 437.8468

### **DEQ to Hold Public Meeting on the Drinking Water State Revolving Fund State Fiscal Year 2022 Intended Use Plan**

A joint public meeting will be held by the Oklahoma Water Resources Board and the Oklahoma Department of Environmental Quality (DEQ) to receive comments on the draft state fiscal year 2022 Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans and Project Priority Lists. The date of this occurrence will be Monday, June 7, 2021. The CWSRF Public Meeting will begin at 9 a.m. with the DWSRF's Public Meeting immediately following. The public is welcome to attend virtually by registering at the following link <https://bit.ly/32u2Eom> or in person at the OWRB Board Room, 3800 N. Classen Blvd., Oklahoma City, OK 73118, 2<sup>nd</sup> floor.

A copy of the **DWSRF** draft plan will be available on the DEQ website at: <https://www.deq.ok.gov/wp-content/uploads/water-division/Draft-IUP-SFY22.pdf>. A copy may also be obtained by contacting Vicki Reed by phone at (405) 702-8128, or by E-mail at [Vicki.Reed@deq.ok.gov](mailto:Vicki.Reed@deq.ok.gov), or by mail at Water Quality Division, DWSRF Section, Department of Environmental Quality, P.O. Box 1677, Oklahoma City, OK 73101-1677. The comment period will remain open until June 8, 2021. For more information on this public meeting call Vicki Reed at: (405) 702-8128.

###



## **Attachment 3**

### **Capacity Model For SFY 2022**

**Oklahoma Water Resources Board**  
**Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)**  
**Projected Future Program Cashflows**

**Summary of Assumed Drinking Water Funding Capacity**

Fiscal Year	(1) Bonds Sold	Costs of Issuance @ 1.00%	Net Bond Funded Loans	(2) Recycling Federal Cap Grants	(3) Assumed State Match	Transfer from Clean Water	Total Direct Loans	(4) Recycled Loans	Total Loans Funded in Program	Principal Forgiveness Loans	Total Annual Loan Funding	Cumulative Program Loans Originated Since FY2010
2010	94,460,000	721,697	87,330,040	10,305,033	2,630,200	4,339,830	17,275,063	34,500,000	139,105,103	32,219,168	171,324,271	171,324,271
2011	57,910,000	592,313	55,425,946	12,549,363	3,372,600	4,339,830	20,261,793	27,462,694	103,150,433	5,058,900	108,209,333	279,533,604
2012	49,395,000	455,652	53,776,570	7,651,933	2,340,200	2,500,000	12,492,133	6,789,719	73,058,422	3,454,500	76,512,922	356,046,526
2013	76,915,000	709,247	44,345,175	6,522,668	2,230,200	-	8,752,868	-	53,098,042	2,230,200	55,328,242	411,374,769
2014	-	-	-	6,746,910	2,092,600	-	8,839,510	-	8,839,510	2,092,600	10,932,110	422,306,879
2015	-	-	-	6,982,990	2,850,200	-	9,833,190	-	9,833,190	2,850,200	12,683,390	434,990,269
2016	-	-	-	7,386,930	2,831,400	-	10,218,330	-	10,218,330	2,381,400	12,599,730	447,589,999
2017	-	-	-	6,483,910	2,655,800	-	9,139,710	-	9,139,710	2,678,600	11,818,310	459,408,309
2018	80,055,000	656,397	87,344,200	6,506,710	2,655,800	-	9,162,510	-	96,506,710	2,655,800	99,162,510	558,570,819
2019	-	-	-	7,716,030	3,149,400	-	10,865,430	-	10,865,430	3,149,400	14,014,830	572,585,649
2020	-	-	-	7,644,000	3,120,000	30,000,000	40,764,000	-	40,764,000	3,120,000	43,884,000	616,469,649
2021	95,000,000	723,866	107,542,420	7,648,900	3,122,000	-	10,770,900	-	118,313,320	3,122,000	121,435,320	737,904,969
2022	199,000,000	1,148,177	227,394,131	22,979,029	4,537,800	-	27,516,829	-	254,910,960	15,082,020	269,992,980	1,007,897,949
2023	175,000,000	1,750,000	168,323,770	18,188,909	4,926,230	-	23,115,139	27,943,600	219,382,509	16,985,325	236,367,834	1,244,265,783
2024	155,000,000	1,550,000	145,047,951	18,725,499	8,402,049	-	27,127,548	11,190,300	183,365,799	18,299,970	201,665,768	1,445,931,551
2025	80,000,000	800,000	70,264,031	19,259,419	8,935,969	-	28,195,388	20,840,100	119,299,519	19,608,074	138,907,592	1,584,839,144
2026	80,000,000	800,000	70,264,031	19,259,419	8,935,969	-	28,195,388	17,859,700	116,319,119	19,608,074	135,927,192	1,720,766,336
2027	45,000,000	450,000	42,563,000	4,272,050	1,987,000	-	6,259,050	19,037,800	67,859,850	67,859,850	1,788,626,186	1,788,626,186
2028	45,000,000	450,000	44,550,000	-	-	-	-	20,097,900	64,647,900	64,647,900	1,853,274,086	1,853,274,086
2029	45,000,000	450,000	44,550,000	-	-	-	-	20,622,800	65,172,800	65,172,800	1,918,446,886	1,918,446,886
2030	45,000,000	450,000	44,550,000	-	-	-	-	20,971,700	65,521,700	65,521,700	1,983,968,586	1,983,968,586
2031	45,000,000	450,000	44,550,000	-	-	-	-	21,312,400	65,862,400	65,862,400	2,049,830,986	2,049,830,986
2032	5,905,000	59,050	5,845,950	-	-	-	-	21,663,500	27,509,450	27,509,450	2,077,340,436	2,077,340,436
2033	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-
	<u>1,373,640,000</u>	<u>12,216,399</u>	<u>1,343,667,216</u>	<u>196,829,702</u>	<u>70,775,416</u>	<u>41,179,660</u>	<u>308,784,778</u>	<u>270,292,213</u>	<u>1,922,744,206</u>	<u>154,596,230</u>	<u>2,077,340,436</u>	

- (1) All Bonds assumed to be 30 yr w/ approx. level debt service & structured to reflect an average coverage of 1.40x. See underlying schedules for detailed bond rates and amorts.
- (2) Federal Cap Grants including transfers from Clean Water less Set-Asides and Principal Forgiveness funds. See additional schedules for details.
- (3) State Match funded with bond proceeds. Assumed at 20% of available Cap Grant.
- (4) Recycled loans are originated with existing cash balances and excess Revenue Funds, after bond debt service has been paid.

Note: All Future Loans assume 30% subsidy, 30 year level structure. See underlying schedules for detailed cash flow analysis.

Proof of Perpetuity:	
To-Date Capitalization to Preserve:	344,567,258
Future Grant Transfers from CWSRF	-
Assumed Future DW Capitalization:	112,892,512
Total Preservation Requirement:	457,459,769
Equity Fund Balance 4/1/2062:	571,266,304
Perpetuity Excess/(Shortfall):	<b>113,806,534</b>

Historical Bond Issuances:		
Series	Delivery	Par Sold
2003	10/29/03	122,910,000
2004	10/26/04	83,405,000
2010	01/13/10	94,460,000
2011	04/03/11	57,910,000
2012	06/12/12	49,395,000
2013A	09/19/13	41,410,000
2013B (Ref)	09/19/13	35,505,000
2016	10/19/16	90,000,000
2018	03/22/18	80,055,000
2019 (Ref)	12/19/19	28,210,000
2020	10/22/20	95,000,000
2021	12/21/21	199,000,000
	Total:	977,260,000

**Oklahoma Water Resources Board**  
**Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)**  
**Projected Future Program Cashflows**

**Summary of Drinking Water SRF Federal Cap Grant Funding**

		Less: Set-Asides and Principal Forgiveness (Non-Recycling)					Grant Captured within Drinking Water Program (Recycling)					Minimum Required by EPA			
Fiscal Year	Grant Year	Drinking Water Fed Grant	Grant Set Asides	Principal Forgiveness	Total Non-Recycling DW Fed Grant Funds	% of Non-Recycling DW Federal Cap Grants	Net DW Fed Grant Available for Construction	% of Recycling DW Federal Cap Grants	(1) Plus: Transfer from Clean Water*	Total Recycling Federal Cap Grants	Non-Recycling		Recycling		
					% of DW Federal Cap Grants	% of DW Federal Cap Grants	% of EPA Min. less DWSRF Non-Recycling	% of EPA Min. less DWSRF Recycling							
1998	1997	17,561,900	3,803,391	-	3,803,391	22%	13,758,509	78%	-	13,758,509	0%	(3,803,391)	100%	3,803,391	
1999	1998	10,224,200	1,607,888	-	1,607,888	16%	8,616,313	84%	-	8,616,313	0%	(1,607,888)	100%	1,607,888	
2000	1999	10,716,000	1,062,602	-	1,062,602	10%	9,653,398	90%	-	9,653,398	0%	(1,062,602)	100%	1,062,602	
2001	2000	11,137,000	-	-	-	0%	11,137,000	100%	-	11,137,000	0%	-	100%	-	
2002	2001	11,183,000	1,178,566	-	1,178,566	11%	10,004,434	89%	-	10,004,434	0%	(1,178,566)	100%	1,178,566	
2003	2002	12,446,500	1,677,863	-	1,677,863	13%	10,768,637	87%	-	10,768,637	0%	(1,677,863)	100%	1,677,863	
2004	2003	12,371,700	1,847,402	-	1,847,402	15%	10,524,298	85%	-	10,524,298	0%	(1,847,402)	100%	1,847,402	
2005	2004	12,833,800	2,140,447	-	2,140,447	17%	10,693,353	83%	12,000,000	22,693,353	0%	(2,140,447)	100%	2,140,447	
2006	2005	12,806,700	2,623,801	-	2,623,801	20%	10,182,899	80%	-	10,182,899	0%	(2,623,801)	100%	2,623,801	
2007	2006	13,285,600	2,573,391	-	2,573,391	19%	10,712,209	81%	-	10,712,209	0%	(2,573,391)	100%	2,573,391	
2008	2007	13,285,600	2,997,171	-	2,997,171	23%	10,288,429	77%	4,993,878	15,282,307	0%	(2,997,171)	100%	2,997,171	
2009	2008	13,151,000	3,534,820	-	3,534,820	27%	9,616,180	73%	4,318,644	13,934,824	0%	(3,534,820)	100%	3,534,820	
ARRA	2009	31,481,000	1,259,240	30,221,760	31,481,000	100%	-	0%	-	-	50%	(15,740,500)	50%	15,740,500	
2010	2009	13,151,000	5,188,389	1,997,408	7,185,797	55%	5,965,203	45%	4,339,830	10,305,033	84%	3,814,362	16%	(3,814,362)	
2011	2010	16,863,000	3,594,567	5,058,900	8,653,467	51%	8,209,533	49%	4,339,830	12,549,363	30%	(3,594,567)	70%	3,594,567	
2012	2011	11,701,000	3,594,567	3,454,500	7,049,067	60%	4,651,933	40%	3,000,000	7,651,933	30%	(3,538,767)	70%	3,538,767	
2013	2012	11,151,000	2,398,132	2,230,200	4,628,332	42%	6,522,668	58%	-	6,522,668	20%	(2,398,132)	80%	2,398,132	
2014	2013	10,463,000	1,623,490	2,092,600	3,716,090	36%	6,746,910	64%	-	6,746,910	20%	(1,623,490)	80%	1,623,490	
2015	2014	14,251,000	4,417,810	2,850,200	7,268,010	51%	6,982,990	49%	-	6,982,990	20%	(4,417,810)	80%	4,417,810	
2016	2015	14,157,000	4,388,670	2,381,400	6,770,070	48%	7,386,930	52%	-	7,386,930	20%	(3,938,670)	80%	3,938,670	
2017	2016	13,279,000	4,116,490	2,678,600	6,795,090	51%	6,483,910	49%	-	6,483,910	20%	(4,139,290)	80%	4,139,290	
2018	2017	13,279,000	4,116,490	2,655,800	6,772,290	51%	6,506,710	49%	-	6,506,710	20%	(4,116,490)	80%	4,116,490	
2019	2018	15,747,000	4,881,570	3,149,400	8,030,970	51%	7,716,030	49%	-	7,716,030	20%	(4,881,570)	80%	4,881,570	
2020	2019	15,600,000	4,836,000	3,120,000	7,956,000	51%	7,644,000	49%	30,000,000	37,644,000	20%	(4,836,000)	80%	4,836,000	
2021	2020	15,610,000	4,839,100	3,122,000	7,961,100	51%	7,648,900	49%	-	7,648,900	20%	(4,839,100)	80%	4,839,100	
2022	2021	9,935,000	1,987,000	2,583,100	4,570,100	46%	22,979,029	231%	-	22,979,029	20%	(2,583,100)	80%	(15,031,029)	
2023	2022	9,935,000	3,079,850	2,583,100	5,662,950	57%	18,188,909	183%	-	18,188,909	20%	(3,675,950)	80%	(10,240,909)	
2024	2023	9,935,000	3,079,850	2,583,100	5,662,950	57%	18,725,499	188%	-	18,725,499	20%	(3,675,950)	80%	(10,777,499)	
2025	2024	9,935,000	3,079,850	2,583,100	5,662,950	57%	19,259,419	194%	-	19,259,419	20%	(3,675,950)	80%	(11,311,419)	
2026	2025	9,935,000	3,079,850	2,583,100	5,662,950	57%	19,259,419	194%	-	19,259,419	20%	(3,675,950)	80%	(11,311,419)	
2027	2026	9,935,000	3,079,850	2,583,100	5,662,950	57%	4,272,050	43%	-	4,272,050	20%	(3,675,950)	80%	3,675,950	
		<u>407,346,000</u>	<u>91,688,106</u>	<u>80,511,368</u>	<u>172,199,474</u>		<u>311,105,700</u>		<u>62,992,182</u>	<u>374,097,882</u>		<u>(100,260,215)</u>		<u>24,301,041</u>	

(1) Assumed transfers from Clean Water SRF equal to approximately 33% of the CW Federal Cap Grant in each respective year.

To-Date Capitalization to Preserve:	
Drinking Water Allotments	357,671,000
Less Set-Asides	(76,288,856)
Less Principal Forgiveness	(67,595,868)
Plus State Match Funds	67,788,800
Plus Transfers from Clean Water SRF	62,992,182
<b>To-Date Capitalization to Preserve:</b>	<b>344,567,258</b>

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

Projected Cashflow & Coverage Schedule

Date	Existing DW Debt Service	Plus: FUTURE DS	Total Net Debt Service	DSRF Earnings	Revenue Fund Earnings	Total Earnings	Existing & Projected DW Loan P&I	FUTURE Loans	Total Loan P&I	Total Annual Revenues	Excess Annual Revenues	Transfer (to)/from Program Equity	DSRF Release	Total Funds To Pay Debt Service	Annual Coverage
04/01/23	38,886,900	-	38,886,900	322,753	-	322,753	44,171,011	-	44,171,011	44,493,764	5,606,864	(5,606,864)	2,485,334	46,979,098	1.21x
04/01/24	41,780,515	4,848,958	46,629,473	198,080	0	198,080	51,072,753	4,031,523	55,104,277	55,302,356	8,672,883	(8,672,883)	2,517,461	57,819,817	1.24x
04/01/25	40,400,997	14,125,000	54,525,997	75,449	0	75,449	51,474,809	15,351,662	66,826,470	66,901,919	12,375,923	(12,375,923)	8,464,176	75,366,095	1.38x
04/01/26	35,549,583	19,652,500	55,202,083	-	0	0	48,842,777	24,219,031	73,061,808	73,061,808	17,859,726	(17,859,726)	-	73,061,808	1.32x
04/01/27	34,834,380	25,823,000	60,657,380	-	0	0	49,041,837	30,653,348	79,695,185	79,695,186	19,037,805	(19,037,805)	-	79,695,186	1.31x
04/01/28	34,403,336	29,866,000	64,269,336	-	0	0	48,621,377	35,745,850	84,367,227	84,367,228	20,097,892	(20,097,892)	-	84,367,228	1.31x
04/01/29	34,119,603	32,766,750	66,886,353	-	0	0	48,239,420	39,269,738	87,509,158	87,509,159	20,622,805	(20,622,805)	-	87,509,159	1.31x
04/01/30	33,477,353	35,609,250	69,086,603	-	0	0	47,264,345	42,793,917	90,058,261	90,058,262	20,971,658	(20,971,658)	-	90,058,262	1.30x
04/01/31	32,565,038	38,609,250	71,174,288	-	0	0	46,143,168	46,343,554	92,486,722	92,486,722	21,312,435	(21,312,435)	-	92,486,722	1.30x
04/01/32	31,524,303	41,666,750	73,191,053	-	0	0	44,942,485	49,912,019	94,854,504	94,854,504	21,663,451	(21,663,451)	-	94,854,504	1.30x
04/01/33	30,300,912	43,670,188	73,971,099	-	0	0	44,045,103	52,821,868	96,866,971	96,866,971	22,895,872	(22,895,872)	-	96,866,971	1.31x
04/01/34	29,943,047	43,787,000	73,730,047	-	114,480	114,480	43,521,495	53,836,178	97,357,673	97,472,152	23,742,105	(23,742,105)	-	97,472,152	1.32x
04/01/35	27,995,485	45,303,250	73,298,735	-	233,762	233,762	42,837,666	53,836,178	96,673,844	96,673,844	23,608,872	(23,608,872)	-	96,607,607	1.32x
04/01/36	27,643,140	44,758,625	72,401,765	-	352,976	352,976	41,540,178	53,836,178	95,376,356	95,729,332	23,327,567	(23,327,567)	-	95,729,332	1.32x
04/01/37	27,377,458	44,879,375	72,256,833	-	471,378	471,378	41,231,882	53,836,178	95,068,061	95,539,439	23,282,606	(23,282,606)	-	95,539,439	1.32x
04/01/38	27,048,077	45,287,913	72,335,990	-	590,148	590,148	41,217,322	53,836,178	95,053,500	95,643,649	23,307,659	(23,307,659)	-	95,643,649	1.32x
04/01/39	22,339,162	49,898,963	72,238,124	-	709,637	709,637	40,965,842	53,836,178	94,802,021	95,511,658	23,273,534	(23,273,534)	-	95,511,658	1.32x
04/01/40	21,245,779	49,140,913	70,386,692	-	829,553	829,553	38,423,054	53,836,178	92,259,232	93,088,786	22,702,094	(22,702,094)	-	93,088,786	1.32x
04/01/41	17,739,712	52,051,613	69,791,325	-	947,211	947,211	37,521,953	53,836,178	91,358,131	92,305,343	22,514,018	(22,514,018)	-	92,305,343	1.32x
04/01/42	13,934,100	53,986,250	67,920,350	-	1,064,518	1,064,518	34,954,558	53,836,178	88,790,736	89,855,253	21,934,904	(21,934,904)	-	89,855,253	1.32x
04/01/43	14,871,438	52,837,625	67,709,063	-	1,179,515	1,179,515	34,564,802	53,836,178	88,400,981	89,580,495	21,871,433	(21,871,433)	-	89,580,495	1.32x
04/01/44	12,905,288	54,054,225	66,959,513	-	1,294,769	1,294,769	33,463,994	53,836,178	87,300,173	88,594,942	21,635,430	(21,635,430)	-	88,594,942	1.32x
04/01/45	12,903,950	53,758,575	66,662,525	-	1,409,420	1,409,420	32,961,833	53,836,178	86,798,012	88,207,432	21,544,907	(21,544,907)	-	88,207,432	1.32x
04/01/46	12,907,350	54,026,325	66,933,675	-	1,524,192	1,524,192	33,197,065	53,836,178	87,033,244	88,557,436	21,623,761	(21,623,761)	-	88,557,436	1.32x
04/01/47	10,904,750	54,922,800	65,827,550	-	1,639,932	1,639,932	31,632,428	53,836,178	85,468,607	87,108,538	21,280,988	(21,280,988)	-	87,108,538	1.32x
04/01/48	10,905,750	52,399,463	63,305,213	-	1,754,536	1,754,536	28,214,215	53,836,178	82,050,393	83,804,929	20,499,717	(20,499,717)	-	83,804,929	1.32x
04/01/49	10,907,000	50,738,000	61,645,000	-	1,865,808	1,865,808	25,930,970	53,836,178	79,767,148	81,632,956	19,987,956	(19,987,956)	-	81,632,956	1.32x
04/01/50	10,905,500	48,073,963	58,979,463	-	1,975,076	1,975,076	22,335,094	53,836,178	76,171,272	78,146,349	19,166,886	(19,166,886)	-	78,146,349	1.32x
04/01/51	8,405,250	45,874,900	54,280,150	-	2,080,786	2,080,786	16,082,725	53,836,178	69,918,904	71,999,690	17,719,540	(17,719,540)	-	71,999,690	1.33x
04/01/52	-	53,551,438	53,551,438	-	2,179,788	2,179,788	15,024,818	53,836,178	68,860,997	71,040,785	17,489,347	(17,489,347)	-	71,040,785	1.33x
04/01/53	-	50,540,563	50,540,563	-	2,278,134	2,278,134	10,988,731	53,836,178	64,824,909	67,103,043	16,562,480	(16,562,480)	-	67,103,043	1.33x
04/01/54	-	44,785,000	44,785,000	-	2,372,337	2,372,337	3,360,127	53,836,178	57,196,305	59,568,642	14,783,642	(14,783,642)	-	59,568,642	1.33x
04/01/55	-	34,633,000	34,633,000	-	2,458,117	2,458,117	1,672,217	42,168,150	43,840,368	46,298,484	11,665,484	(11,665,484)	-	46,298,484	1.34x
04/01/56	-	25,785,750	25,785,750	-	2,528,735	2,528,735	-	32,198,308	32,198,308	34,727,042	8,941,292	(8,941,292)	-	34,727,042	1.35x
04/01/57	-	20,873,750	20,873,750	-	2,586,085	2,586,085	-	25,711,834	25,711,834	28,297,919	7,424,169	(7,424,169)	-	28,297,919	1.36x
04/01/58	-	16,078,750	16,078,750	-	2,636,136	2,636,136	-	19,387,409	19,387,409	22,023,545	5,944,795	(5,944,795)	-	22,023,545	1.37x
04/01/59	-	13,294,500	13,294,500	-	2,679,041	2,679,041	-	15,697,778	15,697,778	18,376,819	5,082,319	(5,082,319)	-	18,376,819	1.38x
04/01/60	-	10,730,250	10,730,250	-	2,717,847	2,717,847	-	12,182,786	12,182,786	14,900,633	4,170,383	(4,170,383)	-	14,900,633	1.39x
04/01/61	-	8,225,250	8,225,250	-	2,752,289	2,752,289	-	8,639,254	8,639,254	11,391,542	3,166,292	(3,166,292)	-	11,391,542	1.38x
04/01/62	-	5,701,500	5,701,500	-	2,781,881	2,781,881	-	5,076,752	5,076,752	7,858,633	2,157,133	(2,157,133)	-	7,858,633	1.38x
04/01/63	-	-	-	-	2,806,577	2,806,577	-	1,495,725	1,495,725	4,302,302	4,302,302	(4,302,302)	-	4,302,302	-
04/01/64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/74	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
708,725,155	1,533,161,421	2,241,886,576	596,281	50,814,666	51,410,947	1,175,502,055	1,661,373,318	2,836,875,372	2,888,286,320	660,524,744	(672,363,957)	13,466,971	2,915,220,261		

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

Program Equity Fund

Date	Beginning Balance	Interest @ 0.50%	DSRF Release	Max Amount Available for D/S If Defaults Occur	Transfer From/(To) Revenue Fund	New Loan Origination	Ending Balance
04/01/20							
04/01/21	-	-					
04/01/22							19,851,418
04/01/23	19,851,418	-	2,485,334	22,336,752	5,606,864	(27,943,600)	17
04/01/24	17	0	2,517,461	2,517,478	8,672,883	(11,190,300)	61
04/01/25	61	0	8,464,176	8,464,237	12,375,923	(20,840,100)	59
04/01/26	59	0	-	59	17,859,726	(17,859,700)	85
04/01/27	85	0		86	19,037,805	(19,037,800)	91
04/01/28	91	0		91	20,097,892	(20,097,900)	83
04/01/29	83	0		84	20,622,805	(20,622,800)	89
04/01/30	89	0		89	20,971,658	(20,971,700)	48
04/01/31	48	0		48	21,312,435	(21,312,400)	83
04/01/32	83	0		83	21,663,451	(21,663,500)	34
04/01/33	34	0		34	22,895,872	-	22,895,906
04/01/34	22,895,906	114,480		23,010,386	23,742,105	-	46,752,491
04/01/35	46,752,491	233,762		46,986,253	23,608,872	-	70,595,125
04/01/36	70,595,125	352,976		70,948,101	23,327,567	-	94,275,668
04/01/37	94,275,668	471,378		94,747,046	23,282,606	-	118,029,652
04/01/38	118,029,652	590,148		118,619,800	23,307,659	-	141,927,460
04/01/39	141,927,460	709,637		142,637,097	23,273,534	-	165,910,631
04/01/40	165,910,631	829,553		166,740,184	22,702,094	-	189,442,278
04/01/41	189,442,278	947,211		190,389,489	22,514,018	-	212,903,507
04/01/42	212,903,507	1,064,518		213,968,024	21,934,904	-	235,902,928
04/01/43	235,902,928	1,179,515		237,082,443	21,871,433	-	258,953,875
04/01/44	258,953,875	1,294,769		260,248,645	21,635,430	-	281,884,074
04/01/45	281,884,074	1,409,420		283,293,495	21,544,907	-	304,838,402
04/01/46	304,838,402	1,524,192		306,362,594	21,623,761	-	327,986,355
04/01/47	327,986,355	1,639,932		329,626,286	21,280,988	-	350,907,275
04/01/48	350,907,275	1,754,536		352,661,811	20,499,717	-	373,161,528
04/01/49	373,161,528	1,865,808		375,027,336	19,987,956	-	395,015,291
04/01/50	395,015,291	1,975,076		396,990,368	19,166,886	-	416,157,254
04/01/51	416,157,254	2,080,786		418,238,040	17,719,540	-	435,957,580
04/01/52	435,957,580	2,179,788		438,137,368	17,489,347	-	455,626,715
04/01/53	455,626,715	2,278,134		457,904,849	16,562,480	-	474,467,329
04/01/54	474,467,329	2,372,337		476,839,665	14,783,642	-	491,623,307
04/01/55	491,623,307	2,458,117		494,081,424	11,665,484	-	505,746,908
04/01/56	505,746,908	2,528,735		508,275,642	8,941,292	-	517,216,935
04/01/57	517,216,935	2,586,085		519,803,019	7,424,169	-	527,227,188
04/01/58	527,227,188	2,636,136		529,863,324	5,944,795	-	535,808,119
04/01/59	535,808,119	2,679,041		538,487,159	5,082,319	-	543,569,478
04/01/60	543,569,478	2,717,847		546,287,325	4,170,383	-	550,457,709
04/01/61	550,457,709	2,752,289		553,209,997	3,166,292	-	556,376,290
04/01/62	556,376,290	2,781,881		559,158,171	2,157,133	-	561,315,304
		24,495,623	13,466,971		618,193,117	(201,539,800)	

**Oklahoma Water Resources Board**  
**Drinking Water Program**

**Projected Future Recycled Loans**

Fiscal Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	1	2	3	4	5	6	7	8	9	10	
Principal:	\$27,943,600	\$11,190,300	\$20,840,100	\$17,859,700	\$19,037,800	\$20,097,900	\$20,622,800	\$20,971,700	\$21,312,400	\$21,663,500	201,539,800
Rate:	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	Projected
First Interest:	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32	Drinking Water
First Principal:	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33	04/01/34	Recycled
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62	04/01/63	Loans
Pmt Periods	32	32	32	32	32	32	32	32	32	32	Total
Date	Debt Service										
04/01/22	-	-	-	-	-	-	-	-	-	-	-
04/01/23	-	-	-	-	-	-	-	-	-	-	-
04/01/24	464,562	-	-	-	-	-	-	-	-	-	464,562
04/01/25	1,486,202	195,830	-	-	-	-	-	-	-	-	1,682,032
04/01/26	1,486,202	608,432	364,702	-	-	-	-	-	-	-	2,459,335
04/01/27	1,486,202	608,432	1,133,104	312,545	-	-	-	-	-	-	3,540,282
04/01/28	1,486,202	608,432	1,133,104	971,056	333,162	-	-	-	-	-	4,531,955
04/01/29	1,486,202	608,432	1,133,104	971,056	1,035,111	351,713	-	-	-	-	5,585,617
04/01/30	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	360,899	-	-	-	6,687,552
04/01/31	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	367,005	-	-	7,814,947
04/01/32	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	372,967	-	8,961,169
04/01/33	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	379,111	10,126,096
04/01/34	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/35	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/36	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/37	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/38	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/39	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/40	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/41	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/42	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/43	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/44	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/45	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/46	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/47	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/48	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/49	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/50	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/51	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/52	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/53	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/54	1,486,202	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	10,924,858
04/01/55	-	608,432	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	9,438,657
04/01/56	-	-	1,133,104	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	8,830,225
04/01/57	-	-	-	971,056	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	7,697,121
04/01/58	-	-	-	-	1,035,111	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	6,726,065
04/01/59	-	-	-	-	-	1,092,750	1,121,289	1,140,259	1,158,784	1,177,873	5,690,955
04/01/60	-	-	-	-	-	-	1,121,289	1,140,259	1,158,784	1,177,873	4,598,205
04/01/61	-	-	-	-	-	-	-	1,140,259	1,158,784	1,177,873	3,476,916
	45,050,620	18,448,776	34,357,821	29,444,215	31,386,478	33,134,201	33,999,572	34,574,782	35,136,474	35,715,312	331,248,250

**Oklahoma Water Resources Board**  
**Drinking Water Program**

**Projected Future Recycled Loans**

Fiscal Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Projected Drinking Water Recycled Loans	
	1	2	3	4	5	6	7	8	9	10		
Principal:	27,943,600	11,190,300	20,840,100	17,859,700	19,037,800	20,097,900	20,622,800	20,971,700	21,312,400	21,663,500		
Rate:	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%		
First Interest	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32		
First Principal	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33	04/01/34		
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62	04/01/63		
Pmt Periods	32	32	32	32	32	32	32	32	32	32		
Date	Principal	Total Principal										
04/01/22	-	-	-	-	-	-	-	-	-	-	-	
04/01/23	-	-	-	-	-	-	-	-	-	-	-	
04/01/24	-	-	-	-	-	-	-	-	-	-	-	
04/01/25	557,077	-	-	-	-	-	-	-	-	-	557,077	
04/01/26	575,600	216,771	-	-	-	-	-	-	-	-	792,371	
04/01/27	594,739	224,358	403,700	-	-	-	-	-	-	-	1,222,797	
04/01/28	614,514	232,211	417,830	345,966	-	-	-	-	-	-	1,610,521	
04/01/29	634,946	240,338	432,454	358,075	368,788	-	-	-	-	-	2,034,601	
04/01/30	656,058	248,750	447,590	370,608	381,695	389,323	-	-	-	-	2,494,024	
04/01/31	677,872	257,456	463,256	383,579	395,054	402,949	399,491	-	-	-	2,979,658	
04/01/32	700,412	266,467	479,470	397,004	408,881	417,053	413,473	406,250	-	-	3,489,009	
04/01/33	723,700	275,793	496,251	410,899	423,192	431,649	427,945	420,468	412,850	-	4,022,748	
04/01/34	747,763	285,446	513,620	425,281	438,004	446,757	442,923	435,185	427,299	419,651	4,581,929	
04/01/35	772,626	295,437	531,596	440,166	453,334	462,394	458,425	450,416	442,255	434,339	4,740,988	
04/01/36	798,316	305,777	550,202	455,571	469,201	478,577	474,470	466,181	457,734	449,540	4,905,570	
04/01/37	824,860	316,479	569,459	471,516	485,623	495,328	491,077	482,497	473,754	465,274	5,075,868	
04/01/38	852,287	327,556	589,390	488,019	502,620	512,664	508,264	499,385	490,336	481,559	5,252,080	
04/01/39	880,625	339,020	610,019	505,100	520,211	530,607	526,053	516,863	507,498	498,414	5,434,411	
04/01/40	909,906	350,886	631,370	522,779	538,419	549,179	544,465	534,953	525,260	515,858	5,623,075	
04/01/41	940,161	363,167	653,468	541,076	557,263	568,400	563,522	553,677	543,644	533,913	5,818,290	
04/01/42	971,421	375,878	676,339	560,014	576,768	588,294	583,245	573,055	562,672	552,600	6,020,285	
04/01/43	1,003,721	389,034	700,011	579,614	596,954	608,884	603,658	593,112	582,365	571,941	6,229,295	
04/01/44	1,037,094	402,650	724,511	599,901	617,848	630,195	624,787	613,871	602,748	591,959	6,445,564	
04/01/45	1,071,578	416,743	749,869	620,897	639,472	652,252	646,654	635,357	623,844	612,678	6,669,343	
04/01/46	1,107,208	431,329	776,115	642,628	661,854	675,081	669,287	657,594	645,679	634,121	6,900,895	
04/01/47	1,144,022	446,425	803,279	665,120	685,019	698,709	692,712	680,610	668,277	656,315	7,140,489	
04/01/48	1,182,061	462,050	831,393	688,400	708,995	723,163	716,957	704,431	691,667	679,287	7,388,404	
04/01/49	1,221,365	478,222	860,492	712,494	733,809	748,474	742,050	729,087	715,875	703,062	7,644,929	
04/01/50	1,261,975	494,959	890,609	737,431	759,493	774,671	768,022	754,605	740,931	727,669	7,910,365	
04/01/51	1,303,936	512,283	921,781	763,241	786,075	801,784	794,903	781,016	766,864	753,137	8,185,019	
04/01/52	1,347,292	530,213	954,043	789,954	813,588	829,847	822,725	808,351	793,704	779,497	8,469,213	
04/01/53	1,392,089	548,770	987,435	817,603	842,063	858,891	851,520	836,644	821,483	806,779	8,763,277	
04/01/54	1,438,376	567,977	1,021,995	846,219	871,535	888,952	881,323	865,926	850,235	835,017	9,067,556	
04/01/55	-	587,857	1,057,765	875,837	902,039	920,066	912,169	896,233	879,994	864,242	7,896,201	
04/01/56	-	-	1,094,786	906,491	933,610	952,268	944,095	927,602	910,793	894,491	7,564,137	
04/01/57	-	-	-	938,218	966,287	985,598	977,139	960,068	942,671	925,798	6,695,778	
04/01/58	-	-	-	-	1,000,107	1,020,093	1,011,339	993,670	975,665	958,201	5,959,074	
04/01/59	-	-	-	-	-	1,055,797	1,046,735	1,028,449	1,009,813	991,738	5,132,531	
04/01/60	-	-	-	-	-	-	1,083,371	1,064,444	1,045,156	1,026,449	4,219,420	
04/01/61	-	-	-	-	-	-	-	1,101,700	1,081,737	1,062,374	3,245,811	
	27,943,600	11,190,300	20,840,100	17,859,700	19,037,800	20,097,900	20,622,800	20,971,700	21,312,400	21,663,500	201,539,800	

**Oklahoma Water Resources Board**  
**Drinking Water Program**

**Projected Future Recycled Loans**

Fiscal Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	1	2	3	4	5	6	7	8	9	10
Principal:	27,943,600	11,190,300	20,840,100	17,859,700	19,037,800	20,097,900	20,622,800	20,971,700	21,312,400	21,663,500
Rate:	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%
First Interest	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32
First Principal	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33	04/01/34
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62	04/01/63
Pmt Periods	32	32	32	32	32	32	32	32	32	32

Projected  
Drinking Water  
Recycled  
Loans

Date	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Total Interest
04/01/22	-	-	-	-	-	-	-	-	-	-	-
04/01/23	-	-	-	-	-	-	-	-	-	-	-
04/01/24	464,562	-	-	-	-	-	-	-	-	-	464,562
04/01/25	929,125	195,830	-	-	-	-	-	-	-	-	1,124,955
04/01/26	910,602	391,661	364,702	-	-	-	-	-	-	-	1,666,964
04/01/27	891,463	384,074	729,404	312,545	-	-	-	-	-	-	2,317,485
04/01/28	871,688	376,221	715,274	625,090	333,162	-	-	-	-	-	2,921,434
04/01/29	851,256	368,094	700,650	612,981	666,323	351,713	-	-	-	-	3,551,016
04/01/30	830,144	359,682	685,514	600,448	653,415	703,427	360,899	-	-	-	4,193,528
04/01/31	808,330	350,976	669,848	587,477	640,056	689,800	721,798	367,005	-	-	4,835,289
04/01/32	785,790	341,965	653,634	574,052	626,229	675,697	707,816	734,010	372,967	-	5,472,159
04/01/33	762,502	332,638	636,853	560,156	611,918	661,100	693,344	719,791	745,934	379,111	6,103,348
04/01/34	738,439	322,985	619,484	545,775	597,107	645,992	678,366	705,074	731,484	758,223	6,342,930
04/01/35	713,576	312,995	601,508	530,890	581,776	630,356	662,864	689,843	716,529	743,535	6,183,871
04/01/36	687,886	302,655	582,902	515,484	565,910	614,172	646,819	674,078	701,050	728,333	6,019,288
04/01/37	661,342	291,952	563,645	499,539	549,488	597,422	630,213	657,762	685,029	712,599	5,848,990
04/01/38	633,915	280,876	543,714	483,036	532,491	580,085	613,025	640,875	668,448	696,314	5,672,778
04/01/39	605,577	269,411	523,085	465,956	514,899	562,142	595,236	623,396	651,286	679,460	5,490,447
04/01/40	576,296	257,545	501,734	448,277	496,692	543,571	576,824	605,306	633,524	662,015	5,301,784
04/01/41	546,041	245,264	479,636	429,980	477,847	524,350	557,767	586,583	615,140	643,960	5,106,569
04/01/42	514,781	232,554	456,765	411,042	458,343	504,456	538,044	567,204	596,112	625,273	4,904,574
04/01/43	482,481	219,398	433,093	391,442	438,156	483,865	517,631	547,147	576,418	605,932	4,695,564
04/01/44	449,108	205,782	408,593	371,155	417,263	462,554	496,503	526,388	556,036	585,914	4,479,295
04/01/45	414,624	191,689	383,235	350,159	395,638	440,498	474,635	504,902	534,940	565,196	4,255,515
04/01/46	378,994	177,103	356,989	328,427	373,257	417,669	452,002	482,665	513,105	543,752	4,023,963
04/01/47	342,180	162,006	329,825	305,935	350,092	394,041	428,577	459,649	490,506	521,558	3,784,370
04/01/48	304,141	146,382	301,710	282,656	326,116	369,586	404,332	435,828	467,117	498,587	3,536,455
04/01/49	264,837	130,210	272,612	258,562	301,301	344,275	379,239	411,173	442,908	474,812	3,279,929
04/01/50	224,227	113,472	242,494	233,625	275,618	318,079	353,267	385,655	417,853	450,205	3,014,494
04/01/51	182,266	96,149	211,323	207,815	249,036	290,965	326,386	359,244	391,920	424,736	2,739,840
04/01/52	138,910	78,219	179,061	181,101	221,523	262,903	298,565	331,908	365,080	398,376	2,455,646
04/01/53	94,113	59,661	145,669	153,453	193,047	233,858	269,769	303,616	337,300	371,094	2,161,581
04/01/54	47,826	40,454	111,109	124,837	163,575	203,797	239,966	274,333	308,548	342,857	1,857,303
04/01/55	-	20,575	75,339	95,219	133,072	172,684	209,120	244,026	278,790	313,631	1,542,455
04/01/56	-	-	38,318	64,565	101,500	140,481	177,194	212,658	247,990	283,383	1,266,088
04/01/57	-	-	-	32,838	68,824	107,152	144,150	180,192	216,112	252,076	1,001,343
04/01/58	-	-	-	-	35,004	72,656	109,951	146,589	183,119	219,673	766,991
04/01/59	-	-	-	-	-	36,953	74,554	111,811	148,971	186,136	558,424
04/01/60	-	-	-	-	-	-	37,918	75,815	113,627	151,425	378,785
04/01/61	-	-	-	-	-	-	-	38,559	77,047	115,499	231,105
	17,107,020	7,258,476	13,517,721	11,584,515	12,348,678	13,036,301	13,376,772	13,603,082	13,824,074	14,051,812	129,708,450

**Oklahoma Water Resources Board  
Clean Water Program**

**Projected Future Clean Water Direct Loans**

Funded Date:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	1	2	3	4	5	6	7	8	9	10
Principal:	\$23,115,139	\$27,127,548	\$28,195,388	\$28,195,388	\$6,259,050	\$0	\$0	\$0	\$0	\$0
Rate:	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%
First Interest	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32
First Principal	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62
Pmt Periods	32	32	32	32	32	32	32	32	32	32

\$112,892,512  
 Projected  
 Drinking Water  
 Direct  
 Loans

Date	Debt Service	Total									
04/01/21	-	-	-	-	-	-	-	-	-	-	0
04/01/22	-	-	-	-	-	-	-	-	-	-	-
04/01/23	-	-	-	-	-	-	-	-	-	-	-
04/01/24	768,578	-	-	-	-	-	-	-	-	-	768,578
04/01/25	1,229,396	949,464	-	-	-	-	-	-	-	-	2,178,861
04/01/26	1,229,396	1,474,961	986,839	-	-	-	-	-	-	-	3,691,196
04/01/27	1,229,396	1,474,961	1,533,021	986,839	-	-	-	-	-	-	5,224,217
04/01/28	1,229,396	1,474,961	1,533,021	1,533,021	219,067	-	-	-	-	-	5,989,466
04/01/29	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/30	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/31	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/32	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/33	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/34	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/35	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/36	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/37	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/38	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/39	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/40	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/41	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/42	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/43	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/44	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/45	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/46	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/47	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/48	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/49	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/50	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/51	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/52	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/53	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/54	1,229,396	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	6,110,712
04/01/55	-	1,474,961	1,533,021	1,533,021	340,313	-	-	-	-	-	4,881,315
04/01/56	-	-	1,533,021	1,533,021	340,313	-	-	-	-	-	3,406,354
04/01/57	-	-	-	1,533,021	340,313	-	-	-	-	-	1,873,334
04/01/58	-	-	-	-	340,313	-	-	-	-	-	340,313
	37,650,473	45,198,291	46,977,462	46,977,462	10,428,453	0	0	0	0	0	187,232,140

**Oklahoma Water Resources Board**  
**Clean Water Program**

**Projected Future Clean Water Direct Loans**

Funded Date:	2023	2024	2025	2026	2027	Projected Drinking Water Direct Loans
	1	2	3	4	5	
Principal:	23,115,139	27,127,548	28,195,388	28,195,388	6,259,050	
Rate:	3.325%	3.500%	3.500%	3.500%	3.500%	
First Interest	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	
First Principal	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	
Pmt Periods	32	32	32	32	32	

Date	Principal	Principal	Principal	Principal	Principal	Total Principal
04/01/21	-	-	-	-	-	-
04/01/22	-	-	-	-	-	-
04/01/23	-	-	-	-	-	-
04/01/24	-	-	-	-	-	-
04/01/25	460,818	-	-	-	-	460,818
04/01/26	476,140	525,497	-	-	-	1,001,637
04/01/27	491,972	543,889	546,182	-	-	1,582,043
04/01/28	508,330	562,925	565,299	546,182	-	2,182,736
04/01/29	525,232	582,628	585,084	565,299	121,246	2,379,488
04/01/30	542,696	603,020	605,562	585,084	125,490	2,461,851
04/01/31	560,741	624,125	626,757	605,562	129,882	2,547,066
04/01/32	579,385	645,970	648,693	626,757	134,428	2,635,232
04/01/33	598,650	668,579	671,397	648,693	139,133	2,726,452
04/01/34	618,555	691,979	694,896	671,397	144,002	2,820,830
04/01/35	639,122	716,198	719,218	694,896	149,042	2,918,476
04/01/36	660,373	741,265	744,390	719,218	154,259	3,019,505
04/01/37	682,330	767,209	770,444	744,390	159,658	3,124,032
04/01/38	705,018	794,062	797,409	770,444	165,246	3,232,179
04/01/39	728,459	821,854	825,319	797,409	171,030	3,344,071
04/01/40	752,681	850,619	854,205	825,319	177,016	3,459,839
04/01/41	777,707	880,390	884,102	854,205	183,211	3,579,616
04/01/42	803,566	911,204	915,046	884,102	189,624	3,703,542
04/01/43	830,285	943,096	947,072	915,046	196,260	3,831,759
04/01/44	857,892	976,104	980,220	947,072	203,130	3,964,418
04/01/45	886,416	1,010,268	1,014,528	980,220	210,239	4,101,671
04/01/46	915,890	1,045,628	1,050,036	1,014,528	217,597	4,243,678
04/01/47	946,343	1,082,224	1,086,787	1,050,036	225,213	4,390,604
04/01/48	977,809	1,120,102	1,124,825	1,086,787	233,096	4,542,619
04/01/49	1,010,321	1,159,306	1,164,194	1,124,825	241,254	4,699,900
04/01/50	1,043,914	1,199,882	1,204,940	1,164,194	249,698	4,862,628
04/01/51	1,078,625	1,241,877	1,247,113	1,204,940	258,438	5,030,993
04/01/52	1,114,489	1,285,343	1,290,762	1,247,113	267,483	5,205,191
04/01/53	1,151,546	1,330,330	1,335,939	1,290,762	276,845	5,385,422
04/01/54	1,189,834	1,376,892	1,382,697	1,335,939	286,534	5,571,897
04/01/55	-	1,425,083	1,431,091	1,382,697	296,563	4,535,434
04/01/56	-	-	1,481,179	1,431,091	306,943	3,219,214
04/01/57	-	-	-	1,481,179	317,686	1,798,865
04/01/58	-	-	-	-	328,805	328,805
	23,115,139	27,127,548	28,195,388	28,195,388	6,259,050	112,892,512

**Oklahoma Water Resources Board  
Clean Water Program**

**Projected Future Clean Water Direct Loans**

Funded Date:	2023	2024	2025	2026	2027	
	1	2	3	4	5	
Principal:	23,115,139	27,127,548	28,195,388	28,195,388	6,259,050	Projected Drinking Water Direct Loans
Rate:	3.325%	3.500%	3.500%	3.500%	3.500%	
First Interest	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	
First Principal	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	
Pmt Periods	32	32	32	32	32	

Date	Interest	Interest	Interest	Interest	Interest	Total Interest
04/01/21	-	-	-	-	-	-
04/01/22	-	-	-	-	-	-
04/01/23	-	-	-	-	-	-
04/01/24	768,578	-	-	-	-	768,578
04/01/25	768,578	949,464	-	-	-	1,718,043
04/01/26	753,256	949,464	986,839	-	-	2,689,559
04/01/27	737,424	931,072	986,839	986,839	-	3,642,173
04/01/28	721,066	912,036	967,722	986,839	219,067	3,806,730
04/01/29	704,164	892,333	947,937	967,722	219,067	3,731,223
04/01/30	686,700	871,941	927,459	947,937	214,823	3,648,860
04/01/31	668,656	850,836	906,264	927,459	210,431	3,563,645
04/01/32	650,011	828,991	884,328	906,264	205,885	3,475,479
04/01/33	630,747	806,382	861,623	884,328	201,180	3,384,260
04/01/34	610,842	782,982	838,124	861,623	196,311	3,289,882
04/01/35	590,275	758,763	813,803	838,124	191,270	3,192,235
04/01/36	569,024	733,696	788,630	813,803	186,054	3,091,207
04/01/37	547,066	707,752	762,577	788,630	180,655	2,986,680
04/01/38	524,379	680,899	735,611	762,577	175,067	2,878,533
04/01/39	500,937	653,107	707,702	735,611	169,283	2,766,641
04/01/40	476,716	624,342	678,816	707,702	163,297	2,650,873
04/01/41	451,689	594,571	648,919	678,816	157,102	2,531,096
04/01/42	425,830	563,757	617,975	648,919	150,689	2,407,170
04/01/43	399,112	531,865	585,948	617,975	144,052	2,278,953
04/01/44	371,505	498,856	552,801	585,948	137,183	2,146,294
04/01/45	342,980	464,693	518,493	552,801	130,074	2,009,041
04/01/46	313,507	429,333	482,985	518,493	122,715	1,867,033
04/01/47	283,053	392,736	446,234	482,985	115,100	1,720,107
04/01/48	251,587	354,859	408,196	446,234	107,217	1,568,092
04/01/49	219,075	315,655	368,827	408,196	99,059	1,410,812
04/01/50	185,482	275,079	328,080	368,827	90,615	1,248,083
04/01/51	150,772	233,083	285,907	328,080	81,875	1,079,718
04/01/52	114,908	189,618	242,258	285,907	72,830	905,521
04/01/53	77,851	144,631	197,082	242,258	63,468	725,290
04/01/54	39,562	98,069	150,324	197,082	53,779	538,815
04/01/55	-	49,878	101,929	150,324	43,750	345,881
04/01/56	-	-	51,841	101,929	33,370	187,141
04/01/57	-	-	-	51,841	22,627	74,468
04/01/58	-	-	-	-	11,508	11,508
	<u>14,535,334</u>	<u>18,070,743</u>	<u>18,782,074</u>	<u>18,782,074</u>	<u>4,169,403</u>	<u>74,339,629</u>

**Oklahoma Water Resources Board**  
**Drinking Water Program**

**Projected Future Leveraged Loans**

Fiscal Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	1	2	3	4	5	6	7	8	9	10
Principal:	168,323,770	145,047,951	70,264,031	70,264,031	42,563,000	44,550,000	44,550,000	44,550,000	44,550,000	5,845,950
Rate:	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%
First Interest:	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32
First Principal:	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33	04/01/34
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62	04/01/63
Date	Date	Date	Date	Date	Date	Date	Date	Date	Date	Date
04/01/21	-	-	-	-	-	-	-	-	-	-
04/01/22	-	-	-	-	-	-	-	-	-	-
04/01/23	-	-	-	-	-	-	-	-	-	-
04/01/24	2,798,383	-	-	-	-	-	-	-	-	-
04/01/25	8,952,430	2,538,339	-	-	-	-	-	-	-	-
04/01/26	8,952,430	7,886,450	1,229,621	-	-	-	-	-	-	-
04/01/27	8,952,430	7,886,450	3,820,349	1,229,621	-	-	-	-	-	-
04/01/28	8,952,430	7,886,450	3,820,349	3,820,349	744,853	-	-	-	-	-
04/01/29	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	779,625	-	-	-	-
04/01/30	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	779,625	-	-	-
04/01/31	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	779,625	-	-
04/01/32	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	779,625	-
04/01/33	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	102,304
04/01/34	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/35	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/36	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/37	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/38	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/39	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/40	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/41	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/42	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/43	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/44	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/45	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/46	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/47	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/48	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/49	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/50	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/51	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/52	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/53	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/54	8,952,430	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/55	-	7,886,450	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/56	-	-	3,820,349	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/57	-	-	-	3,820,349	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/58	-	-	-	-	2,314,207	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/59	-	-	-	-	-	2,422,243	2,422,243	2,422,243	2,422,243	317,852
04/01/60	-	-	-	-	-	-	2,422,243	2,422,243	2,422,243	317,852
04/01/61	-	-	-	-	-	-	-	2,422,243	2,422,243	317,852
04/01/62	-	-	-	-	-	-	-	-	2,422,243	317,852
	271,371,269	239,131,847	115,840,089	115,840,089	70,171,062	73,446,910	73,446,910	73,446,910	73,446,910	9,637,867

680,508,734
Projected
Drinking Water
Leveraged
Loans

**Oklahoma Water Resources Board**  
**Drinking Water Program**

**Projected Future Leveraged Loans**

Fiscal Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Projected Drinking Water Leveraged Loans	
	1	2	3	4	5	6	7	8	9	10		
Principal:	168,323,770	145,047,951	70,264,031	70,264,031	42,563,000	44,550,000	44,550,000	44,550,000	44,550,000	5,845,950		
Rate:	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%		
First Interest	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32		
First Principal	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33	04/01/34		
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62	04/01/63		
Date	Principal*	Principal*	Principal	Principal		Principal						
04/01/21	-	-	-	-	-	-	-	-	-	-		-
04/01/22	-	-	-	-	-	-	-	-	-	-		-
04/01/23	-	-	-	-	-	-	-	-	-	-	-	
04/01/24	-	-	-	-	-	-	-	-	-	-	-	
04/01/25	3,355,664	-	-	-	-	-	-	-	-	-	3,355,664	
04/01/26	3,467,240	2,809,772	-	-	-	-	-	-	-	-	6,277,012	
04/01/27	3,582,526	2,908,114	1,361,108	-	-	-	-	-	-	-	7,851,748	
04/01/28	3,701,645	3,009,898	1,408,747	1,361,108	-	-	-	-	-	-	9,481,397	
04/01/29	3,824,724	3,115,244	1,458,053	1,408,747	824,502	-	-	-	-	-	10,631,270	
04/01/30	3,951,897	3,224,278	1,509,085	1,458,053	853,360	862,993	-	-	-	-	11,859,664	
04/01/31	4,083,297	3,337,128	1,561,903	1,509,085	883,227	893,198	862,993	-	-	-	13,130,829	
04/01/32	4,219,067	3,453,927	1,616,569	1,561,903	914,140	924,459	893,198	862,993	-	-	14,446,256	
04/01/33	4,359,351	3,574,815	1,673,149	1,616,569	946,135	956,816	924,459	893,198	862,993	-	15,807,484	
04/01/34	4,504,299	3,699,933	1,731,709	1,673,149	979,250	990,304	956,816	924,459	893,198	113,244	16,466,361	
04/01/35	4,654,067	3,829,431	1,792,319	1,731,709	1,013,523	1,024,965	990,304	956,816	924,459	117,207	17,034,801	
04/01/36	4,808,815	3,963,461	1,855,050	1,792,319	1,048,997	1,060,839	1,024,965	990,304	956,816	121,310	17,622,874	
04/01/37	4,968,708	4,102,182	1,919,977	1,855,050	1,085,712	1,097,968	1,060,839	1,024,965	990,304	125,555	18,231,260	
04/01/38	5,133,917	4,245,758	1,987,176	1,919,977	1,123,712	1,136,397	1,097,968	1,060,839	1,024,965	129,950	18,860,658	
04/01/39	5,304,620	4,394,360	2,056,727	1,987,176	1,163,041	1,176,171	1,136,397	1,097,968	1,060,839	134,498	19,511,797	
04/01/40	5,480,999	4,548,162	2,128,713	2,056,727	1,203,748	1,217,337	1,176,171	1,136,397	1,097,968	139,206	20,185,427	
04/01/41	5,663,242	4,707,348	2,203,218	2,128,713	1,245,879	1,259,943	1,217,337	1,176,171	1,136,397	144,078	20,882,325	
04/01/42	5,851,545	4,872,105	2,280,330	2,203,218	1,289,485	1,304,041	1,259,943	1,217,337	1,176,171	149,121	21,603,296	
04/01/43	6,046,109	5,042,629	2,360,142	2,280,330	1,334,617	1,349,683	1,304,041	1,259,943	1,217,337	154,340	22,349,171	
04/01/44	6,247,142	5,219,121	2,442,747	2,360,142	1,381,328	1,396,922	1,349,683	1,304,041	1,259,943	159,742	23,120,811	
04/01/45	6,454,859	5,401,790	2,528,243	2,442,747	1,429,675	1,445,814	1,396,922	1,349,683	1,304,041	165,333	23,919,107	
04/01/46	6,669,483	5,590,853	2,616,732	2,528,243	1,479,714	1,496,418	1,445,814	1,396,922	1,349,683	171,119	24,744,980	
04/01/47	6,891,244	5,786,533	2,708,317	2,616,732	1,531,504	1,548,792	1,496,418	1,445,814	1,396,922	177,108	25,599,383	
04/01/48	7,120,377	5,989,061	2,803,108	2,708,317	1,585,106	1,603,000	1,548,792	1,496,418	1,445,814	183,307	26,483,301	
04/01/49	7,357,130	6,198,679	2,901,217	2,803,108	1,640,585	1,659,105	1,603,000	1,548,792	1,496,418	189,723	27,397,756	
04/01/50	7,601,755	6,415,632	3,002,760	2,901,217	1,698,005	1,717,174	1,659,105	1,603,000	1,548,792	196,363	28,343,803	
04/01/51	7,854,513	6,640,179	3,107,856	3,002,760	1,757,436	1,777,275	1,717,174	1,659,105	1,603,000	203,236	29,322,533	
04/01/52	8,115,675	6,872,586	3,216,631	3,107,856	1,818,946	1,839,479	1,777,275	1,717,174	1,659,105	210,349	30,335,076	
04/01/53	8,385,522	7,113,126	3,329,213	3,216,631	1,882,609	1,903,861	1,839,479	1,777,275	1,717,174	217,711	31,382,601	
04/01/54	8,664,340	7,362,086	3,445,736	3,329,213	1,948,500	1,970,496	1,903,861	1,839,479	1,777,275	225,331	32,466,318	
04/01/55	-	7,619,759	3,566,337	3,445,736	2,016,698	2,039,463	1,970,496	1,903,861	1,839,479	233,218	24,635,046	
04/01/56	-	-	3,691,158	3,566,337	2,087,282	2,110,845	2,039,463	1,970,496	1,903,861	241,381	17,610,823	
04/01/57	-	-	-	3,691,158	2,160,337	2,184,724	2,110,845	2,039,463	1,970,496	249,829	14,406,853	
04/01/58	-	-	-	-	-	2,235,949	2,261,190	2,184,724	2,110,845	2,039,463	258,573	11,090,744
04/01/59	-	-	-	-	-	-	2,340,331	2,261,190	2,184,724	2,110,845	267,623	9,164,713
04/01/60	-	-	-	-	-	-	-	2,340,331	2,261,190	2,184,724	276,990	7,063,235
04/01/61	-	-	-	-	-	-	-	-	2,340,331	2,261,190	286,684	4,888,205
04/01/62	-	-	-	-	-	-	-	-	-	2,340,331	296,718	2,637,050
	168,323,770	145,047,951	70,264,031	70,264,031	42,563,000	44,550,000	44,550,000	44,550,000	44,550,000	5,845,950	680,508,734	

**Oklahoma Water Resources Board**  
**Drinking Water Program**

**Projected Future Leveraged Loans**

Fiscal Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Projected Drinking Water Leveraged Loans	
	1	2	3	4	5	6	7	8	9	10		
Principal:	168,323,770	145,047,951	70,264,031	70,264,031	42,563,000	44,550,000	44,550,000	44,550,000	44,550,000	5,845,950		
Rate:	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%		
First Interest	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32		
First Principal	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33	04/01/34		
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62	04/01/63		
Date	Interest*	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest		
04/01/21	-	-	-	-	-	-	-	-	-	-		-
04/01/22	-	-	-	-	-	-	-	-	-	-		-
04/01/23	-	-	-	-	-	-	-	-	-	-	-	
04/01/24	2,798,383	-	-	-	-	-	-	-	-	-	2,798,383	
04/01/25	5,596,765	2,538,339	-	-	-	-	-	-	-	-	8,135,105	
04/01/26	5,485,190	5,076,678	1,229,621	-	-	-	-	-	-	-	11,791,488	
04/01/27	5,369,904	4,978,336	2,459,241	1,229,621	-	-	-	-	-	-	14,037,102	
04/01/28	5,250,785	4,876,552	2,411,602	2,459,241	744,853	-	-	-	-	-	15,743,033	
04/01/29	5,127,705	4,771,206	2,362,296	2,411,602	1,489,705	779,625	-	-	-	-	16,942,139	
04/01/30	5,000,533	4,662,172	2,311,264	2,362,296	1,460,847	1,559,250	779,625	-	-	-	18,135,988	
04/01/31	4,869,132	4,549,323	2,258,446	2,311,264	1,430,980	1,529,045	1,559,250	779,625	-	-	19,287,066	
04/01/32	4,733,363	4,432,523	2,203,780	2,258,446	1,400,067	1,497,783	1,529,045	1,559,250	779,625	-	20,393,883	
04/01/33	4,593,079	4,311,636	2,147,200	2,203,780	1,368,072	1,465,427	1,497,783	1,529,045	1,559,250	102,304	20,777,576	
04/01/34	4,448,130	4,186,517	2,088,640	2,147,200	1,334,957	1,431,939	1,465,427	1,497,783	1,529,045	204,608	20,334,247	
04/01/35	4,298,363	4,057,019	2,028,030	2,088,640	1,300,684	1,397,278	1,431,939	1,465,427	1,497,783	200,645	19,765,807	
04/01/36	4,143,615	3,922,989	1,965,299	2,028,030	1,265,210	1,361,404	1,397,278	1,431,939	1,465,427	196,542	19,177,734	
04/01/37	3,983,722	3,784,268	1,900,372	1,965,299	1,228,495	1,324,275	1,361,404	1,397,278	1,431,939	192,297	18,569,349	
04/01/38	3,818,512	3,640,692	1,833,173	1,900,372	1,190,495	1,285,846	1,324,275	1,361,404	1,397,278	187,902	17,939,950	
04/01/39	3,647,809	3,492,090	1,763,622	1,833,173	1,151,166	1,246,072	1,285,846	1,324,275	1,361,404	183,354	17,288,811	
04/01/40	3,471,431	3,338,288	1,691,636	1,763,622	1,110,459	1,204,906	1,246,072	1,285,846	1,324,275	178,646	16,615,181	
04/01/41	3,289,188	3,179,102	1,617,131	1,691,636	1,068,328	1,162,299	1,204,906	1,246,072	1,285,846	173,774	15,918,283	
04/01/42	3,100,885	3,014,345	1,540,018	1,617,131	1,024,722	1,118,201	1,162,299	1,204,906	1,246,072	168,732	15,197,312	
04/01/43	2,906,321	2,843,821	1,460,207	1,540,018	979,590	1,072,560	1,118,201	1,162,299	1,204,906	163,512	14,451,437	
04/01/44	2,705,288	2,667,329	1,377,602	1,460,207	932,879	1,025,321	1,072,560	1,118,201	1,162,299	158,110	13,679,797	
04/01/45	2,497,570	2,484,660	1,292,106	1,377,602	884,532	976,429	1,025,321	1,072,560	1,118,201	152,520	12,881,501	
04/01/46	2,282,946	2,295,597	1,203,617	1,292,106	834,493	925,825	976,429	1,025,321	1,072,560	146,733	12,055,628	
04/01/47	2,061,186	2,099,917	1,112,032	1,203,617	782,703	873,451	925,825	976,429	1,025,321	140,744	11,201,225	
04/01/48	1,832,052	1,897,389	1,017,241	1,112,032	729,101	819,243	873,451	925,825	976,429	134,545	10,317,307	
04/01/49	1,595,300	1,687,772	919,132	1,017,241	673,622	763,138	819,243	873,451	925,825	128,129	9,402,852	
04/01/50	1,350,675	1,470,818	817,589	919,132	616,202	705,069	763,138	819,243	873,451	121,489	8,456,805	
04/01/51	1,097,917	1,246,271	712,493	817,589	556,771	644,968	705,069	763,138	819,243	114,616	7,478,075	
04/01/52	836,754	1,013,864	603,718	712,493	495,261	582,764	644,968	705,069	763,138	107,503	6,465,532	
04/01/53	566,908	773,324	491,136	603,718	431,598	518,382	582,764	644,968	705,069	100,141	5,418,007	
04/01/54	288,089	524,365	374,613	491,136	365,707	451,747	518,382	582,764	644,968	92,521	4,334,291	
04/01/55	-	266,692	254,012	374,613	297,509	382,779	451,747	518,382	582,764	84,634	3,213,132	
04/01/56	-	-	129,191	254,012	226,925	311,398	382,779	451,747	518,382	76,472	2,350,905	
04/01/57	-	-	-	129,191	153,870	237,519	311,398	382,779	451,747	68,023	1,734,527	
04/01/58	-	-	-	-	78,258	161,053	237,519	311,398	382,779	59,279	1,230,287	
04/01/59	-	-	-	-	-	81,912	161,053	237,519	311,398	50,229	842,111	
04/01/60	-	-	-	-	-	-	161,053	237,519	311,398	40,862	521,346	
04/01/61	-	-	-	-	-	-	-	81,912	161,053	31,168	274,133	
04/01/62	-	-	-	-	-	-	-	-	81,912	21,134	103,045	
	103,047,499	94,083,896	45,576,058	45,576,058	27,608,062	28,896,910	28,896,910	28,896,910	28,896,910	3,791,917	435,271,127	

**Oklahoma Water Resources Board**  
**Drinking Water Program**

**Projected Future Drinking Water Bonds**

Fiscal Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Principal:	\$175,000,000	\$155,000,000	\$80,000,000	\$80,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$5,905,000	\$720,905,000
Rate:	4.750%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	Projected
First Interest	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32	Future
First Principal	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33	Drinking Water
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62	Bonds
Pmt Periods	32	32	32	32	32	32	32	32	32	32	
											Total
Date	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service
04/01/21	-	-	-	-	-	-	-	-	-	-	-
04/01/22	-	-	-	-	-	-	-	-	-	-	-
04/01/23	-	-	-	-	-	-	-	-	-	-	-
04/01/24	4,848,958	-	-	-	-	-	-	-	-	-	4,848,958
04/01/25	-	5,812,500	-	-	-	-	-	-	-	-	14,125,000
04/01/26	8,312,500	8,340,000	3,000,000	-	-	-	-	-	-	-	19,652,500
04/01/27	8,312,500	9,250,500	5,260,000	3,000,000	-	-	-	-	-	-	25,823,000
04/01/28	8,312,500	9,379,000	5,252,000	5,235,000	1,687,500	-	-	-	-	-	29,866,000
04/01/29	8,312,500	9,387,250	5,246,250	5,228,250	2,905,000	1,687,500	-	-	-	-	32,766,750
04/01/30	8,312,500	9,305,750	5,242,500	5,223,750	2,902,250	2,935,000	1,687,500	-	-	-	35,609,250
04/01/31	8,312,500	9,398,750	5,230,500	5,216,250	2,898,000	2,930,750	2,935,000	1,687,500	-	-	38,609,250
04/01/32	8,312,500	9,562,500	5,210,500	5,215,750	2,892,250	2,925,000	2,930,750	2,930,000	1,687,500	-	41,666,750
04/01/33	8,312,500	10,158,000	5,172,750	5,206,750	2,890,000	2,922,750	2,930,000	2,926,000	2,930,000	221,438	43,670,188
04/01/34	8,312,500	10,218,000	5,168,000	5,204,500	2,886,000	2,923,750	2,927,500	2,925,500	2,926,000	295,250	43,787,000
04/01/35	8,662,500	11,467,500	5,094,500	5,203,500	2,885,250	2,922,750	2,923,250	2,928,250	2,920,500	295,250	45,303,250
04/01/36	8,295,875	11,316,500	5,085,500	5,198,500	2,882,500	2,914,750	2,922,250	2,924,000	2,923,500	295,250	44,758,625
04/01/37	8,310,875	11,446,500	5,062,750	5,199,500	2,882,750	2,915,000	2,924,250	2,923,000	2,919,500	295,250	44,879,375
04/01/38	8,715,163	11,463,250	5,051,750	5,201,000	2,880,750	2,918,000	2,919,000	2,925,000	2,918,750	295,250	45,287,913
04/01/39	13,555,213	11,236,500	5,051,750	5,202,750	2,871,500	2,918,500	2,926,750	2,919,750	2,921,000	295,250	49,898,963
04/01/40	13,004,413	11,087,750	5,037,000	5,189,500	2,865,250	2,911,500	2,916,750	2,917,500	2,916,000	295,250	49,140,913
04/01/41	16,142,863	10,878,000	5,033,000	5,181,750	2,866,750	2,907,250	2,914,750	2,918,000	2,914,000	295,250	52,051,613
04/01/42	18,441,000	10,565,000	5,024,000	5,174,000	2,855,500	2,900,500	2,910,250	2,906,000	2,914,750	295,250	53,986,250
04/01/43	17,306,125	10,573,750	5,010,000	5,171,000	2,857,000	2,901,250	2,903,250	2,912,000	2,908,000	295,250	52,837,625
04/01/44	18,710,225	10,408,250	5,006,000	5,162,250	2,855,500	2,899,000	2,903,750	2,905,000	2,909,000	295,250	54,054,225
04/01/45	18,484,075	10,351,500	5,001,250	5,167,750	2,846,000	2,898,750	2,901,250	2,905,500	2,907,250	295,250	53,758,575
04/01/46	18,770,825	10,332,750	4,995,500	5,166,500	2,843,750	2,905,250	2,900,750	2,908,000	2,907,750	295,250	54,026,325
04/01/47	19,900,300	10,134,500	4,988,500	5,158,500	2,838,250	2,898,000	2,902,000	2,902,250	2,905,250	295,250	54,922,800
04/01/48	17,620,463	9,965,000	4,970,000	5,143,750	2,829,500	2,887,500	2,894,750	2,893,500	2,899,750	295,250	52,399,463
04/01/49	16,134,250	9,847,500	4,955,250	5,132,250	2,822,500	2,878,750	2,889,250	2,886,750	2,896,250	295,250	50,738,000
04/01/50	13,707,463	9,694,000	4,933,750	5,113,500	2,812,000	2,871,500	2,880,250	2,881,750	2,884,500	295,250	48,073,963
04/01/51	12,016,650	9,320,750	4,915,500	5,072,500	2,803,000	2,850,500	2,857,750	2,868,250	2,874,750	295,250	45,874,900
04/01/52	20,175,938	8,838,250	4,930,000	5,070,000	2,795,250	2,851,250	2,857,250	2,866,500	2,871,750	295,250	53,551,438
04/01/53	14,115,063	12,152,000	4,730,250	5,058,750	2,783,500	2,837,500	2,847,500	2,855,750	2,865,000	295,250	50,540,563
04/01/54	-	19,477,500	5,961,500	4,943,750	2,772,750	2,814,750	2,828,750	2,836,250	2,854,500	295,250	44,785,000
04/01/55	-	-	15,272,250	5,139,750	2,732,750	2,773,250	2,791,250	2,808,250	2,820,250	295,250	34,633,000
04/01/56	-	-	-	11,466,000	2,959,750	2,723,750	2,760,750	2,782,000	2,798,250	295,250	25,785,750
04/01/57	-	-	-	-	9,455,250	2,831,500	2,736,750	2,767,250	2,787,750	295,250	20,873,750
04/01/58	-	-	-	-	-	7,423,500	2,833,750	2,748,250	2,778,000	295,250	16,078,750
04/01/59	-	-	-	-	-	-	7,360,500	2,875,000	2,763,750	295,250	13,294,500
04/01/60	-	-	-	-	-	-	-	7,455,000	2,895,000	380,250	10,730,250
04/01/61	-	-	-	-	-	-	-	-	7,544,250	681,000	8,225,250
04/01/62	-	-	-	-	-	-	-	-	-	5,701,500	5,701,500
	370,043,233	311,369,000	160,892,500	159,047,000	91,058,000	89,879,000	89,817,500	89,887,750	89,962,500	14,660,688	1,466,617,171

**Oklahoma Water Resources Board**  
**Drinking Water Program**

**Projected Future Drinking Water Bonds**

Fiscal Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Principal:	\$175,000,000	\$155,000,000	\$80,000,000	\$80,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$5,905,000
Rate:	4.750%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
First Interest:	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32
First Principal:	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62
Pmt Periods:	FutureDW_1	FutureDW_2	FutureDW_3	FutureDW_4	FutureDW_5	FutureDW_6	FutureDW_7	FutureDW_8	FutureDW_9	FutureDW_10

Projected  
Future  
Drinking Water  
Bonds

Date	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Total Principal
04/01/21	-	-	-	-	-	-	-	-	-	-	-
04/01/22	-	-	-	-	-	-	-	-	-	-	-
04/01/23	-	-	-	-	-	-	-	-	-	-	-
04/01/24	-	-	-	-	-	-	-	-	-	-	-
04/01/25	-	-	-	-	-	-	-	-	-	-	-
04/01/26	-	590,000	-	-	-	-	-	-	-	-	590,000
04/01/27	-	1,530,000	1,260,000	-	-	-	-	-	-	-	2,790,000
04/01/28	-	1,735,000	1,315,000	1,235,000	-	-	-	-	-	-	4,285,000
04/01/29	-	1,830,000	1,375,000	1,290,000	655,000	-	-	-	-	-	5,150,000
04/01/30	-	1,840,000	1,440,000	1,350,000	685,000	685,000	-	-	-	-	6,000,000
04/01/31	-	2,025,000	1,500,000	1,410,000	715,000	715,000	685,000	-	-	-	7,050,000
04/01/32	-	2,290,000	1,555,000	1,480,000	745,000	745,000	715,000	680,000	-	-	8,210,000
04/01/33	-	3,000,000	1,595,000	1,545,000	780,000	780,000	750,000	710,000	680,000	-	9,840,000
04/01/34	-	3,210,000	1,670,000	1,620,000	815,000	820,000	785,000	745,000	710,000	-	10,375,000
04/01/35	350,000	4,620,000	1,680,000	1,700,000	855,000	860,000	820,000	785,000	740,000	-	12,410,000
04/01/36	-	4,700,000	1,755,000	1,780,000	895,000	895,000	860,000	820,000	780,000	-	12,485,000
04/01/37	15,000	5,065,000	1,820,000	1,870,000	940,000	940,000	905,000	860,000	815,000	-	13,230,000
04/01/38	420,000	5,335,000	1,900,000	1,965,000	985,000	990,000	945,000	905,000	855,000	-	14,300,000
04/01/39	5,280,000	5,375,000	1,995,000	2,065,000	1,025,000	1,040,000	1,000,000	945,000	900,000	-	19,625,000
04/01/40	4,980,000	5,495,000	2,080,000	2,155,000	1,070,000	1,085,000	1,040,000	990,000	940,000	-	19,835,000
04/01/41	8,355,000	5,560,000	2,180,000	2,255,000	1,125,000	1,135,000	1,090,000	1,040,000	985,000	-	23,725,000
04/01/42	11,050,000	5,525,000	2,280,000	2,360,000	1,170,000	1,185,000	1,140,000	1,080,000	1,035,000	-	26,825,000
04/01/43	10,440,000	5,810,000	2,380,000	2,475,000	1,230,000	1,245,000	1,190,000	1,140,000	1,080,000	-	26,990,000
04/01/44	12,340,000	5,935,000	2,495,000	2,590,000	1,290,000	1,305,000	1,250,000	1,190,000	1,135,000	-	29,530,000
04/01/45	12,700,000	6,175,000	2,615,000	2,725,000	1,345,000	1,370,000	1,310,000	1,250,000	1,190,000	-	30,680,000
04/01/46	13,590,000	6,465,000	2,740,000	2,860,000	1,410,000	1,445,000	1,375,000	1,315,000	1,250,000	-	32,450,000
04/01/47	15,365,000	6,590,000	2,870,000	2,995,000	1,475,000	1,510,000	1,445,000	1,375,000	1,310,000	-	34,935,000
04/01/48	13,815,000	6,750,000	2,995,000	3,130,000	1,540,000	1,575,000	1,510,000	1,435,000	1,370,000	-	34,120,000
04/01/49	12,985,000	6,970,000	3,130,000	3,275,000	1,610,000	1,645,000	1,580,000	1,500,000	1,435,000	-	34,130,000
04/01/50	11,175,000	7,165,000	3,265,000	3,420,000	1,680,000	1,720,000	1,650,000	1,570,000	1,495,000	-	33,140,000
04/01/51	10,015,000	7,150,000	3,410,000	3,550,000	1,755,000	1,785,000	1,710,000	1,635,000	1,560,000	-	32,570,000
04/01/52	18,650,000	7,025,000	3,595,000	3,725,000	1,835,000	1,875,000	1,795,000	1,715,000	1,635,000	-	41,850,000
04/01/53	13,475,000	10,690,000	3,575,000	3,900,000	1,915,000	1,955,000	1,875,000	1,790,000	1,710,000	-	40,885,000
04/01/54	-	18,550,000	4,985,000	3,980,000	2,000,000	2,030,000	1,950,000	1,860,000	1,785,000	-	37,140,000
04/01/55	-	-	14,545,000	4,375,000	2,060,000	2,090,000	2,010,000	1,925,000	1,840,000	-	28,845,000
04/01/56	-	-	-	10,920,000	2,390,000	2,145,000	2,080,000	1,995,000	1,910,000	-	21,440,000
04/01/57	-	-	-	-	9,005,000	2,360,000	2,160,000	2,080,000	1,995,000	-	17,600,000
04/01/58	-	-	-	-	-	7,070,000	2,365,000	2,165,000	2,085,000	-	13,685,000
04/01/59	-	-	-	-	-	-	7,010,000	2,400,000	2,175,000	-	11,585,000
04/01/60	-	-	-	-	-	-	-	7,100,000	2,415,000	85,000	9,600,000
04/01/61	-	-	-	-	-	-	-	-	7,185,000	390,000	7,575,000
04/01/62	-	-	-	-	-	-	-	-	-	5,430,000	5,430,000
	175,000,000	155,000,000	80,000,000	80,000,000	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	5,905,000	720,905,000

**Oklahoma Water Resources Board**  
**Drinking Water Program**

**Projected Future Drinking Water Bonds**

Fiscal Year:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Principal:	\$175,000,000	\$155,000,000	\$80,000,000	\$80,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$5,905,000
Rate:	4.750%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%
First Interest:	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	10/01/30	10/01/31	10/01/32
First Principal:	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/29	04/01/30	04/01/31	04/01/32	04/01/33
Last Payment:	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/58	04/01/59	04/01/60	04/01/61	04/01/62
Pmt Periods:	Future_1	FutureDW_2	FutureDW_3	FutureDW_4	FutureDW_5	FutureDW_6	FutureDW_7	FutureDW_8	FutureDW_9	FutureDW_10

Projected  
Future  
Drinking Water  
Bonds

Date	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Total Interest
04/01/21	-	-	-	-	-	-	-	-	-	-	-
04/01/22	-	-	-	-	-	-	-	-	-	-	-
04/01/23	-	-	-	-	-	-	-	-	-	-	-
04/01/24	4,848,958	-	-	-	-	-	-	-	-	-	4,848,958
04/01/25	-	5,812,500	-	-	-	-	-	-	-	-	14,125,000
04/01/26	4,156,250	7,750,000	3,000,000	-	-	-	-	-	-	-	14,906,250
04/01/27	4,156,250	7,720,500	4,000,000	3,000,000	-	-	-	-	-	-	18,876,750
04/01/28	4,156,250	7,644,000	3,937,000	4,000,000	1,687,500	-	-	-	-	-	21,424,750
04/01/29	4,156,250	7,557,250	3,871,250	3,938,250	2,250,000	1,687,500	-	-	-	-	23,460,500
04/01/30	4,156,250	7,465,750	3,802,500	3,873,750	2,217,250	2,250,000	1,687,500	-	-	-	25,453,000
04/01/31	4,156,250	7,373,750	3,730,500	3,806,250	2,183,000	2,215,750	2,250,000	1,687,500	-	-	27,403,000
04/01/32	4,156,250	7,272,500	3,655,500	3,735,750	2,147,250	2,180,000	2,215,750	2,250,000	1,687,500	-	29,300,500
04/01/33	4,156,250	7,158,000	3,577,750	3,661,750	2,110,000	2,142,750	2,180,000	2,216,000	2,250,000	221,438	29,673,938
04/01/34	4,156,250	7,008,000	3,498,000	3,584,500	2,071,000	2,103,750	2,142,500	2,180,500	2,216,000	295,250	29,255,750
04/01/35	4,156,250	6,847,500	3,414,500	3,503,500	2,030,250	2,062,750	2,103,250	2,143,250	2,180,500	295,250	28,737,000
04/01/36	4,148,294	6,616,500	3,330,500	3,418,500	1,987,500	2,019,750	2,062,250	2,104,000	2,143,500	295,250	28,126,044
04/01/37	4,148,294	6,381,500	3,242,750	3,329,500	1,942,750	1,975,000	2,019,250	2,063,000	2,104,500	295,250	27,501,794
04/01/38	4,147,581	6,128,250	3,151,750	3,236,000	1,895,750	1,928,000	1,974,000	2,063,750	2,095,000	295,250	26,840,331
04/01/39	4,136,775	5,861,500	3,056,750	3,137,750	1,846,500	1,878,500	1,926,750	1,974,750	2,021,000	295,250	26,135,525
04/01/40	4,010,306	5,592,750	2,957,000	3,034,500	1,795,250	1,826,500	1,876,750	1,927,500	1,976,000	295,250	25,291,806
04/01/41	3,890,844	5,318,000	2,853,000	2,926,750	1,741,750	1,772,250	1,824,750	1,878,000	1,929,000	295,250	24,429,594
04/01/42	3,691,106	5,040,000	2,744,000	2,814,000	1,685,500	1,715,500	1,770,250	1,826,000	1,879,750	295,250	23,461,356
04/01/43	3,427,481	4,763,750	2,630,000	2,696,000	1,627,000	1,656,250	1,713,250	1,772,000	1,828,000	295,250	22,408,981
04/01/44	3,178,700	4,473,250	2,511,000	2,572,250	1,565,500	1,594,000	1,653,750	1,715,000	1,774,000	295,250	21,332,700
04/01/45	2,884,913	4,176,500	2,386,250	2,442,750	1,501,000	1,528,750	1,591,250	1,655,500	1,717,250	295,250	20,179,413
04/01/46	2,582,931	3,867,750	2,255,500	2,306,500	1,433,750	1,460,250	1,525,750	1,593,000	1,657,750	295,250	18,978,431
04/01/47	2,260,169	3,544,500	2,118,500	2,163,500	1,363,250	1,388,000	1,457,000	1,527,250	1,595,250	295,250	17,712,669
04/01/48	1,895,606	3,215,000	1,975,000	2,013,750	1,289,500	1,312,500	1,384,750	1,458,500	1,529,750	295,250	16,369,606
04/01/49	1,568,213	2,877,500	1,825,250	1,857,250	1,212,500	1,233,750	1,309,250	1,386,750	1,461,250	295,250	15,026,963
04/01/50	1,260,888	2,529,000	1,668,750	1,693,500	1,132,000	1,151,500	1,230,250	1,311,750	1,389,500	295,250	13,662,388
04/01/51	996,550	2,170,750	1,505,500	1,522,500	1,048,000	1,065,500	1,147,750	1,233,250	1,314,750	295,250	12,299,800
04/01/52	759,525	1,813,250	1,335,000	1,345,000	960,250	976,250	1,062,250	1,151,500	1,236,750	295,250	10,935,025
04/01/53	317,181	1,462,000	1,155,250	1,158,750	868,500	882,500	972,500	1,065,750	1,155,000	295,250	9,332,681
04/01/54	-	927,500	976,500	963,750	772,750	784,750	878,750	976,250	1,069,500	295,250	7,645,000
04/01/55	-	-	727,250	764,750	672,750	672,750	783,250	883,250	980,250	295,250	5,788,000
04/01/56	-	-	-	546,000	569,750	578,750	680,750	787,000	888,250	295,250	4,345,750
04/01/57	-	-	-	-	450,250	471,500	576,750	687,250	792,750	295,250	3,273,750
04/01/58	-	-	-	-	-	353,500	468,750	583,250	693,000	295,250	2,393,750
04/01/59	-	-	-	-	-	-	350,500	475,000	588,750	295,250	1,709,500
04/01/60	-	-	-	-	-	-	-	355,000	480,000	295,250	1,130,250
04/01/61	-	-	-	-	-	-	-	-	359,250	291,000	650,250
04/01/62	-	-	-	-	-	-	-	-	-	271,500	271,500
	104,029,315	156,369,000	80,892,500	79,047,000	46,058,000	44,879,000	44,817,500	44,887,750	44,962,500	8,755,688	654,698,252

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

2023 Future Bond Issue

Date	Principal	4.75% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/23			-	
10/01/23	-	692,708	692,708	
04/01/24	-	4,156,250	4,156,250	4,848,958
10/01/24	-	4,156,250	4,156,250	-
04/01/25	-	4,156,250	4,156,250	8,312,500
10/01/25	-	4,156,250	4,156,250	-
04/01/26	-	4,156,250	4,156,250	8,312,500
10/01/26	-	4,156,250	4,156,250	-
04/01/27	-	4,156,250	4,156,250	8,312,500
10/01/27	-	4,156,250	4,156,250	-
04/01/28	-	4,156,250	4,156,250	8,312,500
10/01/28	-	4,156,250	4,156,250	-
04/01/29	-	4,156,250	4,156,250	8,312,500
10/01/29	-	4,156,250	4,156,250	-
04/01/30	-	4,156,250	4,156,250	8,312,500
10/01/30	-	4,156,250	4,156,250	-
04/01/31	-	4,156,250	4,156,250	8,312,500
10/01/31	-	4,156,250	4,156,250	-
04/01/32	-	4,156,250	4,156,250	8,312,500
10/01/32	-	4,156,250	4,156,250	-
04/01/33	-	4,156,250	4,156,250	8,312,500
10/01/33	-	4,156,250	4,156,250	-
04/01/34	-	4,156,250	4,156,250	8,312,500
10/01/34	-	4,156,250	4,156,250	-
04/01/35	350,000	4,156,250	4,506,250	8,662,500
10/01/35	-	4,147,938	4,147,938	-
04/01/36	-	4,147,938	4,147,938	8,295,875
10/01/36	-	4,147,938	4,147,938	-
04/01/37	15,000	4,147,938	4,162,938	8,310,875
10/01/37	-	4,147,581	4,147,581	-
04/01/38	420,000	4,147,581	4,567,581	8,715,163
10/01/38	-	4,137,606	4,137,606	-
04/01/39	5,280,000	4,137,606	9,417,606	13,555,213
10/01/39	-	4,012,206	4,012,206	-
04/01/40	4,980,000	4,012,206	8,992,206	13,004,413
10/01/40	-	3,893,931	3,893,931	-
04/01/41	8,355,000	3,893,931	12,248,931	16,142,863
10/01/41	-	3,695,500	3,695,500	-
04/01/42	11,050,000	3,695,500	14,745,500	18,441,000
10/01/42	-	3,433,063	3,433,063	-
04/01/43	10,440,000	3,433,063	13,873,063	17,306,125
10/01/43	-	3,185,113	3,185,113	-
04/01/44	12,340,000	3,185,113	15,525,113	18,710,225
10/01/44	-	2,892,038	2,892,038	-
04/01/45	12,700,000	2,892,038	15,592,038	18,484,075
10/01/45	-	2,590,413	2,590,413	-
04/01/46	13,590,000	2,590,413	16,180,413	18,770,825
10/01/46	-	2,267,650	2,267,650	-
04/01/47	15,365,000	2,267,650	17,632,650	19,900,300
10/01/47	-	1,902,731	1,902,731	-
04/01/48	13,815,000	1,902,731	15,717,731	17,620,463
10/01/48	-	1,574,625	1,574,625	-
04/01/49	12,985,000	1,574,625	14,559,625	16,134,250
10/01/49	-	1,266,231	1,266,231	-
04/01/50	11,175,000	1,266,231	12,441,231	13,707,463
10/01/50	-	1,000,825	1,000,825	-
04/01/51	10,015,000	1,000,825	11,015,825	12,016,650
10/01/51	-	762,969	762,969	-
04/01/52	18,650,000	762,969	19,412,969	20,175,938
10/01/52	-	320,031	320,031	-
04/01/53	13,475,000	320,031	13,795,031	14,115,063
10/01/53	-	-	-	-
04/01/54	-	-	-	-
10/01/54	-	-	-	-
04/01/55	-	-	-	-
10/01/55	-	-	-	-
04/01/56	-	-	-	-
<b>175,000,000</b>	<b>195,043,233</b>	<b>370,043,233</b>	<b>370,043,233</b>	

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

2024 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/24			-	
10/01/24	-	1,937,500	1,937,500	
04/01/25	-	3,875,000	3,875,000	5,812,500
10/01/25	-	3,875,000	3,875,000	-
04/01/26	590,000	3,875,000	4,465,000	8,340,000
10/01/26	-	3,860,250	3,860,250	-
04/01/27	1,530,000	3,860,250	5,390,250	9,250,500
10/01/27	-	3,822,000	3,822,000	-
04/01/28	1,735,000	3,822,000	5,557,000	9,379,000
10/01/28	-	3,778,625	3,778,625	-
04/01/29	1,830,000	3,778,625	5,608,625	9,387,250
10/01/29	-	3,732,875	3,732,875	-
04/01/30	1,840,000	3,732,875	5,572,875	9,305,750
10/01/30	-	3,686,875	3,686,875	-
04/01/31	2,025,000	3,686,875	5,711,875	9,398,750
10/01/31	-	3,636,250	3,636,250	-
04/01/32	2,290,000	3,636,250	5,926,250	9,562,500
10/01/32	-	3,579,000	3,579,000	-
04/01/33	3,000,000	3,579,000	6,579,000	10,158,000
10/01/33	-	3,504,000	3,504,000	-
04/01/34	3,210,000	3,504,000	6,714,000	10,218,000
10/01/34	-	3,423,750	3,423,750	-
04/01/35	4,620,000	3,423,750	8,043,750	11,467,500
10/01/35	-	3,308,250	3,308,250	-
04/01/36	4,700,000	3,308,250	8,008,250	11,316,500
10/01/36	-	3,190,750	3,190,750	-
04/01/37	5,065,000	3,190,750	8,255,750	11,446,500
10/01/37	-	3,064,125	3,064,125	-
04/01/38	5,335,000	3,064,125	8,399,125	11,463,250
10/01/38	-	2,930,750	2,930,750	-
04/01/39	5,375,000	2,930,750	8,305,750	11,236,500
10/01/39	-	2,796,375	2,796,375	-
04/01/40	5,495,000	2,796,375	8,291,375	11,087,750
10/01/40	-	2,659,000	2,659,000	-
04/01/41	5,560,000	2,659,000	8,219,000	10,878,000
10/01/41	-	2,520,000	2,520,000	-
04/01/42	5,525,000	2,520,000	8,045,000	10,565,000
10/01/42	-	2,381,875	2,381,875	-
04/01/43	5,810,000	2,381,875	8,191,875	10,573,750
10/01/43	-	2,236,625	2,236,625	-
04/01/44	5,935,000	2,236,625	8,171,625	10,408,250
10/01/44	-	2,088,250	2,088,250	-
04/01/45	6,175,000	2,088,250	8,263,250	10,351,500
10/01/45	-	1,933,875	1,933,875	-
04/01/46	6,465,000	1,933,875	8,398,875	10,332,750
10/01/46	-	1,772,250	1,772,250	-
04/01/47	6,590,000	1,772,250	8,362,250	10,134,500
10/01/47	-	1,607,500	1,607,500	-
04/01/48	6,750,000	1,607,500	8,357,500	9,965,000
10/01/48	-	1,438,750	1,438,750	-
04/01/49	6,970,000	1,438,750	8,408,750	9,847,500
10/01/49	-	1,264,500	1,264,500	-
04/01/50	7,165,000	1,264,500	8,429,500	9,694,000
10/01/50	-	1,085,375	1,085,375	-
04/01/51	7,150,000	1,085,375	8,235,375	9,320,750
10/01/51	-	906,625	906,625	-
04/01/52	7,025,000	906,625	7,931,625	8,838,250
10/01/52	-	731,000	731,000	-
04/01/53	10,690,000	731,000	11,421,000	12,152,000
10/01/53	-	463,750	463,750	-
04/01/54	18,550,000	463,750	19,013,750	19,477,500
10/01/54	-	-	-	-
04/01/55	-	-	-	-
10/01/55	-	-	-	-
04/01/56	-	-	-	-
10/01/56	-	-	-	-
04/01/57	-	-	-	-
	155,000,000	156,369,000	311,369,000	311,369,000

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

2025 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/25			-	
10/01/25	-	1,000,000	1,000,000	
04/01/26	-	2,000,000	2,000,000	3,000,000
10/01/26	-	2,000,000	2,000,000	-
04/01/27	1,260,000	2,000,000	3,260,000	5,260,000
10/01/27	-	1,968,500	1,968,500	-
04/01/28	1,315,000	1,968,500	3,283,500	5,252,000
10/01/28	-	1,935,625	1,935,625	-
04/01/29	1,375,000	1,935,625	3,310,625	5,246,250
10/01/29	-	1,901,250	1,901,250	-
04/01/30	1,440,000	1,901,250	3,341,250	5,242,500
10/01/30	-	1,865,250	1,865,250	-
04/01/31	1,500,000	1,865,250	3,365,250	5,230,500
10/01/31	-	1,827,750	1,827,750	-
04/01/32	1,555,000	1,827,750	3,382,750	5,210,500
10/01/32	-	1,788,875	1,788,875	-
04/01/33	1,595,000	1,788,875	3,383,875	5,172,750
10/01/33	-	1,749,000	1,749,000	-
04/01/34	1,670,000	1,749,000	3,419,000	5,168,000
10/01/34	-	1,707,250	1,707,250	-
04/01/35	1,680,000	1,707,250	3,387,250	5,094,500
10/01/35	-	1,665,250	1,665,250	-
04/01/36	1,755,000	1,665,250	3,420,250	5,085,500
10/01/36	-	1,621,375	1,621,375	-
04/01/37	1,820,000	1,621,375	3,441,375	5,062,750
10/01/37	-	1,575,875	1,575,875	-
04/01/38	1,900,000	1,575,875	3,475,875	5,051,750
10/01/38	-	1,528,375	1,528,375	-
04/01/39	1,995,000	1,528,375	3,523,375	5,051,750
10/01/39	-	1,478,500	1,478,500	-
04/01/40	2,080,000	1,478,500	3,558,500	5,037,000
10/01/40	-	1,426,500	1,426,500	-
04/01/41	2,180,000	1,426,500	3,606,500	5,033,000
10/01/41	-	1,372,000	1,372,000	-
04/01/42	2,280,000	1,372,000	3,652,000	5,024,000
10/01/42	-	1,315,000	1,315,000	-
04/01/43	2,380,000	1,315,000	3,695,000	5,010,000
10/01/43	-	1,255,500	1,255,500	-
04/01/44	2,495,000	1,255,500	3,750,500	5,006,000
10/01/44	-	1,193,125	1,193,125	-
04/01/45	2,615,000	1,193,125	3,808,125	5,001,250
10/01/45	-	1,127,750	1,127,750	-
04/01/46	2,740,000	1,127,750	3,867,750	4,995,500
10/01/46	-	1,059,250	1,059,250	-
04/01/47	2,870,000	1,059,250	3,929,250	4,988,500
10/01/47	-	987,500	987,500	-
04/01/48	2,995,000	987,500	3,982,500	4,970,000
10/01/48	-	912,625	912,625	-
04/01/49	3,130,000	912,625	4,042,625	4,955,250
10/01/49	-	834,375	834,375	-
04/01/50	3,265,000	834,375	4,099,375	4,933,750
10/01/50	-	752,750	752,750	-
04/01/51	3,410,000	752,750	4,162,750	4,915,500
10/01/51	-	667,500	667,500	-
04/01/52	3,595,000	667,500	4,262,500	4,930,000
10/01/52	-	577,625	577,625	-
04/01/53	3,575,000	577,625	4,152,625	4,730,250
10/01/53	-	488,250	488,250	-
04/01/54	4,985,000	488,250	5,473,250	5,961,500
10/01/54	-	363,625	363,625	-
04/01/55	14,545,000	363,625	14,908,625	15,272,250
10/01/55	-	-	-	-
04/01/56	-	-	-	-
10/01/56	-	-	-	-
04/01/57	-	-	-	-
10/01/57	-	-	-	-
04/01/58	-	-	-	-
	80,000,000	80,892,500	160,892,500	160,892,500

Oklahoma Water Resources Board  
Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
Projected Future Program Cashflows

2026 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/26			-	
10/01/26	-	1,000,000	1,000,000	
04/01/27	-	2,000,000	2,000,000	3,000,000
10/01/27	-	2,000,000	2,000,000	-
04/01/28	1,235,000	2,000,000	3,235,000	5,235,000
10/01/28	-	1,969,125	1,969,125	-
04/01/29	1,290,000	1,969,125	3,259,125	5,228,250
10/01/29	-	1,936,875	1,936,875	-
04/01/30	1,350,000	1,936,875	3,286,875	5,223,750
10/01/30	-	1,903,125	1,903,125	-
04/01/31	1,410,000	1,903,125	3,313,125	5,216,250
10/01/31	-	1,867,875	1,867,875	-
04/01/32	1,480,000	1,867,875	3,347,875	5,215,750
10/01/32	-	1,830,875	1,830,875	-
04/01/33	1,545,000	1,830,875	3,375,875	5,206,750
10/01/33	-	1,792,250	1,792,250	-
04/01/34	1,620,000	1,792,250	3,412,250	5,204,500
10/01/34	-	1,751,750	1,751,750	-
04/01/35	1,700,000	1,751,750	3,451,750	5,203,500
10/01/35	-	1,709,250	1,709,250	-
04/01/36	1,780,000	1,709,250	3,489,250	5,198,500
10/01/36	-	1,664,750	1,664,750	-
04/01/37	1,870,000	1,664,750	3,534,750	5,199,500
10/01/37	-	1,618,000	1,618,000	-
04/01/38	1,965,000	1,618,000	3,583,000	5,201,000
10/01/38	-	1,568,875	1,568,875	-
04/01/39	2,065,000	1,568,875	3,633,875	5,202,750
10/01/39	-	1,517,250	1,517,250	-
04/01/40	2,155,000	1,517,250	3,672,250	5,189,500
10/01/40	-	1,463,375	1,463,375	-
04/01/41	2,255,000	1,463,375	3,718,375	5,181,750
10/01/41	-	1,407,000	1,407,000	-
04/01/42	2,360,000	1,407,000	3,767,000	5,174,000
10/01/42	-	1,348,000	1,348,000	-
04/01/43	2,475,000	1,348,000	3,823,000	5,171,000
10/01/43	-	1,286,125	1,286,125	-
04/01/44	2,590,000	1,286,125	3,876,125	5,162,250
10/01/44	-	1,221,375	1,221,375	-
04/01/45	2,725,000	1,221,375	3,946,375	5,167,750
10/01/45	-	1,153,250	1,153,250	-
04/01/46	2,860,000	1,153,250	4,013,250	5,166,500
10/01/46	-	1,081,750	1,081,750	-
04/01/47	2,995,000	1,081,750	4,076,750	5,158,500
10/01/47	-	1,006,875	1,006,875	-
04/01/48	3,130,000	1,006,875	4,136,875	5,143,750
10/01/48	-	928,625	928,625	-
04/01/49	3,275,000	928,625	4,203,625	5,132,250
10/01/49	-	846,750	846,750	-
04/01/50	3,420,000	846,750	4,266,750	5,113,500
10/01/50	-	761,250	761,250	-
04/01/51	3,550,000	761,250	4,311,250	5,072,500
10/01/51	-	672,500	672,500	-
04/01/52	3,725,000	672,500	4,397,500	5,070,000
10/01/52	-	579,375	579,375	-
04/01/53	3,900,000	579,375	4,479,375	5,058,750
10/01/53	-	481,875	481,875	-
04/01/54	3,980,000	481,875	4,461,875	4,943,750
10/01/54	-	382,375	382,375	-
04/01/55	4,375,000	382,375	4,757,375	5,139,750
10/01/55	-	273,000	273,000	-
04/01/56	10,920,000	273,000	11,193,000	11,466,000
10/01/56	-	-	-	-
04/01/57	-	-	-	-
10/01/57	-	-	-	-
04/01/58	-	-	-	-
10/01/58	-	-	-	-
04/01/59	-	-	-	-
	80,000,000	79,047,000	159,047,000	159,047,000

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

2027 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/27			-	
10/01/27	-	562,500	562,500	
04/01/28	-	1,125,000	1,125,000	1,687,500
10/01/28	-	1,125,000	1,125,000	-
04/01/29	655,000	1,125,000	1,780,000	2,905,000
10/01/29	-	1,108,625	1,108,625	-
04/01/30	685,000	1,108,625	1,793,625	2,902,250
10/01/30	-	1,091,500	1,091,500	-
04/01/31	715,000	1,091,500	1,806,500	2,898,000
10/01/31	-	1,073,625	1,073,625	-
04/01/32	745,000	1,073,625	1,818,625	2,892,250
10/01/32	-	1,055,000	1,055,000	-
04/01/33	780,000	1,055,000	1,835,000	2,890,000
10/01/33	-	1,035,500	1,035,500	-
04/01/34	815,000	1,035,500	1,850,500	2,886,000
10/01/34	-	1,015,125	1,015,125	-
04/01/35	855,000	1,015,125	1,870,125	2,885,250
10/01/35	-	993,750	993,750	-
04/01/36	895,000	993,750	1,888,750	2,882,500
10/01/36	-	971,375	971,375	-
04/01/37	940,000	971,375	1,911,375	2,882,750
10/01/37	-	947,875	947,875	-
04/01/38	985,000	947,875	1,932,875	2,880,750
10/01/38	-	923,250	923,250	-
04/01/39	1,025,000	923,250	1,948,250	2,871,500
10/01/39	-	897,625	897,625	-
04/01/40	1,070,000	897,625	1,967,625	2,865,250
10/01/40	-	870,875	870,875	-
04/01/41	1,125,000	870,875	1,995,875	2,866,750
10/01/41	-	842,750	842,750	-
04/01/42	1,170,000	842,750	2,012,750	2,855,500
10/01/42	-	813,500	813,500	-
04/01/43	1,230,000	813,500	2,043,500	2,857,000
10/01/43	-	782,750	782,750	-
04/01/44	1,290,000	782,750	2,072,750	2,855,500
10/01/44	-	750,500	750,500	-
04/01/45	1,345,000	750,500	2,095,500	2,846,000
10/01/45	-	716,875	716,875	-
04/01/46	1,410,000	716,875	2,126,875	2,843,750
10/01/46	-	681,625	681,625	-
04/01/47	1,475,000	681,625	2,156,625	2,838,250
10/01/47	-	644,750	644,750	-
04/01/48	1,540,000	644,750	2,184,750	2,829,500
10/01/48	-	606,250	606,250	-
04/01/49	1,610,000	606,250	2,216,250	2,822,500
10/01/49	-	566,000	566,000	-
04/01/50	1,680,000	566,000	2,246,000	2,812,000
10/01/50	-	524,000	524,000	-
04/01/51	1,755,000	524,000	2,279,000	2,803,000
10/01/51	-	480,125	480,125	-
04/01/52	1,835,000	480,125	2,315,125	2,795,250
10/01/52	-	434,250	434,250	-
04/01/53	1,915,000	434,250	2,349,250	2,783,500
10/01/53	-	386,375	386,375	-
04/01/54	2,000,000	386,375	2,386,375	2,772,750
10/01/54	-	336,375	336,375	-
04/01/55	2,060,000	336,375	2,396,375	2,732,750
10/01/55	-	284,875	284,875	-
04/01/56	2,390,000	284,875	2,674,875	2,959,750
10/01/56	-	225,125	225,125	-
04/01/57	9,005,000	225,125	9,230,125	9,455,250
10/01/57	-	-	-	-
04/01/58	-	-	-	-
10/01/58	-	-	-	-
04/01/59	-	-	-	-
10/01/59	-	-	-	-
04/01/60	-	-	-	-
	45,000,000	46,058,000	91,058,000	91,058,000

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

2028 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/28			-	
10/01/28	-	562,500	562,500	
04/01/29	-	1,125,000	1,125,000	1,687,500
10/01/29	-	1,125,000	1,125,000	-
04/01/30	685,000	1,125,000	1,810,000	2,935,000
10/01/30	-	1,107,875	1,107,875	-
04/01/31	715,000	1,107,875	1,822,875	2,930,750
10/01/31	-	1,090,000	1,090,000	-
04/01/32	745,000	1,090,000	1,835,000	2,925,000
10/01/32	-	1,071,375	1,071,375	-
04/01/33	780,000	1,071,375	1,851,375	2,922,750
10/01/33	-	1,051,875	1,051,875	-
04/01/34	820,000	1,051,875	1,871,875	2,923,750
10/01/34	-	1,031,375	1,031,375	-
04/01/35	860,000	1,031,375	1,891,375	2,922,750
10/01/35	-	1,009,875	1,009,875	-
04/01/36	895,000	1,009,875	1,904,875	2,914,750
10/01/36	-	987,500	987,500	-
04/01/37	940,000	987,500	1,927,500	2,915,000
10/01/37	-	964,000	964,000	-
04/01/38	990,000	964,000	1,954,000	2,918,000
10/01/38	-	939,250	939,250	-
04/01/39	1,040,000	939,250	1,979,250	2,918,500
10/01/39	-	913,250	913,250	-
04/01/40	1,085,000	913,250	1,998,250	2,911,500
10/01/40	-	886,125	886,125	-
04/01/41	1,135,000	886,125	2,021,125	2,907,250
10/01/41	-	857,750	857,750	-
04/01/42	1,185,000	857,750	2,042,750	2,900,500
10/01/42	-	828,125	828,125	-
04/01/43	1,245,000	828,125	2,073,125	2,901,250
10/01/43	-	797,000	797,000	-
04/01/44	1,305,000	797,000	2,102,000	2,899,000
10/01/44	-	764,375	764,375	-
04/01/45	1,370,000	764,375	2,134,375	2,898,750
10/01/45	-	730,125	730,125	-
04/01/46	1,445,000	730,125	2,175,125	2,905,250
10/01/46	-	694,000	694,000	-
04/01/47	1,510,000	694,000	2,204,000	2,898,000
10/01/47	-	656,250	656,250	-
04/01/48	1,575,000	656,250	2,231,250	2,887,500
10/01/48	-	616,875	616,875	-
04/01/49	1,645,000	616,875	2,261,875	2,878,750
10/01/49	-	575,750	575,750	-
04/01/50	1,720,000	575,750	2,295,750	2,871,500
10/01/50	-	532,750	532,750	-
04/01/51	1,785,000	532,750	2,317,750	2,850,500
10/01/51	-	488,125	488,125	-
04/01/52	1,875,000	488,125	2,363,125	2,851,250
10/01/52	-	441,250	441,250	-
04/01/53	1,955,000	441,250	2,396,250	2,837,500
10/01/53	-	392,375	392,375	-
04/01/54	2,030,000	392,375	2,422,375	2,814,750
10/01/54	-	341,625	341,625	-
04/01/55	2,090,000	341,625	2,431,625	2,773,250
10/01/55	-	289,375	289,375	-
04/01/56	2,145,000	289,375	2,434,375	2,723,750
10/01/56	-	235,750	235,750	-
04/01/57	2,360,000	235,750	2,595,750	2,831,500
10/01/57	-	176,750	176,750	-
04/01/58	7,070,000	176,750	7,246,750	7,423,500
10/01/58	-	-	-	-
04/01/59	-	-	-	-
10/01/59	-	-	-	-
04/01/60	-	-	-	-
10/01/60	-	-	-	-
04/01/61	-	-	-	-
	45,000,000	44,879,000	89,879,000	89,879,000

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

2029 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/29			-	
10/01/29	-	562,500	562,500	
04/01/30	-	1,125,000	1,125,000	1,687,500
10/01/30	-	1,125,000	1,125,000	-
04/01/31	685,000	1,125,000	1,810,000	2,935,000
10/01/31	-	1,107,875	1,107,875	-
04/01/32	715,000	1,107,875	1,822,875	2,930,750
10/01/32	-	1,090,000	1,090,000	-
04/01/33	750,000	1,090,000	1,840,000	2,930,000
10/01/33	-	1,071,250	1,071,250	-
04/01/34	785,000	1,071,250	1,856,250	2,927,500
10/01/34	-	1,051,625	1,051,625	-
04/01/35	820,000	1,051,625	1,871,625	2,923,250
10/01/35	-	1,031,125	1,031,125	-
04/01/36	860,000	1,031,125	1,891,125	2,922,250
10/01/36	-	1,009,625	1,009,625	-
04/01/37	905,000	1,009,625	1,914,625	2,924,250
10/01/37	-	987,000	987,000	-
04/01/38	945,000	987,000	1,932,000	2,919,000
10/01/38	-	963,375	963,375	-
04/01/39	1,000,000	963,375	1,963,375	2,926,750
10/01/39	-	938,375	938,375	-
04/01/40	1,040,000	938,375	1,978,375	2,916,750
10/01/40	-	912,375	912,375	-
04/01/41	1,090,000	912,375	2,002,375	2,914,750
10/01/41	-	885,125	885,125	-
04/01/42	1,140,000	885,125	2,025,125	2,910,250
10/01/42	-	856,625	856,625	-
04/01/43	1,190,000	856,625	2,046,625	2,903,250
10/01/43	-	826,875	826,875	-
04/01/44	1,250,000	826,875	2,076,875	2,903,750
10/01/44	-	795,625	795,625	-
04/01/45	1,310,000	795,625	2,105,625	2,901,250
10/01/45	-	762,875	762,875	-
04/01/46	1,375,000	762,875	2,137,875	2,900,750
10/01/46	-	728,500	728,500	-
04/01/47	1,445,000	728,500	2,173,500	2,902,000
10/01/47	-	692,375	692,375	-
04/01/48	1,510,000	692,375	2,202,375	2,894,750
10/01/48	-	654,625	654,625	-
04/01/49	1,580,000	654,625	2,234,625	2,889,250
10/01/49	-	615,125	615,125	-
04/01/50	1,650,000	615,125	2,265,125	2,880,250
10/01/50	-	573,875	573,875	-
04/01/51	1,710,000	573,875	2,283,875	2,857,750
10/01/51	-	531,125	531,125	-
04/01/52	1,795,000	531,125	2,326,125	2,857,250
10/01/52	-	486,250	486,250	-
04/01/53	1,875,000	486,250	2,361,250	2,847,500
10/01/53	-	439,375	439,375	-
04/01/54	1,950,000	439,375	2,389,375	2,828,750
10/01/54	-	390,625	390,625	-
04/01/55	2,010,000	390,625	2,400,625	2,791,250
10/01/55	-	340,375	340,375	-
04/01/56	2,080,000	340,375	2,420,375	2,760,750
10/01/56	-	288,375	288,375	-
04/01/57	2,160,000	288,375	2,448,375	2,736,750
10/01/57	-	234,375	234,375	-
04/01/58	2,365,000	234,375	2,599,375	2,833,750
10/01/58	-	175,250	175,250	-
04/01/59	7,010,000	175,250	7,185,250	7,360,500
10/01/59	-	-	-	-
04/01/60	-	-	-	-
10/01/60	-	-	-	-
04/01/61	-	-	-	-
10/01/61	-	-	-	-
04/01/62	-	-	-	-
	45,000,000	44,817,500	89,817,500	89,817,500

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

2030 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/30			-	
10/01/30	-	562,500	562,500	
04/01/31	-	1,125,000	1,125,000	1,687,500
10/01/31	-	1,125,000	1,125,000	-
04/01/32	680,000	1,125,000	1,805,000	2,930,000
10/01/32	-	1,108,000	1,108,000	-
04/01/33	710,000	1,108,000	1,818,000	2,926,000
10/01/33	-	1,090,250	1,090,250	-
04/01/34	745,000	1,090,250	1,835,250	2,925,500
10/01/34	-	1,071,625	1,071,625	-
04/01/35	785,000	1,071,625	1,856,625	2,928,250
10/01/35	-	1,052,000	1,052,000	-
04/01/36	820,000	1,052,000	1,872,000	2,924,000
10/01/36	-	1,031,500	1,031,500	-
04/01/37	860,000	1,031,500	1,891,500	2,923,000
10/01/37	-	1,010,000	1,010,000	-
04/01/38	905,000	1,010,000	1,915,000	2,925,000
10/01/38	-	987,375	987,375	-
04/01/39	945,000	987,375	1,932,375	2,919,750
10/01/39	-	963,750	963,750	-
04/01/40	990,000	963,750	1,953,750	2,917,500
10/01/40	-	939,000	939,000	-
04/01/41	1,040,000	939,000	1,979,000	2,918,000
10/01/41	-	913,000	913,000	-
04/01/42	1,080,000	913,000	1,993,000	2,906,000
10/01/42	-	886,000	886,000	-
04/01/43	1,140,000	886,000	2,026,000	2,912,000
10/01/43	-	857,500	857,500	-
04/01/44	1,190,000	857,500	2,047,500	2,905,000
10/01/44	-	827,750	827,750	-
04/01/45	1,250,000	827,750	2,077,750	2,905,500
10/01/45	-	796,500	796,500	-
04/01/46	1,315,000	796,500	2,111,500	2,908,000
10/01/46	-	763,625	763,625	-
04/01/47	1,375,000	763,625	2,138,625	2,902,250
10/01/47	-	729,250	729,250	-
04/01/48	1,435,000	729,250	2,164,250	2,893,500
10/01/48	-	693,375	693,375	-
04/01/49	1,500,000	693,375	2,193,375	2,886,750
10/01/49	-	655,875	655,875	-
04/01/50	1,570,000	655,875	2,225,875	2,881,750
10/01/50	-	616,625	616,625	-
04/01/51	1,635,000	616,625	2,251,625	2,868,250
10/01/51	-	575,750	575,750	-
04/01/52	1,715,000	575,750	2,290,750	2,866,500
10/01/52	-	532,875	532,875	-
04/01/53	1,790,000	532,875	2,322,875	2,855,750
10/01/53	-	488,125	488,125	-
04/01/54	1,860,000	488,125	2,348,125	2,836,250
10/01/54	-	441,625	441,625	-
04/01/55	1,925,000	441,625	2,366,625	2,808,250
10/01/55	-	393,500	393,500	-
04/01/56	1,995,000	393,500	2,388,500	2,782,000
10/01/56	-	343,625	343,625	-
04/01/57	2,080,000	343,625	2,423,625	2,767,250
10/01/57	-	291,625	291,625	-
04/01/58	2,165,000	291,625	2,456,625	2,748,250
10/01/58	-	237,500	237,500	-
04/01/59	2,400,000	237,500	2,637,500	2,875,000
10/01/59	-	177,500	177,500	-
04/01/60	7,100,000	177,500	7,277,500	7,455,000
10/01/60	-	-	-	-
04/01/61	-	-	-	-
10/01/61	-	-	-	-
04/01/62	-	-	-	-
10/01/62	-	-	-	-
04/01/63	-	-	-	-
	45,000,000	44,887,750	89,887,750	89,887,750

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

2031 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/31			-	
10/01/31	-	562,500	562,500	
04/01/32	-	1,125,000	1,125,000	1,687,500
10/01/32	-	1,125,000	1,125,000	-
04/01/33	680,000	1,125,000	1,805,000	2,930,000
10/01/33	-	1,108,000	1,108,000	-
04/01/34	710,000	1,108,000	1,818,000	2,926,000
10/01/34	-	1,090,250	1,090,250	-
04/01/35	740,000	1,090,250	1,830,250	2,920,500
10/01/35	-	1,071,750	1,071,750	-
04/01/36	780,000	1,071,750	1,851,750	2,923,500
10/01/36	-	1,052,250	1,052,250	-
04/01/37	815,000	1,052,250	1,867,250	2,919,500
10/01/37	-	1,031,875	1,031,875	-
04/01/38	855,000	1,031,875	1,886,875	2,918,750
10/01/38	-	1,010,500	1,010,500	-
04/01/39	900,000	1,010,500	1,910,500	2,921,000
10/01/39	-	988,000	988,000	-
04/01/40	940,000	988,000	1,928,000	2,916,000
10/01/40	-	964,500	964,500	-
04/01/41	985,000	964,500	1,949,500	2,914,000
10/01/41	-	939,875	939,875	-
04/01/42	1,035,000	939,875	1,974,875	2,914,750
10/01/42	-	914,000	914,000	-
04/01/43	1,080,000	914,000	1,994,000	2,908,000
10/01/43	-	887,000	887,000	-
04/01/44	1,135,000	887,000	2,022,000	2,909,000
10/01/44	-	858,625	858,625	-
04/01/45	1,190,000	858,625	2,048,625	2,907,250
10/01/45	-	828,875	828,875	-
04/01/46	1,250,000	828,875	2,078,875	2,907,750
10/01/46	-	797,625	797,625	-
04/01/47	1,310,000	797,625	2,107,625	2,905,250
10/01/47	-	764,875	764,875	-
04/01/48	1,370,000	764,875	2,134,875	2,899,750
10/01/48	-	730,625	730,625	-
04/01/49	1,435,000	730,625	2,165,625	2,896,250
10/01/49	-	694,750	694,750	-
04/01/50	1,495,000	694,750	2,189,750	2,884,500
10/01/50	-	657,375	657,375	-
04/01/51	1,560,000	657,375	2,217,375	2,874,750
10/01/51	-	618,375	618,375	-
04/01/52	1,635,000	618,375	2,253,375	2,871,750
10/01/52	-	577,500	577,500	-
04/01/53	1,710,000	577,500	2,287,500	2,865,000
10/01/53	-	534,750	534,750	-
04/01/54	1,785,000	534,750	2,319,750	2,854,500
10/01/54	-	490,125	490,125	-
04/01/55	1,840,000	490,125	2,330,125	2,820,250
10/01/55	-	444,125	444,125	-
04/01/56	1,910,000	444,125	2,354,125	2,798,250
10/01/56	-	396,375	396,375	-
04/01/57	1,995,000	396,375	2,391,375	2,787,750
10/01/57	-	346,500	346,500	-
04/01/58	2,085,000	346,500	2,431,500	2,778,000
10/01/58	-	294,375	294,375	-
04/01/59	2,175,000	294,375	2,469,375	2,763,750
10/01/59	-	240,000	240,000	-
04/01/60	2,415,000	240,000	2,655,000	2,895,000
10/01/60	-	179,625	179,625	-
04/01/61	7,185,000	179,625	7,364,625	7,544,250
10/01/61	-	-	-	-
04/01/62	-	-	-	-
10/01/62	-	-	-	-
04/01/63	-	-	-	-
10/01/63	-	-	-	-
04/01/64	-	-	-	-
	45,000,000	44,962,500	89,962,500	89,962,500

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (September 2022)  
 Projected Future Program Cashflows

2032 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/32			-	
10/01/32		73,813	73,813	
04/01/33	-	147,625	147,625	221,438
10/01/33	-	147,625	147,625	-
04/01/34	-	147,625	147,625	295,250
10/01/34	-	147,625	147,625	-
04/01/35	-	147,625	147,625	295,250
10/01/35	-	147,625	147,625	-
04/01/36	-	147,625	147,625	295,250
10/01/36	-	147,625	147,625	-
04/01/37	-	147,625	147,625	295,250
10/01/37	-	147,625	147,625	-
04/01/38	-	147,625	147,625	295,250
10/01/38	-	147,625	147,625	-
04/01/39	-	147,625	147,625	295,250
10/01/39	-	147,625	147,625	-
04/01/40	-	147,625	147,625	295,250
10/01/40	-	147,625	147,625	-
04/01/41	-	147,625	147,625	295,250
10/01/41	-	147,625	147,625	-
04/01/42	-	147,625	147,625	295,250
10/01/42	-	147,625	147,625	-
04/01/43	-	147,625	147,625	295,250
10/01/43	-	147,625	147,625	-
04/01/44	-	147,625	147,625	295,250
10/01/44	-	147,625	147,625	-
04/01/45	-	147,625	147,625	295,250
10/01/45	-	147,625	147,625	-
04/01/46	-	147,625	147,625	295,250
10/01/46	-	147,625	147,625	-
04/01/47	-	147,625	147,625	295,250
10/01/47	-	147,625	147,625	-
04/01/48	-	147,625	147,625	295,250
10/01/48	-	147,625	147,625	-
04/01/49	-	147,625	147,625	295,250
10/01/49	-	147,625	147,625	-
04/01/50	-	147,625	147,625	295,250
10/01/50	-	147,625	147,625	-
04/01/51	-	147,625	147,625	295,250
10/01/51	-	147,625	147,625	-
04/01/52	-	147,625	147,625	295,250
10/01/52	-	147,625	147,625	-
04/01/53	-	147,625	147,625	295,250
10/01/53	-	147,625	147,625	-
04/01/54	-	147,625	147,625	295,250
10/01/54	-	147,625	147,625	-
04/01/55	-	147,625	147,625	295,250
10/01/55	-	147,625	147,625	-
04/01/56	-	147,625	147,625	295,250
10/01/56	-	147,625	147,625	-
04/01/57	-	147,625	147,625	295,250
10/01/57	-	147,625	147,625	-
04/01/58	-	147,625	147,625	295,250
10/01/58	-	147,625	147,625	-
04/01/59	-	147,625	147,625	295,250
10/01/59	-	147,625	147,625	-
04/01/60	85,000	147,625	232,625	380,250
10/01/60	-	145,500	145,500	-
04/01/61	390,000	145,500	535,500	681,000
10/01/61	-	135,750	135,750	-
04/01/62	5,430,000	135,750	5,565,750	5,701,500
10/01/62	-	-	-	-
04/01/63	-	-	-	-
10/01/63	-	-	-	-
04/01/64	-	-	-	-
10/01/64	-	-	-	-
04/01/65	-	-	-	-
	5,905,000	8,755,688	14,660,688	14,660,688



## **Attachment 4**

# **Oklahoma Drinking Water Treatment Loan Administrative Fund Audit Report For SFY 2022**

State of Oklahoma



**WATER RESOURCES BOARD**  
the water agency

**OKLAHOMA DRINKING WATER TREATMENT LOAN  
ADMINISTRATIVE FUND**

---

**ANNUAL FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021  
AND INDEPENDENT AUDITOR'S REPORTS**

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2022 and 2021**

---

**TABLE OF CONTENTS**

	<b>Page</b>
<b>Independent Auditor’s Report on Financial Statements</b> .....	3-4
<b>Management’s Discussion and Analysis</b> .....	5-9
<b>The Basic Financial Statements</b>	
Statements of Net Position.....	11
Statements of Revenues, Expenses, and Changes in Net Position .....	12
Statements of Cash Flows .....	13
Footnotes to Statements .....	14-17
<b>Internal Control over Financial Reporting and Compliance</b> .....	19-20
Independent Auditor’s Report on Internal Control and Compliance	

## INDEPENDENT AUDITOR'S REPORT

To the Members of the  
Oklahoma Water Resources Board

### **Opinions**

We have audited the accompanying financial statements of the Oklahoma Water Resources Board Oklahoma Drinking Water State Revolving Fund Loan Administrative Fund (the "Fund") as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2022 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

*Arledge & Associates, P.C.*

Edmond, Oklahoma  
September 16, 2022



**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2022 and 2021**

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2022 and 2021**

---

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Oklahoma Drinking Water Treatment Loan Administrative Fund's (the "Fund") financial performance provides an overview of the Fund's financial activities for the fiscal years ended June 30, 2022 and 2021. Please read it in conjunction with the Fund's financial statements, which begin on page 11. The Fund was created to account for the administrative fees and application fees received from loans made out of The Oklahoma Drinking Water State Revolving Fund Program (the "Program"). The Oklahoma Department of Environmental Quality manages the capitalization grant. The Oklahoma Water Resources Board (the "Board") handles certain financial functions including originating, approving and servicing loans made to qualifying recipients as well as maintaining the Fund.

### **Financial Highlights**

- Total operating income increased \$508,872 or 23.82% in FY 2022. During FY 2021, total operating income increased by \$91,516 or 4.48%. Operating revenues come from borrowers paying 0.5% administrative fees on their outstanding loan balance.
- The Fund's net position increased by approximately 27.99% and decreased by 10.25% in FY 2022 and FY 2021, respectively. Ending net position increased from \$7,774,021 in FY 2021 to \$9,950,345 in FY 2022. Ending net position decreased from \$8,662,280 in FY 2020 to \$7,774,021 in FY 2021.

### **Using This Annual Report**

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The Fund is accounted for and presented similar to, but not identical to, a special-purpose government engaged solely in business-type activities.

The financial statements for the Fund are presented after the Management’s Discussion and Analysis in this annual report and then followed by the footnotes in this order:

- Management’s Discussion and Analysis – that provides useful analysis that facilitates a better understanding of the Fund’s financial condition and changes therein.
- Basic Financial Statements
  - Statements of Net Position
  - Statements of Revenues, Expenses and Changes in Net Position
  - Statements of Cash Flows
- Footnotes - that elaborate on the accounting principles used in the preparation of the financial statements and further explain financial statement elements.

### **A Financial Analysis of the Fund**

One of the most frequently asked questions about the Fund’s finances is, “Has the overall financial condition improved, declined or remained steady over the past year?”

(Unaudited. See accompanying auditor’s report.)

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2022 and 2021**

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Fund as a whole and about its activities in a way that helps answer this question. The following tables present a condensed comparative presentation of net position and changes therein.

**Oklahoma Water Resources Board**  
**Drinking Water Treatment Loan Account Administrative Fund**  
**Net Position**

	<b>Business-Type</b>		
	<b>Activities</b>		
	June 30		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 10,131,273	\$ 7,932,352	\$ 8,793,329
Capital assets, net	3,942	6,195	8,448
<b>Total assets</b>	<b>10,135,215</b>	<b>7,938,547</b>	<b>8,801,777</b>
Current liabilities	184,870	164,526	139,497
<b>Total liabilities</b>	<b>184,870</b>	<b>164,526</b>	<b>139,497</b>
Net position			
Investment in capital assets	3,942	6,195	8,448
Unrestricted	9,946,403	7,767,826	8,653,832
<b>Total net position</b>	<b>\$ 9,950,345</b>	<b>\$ 7,774,021</b>	<b>\$ 8,662,280</b>

In FY 2022, the increase in net position is attributable to an increase in administrative fees receivable and an increase in cash related to only transferring a small portion of the state match for the 2021 federal capitalization grant to the DWSRF Loan Fund. The bulk of the state match for the 2021 federal capitalization grant was provided by the 2021 DWSRF Bond Issue.

The decrease in current assets and unrestricted net position in FY 2021 is attributable to a decrease in cash related to the transfer to the DWSRF Loan Fund to provide the state match for the 2020 federal capitalization grant.

(Unaudited. See accompanying auditor's report.)

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2022 and 2021**

**Oklahoma Water Resources Board**  
**Drinking Water Treatment Loan Account Administrative Fund**  
**Revenues, Expenses, and Changes in Net Position**

	<b>Business-Type</b>		
	<b>Activities</b>		
	<b>Years Ended June 30,</b>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>			
Operating revenues	\$ 3,300,749	\$ 2,778,085	\$ 2,701,953
Non-operating revenues	82,388	97,677	173,979
<b>Total revenues</b>	<u>3,383,137</u>	<u>2,875,762</u>	<u>2,875,932</u>
<b>Expenses</b>			
Personnel expense	276,931	233,362	285,684
Indirect cost expense	106,037	79,760	108,365
Other administrative expenses	208,515	287,492	221,131
Trustee fees	46,925	39,154	39,972
Debt issuance cost	14,552	-	-
Depreciation expense	2,253	2,253	2,253
<b>Total expenses</b>	<u>655,213</u>	<u>642,021</u>	<u>657,405</u>
Net income before transfers	2,727,924	2,233,741	2,218,527
Transfers (to) from other programs	<u>(551,600)</u>	<u>(3,122,000)</u>	<u>(3,116,019)</u>
<b>Change in net position</b>	2,176,324	(888,259)	(897,492)
<b>Total net position - beginning</b>	7,774,021	8,662,280	9,559,772
<b>Total net position - ending</b>	<u>\$ 9,950,345</u>	<u>\$ 7,774,021</u>	<u>\$ 8,662,280</u>

Operating revenues increased in FY 2022 due to an increase in program income. The decrease in operating transfers out is attributable to a decrease in the transfer out to the DWSRF Loan Fund to provide the state match requirement for the 2020 federal capitalization grant.

Operating revenues and expense remained relatively the same in FY 2021 as they were in FY 2020.

(Unaudited. See accompanying auditor's report.)

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2022 and 2021**

---

**Capital Assets**

At the end of June 30, 2022, the capital assets net of accumulated depreciation were \$3,942.

**Oklahoma Water Resources Board  
Drinking Water Treatment Loan Account Administrative Fund  
Capital Assets  
(Net of accumulated depreciation)**

	Years Ended June 30,		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Automobile	\$ 3,942	\$ 6,195	\$ 8,848
<b>Totals</b>	<b>\$ 3,942</b>	<b>\$ 6,195</b>	<b>\$ 8,848</b>

During FY 2022 and 2021, the program did not purchase any new capital assets.

See Note 3 to the financial statements for more detailed information on the Fund's capital assets and changes therein.

**Economic Factors and Next Year's Outlook**

The Oklahoma DWSRF has been extremely popular with communities that borrow from the program. No additional staff is planned at this time. No change in the Oklahoma DWSRF financing strategy is anticipated for the next fiscal year.

**Contacting the Fund's Financial Management**

This financial report is designed to provide the Board's accountability of the Fund. If you have questions about this report or need additional financial information, contact the Financial Assistance Division of the Oklahoma Water Resources Board at 3800 N. Classen Blvd, Oklahoma City, OK 73118.

(Unaudited. See accompanying auditor's report.)

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2022 and 2021**

---

**BASIC FINANCIAL STATEMENTS**

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2022 and 2021**

**Statements of Net Position – June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS:</b>		
Current Assets:		
Cash and cash equivalents	\$9,178,320	\$7,104,297
Administrative fee receivable	944,042	821,074
Interest receivable	8,911	6,981
Total current assets	<u>10,131,273</u>	<u>7,932,352</u>
Noncurrent Assets:		
Depreciable capital assets, net	<u>3,942</u>	<u>6,195</u>
Total noncurrent assets	<u>3,942</u>	<u>6,195</u>
Total assets	<u>10,135,215</u>	<u>7,938,547</u>
 <b>LIABILITIES:</b>		
Current Liabilities:		
Accounts payable	<u>184,870</u>	<u>164,526</u>
Total current liabilities	<u>184,870</u>	<u>164,526</u>
 <b>NET POSITION:</b>		
Investment in capital assets	3,942	6,195
Unrestricted	<u>9,946,403</u>	<u>7,767,826</u>
Total net position	<u>\$9,950,345</u>	<u>\$7,774,021</u>

See accompanying notes to the basic financial statements.

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2022 and 2021**

**Statements of Revenues, Expenses and Changes in Net Position – Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Administrative fee income	\$ 3,292,849	\$ 2,774,085
Application fee income	7,900	4,600
Total operating revenues	<u>3,300,749</u>	<u>2,778,685</u>
<b>OPERATING EXPENSES</b>		
Personnel expense	276,931	233,362
Indirect cost expense	106,037	79,760
Other administrative expenses	208,515	287,492
Trustee fees	46,925	39,154
Debt issuance cost	14,552	-
Depreciation expense	2,253	2,253
Total operating expenses	<u>655,213</u>	<u>642,021</u>
<b>OPERATING INCOME</b>	2,645,536	2,136,664
<b>NON-OPERATING REVENUES</b>		
Interest income	<u>82,388</u>	<u>97,077</u>
Total non-operating revenues	<u>82,388</u>	<u>97,077</u>
Net income before transfers	2,727,924	2,233,741
Transfers to Oklahoma Drinking Water State Revolving Fund Loan Program	<u>(551,600)</u>	<u>(3,122,000)</u>
<b>Change in net position</b>	2,176,324	(888,259)
<b>Total net position - beginning</b>	<u>7,774,021</u>	<u>8,662,280</u>
<b>Total net position - ending</b>	<u>\$9,950,345</u>	<u>\$7,774,021</u>

See accompanying notes to the basic financial statements.

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2022 and 2021**

**Statements of Cash Flows – Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Administrative fee income	\$3,169,881	\$2,682,216
Application fee income	7,900	4,600
Payments to employees	(276,931)	(233,362)
Payments to other suppliers	(355,685)	(381,377)
Net Cash Provided by Operating Activities	<u>2,545,165</u>	<u>2,072,077</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers to Oklahoma Drinking Water State Revolving Fund Loan Program	(551,600)	(3,122,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(551,600)</u>	<u>(3,122,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	80,458	104,734
Net Cash Provided by Investing Activities	<u>80,458</u>	<u>104,734</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	2,074,023	(945,189)
<b>Balances - beginning of the year</b>	<u>7,104,297</u>	<u>8,049,486</u>
<b>Balances - end of the year</b>	<u>\$9,178,320</u>	<u>\$7,104,297</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$2,645,536	\$2,136,064
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,253	2,253
Other income	-	600
Change in assets and liabilities:		
Decrease (Increase) in administration fee receivable	(122,968)	(91,869)
Increase (Decrease) in other accrued liabilities	20,344	25,029
Net Cash Provided by Operating Activities	<u>\$2,545,165</u>	<u>\$2,072,077</u>

See accompanying notes to the basic financial statements.

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2022 and 2021**

---

**Footnotes to the Basic Financial Statements:**

**1. Summary of Significant Accounting Policies**

Reporting Entity

The Oklahoma Drinking Water Treatment Revolving Loan Account (the "Program"), Title 82 Oklahoma Statutes, Sections 1085.71 et seq. was created pursuant to the 1996 Amendments (P.L. 104-182) to the Federal Safe Drinking Water Act set apart from all other Oklahoma Water Resources Board accounts and programs to be permanent and perpetual; not subject to fiscal year limitations. Title 82, Section 1085.84 created the Oklahoma Drinking Water Treatment Loan Administrative Fund (the "Fund") for the purpose of administering the Program, transferring monies into the Program and for other purposes authorized by the Federal Safe Drinking Water Act. The Fund consists of revenues primarily from loan administrative fees, Fund investment earnings, and loan application processing fees.

Administrative fees are assessed on loans made from the Program. Fees are assessed to each participating municipality at the rate of one-half of one percent (0.5%) per annum of the amount of each municipality's loan balance outstanding.

The significant accounting principles and practices followed by the Fund are presented below:

Basis of Accounting and Measurement Focus

The Fund is accounted for and presented similar to, but not identical to, a special-purpose government engaged solely in business type activities.

The Fund uses the accrual basis of accounting whereby expenses are recognized when the liability is incurred and revenues are recognized when earned.

The Fund uses the economic resources measurement focus where all assets, liabilities, net position, revenues, expenses and transfers relating to the Program and net income and capital maintenance are measured.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB").

Cash and Cash Equivalents

The Fund considers all highly liquid debt instruments purchased with an original maturity of three months or less and money market funds to be cash equivalents.

Capital Assets

Capital assets are stated at cost, less accumulated depreciation. Depreciation is charged to operating expense and is computed using the straight-line method. The useful life of the software and printer has been estimated at 7 years. The useful life of automobiles has been estimated at 6 years. Maintenance and repairs are charged to operations when incurred and improvements are capitalized. The Fund's policy is to capitalize purchases in excess of \$5,000. When assets are retired or otherwise

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2022 and 2021**

---

**1. Summary of Significant Accounting Policies (cont'd)**

disposed of, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is reflected in operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through September 16, 2022, the date the financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

**2. Cash Deposits and Investment Risk**

Cash of \$9,178,165 and \$7,104,292 at June 30, 2022 and 2021, respectively, was on deposit in the State Treasurer's office's internal investment pool – *OK Invest*. Short-term investments of \$155 and \$5 at June 30, 2022 and 2021, respectively, were on deposit with the Program's trustee. The deposits are invested in *Federated Hermes Treasury Obligations* money market mutual funds.

Custodial credit risk for deposits is the risk that in the event of a bank or other institution failure, the Fund's deposits may not be returned or the Fund will not be able to recover collateral securities in the possession of an outside party. The Fund deposits its funds with the Office of the State Treasurer (OST). Oklahoma statutes require OST to ensure that all state funds either be insured by Federal Deposit Insurance, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The Fund's deposits with the State Treasurer are pooled with the funds of other State agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the Treasurer may determine, in the State's name.

Of the \$9,178,165 and \$7,104,292 in cash and cash equivalents on deposit with the State Treasurer as of June 30, 2022 and June 30, 2021, respectively, 100%, represent amounts held within OK INVEST. Agencies and funds that are considered to be part of the State's reporting entity in the State's Annual Comprehensive Financial Report are allowed to participate in OK INVEST. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the day to day OK INVEST management with an emphasis on safety of the capital and the probable income to be derived and meeting the State's daily cash flow requirements. Guidelines in the State Treasurer's Investment Policy address credit quality requirements, diversification percentages and the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer's website at <http://www.ok.gov/treasurer/>. An evaluation of the use and purpose of the Funds participation in the internal investment pool determined that the amounts on deposit with OK INVEST are considered demand accounts and reported as cash equivalents.

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2022 and 2021**

**2. Cash Deposits and Investment Risk (cont'd)**

The Program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2022 and 2021, the Program's investments in obligations not directly guaranteed by the U.S. Government and investments in money market mutual funds were valued according to the following hierarchy and were rates as follows:

- OK Invest (State Treasurer) – not subject to credit ratings or fair value hierarchy
- Federated Hermes Treasury Obligation – credit rating AAAM and fair value hierarchy of Level I

**3. Capital Assets**

A summary of equipment activity follows:

	Beginning Balance July 1, 2021	Additions	Deletions	Ending Balance June 30, 2022
Other capital assets:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	34,061	-	-	34,061
Total other capital assets, historical cost	<u>\$ 149,217</u>	<u>-</u>	<u>-</u>	<u>\$ 149,217</u>
Less: accumulated depreciation for:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	27,866	2,253	-	30,119
Total accumulated depreciation	<u>\$ 143,022</u>	<u>2,253</u>	<u>-</u>	<u>\$ 145,275</u>
Other capital assets, net	<u>\$ 6,195</u>	<u>(2,253)</u>	<u>-</u>	<u>\$ 3,942</u>
	Beginning Balance July 1, 2020	Additions	Deletions	Ending Balance June 30, 2021
Other capital assets:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	34,061	-	-	34,061
Total other capital assets, historical cost	<u>\$ 149,217</u>	<u>-</u>	<u>-</u>	<u>\$ 149,217</u>
Less: accumulated depreciation for:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	25,613	2,253	-	27,866
Total accumulated depreciation	<u>\$ 140,769</u>	<u>2,253</u>	<u>-</u>	<u>\$ 143,022</u>
Other capital assets, net	<u>\$ 8,448</u>	<u>(2,253)</u>	<u>-</u>	<u>\$ 6,195</u>

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2022 and 2021**

---

**4. Indirect Costs**

Indirect costs represent recoverable personnel costs charged to the Program by the Fund in connection with administering and accounting for activities of the Program. The amount allocated to the Program is based on a percentage of the Fund personnel costs as established in an indirect cost allocation plan. The indirect cost rate for the year ended June 30, 2022 and 2021 were 68.77% and 66.24%, respectively.

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2022 and 2021**

---

**INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the  
Oklahoma Water Resources Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Oklahoma Water Resources Board Oklahoma Drinking Water State Revolving Loan Administrative Fund ("the Fund") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements, and have issued our report thereon dated September 16, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

---

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Arlidge & Associates, P.C.*

Edmond, Oklahoma  
September 16, 2022





## **Attachment 5**

### **SFY 2022 Financial Statements for the DWSRF Program**

**OKLAHOMA DEPARTMENT OF  
ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER  
STATE REVOLVING FUND  
LOAN PROGRAM**

**FINANCIAL STATEMENTS  
AS OF  
JUNE 30, 2022 AND 2021  
AND INDEPENDENT AUDITOR'S REPORT**

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEARS ENDED June 30, 2022 and 2021

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
FINANCIAL STATEMENTS:	
Statements of Net Position	5
Statements of Revenues, Expenses and Changes in Net Position	6
Statements of Cash Flows	7
Notes to Financial Statements	8
SUPPLEMENTAL SCHEDULE INFORMATION	
Supplemental Combining Statement of Net Position Information- By Program Component	24
Supplemental Combining Statement of Revenues, Expenses and Changes in Net Position Information- By Program Component	25
Supplemental Combining Statement of Cash Flows Information- By Program Component	26

## INDEPENDENT AUDITOR'S REPORT

To the Members of the  
Oklahoma Department of Environmental Quality  
Oklahoma Drinking Water State Revolving Fund Loan Program

### **Opinions**

We have audited the accompanying financial statements of the Oklahoma Department of Environmental Quality/Oklahoma Drinking Water State Revolving Fund Loan Account Program (the "Program") as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of June 30, 2022 and 2021, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Program's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2022 on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

*Arledge & Associates, P.C.*

Edmond, Oklahoma  
September 19, 2022



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **(Unaudited)**

Our discussion and analysis of the Oklahoma Drinking Water State Revolving Fund Program's (the "Program") financial performance provides an overview of the Program's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Program's financial statements, which begin on page 5. The Oklahoma Department of Environmental Quality ("ODEQ") administers the Program. ODEQ's primary activities include providing direct assistance and managing the coordination of the Program to meet the objectives of the Safe Drinking Water Act. Pursuant to an interagency agreement between ODEQ and the Oklahoma Water Resources Board (the "OWRB"), OWRB handles certain financial functions including originating, approving and servicing loans made to qualifying recipients.

#### **FINANCIAL HIGHLIGHTS**

- The Program's net position increased by over 2.8% from \$314,835,651 in FY-2021 to \$323,767,946 in FY-2022. The increase in net position is primarily attributable to an increase in federal grant revenue retained to fund loans.
- The Program experienced a increase of \$79,812,401 in the amount of outstanding loans. At June 30, 2022, the Program had 160 outstanding loans with a principal balance of \$662,905,990. At June 30, 2021, the Program had 152 outstanding loans with a principal balance of \$583,093,589.

#### **PROGRAM HIGHLIGHTS**

- During FY 2022, nineteen (19) construction loans, totaling approximately \$269.9 million were made to correct deficiencies and achieve compliance with the national primary drinking water regulations or otherwise further public health protection objectives of the Safe Drinking Water Act (SWDA).
- During FY 2022, we completed construction during the year on nine (9) projects totaling \$25 million.
- During FY 2022, we made binding commitments for twenty (20) new loans, totaling approximately \$270.4 million, in drinking water construction for communities to correct problems and achieve compliance with the SWDA.

## ECONOMIC FACTORS AND NEXT YEAR'S OUTLOOK

The Oklahoma DWSRF has been extremely popular with communities that borrow from the program. The Program's financing strategy of providing long-term loans at 70% of market rate has been consistent for many years. No additional staff is planned at this time. The Program is expected to increase assets as well as operating income as more loans are approved and eligible draws are made from the federal capitalization grants and the bond issue.

## CONTACTING THE PROGRAM'S FINANCIAL MANAGEMENT

This financial report is designed to provide the DEQ's accountability of the Program. If you have questions about this report or need additional financial information, contact the Administrative Services Division of the Oklahoma Department of Environmental Quality at 707 North Robinson, Oklahoma City, OK 73101.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**STATEMENTS OF NET POSITION  
June 30, 2022 and 2021**

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash	\$ 103,941,575	\$ 58,834,616
Federal letter of credit payments receivable	585,743	499,502
Accrued interest on loans receivable	3,860,038	3,530,646
Other interest receivable	147,451	116,157
Loans receivable	31,939,759	26,524,265
Total current assets	<u>140,474,566</u>	<u>89,505,186</u>
Noncurrent Assets:		
Restricted cash	78,736,915	7,317,404
Restricted investments	13,047,856	16,358,334
Loans receivable, net of current portion and allowance for uncollectible loans of \$20,383 for 2022 and \$22,788 in 2021	630,966,231	556,569,324
Equipment, net	619,995	436,922
Total noncurrent assets	<u>723,370,997</u>	<u>580,681,984</u>
 Total assets	 <u>863,845,563</u>	 <u>670,187,170</u>
 <u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	230,119	22,274
Due to Oklahoma Department of of Environmental Quality ("ODEQ")	990,930	918,907
Compensated absences	176,161	124,499
Interest payable	4,475,933	3,120,076
Current maturities of long-term debt	16,410,000	17,370,000
Total current liabilities	<u>22,283,143</u>	<u>21,555,756</u>
Noncurrent Liabilities:		
Compensated absences	75,497	53,357
Long-term debt, net of current maturities	449,795,000	290,215,000
Unamortized (discount)/premium	61,487,210	36,764,727
Total noncurrent liabilities	<u>511,357,707</u>	<u>327,033,084</u>
 Total liabilities	 <u>533,640,850</u>	 <u>348,588,840</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Unamortized (gain/loss) on refunding	6,436,767	6,762,679
 <u>NET POSITION</u>		
Invested in capital assets, net of related debt	619,995	436,922
Restricted for loans and debt service	324,034,915	315,018,264
Unrestricted net position	(886,964)	(619,535)
 Total net position	 <u>\$ 323,767,946</u>	 <u>\$ 314,835,651</u>

See accompanying notes and independent auditors report.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Operating revenues:		
Federal grants	\$ 4,666,993	\$ 4,635,464
Loan program income	<u>13,200,445</u>	<u>12,077,696</u>
Total operating revenue	<u>17,867,438</u>	<u>16,713,160</u>
<b>EXPENSES</b>		
Operating expenses:		
Salaries and benefits	2,693,492	2,722,516
Professional services	910,631	829,439
Travel	83,631	54,711
Office	161,840	79,889
Equipment	2,935	4,757
Depreciation	205,234	150,866
Hardware-Software	-	-
Indirect costs	622,559	709,175
Other expense	71,027	35,185
Interest expense	12,532,189	9,910,925
Bad debt expense	-	22,788
Debt issuance costs	<u>1,131,427</u>	<u>643,822</u>
Total operating expenses	<u>18,414,965</u>	<u>15,164,073</u>
Operating income (loss)	<u>(547,527)</u>	<u>1,549,087</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Federal grants	12,898,931	9,805,181
Federal grants-principal forgiveness	(5,159,150)	(2,156,291)
Gain on Refunding	1,792,672	-
Loss on Investments	(707,475)	-
Investment income	137,370	166,725
Interest income-invested cash balances	<u>726,512</u>	<u>762,434</u>
Net nonoperating revenues	<u>9,688,860</u>	<u>8,578,049</u>
Income (loss) before transfers	9,141,333	10,127,136
Transfers out - Oklahoma Water Resources Board	(760,638)	-
Transfers in - Drinking Water Treatment Loan Admin Fund	<u>551,600</u>	<u>3,122,000</u>
Total Transfers	<u>(209,038)</u>	<u>3,122,000</u>
Increase (decrease) in net position	8,932,295	13,249,136
<b>NET POSITION</b>		
Net position, beginning of year	<u>314,835,651</u>	<u>301,586,515</u>
Net position, end of year	<u>\$ 323,767,946</u>	<u>\$ 314,835,651</u>

See accompanying notes and independent auditors report.

**OKLAHOMA DEPARTMENT OF ENVIROMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Federal grant receipts	\$ 4,930,421	\$ 3,801,939
Collection of interest on loans to local governmental units	12,891,891	11,723,841
Payments to employees	(2,619,690)	(2,756,098)
Payments to suppliers	(1,922,424)	(1,009,949)
Interest paid on debt	(15,269,586)	(11,311,659)
Net cash provided (used by operating activities)	<u>(1,989,388)</u>	<u>448,074</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITES</b>		
Proceeds from bond issuance	228,543,273	108,270,470
Bond defeasance costs	(20,600,000)	-
Bond issuance cost	(1,131,427)	(643,822)
Principal paid on bonds	(19,780,000)	(16,705,000)
Federal grant receipts	7,739,781	7,648,890
Transfers in (out) - Oklahoma Water Resources Board	(760,638)	-
Transfers in (out) - Drinking Water Treatment Loan Administrative Fund	551,600	3,122,000
Net cash provided (used) by noncapital financing activities	<u>194,562,589</u>	<u>101,692,538</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES</b>		
Purchase of equipment	(388,307)	(35,892)
Net cash provided (used) in capital and related financing activities	<u>(388,307)</u>	<u>(35,892)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITES</b>		
Loans to local governmental units	(142,545,098)	(102,108,795)
Collection of principal on loans to local governmental units	57,553,164	26,449,580
Collection of principal on loans to local governmental units from federal grant proceeds	5,159,150	2,156,291
Interest on investments	137,370	166,725
Interest on invested cash balances	726,512	762,434
Sale (Purchase) of investments	3,310,478	2,845,246
Net cash provided (used) by investing activities	<u>(75,658,424)</u>	<u>(69,728,519)</u>
Net increase (decrease in cash)	116,526,470	32,376,201
Cash and cash equivalents, beginning of year	66,152,020	33,775,819
Cash and cash equivalents, end of year	<u>\$ 182,678,490</u>	<u>\$ 66,152,020</u>
Reconciliation to Statement of Net Position:		
Cash	\$ 103,941,575	\$ 58,834,616
Restricted Cash	78,736,915	7,317,404
Total cash and cash equivalents	<u>\$ 182,678,490</u>	<u>\$ 66,152,020</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (547,527)	\$ 1,549,087
Adjustment to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation	205,234	150,866
Amortization of bond premium	(3,028,118)	(1,750,027)
Deferred amount on refunding	(325,912)	(325,912)
Loss on investment	(707,475)	-
Debt issuance cost	1,131,427	643,822
Provision (recovery) for uncollectable loans	20,383	22,788
Changes in operating assets and liabilities:		
Decrease (Increase) in letter of credit payments receivable	(149,032)	(833,525)
Decrease (Increase) in interest receivable	(360,686)	(353,855)
Increase (Decrease) in accounts payable	203,797	(29,596)
Increase (Decrease) in letter of credit payments payable	(11,522)	(77,180)
Increase(Decrease) in due to/from DEQ	150,386	809,982
Increase(Decrease) in compensated absences	73,800	(33,581)
Increase(Decrease) in interest payable	1,355,857	675,205
Net cash provided (used) by operating activities	<u>\$ (1,989,388)</u>	<u>\$ 448,074</u>

See accompanying notes and independent auditors report.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Oklahoma Department of Environmental Quality/Oklahoma Drinking Water State Revolving Fund Loan Program (the "Program") was created pursuant to the Federal Safe Drinking Water Act Amendments of 1995 (the "Act"), Section 1452, to provide a perpetual fund for financing the construction of drinking water treatment facilities for municipalities and other entities. The program utilizes Federal Capitalization grants, required State matching funds equal to 20% of federal funds received, and interest income for drinking water loan assistance. Standard loans made by the Program must be repaid within 30 years from construction completion. All repayments, including interest and principal, must remain in the fund.

The Program consists of two program components: 1) set-aside funds and 2) loan fund. The set-aside funds are administered by the Oklahoma Department of Environmental Quality ("ODEQ"). ODEQ's primary activities include providing direct assistance and managing the coordination of the Program to meet its primary objective pursuant to the Act. The loan fund is administered by the Oklahoma Water Resources Board ("OWRB") pursuant to an interagency agreement between ODEQ and OWRB. The OWRB handles certain financial functions, including the originating, approving and servicing loans made to qualifying recipients.

Basis of Accounting and Measurement Focus

The Program prepares its financial statements in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB"). The Program is accounted for and presented similar to a special-purpose government engaged solely in business type activities.

The financial statements of the Program are prepared under the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred. The Program uses the economic resources measurement focus where all assets, liabilities, net position, revenues, expenses and transfers relating to the Program and net income and capital maintenance are measured.

Federal Letter of Credit Payments

Funding from Federal grants is provided through a Federal letter of credit ("LOC"). The Program records revenue as qualifying expenditures are made or as expenses are incurred, as appropriate. Availability of funds under the LOC is specified by the terms of the grant. The Program draws on the available funds as necessary to fund operations and selected loans.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Federal Grants

Federal grants are recognized as operating revenue upon payment of allowable grant expenditures eligible for reimbursement from the EPA and not covered by state matching or program income.

Cash and Cash Equivalents

The Program considers all highly liquid debt instruments purchased with an original maturity of three months or less and money market funds to be cash equivalents.

Restricted Cash

Restricted cash represents the portion of the Program's cash balance at year-end that has been obligated for known future expenditures, such as loans, which have been approved and are complete as to all application requirements. The restricted portion fluctuates as obligated funds are used or as funds are de-obligated.

Restricted Investments

Restricted investments at June 30, 2022 represents a portion of the Series 2013B Revenue Bonds as well as the residual investment amounts related to the Series 2003 Revenue Bonds remaining after the retirement of the Series 2003 Revenue bonds during FY-2016. The amount has been set-aside into a Debt Service Reserve Fund. The Debt Service Reserve fund portion of restricted investments totals \$13,047,856 and \$16,358,334 at June 30, 2022 and June 30, 2021, respectively (See Note 5).

Equipment

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The useful life of software has been estimated at 3 years. The useful life of computers has been estimated at 3 to 5 years. The useful life of equipment has been estimated at 5 years. The useful life of furniture has been estimated at 9 years. The Program's policy is to capitalize individual asset purchases in excess of \$5,000.

Debt Issuance Costs

Debt issuance costs are expensed as incurred.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Bond Issue Premium

The Program's State Revolving Fund Revenue Bonds Series 2021, Series 2020, Series 2018, and Series 2016 were initially sold at a premium of \$76,316,271. The bond premium is being amortized over the remaining life of the bonds. Net amortization expense of \$1,750,027 and \$4,820,790 was recorded in 2022 and 2021, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

Loan Administration Fees

Loan administrative fees are assessed to each participating borrower by the OWRB at the rate of one-half of one percent per annum of the amount of each borrower's loan balance outstanding. Fees paid by the participating borrowers are remitted directly to OWRB and, therefore, are not included in the accompanying Program financial statements. These fees are deposited into the Drinking Water Loan Administration Fund, an account held outside the Program. The activity within this fund for the years ended June 30, 2022 and 2021 was as follows:

Balance, July 1, 2021	\$ <u>7,774,022</u>	Balance, July 1, 2020	\$ <u>8,662,279</u>
Fee income	3,099,310	Fee income	2,739,915
Interest income	90,288	Interest income	101,679
Operating expenses	(461,674)	Operating expenses	(607,850)
Transfers	<u>(551,600)</u>	Transfers	<u>(3,122,001)</u>
Balance, June 30, 2022	\$ <u><u>9,950,346</u></u>	Balance, June 30, 2021	\$ <u><u>7,774,022</u></u>

Unrestricted Net Liability

The unrestricted net liability at June 30, 2022 and 2021, is attributed to the accrual for compensated absences for financial reporting purposes in advance of reimbursement of such costs under the Program's federal funding arrangements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

**2. CASH DEPOSITS AND INVESTMENT RISK**

Cash of \$103,941,575 and \$58,834,616 at June 30, 2022 and 2021 respectively, was on deposit in the State Treasurer's office's internal investment pool – *OK Invest*. Restricted cash of \$78,736,915 and \$7,317,404 at June 30, 2022 and 2021 respectively, was on deposit with the Program's trustee. Amounts on deposit with the Program's trustee bank are invested in the *Federated Treasury Obligations, Federated Government Obligation, Goldman Sachs Financial Square Treasury Obligations and the Goldman Sachs Financial Square Federal Funds* money market mutual funds.

Custodial credit risk for deposits is the risk that in the event of a bank or other institution failure, the Program's deposits may not be returned or the Program will not be able to recover collateral securities in the possession of an outside party. The Program deposits its funds with the Office of the State Treasurer (OST). Oklahoma statutes require OST to ensure that all state funds either be insured by Federal Deposit Insurance, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The Program's deposits with the State Treasurer are pooled with the funds of other State agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the Treasurer may determine, in the State's name.

Of the \$103,941,575 and \$58,834,616 in cash and cash equivalents on deposit with the State Treasurer as of June 30, 2022 and June 30, 2021, 100% represent amounts held within OK INVEST, an internal investment pool. Agencies and funds that are considered to be part of the State's reporting entity in the State's Comprehensive Annual Financial Report are allowed to participate in OK INVEST. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the day-to-day OK INVEST management with an emphasis on safety of the capital and the probable income to be derived and meeting the State's daily cash flow requirements. Guidelines in the State Treasurer's Investment Policy address credit quality requirements, diversification percentages and the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer's website at <http://www.ok.gov/treasurer/>. An evaluation of the use and purpose of the Program's participation in the internal investment pool determined that the amounts on deposit with OK INVEST are considered demand deposits and are reported as cash equivalents.

*Investment Interest Rate Risk* – the Program does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates as it relates to funds not directly associated with bond issue proceeds

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

**2. CASH DEPOSITS AND INVESTMENT RISK (Cont'd)**

*Investment Credit Risk- Non-Debt Proceeds* – for non-debt proceeds, the Program has no investment policy that limits its investment choices other than the limitation of state law imposed on the State Treasurer as follows:

- a. U.S. Treasury Bills, Notes and Bonds and U.S. Government Agency Securities with certain ratings and maturity limitations.
- b. Collateralized or insured certificates of deposit and other evidences of deposit issued by a bank, savings bank, savings and loan association or credit union located in the state.
- c. With certain ratings and maturity limitations, negotiable certificates of deposit, bankers' acceptances and commercial paper.
- d. Obligations of state and local governments, including obligations of Oklahoma state public trusts, with certain ratings and maturity limitations.
- e. Collateralized repurchase agreements tri-party repurchase agreements.
- f. Money market mutual funds and short-term bond funds regulated by the Securities and Exchange Commission (SEC) and in which investments consist of obligations of the U.S. Government and its agencies and instrumentalities and repurchase agreements collateralized by obligations of the U.S. Government and its agencies and instrumentalities.

*Investment Credit Risk - Debt Proceeds* – for debt proceeds, the bond indenture provides for restrictions on the investment choices of the Program as follows:

- a. Obligations of the United States Government, its agencies and instrumentalities.
- b. Collateralized or insured certificates of deposit and other evidences of deposit at banks, savings banks, savings and loan associations or credit unions located in the State of Oklahoma.
- c. Money market funds regulated by the Securities and Exchange Commission and which investments consist of those items specified in (a) and (b) above.
- d. Investment agreements with entities maintaining a rating in the top two categories by a nationally recognized municipal bond rating agency.

The program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021**

**2. CASH DEPOSITS AND INVESTMENT RISK (Cont'd)**

At June 30, 2022 and 2021, the Program's investments in obligations not directly guaranteed by the U.S. Government and investments in money market mutual funds were valued according to the following hierarchy and were rated as follows:

Type	Maturities	Credit Rating	Fair Value Hierarchy	Carrying Value	
				2022	2021
OK Invest	On Demand	Not Rated	N/A	\$ 103,941,575	\$ 58,834,616
Federated Government Obligation Fund	16 days	AAA <sub>m</sub>	Level 1	73,770,315	5,353,822
Goldman Sach Fin. Sq. Treasury Oblig. Fund	16 days	AAA <sub>m</sub>	Level 1	4,966,599	1,963,582
Federal Farm Credit Bank	2022/2025	AA+	Level 2	2,020,903	2,837,628
Federal Home Loan Bank	2023	AA+	Level 2	654,043	694,239
Federal Loan Mortgage Corp. Int. Strips	2025	AA+	Level 2	2,688,969	2,848,034
Federal National Mortgage Assoc. Int. Strips	2022	AA+	Level 2	-	21,970
Tennessee Valley Authority	2021	AA+	Level 2	-	-
Tennessee Valley Authority Coupon Strips	2022/2025	AA+	Level 2	7,683,941	9,956,462
Sub-total				\$ 195,726,345	\$ 82,510,353
U.S. Treasury Notes	2020			-	-
				\$ 195,726,345	\$ 82,510,353
Reconciliation to Statement of Net Position					
				\$ 103,941,575	\$ 58,834,616
				78,736,915	7,317,404
				13,047,856	16,358,334
				\$ 195,726,346	\$ 82,510,353

*Concentration of Investment Credit Risk* – neither the Program nor the bond indenture place any limit on the amount the Program may invest in any one issuer. The Program has the following concentration of credit risk at June 30, 2022: 40% or \$78,736,915 is invested in government obligations money market mutual funds, 7% or \$13,047,856 is invested directly in fixed income securities, and 53% or \$103,941,575 is invested in OK Invest. A "pooled cash" concept is used by ODEQ in maintaining cash and equivalents for the Program's Set Aside accounts. Under this method, cash and equivalents are pooled and each ODEQ program has equity in the pooled amount. There were no pooled cash overdrafts included in Due to ODEQ in the current year.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021**

**3. FEDERAL LETTERS OF CREDIT**

Federal letters of credit ("LOC") balances at June 30, 2022 and 2021 are as follows:

	Year Ended June 30, 2022					
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	Totals
LOC Available for draw	\$ 12,579,912	\$ 25,912,777	\$ 5,367,702	\$ 31,376,768	\$ 272,577,841	\$ 347,815,000
Grant available in 2022	623,800	1,559,600	311,920	2,339,400	10,761,240	15,595,960
LOC reprogrammed	-	-	-	-	-	-
Cumulative cash draws	12,770,107	26,397,731	5,416,496	31,806,305	275,766,423	352,157,062
LOC balance available for draw at June 30, 2022	\$ 433,605	\$ 1,074,646	\$ 263,126	\$ 1,909,863	\$ 7,572,658	\$ 11,253,898

	Year Ended June 30, 2021					
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	Totals
LOC Available for draw	\$ 11,955,912	\$ 24,352,777	\$ 5,055,702	\$ 29,036,768	\$ 261,813,841	\$ 332,215,000
Grant available in 2021	624,000	1,560,000	312,000	2,340,000	10,764,000	15,600,000
LOC reprogrammed	-	-	-	-	-	-
Cumulative cash draws	12,173,906	24,902,768	5,128,219	29,604,994	262,867,491	334,677,378
LOC balance available for draw at June 30, 2021	\$ 406,006	\$ 1,010,009	\$ 239,483	\$ 1,771,774	\$ 9,710,350	\$ 13,137,622

Due to the fact that the grants cover a period of more than 8 quarters, not all of the balances presented above are available for immediate drawdown.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

**4. LOANS RECEIVABLE**

The Program originates loans with Oklahoma municipalities and other entities for financing the construction of drinking water treatment facilities which are payable in semiannual installments at subsidized rates. Funded projects of the Program must meet established eligibility requirements. Effective interest rates on the outstanding loans vary from 0% to 3.50% at June 30, 2022 and from 0% to 3.50% at June 30, 2021.

At least 14% of the 2021 annual federal grant must be used for principal forgiveness for projects meeting health-based issues, regionalization, or consolidation criteria. For the period ending June 30, 2022, the Program made 8 loans to a borrower in this category.

At least 6% up to a maximum of 35% of the 2021 federal grant must be used for principal forgiveness for project meeting disadvantaged criteria. For the period ending June 30, 2022, the program made 15 loans to a borrower in this category.

In November 2021, DEQ Amended the SFY 2022 DWSRF Intended Use Plan (IUP) to increase the amount of subsidy available to systems in a plan to commit the remaining subsidy funds from previous capitalization grants. Each system that closed a loan during the second half of SFY 2022 was eligible for subsidy funds. For the period ending June 30, 2022, the program made 10 loans to a borrower in this category.

The Program also provides for extended loan terms to borrowers meeting the “disadvantaged” criteria. Loan terms can be extended to up to thirty years and not to exceed the useful life of the proposed project. For the periods ending June 30, 2022 and 2021, the Program made 6 and 8 loans, respectively, under the “disadvantaged” criteria.

Loans are collateralized by various revenue sources including, but not limited to, user charges and sales taxes collected by the borrowers. Principal payments must start within one year of construction completion or at an earlier date set in the loan agreement. Loan terms are available up to a maximum of twenty years, except for loans qualifying under the “disadvantaged” criteria for which the maximum term is thirty years. During the years ended June 30, 2022 and 2021, principal payments of \$62,732,697 and \$28,628,659, respectively, had been received.

The allowance for loan losses at June 30, 2022 of 0,383 is based upon management's evaluation of the collectability of the loans. The evaluation takes into consideration such factors as size of the individual loans, overall quality, current economic conditions and trends that may affect the borrowers' ability to pay.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021**

**4. LOANS RECEIVABLE (Cont'd)**

Loans receivable activity from July 1, 2020 to June 30, 2022, is as follows:

Balance, June 30, 2020	\$ 509,613,453
Loan Disbursements	102,108,795
Loan Principal repayments and forgiveness	<u>(28,628,659)</u>
	73,480,136
Change in provision for uncollectable loans	<u>-</u>
Balance, June 30, 2021	\$ <u>583,093,589</u>
Loan Disbursements	142,545,098
Loan Principal repayments and forgiveness	<u>(62,732,697)</u>
	79,812,401
Change in provision for uncollectable loans	<u>-</u>
Balance, June 30, 2022	\$ <u>662,905,990</u>

**5. RESTRICTED INVESTMENTS**

A description of the restricted investments held at June 30, 2022 and 2021, is as follows:

<u>Type</u>	<u>2022</u>	<u>2021</u>
Federal Farm Credit Bank	\$ 2,020,903	\$ 2,837,629
Federal Home Loan Bank	654,043	694,239
Federal Loan Mortgage Corp. Int. Strips	2,688,969	2,848,034
Federal National Mortgage Assoc. Int. Strips	-	21,970
Tennessee Valley Authority Coupon Strips	7,683,941	9,956,462
	<u>\$ 13,047,856</u>	<u>\$ 16,358,334</u>

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

**6. BINDING COMMITMENTS**

The OWRB, pursuant to an interagency agreement entered into between ODEQ and OWRB, approves funding of various loan applications through the Program. These binding commitments will be funded by the Program provided that a loan agreement and promissory note are executed within one year from the date of original approval unless an extension is granted by the OWRB. Binding commitments approved by the OWRB for which a loan agreement and promissory note have not been executed totaled \$0 and \$0 at June 30, 2022 and 2021, respectively.

**7. EQUIPMENT**

A summary of changes to equipment is as follows:

	Year ended 2022			
	June 30, 2021	Additions	Disposals	June 30, 2022
Equipment	\$ 1,812,981	388,307	-	\$ 2,201,288
Accumulated depreciation	(1,376,059)	(205,234)	-	(1,581,293)
Net	\$ 436,922	183,073	-	\$ 619,995

	Year ended 2021			
	June 30, 2020	Additions	Disposals	June 30, 2021
Equipment	\$ 1,777,089	35,892	-	\$ 1,812,981
Accumulated depreciation	(1,225,193)	(150,866)	-	(1,376,059)
Net	\$ 551,896	(114,974)	-	\$ 436,922

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

**8. LONG-TERM DEBT**

Bonds Payable

On December 22, 2021, the Program issued State Revolving Fund Revenue Bonds, Series 2021, in the amount of \$199,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements in order to obtain Federal grants. The Program used \$24,581,196 of the proceeds together with other money to advance refund \$23,985,000 of outstanding principal of the 2013A Drinking Water State Revolving Fund bonds. The proceeds along with other available funds were placed in escrow to refund the bonds on December 14, 2021. As a result, the 2013A Series bonds are considered defeased and the liability for that bond has been removed from the Statement of Net Position. The remaining proceeds from the issue were used to issue debt from the OWRB's Drinking Water Loan Program.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,792,672. This difference, reported in the accompanying financial statements as a deferred inflow, is being charged to operations through the year 2043 using the straight line method. The Board completed the advance refunding to reduce its total debt service payments over the next twenty two years by \$1,065,459 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$7,473,559 for the DW Program.

On October 22, 2020, the Program issued State Revolving Fund Revenue Bonds, Series 2020 in the amount of \$95,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements in order to obtain Federal grants.

On December 19, 2019 the Program issued State Revolving Fund Refunding Bonds, Series 2019 in the amount of \$154,420,000. A portion of the bonds, \$28,210,000, were issued together with certain other available moneys and investments to refund the \$48,545,000 of the State Revolving Fund Revenue Bonds, Series 2011A and \$36,890,000 of the State Revolving Fund Revenue Bonds, Series 2012B, and to pay the cost of issuance of the bonds. The remaining portion of the issue was used to refund bonds in the OWRB Clean Water Loan Program.

On March 22, 2018, the Program issued State Revolving Fund Revenue Bonds, Series 2018 in the amount of \$80,055,000. The bonds are secured by the loans made to the local entities by the

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements in order to obtain Federal grants.

On October 19, 2016, the Program issued State Revolving Fund Revenue Bonds, Series 2016 in the amount of \$90,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements in order to obtain Federal grants.

On September 19, 2013, the Program issued State Revolving Fund Revenue Bonds, Series 2013A in the amount of \$41,410,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements in order to obtain Federal grants. These bonds were defeased in December 2021.

On September 19, 2013, the Program issued State Revolving Fund Revenue Bonds, Series 2013B in the amount of \$35,505,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide funds, together with certain other available moneys and investments, to retire the Program's Series 2003 Revenue Bonds, and to fund a debt service reserve fund

On June 12, 2012, the Program issued State Revolving Fund Revenue Bonds, Series 2012A in the amount of \$49,395,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems and to enable the Program to meet the State matching requirements in order to obtain Federal grants. The Bonds were refunded in December 2019 with the issuance of Series 2019, State Revolving Fund Revenue Refunding Bonds.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

On April 13, 2011, the Program issued State Revolving Fund Revenue Bonds, Series 2011 in the amount of \$57,910,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems and to enable the Program to meet the State matching requirements in order to obtain Federal grants. The Bonds were refunded in December 2019 with the issuance of Series 2019, State Revolving Fund Revenue Refunding Bonds.

Future debt service payments required by the Program's serial bonds as of June 30, 2022 are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 16,410,000	\$ 17,894,945	\$ 34,304,945
2024	20,525,000	17,129,868	37,654,868
2025	22,715,000	16,117,774	38,832,774
2026	19,800,000	15,047,438	34,847,438
2027	18,825,000	14,186,789	33,011,789
2028-2032	102,730,000	57,168,912	159,898,912
2033-2037	102,265,000	35,641,870	137,906,870
2034-2042	78,145,000	21,854,223	99,999,223
2043-2048	57,250,000	16,184,463	73,434,463
2049-2051	27,540,000	2,677,750	30,217,750
Total	\$ <u>466,205,000</u>	\$ <u>213,904,032</u>	\$ <u>680,109,032</u>

In addition to their normal scheduled maturity dates as shown above, the bonds may also be redeemed at the option of the Board, in whole or part, as such dates and for such prices, plus accrued interest as are set forth in the bond indenture.

In order for the interest on the Program's Series 2021, 2020, 2018, and 2016 bonds to be tax-exempt, the Board must comply with certain provisions of the Internal Revenue Code, as amended. One provision requires that the arbitrage earnings (defined as the excess of the amount earned on all nonpurpose investments over the amount which would have been earned if the nonpurpose investments were invested at a rate equal to the note/bond yield) be rebated to the Internal Revenue Service. This rebate is payable at the end of each five years during the term of the issues. Management has estimated the arbitrage rebate liability at June 30, 2022 to be immaterial for the Series 2021, 2020, 2018, and 2016 bonds.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021**

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

Changes in long-term debt outstanding at June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Beginning Balance:		
Series 2020 bonds due April 1, 2021 to April 1, 2040, interest at 2.00% to 5.00%	\$ 93,110,000	\$ 95,000,000
Serial 2019 bonds due April 1, 2020 to April 1, 2042, interest at 1.73% to 3.17%	28,210,000	28,210,000
Serial 2018 bonds due April 1, 2020 to April 1, 2038, interest at 3.38% to 5.00%	69,455,000	75,910,000
Serial 2016 bonds due April 1, 2020 to April 1, 2041, interest at 4.00% to 5.00%	86,500,000	87,500,000
Serial 2013B bonds due April 1, 2020 to April 1, 2025, interest at 2.71% to 4.12%	6,325,000	10,425,000
Series 2013A Bonds due April 1, 2020, to April 1, 2043, interest at 4.00% to 5.00%	23,985,000	27,245,000
Unamortized premium	36,764,727	38,045,680
	<u>\$ 344,349,727</u>	<u>\$ 362,335,680</u>
Add: Serial 2021 bonds due April 1, 2022 to April 1, 2051, interest at 1.75% to 5.00%	199,000,000	-
Add: bond premium from series 2021 issuance	29,543,273	-
Less: debt principal repayments	(19,780,000)	(16,705,000)
Less: bond defeasance	(20,600,000)	-
Less: current amortization of premium	(4,820,790)	(1,280,953)
Ending Balances:	<u>\$ 527,692,210</u>	<u>\$ 344,349,727</u>
Amounts due in one year	<u>\$ 16,410,000</u>	<u>\$ 17,370,000</u>

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

9. COMMITMENTS AND CONTINGENCIES

The Program is exposed to various risks of loss related to torts, thefts of assets, efforts and omissions, injuries to employees while performing Program business, or acts of God. The Program maintains insurance through the State of Oklahoma Risk Management Division, which is included in the indirect costs charged to the Program. There have not been any claims against the Program since its inception in 1998.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 19, 2022, the date on which the financial statements were available to be issued.

\*\*\*\*

**OKLAHOMA DEPARTMENT OF  
ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER  
STATE REVOLVING FUND  
LOAN PROGRAM**

**SUPPLMENTAL SCHEDULE INFORMATION**

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

SUPPLEMENT COMBINING STATEMENT OF NET POSITION INFORMATION - BY PROGRAM COMPONENT  
June 30, 2022

	Set Aside Funds					Loan Fund	Totals
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs			
<b>ASSETS</b>							
Current Assets:							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,941,575	\$ 103,941,575
Federal letter of credit payments receivable	-	1,529,980	-	-	-	-	1,529,980
Due from Oklahoma Department of Environmental Quality ("ODEQ")	13,547	-	766,141	236,067	-	-	1,015,755
Accrued interest on loans receivable	-	-	-	-	3,860,038	3,860,038	3,860,038
Other interest receivable	-	-	-	-	147,451	147,451	147,451
Loans receivable	-	-	-	-	31,939,759	31,939,759	31,939,759
Total current assets	13,547	1,529,980	766,141	236,067	139,888,823	142,434,558	
Noncurrent Assets:							
Restricted cash	-	-	-	-	78,736,915	78,736,915	78,736,915
Restricted investments	-	-	-	-	13,047,856	13,047,856	13,047,856
Loans receivable, net of current portion and allowance for uncollectible loans of \$20,383 for 2022 and \$22,788 in 2021	-	-	-	-	630,966,231	630,966,231	630,966,231
Equipment, net	-	501,028	-	118,967	-	619,995	619,995
Total noncurrent assets	-	501,028	-	118,967	722,751,002	723,370,997	723,370,997
Total assets	13,547	2,031,008	766,141	355,034	862,639,825	865,805,555	
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts payable	2,024	35,309	-	192,786	-	230,119	230,119
Federal letter of credit payments payable	11,522	-	766,142	166,573	-	944,237	944,237
Due to Oklahoma Department of Environmental Quality ("ODEQ")	-	2,006,685	-	-	-	2,006,685	2,006,685
Compensated absences	22,142	58,008	21,209	74,802	-	176,161	176,161
Interest payable	-	-	-	-	4,475,933	4,475,933	4,475,933
Current maturities of long-term debt	-	-	-	-	16,410,000	16,410,000	16,410,000
Total current liabilities	35,688	2,100,002	787,351	434,161	20,885,933	24,243,135	24,243,135
Noncurrent Liabilities:							
Compensated absences	9,490	24,860	9,089	32,058	-	75,497	75,497
Long-term debt, net of current maturities	-	-	-	-	449,795,000	449,795,000	449,795,000
Unamortized (discount)/premium	-	-	-	-	61,487,210	61,487,210	61,487,210
Total noncurrent liabilities	9,490	24,860	9,089	32,058	511,282,210	511,357,707	511,357,707
Total liabilities	45,178	2,124,862	796,440	466,219	532,168,143	535,600,842	535,600,842
<b>DEFERRED INFLOW OF RESOURCES</b>							
Unamortized (gain/loss) on refunding	-	-	-	-	6,436,767	6,436,767	6,436,767
<b>NET POSITION</b>							
Invested in capital assets, net of related debt	-	501,028	-	118,967	-	619,995	619,995
Restricted for loans and debt service	-	-	-	-	324,034,915	324,034,915	324,034,915
Unrestricted net position	(31,631)	(594,882)	(30,299)	(230,152)	-	(886,964)	(886,964)
Total net position	\$ (31,631)	\$ (93,854)	\$ (30,299)	\$ (111,185)	\$ 324,034,915	\$ 323,767,946	\$ 323,767,946

See accompanying notes to the financial statements

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

SUPPLEMENTAL COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN  
NET POSITION INFORMATION - BY PROGRAM COMPONENT  
For the Year Ended June 30, 2022

	Set Aside Funds					Totals
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	
<b>REVENUES</b>						
Operating revenues:						
Federal grants	\$ 558,897	\$ 1,257,317	\$ 288,572	\$ 2,562,207	\$ -	\$ 4,666,993
Loan program income	-	-	-	-	13,200,445	13,200,445
Total operating revenue	<u>558,897</u>	<u>1,257,317</u>	<u>288,572</u>	<u>2,562,207</u>	<u>13,200,445</u>	<u>17,867,438</u>
<b>EXPENSES</b>						
Operating expenses:						
Salaries and benefits	276,240	863,566	238,006	1,315,680	-	2,693,492
Professional services	219,627	6,649	-	684,355	-	910,631
Travel	533	8,072	6,025	69,001	-	83,631
Office	-	92,583	-	69,257	-	161,840
Equipment	-	2,935	-	-	-	2,935
Depreciation	-	98,077	-	107,157	-	205,234
Indirect costs	65,855	196,723	54,539	305,442	-	622,559
Other expense	252	24,152	237	46,386	-	71,027
Interest expense	-	-	-	-	12,532,189	12,532,189
Debt issuance costs	-	-	-	-	1,131,427	1,131,427
Total operating expenses	<u>562,507</u>	<u>1,292,757</u>	<u>298,807</u>	<u>2,597,278</u>	<u>13,663,616</u>	<u>18,414,965</u>
Operating income (loss)	<u>(3,610)</u>	<u>(35,440)</u>	<u>(10,235)</u>	<u>(35,071)</u>	<u>(463,171)</u>	<u>(547,527)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Federal grants	-	-	-	-	12,898,931	12,898,931
Federal grants-principal forgiveness	-	-	-	-	(5,159,150)	(5,159,150)
Gain on Refunding	-	-	-	-	1,792,672	1,792,672
Loss on Investments	-	-	-	-	(707,475)	(707,475)
Investment income	-	-	-	-	137,370	137,370
Interest income-invested cash balances	-	-	-	-	726,512	726,512
Net nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,688,860</u>	<u>9,688,860</u>
Income (loss) before transfers	<u>(3,610)</u>	<u>(35,440)</u>	<u>(10,235)</u>	<u>(35,071)</u>	<u>9,225,689</u>	<u>9,141,333</u>
Transfers out - Oklahoma Water Resources Board	-	-	-	-	(760,638)	(760,638)
Transfers in - Drinking Water Treatment Loan Admin Fund	-	-	-	-	551,600	551,600
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(209,038)</u>	<u>(209,038)</u>
Increase (decrease) in net position	<u>(3,610)</u>	<u>(35,440)</u>	<u>(10,235)</u>	<u>(35,071)</u>	<u>9,016,651</u>	<u>8,932,295</u>
<b>NET POSITION</b>						
Net position, beginning of year	<u>(28,021)</u>	<u>(58,414)</u>	<u>(20,064)</u>	<u>(76,114)</u>	<u>315,018,264</u>	<u>314,835,651</u>
Net position, end of year	<u>\$ (31,631)</u>	<u>\$ (93,854)</u>	<u>\$ (30,299)</u>	<u>\$ (111,185)</u>	<u>\$ 324,034,915</u>	<u>\$ 323,767,946</u>

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

STATEMENTS OF CASH FLOWS - BY PROGRAM COMPONENT  
For the Year Ended June 30, 2022

	Set Aside Funds					Totals
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Federal grant receipts	\$ 584,679	\$ 1,494,963	\$ 288,572	\$ 2,562,207	\$ -	\$ 4,930,421
Collection of interest on loans to local governmental units	-	-	-	-	12,891,891	12,891,891
Payments to employees	(272,629)	(834,356)	(227,771)	(1,284,934)	-	(2,619,690)
Payments to suppliers	(312,050)	(279,350)	(60,801)	(1,270,223)	-	(1,922,424)
Interest paid on debt	-	-	-	-	(15,269,586)	(15,269,586)
Net cash provided (used by operating activities)	-	381,257	-	7,050	(2,377,695)	(1,989,388)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Proceeds from bond issuance	-	-	-	-	228,543,273	228,543,273
Proceeds from refunding of bonds	-	-	-	-	(20,600,000)	(20,600,000)
Bond Issuance Cost	-	-	-	-	(1,131,427)	(1,131,427)
Principal paid on bonds	-	-	-	-	(19,780,000)	(19,780,000)
Federal grant receipts	-	-	-	-	7,739,781	7,739,781
Transfers in (out) - Drinking Water Treatment Loan Administrative Fund	-	-	-	-	551,600	551,600
Net cash provided (used) by noncapital financing activities	-	-	-	-	194,562,589	194,562,589
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of equipment	-	(381,257)	-	(7,050)	-	(388,307)
Net cash provided (used) in capital and related financing activities	-	(381,257)	-	(7,050)	-	(388,307)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Loans to local governmental units	-	-	-	-	(142,545,098)	(142,545,098)
Collection of principal on loans to local governmental units	-	-	-	-	57,553,164	57,553,164
Collection of principal on loans to local governmental units from federal grant proceeds	-	-	-	-	5,159,150	5,159,150
Interest on investments	-	-	-	-	137,370	137,370
Interest on invested cash balances	-	-	-	-	726,512	726,512
Sale (Purchase) of investments	-	-	-	-	3,310,478	3,310,478
Net cash provided (used) by investing activities	-	-	-	-	(75,658,424)	(75,658,424)
Net increase (decrease in cash)	-	-	-	-	116,526,470	116,526,470
Cash and cash equivalents, beginning of year	-	-	-	-	66,152,020	66,152,020
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ -	\$ 182,678,490	\$ 182,678,490
Reconciliation to Statement of Net Position:						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 103,941,575	\$ 103,941,575
Restricted Cash	-	-	-	-	78,736,915	78,736,915
Total cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 182,678,490	\$ 182,678,490
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (3,610)	\$ (35,440)	\$ (10,235)	\$ (35,071)	\$ (463,171)	\$ (547,527)
Adjustment to reconcile net operating income (loss) to net cash provided by operating activities:						
Depreciation	-	98,077	-	107,157	-	205,234
Amortization of bond premium	-	-	-	-	(3,028,118)	(3,028,118)
Amortization of gain from refunding	-	-	-	-	(325,912)	(325,912)
Loss on Investment	-	-	-	-	(707,475)	(707,475)
Debt issuance cost	-	-	-	-	1,131,427	1,131,427
Provision (recovery) for uncollectable loans	-	-	-	-	20,383	20,383
Changes in operating assets and liabilities:						
Decrease (Increase) in letter of credit payments receivable	(25,782)	237,646	-	(360,896)	-	(149,032)
Decrease (Increase) in interest receivable	-	-	-	-	(360,686)	(360,686)
Increase (Decrease) in accounts payable	(2,024)	27,258	-	178,563	-	203,797
Increase (Decrease) in letter of credit payments payable	(11,522)	-	-	-	-	(11,522)
Increase(Decrease) in due to/from DEQ	39,329	24,506	-	86,551	-	150,386
Increase(Decrease) in compensated absences	3,609	29,210	10,235	30,746	-	73,800
Increase(Decrease) in interest payable	-	-	-	-	1,355,857	1,355,857
Net cash provided (used) by operating activities	\$ -	\$ 381,257	\$ -	\$ 7,050	\$ (2,377,695)	\$ (1,989,388)



## **Attachment 6**

# **Capacity Development Annual Report for SFY 2022**

---

# Oklahoma Department of Environmental Quality

---

Capacity Development Program  
Annual Progress Report to EPA  
State Fiscal Year 2022

---



**OKLAHOMA**  
Environmental  
Quality

September 30, 2022

## 1. Introduction

With the Safe Drinking Water Act (SDWA) Amendments of 1996, Congress put in place a variety of initiatives designed to assist public water systems in providing safe drinking water and complying with the terms of the Act. One of these was the capacity development (CD) initiative, established with the intent of focusing on those systems most in need of assistance, primarily small systems serving populations of 3,300 or less. CD is the process by which the State of Oklahoma assures that drinking water systems acquire and maintain the *technical, managerial, and financial* (TMF) capabilities to successfully operate.

All states are currently implementing state-specific CD programs tailored to meet water system needs. As required in Section 1420 of the Safe Drinking Water Act Amendments of 1996, the Oklahoma Department of Environmental Quality (DEQ) must submit an annual report of CD activities to the United States Environmental Protection Agency (EPA). This report reflects the efficacy of the State's CD Strategy by detailing improvements in the TMF capabilities of the State's public water systems. The annual CD progress report is available on DEQ's website, at <https://www.deq.ok.gov/water-quality-division/public-water-supply/capacity-development/>.

A *public water system* (PWS) is defined by the SDWA as a system that provides water via piping or other constructed conveyances for human consumption to at least 15 service connections or serves an average of at least 25 people for at least 60 days each year.

There are three types of PWSs:

1. Community Water Supplies (CWS) such as towns and rural water districts;
2. Non-transient non-community (NTNC) systems such as schools or factories; and
3. Non-community (NC) systems such as rest stops or parks.

The 1,334 PWSs in Oklahoma are characterized as follows:

### *Classification*

- 900 community water systems;
- 77 non-transient non-community water systems;
- 357 non-community water systems;

### *Types of Primary Source*

- 178 surface water;
- 719 groundwater;
- 7 groundwater under the direct influence of surface water;
- 346 purchase from surface water;
- 76 purchase from groundwater systems; and
- 8 purchase from groundwater under the direct influence of surface water systems.

DEQ has the statutory authority to ensure that all water supply systems will have adequate TMF capabilities prior to their construction in Oklahoma. For new systems, these capabilities are assessed via two DEQ regulatory directives. The first directive derives from Oklahoma Administrative Code (OAC) 252-626: Public Water Supply Construction Standards [<https://www.deq.ok.gov/asd/rules-and-regulations/attachment/626/>], which states that a PWS must receive a "Permit-to-Construct" from DEQ prior to initiating construction. The other directive requires all operators of a PWS to be licensed by DEQ, according to OAC 252:710: Waterworks and Wastewater Works Operator Certification Regulations [<https://www.deq.ok.gov/asd/rules-and-regulations/attachment/710/>].

## 2. Enforcement and Compliance Mechanisms

DEQ's CD program relies on the success of its enforcement and compliance programs. These two programs are partially funded through the Drinking Water State Revolving Fund (DWSRF) 10% State Program Management Set-Aside and 15% Local Assistance and Other State Programs Set-Aside. Funding information is detailed in DEQ's *Final Intended Use Plan, Drinking Water State Revolving Fund, State Fiscal Year 2022*. Note that Oklahoma's state fiscal year is from July 1 to June 30.

DEQ maintains a strong enforcement program. Systems with violations of SDWA requirements or with state PWS rule violations are referred to DEQ enforcement staff for analysis of the causes behind the violations and for correction. When it is determined that enforcement is needed, there are three main legal tools available to the agency to bring about compliance: Notices of Violation, Consent Orders, and Administrative Compliance Orders. Boil Orders, while not official enforcement actions, also play a role in protecting public health.

A **Notice of Violation** (NOV) is the first formal enforcement document issued to facilities upon failure to comply with SDWA or state PWS rules or regulations. NOVs address matters such as maximum contaminant level (MCL) violations, monitoring failures, improper operating procedures, or construction deficiencies. NOVs have short deadlines for compliance, typically between fourteen (14) and thirty (30) days from the date the water system receives the document.

If it is determined that a system is not likely to regain compliance by a NOV's deadline, the DEQ PWS District Engineer (DE) prepares a **Consent Order** (CO). A CO is a mutual agreement between DEQ and the affected system that cites the system's responsibilities, establishes a longer deadline for returning to compliance (with milestones and deadlines for major steps towards compliance), and specifies fines that may be levied against the system as a result of non-compliance.

An **Administrative Compliance Order** (ACO) is issued when time is limited and there is a significant health hazard, or when a water system refuses to agree to the terms of a CO. In an ACO, DEQ determines what tasks need to be completed and sets deadlines for the completion of these tasks. Both the CO and the ACO include stipulated penalties for failing to meet the required deadlines.

**Boil Orders**, while not enforcement actions themselves, are an additional tool used by DEQ to protect public health. These orders are issued to systems that have acute health risks or *E. coli* bacteriological violations. Boil Orders require immediate notification be made to all consumers informing them of how to protect themselves.

In calendar year 2021, DEQ issued 2,948 enforcement actions, which consisted of:

- 2,704 informal enforcement letters;
- 240 NOVs and COs;
- 0 Administrative Compliance Orders; and
- 4 Boil Orders.

A total of 1,318 systems were returned to compliance during calendar year 2021 (some systems returned to compliance more than once).

### 3. Capacity Development Program Section

The Capacity Development Section (CDS) implements the CD strategy in Oklahoma. The CDS is responsible for fostering the relationship among the various DEQ drinking water programs and between DEQ and other state agencies and organizations that are involved with supporting and assisting public water supplies. The CDS coordinates with the Oklahoma Water Resources Board (OWRB), Oklahoma Rural Water Association (ORWA), Communities Unlimited (CU), Southwest Environmental Finance Center (SWEFC), Oklahoma Municipal League (OML) and other agencies and organizations that provide TMF training and assistance to water systems. This ensures that open lines of communication exist between the entities and promotes cooperative and complementary efforts towards achieving water system sustainability. The overall goal is maintaining coordinated efforts towards increasing PWS TMF capabilities.

Table 1 lists the tools currently in use in Oklahoma to assess and enhance TMF capabilities.

**Table 1: Oklahoma’s Capacity Development Tools.**

<b>Tool</b>	<b><i>Technical</i></b>	<b><i>Managerial</i></b>	<b><i>Financial</i></b>
Construction Permitting	X		
PWS Enforcement	X	X	
Operator Certification	X	X	
SWAP	X	X	
AWOP	X	X	X
DWSRF	X	X	X
CD TMF Assessments	X	X	X
Sanitary Surveys	X		
Asset Management Training	X	X	X
Regionalization	X	X	X
FACT		X	X
Rate Studies			X
Water Loss Auditing	X	X	X

### 4. Water Quality Efforts and Participation

#### Regionalization and Consolidation

DEQ continued efforts to identify new and existing water systems that may benefit from **regionalization and/or consolidation** into larger water systems in SFY 2022. Systems were considered for regionalization/consolidation that:

- Have source water capacity limitations (drought),
- Are undergoing DEQ enforcement proceedings,
- Are considering giving away, selling, or abandoning the system, or
- Have expressed interest in regionalization or consolidation.

Creating combined distribution systems can enhance public health by providing all systems in the combined system with water that is more thoroughly tested and often more plentiful and reliable than they were able to produce on their own. While there were no regionalization or consolidation of PWSs in SFY 2022, DEQ continues to seek out small water supplies that are struggling with compliance and help them consider regionalization and/or consolidation, if appropriate for their situations.

### **Funding Agency Coordinating Team**

The ***Funding Agency Coordinating Team (FACT)***, hosted by ORWA, is comprised of the following state and federal agencies and organizations:

- DEQ;
- Oklahoma Department of Commerce;
- OWRB;
- Indian Health Service;
- U.S. Department of Agriculture – Rural Development;
- Oklahoma Association of Regional Councils;
- CU;
- EPA;
- Bureau of Reclamation;
- Cherokee Nation; and
- Chickasaw Nation.

FACT meets quarterly to discuss the status of Oklahoma community water supplies identified in DEQ's enforcement list and to coordinate water and wastewater project funding. Before each meeting, invitations are extended to a few water and/or wastewater systems from across the state that are contending with severe problems and have the greatest *financial* need. Guests are invited for the purpose of helping them identify the best source of project funding as efficiently and effectively as possible.

With every public financing agency present at FACT, communication barriers are reduced and application processes are streamlined, resulting in rapid assistance. FACT provides a single uniform method for requesting funding and regulatory approvals, and it offers guides, checklists, and forms that are accepted by all FACT-participating agencies. DEQ has been a member of FACT since its inception in the early 1990s and has been instrumental in crafting an organization that helps to correct some of Oklahoma's most difficult to solve public water supply issues. The CDS is an important member of FACT and serves by offering TMF assistance to invited systems.

The assistance provided by FACT has been universally praised by invited water systems, which provide feedback by voluntarily completing a brief survey immediately following the FACT meeting and a follow-up survey a few months later. Survey responses are used to fine-tune the assistance provided by FACT and help plan the direction of subsequent FACT meetings.

## 5. Water Quality Programs

The ***Construction Permitting Program*** assures technical adequacy by reviewing water system engineering reports as well as construction plans and specifications. This technical review helps determine the sufficiency of the sourcewater and the water system infrastructure.

The ***PWS Enforcement Program*** also helps assure the technical capabilities of water systems by providing technical assistance and training to water systems on operations, maintenance, regulations, security, and more. Managerial capabilities are also addressed by providing training to water system managers.

The ***Operator Certification Program*** is charged with training and licensing persons working in water and wastewater facilities in the State. Programmatic oversight helps to ensure that operators have adequate *technical* training to properly treat and monitor drinking water supplied to the public. Also, with oversight from the DEQ Operator Certification section, ORWA provides study material and training for operators for all classifications of water facilities as well as *managerial* training for system managers and board members. The examinations for operators are administered by the ORWA by means of a DEQ contract, and during SFY 2022, 957 individual water operator exams and 171 water laboratory operator exams were given. Also, during SFY 2022, four public water supply systems were issued NOV's for not having an appropriately licensed operator. If operator license issues arise, DEQ makes these systems aware of training and testing opportunities that are available to them at little or no charge so that the water system is easily able to quickly rectify the issue.

In addition to the training offered by ORWA, training is available in classroom settings (taught by DEQ and other certified instructors/agencies) and via the internet several times during the year. Online classes and exams for operators and other environmental professionals are available at any place with an internet connection, which has included presentations over Asset Management presented by one of the members of the CD Staff.

The ***Source Water Assessment Program (SWAP)*** was designed in accordance with the SDWA Amendments which require development and implementation of a SWAP to analyze existing and potential threats facing the public drinking water sources throughout the state. DEQ developed this program utilizing EPA's Source Water Assessment and Protection Programs Guidance.

SWAP includes the following:

- Delineation of the Source Water Protection Area,
- Inventory of the Potential Sources of Contamination,
- Determination of susceptibility of the water to contamination from the inventoried sources, and
- Release of the results of the assessment to the public.

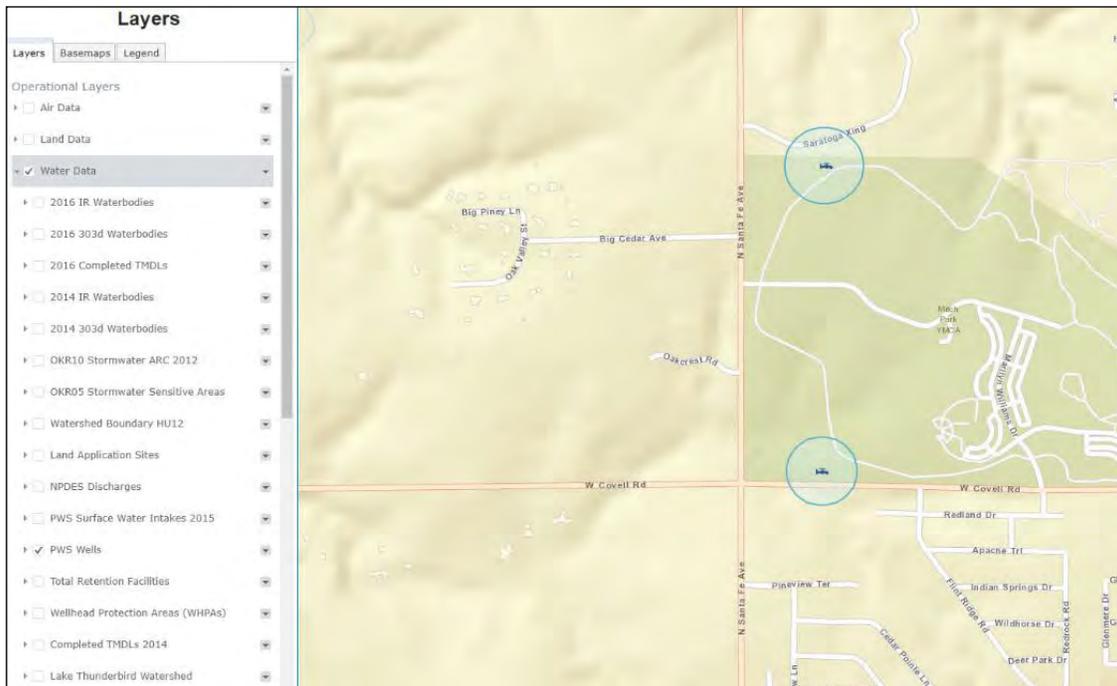
The data collected from a SWAP report is summarized in the water system's annual Consumer Confidence Report, which identifies the system's vulnerability and susceptibility score. This report is available for public review.

The SWAP program is currently under redevelopment in which a large focus has been on collaboration with other departments and organizations to ensure the accuracy of the inventoried sources of contamination. DEQ is looking to expand the data gathered to comprise a larger database of all potential sources of contamination as well as staying up to date on all issues that may arise regarding threats to the quality of our state's source water, including information on reported fish kills, superfund and Department of Defense (DoD) clean-up efforts, and other issues that may arise.

Also in development is a way to communicate recommended preventative measures to water systems tailored to the inventory of sources from the SWAP report and aid systems in locating funding sources for source water protection (SWP) projects. DEQ will educate water systems on the application processes for the Clean Water State Revolving Fund (CWSRF) program with OWRB, the DWSRF program through DEQ, and help systems to be aware of any grant programs or other sources of funding that may be beneficial for their project.

Visual tools are also integral in communication of SWP. Once data collection is complete, it will be used to create a map showing SWP zones around public water supply sources. Figure 1 below is an example of a map produced with various input layers indicating SWP zones around wells.

**Figure 1: Sample map indicating location of well and wellhead protection areas.**



Currently, the DEQ website has an interactive GIS map that utilizes some of the SWP data. DEQ regulated discharges, wells, surface intakes, and other planning information can be found using this map. In development is a localized GIS map that will contain all the potential contamination sources as well as all relevant watershed data made available to DEQ. This should allow DEQ to better monitor the source water in the state, prioritize watersheds based on data, and provide easy access to water systems to see what sources of contamination are near their source water. This map will also be made available to the public once it is completed.

The *Area-Wide Optimization Program (AWOP)* was piloted in April of 1999 in Oklahoma by EPA Region 6. This program started as a multi-state effort to optimize particle removal and disinfection capabilities of filtration at conventional water treatment plants. The goal of AWOP is to maximize public health protection from disease-causing microbial contaminants by identifying performance problems in the water treatment and distribution system. Water systems having the most trouble with their filtration treatment are identified and prioritized in terms of their need for assistance. Following the AWOP model is one of the most cost-effective and economical ways a PWS can improve their ability to produce safe drinking water.

EPA Region 6 and Process Applications, Inc. in Fort Collins, CO, have assisted in the development of AWOP. The states of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas are participants in the EPA Region 6 AWOP group, and a larger AWOP “super” group has been created with states from Region 7 (Missouri, Iowa, and Kansas). DEQ continues its involvement in AWOP by attending quarterly regional and biennial national meetings and by participating in and hosting multi-state comprehensive performance evaluations (CPE) and training workshops.

From 1997 through the end of SFY 2022, DEQ has conducted 25 optimization and six mandatory CPEs of water systems in the state. The original scope of the CPE effort was and continues to be to assist the community and to train operators and engineers in understanding the intricacies of optimizing water treatment. A CPE provides analysis of the facility’s design capabilities and a system’s administrative, operational, and maintenance practices, leading to a report that addresses the TMF aspects of the water system. Following the CPE, the participating water system receives a report within 60 days from DEQ that outlines factors that may influence the optimization of its treatment operations.

While traditional CPEs focused on turbidity and disinfection at conventional surface water treatment plants, AWOP has expanded CPEs to assist in addressing issues like disinfection byproducts, harmful algal blooms, groundwater issues, and more. Oklahoma DEQ representatives from the Capacity Development, Engineering and Enforcement, and Compliance sections are attending a multi-state distribution CPE in Louisiana in October 2022. Oklahoma has not performed a distribution CPE but hopes through the collective efforts of those in attendance, one can be performed in SFY 2023.

Oklahoma has been finding ways to further the incorporation of TMF concepts in the CPE process, with a focus on bolstering the administrative review with elements from the capacity development program, including TMF assessments, water loss audits, and future plans to include asset management and emergency response plans.

Oklahoma also has an AWOP Awards Program, which water systems sign up to participate. This program encourages water systems to go above and beyond regulations to meet optimized goals set by the state. The water systems are recognized for their efforts with plaques, trophies, flags, signs, and more. The image below includes a summary of the program.

Image 1: AWOP Awards Poster



The *Drinking Water State Revolving Fund Loan Program* was established by the 1996 SDWA Amendments, which allowed EPA to make a capitalization grant to Oklahoma to fund the DWSRF loan program. This program, co-managed by DEQ and OWRB, is dedicated to providing low-interest loans to upgrade public water system infrastructure. It is designed to help those in greatest need based on a priority system that places a primary emphasis on drinking water quality. DWSRF Project Engineers assure the *technical* capabilities of water systems by reviewing engineering reports on proposed construction projects. Borrowers also receive *technical*, *managerial*, and *financial* assistance from the CDS, who conducts a capacity development assessment and water loss audit on each borrower as well as reviews emergency response plans and asset management plans, providing assistance and guidance to correct any found deficiencies.

Currently, 95 water systems are on the DWSRF PPL for a total of over \$1,240,522,668 in projects to be funded within the next few years. DWSRF applicants are assisted throughout the planning, design, bidding, contracting and construction phases of the project by DEQ engineers, environmental specialists, and the CDS. Applications for the DWSRF program are accepted anytime throughout the year.

From 1998 to the present, the program has entered into binding commitments totaling over \$1,980,767,537 to fund a total of 248 water system upgrades. In addition to funding infrastructure improvements, the program funds the CD Baseline Assessment Project, lab equipment in the State Environmental Lab, Small System Technical Assistance, SWAP, water loss auditing and leak detection programs, and the PWS Program (partial funding).

In SFY 2022, the DWSRF provided subsidies in the form of principal forgiveness to public water supplies with health-based violations or that serve disadvantaged communities. The total amount of subsidies given for health-based violations was determined by the FY 2021 Capitalization Grant. For SFY 2022, the DWSRF committed \$1,726,561.43 in health-based subsidy to eight systems, and \$593,398 in disadvantaged subsidy to seven systems.

During SFY 2022, DEQ revised the Intended Use Plan to further promote awarding the remaining subsidy funds to projects that were ready to proceed during the fiscal year. In addition to the amounts above, DWSRF provided \$6,709,222.07 in regular subsidy funds to ten systems, and an additional \$715,250 in disadvantaged subsidy funds to eight systems.

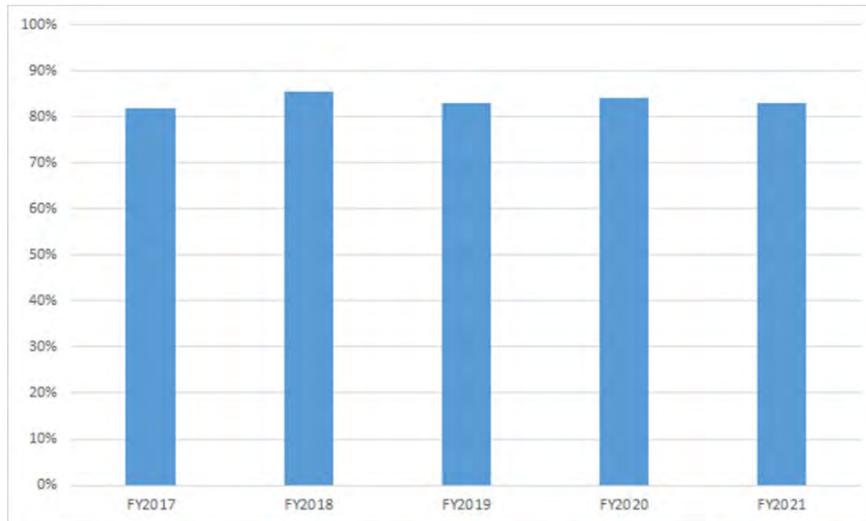
The PWS *Sanitary Survey Program* is implemented by DEQ, in cooperation with EPA Region 6, and in the course of conducting inspections, field staff from the Environmental Complaints and Local Services (ECLS) Division of DEQ and the WQD of DEQ provide technical assistance to PWS system personnel in resolving compliance issues. Across the state, ECLS staff members inspect all water systems annually. In SFY 2022, 221 sanitary surveys were conducted by ECLS and WQD staff, and 952 primacy site inspections were completed by ECLS.

## 6. Challenges to Oklahoma's Capacity Development Strategy

Mile for mile, Oklahoma offers the nation's most diverse terrain. It is one of only four states with more than ten ecoregions and has by far the most changes in ecoregions per mile in America. Oklahoma's ecoregions, terrains, and sub-climates include everything from Rocky Mountain foothills to cypress swamps, from tallgrass prairies to hardwood forests, and pine-covered mountains. Each is graced with wide blue lakes, tumbling freshwater rivers, and peaceful country streams. Additionally, there is one man-made type of terrain: urban turf. This variety of ecoregions creates source waters with a correspondingly wide range of quality and conditions. This variability in source water quality creates a correspondingly variety of treatment challenges for public water supplies.

EPA sets national limits on contaminant levels in drinking water to ensure that the water is safe for human consumption; these limits are known as maximum contaminant levels (MCL). For some regulations, EPA establishes treatment techniques (TT) in lieu of a MCL to control unacceptable levels of contaminants. Figure 2 shows the yearly trend in the percentage of systems in Oklahoma reporting no MCL or TT violations.

**Figure 2: Percent of Systems Reporting No Violations**



The State of Oklahoma’s PWS Program currently oversees 1,334 active entities that meet the federal definition of a PWS. Of these, 1,146, or approximately 86% of PWSs, reported no MCL or TT violations. Table 2 shows breakdown of the 14% of PWSs with violations for CY 2021.

**Table 2: CY 2021 Violation Breakdown**

Contaminant	MCL, TT, or Monitoring	Number of violating PWSs	Number of Violations
Arsenic	MCL	3	13
Arsenic	Monitoring	3	3
Inorganic Chemical	MCL	3	13
Inorganic Chemical	Monitoring	7	10
Nitrate	MCL	22	47
Nitrate	Monitoring	87	118
Synthetic Organic Chemical	MCL	0	0
Synthetic Organic Chemical	Monitoring	35	738
Volatile Organic Chemical	MCL	0	0
Volatile Organic Chemical	Monitoring	14	800
Radionuclides	MCL	4	5
Radionuclides	Monitoring	14	160
Disinfection Byproducts	MCL	155	819
Disinfection Byproducts	TT	17	36
Disinfection Byproducts	Monitoring	188	465
Revised Total Coliform Rule	Acute MCL	1	2
Revised Total Coliform Rule	Monitoring	298	634
Surface Water Treatment	TT	13	60
Surface Water Treatment	Monitoring	24	92
Lead and Copper	TT	0	0
Lead and Copper	Monitoring	38	53
Groundwater Rule	TT	0	0
Groundwater Rule	Monitoring	27	42
Public Notice, failure to perform		18	176
Consumer Confidence Report, failure to distribute		87	97

Per Section I of The State of Oklahoma Capacity Development Strategy, DEQ ensures that new systems have TMF capabilities to provide safe and affordable drinking water. All new systems are referred to the CDS, who then assesses the system's TMF capabilities. The CDS then ensures that the system has an appropriately certified operator, notes the dates of sanitary surveys/inspections, determines if plans and specifications were submitted to and approved by DEQ, and makes TA referrals as indicated. A total of six (6) new or newly discovered water systems were identified by DEQ in SFY 2022, two (2) community one (1) NTNC, and three (3) NC. The Capacity Development Section is working to provide TMF assistance to all of these new PWSs.

## 7. ETT Implementation

At the direction of EPA, DEQ has implemented an Enforcement Response Policy and Enforcement Targeting Tool (ETT) aimed to identify PWS systems with health-based violations as opposed to the previous approach, where all the significant non-compliance (SNC) systems were treated equally regardless of the severity of the violation.

This approach utilizes the ETT formula as a basis for determining a PWS's enforcement priority points. It will also be used to help identify and prioritize systems for enforcement response. In the formula, violations that pose a greater risk to public health are given greater importance. The formula calculates a score for each system based on open-ended violations and violations that have occurred over the past five years but does not include violations that have returned to compliance or are on the "path to compliance" through a specified enforcement action.

Under this policy, violation types are "weighted" with points being assigned for each violation type based on its threat to public health. Points for each "unaddressed" violation are added together to provide total score for each water system. Water systems whose scores exceed "11" are considered priority systems for enforcement unless the violations can be returned to compliance within six months.

The Capacity Development Section and the PWS Compliance Section track new community, NTNC, and NC systems that appear on the ETT list during their first three years of operation, providing them with technical assistance aimed at getting them back into compliance.

ETT scores for PWS systems are available at <https://echo.epa.gov/>.

## 8. Program Initiatives

### Water Loss Auditing and Control

Since 2015, DEQ has worked to standardize and promote water loss auditing across the state by the use of the M36 Water Loss Audit Method developed by the American Water Works Association (AWWA). The program has had continuous success tracking and identifying sources of loss and non-revenue water across the state using this scientifically sound, repeatable, and comparable method.

An M36 method water loss audit quantifies volumes and values of real and apparent water losses from a distribution system. Real loss is defined as water that escapes the water distribution system through leakage, breaks, hydrants, and storage overflows. This loss is water that is considered as finished water

but is never delivered to customers and results in increased operational costs and stress on source water supplies. Apparent loss is revenue lost due to customer meter inaccuracies, billing system data errors, and/or unauthorized consumption. It is water that *could* have been sold, resulting in lost revenue for the system and distorted production and consumption data.

An M36 method water loss audit also determines the volumes and values of revenue and nonrevenue water that a PWS is producing. Revenue water is the water that a system sells to customers. The amount of revenue water a system can deliver has a direct impact on its ability to pay for operations, make debt obligations, and provide for capital improvement and emergency response funding. In contrast, nonrevenue water is the sum of the real and apparent losses occurring at a system as well as all unbilled authorized usage, such as water used for municipal buildings, parks, swimming pools, irrigation, firefighting, and system flushing. Unbilled authorized usage is a necessity; however, these amounts can become excessive if not tracked. A water loss audit is often the first time many PWS systems become aware of the impact of unbilled authorized usage and can begin controlling it.

Figure 3 below summarizes the volumes and percentages of water use and loss from the 261 systems across the state that have participated in the water loss auditing and control program.

**Figure 3: Summary Water Balance (gallons per year identified)**  
(±15,000 gallons)

Volume from Own Sources: 265,251,003,000	Water Sold as Exports: 7,134,024,000	Authorized Consumption: 49,034,065,000	Billed Authorized Consumption: 46,172,732,000	Billed Metered Consumption: 46,235,515,000	Revenue Water: 46,296,766,000	
	Water Supplied: 265,825,092,000			Billed Unmetered Consumption: 43,347,000		
			Water Losses: 13,505,872,000	Unbilled Authorized Consumption: 2,846,459,000	Unbilled Metered Consumption: 1,447,259,000	Non-Revenue Water: 16,326,958,000
				Apparent Losses: 1,440,110,000		
	Real Losses: 12,189,832,000	Unauthorized Consumption: 156,374,000	Customer Metering Inaccuracies: 1,167,952,000			
Water purchased as Imports: 6,904,071,000			Systematic Data Handling Errors: 124,848,000	Water Main Leaks, Storage Overflows, Customer Service Line Leaks: 12,189,832,000		

**Apparent Losses**

As defined earlier, apparent loss is water lost due to customer meter inaccuracies, billing system data errors, and/or unauthorized consumption. It is water that could have been sold and contributes to revenue loss, distorted production, and consumption data. Annually, apparent losses account for a smaller percentage of total water loss than real losses (see Table 3); however, apparent losses still represent a significant loss of revenue to most systems participating in the audit, costing on average \$35,675.00 per year per audited system and \$8.99 million for the group. Apparent loss figures are summarized in Table 3, below:

**Table 3: Apparent Losses**

	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>	<b>Total</b>
<b>Annual Apparent Loss:</b>	0.019 MG/Yr	98.44 MG/Yr	5.56 MG/Yr	1,440.110 MG/Yr
<b>Annual Cost of Apparent Loss:</b>	\$149.00	\$683,393.00	\$35,675.00	\$8,990,182.00
<b>Unauthorized Consumption</b>	0 MG/Yr	10.233 MG/Yr	0.60 MG/Yr	156.374 MG/Yr
<b>Customer Metering Inaccuracies</b>	0 MG/Yr	78.98 MG/Yr	4.49 MG/Yr	1,167.952 MG/Yr
<b>Systematic Data Handling Errors</b>	0 MG/Yr	12.592 MG/Yr	0.48 MG/Yr	124.848 MG/Yr

**Real Losses**

Real loss is defined as water that escapes the water distribution system through leakage, breaks, hydrants, and storage overflows. This loss is water that is treated but is never delivered to customers and results in increased operational costs and stress on source water supplies. Overall, real water loss is the largest category of water loss observed from the audited systems, costing on average \$69,161.19 per year per audited system. This totals over 12 million gallons per year in identified loss. Real water loss is composed of three types of loss: water main leaks, storage area overflows, and leaks on customer service lines (portions that are the responsibility of the system). The AWWA software is not detailed enough to break down real water loss into these three categories and simply reports the amount as a total of all three.

The AWWA software did, however, provide several performance indicators that detailed the volume, cost, and relative magnitude of real water loss. These are summarized in Table 4, below:

**Table 4: Real Losses**

	<b>Minimum</b>	<b>Maximum</b>	<b>Average</b>	<b>Total</b>
<b>Current Annual Real Losses</b>	0.138 MG/Yr	954.377 MG/Yr	47.22 MG/Yr	12,189.832 MG/Yr
<b>Annual Cost of Real Loss (Valued at Variable Production Cost)</b>	\$19.00	\$3,190,026.02	\$69,161.19	\$16,391,201.59

***Leak Detection, Meter Analysis, and Loss Correction***

Conducting water loss auditing with the AWWA M36 method has improved understanding of real and apparent losses at participating systems; however, this is only the first step towards the ultimate goals of reducing water loss and retaining system revenue. The next step, intervention, takes the results gained from the water loss audit and uses it to guide efforts to find the specific sources of water loss and to implement solutions. This section summarizes the efforts of the technical assistance program performed by DEQ and ORWA which focused on conducting leak detection and meter analysis at PWS systems where an AWWA M36 water loss audit has indicated that significant problems with real and/or apparent loss may exist.

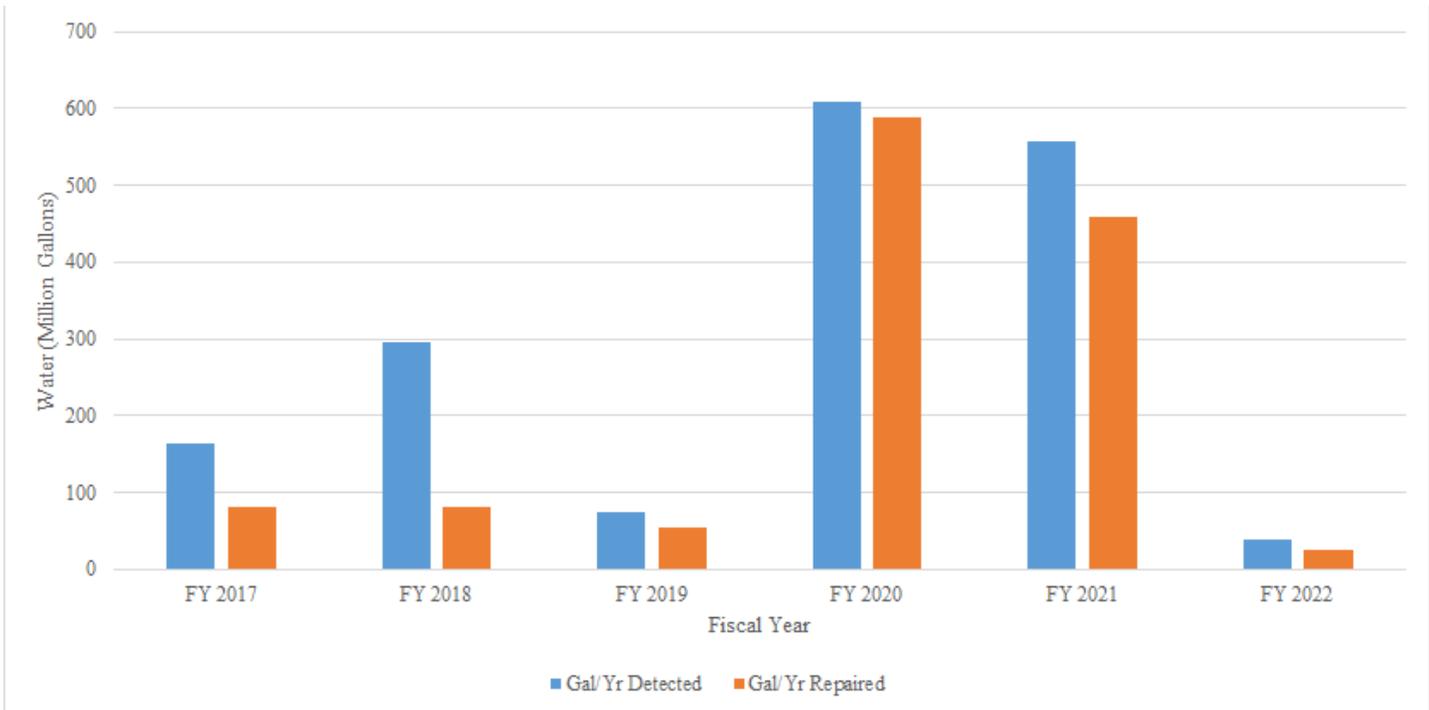
PWS systems that participated in the water loss auditing pilot project and met the criteria of either nonrevenue water (as % of supply) greater than 20% or having apparent loss of greater than 10 gallons per connection per day (or both) qualified for leak detection and/or meter analysis technical assistance from ORWA. Participation in the technical assistance project was driven by the level of interest of the PWS in receiving the help (meaning that the system would benefit from the technical assistance in proportion to the level of effort and interest that the system contributed to the program).

For systems that chose to participate, ORWA met with system personnel, reviewed the results of the water loss audit, and then coordinated an in-depth schedule of leak detection and meter analysis help. The typical technical assistance event took place over 2-3 weeks and involved locating leaks, analyzing meters and training PWS staff how to conduct their own leak detection and meter analysis. Following the completion of this technical assistance effort, participating systems receive a detailed report indicating the location, volume, and value of all identified leaks. Systems are encouraged to act on the information provided and make repairs where possible. Table 5 shows six-year summary of PWSs receiving technical assistance following a water loss audit, and Figure 4 depicts gallons per year of leaks detected and repaired.

**Table 5: Leak Detection six-year summary**

	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Total</b>
<b>Systems receiving leak detection help</b>	7	12	5	5	9	6	44
<b>Systems receiving customer meter analysis help</b>	6	2	4	0	0	0	12
<b>Total # leaks detected</b>	36	52	28	52	103	19	290
<b>Gal/yr leaks detected</b>	163,510,176	296,427,081	73,592,064	607,588,637	557,503,689	38,131,056	1,736,752,703
<b>Value/Yr of detected leaks</b>	\$460,188	\$574,155	\$235,508	\$822,056	\$1,649,730	\$108,393.40	\$3,850,030.40
<b>Total # leaks repaired</b>	18	12	25	43	71	10	179
<b>Gal/yr leaks repaired</b>	81,755,087	82,490,000	54,662,400	589,350,024	458,467,200	25,497,360	1,292,222,071
<b>Value/Yr of leaks repaired</b>	\$230,094	\$176,316	\$165,575	\$779,745	\$1,457,581	\$71,215.80	\$2,880,526.80

**Figure 4: Gallons per year of Leaks Detected and Repaired**



In total, 44 systems have received leak detection help from the ORWA, where, together, they have identified 290 leaks estimated at 1,736,752,703 gallons/year. Of the 290 leaks identified by ORWA, 179 of them have been repaired by the systems. These repairs have recovered an estimated 1,292,222,071 gallons of water per year valued at an estimated \$2,880,526.80 per year.

The amount of saved revenue has shown real, immediate, and positive impact, even saving at least one system from the brink of bankruptcy. Additional benefits seen by systems that have participated in the program are increased financial capacity, continued loss reduction, and better operational knowledge and decision making.

Also, DEQ will continue to build on the success of the water loss auditing and control program by performing additional water loss audits at PWS systems that request the help and by continuing funding for ORWA’s work conducting leak detection and meter analysis technical assistance. In contrast to other states where water loss auditing and control is involuntary, these methods can obtain significant cooperation and meaningful results via voluntary participation and free technical assistance, which can be seen in the results.

**Capacity Development Baseline Assessment**

In 2017, DEQ began work on a project to assess the TMF capacity of small municipal PWSs and rural water districts in Oklahoma. Named the Capacity Development Baseline Assessment, the project was designed to develop a clear concept of state-wide TMF needs, to determine which systems are most in need of help, and to delineate the unique set of needs faced by each system. The project functions by conducting capacity development assessments at all municipal PWS systems and rural water districts in Oklahoma serving 10,000 or fewer people. By using the capacity development assessment tools developed

by DEQ and used originally for assessing DWSRF borrowers and newly created systems, a clearer picture of the TMF sustainability needs across the state was gained.

The baseline capacity development assessment project was implemented as a cooperative venture between the WQD and the Environmental Complaints and Local Services (ECLS) Division at DEQ. To complete the large number of assessments required in this project, a group of local ECLS inspectors were called up to conduct the assessments with PWS system personnel. Given that ECLS inspectors are the DEQ personnel that PWS systems see most frequently, relationships and trust were already established and a framework for efficient completion of the project already existed. This project capitalized on this framework to conduct the assessments.

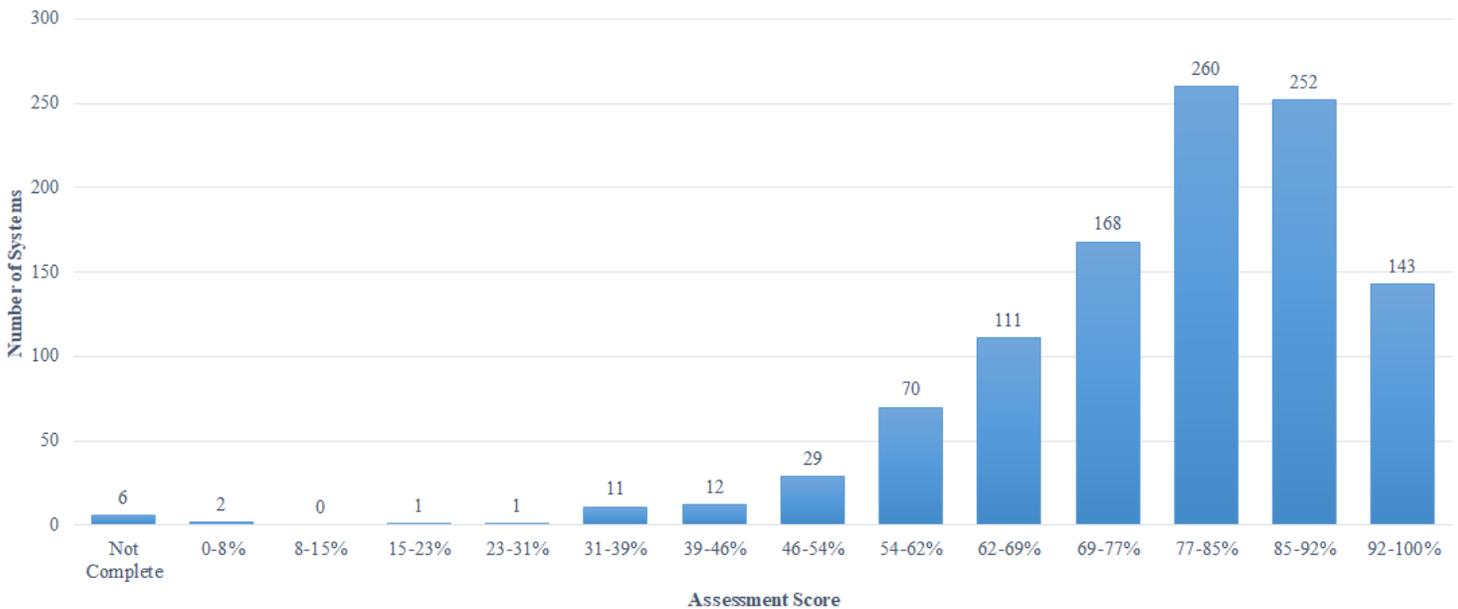
The results of this project allowed DEQ staff to identify trends and correlations within the data including the state-wide average assessment score and the greatest issues affecting a significant proportion of Oklahoma water systems. As of June 30, 2022, there have been 1,066 Capacity Development Assessments completed. Additional details about the participating PWSs are in following tables and figures.

**Table 6: Summary Characteristics of Audited Community Water Systems**

<b>Total Number of CDAs Completed (as of 6/30/2022):</b>	<b>1,066</b>
<b>Average Score:</b>	<b>78.19%</b>

Results of the 1,066 completed assessments indicate that, on average, water systems have 78.19% of the necessary TMF capacity to achieve sustainability. This means that assessed systems are missing approximately one quarter (21.81%) of the items, procedures, policies, and resources needed to achieve maximum ‘sustainability’ based on the assessment. The range of assessed values are shown in Figure 5.

**Figure 5: Score Range of Assessed Systems**

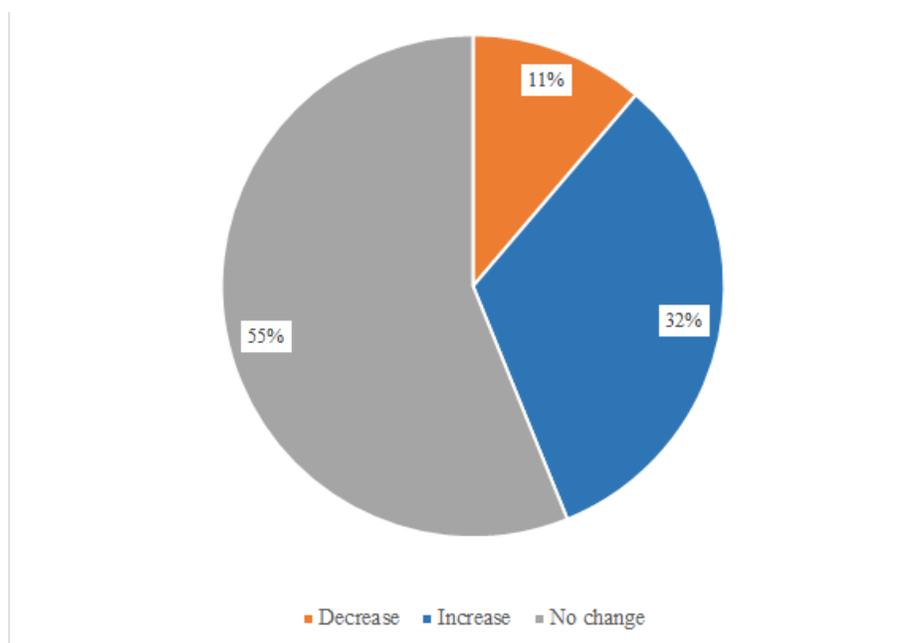


**Table 7: Ten Most Common TMF Issues**

Percentage of systems without	TMF Capacity Issue
77.59%	Without SoonerWarn (Mutual Aid).
67.03%	Do not conduct an energy audit on regular basis.
59.16%	Have no written plan to eliminate dead ends in distribution system when feasible.
57.87%	System has no written plan to acquire additional water rights to meet future increases in demand.
54.09%	System has not conducted a risk assessment (EPA VSAT or other method) or an emergency response plan (ERP) and has not certified with EPA that both steps have been completed. ERP must be reviewed and practiced annually.
52.80%	System has no written plan to respond to and address deficiencies noted on sanitary surveys or other inspections.
51.19%	Operations & Maintenance plan is not regularly reviewed by board.
50.11%	Does not track water loss yearly with AWWA M36 Method.
45.47%	No Operation and Maintenance Plan available and regularly updated, detailing all aspects of operating the water system.
44.72%	No written plan to regularly test backflow preventers.

Since the completion of the Baseline Assessment Projects, DEQ and ECLS staff have made an effort to follow up with systems who completed their initial capacity development assessment in order to evaluate the effectiveness of the assessment and the technical assistance provided to the systems who have requested help. So far, 423 follow-up capacity development assessments have been conducted. The follow-ups have yielded the follow results listed in Figure 6:

**Figure 6: Follow Up Changes in Capacity Development Assessment Scores**



An overview of the baseline capacity development assessments yielded the following three conclusions:

**1. Of the TMF issues surveyed, the top ten issues are technical issues.**

All of the top ten issues were found to be in the technical section of TMF capacity. Specifically, two out of the top ten were issues related to Operation & Maintenance (O&M). The two O&M aspects that systems tend to lack most include: lack of a plan that is regularly updated and plans that are not reviewed on a regular basis by the board. A complete and up-to-date O&M plan is critical to PWS system sustainability and should cover all aspects of system operations, including being both thorough and straight-forward enough so that an operator who is not familiar with a PWS system could operate it and produce safe water in an emergency. O&M plans are also excellent tools to train new staff and to document and preserve institutional knowledge concerning system operations. PWS governing boards are encouraged to review O&M plans at least annually to become familiar with system operational challenges and to develop a knowledge base for making accurate strategic and financial decisions.

**2. Capacity development assessment score relates to system population.**

Assessment score and water system population showed a slight positive correlation suggesting that higher scores correspond to higher populations. Systems with higher populations have access to more funding and other resources allowing for higher levels of sustainability. Systems serving smaller populations may have lower assessment scores due to issues such as having a volunteer staff, a smaller revenue base, or less ability to access needed professional services. This finding reinforces that TMF sustainability assistance should be primarily directed towards PWS systems serving smaller populations in rural areas.

**3. Operators leaving or retiring has a major impact on the over sustainability of a system.**

There are multiple factors that contribute to the small percentage of systems whose capacity development assessment score has decreased over time. One of the biggest influences on decreasing scores has been identified as employee turnover within the systems. Many of the small systems that are assessed by DEQ have one operator who has run the system for many years, often taking on many different responsibilities within their community. As those employees retire or leave their systems the institutional knowledge carried by that employee is lost, making written plans and policies even more valuable.

## Asset Management

Asset management is the practice of operating a PWS so that the cost of owning and operating infrastructure capital assets is minimized while delivering the service level that satisfies customers. Termed “applied common sense” by the water industry, it is a means of operating a system that maximizes efficiencies and maintains sustainability, allowing a system to provide safe water at an affordable cost indefinitely.

An asset management plan is built around 5 core components:

- Building an asset inventory,
- Determining a target level of service,
- Determining criticality of assets,
- Calculating life cycle costing, and
- Developing a long-term funding plan.

Building an asset management plan that follows these core components guides systems toward obtaining the longest and most efficient use of infrastructure possible while ensuring customers receive the quality of service they expect from the system.

America’s Water Infrastructure Act (AWIA) of 2018 requires that states amend their capacity development strategies to include a description of how the state will encourage the development of asset management plans at PWS systems. The Capacity Development Section has completed a revision of the state’s strategy, which now includes the promotion of asset management best practices and details the training and technical assistance that the agency will provide. The strategy revisions focus on providing training seminars, one-on-one assistance, and providing for 3<sup>rd</sup> party asset management plan development via the ORWA technical assistance contract.

Also, because no low-cost/free option existed, the Capacity Development Section developed an asset management tool that is available to any Oklahoma PWS system, free of charge. The Microsoft Excel-based tool assists systems in cataloging assets, determining the likelihood and consequence of failure, and exploring timeframes and funding options for asset replacement. In SFY 2022, DEQ Capacity Development staff assisted with the completion of 13 Asset Management Plans for systems using the free tool created by the section. Improvements continue to be made to DEQs Asset Management Tool. Figures 7, 8, and 9 show examples of some of the improvements made to the asset management tool.

**Figure 7: Asset Management Plan Data Collection Page**

ID. Number	Category	Type	Size	Description	Location	Installation Date	Installation Estimated?	Current Condition	Repair and Maintenance History	Estimated Year of Failure	Life Expectancy
MeFl-2020-2	Meter	Flow	6"	Mag meter	at WTP	2020	<input type="checkbox"/>	Good		2032	10.00
MeFl-2017-1	Meter	Flow	6"	Turbine	at WTP	2017	<input type="checkbox"/>	Good		2029	7.00
TrCh-2018-1	Treatment	Chlorination	200 gal	Tank	at WTP	2018	<input type="checkbox"/>	Good		2034	12.00
TrCh-2018-2	Treatment	Chlorination	200 gal	Tank	at WTP	2018	<input checked="" type="checkbox"/>	Good		2034±5	12.00

**Figure 8: Current Predicted Cost Data Calculation in the Asset Management Plan**

The value of a dollar (in comparison to 1913) is found for the year of purchase and the current year (2022).	The difference in the dollar values between 2022 and the year of purchase is found, then divided by the dollar value for the year of purchase. This calculates the inflation rate between the years.	The inflation rate is then multiplied by the initial price. This gives the amount of dollars added over the years.	The extra dollars are then added to the initial price to find the cost to purchase in 2022.	Find the complete calculation below:
1913: \$1 = \$1 2022: \$1 = \$29.40 Year of purchase: \$1 = x	$\frac{\$29.40 - x}{x} = r$	$r \times \text{initial price} = \$ \text{ added}$	$\$ \text{ added} + \text{initial price} = \text{Cost to purchase in 2022.}$	$\left(\frac{\$29.40 - x}{x} \times \text{initial price}\right) + \text{initial price} = \text{Cost in 2022}$

**Figure 9: Future Predicted Cost Data Calculation in the Asset Management Plan**

The inflation rate for 2022 is found using the most recent data from the U.S. Congress Joint Economic Committee.	The difference in years between 2022 and the estimated year of failure is found.	The inflation rate is multiplied by the difference in years, as well as the cost to purchase in 2022. This gives us the amount of dollars added past 2022.	The dollars past 2022 are then added to the cost of purchase in 2022 to find the estimated price in the year of failure.	Find the complete calculation below:
"Core" CPI Inflation for 2022 = 4.9%	$2022 - \text{Year of Failure} = Y$	$0.049 \times Y \times \text{Cost in 2022} = p$	$p + \text{Cost in 2022} = \text{Price in Year of Failure}$	$(4.9\% \times \text{Year of Failure} \times \text{Cost in 2022}) + \text{Cost in 2022} = \text{Price in Year of Failure}$

**Figure 10: Consequence of Failure Calculation in the Asset Management Plan**

For each question within this section, a score is assigned depending on the answer. This score is a sum of the individual question scores					
Consequence of Failure (CoF) Score	Yes back-ups = +0 No back-ups = +1	<u>Loss of water</u> 0-25% = +0.5 26-50% = +1 51-75% = +1.5 76-100% = +2	Yes compliance violations = +1 No compliance violations = +0	Yes health/environmental concerns = +1 No health/environmental concerns = +0	Sum of questions = <b>Consequence of Failure Score</b>
For each question within this section, a score is assigned depending on the answer. This score is a sum of the individual question scores					
Probability of Failure (PoF) Score	Yes in last 1/3 of life = +1 Not in last 1/3 of life = +0	Above capacity = +2 At capacity = +1 Below capacity = +0	Yes additional maintenance = +1 No additional maintenance = +0	Yes increased maintenance = +1 No increased maintenance = +0	Sum of questions = <b>Probability of Failure Score</b>
Criticality Score	<b>Consequence of Failure Score x Probability of Failure Score = Criticality Score. Max = 20</b>				

In response to the amendments to Section 1420 of SDWA brought about by Section 2012 of the America’s Water Infrastructure Act (AWIA), DEQ’s CD section will increase efforts toward promoting and supporting the implementation of Asset Management (AM) at the state’s PWS systems. To further support AM training, DEQ intends to explore additional training and technical assistance avenues in the state for water systems. Additionally, DEQ will be developing a process to measure the success of the implementation of these plans and revise accordingly to achieve successful results.

**Lead Testing in School and Child Care Program Drinking Water Grant Program**

Starting in early 2020, the Capacity Development Section began implementation of a program aimed at reducing or eliminating lead from the drinking water in public schools and public or private childcare centers. Using funding appropriated by the Water Infrastructure Improvements for the Nation (WIIN) Act Section 2107, the Lead Testing in Schools and Child Care Program (or LWSC for short) offers free and voluntary lead testing of drinking water outlets to any Oklahoma public school or public/private childcare center that requests to participate, along with direction on how to address high lead levels based on EPA’s “3Ts” guidance.

In the past, lead was a common component of faucets and water supply plumbing. If the water transported and delivered by such plumbing is corrosive, lead can leach out from the lines and fixtures and enter the water exposing anyone using the water to lead. Lead is a toxic metal that is harmful to all humans, and no level of lead in the body is considered safe. Children are at particular risk of adverse health effects from lead, including nervous system damage, learning impairment, bone development problems, hearing damage, and anemia. The LWSC program aims to protect the health of children by reducing or eliminating children’s exposure to lead in the water they drink at school or childcare centers.

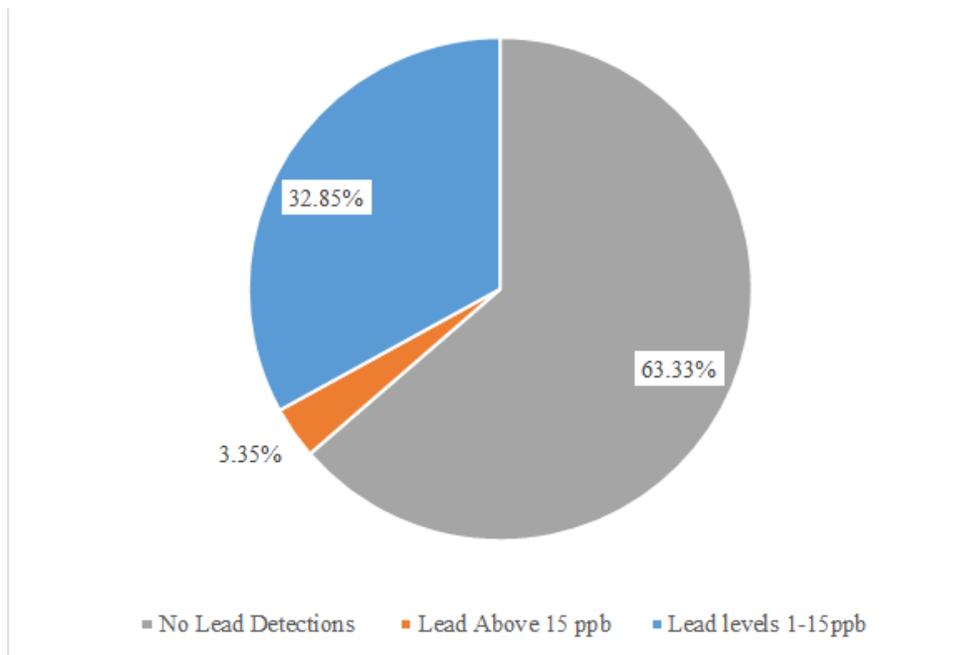
The program is guided by a coalition of agencies and organizations (the Secretary of Energy and Environment’s Office (OSEE), DEQ, the Departments of Education (OSDE), Health (OSDH), Human Services (ODHS), and the Oklahoma Parent Teachers Association (OPTA) and seeks to prioritize facilities that serve younger children (ages 6 and under), facilities serving or located in disadvantaged communities, and facilities that are older and are more likely to contain lead plumbing.

Along with no-cost testing, program participants implement EPA’s 3Ts guidance to:

- **Communicate**, throughout the implementation of the program, the results and important lead information to the public, parents, teachers, and larger community,
- **Train** on the risks of lead in drinking water and of the importance of testing for lead, as well as developing key partnerships to support the program,
- **Test** using appropriate testing protocols and a certified laboratory, and
- **Take Action**, including the development of a plan for helping schools and childcare facilities in their response to test results and in addressing potential elevated lead where necessary.

The lead testing in schools program has had a very successful second year. As of June 30, 2022, forty-six (46) public schools, two (2) childcare facilities and one (1) youth facility have signed up to participate in the program. Currently, there are 3,326 eligible public schools and daycares in Oklahoma. Of the forty-eight (48) schools signed up to participate, twenty-six (26) schools have been sampled. The results of the twenty-six (26) sampling events are listed in Figure 10.

**Figure 11: Percentages of Samples with Lead Detects**



The twenty-six (26) schools who have had detections over 15 parts per billion are all currently undergoing remediation efforts or have completed remediation. To address these issues as soon as possible, the CDS partners with DEQ’s Land Protection Division to offer remediation funding through the Site Cleanup Assistance Program (SCAP). So far, \$26,071 of SCAP funding has been requested from schools and childcare facilities participating in the program. This SCAP funding used for remediation efforts will directly impact 4,765 students and staff in all schools and daycares tested so far.

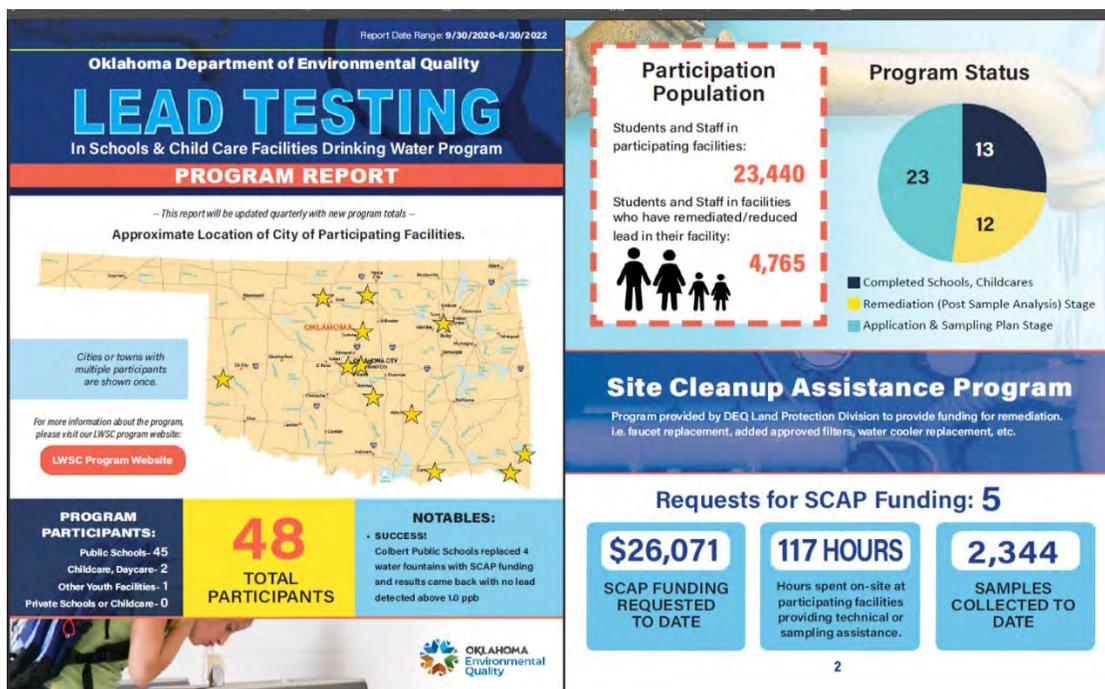
Expected outcomes for this project are:

1. Reduction of children’s exposure to lead in drinking water.
2. Training schools or childcare programs to begin implementing a testing program and mitigating lead exposure by utilizing the 3Ts toolkit in determining the best action to take for remediation.
3. Improvement of staff and community knowledge on lead in drinking water and other environmental harms.
4. Water quality improvement and lead exposure reduction in drinking water.
5. Establishment of routine practices such as those outlined in the 3Ts guidance.
6. Fostering sustainable partnerships at the state and local level to allow for a more efficient use of resources and the exchange of information among experts in various areas of school, childcare, utility, and health sectors.
7. Expanding the level of trust between the community, parents, and teachers.

The program has developed a webpage that provides flyers, fact sheet, and guidance videos on the importance of eliminating lead from school and childcare center drinking water, along with information on how to participate in the program (located at <https://www.deq.ok.gov/state-environmental-laboratory-services/environmental-public-health-information/lwsc/>). The coalition is currently working to complete testing on all schools that are signed up for the program and is planning on conducting additional outreach to gain more participation.

The program has developed a Report that includes participant information, sample results, program status, remediations completed, SCAP funding information, and other program highlights. This Report is updated and published every quarter on the DEQ Lead Testing in Drinking Water in Schools and Child Care Webpage (located at the website in the above paragraph) as well DEQ social media platforms. This has been a great way to showcase the program’s hard work and accomplishments.

**Figure 12: DEQ Lead Testing in Drinking Water in Schools and Child Care Program Report**



Beginning July 1, 2022, DEQ began developing a student pilot program where high school students can participate in the LWSC Program and gain experience and knowledge about the water industry outside of the classroom. The program will allow students to assist in developing inventory and assist in sampling for the LWSC Program. In addition, students will have the opportunity to tour the State Environmental Laboratory to learn the process of analyzing for lead in drinking water. Implementation of the student pilot program is planned for Fall 2022.

**PWS Sustainability**

Adequate TMF capacity is a critical component of PWS sustainability and is required for a system to consistently provide safe drinking water to the public. Acquiring and maintaining this TMF capacity can be challenging for any water system. A failure to maintain TMF capacity can lead to unsustainable, inefficient operation and frequent or continuous violations of health-based, primary drinking water standards.

If a water system requests technical assistance, the CDS schedules a visit with the PWS to help with various TMF policies and plans to improve the sustainability of the water system. To maximize assistance throughout the state, Oklahoma DEQ has contracted with ORWA to provide TMF assistance with rate analyses, financial management planning, SWP planning, and much more. In SFY 2022, technical assistance was provided to 45 unique systems across Oklahoma, each of them receiving customized assistance based on their needs. The specific assistance that was provided in SFY 2022 to these systems is detailed in Table 8.

**Table 8: Type and Number of TMF Assistance Provided for PWS Sustainability 7/1/2021-6/30/2022**

<b>TMF Assistance Type</b>	<b># of Systems Receiving Assistance</b>
Emergency Response Planning and Procedures	7
Operations and Maintenance Plans	1
Rate Analysis	14
Source Water Protection Planning	2
Financial Management Policies	3
Standard Operating Procedures	1
Asset Management Plans	13
Water Loss Auditing/Leak Detection Assistance	26

To maximize effectiveness, each participating PWS received a package of technical assistance activities focused on their individual needs. There is no maximum amount of time or effort that may be expended on an individual system; as much assistance and guidance as needed will be provided to the participating system. Participation is voluntary and is driven by the level of interest of the participating system.

Of the 45 systems that participated in this program within the specified time frame, 21 systems increased their Capacity Development score while the score of the remaining 24 remained the same, likely due to the *improvement* of existing policies and procedures rather than the introduction and creation of these plans. Overall, the percent change in Capacity Development scores increased by 4.2% implying that the systems who received assistance and increased their score have effectively increased their TMF capacity. These systems with increased TMF capacity are better able to respond to emergency situations, operate effectively, and plan for the future.

## Small, Underserved, and Disadvantaged Communities

Adequate TMF capacity is especially critical, but often difficult, for the success and sustainability for small (less than 10,000 in population), underserved (by having been in violation of a health-based primary drinking water standard at some point over the past five years), and disadvantaged (communities where the median household income is at 85% or less than the national median household income according to the United States Census Bureau / American Community Survey) communities. Inability to possess adequate TMF capacity can lead to health-based enforcement actions, unpreparedness during emergencies, financial issues, and more.

Over the past six years, the DEQ has been surveying the TMF needs of rural and small municipal PWS systems via the Capacity Development Baseline Assessment Project. Each system was assessed on 109 different aspects of operational sustainability. Preliminary results of the survey found that, on average, the assessed systems possessed 78.19% of needed TMF capacity, and that both decreasing TMF score, and population correlated with an increasing likelihood and frequency of primary drinking water standards violations.

In SFY 2020, DEQ and ORWA, as members of the Oklahoma Strategic Alliance, joined forces and developed a program aimed at improving and enhancing PWS sustainability at small, underserved, and disadvantaged communities. Named the Long-Range System Sustainability (LRSS) Program, the program leads PWS systems through a series of programs and trainings that once complete, provide a significant boost to TMF capacity and system sustainability. The LRSS program focuses on many of the issues examined by the Baseline Assessment, and systems that complete the program demonstrate an improved TMF score, as well as improved efficiency, operations, and fiscal condition.

In addition to the LRSS Program, Oklahoma DEQ has applied for and been awarded grant funds through the Water Infrastructure Improvements Act (WIIN), Section 2104, Funding for FFY19 and FFY21. Funding received for FFY19 has been used to contract with ORWA during SFYs 2021-2023 to provide one on one TMF technical assistance for small, underserved, and disadvantaged communities. These grant funds have provided TMF assistance with a focus on actions that lead to resolution of violations of health-based primary drinking water standards and that significantly improve PWS system efficiency, operation, and fiscal health.

During SFY 2022, 62 water systems benefited from the WIIN 2104 FFY19 grant funds. Technical assistance provided by ORWA included compliance assistance with nitrate, DBPs, lead and copper as well as help with rate analyses, source water plans, emergency response plans, policy development, asset management plans, board member training, and much more.

While Oklahoma DEQ continues to utilize WIIN 2104 FFY19 grant funds, an application has been submitted with award funds pending for the WIIN 2104 FFY21 grant funds. Funding received for FFY21 is planning to be used differently. Oklahoma DEQ will use this grant for infrastructure projects to achieve compliance at small, underserved, and disadvantaged communities and enable them to provide water meeting state and federal regulations. Oklahoma DEQ will combine these grant funds with Drinking Water State Revolving Fund (DWSRF) principal forgiveness funding, which will allow additional oversight in the planning, design, bidding, and construction phases of the projects.

Using guidance from the Baseline Assessment, tools developed in the LRSS program, and technical assistance by ORWA through the WIIN 2104 grant, significant positive changes have been achieved at Oklahoma's small, underserved, and disadvantaged systems. This approach has several advantages:

- **Targeted TMF Assistance:** Via the recently completed Baseline Assessment, the PWS systems most in need of TMF help are known. Furthermore, the assessment specifies precisely what type of assistance is needed. Using WIIN 2104 funds, DEQ is able to target technical assistance on missing or malfunctioning PWS processes for maximum positive effect.
- **Rapid Deployment:** The LRSS program is completely developed and functional, having been in service for several years. By using the structure and services of the LRSS program, DEQ will be able to immediately begin work at targeted PWS systems, generating positive results quickly.
- **Proven Results:** The LRSS program is a significant part of the technical assistance provided to small Oklahoma PWS systems by the Oklahoma Strategic Alliance. In FY2022, the work of alliance partners has saved over 12 million gallons per year of water via water loss reduction, improved small Oklahoma PWS financial operating ratios by 0.22, added over \$3.8 Million in revenue to PWS budgets (via rate adjustments and efficiency improvements), and helped systems implement numerous policy and procedure improvements.

By using the Baseline Assessment as a roadmap, WIIN 2104 funds for targeted TMF assistance and the LRSS program as tools to arrive at a safe water destination, DEQ has initiated rapid and significant positive changes in the PWS systems that are included in this program. DEQ CDS effectively tailor the provided TMF assistance to focus on resolution of health-based drinking water standards violations that *can* be corrected via improved operations and system optimization, as well as on improving all aspects of the system's TMF capacity. CDS measure and report on success in terms of system compliance, capacity development assessment scores, and improvements in PWS system financial conditions (as indicated by fiscal indicators and metrics).

## 9. Summary and Future Plans

Enhancing the *technical, managerial, and financial* capacities of Oklahoma's public water supplies is a group effort. The continued success of the DEQ CD program is dependent on the efforts of the DWSRF Section, PWS Engineering and Enforcement Section, PWS Compliance Section, Operator Certification Section, State Environmental Lab, and the various agencies that represent the FACT and OSA. This cooperative effort is very effective at promoting CD enhancement, but it can possibly be made more effective when efforts are targeted to where they are needed most. To this end, DEQ CD are looking forward to continuing to update the SWP program, enhance AWOP Awards, complete water loss audits and assist in solutions to reduce loss, utilize the results of the state-wide CD baseline assessment to target areas of assistance needed, implement and build the asset management tool, sample for lead at enrolled schools and daycares, and guide the Disadvantaged Communities Program, targeting systems that need the most assistance through on-site help as well as infrastructure funding.

Long-Term expected outcomes for the Capacity Development program include:

1. A trend showing an overall reduction in the number of PWS systems out of compliance with health-based standards.
2. Improved understanding of current and emerging threats to water quality, safe drinking water, public health, and environmental health.
3. Reduced number of accidents, injuries, and safety-related incidents at PWS systems.
4. Completion of a revamped SWP program, including accurate, updated, and easily accessible data, outreach emphasizing the benefits of implementation, information on funding projects to protect source water with a trending increase in SWP plans completed and implemented.
5. Promotion of the AWOP Awards Program to increase awareness and implementation of optimization concepts.
6. Reduction in real and apparent water loss at PWS systems as well as an increased understanding of types of loss and importance of data integrity.
7. A trend showing continued improvement in TMF assessment scores, especially in small, underserved, and disadvantaged communities leading to an improvement in the overall state TMF assessment score.
8. Increased use of asset management planning to improve understanding of asset criticality and enhance sustainability of PWS systems.
9. Continue to promote the lead testing in drinking water in schools and daycare facilities program across the state with an expectation of increased enrollment into the program.
10. Continue to reduce lead exposure from drinking water at schools and daycare facilities by assisting with remediation actions to reduce or eliminate lead.
11. Implement student program to assist with inventory and lead sampling at schools.
12. Improved performance of drinking water systems in small, underserved, and disadvantaged communities.

## References

*Oklahoma Capacity Development Strategy*

*Document SFY22 DWSRF Intended Use Plan*

*2021 State of Oklahoma Public Water Supply Program Annual Compliance Report*



## **Attachment 7**

### **Sources and Uses of Funds Statement**

**SOURCES OF FUNDS\***

Beginning July 1, 2021

Beginning Balance (SFY 2021 Carryover) \$66,152,020

**State Fiscal Year 2022**

Federal Grant FFY 2018 - Loan \$1,203,583

Federal Grant FFY 2019 - Loan \$6,237,844

Federal Grant FFY 2019 - Set-Asides \$74,262

Federal Grant FFY 2020 - Loan \$3,122,000

Federal Grant FFY 2020 - Set-Asides \$2,135,542

Federal Grant FFY 2021 - Loan \$2,335,505

Federal Grant FFY 2021 - Set-Asides \$2,370,948

Accruals \$349,669

State Match for 2021 and 2022 grants \$3,751,600

2021 Bond Issue \$227,411,846

Principal Repayments \$57,553,164

Interest Earnings on Loans \$12,891,891

Interest Earnings on Other DW Funds \$863,882

Sale of Investments \$3,310,478

**Sub Total \$323,612,214****Total Sources of Funds \$389,764,234****USES OF FUNDS**

DWSRF Loan Draws for SFY 2022 \$142,545,098

**Sub Total \$142,545,098****DWSRF Set-Aside Programs for SFY 2022**

Payroll \$2,619,690

Suppliers \$1,922,424

Equipment \$388,307

**Sub Total \$4,930,421****Debt Service Obligations**

Debt Service on 2013A Bonds \$26,624,767

Debt Service on 2013B Bonds \$2,601,270

Debt Service on 2016 Bonds \$4,764,063

Debt Service on 2018 Bonds \$11,423,163

Debt Service on 2019 Bonds \$1,404,815

Debt Service on 2020 Bonds \$5,184,575

Debt Service on 2021 Bonds \$4,407,573

**Sub Total \$56,410,224****Total Uses of Funds \$203,885,743****Difference of Sources and Uses \$185,878,491**

\*Cash Basis



## **Attachment 8**

### **Loans Receiving Subsidy and Extended Term Financing**

## Loans Receiving Subsidy and Extended Term Financing

## Attachment 8

Recipient	Tracking Number	Assistance Amount	Subsidy Amount	Year	Extended Term (Y/N)	Binding Commitment
Ada PWA	P40-2006201-01	\$ 23,290,000.00			Y	9/15/2015
Adair Municipal Authority	P40-1021613-01	\$ 830,000.00	\$ 332,000.00	FY 2010	N	9/14/2010
Alva UA	P40-2007603-01	\$ 2,635,000.00			Y	12/19/2017
Anadarko PWA	P40-1010806-01	\$ 135,686.43	\$ 102,406.43	FY 2019	100% PF	2/15/2022
Anadarko PWA	P40-1010806-01	\$ 135,686.43	\$ 33,280.00	FY 2021 6%	100% PF	2/15/2022
Atoka Co. RWD #4	P40-1010412-01	\$ 180,230.00	\$ 100,000.00	FY 2017	N	12/15/2020
Atoka Co. RWD #4	P40-1010412-01	\$ 180,230.00	\$ 75,000.00	FY 2019 6%	N	12/15/2020
Atoka Co. RWD #4	P40-1010412-01	\$ 180,230.00	\$ 5,230.00	FY 2020 6%	N	12/15/2020
Atoka MA	P40-1010401-01	\$ 5,169,000.00			Y	10/12/2016
Atoka MA (II)	P40-1010401-02	\$ 4,010,000.00	\$ 100,000.00	FY 2019	Y	2/18/2020
Atoka MA (III)	P40-1010401-03	\$ 1,261,000.00			Y	9/15/2020
Bartlesville Municipal Authority (V)	P40-1021401-05	\$ 3,810,000.00	\$ 500,000.00	FY 2010	N	6/12/2012
Broken Arrow Municipal Authority (III)	P40-1021508-03	\$ 64,755,000.00	\$ 500,000.00	FY 2011	N	9/13/2011
Bryan Co. RWS & SWMD #2 (V)	P40-1010604-05	\$ 70,235.72	\$ 70,235.72	FY 2017	N	9/17/2019
Calera Public Works Authority	P40-2000702-01	\$ 1,850,000.00	\$ 100,000.00	FY 2019 6%	Y	4/21/2020
Canadian Co. RWD #5	P40-3000901-01	\$ 1,161,000.00			Y	6/19/2018
Chandler Municipal Authority	P40-1020702-01	\$ 2,500,000.00	\$ 375,000.00	FY 2010	N	6/12/2012
Cherokee Co. RWD #1	P40-1021621-01	\$ 100,000.00	\$ 100,000.00	FY 2020 6%	N	6/15/2021
Cherokee Co. RWD #3	P40-4001117-01	\$ 3,110,000.00			Y	7/12/2011
Cherokee Co. RWD #11	P40-1221637-01	\$ 1,575,000.00	\$ 79,700.00	FY 2017	N	2/16/2021
Cherokee Co. RWD #11	P40-1221637-01	\$ 1,575,000.00	\$ 100,000.00	FY 2020 6%	N	2/16/2021
Cheyenne UA	P40-1010803-01	\$ 100,000.00	\$ 100,000.00	FY 2017	N	4/21/2020
Collinsville Municipal Authority	P40-1021505-01	\$ 8,291,000.00			Y	12/05/2019
Comanche Co. RWD #2	P40-2001604-01	\$ 3,300,000.00			Y	10/23/2013
Comanche Co. RWD #2 (II)	P40-2001604-02	\$ 2,545,000.00	\$ 636,250.00	FY 2021	Y	6/21/2022
Comanche PWA	P40-1011101-01	\$ 200,000.00	\$ 104,530.00	FY 2018	100% PF	12/21/2021
Comanche PWA	P40-1011101-01	\$ 200,000.00	\$ 95,470.00	FY 2020 6%	100% PF	12/21/2021
Copan PWA	P40-1021417-01	\$ 1,977,000.00	\$ 1,877,000.00	FY 2018	N	4/20/2021
Copan PWA	P40-1021417-01	\$ 1,977,000.00	\$ 26,268.00	FY 2019 6%	N	4/20/2021
Copan PWA	P40-1021417-01	\$ 1,977,000.00	\$ 73,732.00	FY 2020 6%	N	4/20/2021
Cotton Co. RWD #2	P40-2001702-01	\$ 5,000,000.00			Y	8/21/2018
Davis Municipal Authority	P40-1010822-01	\$ 9,995,000.00	\$ 500,000.00	FY 2010	Y	12/13/2011
Delaware Co. RWD #1	P40-3002134-01	\$ 260,000.00			Y	10/17/2011
Delaware Co. RWSG/SWMD #11	P40-3002157-01	\$ 950,000.00	\$ 630,116.78	FY 2012	N	4/15/2014
Delaware Co. RWSG/SWMD #11	P40-3002157-01	\$ 950,000.00	\$ 193,180.61	FY 2013	N	4/15/2014
East Central Oklahoma Water Authority	P40-1021713-01	\$ 1,000,000.00	\$ 100,000.00	FY 2019	Y	8/20/2019
Edmond PWA (III)	P40-1020723-03	\$ 2,500,000.00	\$ 1,688,422.62	FY 2015	N	12/20/2016
Edmond PWA (III)	P40-1020723-03	\$ 2,500,000.00	\$ 811,577.38	FY 2016	N	12/20/2016
Edmond PWA (VI)	P40-1020723-06	\$ 40,000,000.00			Y	4/21/2020
Edmond PWA (V)	P40-1020723-05	\$ 20,000,000.00			Y	4/20/2021
Edmond PWA (VII)	P40-1020723-07	\$ 45,000,000.00	\$ 1,000,000.00	FY 2019	Y	4/18/2022
Edmond PWA (IX)	P40-1020723-09	\$ 140,000,000.00			Y	4/18/2022
Elk City PWA (II)	P40-2000501-02	\$ 1,700,000.00	\$ 373,537.07	FY 2020	N	4/18/2022
Elk City PWA (II)	P40-2000501-02	\$ 1,700,000.00	\$ 51,462.93	FY 2021	N	
Elk City PWA (II)	P40-2000501-02	\$ 1,700,000.00	\$ 100,000.00	FY 2021 6%	N	4/18/2022
Enid MA (II)	P40-2002412-02	\$ 5,435,000.00	\$ 500,000.00	FY 2010	N	04/10/2012
Enid MA (III)(Eng. Only)	P40-2002412-03	\$ 20,000,000.00			Y	08/21/2018
Enid MA (IV)	P40-2002412-04	\$ 205,000,000.00			Y	12/15/2020
Enid MA (V)	P40-2002412-05	\$ 4,000,000.00	\$ 1,000,000.00	FY 2020	N	04/18/2022
Enid MA (V)	P40-2002412-05	\$ 4,000,000.00	\$ 100,000.00	FY 2021 6%	N	04/18/2022
Eufaula PWA	P40-1020514-01	\$ 1,000,000.00			Y	12/06/2018
Eufaula PWA (II)	P40-1020514-02	\$ 6,185,000.00	\$ 100,000.00	FY 2017	Y	12/06/2018
Fairmont PWA	P40-2002413-01	\$ 862,000.00	\$ 856,859.50	FY 2013	N	05/19/2014
Garber MA	P40-2002416-01	\$ 2,100,000.00	\$ 1,822,561.48	FY 2014	N	12/02/2015
Garber MA	P40-2002416-01	\$ 2,100,000.00	\$ 268,348.86	FY 2015	N	12/02/2015
Geary Utility Authority	P40-2000608-01	\$ 1,775,000.00			Y	2/08/2011
Geary Utility Authority (II)	P40-2000608-02	\$ 73,732.00	\$ 73,732.00	FY 2019 6%	N	10/15/2019
Garvin Co. RWD #4	P40-3002503-01	\$ 1,183,456.00			Y	12/16/2014
Gore PWA	P40-1021773-01	\$ 885,000.00	\$ 874,628.52	FY 2015	N	10/12/2016
Grady Co. RWD #6	P40-3002603-01	\$ 11,220,000.00			Y	12/15/2020
Grand Lake Public Works Authority	P40-1021691-01	\$ 5,500,000.00	\$ 500,000.00	FY 2011	Y	7/17/2012
Guthrie PWA (III)	P40-1020903-03	\$ 610,000.00	\$ 590,706.60	FY 2013	N	6/17/2014
Holdenville PWA (II)	P40-1020803-02	\$ 90,322.50	\$ 90,322.50	FY 2018	N	6/15/2021
Hominy PWA (II)	P40-1021306-02	\$ 237,403.00	\$ 147,755.00	FY 2021	100% PF	6/21/2022
Hominy PWA (II)	P40-1021306-02	\$ 237,403.00	\$ 89,648.00	FY 2021 6%	100% PF	6/21/2022
Jay UA (II)	P40-1021674-02	\$ 1,031,000.00			Y	5/15/2018
Jet Utilities Authority	P40-2000211-01	\$ 861,500.00	\$ 150,000.00	FY 2017	N	12/15/2020
Jet Utilities Authority	P40-2000211-01	\$ 861,500.00	\$ 100,000.00	FY 2020 6%	N	12/15/2020
Kingfisher PWA	P40-2003702-01	\$ 162,168.00	\$ 100,000.00	FY 2018	N	6/15/2021
Kingfisher PWA	P40-2003702-01	\$ 162,168.00	\$ 62,168.00	FY 2020 6%	N	6/15/2021
Laverne Public Works Authority	P40-2003002-01	\$ 3,700,000.00	\$ 500,000.00	FY 2011	Y	10/16/2012
Lawton WA (IV)	P40-1011303-04	\$ 5,000,000.00	\$ 15,250.00	FY 2020 6%	N	6/21/2022
Lawton WA (IV)	P40-1011303-04	\$ 5,000,000.00	\$ 565,472.07	FY 2021	N	6/21/2022
Locust Grove PWA	P40-1021668-01	\$ 9,675,000.00	\$ 100,000.00	FY 2019	Y	4/21/2020
Logan Co. RWD #1	P40-2004207-01	\$ 750,000.00	\$ 112,500.00	FY 2010	N	10/05/2011
Logan Co. RWD #1 (II)	P40-2004207-02	\$ 1,250,000.00	\$ 187,500.00	FY 2011	N	03/13/2012
Logan Co. RWD #1 (III)	P40-2004207-03	\$ 1,500,000.00	\$ 451,853.29	FY 2013	Y	12/02/2015
Logan Co. RWD #1 (III)	P40-2004207-03	\$ 1,500,000.00	\$ 1,027,638.52	FY 2014	Y	12/02/2015
Lone Chimney Water Authority (II)	P40-1021221-02	\$ 3,270,000.00	\$ 490,500.00	FY 2011	Y	9/18/2012
Longtown RWD #1	P40-1020623-01	\$ 570,000.00	\$ 15,650.00	FY 2010	N	10/16/2012

Longtown RWD #1	P40-1020623-01	\$	570,000.00	\$	69,850.00	FY 2011	N	10/16/2012
Longtown RWD #1 (II)	P40-1020623-02	\$	600,000.00	\$	600,000.00	FY 2012	N	03/18/2014
Mayes Co. RWD #6	P40-1021666-01	\$	2,590,000.00	\$	500,000.00	FY 2012	N	07/16/2013
McAlester PWA	P40-1020609-01	\$	32,500,000.00	\$	904,581.50	FY 2018	Y	12/21/2021
McAlester PWA	P40-1020609-01	\$	32,500,000.00	\$	95,418.50	FY 2019	Y	12/21/2021
McAlester PWA	P40-1020609-01	\$	32,500,000.00	\$	100,000.00	FY 2020 6%	Y	12/21/2021
McCurtain Co. RWD #8 (II)	P40-1010207-02	\$	615,000.00	\$	100,000.00	FY 2020 6%	N	04/20/2021
McIntosh Co. RWS & SWMD #2	P40-1020535-01	\$	490,000.00	\$	100,000.00	FY 2017	N	06/16/2020
McIntosh Co. RWS & SWMD #2	P40-1020535-01	\$	490,000.00	\$	100,000.00	FY 2019	N	06/16/2020
McIntosh Co. RWD #8	P40-1020529-01	\$	100,000.00	\$	27,034.00	FY 2017	N	02/16/2021
McIntosh Co. RWD #8	P40-1020529-01	\$	100,000.00	\$	72,966.00	FY 2018	N	02/16/2021
McIntosh Co. RWD #9	P40-3004907-01	\$	695,000.00	\$	200,000.00	FY 2021	Y	05/17/2022
McIntosh Co. RWD #9	P40-3004907-01	\$	695,000.00	\$	100,000.00	FY 2021 6%	Y	05/17/2022
Miami Special UA (II)	P40-2005813-02	\$	2,785,000.00	\$	100,000.00	FY 2019	N	12/05/2019
Muskogee MA (II)	P40-1021607-02	\$	17,640,000.00	\$	100,000.00	FY 2017	Y	10/16/2018
New Cordell UA	P40-2007502-01	\$	2,250,000.00	\$	562,500.00	FY 2019	N	12/21/2021
New Cordell UA	P40-2007502-01	\$	2,250,000.00	\$	100,000.00	FY 2021 6%	N	12/21/2021
Newcastle Public Works Authority (II)	P40-2004704-02	\$	1,389,455.00	\$	208,418.25	FY 2011	N	10/16/2012
Nicomia Park DA	P40-8005579-01	\$	4,700,000.00				Y	06/18/2019
Noble Co. RWD #1	P40-1021205-01	\$	1,155,114.97	\$	655,031.75	FY 2011	N	8/21/2012
Noble Co. RWD #1	P40-1021205-01	\$	1,155,114.97	\$	500,083.22	FY 2012	N	8/21/2012
Oklahoma City WUT (III)	P40-1020902-03	\$	35,838,000.00				Y	1/20/2015
Oklahoma City WUT (IV)	P40-1020902-04	\$	65,550,000.00				Y	3/15/2016
Oklahoma City WUT (V)	P40-1020902-05	\$	57,300,000.00				Y	11/15/2016
Oklahoma City WUT (VI)	P40-1020902-06	\$	52,500,000.00				Y	1/16/2018
Oklahoma City WUT (VII)	P40-1020902-07	\$	20,000,000.00				Y	1/15/2019
Oklahoma City WUT (VIII)	P40-1020902-08	\$	21,750,014.00				Y	9/17/2019
Oklahoma City WUT (IX)	P40-1020902-09	\$	74,000,000.00				Y	6/16/2020
Oklahoma City WUT (X)	P40-1020902-10	\$	31,645,000.00	\$	188,137.07	FY 2019	Y	4/18/2022
Oklahoma City WUT (X)	P40-1020902-10	\$	31,645,000.00	\$	811,862.93	FY 2020	Y	4/18/2022
Oklahoma City WUT (X)	P40-1020902-10	\$	31,645,000.00	\$	100,000.00	FY 2021 6%	Y	4/18/2022
Okmulgee Co. RWD #4	P40-3005602-01	\$	300,000.00	\$	225,000.00	FY 2019	100% PF	12/21/2021
Okmulgee Co. RWD #4	P40-3005602-01	\$	300,000.00	\$	62,168.00	FY 2020 6%	100% PF	12/21/2021
Okmulgee Co. RWD #4	P40-3005602-01	\$	300,000.00	\$	12,832.00	FY 2021 6%	100% PF	12/21/2021
Okmulgee MA (III)	P40-1020708-03	\$	4,895,000.00	\$	500,000.00	FY 2010	N	12/14/2010
Okmulgee MA (IV)	P40-1020708-04	\$	700,000.00	\$	600,000.00	FY 2017	N	5/19/2020
Okmulgee MA (IV)	P40-1020708-04	\$	700,000.00	\$	100,000.00	FY 2019	N	5/19/2020
Okmulgee MA (V)	P40-1020708-05	\$	1,350,000.00	\$	337,500.00	FY 2019	N	12/21/2021
Okmulgee MA (V)	P40-1020708-05	\$	1,350,000.00	\$	100,000.00	FY 2020 6%	N	12/21/2021
Pawnee Public Works Authority	P40-1021209-01	\$	2,130,000.00	\$	130,000.00	FY 2010	N	03/13/2012
Pittsburg County Rural Water District #14	P40-1020625-01	\$	3,724,500.00	\$	1,033,500.00	FY 2017	N	04/17/2018
Pontotoc Co. RWD #6	P40-3006222-01	\$	730,000.00	\$	182,500.00	FY 2021	N	06/21/2022
Pontotoc Co. RWD #6	P40-3006222-01	\$	730,000.00	\$	100,000.00	FY 2021 6%	N	06/21/2022
Porter PWA	P40-3007306-01	\$	787,480.00	\$	196,870.00	FY 2019	Y	03/15/2022
Porter PWA	P40-3007306-01	\$	787,480.00	\$	100,000.00	FY 2021 6%	Y	03/15/2022
Quinton PWA	P40-3006123-01	\$	790,000.00				Y	09/16/2014
Roland Utilities Authority	P40-1020212-01	\$	2,359,000.00				Y	01/21/2020
Rogers Co. RWD #6	P40-3006628-01	\$	3,000,000.00				Y	10/8/2010
Salina Public Works Authority	P40-1021603-01	\$	3,210,000.00	\$	1,284,000.00	FY 2010	Y	9/18/2012
Sayre PWA	P40-2000508-01	\$	823,180.00				Y	2/19/2019
Shattuck Municipal Authority	P40-2002304-01	\$	1,485,000.00				Y	2/13/2012
Shawnee Municipal Authority (II)	P40-1020504-02	\$	1,485,000.00	\$	222,750.00	FY 2010	N	8/10/2010
Shawnee Municipal Authority (III)	P40-1020504-03	\$	17,460,000.00	\$	100,000.00	FY 2020 6%	Y	5/18/2021
South Delaware Co. RWA	P40-1221645-01	\$	3,000,000.00	\$	1,867,022.62	FY 2016	Y	4/18/2017
Stroud Utilities Authority	P40-1020705-01	\$	2,360,000.00	\$	354,000.00	FY 2011	N	8/21/2012
Stroud Utilities Authority (II)	P40-1020705-02	\$	161,000.00	\$	100,000.00	FY 2018	N	8/18/2020
Stroud Utilities Authority (II)	P40-1020705-02	\$	161,000.00	\$	61,000.00	FY 2019	N	8/18/2020
Stillwater UA (III)	P40-1021220-03	\$	29,900,000.00				Y	5/17/2016
Stillwater UA (IV)	P40-1021220-04	\$	12,600,000.00				Y	8/15/2017
Tablequah Public Works Authority (II)	P40-1021701-02	\$	1,680,000.00	\$	252,000.00	FY 2010	N	12/13/2011
Tablequah Public Works Authority (III)	P40-1021701-03	\$	8,200,000.00				Y	12/06/2018
Wagoner Co. RWD #4	P40-1021529-01	\$	6,200,000.00	\$	200,000.00	FY 2010	N	10/12/2010
Wagoner Co. RWD #5 (III)	P40-1021528-03	\$	4,270,000.00				Y	11/15/2016
Wagoner Co. RWD #5 (IV)	P40-1021528-04	\$	3,245,000.00				Y	03/21/2017
Wagoner Public Works Authority (II)	P40-1021649-02	\$	1,200,000.00	\$	135,000.00	FY 2010	N	9/18/2012
Wagoner Public Works Authority (II)	P40-1021649-02	\$	1,200,000.00	\$	45,000.00	FY 2011	N	9/18/2012
Welch PWA	P40-2001801-01	\$	450,000.00	\$	350,000.00	FY 2019	100% PF	3/15/2022
Welch PWA	P40-2001801-01	\$	450,000.00	\$	100,000.00	FY 2021 6%	100% PF	3/15/2022
Weleetka Public Works Authority	P40-1020512-01	\$	95,330.00	\$	95,330.00	FY 2017	N	2/18/2020
Wewoka PWA	P40-1020510-01	\$	400,000.00	\$	400,000.00	FY 2021	100% PF	6/21/2022
<b>Total for all 113 Loans</b>		\$	<b>1,404,734,620.02</b>	\$	<b>37,369,849.72</b>			

\*Loans are not closed yet.

Percentage of Loans Receiving Additional Subsidy:	66%
Percentage of Funding Provided as Additional Subsidy:	3%
Percentage of Loans Receiving Extended Term Financing:	51%

All Dates from 7/1/2010 thru 6/30/2022



## **Attachment 9**

### **FFATA Cumulative Report**

**Grant Amount: \$15,596,000**  
**Loan Fund Amount \$10,761,240**

	<b>System Name</b>	<b>Date Reported</b>	<b>Amount</b>	<b>Date Closed</b>
1st FFATA report	New Cordell UA	1/18/2022	\$2,250,000.00	12/21/2021
2nd FFATA report	Okmulgee MA (V)	1/19/2022	\$1,350,000.00	12/21/2021
3rd FFATA report	McAlester PWA	1/19/2022	\$7,161,240.00	12/21/2021
4th FFATA report				
5th FFATA report				
		Sub-total	<u>\$10,761,240.00</u>	
			\$10,761,240.00	
			<u>-\$10,761,240.00</u>	
		Remaining to be reported		\$0.00

FFATA Report For Grants

Federal Award Identifier Number (FAIN): 98681421

Federal Agency ID: 6800

Is this information correct?: Yes

Federal Agency Name: ENVIRONMENTAL PROTECTION AGENCY

Prime Awardee Unique Entity ID (SAM): EAJXCM2XTCF3

EFT Indicator:

Prime Awardee Name: ENVIRONMENTAL QUALITY, OKLAHOMA DEPARTMENT OF

Prime Awardee Address: 707 N ROBINSON OKLAHOMA CITY, Oklahoma 731026010

Prime Awardee Parent Unique Entity ID (SAM): EMSCXBHK78V7

Principal Place Of Performance (POP): Oklahoma City, Oklahoma 731026010

CFDA Program Number(s): 66.468 Capitalization Grants for Drinking Water State Revolving Funds

Is this information correct?: Yes

Project Description: This agreement is for a capitalization grant which provides funds for the Oklahoma Drinking Water State Revolving Fund program to provide low interest financing to recipients for costs associated with the planning, design, and construction of eligible drinking water improvement projects and activities to protect human health. The award also provides funding for the state's drinking water program in order to implement the requirements of the Safe Drinking Water Act and protect the citizens of Oklahoma.

Is this information correct?: Yes

Total Federal Funding Amount: 15596000.00

Is this information correct?: Yes

Obligation/Action Date: September 28, 2021

Is this information correct?: Yes

Report Month: Jan 2022

In your business or organization's preceding completed fiscal year, did your business or organization (the legal entity to which this specific SAM record, represented by a UEI number, belongs) receive (1) 80 percent or more of your annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?: No

Does the public have access to information about the compensation of the executives in your business or organization (the legal entity to which this specific SAM record, represented by a UEI number, belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?: No

Prime Awardee Names and Compensation of Highly Compensated Officers:

Subawardee Data

Table with 2 columns: Subawardee Information and Subawardee Data. Rows include Subawardee Unique Entity ID (SAM), Subawardee Name, Subawardee Doing Business As Name, Subawardee Address, Subawardee Parent Unique Entity ID (SAM), Amount of Subaward, Subaward Obligation/Action Date, CFDA Program Number(s), Federal Agency ID, Federal Agency Name, and Subaward Project Description.

Subawardee Principal Place of Performance:	<b>Tank.</b>
Subaward Number:	<b>Cordell, Oklahoma 736324823 ORF-21-0019-DW</b>
As provided to you by your subawardee, in your subawardee's business or organization's preceding completed fiscal year, did its business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) receive (1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$30,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?:	<b>No</b>
As provided to you by your subawardee, does the public have access to information about the compensation of the executives in the subawardee's business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?:	<b>No</b>
Subawardee Unique Entity ID (SAM):	<b>UFX1FZ3AL6K5</b>
Subawardee Name:	<b>OKMULGEE, CITY OF INC OKMULGEE MUNICIPAL AUTHORITY</b>
Subawardee Doing Business As Name:	<b>111 E 4TH ST OKMULGEE, Oklahoma 744474008</b>
Subawardee Address:	<b>UFX1FZ3AL6K5</b>
Subawardee Parent Unique Entity ID (SAM):	<b>1350000.00</b>
Amount of Subaward:	<b>December 21, 2021</b>
Subaward Obligation/Action Date:	<b>66.468 Capitalization Grants for Drinking Water State Revolving Funds</b>
CFDA Program Number(s):	<b>6800</b>
Federal Agency ID:	<b>ENVIRONMENTAL PROTECTION AGENCY</b>
Federal Agency Name:	<b>Construction of 1,350 linear feet of eight inch (8") PVC water line, and 8,360 linear feet of six inch (6") PVC water line.</b>
Subaward Project Description:	
Subawardee Principal Place of Performance:	<b>Okmulgee, Oklahoma 744470250</b>
Subaward Number:	<b>ORF-22-0011-DW</b>
As provided to you by your subawardee, in your subawardee's business or organization's preceding completed fiscal year, did its business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) receive (1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$30,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?:	<b>No</b>
As provided to you by your subawardee, does the public have access to information about the compensation of the executives in the subawardee's business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?:	<b>No</b>
Subawardee Unique Entity ID (SAM):	<b>VQB6XABJ6WD4</b>
Subawardee Name:	<b>MCALESTER, CITY OF MCALESTER PUBLIC WORKS AUTHORITY</b>
Subawardee Doing Business As Name:	<b>28 E WASHINGTON AVE MCALESTER, Oklahoma 745014644</b>
Subawardee Address:	<b>HSMHL4QY8HB9</b>
Subawardee Parent Unique Entity ID (SAM):	<b>7161240.00</b>
Amount of Subaward:	<b>December 21, 2021</b>
Subaward Obligation/Action Date:	<b>66.468 Capitalization Grants for Drinking Water State Revolving Funds</b>
CFDA Program Number(s):	<b>6800</b>
Federal Agency ID:	<b>ENVIRONMENTAL PROTECTION AGENCY</b>
Federal Agency Name:	<b>Project consists of city wide waterline replacement, and the rehabilitation of four existing tanks over the next several years.</b>
Subaward Project Description:	
Subawardee Principal Place of Performance:	<b>McAlester, Oklahoma 745020578</b>
Subaward Number:	<b>ORF-21-0019-DW</b>
As provided to you by your subawardee, in your subawardee's business or organization's preceding completed fiscal year, did its business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) receive (1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$30,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?:	<b>No</b>

As provided to you by your subawardee, does the public have access to information about the compensation of the executives in the subawardee's business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?:

---

**No**



## **Attachment 10**

### **Subsidy Tracking Chart By Grant and Projects**

**Attachment 10  
Subsidy Tracking chart**

Entity	Principal Forgiveness Amount	2010 Cap Grant Requirement	2011 Cap Grant Requirement	2012 Cap Grant Requirement	2013 Cap Grant Requirement	2014 Cap Grant Requirement	2015 Cap Grant Requirement	2016 Cap Grant Requirement	2017 Cap Grant Requirement	2018 Cap Grant Requirement	2019 Cap Grant Requirement	2019 Cap Grant Requirement for Disadvantaged	2020 Cap Grant Requirement	2020 Cap Grant Requirement for Disadvantaged	2021 Cap Grant Requirement	2021 Cap Grant Requirement for Disadvantaged
		\$5,058,900.00	\$3,510,300.00	\$2,230,200.00	\$2,092,600.00	\$2,850,200.00	\$2,831,400.00	\$2,678,600.00	\$2,655,800.00	\$3,149,400.00	\$3,120,000.00	\$936,000.00	\$2,185,400.00	\$936,600.00	\$2,183,440.00	\$935,760.00
Adair MA	\$332,000.00	\$332,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bartlesville MA (V)	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Chandler MA	\$375,000.00	\$375,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Davis MA	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Enid MA (II)	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Logan Co. RWD #1	\$112,500.00	\$112,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Okmulgee MA (III)	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pawnee PWA	\$130,000.00	\$130,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Salina PWA	\$1,284,000.00	\$1,284,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shawnee MA (II)	\$222,750.00	\$222,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tahlequah PWA (II)	\$252,000.00	\$252,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wagoner Co. RWD #4	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Longtown RWD #1	\$85,500.00	\$15,650.00	\$69,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wagoner PWA (II)	\$180,000.00	\$135,000.00	\$45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Broken Arrow MA (III)	\$500,000.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Lake PWA	\$500,000.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Laverne PWA	\$500,000.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Logan Co. RWD #1 (II)	\$187,500.00	\$0.00	\$187,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lone Chimney WA (II)	\$490,500.00	\$0.00	\$490,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Newcastle PWA (II)	\$208,418.25	\$0.00	\$208,418.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Noble Co. RWD #1	\$1,155,114.97	\$0.00	\$655,031.75	\$500,083.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Stroud UA	\$354,000.00	\$0.00	\$354,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mayes Co. RWD #6	\$500,000.00	\$0.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Longtown RWD #1 (II)	\$600,000.00	\$0.00	\$0.00	\$600,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Delaware Co. RWD #11	\$823,297.39	\$0.00	\$0.00	\$630,116.78	\$193,180.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fairmont PWA	\$856,859.50	\$0.00	\$0.00	\$0.00	\$856,859.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Guthrie PWA (III)	\$590,706.60	\$0.00	\$0.00	\$0.00	\$590,706.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Logan Co. RWD #1 (III)	\$1,479,491.81	\$0.00	\$0.00	\$0.00	\$451,853.29	\$1,027,638.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Garber MA	\$2,090,910.34	\$0.00	\$0.00	\$0.00	\$0.00	\$1,822,561.48	\$268,348.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Gore PWA	\$874,628.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$874,628.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Edmond PWA (III)	\$2,500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,688,422.62	\$811,577.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
South Delaware Co. RWA	\$1,867,022.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,867,022.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pittsburg Co. RWD #14	\$1,033,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,033,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Muskogee MA (II)	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Eufaula PWA (II)	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
East Central Okla. WA	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Bryan Co. RWD #2 (V)	\$70,236.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,236.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Weleetka PWA	\$95,330.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,330.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Atoka MA (II)	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Locust Grove PWA	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Miami Special UA (II)	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Cheyenne UA	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Okmulgee MA (IV)	\$700,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600,000.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Geary UA (II)	\$73,732.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$73,732.00	\$0.00	\$0.00	\$0.00	\$0.00





## **Attachment 11**

**DWNIMS Financial Indicators**  
**(Not available at this time)**



## **Attachment 12**

### **DWSRF SFY 2021 Intended Use Plan (IUP) Revisions**

## Attachment 12

### SFY 2022 Drinking Water State Revolving Fund (DWSRF) INTENDED USE PLAN (IUP)

#### REVISIONS

As required by the SDWA, the State of Oklahoma, through the Department of Environmental Quality (DEQ) is required to prepare an annual Intended Use Plan (IUP) in order to identify the set-aside programs and DWSRF loan projects that will utilize the funds available to the DWSRF. The SFY 2022 IUP is being amended to include changes made to the Project Priority List (PPL) and the Regionalization/Consolidation PPL. The total required subsidization amount is \$3,119,200, which is 20% of the FFY 2021 capitalization grant (\$15,596,000). The FFY 2021 grant did not mandate funding for a green project reserve; therefore, DEQ chose not to track green projects.

#### DESCRIPTION OF CHANGES

##### Description of Project Additions and Deletions:

Project Additions – Since the SFY 2022 IUP was issued in June 2021, the public water systems that have requested the SFY 2022 IUP be amended to include construction loans for their communities are shown in the attached Appendix B(1) and :

The following projects received a binding commitment and were removed from the SFY 2022 Project Priority List.

a. New Cordell UA	\$ 2,250,000.00
b. Comanche PWA	\$ 200,000.00
c. McAlester PWA	\$ 32,500,000.00
d. Okmulgee Co. RWD #4	\$ 300,000.00
e. Okmulgee MA (V)	\$ 1,350,000.00
f. Anadarko PWA	\$ 141,551.33
g. Porter PWA	\$ 890,000.00
h. Welch PWA	\$ 450,000.00
i. Cherokee Co. RWD #1 (II)	\$ 430,000.00
j. Edmond PWA (VII)	\$ 45,000,000.00
k. Edmond PWA (IX)	\$ 140,000,000.00
l. Enid MA (V)	\$ 4,000,000.00
m. OKC WUT (X)	\$ 31,645,000.00
n. Elk City PWA (II)	\$ 1,700,000.00
o. McIntosh Co. RWD #9	\$ 695,000.00
p. Comanche Co. RWD #2 (II)	\$ 2,545,000.00
q. Lawton WA (IV)	\$ 5,000,000.00
r. Pontotoc Co. RWD #6	\$ 730,000.00
s. Hominy PWA (II)	\$ 237,403.00
t. Wewoka PWA	\$ 400,000.00
	<u>\$ 270,463,954.33</u>

The following projects were removed from the SFY 2022 Project Priority List at the applicants' requests.

- a. Beckham Co. RWD #2 (removed this project, does not need funding at this time)
- b. Jones PWA (removed this project, does not need funding at this time)
- c. Ellis Co. RWD #1 (removed this project, does not need funding at this time)
- d. Pushmataha Co. RWD #3 (removed this project, does not need funding at this time)
- e. Fairfax PWA (removed this project, does not need funding at this time)
- f. Ottawa Co. RWD #5 (removed this project, does not need funding at this time)
- g. Bixby PWA (II) (removed this project, does not need funding at this time)

The following projects were added to the SFY 2022 Project Priority List at the applicant's request.

- a. Indianoma PWA
- b. Edmond PWA (IX)
- c. Edmond PWA (X)
- d. Wagoner Co. RWD #5 (V)
- e. Fort Cobb, Town of
- f. Eufaula PWA (III)
- g. Okmulgee MA (V)
- h. Nowata MA
- i. Canadian Co. RWD #4
- j. McIntosh Co. RWD #9
- k. McCurtain Co. RWD #1
- l. Enid MA (V)
- m. Perry MA (II)
- n. Marietta PWA
- o. McCurtain Co. RWD #8 (III)
- p. Elk City PWA
- q. Barnsdall PWA
- r. McCurtain Co. RWD #9
- s. Comanche Co. RWD #2 (II)
- t. Cherokee Co. RWD #11 (II)
- u. Kingfisher PWA (II)
- v. Beckham Co. RWD #2
- w. Bryan Co. RWS & SWMD #2 (VI)
- x. Temple UA
- y. Arnett PFA
- z. Jet UA (III)
- aa. Pontotoc Co. RWD #6
- bb. Jay UA (III)
- cc. Edmond PWA (XI)

**Revised Project Priority List/IUP Project Amounts:**

Since the SFY 2022 IUP was issued in June 2021, applicants requested increases and decreases in loan amounts due to bid amounts or revised construction estimates.

Applicant's for the following projects requested loan increases and decreases:

	<u>From</u>	<u>To</u>
a. Creek Co. RWD #2	\$ 4,800,000.00	\$ 5,695,081.40
b. New Cordell UA	\$ 1,900,000.00	\$ 2,250,000.00
c. McAlester PWA	\$ 22,000,000.00	\$ 32,500,000.00
d. Comanche PWA	\$ 100,000.00	\$ 200,000.00
e. Waurika PWA	\$ 100,000.00	\$ 4,915,000.00
f. Okmulgee Co. RWD #4	\$ 250,000.00	\$ 300,000.00
g. Wewoka PWA	\$ 300,000.00	\$ 400,000.00
h. Fairview UA	\$ 3,500,000.00	\$ 13,154,300.00
i. Indianoma PWA	\$ 268,000.00	\$ 314,000.00
j. Porter PWA	\$ 785,000.00	\$ 890,000.00
k. Anadarko PWA	\$ 100,000.00	\$ 141,551.33
l. Wagoner Co. RWD #5 (V)	\$ 8,000,000.00	\$ 2,770,000.00
m. Welch PWA	\$ 397,000.00	\$ 450,000.00
n. Jay UA (III)	\$ 11,000,000.00	\$ 6,000,000.00
o. Lawton WA (IV)	\$ 21,750,000.00	\$ 38,000,000.00

There was one project that moved from one SFY to another SFY during SFY 2022:

- a. OKC WUT (X) Changed funding year from 2023, back to 2022, ready to proceed



## **Attachment 13**

### **Documentation for EPA Guidelines for Enhancing Public Awareness of SRF Assistance Agreements**



ANADARKO

DEO  
Disinfection By  
Product Reduction  
Anadarko Public Works Authority  
\$117,296.00  
Drinking Water State Revolving Fund  
EPA  
SEPA



**DEQ** **DWSRF Project 1 Water Tower Controls and Hickory Street Distribution System Improvements** **OWRB**  
OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY STATE OF OKLAHOMA WATER RESOURCES BOARD THE WATER BOARD  
**EPA**

McAlester Public Works Authority  
 \$4,555,596.00  
 Drinking Water State Revolving Fund

**Engineering Firm:**  
 Infrastructure Solution Group, LLC  
 500 Village Blvd, Suite A  
 McAlester, OK 74501

**Contractor:**  
 Timco Blasting & Coatings, Inc.  
 200 N. Main St.  
 Bristow, OK 74010

Funded by the:  
 Oklahoma Department of Environmental Quality in cooperation with the  
 Oklahoma Water Resources Board and  
 U.S. Environmental Protection Agency

State Senator: Warren Hamilton  
 State Rep: David Smith





**WTP DISINFECTION  
BYPRODUCT REDUCTION  
COMANCHE PUBLIC WORKS AUTHORITY  
DRINKING WATER STATE REVOLVING FUND  
LOAN AMOUNT \$200,000.00**

**ENGINEER:**  
WDB ENGINEERING, PLLC  
6330 SE 74th STREET  
OKLAHOMA CITY, OK 73135

**CONTRACTOR:**  
HOWARD CONSTRUCTION, INC.  
PO BOX 1685 ARDMORE, OK 73402

FUNDED BY THE  
OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
IN COOPERATION WITH THE  
OKLAHOMA WATER RESOURCES BOARD AND  
U.S. ENVIRONMENTAL PROTECTION AGENCY

STATE SENATOR  
JESSICA GARVIN (R), DIST. 43  
STATE REPRESENTATIVE  
MARCUS McENTYRE (R) DIST. 50

**WATER SYSTEM IMPROVEMENTS  
WATER LINE REPLACEMENT**



OKMULGEE MUNICIPAL AUTHORITY

**Loan \$1,350,000.00**  
Drinking Water State Revolving Fund



**ENGINEER**

Holloway, Updike and Bellen, Inc.  
818 Eastside Blvd.  
Muskogee, OK 74403

**CONTRACTOR**

Circle B Underground, LLC  
P.O. Box 868  
Bristow, OK 74010

Funded by the  
Oklahoma Department of Environmental Quality  
in cooperation with the  
Oklahoma Water Resources Board and  
U.S. Environmental Protection Agency

State Senator - District 8  
Roger Thompson

State Representative - District 16  
Scott Fetgatter



## **Attachment 14**

### **DWSRF Assistance Agreement Report**

## DW Assistance Agreement Report Detail F

Report Date: 10/04/2022 10:52:06

Report Filters: EPA Region is 06 and State in(OK) and Inital Agreement Date greater than 07/01/2021 and

State Tracking Number	Other Track Number	Borrower Name	Initial Agreement Date	Initial Agreement Amount
ORF-22-0028-DW	P40-3006222-01	Pontotoc County Rural Water District #6	06/30/2022	730,000.00
ORF-21-0008-DW	P40-2001801-01	Welch Public Works Authority	06/30/2022	450,000.00
ORF-21-0013-DW	P40-1020510-01	Wewoka Public Works Authority	06/30/2022	400,000.00
ORF-19-0020-DW	P40-1021306-02	Hominy Public Works Authority (II)	06/30/2022	237,403.00
ORF-22-0045-DW	P40-1011303-04	Lawton Water Authority (IV)	06/29/2022	5,000,000.00
ORF-22-0023-DW	P40-2001604-02	Comanche County Rural Water District #2 (II)	06/24/2022	2,545,000.00
ORF-22-0015-DW	P40-3004907-01	McIntosh County Rural Water District No. 9	06/02/2022	695,000.00
ORF-22-0017-DW	P40-2002412-05	Enid Municipal Authority (V)	05/17/2022	4,000,000.00
ORF-22-0021-DW	P40-2000501-02	Elk City Public Works Authority (II)	05/10/2022	1,700,000.00
ORF-22-0002-DW	P40-1020723-09	Edmond Public Works Authority (IX)	04/28/2022	140,000,000.00
ORF-21-0010-DW	P40-1020723-07	Edmond Public Works Authority (VII)	04/28/2022	45,000,000.00
ORF-22-0001-DW	P40-1020902-10	Oklahoma City Water Utilities Trust (X)	04/26/2022	31,645,000.00
ORF-21-0011-DW	P40-1010806-01	Anadarko Public Works Authority	04/07/2022	135,686.43
ORF-21-0016-DW	P40-3007306-01	Porter Public Works Authority	04/06/2022	787,480.00
ORF-20-0012-DW	P40-1011101-01	Comanche PWA	02/04/2022	200,000.00
ORF-21-0024-DW	P40-3005602-01	Okmulgee County RWD #4	01/28/2022	300,000.00
ORF-21-0019-DW	P40-1020609-01	McAlester Public Works Authority	12/21/2021	32,500,000.00
ORF-21-0022-DW	P40-2007502-01	New Cordell Utilities Authority	12/21/2021	2,250,000.00
ORF-22-0011-DW	P40-1020708-05	Okmulgee Municipal Authority (V)	12/21/2021	1,350,000.00

269,925,569.43

# Report

Initial Agreement Date less than 06/30/2022

Current Additional Subsidy Amount	Assigned Grant Subsidy	Total Project Cost	# of Projects
282,500.00	282,500.00	730,000.00	1
450,000.00	450,000.00	450,000.00	1
400,000.00	400,000.00	400,000.00	1
237,403.00	237,403.00	237,403.00	1
580,722.07	580,722.07	5,000,000.00	1
636,250.00	636,250.00	2,545,000.00	1
300,000.00	300,000.00	695,000.00	1
1,100,000.00	1,100,000.00	4,000,000.00	1
525,000.00	525,000.00	1,700,000.00	1
0.00	0.00	140,000,000.00	1
1,000,000.00	1,000,000.00	45,000,000.00	1
1,100,000.00	1,100,000.00	31,645,000.00	1
135,686.43	135,686.43	135,686.43	1
296,870.00	296,870.00	787,480.00	1
200,000.00	200,000.00	200,000.00	1
300,000.00	300,000.00	300,000.00	1
1,100,000.00	1,100,000.00	32,500,000.00	1
662,500.00	662,500.00	2,250,000.00	1
437,500.00	437,500.00	1,350,000.00	1
9,744,431.50	9,744,431.50	269,925,569.43	19



## **Attachment 15**

### **Subsidy Draw Down Tracking Chart By Projects**

