

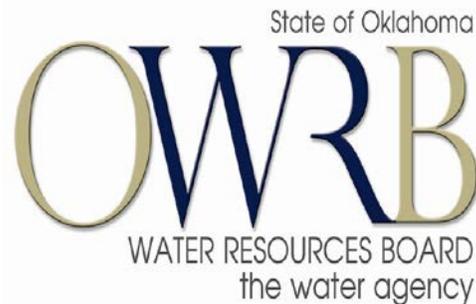
DRINKING WATER STATE REVOLVING FUND (DWSRF) SFY 2016 Annual Report

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

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

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

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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) 2016 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, 2015 through June 30, 2016.

B. Key Aspects

The SFY 2016 Audit contains the following information:

Financial Highlights:

- The Program's net position increased by over 8% from \$234,112,065 in SFY 2015 to \$252,889,003 in SFY 2016. The increase in net position is primarily attributable to an increase in federal grant revenue retained to fund loans.
- The Program experienced a decrease of \$46,958,842 in the amount of outstanding loans. At June 30, 2016, the Program had 124 outstanding loans with a principal balance of \$369,792,179. At June 30, 2015, the Program had 134 outstanding loans with a principal balance of \$416,752,021.

Program Highlights:

- During SFY 2016, five (5) construction loans, totaling approximately \$122 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 21.

- Completed construction during the year on eleven (11) projects totaling \$65.6 million.
- Made binding commitments for six (6) new loans, totaling approximately \$124 million, in drinking water construction for communities to correct problems and achieve compliance with the SDWA. See pages 3-5.

C. Loan Funding Activities

The DEQ and OWRB made binding commitments to six (6) projects during SFY 2016. Three (3) of them were long-term loans to small communities including: Canute Public Works Authority (PWA), Garber Municipal Authority (MA), and Logan County Rural Water District (RWD) #1 (III). Three (3) of them were long-term loans to large communities. They include: Ada Public Works Authority (PWA), Oklahoma City Water Utilities Trust (WUT) (IV) and Stillwater Utilities Authority (UA) (III).

Of these six (6) binding commitments, DEQ and OWRB closed loans with five (5) of the systems listed above by June 30, 2016. One system, Canute PWA, did not close during SFY 2016. See Table 4 and 4.1.

The Federal Fiscal Year (FFY) 2015 appropriation grant assistance agreement had a subsidy requirement of “at least 20% but no more than 30%”. DEQ and OWRB chose to provide a 20% subsidy limit. Although the appropriation also encouraged assistance for Green Project Reserve (GPR) projects, GPR was not mandatory for FFY 2016. DEQ and OWRB did not provide assistance for GPR projects during SFY 2016.

DEQ and OWRB targeted the additional subsidies, first to projects considered as disadvantaged communities as defined through the 30 year financing negotiation under the DWSRF. DEQ also targeted the additional subsidies to needed consolidation/regionalization projects for disadvantaged communities. A “disadvantaged community” is defined at VII.B in the SFY 2016 Intended Use Plan (IUP). Please see Attachment 2. The remaining funds will be available in the form of a below market interest rate DWSRF loan. Four (4) loan projects received extended term financing during SFY 2016. The projects were Ada PWA (23.5 years), Logan County RWD #1 (III) (30 years), Stillwater UA (30 years), and Oklahoma City WUT (IV) (30 years). Please see Attachment 9. Two (2) projects received principal forgiveness during SFY 2016. The projects were Garber MA and Logan County RWD #1 (III). Garber MA was classified as Regionalization and Logan County RWD #1 (III) was classified as Consolidation. Please see Attachment 10 for subsidy funds and projects. All five (5) loan projects were considered “disadvantaged” according to the definition.

The project descriptions listed on the following pages show six (6) projects that received a binding commitment during SFY 2016. One system, Canute PWA, did not close their loan during SFY 2016.

SFY 2016 Project Descriptions

Canute PWA

Binding Commitment Date: October 20, 2015

Binding Commitment Amount: \$2,120,000.00

Loan Closing Date: N/A

Loan Closing Amount: N/A

Loan Term: N/A

Principal Forgiveness (Subsidy for Regionalization) Amount: \$0.00

Green Project Reserve Amount: \$0.00

Project Description: Construct a reverse osmosis water treatment plant. Construction completion is undetermined at this time.

Ada PWA

Binding Commitment Date: September 15, 2015

Binding Commitment Amount: \$26,000,000.00

Loan Closing Date: September 22, 2015

Loan Closing Amount: \$23,290,000.00

Loan Term: 23.5 years

Principal Forgiveness (Subsidy for Regionalization) Amount: \$0.00

Green Project Reserve Amount: \$0.00

Project Description: Improvements to the municipal water supply wells that consist of new well buildings, metering, electrical, Variable Frequency Drive (VFD) pumps and Supervisory Control and Data Acquisition (SCADA); improvements to Byrd's Mill Spring that consist of new metering for water well supply line, new SCADA, new fencing and video security cameras and paint exterior roof joists of spring structure; replacement of a 24-inch raw water transmission line that was built in the 1920's with approximately twelve (12) miles of 30-inch transmission line; install approximately eleven (11) miles of 8-inch potable water line; and improvements to the water treatment plant that consist of a new 2.3 million gallon (MGD) ground water storage tank, high service pump upgrade, new chemical feed building, new office laboratory, new fencing and video security cameras. The project will replace aging infrastructure and reduce water loss. Construction completion is estimated to occur in the winter of 2017.

Garber MA

Binding Commitment Date: December 2, 2015

Binding Commitment Amount: \$2,100,000.00

Loan Closing Date: December 14, 2015

Loan Closing Amount: \$2,100,000.00

Loan Term: 20 years

Principal Forgiveness (Subsidy) Amount: \$2,100,000.00

Green Project Reserve Amount: \$0.00

Project Description: Installation of approximately eleven (11) miles of 8-inch waterline from the connection point near Enid to Garber MA and installation of 6-inch waterlines for Garber MA to replace the remaining leaking cast iron lines, and one (1) 150 gallon per minute (GPM) booster pump station. This project will eliminate water wells which have exceeded the nitrate and carbon tetrachloride maximum contaminant level (MCL). Construction completion is estimated to occur in the fall of 2016.

Logan County RWD #1 (III)

Binding Commitment Date: March 15, 2016

Binding Commitment Amount: \$1,500,000.00

Loan Closing Date: March 25, 2016

Loan Closing Amount: \$1,500,000.00

Loan Term: 30 years

Principal Forgiveness (Subsidy for Regionalization) Amount: \$1,500,000.00

Green Project Reserve Amount: \$0.00

Project Description: Installation of approximately seven (7) miles of 8-inch potable water line, one (1) 80 gpm pump station, one water storage tank, one (1) ammonium sulfate chemical feed system, and a water storage tank with aeration to link the Town of Langston to the Town of Meridian. The project will eliminate the use of poor quality source water for the Town of Meridian.

Construction completion is estimated to occur in the fall of 2016.

Oklahoma City WUT (IV)

Binding Commitment Date: March 15, 2016

Binding Commitment Amount: \$65,550,000.00

Loan Closing Date: April 19, 2016

Loan Closing Amount: \$65,550,000.00

Loan Term: 30 years

Principal Forgiveness (Subsidy for Consolidation) Amount: \$0.00

Green Project Reserve Amount: \$0.00

Projects Description:

WT-0108 - Hefner Water Treatment Plant (WTP) Low Lift Pump Station Improvements;

WT-0115 – Forty (40) MGD Overholser WTP Dual Pump Station and Plant Improvements;

WT-0118 - Hefner WTP Sludge Handling Facilities;

WC-0655 – Replacement of 6 and 8-inch waterlines from Portland to I-44 between NW 23rd and NW 27th, and 12-inch waterline along Memorial Road;

WC-0803 – Replacement of 6-inch waterlines from Johnston Drive to SW 43rd Street and from Penn Avenue to Blackwelder Avenue.

Construction completion for all projects is estimated to occur in the fall of 2018.

Stillwater UA (III)*Binding Commitment Date:* May 17, 2016*Binding Commitment Amount:* \$29,900,000.00*Loan Closing Date:* June 27, 2016*Loan Closing Amount:* \$29,900,000.00*Loan Term:* 30 years*Principal Forgiveness (Subsidy for Regionalization) Amount:* \$0.00*Green Project Reserve Amount:* \$0.00

Project Description: Construct a new Booster Pump Station (BPS); construct a waterline from the BPS to the Range Water Tower; construct a new elevated 0.75 Million Gallon (MG) storage tower on 44th Avenue (44th Avenue Tower); construct a new Central Zone 1.0 MG elevated storage tower (Central Zone Tower); construct a waterline from Range BPS to the 44th Avenue Tower; construct the new Range BPS. Construction completion is estimated to occur in the fall of 2018.

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 2010, 2011, 2012, 2013, 2014, and 2015 capitalization grants as of June 30, 2016. DEQ/OWRB uses principal forgiveness when assigning subsidies.

FFY 2010 Grant Amount \$16,863,000

30% Subsidy	\$ 5,058,900
Subsidy Amount Awarded	<u>\$ 5,058,900</u>
Subsidy Amount left to draw	\$ 0
Remaining Amt. Carried	
Forward to SFY 2017	\$ 0

FFY 2011 Grant Amount \$11,701,000

30% Subsidy	\$ 3,510,300
Subsidy Amount Awarded	<u>\$ 3,510,300</u>
Subsidy Amount left to draw	\$ 0
Remaining Amt. Carried	
Forward to SFY 2017	\$ 0

FFY 2012 Grant Amount \$11,151,000

20% Subsidy	\$ 2,230,200
Subsidy Amount Awarded	<u>\$ 2,230,200</u>
Subsidy Amount left to draw	\$ 0
Remaining Amt. Carried	
Forward to SFY 2017	\$ 0

<u>FFY 2013 Grant Amount</u>	<u>\$10,463,000</u>
20% Subsidy	\$ 2,092,600
Subsidy Amount Awarded	<u>\$ 2,092,600</u>
Subsidy Amount left to draw	\$ 0
Remaining Amt. Carried	
Forward to SFY 2017	\$ 0

<u>FFY 2014 Grant Amount</u>	<u>\$14,251,000</u>
20% Subsidy	\$ 2,850,200
Subsidy Amount Awarded	<u>\$ 2,850,200</u>
Subsidy Amount left to draw	\$ 0
Remaining Amt. Carried	
Forward to SFY 2017	\$ 0

<u>FFY 2015 Grant Amount</u>	<u>\$14,157,000</u>
20% Subsidy	\$ 2,831,400
Subsidy Amount Awarded	<u>\$ 297,947</u>
Subsidy Amount left to draw	\$ 2,681,007
Remaining Amt. Carried	
Forward to SFY 2017	\$ 2,681,007

Currently, DEQ has three (3) systems which are working through the process to receive subsidy funds. These systems plan to receive a binding commitment and close a loan during SFY 2017. These projects will receive the remaining subsidy funds for the FFY 2015 grant and FFY 2016 grant.

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.

All projects funded with grant funds are required to include the Davis Bacon Provision 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 Project Benefits Reporting (PBR) system on a quarterly basis. All five (5) projects that closed a loan from SFY 2016 have been entered into PBR. See list in Attachment 14.

DEQ is required to report project funding in the Federal Funding Accountability and Transparency Act (FFATA) database. An amount of funded projects equal to the capitalization grant amount will be submitted to the FFATA database during SFY 2016/2017. The FFY 2015 capitalization grant amount was \$14,157,000 and one (1) project totaling \$9,768,330 has been entered as of June 30, 2016. The project is Ada 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 a Buy American 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, as well as sending out a "Press Release" at the time of each binding commitment. DEQ purchased "EPA" stickers to be placed on the construction sign. Please see Attachment 13 for documentation of these two items.

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 2016 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 2016.

However, due to the deficit reduction measures taken by Congress, the amount of future capitalization grants may be less than funds projected.

Table 1 – Available 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	\$2,845,491	\$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*	\$14,251,000	\$2,850,200	\$17,101,200	\$4,417,810	\$12,683,390
2015	\$14,157,000	\$2,831,400	\$16,988,400	\$4,388,670	\$12,599,730
TOTAL	\$274,221,000	\$48,548,000	\$322,769,000	\$70,147,742	\$252,621,258

*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).

Table 1 is a summary of federal capitalization grants and state matching funds projected to be available to the Oklahoma DWSRF from 1997 to 2016.

Federal capitalization grant funds were awarded to DEQ during SFY 2016. DEQ applied for the FFY 2015 capitalization grant on April 28, 2015, originally. Due to state appropriated budget cuts, DEQ revised the application and resubmitted it on July 15, 2015. EPA awarded \$14,157,000 to DEQ on September 16, 2015. The state matching funds for the FFY 2015 capitalization grant were provided by a transfer from the DWSRF Administration Fund held outside the DWSRF with the option to refund the DWSRF

Administration Fund with bond proceeds from an anticipated bond issue scheduled to close during SFY 2017. See page 38 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 2015 capitalization grant. The following is a description of the four set-aside account activities.

1. DWSRF Administration

Funds equal to 4% of the FFY 2015 federal capitalization grant were set-aside to offset administrative costs incurred by DEQ and OWRB during SFY 2016. 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 2016 is included as Attachment 1.

The DWSRF Administration Set-aside from the FFY 2015 capitalization grant was \$566,280. 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 2016. A total of \$386,280 for SFY 2016 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 11, contains budget and expense data.

DEQ and OWRB expended \$4,924 from the FFY 2014 grant Administration Set-aside, and \$531,644 from the FFY 2015 grant Administration Set-aside during SFY 2016.

In the SFY 2016 work plan, two (2) contracts were listed as potential projects during the year. The first contract was the Annual Audit Contract listed for \$42,800. The contract was awarded for \$37,800, 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 2016. 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. They meet quarterly to discuss systems pursuing funding, and to help the system decide the best option for their situation. FACT has an "Engineering 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 2016, DEQ transferred \$6,067 in unexpended Administration Set-aside funds from the FFY 2014 capitalization grant to the project loan fund. Unexpended Administration Set-aside funds from the FFY 2014 Capitalization Grant were utilized to cover expenses during SFY 2016. 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.

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 2016, administration fees of \$2,317,491 were invoiced and collected. Additionally, the DWTAF earned \$117,986 for SFY 2016, in interest. During SFY 2016, \$3,473,612 was expended from the DWTAF for staff training, Council of Infrastructure Financing Authorities (CIFA) workshop registration, publications, accounting software and annual maintenance fee, payroll, and the State Match for the 2015 DWSRF Capitalization Grant. All expenditures made from the DWTAF were for eligible DWSRF purposes. The balance of the DWTAF at June 30, 2016, was \$7,006,003. Table 2.1, located on page 12 of this report, includes cumulative DWTAF income and expenditure data. See page 11 of the financial statements for detail on how the administrative fee is collected. Also, see page 11 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 drinking water systems to ensure safe drinking water is 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.

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
FFY 2013 Capitalization Grant = \$10,463,000 - \$3,243,530 = \$7,219,470 to the loan fund									
Admin	418,520	418,520	0	12,652	1,302,624	0		418,520	0
SSTA	209,260	209,260	0	116,538	937,404	0		209,260	0
SPM	1,046,300	1,046,300	0	778,926	5,873,807	0		1,046,300	0
LA	1,569,450	1,569,450	523,150	188,774	8,732,320	0		1,569,450	0
Totals	3,243,530	3,243,530	523,150	1,096,890	16,846,155	0		3,243,530	0
FFY 2014 Capitalization Grant = \$14,251,000 - \$4,417,810 = \$9,833,190 to the loan fund									
Admin	570,040	570,040	0	6,067	1,308,691	6,067	11/30/2015	570,040	0
SSTA	285,020	285,020	0	22,074	959,478	22,074	11/30/2015	285,020	0
SPM	1,425,100	1,425,100	0	0	5,873,807	0		1,425,100	0
LA	2,137,650	2,137,650	0	841,402	9,573,722	841,402	11/30/2015	2,137,650	0
Totals	4,417,810	4,417,810	0	869,543	17,715,698	869,543		4,417,810	0
FFY 2015 Capitalization Grant = \$14,157,000 - \$4,388,670 = \$9,768,330 to the loan fund									
Admin	566,280	566,280	0	0	1,308,691	0		531,644	34,636
SSTA	283,140	283,140	0	0	959,478	0		281,151	1,989
SPM	1,415,700	1,415,700	0	0	5,873,807	0		1,208,266	207,434
LA	2,123,550	2,123,550	0	0	9,573,722	0		1,094,618	1,028,932
Totals	4,388,670	4,388,670	0	0	17,715,698	0		3,115,678	1,272,992
Cumulative FFY 1997-2015 Grants									
Admin	10,968,840	10,251,947	126,353	1,182,338	1,308,691	0		9,744,659	34,636
SSTA	4,854,799	4,458,428	65,567	893,911	959,478	0		4,153,448	1,989
SPM	24,412,983	21,830,149	1,440,661	4,433,146	5,873,807	0		19,920,593	207,434
LA	29,911,121	26,363,529	1,570,160	8,003,562	9,573,722	0		22,037,022	1,028,932
Totals	70,147,743	62,904,053	3,202,741	14,512,957	17,715,698	0		55,855,721	1,272,992

DWSRF

Table 2.1

OUTSIDE ACCOUNT ADMINISTRATION FEES

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	\$2,317,491	\$4,000	\$117,986	\$3,473,612	\$7,006,003
TOTALS	\$18,353,622	\$81,900	\$793,404	\$12,222,923	

CASH BASIS

FY2012 – Money provided for Delaware #10 Loan Write-off

FY2016 – State Match for FY 2015 grant included in expenditures

2. Small System Technical Assistance

Funds equal to 2% of the FFY 2015 federal capitalization grant were set-aside to fund small system technical assistance during SFY 2016. These funds were reserved to provide technical assistance to public water supply systems serving populations of 10,000 or fewer. In Oklahoma, during SFY 2016, 97% (1,625) of the water supply systems met the definition of a small system and served 1,198,691 Oklahomans. This technical assistance was provided by DEQ personnel.

The Small System Technical Assistance Set-aside from the FFY 2015 capitalization grant was \$283,140. This entire amount was specified for staff salaries and related expenses.

The Small System Technical Assistance Set-aside fund expended \$11,484 from the FFY 2014 grant Small Systems set-aside and \$281,151 from the FFY 2015 grant Small Systems set-aside during SFY 2016.

During SFY 2016, DEQ transferred \$22,074 in unexpended Small System Technical Assistance Set-aside funds from the 2014 capitalization grant to the project loan fund. Unexpended Small System Technical Assistance Set-aside funds from the FFY 2014 Capitalization Grant were utilized to cover expenses during SFY 2016. 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, Representatives and 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 \$1,415,700 (10%) of the FFY 2015 federal capitalization grant were set aside to fund a portion of the Public Water Supply Supervision (PWSS) Program during SFY 2016. The FFY 2015 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 1,679 water supply systems which served 3,695,811 Oklahomans in SFY 2016. The required tasks of the Program Management set-aside were accomplished by WQD staff, in particular the Public Water Supply District Engineers, Representatives and the Environmental Complaints and Local Services (ECLS) Division of DEQ.

The Program Management Set-aside from the FFY 2015 capitalization grant was specified for staff salaries and related expenses and contracts during SFY 2016.

During SFY 2016, the Program Management set-aside expended money from two different grants. DEQ expended \$34,174 from the FFY 2014 grant Program Management set-aside to zero the remaining balance, and \$1,208,266 from the 2015 grant Program Management set-aside.

During SFY 2016, DEQ did not transfer any Program Management funds 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.

Oklahoma must provide a dollar for dollar match for the Program Management set-aside. This match is separate and in addition to the 20% match for the entire capitalization grant. At least one-half of the state match funds provided by the State must be in addition to the amount the State expended for the PWSS program in FFY 93. Documentation of this overmatch is in Table 3.

TABLE 3: PWSS State Match

FFY	State General Revenue	PWS Fees	Operator Certification	Federal Grant	Total PWSS Funds	Total State Match	25% State Match	Amount Overmatch
FY 93	\$859,000	\$1,054,041	\$135,000	\$827,700	\$2,875,741	\$2,048,041	\$275,900	\$1,772,141
FY 15	\$1,885,371	\$2,197,760	\$1,072,478	\$1,439,000	\$6,594,609	\$5,155,609	\$479,667	\$4,675,942

	FFY 1993	FFY 2015
PWSS grant	\$827,700	\$1,439,000
PWSS State Match	\$275,900	\$479,667
PWSS State Overmatch	\$1,772,141	\$4,675,942
Current Year SPM Set-aside		\$1,415,700
Current Year Credit		\$1,415,700

During SFY 2016, 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 650 systems with current arsenic schedules in SFY 2016.*
 - (b) *Quantity was 997 systems with current nitrate schedules for SFY 2016.*
 - (c) *Quantity was 328 systems with current nitrite schedules in SFY 2016.*
 - (d) *Quantity was 667 systems with current other phase 2 & 5 inorganic schedules in SFY 2016.*
- 2) Tracking and technical assistance associated with the Organic Chemicals;
 - (a) *Quantity was 667 systems with current volatile organic schedules in SFY 2016.*
 - (b) *Quantity was 185 systems with current synthetic organic schedules in SFY 2016.*
- 3) Tracking and technical assistance associated with the Stage 2 Disinfectant/Disinfection By-product Rule (DBP); *Quantity was 1,067 systems with current DBP schedules in SFY 2016.*
- 4) Updating PWS inventory information such as administrative contact information, sources of water and treatment processes; *Quantity was 487 systems updated in SFY 2016.*
- 5) Updating latitudes and longitudes for surface water intakes and public water supply wells; *Quantity was 184 new or updated/corrected locations in SFY 2016.*
- 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 12 for SFY 2016.*
- 7) Tracking and database maintenance for systems affected by drought conditions; *Quantity was 24 systems for SFY 2016.*
- 8) Tracking and technical assistance associated with the Lead and Copper Rule; *Quantity was 1,202 systems with current lead and copper schedules for SFY 2016.*
- 9) Performance of comprehensive performance evaluations (CPEs); *Quantity was zero (0) CPEs for SFY 2016.*
- 10) Tracking and technical assistance associated with the Consumer Confidence Rule (CCR); *Quantity was 1,071 systems with CCR schedules for SFY 2016.*
- 11) Tracking and technical assistance associated with the Total Coliform Rule (TCR); *Quantity was 1,678 systems with current TCR schedules for SFY 2016.*
- 12) Tracking and technical assistance associated with Ground Water Rule; *Quantity was 251 systems with triggered ground water schedules for SFY 2016.*
- 13) Tracking and technical assistance associated with radionuclides; *Quantity was 575 systems with radionuclide schedules for SFY 2016.*
- 14) Tracking and technical assistance associated with Surface Water Treatment Rules (SWTR); *Quantity was 194 systems with SWTR requirements for SFY 2016.*

- 15) Tracking of public notice; *Quantity was 4,247 public notices requested for SFY 2016.*
- 16) Daily importation of electronic sample data into SDWIS; *Quantity was 71,702 samples imported for SFY 2016.*

4. Local Assistance and Other State Programs

Funds equal to \$2,123,550 (15%) of the FFY 2015 federal capitalization grant were reserved for capacity development activities, which includes the Water Loss Pilot Program, and Wellhead activities including verification and updating of existing data during SFY 2016.

During SFY 2016, DEQ transferred \$841,402 in unexpended Local Assistance and Other State Programs Set-aside funds from the FFY 2014 capitalization grant to the project loan fund. Unexpended Local Assistance and Other State Programs Set-aside funds from the FFY 2014 Capitalization Grant were utilized to cover expenses during SFY 2016.

During SFY 2016, the Local Assistance and Other State Programs' set-aside expended \$73,390 from the FFY 2014 capitalization grant, and \$1,094,618 from the FFY 2015 grant for a total of \$1,168,008. The FFY 2014 and 2015 capitalization grant expenditures were broken down as follows:

Local Assistance and other State Programs' Activities:	\$ 973,163
Wellhead Activities:	\$ 46,875
Water Loss Program Activities:	\$ 106,130
Crypto Activities:	\$ 31,356
Harmful Algal Blooms (HAB):	<u>\$ 10,484</u>
	\$1,168,008

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

Complaint 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 53 local environmental specialists 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 370 complaints involving public water supplies during SFY 2016.

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 make contact with 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 361 spills, but none were in a delineated area.

Technical Assistance

ECLS, through its local EPS, 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.

ECLS provided 102 technical assistance visits to public water supply systems and Oklahoma citizens with questions about their drinking water.

Inspections

Public water supplies are inspected to ensure PWS sources are protected; facilities are properly constructed, maintained and operated through proper treatment; and that minimum pressure is maintained. ECLS EPS conducted complete site inspections at all PWS systems not scheduled for triennial sanitary surveys. ECLS inspected 2,769 public water supply systems.

ECLS conducted 1,827 non-primacy inspections and 942 primacy inspections in SFY 2016.

Wellhead Activities

ECLS staff was tasked with verifying the locations of water wells and intake structures as they are located on the flex viewer. Due to staff knowledge of the systems they could tell by looking at the location of the icon and determine if the well location was correct. If not correct, staff would use the mapping capabilities of the flex viewer to provide a new latitude/longitude. If they could not visually see the well on the map, then they were required to go to the site and collect a new Global Positioning System (GPS) shot. This information was provided to the appropriate section to update the viewer and make note of changed locations to flag those wells or intakes for new field shot collections in the future. As of June 30, 2016, fifty-three (53) of the seventy-seven (77) counties in Oklahoma had been reviewed and changes had been submitted.

Water Loss program Activities

For SFY 2017 and beyond, DEQ is complimenting EPA's efforts supporting sustainable infrastructure by promoting water loss auditing at water supplies across the state. DEQ is continuing work on promoting water loss auditing at water systems by following up with systems that received an initial audit during the pilot project to gauge the progress on addressing water loss and to provide additional technical assistance. DEQ will be partnering with the Oklahoma Rural Water Association (ORWA) to conduct leak detection and meter analysis at the audited systems, focusing on pinpointing the root causes for the loss indicated in the audits. The results of this work will be compared with the audit results to determine best-course solutions for the participating systems.

Crypto Accreditation Activities

In support of the Long Term 2 Enhanced Surface Water Treatment (LT2) Rule, with the goal of being able to better support the small public water systems as the second round of monitoring continues to be phased in over the next two years, the State Environmental Laboratory Services Division (SELS) has been pursuing accreditation from The NELAC Institute (TNI) for *Cryptosporidium/Giardia* analysis. As this type of testing is new to the SELS, lab capacity had to be expanded through the acquisition of analytical instrumentation and support equipment that is required to perform this scope of work. The investment in training and proficiency testing has been critical to building expertise and demonstrating competency in this field of testing. In addition to incorporating extensive new quality assurance and quality control elements into the SELS's Quality Assurance Plan, TNI accreditation requires SELS to pay a recognized TNI Accrediting Body to conduct a series of onsite audits of the SELS related programs and procedures. SELS is on schedule to be granted this accreditation prior to the next phase of rule promulgation in October 2016. SELS field staff has also been trained to collect samples in support of this rule and plan to offer these services as part of the associated analytical fee.

Harmful Algal Blooms (HAB) Activities

The SELS continues to budget for and schedule training to expand the expertise of staff and better prepare for HAB events that threaten public and environmental health. In SFY 2017, SELS will be investing in additional equipment and instrumentation to keep lab capacity at a high level, further preparing SELS to respond to such events. Also in this fiscal year, as part of SELS's Training and Competency Program, SELS has begun participation in proficiency testing for algal toxins. SELS continues to protect public water by responding to HAB events with field investigations and post bloom monitoring.

In the SFY 2016 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.) Geographic Information System (GIS) Source Water Assessment Program (SWAP) Server Update and Maintenance contract. This item was listed for \$75,000 in the SFY 2016 workplan budget, but a contract was not awarded in SFY 2016. It was determined during the year that this contract would not be awarded
- 2.) GIS/GPS Training contract. This item was listed for \$5,000. This item was not awarded in SFY 2016.

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

- a. GIS/GPS Application Software. This item was listed for \$5,000. This item was not purchased in SFY 2016.
- b. GPS Maintenance. This item was listed for \$10,000. A contract was awarded and \$772.45 was expended in SFY 2016.
- c. GIS based Data Viewer, GIS Server, Ambient Monitoring Database development and maintenance software. This was listed for \$25,000. This item was not purchased in SFY 2016.
- d. GPS Equipment. This item was listed for \$48,000, or 6 units at an estimated cost of \$8,000 each. Six (6) receivers were purchased and \$43,377.00 was expended.
- e. Small GPS units for ECLS staff. These items were not purchased during SFY 2016.

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 2015 capitalization grant were provided by a transfer from the DWSRF Administration Fund held outside the DWSRF with the option to refund the Drinking Water Administration Fund with bond proceeds from an anticipated bond issue scheduled to close during SFY 2017. Please see page 38 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 be "ready to proceed."

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

- a. Approved engineering report;
- b. Permitted construction permit for plans and specifications;
- c. Approved financial application; and
- d. Completed environmental review.

Projects that have met the above requirements are moved to the fundable portion of the Project Priority List 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. 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 2016 is included as Attachment 2. For revisions to the IUP, please see Attachment 12.

During SFY 2016, the State closed loans with five (5) systems totaling approximately \$122.3 million. Six (6) systems received binding commitments during SFY 2016. One system, Canute PWA, received a binding commitment but didn’t close a loan by the end of SFY 2016. The loan should be closed during SFY 2017.

A full description of the projects that received a binding commitment during SFY 2016 is located in Section I.C.

The Bypass Procedures were implemented during SFY 2016 when systems on the Fundable List were not “ready to proceed”. Systems on the Contingency list were funded in those cases.

Project information for closed loans is further detailed in Table 4.

During SFY 2016, the State completed construction and began operation on eleven (11) projects. The projects were: Delaware County Rural Water District (RWD) #11; Fairmont Public Works Authority (PWA); Garvin County Rural Water District (RWD) #4; Guthrie Public Works Authority (PWA) (III); Lincoln County Rural Water District (RWD) #4; Logan County Rural Water District (RWD) #1 (IV); Mayes County Rural Water District (RWD) #6; Muskogee Municipal Authority (MA); Okmulgee Public Works Authority (PWA) (I); Wagoner Public Works Authority (PWA) (III); and Washington County Rural Water District (RWD) #3.

TABLE 4 DWSRF Project and Loan Details

Project Name	SFY of Loan Closing	Pop.	Environmental Decision		Binding Commit.	Loan Closing			Start Const.	Project Component				
			Date	Type		Amount	Interest Rate	Admin. Fee		Treatment	Transmission & Distribution	Source	Storage	Land
Ada PWA	2016	27,130	6/3/13	CATEX	9/15/15	\$23,290,000	2.52%	0.50%	11/16/15	\$8,399,307	\$14,101,019	\$789,674	\$0	\$0
Garber MA	2016	845	10/9/15	FONSI	12/2/15	\$2,100,000	2.12%	0.50%	2/15/16	\$0	\$2,100,000	\$0	\$0	\$0
Logan County RWD #1 (III)	2016	5,060	3/24/15	FONSI	12/2/15	\$1,500,000	2.25%	0.50%	4/16/16	\$260,550	\$928,708	\$0	\$304,789	\$5,953
Oklahoma City WUT (IV)	2016	1,005,200	2/9/16	CATEX	3/15/16	\$65,550,000	2.05%	0.50%	6/15/16	\$64,022,717	\$1,527,283	\$0	\$0	\$0
Stillwater UA (III)	2016	40,800	5/4/16	FONSI	5/17/16	\$29,900,000	1.82%	0.50%	8/21/16	\$1,953,276	\$15,492,017	\$0	\$10,288,250	\$2,166,456
Total						\$122,340,000				\$74,635,851	\$34,149,027	\$789,674	\$10,593,039	\$2,172,410

The total percentage of small systems funded through the Oklahoma DWSRF program is shown in Table 4.1 below. Currently, 26% of all DWSRF funds have been utilized for small systems. Also, 2.9% of the current year's funds have been utilized for small systems.

TABLE 4.1 Total Percentage of Small Systems Funded

Binding Commitments	SFY	Pop.	Small	Large
SFY1998 - 2001			\$22,548,975	\$ 25,989,280
SFY2002 - 2005			\$14,465,983	\$ 117,672,718
SFY2006 - 2016			\$210,465,126	\$ 459,551,429
Ada PWA	2016	27,130		\$26,000,000
Garber MA	2016	845	\$2,100,000	
Logan County RWD #1 (III)	2016	5,060	\$1,500,000	
Oklahoma City WUT (IV)	2016	1,005,200		\$65,550,000
Stillwater UA (III)	2016	40,800		\$29,900,000
			\$3,600,000	\$121,450,000
TOTAL			\$251,080,084	\$724,663,427
PERCENTAGE			26%	74%

DWSRF subsidy funds are currently directed at Regionalization and Consolidation projects and are very attractive to water systems. Many small communities in Oklahoma are struggling with the economy at this time and the extra requirements that have been placed on the DWSRF program are deterring these small systems from seeking our funding. Some of the other funding agencies do not have the extra requirements that DWSRF has.

Regarding the DWSRF 15% Small System Funding Provision, Oklahoma addresses this goal by the following methods of marketing, outreach, and technical assistance:

- Small system technical assistance and compliance determinations by DEQ District Engineers.
- FACT is a group of federal and state organizations that offer financing to Oklahoma public water and wastewater projects. Projects are not limited to small systems, but there is a focus on small systems.
- Water Loss Audit Pilot that was provided free of charge to forty voluntary small systems. We plan to continue the voluntary audits with a focus on small systems.
- OWRB sends funding resources letter to all drinking water Consent Order recipients.
- Priority and possible subsidy provided for regionalization projects.
- If the provision has not been met with projects above the PPL's fundable line but there are eligible, ready-to-proceed small system projects below the fundable line, projects will be bypassed to reach those small system projects. Oklahoma will add this condition to our next IUP.

Fund Financial Status

Binding Commitments

A Binding Commitment is a loan application that is approved for funding by the OWRB.

A Binding Commitment letter notified the applicants that OWRB had approved their applications and concurred in awarding DWSRF loans. Before issuance of these letters, the projects were reviewed in accordance with DEQ's EPA approved State Environmental Review Procedures (SERP).

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, 2016, DEQ had entered into binding commitments for 337% over the required binding commitment amount. Oklahoma's binding commitments are displayed in Table 5.

During SFY 2016, a majority of 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 5.

TABLE 5
Binding Commitment Financial Summary

Loan Payments									Set-Aside Payments	Total Qtr Payments	Cumulative Loan Payments	Binding Commit Req	Cumulative Binding Commit Req	Proj	Binding Commit Actual	Cumulative Binding Commit Actual	% of Binding Commit Req
FFY	QTR	ARRA Grant	2010 Grant	2011 Grant	2012 Grant	2013 Grant	2014 Grant	2015 Grant									
1997-2006										\$94,567,293	\$94,567,293	\$102,345,273	\$102,345,273		\$284,400,211	\$284,400,211	
2007	1 st								\$785,402	\$0	\$94,953,067	\$150,479	\$102,495,752	(ae)	(\$1,098,990)	\$283,301,221	276%
	2 nd								\$785,404	\$0	\$94,953,067	\$150,479	\$102,646,231	(af)	\$4,638,549	\$287,939,770	281%
	3 rd								\$785,404	\$0	\$95,953,067	\$13,776,901	\$116,423,132	(ag)	\$6,715,456	\$294,655,226	253%
	4 th								\$845,856	\$10,529,760	\$106,482,827	\$2,790,398	\$119,213,530	(ah)	\$16,155,000	\$310,810,226	261%
2008	1 st								\$845,856	\$0	\$106,482,827	\$157,080	\$119,370,610	(ai)	\$1,995,861	\$312,806,087	262%
	2 nd								\$845,856	\$568,221	\$107,051,048	\$157,081	\$119,527,691	(aj)	\$15,900,000	\$328,706,087	275%
	3 rd								\$845,856	\$9,902,176	\$116,953,224	\$157,081	\$119,684,772	(ak)	\$10,896,402	\$339,602,489	284%
	4 th								\$883,705	\$0	\$116,953,224	\$12,804,883	\$132,489,655	(al)	\$32,337,499	\$371,939,988	281%
2009	1 st								\$883,705	\$0	\$116,953,224	\$169,171	\$132,658,826	(am)	\$18,176,583	\$390,116,571	294%
	2 nd								\$883,705	\$9,616,180	\$126,569,404	\$851,036	\$133,509,863	(an)	(\$490,000)	\$389,626,571	292%
	3 rd								\$883,705	\$386,253	\$126,955,657	\$12,051,782	\$145,561,645	(ao)	(\$87,935)	\$389,538,636	268%
	4 th	\$7,555,440							\$1,833,365	\$14,632,222	\$141,587,879	\$176,741	\$145,738,386	(ap)	\$147,298,281	\$536,836,917	368%
2010	1 st	\$7,555,440							\$1,833,365	\$7,555,440	\$149,143,319	\$176,741	\$145,915,127	(aq)	\$23,383,646	\$560,220,563	384%
	2 nd	\$7,555,440							\$1,833,365	\$7,555,440	\$156,698,759	\$11,716,157	\$157,631,284	(ar)	\$12,554,607	\$572,775,170	363%
	3 rd	\$7,555,440							\$1,833,363	\$7,555,440	\$164,254,199	\$640,245	\$158,271,529			\$572,775,170	362%
	4 th								\$1,306,881	\$0	\$164,254,199	\$17,925,339	\$176,196,868	(as)	\$7,274,220	\$580,049,390	329%
2011	1 st								\$1,306,883	\$0	\$164,254,199	\$9,433,201	\$185,630,069	(at)	\$59,658,000	\$639,707,390	345%
	2 nd		\$11,635,470						\$1,306,883	\$11,635,470	\$175,889,669	\$9,433,201	\$195,063,270	(au)	\$2,375,144	\$642,082,534	329%
	3 rd								\$1,306,883	\$0	\$175,889,669	\$9,433,201	\$204,496,471	(av)	\$1,634,210	\$643,716,744	315%
	4 th								\$892,413	\$0	\$175,889,669	\$261,376	\$204,757,847	(aw)	\$37,455,720	\$681,172,464	333%
2012	1 st								\$892,413	\$0	\$175,889,669	\$261,377	\$205,019,224	(ax)	\$10,674,764	\$691,847,228	337%
	2 nd			\$8,073,690					\$892,413	\$8,073,690	\$183,963,359	\$14,223,941	\$219,243,164	(ay)	\$3,078,583	\$694,925,811	317%
	3 rd								\$892,412	\$0	\$183,963,359	\$261,377	\$219,504,541	(az)	\$12,102,436	\$707,028,247	322%
	4 th				\$7,694,190				\$864,203	\$7,694,190	\$191,657,549	\$178,483	\$219,683,023	(ba)	\$19,035,226	\$726,063,473	331%
2013	1st								\$864,203	\$0	\$191,657,549	\$178,483	\$219,861,506	(bb)	\$9,646,756	\$735,710,229	335%
	2nd		\$39,141						\$864,203	\$729,410	\$192,386,959	\$9,866,911	\$229,728,417	(bc)	\$7,289,248	\$742,999,477	323%
	3rd								\$864,201	\$0	\$192,386,959	\$178,482	\$229,906,899	(bd)	\$1,017,212	\$744,016,689	324%
	4th			\$32,743					\$810,884	\$32,743	\$192,419,702	\$9,405,869	\$239,312,768	(be)	\$14,190,286	\$758,206,975	317%
2014	1st					\$7,219,470			\$810,882	\$7,219,470	\$199,639,172	\$172,841	\$239,485,608	(bf)	\$3,217,716	\$761,424,691	318%
	2nd				\$317,464				\$810,882	\$317,464	\$199,956,636	\$1,048,133	\$240,533,741	(bg)	(\$5,025,145)	\$756,399,546	314%
	3rd					\$523,150			\$287,732	\$523,150	\$200,479,786	\$172,840	\$240,706,581	(bh)	\$1,895,862	\$758,295,408	315%
	4th				\$741,214		\$9,833,190		\$1,079,452	\$10,574,404	\$211,054,190	\$201,468	\$240,908,049	(bi)	\$4,814,229	\$763,109,637	317%
2015	1st								\$1,104,453	\$0	\$211,054,190	\$8,825,540	\$249,733,590	(bj)	\$891,865	\$764,001,502	306%
	2nd					\$1,096,890			\$1,104,453	\$1,096,890	\$212,151,080	\$543,133	\$250,276,723	(bk)	\$37,616,545	\$801,618,046	320%
	3rd								\$1,104,452	\$0	\$212,151,080	\$685,326	\$250,962,049	(bl)	(\$395,543)	\$801,222,503	319%
	4th							\$9,768,330	\$1,097,168	\$9,768,330	\$221,919,410	\$12,905,175	\$263,867,225	(bm)		\$801,222,503	
2016	1st						\$869,543		\$1,097,168	\$869,543	\$222,788,953	\$220,891	\$264,088,115	(bn)	\$23,080,341	\$824,302,844	312%
	2nd								\$1,097,168	\$0	\$222,788,953	\$1,537,159	\$265,625,274	(bo)	\$5,594,198	\$829,897,042	312%
	3rd								\$1,097,166	\$0	\$222,788,953	\$220,890	\$265,846,164	(bp)	\$65,620,595	\$895,517,637	337%
	4th								\$0	\$0	\$222,788,953	\$11,941,430	\$277,787,594		\$29,900,000	\$925,417,637	
Total		\$30,221,760	\$11,674,611	\$8,106,433	\$8,752,868	\$8,839,510	\$10,702,733	\$9,768,330		\$221,403,179		\$277,787,594			\$801,222,503		

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, 2016, DEQ had one open grant which is for FFY 2015. 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 reviews 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.

Financial Indicators

In an effort to measure the pace, Oklahoma's DWSRF incorporates "financial indicators" into annual program review. Attachment 11 presents five key measures that reflect the different financial objectives of the SRF and provides broad indicators of how the DWSRF is meeting them.

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, Lobbying Disclosure Rules. The cross-cutters are applied to all projects funded through DWSRF.

For SFY 2016, the DEQ negotiated the following MBE/WBE goals with EPA, Region 6, for the capitalization grant, as follows (Table 5.1):

Table 5.1 – MBE/WBE Procurement Activity

Total 2016 Procurements	MBE Goals	SFY 2016 MBE Actual		WBE Goals	SFY 2016 WBE Actual	
		Dollar Value	% of Procurement		Dollar Value	% of Procurement
\$12,599,730		\$147,000	1.17%		\$0	0%
Construction	11.52%	\$147,000	1.17%	7.61%	\$0	0%
Services	14.29%	\$0	0%	26.51%	\$0	0%
Supplies	12.19%	\$0	0%	21.24%	\$0	0%
Equipment	12.13%	\$0	0%	12.28%	\$0	0%
Overall DBE Procurements					1.17%	

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 MBE/WBE as related to the set-aside portion of the grant for SFY 2016. The DWSRF MBE/WBE goals for the set-aside portion of the program were not met this year due to the fact that the State of Oklahoma requires purchases to be made from companies listed on a "State Contract" list.

D. Prospective Loan Projects

During SFY 2016, eight (8) projects were added to the DWSRF Project Priority List. Based on the SFY 2016 IUP, the DWSRF Priority List contained thirty-three (33) projects. All of these projects were on the planning portion of the list and are working to comply with DWSRF planning and design requirements. Six (6), of the thirty-three (33), projects received letters of binding commitment during SFY 2016. The remaining projects are at various stages in the planning process. The SFY 2016 IUP is included as Attachment 2.

During SFY 2016, environmental decisions were finalized for six (6) DWSRF projects. The breakdown of the six (6) decisions is as follows: three (3) Categorical Exclusions, and three (3) Environmental Assessments.

III. DWSRF Goals Attained

A. Project Accomplishments

The DWSRF loans made to projects during SFY 2016, 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 two (2) 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 four (4) projects.*
4. To install or upgrade storage facilities to prevent contamination from entering the drinking water system;
 - *Initiated construction on two (2) projects.*
5. To install or replace transmission and distribution facilities to prevent contamination;
 - *Initiated construction on five (5) projects.*
6. To assist in consolidation or interconnection of water supply systems to improve service;
 - *Initiated construction on one (1) project.*
7. To assist public drinking water systems to ensure quality water at an affordable cost;
 - *Initiated construction on five (5) 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 two (2) projects.*
9. To assist in costs of planning, design, and other related costs of eligible projects;
 - *Initiated construction on five (5) projects in which these costs were reimbursed.*
10. To provide loans to assist public drinking water systems in meeting compliance deadlines;
 - *Initiated construction on two (2) projects.*
11. To provide loans to assist public drinking water systems that are under enforcement actions in attaining compliance by established deadlines;
 - *Initiated construction on two (2) projects.*
12. 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 five (5) projects.*

13. To provide loans to assist public drinking water systems in constructing water facilities needed to maintain quality drinking water;
 - *Initiated construction on five (5) projects.*
14. 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 five (5) projects.*
15. 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 two (2) projects that had a population of 10,000 or less.*

All of the project accomplishments were achieved in SFY 2016.

Please refer to page 8, Table 1, for total grants available for assistance and page 22, Table 4.1, 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.*
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.*
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.*

4. To obtain maximum capitalization of the fund for the State in the shortest time possible;
 - o *The DWSRF program has been leveraged to meet the funding needs in the future.*
5. To provide the necessary state matching funds prior to accepting capitalization grant payments for the FFY 2015 capitalization grant.
 - o *The state matching funds for the loan portion of the capitalization grant were provided by a transfer from the DWSRF Administration Fund held outside the DWSRF with the option to refund the DWSRF Administration Fund with bond proceeds from an anticipated bond issue scheduled to close during SFY 2017.*

All of the program accomplishments were achieved in SFY 2016. 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 2017. The cash flow model can be found in Attachment 3.

Short-term Goals for SFY 2016

1. Provide eight (8) loans to the eight (8) water systems listed on the Fundable Portion of the SFY 2016 Project Priority List. (Target Completion: June 2016)

Answer: The State closed five (5) loans to systems on the SFY 2016 Project Priority List. Please see Table 4 for a list of systems, including all pertinent information.

2. Apply for FFY 2016 capitalization grant in the first year that it is appropriated. (Target Completion: April 2016)

Answer: DEQ applied for the 2016 capitalization grant on April 27, 2016.

3. Complete set-aside work plans specifying funds from the 2015 capitalization grant. (Target Completion: Within 90 days of grant award)

Answer: DEQ submitted set-aside work plans for the 2015 capitalization grant on November 9, 2015.

4. Use set-aside funds to update source water assessments. (Target

Completion: June 2016)

Answer: Source water assessments are complete. Please see page 17 for information on wellhead activities.

5. Continue to refine the Capacity Development Program, including the Water Loss Audit Pilot Study.

Answer: DEQ will submit the 2016 Capacity Development Annual Report by the due date and it can be found in Attachment 6.

6. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2016)

Answer: DEQ met this goal through DEQ staff activities. The Strategy was revised a few years ago. The Capacity Development Coordinator has reviewed the Strategy and hopes to update it in the future. See page 31, and Attachment 6.

7. Use set-aside funds to provide technical assistance to systems to comply with the LT2 Rule, Stage 2 Disinfectant/Disinfection By products rule; Revised Total Coliform Rule; and Ground Water Rule. (Target Completion: June 2016)

Answer: DEQ met this goal through PWSS District Engineering staff duties. See pages 15, 16, 27 and 28 for accomplishments.

8. Issue DWSRF Revenue Bonds in an estimated amount of \$40,000,000 to finance the additional demand for drinking water loan funds.

Answer: OWRB did not issue DWSRF Revenue Bonds during this SFY. There was a decrease in demand and this is the reason the bond issue was not issued this year.

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

Answer: The SFY 2015 Capitalization Grant will be expended by September 9, 2017.

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 Attachment 4.

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 Attachment 3 and 5.

3. Assist the State in meeting the total drinking water funding needs by providing long-term low-interest 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 in the shortest time possible.

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 Attachment 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 Attachment 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 offer subsidization in the form of principal forgiveness as encouragement to systems to consolidate or regionalize. See Attachment 1 and pages 3-5, of the annual report, under project descriptions.

All of the long-term goals were achieved in SFY 2016 as discussed throughout this report.

Oklahoma provides a “disadvantaged community program” for systems wishing to receive financing for longer than 20 years with a maximum of 30 years for qualified project components. DEQ closed four (4) loans for a term between 20 and 30 years during SFY 2016. The systems were: Ada PWA (23.5 years), Logan County RWD #1 (III) (30 years), Oklahoma City WUT (IV) (30 years), and Stillwater UA (III) (30 years).

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 eight (8) loans to the eight (8) water systems listed on the Fundable Portion of the SFY 2016 Project Priority List (PPL).

Outcome:

The State closed loans to five (5) systems on the SFY 2016 Project Priority List. See Table 4 for system names and amounts.

Output 2 – Enter into binding commitments with six (6) small systems and two (2) large systems for a total of eight (8) projects during SFY 2016.

Outcome:

DEQ made binding commitments with six (6) systems on the SFY 2016 Project Priority List. See Table 4 and Table 4.1 for system names and amounts. Of these systems, three (3) were small systems, and three (3) 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 –

Assisting non-compliant systems to achieve compliance: 2
(Garber MA and Stillwater UA (III))

Assisting compliant systems to maintain compliance: 3
(Ada PWA, Logan County RWD #1 (III) and Oklahoma City WUT (IV))

Assisting compliant systems to meet future requirements: 0

Other Assistance not compliance related: 0

IV. Capacity Development Strategy Activities

The SDWA includes requirements for states to obtain authority to: (1) ensure that new systems have technical, managerial and financial capacity to provide safe and affordable drinking water for now and in the future; (2) ensure that all DWSRF loan recipients have sufficient technical, managerial, and financial 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 technical, managerial, and financial 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 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. 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 Coordinator (CDC). All loan fund applicants are assessed for technical, managerial, and financial capacity by the CDC, 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) and via technical assistance from DEQ permitting, inspection, and enforcement staff. All loan applicants that had projects listed on the Project Priority List have received technical assistance and are being 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 water supply systems, monitoring data, and records of violations. Water supply systems with actual or potential problems are targeted to receive technical 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 2015 annual report to EPA in September 2015. DEQ will submit the 2016 report within 90 days of the close of the fiscal year. See Attachment 6 for a copy of the 2016 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) System

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:

DEQ and OWRB provide two financing plans for both disadvantaged and non-disadvantaged systems; these are long-term DWSRF loans. The first long-term DWSRF loan matures within 20 years of the completion of construction and bears a fixed interest rate. The second long-term DWSRF loan matures within 30 years of the completion of construction and is available for communities who may be considered disadvantaged. Both types of 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, both loans require that principal, interest and administration fee are paid monthly to a local trustee until the loan is paid. 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 70 basis points. 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 2016 contained the current year's needs plus anticipated needs for the next five years. The SFY 2016 Project Priority List reflected a cumulative demand of \$364,090,715 million over the next five years. The SFY 2016 Project Priority List is included as Appendix B to the SFY 2016 IUP. The SFY 2016 IUP is located in Attachment 2 of this annual report. For revisions to the IUP, please see Attachment 12.

For SFY 2016, thirty-three (33) projects were identified on the Project Priority List as being potentially ready to proceed with financing and were identified in the SFY 2016 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 2016 loan requests include FFY 1997 through 2015 federal capitalization grants, state match, principal and interest payments on outstanding loans, investment earnings, and leveraged bonds. For SFY 2016, a complete breakout of the sources of funds is included in Table 1 of the IUP (included as Attachment 2). It is anticipated that future federal appropriations for capitalization grants requiring state matching funds will continue through the year 2017.

IX. Ten and Twenty Year Projection of DWSRF Needs

Oklahoma has approximately 774 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 treatment needs conducted by EPA reflects total public water supply system needs of greater than \$384.2 billion. This current estimate takes into consideration all drinking water needs for the next 20 years. This estimate is from EPA's 2011 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 2011 Needs Survey was completed in 2012 and the results were published in the Federal Register, Vol. 78, No. 116, on Monday, June 17, 2013. For Oklahoma, the 2011 Needs Survey results showed an increase in needs from 1.24% (in 2007) to 1.61%. This state percentage will be in effect for allocating DWSRF program funds for fiscal years 2014 through 2017 appropriations utilizing the results of the 2011 Needs Assessment.

X. Detailed Financial Report

During SFY 2016, DEQ used the 2014 and 2015 capitalization grants to fund set-aside activities and DWSRF loans. DEQ entered into a contract for the 17th annual financial and compliance audit of the DWSRF program for SFY 2016 which will be performed during SFY 2017. The audited financial statements can be found in Attachment 5. Audited financial statements for the Oklahoma Drinking Water Treatment Loan Administrative Fund for SFY 2016 are included as Attachment 4.

XI. Cross Collateralization of the DWSRF and CWSRF Revenue Bond Structure

The Master Trust Agreement dated as of October 1, 2003, provides a bond structure that allows for cross-collateralization of the Clean Water State Revolving Fund (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.

Revenues pledged to the repayment of CWSRF bonds include: principal and interest payments received on local loans made from proceeds of the bond issue and from other CWSRF program loans; and investment earnings on funds and accounts within the bond indenture, including a reserve fund comprised of CWSRF program assets. The Master

Trust Agreement and each series bond indenture require that revenues be pledged sufficient to cover the debt service requirement for each payment date at least 1.1 times. Accordingly, a cash flow surplus is anticipated for each period absent a borrower default on a local loan. This surplus flows through a Deficiency Fund in the Master Trust Agreement that makes the surplus available to other series of CWSRF and DWSRF bonds. The order of priority for surplus CWSRF pledged revenues is:

- (1) Other CWSRF bond issue debt service payment deficiencies;
- (2) Any DWSRF bond issue debt service payment deficiencies (but not DWSRF state match bonds);
- (3) Any DWSRF bond issue reserve fund deficiencies (but not DWSRF unrestricted reserve funds that secure DWSRF state match bonds);
- (4) To replenish and repay the DWSRF for any surplus DWSRF pledged revenues that were previously utilized to cure a CWSRF bond issue debt service or reserve fund deficiency;
- (5) All remaining funds are released back to the CWSRF Loan Account.

The order of priority for surplus DWSRF pledged revenues is similarly structured, as such any surplus CWSRF pledged revenues that are utilized to cure a DWSRF bond issue debt service or reserve fund deficiency will ultimately be repaid to the CWSRF through operation of the Master Trust Agreement.

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 \$32,992,182 leaving \$22,933,380 available to transfer through the 2015 cap grant. No further transfers are anticipated at this time, but we reserve the right to transfer funds in the future.

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 the OWRB remain committed to achieving the goals of the Safe Drinking Water Act 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 are the current outstanding DWSRF Bond Issues:

<u>Issue</u>	<u>Issue Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Outstanding Balance (June 30, 2016) Fixed Rate</u>
Series 2010 DW**	\$94,460,000	1/13/2010	4/1/2032	\$80,445,000
Series 2011B DW	\$57,910,000	4/13/2011	4/1/2042	\$52,785,000
Series 2012A DW	\$49,395,000	6/12/2012	4/1/2042	\$43,960,000
Series 2013A DW	\$41,410,000	9/19/2013	4/1/2043	\$37,005,000
Series 2013B DW*	\$35,505,000	9/19/2013	4/1/2025	\$25,725,000
	<u>\$278,680,000</u>			<u>\$239,920,000</u>

* Refunding of the 2003 DW Series

** Defeased 7/12/2016

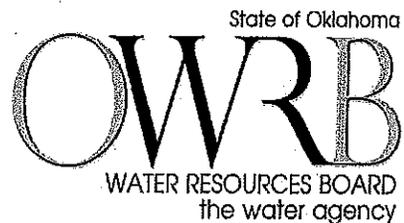
Attachment 1

DEQ/OWRB Interagency Agreement For SFY 2016

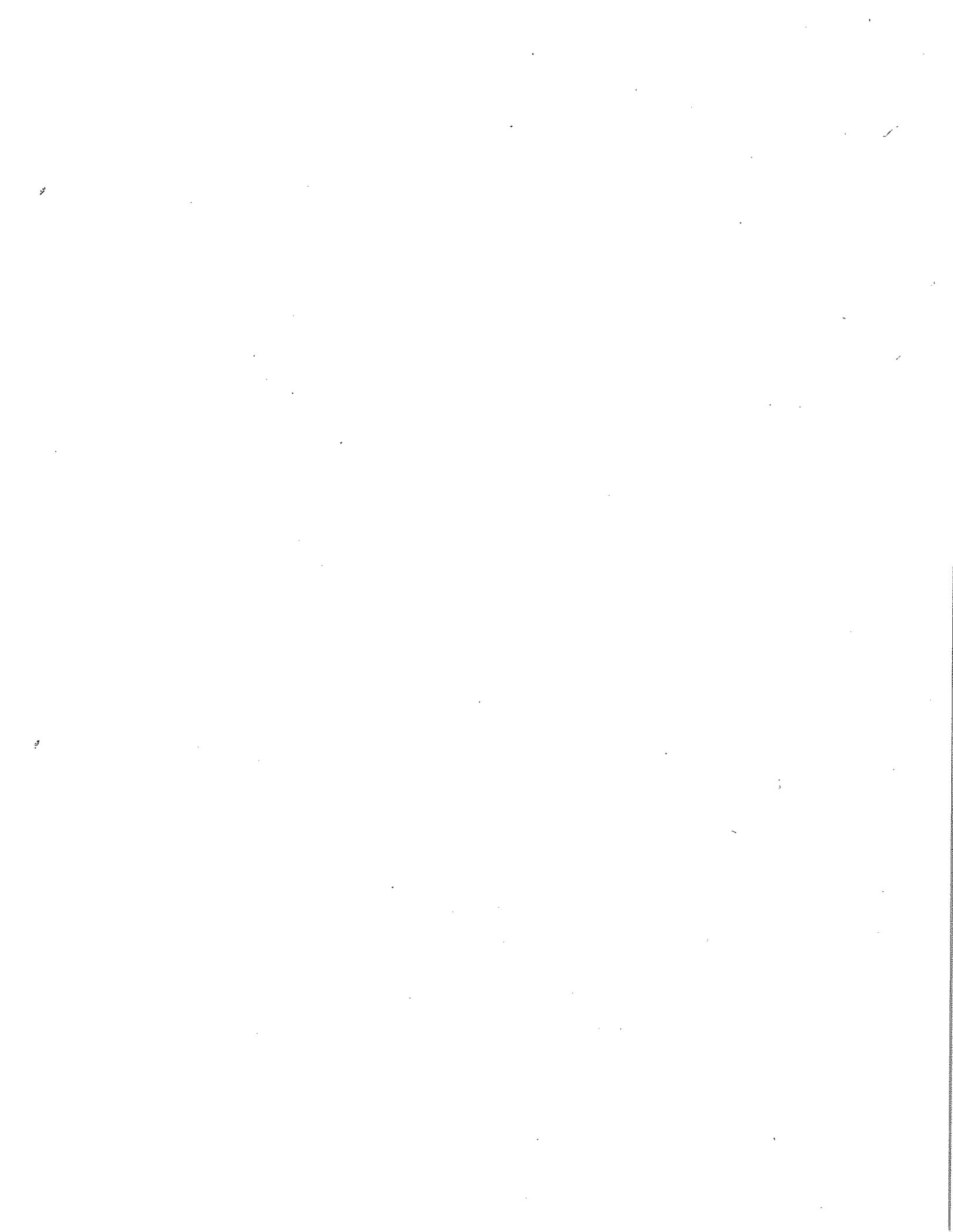
**DRINKING WATER
STATE REVOLVING FUND**

INTERAGENCY AGREEMENT

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



State FY 2016
(From July 1, 2015 Through June 30, 2016)

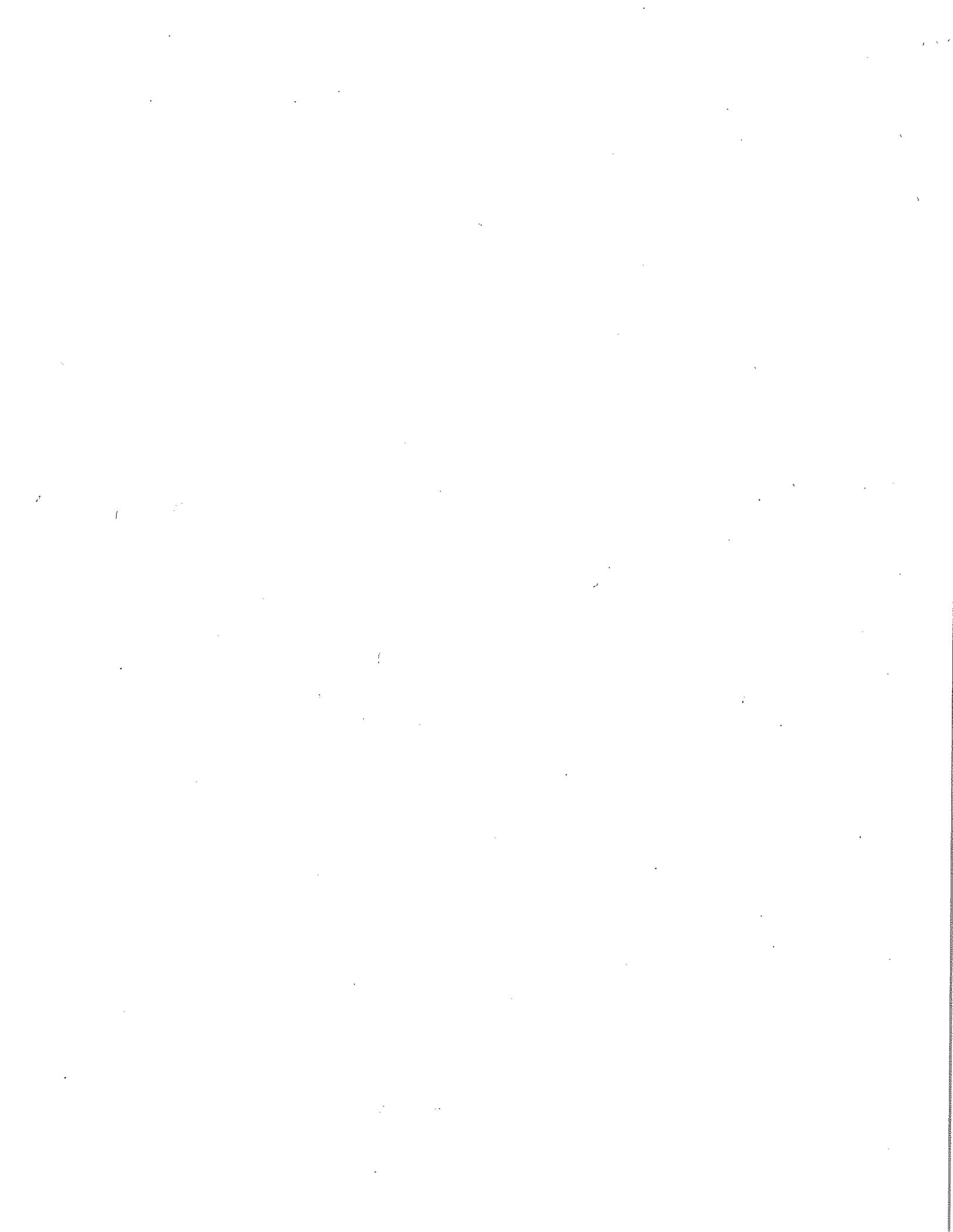


DRINKING WATER STATE REVOLVING FUND

DEQ/OWRB Interagency Agreement

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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, 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 2016 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: BIENNIAL REPORT

DEQ and OWRB will coordinate the preparation of a biennial 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: PRELIMINARY LOAN APPLICATION

OWRB will provide preliminary loan application forms to each entity, which is a new borrower, added to the DWSRF Project Priority List by DEQ.

After receiving completed preliminary applications, OWRB will review each preliminary application to determine, in general, whether the applicant's financial, legal, and managerial capabilities are sufficient to ensure repayment of a loan from the DWSRF. DEQ will review each project to determine whether the applicant's technical capabilities are sufficient to ensure operation and management of the project. If OWRB cannot concur in the preliminary application, it will advise the applicant and DEQ in writing of the reason for the nonconcurrence.

OWRB may return the initial financial evaluation to the applicant with a written preliminary recommendation of approval or request for additional information. The applicant may then be allowed to modify any such documents in order to comply with the requirements of OWRB and may resubmit the necessary financial documents to OWRB. If OWRB recommends preliminary or final rejection of the initial application, the written recommendations shall include reasons for said rejection. OWRB shall notify the applicant of the reason for the rejection in writing and in all cases, OWRB will provide copies of the correspondence to DEQ.

SECTION VI: FINAL LOAN APPLICATION

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

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 VII herein.

SECTION VII: LETTER OF 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 letter of binding commitment of loan funds for the planning, design, and/or construction of the drinking water project. This letter may contain those conditions deemed necessary by DEQ and OWRB. A binding commitment may be issued by DEQ prior to plans and 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. 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 VIII: 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).

SECTION IX: 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 X: 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 XI: 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 XII: 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 XIII: 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 XIV: 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 XV: 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, 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 2016 from the 4% administrative set aside shall not exceed the proposed DWSRF total administrative budget for each agency, as shown below.

SFY 2016 Proposed DWSRF 4% Administration Budget		
	OWRB	DEQ
Salary	\$72,000.00	\$133,514.00
Indirect Costs ¹	\$64,195.20	\$57,857.00
Fringe Benefits ¹	\$43,804.80	\$62,943.00
Equipment/Supplies	\$ 0.00	\$7,875.00
Contractual	\$ 0.00	\$42,800.00
Travel/Training/Other	\$ 0.00	\$85,051.00
TOTALS	\$180,000.00	\$390,040.00

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 2015 Indirect Cost Proposal that has been approved by EPA. DEQ is attaching the State FY 2015 Indirect Cost Proposal from EPA to this agreement which will be used until the FY 2016 rates are approved by EPA.

Payment to OWRB: The rate of indirect costs utilized in the above estimates for OWRB are from the latest A-87 EPA/State negotiated Indirect Cost Agreement that became effective July 1, 2014. The OWRB billing statements for FY 2016 costs will utilize the July 1, 2014, A-87 Indirect Cost Agreement approved by EPA until the FY 2016 rates are approved by EPA.

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*

Costs Classifications	OWRB
Salary	\$400,000.00
Indirect Costs	\$360,320.00
Fringe Benefits	\$243,360.00
Equipment/Supplies/Memberships/Publications	\$66,900.06
Professional Services	\$164,000.00
Travel/Training	\$34,184.00
Trustee Fees	\$55,000.00
Total from Loan Administrative Fund	\$1,323,764.06

SECTION XVI: 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 XVII: 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 XVIII: 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 XIX: 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, Mrs. Shellie Chard-McClary, Director, Water Quality Division, DEQ, or her successor and Mr. Joe Freeman, Chief of the Financial Assistance Division, OWRB, or his successor are designated as the contact persons for their respective agencies.

SECTION XX: 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 XXI: AMENDMENTS; EFFECTIVE TERM

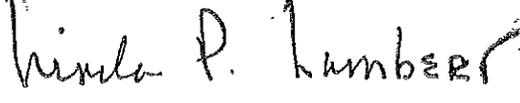
This Interagency Agreement may be amended annually prior to the beginning of the state's fiscal year or at any other mutually agreeable time to incorporate program changes and annual agency program budgets.

This agreement shall be in full force and effect from July 1, 2015 to June 30, 2016.

Department of Environmental Quality

Oklahoma Water Resources Board


Catherine Sharp


Linda P. Lambert

Director of Administrative Services

Vice-Chairman

ATTEST:

ATTEST:



Farsh Setroeds

Date: 5-22-15

Date: 5-19-2015

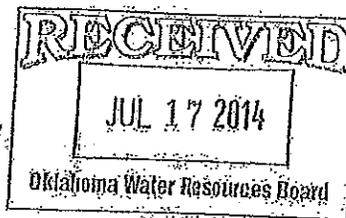
ATTACHMENTS

- OWRB Indirect Cost Agreement
- DEQ Indirect Cost Agreement

Handwritten scribble or signature.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 WASHINGTON, D.C. 20460
 OMB CIRCULAR A-87 COGNIZANT AGENCY
 NEGOTIATION AGREEMENT



Page 1 of 2

Oklahoma Water Resources Board
 Oklahoma City, OK

Date: July 10, 2014

Filing Ref: June 24, 2013

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget Circular A-87 applies, subject to the limitations contained in the Circular and in Section II, A below.

SECTION I: RATES

Type	Effective Period		Rate	Base
	From	To		
<u>Fixed:</u>				
Fringe Benefits	7/1/2014	6/30/2015	60.84%	(a)
Indirect Costs	7/1/2014	6/30/2015	90.08%	(a)

Basis for Application

(a) Direct salaries and wages

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

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.

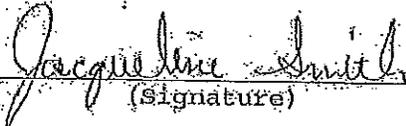
- B. **CHANGES.** The fixed rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement 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:** None

ACCEPTANCE

By the State Agency:

By the Federal Agency:


(Signature)


(Signature)

J.D. Strong
(Name)

Jacqueline Smith, Rate Negotiator
Financial Analysis and
Oversight Service Center
U.S. Environmental
Protection Agency
July 10, 2014

Executive Director
(Title)

OK Water Resources Board
(Agency)

8/4/2014
(Date)

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



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460
OMB CIRCULAR A-87 COGNIZANT AGENCY
NEGOTIATION AGREEMENT

Page 1 of 2

Oklahoma Department of
Environmental Quality
Oklahoma City, Oklahoma

Date: April 14, 2014

Filing Ref: May 6, 2013

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget Circular A-87 applies, subject to the limitations contained in the Circular and in Section II, A below.

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	7/1/2014	6/30/2015	32.47%	(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.

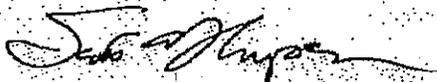
C. THE FIXED RATE contained in this agreement is based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate 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:

ACCEPTANCE

By the State Agency:


(Signature)

Scott A. Thompson
(Name)

Executive Director
(Title)

Oklahoma Dept. of Environment/Quality
(Agency)

4-21-14
(Date)

By the Federal Agency:


(Signature)

Jacqueline Smith, Rate Negotiator
Financial Analysis and
Oversight Service Center
U.S. Environmental
Protection Agency
April 14, 2014

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

Attachment 2

SFY 2016 Intended Use Plan (IUP) and Project Priority List

STATE OF OKLAHOMA
DEPARTMENT OF ENVIRONMENTAL QUALITY



INTENDED USE PLAN

DRINKING WATER STATE REVOLVING FUND
STATE FISCAL YEAR 2016

Effective 7-1-2015 through 6-30-2016

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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 2016 (SFY 2016) 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 State Fiscal Year 2016, beginning July 1, 2015 and ending June 30, 2016. The capitalization grants and state matching funds to fund these activities are from prior fiscal years and the Federal Fiscal Year 2015 (FFY 2015) appropriation. The DEQ applied for the FFY 2015 grant in April 2015 to ensure funding will be available on July 1st, which is the beginning date of SFY 2016.

To ensure that the public has an opportunity to review DEQ's proposed plans for the DWSRF, a draft IUP was made available before the IUP public meeting held on June 1, 2015. To ensure that interested parties were made aware of the public meeting date, 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 public comment period will remain open until July 1, 2015.

As a result of federal appropriations to the State, the DEQ has received federal capitalization grants totaling \$260,064,000.00 from FFY 1997 thru FFY 2014. Oklahoma DEQ will apply for the FFY 2015 Capitalization Grant in the amount of \$14,157,000 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 the 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 EPA. These changes will be incorporated into the Oklahoma DWSRF program, as necessary.

**TABLE 1
Sources and Uses**

<u>SOURCES OF FUNDS</u>	
Beginning July 1, 2015	
Beginning Balance (SFY 2015 Carryover)	\$ 0.00
<i>State Fiscal Year 2016 (Projected)</i>	
Federal Grant FFY 2015	\$ 14,157,000.00
State Match SFY 2016	\$ 2,831,400.00
Projected Bond Issue - SFY 2016	\$ 40,000,000.00
Principal Repayments	\$ 15,091,322.00
Interest Earnings on Loans	\$ 11,108,622.00
Interest Earnings on Fund 473	\$ 211,808.00
Release of 2013B Bond Reserve Funds	\$ 1,356,639.00
Sub Total	\$ 84,756,791.00
Total Sources of Funds	\$ 84,756,791.00
<u>USES OF FUNDS</u>	
<i>Expected DWSRF Loan Commitments for SFY 2016</i>	
Small System Binding Commitments	\$ 17,596,995.00
Large System Binding Commitments	\$ 39,800,000.00
Sub Total	\$ 57,396,995.00
<i>DWSRF Set-Aside Programs for SFY 2016</i>	
Administration	\$ 566,280.00
Small System Technical Assistance	\$ 283,140.00
Program Management	\$ 1,415,700.00
Local Assistance	\$ 2,123,550.00
Sub Total	\$ 4,388,670.00
<i>Debt Service Obligations</i>	
Debt Service on 2010 Bonds	\$ 7,052,569.00
Debt Service on 2011 Bonds	\$ 3,904,881.00
Debt Service on 2012 Bonds	\$ 4,116,400.00
Debt Service on 2013A Bonds	\$ 4,022,919.00
Debt Service on 2013B Bonds	\$ 3,818,787.00
Sub Total	\$ 22,915,556.00
Total Uses of Funds	\$ 84,701,221.00
	\$ (55,570.00)
Additional Funds Needed*	\$ 55,570.00

*Will use future cap grants, state match and bond issues to fund future needs.

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. The DEQ will reserve the following amounts in the FFY 2015 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 of which DEQ expects to use 1.7 percent for wellhead protection activities, 3.3 percent for the water loss audit pilot, and 10 percent for the Capacity Development Program. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2015 capitalization grant funds are to be expended during SFY 2016.

Table 2 shows DWSRF Set-aside activities for SFY 2016.

**TABLE 2
DWSRF Set-aside Activities
SFY 2016**

Set-aside category	Percent of Set - Aside Program	Total amount reserved from FFY 2015 grant	Reclaimed credit from old grants	Cumulative amount to be specified in workplans
Admin.	4	\$ 566,280	\$ -	\$ 566,280
Tech. Asst.	2	\$ 283,140	\$ -	\$ 283,140
St. Prg. Mgt.	10	\$ 1,415,700	\$ -	\$ 1,415,700
Local Assist.	15	\$ 2,123,550	N/A	\$ 2,123,550
Total	31	\$ 4,388,670	\$ -	\$ 4,388,670

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; preliminary loan applications; final loan applications; letters of 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 2015 capitalization grant for administrative support of the DWSRF. DEQ and OWRB will use an estimated amount of \$566,280 from set-aside funds for SFY 2016 DWSRF administration. This set-aside is to fund activities that implement, administer, and operate the DWSRF program during SFY 2016.

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 2016, it is projected that approximately \$14,234,347.53 will be available. Table 5 shows accumulated amounts of available funds from FFY 1997 through FFY 2015 and the projected amount for SFY 2016. 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 State FY 2014 – FY 2015 Quality Management Plan for Oklahoma 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. The 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, and 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 2015 capitalization grant to fund small system technical assistance activities for SFY 2016. DEQ will use an estimated amount of \$283,140 from set-aside funds for SFY 2016.

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 assistance; provide Stage 2 Disinfectant/Disinfection By-products Rule assistance; Revised Total Coliform Rule assistance; and Ground Water Rule 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 2015 capitalization grant for state program management. DEQ will use \$1,415,700 from set-aside funds for SFY 2016 public water supply state program management.

DWSRF set-aside funds cannot be used to reduce the existing state funds supporting the program. EPA allows the use of the FFY 1993 PWS State overmatch and PWSS match for the PWSS program to be used to meet the 1:1 state match for the SPM set-aside. However, the rule requires that at least 50 percent of the funds for the match come from the current year. Table 3 shows the SFY 1993 and SFY 2015 state funds which can be utilized for the state match to the SPM set-aside. As shown, \$1,772,141 is available in SFY 1993 PWSS state overmatch plus an equal amount from the current year totaling \$4,675,942. The amount requested for the SPM set-aside this year is \$1,415,700. Therefore, the state match can be easily met.

**TABLE 3
Program Management State Match**

	State General Revenue	PWS Fees	Operator Certification	Federal Grant	Total PWSS Funds	Total State Match	25% State Match	Amount Overmatch
FFY 1993	\$ 859,000	\$ 1,054,041	\$ 135,000	\$ 827,700	\$ 2,875,741	\$ 2,048,041	\$ 275,900	\$ 1,772,141
FFY 2015	\$ 1,885,371	\$ 2,197,760	\$ 1,072,478	\$ 1,439,000	\$ 6,594,609	\$ 5,155,609	\$ 479,667	\$ 4,675,942
			FFY 1993	FFY 2015				
PWSS grant			\$ 827,700	\$ 1,439,000				
PWSS State Match			\$ 275,900	\$ 479,667				
PWSS State Overmatch			\$ 1,772,141	\$ 4,675,942				
Current Year SPM Set-aside				\$ 1,415,700				

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 our Wellhead Protection Program, Water Loss Audit pilot, and Capacity Development Program as allowed under Section 1452(k)(1) of the SDWA.

The DEQ has completed over 1100 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.

Due to the extreme drought Oklahoma is experiencing, EPA approved the DEQ to implement a Water Loss Audit pilot study to determine the extent of apparent water

loss and real water loss occurring from community water systems (CWS) in the state. The Southwest Environmental Finance Center trained DEQ staff on how to conduct a water loss audit utilizing American Water Works Association's water loss auditing method and software. Forty (40) small CWSs volunteered to participate in the pilot. These systems are located equally across the four quadrants of Oklahoma. The audit results will be used to help the CWSs identify and develop a plan to address water loss. The CWSs will be assisted with implementing solutions such as Individual Conservation Plans, Capital Improvement Plans, leak detection and repair, and /or applying for funding to make repairs. A final report will be written based on the pilot results.

As allowed by the SDWA, DEQ reserved and specified an amount equal to 15 percent of the FFY 2015 capitalization grant for Local Assistance and other State Programs. DEQ will use an estimated amount of \$2,123,550 from set-aside funds for SFY 2016. DEQ expects to use 3.3 percent of these funds to conduct the Water Loss Audit pilot study, 1.7 percent for the Wellhead Protection Program, and 10 percent for the Capacity Development Program.

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, included as Appendix B. The comprehensive Project Priority List demonstrates which eligible drinking water projects are to receive loan funds from the DWSRF. The comprehensive Project Priority List 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.

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 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. Permitted construction permit for plans and specifications;
- c. Approved financial application; and
- d. Completed environmental review.

Projects that have met the above requirements are moved to the fundable portion of the Project Priority List 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. 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

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.

4. Allocation of Funds

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

1. Projects of eligible applicants that request financial assistance are ranked according to the Project Priority System and placed on the Project Priority List;
2. The financial assistance needed for each drinking water project that is "ready to proceed" is determined;
3. Sources of unobligated funds available to the DWSRF that are necessary to provide the requested financial assistance are identified;
4. The highest priority projects that will be ready to proceed during SFY 2016 are placed on the SFY 2016 Funding List, included as Appendix B;
5. Bypass letters can be issued to applicants which have projects not ready to proceed according to the Priority Ranking System procedures; and
6. The consistency with the funds available and the financial assistance requested is determined.

Information pertinent to each DWSRF project is included on the Project Priority List 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 Project Priority List, 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 2016 Project Priority List (PPL) attached as Appendix B shows a total of eight (8) projects 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 2016, the total need of \$253,275,714 for projects is shown in Exhibit B, but only \$57,396,995 is available for the fundable portion of the Project Priority List (PPL) as shown in Table 1. These funds are derived from past capitalization grants and state matching funds, FFY 2015 capitalization grant and state match, transfer of funds from the Clean Water State Revolving Fund (CWSRF), investment income, interest income, and revenue bond issue funds.

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

Capitalization Grants for the 2009 American Recovery and Reinvestment Act, FFY 2010, and FFY 2011 allotments required that the DWSRF program provide at least 30% of the capitalization grant funds as additional subsidies. DEQ targeted projects which were eligible under the Green Project Reserve or which would include the consolidation or regionalization of water systems. This requirement changed for the FFY 2012 capitalization grant to state that at least 20%, but no more than 30% of the capitalization grant must be utilized as additional subsidies. Table 4 shows the remaining uncommitted subsidy funds available for SFY 2016 projects.

**TABLE 4
Subsidy Funds
SFY 2016**

FFY 2012	FFY 2013	FFY 2014	FFY 2015	Total for SFY 2016
\$0	\$312,644.28	\$2,850,200.00	\$2,831,400.00	\$5,994,244.28

E. GREEN PROJECT RESERVE

The Green Project Reserve mandate was removed in the FFY 2012 appropriation and the DWSRF program is no longer required to meet the 20% requirement. Beginning September 1, 2012, the DWSRF program stopped accepting applications for green projects. The DWSRF will continue to provide subsidies for those applications that were received prior to September 1, 2012.

Eligible projects are pursuant to the guidance provided by EPA. For green projects it is proposed that 15% of a project's cost up to \$500,000 or the cost of the green component of the project, whichever is less, is available in the form of principal forgiveness as permitted under the FFY 2011 and FFY 2012 Appropriations Acts.

F. 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. Oklahoma 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, that all complaints regarding the wage rate determinations are investigated and resolved.

G. 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 Oklahoma DWSRF program 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 program, through the use of the set-asides for State Program Management, 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 30th, 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, Area-Wide Optimization program, small system technical assistance program and the PWS Sanitary Survey program.

H. REPORTING REQUIREMENTS

Oklahoma 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 the GPR and Additional Subsidization, as well as information on the environmental benefits of Oklahoma 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 eight (8) loans to the eight (8) water systems listed on the Fundable Portion of the SFY 2016 Project Priority List. (Target Completion: June 2016)
2. Apply for FFY 2016 capitalization grant. (Target Completion: April 2016)
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 update source water assessments. (Target Completion: June 2016)
5. Continue to refine the Capacity Development Program, including the Water Loss Audit Pilot Study.
6. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2016)
7. Use set-aside funds to provide technical assistance to systems to comply with Long Term 2 Enhanced Surface Water Treatment Rule, Stage 2 Disinfectant/Disinfection By-products Rule; Revised Total Coliform Rule; and Ground Water Rule. (Target Completion: June 2016)
8. Issue DWSRF Revenue Bonds in an estimated amount of \$40,000,000 to finance the additional demand for drinking water loan funds.
9. Expend Capitalization Grant within two years of grant award.

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 in the shortest time possible.
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.

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 eight (8) loans to the eight (8) water systems listed on the Fundable Portion of the SFY 2016 Project Priority List (PPL). See Appendix B, for a list of projects on the PPL.
 - b. Output 2 – Enter into binding commitments with six (6) small systems and two (2) large systems for a total of eight (8) projects during SFY 2016. 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.

The 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 20-year loan (up to a 30-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 meet the criteria for consolidation and/or regionalization may be granted principal forgiveness in accordance with the DWSRF procedures for each type of project. The total amount of subsidies given will be determined by the FFY 2015 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

The 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 for each year through maturity plus 70 basis points, calculated ten days before loan closing, plus the administration fee.

B. ADMINISTRATION FEES

The OWRB charges an annual administration fee of 0.5 percent on the unpaid loan balance. Also, OWRB charges 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 5. 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 \$14,234,347.53 as of June 30, 2016.

**TABLE 5
Drinking Water Treatment Loan Administration Fund**

Revenue	SFY1997-2015*	SFY 2016	Total
Application Fee	\$ 78,400.00	\$ 2,500.00	\$ 80,900.00
Administration Fee on Loans (0.5%)	\$ 16,034,922.00	\$ 2,106,717.84	\$ 18,141,639.84
Interest Earnings on Account	\$ 671,340.00	\$ 64,854.68	\$ 736,194.68
Recovery of Delaware #10 Loan	\$ 37,456.05	\$ 20,000.00	\$ 57,456.05
Subtotal	\$ 16,822,118.05	\$ 2,194,072.52	\$ 19,016,190.57
Expenses			
Administrative Costs	\$ 4,081,843.04	\$ 700,000.00	\$ 4,781,843.04
TSFR to DWSRF-write off Delaware 10	\$ 4,159,703.45		
Total	\$ 8,580,571.56	\$ 1,494,072.52	\$ 14,234,347.53

*Includes Projections through 6/30/2015

C. BINDING COMMITMENTS

It is anticipated that the DEQ will enter into eight (8) binding commitments with six (6) small systems and two (2) large systems during SFY 2016. The amount of funding for small systems is anticipated to be \$17,596,995, which is equal to 31 percent of the amount of funding available for projects on the fundable portion of the SFY 2016 Project Priority List. 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.

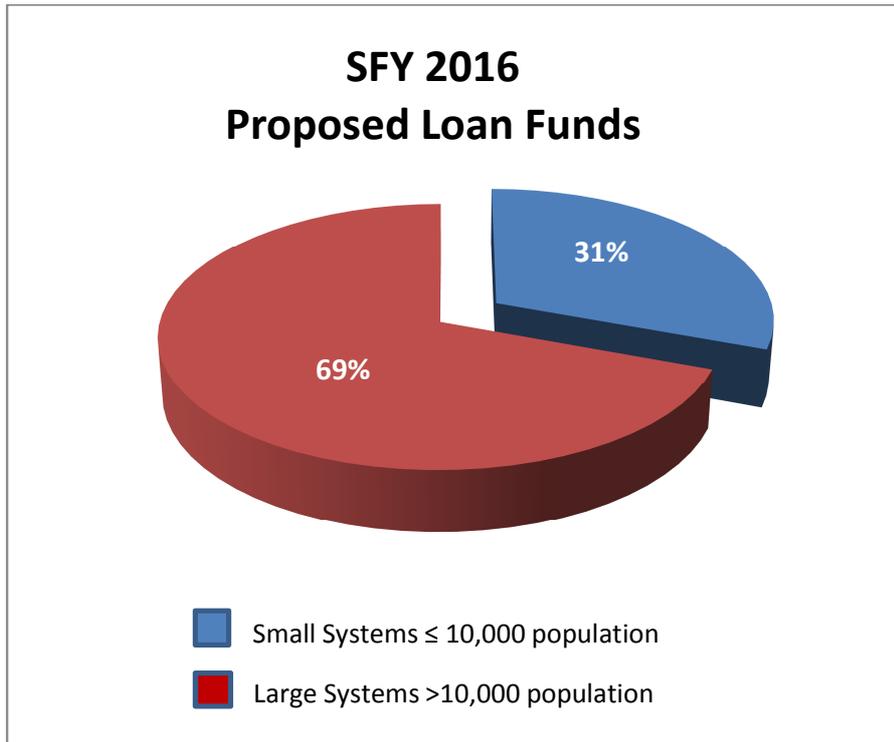


Exhibit 1 – DWSRF Proposed Loans to Small Systems SFY 2016.

V. ASSURANCES AND SPECIFIC PROPOSALS

DEQ provides the necessary assurances and certifications as a part of the Operating Agreement between the DEQ and the 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 SERP.

The State agrees to submit Annual Reports to the 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 Project Priority List.
4. Determine the readiness to proceed of each project ranked on the DWSRF Project Priority List.
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 2016 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, 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 new, more stringent levels for turbidity, trihalomethane and haloacetic acid, 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.

The 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 2015 grant for set-asides is needed to fund the programs for SFY 2016. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2015 capitalization grant funds are to be expended during SFY 2016.

B. FUNDS AVAILABLE FOR DWSRF PROJECTS

As discussed in Section III. A. 1, and shown in Table 1, a total of \$57,396,995 will potentially be available during SFY 2016 to fund eight (8) 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 Oklahoma Water Resources Board (OWRB) estimates issuing \$40,000,000 in bonds in SFY 2016 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. The DEQ and the OWRB are proposing to issue DWSRF Revenue Bonds in an estimated amount of \$40,000,000 (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 for FFY 2015 capitalization grant. 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 2016, the funds expected to be available to the DWSRF include past capitalization grants and state matches, FFY 2015 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 2015 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 2015 State Match requirement will be met as part of the SFY 2016 DWSRF Bond issue. Any overmatch will be claimed for credit to be used towards meeting match requirements associated with future capitalization grants.

F. DEVELOPMENT OF THE DWSRF PAYMENT SCHEDULE

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.

G. FINANCIAL PLANNING PROCESS AND MANAGEMENT OF FUNDS

The OWRB and FirstSouthwest Company have developed the Drinking Water SRF 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.

H. 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, the 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 sewer district, public trust, master conservancy district, any other political subdivision.” By law, the funds established for the Drinking Water State Revolving Fund are limited to those entities, precluding any privately owned entities from receiving monies.

B. DISADVANTAGED COMMUNITIES

The DWSRF program provides 30-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. Further, the DWSRF project priority system provides for priority points to be given to projects that benefit disadvantaged communities. These two provisions are aimed at assisting systems most in need.

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 Clean Water State Revolving Fund (CWSRF) program. Oklahoma may take advantage of funding flexibility between the Clean Water and Drinking Water SRF programs, provided by the Environmental Protection Agency, in order to assure adequate capacity to meet all funding demands. In accordance with the Safe Drinking Water Act-SRF funds transfer provisions (Section 302), the State hereby reserves the authority "to transfer an amount up to 33 percent of the [FFY 2015] 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 2016. The approval of the IUP will constitute the approval of the transfer request. It is understood that fund transfers between the programs during SFY 2016 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

A public meeting was conducted in compliance with the Oklahoma State Administrative Procedures Act and DWSRF regulations, on June 1, 2015. To ensure that interested parties were made aware of the public meeting date 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. A copy of this 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 Project Priority List. A comment period followed the public meeting until July 1, 2015.

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 the DEQ without notification to the public, and will be reported to EPA in the Annual Report. Any changes in the IUP shall be made in accordance with procedures provided in the DEQ DWSRF Regulations.

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 Project Priority List shall consist of all eligible projects requesting placement on the Project Priority List. 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 Project Priority List 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 project priority list.
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:

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

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 the compliance with the Safe Drinking Water Act Amendments of 1996 requirements. 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.

Contaminant	Severity (points per violation)
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

Contaminant	Severity (points per violation)
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.

Condition	Severity
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.

Condition	Severity
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.

Condition	Severity
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.

Contaminant	Severity
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.

Median Household Income	Severity
less than \$28,400	60
between \$28,400 and \$33,400	40
greater than 33,400	0

APPENDIX B

OK DWSRF PPL for the comment period
SFY 2016 Project Priority List

PRIORITY POINTS	SYSTEM	LOAN AMOUNT	CUMULATIVE AMOUNT	POPULATION	Disadvantaged Y or N	PROJECT DESCRIPTION	Anticipated Binding Commitment Date	Anticipated Construction Date	Project Number
<u>Funding List</u>									
690	Konawa PWA	\$ 1,983,665.00	\$ 1,983,665.00	1,479	Y	Abandonment of the existing well field and connection to the adjacent Rural Water District owned by the Pottawatomie Nation; installation of 6,500 feet of 8 inch PVC water main; rehabilitation of the existing standpipe water storage tank; and replacement of 2, 4 and 6 inch water mains throughout the City.	9/1/2015	11/1/2015	P40-2006704-01
625	Waurika PWA	\$ 3,427,000.00	\$ 5,410,665.00	7,778	Y	Rehabilitate the existing water treatment plant and install two (2) high rate solids contact clarifiers to address TTHM issues and install a back-up generator and VFDs.	1/1/2016	3/1/2016	P40-1011201-01
550	Pittsburg Co. WA (II)	\$ 563,330.00	\$ 5,973,995.00	6,888	Y	Improvements include: construct new chemical room and feed system; repair 60' clarifier; replace transfer pumps; and repair filter valves and controls.	1/1/2016	3/1/2016	P40-1020616-02
530	Canute PWA	\$ 2,223,000.00	\$ 8,196,995.00	524	Y	Construction of a reverse osmosis water treatment plant, well rehabilitation and piping.	9/1/2015	11/1/2015	P40-2007503-01
490	Cleveland MA	\$ 5,900,000.00	\$ 14,096,995.00	4,890	Y	Upgrade to water supply and treatment facilities as follows: Phase 1 - Convert to chloramines for disinfection; Phase 2 - Construct two (2) 1.2 MGD solids contact units and three (3) new filter units with a minimum filter area of approximately 125 square feet each; Phase 3 - Construct new clearwell and backwash discharge. Rehabilitate existing intake structure. Modify existing filter building to function as the new chemical feed building for the proposed plant. Possible addition of new water well(s) to add additional source water capacity; Phase IV - Demolish all old, unused structures remaining on the site.	1/1/2016	3/1/2016	P40-1021210-01
413	Fairview UA	\$ 3,500,000.00	\$ 17,596,995.00	2,690	Y	Construct a new water treatment plant and appurtenances.	9/1/2015	11/1/2015	P40-2004404-01
410	Bixby PWA (II)	\$ 7,800,000.00	\$ 25,396,995.00	20,475	N	Water treatment upgrades at the South Water Storage Facility, Yale Booster Pump Station, and Bixhoma water transmission replacement.	9/1/2015	11/1/2015	P40-3007243-02

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OK DWSRF PPL for the comment period SFY 2016 Project Priority List

410	Norman UA (II)	\$ 32,000,000.00	\$ 57,396,995.00	67,454	Y	Phase II will include a new ozone disinfection process/taste and odor removal system, new high pressure plane pump system, an on-site chlorine generation system, a new ammonia storage and feed system, replace coagulant feed pump system, install equipment to maintain new bio-filtration process, scada improvements to accompany new equipment, connection to the City wastewater system for on-site domestic flows, and all necessary yard piping to accommodate the project.	6/1/2016	8/1/2016	P40-1020801-02
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Contingency List

383	Major Co. RW & SMD #1	\$ 645,000.00	\$ 58,041,995.00	1,000	Y	Regionalization project to connect to Fairview and possibly other nearby water systems.	9/1/2015	11/1/2015	P40-2004407-01
375	Locust Grove PWA	\$ 6,289,998.55	\$ 64,331,993.55	1,950	Y	Construct eight miles of 10-inch water line and a pump station to connect to Oklahoma Ordinance Works in the Mid America Industrial Park near Pryor, Oklahoma.	9/1/2015	11/1/2015	P40-1021668-01
345	Stigler MIA	\$ 7,926,000.00	\$ 72,257,993.55	2,731	Y	Construction of a new 1.5 MGD water treatment plant.	12/1/2015	2/1/2016	P40-1020303-01
310	Foss Reservoir MCD (II)	\$ 14,000,000.00	\$ 86,257,993.55	17,888	Y	Phase 1: Address critical Issues related to reliability; Phase 1A: Pilot test for Reverse Osmosis; Phase 1B: Meet discharge requirements; construct a clarifier and new storage tank.	9/1/2015	11/1/2015	P40-1010829-02
310	Foss Reservoir MCD (III)	\$ 10,000,000.00	\$ 96,257,993.55	17,888	Y	Phase 2: Bring the plant to 4.5 MGD firm capacity.	3/1/2016	5/1/2016	P40-1010829-03
303	Wynnewood City UA	\$ 2,500,000.00	\$ 98,757,993.55	2,367	Y	Rehabilitation and expansion of the water treatment plant.	1/1/2016	3/1/2016	P40-1010812-01
295	Stillwater UA (III)	\$ 29,065,000.00	\$ 127,822,993.55	40,800	Y	Construct a new Booster Pump Station (BPS) (W51BPS); construct a waterline from W51BPS to the Range water tower; construct a new elevated .75 MG storage tower on 44th Avenue (44th Avenue Tower); construct a new Central Zone 1.0 MG elevated storage tower (Central Zone Tower); construct a waterline from Range BPS to the 44th Avenue Tower; construct the new Range BPS.	12/1/2015	2/1/2016	P40-1021220-03
288	Logan Co. RWS & SWMD #1 (III)	\$ 1,200,000.00	\$ 129,022,993.55	5,060	Y	Construction to link waterlines from the Town of Langston to the Town of Meridian.	9/1/2015	11/1/2015	P40-2004207-03
285	Garber MA	\$ 2,461,800.00	\$ 131,484,793.55	845	Y	Construct a waterline to purchase water from the City of Enid.	9/1/2015	11/1/2015	P40-2002416-01

APPENDIX B

OK DWSRF PPL for the comment period SFY 2016 Project Priority List

263	Goldsby WA (I)	\$	4,786,160.00	\$	136,270,953.55	1,300	N	Construct a new water treatment plant; including modifying/demolishing existing WTP structures; and construct a new 300,000 gallon ground storage tank.	9/1/2015	11/1/2015	P40-2004707-01
250	Canadian Co. RWD #1	\$	2,000,000.00	\$	138,270,953.55	750	Y	Construct one new Ion Exchange nitrate reduction water treatment plant, two new distribution standpipes, and install eight new well pumps.	9/1/2015	11/1/2015	P40-2000908-01
240	Delaware Co. RWD #11 (II)	\$	3,140,000.00	\$	141,410,953.55	662	Y	Phase 2: Construction of two (2) water storage tanks, two (2) pump stations and several miles of 2" to 6" water lines.	1/1/2016	3/1/2016	P40-3002157-02
213	Ada PWA	\$	25,000,000.00	\$	166,410,953.55	27,130	Y	Improvements to the municipal water supply wells; improvements to Byrd's Mill Spring; replacement of the raw water transmission line; and improvements to the water treatment plant.	9/1/2015	11/1/2015	P40-2006201-01
200	Collinsville MA	\$	1,665,000.00	\$	168,075,953.55	5,606	N	Construction of a two-cell concrete lined residual lagoon system for the water treatment plant; and the acquisition and installation of an automated water meter information system.	12/1/2015	2/1/2016	P40-1021505-01
175	Guthrie PWA (IV)	\$	3,800,000.00	\$	171,875,953.55	9,925	Y	Water distribution line improvements consisting of the replacement of certain critical mains within the city, and installation of automated water meters and an AMR system.	1/1/2016	3/1/2016	P40-1020903-04
173	Goldsby WA (II)	\$	3,085,000.00	\$	174,960,953.55	1,300	N	Install three (3) new high service pumps; install 7.5 miles of 12-inch waterline; construct a new 500,000 gallon standpipe; and drill seven (7) new water wells.	3/1/2016	5/1/2016	P40-2004707-02
145	Stillwater UA (IV)	\$	20,260,000.00	\$	195,220,953.55	40,800	Y	Construct a waterline from 44th Water Tower to Sangre; construct a waterline from 44th-Western to Deer Crossing; construct water treatment plant pump upgrades; construct a waterline from Western-6th to 44th; construct the new Western BPS; construct a waterline from 32nd-Western to Sangre to Deer Crossing; decommission and demolish nine facilities (including towers and BPSs).	6/1/2016	8/1/2016	P40-1021220-04
120	Clinton PWA (II)	\$	27,000,000.00	\$	222,220,953.55	10,485	Y	Construction of raw water wells and distribution piping; water treatment facility; finished water storage and conveyance piping; and waste treatment and disposal.	9/1/2015	11/1/2015	P40-1010828-02
95	Gore PWA	\$	1,000,000.00	\$	223,220,953.55	1,688	Y	Construction of an 8" waterline, bore under the Illinois River, installation of a master meter, construction of a raw water pump station and replace pumps at the Sequoyah County Rural Water District #5 water treatment plant.	5/1/2016	7/1/2016	P40-1021773-01

APPENDIX B

OK DWSRF PPL for the comment period SFY 2016 Project Priority List

93	Vinita UA (II)	\$ 1,500,000.00	\$ 224,720,953.55	12,330	Y	Design and construct a new 500,000 gallon baffled and zoned finished water clearwell, new backwash pumps and inlet/outlet piping and connections, and demolition of the existing clearwell.	12/1/2015	2/1/2016	P40-1021611-02
93	South Delaware County Regional Water Authority	\$ 13,800,000.00	\$ 238,520,953.55	5,364	Y	Construction of a water treatment plant, raw water intake, and raw water line improvements to provide wholesale water to five (5) existing water systems in Delaware County.	9/1/2015	11/1/2015	P40-1221645-01
85	Miami Special UA (II)	\$ 11,000,000.00	\$ 249,520,953.55	14,137	Y	Construct a new well and replacement of waterlines throughout town.	9/1/2015	11/1/2015	P40-2005813-02
50	McCloud PWA	\$ 850,000.00	\$ 250,370,953.55	2,500	Y	Construct an 8" water main from the city wells to Mable Bassett Correctional Facility.	7/1/2015	9/1/2015	P40-2006301-01
28	Nicoma Park DA	\$ 2,500,000.00	\$ 252,870,953.55	2,443	Y	Construction includes drilling and implementation of two (2) ground water wells, a water tower (standpipe) and construction of approximately six (6) miles of water lines along NE 23rd Street to provide water to a high density business and commercial area and residential users and possibly our public schools.	1/1/2016	3/1/2016	P40-8005579-01
25	Cashion PWA Total	\$ 404,761.00 \$ 253,275,714.55	\$ 253,275,714.55	635	N	Construct a water storage tank and pump station.	12/1/2015	2/1/2016	P40-3003703-01
<u>2017</u>	None at this time								
<u>2018</u>									
145	Stillwater UA (V)	\$ 29,615,000.00	\$ 29,615,000.00	40,800	Y	Construct a waterline from 44th Tower to Sangre and from the Water Treatment Plant to 6th (which will be paired water lines).	1/1/2018	3/1/2018	P40-1021220-05
70	Stillwater UA (VI)	\$ 81,200,000.00	\$ 110,815,000.00	40,800	Y	Construction of a new 25 mgd pump station, and 37 miles of new 36-inch pipeline, which parallels the existing 36-inch line from Kaw Lake to Stillwater Water Treatment Plant.	7/1/2017	9/1/2017	P40-1021220-06

APPENDIX C FEDERAL PAYMENT SCHEDULE

FFY	Cumulative Payments	FFY 2014				FFY 2015				FFY 2016			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1997-2013 Grants	\$ 166,396,021												
2014 Grant *	\$ 9,833,190				\$ 9,833,190								
2015 Grant *	\$ 9,768,330								\$ 9,768,330				
2016 Grant*	\$ 9,768,330												\$ 9,768,330
Total Grants	\$ 195,765,871												

* Estimated Grant Amount minus Set-Asides

Appendix D



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

News Release

For Immediate Release: April 30, 2015

Contact: Skylar McElhaney, (405) 702-7167

DEQ SCHEDULES PUBLIC MEETING ON THE DRINKING WATER STATE REVOLVING FUND SFY 2016 INTENDED USE PLAN (IUP)

The Water Quality Division of the Department of Environmental Quality (DEQ) will hold a public meeting on Monday, June 1, 2015, at 1:30 p.m. in the DEQ Office Building, 2nd Floor Training Room, at 707 N. Robinson, Oklahoma City. This meeting will be held to answer questions and receive public input on the SFY 2016 IUP, the Priority Ranking System, and the Project Priority List (PPL) for the Drinking Water State Revolving Fund. The IUP outlines uses for federal funds allocated to Oklahoma and lists the projects as ranked for funding by the Priority Ranking System.

The Drinking Water State Revolving Fund was made possible by the passage of the Safe Drinking Water Act Amendments of 1996. The act authorized funds to be used by states to establish a revolving loan fund to address drinking water infrastructure needs and correct other water system deficiencies that might result in violations of drinking water standards. Federal law requires the public be given the opportunity to comment on the proposed plan.

A copy of the draft plan will be available on the DEQ website at: www.deq.state.ok.us/WQDnew/dwsrf/. A copy may also be obtained by contacting Vicki Reed by phone at (405) 702-8100, or by E-mail at 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. A copy of the draft plan may be reviewed on the eighth floor of the DEQ offices, at 707 N. Robinson, Oklahoma City, Oklahoma. The comment period will remain open until July 1, 2015. For more information on this public meeting call Vicki Reed at: (405) 702-8100.

Attachment 3

Cash Flow Model For SFY 2016

Oklahoma Water Resources Board
Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

Summary of Assumed Drinking Water Funding Capacity

Fiscal Year	(1) Bonds Sold	Costs of Issuance @ 1.15%	Net Bond Funded Loans	(2) Recycling Federal Cap Grants	(3) Assumed State Match	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	11,416,612	2,630,200	9,706,982	34,500,000	131,537,022	32,219,168	163,756,190	163,756,190
2011	57,910,000	592,313	55,425,946	10,916,400	3,372,600	15,513,960	27,462,694	98,402,600	5,058,900	103,461,500	267,217,690
2012	49,395,000	455,652	53,776,570	9,879,190	2,340,200	15,233,041	6,789,719	75,799,330	3,454,500	79,253,830	346,471,520
2013	76,915,000	709,247	44,345,175	5,463,990	2,230,200	7,694,190	-	52,039,365	2,230,200	54,269,565	400,741,084
2014	-	-	-	5,126,870	2,092,600	7,219,470	-	7,219,470	2,092,600	9,312,070	410,053,154
2015	-	-	-	7,852,532	2,850,200	10,702,732	-	10,702,732	2,230,200	12,932,932	422,986,086
2016	-	-	-	6,936,930	2,831,400	9,768,330	-	9,768,330	2,230,200	11,998,530	434,984,616
2017	90,000,000	1,035,000	86,286,400	6,562,570	2,678,600	9,241,170	12,998,600	108,526,170	2,230,200	110,756,370	545,740,986
2018	50,000,000	575,000	49,425,000	-	-	-	11,538,200	60,963,200	-	60,963,200	606,704,186
2019	40,000,000	460,000	39,540,000	-	-	-	13,476,800	53,016,800	-	53,016,800	659,720,986
2020	40,000,000	460,000	39,540,000	-	-	-	13,410,600	52,950,600	-	52,950,600	712,671,586
2021	40,000,000	460,000	39,540,000	-	-	-	14,414,300	53,954,300	-	53,954,300	766,625,886
2022	30,000,000	345,000	29,655,000	-	-	-	15,171,700	44,826,700	-	44,826,700	811,452,586
2023	30,000,000	345,000	29,655,000	-	-	-	16,082,200	45,737,200	-	45,737,200	857,189,786
2024	30,000,000	345,000	29,655,000	-	-	-	16,884,900	46,539,900	-	46,539,900	903,729,686
2025	30,000,000	345,000	29,655,000	-	-	-	21,157,300	50,812,300	-	50,812,300	954,541,986
2026	30,000,000	345,000	29,655,000	-	-	-	16,538,100	46,193,100	-	46,193,100	1,000,735,086
	<u>688,680,000</u>	<u>7,193,909</u>	<u>643,484,131</u>	<u>64,155,094</u>	<u>21,026,000</u>	<u>85,079,875</u>	<u>220,425,113</u>	<u>948,989,118</u>	<u>51,745,968</u>	<u>1,000,735,086</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:	262,650,276
Future Grant Transfers from CWSRF	-
Assumed Future DW Capitalization:	-
Total Preservation Requirement:	262,650,276
Equity Fund Balance 4/1/2056:	290,215,118
Perpetuity Excess/(Shortfall):	27,564,842

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
Total:		484,995,000

Oklahoma Water Resources Board
Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

Summary of Drinking Water SRF Federal Cap Grant Funding

Fiscal Year	Grant Year	Less: Set-Asides and Principal Forgiveness (Non-Recycling)				Grant Captured within Drinking Water Program (Recycling)					Minimum Required by EPA			
		Drinking Water		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	
		Fed Grant	Set Asides								% of DW Federal Cap Grants	% of EPA Min. less DWSRF	% of DW Federal Cap Grants	% of EPA Min. less DWSRF
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%	-	10,693,353	0%	(2,140,447)	100%	2,140,447
2006	2005	12,806,700	2,623,801	-	2,623,801	20%	10,182,899	80%	12,000,000	22,182,899	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	13,286,000	2,997,171	-	2,997,171	23%	10,288,829	77%	4,993,878	15,282,707	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	4,076,810	1,997,408	6,074,218	46%	7,076,782	54%	4,339,830	11,416,612	106%	7,925,234	-6%	(7,925,234)
2011	2010	16,863,000	5,227,530	5,058,900	10,286,430	61%	6,576,570	39%	4,339,830	10,916,400	30%	(5,227,530)	70%	5,227,530
2012	2011	15,701,000	4,867,310	3,454,500	8,321,810	53%	7,379,190	47%	2,500,000	9,879,190	30%	(3,611,510)	70%	3,611,510
2013	2012	11,151,000	3,456,810	2,230,200	5,687,010	51%	5,463,990	49%	-	5,463,990	20%	(3,456,810)	80%	3,456,810
2014	2013	10,463,000	3,243,530	2,092,600	5,336,130	51%	5,126,870	49%	-	5,126,870	20%	(3,243,530)	80%	3,243,530
2015	2014	14,251,000	3,548,267	2,850,200	6,398,468	45%	7,852,532	55%	-	7,852,532	20%	(3,548,268)	80%	3,548,268
2016	2015	14,157,000	4,388,670	2,831,400	7,220,070	51%	6,936,930	49%	-	6,936,930	20%	(4,388,670)	80%	4,388,670
2017	2016	13,393,000	4,151,830	2,678,600	6,830,430	51%	6,562,570	49%	-	6,562,570	20%	(4,151,830)	80%	4,151,830
2018		-	-	-	-	-	-	-	-	-	-	-	-	-
2019		-	-	-	-	-	-	-	-	-	-	-	-	-
2020		-	-	-	-	-	-	-	-	-	-	-	-	-
2021		-	-	-	-	-	-	-	-	-	-	-	-	-
2022		-	-	-	-	-	-	-	-	-	-	-	-	-
		<u>291,614,400</u>	<u>59,267,339</u>	<u>53,415,568</u>	<u>112,682,908</u>		<u>178,931,493</u>		<u>32,492,182</u>	<u>211,423,675</u>		<u>(60,490,756)</u>		<u>60,490,756</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	291,614,400
Less Set-Asides	(59,267,339)
Less Principal Forgiveness	(53,415,568)
Plus State Match Funds	51,226,600
Plus Transfers from Clean Water SRF	32,492,182
To-Date Capitalization to Preserve:	262,650,276

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

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
04/01/16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/17	15,754,509	-	15,754,509	854,871	-	854,871	24,663,985	-	24,663,985	25,518,856	9,764,348	(9,764,348)	1,611,867	27,130,723	1.72x
04/01/18	16,648,586	6,512,500	23,161,086	808,830	-	808,830	29,209,039	1,216,241	30,425,281	31,234,111	8,073,025	(8,073,025)	1,777,528	33,011,639	1.43x
04/01/19	16,907,392	9,101,000	26,008,392	743,208	-	743,208	29,433,634	5,512,177	34,945,811	35,689,019	9,680,627	(9,680,627)	2,043,234	37,732,253	1.45x
04/01/20	15,785,705	13,545,600	29,331,305	661,824	-	661,824	29,594,978	8,415,710	38,010,688	38,672,511	9,341,206	(9,341,206)	2,247,169	40,919,680	1.40x
04/01/21	14,900,326	16,213,813	31,114,138	558,660	-	558,660	29,616,147	11,096,535	40,712,683	41,271,343	10,157,205	(10,157,205)	2,361,565	43,632,908	1.40x
04/01/22	13,158,220	18,929,188	32,087,407	444,013	-	444,013	28,621,365	13,851,453	42,472,818	42,916,832	10,829,425	(10,829,425)	2,373,350	45,290,182	1.41x
04/01/23	12,758,332	21,342,738	34,101,069	322,753	-	322,753	28,777,556	16,553,266	45,330,822	45,653,575	11,552,505	(11,552,505)	2,485,334	48,138,909	1.41x
04/01/24	11,520,519	23,531,400	35,051,919	198,080	-	198,080	28,119,125	18,992,566	47,111,691	47,309,771	12,257,852	(12,257,852)	2,517,461	49,827,232	1.42x
04/01/25	10,037,132	27,169,188	37,206,320	75,449	-	75,449	26,135,420	21,493,405	47,628,826	47,704,275	10,497,955	(10,497,955)	8,464,176	56,168,450	1.51x
04/01/26	9,180,875	23,767,650	32,948,525	-	-	-	23,119,449	24,098,609	47,218,057	47,218,057	14,269,532	-	-	47,218,057	1.43x
04/01/27	9,662,925	23,166,188	32,829,113	-	-	-	22,430,284	25,972,126	48,402,410	48,402,410	15,573,298	(15,573,298)	-	48,402,410	1.47x
04/01/28	9,809,975	23,877,650	33,687,625	-	43,453	43,453	21,728,798	25,972,126	47,700,924	47,744,377	14,056,752	(14,056,752)	-	47,744,377	1.42x
04/01/29	9,063,475	24,228,863	33,292,338	-	78,704	78,704	21,299,929	25,972,126	47,272,055	47,350,758	14,058,421	(14,058,421)	-	47,350,758	1.42x
04/01/30	8,030,475	25,057,325	33,087,800	-	114,047	114,047	20,419,197	25,972,126	46,391,323	46,505,370	13,417,570	(13,417,570)	-	46,505,370	1.41x
04/01/31	9,236,250	22,837,413	32,073,663	-	147,876	147,876	19,154,803	25,972,126	45,126,929	45,274,805	13,201,143	(13,201,143)	-	45,274,805	1.41x
04/01/32	8,528,288	22,218,450	30,746,738	-	181,248	181,248	17,604,419	25,972,126	43,576,545	43,757,793	13,011,055	(13,011,055)	-	43,757,793	1.42x
04/01/33	7,811,363	21,634,788	29,446,150	-	214,229	214,229	15,784,196	25,972,126	41,756,322	41,970,551	12,524,401	(12,524,401)	-	41,970,551	1.43x
04/01/34	7,422,438	22,065,263	29,487,700	-	246,076	246,076	15,239,437	25,972,126	41,211,563	41,457,639	11,969,939	(11,969,939)	-	41,457,639	1.41x
04/01/35	5,748,700	21,469,750	27,218,450	-	276,616	276,616	12,426,430	25,972,126	38,398,556	38,675,172	11,456,722	(11,456,722)	-	38,675,172	1.42x
04/01/36	4,922,188	21,897,513	26,819,700	-	305,949	305,949	11,277,522	25,972,126	37,249,648	37,555,597	10,735,897	(10,735,897)	-	37,555,597	1.40x
04/01/37	4,090,275	21,812,925	25,903,200	-	333,554	333,554	10,011,225	25,972,126	35,983,351	36,316,904	10,413,704	(10,413,704)	-	36,316,904	1.40x
04/01/38	4,098,188	20,724,613	24,822,800	-	360,422	360,422	8,814,793	25,972,126	34,786,919	35,147,341	10,324,541	(10,324,541)	-	35,147,341	1.42x
04/01/39	4,094,000	20,681,975	24,775,975	-	387,134	387,134	8,769,126	25,972,126	34,741,252	35,128,386	10,352,411	(10,352,411)	-	35,128,386	1.42x
04/01/40	3,838,238	20,644,350	24,482,588	-	413,983	413,983	8,466,657	25,972,126	34,438,783	34,852,766	10,370,178	(10,370,178)	-	34,852,766	1.42x
04/01/41	3,301,113	20,625,600	23,926,713	-	440,943	440,943	7,997,669	25,972,126	33,969,795	34,410,739	10,484,026	(10,484,026)	-	34,410,739	1.44x
04/01/42	2,430,738	19,594,663	22,025,400	-	468,256	468,256	5,110,230	25,972,126	31,082,356	31,550,612	9,525,212	(9,525,212)	-	31,550,612	1.43x
04/01/43	1,964,063	19,611,038	21,575,100	-	493,239	493,239	4,465,173	25,972,126	30,437,299	30,930,539	9,355,439	(9,355,439)	-	30,930,539	1.43x
04/01/44	-	19,618,188	19,618,188	-	517,861	517,861	1,833,813	25,972,126	27,805,939	28,323,800	8,705,613	(8,705,613)	-	28,323,800	1.44x
04/01/45	-	19,640,513	19,640,513	-	540,920	540,920	1,825,937	25,972,126	27,798,063	28,338,983	8,698,471	(8,698,471)	-	28,338,983	1.44x
04/01/46	-	19,651,175	19,651,175	-	564,018	564,018	1,818,562	25,972,126	27,790,688	28,354,706	8,703,531	(8,703,531)	-	28,354,706	1.44x
04/01/47	-	19,654,500	19,654,500	-	587,187	587,187	1,117,916	25,972,126	27,677,229	27,677,229	8,022,729	(8,022,729)	-	27,677,229	1.41x
04/01/48	-	16,394,563	16,394,563	-	608,712	608,712	209,110	25,972,126	26,181,236	26,789,948	10,395,385	(10,395,385)	-	26,789,948	1.63x
04/01/49	-	15,394,188	15,394,188	-	636,222	636,222	-	21,260,091	21,260,091	21,896,313	6,502,125	(6,502,125)	-	21,896,313	1.42x
04/01/50	-	13,307,175	13,307,175	-	654,068	654,068	-	18,298,651	18,298,651	18,952,719	5,645,544	(5,645,544)	-	18,952,719	1.42x
04/01/51	-	11,519,113	11,519,113	-	669,817	669,817	-	15,663,231	15,663,231	16,333,048	4,813,935	(4,813,935)	-	16,333,048	1.42x
04/01/52	-	9,709,413	9,709,413	-	683,526	683,526	-	12,970,453	12,970,453	13,653,980	3,944,567	(3,944,567)	-	13,653,980	1.41x
04/01/53	-	7,770,938	7,770,938	-	695,097	695,097	-	10,164,104	10,164,104	10,859,201	3,088,263	(3,088,263)	-	10,859,201	1.40x
04/01/54	-	5,907,500	5,907,500	-	704,555	704,555	-	7,779,961	7,779,961	8,484,516	2,577,016	(2,577,016)	-	8,484,516	1.44x
04/01/55	-	4,200,750	4,200,750	-	712,759	712,759	-	5,293,169	5,293,169	6,005,928	1,805,178	(1,805,178)	-	6,005,928	1.43x
04/01/56	-	2,331,000	2,331,000	-	719,054	719,054	-	2,762,732	2,762,732	3,481,786	1,150,786	(1,150,786)	-	3,481,786	1.49x
04/01/57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	240,704,282	695,029,450	935,733,732	4,667,687	12,080,470	16,748,157	515,095,926	784,046,394	1,299,142,320	1,315,890,477	380,156,745	(380,156,745)	25,881,684	1,341,772,161	

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

Program Equity Fund

Date	Beginning Balance	Interest @ 0.25%	DSRF Release	Max Amount Available for D/S If Defaults Occur	Transfer From/(To) Revenue Fund	New Loan Origination	Ending Balance
04/01/15	-	-	-	-	-	-	-
04/01/16	-	-	-	-	-	-	-
04/01/17	-	-	3,234,312	3,234,312	9,764,348	(12,998,600)	59
04/01/18	59	0	3,465,197	3,465,256	8,073,025	(11,538,200)	81
04/01/19	81	0	3,796,127	3,796,208	9,680,627	(13,476,800)	35
04/01/20	35	0	4,069,362	4,069,397	9,341,206	(13,410,600)	3
04/01/21	3	0	4,257,135	4,257,138	10,157,205	(14,414,300)	43
04/01/22	43	0	4,342,297	4,342,340	10,829,425	(15,171,700)	64
04/01/23	64	0	4,529,696	4,529,760	11,552,505	(16,082,200)	66
04/01/24	66	0	4,627,047	4,627,113	12,257,852	(16,884,900)	64
04/01/25	64	0	10,659,368	10,659,432	10,497,955	(21,157,300)	87
04/01/26	87	0	2,268,569	2,268,656	14,269,532	(16,538,100)	89
04/01/27	89	0	1,807,925	1,808,014	15,573,298	-	17,381,312
04/01/28	17,381,312	43,453	-	17,424,765	14,056,752	-	31,481,517
04/01/29	31,481,517	78,704	-	31,560,221	14,058,421	-	45,618,642
04/01/30	45,618,642	114,047	-	45,732,688	13,417,570	-	59,150,258
04/01/31	59,150,258	147,876	-	59,298,134	13,201,143	-	72,499,276
04/01/32	72,499,276	181,248	-	72,680,524	13,011,055	-	85,691,580
04/01/33	85,691,580	214,229	-	85,905,809	12,524,401	-	98,430,210
04/01/34	98,430,210	246,076	-	98,676,285	11,969,939	-	110,646,224
04/01/35	110,646,224	276,616	-	110,922,839	11,456,722	-	122,379,561
04/01/36	122,379,561	305,949	-	122,685,510	10,735,897	-	133,421,407
04/01/37	133,421,407	333,554	-	133,754,960	10,413,704	-	144,168,664
04/01/38	144,168,664	360,422	-	144,529,086	10,324,541	-	154,853,627
04/01/39	154,853,627	387,134	-	155,240,761	10,352,411	-	165,593,172
04/01/40	165,593,172	413,983	-	166,007,155	10,370,178	-	176,377,333
04/01/41	176,377,333	440,943	-	176,818,277	10,484,026	-	187,302,303
04/01/42	187,302,303	468,256	-	187,770,558	9,525,212	-	197,295,770
04/01/43	197,295,770	493,239	-	197,789,009	9,355,439	-	207,144,448
04/01/44	207,144,448	517,861	-	207,662,309	8,705,613	-	216,367,922
04/01/45	216,367,922	540,920	-	216,908,842	8,698,471	-	225,607,312
04/01/46	225,607,312	564,018	-	226,171,330	8,703,531	-	234,874,862
04/01/47	234,874,862	587,187	-	235,462,049	8,022,729	-	243,484,778
04/01/48	243,484,778	608,712	-	244,093,490	10,395,385	-	254,488,875
04/01/49	254,488,875	636,222	-	255,125,098	6,502,125	-	261,627,223
04/01/50	261,627,223	654,068	-	262,281,291	5,645,544	-	267,926,835
04/01/51	267,926,835	669,817	-	268,596,652	4,813,935	-	273,410,588
04/01/52	273,410,588	683,526	-	274,094,114	3,944,567	-	278,038,681
04/01/53	278,038,681	695,097	-	278,733,778	3,088,263	-	281,822,041
04/01/54	281,822,041	704,555	-	282,526,596	2,577,016	-	285,103,612
04/01/55	285,103,612	712,759	-	285,816,371	1,805,178	-	287,621,549
04/01/56	287,621,549	719,054	-	288,340,603	1,150,786	-	289,491,389
04/01/57	289,491,389	723,728	-	290,215,118	-	-	290,215,118
04/01/58	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/59	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/60	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/61	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/62	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/63	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/64	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/65	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/66	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/67	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/68	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/69	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/70	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/71	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/72	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/73	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/74	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/75	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/76	290,215,118	-	-	290,215,118	-	-	290,215,118
04/01/77	290,215,118	-	-	290,215,118	-	-	290,215,118
		10,663,157	47,057,033		375,774,551	(151,672,700)	

Oklahoma Water Resources Board
Drinking Water Program

Projected Future Recycled Loans

Fiscal Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	###
	1	2	3	4	5	6	7	8	9	10	
Principal:	12,998,600	11,538,200	13,476,800	13,410,600	14,414,300	15,171,700	16,082,200	16,884,900	21,157,300	0	135,134,600
Rate:	2.450%	2.625%	2.800%	2.975%	3.150%	3.325%	3.500%	3.500%	3.500%	3.500%	Projected
First Interest	10/01/17	10/01/18	10/01/19	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	Drinking Water
First Principal	04/01/19	04/01/20	04/01/21	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	Recycled
Last Payment:	04/01/48	04/01/49	04/01/50	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	Loans
Pmt Periods	32	32	32	32	32	32	32	32	32	32	

Date	Debt Service	Total Debt Service										
04/01/16	-	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-	-
04/01/18	159,233	-	-	-	-	-	-	-	-	-	-	159,233
04/01/19	616,910	151,439	-	-	-	-	-	-	-	-	-	768,348
04/01/20	616,910	560,497	188,675	-	-	-	-	-	-	-	-	1,366,082
04/01/21	616,910	560,497	669,920	199,483	-	-	-	-	-	-	-	2,046,809
04/01/22	616,910	560,497	669,920	681,990	227,025	-	-	-	-	-	-	2,756,342
04/01/23	616,910	560,497	669,920	681,990	749,737	252,230	-	-	-	-	-	3,531,283
04/01/24	616,910	560,497	669,920	681,990	749,737	806,919	281,439	-	-	-	-	4,367,411
04/01/25	616,910	560,497	669,920	681,990	749,737	806,919	874,411	295,486	-	-	-	5,255,869
04/01/26	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	370,253	-	-	6,248,690
04/01/27	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/28	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/29	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/30	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/31	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/32	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/33	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/34	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/35	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/36	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/37	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/38	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/39	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/40	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/41	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/42	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/43	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/44	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/45	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/46	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/47	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/48	616,910	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	7,028,788
04/01/49	-	560,497	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	6,411,879
04/01/50	-	-	669,920	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	5,851,382
04/01/51	-	-	-	681,990	749,737	806,919	874,411	918,054	1,150,351	-	-	5,181,461
04/01/52	-	-	-	-	749,737	806,919	874,411	918,054	1,150,351	-	-	4,499,472
04/01/53	-	-	-	-	-	806,919	874,411	918,054	1,150,351	-	-	3,749,734
04/01/54	-	-	-	-	-	-	874,411	918,054	1,150,351	-	-	2,942,816
04/01/55	-	-	-	-	-	-	-	918,054	1,150,351	-	-	2,068,405
04/01/56	-	-	-	-	-	-	-	-	1,150,351	-	-	1,150,351
	18,666,518	16,966,345	20,286,286	20,659,174	22,719,149	24,459,787	26,513,757	27,837,121	34,880,770	0		212,988,906

Oklahoma Water Resources Board
Drinking Water Program

Projected Future Recycled Loans

Fiscal Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
	1	2	3	4	5	6	7	8	9	10	
Principal:	12,998,600	11,538,200	13,476,800	13,410,600	14,414,300	15,171,700	16,082,200	16,884,900	21,157,300	0	Projected Drinking Water Recycled Loans
Rate:	2.450%	2.625%	2.800%	2.975%	3.150%	3.325%	3.500%	3.500%	3.500%	3.500%	
First Interest	10/01/17	10/01/18	10/01/19	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	
First Principal	04/01/19	04/01/20	04/01/21	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	
Last Payment:	04/01/48	04/01/49	04/01/50	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	
Pmt Periods	32	32	32	32	32	32	32	32	32	32	

Date	Principal	Principal	Principal	Total Principal								
04/01/16	-	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-	-
04/01/18	-	-	-	-	-	-	-	-	-	-	-	-
04/01/19	298,444	-	-	-	-	-	-	-	-	-	-	298,444
04/01/20	305,756	257,619	-	-	-	-	-	-	-	-	-	563,375
04/01/21	313,247	264,382	292,570	-	-	-	-	-	-	-	-	870,198
04/01/22	320,921	271,322	300,762	283,024	-	-	-	-	-	-	-	1,176,029
04/01/23	328,784	278,444	309,183	291,444	295,687	-	-	-	-	-	-	1,503,542
04/01/24	336,839	285,753	317,840	300,115	305,001	302,460	-	-	-	-	-	1,848,008
04/01/25	345,092	293,254	326,740	309,043	314,609	312,516	311,534	-	-	-	-	2,212,787
04/01/26	353,546	300,952	335,889	318,237	324,519	322,907	322,437	327,083	-	-	-	2,605,571
04/01/27	362,208	308,852	345,294	327,705	334,741	333,644	333,723	338,531	409,845	-	-	3,094,542
04/01/28	371,082	316,959	354,962	337,454	345,286	344,738	345,403	350,379	424,190	-	-	3,190,453
04/01/29	380,174	325,279	364,901	347,493	356,162	356,200	357,492	362,643	439,036	-	-	3,289,381
04/01/30	389,488	333,818	375,518	357,831	367,381	368,044	370,004	375,335	454,403	-	-	3,391,422
04/01/31	399,031	342,581	385,621	368,477	378,954	380,281	382,954	388,472	470,307	-	-	3,496,677
04/01/32	408,807	351,573	396,419	379,439	390,891	392,926	396,358	402,069	486,767	-	-	3,605,248
04/01/33	418,823	360,802	407,518	390,727	403,204	405,991	410,230	416,141	503,804	-	-	3,717,240
04/01/34	429,084	370,273	418,929	402,351	415,905	419,490	424,588	430,706	521,437	-	-	3,832,763
04/01/35	439,596	379,993	430,659	414,321	429,006	433,438	439,449	445,781	539,688	-	-	3,951,930
04/01/36	450,366	389,968	442,717	426,647	442,519	447,850	454,830	461,383	558,577	-	-	4,074,857
04/01/37	461,400	400,205	455,113	439,340	456,459	462,741	470,749	477,531	578,127	-	-	4,201,665
04/01/38	472,705	410,710	467,857	452,410	470,837	478,127	487,225	494,245	598,361	-	-	4,332,477
04/01/39	484,286	421,491	480,957	465,870	485,669	494,025	504,278	511,543	619,304	-	-	4,467,421
04/01/40	496,151	432,555	494,423	479,729	500,967	510,451	521,928	529,447	640,980	-	-	4,606,631
04/01/41	508,307	443,910	508,267	494,001	516,748	527,423	540,195	547,978	663,414	-	-	4,750,243
04/01/42	520,760	455,562	522,499	508,698	533,025	544,960	559,102	567,157	686,633	-	-	4,898,397
04/01/43	533,519	467,521	537,129	523,831	549,815	563,080	578,670	587,008	710,666	-	-	5,051,239
04/01/44	546,590	479,793	552,168	539,415	567,135	581,802	598,924	607,553	735,539	-	-	5,208,920
04/01/45	559,981	492,388	567,629	555,463	584,999	601,147	619,886	628,817	761,283	-	-	5,371,594
04/01/46	573,701	505,313	583,523	571,988	603,427	621,136	641,582	650,826	787,928	-	-	5,539,423
04/01/47	587,757	518,578	599,861	589,005	622,435	641,788	664,038	673,605	815,505	-	-	5,712,571
04/01/48	602,157	532,190	616,657	606,528	642,041	663,128	687,279	697,181	844,048	-	-	5,891,209
04/01/49	-	546,160	633,924	624,572	662,266	685,177	711,334	721,583	873,590	-	-	5,458,604
04/01/50	-	-	651,674	643,153	683,127	707,959	736,230	746,838	904,165	-	-	5,073,146
04/01/51	-	-	-	662,287	704,646	731,499	761,998	772,977	935,811	-	-	4,569,217
04/01/52	-	-	-	-	726,842	755,821	788,668	800,031	968,564	-	-	4,039,927
04/01/53	-	-	-	-	-	780,952	816,272	828,033	1,002,464	-	-	3,427,720
04/01/54	-	-	-	-	-	-	844,841	857,014	1,037,550	-	-	2,739,405
04/01/55	-	-	-	-	-	-	-	887,009	1,073,865	-	-	1,960,874
04/01/56	-	-	-	-	-	-	-	-	1,111,450	-	-	1,111,450
	12,998,600	11,538,200	13,476,800	13,410,600	14,414,300	15,171,700	16,082,200	16,884,900	21,157,300	0		135,134,600

Oklahoma Water Resources Board
Drinking Water Program

Projected Future Recycled Loans

Fiscal Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	1	2	3	4	5	6	7	8	9	10
Principal:	12,998,600	11,538,200	13,476,800	13,410,600	14,414,300	15,171,700	16,082,200	16,884,900	21,157,300	0
Rate:	2.450%	2.625%	2.800%	2.975%	3.150%	3.325%	3.500%	3.500%	3.500%	3.500%
First Interest:	10/01/17	10/01/18	10/01/19	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26
First Principal:	04/01/19	04/01/20	04/01/21	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28
Last Payment:	04/01/48	04/01/49	04/01/50	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57
Pmt Periods	32	32	32	32	32	32	32	32	32	32

Projected
Drinking Water
Recycled
Loans

Date	Interest	Interest	Interest	Interest	Interest	Total Interest						
04/01/16	-	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-	-
04/01/18	159,233	-	-	-	-	-	-	-	-	-	-	159,233
04/01/19	318,466	151,439	-	-	-	-	-	-	-	-	-	469,905
04/01/20	311,154	302,878	188,675	-	-	-	-	-	-	-	-	802,707
04/01/21	303,663	296,115	377,350	199,483	-	-	-	-	-	-	-	1,176,611
04/01/22	295,988	289,175	369,158	398,965	227,025	-	-	-	-	-	-	1,580,313
04/01/23	288,126	282,053	360,737	390,545	454,050	252,230	-	-	-	-	-	2,027,741
04/01/24	280,070	274,744	352,080	381,875	444,736	504,459	281,439	-	-	-	-	2,519,403
04/01/25	271,818	267,243	343,180	372,946	435,129	494,402	562,877	295,486	-	-	-	3,043,082
04/01/26	263,363	259,545	334,032	363,752	425,219	484,011	551,973	590,972	370,253	-	-	3,643,120
04/01/27	254,701	251,645	324,627	354,285	414,996	473,274	540,688	579,524	740,506	-	-	3,934,246
04/01/28	245,827	243,538	314,959	344,536	404,452	462,181	529,008	567,675	726,161	-	-	3,838,335
04/01/29	236,736	235,217	305,020	334,496	393,575	450,718	516,919	555,412	711,314	-	-	3,739,407
04/01/30	227,421	226,679	294,802	324,158	382,356	438,875	504,406	542,719	695,948	-	-	3,637,366
04/01/31	217,879	217,916	284,299	313,513	370,784	426,637	491,456	529,583	680,044	-	-	3,532,111
04/01/32	208,103	208,923	273,502	302,551	358,847	413,993	478,053	515,986	663,583	-	-	3,423,540
04/01/33	198,087	199,695	262,402	291,263	346,534	400,928	464,180	501,914	646,546	-	-	3,311,548
04/01/34	187,826	190,224	250,992	279,638	333,833	387,429	449,822	487,349	628,913	-	-	3,196,025
04/01/35	177,313	180,504	239,262	267,668	320,732	373,481	434,962	472,274	610,663	-	-	3,076,858
04/01/36	166,543	170,529	227,203	255,342	307,218	359,069	419,581	456,672	591,774	-	-	2,953,931
04/01/37	155,509	160,292	214,807	242,650	293,279	344,178	403,662	440,523	572,224	-	-	2,827,124
04/01/38	144,205	149,787	202,064	229,579	278,900	328,792	387,186	423,810	551,989	-	-	2,696,312
04/01/39	132,624	139,006	188,964	216,120	264,069	312,894	370,133	406,511	531,047	-	-	2,561,367
04/01/40	120,759	127,942	175,497	202,260	248,770	296,468	352,483	388,607	509,371	-	-	2,422,157
04/01/41	108,603	116,587	161,653	187,988	232,990	279,495	334,216	370,076	486,937	-	-	2,278,546
04/01/42	96,149	104,935	147,422	173,292	216,712	261,958	315,309	350,897	463,717	-	-	2,130,391
04/01/43	83,391	92,976	132,792	158,158	199,922	243,838	295,740	331,047	439,685	-	-	1,977,549
04/01/44	70,320	80,704	117,752	142,574	182,603	225,116	275,487	310,501	414,812	-	-	1,819,868
04/01/45	56,928	68,109	102,291	126,527	164,738	205,771	254,524	289,237	389,068	-	-	1,657,194
04/01/46	43,209	55,184	86,398	110,002	146,311	185,783	232,828	267,228	362,423	-	-	1,489,365
04/01/47	29,153	41,919	70,059	92,985	127,303	165,130	210,373	244,449	334,845	-	-	1,316,217
04/01/48	14,753	28,307	53,263	75,462	107,696	143,791	187,132	220,873	306,303	-	-	1,137,579
04/01/49	-	14,337	35,997	57,418	87,472	121,742	163,077	196,472	276,761	-	-	953,275
04/01/50	-	-	18,247	38,837	66,610	98,960	138,180	171,217	246,185	-	-	778,236
04/01/51	-	-	-	19,703	45,092	75,420	112,412	145,077	214,540	-	-	612,244
04/01/52	-	-	-	-	22,896	51,098	85,742	118,023	181,786	-	-	459,545
04/01/53	-	-	-	-	-	25,967	58,139	90,022	147,887	-	-	322,014
04/01/54	-	-	-	-	-	-	29,569	61,041	112,800	-	-	203,411
04/01/55	-	-	-	-	-	-	-	31,045	76,486	-	-	107,531
04/01/56	-	-	-	-	-	-	-	-	38,901	-	-	38,901
	5,667,918	5,428,145	6,809,486	7,248,574	8,304,849	9,288,087	10,431,557	10,952,221	13,723,470	0		77,854,306

Oklahoma Water Resources Board
Drinking Water Program

Projected Future Leveraged Loans

Fiscal Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	335,522,200
	1	2	3	4	5	6	7	8	9	10	
Principal:	86,286,400	49,425,000	39,540,000	39,540,000	39,540,000	29,655,000	29,655,000	29,655,000	29,655,000	0	372,951,400
Rate:	2.450%	2.625%	2.800%	2.975%	3.150%	3.325%	3.500%	3.500%	3.500%	3.500%	Projected
First Interest	10/01/17	10/01/18	10/01/19	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	Drinking Water
First Principal	04/01/19	04/01/20	04/01/21	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	Leveraged
Last Payment:	04/01/48	04/01/49	04/01/50	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	Loans
Date	Date	Date	Date	Date	Date	Date	Date	Date	Date	Date	Date
04/01/16	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-
04/01/18	1,057,008	-	-	-	-	-	-	-	-	-	1,057,008
04/01/19	4,095,126	648,703	-	-	-	-	-	-	-	-	4,743,829
04/01/20	4,095,126	2,400,943	553,560	-	-	-	-	-	-	-	7,049,628
04/01/21	4,095,126	2,400,943	1,965,500	588,158	-	-	-	-	-	-	9,049,726
04/01/22	4,095,126	2,400,943	1,965,500	2,010,788	622,755	-	-	-	-	-	11,095,111
04/01/23	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	493,014	-	-	-	-	13,021,983
04/01/24	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	518,963	-	-	-	14,625,155
04/01/25	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	518,963	-	-	16,237,537
04/01/26	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	518,963	-	17,849,918
04/01/27	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/28	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/29	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/30	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/31	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/32	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/33	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/34	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/35	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/36	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/37	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/38	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/39	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/40	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/41	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/42	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/43	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/44	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/45	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/46	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/47	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/48	4,095,126	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	18,943,338
04/01/49	-	2,400,943	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	14,848,212
04/01/50	-	-	1,965,500	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	12,447,269
04/01/51	-	-	-	2,010,788	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	10,481,769
04/01/52	-	-	-	-	2,056,612	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	8,470,981
04/01/53	-	-	-	-	-	1,577,224	1,612,382	1,612,382	1,612,382	1,612,382	6,414,370
04/01/54	-	-	-	-	-	-	1,612,382	1,612,382	1,612,382	1,612,382	4,837,146
04/01/55	-	-	-	-	-	-	-	1,612,382	1,612,382	1,612,382	3,224,764
04/01/56	-	-	-	-	-	-	-	-	1,612,382	1,612,382	1,612,382
	123,910,781	72,676,985	59,518,562	60,911,795	62,321,108	47,809,736	48,890,418	48,890,418	48,890,418	0	573,820,220

Oklahoma Water Resources Board
Drinking Water Program

Projected Future Leveraged Loans

Fiscal Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
	1	2	3	4	5	6	7	8	9	10	
Principal:	86,286,400	49,425,000	39,540,000	39,540,000	39,540,000	29,655,000	29,655,000	29,655,000	29,655,000	0	Projected Drinking Water Leveraged Loans
Rate:	2.450%	2.625%	2.800%	2.975%	3.150%	3.325%	3.500%	3.500%	3.500%	3.500%	
First Interest	10/01/17	10/01/18	10/01/19	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	
First Principal	04/01/19	04/01/20	04/01/21	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	
Last Payment:	04/01/48	04/01/49	04/01/50	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	
Date	Principal*	Principal*	Principal	Principal							
04/01/16	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-
04/01/18	-	-	-	-	-	-	-	-	-	-	-
04/01/19	1,981,109	-	-	-	-	-	-	-	-	-	1,981,109
04/01/20	2,029,646	1,103,536	-	-	-	-	-	-	-	-	3,133,183
04/01/21	2,079,372	1,132,504	858,380	-	-	-	-	-	-	-	4,070,257
04/01/22	2,130,317	1,162,233	882,415	834,473	-	-	-	-	-	-	5,009,437
04/01/23	2,182,510	1,192,741	907,122	859,298	811,102	-	-	-	-	-	5,952,774
04/01/24	2,235,981	1,224,051	932,522	884,863	836,651	591,195	-	-	-	-	6,705,263
04/01/25	2,290,763	1,256,182	958,632	911,187	863,006	610,853	574,457	-	-	-	7,465,080
04/01/26	2,346,887	1,289,157	985,474	938,295	890,191	631,163	594,563	574,457	-	-	8,250,186
04/01/27	2,404,385	1,322,997	1,013,067	966,209	918,232	652,150	615,373	594,563	574,457	-	9,061,433
04/01/28	2,463,293	1,357,726	1,041,433	994,954	947,156	673,834	636,911	615,373	594,563	-	9,325,241
04/01/29	2,523,643	1,393,366	1,070,593	1,024,554	976,991	696,239	659,202	636,911	615,373	-	9,596,872
04/01/30	2,585,473	1,429,942	1,100,570	1,055,034	1,007,767	719,388	682,275	659,202	636,911	-	9,876,562
04/01/31	2,648,817	1,467,478	1,131,386	1,086,422	1,039,511	743,308	706,154	682,275	659,202	-	10,164,553
04/01/32	2,713,713	1,505,999	1,163,065	1,118,743	1,072,256	768,023	730,870	706,154	682,275	-	10,461,097
04/01/33	2,780,199	1,545,532	1,195,631	1,152,025	1,106,032	793,560	756,450	730,870	706,154	-	10,766,452
04/01/34	2,848,314	1,586,102	1,229,108	1,186,298	1,140,872	819,946	782,926	756,450	730,870	-	11,080,885
04/01/35	2,918,097	1,627,737	1,263,523	1,221,591	1,176,809	847,209	810,328	782,926	756,450	-	11,404,670
04/01/36	2,989,591	1,670,465	1,298,902	1,257,933	1,213,879	875,379	838,690	810,328	782,926	-	11,738,091
04/01/37	3,062,836	1,714,315	1,335,271	1,295,356	1,252,116	904,485	868,044	838,690	810,328	-	12,081,440
04/01/38	3,137,875	1,759,316	1,372,659	1,333,893	1,291,558	934,559	898,425	868,044	838,690	-	12,435,018
04/01/39	3,214,753	1,805,498	1,411,093	1,373,577	1,332,242	965,633	929,870	898,425	868,044	-	12,799,135
04/01/40	3,293,514	1,852,892	1,450,604	1,414,440	1,374,207	997,740	962,416	929,870	898,425	-	13,174,110
04/01/41	3,374,206	1,901,530	1,491,221	1,456,520	1,417,495	1,030,915	996,100	962,416	929,870	-	13,560,273
04/01/42	3,456,874	1,951,446	1,532,975	1,499,852	1,462,146	1,065,193	1,030,964	996,100	962,416	-	13,957,964
04/01/43	3,541,567	2,002,671	1,575,898	1,544,472	1,508,204	1,100,611	1,067,047	1,030,964	996,100	-	14,367,534
04/01/44	3,628,335	2,055,241	1,620,023	1,590,420	1,555,712	1,137,206	1,104,394	1,067,047	1,030,964	-	14,789,343
04/01/45	3,717,230	2,109,191	1,665,384	1,637,735	1,604,717	1,175,018	1,143,048	1,104,394	1,067,047	-	15,223,765
04/01/46	3,808,302	2,164,557	1,712,015	1,686,458	1,655,266	1,214,088	1,183,054	1,143,048	1,104,394	-	15,671,181
04/01/47	3,901,605	2,221,377	1,759,951	1,736,630	1,707,406	1,254,456	1,224,461	1,183,054	1,143,048	-	16,131,990
04/01/48	3,997,194	2,279,688	1,809,230	1,788,295	1,761,190	1,296,167	1,267,318	1,224,461	1,183,054	-	16,606,597
04/01/49	-	2,339,530	1,859,888	1,841,496	1,816,667	1,339,264	1,311,674	1,267,318	1,224,461	-	13,000,299
04/01/50	-	-	1,911,965	1,896,281	1,873,892	1,383,795	1,357,582	1,311,674	1,267,318	-	11,002,507
04/01/51	-	-	-	1,952,695	1,932,920	1,429,806	1,405,098	1,357,582	1,311,674	-	9,389,775
04/01/52	-	-	-	-	1,993,807	1,477,347	1,454,276	1,405,098	1,357,582	-	7,688,110
04/01/53	-	-	-	-	-	1,526,469	1,505,176	1,454,276	1,405,098	-	5,891,018
04/01/54	-	-	-	-	-	-	1,557,857	1,505,176	1,454,276	-	4,517,309
04/01/55	-	-	-	-	-	-	-	1,557,857	1,505,176	-	3,063,033
04/01/56	-	-	-	-	-	-	-	-	1,557,857	-	1,557,857
	86,286,400	49,425,000	39,540,000	39,540,000	39,540,000	29,655,000	29,655,000	29,655,000	29,655,000	0	372,951,400

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Oklahoma Water Resources Board
Drinking Water Program

Projected Future Leveraged Loans

Fiscal Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
	1	2	3	4	5	6	7	8	9	10	
Principal:	86,286,400	49,425,000	39,540,000	39,540,000	39,540,000	29,655,000	29,655,000	29,655,000	29,655,000	0	Projected Drinking Water Leveraged Loans
Rate:	2.450%	2.625%	2.800%	2.975%	3.150%	3.325%	3.500%	3.500%	3.500%	3.500%	
First Interest	10/01/17	10/01/18	10/01/19	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	
First Principal	04/01/19	04/01/20	04/01/21	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	
Last Payment:	04/01/48	04/01/49	04/01/50	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	
Date	Interest*	Interest	Interest	Interest							
04/01/16	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-
04/01/18	1,057,008	-	-	-	-	-	-	-	-	-	1,057,008
04/01/19	2,114,017	648,703	-	-	-	-	-	-	-	-	2,762,720
04/01/20	2,065,480	1,297,406	553,560	-	-	-	-	-	-	-	3,916,446
04/01/21	2,015,753	1,268,438	1,107,120	588,158	-	-	-	-	-	-	4,979,469
04/01/22	1,964,809	1,238,710	1,083,085	1,176,315	622,755	-	-	-	-	-	6,085,674
04/01/23	1,912,616	1,208,202	1,058,378	1,151,489	1,245,510	493,014	-	-	-	-	7,069,209
04/01/24	1,859,144	1,176,892	1,032,978	1,125,925	1,219,960	986,029	518,963	-	-	-	7,919,892
04/01/25	1,804,363	1,144,761	1,006,868	1,099,601	1,193,606	966,372	1,037,925	518,963	-	-	8,772,457
04/01/26	1,748,239	1,111,786	980,026	1,072,493	1,166,421	946,061	1,017,819	1,037,925	518,963	-	9,599,732
04/01/27	1,690,740	1,077,946	952,433	1,044,579	1,138,380	925,074	997,009	1,017,819	1,037,925	-	9,881,905
04/01/28	1,631,833	1,043,217	924,067	1,015,834	1,109,456	903,391	975,471	997,009	1,017,819	-	9,618,097
04/01/29	1,571,482	1,007,577	894,907	986,234	1,079,620	880,986	953,179	975,471	997,009	-	9,346,466
04/01/30	1,509,653	971,001	864,930	955,753	1,048,845	857,836	930,107	953,179	975,471	-	9,066,776
04/01/31	1,446,309	933,465	834,114	924,366	1,017,100	833,916	906,228	930,107	953,179	-	8,778,785
04/01/32	1,381,413	894,944	802,435	892,045	984,356	809,201	881,512	906,228	930,107	-	8,482,241
04/01/33	1,314,927	855,411	769,870	858,763	950,580	783,664	855,932	881,512	906,228	-	8,176,886
04/01/34	1,246,812	814,841	736,392	824,490	915,740	757,278	829,456	855,932	881,512	-	7,862,453
04/01/35	1,177,028	773,206	701,977	789,197	879,802	730,015	802,054	829,456	855,932	-	7,538,668
04/01/36	1,105,535	730,478	666,598	752,855	842,733	701,845	773,692	802,054	829,456	-	7,205,246
04/01/37	1,032,290	686,628	630,229	715,432	804,496	672,739	744,338	773,692	802,054	-	6,861,897
04/01/38	957,251	641,627	592,841	676,895	765,054	642,665	713,957	744,338	773,692	-	6,508,320
04/01/39	880,373	595,445	554,407	637,211	724,370	611,591	682,512	713,957	744,338	-	6,144,203
04/01/40	801,611	548,051	514,896	596,347	682,404	579,484	649,966	682,512	713,957	-	5,769,228
04/01/41	720,920	499,412	474,279	554,268	639,117	546,309	616,282	649,966	682,512	-	5,383,065
04/01/42	638,252	449,497	432,525	510,936	594,466	512,031	581,418	616,282	649,966	-	4,985,374
04/01/43	553,559	398,272	389,602	466,316	548,408	476,613	545,334	581,418	616,282	-	4,575,804
04/01/44	466,790	345,702	345,477	420,368	500,900	440,018	507,988	545,334	581,418	-	4,153,994
04/01/45	377,896	291,752	300,116	373,053	451,895	402,206	469,334	507,988	545,334	-	3,719,573
04/01/46	286,824	236,385	253,485	324,330	401,346	363,136	429,327	469,334	507,988	-	3,272,156
04/01/47	193,521	179,566	205,549	274,158	349,205	322,768	387,920	429,327	469,334	-	2,811,348
04/01/48	97,931	121,254	156,270	222,493	295,422	281,057	345,064	387,920	429,327	-	2,336,741
04/01/49	-	61,413	105,612	169,292	239,945	237,960	300,708	345,064	387,920	-	1,847,913
04/01/50	-	-	53,535	114,507	182,719	193,429	254,800	300,708	345,064	-	1,444,763
04/01/51	-	-	-	58,093	123,692	147,418	207,284	254,800	300,708	-	1,091,995
04/01/52	-	-	-	-	62,805	99,877	158,106	207,284	254,800	-	782,871
04/01/53	-	-	-	-	-	50,755	107,206	158,106	207,284	-	523,351
04/01/54	-	-	-	-	-	-	54,525	107,206	158,106	-	319,837
04/01/55	-	-	-	-	-	-	-	54,525	107,206	-	161,731
04/01/56	-	-	-	-	-	-	-	-	54,525	-	54,525
	37,624,381	23,251,985	19,978,562	21,371,795	22,781,108	18,154,736	19,235,418	19,235,418	19,235,418	0	200,868,820

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Oklahoma Water Resources Board
Drinking Water Program

Projected Future Drinking Water Bonds

Fiscal Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Projected Future Drinking Water Bonds	Total Debt Service		
Principal:	\$90,000,000	\$50,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$0				
Rate:	3.500%	3.750%	4.000%	4.250%	4.500%	4.750%	5.000%	5.000%	5.000%	5.000%				
First Interest	10/01/17	10/01/18	10/01/19	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26				
First Principal	04/01/18	04/01/20	04/01/21	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28				
Last Payment:	04/01/47	04/01/49	04/01/50	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57				
Date	Debt Service													
04/01/16	-	-	-	-	-	-	-	-	-	-	-	-		
04/01/17	-	-	-	-	-	-	-	-	-	-	-	-		
04/01/18	6,512,500	-	-	-	-	-	-	-	-	-	-	6,512,500		
04/01/19	7,694,750	1,406,250	-	-	-	-	-	-	-	-	-	9,101,000		
04/01/20	8,575,600	3,770,000	1,200,000	-	-	-	-	-	-	-	-	13,545,600		
04/01/21	8,919,875	3,713,938	2,305,000	1,275,000	-	-	-	-	-	-	-	16,213,813		
04/01/22	8,745,075	4,157,313	2,301,800	2,375,000	1,350,000	-	-	-	-	-	-	18,929,188		
04/01/23	10,568,700	2,581,375	2,302,600	2,376,313	2,445,000	1,068,750	-	-	-	-	-	21,342,738		
04/01/24	3,325,750	10,066,125	2,307,200	2,376,350	2,445,975	1,885,000	1,125,000	-	-	-	-	23,531,400		
04/01/25	3,326,050	11,763,875	2,305,400	2,375,113	2,445,600	1,888,150	1,940,000	1,125,000	-	-	-	27,169,188		
04/01/26	3,324,600	6,391,063	2,307,400	2,377,600	2,443,875	1,890,113	1,943,000	1,965,000	1,125,000	-	-	23,767,650		
04/01/27	3,326,400	1,205,000	2,308,000	2,378,600	2,445,800	1,890,888	1,944,750	1,966,750	4,575,000	1,125,000	1,125,000	23,166,188		
04/01/28	3,331,275	1,205,688	2,307,200	2,378,113	2,446,150	1,890,475	1,945,250	1,967,250	3,421,250	2,985,000	2,985,000	23,877,650		
04/01/29	3,329,050	1,205,625	2,310,000	2,376,138	2,449,925	1,888,875	1,944,500	1,966,500	3,322,500	3,435,750	3,435,750	24,228,863		
04/01/30	3,329,900	1,204,813	2,311,200	2,377,675	2,451,900	1,891,088	1,942,500	1,964,500	4,223,500	3,360,250	3,360,250	25,057,325		
04/01/31	3,333,650	1,203,250	2,310,800	2,377,513	2,452,075	1,891,875	1,944,250	1,966,250	3,074,250	2,283,500	2,283,500	22,837,413		
04/01/32	3,335,125	1,205,938	2,308,800	2,380,650	2,450,450	1,891,238	1,944,500	1,966,500	2,974,750	1,760,500	1,760,500	22,218,450		
04/01/33	3,334,325	1,207,688	2,310,200	2,381,875	2,452,025	1,894,175	1,948,250	1,970,250	2,375,000	1,761,000	1,761,000	21,634,788		
04/01/34	3,336,250	1,208,500	2,314,800	2,381,188	2,451,575	1,895,450	1,950,250	1,967,250	2,800,000	1,760,000	1,760,000	22,065,263		
04/01/35	3,335,725	1,208,375	2,312,400	2,383,588	2,454,100	1,895,063	1,950,500	1,967,750	2,199,750	1,762,500	1,762,500	21,469,750		
04/01/36	3,337,750	1,207,313	2,313,200	2,383,863	2,454,375	1,893,013	1,949,000	1,971,500	2,624,250	1,763,250	1,763,250	21,897,513		
04/01/37	3,337,150	1,205,313	2,317,000	2,387,013	2,457,400	1,894,300	1,950,750	1,973,250	2,523,500	1,767,250	1,767,250	21,812,925		
04/01/38	3,338,925	1,207,375	2,318,600	2,387,825	2,457,950	1,898,688	1,950,500	1,973,000	1,427,500	1,764,250	1,764,250	20,724,613		
04/01/39	3,342,900	1,208,313	2,318,000	2,386,300	2,461,025	1,895,938	1,953,250	1,975,750	1,376,000	1,764,500	1,764,500	20,681,975		
04/01/40	4,343,900	1,208,125	2,320,200	2,387,438	2,461,400	1,901,288	1,953,750	1,976,250	324,250	1,767,750	1,767,750	20,644,350		
04/01/41	4,311,925	1,211,813	2,320,000	2,391,025	2,464,075	1,899,263	1,957,000	1,974,500	327,250	1,768,750	1,768,750	20,625,600		
04/01/42	3,276,800	1,209,188	2,322,400	2,391,850	2,463,825	1,900,100	1,957,750	1,975,500	324,750	1,772,500	1,772,500	19,594,663		
04/01/43	3,278,525	1,210,438	2,322,200	2,394,913	2,465,650	1,903,563	1,956,000	1,979,000	327,000	1,773,750	1,773,750	19,611,038		
04/01/44	3,281,925	1,210,375	2,324,400	2,395,000	2,469,325	1,904,413	1,956,750	1,979,750	323,750	1,772,500	1,772,500	19,618,188		
04/01/45	3,281,825	1,214,000	2,328,800	2,397,113	2,469,625	1,907,650	1,959,750	1,982,750	325,250	1,773,750	1,773,750	19,640,513		
04/01/46	3,283,225	1,211,125	2,330,200	2,401,038	2,471,550	1,908,038	1,959,750	1,982,750	326,250	1,777,250	1,777,250	19,651,175		
04/01/47	3,280,950	1,211,938	2,328,600	2,401,563	2,469,875	1,910,575	1,961,750	1,984,750	326,750	1,777,750	1,777,750	19,654,500		
04/01/48	-	1,216,250	2,329,000	2,403,688	2,474,600	1,910,025	1,965,500	1,988,500	326,750	1,780,250	1,780,250	16,394,563		
04/01/49	-	1,213,875	2,331,200	2,402,200	2,475,275	1,911,388	1,965,750	988,750	326,250	1,779,500	1,779,500	15,394,188		
04/01/50	-	-	2,340,000	2,407,100	2,476,900	1,914,425	1,967,500	1,540,500	330,250	330,500	330,500	13,307,175		
04/01/51	-	-	-	2,402,963	2,479,250	1,913,900	1,970,500	2,068,500	328,500	355,500	355,500	11,519,113		
04/01/52	-	-	-	-	2,487,100	1,919,813	1,974,500	2,067,500	326,250	934,250	934,250	9,709,413		
04/01/53	-	-	-	-	-	1,911,688	1,974,250	2,072,500	328,500	1,484,000	1,484,000	7,770,938		
04/01/54	-	-	-	-	-	-	1,989,750	2,073,000	330,000	1,514,750	1,514,750	5,907,500		
04/01/55	-	-	-	-	-	-	-	2,079,000	330,750	1,791,000	1,791,000	4,200,750		
04/01/56	-	-	-	-	-	-	-	-	330,750	2,000,250	2,000,250	2,331,000		
	132,680,400	71,650,250	70,686,600	72,891,600	75,143,650	58,059,200	59,796,500	59,400,000	43,605,500	53,446,750		697,360,450		

Oklahoma Water Resources Board
Drinking Water Program

Projected Future Drinking Water Bonds

Fiscal Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Projected Future Drinking Water Bonds	
Principal:	\$90,000,000	\$50,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$0		
Rate:	3.500%	3.750%	4.000%	4.250%	4.500%	4.750%	5.000%	5.000%	5.000%	5.000%		
First Interest	10/01/17	10/01/18	10/01/19	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26		
First Principal	04/01/18	04/01/20	04/01/21	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28		
Last Payment:	04/01/47	04/01/49	04/01/50	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57		
Date	Principal	Principal	Total Principal									
04/01/16	-	-	-	-	-	-	-	-	-	-	-	
04/01/17	-	-	-	-	-	-	-	-	-	-	-	
04/01/18	4,150,000	-	-	-	-	-	-	-	-	-	4,150,000	
04/01/19	4,690,000	-	-	-	-	-	-	-	-	-	4,690,000	
04/01/20	5,735,000	1,895,000	-	-	-	-	-	-	-	-	7,630,000	
04/01/21	6,280,000	1,910,000	705,000	-	-	-	-	-	-	-	8,895,000	
04/01/22	6,325,000	2,425,000	730,000	675,000	-	-	-	-	-	-	10,155,000	
04/01/23	8,370,000	940,000	760,000	705,000	645,000	-	-	-	-	-	11,420,000	
04/01/24	1,420,000	8,460,000	795,000	735,000	675,000	460,000	-	-	-	-	12,545,000	
04/01/25	1,470,000	10,475,000	825,000	765,000	705,000	485,000	440,000	-	-	-	15,165,000	
04/01/26	1,520,000	5,495,000	860,000	800,000	735,000	510,000	465,000	465,000	-	-	10,850,000	
04/01/27	1,575,000	515,000	895,000	835,000	770,000	535,000	490,000	490,000	3,075,000	-	9,180,000	
04/01/28	1,635,000	535,000	930,000	870,000	805,000	560,000	515,000	515,000	2,075,000	1,485,000	9,925,000	
04/01/29	1,690,000	555,000	970,000	905,000	845,000	585,000	540,000	540,000	2,080,000	2,010,000	10,720,000	
04/01/30	1,750,000	575,000	1,010,000	945,000	885,000	615,000	565,000	565,000	3,085,000	2,035,000	12,030,000	
04/01/31	1,815,000	595,000	1,050,000	985,000	925,000	645,000	595,000	595,000	2,090,000	1,060,000	10,355,000	
04/01/32	1,880,000	620,000	1,090,000	1,030,000	965,000	675,000	625,000	625,000	2,095,000	590,000	10,195,000	
04/01/33	1,945,000	645,000	1,135,000	1,075,000	1,010,000	710,000	660,000	660,000	1,600,000	620,000	10,060,000	
04/01/34	2,015,000	670,000	1,185,000	1,120,000	1,055,000	745,000	695,000	690,000	2,105,000	650,000	10,930,000	
04/01/35	2,085,000	695,000	1,230,000	1,170,000	1,105,000	780,000	730,000	725,000	1,610,000	685,000	10,815,000	
04/01/36	2,160,000	720,000	1,280,000	1,220,000	1,155,000	815,000	765,000	765,000	2,115,000	720,000	11,715,000	
04/01/37	2,235,000	745,000	1,335,000	1,275,000	1,210,000	855,000	805,000	805,000	2,120,000	760,000	12,145,000	
04/01/38	2,315,000	775,000	1,390,000	1,330,000	1,265,000	900,000	845,000	845,000	1,130,000	795,000	11,590,000	
04/01/39	2,400,000	805,000	1,445,000	1,385,000	1,325,000	940,000	890,000	890,000	1,135,000	835,000	12,050,000	
04/01/40	3,485,000	835,000	1,505,000	1,445,000	1,385,000	990,000	935,000	935,000	140,000	880,000	12,535,000	
04/01/41	3,575,000	870,000	1,565,000	1,510,000	1,450,000	1,035,000	985,000	980,000	150,000	925,000	13,045,000	
04/01/42	2,665,000	900,000	1,630,000	1,575,000	1,515,000	1,085,000	1,035,000	1,030,000	155,000	975,000	12,565,000	
04/01/43	2,760,000	935,000	1,695,000	1,645,000	1,585,000	1,140,000	1,085,000	1,085,000	165,000	1,025,000	13,120,000	
04/01/44	2,860,000	970,000	1,765,000	1,715,000	1,660,000	1,195,000	1,140,000	1,140,000	170,000	1,075,000	13,690,000	
04/01/45	2,960,000	1,010,000	1,840,000	1,790,000	1,735,000	1,255,000	1,200,000	1,200,000	180,000	1,130,000	14,300,000	
04/01/46	3,065,000	1,045,000	1,915,000	1,870,000	1,815,000	1,315,000	1,260,000	1,260,000	190,000	1,190,000	14,925,000	
04/01/47	3,170,000	1,085,000	1,990,000	1,950,000	1,895,000	1,380,000	1,325,000	1,325,000	200,000	1,250,000	15,570,000	
04/01/48	-	1,130,000	2,070,000	2,035,000	1,985,000	1,445,000	1,395,000	1,395,000	210,000	1,315,000	12,980,000	
04/01/49	-	1,170,000	2,155,000	2,120,000	2,075,000	1,515,000	1,465,000	465,000	220,000	1,380,000	12,565,000	
04/01/50	-	-	2,250,000	2,215,000	2,170,000	1,590,000	1,540,000	1,040,000	235,000	-	11,040,000	
04/01/51	-	-	-	2,305,000	2,270,000	1,665,000	1,620,000	1,620,000	245,000	25,000	9,750,000	
04/01/52	-	-	-	-	2,380,000	1,750,000	1,705,000	1,700,000	255,000	605,000	8,395,000	
04/01/53	-	-	-	-	-	1,825,000	1,790,000	1,790,000	270,000	1,185,000	6,860,000	
04/01/54	-	-	-	-	-	-	1,895,000	1,880,000	285,000	1,275,000	5,335,000	
04/01/55	-	-	-	-	-	-	-	1,980,000	300,000	1,615,000	3,895,000	
04/01/56	-	-	-	-	-	-	-	-	315,000	1,905,000	2,220,000	
	90,000,000	50,000,000	40,000,000	40,000,000	40,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	410,000,000	

**Oklahoma Water Resources Board
Drinking Water Program**

Projected Future Drinking Water Bonds

Fiscal Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Projected Future Drinking Water Bonds
Principal:	\$90,000,000	\$50,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$0	
Rate:	3.500%	3.750%	4.000%	4.250%	4.500%	4.750%	5.000%	5.000%	5.000%	5.000%	
First Interest	10/01/17	10/01/18	10/01/19	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	
First Principal	04/01/18	04/01/20	04/01/21	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	
Last Payment:	04/01/47	04/01/49	04/01/50	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	

Date	Principal	Interest	Interest	Total Interest								
04/01/16	-	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-	-
04/01/18	2,362,500	-	-	-	-	-	-	-	-	-	-	2,362,500
04/01/19	3,004,750	1,406,250	-	-	-	-	-	-	-	-	-	4,411,000
04/01/20	2,840,600	1,875,000	1,200,000	-	-	-	-	-	-	-	-	5,915,600
04/01/21	2,639,875	1,803,938	1,600,000	1,275,000	-	-	-	-	-	-	-	7,318,813
04/01/22	2,420,075	1,732,313	1,571,800	1,700,000	1,350,000	-	-	-	-	-	-	8,774,188
04/01/23	2,198,700	1,641,375	1,542,600	1,671,313	1,800,000	1,068,750	-	-	-	-	-	9,922,738
04/01/24	1,905,750	1,606,125	1,512,200	1,641,350	1,770,975	1,425,000	1,125,000	-	-	-	-	10,986,400
04/01/25	1,856,050	1,288,875	1,480,400	1,610,113	1,740,600	1,403,150	1,500,000	1,125,000	-	-	-	12,004,188
04/01/26	1,804,600	896,063	1,447,400	1,577,600	1,708,875	1,380,113	1,478,000	1,500,000	1,125,000	-	-	12,917,650
04/01/27	1,751,400	690,000	1,413,000	1,543,600	1,675,800	1,355,888	1,454,750	1,476,750	1,500,000	1,125,000	1,125,000	13,986,188
04/01/28	1,696,275	670,688	1,377,200	1,508,113	1,641,150	1,330,475	1,430,250	1,452,250	1,346,250	1,500,000	1,500,000	13,952,650
04/01/29	1,639,050	650,625	1,340,000	1,471,138	1,604,925	1,303,875	1,404,500	1,426,500	1,242,500	1,425,750	1,425,750	13,508,863
04/01/30	1,579,900	629,813	1,301,200	1,432,675	1,566,900	1,276,088	1,377,500	1,399,500	1,138,500	1,325,250	1,325,250	13,027,325
04/01/31	1,518,650	608,250	1,260,800	1,392,513	1,527,075	1,246,875	1,349,250	1,371,250	984,250	1,223,500	1,223,500	12,482,413
04/01/32	1,455,125	585,938	1,218,800	1,350,650	1,485,450	1,216,238	1,319,500	1,341,500	879,750	1,170,500	1,170,500	12,023,450
04/01/33	1,389,325	562,688	1,175,200	1,306,875	1,442,025	1,184,175	1,288,250	1,310,250	775,000	1,141,000	1,141,000	11,574,788
04/01/34	1,321,250	538,500	1,129,800	1,261,188	1,396,575	1,150,450	1,255,250	1,277,250	695,000	1,110,000	1,110,000	11,135,263
04/01/35	1,250,725	513,375	1,082,400	1,213,588	1,349,100	1,115,063	1,220,500	1,242,750	589,750	1,077,500	1,077,500	10,654,750
04/01/36	1,177,750	487,313	1,033,200	1,163,863	1,299,375	1,078,013	1,184,000	1,206,500	509,250	1,043,250	1,043,250	10,182,513
04/01/37	1,102,150	460,313	982,000	1,112,013	1,247,400	1,039,300	1,145,750	1,168,250	403,500	1,007,250	1,007,250	9,667,925
04/01/38	1,023,925	432,375	928,600	1,057,825	1,192,950	998,688	1,105,500	1,128,000	297,500	969,250	969,250	9,134,613
04/01/39	942,900	403,313	873,000	1,001,300	1,136,025	955,938	1,063,250	1,085,750	241,000	929,500	929,500	8,631,975
04/01/40	858,900	373,125	815,200	942,438	1,076,400	911,288	1,018,750	1,041,250	184,250	887,750	887,750	8,109,350
04/01/41	736,925	341,813	755,000	881,025	1,014,075	864,263	972,000	994,500	177,250	843,750	843,750	7,580,600
04/01/42	611,800	309,188	692,400	816,850	948,825	815,100	922,750	945,500	169,750	797,500	797,500	7,029,663
04/01/43	518,525	275,438	627,200	749,913	880,650	763,563	871,000	894,000	162,000	748,750	748,750	6,491,038
04/01/44	421,925	240,375	559,400	680,000	809,325	709,413	816,750	839,750	153,750	697,500	697,500	5,928,188
04/01/45	321,825	204,000	488,800	607,113	734,625	652,650	759,750	782,750	145,250	643,750	643,750	5,340,513
04/01/46	218,225	166,125	415,200	531,038	656,550	593,038	699,750	722,750	136,250	587,250	587,250	4,726,175
04/01/47	110,950	126,938	338,600	451,563	574,875	530,575	636,750	659,750	126,750	527,750	527,750	4,084,500
04/01/48	-	86,250	259,000	368,688	489,600	465,025	570,500	593,500	116,750	465,250	465,250	3,414,563
04/01/49	-	43,875	176,200	282,200	400,275	396,388	500,750	523,750	106,250	399,500	399,500	2,829,188
04/01/50	-	-	90,000	192,100	306,900	324,425	427,500	500,500	95,250	330,500	330,500	2,267,175
04/01/51	-	-	-	97,963	209,250	248,900	350,500	448,500	83,500	330,500	330,500	1,769,113
04/01/52	-	-	-	-	107,100	169,813	269,500	367,500	71,250	329,250	329,250	1,314,413
04/01/53	-	-	-	-	-	-	86,688	184,250	282,500	58,500	299,000	910,938
04/01/54	-	-	-	-	-	-	94,750	193,000	45,000	239,750	239,750	572,500
04/01/55	-	-	-	-	-	-	-	99,000	30,750	176,000	176,000	305,750
04/01/56	-	-	-	-	-	-	-	-	15,750	95,250	95,250	111,000
	42,680,400	21,650,250	30,686,600	32,891,600	35,143,650	28,059,200	29,796,500	29,400,000	13,605,500	23,446,750		287,360,450

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2017 Future Bond Issue

Date	Principal	3.50% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/17	-	-	-	-
10/01/17	-	787,500	787,500	-
04/01/18	4,150,000	1,575,000	5,725,000	6,512,500
10/01/18	-	1,502,375	1,502,375	-
04/01/19	4,690,000	1,502,375	6,192,375	7,694,750
10/01/19	-	1,420,300	1,420,300	-
04/01/20	5,735,000	1,420,300	7,155,300	8,575,600
10/01/20	-	1,319,938	1,319,938	-
04/01/21	6,280,000	1,319,938	7,599,938	8,919,875
10/01/21	-	1,210,038	1,210,038	-
04/01/22	6,325,000	1,210,038	7,535,038	8,745,075
10/01/22	-	1,099,350	1,099,350	-
04/01/23	8,370,000	1,099,350	9,469,350	10,568,700
10/01/23	-	952,875	952,875	-
04/01/24	1,420,000	952,875	2,372,875	3,325,750
10/01/24	-	928,025	928,025	-
04/01/25	1,470,000	928,025	2,398,025	3,326,050
10/01/25	-	902,300	902,300	-
04/01/26	1,520,000	902,300	2,422,300	3,324,600
10/01/26	-	875,700	875,700	-
04/01/27	1,575,000	875,700	2,450,700	3,326,400
10/01/27	-	848,138	848,138	-
04/01/28	1,635,000	848,138	2,483,138	3,331,275
10/01/28	-	819,525	819,525	-
04/01/29	1,690,000	819,525	2,509,525	3,329,050
10/01/29	-	789,950	789,950	-
04/01/30	1,750,000	789,950	2,539,950	3,329,900
10/01/30	-	759,325	759,325	-
04/01/31	1,815,000	759,325	2,574,325	3,333,650
10/01/31	-	727,563	727,563	-
04/01/32	1,880,000	727,563	2,607,563	3,335,125
10/01/32	-	694,663	694,663	-
04/01/33	1,945,000	694,663	2,639,663	3,334,325
10/01/33	-	660,625	660,625	-
04/01/34	2,015,000	660,625	2,675,625	3,336,250
10/01/34	-	625,363	625,363	-
04/01/35	2,085,000	625,363	2,710,363	3,335,725
10/01/35	-	588,875	588,875	-
04/01/36	2,160,000	588,875	2,748,875	3,337,750
10/01/36	-	551,075	551,075	-
04/01/37	2,235,000	551,075	2,786,075	3,337,150
10/01/37	-	511,963	511,963	-
04/01/38	2,315,000	511,963	2,826,963	3,338,925
10/01/38	-	471,450	471,450	-
04/01/39	2,400,000	471,450	2,871,450	3,342,900
10/01/39	-	429,450	429,450	-
04/01/40	3,485,000	429,450	3,914,450	4,343,900
10/01/40	-	368,463	368,463	-
04/01/41	3,575,000	368,463	3,943,463	4,311,925
10/01/41	-	305,900	305,900	-
04/01/42	2,665,000	305,900	2,970,900	3,276,800
10/01/42	-	259,263	259,263	-
04/01/43	2,760,000	259,263	3,019,263	3,278,525
10/01/43	-	210,963	210,963	-
04/01/44	2,860,000	210,963	3,070,963	3,281,925
10/01/44	-	160,913	160,913	-
04/01/45	2,960,000	160,913	3,120,913	3,281,825
10/01/45	-	109,113	109,113	-
04/01/46	3,065,000	109,113	3,174,113	3,283,225
10/01/46	-	55,475	55,475	-
04/01/47	3,170,000	55,475	3,225,475	3,280,950
10/01/47	-	-	-	-
04/01/48	-	-	-	-
10/01/48	-	-	-	-
04/01/49	-	-	-	-
10/01/49	-	-	-	-
04/01/50	-	-	-	-
90,000,000	42,680,400	132,680,400	132,680,400	

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2018 Future Bond Issue

Date	Principal	3.75% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/18	-	-	-	-
10/01/18	-	468,750	468,750	-
04/01/19	-	937,500	937,500	1,406,250
10/01/19	-	937,500	937,500	-
04/01/20	1,895,000	937,500	2,832,500	3,770,000
10/01/20	-	901,969	901,969	-
04/01/21	1,910,000	901,969	2,811,969	3,713,938
10/01/21	-	866,156	866,156	-
04/01/22	2,425,000	866,156	3,291,156	4,157,313
10/01/22	-	820,688	820,688	-
04/01/23	940,000	820,688	1,760,688	2,581,375
10/01/23	-	803,063	803,063	-
04/01/24	8,460,000	803,063	9,263,063	10,066,125
10/01/24	-	644,438	644,438	-
04/01/25	10,475,000	644,438	11,119,438	11,763,875
10/01/25	-	448,031	448,031	-
04/01/26	5,495,000	448,031	5,943,031	6,391,063
10/01/26	-	345,000	345,000	-
04/01/27	515,000	345,000	860,000	1,205,000
10/01/27	-	335,344	335,344	-
04/01/28	535,000	335,344	870,344	1,205,688
10/01/28	-	325,313	325,313	-
04/01/29	555,000	325,313	880,313	1,205,625
10/01/29	-	314,906	314,906	-
04/01/30	575,000	314,906	889,906	1,204,813
10/01/30	-	304,125	304,125	-
04/01/31	595,000	304,125	899,125	1,203,250
10/01/31	-	292,969	292,969	-
04/01/32	620,000	292,969	912,969	1,205,938
10/01/32	-	281,344	281,344	-
04/01/33	645,000	281,344	926,344	1,207,688
10/01/33	-	269,250	269,250	-
04/01/34	670,000	269,250	939,250	1,208,500
10/01/34	-	256,688	256,688	-
04/01/35	695,000	256,688	951,688	1,208,375
10/01/35	-	243,656	243,656	-
04/01/36	720,000	243,656	963,656	1,207,313
10/01/36	-	230,156	230,156	-
04/01/37	745,000	230,156	975,156	1,205,313
10/01/37	-	216,188	216,188	-
04/01/38	775,000	216,188	991,188	1,207,375
10/01/38	-	201,656	201,656	-
04/01/39	805,000	201,656	1,006,656	1,208,313
10/01/39	-	186,563	186,563	-
04/01/40	835,000	186,563	1,021,563	1,208,125
10/01/40	-	170,906	170,906	-
04/01/41	870,000	170,906	1,040,906	1,211,813
10/01/41	-	154,594	154,594	-
04/01/42	900,000	154,594	1,054,594	1,209,188
10/01/42	-	137,719	137,719	-
04/01/43	935,000	137,719	1,072,719	1,210,438
10/01/43	-	120,188	120,188	-
04/01/44	970,000	120,188	1,090,188	1,210,375
10/01/44	-	102,000	102,000	-
04/01/45	1,010,000	102,000	1,112,000	1,214,000
10/01/45	-	83,063	83,063	-
04/01/46	1,045,000	83,063	1,128,063	1,211,125
10/01/46	-	63,469	63,469	-
04/01/47	1,085,000	63,469	1,148,469	1,211,938
10/01/47	-	43,125	43,125	-
04/01/48	1,130,000	43,125	1,173,125	1,216,250
10/01/48	-	21,938	21,938	-
04/01/49	1,170,000	21,938	1,191,938	1,213,875
10/01/49	-	-	-	-
04/01/50	-	-	-	-
10/01/50	-	-	-	-
04/01/51	-	-	-	-
50,000,000	21,650,250	71,650,250	71,650,250	

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2019 Future Bond Issue

Date	Principal	4.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/19	-	-	-	-
10/01/19	-	400,000	400,000	-
04/01/20	-	800,000	800,000	1,200,000
10/01/20	-	800,000	800,000	-
04/01/21	705,000	800,000	1,505,000	2,305,000
10/01/21	-	785,900	785,900	-
04/01/22	730,000	785,900	1,515,900	2,301,800
10/01/22	-	771,300	771,300	-
04/01/23	760,000	771,300	1,531,300	2,302,600
10/01/23	-	756,100	756,100	-
04/01/24	795,000	756,100	1,551,100	2,307,200
10/01/24	-	740,200	740,200	-
04/01/25	825,000	740,200	1,565,200	2,305,400
10/01/25	-	723,700	723,700	-
04/01/26	860,000	723,700	1,583,700	2,307,400
10/01/26	-	706,500	706,500	-
04/01/27	895,000	706,500	1,601,500	2,308,000
10/01/27	-	688,600	688,600	-
04/01/28	930,000	688,600	1,618,600	2,307,200
10/01/28	-	670,000	670,000	-
04/01/29	970,000	670,000	1,640,000	2,310,000
10/01/29	-	650,600	650,600	-
04/01/30	1,010,000	650,600	1,660,600	2,311,200
10/01/30	-	630,400	630,400	-
04/01/31	1,050,000	630,400	1,680,400	2,310,800
10/01/31	-	609,400	609,400	-
04/01/32	1,090,000	609,400	1,699,400	2,308,800
10/01/32	-	587,600	587,600	-
04/01/33	1,135,000	587,600	1,722,600	2,310,200
10/01/33	-	564,900	564,900	-
04/01/34	1,185,000	564,900	1,749,900	2,314,800
10/01/34	-	541,200	541,200	-
04/01/35	1,230,000	541,200	1,771,200	2,312,400
10/01/35	-	516,600	516,600	-
04/01/36	1,280,000	516,600	1,796,600	2,313,200
10/01/36	-	491,000	491,000	-
04/01/37	1,335,000	491,000	1,826,000	2,317,000
10/01/37	-	464,300	464,300	-
04/01/38	1,390,000	464,300	1,854,300	2,318,600
10/01/38	-	436,500	436,500	-
04/01/39	1,445,000	436,500	1,881,500	2,318,000
10/01/39	-	407,600	407,600	-
04/01/40	1,505,000	407,600	1,912,600	2,320,200
10/01/40	-	377,500	377,500	-
04/01/41	1,565,000	377,500	1,942,500	2,320,000
10/01/41	-	346,200	346,200	-
04/01/42	1,630,000	346,200	1,976,200	2,322,400
10/01/42	-	313,600	313,600	-
04/01/43	1,695,000	313,600	2,008,600	2,322,200
10/01/43	-	279,700	279,700	-
04/01/44	1,765,000	279,700	2,044,700	2,324,400
10/01/44	-	244,400	244,400	-
04/01/45	1,840,000	244,400	2,084,400	2,328,800
10/01/45	-	207,600	207,600	-
04/01/46	1,915,000	207,600	2,122,600	2,330,200
10/01/46	-	169,300	169,300	-
04/01/47	1,990,000	169,300	2,159,300	2,328,600
10/01/47	-	129,500	129,500	-
04/01/48	2,070,000	129,500	2,199,500	2,329,000
10/01/48	-	88,100	88,100	-
04/01/49	2,155,000	88,100	2,243,100	2,331,200
10/01/49	-	45,000	45,000	-
04/01/50	2,250,000	45,000	2,295,000	2,340,000
10/01/50	-	-	-	-
04/01/51	-	-	-	-
10/01/51	-	-	-	-
04/01/52	-	-	-	-
40,000,000	30,686,600	70,686,600	70,686,600	

Oklahoma Water Resources Board
Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2020 Future Bond Issue

Date	Principal	4.25% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/20	-	-	-	-
10/01/20	-	425,000	425,000	-
04/01/21	-	850,000	850,000	1,275,000
10/01/21	-	850,000	850,000	-
04/01/22	675,000	850,000	1,525,000	2,375,000
10/01/22	-	835,656	835,656	-
04/01/23	705,000	835,656	1,540,656	2,376,313
10/01/23	-	820,675	820,675	-
04/01/24	735,000	820,675	1,555,675	2,376,350
10/01/24	-	805,056	805,056	-
04/01/25	765,000	805,056	1,570,056	2,375,113
10/01/25	-	788,800	788,800	-
04/01/26	800,000	788,800	1,588,800	2,377,600
10/01/26	-	771,800	771,800	-
04/01/27	835,000	771,800	1,606,800	2,378,600
10/01/27	-	754,056	754,056	-
04/01/28	870,000	754,056	1,624,056	2,378,113
10/01/28	-	735,569	735,569	-
04/01/29	905,000	735,569	1,640,569	2,376,138
10/01/29	-	716,338	716,338	-
04/01/30	945,000	716,338	1,661,338	2,377,675
10/01/30	-	696,256	696,256	-
04/01/31	985,000	696,256	1,681,256	2,377,513
10/01/31	-	675,325	675,325	-
04/01/32	1,030,000	675,325	1,705,325	2,380,650
10/01/32	-	653,438	653,438	-
04/01/33	1,075,000	653,438	1,728,438	2,381,875
10/01/33	-	630,594	630,594	-
04/01/34	1,120,000	630,594	1,750,594	2,381,188
10/01/34	-	606,794	606,794	-
04/01/35	1,170,000	606,794	1,776,794	2,383,588
10/01/35	-	581,931	581,931	-
04/01/36	1,220,000	581,931	1,801,931	2,383,863
10/01/36	-	556,006	556,006	-
04/01/37	1,275,000	556,006	1,831,006	2,387,013
10/01/37	-	528,913	528,913	-
04/01/38	1,330,000	528,913	1,858,913	2,387,825
10/01/38	-	500,650	500,650	-
04/01/39	1,385,000	500,650	1,885,650	2,386,300
10/01/39	-	471,219	471,219	-
04/01/40	1,445,000	471,219	1,916,219	2,387,438
10/01/40	-	440,513	440,513	-
04/01/41	1,510,000	440,513	1,950,513	2,391,025
10/01/41	-	408,425	408,425	-
04/01/42	1,575,000	408,425	1,983,425	2,391,850
10/01/42	-	374,956	374,956	-
04/01/43	1,645,000	374,956	2,019,956	2,394,913
10/01/43	-	340,000	340,000	-
04/01/44	1,715,000	340,000	2,055,000	2,395,000
10/01/44	-	303,556	303,556	-
04/01/45	1,790,000	303,556	2,093,556	2,397,113
10/01/45	-	265,519	265,519	-
04/01/46	1,870,000	265,519	2,135,519	2,401,038
10/01/46	-	225,781	225,781	-
04/01/47	1,950,000	225,781	2,175,781	2,401,563
10/01/47	-	184,344	184,344	-
04/01/48	2,035,000	184,344	2,219,344	2,403,688
10/01/48	-	141,100	141,100	-
04/01/49	2,120,000	141,100	2,261,100	2,402,200
10/01/49	-	96,050	96,050	-
04/01/50	2,215,000	96,050	2,311,050	2,407,100
10/01/50	-	48,981	48,981	-
04/01/51	2,305,000	48,981	2,353,981	2,402,963
10/01/51	-	-	-	-
04/01/52	-	-	-	-
10/01/52	-	-	-	-
04/01/53	-	-	-	-
40,000,000	32,891,600	72,891,600	72,891,600	

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2021 Future Bond Issue

Date	Principal	4.50% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/21	-	-	-	-
10/01/21	-	450,000	450,000	-
04/01/22	-	900,000	900,000	1,350,000
10/01/22	-	900,000	900,000	-
04/01/23	645,000	900,000	1,545,000	2,445,000
10/01/23	-	885,488	885,488	-
04/01/24	675,000	885,488	1,560,488	2,445,975
10/01/24	-	870,300	870,300	-
04/01/25	705,000	870,300	1,575,300	2,445,600
10/01/25	-	854,438	854,438	-
04/01/26	735,000	854,438	1,589,438	2,443,875
10/01/26	-	837,900	837,900	-
04/01/27	770,000	837,900	1,607,900	2,445,800
10/01/27	-	820,575	820,575	-
04/01/28	805,000	820,575	1,625,575	2,446,150
10/01/28	-	802,463	802,463	-
04/01/29	845,000	802,463	1,647,463	2,449,925
10/01/29	-	783,450	783,450	-
04/01/30	885,000	783,450	1,668,450	2,451,900
10/01/30	-	763,538	763,538	-
04/01/31	925,000	763,538	1,688,538	2,452,075
10/01/31	-	742,725	742,725	-
04/01/32	965,000	742,725	1,707,725	2,450,450
10/01/32	-	721,013	721,013	-
04/01/33	1,010,000	721,013	1,731,013	2,452,025
10/01/33	-	698,288	698,288	-
04/01/34	1,055,000	698,288	1,753,288	2,451,575
10/01/34	-	674,550	674,550	-
04/01/35	1,105,000	674,550	1,779,550	2,454,100
10/01/35	-	649,688	649,688	-
04/01/36	1,155,000	649,688	1,804,688	2,454,375
10/01/36	-	623,700	623,700	-
04/01/37	1,210,000	623,700	1,833,700	2,457,400
10/01/37	-	596,475	596,475	-
04/01/38	1,265,000	596,475	1,861,475	2,457,950
10/01/38	-	568,013	568,013	-
04/01/39	1,325,000	568,013	1,893,013	2,461,025
10/01/39	-	538,200	538,200	-
04/01/40	1,385,000	538,200	1,923,200	2,461,400
10/01/40	-	507,038	507,038	-
04/01/41	1,450,000	507,038	1,957,038	2,464,075
10/01/41	-	474,413	474,413	-
04/01/42	1,515,000	474,413	1,989,413	2,463,825
10/01/42	-	440,325	440,325	-
04/01/43	1,585,000	440,325	2,025,325	2,465,650
10/01/43	-	404,663	404,663	-
04/01/44	1,660,000	404,663	2,064,663	2,469,325
10/01/44	-	367,313	367,313	-
04/01/45	1,735,000	367,313	2,102,313	2,469,625
10/01/45	-	328,275	328,275	-
04/01/46	1,815,000	328,275	2,143,275	2,471,550
10/01/46	-	287,438	287,438	-
04/01/47	1,895,000	287,438	2,182,438	2,469,875
10/01/47	-	244,800	244,800	-
04/01/48	1,985,000	244,800	2,229,800	2,474,600
10/01/48	-	200,138	200,138	-
04/01/49	2,075,000	200,138	2,275,138	2,475,275
10/01/49	-	153,450	153,450	-
04/01/50	2,170,000	153,450	2,323,450	2,476,900
10/01/50	-	104,625	104,625	-
04/01/51	2,270,000	104,625	2,374,625	2,479,250
10/01/51	-	53,550	53,550	-
04/01/52	2,380,000	53,550	2,433,550	2,487,100
10/01/52	-	-	-	-
04/01/53	-	-	-	-
10/01/53	-	-	-	-
04/01/54	-	-	-	-
40,000,000	35,143,650	75,143,650	75,143,650	

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2022 Future Bond Issue

Date	Principal	4.75% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/22	-	-	-	-
10/01/22	-	356,250	356,250	-
04/01/23	-	712,500	712,500	1,068,750
10/01/23	-	712,500	712,500	-
04/01/24	460,000	712,500	1,172,500	1,885,000
10/01/24	-	701,575	701,575	-
04/01/25	485,000	701,575	1,186,575	1,888,150
10/01/25	-	690,056	690,056	-
04/01/26	510,000	690,056	1,200,056	1,890,113
10/01/26	-	677,944	677,944	-
04/01/27	535,000	677,944	1,212,944	1,890,888
10/01/27	-	665,238	665,238	-
04/01/28	560,000	665,238	1,225,238	1,890,475
10/01/28	-	651,938	651,938	-
04/01/29	585,000	651,938	1,236,938	1,888,875
10/01/29	-	638,044	638,044	-
04/01/30	615,000	638,044	1,253,044	1,891,088
10/01/30	-	623,438	623,438	-
04/01/31	645,000	623,438	1,268,438	1,891,875
10/01/31	-	608,119	608,119	-
04/01/32	675,000	608,119	1,283,119	1,891,238
10/01/32	-	592,088	592,088	-
04/01/33	710,000	592,088	1,302,088	1,894,175
10/01/33	-	575,225	575,225	-
04/01/34	745,000	575,225	1,320,225	1,895,450
10/01/34	-	557,531	557,531	-
04/01/35	780,000	557,531	1,337,531	1,895,063
10/01/35	-	539,006	539,006	-
04/01/36	815,000	539,006	1,354,006	1,893,013
10/01/36	-	519,650	519,650	-
04/01/37	855,000	519,650	1,374,650	1,894,300
10/01/37	-	499,344	499,344	-
04/01/38	900,000	499,344	1,399,344	1,898,688
10/01/38	-	477,969	477,969	-
04/01/39	940,000	477,969	1,417,969	1,895,938
10/01/39	-	455,644	455,644	-
04/01/40	990,000	455,644	1,445,644	1,901,288
10/01/40	-	432,131	432,131	-
04/01/41	1,035,000	432,131	1,467,131	1,899,263
10/01/41	-	407,550	407,550	-
04/01/42	1,085,000	407,550	1,492,550	1,900,100
10/01/42	-	381,781	381,781	-
04/01/43	1,140,000	381,781	1,521,781	1,903,563
10/01/43	-	354,706	354,706	-
04/01/44	1,195,000	354,706	1,549,706	1,904,413
10/01/44	-	326,325	326,325	-
04/01/45	1,255,000	326,325	1,581,325	1,907,650
10/01/45	-	296,519	296,519	-
04/01/46	1,315,000	296,519	1,611,519	1,908,038
10/01/46	-	265,288	265,288	-
04/01/47	1,380,000	265,288	1,645,288	1,910,575
10/01/47	-	232,513	232,513	-
04/01/48	1,445,000	232,513	1,677,513	1,910,025
10/01/48	-	198,194	198,194	-
04/01/49	1,515,000	198,194	1,713,194	1,911,388
10/01/49	-	162,213	162,213	-
04/01/50	1,590,000	162,213	1,752,213	1,914,425
10/01/50	-	124,450	124,450	-
04/01/51	1,665,000	124,450	1,789,450	1,913,900
10/01/51	-	84,906	84,906	-
04/01/52	1,750,000	84,906	1,834,906	1,919,813
10/01/52	-	43,344	43,344	-
04/01/53	1,825,000	43,344	1,868,344	1,911,688
10/01/53	-	-	-	-
04/01/54	-	-	-	-
10/01/54	-	-	-	-
04/01/55	-	-	-	-
30,000,000	28,059,200	58,059,200	58,059,200	

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2023 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/23			-	
10/01/23	-	375,000	375,000	
04/01/24	-	750,000	750,000	1,125,000
10/01/24	-	750,000	750,000	-
04/01/25	440,000	750,000	1,190,000	1,940,000
10/01/25	-	739,000	739,000	-
04/01/26	465,000	739,000	1,204,000	1,943,000
10/01/26	-	727,375	727,375	-
04/01/27	490,000	727,375	1,217,375	1,944,750
10/01/27	-	715,125	715,125	-
04/01/28	515,000	715,125	1,230,125	1,945,250
10/01/28	-	702,250	702,250	-
04/01/29	540,000	702,250	1,242,250	1,944,500
10/01/29	-	688,750	688,750	-
04/01/30	565,000	688,750	1,253,750	1,942,500
10/01/30	-	674,625	674,625	-
04/01/31	595,000	674,625	1,269,625	1,944,250
10/01/31	-	659,750	659,750	-
04/01/32	625,000	659,750	1,284,750	1,944,500
10/01/32	-	644,125	644,125	-
04/01/33	660,000	644,125	1,304,125	1,948,250
10/01/33	-	627,625	627,625	-
04/01/34	695,000	627,625	1,322,625	1,950,250
10/01/34	-	610,250	610,250	-
04/01/35	730,000	610,250	1,340,250	1,950,500
10/01/35	-	592,000	592,000	-
04/01/36	765,000	592,000	1,357,000	1,949,000
10/01/36	-	572,875	572,875	-
04/01/37	805,000	572,875	1,377,875	1,950,750
10/01/37	-	552,750	552,750	-
04/01/38	845,000	552,750	1,397,750	1,950,500
10/01/38	-	531,625	531,625	-
04/01/39	890,000	531,625	1,421,625	1,953,250
10/01/39	-	509,375	509,375	-
04/01/40	935,000	509,375	1,444,375	1,953,750
10/01/40	-	486,000	486,000	-
04/01/41	985,000	486,000	1,471,000	1,957,000
10/01/41	-	461,375	461,375	-
04/01/42	1,035,000	461,375	1,496,375	1,957,750
10/01/42	-	435,500	435,500	-
04/01/43	1,085,000	435,500	1,520,500	1,956,000
10/01/43	-	408,375	408,375	-
04/01/44	1,140,000	408,375	1,548,375	1,956,750
10/01/44	-	379,875	379,875	-
04/01/45	1,200,000	379,875	1,579,875	1,959,750
10/01/45	-	349,875	349,875	-
04/01/46	1,260,000	349,875	1,609,875	1,959,750
10/01/46	-	318,375	318,375	-
04/01/47	1,325,000	318,375	1,643,375	1,961,750
10/01/47	-	285,250	285,250	-
04/01/48	1,395,000	285,250	1,680,250	1,965,500
10/01/48	-	250,375	250,375	-
04/01/49	1,465,000	250,375	1,715,375	1,965,750
10/01/49	-	213,750	213,750	-
04/01/50	1,540,000	213,750	1,753,750	1,967,500
10/01/50	-	175,250	175,250	-
04/01/51	1,620,000	175,250	1,795,250	1,970,500
10/01/51	-	134,750	134,750	-
04/01/52	1,705,000	134,750	1,839,750	1,974,500
10/01/52	-	92,125	92,125	-
04/01/53	1,790,000	92,125	1,882,125	1,974,250
10/01/53	-	47,375	47,375	-
04/01/54	1,895,000	47,375	1,942,375	1,989,750
10/01/54	-	-	-	-
04/01/55	-	-	-	-
10/01/55	-	-	-	-
04/01/56	-	-	-	-
30,000,000	29,796,500	59,796,500	59,796,500	

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2024 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/24	-	-	-	-
10/01/24	-	375,000	375,000	-
04/01/25	-	750,000	750,000	1,125,000
10/01/25	-	750,000	750,000	-
04/01/26	465,000	750,000	1,215,000	1,965,000
10/01/26	-	738,375	738,375	-
04/01/27	490,000	738,375	1,228,375	1,966,750
10/01/27	-	726,125	726,125	-
04/01/28	515,000	726,125	1,241,125	1,967,250
10/01/28	-	713,250	713,250	-
04/01/29	540,000	713,250	1,253,250	1,966,500
10/01/29	-	699,750	699,750	-
04/01/30	565,000	699,750	1,264,750	1,964,500
10/01/30	-	685,625	685,625	-
04/01/31	595,000	685,625	1,280,625	1,966,250
10/01/31	-	670,750	670,750	-
04/01/32	625,000	670,750	1,295,750	1,966,500
10/01/32	-	655,125	655,125	-
04/01/33	660,000	655,125	1,315,125	1,970,250
10/01/33	-	638,625	638,625	-
04/01/34	690,000	638,625	1,328,625	1,967,250
10/01/34	-	621,375	621,375	-
04/01/35	725,000	621,375	1,346,375	1,967,750
10/01/35	-	603,250	603,250	-
04/01/36	765,000	603,250	1,368,250	1,971,500
10/01/36	-	584,125	584,125	-
04/01/37	805,000	584,125	1,389,125	1,973,250
10/01/37	-	564,000	564,000	-
04/01/38	845,000	564,000	1,409,000	1,973,000
10/01/38	-	542,875	542,875	-
04/01/39	890,000	542,875	1,432,875	1,975,750
10/01/39	-	520,625	520,625	-
04/01/40	935,000	520,625	1,455,625	1,976,250
10/01/40	-	497,250	497,250	-
04/01/41	980,000	497,250	1,477,250	1,974,500
10/01/41	-	472,750	472,750	-
04/01/42	1,030,000	472,750	1,502,750	1,975,500
10/01/42	-	447,000	447,000	-
04/01/43	1,085,000	447,000	1,532,000	1,979,000
10/01/43	-	419,875	419,875	-
04/01/44	1,140,000	419,875	1,559,875	1,979,750
10/01/44	-	391,375	391,375	-
04/01/45	1,200,000	391,375	1,591,375	1,982,750
10/01/45	-	361,375	361,375	-
04/01/46	1,260,000	361,375	1,621,375	1,982,750
10/01/46	-	329,875	329,875	-
04/01/47	1,325,000	329,875	1,654,875	1,984,750
10/01/47	-	296,750	296,750	-
04/01/48	1,395,000	296,750	1,691,750	1,988,500
10/01/48	-	261,875	261,875	-
04/01/49	465,000	261,875	726,875	988,750
10/01/49	-	250,250	250,250	-
04/01/50	1,040,000	250,250	1,290,250	1,540,500
10/01/50	-	224,250	224,250	-
04/01/51	1,620,000	224,250	1,844,250	2,068,500
10/01/51	-	183,750	183,750	-
04/01/52	1,700,000	183,750	1,883,750	2,067,500
10/01/52	-	141,250	141,250	-
04/01/53	1,790,000	141,250	1,931,250	2,072,500
10/01/53	-	96,500	96,500	-
04/01/54	1,880,000	96,500	1,976,500	2,073,000
10/01/54	-	49,500	49,500	-
04/01/55	1,980,000	49,500	2,029,500	2,079,000
10/01/55	-	-	-	-
04/01/56	-	-	-	-
10/01/56	-	-	-	-
04/01/57	-	-	-	-
30,000,000	29,400,000	59,400,000	59,400,000	

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2025 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/25	-	-	-	-
10/01/25	-	375,000	375,000	-
04/01/26	-	750,000	750,000	1,125,000
10/01/26	-	750,000	750,000	-
04/01/27	3,075,000	750,000	3,825,000	4,575,000
10/01/27	-	673,125	673,125	-
04/01/28	2,075,000	673,125	2,748,125	3,421,250
10/01/28	-	621,250	621,250	-
04/01/29	2,080,000	621,250	2,701,250	3,322,500
10/01/29	-	569,250	569,250	-
04/01/30	3,085,000	569,250	3,654,250	4,223,500
10/01/30	-	492,125	492,125	-
04/01/31	2,090,000	492,125	2,582,125	3,074,250
10/01/31	-	439,875	439,875	-
04/01/32	2,095,000	439,875	2,534,875	2,974,750
10/01/32	-	387,500	387,500	-
04/01/33	1,600,000	387,500	1,987,500	2,375,000
10/01/33	-	347,500	347,500	-
04/01/34	2,105,000	347,500	2,452,500	2,800,000
10/01/34	-	294,875	294,875	-
04/01/35	1,610,000	294,875	1,904,875	2,199,750
10/01/35	-	254,625	254,625	-
04/01/36	2,115,000	254,625	2,369,625	2,624,250
10/01/36	-	201,750	201,750	-
04/01/37	2,120,000	201,750	2,321,750	2,523,500
10/01/37	-	148,750	148,750	-
04/01/38	1,130,000	148,750	1,278,750	1,427,500
10/01/38	-	120,500	120,500	-
04/01/39	1,135,000	120,500	1,255,500	1,376,000
10/01/39	-	92,125	92,125	-
04/01/40	140,000	92,125	232,125	324,250
10/01/40	-	88,625	88,625	-
04/01/41	150,000	88,625	238,625	327,250
10/01/41	-	84,875	84,875	-
04/01/42	155,000	84,875	239,875	324,750
10/01/42	-	81,000	81,000	-
04/01/43	165,000	81,000	246,000	327,000
10/01/43	-	76,875	76,875	-
04/01/44	170,000	76,875	246,875	323,750
10/01/44	-	72,625	72,625	-
04/01/45	180,000	72,625	252,625	325,250
10/01/45	-	68,125	68,125	-
04/01/46	190,000	68,125	258,125	326,250
10/01/46	-	63,375	63,375	-
04/01/47	200,000	63,375	263,375	326,750
10/01/47	-	58,375	58,375	-
04/01/48	210,000	58,375	268,375	326,750
10/01/48	-	53,125	53,125	-
04/01/49	220,000	53,125	273,125	326,250
10/01/49	-	47,625	47,625	-
04/01/50	235,000	47,625	282,625	330,250
10/01/50	-	41,750	41,750	-
04/01/51	245,000	41,750	286,750	328,500
10/01/51	-	35,625	35,625	-
04/01/52	255,000	35,625	290,625	326,250
10/01/52	-	29,250	29,250	-
04/01/53	270,000	29,250	299,250	328,500
10/01/53	-	22,500	22,500	-
04/01/54	285,000	22,500	307,500	330,000
10/01/54	-	15,375	15,375	-
04/01/55	300,000	15,375	315,375	330,750
10/01/55	-	7,875	7,875	-
04/01/56	315,000	7,875	322,875	330,750
10/01/56	-	-	-	-
04/01/57	-	-	-	-
10/01/57	-	-	-	-
04/01/58	-	-	-	-
	30,000,000	13,605,500	43,605,500	43,605,500

Oklahoma Water Resources Board
 Drinking Water SRF - Cash Flow & Capacity Analysis (July 2016)
 Projected Future Program Cashflows (Includes FY 2016 Cap Grant)

2026 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/26	-	-	-	-
10/01/26	-	375,000	375,000	-
04/01/27	-	750,000	750,000	1,125,000
10/01/27	-	750,000	750,000	-
04/01/28	1,485,000	750,000	2,235,000	2,985,000
10/01/28	-	712,875	712,875	-
04/01/29	2,010,000	712,875	2,722,875	3,435,750
10/01/29	-	662,625	662,625	-
04/01/30	2,035,000	662,625	2,697,625	3,360,250
10/01/30	-	611,750	611,750	-
04/01/31	1,060,000	611,750	1,671,750	2,283,500
10/01/31	-	585,250	585,250	-
04/01/32	590,000	585,250	1,175,250	1,760,500
10/01/32	-	570,500	570,500	-
04/01/33	620,000	570,500	1,190,500	1,761,000
10/01/33	-	555,000	555,000	-
04/01/34	650,000	555,000	1,205,000	1,760,000
10/01/34	-	538,750	538,750	-
04/01/35	685,000	538,750	1,223,750	1,762,500
10/01/35	-	521,625	521,625	-
04/01/36	720,000	521,625	1,241,625	1,763,250
10/01/36	-	503,625	503,625	-
04/01/37	760,000	503,625	1,263,625	1,767,250
10/01/37	-	484,625	484,625	-
04/01/38	795,000	484,625	1,279,625	1,764,250
10/01/38	-	464,750	464,750	-
04/01/39	835,000	464,750	1,299,750	1,764,500
10/01/39	-	443,875	443,875	-
04/01/40	880,000	443,875	1,323,875	1,767,750
10/01/40	-	421,875	421,875	-
04/01/41	925,000	421,875	1,346,875	1,768,750
10/01/41	-	398,750	398,750	-
04/01/42	975,000	398,750	1,373,750	1,772,500
10/01/42	-	374,375	374,375	-
04/01/43	1,025,000	374,375	1,399,375	1,773,750
10/01/43	-	348,750	348,750	-
04/01/44	1,075,000	348,750	1,423,750	1,772,500
10/01/44	-	321,875	321,875	-
04/01/45	1,130,000	321,875	1,451,875	1,773,750
10/01/45	-	293,625	293,625	-
04/01/46	1,190,000	293,625	1,483,625	1,777,250
10/01/46	-	263,875	263,875	-
04/01/47	1,250,000	263,875	1,513,875	1,777,750
10/01/47	-	232,625	232,625	-
04/01/48	1,315,000	232,625	1,547,625	1,780,250
10/01/48	-	199,750	199,750	-
04/01/49	1,380,000	199,750	1,579,750	1,779,500
10/01/49	-	165,250	165,250	-
04/01/50	-	165,250	165,250	330,500
10/01/50	-	165,250	165,250	-
04/01/51	25,000	165,250	190,250	355,500
10/01/51	-	164,625	164,625	-
04/01/52	605,000	164,625	769,625	934,250
10/01/52	-	149,500	149,500	-
04/01/53	1,185,000	149,500	1,334,500	1,484,000
10/01/53	-	119,875	119,875	-
04/01/54	1,275,000	119,875	1,394,875	1,514,750
10/01/54	-	88,000	88,000	-
04/01/55	1,615,000	88,000	1,703,000	1,791,000
10/01/55	-	47,625	47,625	-
04/01/56	1,905,000	47,625	1,952,625	2,000,250
10/01/56	-	-	-	-
04/01/57	-	-	-	-
10/01/57	-	-	-	-
04/01/58	-	-	-	-
10/01/58	-	-	-	-
04/01/59	-	-	-	-
	30,000,000	23,446,750	53,446,750	53,446,750

Attachment 4

Oklahoma Drinking Water Treatment Loan Administrative Fund Audit Report For SFY 2016

State of Oklahoma



**OKLAHOMA DRINKING WATER TREATMENT LOAN
ADMINISTRATIVE FUND**

**ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015
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, 2016 and 2015**

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
Oklahoma Water Resources Board

Report on the Financial Statements

We have audited the accompanying financial statements of the Oklahoma Water Resources Board/Oklahoma Drinking Water Treatment Loan Administrative Fund (the "Fund") as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2016 and 2015, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 12, 2016, 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.



Edmond, Oklahoma
September 12, 2016

**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
ANNUAL FINANCIAL REPORT
As of and for the Years Ended June 30, 2016 and 2015**

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, 2016 and 2015

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, 2016 and 2015. Please read it in conjunction with the Fund's financial statements, which begin on page 10. 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

- During FY 2016, total operating income decreased by \$159,795 or 8.5%. Total operating income increased \$14,997 or 0.8% in FY 2015. Operating revenues come from borrowers paying 0.5% administrative fees on their outstanding loan balance.
- The Fund's net position decreased by approximately 11.33% and increased by 29.55% in FY 2016 and 2015, respectively. Ending net position decreased from \$8,566,009 in FY 2015 to \$7,595,420 in FY 2016. Ending net position increased from \$6,611,938 in FY 2014 to \$8,566,009 in FY 15.

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, 2016 and 2015

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

	Business-Type		
	Activities		
	June 30		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current assets	\$ 7,650,526	\$ 8,655,693	\$ 6,676,713
Capital assets, net	19,440	31,412	44,365
Total assets	7,669,966	8,687,105	6,721,078
Current liabilities	74,546	121,096	109,140
Total liabilities	74,546	121,096	109,140
Net position			
Net investment in capital assets	19,440	31,412	44,365
Unrestricted	7,575,980	8,534,597	6,567,573
Total net position	\$ 7,595,420	\$ 8,566,009	\$ 6,611,938

In FY 16, the decrease in net position is attributable to a decrease in cash related to the transfer to the DW Fund and a decrease in administrative fees receivable due to the pay-off of loans in conjunction with the 2010 bond refunding. The decrease in current liabilities is due to the indirect cost being paid on a timely basis in FY 2016.

The increase in current assets and unrestricted net position in FY 14 and 15 is attributable to a decrease in operating expenses. Current liabilities increased in FY 14 and 15 due to an increase in the amount of accounts payable due to the State of Oklahoma for indirect cost.

(Unaudited. See accompanying auditor's report.)

OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
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Oklahoma Water Resources Board
Drinking Water Treatment Loan Account Administrative Fund
Revenues, Expenses, and Changes in Net Position

	Business-Type		
	Activities		
	Years Ended June 30,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues			
Operating revenues	\$ 2,285,693	\$ 2,115,497	\$ 2,227,631
Non-operating revenues	117,384	118,820	87,377
Total revenues	<u>2,403,077</u>	<u>2,234,317</u>	<u>2,315,008</u>
Expenses			
Personnel expense	248,684	121,460	209,405
Indirect cost expense	177,097	11,956	21,053
Other administrative expenses	136,323	97,716	129,104
Depreciation expense	11,972	12,953	11,654
Total expenses	<u>574,076</u>	<u>244,085</u>	<u>371,216</u>
Net income before transfers	1,829,001	1,990,232	1,943,792
Transfers (to) from other programs	<u>(2,799,590)</u>	<u>(36,161)</u>	<u>(16,766)</u>
Change in net position	<u>(970,589)</u>	<u>1,954,071</u>	<u>1,927,026</u>
Total net position - beginning	8,566,009	6,611,938	4,684,912
Total net position - ending	<u><u>\$ 7,595,420</u></u>	<u><u>\$ 8,566,009</u></u>	<u><u>\$ 6,611,938</u></u>

Expenses increased in 2016 due to an increase in personnel cost related to more accurate time management and program cost allocation, an increase in indirect cost billing from the state. Transfers out increased due to a transfer to the DWSRF Loan Fund for the matching portion of the 2015 Capitalization Grant.

Expenses decreased in FY 2014 and 2015 due to a decrease in personnel, indirect cost, and administrative expenses. Operating revenues decreased due to lower administrative fee revenues in fiscal year 2014 and 2015.

(Unaudited. See accompanying auditor's report.)

**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
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Capital Assets

At the end of June 30, 2016, the capital assets net of accumulated depreciation were \$19,440.

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

	Business-Type Activities		
	<u>Years Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Software	\$ 12,162	\$ 20,270	\$ 28,378
Automobile	6,493	10,071	14,630
Printer	785	1,071	1,357
	<hr/>	<hr/>	<hr/>
Totals	\$ 19,440	\$ 31,412	\$ 44,365
	<hr/>	<hr/>	<hr/>

During FY 2016 and 2015, 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, 2016 and 2015**

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, 2016 and 2015

Statements of Net Position – June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$7,006,002	\$8,040,137
Administrative fee receivable	523,089	603,567
Interest receivable	10,186	11,288
Due from other funds	111,249	701
Total current assets	<u>7,650,526</u>	<u>8,655,693</u>
Noncurrent Assets:		
Depreciable capital assets, net	<u>19,440</u>	<u>31,412</u>
Total noncurrent assets	<u>19,440</u>	<u>31,412</u>
Total assets	<u>7,669,966</u>	<u>8,687,105</u>
 LIABILITIES:		
Current Liabilities:		
Accounts payable	<u>74,546</u>	<u>121,096</u>
Total current liabilities	<u>74,546</u>	<u>121,096</u>
 NET POSITION:		
Net investment in capital assets	19,440	31,412
Unrestricted	<u>7,575,980</u>	<u>8,534,597</u>
Total net position	<u>\$7,595,420</u>	<u>\$8,566,009</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, 2016 and 2015

Statements of Revenues, Expenses and Changes in Net Position – Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Administrative fee income	\$ 2,148,177	\$ 2,111,747
Application fee income	2,500	3,250
Other income	135,016	500
Total operating revenues	<u>2,285,693</u>	<u>2,115,497</u>
OPERATING EXPENSES		
Personnel expense	248,684	121,460
Indirect cost expense	177,097	11,956
Other administrative expenses	136,323	97,716
Depreciation expense	11,972	12,953
Total operating expenses	<u>574,076</u>	<u>244,085</u>
OPERATING INCOME	1,711,617	1,871,412
NON-OPERATING REVENUES		
Interest income	<u>117,384</u>	<u>118,820</u>
Total non-operating revenues	<u>117,384</u>	<u>118,820</u>
Net income before transfers	1,829,001	1,990,232
Transfers to Oklahoma Drinking Water State Revolving Fund Loan Program	<u>(2,799,590)</u>	<u>(36,161)</u>
Change in net position	(970,589)	1,954,071
Total net position - beginning	<u>8,566,009</u>	<u>6,611,938</u>
Total net position - ending	<u><u>\$7,595,420</u></u>	<u><u>\$8,566,009</u></u>

See accompanying notes to the basic financial statements.

OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
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Statements of Cash Flows – Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Administrative fee income	\$2,363,671	\$2,097,528
Application fee income	2,500	3,250
Payments to employees	(248,684)	(121,460)
Payments to other suppliers	(470,518)	(93,752)
Net Cash Provided by Operating Activities	<u>1,646,969</u>	<u>1,885,566</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Oklahoma Drinking Water State Revolving Fund Loan Program	<u>(2,799,590)</u>	<u>(36,161)</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(2,799,590)</u>	<u>(36,161)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>118,486</u>	<u>116,547</u>
Net Cash Provided by Investing Activities	<u>118,486</u>	<u>116,547</u>
Net Increase (decrease) in Cash and Cash Equivalents	(1,034,135)	1,965,952
Balances - beginning of the year	<u>8,040,137</u>	<u>6,074,185</u>
Balances - end of the year	<u>\$7,006,002</u>	<u>\$8,040,137</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$1,711,617	\$1,871,412
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	11,972	12,953
Change in assets and liabilities:		
Decrease (Increase) in administration fee receivable	80,478	(14,719)
Decrease (Increase) in due from other funds	(110,548)	3,964
Increase (Decrease) in accounts payable	<u>(46,550)</u>	<u>11,956</u>
Net Cash Provided by Operating Activities	<u>\$1,646,969</u>	<u>\$1,885,566</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, 2016 and 2015**

Footnotes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies

Reporting Entity

The Oklahoma Water Resources Board/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 Water Resources Board/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, loan processing and 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, and loan application fees.

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.

OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
ANNUAL FINANCIAL REPORT
As of and for the Years Ended June 30, 2016 and 2015

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

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 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 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.

Due To/From Other Funds

During FY 2016, the DWSRF Loan fund owed the Admin fund \$111,249. During FY 2015, the Drinking Loan Fund owed the Admin fund \$701.

2. Cash Deposits and Investment Risk

Cash of \$7,006,002 and \$8,040,137 at June 30, 2016 and 2015 respectively, was on deposit in the State Treasurer's office's internal investment pool – *OK Invest*.

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 Funds'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 \$7,006,002 and \$8,040,137 in cash and cash equivalents on deposit with the State Treasurer as of June 30, 2016 and June 30, 2015, 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 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

OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
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<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.

3. Capital Assets

A summary of equipment activity follows:

	Beginning Balance July 1, 2015	Additions	Deletions	Ending Balance June 30, 2016
Other capital assets:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	22,796	-	-	22,796
Total other capital assets, historical cost	<u>\$ 137,952</u>	<u>-</u>	<u>-</u>	<u>\$ 137,952</u>
Less: accumulated depreciation for:				
Computer software	\$ 92,886	8,108	-	\$ 100,994
Printer	929	286	-	1,215
Automobile	12,725	3,578	-	16,303
Total accumulated depreciation	<u>\$ 106,540</u>	<u>11,972</u>	<u>-</u>	<u>\$ 118,512</u>
Other capital assets, net	<u>\$ 31,412</u>	<u>(11,972)</u>	<u>-</u>	<u>\$ 19,440</u>
	Beginning Balance July 1, 2014	Additions	Deletions	Ending Balance June 30, 2015
Other capital assets:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	22,796	-	-	22,796
Total other capital assets, historical cost	<u>\$ 137,952</u>	<u>-</u>	<u>-</u>	<u>\$ 137,952</u>
Less: accumulated depreciation for:				
Computer software	\$ 84,778	8,108	-	\$ 92,886
Printer	643	286	-	929
Automobile	8,166	4,559	-	12,725
Total accumulated depreciation	<u>\$ 93,587</u>	<u>12,953</u>	<u>-</u>	<u>\$ 106,540</u>
Other capital assets, net	<u>\$ 44,365</u>	<u>(12,953)</u>	<u>-</u>	<u>\$ 31,412</u>

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, 2016 and 2015 were 98.68% and 90.08%, respectively.

**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
ANNUAL FINANCIAL REPORT
As of and for the Years Ended June 30, 2016 and 2015**

INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE

**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
ANNUAL FINANCIAL REPORT
As of and for the Years Ended June 30, 2016 and 2015**

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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 Treatment Loan Administrative Fund (the "Fund") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated September 12, 2016.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 may exist that have not been identified.

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 determination of financial statement amounts. 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 Fund'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 Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Edmond, Oklahoma
September 12, 2016

Attachment 5

SFY 2016 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, 2016 AND 2015
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, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Oklahoma Department of Environmental Quality/Oklahoma Drinking Water State Revolving Fund Loan Program (the "Program") as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Program as of June 30, 2016 and 2015, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Program's basic financial statements. The supplemental combining financial statement information, as listed in the table of contents under Supplemental Schedule Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Program.

The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 supplemental combining financial statement information is 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 23, 2016, 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 23, 2016



SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

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, 2016. Please read it in conjunction with the Program's financial statements, which begin on page 6. 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 8% from \$234,112,065 in FY-2015 to \$252,889,003 in FY-2016. The increase in net position is primarily attributable to an increase in federal grant revenue retained to fund loans.
- The Program experienced a decrease of \$46,958,942 in the amount of outstanding loans. At June 30, 2016, the Program had 124 outstanding loans with a principal balance of \$369,792,179. At June 30, 2015 the Program had 134 outstanding loans with a principal balance of \$416,752,021.

PROGRAM HIGHLIGHTS

- During FY 2016, five (5) construction loans, totaling approximately \$122 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).
- Completed construction during the year on eleven (11) projects totaling \$65.6 million.
- Made binding commitments for six (6) new loans, totaling approximately \$124 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, 2016 and 2015**

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Current Assets:		
Cash	\$ 19,865,281	\$ 28,592,946
Federal letter of credit payments receivable	545,361	535,653
Accrued interest on loans receivable	2,634,394	3,184,502
Other interest receivable	89,106	93,162
Due from Drinking Water Admin Fund	-	50
Loans receivable	18,356,042	19,700,845
Total current assets	<u>41,490,184</u>	<u>52,107,158</u>
Noncurrent Assets:		
Restricted cash	93,344,750	30,290,790
Restricted investments	26,698,212	27,453,340
Loans receivable, net of current portion and allowance for uncollectible loans of \$137,469 in 2016 and \$156,167 in 2015	351,437,027	397,051,176
Equipment, net	84,731	31,938
Total noncurrent assets	<u>471,564,720</u>	<u>454,827,244</u>
Total assets	<u>513,054,904</u>	<u>506,934,402</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	270,669	40,538
Due to Oklahoma Department of Environmental Quality ("ODEQ")	393,590	503,862
Compensated absences	93,613	123,244
Interest payable	2,666,669	2,765,139
Current maturities of long-term debt	89,195,000	11,855,000
Total current liabilities	<u>92,619,541</u>	<u>15,287,783</u>
Noncurrent Liabilities:		
Compensated absences	26,805	38,918
Long-term debt, net of current maturities	150,725,000	239,920,000
Unamortized (discount)/ premium	16,794,555	17,575,636
Total noncurrent liabilities	<u>167,546,360</u>	<u>257,534,554</u>
Total liabilities	<u>260,165,901</u>	<u>272,822,337</u>
<u>NET POSITION</u>		
Invested in capital assets, net of related debt	84,731	31,938
Restricted for loans and debt service	252,924,690	234,242,289
Unrestricted net liability	<u>(120,418)</u>	<u>(162,162)</u>
Total net position	<u>\$ 252,889,003</u>	<u>\$ 234,112,065</u>

See accompanying notes and independent auditor's report.

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

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
REVENUES		
Operating revenues:		
Federal grants	\$ 3,359,571	\$ 3,835,810
Loan program income (net of bad debt recovery of \$18,698 in 2016 and bad debt expense of \$62,879 in 2015)	<u>11,391,054</u>	<u>11,086,723</u>
Total operating revenue	<u>14,750,625</u>	<u>14,922,533</u>
EXPENSES		
Operating expenses:		
Salaries and benefits	2,149,373	2,502,639
Professional services	217,618	242,129
Travel	31,724	43,246
Office	68,856	59,610
Depreciation	13,751	3,549
Indirect costs	644,856	791,215
Other expense	138,856	186,119
Interest expense	10,181,006	10,514,804
Debt issuance costs	-	15,000
Trustee fees	<u>33,135</u>	<u>35,797</u>
Total operating expenses	<u>13,479,175</u>	<u>14,394,108</u>
Operating income (loss)	<u>1,271,450</u>	<u>528,425</u>
NONOPERATING REVENUES (EXPENSES)		
Federal grants	14,723,609	8,198,441
Federal grants-principal forgiveness	(2,066,531)	(2,473,763)
Investment income	1,506,043	1,068,956
Interest income-invested cash balances	<u>542,777</u>	<u>477,294</u>
Total nonoperating revenues	<u>14,705,898</u>	<u>7,270,928</u>
Income (loss) before transfers	15,977,348	7,799,353
Transfers in - Drinking Water Treatment Loan Administrative Fund	<u>2,799,590</u>	<u>36,161</u>
Increase in net position	18,776,938	7,835,514
NET POSITION		
Net position, beginning of year	<u>234,112,065</u>	<u>226,276,551</u>
Net position, end of year	<u>\$ 252,889,003</u>	<u>\$ 234,112,065</u>

See accompanying notes and independent auditor's report.

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

**STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal grant receipts	\$ 3,349,863	\$ 3,562,213
Collection of interest on loans to local governmental units	11,922,464	11,083,468
Payments to employees	(2,191,117)	(2,370,363)
Payments to suppliers	(1,125,734)	(1,212,208)
Interest paid on debt	(11,060,557)	(11,317,141)
Net cash provided (used) by operating activities	<u>894,919</u>	<u>(254,031)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on bonds	(11,855,000)	(11,440,000)
Federal grant receipts	12,657,078	5,724,678
Transfers in - Drinking Water Treatment Loan Administrative Fund	2,910,138	36,161
Net cash provided (used) by noncapital financing activities	<u>3,712,216</u>	<u>(5,679,161)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of equipment	(66,544)	(35,487)
Net cash (used) in capital and related financing activities	<u>(66,544)</u>	<u>(35,487)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans to local governmental units	(43,984,431)	(28,346,248)
Collection of principal on loans to local governmental units	88,895,550	18,867,360
Collection of principal on loans to local governmental units from federal grant proceeds	2,066,531	2,473,763
Interest on investments	1,506,381	1,072,627
Interest on invested cash balances	546,495	475,954
Sales of investments	755,178	1,205,974
Net cash provided (used) by investing activities	<u>49,785,704</u>	<u>(4,250,570)</u>
Net increase (decrease) in cash	54,326,295	(10,219,249)
Cash and cash equivalents, beginning of year	58,883,736	69,102,985
Cash and cash equivalents, end of year	<u>\$ 113,210,031</u>	<u>\$ 58,883,736</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 1,271,450	\$ 528,425
Adjustment to reconcile net operating income to net cash provided by operating activities:		
Depreciation	13,751	3,549
Amortization of bond/note premium	(781,081)	(781,081)
Provision (recovery) for uncollectible loans	(18,698)	62,879
Changes in operating assets and liabilities:		
Decrease (Increase) in letter of credit payments receivable	(9,708)	(273,597)
Decrease (Increase) in interest receivable	550,108	(66,134)
Increase (Decrease) in accounts payable	119,980	27,156
Increase (Decrease) in due to/from ODEQ	(110,272)	246,441
Increase (Decrease) in compensated absences	(41,744)	24,635
Increase (Decrease) in other accrued liabilities	(397)	(5,048)
Increase (Decrease) in interest payable	(98,470)	(21,256)
Net cash provided (used) by operating activities	<u>\$ 894,919</u>	<u>\$ (254,031)</u>

See accompanying notes and independent auditor's report.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

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 Receivable

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, 2016 and 2015

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, 2016 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-2015. The amount has been set-aside into a Debt Service Reserve Fund. The Debt Service Reserve fund portion of restricted investments totals \$26,698,212 and \$27,453,340, at June 30, 2016 and June 30, 2015, 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 ranging from three to nine 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, 2016 and 2015

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

Bond Issue Premium

The Program's State Revolving Fund Revenue Bonds, Series 2013A, Series 2012A, Series 2011, and Series 2010, were initially sold at a premium of \$20,744,132. The bond premium is being amortized over the remaining life of the bonds. Net amortization expense of \$781,081 and \$781,081 was recorded in 2016 and 2015, 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, 2016 and 2015 was as follows:

Balance, July 1, 2015	\$ <u>8,566,009</u>	Balance, July 1, 2014	\$ <u>6,611,938</u>
Fee income	2,285,693	Fee income	2,115,497
Interest income	117,384	Interest income	118,819
Operating expenses	(574,076)	Operating expenses	(244,084)
Transfers	<u>(2,799,590)</u>	Transfers	<u>(36,161)</u>
Balance, June 30, 2016	\$ <u>7,595,420</u>	Balance, June 30, 2015	\$ <u>8,566,009</u>

Unrestricted Net Liability

The unrestricted net liability at June 30, 2016 and 2015, 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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

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

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.

2. CASH DEPOSITS AND INVESTMENT RISK

Cash of \$19,865,281 and \$28,592,946 at June 30, 2016 and 2015 respectively, was on deposit in the State Treasurer's office's internal investment pool – *OK Invest*. Restricted cash of \$93,344,750 and \$30,290,790 at June 30, 2016 and 2015 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 \$19,865,281 and \$28,592,946 in cash and cash equivalents on deposit with the State Treasurer as of June 30, 2016 and June 30, 2015, 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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

2. CASH DEPOSITS AND INVESTMENT RISK (Cont'd)

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.

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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

2. CASH DEPOSITS AND INVESTMENT RISK (Cont'd)

The Program implemented GASB Statement No. 72, Fair Value Measurement and Application, during the fiscal year ended June 30, 2016. 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.

At June 30, 2016 and 2015, 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	
				2016	2015
OK Invest	On Demand	Not Rated	N/A	\$ 19,865,281	\$ 28,592,946
Federated Treasury Obligations Fund	16 days	AAAm	Level 1	4,599,190	11,220,729
Federated Government Obligations Fund	16 days	AAAm	Level 1	88,188,547	15,957,364
Goldman Sach Fin. Sq. Treasury Oblig. Fund		AAAm	Level 1	557,013	1,663,801
Goldman Sach Fin. Sq. Federal Fund		AAAm	Level 1	-	1,448,896
Federal Farm Credit Bank	2022/2025	AA+	Level 2	3,120,343	2,984,336
Federal Home Loan Bank	2020/2023	AA+	Level 2	1,160,247	1,125,615
Federal Home Loan Mortgage Corp. Int. Strips	2025	AA+	Level 2	2,440,575	2,210,135
Federal National Mortgage Assoc. Int. Strips	2017/2022	AA+	Level 2	1,092,010	1,052,391
Federal National Mortgage Assoc. Princ. Strips	2018	AA+	Level 2	24,620	24,078
Federal National Mortgage Assoc.	2016	AA+	Level 2	-	60,088
Federal Home Loan Mortgage Corp.	2017	AA+	Level 2	73,239	73,460
Tennessee Valley Authority	2018/2021	AA+	Level 2	1,166,209	1,159,855
Tennessee Valley Authority Coupon Strips	2017/2025	AA+	Level 2	17,620,969	18,654,528
U.S. Treasury Strip Principal Strip	2016	AA+	Level 2	-	108,854
Total				<u>\$ 139,908,243</u>	<u>\$ 86,337,076</u>

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, 2016: 67% or \$93,344,750 is invested in government obligations money market mutual funds, 19% or \$26,698,212 is invested directly in fixed income securities, and 14% or \$19,865,281 is invested in OK Invest.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

2. CASH DEPOSITS AND INVESTMENT RISK (Cont'd)

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.

3. FEDERAL LETTERS OF CREDIT

Federal letters of credit ("LOC") balances at June 30, 2016 and 2015 are as follows:

	Year Ended June 30, 2016					
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	Totals
LOC available for draw	\$ 9,074,939	17,135,177	3,634,256	19,051,770	211,142,858	260,039,000
Grant available in 2016	566,280	1,415,700	283,140	2,123,550	9,768,330	14,157,000
LOC reprogrammed	(6,067)	-	(22,074)	(841,402)	869,543	-
Cumulative cash draws	<u>9,590,723</u>	<u>18,299,818</u>	<u>3,891,283</u>	<u>19,276,750</u>	<u>219,099,730</u>	<u>270,158,304</u>
LOC balance available for draw at June 30, 2016	\$ <u>44,429</u>	<u>251,059</u>	<u>4,039</u>	<u>1,057,168</u>	<u>2,681,001</u>	<u>4,037,696</u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

3. FEDERAL LETTERS OF CREDIT

	Year Ended June 30, 2015					Totals
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	
LOC available for draw	\$ 8,542,550	16,489,003	3,465,774	17,844,109	199,471,564	245,813,000
Grant available in 2015	545,041	1,425,100	285,020	2,137,649	9,833,190	14,226,000
LOC reprogrammed	(12,652)	(778,926)	(116,538)	(929,988)	1,838,104	-
Cumulative cash draws	9,037,025	16,789,354	3,571,858	18,310,474	204,376,121	252,084,832
LOC balance available for draw at June 30, 2015	\$ 37,914	345,823	62,398	741,296	6,766,737	7,954,168

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.

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 3.49% at June 30, 2016 and from 0% to 4.01% at June 30, 2015.

Not less than 20% up to a maximum of 30% of the annual federal grant must be used for principal forgiveness for communities meeting the "disadvantaged" criteria. For the periods ending June 30, 2016 and 2015, the Program made loans that have or will receive principal forgiveness to two and one borrowers, 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, 2016 and 2015, principal payments of \$90,692,081 and \$21,341,123, respectively, had been received.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

4. LOANS RECEIVABLE (Cont'd)

The allowance for loan losses at June 30, 2016 of \$137,469 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.

Loans receivable activity from July 1, 2014 to June 30, 2016, is as follows:

Loan disbursements	28,346,248
Loan principal repayments and forgiveness	<u>(21,341,123)</u>
	416,814,900
Change in provision for uncollectible loans	<u>(62,879)</u>
Balance, June 30, 2015	\$ <u><u>416,752,021</u></u>
Loan disbursements	43,984,431
Loan principal repayments and forgiveness	<u>(90,962,081)</u>
	369,774,371
Change in provision for uncollectible loans	<u>18,698</u>
Balance, June 30, 2016	\$ <u><u>369,793,069</u></u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

5. RESTRICTED INVESTMENTS

A description of the restricted investments held at June 30, 2016 and 2015, is as follows:

	<u>2016</u>	<u>2015</u>
Federal Farm Credit Bank	\$ 3,120,343	\$ 2,984,336
Federal Home Loan Bank	1,160,247	1,125,615
Federal Home Loan Mortgage Corp. Int. Strips	2,440,575	2,210,135
Federal National Mortgage Assoc. Int. Strips	1,092,010	1,052,391
Federal National Mortgage Assoc. Princ. Strips	24,620	24,078
Federal National Mortgage Assoc.	-	60,088
Federal Home Loan Mortgage Corp.	73,239	73,460
Tennessee Valley Authority	1,166,209	1,159,855
Tennessee Valley Authority Coupon Strips	17,620,969	18,654,528
U.S. Treasury Strip Principal Strip	-	108,854
	<u> </u>	<u> </u>
Total restricted investments	\$ <u>26,698,212</u>	\$ <u>27,453,340</u>

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, 2016 and 2015, respectively.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

7. EQUIPMENT

A summary of changes to equipment is as follows:

	Year ended 2016		
	June 30, 2015	Additions	June 30, 2016
Equipment	\$ 798,758	66,544	\$ 865,302
Accumulated depreciation	(766,820)	(13,751)	(780,571)
Net	\$ <u>31,938</u>	<u>52,793</u>	\$ <u>84,731</u>

	Year ended 2015		
	June 30, 2014	Additions	June 30, 2015
Equipment	\$ 763,271	35,487	\$ 798,758
Accumulated depreciation	(763,271)	(3,549)	(766,820)
Net	\$ <u>-</u>	<u>31,938</u>	\$ <u>31,938</u>

8. LONG-TERM DEBT

Bonds Payable

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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

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.

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.

On January 13, 2010, the Program issued State Revolving Fund Revenue Bonds, Series 2010 in the amount of \$94,460,000. 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.

Subsequent to year end, on July 12, 2016, the Program defeased all of the outstanding Series 2010 bonds. The defeasance was funded with available excess cash.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016 and 2015

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

Future debt service payments required by the Program's serial bonds as of June 30, 2016 are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 89,195,000	8,835,593	98,030,593
2018	9,905,000	6,743,586	16,648,586
2019	10,530,000	6,377,392	16,907,392
2020	9,815,000	5,970,705	15,785,705
2021	9,320,000	5,580,326	14,900,326
2022-2026	34,070,000	22,585,078	56,655,078
2027-2031	30,435,000	15,368,100	45,803,100
2032-2036	26,235,000	8,197,975	34,432,975
2037-2041	16,295,000	3,126,813	19,421,813
2042-2043	4,120,000	274,800	4,394,800
	<u>\$ 239,920,000</u>	<u>83,060,368</u>	<u>322,980,368</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 2013A, 2012A, 2011, and 2010 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, 2016 to be immaterial for the Series 2010, Series 2011, Series 2012A, and Series 2013A bonds.

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

Changes in long-term debt outstanding at June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Beginning Balances:		
Serial 2013B bonds due April 1, 2017 to April 1, 2025, interest at 1.795% to 4.116%	\$ 28,750,000	\$ 31,755,000
Serial 2013A bonds due April 1, 2017 to April 1, 2043, interest at 4.00% to 5.00%	39,220,000	41,410,000
Serial 2012A bonds due April 1, 2017 to April 1, 2042, interest at 3.00% to 5.00%	45,985,000	47,945,000
Serial 2011 bonds due April 1, 2017 to April 1, 2042, interest at 2.50% to 5.25%	54,115,000	55,415,000
Serial 2010 bonds due April 1, 2017 to April 1, 2032, interest at 2.75% to 5.00%	83,705,000	86,690,000
Unamortized (discount)/ premium	17,575,636	18,356,717
	<u>\$ 269,350,636</u>	<u>\$ 281,571,717</u>
Less: Debt Repayments	(11,855,000)	(11,440,000)
Less: Current Amortization of Premium	(781,081)	(781,081)
Ending Balances:	<u>\$ 256,714,555</u>	<u>\$ 269,350,636</u>
Amounts due in one year	<u>\$ 89,195,000</u>	<u>\$ 11,855,000</u>

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.

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

SUPPLEMENTAL COMBINING STATEMENT OF NET POSITION INFORMATION - BY PROGRAM COMPONENT
June 30, 2016

	Set-Aside Funds					Totals
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	
<u>ASSETS</u>						
Current Assets:						
Cash	\$ -	-	-	-	19,865,281	19,865,281
Federal letter of credit payments receivable (payable)	(18,649)	285,798	64,374	213,838	-	545,361
Accrued interest on loans receivable	-	-	-	-	2,634,394	2,634,394
Other interest receivable	-	-	-	-	89,106	89,106
Loans receivable	-	-	-	-	18,356,042	18,356,042
Total current assets	(18,649)	285,798	64,374	213,838	40,944,823	41,490,184
Noncurrent Assets:						
Restricted Cash	-	-	-	-	93,344,750	93,344,750
Restricted investments	-	-	-	-	26,698,212	26,698,212
Loans receivable, net of current portion and allowance for uncollectible loans of \$137,469	-	-	-	-	351,437,027	351,437,027
Equipment, net	-	-	-	84,731	-	84,731
Total noncurrent assets	-	-	-	84,731	471,479,989	471,564,720
Total assets	(18,649)	285,798	64,374	298,569	512,424,812	513,054,904
<u>LIABILITIES</u>						
Current Liabilities:						
Accounts payable	-	894	-	150,877	118,898	270,669
Due to (from) Oklahoma Department of Environmental Quality ("ODEQ")	(18,649)	284,904	64,374	62,961	-	393,590
Compensated absences	9,217	38,520	6,712	39,164	-	93,613
Interest Payable	-	-	-	-	2,666,669	2,666,669
Current maturities of long-term debt	-	-	-	-	89,195,000	89,195,000
Total current liabilities	(9,432)	324,318	71,086	253,002	91,980,567	92,619,541
Noncurrent Liabilities:						
Compensated absences	2,639	11,030	1,922	11,214	-	26,805
Long-term debt, net of current maturities	-	-	-	-	150,725,000	150,725,000
Unamortized (discount)/premium	-	-	-	-	16,794,555	16,794,555
Total noncurrent liabilities	2,639	11,030	1,922	11,214	167,519,555	167,546,360
Total liabilities	(6,793)	335,348	73,008	264,216	259,500,122	260,165,901
<u>NET POSITION</u>						
Invested in capital assets, net of related debt	-	-	-	84,731	-	84,731
Restricted for loans and debt service	-	-	-	-	252,924,690	252,924,690
Unrestricted net liability	(11,856)	(49,550)	(8,634)	(50,378)	-	(120,418)
Total net position	\$ (11,856)	(49,550)	(8,634)	34,353	252,924,690	252,889,003

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

SUPPLEMENTAL COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 NET POSITION INFORMATION - BY PROGRAM COMPONENT
 For the Year Ended June 30, 2016

	Set-Aside Funds					Totals
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	
REVENUES						
Operating revenues:						
Federal grants	\$ 536,292	1,240,792	292,562	1,289,925	-	3,359,571
Loan program income (net of recovery of \$18,698)	-	-	-	-	11,391,054	11,391,054
Total operating revenue	<u>536,292</u>	<u>1,240,792</u>	<u>292,562</u>	<u>1,289,925</u>	<u>11,391,054</u>	<u>14,750,625</u>
EXPENSES						
Operating expenses:						
Salaries and benefits	232,470	895,640	219,973	801,290	-	2,149,373
Professional services	217,618	-	-	-	-	217,618
Travel	6,233	13,974	1,932	9,585	-	31,724
Office	2,404	26,259	184	40,009	-	68,856
Depreciation	-	-	-	13,751	-	13,751
Indirect costs	68,657	271,372	67,337	237,490	-	644,856
Other expense	2,094	2,000	236	134,526	-	138,856
Interest expense	-	-	-	-	10,181,006	10,181,006
Trustee fees	-	-	-	-	33,135	33,135
Total operating expenses	<u>529,476</u>	<u>1,209,245</u>	<u>289,662</u>	<u>1,236,651</u>	<u>10,214,141</u>	<u>13,479,175</u>
Operating income (loss)	<u>6,816</u>	<u>31,547</u>	<u>2,900</u>	<u>53,274</u>	<u>1,176,913</u>	<u>1,271,450</u>
NONOPERATING REVENUES (EXPENSES)						
Federal grants	-	-	-	-	14,723,609	14,723,609
Federal grants-Principal Forgiveness	-	-	-	-	(2,066,531)	(2,066,531)
Investment income	-	-	-	-	1,506,043	1,506,043
Interest income-invested cash balances	-	-	-	-	542,777	542,777
Net nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,705,898</u>	<u>14,705,898</u>
Income (loss) before transfers	6,816	31,547	2,900	53,274	15,882,811	15,977,348
Transfers in - Drinking Water Treatment Loan Admin Fund	-	-	-	-	2,799,590	2,799,590
Increase (decrease) in net position	6,816	31,547	2,900	53,274	18,682,401	18,776,938
NET POSITION						
Net position, beginning of year	<u>(18,672)</u>	<u>(81,097)</u>	<u>(11,534)</u>	<u>(18,921)</u>	<u>234,242,289</u>	<u>234,112,065</u>
Net position, end of year	<u>\$ (11,856)</u>	<u>(49,550)</u>	<u>(8,634)</u>	<u>34,353</u>	<u>252,924,690</u>	<u>252,889,003</u>

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

SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS INFORMATION - BY PROGRAM COMPONENT
For the Year Ended June 30, 2016

	Set-Aside Funds					Totals
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	
CASH FLOWS FROM OPERATING ACTIVITIES						
Federal grant receipts	\$ 553,698	1,510,464	319,425	966,276	-	3,349,863
Collection of interest on loans to local governmental units	-	-	-	-	11,922,464	11,922,464
Payments to employees	(239,286)	(927,187)	(222,873)	(801,771)	-	(2,191,117)
Payments to other suppliers	(314,412)	(583,277)	(96,552)	(97,961)	(33,532)	(1,125,734)
Interest paid on debt	-	-	-	-	(11,060,557)	(11,060,557)
Net cash provided (used) by operating activities	-	-	-	66,544	828,375	894,919
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Principal paid on bonds	-	-	-	-	(11,855,000)	(11,855,000)
Federal grant receipts	-	-	-	-	12,657,078	12,657,078
Transfers in - Drinking Water Treatment Loan Admin. Fund	-	-	-	-	2,910,138	2,910,138
Net cash provided (used) by noncapital financing activities	-	-	-	-	3,712,216	3,712,216
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of equipment	-	-	-	(66,544)	-	(66,544)
Net cash provided (used) by capital and related financing activities	-	-	-	(66,544)	-	(66,544)
CASH FLOWS FROM INVESTING ACTIVITIES						
Loans to local governmental units	-	-	-	-	(43,984,431)	(43,984,431)
Collection of principal on loans to local governmental units	-	-	-	-	88,895,550	88,895,550
Collection of principal on loans to local governmental units from federal grant proceeds	-	-	-	-	2,066,531	2,066,531
Interest on investments	-	-	-	-	1,506,381	1,506,381
Interest on invested cash balances	-	-	-	-	546,495	546,495
Sale (Purchase) of investments	-	-	-	-	755,178	755,178
Net cash provided (used) by investing activities	-	-	-	-	49,785,704	49,785,704
Net increase (decrease) in cash	-	-	-	-	54,326,295	54,326,295
Cash and cash equivalents, beginning of year	-	-	-	-	58,883,736	58,883,736
Cash and cash equivalents, end of year	\$ -	-	-	-	113,210,031	113,210,031
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 6,816	31,547	2,900	53,274	1,176,913	1,271,450
Adjustment to reconcile net operating income to net cash provided by operating activities:						
Depreciation	-	-	-	13,751	-	13,751
Amortization of bond/note premium	-	-	-	-	(781,081)	(781,081)
Provision (recovery) for uncollectible loans	-	-	-	-	(18,698)	(18,698)
Changes in operating assets and liabilities:						
Decrease (Increase) in letter of credit payments receivable	17,406	269,672	26,863	(323,649)	-	(9,708)
Decrease (Increase) in interest receivable	-	-	-	-	550,108	550,108
Increase (Decrease) in accounts payable	(275)	(1,586)	(73)	121,914	-	119,980
Increase (Decrease) in due to/from ODEQ	(17,131)	(268,086)	(26,790)	201,735	-	(110,272)
Increase (Decrease) in compensated absences	(6,816)	(31,547)	(2,900)	(481)	-	(41,744)
Increase (Decrease) in other accrued liabilities	-	-	-	-	(397)	(397)
Increase (Decrease) in interest payable	-	-	-	-	(98,470)	(98,470)
Net cash provided (used) by operating activities	\$ -	-	-	66,544	828,375	894,919

Attachment 6

Capacity Development Annual Report for SFY 2016



SCOTT A. THOMPSON
Executive Director

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

MARY FALLIN
Governor

September 29, 2016

EPA Region 6
Attn: Amy Camacho
1445 Ross Avenue, Suite 1200, mail code 6WQ-SD
Dallas, TX 75202

Dear Ms. Camacho:

Transmitted herewith is one copy of Oklahoma's *SFY16 Capacity Development Program Annual Progress Report to EPA*. A copy of the report will be posted within a few days to the DEQ website: <http://www.deq.state.ok.us/wqdnew/dwsrf/index.html>.

If you have any questions pertaining to this document, please contact me at (405) 702-8270 or at brandon.bowman@deq.ok.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'BL Bowman', written over a horizontal line.

Brandon Bowman
Capacity Development Coordinator
Water Quality Division

Encl. – SFY 2016 Capacity Development Annual Progress Report to EPA



Oklahoma

SFY16 Capacity
Development
Program
Annual
Progress Report
to EPA

September 30, 2016

1. Introduction

With the Safe Drinking Water Act (SWDA) 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 very 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 systems' needs. As required in Section 1420 of the Safe Drinking Water Act Amendments of 1996, the Department of Environmental Quality (DEQ) must submit an annual report of CD activities to the 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 the DEQ website at <http://www.deq.state.ok.us>.

A public water system (PWS) is defined 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 (such as schools or factories); and
3. Non-community systems (such as rest stops or parks).

Of the 1,679 active PWSs in Oklahoma:

- 185 systems use surface water as their primary source;
- 780 use groundwater as their primary source;
- 567 purchase from surface water systems;
- 10 use groundwater under the direct influence of surface water as their primary source;
- 126 purchase from groundwater systems; and
- 11 purchase from groundwater under the direct influence of surface water systems.

Of the 1,679 PWSs in Oklahoma:

- 1,071 are community water systems;
- 99 are non-transient non-community; and
- 509 are non-community water systems.

DEQ has the statutory authority to ensure that all water supply systems have adequate *TMF* capabilities prior to the construction of a public water facility in Oklahoma.

These capabilities are partly assessed via two DEQ regulatory directives. One directive derives from OAC 252-626 Public Water Supply Construction Standards [<http://www.deq.state.ok.us/rules/626.pdf>], which states that a PWS must receive a "Permit-to-Construct" from DEQ prior to initiating construction. Another directive requires all operators of a PWS to be licensed by DEQ, according to OAC 252:710 Waterworks and Wastewater Works Operator Certification Regulations [<http://www.deq.state.ok.us/rules/710.pdf>].

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) Public Water System Supervision program 10% State Program Management Set-

Aside and the 15% Local Assistance and Other State Programs Set-Aside. Funding information is detailed in DEQ's 2017 DWSRF *Intended Use Plan*. Note that State's fiscal year is from July 1st to June 30th the following calendar year.

2. Enforcement and Compliance Mechanisms

DEQ maintains a strong enforcement program that particularly addresses systems with multiple violations of SDWA requirements. Such systems are referred to DEQ enforcement staff for analysis of the circumstances of the violations. When it is determined that enforcement is needed, there are three main legal tools available to the agency to bring about system compliance: a Notice of Violation, a Consent Order, and an Administrative Compliance Order. Boil Advisories, while not official enforcement actions, also play a role in addressing SDWA violations.

A *Notice of Violation* (NOV) is the first formal enforcement document issued to facilities upon failure to comply with DEQ rules or regulations. Violations address matters such as monitoring failures, improper operating procedures, or construction deficiencies. An NOV typically has a short deadline for compliance, typically fifteen days from receipt of the document by the water system.

If it is determined that the system is not likely to regain compliance by the NOV's deadline, DEQ's PWS District Engineer (DE) prepares a *Consent Order* (CO). The 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 a water system refuses to agree to the terms of the 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 stipulate the penalties for failing to meet the required deadlines.

Boil Advisories, while not enforcement actions themselves, are an additional tool to achieve compliance. These notices are issued to systems that have "acute" or "fecal positive" bacteriological violations. Boil Advisories require immediate notice to all consumers in order to inform the public of how to produce water that is safe for human consumption.

In calendar year 2015, DEQ issued 3,440 enforcement actions, which consisted of:

- 2,353 informal enforcement letters;
- 1,070 NOV's and CO's;
- 2 Administrative Compliance Orders;
- 15 Boil Advisories.

A total of 1,710 enforcement actions were resolved to compliance during calendar year 2015.

3. Capacity Development Program Coordinator

The Capacity Development Coordinator (CDC) facilitates efforts of the CD program in Oklahoma. The CDC is responsible for fostering the relationship between the various DEQ drinking water programs in the directive to increase *TMF* capabilities, and between DEQ and other state agencies and organizations that are involved with supporting and assisting public water supplies.

Inside the agency, the CDC chairs the Capacity Development Team, consisting of members from the PWS Enforcement Section, PWS Compliance Tracking Section, Operator Certification Section and the DWSRF Section.

The Team’s main goal is to implement DEQ’s Capacity Development Strategy and focus on those systems that have made the Enforcement Targeting Tool (ETT) list and scored 11 points or greater.

Externally, the CDC 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 complimentary efforts towards achieving water system sustainability.

Table 1 lists the tools currently in use in Oklahoma to assess and enhance *TMF* capabilities.

Tool	<i>Technical</i>	<i>Managerial</i>	<i>Financial</i>
Construction Permitting	X		
PWS Enforcement	X	X	
Operator Certification	X		
SWAP	X	X	
AWOP	X	X	X
DWSRF	X	X	X
CD <i>TMF</i> Assistance	X	X	X
Sanitary Survey	X		
CUPSS		X	X
Regionalization	X	X	X
FACT		X	X
Rate Studies			X
Water Loss Auditing	X	X	X

Table 1 – Oklahoma’s Capacity Development tools.

4. Water Quality Efforts and Participation

A. Regionalization/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 2016. 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.

In SFY16, 11 water systems consolidated into neighboring water systems. Two of these were non-community water systems that were incorporated into neighboring community water systems:

- Star Skate – now a customer of the City of Shawnee CWS;
- Mountain Country Store & Café – now a customer of McCurtain County RWD #6.

Incorporating non-community water supplies into CWSs enhances public health by providing the former non-community systems with water that is more thoroughly tested and often more plentiful and reliable than they were able to produce on their own.

Also in SFY15, the DWSRF offered principal forgiveness for entities agreeing to regionalize or consolidate. This satisfies EPA’s requirement that at least 20%, but no more than 30% of the capitalization grant must be utilized as additional subsidies. Subsidization will be

given as principal forgiveness for projects that regionalize or consolidate water systems that meet specific requirements. In SFY 2016, two water systems were offered principal forgiveness for consolidation or regionalization:

- Logan County RWD 1 extended its distribution system and connected to Meridian CWS, which discontinued use of its wells due to contamination and has consolidated into the rural water district;
- Garber Municipal Authority installed 10 miles of water main to connect with City of Enid distribution system and discontinued use of its wells due to contamination.

These projects received \$2,100,000 (Logan RWD 1) and \$1,500,000 (Garber Municipal Authority) in principal forgiveness, respectively.

Regionalization/consolidation efforts will continue in the State, aimed at achieving the best and most reliable service at reasonable rates for the long-term benefit of the customers. There are at least eight water systems listed in the DWSRF priority list that might be eligible for consolidation/regionalization.

B. The *Funding Agency Coordinating Team* (FACT), hosted by ORWA, is comprised of the following state and federal water and wastewater project funding agencies:

- DEQ;
- Oklahoma Department of Commerce;
- Oklahoma Water Resources Board (OWRB);
- Indian Health Service;
- U.S. Department of Agriculture – Rural Development;
- Oklahoma Association of Regional Councils;
- Communities Unlimited;
- EPA; and
- Cherokee Nation.

FACT meets quarterly to discuss the status of Oklahoma community water supplies identified

in DEQ's enforcement list. Invitations are extended to water systems from across the state that are contending with the most urgent problems and have the greatest *financial* need, with the purpose of providing help to them as quickly 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 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

A. The *Construction Permitting Program* assures *technical* adequacy by reviewing water system construction plans and specifications. This *technical* review helps determine the sufficiency of the source water and the water system infrastructure.

B. The *PWS Enforcement Program* also assures the *technical* capabilities of water systems by providing *technical* training to water systems on operation and security and addresses *managerial* capabilities by providing training to water system managers.

C. 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 the training to properly treat and monitor drinking water supplied to the public. With oversight from the DEQ Operator Certification section, ORWA provides study material and training for operators of all classifications of water facilities. The examinations for operators are administered by the ORWA by means of a DEQ contract, and during SFY16, 862 individual water operator exams and 104 water laboratory operator exams were given. Also during SFY16, all 1,679 public water supply systems had available an appropriately licensed operator in responsible charge.

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.

D. The *Source Water Assessment Program (SWAP)* provides a focus on water quality anti-degradation and protection of beneficial uses for both surface and ground waters.

The SDWA Amendments require development and implementation of a SWAP to analyze existing and potential threats to the quality of the public drinking water throughout the state. DEQ maintains approval from EPA to administer the SWAP program. The SWAP program in Oklahoma was developed utilizing EPA's *Source Water Assessment and Protection Programs Guidance*, and SWAP assessments include the following:

- Delineation of the source water protection area;

- Inventory of the potential contaminant sources within the area;
- Determination of the susceptibility of the PWS to contamination from the inventoried sources; and
- Release of the results of the assessments to the public.



Figure 1 - Sample map indicating location of well and wellhead protection areas.

The data collected from a SWAP 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.

Much of data found in a SWAP is also available via a geographic information system on the DEQ website. Most regulated discharges, wells, surface intakes, and other planning information can be found through an interactive mapping system that allows the user to view any combination of items on the map. A map may be viewed that includes the system's water source (ground or surface) and all known contaminants located within a defined distance from the proposed well site.

The state of Oklahoma is among at least 43 other states currently participating in the Source Water Protection Program (SWPP). SWPP is a joint project by the U.S. Department of Agriculture's Farm Service Agency and the

nonprofit National Rural Water Association. It is designed to help prevent source water pollution through voluntary practices installed by producers at the local level. DEQ, as primacy agency for Source Water Protection in Oklahoma, participates in the *Source Water Protection Workshop* hosted by the ORWA. The primary objective of the workshop is to identify high priority Source Water Protection areas in the state and coordinate input from:

- DEQ
- OWRB
- Oklahoma Corporation Commission
- Oklahoma Department of Wildlife Conservation
- Rural Water Districts

E. The *Area-Wide Optimization Program (AWOP)* was piloted in April 1999 in Oklahoma by EPA Region 6. This program started as a multi-state effort to optimize particle removal and disinfection capabilities of filtration 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. Following the AWOP model is one of the most cost-effective, economical ways a CWS can improve their ability to produce safe drinking water. Water systems having the most trouble with their filtration treatment are identified and prioritized in terms of their need for assistance.

EPA Region 6 and Process Applications, Inc. in Fort Collins, CO, have assisted in the development of AWOP. The States of Arkansas, Iowa, Louisiana, Missouri, New Mexico, Oklahoma, and Texas are participants in the EPA Region 6 AWOP group. 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 (CPEs).



Figure 2: Conducting a Filter Study during the Talihina CPE

Since 1997, DEQ has conducted 22 optimization and two 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 engineers in understanding the intricacies of 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.

F. 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 infrastructures. 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 CDC, who conducts a Capacity Development Assessment on each borrower, providing assistance and guidance to correct any found deficiencies.

Currently, 27 water systems are on the DWSRF Project Priority List for a total of over \$278 Million in projects to be funded within the next few years. DWSRF applicants are assisted throughout the planning, design, bidding, contracting and construction phases of their project by DEQ engineers, environmental specialists, and the CDC. Applications for the DWSRF program are accepted at any time throughout the year.

From 1998 to the present, the program has entered into binding commitments totaling over \$930,883,637 to fund a total of 162 water system upgrades. In addition to funding infrastructure improvements, the program funds the CD, Small System Technical Assistance, and SWAP programs, and partially funds the PWS Program.

G. The PWS *Sanitary Survey Program* is implemented by DEQ, in cooperation with EPA Region 6. The ECLS and WQD field staff are trained to properly conduct sanitary surveys, as they are responsible for conducting PWS inspections. Using the knowledge gained from the training, ECLS staff inspects surface water systems quarterly and ground water systems semiannually. A total of 2,769 PWS monitoring inspections were performed by ECLS in SFY16.

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 – or, terrains/subclimates – include everything from Rocky Mountain foothills to cypress swamps, tallgrass prairies, and hardwood forests to pine-

covered mountains. Each is graced with wide blue lakes, rivers, and streams. Additionally, there is one man-made type of terrain: urban turf. This wide variety of ecoregions creates source waters with a correspondingly wide range of quality and conditions. This variability in source water quality creates a correspondingly wide 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 (MCLs). For some regulations, EPA establishes treatment techniques (TTs) in lieu of an MCL to control unacceptable levels of contaminants.

Figure 3 shows the yearly trend in the percentage of systems in Oklahoma reporting no MCL or TT violations.

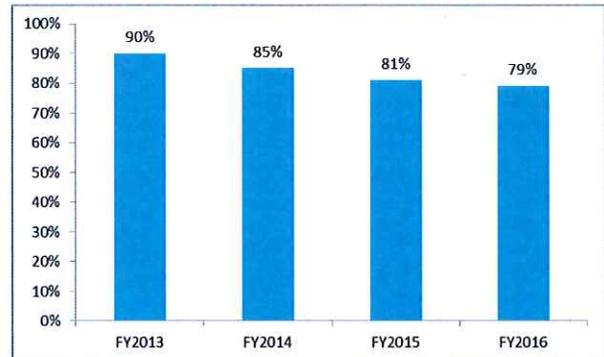


Figure 3 - Percent of Systems Reporting No Violations

The State of Oklahoma’s PWS Program currently oversees 1,679 active entities that meet the federal definition of a PWS. Of these, 1,325, or approximately 79%, reported no MCL or TT violations.

Of the 1,679 PWSs in Oklahoma during the calendar year 2015:

- Seven systems had 26 violations for exceeding the MCL for arsenic;
- No systems had violations for arsenic monitoring;

SFY16 Capacity Development Program Annual Report to EPA

- One system had one violation for exceeding the MCL of the Inorganic Chemical Contaminant (IOC) group;
- One system had one violation for IOC group monitoring;
- 14 systems had 20 violations for exceeding the nitrate MCL in at least one of their wells;
- 60 systems had 76 nitrate monitoring violations;
- No system had Synthetic Organic Contaminant (SOC) group MCL violations;
- Three systems had seven SOC group monitoring violations;
- One system had four violations of Volatile Organic Carbon (VOC) MCLs;
- 23 systems had 740 violations of VOC monitoring;
- 10 systems had 36 Radionuclide MCL violations;
- Nine systems had 48 violations for Radionuclides monitoring;
- 239 systems had 1,124 violations of the Disinfection Byproducts Rule (DBPR) MCL;
- 23 systems had 58 violations of the DBPR Treatment Technique requirement;
- 224 systems had 662 DBPR monitoring violations;
- 12 systems had 12 Total Coliform Rule (TCR) acute MCL violations, leading to mandatory boil orders that were issued based on positive fecal coliform or E-coli test results;
- 92 systems had 99 TCR MCL violations that indicated a confirmed coliform positive sample;
- 276 systems had 515 routine monitoring violations for TCR;
- 38 systems had 43 repeat monitoring violations for TCR;
- None of the groundwater PWS systems were in violation of the Groundwater Rule (GWR) Treatment Technique requirement;
- 93 groundwater PWS systems had 142 GWR monitoring violations;
- 13 systems had 102 violations of the Surface Water Treatment Rule (SWTR) monitoring and reporting requirements;
- Eight surface water PWS systems had 123 Surface Water Treatment Rule (SWTR) Treatment Technique violations;
- Zero systems had treatment technique violations of the Lead and Copper Rule;
- 58 systems had 97 Lead and Copper Rule Monitoring violations; and
- 191 systems had 195 violations related to failure to perform public notice or failure to submit a Consumer Confidence Report (CCR) and/or their CCR certification.

The grand total number of violations for the calendar year of 2015 was 4,231. Some public water systems may be counted more than once if they incurred multiple violations. The actual total number of public water systems in violation of an MCL was 354. There were 803 *public* water systems with violations (as opposed to privately owned).

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 CDC, who then assesses the system's *TMF* capabilities. The CDC then ensures that the system has an appropriately certified operator, notes the dates of sanitary surveys/inspections, determines if plans & specifications were submitted to and approved by DEQ, and makes TA referrals as indicated. A total of six new systems were identified by DEQ in SFY16.

7. ETT Implementation

At the direction of EPA, DEQ has implemented an Enforcement Response Policy (ERP) and Enforcement Target Tool (ETT) aimed to identify PWSs with health-based violations as opposed to the previous approach, where all the significant non-compliance (SNC) 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 5 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.

ETT scores for PWS systems are available at <https://echo.epa.gov>.

Table 2 lists five community and non-transient non-community PWS systems that were created during the SFY 2013.

PWS ID Number	System Name
OK2002463	Lavicky Sand Co
OK2004451	ACG Materials Bouse Junction
OK3002518	T and R RV Resort

OK3006314	Pottawatomie Co RWD #3 (Dale Plant)
OK8005583	Lots of Love Child Development

Table 2 – The five community and non-transient non-community systems that became active during SFY 2013.

None of the above-listed PWSs were assessed ETT scores of greater than or equal to 11 during their first three years of operation.

8. Program Initiatives

For SFY16 and beyond, DEQ is continuing efforts to promote water loss auditing at water supplies across the state. Starting in the last half of SFY15, DEQ began developing a pilot project focused on conducting water loss audits at 40 volunteer CWS in Oklahoma. The audits, conducted according to the American Water Works Association M36 method, are part of an initiative where local DEQ inspectors both conduct the audit for the system free of charge and teach the water system operators how the process works so that they can conduct their own auditing in the future.

With the recent drought and ever tightening budgets significantly impacting the state's water systems, efficient use of water resources has come to the forefront of effective tools to promote sustainability. Water systems that begin and maintain a program of addressing water loss can enhance their sustainability by:

- *Delaying or eliminating the need to develop additional sources of water* – a water system may be able to delay the costly development of new water sources and can serve additional customers with the water sources at hand.
- *Increasing Revenue Collections* - addressing water loss can help a system recover revenue lost through under-registering meters, theft, and by reducing operations and repair costs.
- *Improving System Operations* - reducing water loss can also improve system

operations by helping to increase operator knowledge of the distribution system, reducing service outages and the potential for cross-contamination.

- *Improving System Integrity* – implementing a water loss program can improve system data accuracy and integrity by finding and correcting problems with metering, record keeping, and data management.

9. Success

The DEQ Water Loss Auditing Pilot Project has also been a source of continued interest and success for the agency’s efforts in promoting sustainability.

Currently, there is no standardized method of accounting for water loss at Oklahoma’s CWSs. There is no data on how many CWSs in the state are tracking water loss, or on what methods are being used by the CWSs that do track it. To address this, the CDC coordinated a pilot project that took a preliminary look at water loss levels across the state and examined the feasibility of introducing water loss auditing according to a standardized method. DEQ staff members were trained on conducting the American Water Works Association (AWWA) M36 water loss auditing method, and then selected a pool of 40 small volunteer CWSs from across the state to receive a water loss audit during the spring through the late summer of 2015.

A wide range of auditing results were obtained from the participating systems, but on average around 30% of water produced by the CWSs was determined to be nonrevenue (Figure 4).. 22.0% of the nonrevenue water was real loss (loss due to water main leaks, overflows at storage facilities, and leaks on customer service taps), while the remaining 4.4% of nonrevenue water was apparent loss (paper losses primarily due to under-registering meters). For the 40 CWSs, apparent losses were valued at \$1,219,921.00, while real losses were worth

either \$2,502,744.89 (valued at variable production costs) or \$6,398,325.56 (valued at retail costs).

The auditing process also illuminated a wide range of infrastructure and operating conditions at the participating systems, as indicated by a data validity score. The unitless data validity score in a gauge of how much confidence should be placed in the data: scores above 50 could indicate water loss audit results that were reliable, while scores below 50 point to problems with the accuracy and precision of data management at the CWSs. In the pilot project, data validity scores ranged from a low of 20 to a high of 83, with an average of 53.

The success of this pilot project lies not in reducing levels of real and apparent loss, but rather in opening the eyes of operators and officials to the inefficiencies present in water systems. In making them aware of the problems and giving them the information they need to solve them, we are enhancing sustainability and helping to create water systems that are more resilient to natural disasters, climate change, and anything else that may impact them.

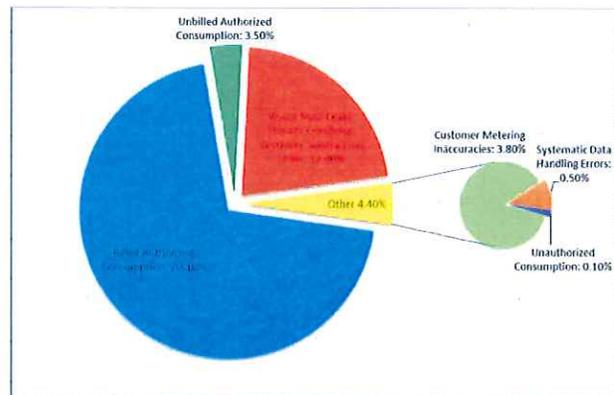


Figure 4 –Water Usage and Loss Percentages for Water Loss Auditing Pilot Project Participants.

10. Summary and Future Plans

Enhancing the technical, managerial, and financial capacities of Oklahoma’s water

supplies is a group effort. The continued success of the DEQ CD program is dependent on the efforts of the PWS Enforcement Section, the PWS Engineering Section, Operator Certification Section, DWSRF staff, and the various agencies that represent FACT.

Based on the results of the pilot, DEQ will be building on the successes by bottom-up leak detection and meter analysis work with the CWSs (that have both high data validity and significant problems with real and/or apparent loss) in order to pinpoint sources of water loss. Also, follow-up water loss audits will be conducted with the participating systems to gauge the success of CWSs efforts to improve water loss and data validity scores, and DEQ

will continue to promote the use of the AWWA M36 method to all CWSs across the state.

11. References

Oklahoma Capacity Development Strategy Document

2015 DWSRF Intended Use Plan

2015 State of Oklahoma Public Water Supply Program Annual Compliance Report

Attachment 7

Sources and Uses of Funds Statement

SOURCES OF FUNDS

Beginning July 1, 2015

Beginning Balance (SFY 2015 Carryover) \$36,962,652.13

State Fiscal Year 2016

Federal Grant FFY 2015 \$14,157,000.00

State Match SFY 2016 \$2,831,400.00

Principal Repayments* \$88,895,549.76

Interest Earnings on Loans \$11,928,220.01

Interest Earnings on Fund 473 \$455,283.83

Interest Earnings on Other DW Funds \$607,183.17

Release of 2013B Bond Reserve Funds \$1,479,591.00

Sub Total \$120,354,227.77**Total Sources of Funds \$157,316,879.90****USES OF FUNDS**

DWSRF Small Loan Draws for SFY 2016 \$3,846,286.67

DWSRF Large Loan Draws for SFY 2016 \$40,137,254.15

Sub Total \$43,983,540.82***DWSRF Set-Aside Programs for SFY 2016***

Administration \$536,567.66

Small System Technical Assistance \$292,634.67

Program Management \$1,242,378.96

Local Assistance \$1,168,007.90

Sub Total \$3,239,589.19***Debt Service Obligations***

Debt Service on 2010 Bonds \$7,052,568.75

Debt Service on 2011 Bonds \$3,904,881.25

Debt Service on 2012 Bonds \$4,116,400.00

Debt Service on 2013A Bonds \$4,022,918.75

Debt Service on 2013B Bonds \$3,818,787.25

Sub Total \$22,915,556.00**Total Uses of Funds \$70,138,686.01****Difference of Sources and Uses \$87,178,193.89**

* Around \$69 million of these principal repayments will be used to refund the 2010 DWSRF Bond Issue in FY 2017.

Attachment 8

Loans Receiving Subsidy and Extended Term Financing

12/13/2016

Loans Receiving Subsidy and Extended Term Financing

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
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
Chandler Municipal Authority	P40-1020702-01	\$ 2,500,000.00	\$ 375,000.00	FY 2010	N	6/12/2012
Cherokee Co. RWD #3	P40-4001117-01	\$ 3,110,000.00			Y	7/12/2011
Comanche Co. RWD #2	P40-2001604-01	\$ 3,300,000.00			Y	10/23/2013
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
Enid Municipal Authority (II)	P40-2002412-02	\$ 5,435,000.00	\$ 500,000.00	FY 2010	N	04/10/2012
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	\$ 1,802,053.29	FY 2014	N	12/02/2015
Garber MA	P40-2002416-01	\$ 2,100,000.00	\$ 297,946.71	FY 2015	N	12/02/2015
Geary Utility Authority	P40-2000608-01	\$ 1,775,000.00			Y	2/08/2011
Garvin Co. RWD #4	P40-3002503-01	\$ 1,183,456.00			Y	12/16/2014
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	\$ 590,706.60	\$ 590,706.60	FY 2013	N	6/17/2014
Laverne Public Works Authority	P40-2003002-01	\$ 3,700,000.00	\$ 500,000.00	FY 2011	Y	10/16/2012
Logan Co. RWD #1	P40-2004207-01	\$ 750,000.00	\$ 112,500.00	FY2010	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	\$ 1,048,146.71	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

12/13/2016

Newcastle Public Works Authority (II)	P40-2004704-02	\$ 1,389,455.00	\$ 208,418.25	FY 2011	N	10/16/2012
Noble Co. RWD #1	P40-1021205-01	\$ 1,161,825.00	\$ 655,031.75	FY 2011	N	8/21/2012
Noble Co. RWD #1	P40-1021205-01	\$ 1,161,825.00	\$ 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
Okmulgee Municipal Authority (III)	P40-1020708-03	\$ 4,895,000.00	\$ 500,000.00	FY 2010	N	12/14/2010
Pawnee Public Works Authority	P40-1021209-01	\$ 2,130,000.00	\$ 130,000.00	FY 2010	N	03/13/2012
Quinton PWA	P40-3006123-01	\$ 790,000.00			Y	09/16/2014
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
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
Stroud Utilities Authority	P40-1020705-01	\$ 2,360,000.00	\$ 354,000.00	FY 2011	N	8/21/2012
Stillwater UA (III)	P40-1021220-03	\$ 29,900,000.00			Y	5/17/2016
Tahlequah Public Works Authority (II)	P40-2032802-02	\$ 1,680,000.00	\$ 252,000.00	FY 2010	N	12/13/2011
Wagoner Co. RWD #4	P40-1021529-01	\$ 6,200,000.00	\$ 200,000.00	FY 2010	N	10/12/2010
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
Total for all 41 Loans		\$ 314,232,267.60	\$ 16,040,146.71			

*Loans are not closed yet.

Percentage of Loans Receiving Additional Subsidy:	74%
Percentage of Funding Provided as Additional Subsidy:	5%
Percentage of Loans Receiving Extended Term Financing:	40%

All Dates from 7/1/2010 thru 6/30/2016

Attachment 9

FFATA Cumulative Report

FFATA Tracking for SFY 2016 (FFY 2015 Grant)

Grant Amount: \$9,768,330

	System Name	Date Reported	Amount
1st FFATA report	Ada PWA	10/22/2015	\$9,768,330.00
2nd FFATA report			
3rd FFATA report			
4th FFATA report			
5th FFATA report			
		Sub-total	<u>\$9,768,330.00</u>

FFATA Report For Grants

Federal Award Identifier Number (FAIN): 98681415

Federal Agency ID: 6800

Is this information correct?: Yes

Federal Agency Name: ENVIRONMENTAL PROTECTION AGENCY

Prime Awardee DUNS #: 933601569

Is this information correct?: Yes

DUNS Number +4:

Prime Awardee Name: ENVIRONMENTAL QUALITY, OKLAHOMA DEPARTMENT OF

Prime Awardee Address: 707 N ROBINSON
OKLAHOMA CITY, Oklahoma 731026010

Prime Awardee Parent DUNS #: 043440601

Principal Place Of Performance(POP):
Big Cabin , Oklahoma 731011677

CFDA Program Number(s): 66.468 Capitalization Grants for Drinking Water State Revolving Funds

Is this information correct?: Yes

Project Description: To provide federal funds to the State of Oklahoma for the purpose of providing loan assistance to eligible public water systems for infrastructure im

Is this information correct?: Yes

Total Federal Funding Amount: 14157000.00

Is this information correct?: Yes

Obligation/Action Date: September 9, 2015

Is this information correct?: Yes

Report Month: Oct 2015

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 DUNS 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 DUNS 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

Subawardee Information: Subawardee DUNS: 103818019
Subawardee Name: ADA, CITY OF
Subawardee Address: 231 S TOWNSEND ST
ADA, Oklahoma 748206427
Subawardee Parent DUNS: 103818019
Amount of Subaward: 9768330.00
Subaward Obligation/Action Date: September 22, 2015
CFDA Program Number(s): --- 66.468 Capitalization Grants for
Drinking Water State Revolving
Funds
Federal Agency ID: 6800
Federal Agency Name: ENVIRONMENTAL PROTECTION
AGENCY
Improvements to the municipal
water supply wells;
improvements to Byrd's Mill
Spring; replacement of the raw
water transmission line; and
improvements to the water
treatment plant.
Subaward Project Description:
Subawardee Principal Place of Performance: Ada, Oklahoma 748206443
Subaward Number: ORF-15-0001-DW
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 DUNS
number 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) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?: No
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 DUNS number 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

**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
		\$5,058,900.00	\$3,510,300.00	\$2,230,200.00	\$2,092,600.00	\$2,850,200.00	\$2,831,400.00
Adair MA	\$332,000.00	\$332,000.00	\$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
Chandler MA	\$375,000.00	\$375,000.00	\$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
Enid MA (II)	\$500,000.00	\$500,000.00	\$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
Okmulgee MA (III)	\$500,000.00	\$500,000.00	\$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
Salina PWA	\$1,284,000.00	\$1,284,000.00	\$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
Tahlequah PWA (II)	\$252,000.00	\$252,000.00	\$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
Longtown RWD #1	\$85,500.00	\$15,650.00	\$69,850.00	\$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
Broken Arrow MA	\$500,000.00	\$0.00	\$500,000.00	\$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
Laverne PWA	\$500,000.00	\$0.00	\$500,000.00	\$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
Lone Chimney WA (II)	\$490,500.00	\$0.00	\$490,500.00	\$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
Noble Co. RWD #1	\$1,155,114.97	\$0.00	\$655,031.75	\$500,083.22	\$0.00	\$0.00	\$0.00
Stroud UA	\$354,000.00	\$0.00	\$354,000.00	\$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
Longtown RWD #1 (II)	\$600,000.00	\$0.00	\$0.00	\$600,000.00	\$0.00	\$0.00	\$0.00
Delaware Co. RWD #11	\$950,000.00	\$0.00	\$0.00	\$630,116.78	\$193,180.61	\$0.00	\$0.00
Fairmont PWA	\$862,000.00	\$0.00	\$0.00	\$0.00	\$856,859.50	\$0.00	\$0.00
Guthrie PWA (III)	\$610,000.00	\$0.00	\$0.00	\$0.00	\$590,706.60	\$0.00	\$0.00
Logan Co. RWD #1 (III)	\$1,500,000.00				\$451,853.29	\$1,048,146.71	\$0.00
Garber MA	\$2,100,000.00					\$1,802,053.29	\$297,946.71
Grand Total	\$16,191,283.22	\$5,058,900.00	\$3,510,300.00	\$2,230,200.00	\$2,092,600.00	\$2,850,200.00	\$297,946.71

Attachment 11

DWNIMS Financial Indicators

Drinking Water SRF Program Information
for the State of Oklahoma

Fund Analysis	For the Reporting Year Ending June 30 of:									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
DWSRF Funds Available for Projects										
394 *Annual (New Funds)	0	15,686,892	7,216,125	12,359,174	17,126,072	28,776,566	1,540,176	119,371,743	78,769,741	8,397,804
395 *Cumulative	0	15,686,892	22,905,017	35,264,191	52,390,263	81,166,859	82,707,035	201,078,778	279,866,519	286,266,323
DWSRF Assistance as a % of Funds Available										
396 *Annual	-	0%	127%	139%	31%	50%	688%	85%	42%	383%
397 *Cumulative	-	0%	40%	74%	60%	57%	68%	67%	60%	69%
Outlays as a % of Capitalization Grants										
398 *Annual	-	2%	26%	46%	140%	29%	-	70%	203%	41%
399 *Cumulative	-	2%	11%	21%	46%	42%	61%	63%	81%	76%
Disbursements as a % of Funds Available										
400 *Annual	-	0%	69%	29%	85%	23%	1026%	15%	63%	604%
401 *Cumulative	-	0%	22%	24%	44%	37%	55%	32%	41%	57%
Project Starts as a % of Funds Available										
402 *Annual	-	0%	127%	138%	31%	50%	688%	85%	42%	383%
403 *Cumulative	-	0%	40%	74%	60%	57%	68%	67%	60%	69%
Project Completions as a % of Funds Available										
404 *Annual	-	0%	0%	0%	11%	46%	272%	7%	14%	185%
405 *Cumulative	-	0%	0%	0%	4%	19%	23%	14%	14%	19%
Loan Principal Repayments as a % of Funds Available										
406 *Annual	-	0%	0%	0%	2%	30%	145%	8%	3%	104%
407 *Cumulative	-	0%	0%	0%	1%	11%	14%	10%	8%	11%
Disbursements as a % of DWSRF Assistance										
408 *Annual	-	-	54%	21%	275%	47%	149%	24%	150%	156%
409 *Cumulative	-	-	54%	33%	73%	65%	81%	48%	68%	82%
Project Starts as a % of DWSRF Assistance										
410 *Annual	-	-	100%	100%	100%	100%	100%	100%	100%	100%
411 *Cumulative	-	-	100%	100%	100%	100%	100%	100%	100%	100%
Project Completions as a % of DWSRF Assistance										
412 *Annual	-	-	0%	0%	35%	92%	39%	11%	33%	48%
413 *Cumulative	-	-	0%	0%	6%	33%	34%	21%	23%	27%
Loan Principal Repayments as a % of DWSRF Assistance										
414 *Annual	-	-	0%	0%	7%	61%	21%	12%	8%	27%
415 *Cumulative	-	-	0%	0%	1%	20%	20%	15%	14%	16%
Project Completions as a % of Project Starts										
416 *Annual	-	-	0%	0%	35%	92%	39%	11%	33%	48%
417 *Cumulative	-	-	0%	0%	6%	33%	34%	21%	23%	27%
Financial Indicators based on Cumulative Activity										
418 *Return on Federal Investment	-	0.0%	282.4%	155.7%	120.1%	120.4%	120.6%	141.6%	163.5%	226.7%
419 *Assistance Provided as a % of Funds Available	-	0.0%	40.1%	74.4%	60.2%	56.6%	66.4%	66.6%	59.7%	69.1%
420 *Disbursements as a % of Assistance Provided	-	-	54.4%	32.8%	73.4%	65.0%	80.8%	47.8%	68.0%	82.5%
421 *Additional Assistance Provided Due to Leveraging	-	-	-	-	-	-	-	\$22,396,060	\$29,214,830	\$45,261,980
424 *Set-Aside Spending Rate	-	10.2%	22.1%	36.3%	51.6%	50.3%	61.9%	74.3%	77.6%	85.6%
425 *Net Return(Loss) after Repaying Match Bonds Excluding Subsidy	\$0	\$3,614	\$95,041	\$352,867	\$928,652	\$1,132,691	\$437,982	(\$316,212)	(\$553,992)	(\$1,645,962)
426 *Net Return on Contributed Capital Excluding Subsidy	-	0.1%	2.0%	3.5%	3.1%	3.2%	0.9%	-0.5%	-0.6%	-1.8%

Drinking Water SRF Program Information
for the State of Oklahoma

Fund Analysis	For the Reporting Year Ending June 30 of:									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
DWSRF Funds Available for Projects										
394 *Annual (New Funds)	7,932,817	13,221,083	38,325,986	152,640,171	83,717,300	92,682,407	10,454,559	112,193,541	24,841,555	130,334,722
395 *Cumulative	296,189,140	309,420,223	348,746,209	511,386,380	595,103,680	687,786,087	698,240,646	810,434,187	835,375,742	965,710,464
DWSRF Assistance as a % of Funds Available										
396 *Annual	92%	270%	211%	89%	84%	64%	436%	18%	184%	94%
397 *Cumulative	92%	100%	112%	105%	102%	97%	102%	90%	93%	93%
Outlays as a % of Capitalization Grants										
398 *Annual	190%	53%	259%	59%	82%	49%	-	106%	83%	25%
399 *Cumulative	88%	85%	100%	91%	90%	86%	90%	91%	91%	87%
Disbursements as a % of Funds Available										
400 *Annual	55%	426%	138%	43%	132%	69%	591%	43%	114%	34%
401 *Cumulative	70%	86%	92%	76%	84%	82%	89%	83%	84%	77%
Project Starts as a % of Funds Available										
402 *Annual	92%	270%	211%	89%	84%	64%	346%	25%	187%	71%
403 *Cumulative	92%	100%	112%	105%	102%	97%	101%	90%	93%	90%
Project Completions as a % of Funds Available										
404 *Annual	104%	208%	111%	12%	76%	154%	436%	72%	204%	50%
405 *Cumulative	46%	53%	60%	45%	49%	63%	69%	69%	73%	70%
Loan Principal Repayments as a % of Funds Available										
406 *Annual	99%	62%	59%	11%	18%	19%	172%	108%	76%	68%
407 *Cumulative	13%	15%	20%	17%	17%	18%	20%	32%	33%	38%
Disbursements as a % of DWSRF Assistance										
408 *Annual	60%	158%	65%	48%	157%	107%	136%	241%	62%	36%
409 *Cumulative	76%	86%	82%	72%	82%	84%	88%	92%	90%	83%
Project Starts as a % of DWSRF Assistance										
410 *Annual	100%	100%	100%	100%	100%	100%	80%	142%	102%	76%
411 *Cumulative	100%	100%	100%	100%	100%	100%	99%	100%	100%	97%
Project Completions as a % of DWSRF Assistance										
412 *Annual	112%	77%	53%	14%	90%	239%	100%	406%	111%	54%
413 *Cumulative	50%	53%	53%	43%	48%	65%	67%	77%	79%	75%
Loan Principal Repayments as a % of DWSRF Assistance										
414 *Annual	11%	23%	28%	12%	21%	29%	40%	607%	41%	73%
415 *Cumulative	15%	15%	18%	16%	17%	18%	19%	36%	36%	41%
Project Completions as a % of Project Starts										
416 *Annual	112%	77%	53%	14%	90%	239%	125%	287%	109%	71%
417 *Cumulative	50%	53%	53%	43%	48%	65%	68%	77%	79%	78%
Financial Indicators based on Cumulative Activity										
418 *Return on Federal Investment	218.4%	264.9%	243.0%	251.7%	303.0%	326.0%	347.2%	355.5%	354.5%	374.9%
419 *Assistance Provided as a % of Funds Available	92.1%	99.7%	112.3%	104.9%	102.0%	96.9%	102.0%	90.3%	93.1%	93.2%
420 *Disbursements as a % of Assistance Provided	76.5%	85.6%	81.5%	72.4%	82.2%	84.5%	87.7%	91.9%	90.1%	82.8%
421 *Additional Assistance Provided Due to Leveraging	\$86,669,409	\$121,408,326	\$165,187,340	\$246,657,727	\$295,968,613	\$322,413,860	\$361,063,787	\$339,028,501	\$362,553,887	\$381,920,440
424 *Net Return/(Loss) after Repaying Match Bonds Excluding Subsidy	(\$1,329,083)	(\$417,484)	\$1,239,047	\$4,052,907	\$3,865,936	\$4,241,942	\$3,737,381	\$2,821,117	\$2,336,332	\$2,946,956
428 *Net Return on Contributed Capital Excluding Subsidy	-1.2%	-0.4%	0.6%	2.6%	2.4%	2.4%	2.1%	1.5%	1.2%	1.5%

Attachment 12

DWSRF SFY 2016 Intended Use Plan (IUP) Revisions

**SFY 2016 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 2016 IUP is being amended to include changes made to the Project Priority List and the Regionalization/Consolidation Project Priority List. The total required subsidization amount is \$2,831,400, which is 20% of the FFY 2015 capitalization grant (\$14,157,000). The FFY 2015 grant did not mandate funding for a green project reserve; therefore, the DEQ chose not to track green projects.

DESCRIPTION OF CHANGES

Description of Project Additions and Deletions:

Project Additions – Since the SFY 2016 IUP was issued in June 2015, the public water systems that have requested the SFY 2016 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 2016 Project Priority List.

a. Ada PWA	\$ 26,000,000.00
b. Canute PWA	\$ 2,120,000.00
c. Logan Co. RWD #1 (III)	\$ 1,500,000.00
d. Garber MA	\$ 2,100,000.00
e. OKC WUT (IV)*	\$ 65,550,000.00
f. Stillwater UA (III)	<u>\$ 29,900,000.00</u>
	\$ 127,170,000.00

*OKC WUT (IV) project was added and removed during SFY 2016

The following projects were removed from the SFY 2016 Project Priority List at the applicants' requests.

- a. Miami Special UA (II)
- b. Stigler MIA
- c. Collinsville MA
- d. Cleveland MA
- e. Delaware Co. RWD #11 (II)
- f. Goldsby WA (II)**

**Goldsby WA (II) project was combined with Goldsby WA (I)

Attachment 13

Documentation for EPA Guidelines for Enhancing Public Awareness of SRF Assistance Agreements

Water Distribution System Improvements To Serve The Town Of Meridian Logan County RWD #1

\$1,500,000.00

Drinking Water State Revolving Fund

M & T Septic and Backhoe
911 S. Mustang Rd.
Tuttle, OK 73089

State Senator: AJ Griffin
State Representative: Jason Murphey
& Kevin Wallace



WDB Engineering
6330 S.E. 74th Street
Oklahoma City, OK 73135

Funded by the
Oklahoma Department of Environmental Quality
in cooperation with the
Oklahoma Water Resources Board

05.12.2016

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Press Release
December 4, 2015

Rural Logan County Water and Sewer District Receives \$1,400,000 Water System Funding from OWRB

The Logan County RWS & SWMD No. 1 (District) received approval for \$1,400,000 in funding Wednesday from the Oklahoma Water Resources Board (OWRB) to improve the District's water infrastructure. Construction of upgrades and improvements to the District's water system will be funded by the Oklahoma Drinking Water State Revolving Fund (DWSRF).

The District will utilize the proceeds to relocate an existing standpipe, construct a storage tank, construct a pump station, construct a chemical feed system, and install a water line from the Town of Langston to the Town of Meridian in order to abandon Meridian's wells with poor water quality. The project will help meet the State of Oklahoma's Water for 2060 goals by focusing on improving water efficiency and supply security through regionalization of separate water systems.

Joe Freeman, chief of the OWRB's Financial Assistance Division, calculated that the District's customers will save an estimated \$2,740,000, compared to traditional financing. Local officials attending the OWRB's monthly meeting in support of the loan application included Marilyn Barton, Chairman and Buddy Thompson, District Manager.

The DWSRF program is administered by the OWRB and the Oklahoma Department of Environmental Quality (ODEQ) with partial funding from the U.S. Environmental Protection Agency (EPA). The DWSRF program has provided approximately \$916 million in drinking water loans to provide communities the resources necessary to maintain and improve the infrastructure that protects our valuable water resources statewide.

Since 1983, the Oklahoma Water Resources Board has approved over \$3.3 billion in loans and grants for water and wastewater infrastructure improvements throughout Oklahoma.

J.D. Strong, executive director of the OWRB, and Scott Thompson, executive director of the ODEQ, express their sincere appreciation to State Senator Senator AJ Griffin and State Representative Jason Murphey for their support of the DWSRF program.

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Page last updated: January 19, 2016

Attachment 14

DWSRF Project Benefits Reporting

DW Benefits Loan List for Oklahoma

PBR System		Tracking Number	Assistance Amount	Initial Agreement	Entry Complete	
Number	Recipient					
OK	90	Ada Public Works Authority	ORF-15-0001-DW	23,290,000	9/22/2015	<input type="checkbox"/>
OK	80	Delaware County RWSG & SWMD #11	ORF-14-0003-DW	-126,703	9/2/2015	<input checked="" type="checkbox"/>
OK	81	Fairmont Public Works Authority	ORF-14-0004-DW	-5,141	7/24/2015	<input checked="" type="checkbox"/>
OK	91	Garber Municipal Authority	ORF-16-0002-DW	2,100,000	12/14/2015	<input type="checkbox"/>
OK	86	Garvin Co. RWD #4	ORF-13-0010-DW	-300	2/16/2016	<input checked="" type="checkbox"/>
OK	85	Guthrie Public Works Authority (III)	ORF-13-0008-DW	-19,293	10/13/2015	<input checked="" type="checkbox"/>
OK	87	Logan Co. RWD #1 (IV)	ORF-15-0004-DW	-5,714	10/27/2015	<input checked="" type="checkbox"/>
OK	92	Logan County RWS & SWMD #1 (III)	ORF-15-0002-DW	1,500,000	3/25/2016	<input type="checkbox"/>
OK	75	Mayes County Rural Water District #6	ORF-10-0005-DW	-77,816	7/29/2015	<input checked="" type="checkbox"/>
OK	93	Oklahoma City WUT (IV) Projects 1-5	ORF-16-0006-DW	65,550,000	4/19/2016	<input type="checkbox"/>
OK	33	Okmulgee Municipal Authority (I)	ORF-10-0011-DW	-20,741	5/12/2016	<input checked="" type="checkbox"/>
OK	98	Stillwater Utilities Authority (III)	ORF-16-0007-DW	29,900,000	6/27/2016	<input type="checkbox"/>
OK	76	Wagoner Public Works Authority (III)	ORF-13-0011-DW	-286,527	2/23/2016	<input checked="" type="checkbox"/>
OK	24	Washington County Rural Water District #3	ORF-07-0001-DW	-795	12/14/2015	<input checked="" type="checkbox"/>
Total for all 14 Loans				121,796,970		