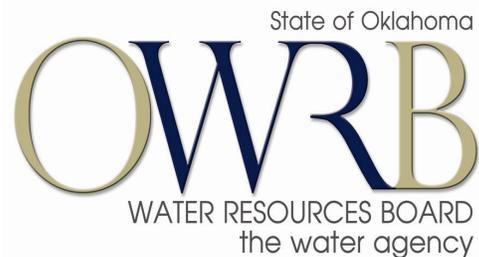


**DRINKING WATER STATE REVOLVING FUND (DWSRF)  
SFY 2019 Annual Report**

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

September 27, 2019  
Revised November 6, 2019  
February 28, 2020

**FINAL**



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

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



## TABLE OF CONTENTS

<b>I. Background, Key Aspects, and Loan Funding Activities</b>	<b>1</b>
<b>A. Background</b>	<b>1</b>
<b>B. Key Aspects</b>	<b>1</b>
<b>C. Loan Funding Activities</b>	<b>2</b>
<b>D. Additional Requirements (Subsidies, DB, PBR, FFATA, DWNIMS, AIS, Sustainability, and State Laws and Procedures, etc.)</b>	<b>7</b>
<b>II. DWSRF Summary</b>	<b>9</b>
<b>A. Set-asides</b>	<b>11</b>
1. DWSRF Administration	11
2. Small System Technical Assistance	15
3. State Program Management	15
4. Local Assistance and Other State Programs	17
<b>B. State Matching Funds</b>	<b>24</b>
<b>C. Project Activities</b>	<b>24</b>
<b>D. Prospective Loan Projects</b>	<b>31</b>
<b>III. DWSRF Goals Attained</b>	<b>32</b>
<b>A. Project Accomplishments</b>	<b>32</b>
<b>B. Program Accomplishments</b>	<b>33</b>
<b>IV. Capacity Development Strategy Activities</b>	<b>38</b>
<b>V. Operator Certification Activities</b>	<b>39</b>
<b>VI. EPA Automated Standard Application for Payments (ASAP) Payment System</b>	<b>39</b>
<b>VII. Interest Rates/State Financing Plan</b>	<b>40</b>
<b>VIII. Current and Five Year Projection of Water Needs</b>	<b>40</b>
<b>IX. Ten and Twenty Year Projection of DWSRF Needs</b>	<b>41</b>
<b>X. Detailed Financial Report</b>	<b>42</b>
<b>XI. Cross-Collateralization of the DWSRF and Clean Water State Revolving Fund (CWSRF)</b>	<b>42</b>
<b>XII. Transfer Authority Between Drinking Water and Clean Water SRFs</b>	<b>43</b>
<b>XIII. DWSRF Program Changes</b>	<b>43</b>

**Tables:**

<b>Table 1: Awarded Funds</b>	<b>10</b>
<b>Table 2: Capitalization Budget and Expenses (Set-Aside Accounts)</b>	<b>13</b>
<b>Table 3: DWSRF Outside Account Administration Fees</b>	<b>14</b>
<b>Table 4: DWSRF Project and Loan Details</b>	<b>26</b>
<b>Table 5: Total Percentage of Small Systems Funded</b>	<b>27</b>
<b>Table 6: Binding Commitment Financial Summary</b>	<b>29</b>
<b>Table 7: MBE/WBE Procurement Activity</b>	<b>31</b>

**Attachments:**

- Attachment 1 DEQ/OWRB Interagency Agreement for SFY 2019**
- Attachment 2 SFY 2019 Intended Use Plan (IUP) and Project Priority List**
- Attachment 3 Capacity Model for SFY 2019**
- Attachment 4 Oklahoma Drinking Water Treatment Loan Administrative Fund Audit Report for SFY 2019**
- Attachment 5 SFY 2019 Financial Statements for the DWSRF Program**
- Attachment 6 Capacity Development Annual Report for SFY 2019**
- Attachment 7 Sources and Uses of Funds Statement**
- Attachment 8 Loans Receiving Subsidy and Extended Term Financing**
- Attachment 9 FFATA Cumulative Report**
- Attachment 10 Subsidy Tracking Chart**
- Attachment 11 DWNIMS Financial Indicators**
- Attachment 12 DWSRF SFY 2019 Intended Use Plan (IUP) Revisions**
- Attachment 13 Documentation for EPA Guidelines for Enhancing Public Awareness of SRF Assistance Agreements**
- Attachment 14 DWSRF Project Benefits Reporting**

## **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) 2019 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, 2018, through June 30, 2019.

### **B. Key Aspects**

The SFY 2019 Audit contains the following information:

#### Financial Highlights:

- The Program's net position increased by over 4% from \$267,295,996 in SFY 2018 to \$279,753,087 in SFY 2019. The increase in net position is primarily attributable to an increase in federal grant revenue retained to fund loans.
- The Program experienced an increase of \$73,151,193 in the amount of outstanding loans. At June 30, 2019, the Program had 142 outstanding loans with a principal balance of \$551,361,538. At June 30, 2018, the Program had 129 outstanding loans with a principal balance of \$478,210,345.

#### Program Highlights:

- During SFY 2019, eleven (11) construction loans totaling approximately \$85.5 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 25.

- Completed construction during the year on ten (10) projects totaling \$74.3 million.
- Made binding commitments for eleven (11) new loans, totaling approximately \$96 million, in drinking water construction for communities to correct problems and achieve compliance with the SDWA. See pages 3-7.

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

DEQ and OWRB made binding commitments to eleven (11) projects during SFY 2019. Six (6) of them were long-term loans to small communities including: Logan County (Co.) Rural Water District (RWD) #1 (V), Cotton Co. RWD #2, Eufaula Public Works Authority (PWA), Sayre PWA, Eufaula PWA (II), and Nicoma Park Development Authority (DA). Five (5) of them were long-term loans to large communities. They include: Enid Municipal Authority (MA) (III) (Planning and Design (P & D)), Muskogee MA (II), Tahlequah PWA (III), Oklahoma City Water Utilities Trust (WUT) (VII), and Central Oklahoma Master Conservancy District (MCD) (II).

DEQ and OWRB closed loans with ten (10) systems for eleven (11) projects by June 30, 2019. One system, Eufaula PWA had two (2) loans. One system, Pittsburg Co. Rural Water District #14, received a binding commitment during SFY 2018, but did not close until SFY 2019. Also, Central Oklahoma MCD (II) received a binding commitment, but was unable to close the loan by June 30<sup>th</sup>. See Tables 4 and 5.

The Federal Fiscal Year (FFY) 2018 appropriation grant assistance agreement had a subsidy requirement of “at least 20% but no more than 30%.” DEQ and OWRB chose to provide 20% as subsidy. Although the appropriation also encouraged assistance for Green Project Reserve (GPR) projects, GPR was not mandatory for FFY 2018 or after. DEQ and OWRB did not provide assistance for GPR projects during SFY 2019.

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 public water supplies who have health based violations, primarily as Disinfection Byproduct (DBP) issues. A “disadvantaged community” is defined at VII.B in the SFY 2019 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. Nine (9) loan projects received extended term financing during SFY 2019. All nine (9) projects received a 30 year term. The projects were Cotton Co. RWD #2, Enid MA (III) (P & D), Muskogee MA (II), Eufaula PWA, Tahlequah PWA (III), Oklahoma City WUT (VII), Sayre PWA, Eufaula PWA (II), and Nicoma Park DA. Please see Attachment 8. Many small projects have been added to the PPL for DBP projects to use the subsidy funds. DWSRF staff conducted several meetings with approximately 40 water systems (communities) with DBP violations during SFY 2019. Communities are encouraged and advised to start the application process as soon as possible as the funds will be obligated based on the readiness to proceed. Two (2) projects that closed a loan during SFY 2019 were eligible to receive \$100,000 each during SFY 2020 for DBP issues. Those systems are: Muskogee MA (II) and Eufaula PWA (II). One regionalization project

is moving toward funding in the near future. It is approximately \$1.6M. All eleven (11) of the projects (10 systems) that closed a loan were considered “disadvantaged” according to the definition. Please see Attachment 10 for subsidy funds and projects.

The project descriptions listed on the following pages show eleven (11) projects that received a binding commitment during SFY 2019. One system, Pittsburg County RWD #14, which received a binding commitment during SFY 2018, did not close their loan during SFY 2018, but did close during SFY 2019. Also, Central Oklahoma MCD which received a binding commitment in June 2019, did not close a loan during SFY 2019 but will close during SFY 2020.

### **SFY 2019 Project Descriptions**

#### **Logan Co RWD #1 (V)**

*Binding Commitment Date: August 21, 2018*

*Binding Commitment Amount: \$1,000,000.00*

*Loan Closing Date: August 21, 2018*

*Loan Closing Amount: \$1,000,000.00*

*Loan Term: 20 years*

*Principal Forgiveness (Subsidy) Amount: \$0.00*

*Green Project Reserve Amount: \$0.00*

*Project Description: Construct one new 300,000 gallon elevated storage tank.*

Construction completion is estimated to occur in the summer of 2020.

#### **Cotton Co. RWD #2**

*Binding Commitment Date: August 21, 2018*

*Binding Commitment Amount: \$5,000,000.00*

*Loan Closing Date: August 22, 2018*

*Loan Closing Amount: \$5,000,000.00*

*Loan Term: 30 years*

*Principal Forgiveness (Subsidy) Amount: \$0.00*

*Green Project Reserve Amount: \$0.00*

*Project Description: Granular activated alumina water treatment plant, two new wells, blending station, and water lines within the distribution system.*

Construction completion is estimated to occur in the fall of 2019.

**Enid MA (III) (P & D)**

*Binding Commitment Date:* August 21, 2018  
*Binding Commitment Amount:* \$20,000,000.00  
*Loan Closing Date:* September 10, 2018  
*Loan Closing Amount:* \$20,000,000.00  
*Loan Term:* 30 years  
*Principal Forgiveness (Subsidy) Amount:* \$0.00  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Planning and Design Loan for Program Execution and Design for Phase 3 and Phase 4 of the engineering for the new surface water treatment plant. Final payment request for engineering is estimated to occur in the spring of 2021.

**Muskogee MA (II)**

*Binding Commitment Date:* October 16, 2018  
*Binding Commitment Amount:* \$17,640,000.00  
*Loan Closing Date:* October 18, 2018  
*Loan Closing Amount:* \$17,640,000.00  
*Loan Term:* 30 years  
*Principal Forgiveness (Subsidy) Amount:* \$100,000.00 (during SFY 2020)  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* Install aeration at Radio Hill storage tank and mixing at the Honor Heights storage tank. Replace two 24-inch water lines with 17,000 linear feet of 30-inch water line and replace water lines associated with the two 24-inch water lines with new water lines. Replace various water lines throughout the distribution system. Relocate the chlorine dioxide feed from at the intake to the water treatment plant. Construction completion for all projects is estimated to occur in the spring of 2022.

**Eufaula PWA**

*Binding Commitment Date:* December 6, 2018  
*Binding Commitment Amount:* \$1,000,000.00  
*Loan Closing Date:* December 6, 2018  
*Loan Closing Amount:* \$1,000,000.00  
*Loan Term:* 30 years  
*Principal Forgiveness (Subsidy) Amount:* \$0.00  
*Green Project Reserve Amount:* \$0.00  
*Project Description:* System wide distribution improvements project that includes line replacement, installation of valves, valve vaults, booster pump rehabilitation, water storage tank rehabilitation and a new back-up generator at the Eufaula water treatment plant. Construction completion is estimated to occur in the fall of 2019.

**Eufaula PWA (II)**

*Binding Commitment Date:* December 6, 2018

*Binding Commitment Amount:* \$6,185,000.00

*Loan Closing Date:* June 19, 2019

*Loan Closing Amount:* \$6,185,000.00

*Loan Term:* 30 years

*Principal Forgiveness (Subsidy) Amount:* \$100,000.00 (during SFY 2020)

*Green Project Reserve Amount:* \$0.00

*Project Description:* System wide distribution improvements project that includes line replacement, installation of valves, valve vaults, booster pump rehabilitation, water storage tank rehabilitation and a new back-up generator at the Eufaula water treatment plant. Construction completion is estimated to occur in the summer of 2021.

**Tahlequah PWA (III)**

*Binding Commitment Date:* December 6, 2018

*Binding Commitment Amount:* \$8,920,000.00

*Loan Closing Date:* December 17, 2018

*Loan Closing Amount:* \$ 8,200,000.00

*Loan Term:* 30 years

*Principal Forgiveness (Subsidy) Amount:* \$0.00

*Green Project Reserve Amount:* \$0.00

*Project Description:* Rehabilitation of the Teehee water treatment plant. Rehabilitation of the Tenkiller water treatment plant along with addition of another 1.5 MGD membrane filtration unit.

Construction completion is estimated to occur in the summer of 2020.

**OKC WUT (VII)**

*Binding Commitment Date:* January 15, 2019

*Binding Commitment Amount:* \$20,000,000.00

*Loan Closing Date:* January 30, 2019

*Loan Closing Amount:* \$20,000,000.00

*Loan Term:* 30 years

*Principal Forgiveness (Subsidy) Amount:* \$0.00

*Green Project Reserve Amount:* \$0.00

*Project Descriptions:* WC-0834 Replacement of 8,300 L.F. of 6", 8", 16" water lines.  
WC-0861 Interconnection of the Hefner and Draper service areas by construction of a 42" Diameter (12,675 L.F.) Water Transmission main along N.W. 4th Street from N. MacArthur Boulevard to N.W. 8th Street and Portland Avenue.  
WC-0862 Interconnection of the Hefner and Draper service areas by construction of a 42" Diameter (12,700 L.F.) Water Transmission Main from N.W. 8th Street and Portland Avenue to the Overholser Dual-Use Pump Station.  
WC-0870 Upgrade booster pump station to a 32 million gallon per day pump station.

Construction completion for the final project, WC-0870, is estimated to occur in the summer of 2020.

**Sayre PWA**

*Binding Commitment Date:* February 19, 2019

*Binding Commitment Amount:* \$823,180.00

*Loan Closing Date:* March 20, 2019

*Loan Closing Amount:* \$823,180.00

*Loan Term:* 30 years

*Principal Forgiveness (Subsidy) Amount:* \$0.00

*Green Project Reserve Amount:* \$0.00

*Project Description:* 567 L.F. of 16" C-909 PVC Waterline, 349 L.F. 12" C-909 PVC Waterline, construction of a 25' diameter (73,000 gallon) steel ground storage tank and a 40' diameter (187,000 gallon) steel ground storage tank.

Construction completion is estimated to occur in the winter of 2019.

**Central Oklahoma MCD (II)**

*Binding Commitment Date:* May 21, 2019

*Binding Commitment Amount:* \$11,000,000.00

*Loan Closing Date:* Did not close during SFY 2019

*Loan Closing Amount:* N/A

*Loan Term:* N/A

*Principal Forgiveness (Subsidy) Amount:* \$0.00

*Green Project Reserve Amount:* \$0.00

*Project Description:* Construct 17,120 L.F. of 24" DIP, slip line existing concrete pipe with 3,960 L.F. 18" DR21 HDPE and 5,170 L.F. of 12" DR21 HDPE.

Construction completion is estimated to occur in the fall of 2020.

**Nicoma Park DA**

*Binding Commitment Date:* June 18, 2019

*Binding Commitment Amount:* \$4,715,000.00

*Loan Closing Date:* June 26, 2019

*Loan Closing Amount:* \$4,700,000.00

*Loan Term:* 30 years

*Principal Forgiveness (Subsidy) Amount:* \$0.00

*Green Project Reserve Amount:* \$0.00

*Project Description:* 8,000 linear feet of 12-inch potable waterline, 14,000 linear feet of 8-inch potable waterline, 14,000 linear feet of 6-inch potable waterline; one (1) 150,000 gallon elevated storage tank; two (2) new and one (1) chlorine feed system and all appurtenances.

Construction completion is estimated to occur in the summer of 2020.

The following project received a binding commitment during SFY 2018, but did not close a loan until SFY 2019:

**Pittsburg Co. RWD #14**

*Binding Commitment Date:* April 17, 2018

*Binding Commitment Amount:* \$1,033,500.00

*Loan Closing Date:* February 6, 2019

*Loan Closing Amount:* \$1,033,500.00

*Loan Term:* 20 years

*Principal Forgiveness (Subsidy) Amount:* \$1,033,500.00

*Green Project Reserve Amount:* \$0.00

*Project Description:* Construct a transmission line to purchase water from Pittsburg Co. Water Authority and abandon the existing deteriorated water treatment plant. Construction completion is estimated to occur in the fall of 2019.

**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 2017 and 2018 capitalization grants as of June 30, 2019. DEQ/OWRB uses principal forgiveness when assigning subsidies.

<b><u>FFY 2017 Grant Amount</u></b>	<b><u>\$13,279,000</u></b>
20% Subsidy	\$ 2,655,800
Subsidy Amount Awarded	<u>\$ 2,655,800</u>
Subsidy Amount left to draw	\$ 1,622,300
Remaining Amt. Carried	
Forward to SFY 2020	\$ 1,622,300
<b><u>FFY 2018 Grant Amount</u></b>	<b><u>\$15,747,000</u></b>
20% Subsidy	\$ 3,149,400
Subsidy Amount Awarded	<u>\$ 3,149,400</u>
Subsidy Amount left to draw	\$ 3,149,400
Remaining Amt. Carried	
Forward to SFY 2020	\$ 3,149,400

Total forwarded to 2020 is \$4,771,700

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 Provisions as defined in the capitalization grant conditions. DWSRF staff monitored each project through planning, bidding, contracting, and construction to ensure that these provisions were met.

DEQ is required to report project level data in the DWSRF Project Benefits Reporting (PBR) system on a quarterly basis. All eleven (11) projects that closed a loan in SFY 2019 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 (minus the set-aside amount) was submitted to the FFATA database during SFY 2019. The FFY 2018 capitalization grant amount was \$15,747,000, minus the set-aside amount of \$4,881,570, which equals \$10,865,430. One (1) project totaling \$17,640,000, was used for reporting. Only \$10,865,430 was entered as of June 30, 2019, since the loan amount exceeded the reporting maximum. The project is Muskogee MA (II). DEQ did not report on the set-aside total because there were not any eligible expenses. Please see Attachment 9.

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

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

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

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

State Laws and Procedures

DEQ complied with the following state laws and procedures:

Oklahoma Public Competitive Bidding Act of 1974

OS Title 74 – Central Purchasing Act

OS Title 61 – Public Buildings and Public Works

OS Title 82 – Waters and Water Rights

OS Title 785 Chapter 50 – Financial Assistance

OAC 252-004 Rules of Practice and Procedure

OAC 252-626 Public Water Supply Construction Standards

OAC 252-631 Public Water Supply Operation

OAC 252-633 Drinking Water State Revolving Fund

OAC 252-710 Water Works and Wastewater Works Operator Certification

**II. DWSRF Summary**

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

Table 1 is a summary of federal and state matching funds available to the DWSRF from 1997 through 2019 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 2019.

**Table 1 – Awarded Funds**

Federal Fiscal Year (FFY)	Federal Appropriation	20% State Match	Total	Reserved for Set-Asides	Total Available for Assistance
1997	\$17,561,900	\$3,512,380	\$21,074,280	\$5,444,189	\$15,630,091
1998	\$10,224,200	\$2,044,840	\$12,269,040	\$3,169,502	\$9,099,538
1999	\$10,716,000	\$2,143,200	\$12,859,200	\$3,321,960	\$9,537,240
2000	\$11,137,000	\$2,227,400	\$13,364,400	\$1,781,920	\$11,582,480
2001	\$11,183,000	\$2,236,600	\$13,419,600	\$2,247,253	\$11,172,347
2002	\$12,446,500	\$2,489,300	\$14,935,800	\$3,236,090	\$11,699,710
2003	\$12,371,700	\$2,474,340	\$14,846,040	\$2,845,492	\$12,000,549
2004	\$12,833,800	\$2,566,760	\$15,400,560	\$3,336,788	\$12,063,772
2005	\$12,806,700	\$2,561,340	\$15,368,040	\$3,009,575	\$12,358,465
2006	\$13,285,600	\$2,657,120	\$15,942,720	\$3,141,612	\$12,801,108
2007	\$13,285,600	\$2,657,120	\$15,942,720	\$3,383,424	\$12,559,296
2008	\$13,151,000	\$2,630,200	\$15,781,200	\$3,534,820	\$12,246,380
2009	\$13,151,000	\$2,630,200	\$15,781,200	\$6,074,218	\$9,706,982
ARRA	\$31,481,000	\$0	\$31,481,000	\$1,259,240	\$30,221,760
2010	\$16,863,000	\$3,372,600	\$20,235,600	\$5,227,530	\$15,008,070
2011	\$11,701,000	\$2,340,200	\$14,041,200	\$3,627,310	\$10,413,890
2012	\$11,151,000	\$2,230,200	\$13,381,200	\$3,456,810	\$9,924,390
2013	\$10,463,000	\$2,092,600	\$12,555,600	\$3,243,530	\$9,312,070
2014*	\$14,226,000	\$2,850,200	\$17,101,200	\$4,392,810	\$12,683,390
2015	\$14,157,000	\$2,831,400	\$16,988,400	\$4,388,670	\$12,599,730
2016	\$13,393,000	\$2,678,600	\$16,071,600	\$4,151,830	\$11,919,770
2017	\$13,279,000	\$2,655,800	\$15,934,800	\$4,116,490	\$11,818,310
2018	\$15,747,000	\$3,149,400	\$18,896,400	\$4,881,570	\$14,014,830
<b>TOTAL</b>	<b>\$316,615,000</b>	<b>\$57,031,800</b>	<b>\$373,646,800</b>	<b>\$83,272,633</b>	<b>\$290,374,168</b>

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

Federal capitalization grant funds were awarded to DEQ during SFY 2019. DEQ applied for the FFY 2018 capitalization grant on May 24, 2018. EPA delayed the release of the FFY 2018 allotment amount as they waited for headquarters to release the Needs Survey results and a final budget from Congress. EPA awarded \$15,747,000 to DEQ on July 20, 2018. The state matching funds for the FFY 2018 capitalization grant in the amount of \$3,149,400 were provided through the DW 2018 Bonds in the amount of \$2,655,800 and \$493,600 that was transferred from the DWSRF Administrative Funds 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 2020. See page 42 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 2018 capitalization grant. The following is a description of the four set-aside account activities.

### **1. DWSRF Administration**

Funds equal to 4% of the FFY 2018 federal capitalization grant were set-aside to offset administrative costs incurred by DEQ and OWRB during SFY 2019. 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 2019 is included as Attachment 1.

The DWSRF Administration Set-aside from the FFY 2018 capitalization grant was \$629,880. 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 2019. A total of \$449,880 for SFY 2019 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 13, contains budget and expense data.

DEQ and OWRB expended \$17,112 from the FFY 2017 grant Administration Set-aside, and \$418,863 from the FFY 2018 grant Administration Set-aside during SFY 2019.

In the SFY 2019 work plan, two (2) contracts were listed as potential projects during the year. The first contract was the Annual Audit Contract listed for \$43,000. The contract was awarded for \$35,000, 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 2019. Also, DEQ is a member of the Oklahoma "Funding Agency Coordinating Team" (FACT). This team is made up of members of the various funding agencies for water projects in the state. The team meets quarterly to discuss systems pursuing funding, and to help systems decide the best option for their situation. FACT has an "Engineering/Environmental Conference" each year or every other year. This brings together the consulting engineers and agency staff for training and updates. DEQ and OWRB meet monthly to discuss the projects pursuing DWSRF funding.

During SFY 2019, DEQ did not transfer any unexpended Administration Set-aside funds from the capitalization grant to the project loan fund. In accordance with EPA's DWSRF Set-aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify any transferred funds from future

capitalization grants if they are needed. Set-aside amounts are listed in Table 2.

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

During SFY 2019, administration fees of \$2,563,124 were invoiced and collected. Additionally, the DWTAF earned \$183,679, in interest, for SFY 2019. During SFY 2019, \$1,284,872 was expended from the DWTAF for staff training, Council of Infrastructure Financing Authorities (CIFA) workshop registration, publications, accounting software and annual maintenance fee, State match, and payroll. All expenditures made from the DWTAF were for eligible DWSRF purposes. The balance of the DWTAF at June 30, 2019, was \$8,864,721. Table 3, located on page 14 of this report, includes cumulative DWTAF income and expenditure data. See page 10 of the financial statements for detail on how the administrative fee is collected. Also, see page 10 of the financial statements for the fee balance.

The specific goal for the DWSRF Administrative account is to provide administration of the DWSRF by providing loans to the systems designated for funding in the IUP. Outputs and deliverables for this set-aside will be the successful completion of loans for infrastructure construction projects to 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
<b>FFY 2016 Capitalization Grant = \$13,393,000 - \$4,151,830 = \$9,241,170 to the loan fund</b>									
Admin	535,720	535,720	0	0	1,308,691	0		535,720	0
SSTA	267,860	267,860	0	0	959,478	0		267,860	0
SPM	1,339,300	1,339,300	0	0	5,873,807	0		1,339,300	0
LA	2,008,950	2,008,950	0	0	9,573,722	0		2,008,950	0
Totals	4,151,830	4,151,830	0	0	17,715,698	0		4,151,830	0
<b>FFY 2017 Capitalization Grant = \$13,279,000 - \$4,116,490 = \$9,162,510 to the loan fund</b>									
Admin	531,160	531,160	0	0	1,308,691	0		531,160	0
SSTA	265,580	265,580	0	0	959,478	0		265,580	0
SPM	1,327,900	1,327,900	0	0	5,873,807	0		1,327,895	5
LA	1,991,850	1,991,850	0	0	9,573,722	0		1,981,135	10,715
Totals	4,116,490	4,116,490	0	0	17,715,698	0		4,105,770	10,720
<b>FFY 2018 Capitalization Grant = \$15,747,000 - \$4,881,570 = \$10,865,430 to the loan fund</b>									
Admin	629,880	629,880	0	0	1,308,691	0		418,863	211,017
SSTA	314,940	314,940	0	0	959,478	0		195,551	119,389
SPM	1,574,700	1,574,700	0	0	5,873,807	0		990,323	584,377
LA	2,362,050	2,362,050	0	0	9,573,722	0		1,198,028	1,164,022
Totals	4,881,570	4,881,570	0	0	17,715,698	0		2,802,765	2,078,805
<b>Cumulative FFY 1997-2018 Grants</b>									
Admin	12,665,600	11,948,707	126,353	1,182,338	1,308,691	0		11,265,038	211,017
SSTA	5,703,179	5,306,808	65,567	893,911	959,478	0		4,884,428	119,389
SPM	28,654,883	26,072,049	1,440,661	4,433,146	5,873,807	0		23,785,545	584,382
LA	36,273,971	32,726,379	1,570,160	8,003,562	9,573,722	0		28,254,067	1,174,737
Totals	83,297,633	76,053,943	3,202,741	14,512,957	17,715,698	0		68,189,098	2,089,525

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

## DWSRF OUTSIDE ACCOUNT ADMINISTRATION FEES

Table 3

STATE FISCAL YEAR	RECEIVED IN OUTSIDE ACCOUNT ADMIN FEES	RECEIVED IN OUTSIDE ACCOUNT APPLICATION FEES	RECEIVED IN OUTSIDE ACCOUNT INTEREST EARNED	EXPENDED FROM OUTSIDE ACCOUNT	OUTSIDE ACCT BALANCE CUMMULATIVE
					\$0
1999	\$10,106	\$1,750	\$124		\$11,980
2000	\$27,103	\$2,250	\$1,178	\$58	\$42,453
2001	\$55,593	\$2,750	\$2,820	\$53,283	\$50,333
2002	\$124,102	\$3,850	\$1,561	\$12,369	\$167,478
2003	\$108,724	\$2,850	\$1,199	\$176,084	\$104,166
2004	\$180,786	\$5,000	\$740	\$168,729	\$121,963
2005	\$264,917	\$3,600	\$3,494	\$102,857	\$291,117
2006	\$483,417	\$5,250	\$13,396	\$182,222	\$610,958
2007	\$676,705	\$3,000	\$31,255	\$693,954	\$627,964
2008	\$875,695	\$4,500	\$32,551	\$454,583	\$1,086,127
2009	\$1,416,043	\$10,850	\$53,443	\$528,296	\$2,038,167
2010	\$1,330,896	\$10,500	\$74,719	\$471,636	\$2,982,646
2011	\$1,615,020	\$4,750	\$90,420	\$279,347	\$4,413,488
2012	\$2,123,263	\$5,500	\$114,422	\$4,618,824	\$2,037,849
2013	\$2,181,973	\$5,500	\$52,811	\$381,803	\$3,896,330
2014	\$2,464,260	\$2,750	\$84,739	\$373,893	\$6,074,186
2015	\$2,097,528	\$3,250	\$116,547	\$251,373	\$8,040,137
2016	\$2,363,671	\$2,500	\$118,486	\$3,518,792	\$7,006,002
2017	\$1,916,955	\$2,750	\$123,540	\$709,580	\$8,339,667
2018	\$2,216,896	\$4,000	\$120,160	\$3,277,933	\$7,402,790
2019	\$2,559,207	\$3,917	\$183,679	\$1,284,872	\$8,864,721
<b>TOTALS</b>	<b>\$25,092,860</b>	<b>\$91,067</b>	<b>\$1,221,283</b>	<b>\$17,540,489</b>	

## CASH BASIS

FY 2012 – Money provided for Delaware #10 Loan Write-off  
 FY 2016 and FY 2018 – State Match for FY 2015 and FY 2017 grants included in expenditures

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

Funds equal to 2% of the FFY 2018 federal capitalization grant were set-aside to fund small system technical assistance during SFY 2019. These funds were reserved to provide technical assistance to public water supply systems serving populations of 10,000 or fewer. In Oklahoma, during SFY 2019, 96% (1,332) of the water supply systems met the definition of a small system and served 1,212,902 Oklahomans. This technical assistance was provided by DEQ personnel.

The Small System Technical Assistance Set-aside from the FFY 2018 capitalization grant was \$314,940. This entire amount was specified for staff salaries and related expenses.

The Small System Technical Assistance Set-aside fund expended \$6,114 from the FFY 2017 grant Small Systems set-aside and \$195,551 from the FFY 2018 grant Small Systems set-aside during SFY 2019.

During SFY 2019, DEQ did not transfer any unexpended Small System Technical Assistance Set-aside funds from the capitalization grant to the project loan fund. In accordance with EPA's DWSRF Set-aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify the transferred funds from future capitalization grants if they are needed. Set-aside amounts are listed in Table 2.

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

## **3. State Program Management**

Funds equal to \$1,574,700 (10%) of the FFY 2018 federal capitalization grant were set aside to fund a portion of the Public Water Supply Supervision (PWSS) Program during SFY 2019. The FFY 2018 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 1,392 water supply systems which served 3,776,835 Oklahomans in SFY 2019. The required tasks of the Program Management set-aside were accomplished by WQD staff, in particular the Public Water Supply District Engineers and Representatives along with the Environmental Complaints and Local Services (ECLS) Division of DEQ.

The Program Management Set-aside from the FFY 2018 capitalization grant was specified for staff salaries and related expenses and contracts during SFY 2019.

During SFY 2019, the Program Management set-aside expended money from two different grants. DEQ expended \$488,341 from the FFY 2017 grant Program Management set-aside, and \$990,323 from the 2018 grant Program Management set-aside.

During SFY 2019, 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.

During SFY 2019, 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 646 systems with current arsenic schedules in SFY 2019.*
  - (b) *Quantity was 965 systems with current nitrate schedules for SFY 2019.*
  - (c) *Quantity was 239 systems with current nitrite schedules in SFY 2019.*
  - (d) *Quantity was 647 systems with current other phase 2 & 5 inorganic schedules in SFY 2019.*
- 2) Tracking and technical assistance associated with the Organic Chemicals;
  - (a) *Quantity was 648 systems with current volatile organic schedules in SFY 2019.*
  - (b) *Quantity was 294 systems with current synthetic organic schedules in SFY 2019.*
- 3) Tracking and technical assistance associated with the Stage 2 Disinfectant/Disinfection By-product Rule (DBP); *Quantity was 904 systems with current DBP schedules in SFY 2019.*
- 4) Updating PWS inventory information such as administrative contact information, sources of water and treatment processes; *Quantity was 2,764 updates for systems in SFY 2019.*
- 5) Updating latitudes and longitudes for surface water intakes and public water supply wells; *Quantity was 61 new or updated/corrected locations in SFY 2019.*
- 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 21 for SFY 2019.*
- 7) Tracking and database maintenance for systems affected by drought conditions; *Quantity was 30 systems for SFY 2019.*
- 8) Tracking and technical assistance associated with the Lead and Copper Rule; *Quantity was 1,023 systems with current lead and copper schedules for SFY 2019.*
- 9) Performance of comprehensive performance evaluations (CPEs); *Quantity was two (2) CPEs for SFY 2019.*

- 10) Tracking and technical assistance associated with the Consumer Confidence Rule (CCR); *Quantity was 925 systems with CCR schedules for SFY 2019.*
- 11) Tracking and technical assistance associated with the Revised Total Coliform Rule (RTCR); *Quantity was 1,389 systems with current RTCR schedules for SFY 2019.*
- 12) Tracking and technical assistance associated with Ground Water Rule; *Quantity was 100 systems with triggered ground water schedules for SFY 2019.*
- 13) Tracking and technical assistance associated with radionuclides; *Quantity was 561 systems with radionuclide schedules for SFY 2019.*
- 14) Tracking and technical assistance associated with Surface Water Treatment Rules (SWTR); *Quantity was 174 systems with SWTR requirements for SFY 2019.*
- 15) Tracking of public notice; *Quantity was 3,670 public notices requested for SFY 2019.*
- 16) Daily importation of electronic sample data into SDWIS; *Quantity was 75,712 samples imported for SFY 2019.*

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

Funds equal to \$2,362,050 (15%) of the FFY 2018 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 2019.

During SFY 2019, DEQ did not transfer any unexpended Local Assistance and Other State Programs Set-aside funds from the capitalization grant to the project loan fund. Unexpended Local Assistance and Other State Programs Set-aside funds from the FFY 2017 and FFY 2018 Capitalization Grant were utilized to cover expenses during SFY 2019.

During SFY 2019, the Local Assistance and Other State Programs' set-aside expended \$782,047 from the FFY 2017 capitalization grant, and \$1,198,028 from the FFY 2018 grant for a total of \$1,980,075. The FFY 2017 and 2018 capitalization grant expenditures were broken down as follows:

Local Assistance and other State Programs' Activities:	\$ 1,130,655
Water Loss Program Activities:	\$ 488,837
Crypto Activities:	\$ 89,312
Harmful Algal Blooms (HAB):	\$ 41,451
RTCR Assessments:	\$ 46,192
Capacity Development Assessments:	<u>\$ 183,628</u>
	\$ 1,980,075

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.

### **Wellhead Activities**

ECLS staff was tasked with mapping new PWS facilities and, as requested by WQD, verifying the locations of existing water wells and intake structures. Due to staff knowledge of existing systems, ECLS staff 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. On new facilities or if they could not visually see existing wells/intakes on the map, 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, 2019, all seventy-seven (77) counties in Oklahoma had been reviewed and changes had been submitted.

### **Water Loss Program Activities**

In SFY 2019, DEQ continued work supporting better water loss management and reduction across Oklahoma. WQD with assistance from ECLS continued efforts to promote water loss auditing by conducting water loss audits at 39 public water supplies across the state during the fiscal year. The work consisted of both conducting the audit according to the American Water Works Association (AWWA) M36 method as well as training system personnel to continue performing the audit work on their own. The auditing work found 2.1 billion gallons/year real loss and 305 million gallons of apparent loss/year. The work continues to show that levels of real and apparent loss continue to be a concern across the state.

In SFY 2019, DEQ has also continued its work with the Oklahoma Rural Water Association (ORWA) to conduct leak detection and meter analysis at public water supplies that have had a water loss audit performed. During this year, ORWA staff performed leak detection and meter analysis technical assistance at 7 water systems. Over the course of the year, 114 million gallons of lost water per year were identified, at a value of \$370,135.00/yr. In each instance, water systems received training from ORWA on how to conduct leak detection and meter analysis on their own, as well as help in locating leaks and faulty meters.

### **Capacity Development Assessments**

During SFY 2019, DEQ continued implementation of Project Baseline, a state-wide capacity development assessment of municipal water supplies and rural water districts serving 10,000 or fewer people. Working in concert with staff from the agency's ECLS division, 2/3 of the total number of selected water systems received a capacity development assessment focused on the system's technical, managerial, and financial condition. Of the 370 assessments completed during the first two years, the majority of assessed systems (80%) demonstrated borderline to adequate levels of Technical, Managerial, and Financial (TMF) capacity, having

successfully implemented between 50%-90% of capacity development factors. Sixteen percent (16%) of assessed systems demonstrated ideal levels of TMF capacity (possessing 90% or greater of capacity development factors), and 4% of assessed systems had a critical lack of capacity (possessing fewer than 50% of recommended capacity development factors). The information gathered during the baseline assessment is being used to guide targeted TMF technical assistance to water systems in greatest need of help, as well as strategically to broadly plan technical assistance outreach and focus areas for DEQ and other technical assistance providers.

### **Rate Analysis Activities**

This fiscal year (SFY 2019) also saw the beginning of a new contract between DEQ and ORWA to provide rate analyses at Oklahoma water systems. During this inaugural year, ORWA conducted 13 rate studies with 9 municipal systems and 4 rural water districts. In each case, the ORWA works with the system to comprehensively account for all expenses and revenue streams, develops a model that forecasts into the future to take into account asset management concerns and planned capital improvements, and helps the system implement the new rate structure by presenting it to the governing board and the public. For each system, the new rates were successfully implemented, enhancing system long-term sustainability.

### **Complaint and Spill Investigations**

A cornerstone of the ECLS Division is the Environmental Complaints Program. ECLS procedures allow for a rapid response and a quick resolution to environmental complaints. ECLS, through its 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 174 complaints involving public water supplies during SFY 2019.

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 371 spills in 2019.

### **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.

In 2019, ECLS provided 122 technical assistance visits to public water supply systems and Oklahoma citizens with questions about their drinking water.

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

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

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

Oklahoma's primacy agreement with EPA requires a sanitary survey be conducted for each PWS system once every three years (triennial). PWS District Engineers and Representatives have taken over the responsibility from ECLS of conducting Sanitary Surveys of PWS systems that provide complex treatment. During SFY 2019, PWS District Engineers and Representatives received training, created forms, and developed procedures to conduct Sanitary Surveys. Nine-hundred-nineteen (919) Sanitary Surveys were completed during SFY 2019.

ECLS EPSs conducted 709 (non-primacy) site inspections at all PWS systems not scheduled for triennial Sanitary Surveys during SFY 2019. These site inspections are conducted to ensure PWS systems are continuing to be properly operated and maintained and to continue maintaining good working relationships with PWS Operators.

### **Crypto Accreditation Activities**

With the goal of being able to support small public water systems impacted by the Long Term 2 Enhanced Surface Water Treatment (LT2) Rule, the State Environmental Laboratory Services (SELS) Division has been accredited for *Cryptosporidium/Giardia* analysis by The NELAC Institute (TNI). In order to maintain accreditation and ability to perform the analysis, there are associated renewal fees, program review audits, proficiency testing samples, certified organism specific reference and test materials, and re-accreditation efforts and activities. DWSRF was utilized to maintain this analytical capacity. There is also a significant amount of staff training associated with maintaining this capacity which is critical in building expertise and demonstrating competency in this field of testing. Specifically, in order to compensate for staff turnover and to maintain capacity for an increasing number of PWSs that are required to comply with the LT2 rule, two new analysts were trained to perform the method. Additionally, the microbiology

staff spent significant time working on projects like document review, associated with renewing its TNI accreditation.

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

SELS continues to budget for and procure vendor trainings to expand the expertise of staff and better prepare for emergency response to HAB events that threaten public and environmental health. With intent to expand the scope of response, efforts continue with advanced method development, collection protocols, and risk assessment. In SFY 2019, SELS used DWSRF funding to expand the scope of proficiency testing samples, certified reference materials, and equipment to keep lab capacity at a high level, further preparing SELS to respond effectively to such unscheduled events. A significant investment in staff training (for new and experienced lab staff) continues to be critical to building expertise and demonstrating competency in both the field and laboratory. SELS continues to protect public water supply source waters by responding to HAB events with field investigations, sample collections and post bloom monitoring. Relative to HABs, SELS continues to participate in state, regional, and national regional workshops to improve the effectiveness of DEQ emergency response efforts.

### **Lab Capacity and Development (LCD): 1.0 Full Time Employee (FTE)**

The Oklahoma Principal Laboratory, ODEQ SELS has effectively used DWSRF funding for the following activities associated with maintaining adequate analytical capacity in the State of Oklahoma to support the SDWA and the conditions of agency drinking water primacy. Specifically, the funds were used for the following activities: evaluating and ensuring sufficient laboratory capability to manage drinking water workload for existing and future drinking water rules, technology acquisition and enhancement, method development and training to meet this workload, develop projections of analytical workload to ensure sufficient capacity exists for this workload, improve the timeliness and accuracy of analytical results for drinking water contaminants, and emergency response preparedness.

### **State Environmental Laboratory Capacity Expansion Activities**

Using one time DWSRF funding, SELS purchased the following:

Real-Time Polymerase Chain Reaction (PCR) training, instrumentation, equipment, standards and supplies were purchased in the Environmental Microbiology Section of the SELS to analyze drinking water and source water for unregulated contaminants present on the UCMR III. This technology, new to the SELS, allows access to genetic information that is not possible with traditional analytical methods, and can be used in the detection and monitoring of environmental pathogens. Thereby protecting public health by more effectively protecting sources of drinking water.

AlgaeTorch™ *in situ* chlorophyll analyzer for the purpose of monitoring source water for the presence of chlorophyll due to both non-harmful green algae and harmful cyanobacteria. Since 2011, SELS and WQD have provided emergency level

response with sample collection and analysis, and technical assistance to water supplies during HAB events. Incorporating the AlgaeTorch™ into the response has allowed real-time *in situ* analysis of total chlorophyll and chlorophyll due to cyanobacteria in source water at PWS reservoirs and intakes. Throughout the state parallel testing is ongoing between conventional methodologies and the results obtained by use of the AlgaeTorch™. Early studies indicate a favorable relationship between techniques. Consequently, the Algae Torch™ has been incorporated into the agency's HAB response plan as an initial screening tool that has streamlined response efforts by giving real-time indication of the presence/absence of cyanobacteria at a rate that was previously unattainable.

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

In an effort to maintain laboratory capacity and uphold Principal Laboratory activities, the SELS Division (SELSD) has the ongoing need to replace outdated, inefficient, unserviceable and nonfunctional equipment that could hinder the timeliness and accuracy of analytical data. On that note, over this fiscal year the SELSD utilized DWSRF funding to procure the following:

#### **High Performance Liquid Chromatograph (HPLC)**

This instrument was needed to increase laboratory capacity for full implementation and support of the Chemical Contaminant Rule Phase II/V. Specifically, this instrument is used to analyze for carbofuran, glyphosate, and oxamyl under conditions of DEQ's EPA Drinking Water Laboratory primacy. This purchase has also significantly improved the accuracy and timeliness of reported drinking water compliance analytical data.

#### **Ion Chromatography (IC) System**

The DEQ State Environmental Laboratory (SEL), has utilized DWSRF funding to purchase a replacement IC System for the purpose of analyzing drinking water compliance samples under the Federal SDWA. Specifically, this instrument is used to analyze for the following inorganic disinfection byproducts: chlorite: bromate: fluoride: and, as needed, for analyzing some water quality parameters under the Lead and Copper rule. This purchase has also improved the timeliness and accuracy of reported drinking water compliance analytical data.

#### **Lab Accreditation Program Activities (LAP) 1.0 Full Time Employee (FTE)**

The Oklahoma Principal Laboratory, DEQ SELS, Laboratory Accreditation Program (LAP) has utilized DWSRF funding to perform assessments for participating drinking water laboratories. Exclusive to drinking water certification, eligible time coding activities include: review and approval of laboratory protocols and proficiency testing records to ensure these laboratories meet new and existing drinking water analytical method requirements, conduct on-site audits of certified drinking water laboratories, improve the timeliness and accuracy of analytical results for drinking water contaminants, provide technical assistance to laboratories, write and review reports that approve or deny (suspend or revoke) certification of in-state and reciprocal

laboratories, and maintain the Quality System that supports the certification and accreditation of the LAP.

### **Revised Total Coliform Rule (RTCR) Assessments**

In SFY 2019, DEQ completed level 1 and level 2 assessments for PWSs that were required to comply with that specific part of the RTCR. An assessment is required when total coliform sample results show that a PWS may be vulnerable to contamination. The goal of an assessment is to find sanitary defects which can provide pathways of entry for contamination into a PWS distribution system. A level 1 assessment may be performed by anyone; however, a level 2 assessment must be performed by qualified personnel.

Working in concert with staff from ECLS, DEQ is offering and completing level 1 and level 2 assessments at all PWSs. ECLS staff completed 47 assessments during SFY 2019. PWS Engineering staff completed 8 assessments. PWS Engineering and PWS Compliance staff joined and participated on 6 of the 47 assessments completed by ECLS staff.

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

### Other Eligible Activities

In the SFY 2019 work plan, contracts and software/hardware items were listed as Potential purchases to be funded by the Local Assistance and Other State Programs set-aside during the year. The contracts are listed as follows:

- 1.) Geographical Information System (GIS)/Global Positioning System (GPS) Application Training contract. This item was listed for \$5,000. This item was not awarded in SFY 2019.
- 2.) GPS Maintenance contract. This item was listed for \$5,000. No maintenance was required so this item was not awarded during SFY 2019.

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

- a. Feature Manipulation Engine (FME) Annual Maintenance for GIS Software. This item was listed for \$2,500. The annual license and support was purchased for \$1,900 during SFY 2019.
- b. GPS Equipment. This item was listed for \$25,000. This item was not purchased, but Pathfinder software for processing GPS data collected on Trimble units was purchased during SFY 2019, for a cost of \$1,797.49.

## **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 2018 capitalization grant in the amount of \$3,149,400 were provided through the DW 2018 Bonds in the amount of \$2,655,800 and \$493,600 that was transferred 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 2020. Please see page 42 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. Approved permit to construct for plans and specifications;
- c. Approved financial application;
- d. Completed environmental review; and
- e. Approved Capacity Development Assessment and Water Loss Audit.

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

DEQ and OWRB provide DWSRF assistance to the eligible projects of highest priority that are ready to proceed with their project. If the highest priority system is not ready to proceed, it may be bypassed to fund the next highest priority system that is ready to proceed. A bypass letter is sent to each system on the PPL whenever the bypass procedures are needed. The bypass procedures were used during the year when the highest ranked projects were not ready to proceed. Lower ranked projects were funded as their projects were determined to be ready to proceed. The original IUP for SFY 2019 is included as Attachment 2. For revisions to the IUP, please see Attachment 12.

During SFY 2019, the State closed eleven (11) loans with ten (10) systems totaling

approximately \$85.5 million. Eleven (11) systems received binding commitments during SFY 2019. One system, Central Oklahoma Master Conservancy District (II), received a binding commitment but didn't close a loan by the end of SFY 2019. The loan should be closed during early SFY 2020.

During SFY 2019, the State completed construction and began operation on ten (10) projects. The projects were: Alva UA, Bryan Co. RWSD #2 (IV), Cache PWA, Edmond PWA (III), Newcastle PWA (II), and Oklahoma City WUT (IV) which had five (5) projects within one loan. Project information for closed loans is further detailed in Table 4.

TABLE 4 DWSRF Project and Loan Details

Project Name	SFY of Loan Closing	Pop.	Environmental Decision		Binding Commit.	Loan Closing			Start Const.	Project Component				Land
			Date	Type		Amount	Interest Rate	Admin. Fee		Treatment	Transmission & Distribution	Source	Storage	
Pittsburg Co. RWD #14	2019	1,680	11/20/17	FONSI	4/17/18	\$1,033,500	2.17%	0.50%	2/7/19	\$0	\$1,033,500	\$0	\$0	\$0
Cotton Co. RWD #2	2019	2,000	3/21/18	FONSI	8/21/18	\$5,000,000	2.50%	0.50%	11/19/18	\$5,000,000	\$0	\$0	\$0	\$0
Enid MA (III) Eng. Only**	2019	51,286	N/A	N/A	8/21/18	\$20,000,000	2.49%	0.50%	N/A	N/A	N/A	N/A	N/A	N/A
Logan Co. RWD #1 (V)	2019	5,060	4/10/18	CATEX	8/21/18	\$1,000,000	2.31%	0.50%	10/13/18	\$0	\$0	\$0	\$1,000,000	\$0
Muskogee MA (II)	2019	45,044	6/26/18	CATEX	10/16/18	\$17,640,000	2.69%	0.50%	8/8/19	\$155,830	\$17,135,110	\$0	\$349,059	\$0
Eufaula PWA	2019	4,617	11/19/18	CATEX	12/6/18	\$1,000,000	2.75%	0.50%	2/10/19	\$0	\$1,000,000	\$0	\$0	\$0
Eufaula PWA (II)	2019	4,617	11/19/18	CATEX	12/6/18	\$6,185,000	2.04%	0.50%	8/5/19	\$0	\$6,185,000	\$0	\$0	\$0
Tahlequah PWA (III)	2019	18,431	10/5/17	CATEX	12/6/18	\$8,200,000	2.65%	0.50%	2/4/19	\$8,200,000	\$0	\$0	\$0	\$0
OKC WUT (VII)	2019	1,005,200	1/12/18	CATEX	1/15/19	\$20,000,000	2.50%	0.50%	10/7/18	\$0	\$20,000,000	\$0	\$0	\$0
Sayre PWA	2019	4,375	10/5/18	CATEX	2/19/19	\$823,180	2.36%		5/1/19	\$579,879	\$243,301	\$0	\$0	\$0
COMCD (II)*	2020	183,756	2/1/19	FONSI***	5/21/19	N/A	N/A	0.50%	N/A	N/A	N/A	N/A	N/A	N/A
Nicoma Park DA	2019	2,443	4/15/19	FONSI	6/18/19	\$4,700,000	2.05%	0.50%	7/22/19	\$0	\$3,467,369	\$551,517	\$681,115	\$0
<b>Total</b>						<b>\$85,581,680</b>				<b>\$13,935,709</b>	<b>\$49,064,280</b>	<b>\$551,517</b>	<b>\$2,030,174</b>	<b>\$0</b>

\*This system did not close a loan during SFY 2019

\*\*This project is for engineering planning /design only (\$20,000,000)

\*\*\*DEQ accepted the EA/FONSI from U.S. Department of the Interior/Bureau of Reclamation

The total percentage of small systems funded through the Oklahoma DWSRF program is shown in Table 5 below. Currently, 24% of all DWSRF funds have been utilized for small systems. Also, 19% of the current year's funds have been utilized for small systems.

<b>Table 5 Total Percentage of Small Systems Funded</b>				
<b>Binding Commitments</b>	<b>SFY</b>	<b>Pop.</b>	<b>Small</b>	<b>Large</b>
SFY 1998-2001			\$22,548,975	\$25,989,280
SFY 2002-2005			\$14,465,983	\$117,672,718
SFY 2006-2018			\$247,845,626	\$753,401,429
Cotton Co. RWD #2	2019	2,000	\$5,000,000	
Enid MA (III) (P & D)	2019	51,286		\$20,000,000
Logan Co. RWD #1 (V)	2019	5,060	\$1,000,000	
Muskogee MA (II)	2019	45,044		\$17,640,000
Eufaula PWA	2019	4,617	\$1,000,000	
Eufaula PWA (II)	2019	4,617	\$6,185,000	
Tahlequah PWA (III)	2019	18,431		\$8,920,000
OKC WUT (VII)	2019	1,005,200		\$20,000,000
Sayre PWA	2019	4,375	\$823,180	
COMCD (II)	2019	183,756		\$11,000,000
Nicoma Park DA	2019	2,443	\$4,715,000	
Total for 2019			\$18,723,180	\$77,560,000.00
Total Overall			\$303,583,764	\$974,623,427.00
Percentage			19%	81%

DWSRF subsidy funds are currently directed at public water supplies who have health based violations, such as Disinfection Byproduct (DBP) issues. Many small communities in Oklahoma are struggling with the economy and these conditions may prove challenging. Much of the State is still recovering from recent extreme drought, and the dramatic drop in oil prices has negatively affected Oklahoma's growth, employment, income, and tax bases.

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

- Small system technical assistance provided by DEQ staff, such as the Public Water Supply Engineering and Field Inspection Section and Environmental Complaints and Local Services Division;
- Active participation in quarterly meetings of the Funding Agency Coordinating Team (FACT) – including the United States Department of Agriculture Rural Development (USDA-RD), OWRB, ORWA, Indian Health Services (IHS), Oklahoma Department of Commerce (ODOC), Communities Unlimited (CU), Oklahoma Development Finance Authority (ODFA), and Oklahoma Association of Regional Councils (OARC) – wherein invitations are extended to water systems with the most urgent technical and financial needs;
- Water Loss Program Activities are provided free of charge to small systems. We plan to continue the voluntary audits with a focus on small systems (see page 18 for activities);
- Monthly meetings and/or consultations by DWSRF staff with small systems on the PPL that are not yet “ready to proceed” to assist them to become “shovel ready”;
- Coordination with OWRB and ORWA staff to provide financial and technical consultations (see pages 3-7 and table 4);
- Presentations at conferences and workgroups to establish availability of small systems technical and financial assistance (see page 34, Short-Term Goal 9);
- OWRB sends funding resource letters to all drinking water Consent Order recipients;
- Continue to provide subsidy provided for public water systems with health based violations, such as Disinfection Byproduct (DBP) issues (see pages 4-5);
- DWSRF attended and presented at five (5) outreach meetings and marketed the program in different regions of the State.

### **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, 2019, DEQ had entered into binding commitments for 379% over the required binding commitment amount. Oklahoma’s binding commitments are displayed in Table 6.

During SFY 2019, 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 6.

Table 6 details the payment schedule and binding commitments for Oklahoma's Drinking Water State Revolving Fund. The table demonstrates that during state fiscal year 2019 the Oklahoma Department of Environmental Quality entered into binding commitments within one year of receipt of payments. Please note that the table lists actions by federal fiscal years.

**Table 6**

1997 - 2015 Cumulative data is hidden

FFY	QTR	2016 Grant	2017 Grant	2018 Grant	Set-Aside	TOTAL	CUMULATIVE	BINDING	CUM. BIND.	PROJ.	BINDING	CUM. BIND.	% OF
		Loan	Loan	Loan	Payments	QTR.	LOAN	COMMIT.	COMMIT.		COMMIT.	COMMIT.	BIND COM
		Payments	Payments	Payments		PAYMENTS	PAYMENTS	REQUIRED	REQUIRED		ACTUAL	ACTUAL	REQUIRED
2016	1st				\$1,097,168	\$869,543	\$221,788,953	\$220,891	\$264,099,645	(bm)	\$23,080,341	\$824,302,841	312%
	2nd				\$1,097,168	\$0	\$221,788,953	\$1,537,159	\$265,636,804	(bn)	\$5,594,198	\$829,897,039	312%
	3rd				\$1,097,166	\$0	\$221,788,953	\$220,890	\$265,857,694	(bo)	\$65,620,595	\$895,517,634	337%
	4th	\$9,241,170			\$1,255,958	\$9,241,170	\$231,030,123	\$11,941,430	\$277,799,124	(bp)	\$29,592,432	\$925,110,066	333%
2017	1st				\$1,037,958	\$0	\$231,030,123	\$1,262,885	\$279,062,009	(bq)	\$1,900,000	\$927,010,066	332%
	2nd				\$1,037,958	\$0	\$231,030,123	\$219,434	\$279,281,443	(br)	\$69,338,000	\$996,348,066	357%
	3rd				\$819,956	\$0	\$231,030,123	\$219,433	\$279,500,876	(bs)	\$34,117,141	\$1,030,465,207	369%
	4th		\$4,581,255		\$1,209,123	\$4,581,255	\$235,611,378	\$11,340,596	\$290,841,471	(bt)	\$2,889,868	\$1,033,355,074	355%
2018	1st		\$4,581,255		\$969,123	\$4,581,255	\$240,192,633	\$207,592	\$291,049,063	(bu)	\$12,600,000	\$1,045,955,074	359%
	2nd				\$969,123	\$0	\$240,192,633	\$207,592	\$291,256,655	(bv)	\$8,064,643	\$1,054,019,718	362%
	3rd				\$969,121	\$0	\$240,192,633	\$163,991	\$291,420,646	(bw)	\$53,118,333	\$1,107,138,051	379%
	4th			\$5,432,715	\$1,406,940	\$5,432,715	\$245,625,348	\$5,739,331	\$297,159,976	(bx)	\$21,985,480	\$1,129,123,530	379%
2019	1st			\$5,432,715	\$1,158,213	\$5,432,715	\$251,058,063	\$5,691,331	\$302,851,307	(by)	\$25,293,611	\$1,154,417,141	381%
	2nd				\$1,158,213	\$0	\$251,058,063	\$193,825	\$303,045,132	(bz)	\$32,974,803	\$1,187,391,944	392%
	3rd				\$1,158,204	\$0	\$251,058,063	\$193,824	\$303,238,956	(ca)	\$20,823,180	\$1,208,215,124	398%
	4th									(cb)	\$15,680,051		
Total		\$9,241,170	\$9,162,510	\$10,865,430		\$245,625,348		\$297,159,976			\$1,129,123,530		

### 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, 2019, DEQ had two open grants, which are for FFY 2017 and FFY 2018. 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 2019, the DEQ negotiated the following Minority Business Enterprise/Women Business Enterprise goals with EPA Region 6, for the capitalization grant, as follows (Table 7):

**Table 7 – MBE/WBE Procurement Activity**

Total 2019 Procurements	MBE Goals	SFY 2019 MBE Actual		WBE Goals	SFY 2019 WBE Actual	
		Dollar Value	% of Procurement		Dollar Value	% of Procurement
<b>\$13,884,000</b>		\$374,798	2.7%		\$480,000	3.5%
<b>Construction</b>	11.25%	\$347,798	2.7%	7.41%	\$480,000	3.5%
<b>Services</b>	14.29%	\$0	0%	26.51%	\$0	0%
<b>Supplies</b>	12.19%	\$0	0%	21.24%	\$0	0%
<b>Equipment</b>	12.13%	\$0	0%	12.28%	\$0	0%
<b>Overall DBE Procurements</b>					6.2%	

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 2019. Procurement is encouraged by the following: the list is kept and maintained by another state agency. The list is open to all vendors, including DBEs, so long as they provide the necessary information and documents to be considered for this list. All purchases for the state, or on behalf of the state, have to go through a solicitation process from the said list. DEQ sends out Vendor Information Requests yearly to suppliers that we use asking if they are a Minority Business Owner, Small Business, Female Owned Business, or Veteran Owned Business for our internal solicitations.

#### **D. Prospective Loan Projects**

During SFY 2019, twenty-one (21) projects were added to the DWSRF Project Priority List. Based on the original SFY 2019 IUP, the DWSRF Priority List contained twenty (20) projects. Also, seventeen (17) projects were removed from the PPL either by request or by receiving a binding commitment. All of these projects were on the planning portion of the list and are working to comply with DWSRF planning and design requirements. Eleven (11) of these projects received letters of binding commitment during SFY 2019. The remaining projects are at various stages in the planning process. The SFY 2019 IUP is included as Attachment 2.

During SFY 2019, environmental decisions were finalized for eleven (11) DWSRF projects. The breakdown of these decisions is as follows: nine (9) Categorical Exclusions (CatEx), and two (2) Environmental Assessment/Finding of No Significant Impact.

### III. DWSRF Goals Attained

#### A. Project Accomplishments

The DWSRF loans made to projects during SFY 2019, 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 four (4) projects.*
5. To install or replace transmission and distribution facilities to prevent contamination;
  - *Initiated construction on eight (8) 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 eleven (11) projects.*
8. To assist in acquisition of land needed to locate an eligible project from a willing seller who receives fair market value for the land;
  - *Initiated construction on zero (0) projects.*
9. To assist in costs of planning, design, and other related costs of eligible projects;
  - *Initiated construction on eight (8) projects in which these costs were reimbursed.*
10. To provide loans to assist public drinking water systems in meeting compliance deadlines;
  - *Initiated construction on four (4) 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 four (4) 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 four (4) projects.*
13. To provide loans to assist public drinking water systems in constructing water facilities needed to maintain quality drinking water;
  - *Initiated construction on eleven (11) 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 eleven (11) 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 six (6) projects that had a population of 10,000 or less. For SFY 2019, DWSRF provided nineteen percent (19%) of assistance to small public drinking water systems. See Table 5, and the following paragraph, to see how we are proceeding with this goal.*

All of the project accomplishments were achieved in SFY 2019.

Please refer to page 10, Table 1, for total grants available for assistance and page 26, Table 5, for total percent of small systems funded since inception of DEQ's loan program.

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

## **B. Program Accomplishments**

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

1. To maintain the fiscal integrity of the DWSRF and to assure a continuous enhancement of the loan fund for future generations;
  - *The DWSRF program has been leveraged to meet the funding needs in the future. See Page 42 and Attachment 3.*

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. See Attachment 3.*
3. To assist the State in meeting its total drinking water funding needs by providing long-term, low-interest financing;
  - *Provided construction loan financing for systems through DWSRF loans provided to Oklahoma water systems. See Tables 4 and 5, and Attachments 4 and 5.*
4. To obtain maximum capitalization of the fund for the State in the shortest time possible;
  - *The DWSRF program has been leveraged to meet the funding needs in the future. See Attachment 3.*
5. To provide the necessary state matching funds prior to accepting capitalization grant payments for the FFY 2018 capitalization grant.
  - *The state matching funds were provided by 1) the 2018 DWSRF Bond Issue in the amount of \$2,655,800; and 2) a transfer of the remaining funds in the amount of \$493,600 which was transferred 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 in the future. See page 23 and Attachments 4 and 5.*

All of the program accomplishments were achieved in SFY 2019. 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 2020. The capacity model can be found in Attachment 3.

#### Short-term Goals for SFY 2019

1. Provide twenty (20) loans to the twenty (20) water systems listed on the Fundable Portion of the SFY 2019 Project Priority List. (Target Completion: June 2019)

*Answer: The State closed eleven (11) loans to systems on the SFY 2019 Project Priority List. Please see Table 4 for a list of systems, including all pertinent information.*

2. Apply for FFY 2019 capitalization grant in the first year that it is appropriated. (Target Completion: April 2019)

*Answer: DEQ applied for the 2019 capitalization grant on May 31, 2019. This delay was due to the fact that EPA was late in finalizing the budget.*

3. Complete set-aside work plans specifying funds from the 2018 capitalization grant. (Target Completion: Within 90 days of grant award)

*Answer: DEQ submitted set-aside work plans for the 2018 capitalization grant on October 19, 2018, and the deadline was October 20, 2018.*

4. Use set-aside funds to update source water assessments. (Target Completion: June 2019)

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

5. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2019)

*Answer: DEQ will submit the 2019 Capacity Development Annual Report by the due date and it can be found in Attachment 6. 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 plans to update it to include the newly added provisions in the America's Water Infrastructure Act (AWIA). See pages 37-38, and Attachment 6.*

6. Use set-aside funds to provide technical assistance to systems to comply with the LT2, Stage 2 DBP; RTCR Rule; Lead and Copper Rule (LCR), and Ground Water Rule. (Target Completion: June 2019)

*Answer: DEQ meets this goal. See pages 15, 16, 17, 18, 19, 20 and 22 for accomplishments.*

7. Issue DWSRF Revenue Bonds in an estimated amount of \$60,000,000 to finance the additional demand for drinking water loan funds. (Target Completion: December 2018)

*Answer: OWRB did not issue DWSRF Revenue Bonds during this SFY.*

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

*Answer: The FFY 2018 Capitalization Grant will be expended by June 30, 2020.*

9. Promote and market the DWSRF program by giving 5 to 7 presentations around the State. (Target Completion: June 2019)

*Answer: DWSRF staff attends and presents at both ORWA conferences each year, and presented at five (5) Outreach Workshops in coordination with PWS staff. OWRB attended nine (9) workshops and conferences. Many communities attended the FACT meetings to find funding resources.*

### Long-term Goals

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

*Answer: DEQ and OWRB work together to assure the long-term financial health of the loan fund through contracts and an annual audit. See 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 Attachments 3 and 5.*

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

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

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

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

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

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

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

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

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

*Answer: OWRB and DEQ may offer subsidization in the form of principal forgiveness as encouragement to systems to consolidate or regionalize. See Attachment 1 and pages 3-7, of the annual report, under project descriptions.*

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

*Answer: With the start of SFY 2019, OWRB and DEQ are targeting systems with health based violations, primarily DBPs. Staff met with approximately forty (40) public water systems. And out of those forty (40) systems, twenty-four (24) systems have decided to pursue funding through the DWSRF. OWRB & DEQ will continue the use of subsidy for health based violations for the next 3-4 years.*

9. Continue to refine the Capacity Development Program, including the Water Loss Audit Program.

*Answer: The Capacity Development Coordinator is now the Program Manager and DEQ is working to hire and fill positions for this program. See page 17, 18, 19 and 37.*

All of the long-term goals were achieved in SFY 2019 as discussed throughout this report.

Oklahoma provides a “disadvantaged community program” for systems wishing to receive financing for a 30-year loan (up to a 40-year loan for eligible communities subject to useful life of infrastructure). DEQ closed nine (9) loans for a term of 30 years during SFY 2019.

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

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

Output 1 – Provide twenty (20) loans to the twenty (20) water systems listed on the Fundable Portion of the SFY 2019 PPL. See Appendix B, of the SFY 2019 IUP, for a list of projects on the PPL.

Outcome:

*The State closed loans to eleven (11) projects (10 systems) on the SFY 2019 PPL. See Table 4 for system names and amounts.*

Output 2 – Enter into binding commitments with fourteen (14) small systems and six (6) large systems for a total of twenty (20) projects during SFY 2019. See Appendix B, of the SFY 2019 IUP, for a list of these systems and their population.

Outcome:

*DEQ made binding commitments with eleven (11) systems on the SFY 2019 PPL. See Table 4 and Table 5 for system names and amounts. Of these systems, six (6) were small systems, and five (5) were large systems.*

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

Output and Outcome

1. Assisting non-compliant systems to achieve compliance: **4 systems**  
(Muskogee MA (II), Eufaula PWA, Pittsburg Co. RWD #14, Eufaula PWA (II))
2. Assisting compliant systems to maintain compliance: **7 systems**  
(Logan Co. RWD #1 (V), Cotton Co. RWD #2, Enid MA (III), Tahlequah PWA (III), Oklahoma City WUT (VII), Sayre PWA, Nicoma Park DA)
3. Assisting compliant systems to meet future requirements: **0 systems**
4. Other Assistance not compliance related: **0 systems**

#### 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 PPL 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 public water supply systems, monitoring data, and records of violations. Public 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 2018 annual report to EPA in September 2018.

DEQ will submit the 2019 report within 90 days of the close of the fiscal year. See Attachment 6 for a copy of the 2019 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. It also bears a fixed interest rate. 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 off. The DWSRF provides loans for both small and large public drinking water systems at an interest rate equal to 70% of the AAA Municipal Market Daily (MMD) rate plus 40-76 basis points depending on the loan term. An administration fee of 0.5% is added.

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

As a result of the efforts by DEQ and OWRB to establish a "lower than market rate" loan program, several water supply systems have responded favorably by requesting that their

projects be added to the DEQ DWSRF five (5) year project priority list. The DEQ Project Priority List for SFY 2019 contained the current year's needs plus anticipated needs for the next five years. The SFY 2019 Project Priority List reflected a cumulative demand of \$229,876,615 over the next five years. The SFY 2019 Project Priority List is included as Appendix B to the SFY 2019 IUP. The SFY 2019 IUP is located in Attachment 2 of this annual report. For revisions to the IUP, please see Attachment 12.

For SFY 2019, twenty (20) projects were identified on the Project Priority List as being potentially ready to proceed with financing and were identified in the SFY 2019 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 2019 loan requests include FFY 1997 through 2018 federal capitalization grants, state match, principal and interest payments on outstanding loans, investment earnings, and leveraged bonds. For SFY 2019, a complete breakout of the sources of funds is included in Table 1 of the IUP (included as Attachment 2) and a final version can be found in Attachment 7 of this report. It is anticipated that future federal appropriations for capitalization grants requiring state matching funds will continue through the year 2020.

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

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

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

**X. Detailed Financial Report**

During SFY 2019, DEQ used the 2017 and 2018 capitalization grants to fund set-aside activities and DWSRF loans. DEQ entered into a contract for the 20<sup>th</sup> annual financial and compliance audit of the DWSRF program for SFY 2019 which will be performed during SFY 2020. The audited financial statements can be found in Attachment 5. Audited financial statements for the Oklahoma Drinking Water Treatment Loan Administrative Fund for SFY 2019 are included as Attachment 4.

**XI. Cross Collateralization of the DWSRF and Clean Water State Revolving Fund (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 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 \$36,931,650 available to transfer through the FFY 2018 capitalization grant. No transfers were made during SFY 2019. A possible transfer of \$30 million may be necessary to meet demand in SFY 2020.

## **XIII. DWSRF Program Changes**

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

The following table includes the current outstanding DWSRF Bond Issues:

## Outstanding DWSRF Obligations

<u>Issue</u>	<u>Issue Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Outstanding Balance (June 30, 2019)</u>		
				<u>Fixed Rate</u>	<u>Floating Rate</u>	<u>Total</u>
Series 2011B DW	\$57,910,000	4/13/2011	4/1/2042	\$48,545,000		\$48,545,000
Series 2012A DW	\$49,395,000	6/12/2012	4/1/2042	\$36,890,000		\$36,890,000
Series 2013A DW	\$41,410,000	9/19/2013	4/1/2043	\$30,240,000		\$30,240,000
Series 2013B DW*	\$35,505,000	9/19/2013	4/1/2025	\$14,615,000		\$14,615,000
Series 2016 DW	\$90,000,000	10/19/2016	4/1/2041	\$88,500,000		\$88,500,000
Series 2018 DW	<u>\$80,055,000</u>	3/22/2018	4/1/2038	<u>\$80,055,000</u>		<u>\$80,055,000</u>
	<u>\$354,275,000</u>			<u>\$298,845,000</u>		<u>\$298,845,000</u>

\* Refunding of the 2003 DW Series

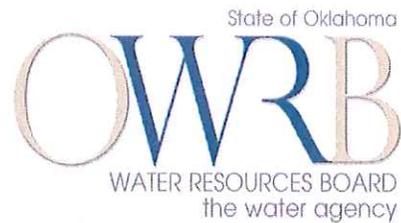
## **Attachment 1**

### **DEQ/OWRB Interagency Agreement For SFY 2019**

**DRINKING WATER  
STATE REVOLVING FUND  
INTERAGENCY AGREEMENT**

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

**Amended  
July 2018**



**State FY 2019**  
(From July 1, 2018 Through June 30, 2019)

# DRINKING WATER STATE REVOLVING FUND

## DEQ/OWRB Interagency Agreement

### TABLE OF CONTENTS

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

**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 2019 Agreement and, if a new Interagency Agreement is entered into for subsequent fiscal years, identical language shall be included in each such Interagency Agreement until such time as all obligations under this paragraph are satisfied. The provisions of this paragraph are for the benefit of the Trustee Bank for the DWSRF Revenue Bonds and may be directly enforced by said Trustee Bank.

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

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

### **SECTION IV: ANNUAL REPORT**

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

### **SECTION V: LOAN APPLICATION**

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

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

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

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

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

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

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

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

#### **SECTION VI: 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/or specifications approval in cases where both DEQ and OWRB agree that it would be advantageous to the loan applicant and/or the DWSRF, or where DEQ and OWRB want to make a loan for planning and/or design. In the event that either DEQ or OWRB believe it would be advantageous to the loan applicant and/or the DWSRF (or in the event that either DEQ or OWRB want to make a loan for planning and/or design), each agency agrees to notify the other agency that it has determined that such a binding commitment is warranted prior to the approval of the plans and specifications. DEQ and OWRB agree that the agency receiving the notification has a duty to inform the other agency as to whether it agrees that such binding commitment is warranted within fourteen (14) days. Binding commitments will expire if the recipients have not closed on a DWSRF loan within one year of the date of the OWRB order approving the loan. However, the binding commitment may be extended if mutually agreed to by DEQ, OWRB, and the recipient.

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

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

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

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

**SECTION VIII: LOAN CLOSING**

Following approval of all bidding documents by DEQ, OWRB will coordinate, prepare for and schedule a loan closing which will include all applicable loan documents. DEQ may review preliminary loan documents and provide loan conditions that DEQ deems necessary to ensure compliance with any local, state, or federal requirements. In addition, DEQ will, prior to loan closing, provide OWRB with the following:

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

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

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

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

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

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

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

Upon substantial construction completion and initiation of operation of the project, DEQ will receive from the applicant a certification regarding the construction completion date and recovery of unexpended loan funds. The certification will be forwarded to OWRB at which time

OWRB will de-obligate any unpaid loan proceeds. At the time specified by loan documents, OWRB shall provide a final amortization for the loan proceeds drawn.

#### **SECTION XI: LOAN DISBURSEMENT**

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

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

#### **SECTION XII: LOAN TERMINATION**

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

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

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

#### **SECTION XIV: ADMINISTRATIVE COSTS**

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

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

OWRB will maintain an administrative fund as established by 82 O.S. 2011, Section 1085.84A, the Master Trust Agreement dated October 1, 2003, 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 2019 from the 4% administrative set aside shall not exceed the proposed DWSRF total administrative budget for each agency, as shown below.

SFY 2019 Proposed DWSRF 4% Administration Budget		
	OWRB	DEQ
Salary	\$80,099.68	\$192,778.00
Indirect Costs <sup>1</sup>	\$47,306.87	\$81,794.00
Fringe Benefits <sup>1</sup>	\$52,593.45	\$81,700.00
Equipment/Supplies	\$ 0.00	\$8,000.00
Contractual	\$ 0.00	\$48,000.00
Travel/Training/Other	\$ 0.00	\$37,608.00
<b>TOTALS</b>	<b>\$180,000.00</b>	<b>\$449,880.00</b>

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

**Payments to DEQ:** The rate of indirect costs and fringe benefits utilized in the above budget estimates for DEQ are from the DEQ State FY 2019 Indirect Cost Proposal that has been approved by EPA. DEQ is attaching the State FY 2019 Indirect Cost Proposal from EPA to this agreement.

**Payment to OWRB:** The rate of indirect costs utilized in the above estimates for OWRB is from the latest A-87 EPA/State negotiated Indirect Cost Agreement that became effective July 1, 2017. The OWRB billing statements for FY 2019 costs will utilize the July 1, 2018, A-87 Indirect Cost Agreement approved by EPA until the FY 2019 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\***

<b>Costs Classifications</b>	<b>OWRB</b>
Salary	\$384,320.32
Indirect Costs	\$257,631.31
Fringe Benefits	\$187,976.00
Equipment/Supplies/Memberships/Publications	\$67,210.00
Professional Services	\$188,250.00
Travel/Training	\$34,684.00
Trustee Fees	\$50,000.00
<b>Total from Loan Administrative Fund</b>	<b>\$1,170,071.63</b>

**SECTION XV: LOAN REPAYMENT**

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

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

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

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

**SECTION XVII: ANNUAL AUDIT**

The State is required to conduct an annual independent financial audit and an annual independent compliance audit of its DWSRF program, including set-aside programs. These audits will be in

accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

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

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

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

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

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

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

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

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

**SECTION XX: AMENDMENTS; EFFECTIVE TERM**

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

This agreement shall be in full force and effect from July 1, 2018 to June 30, 2019.

Department of Environmental Quality

Oklahoma Water Resources Board

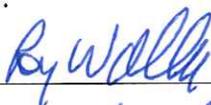


\_\_\_\_\_  
Catherine Sharp  
Director of Administrative Services

\_\_\_\_\_  
F. Ford Drummond  
Chairman

ATTEST:

ATTEST:



\_\_\_\_\_  
Date: 07/20/18

\_\_\_\_\_  
Date: \_\_\_\_\_

**ATTACHMENTS**

- OWRB Indirect Cost Agreement
- DEQ Indirect Cost Agreement

**DEQ/OWRB INTERAGENCY AGREEMENT**

**July 1, 2018**

DEQ or OWRB knew or should have known of a Force Majeure event that will cause a delay or anticipated delay in achieving compliance with any requirement of the Interagency Agreement.

**SECTION XX: AMENDMENTS; EFFECTIVE TERM**

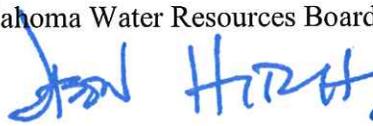
This Interagency Agreement may be amended annually prior to the beginning of the state's fiscal year or at any other mutually agreeable time to incorporate program changes and annual agency program budgets.

This agreement shall be in full force and effect from July 1, 2018 to June 30, 2019.

Department of Environmental Quality

Oklahoma Water Resources Board

\_\_\_\_\_  
Catherine Sharp                      Date  
Director of Administrative Services

  
\_\_\_\_\_  
Jason Hitch, Chairman                      Date  
9/18/2018

  
\_\_\_\_\_  
Robert L. Stallings, Secretary                      Date  
9/24/2018





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

Oklahoma Water Resources Board  
 Oklahoma City, OK

Date: May 14, 2018

Filing Ref: June 7, 2017

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget 2 CFR Part 200 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>				
Fringe Benefits	7/1/2018	6/30/2019	76.14%	(a)
Indirect Costs	7/1/2018	6/30/2019	79.00%	(a)

Basis for Application

(a) Direct salaries and wages

Treatment of Fringe Benefits: FICA, Retirement, Health Insurance, Unemployment Compensation, Longevity Pay, terminal leave 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: Please confirm your acceptance of the terms of the indirect cost rate agreement by signing and returning this letter to me. Please retain a copy for your records.

ACCEPTANCE

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

Julie Cunningham  
(Signature)

Julie Cunningham  
(Name)

Executive Director  
(Title)

OK Water Resources Board  
(Agency)

May 15, 2018  
(Date)

By the Federal Agency:

JACQUELINE SMITH  
Digitally signed by  
JACQUELINE SMITH  
Date: 2018.05.14 16:25:25  
-04'00'  
(Signature)

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

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



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

COGNIZANT AGENCY  
NEGOTIATION AGREEMENT

Oklahoma Department of  
Environmental Quality  
Oklahoma City, Oklahoma

Date: November 17, 2017

Filing Ref: November 4, 2016

The indirect cost rate contained herein is for use on grants and contracts with the Federal Government to which 2 CFR Part 200 applies, subject to the limitations contained 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	7/1/2018	6/30/2019	29.80%	(a)

Basis for Application

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

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

**SECTION II: GENERAL**

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

B. **CHANGES.** The fixed rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting

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

- C. THE FIXED RATE contained in this agreement is based on an estimate of the cost which will be incurred during the period for which the rate applies. When the actual costs for such a period have been determined, an adjustment will be made in the negotiation following such determination to compensate for the difference between the cost used to establish the fixed rate and that which would have been used were the actual costs known at the time.
- D. NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.
- E. SPECIAL REMARKS: Please confirm your acceptance of the terms of the indirect cost rate agreement by signing and returning this letter to me. Please retain a copy for your records.

ACCEPTANCE

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



(Signature)

Scott Thompson

(Name)

Executive Director

(Title)

Oklahoma Dept of Environmental Quality

(Agency)

11/20/17

(Date)

By the Federal Agency:

Jacqueline  
Smith

Digitally signed by  
Jacqueline Smith  
Date: 2017.11.17 16:08:34  
-05'00'

(Signature)

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

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

## **Attachment 2**

### **SFY 2019 Intended Use Plan (IUP) and Project Priority List**

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



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

**DRINKING WATER STATE REVOLVING FUND**  
**STATE FISCAL YEAR 2019**

**Effective 7-1-2018 through 6-30-2019**

**August 16, 2018**

I. INTRODUCTION.....	1
II. LIST OF PROGRAMS .....	3
A. SET-ASIDE PROGRAMS.....	3
1. DWSRF ADMINISTRATION .....	3
2. SMALL SYSTEM TECHNICAL ASSISTANCE .....	4
3. STATE PROGRAM MANAGEMENT .....	5
4. LOCAL ASSISTANCE AND OTHER STATE PROGRAMS.....	5
B. DRINKING WATER STATE REVOLVING FUND PROJECTS.....	7
1. DWSRF PROJECT PRIORITY SYSTEM.....	7
2. READY TO PROCEED.....	7
3. BYPASS PROJECTS NOT READY TO PROCEED AND SMALL SYSTEMS .....	8
4. ALLOCATION OF FUNDS.....	8
5. STATUS OF PROJECTS ON THE FUNDABLE PORTION OF THE PRIORITY LIST .....	9
6. SRF AVAILABLE FUNDS .....	9
C. AMERICAN IRON AND STEEL (AIS) .....	9
D. ADDITIONAL SUBSIDIZATION .....	9
E. DAVIS-BACON WAGE RATES .....	10
F. SUSTAINABILITY POLICY.....	10
G. REPORTING REQUIREMENTS .....	11
III. DWSRF GOAL STATEMENTS.....	11
A. SHORT-TERM GOALS .....	11
B. LONG-TERM GOALS .....	12
C. ENVIRONMENTAL RESULTS UNDER EPA ASSISTANCE AGREEMENTS .....	12
IV. FINANCING PLANS .....	12
A. DWSRF INTEREST RATES.....	13
B. ADMINISTRATION FEES.....	13
C. BINDING COMMITMENTS .....	14
V. ASSURANCES AND SPECIFIC PROPOSALS .....	15
VI. CRITERIA FOR PROJECT SELECTION AND DISTRIBUTION OF FUNDS .....	15
A. DISTRIBUTION OF FUNDS.....	15
B. FUNDS AVAILABLE FOR DWSRF PROJECTS .....	16
C. DWSRF LEVERAGED BOND ISSUE.....	17
D. DESCRIPTION OF FINANCIAL STATUS OF DWSRF .....	17
E. DEVELOPMENT OF PAYMENT SCHEDULE .....	17
F. DEVELOPMENT OF THE DWSRF PAYMENT SCHEDULE .....	17

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

#### EXHIBITS AND TABLES

TABLE 1	SOURCES AND USES FOR DWSRF PROGRAM .....	2
TABLE 2	DWSRF SET-ASIDE ACTIVITIES.....	3
TABLE 3	SUBSIDY FUNDS.....	10
TABLE 4	DRINKING WATER TREATMENT ADMINISTRATION FUND.....	14
EXHIBIT 1	DWSRF PROPOSED LOANS TO SMALL SYSTEMS SFY 2019.....	14

#### APPENDICES

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

## I. INTRODUCTION

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

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

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

As required by the SDWA, the State of Oklahoma, through the Department of Environmental Quality (DEQ), is required to prepare this annual Intended Use Plan (IUP) in order to identify the set-aside programs and DWSRF loan projects that will utilize the funds available to the DWSRF. This IUP is prepared for State Fiscal Year 2019 (SFY 2019) and identifies those sources and uses of available program funds. For the purpose of the DWSRF and this IUP, the fiscal year identified is the SFY 2019, beginning July 1, 2018, and ending June 30, 2019. The capitalization grants and state matching funds to fund these activities are from prior fiscal years and the Federal Fiscal Year 2018 (FFY 2018) appropriation. DEQ applied for the FFY 2018 grant on May 24, 2018 to ensure funding will be available on July 1<sup>st</sup>, which is the beginning date of SFY 2019.

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 18, 2018. To ensure that interested parties are 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 close on July 18, 2018.

As a result of federal appropriations to the State, DEQ has received federal capitalization grants totaling \$316,615,000.00 from FFY 1997 thru FFY 2018. DEQ will apply for the FFY 2018 Capitalization Grant in the amount of \$15,747,000 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 DEQ in accordance with the purposes identified in this IUP. The state is required to provide 20 percent matching funds for each capitalization grant as the federal payments are received for DWSRF projects. Table 1 reports the sources of funds available to the DWSRF program and their intended uses.

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

**TABLE 1  
Sources and Uses**

<b><u>SOURCES OF FUNDS</u></b>		
Beginning July 1, 2018		
Beginning Balance (SFY 2018 Carryover)	\$	108,045,444.00
<i>State Fiscal Year 2019 (Projected)</i>		
Federal Grant FFY 2018	\$	15,747,000.00
*State Match SFY 2018	\$	493,600.00
Projected Bond Issue - SFY 2019	\$	56,850,600.00
State Match – SFY 2020 (From SFY 2019 Bond Issue)	\$	3,149,400.00
Principal Repayments	\$	21,183,159.00
Interest Earnings on Loans	\$	10,579,754.00
Interest Earnings on Fund 473	\$	555,618.00
Release of 2013B Bond Reserve Funds	\$	2,043,234.00
Investment Earnings from Bond Funds	\$	467,521.00
<b>Sub Total</b>	<b>\$</b>	<b>111,069,886.00</b>
<b>Total Sources of Funds</b>	<b>\$</b>	<b>219,115,330.00</b>
<b><u>USES OF FUNDS</u></b>		
<i>Expected DWSRF Loan Commitments for SFY 2019</i>		
Small System Binding Commitments	\$	39,192,950.00
Large System Binding Commitments	\$	75,500,000.00
<b>Sub Total</b>	<b>\$</b>	<b>114,692,950.00</b>
<i>DWSRF Set-Aside Programs for SFY 2019</i>		
Administration	\$	629,880.00
Small System Technical Assistance	\$	314,940.00
Program Management	\$	1,574,700.00
Local Assistance	\$	2,362,050.00
<b>Sub Total</b>	<b>\$</b>	<b>4,881,570.00</b>
<i>Debt Service Obligations</i>		
Debt Service on 2011 Bonds	\$	3,905,856.00
Debt Service on 2012 Bonds	\$	3,949,350.00
Debt Service on 2013A and 2013B Bonds	\$	9,052,186.00
Debt Service on 2016 Bonds	\$	4,904,063.00
Debt Service on 2018 Bonds	\$	3,969,992.00
<b>Sub Total</b>	<b>\$</b>	<b>25,781,447.00</b>
<i>Previously Committed/Obligated Funds</i>	\$	110,236,468.00
<b>Total Uses of Funds</b>	<b>\$</b>	<b>255,592,435.00</b>
<b>**Additional Funds Needed</b>	<b>\$</b>	<b>(36,477,105.00)</b>

\*This amount equates to 3.15% of the state match, 16.85% has been previously drawn.

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

## II. LIST OF PROGRAMS

### A. SET-ASIDE PROGRAMS

Section 1452 (g) and Section 1452 (k) of the SDWA authorizes set-asides to enable states to implement the requirements of the SDWA. The set-asides are based on a percentage of the capitalization grant as specified in the SDWA. DEQ will reserve the following amounts in the FFY 2018 capitalization grant for set-asides as follows: 4 percent for Administration; 2 percent for Small System Technical Assistance; 10 percent for Program Management; 15 percent for Local Assistance and other State Programs. The 15 percent for Local Assistance and other State Programs will be broken into 10 percent for Capacity Development Program and 5 percent for the following use: 1.56 percent for the Water Loss Audit Program, 1.00 percent for Cryptosporidium special monitoring capabilities, 0.84 percent for Harmful Algal Blooms (HAB) special monitoring capabilities, and 1.60 percent for Revised Total Coliform Rule (RTCR) Level I and Level II assessments. Note that the DWSRF program is working with the State Environmental Laboratory Services (SELS) Division to establish initial special monitoring capabilities for Cryptosporidium and HAB. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2018 capitalization grant funds are to be expended during SFY 2019.

As done in the previous year, DEQ plans to continue to utilize the remaining funds to conduct and complete Sanitary Surveys and Capacity Development Assessments along with Water Loss Audits and Leak Detection. The Sanitary Surveys will be conducted on a third of the State's public water supplies that are groundwater, surface water and purchase without treatment. A second round of Capacity Development Assessments will be performed at a third of the State's public water supplies that are serving a population of 10,000 or fewer. If funding is available, DEQ plans to continue these programs and revisit these public water supplies at least triennially.

Table 2 shows DWSRF Set-aside activities for SFY 2019.

**TABLE 2**  
**DWSRF Set-Aside Activities**  
**SFY 2019**

Set-aside category	Percent of Set - Aside Program	Total amount reserved from FFY 2018 grant	Reclaimed credit from old grants	Cumulative amount to be specified in workplans
Admin.	4	\$ 629,880	\$ -	\$ 629,880
Tech. Asst.	2	\$ 314,940	\$ -	\$ 314,940
St. Prg. Mgt.	10	\$ 1,574,700	\$ -	\$ 1,574,700
Local Assist.	15	\$ 2,362,050	N/A	\$ 2,362,050
Total	31	\$ 4,881,570	\$ -	\$ 4,881,570

#### 1. DWSRF Administration

Section 1452(g) of the SDWA authorizes states to provide funding for the DWSRF Administration as a set-aside activity. The administration of the fund will be

accomplished by DEQ personnel and through an interagency agreement with the Oklahoma Water Resources Board (OWRB). Administrative tasks include portfolio management; debt issuance; DWSRF program costs; support services; and financial, management, and legal consulting fees.

Title 82 of Oklahoma Statutes, Section 1085.71 through 1085.84A establishes the DWSRF program duties of OWRB and DEQ. The interagency agreement between OWRB and DEQ specifies the responsibilities of each agency in regard to the following tasks: DWSRF capitalization grant application and management; annual joint report to the Governor and Legislature; annual report to EPA; loan applications; 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 2018 capitalization grant for administrative support of the DWSRF. DEQ and OWRB will use an estimated amount of \$629,880.00 from set-aside funds for SFY 2019 DWSRF administration. This set-aside is to fund activities that implement, administer, and operate the DWSRF program during SFY 2019.

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 2019, it is projected that approximately \$8,597,535.71 will be available. Table 4 shows accumulated amounts of available funds from FFY 1997 through FFY 2018 and the projected amount for SFY 2019. 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 2017 – FY 2018 Quality Management Plan for DEQ. The DWSRF ensures competency of personnel through an established hiring process, training programs, standard operating procedures, and implementation of the quality assurance system within the agency.

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

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

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

As allowed by the SDWA, DEQ reserved and specified an amount equal to 2 percent of the FFY 2018 capitalization grant to fund small system technical assistance activities for SFY 2019. DEQ will use an estimated amount of \$314,940.00 from set-aside funds for SFY 2019.

### **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; to provide Stage 2 Disinfectant/Disinfection By-products Rule assistance; to provide RTCR assistance; to provide Lead and Cooper Rule (LCR); and to provide 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 2018 capitalization grant for state program management. DEQ will use \$1,574,700.00 from set-aside funds for SFY 2019 public water supply state program management.

Using DWSRF funding, SELS plans to obtain additional analytical based resources and training to build Lab Capacity and Development (LCD), and technical competency. These extended capabilities will enable the SELS to prepare for expanded support for current and new rules under the SDWA and develop the analytical methodologies needed to respond to emerging contaminants. As a condition of primacy, the SELS' Lab Accreditation Program (LAP) will utilize grant funding to support audit efforts associated with the certification of drinking water laboratories in the State of Oklahoma.

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

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

DEQ has completed over 1,100 Source Water Assessment and Protection (SWAP) plans for drinking water suppliers in the State. The plans defined the areas of concern around either drinking water wells and/or surface water sources, determined the potential sources of contamination within those areas, and completed a susceptibility analysis for each source and system. At this point, DEQ will be maintaining the program by reviewing and updating existing SWAPs.

Local Assistance funding will be designated to fund two programs internal to the agency that are managed by the Capacity Development Coordinator: a state-wide capacity development assessment and the water loss auditing of small (serving fewer than 10,000 persons) public water supplies. The state-wide capacity development assessment involves meeting with water system personnel and conducting interviews focused on determining the technical, managerial, and financial condition of the water supply. The goals for the assessment program are: determining a state-wide baseline level of public water system capacity, delineating what the strengths and weakness of public water supplies are in terms of capacity development issues (to guide future technical assistance efforts), and determining the effectiveness of current capacity development technical assistance efforts. The assessments also serve to introduce

public water supply personnel to capacity development concepts that they may not be familiar with and to give personnel an opportunity to request capacity development help if they need it.

The water loss auditing program is focused on conducting water loss audits at public water supplies using the American Water Works Association (AWWA) M36 method and software. Local Assistance funding is used to conduct water loss audits at public water supplies that request it, and the work serves to both conduct the audit and to teach public water supply personnel how to conduct future audits by themselves. Using the AWWA software, public water supplies obtain the knowledge necessary to begin controlling and reducing non-revenue water which increases system efficiency, enhances system sustainability, and reduces impact on the environment.

Local Assistance funding will also be used to fund two programs outside of DEQ that are overseen by the Capacity Development Coordinator: a leak detection / meter analysis program and a rate analysis program. These two programs will be conducted by the Oklahoma Rural Water Association (ORWA) at public water supplies referred to them by DEQ. For the first program, ORWA will work with systems that have received a water loss audit and will use the results of the audit to conduct leak detection and meter analysis. The goal of the program will be to find leaks (which the system can repair), determine production and consumer meter accuracy, and to educate system personnel on how to conduct leak detection and meter analysis on their own.

The use of Local Assistance funding for rate analysis is a new use of funding that will be targeted on helping public water supplies set appropriate rates. Too often in Oklahoma, water systems do not have the necessary knowledge to establish a water rate that can sustainably support system operations, with the results that rates are either never changed to compensate for increase operational costs, or they are set arbitrarily and are not based on the true costs of maintaining and operating a water system. To alleviate this, ORWA personnel will meet with system personnel and will conduct a rate study with the system using software developed by the Environmental Finance Center. ORWA will conduct rate studies at systems referred to them by DEQ.

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

As allowed by the SDWA, DEQ reserved and specified an amount equal to 15 percent of the FFY 2018 capitalization grant for Local Assistance and other State Programs. DEQ will use \$2,362,050.00 from set-aside funds for SFY 2019. Ten (10) percent for Capacity Development Program and 5 percent for the following use: 1.56 percent for the Water Loss Audit Program, 1.00 percent for Cryptosporidium special monitoring capabilities, 0.84 percent for Harmful Algal Blooms (HAB) special monitoring capabilities, and 1.60 percent for RTCR level I and Level II assessments.

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

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

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

- a. Address the most serious risk to human health;
- b. Are necessary to ensure compliance with the requirements of the SDWA;
- c. Assist systems most in need, on a per household basis; and,
- d. Emergencies including natural and man-made disasters. \*

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

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

### **2. Ready to Proceed**

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

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

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

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

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

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

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

Oklahoma DWSRF expects to meet the SDWA small system funding provision for SFY 2019, although economic conditions in the State may prove challenging. Much of the State is still recovering from recent extreme drought, and the dramatic drop in oil prices has negatively affected Oklahoma’s growth, employment, income, and tax bases. As part of the ever on-going efforts to meet the small system funding provisions, the DWSRF program notes continuing efforts towards marketing, outreach, and technical assistance, including but not limited to the following activities.

- a. Small system technical assistance provided by DEQ staff, such as the Public Water Supply Engineering and Field Inspection Section and Environmental Complaints and Local Services Division;
- b. Water Loss Audit pilot, including leak detection and meter calibration services;
- c. Monthly meetings and/or consultations by DWSRF staff with small systems on the PPL that are not yet “ready to proceed” to assist them to become “shovel ready;”
- d. Coordination with OWRB and ORWA staff to provide financial and technical consultations;
- e. Presentations at conferences and workgroups to establish availability of small systems technical and financial assistance;
- f. DWSRF outreach and marketing (currently 6 presentations are scheduled in different regions of the State)
- g. Active participation in quarterly meetings of the Funding Agency Coordinating Team (FACT) – including the United States Department of Agriculture Rural Development (USDA-RD), OWRB, ORWA, Indian Health Services (IHS), Oklahoma Department of Commerce (ODOC), Communities Unlimited (CU), Oklahoma Development Finance Authority (ODFA), and Oklahoma Association of Regional Councils (OARC) – wherein invitations are extended to water systems with the most urgent technical and financial needs.

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

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

- a. Projects of eligible applicants that request financial assistance are ranked according to the Project Priority System and placed on the PPL;

- b. The financial assistance needed for each drinking water project that is “ready to proceed” is determined;
- c. Sources of unobligated funds available to the DWSRF that are necessary to provide the requested financial assistance are identified;
- d. The highest priority projects that will be ready to proceed during SFY 2019 are placed on the SFY 2019 Funding List, included as Appendix B;
- e. Bypass letters can be issued to applicants which have projects not ready to proceed according to the Priority Ranking System procedures; and
- f. The consistency with the funds available and the financial assistance requested is determined.

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

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

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

The SFY 2019 PPL attached as Appendix B shows a total of nineteen (19) projects on the fundable portion of the PPL with their assigned priority points, project name, loan amount, population, project description, anticipated binding commitment date, and project number.

## **6. SRF Available Funds**

For SFY 2019, the total need of \$114,692,950.00 for projects is shown in Appendix B, but only \$78,215,845.00 is available for the fundable portion of the PPL. These funds are derived from past capitalization grants and state matching funds, FFY 2018 capitalization grant and state match, investment income, interest income, and revenue bond issue funds. Additional needed funds will be obtained as indicated in the bottom of Table 1.

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

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

## **D. ADDITIONAL SUBSIDIZATION**

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, and continues through the FFY 2018 capitalization grant, to state that at least 20%, but no more than 30% of the capitalization grant must be utilized as additional subsidies. Beginning in SFY 2019, DEQ’s primary focus for the subsidy will be with public water supplies who have health based violations, such as Disinfection Byproduct (DBP) issues. Table 3 shows the remaining uncommitted subsidy funds available for SFY 2019 projects.

**TABLE 3  
Subsidy Funds  
SFY 2019**

FFY 2015	FFY 2016	FFY 2017	FFY 2018	Available for SFY 2019
\$0.00	\$0.00	\$1,622,300.00	\$3,149,400.00	\$4,771,700.00

**E. DAVIS-BACON WAGE RATES**

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

**F. SUSTAINABILITY POLICY**

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

The 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 30<sup>th</sup>, detailing all of the activities which are incorporated into the ongoing strategy for ensuring capacity development for public water supply

systems. The report provides information on Oklahoma's efforts through enforcement, permitting, operator certification, source water assessment, Area Wide Optimization Program, small system technical assistance program, and the Public Water Supply Sanitary Survey program.

## **G. REPORTING REQUIREMENTS**

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

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

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

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

## **III. DWSRF GOAL STATEMENTS**

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

1. Provide twenty (20) loans to the twenty (20) water systems listed on the Fundable Portion of the SFY 2019 PPL. (Target Completion: June 2019)
2. Apply for FFY 2019 capitalization grant. (Target Completion: April 2019)
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 2019)
5. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2019)
6. 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, LCR, and Ground Water Rule. (Target Completion: June 2019)
7. Issue DWSRF Revenue Bonds in an estimated amount of \$60,000,000 to finance the additional demand for drinking water loan funds. (Target Completion: December 2018)
8. Expend Capitalization Grant within two years of grant award.
9. Promote and market the DWSRF program by giving 5 to 7 presentations around the State. (Target Completion: June 2019).

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

1. Maintain the fiscal integrity of the DWSRF and assure a continuous enhancement of the loan fund for future generations.
2. Maintain the fund in perpetuity. Perpetuity consists of maintaining the principal amounts of the state matching funds and capitalization grants, less set-asides, within the DWSRF.
3. Assist the State in meeting the total drinking water funding needs by blending DWSRF capitalization grant and state match funds with leveraged DWSRF bond proceeds to provide long-term low-interest drinking water financing.
4. Obtain maximum capitalization of the fund for the State while generating sufficient investment and loan interest earnings to retire revenue bonds
5. Use set-aside funds along with DWSRF loans to maximize compliance and public health protection.
6. Promote technical, managerial, and financial capability of all public water supply systems.
7. Encourage the consolidation and/or regionalization of small public water systems that lack the capability to operate and maintain systems in a cost-effective manner.
8. Target public water supply projects with health based violations to reduce the number of public water supplies with health based violations by at least 25% by the year 2022.
9. Continue to refine the Capacity Development Program, including the Water Loss Audit Program.

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

1. In accordance with “EPA’s Environmental Results under EPA Assistance Agreements, Order No. 5700.7,” which became effective on January 1, 2005, DEQ herein describes the outputs to be used as a measure to comply with the new requirements.
  - a. Output 1 – Provide twenty (20) loans to the twenty (20) water systems listed on the Fundable Portion of the SFY 2019 PPL. See Appendix B, for a list of projects on the PPL.
  - b. Output 2 – Enter into binding commitments with fourteen (14) small systems and six (6) large systems for a total of twenty (20) projects during SFY 2019. See Appendix B, for a list of these systems and their population.
2. Environmental benefits will result from loans made and projects completed to reduce specific contaminants, create energy savings, conserve water, increase capacity to meet current water needs, replace aging infrastructure, and comply with state and federal regulations.

## **IV. FINANCING PLANS**

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

DEQ and OWRB provide one financing plan for both small and large systems, a long-term DWSRF loan. The long-term DWSRF loan is a 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 met the criteria for consolidation and/or regionalization were granted principal forgiveness in accordance with the DWSRF procedures for each type of project. Starting in SFY 2019, DEQ's focus for the subsidy will be with public water supplies who have health based violations, such as Disinfection Byproduct (DBP) issues.

The total amount of subsidies given will be determined by the FFY 2018 Capitalization Grant. The method the DWSRF uses to fund projects is to draw all of the state matching funds first, federal capitalization grants next (up to subsidy amount), bond fund, and then second round funds.

#### **A. DWSRF INTEREST RATES**

DWSRF will provide long-term financing loans for both small and large public drinking water systems at an interest rate equal to 70% of Municipal Market Daily (MMD) AAA scale spot rates plus 40 to 76 basis points, calculated approximately ten days before loan closing, plus a 50 basis point administration fee.

#### **B. ADMINISTRATION FEES**

OWRB charges an annual administration fee of 0.5 percent on the unpaid loan balance, and an administrative fee upon application filing. This fee is based on the size of the application. If the application is for \$249,999 or less, the fee is up to \$200. If the application is for \$250,000 to \$999,999, the fee is up to \$500. If the application is for \$1,000,000 or more, the fee is up to \$1,000. Administrative fees collected are deposited into the Drinking Water Treatment Loan Administration Fund as shown in Table 4. This fund is a statutory account outside the DWSRF, and fees deposited into this fund will be used to offset the future DWSRF administrative expenses of DEQ and OWRB including, as necessary, the state match for DWSRF capitalization grants and a reserve to issue bonds. It is projected that the Drinking Water Treatment Loan Administrative Fund will contain approximately \$8,597,535.71 as of June 30, 2018.

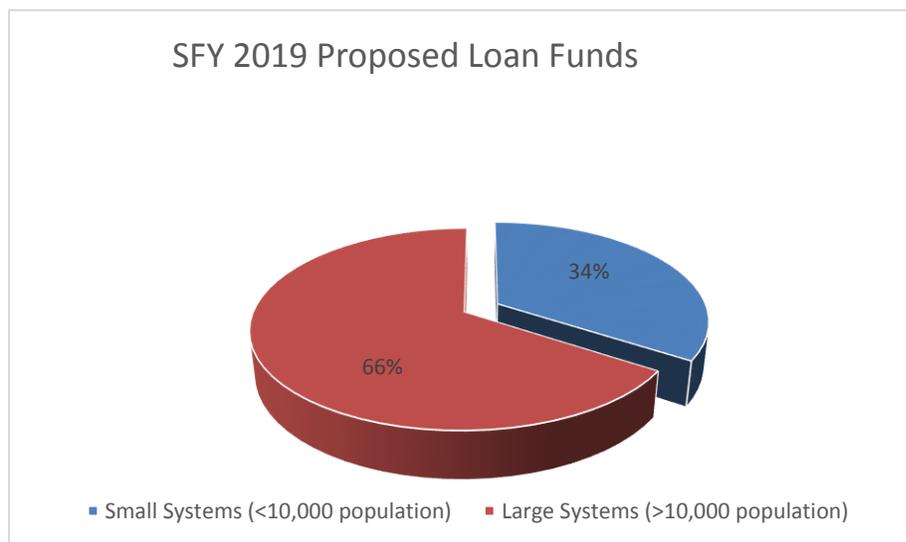
**TABLE 4**  
**Drinking Water Treatment Loan Administration Fund**

<b>Revenue</b>	<b>SFY1997-2018**</b>	<b>SFY 2019</b>	<b>Total</b>
Application Fee	\$ 85,650.00	\$ 2,500.00	\$ 88,150.00
Administration Fee on Loans (0.5%)	\$ 22,527,821.00	\$ 2,065,451.00	\$ 24,593,272.00
Interest Earnings on Account	\$ 1,007,827.00	\$ 97,586.00	\$ 1,105,413.00
Recovery of Delaware #10 Loan	\$ 192,558.71	\$ 76,005.00	\$ 268,563.71
Subtotal	\$ 23,813,856.71	\$ 2,241,542.00	\$ 26,055,398.71
<b>Expenses</b>			
Administrative Costs	\$ 6,953,058.55	\$ 857,901.00	\$ 7,810,959.55
Tsfr to DWSRF-Write Off Delaware 10	\$ 4,159,703.45	\$ 0.00	\$ 4,159,703.45
Funds Used for State Match	\$ 5,487,200.00	\$ 0.00	\$ 5,487,200.00
Subtotal	\$ 16,599,962.00	\$ 857,901.00	\$ 17,457,863.00
<b>Total</b>	\$ 7,213,894.71	\$ 1,383,641.00	\$ 8,597,535.71

\*\*Includes Projections through 6/30/2018

**C. BINDING COMMITMENTS**

It is anticipated that DEQ will enter into twenty (20) binding commitments with fourteen (14) small systems and six (6) large systems during SFY 2019. The amount of funding for small systems is anticipated to be \$39,192,950.00, which is equal to 34 percent of the amount of funding available for projects on the fundable portion of the SFY 2019 PPL. This amount exceeds the requirement that at least 15 percent of loan funds be utilized for small systems. A graphical presentation of this information is presented in Exhibit 1.



**Exhibit 1 – DWSRF Proposed Loans to Small Systems SFY 2019**

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

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

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

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

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

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

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

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

1. Utilize set-asides as authorized by the SDWA.

2. Identify all possible public drinking water systems eligible to receive DWSRF assistance.
3. Identify and rank public drinking water system projects requesting financial assistance that results in compliance with SDWA requirements on the DWSRF PPL.
4. Determine the readiness to proceed of each project ranked on the DWSRF PPL.
5. Identify the sources and spending limits of DWSRF.
6. Allocate funds to projects ready to proceed according to the Project Priority System, Appendix B.
7. Develop a grant payment schedule that will be used to make timely binding commitments to the projects selected for DWSRF assistance. The anticipated federal DWSRF loan fund payment schedule for the FFY 1997 through FFY 2018 capitalization grants is included as Appendix C.
8. Develop an outlay schedule to pay project costs as incurred.

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

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

Set-aside funds are used for the administration of the DWSRF program, to provide small system technical assistance, to manage the State program, and to provide local assistance and fund other State programs for water systems. These activities have a direct impact on solving existing problems and preventing future problems. By implementing these programs, the costly need for infrastructure may be reduced. An example is the Small System Technical Assistance Program that provides a water system with training and assistance to operate a plant more efficiently. This will enable the water system to make operational changes to meet the new, more stringent levels for turbidity, trihalomethane and the five haloacetic acids, rather than spending funds on costly construction for upgrades that may be unnecessary.

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

DEQ decides each year on which programs are needed and prepares a budget for each of the programs. Based on the budgets and past history of the program, DEQ determined that 31 percent of the FFY 2018 grant for set-asides is needed to fund the programs for SFY 2019. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2018 capitalization grant funds are to be expended during SFY 2019.

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

As discussed in Section III. A. 1, and shown in Table 1, a total of \$114,692,950.00 will potentially be available during SFY 2019 to fund twenty (20) projects listed on the PPL. There is a great need for funding drinking water infrastructure and the current demand for funds by projects that are ready to proceed will justify leveraging of funds. The

OWRB estimates issuing \$60,000,000.00 in bonds in SFY 2019 to meet needed funding for DWSRF projects.

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

Similar to previous years, substantial demand for drinking water funds exceeds capitalization grants and state match amounts. DEQ and OWRB are proposing to issue DWSRF Revenue Bonds in an estimated amount of \$60,000,000.00 (subject to change) to finance the additional demand. The Revenue Bonds will be sized based on the amount of identified need, and a portion of the proceeds may include funds for the purpose of providing the state matching funds for FFY 2019 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 2019, the funds expected to be available to the DWSRF include past capitalization grants and state matches, FFY 2018 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 2018 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 2018 State Match requirement will be met as part of the SFY 2019 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 Hilltop Securities, Inc., have developed the DWSRF cash flow analysis/capacity model to gauge the long-term health of the SRF. The model is continually monitored throughout each fiscal year to assure that the perpetuity of the DWSRF program is sustainable. Moreover, the model is used to aid in illustrating the overall impact to program capacity as a result of extended term financing, fluctuating federal funding levels, lending rate policies, market volatility, etc.

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

#### **B. DISADVANTAGED COMMUNITIES**

The DWSRF program 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/American Community Survey. 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 CWSRF program. Oklahoma may take advantage of funding flexibility between the Clean Water and Drinking Water SRF programs, provided by EPA, 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 2018] 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 2019. The approval of the IUP will constitute the approval of the transfer request. It is understood that fund transfers between the programs during SFY 2019 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 18, 2018. To ensure that interested parties were made aware of the public meeting, DEQ posted notice on the DEQ web-site and distributed announcements to a mailing list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial consultants, and interested citizens. The agenda was posted at the meeting site and on the DEQ website. A 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 PPL. A comment period followed the public meeting through July 18, 2018. No comments were received during the public comment period.

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

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

## APPENDIX A PROJECT PRIORITY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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

## B. Factors Descriptions.

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

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

<b>Contaminant</b>	<b>Severity</b> (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
<b>Contaminant</b>	<b>Severity</b> (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.

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

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

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

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

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

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

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

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

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

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

**OK DWSRF PPL SFY 2019 Project Priority List  
for IUP public meeting starting 4/30/18**

PRIORITY POINTS	SYSTEM	LOAN AMOUNT	CUMULATIVE AMOUNT	POPULATION	Dis-advantaged Y or N	PROJECT DESCRIPTION	Anticipated Binding Commitment Date	Anticipated Construction Date	Project Number
<b>Funding List</b>									
1005	Copan PWA	\$ 1,500,000.00	\$ 1,500,000.00	733	Y	Installation of approximately 60,000 feet of 6" water line to serve Osage County RWD #20 (Hulah). The rural water district has been on a boil order for several months due to high turbidity levels and a failure of the water treatment process.	12/1/2018	2/1/2019	P40-1021417-01
440	Cherokee Co. RWD #11	\$ 800,000.00	\$ 2,300,000.00	200	Y	Construction of an 8" water line to provide water to Cherokee Co. RWD #9. The Cherokee Co. RWD #9 water plant would be abandoned.	11/1/2018	1/1/2019	P40-1221637-01
398	Collinsville MA	\$ 3,215,000.00	\$ 5,515,000.00	5,606	N	Water Treatment Plant Rehabilitation.	11/1/2018	1/1/2019	P40-1021505-01
370	Muskogee MA (II)	\$ 18,000,000.00	\$ 23,515,000.00	45,044	Y	Project components include a citywide hydraulic analysis, replacement of a 24" waterline, water tank aeration, chlorinedioxide relocation and various waterline replacements.	8/1/2018	11/1/2018	P40-1021607-02
270	Muskogee Co. RWD #7	\$ 1,800,000.00	\$ 25,315,000.00	710	Y	Construction of an 8" line and pump station to provide water from our system to Cherokee County RWD #1. The Cherokee Co. RWD #1 water treatment plant would be abandoned.	3/1/2019	5/1/2019	P40-3005103-01
270	Stillwater UA (V)	\$ 12,000,000.00	\$ 37,315,000.00	40,800	Y	Construction of a Finished Water Pump Station at the Water Treatment Plant.	6/1/2019	8/1/2019	P40-1021220-05
265	Atoka MA (II)	\$ 3,919,270.00	\$ 41,234,270.00	3,609	Y	Construct Water Treatment Plant rehabilitation as well as the acquisition and installation of automated meter readers and a new tank mixing system.	8/1/2018	11/1/2018	P40-1010401-02
253	Garfield Co. RWD #6	\$ 2,700,000.00	\$ 43,934,270.00	1,430	Y	Construct a water treatment plant to reduce the iron and manganese in the existing water wells; add an additional water well and make improvements to the existing system in pipeline size and pump station capacity to provide a better quality water for the system.	3/1/2019	5/1/2019	P40-2002415-01
250	Canadian Co. RWD #1	\$ 2,000,000.00	\$ 45,934,270.00	750	Y	Construct one new Ion Exchange nitrate reduction water treatment plant, two new distribution standpipes, and install eight new well pumps.	5/1/2019	7/1/2019	P40-2000908-01
240	Locust Grove PWA	\$ 8,959,100.00	\$ 54,893,370.00	1,950	Y	Expansion and upgrade of the Locust Grove Water Treatment Plant to a treatment capacity of 1 MGD with the following components: two (2) raw water pumps, two (2) vertical turbine rapid mixers, two (2) flocculating clarifiers, two (2) granular media filters and support building, one (1) chlorine contact chamber, two (2) high service pumps, one (1) residual lagoon pump station and discharge force main, one (1) chemical storage and feed facility, and associated site and electrical improvements.	1/1/2019	3/1/2019	P40-1021668-01
205	Tishomingo MA	\$ 4,500,000.00	\$ 59,393,370.00	3,000	Y	Construction of a new Water Treatment Plant at the site of the present plant. The present plant was built in the 1960's and has deficiencies both in capacity and operation that are becoming increasingly expensive to overcome. The plant also lacks redundancy in operation as required by State regulations.	12/1/2018	2/1/2019	P40-1010815-01
195	Logan Co. RWS & SWMD #1 (V)	\$ 1,000,000.00	\$ 60,393,370.00	7,275	Y	Erect one (1) 300,000 gallon elevated water tower to correct low water pressure to the booster pump station that serves the east side of I-35.	7/1/2018	9/1/2018	P40-2004207-05
185	Sayre PWA	\$ 549,580.00	\$ 60,942,950.00	4,375	Y	Constructing two (2) new ground storage tanks to replace an existing below ground clearwell.	10/1/2018	12/1/2018	P40-2000508-01

**OK DWSRF PPL SFY 2019 Project Priority List  
for IUP public meeting starting 4/30/18**

180	Cotton Co. RWD #2	\$ 5,000,000.00	\$ 65,942,950.00	2,000	Y	Construct a new activated alumina water treatment plant and backwash lagoons for the removal of arsenic and fluoride contaminants in our Cook and Logue groundwater wells; Finish out the drilled Logue water well; Construct approximately 10 miles of 10" and 10 miles of 8" transmission line from the new plant to our Johnson water well; Construct a blending station at the Johnson water well for the blending of the new treated Cook/Logue well water to reduce nitrate levels in our Johnson, Witt and Petty wells; Replace a portion of existing 3" & 5" waterline to the existing Weir Tower and Booster Pump with approximately 1 miles of 8" waterline; and add a new water tower.	7/1/2018	9/1/2018	P40-2001702-01
125	Tahlequah PWA (III)	\$ 8,800,000.00	\$ 74,742,950.00	18,431	Y	Expansion of Tahlequah's Tenkiller Water Treatment Plant from 1.5 MGD to 3.0 MGD and to rehabilitate the Teehee Water Treatment Plant.	7/1/2018	9/1/2018	P40-1021701-03
50	Bixby PWA (II)	\$ 5,700,000.00	\$ 80,442,950.00	20,475	N	Construction of the South Storage Tank and transmission line.	10/1/2018	12/1/2018	P40-3007243-02
40	Enid MA (III)	\$ 20,000,000.00	\$ 100,442,950.00	51,286	Y	Engineering Loan for Program Execution and Design for Phase 3, and Program Execution and Design Services for Phase 4.	8/1/2018	9/1/2018	P40-2002412-03
28	Nicoma Park DA	\$ 2,500,000.00	\$ 102,942,950.00	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.	12/1/2018	2/1/2019	P40-8005579-01
25	Hooker MA	\$ 750,000.00	\$ 103,692,950.00	1,788	Y	Constructing a new water tower and all water lines to the tower.	11/1/2018	1/1/2019	P40-2007006-01
25	Central Oklahoma Master Conservancy District (COMCD) (II)	\$ 11,000,000.00	\$ 114,692,950.00	183,756	Y	Rehabilitation and replacement of the Del City pipeline which is approximately 6.5 miles of concrete pipe to be replaced with ductile iron pipe and is the major source of water for Del City.	8/1/2018	10/1/2018	P40-0000001-02
	Total:		<u>\$ 114,692,950.00</u>						
<b><u>2020</u></b>									
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.	7/1/2018	9/1/2018	P40-2006704-01
413	Fairview UA	\$ 3,500,000.00	\$ 5,483,665.00	2,690	Y	Construct a new water treatment plant and appurtenances.	12/1/2019	2/1/2020	P40-2004404-01
310	Foss Reservoir MCD (II)	\$ 14,000,000.00	\$ 19,483,665.00	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.	12/31/2019	2/1/2020	P40-1010829-02
145	Stillwater UA (VI)	\$ 4,500,000.00	\$ 23,983,665.00	40,800	Y	Design for construction of a waterline from 44th Tower to Sangre and from the Water Treatment Plant to 6th (which will be paired water lines).	1/1/2020	3/1/2020	P40-1021220-06

OK DWSRF PPL SFY 2019 Project Priority List  
for IUP public meeting starting 4/30/182021

310	Foss Reservoir MCD (III)	\$ 10,000,000.00	\$ 10,000,000.00	17,888	Y	Phase 2: Bring the plant to 4.5 MGD firm capacity.	1/1/2021	3/1/2021	P40-1010829-03
-----	--------------------------	------------------	------------------	--------	---	--	----------	----------	----------------

2025

70	Stillwater UA (VII)	\$ 81,200,000.00	\$ 81,200,000.00	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.	1/1/2025	3/1/2025	P40-1021220-07
----	---------------------	------------------	------------------	--------	---	---	----------	----------	----------------

**APPENDIX C  
FEDERAL PAYMENT SCHEDULE**

FFY	Cumulative Payments	FFY 2017				FFY 2018				FFY 2019			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1997-2016 Grants	\$ 195,238,711.00												
2017 Grant	\$ 9,162,510.00				\$ 4,581,255.00	\$ 4,581,255.00							
2018 Grant *	\$ 10,865,430.00								\$ 5,432,715.00	\$ 5,432,715.00			
<b>Total Grants</b>	<b>\$ 215,266,651.00</b>												

\* Estimated Grant Amount minus Set-Asides



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

## News Release

---

For Immediate Release: May 18, 2018  
Contact: Erin Hatfield, (405) 702-7119

### **DEQ Schedules Public Meeting on the Drinking Water State Revolving Fund State Fiscal Year 2019 Intended Use Plan**

The Water Quality Division of the Oklahoma Department of Environmental Quality (DEQ) will hold a public meeting on Monday, June 18, 2018, at 1:00 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 2019 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/](http://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](mailto:Vicki.Reed@deq.ok.gov), or by mail at Water Quality Division, DWSRF Section, Department of Environmental Quality, P.O. Box 1677, Oklahoma City, OK 73101-1677. 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 18, 2018. For more information on this public meeting call Vicki Reed at: (405) 702-8100.

###

## **Attachment 3**

### **Capacity Model For SFY 2019**

**Oklahoma Water Resources Board**  
**Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)**  
**Projected Future Program Cashflows**

**Summary of Assumed Drinking Water Funding Capacity**

Fiscal Year	(1) Bonds Sold	Costs of Issuance @ 1.00%	Net Bond Funded Loans	(2) Recycling Federal Cap Grants	(3) Assumed State Match	Transfer from Clean Water	Total Direct Loans	(4) Recycled Loans	Total Loans Funded in Program	Principal Forgiveness Loans	Total Annual Loan Funding	Cumulative Program Loans Originated Since FY2010
2010	94,460,000	721,697	87,330,040	10,305,033	2,630,200	4,339,830	17,275,063	34,500,000	139,105,103	32,219,168	171,324,271	171,324,271
2011	57,910,000	592,313	55,425,946	12,549,363	3,372,600	4,339,830	20,261,793	27,462,694	103,150,433	5,058,900	108,209,333	279,533,604
2012	49,395,000	455,652	53,776,570	7,651,933	2,340,200	2,500,000	12,492,133	6,789,719	73,058,422	3,454,500	76,512,922	356,046,526
2013	76,915,000	709,247	44,345,175	6,522,668	2,230,200	-	8,752,868	-	53,098,042	2,230,200	55,328,242	411,374,769
2014	-	-	-	6,746,910	2,092,600	-	8,839,510	-	8,839,510	2,092,600	10,932,110	422,306,879
2015	-	-	-	6,982,990	2,850,200	-	9,833,190	-	9,833,190	2,850,200	12,683,390	434,990,269
2016	-	-	-	7,386,930	2,831,400	-	10,218,330	-	10,218,330	2,381,400	12,599,730	447,589,999
2017	-	-	-	6,483,910	2,655,800	-	9,139,710	-	9,139,710	2,678,600	11,818,310	459,408,309
2018	80,055,000	656,397	87,344,200	6,506,710	2,655,800	-	9,162,510	-	96,506,710	2,655,800	99,162,510	558,570,819
2019	-	-	-	7,644,000	3,120,000	-	10,764,000	-	10,764,000	3,120,000	13,884,000	572,454,819
2020	95,000,000	950,000	90,930,000	7,644,000	3,120,000	30,000,000	40,764,000	13,839,000	145,533,000	3,120,000	148,653,000	721,107,819
2021	90,000,000	900,000	85,980,000	7,644,000	3,120,000	-	10,764,000	13,375,500	110,119,500	3,120,000	113,239,500	834,347,319
2022	90,000,000	900,000	89,100,000	-	-	-	-	15,105,200	104,205,200	-	104,205,200	938,552,519
2023	50,000,000	500,000	49,500,000	-	-	-	-	16,702,800	66,202,800	-	66,202,800	1,004,755,319
2024	50,000,000	500,000	49,500,000	-	-	-	-	17,921,600	67,421,600	-	67,421,600	1,072,176,919
2025	45,000,000	450,000	44,550,000	-	-	-	-	20,009,100	64,559,100	-	64,559,100	1,136,736,019
2026	35,000,000	350,000	34,650,000	-	-	-	-	17,786,000	52,436,000	-	52,436,000	1,189,172,019
2027	35,000,000	350,000	34,650,000	-	-	-	-	18,659,100	53,309,100	-	53,309,100	1,242,481,119
2028	30,000,000	300,000	29,700,000	-	-	-	-	19,301,800	49,001,800	-	49,001,800	1,291,482,919
2029	35,865,000	358,650	35,506,350	-	-	-	-	19,988,700	55,495,050	-	55,495,050	1,346,977,969
	<b>914,600,000</b>	<b>8,693,957</b>	<b>872,288,281</b>	<b>94,068,447</b>	<b>33,019,000</b>	<b>41,179,660</b>	<b>168,267,107</b>	<b>241,441,213</b>	<b>1,281,996,601</b>	<b>64,981,368</b>	<b>1,346,977,969</b>	

- (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:	283,028,228
Future Grant Transfers from CWSRF	30,000,000
Assumed Future DW Capitalization:	27,768,000
Total Preservation Requirement:	340,796,228
Equity Fund Balance 4/1/2057:	458,506,287
Perpetuity Excess/(Shortfall):	<b>117,710,060</b>

Historical Bond Issuances:		
Series	Delivery	Par Sold
2003	10/29/03	122,910,000
2004	10/26/04	83,405,000
2010	01/13/10	94,460,000
2011	04/03/11	57,910,000
2012	06/12/12	49,395,000
2013A	09/19/13	41,410,000
2013B (Ref)	09/19/13	35,505,000
2016	10/19/16	90,000,000
2018	03/22/18	80,055,000
	Total:	655,050,000

**Oklahoma Water Resources Board**  
**Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)**  
**Projected Future Program Cashflows**

**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 Fed Grant	Grant Set Asides	Principal Forgiveness	Total Non-Recycling DW Fed Grant Funds	% of Non-Recycling DW Federal Cap Grants	Net DW Fed Grant Available for Construction	% of Recycling DW Federal Cap Grants	(1) Plus: Transfer from Clean Water*	Total Recycling Federal Cap Grants	Non-Recycling		Recycling	
					% of DW Federal Cap Grants	% of DW Federal Cap Grants		% of DW Federal Cap Grants	EPA Min. less DWSRF	% of DW Federal Cap Grants	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%	12,000,000	22,693,353	0%	(2,140,447)	100%	2,140,447
2006	2005	12,806,700	2,623,801	-	2,623,801	20%	10,182,899	80%	-	10,182,899	0%	(2,623,801)	100%	2,623,801
2007	2006	13,285,600	2,573,391	-	2,573,391	19%	10,712,209	81%	-	10,712,209	0%	(2,573,391)	100%	2,573,391
2008	2007	13,285,600	2,997,171	-	2,997,171	23%	10,288,429	77%	4,993,878	15,282,307	0%	(2,997,171)	100%	2,997,171
2009	2008	13,151,000	3,534,820	-	3,534,820	27%	9,616,180	73%	4,318,644	13,934,824	0%	(3,534,820)	100%	3,534,820
ARRA	2009	31,481,000	1,259,240	30,221,760	31,481,000	100%	-	0%	-	-	50%	(15,740,500)	50%	15,740,500
2010	2009	13,151,000	5,188,389	1,997,408	7,185,797	55%	5,965,203	45%	4,339,830	10,305,033	84%	3,814,362	16%	(3,814,362)
2011	2010	16,863,000	3,594,567	5,058,900	8,653,467	51%	8,209,533	49%	4,339,830	12,549,363	30%	(3,594,567)	70%	3,594,567
2012	2011	11,701,000	3,594,567	3,454,500	7,049,067	60%	4,651,933	40%	3,000,000	7,651,933	30%	(3,538,767)	70%	3,538,767
2013	2012	11,151,000	2,398,132	2,230,200	4,628,332	42%	6,522,668	58%	-	6,522,668	20%	(2,398,132)	80%	2,398,132
2014	2013	10,463,000	1,623,490	2,092,600	3,716,090	36%	6,746,910	64%	-	6,746,910	20%	(1,623,490)	80%	1,623,490
2015	2014	14,251,000	4,417,810	2,850,200	7,268,010	51%	6,982,990	49%	-	6,982,990	20%	(4,417,810)	80%	4,417,810
2016	2015	14,157,000	4,388,670	2,381,400	6,770,070	48%	7,386,930	52%	-	7,386,930	20%	(3,938,670)	80%	3,938,670
2017	2016	13,279,000	4,116,490	2,678,600	6,795,090	51%	6,483,910	49%	-	6,483,910	20%	(4,139,290)	80%	4,139,290
2018	2017	13,279,000	4,116,490	2,655,800	6,772,290	51%	6,506,710	49%	-	6,506,710	20%	(4,116,490)	80%	4,116,490
2019	2018	15,600,000	4,836,000	3,120,000	7,956,000	51%	7,644,000	49%	-	7,644,000	20%	(4,836,000)	80%	4,836,000
2020	2019	15,600,000	4,836,000	3,120,000	7,956,000	51%	7,644,000	49%	30,000,000	37,644,000	20%	(4,836,000)	80%	4,836,000
2021	2020	15,600,000	4,836,000	3,120,000	7,956,000	51%	7,644,000	49%	-	7,644,000	20%	(4,836,000)	80%	4,836,000
2022	2021	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	2022	-	-	-	-	-	-	-	-	-	-	-	-	-
		<u>347,579,000</u>	<u>74,253,186</u>	<u>64,981,368</u>	<u>139,234,554</u>		<u>208,344,446</u>		<u>62,992,182</u>	<u>271,336,628</u>		<u>(79,248,695)</u>		<u>79,248,695</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	316,379,000
Less Set-Asides	(64,581,186)
Less Principal Forgiveness	(58,741,368)
Plus State Match Funds	56,979,600
Plus Transfers from Clean Water SRF	32,992,182
<b>To-Date Capitalization to Preserve:</b>	<b>283,028,228</b>

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)  
 Projected Future Program Cashflows

Projected Cashflow & Coverage Schedule

Date	Existing DW Debt Service	Plus: FUTURE DS	Total Net Debt Service	DSRF Earnings	Revenue Fund Earnings	Total Earnings	Existing & Projected DW Loan P&I	FUTURE Loans	Total Loan P&I	Total Annual Revenues	Excess Annual Revenues	Transfer (to)/from Program Equity	DSRF Release	Total Funds To Pay Debt Service	Annual Coverage
04/01/19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
04/01/20	28,667,930	-	28,667,930	661,824	-	661,824	39,597,955	-	39,597,955	40,259,779	11,591,849	(11,591,849)	2,247,169	42,506,948	1.48x
04/01/21	29,835,301	3,600,625	33,435,926	558,660	-	558,660	41,772,075	2,119,128	43,891,203	44,449,863	11,013,938	(11,013,938)	2,361,565	46,811,428	1.40x
04/01/22	29,345,445	8,416,988	37,762,432	444,013	-	444,013	41,717,355	8,332,906	50,050,261	50,494,275	12,731,843	(12,731,843)	2,373,350	52,867,625	1.40x
04/01/23	29,471,557	12,267,988	41,739,544	322,753	-	322,753	41,988,568	13,645,692	55,634,260	55,957,012	14,217,468	(14,217,468)	2,485,334	58,442,346	1.40x
04/01/24	28,866,244	15,934,375	44,800,619	198,080	-	198,080	41,511,194	18,495,567	60,006,761	60,204,841	15,404,222	(15,404,222)	2,517,461	62,722,302	1.40x
04/01/25	27,488,607	22,524,988	50,013,595	75,449	-	75,449	39,387,152	22,095,871	61,483,023	61,558,472	11,544,877	(11,544,877)	8,464,176	70,022,647	1.40x
04/01/26	22,629,850	21,834,125	44,463,975	-	-	-	36,538,428	25,711,579	62,250,007	62,250,007	17,786,032	(17,786,032)	-	62,250,007	1.40x
04/01/27	21,926,000	24,710,775	46,636,775	-	-	-	36,286,275	29,009,589	65,295,864	65,295,864	18,659,089	(18,659,089)	-	65,295,864	1.40x
04/01/28	21,485,800	26,752,638	48,238,438	-	-	-	35,664,282	31,875,883	67,540,166	67,540,166	19,301,728	(19,301,728)	-	67,540,166	1.40x
04/01/29	21,207,300	28,753,913	49,961,213	-	-	-	35,250,926	34,698,992	69,949,919	69,949,919	19,988,706	(19,988,706)	-	69,949,919	1.40x
04/01/30	20,560,300	30,668,450	51,228,750	-	-	-	34,236,977	37,363,286	71,600,262	71,600,262	20,371,512	(20,371,512)	-	71,600,262	1.40x
04/01/31	19,652,075	31,925,738	51,577,813	-	101,858	101,858	32,934,627	39,170,047	72,104,675	72,206,532	20,628,720	(20,628,720)	-	72,206,532	1.40x
04/01/32	18,610,063	31,938,338	50,548,400	-	205,510	205,510	31,390,702	39,170,047	70,560,749	70,766,259	20,217,859	(20,217,859)	-	70,766,259	1.40x
04/01/33	17,386,538	31,936,725	49,323,263	-	307,627	307,627	29,573,478	39,170,047	68,743,526	69,051,153	19,727,890	(19,727,890)	-	69,051,153	1.40x
04/01/34	17,029,863	31,986,175	49,016,038	-	407,805	407,805	29,046,387	39,170,047	68,216,434	68,624,239	19,608,201	(19,608,201)	-	68,624,239	1.40x
04/01/35	15,086,013	31,922,213	47,008,225	-	507,885	507,885	26,135,036	39,170,047	65,305,083	65,812,968	18,804,743	(18,804,743)	-	65,812,968	1.40x
04/01/36	14,306,500	31,916,250	46,222,750	-	604,448	604,448	24,939,987	39,170,047	64,110,034	64,714,483	18,491,733	(18,491,733)	-	64,714,483	1.40x
04/01/37	13,432,388	31,938,013	45,370,400	-	699,929	699,929	23,650,060	39,170,047	62,820,107	63,520,036	18,149,636	(18,149,636)	-	63,520,036	1.40x
04/01/38	12,635,650	31,965,763	44,601,413	-	794,177	794,177	22,475,586	39,170,047	61,645,633	62,439,810	17,838,398	(17,838,398)	-	62,439,810	1.40x
04/01/39	7,926,538	36,573,100	44,499,638	-	887,340	887,340	22,246,947	39,170,047	61,416,994	62,304,334	17,804,696	(17,804,696)	-	62,304,334	1.40x
04/01/40	7,497,675	35,554,438	43,052,113	-	980,800	980,800	20,125,693	39,170,047	59,295,740	60,276,540	17,224,428	(17,224,428)	-	60,276,540	1.40x
04/01/41	7,684,400	34,898,700	42,583,100	-	1,071,826	1,071,826	19,373,533	39,170,047	58,543,580	59,615,406	17,032,306	(17,032,306)	-	59,615,406	1.40x
04/01/42	2,430,738	37,401,763	39,832,500	-	1,162,347	1,162,347	15,435,235	39,170,047	54,605,282	55,767,628	15,935,128	(15,935,128)	-	55,767,628	1.40x
04/01/43	1,964,063	37,470,975	39,435,038	-	1,247,834	1,247,834	14,793,993	39,170,047	53,964,040	55,211,874	15,776,837	(15,776,837)	-	55,211,874	1.40x
04/01/44	-	37,981,138	37,981,138	-	1,332,957	1,332,957	12,677,278	39,170,047	51,847,325	53,180,283	15,199,145	(15,199,145)	-	53,180,283	1.40x
04/01/45	-	37,678,775	37,678,775	-	1,415,618	1,415,618	12,172,644	39,170,047	51,342,691	52,758,309	15,079,534	(15,079,534)	-	52,758,309	1.40x
04/01/46	-	37,720,613	37,720,613	-	1,498,094	1,498,094	12,145,858	39,170,047	51,315,905	52,813,999	15,093,386	(15,093,386)	-	52,813,999	1.40x
04/01/47	-	36,693,275	36,693,275	-	1,581,051	1,581,051	10,626,325	39,170,047	49,796,372	51,377,423	14,684,148	(14,684,148)	-	51,377,423	1.40x
04/01/48	-	34,346,875	34,346,875	-	1,662,377	1,662,377	7,261,833	39,170,047	46,431,880	48,094,257	13,747,382	(13,747,382)	-	48,094,257	1.40x
04/01/49	-	33,103,475	33,103,475	-	1,739,426	1,739,426	5,444,630	39,170,047	44,614,677	46,354,103	13,250,628	(13,250,628)	-	46,354,103	1.40x
04/01/50	-	31,691,113	31,691,113	-	1,814,376	1,814,376	3,393,237	39,170,047	42,563,284	44,377,660	12,686,548	(12,686,548)	-	44,377,660	1.40x
04/01/51	-	29,380,650	29,380,650	-	1,886,881	1,886,881	86,777	39,170,047	39,256,824	41,143,705	11,763,055	(11,763,055)	-	41,143,705	1.40x
04/01/52	-	24,550,088	24,550,088	-	1,955,130	1,955,130	-	32,423,737	32,423,737	34,378,867	9,828,780	(9,828,780)	-	34,378,867	1.40x
04/01/53	-	20,766,188	20,766,188	-	2,014,050	2,014,050	-	27,074,407	27,074,407	29,088,457	8,322,270	(8,322,270)	-	29,088,457	1.40x
04/01/54	-	17,016,750	17,016,750	-	2,065,732	2,065,732	-	21,775,102	21,775,102	23,840,833	6,824,083	(6,824,083)	-	23,840,833	1.40x
04/01/55	-	14,535,500	14,535,500	-	2,110,181	2,110,181	-	18,254,055	18,254,055	20,364,235	5,828,735	(5,828,735)	-	20,364,235	1.40x
04/01/56	-	11,943,250	11,943,250	-	2,149,875	2,149,875	-	14,588,252	14,588,252	16,738,128	4,794,878	(4,794,878)	-	16,738,128	1.40x
04/01/57	-	9,460,000	9,460,000	-	2,184,599	2,184,599	-	11,078,088	11,078,088	13,262,687	3,802,687	(3,802,687)	-	13,262,687	1.40x
04/01/58	-	7,445,250	7,445,250	-	2,214,535	2,214,535	-	8,227,073	8,227,073	10,441,608	2,996,358	(2,996,358)	-	10,441,608	1.40x
04/01/59	-	5,390,500	5,390,500	-	2,240,590	2,240,590	-	5,328,586	5,328,586	7,569,176	2,178,676	(2,178,676)	-	7,569,176	1.40x
04/01/60	-	3,501,750	3,501,750	-	2,262,686	2,262,686	-	2,664,293	2,664,293	4,926,979	1,425,229	(1,425,229)	-	4,926,979	1.41x
04/01/61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	437,126,833	988,357,488	1,425,484,321	2,260,778	30,055,258	32,316,036	799,881,032	1,145,446,785	1,945,327,817	1,977,643,853	552,159,533	(552,159,533)	20,449,055	1,998,092,908	

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)  
 Projected Future Program Cashflows

Program Equity Fund

Date	Beginning Balance	Interest @ 0.50%	DSRF Release	Max Amount Available for D/S If Defaults Occur	Transfer From/(To) Revenue Fund	New Loan Origination	Ending Balance
04/01/20	-	-	2,247,169	2,247,169	11,591,849	(13,839,000)	18
04/01/21	18	0	2,361,565	2,361,583	11,013,938	(13,375,500)	21
04/01/22	21	0	2,373,350	2,373,371	12,731,843	(15,105,200)	13
04/01/23	13	0	2,485,334	2,485,347	14,217,468	(16,702,800)	15
04/01/24	15	0	2,517,461	2,517,476	15,404,222	(17,921,600)	98
04/01/25	98	0	8,464,176	8,464,274	11,544,877	(20,009,100)	51
04/01/26	51	0	-	51	17,786,032	(17,786,000)	83
04/01/27	83	0		83	18,659,089	(18,659,100)	72
04/01/28	72	0		72	19,301,728	(19,301,800)	1
04/01/29	1	0		1	19,988,706	(19,988,700)	7
04/01/30	7	0		7	20,371,512	-	20,371,519
04/01/31	20,371,519	101,858		20,473,377	20,628,720	-	41,102,097
04/01/32	41,102,097	205,510		41,307,607	20,217,859	-	61,525,466
04/01/33	61,525,466	307,627		61,833,094	19,727,890	-	81,560,984
04/01/34	81,560,984	407,805		81,968,789	19,608,201	-	101,576,990
04/01/35	101,576,990	507,885		102,084,875	18,804,743	-	120,889,618
04/01/36	120,889,618	604,448		121,494,067	18,491,733	-	139,985,799
04/01/37	139,985,799	699,929		140,685,728	18,149,636	-	158,835,365
04/01/38	158,835,365	794,177		159,629,541	17,838,398	-	177,467,939
04/01/39	177,467,939	887,340		178,355,279	17,804,696	-	196,159,975
04/01/40	196,159,975	980,800		197,140,775	17,224,428	-	214,365,203
04/01/41	214,365,203	1,071,826		215,437,029	17,032,306	-	232,469,335
04/01/42	232,469,335	1,162,347		233,631,682	15,935,128	-	249,566,810
04/01/43	249,566,810	1,247,834		250,814,644	15,776,837	-	266,591,481
04/01/44	266,591,481	1,332,957		267,924,438	15,199,145	-	283,123,583
04/01/45	283,123,583	1,415,618		284,539,201	15,079,534	-	299,618,735
04/01/46	299,618,735	1,498,094		301,116,829	15,093,386	-	316,210,215
04/01/47	316,210,215	1,581,051		317,791,266	14,684,148	-	332,475,414
04/01/48	332,475,414	1,662,377		334,137,791	13,747,382	-	347,885,173
04/01/49	347,885,173	1,739,426		349,624,599	13,250,628	-	362,875,227
04/01/50	362,875,227	1,814,376		364,689,603	12,686,548	-	377,376,151
04/01/51	377,376,151	1,886,881		379,263,032	11,763,055	-	391,026,086
04/01/52	391,026,086	1,955,130		392,981,217	9,828,780	-	402,809,997
04/01/53	402,809,997	2,014,050		404,824,046	8,322,270	-	413,146,316
04/01/54	413,146,316	2,065,732		415,212,048	6,824,083	-	422,036,131
04/01/55	422,036,131	2,110,181		424,146,312	5,828,735	-	429,975,047
04/01/56	429,975,047	2,149,875		432,124,922	4,794,878	-	436,919,800
04/01/57	436,919,800	2,184,599		439,104,399	3,802,687	-	442,907,086
04/01/58	442,907,086	2,214,535		445,121,621	2,996,358	-	448,117,980
04/01/59	448,117,980	2,240,590		450,358,570	2,178,676	-	452,537,246
04/01/60	452,537,246	2,262,686		454,799,932	1,425,229	-	456,225,161
04/01/61	456,225,161	2,281,126		458,506,287	-	-	458,506,287
04/01/62	458,506,287	-		458,506,287	-	-	458,506,287
		25,879,348	20,449,055		539,506,714	(172,688,800)	

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

**Projected Future Recycled Loans**

Fiscal Year:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
	1	2	3	4	5	6	7	8	9	10	
Principal:	\$13,839,000	\$13,375,500	\$15,105,200	\$16,702,800	\$17,921,600	\$20,009,100	\$17,786,000	\$18,659,100	\$19,301,800	\$19,301,800	172,001,900
Rate:	2.275%	2.625%	2.975%	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	Projected
First Interest	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	Drinking Water
First Principal	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	Recycled
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	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	-	-	-	-	-	-	-	-	-	-	-
04/01/19	-	-	-	-	-	-	-	-	-	-	-
04/01/20	-	-	-	-	-	-	-	-	-	-	-
04/01/21	157,419	-	-	-	-	-	-	-	-	-	157,419
04/01/22	641,519	175,553	-	-	-	-	-	-	-	-	817,072
04/01/23	641,519	649,748	224,690	-	-	-	-	-	-	-	1,515,957
04/01/24	641,519	649,748	768,168	277,684	-	-	-	-	-	-	2,337,119
04/01/25	641,519	649,748	768,168	888,351	313,628	-	-	-	-	-	3,261,414
04/01/26	641,519	649,748	768,168	888,351	974,421	350,159	-	-	-	-	4,272,367
04/01/27	641,519	649,748	768,168	888,351	974,421	1,087,921	311,255	-	-	-	5,321,384
04/01/28	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	326,534	-	-	6,303,712
04/01/29	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	337,782	-	7,329,479
04/01/30	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	337,782	8,378,944
04/01/31	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/32	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/33	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/34	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/35	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/36	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/37	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/38	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/39	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/40	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/41	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/42	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/43	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/44	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/45	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/46	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/47	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/48	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/49	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/50	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/51	641,519	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	9,090,627
04/01/52	-	649,748	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	8,449,108
04/01/53	-	-	768,168	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	7,799,359
04/01/54	-	-	-	888,351	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	7,031,192
04/01/55	-	-	-	-	974,421	1,087,921	967,049	1,014,520	1,049,465	1,049,465	6,142,840
04/01/56	-	-	-	-	-	1,087,921	967,049	1,014,520	1,049,465	1,049,465	5,168,419
04/01/57	-	-	-	-	-	-	967,049	1,014,520	1,049,465	1,049,465	4,080,498
04/01/58	-	-	-	-	-	-	-	1,014,520	1,049,465	1,049,465	3,113,449
04/01/59	-	-	-	-	-	-	-	-	1,049,465	1,049,465	2,098,929
04/01/60	-	-	-	-	-	-	-	-	-	1,049,465	1,049,465
04/01/61	-	-	-	-	-	-	-	-	-	-	-
04/01/62	-	-	-	-	-	-	-	-	-	-	-
04/01/63	-	-	-	-	-	-	-	-	-	-	-
04/01/64	-	-	-	-	-	-	-	-	-	-	-
	19,402,989	19,668,002	23,269,723	26,928,223	29,546,266	32,987,802	29,322,710	30,762,138	31,821,719	31,821,719	275,531,290

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

**Projected Future Recycled Loans**

Fiscal Year:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Projected Drinking Water Recycled Loans
	1	2	3	4	5	6	7	8	9	10	
Principal:	13,839,000	13,375,500	15,105,200	16,702,800	17,921,600	20,009,100	17,786,000	18,659,100	19,301,800	19,301,800	
Rate:	2.275%	2.625%	2.975%	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	
First Interest:	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	
First Principal:	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	
Pmt Periods	32	32	32	32	32	32	32	32	32	32	

Date	Principal	Principal	Total Principal									
04/01/16	-	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-	-
04/01/18	-	-	-	-	-	-	-	-	-	-	-	-
04/01/19	-	-	-	-	-	-	-	-	-	-	-	-
04/01/20	-	-	-	-	-	-	-	-	-	-	-	-
04/01/21	-	-	-	-	-	-	-	-	-	-	-	-
04/01/22	326,682	-	-	-	-	-	-	-	-	-	-	326,682
04/01/23	334,114	298,641	-	-	-	-	-	-	-	-	-	632,755
04/01/24	341,715	306,481	318,788	-	-	-	-	-	-	-	-	966,984
04/01/25	349,489	314,526	328,272	332,983	-	-	-	-	-	-	-	1,325,270
04/01/26	357,440	322,782	338,038	344,055	347,165	-	-	-	-	-	-	1,709,480
04/01/27	365,571	331,255	348,095	355,495	359,316	387,603	-	-	-	-	-	2,147,335
04/01/28	373,888	339,951	358,451	367,315	371,892	401,169	344,539	-	-	-	-	2,557,204
04/01/29	382,394	348,874	369,114	379,528	384,908	415,210	356,597	361,452	-	-	-	2,998,078
04/01/30	391,094	358,032	380,096	392,147	398,380	429,742	369,078	374,102	373,902	-	-	3,466,574
04/01/31	399,991	367,431	391,403	405,186	412,323	444,783	381,996	387,196	386,988	373,902	-	3,951,200
04/01/32	409,091	377,076	403,048	418,659	426,755	460,351	395,366	400,748	400,533	386,988	-	4,078,613
04/01/33	418,398	386,974	415,038	432,579	441,691	476,463	409,204	414,774	414,551	400,533	-	4,210,205
04/01/34	427,916	397,132	427,386	446,962	457,150	493,139	423,526	429,291	429,061	414,551	-	4,346,115
04/01/35	437,651	407,557	440,101	461,824	473,151	510,399	438,349	444,316	444,078	429,061	-	4,486,486
04/01/36	447,608	418,255	453,193	477,180	489,711	528,263	453,691	459,867	459,620	444,078	-	4,631,467
04/01/37	457,791	429,234	466,676	493,046	506,851	546,752	469,571	475,963	475,707	459,620	-	4,781,211
04/01/38	468,206	440,502	480,560	509,440	524,591	565,889	486,006	492,621	492,357	475,707	-	4,935,877
04/01/39	478,857	452,065	494,856	526,378	542,951	585,695	503,016	509,863	509,589	492,357	-	5,095,628
04/01/40	489,751	463,932	509,578	543,881	561,954	606,194	520,621	527,708	527,425	509,589	-	5,260,634
04/01/41	500,893	476,110	524,738	561,965	581,623	627,411	538,843	546,178	545,885	527,425	-	5,431,071
04/01/42	512,289	488,608	540,349	580,650	601,980	649,370	557,703	565,294	564,991	545,885	-	5,607,118
04/01/43	523,943	501,434	556,425	599,957	623,049	672,098	577,222	585,080	584,766	564,991	-	5,788,963
04/01/44	535,863	514,596	572,978	619,905	644,856	695,621	597,425	605,558	605,232	584,766	-	5,976,800
04/01/45	548,054	528,104	590,024	640,517	667,426	719,968	618,335	626,752	626,416	605,232	-	6,170,828
04/01/46	560,522	541,967	607,577	661,814	690,786	745,167	639,977	648,688	648,340	626,416	-	6,371,254
04/01/47	573,274	556,194	625,653	683,819	714,963	771,248	662,376	671,392	671,032	648,340	-	6,578,291
04/01/48	586,316	570,794	644,266	706,556	739,987	798,242	685,559	694,891	694,518	671,032	-	6,792,161
04/01/49	599,654	585,777	663,433	730,049	765,886	826,180	709,553	719,212	718,826	694,518	-	7,013,091
04/01/50	613,297	601,154	683,170	754,324	792,692	855,096	734,388	744,385	743,985	718,826	-	7,241,317
04/01/51	627,249	616,934	703,494	779,405	820,437	885,025	760,091	770,438	770,025	743,985	-	7,477,083
04/01/52	-	633,129	724,423	805,320	849,152	916,001	786,695	797,404	796,976	770,025	-	7,079,123
04/01/53	-	-	745,975	832,097	878,872	948,061	814,229	825,313	824,870	796,976	-	6,666,392
04/01/54	-	-	-	859,764	909,633	981,243	842,727	854,199	853,740	824,870	-	6,126,175
04/01/55	-	-	-	-	941,470	1,015,586	872,222	884,096	883,621	853,740	-	5,450,735
04/01/56	-	-	-	-	-	1,051,132	902,750	915,039	914,548	883,621	-	4,667,090
04/01/57	-	-	-	-	-	-	934,346	947,065	946,557	914,548	-	3,742,516
04/01/58	-	-	-	-	-	-	-	980,213	979,686	946,557	-	2,906,456
04/01/59	-	-	-	-	-	-	-	-	1,013,975	979,686	-	1,993,662
04/01/60	-	-	-	-	-	-	-	-	-	1,013,975	-	1,013,975
04/01/61	-	-	-	-	-	-	-	-	-	-	-	-
04/01/62	-	-	-	-	-	-	-	-	-	-	-	-
04/01/63	-	-	-	-	-	-	-	-	-	-	-	-
04/01/64	-	-	-	-	-	-	-	-	-	-	-	-
	13,839,000	13,375,500	15,105,200	16,702,800	17,921,600	20,009,100	17,786,000	18,659,100	19,301,800	19,301,800		172,001,900

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

**Projected Future Recycled Loans**

Fiscal Year:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	1	2	3	4	5	6	7	8	9	10
Principal:	13,839,000	13,375,500	15,105,200	16,702,800	17,921,600	20,009,100	17,786,000	18,659,100	19,301,800	19,301,800
Rate:	2.275%	2.625%	2.975%	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%
First Interest	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29
First Principal	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60
Pmt Periods	32	32	32	32	32	32	32	32	32	32

Projected Drinking Water Recycled Loans
--

Date	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Interest	Total Interest
04/01/16	-	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-	-
04/01/18	-	-	-	-	-	-	-	-	-	-	-	-
04/01/19	-	-	-	-	-	-	-	-	-	-	-	-
04/01/20	-	-	-	-	-	-	-	-	-	-	-	-
04/01/21	157,419	-	-	-	-	-	-	-	-	-	-	157,419
04/01/22	314,837	175,553	-	-	-	-	-	-	-	-	-	490,391
04/01/23	307,405	351,107	224,690	-	-	-	-	-	-	-	-	883,202
04/01/24	299,804	343,268	449,380	277,684	-	-	-	-	-	-	-	1,370,135
04/01/25	292,030	335,222	439,896	555,368	313,628	-	-	-	-	-	-	1,936,144
04/01/26	284,079	326,966	430,130	544,296	627,256	350,159	-	-	-	-	-	2,562,887
04/01/27	275,948	318,493	420,073	532,857	615,105	700,319	311,255	-	-	-	-	3,174,049
04/01/28	267,631	309,798	409,717	521,036	602,529	686,752	622,510	326,534	-	-	-	3,746,508
04/01/29	259,125	300,874	399,053	508,823	589,513	672,711	610,451	653,069	337,782	-	-	4,331,401
04/01/30	250,425	291,716	388,072	496,204	576,041	658,179	597,970	640,418	675,563	337,782	-	4,912,370
04/01/31	241,528	282,318	376,764	483,165	562,098	643,138	585,053	627,324	662,476	662,476	-	5,139,427
04/01/32	232,428	272,673	365,120	469,693	547,667	627,571	571,683	613,772	648,932	662,476	-	5,012,014
04/01/33	223,121	262,774	353,129	455,772	532,730	611,458	557,845	599,746	634,913	648,932	-	4,880,422
04/01/34	213,603	252,616	340,782	441,389	517,271	594,782	543,523	585,229	620,404	634,913	-	4,744,512
04/01/35	203,868	242,192	328,067	426,527	501,271	577,522	528,699	570,204	605,387	620,404	-	4,604,141
04/01/36	193,911	231,493	314,974	411,172	484,710	559,658	513,357	554,653	589,844	605,387	-	4,459,160
04/01/37	183,728	220,514	301,492	395,305	467,570	541,169	497,478	538,557	573,757	589,844	-	4,309,416
04/01/38	173,313	209,247	287,608	378,912	449,831	522,033	481,043	521,899	557,108	573,757	-	4,154,750
04/01/39	162,662	197,683	273,312	361,973	431,470	502,227	464,033	504,657	539,875	557,108	-	3,994,999
04/01/40	151,768	185,817	258,590	344,471	412,467	481,727	446,427	486,812	522,039	539,875	-	3,829,992
04/01/41	140,626	173,639	243,430	326,387	392,798	460,511	428,205	468,342	503,580	522,039	-	3,659,556
04/01/42	129,230	161,141	227,819	307,701	372,442	438,551	409,346	449,226	484,474	503,580	-	3,483,509
04/01/43	117,576	148,315	211,743	288,395	351,372	415,823	389,826	429,440	464,699	484,474	-	3,301,663
04/01/44	105,656	135,152	195,190	268,446	329,566	392,300	369,624	408,963	444,232	464,699	-	3,113,827
04/01/45	93,465	121,644	178,144	247,834	306,996	367,953	348,714	387,768	423,049	444,232	-	2,919,799
04/01/46	80,997	107,781	160,590	226,537	283,636	342,754	327,072	365,832	401,124	423,049	-	2,719,373
04/01/47	68,245	93,555	142,515	204,532	259,458	316,673	304,673	343,128	378,433	401,124	-	2,512,336
04/01/48	55,203	78,954	123,902	181,795	234,434	289,680	281,490	319,629	354,946	378,433	-	2,298,466
04/01/49	41,865	63,971	104,735	158,302	208,535	261,741	257,495	295,308	330,638	354,946	-	2,077,536
04/01/50	28,222	48,594	84,998	134,028	181,729	232,825	232,661	270,135	305,479	330,638	-	1,849,310
04/01/51	14,270	32,814	64,673	108,946	153,985	202,897	206,957	244,082	279,440	305,479	-	1,613,543
04/01/52	-	16,620	43,744	83,031	125,269	171,921	180,354	217,116	252,489	279,440	-	1,369,985
04/01/53	-	-	22,193	56,254	95,549	139,861	152,820	189,207	224,595	252,489	-	1,132,968
04/01/54	-	-	-	28,587	64,789	106,679	124,322	160,321	195,724	224,595	-	905,017
04/01/55	-	-	-	-	32,951	72,335	94,826	130,424	165,844	195,724	-	692,105
04/01/56	-	-	-	-	-	36,790	64,298	99,481	134,917	165,844	-	501,329
04/01/57	-	-	-	-	-	-	32,702	67,455	102,908	134,917	-	337,981
04/01/58	-	-	-	-	-	-	-	34,307	69,778	102,908	-	206,993
04/01/59	-	-	-	-	-	-	-	-	35,489	69,778	-	105,267
04/01/60	-	-	-	-	-	-	-	-	-	35,489	-	35,489
04/01/61	-	-	-	-	-	-	-	-	-	-	-	-
04/01/62	-	-	-	-	-	-	-	-	-	-	-	-
04/01/63	-	-	-	-	-	-	-	-	-	-	-	-
04/01/64	-	-	-	-	-	-	-	-	-	-	-	-
	5,563,989	6,292,502	8,164,523	10,225,423	11,624,666	12,978,702	11,536,710	12,103,038	12,519,919	12,519,919		103,529,390

Oklahoma Water Resources Board  
Clean Water Program

Projected Future Clean Water Direct Loans

Funded Date:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	1	2	3	4	5	6	7	8	9	10
Principal:	\$40,764,000	\$10,764,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rate:	2.275%	2.625%	2.975%	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%
First Interest:	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29
First Principal:	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/28	04/01/29	04/01/30
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/57	04/01/58	04/01/59
Pmt Periods:	32	32	32	32	32	32	32	32	32	32

Projected  
Drinking Water  
Direct  
Loans

Date	Debt Service	Total Debt Service										
04/01/16	-	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-	-
04/01/18	-	-	-	-	-	-	-	-	-	-	-	-
04/01/19	-	-	-	-	-	-	-	-	-	-	-	-
04/01/20	-	-	-	-	-	-	-	-	-	-	-	-
04/01/21	927,381	-	-	-	-	-	-	-	-	-	-	927,381
04/01/22	1,889,651	282,555	-	-	-	-	-	-	-	-	-	2,172,206
04/01/23	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/24	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/25	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/26	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/27	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/28	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/29	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/30	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/31	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/32	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/33	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/34	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/35	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/36	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/37	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/38	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/39	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/40	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/41	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/42	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/43	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/44	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/45	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/46	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/47	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/48	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/49	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/50	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/51	1,889,651	522,888	-	-	-	-	-	-	-	-	-	2,412,539
04/01/52	-	522,888	-	-	-	-	-	-	-	-	-	522,888
04/01/53	-	-	-	-	-	-	-	-	-	-	-	-
04/01/54	-	-	-	-	-	-	-	-	-	-	-	-
04/01/55	-	-	-	-	-	-	-	-	-	-	-	-
04/01/56	-	-	-	-	-	-	-	-	-	-	-	-
04/01/57	-	-	-	-	-	-	-	-	-	-	-	-
04/01/58	-	-	-	-	-	-	-	-	-	-	-	-
04/01/59	-	-	-	-	-	-	-	-	-	-	-	-
04/01/60	-	-	-	-	-	-	-	-	-	-	-	-
04/01/61	-	-	-	-	-	-	-	-	-	-	-	-
04/01/62	-	-	-	-	-	-	-	-	-	-	-	-
04/01/63	-	-	-	-	-	-	-	-	-	-	-	-
04/01/64	-	-	-	-	-	-	-	-	-	-	-	-
04/01/65	-	-	-	-	-	-	-	-	-	-	-	-
04/01/66	-	-	-	-	-	-	-	-	-	-	-	-
	57,616,912	15,969,200	0	0	0	0	0	0	0	0	0	73,586,112

Oklahoma Water Resources Board  
Clean Water Program

Projected Future Clean Water Direct Loans

Funded Date:	2020	2021	2022	
	1	2	3	
Principal:	40,764,000	10,764,000	0	Projected Drinking Water Direct Loans
Rate:	2.275%	2.625%	2.975%	
First Interest:	10/01/20	10/01/21	10/01/22	
First Principal:	04/01/22	04/01/23	04/01/24	
Last Payment:	04/01/51	04/01/52	04/01/53	
Pmt Periods	32	32	32	

Date	Principal	Principal	Principal	Total Principal
04/01/16	-	-	-	-
04/01/17	-	-	-	-
04/01/18	-	-	-	-
04/01/19	-	-	-	-
04/01/20	-	-	-	-
04/01/21	-	-	-	-
04/01/22	962,270	-	-	962,270
04/01/23	984,162	240,333	-	1,224,495
04/01/24	1,006,551	246,642	-	1,253,193
04/01/25	1,029,450	253,116	-	1,282,567
04/01/26	1,052,870	259,761	-	1,312,631
04/01/27	1,076,823	266,579	-	1,343,402
04/01/28	1,101,321	273,577	-	1,374,898
04/01/29	1,126,376	280,758	-	1,407,134
04/01/30	1,152,001	288,128	-	1,440,129
04/01/31	1,178,209	295,692	-	1,473,901
04/01/32	1,205,013	303,454	-	1,508,467
04/01/33	1,232,427	311,419	-	1,543,847
04/01/34	1,260,465	319,594	-	1,580,059
04/01/35	1,289,141	327,983	-	1,617,124
04/01/36	1,318,469	336,593	-	1,655,062
04/01/37	1,348,464	345,428	-	1,693,892
04/01/38	1,379,141	354,496	-	1,733,637
04/01/39	1,410,517	363,801	-	1,774,318
04/01/40	1,442,606	373,351	-	1,815,957
04/01/41	1,475,425	383,152	-	1,858,577
04/01/42	1,508,991	393,209	-	1,902,201
04/01/43	1,543,321	403,531	-	1,946,852
04/01/44	1,578,431	414,124	-	1,992,555
04/01/45	1,614,341	424,995	-	2,039,335
04/01/46	1,651,067	436,151	-	2,087,218
04/01/47	1,688,629	447,600	-	2,136,228
04/01/48	1,727,045	459,349	-	2,186,394
04/01/49	1,766,335	471,407	-	2,237,742
04/01/50	1,806,519	483,782	-	2,290,301
04/01/51	1,847,618	496,481	-	2,344,099
04/01/52	-	509,513	-	509,513
04/01/53	-	-	-	-
04/01/54	-	-	-	-
04/01/55	-	-	-	-
04/01/56	-	-	-	-
04/01/57	-	-	-	-
04/01/58	-	-	-	-
04/01/59	-	-	-	-
04/01/60	-	-	-	-
04/01/61	-	-	-	-
04/01/62	-	-	-	-
04/01/63	-	-	-	-
04/01/64	-	-	-	-
04/01/65	-	-	-	-
04/01/66	-	-	-	-
	<u>40,764,000</u>	<u>10,764,000</u>	<u>0</u>	<u>51,528,000</u>

Oklahoma Water Resources Board  
Clean Water Program

Projected Future Clean Water Direct Loans

Funded Date:	2020	2021	2022	
	1	2	3	
Principal:	40,764,000	10,764,000	0	Projected Drinking Water Direct Loans
Rate:	2.275%	2.625%	2.975%	
First Interest	10/01/20	10/01/21	10/01/22	
First Principal	04/01/22	04/01/23	04/01/24	
Last Payment:	04/01/51	04/01/52	04/01/53	
Pmt Periods	32	32	32	

Date	Interest	Interest	Interest	Total Interest
04/01/16	-	-	-	-
04/01/17	-	-	-	-
04/01/18	-	-	-	-
04/01/19	-	-	-	-
04/01/20	-	-	-	-
04/01/21	927,381	-	-	927,381
04/01/22	927,381	282,555	-	1,209,936
04/01/23	905,489	282,555	-	1,188,044
04/01/24	883,100	276,246	-	1,159,346
04/01/25	860,201	269,772	-	1,129,973
04/01/26	836,781	263,128	-	1,099,908
04/01/27	812,828	256,309	-	1,069,137
04/01/28	788,330	249,311	-	1,037,641
04/01/29	763,275	242,130	-	1,005,405
04/01/30	737,650	234,760	-	972,410
04/01/31	711,442	227,197	-	938,638
04/01/32	684,638	219,435	-	904,072
04/01/33	657,224	211,469	-	868,693
04/01/34	629,186	203,294	-	832,480
04/01/35	600,510	194,905	-	795,415
04/01/36	571,182	186,295	-	757,478
04/01/37	541,187	177,460	-	718,647
04/01/38	510,510	168,392	-	678,902
04/01/39	479,134	159,087	-	638,221
04/01/40	447,045	149,537	-	596,582
04/01/41	414,226	139,736	-	553,962
04/01/42	380,660	129,679	-	510,338
04/01/43	346,330	119,357	-	465,687
04/01/44	311,220	108,764	-	419,984
04/01/45	275,310	97,894	-	373,204
04/01/46	238,584	86,737	-	325,322
04/01/47	201,022	75,288	-	276,311
04/01/48	162,606	63,539	-	226,145
04/01/49	123,316	51,481	-	174,797
04/01/50	83,132	39,107	-	122,238
04/01/51	42,033	26,407	-	68,441
04/01/52	-	13,375	-	13,375
04/01/53	-	-	-	-
04/01/54	-	-	-	-
04/01/55	-	-	-	-
04/01/56	-	-	-	-
04/01/57	-	-	-	-
04/01/58	-	-	-	-
04/01/59	-	-	-	-
04/01/60	-	-	-	-
04/01/61	-	-	-	-
04/01/62	-	-	-	-
04/01/63	-	-	-	-
04/01/64	-	-	-	-
04/01/65	-	-	-	-
04/01/66	-	-	-	-
	16,852,912	5,205,200	0	22,058,112

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

**Projected Future Leveraged Loans**

Fiscal Year:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
	1	2	3	4	5	6	7	8	9	10	
Principal:	90,930,000	85,980,000	89,100,000	49,500,000	49,500,000	44,550,000	34,650,000	34,650,000	29,700,000	29,700,000	538,260,000
Rate:	2.275%	2.625%	2.975%	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	Projected
First Interest:	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	Drinking Water
First Principal:	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	Leveraged
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	Loans
Date	Date	Date	Date	Date	Date	Date	Date	Date	Date	Date	Date
04/01/16	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-
04/01/18	-	-	-	-	-	-	-	-	-	-	-
04/01/19	-	-	-	-	-	-	-	-	-	-	-
04/01/20	-	-	-	-	-	-	-	-	-	-	-
04/01/21	1,034,329	-	-	-	-	-	-	-	-	-	1,034,329
04/01/22	4,215,140	1,128,488	-	-	-	-	-	-	-	-	5,343,628
04/01/23	4,215,140	4,176,693	1,325,363	-	-	-	-	-	-	-	9,717,196
04/01/24	4,215,140	4,176,693	4,531,138	822,938	-	-	-	-	-	-	13,745,909
04/01/25	4,215,140	4,176,693	4,531,138	2,632,696	866,250	-	-	-	-	-	16,421,917
04/01/26	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	779,625	-	-	-	-	19,026,673
04/01/27	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	606,375	-	-	-	21,275,666
04/01/28	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	606,375	-	-	23,159,632
04/01/29	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	519,750	-	24,956,974
04/01/30	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	519,750	26,571,803
04/01/31	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	-	27,666,881
04/01/32	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/33	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/34	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/35	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/36	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/37	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/38	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/39	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/40	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/41	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/42	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/43	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/44	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/45	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/46	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/47	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/48	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/49	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/50	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/51	4,215,140	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	27,666,881
04/01/52	-	4,176,693	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	23,451,741
04/01/53	-	-	4,531,138	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	19,275,048
04/01/54	-	-	-	2,632,696	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	14,743,910
04/01/55	-	-	-	-	2,691,381	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	12,111,214
04/01/56	-	-	-	-	-	2,422,243	1,883,967	1,883,967	1,614,829	1,614,829	9,419,833
04/01/57	-	-	-	-	-	-	1,883,967	1,883,967	1,614,829	1,614,829	6,997,590
04/01/58	-	-	-	-	-	-	-	1,883,967	1,614,829	1,614,829	5,113,624
04/01/59	-	-	-	-	-	-	-	-	1,614,829	1,614,829	3,229,657
04/01/60	-	-	-	-	-	-	-	-	-	1,614,829	1,614,829
04/01/61	-	-	-	-	-	-	-	-	-	-	-
04/01/62	-	-	-	-	-	-	-	-	-	-	-
04/01/63	-	-	-	-	-	-	-	-	-	-	-
04/01/64	-	-	-	-	-	-	-	-	-	-	-
04/01/65	-	-	-	-	-	-	-	-	-	-	-
04/01/66	-	-	-	-	-	-	-	-	-	-	-
	127,488,531	126,429,281	137,259,508	79,803,808	81,607,677	73,446,910	57,125,374	57,125,374	48,964,606	48,964,606	838,215,676

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

**Projected Future Leveraged Loans**

Fiscal Year:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
	1	2	3	4	5	6	7	8	9	10	
Principal:	90,930,000	85,980,000	89,100,000	49,500,000	49,500,000	44,550,000	34,650,000	34,650,000	29,700,000	29,700,000	
Rate:	2.275%	2.625%	2.975%	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	
First Interest	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	
First Principal:	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	
Date	Principal*	Principal*	Principal								
04/01/16	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-
04/01/18	-	-	-	-	-	-	-	-	-	-	-
04/01/19	-	-	-	-	-	-	-	-	-	-	-
04/01/20	-	-	-	-	-	-	-	-	-	-	-
04/01/21	-	-	-	-	-	-	-	-	-	-	-
04/01/22	2,146,483	-	-	-	-	-	-	-	-	-	2,146,483
04/01/23	2,195,315	1,919,718	-	-	-	-	-	-	-	-	4,115,033
04/01/24	2,245,258	1,970,111	1,880,413	-	-	-	-	-	-	-	6,095,782
04/01/25	2,296,338	2,021,826	1,936,355	986,821	-	-	-	-	-	-	7,241,340
04/01/26	2,348,580	2,074,899	1,993,962	1,019,632	958,881	-	-	-	-	-	8,395,954
04/01/27	2,402,010	2,129,365	2,053,282	1,053,535	992,442	862,993	-	-	-	-	9,493,627
04/01/28	2,456,656	2,185,261	2,114,368	1,088,565	1,027,177	893,198	671,217	-	-	-	10,436,441
04/01/29	2,512,545	2,242,624	2,177,270	1,124,760	1,063,128	924,459	694,709	671,217	-	-	11,410,713
04/01/30	2,569,705	2,301,493	2,242,044	1,162,158	1,100,338	956,816	719,024	694,709	575,329	-	12,321,615
04/01/31	2,628,166	2,361,907	2,308,745	1,200,800	1,138,850	990,304	744,190	719,024	595,465	575,329	13,262,779
04/01/32	2,687,957	2,423,907	2,377,430	1,240,727	1,178,709	1,024,965	770,237	744,190	616,306	595,465	13,659,892
04/01/33	2,749,108	2,487,535	2,448,158	1,281,981	1,219,964	1,060,839	797,195	770,237	637,877	616,306	14,069,199
04/01/34	2,811,650	2,552,833	2,520,991	1,324,607	1,262,663	1,097,968	825,097	797,195	660,203	637,877	14,491,082
04/01/35	2,875,615	2,619,844	2,595,990	1,368,650	1,306,856	1,136,397	853,975	825,097	683,310	660,203	14,925,937
04/01/36	2,941,035	2,688,615	2,673,221	1,414,158	1,352,596	1,176,171	883,864	853,975	707,226	683,310	15,374,171
04/01/37	3,007,944	2,759,192	2,752,750	1,461,178	1,399,937	1,217,337	914,799	883,864	731,979	707,226	15,836,204
04/01/38	3,076,374	2,831,620	2,834,644	1,509,762	1,448,935	1,259,943	946,817	914,799	757,598	731,979	16,312,472
04/01/39	3,146,362	2,905,950	2,918,974	1,559,962	1,499,648	1,304,041	979,956	946,817	784,114	757,598	16,803,423
04/01/40	3,217,942	2,982,232	3,005,814	1,611,831	1,552,135	1,349,683	1,014,254	979,956	811,558	784,114	17,309,518
04/01/41	3,291,150	3,060,515	3,095,237	1,665,424	1,606,460	1,396,922	1,049,753	1,014,254	839,962	811,558	17,831,235
04/01/42	3,366,023	3,140,854	3,187,320	1,720,800	1,662,686	1,445,814	1,086,495	1,049,753	869,361	839,962	18,369,068
04/01/43	3,442,600	3,223,301	3,282,143	1,778,016	1,720,880	1,496,418	1,124,522	1,086,495	899,789	869,361	18,923,524
04/01/44	3,520,920	3,307,913	3,379,787	1,837,135	1,781,111	1,548,792	1,163,880	1,124,522	931,281	899,789	19,495,129
04/01/45	3,601,020	3,394,745	3,480,335	1,898,220	1,843,450	1,603,000	1,204,616	1,163,880	963,876	931,281	20,084,424
04/01/46	3,682,944	3,483,857	3,583,875	1,961,336	1,917,971	1,659,105	1,246,778	1,204,616	997,612	963,876	20,691,969
04/01/47	3,766,731	3,575,309	3,690,496	2,026,550	1,974,750	1,717,174	1,290,415	1,246,778	1,032,528	997,612	21,318,341
04/01/48	3,852,424	3,669,161	3,800,288	2,093,933	2,043,866	1,777,275	1,335,579	1,290,415	1,068,667	1,032,528	21,964,134
04/01/49	3,940,066	3,765,476	3,913,347	2,163,556	2,115,401	1,839,479	1,382,325	1,335,579	1,106,070	1,068,667	22,629,966
04/01/50	4,029,703	3,864,320	4,029,769	2,235,494	2,189,440	1,903,861	1,430,706	1,382,325	1,144,782	1,106,070	23,316,470
04/01/51	4,121,379	3,965,758	4,149,654	2,309,825	2,266,071	1,970,496	1,480,781	1,430,706	1,184,850	1,144,782	24,024,301
04/01/52	-	4,069,859	4,273,106	2,386,626	2,345,383	2,039,463	1,532,608	1,480,781	1,226,319	1,184,850	20,538,996
04/01/53	-	-	4,400,231	2,465,982	2,427,471	2,110,845	1,586,249	1,532,608	1,269,241	1,226,319	17,018,947
04/01/54	-	-	-	2,547,975	2,512,433	2,184,724	1,641,768	1,586,249	1,313,664	1,269,241	13,056,055
04/01/55	-	-	-	-	2,600,368	2,261,190	1,699,230	1,641,768	1,359,642	1,313,664	10,875,862
04/01/56	-	-	-	-	-	2,340,331	1,758,703	1,699,230	1,407,230	1,359,642	8,565,136
04/01/57	-	-	-	-	-	-	1,820,258	1,758,703	1,456,483	1,407,230	6,442,673
04/01/58	-	-	-	-	-	-	-	1,820,258	1,507,460	1,456,483	4,784,200
04/01/59	-	-	-	-	-	-	-	-	1,560,221	1,507,460	3,067,681
04/01/60	-	-	-	-	-	-	-	-	-	1,560,221	1,560,221
04/01/61	-	-	-	-	-	-	-	-	-	-	-
04/01/62	-	-	-	-	-	-	-	-	-	-	-
04/01/63	-	-	-	-	-	-	-	-	-	-	-
04/01/64	-	-	-	-	-	-	-	-	-	-	-
04/01/65	-	-	-	-	-	-	-	-	-	-	-
04/01/66	-	-	-	-	-	-	-	-	-	-	-
	90,930,000	85,980,000	89,100,000	49,500,000	49,500,000	44,550,000	34,650,000	34,650,000	29,700,000	29,700,000	538,260,000

0

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

**Projected Future Leveraged Loans**

Fiscal Year:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
	1	2	3	4	5	6	7	8	9	10	
Principal:	90,930,000	85,980,000	89,100,000	49,500,000	49,500,000	44,550,000	34,650,000	34,650,000	29,700,000	29,700,000	
Rate:	2.275%	2.625%	2.975%	3.325%	3.500%	3.500%	3.500%	3.500%	3.500%	3.500%	
First Interest	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	
First Principal:	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/29	04/01/30	04/01/31	
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/58	04/01/59	04/01/60	
Date	Interest*	Interest									
04/01/16	-	-	-	-	-	-	-	-	-	-	-
04/01/17	-	-	-	-	-	-	-	-	-	-	-
04/01/18	-	-	-	-	-	-	-	-	-	-	-
04/01/19	-	-	-	-	-	-	-	-	-	-	-
04/01/20	-	-	-	-	-	-	-	-	-	-	-
04/01/21	1,034,329	-	-	-	-	-	-	-	-	-	1,034,329
04/01/22	2,068,658	1,128,488	-	-	-	-	-	-	-	-	3,197,145
04/01/23	2,019,825	2,256,975	1,325,363	-	-	-	-	-	-	-	5,602,163
04/01/24	1,969,882	2,206,582	2,650,725	822,938	-	-	-	-	-	-	7,650,127
04/01/25	1,918,802	2,154,867	2,594,783	1,645,875	866,250	-	-	-	-	-	9,180,577
04/01/26	1,866,560	2,101,794	2,537,176	1,613,063	1,732,500	779,625	-	-	-	-	10,630,719
04/01/27	1,813,130	2,047,328	2,477,856	1,579,160	1,698,939	1,559,250	606,375	-	-	-	11,782,038
04/01/28	1,758,484	1,991,432	2,416,771	1,544,130	1,664,204	1,529,045	1,212,750	606,375	-	-	12,723,191
04/01/29	1,702,595	1,934,069	2,353,868	1,507,936	1,628,253	1,497,783	1,189,257	1,212,750	519,750	-	13,546,261
04/01/30	1,645,435	1,875,200	2,289,094	1,470,537	1,591,043	1,465,427	1,164,943	1,189,257	1,039,500	519,750	14,250,187
04/01/31	1,586,974	1,814,786	2,222,394	1,431,896	1,552,531	1,431,939	1,139,777	1,164,943	1,019,364	1,039,500	14,404,102
04/01/32	1,527,183	1,752,786	2,153,708	1,391,969	1,512,671	1,397,278	1,113,730	1,139,777	998,522	1,019,364	14,006,989
04/01/33	1,466,032	1,689,158	2,082,980	1,350,715	1,471,417	1,361,404	1,086,772	1,113,730	976,952	998,522	13,597,682
04/01/34	1,403,490	1,623,861	2,010,147	1,308,089	1,428,718	1,324,275	1,058,870	1,086,772	954,626	976,952	13,175,799
04/01/35	1,339,525	1,556,849	1,935,148	1,264,046	1,384,525	1,285,846	1,029,992	1,058,870	931,519	954,626	12,740,944
04/01/36	1,274,105	1,488,078	1,857,917	1,218,538	1,338,785	1,246,072	1,000,103	1,029,992	907,603	931,519	12,292,710
04/01/37	1,207,196	1,417,502	1,778,389	1,171,517	1,291,444	1,204,906	969,167	1,000,103	882,850	907,603	11,830,677
04/01/38	1,138,766	1,345,073	1,696,494	1,122,933	1,242,446	1,162,299	937,149	969,167	857,231	882,850	11,354,409
04/01/39	1,068,778	1,270,743	1,612,164	1,072,734	1,191,733	1,118,201	904,011	937,149	830,715	857,231	10,863,459
04/01/40	997,199	1,194,462	1,525,324	1,020,865	1,139,246	1,072,560	869,712	904,011	803,271	830,715	10,357,363
04/01/41	923,990	1,116,178	1,435,901	967,272	1,084,921	1,025,321	834,213	869,712	774,866	803,271	9,835,646
04/01/42	849,117	1,035,840	1,343,818	911,896	1,028,695	976,429	797,472	834,213	745,468	774,866	9,297,813
04/01/43	772,540	953,392	1,248,995	854,680	970,501	925,825	759,445	797,472	715,040	745,468	8,743,357
04/01/44	694,220	868,780	1,151,351	795,561	910,270	873,451	720,086	759,445	683,547	715,040	8,171,752
04/01/45	614,120	781,948	1,050,803	734,476	847,931	819,243	679,351	720,086	650,953	683,547	7,582,457
04/01/46	532,196	692,836	947,263	671,360	783,410	763,138	637,189	679,351	617,217	650,953	6,974,912
04/01/47	448,409	601,384	840,642	606,146	716,631	705,069	593,552	637,189	582,300	617,217	6,348,541
04/01/48	362,716	507,533	730,850	538,763	647,515	644,968	548,387	593,552	546,162	582,300	5,702,747
04/01/49	275,074	411,217	617,792	469,139	575,980	582,764	501,642	548,387	508,759	546,162	5,036,915
04/01/50	185,437	312,373	501,370	397,201	501,941	518,382	453,261	501,642	470,046	508,759	4,350,411
04/01/51	93,761	210,935	381,484	322,871	425,310	451,747	403,186	453,261	429,979	470,046	3,642,580
04/01/52	-	106,834	258,032	246,069	345,998	382,779	351,359	403,186	388,509	429,979	2,912,745
04/01/53	-	-	130,907	166,714	263,910	311,398	297,717	351,359	345,588	388,509	2,256,101
04/01/54	-	-	-	84,720	178,948	237,519	242,199	297,717	301,164	345,588	1,687,855
04/01/55	-	-	-	-	91,013	161,053	184,737	242,199	255,186	301,164	1,235,352
04/01/56	-	-	-	-	-	81,912	125,264	184,737	207,599	255,186	854,697
04/01/57	-	-	-	-	-	-	63,709	158,346	207,599	255,186	554,917
04/01/58	-	-	-	-	-	-	-	63,709	107,369	158,346	329,424
04/01/59	-	-	-	-	-	-	-	-	54,608	107,369	161,977
04/01/60	-	-	-	-	-	-	-	-	-	54,608	54,608
04/01/61	-	-	-	-	-	-	-	-	-	-	-
04/01/62	-	-	-	-	-	-	-	-	-	-	-
04/01/63	-	-	-	-	-	-	-	-	-	-	-
04/01/64	-	-	-	-	-	-	-	-	-	-	-
04/01/65	-	-	-	-	-	-	-	-	-	-	-
04/01/66	-	-	-	-	-	-	-	-	-	-	-
	36,558,531	40,449,281	48,159,508	30,303,808	32,107,677	28,896,910	22,475,374	22,475,374	19,264,606	19,264,606	299,955,676

Projected  
Drinking Water  
Leveraged  
Loans

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

**Projected Future Drinking Water Bonds**

Fiscal Year:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Projected Future Drinking Water Bonds
Principal:	\$95,000,000	\$90,000,000	\$90,000,000	\$50,000,000	\$50,000,000	\$45,000,000	\$35,000,000	\$35,000,000	\$30,000,000	\$30,000,000	
Rate:	3.250%	3.750%	4.250%	4.750%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	
First Interest	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	
First Principal	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/28	04/01/29	04/01/30	
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/57	04/01/58	04/01/59	
Date	Debt Service	Total Debt Service									
04/01/21	3,600,625	-	-	-	-	-	-	-	-	-	3,600,625
04/01/22	3,045,738	5,371,250	-	-	-	-	-	-	-	-	8,416,988
04/01/23	3,045,738	3,268,500	5,953,750	-	-	-	-	-	-	-	12,267,988
04/01/24	3,045,738	3,268,500	5,443,888	4,176,250	-	-	-	-	-	-	15,934,375
04/01/25	3,715,738	5,778,500	6,109,513	3,306,238	3,615,000	-	-	-	-	-	22,524,988
04/01/26	3,023,963	4,279,375	5,648,688	3,141,600	3,288,000	2,452,500	-	-	-	-	21,834,125
04/01/27	3,023,963	4,847,938	5,622,950	3,137,425	3,279,250	2,981,750	1,817,500	-	-	-	24,710,775
04/01/28	3,023,963	4,913,625	5,589,450	3,126,350	3,273,750	2,973,250	2,284,750	1,567,500	-	-	26,752,638
04/01/29	3,023,963	4,939,438	5,573,400	3,118,613	3,271,250	2,968,250	2,281,750	2,292,250	1,285,000	-	28,753,913
04/01/30	3,023,963	4,966,688	5,528,950	3,103,975	3,251,500	2,961,500	2,277,500	2,289,500	1,922,000	1,342,875	30,668,450
04/01/31	3,023,963	5,155,188	5,467,163	3,082,675	3,240,250	2,948,000	2,267,000	2,290,500	1,915,500	2,535,500	31,925,738
04/01/32	3,218,963	5,128,750	5,403,675	3,059,950	3,222,000	2,933,000	2,265,500	2,280,000	1,918,250	2,508,250	31,938,338
04/01/33	3,472,625	5,055,063	5,333,488	3,030,800	3,197,000	2,921,500	2,252,500	2,273,500	1,914,750	2,485,500	31,936,725
04/01/34	3,592,838	5,040,813	5,316,813	3,020,463	3,195,500	2,913,250	2,253,500	2,270,750	1,915,250	2,467,000	31,986,175
04/01/35	3,943,663	4,913,750	5,196,313	2,977,988	3,156,250	2,888,000	2,237,750	2,261,500	1,914,500	2,432,500	31,922,213
04/01/36	4,102,463	4,868,000	5,151,238	2,959,800	3,146,000	2,876,500	2,231,000	2,256,000	1,917,500	2,407,750	31,916,250
04/01/37	4,300,088	4,820,563	5,098,400	2,944,713	3,128,250	2,868,000	2,222,750	2,254,000	1,914,000	2,387,250	31,938,013
04/01/38	4,490,075	4,771,438	5,058,013	2,922,488	3,113,250	2,857,250	2,223,000	2,250,250	1,909,250	2,370,750	31,965,763
04/01/39	9,277,425	4,615,625	5,059,438	2,918,363	3,110,750	2,859,250	2,221,250	2,244,750	1,913,250	2,353,000	36,573,100
04/01/40	8,547,475	4,532,063	4,975,763	2,891,388	3,085,000	2,838,250	2,207,500	2,242,500	1,910,500	2,324,000	35,554,438
04/01/41	7,984,425	4,508,125	4,950,388	2,882,513	3,077,000	2,830,250	2,207,250	2,238,250	1,906,250	2,314,250	34,898,700
04/01/42	11,158,400	4,221,563	4,790,763	2,825,788	3,025,750	2,799,500	2,189,750	2,222,000	1,905,500	2,262,750	37,401,763
04/01/43	11,338,338	4,172,125	4,772,413	2,813,350	3,023,250	2,792,000	2,185,750	2,219,250	1,908,000	2,246,500	37,470,975
04/01/44	12,198,000	4,026,188	4,694,388	2,783,063	2,997,000	2,776,500	2,174,500	2,214,250	1,903,500	2,213,750	37,981,138
04/01/45	11,979,800	3,992,313	4,679,025	2,775,638	2,993,000	2,773,250	2,171,250	2,212,000	1,902,250	2,200,250	37,678,775
04/01/46	12,042,538	3,966,375	4,688,563	2,779,888	2,990,000	2,776,500	2,170,500	2,212,250	1,904,000	2,190,000	37,720,613
04/01/47	11,221,950	3,903,000	4,636,725	2,755,100	2,977,750	2,760,750	2,162,000	2,209,750	1,903,500	2,162,750	36,693,275
04/01/48	7,666,313	5,503,500	4,435,850	2,712,463	2,931,500	2,731,750	2,151,000	2,194,500	1,900,750	2,119,250	34,346,875
04/01/49	-	12,370,438	4,082,100	2,702,688	2,907,750	2,720,000	2,137,500	2,192,000	1,900,750	2,090,250	33,103,475
04/01/50	-	11,148,938	4,007,063	2,674,113	2,885,250	2,699,500	2,131,500	2,186,500	1,898,250	2,060,000	31,691,113
04/01/51	-	8,782,438	4,264,263	2,612,450	2,848,750	2,670,500	2,117,500	2,168,000	1,898,250	2,018,500	29,380,650
04/01/52	-	-	8,449,463	2,669,125	2,748,750	2,613,250	2,085,750	2,147,000	1,890,500	1,946,250	24,550,088
04/01/53	-	-	-	7,463,438	2,783,250	2,564,000	2,062,000	2,123,500	1,890,250	1,879,750	20,766,188
04/01/54	-	-	-	-	6,520,500	2,652,250	2,035,750	2,102,500	1,887,000	1,818,750	17,016,750
04/01/55	-	-	-	-	-	6,636,000	2,152,000	2,088,750	1,885,750	1,773,000	14,535,500
04/01/56	-	-	-	-	-	-	6,163,500	2,176,750	1,876,250	1,726,750	11,943,250
04/01/57	-	-	-	-	-	-	-	5,801,250	1,983,750	1,675,000	9,460,000
04/01/58	-	-	-	-	-	-	-	-	5,717,250	1,728,000	7,445,250
04/01/59	-	-	-	-	-	-	-	-	-	5,390,500	5,390,500
04/01/60	-	-	-	-	-	-	-	-	-	3,501,750	3,501,750
	165,132,725	157,130,063	155,981,888	93,368,688	96,282,500	88,036,250	69,340,750	69,481,500	60,411,500	70,932,375	1,026,098,238

**Oklahoma Water Resources Board  
Drinking Water Program**

**Projected Future Drinking Water Bonds**

Fiscal Year:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Projected Future Drinking Water Bonds
Principal:	\$95,000,000	\$90,000,000	\$90,000,000	\$50,000,000	\$50,000,000	\$45,000,000	\$35,000,000	\$35,000,000	\$30,000,000	\$30,000,000	
Rate:	3.250%	3.750%	4.250%	4.750%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	
First Interest:	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29	
First Principal:	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/28	04/01/29	04/01/30	
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/57	04/01/58	04/01/59	
Date	Principal	Total Principal									
04/01/21	1,285,000	-	-	-	-	-	-	-	-	-	1,285,000
04/01/22	-	2,840,000	-	-	-	-	-	-	-	-	2,840,000
04/01/23	-	-	3,085,000	-	-	-	-	-	-	-	3,085,000
04/01/24	-	-	1,750,000	2,395,000	-	-	-	-	-	-	4,145,000
04/01/25	670,000	2,510,000	2,490,000	1,045,000	1,740,000	-	-	-	-	-	8,455,000
04/01/26	-	1,105,000	2,135,000	930,000	875,000	765,000	-	-	-	-	5,810,000
04/01/27	-	1,715,000	2,200,000	970,000	910,000	770,000	505,000	-	-	-	7,070,000
04/01/28	-	1,845,000	2,260,000	1,005,000	950,000	800,000	560,000	255,000	-	-	7,675,000
04/01/29	-	1,940,000	2,340,000	1,045,000	995,000	835,000	585,000	555,000	160,000	-	8,455,000
04/01/30	-	2,040,000	2,395,000	1,080,000	1,025,000	870,000	610,000	580,000	430,000	-	9,030,000
04/01/31	-	2,305,000	2,435,000	1,110,000	1,065,000	900,000	630,000	610,000	445,000	745,000	10,245,000
04/01/32	195,000	2,365,000	2,475,000	1,140,000	1,100,000	930,000	660,000	630,000	470,000	755,000	10,720,000
04/01/33	455,000	2,380,000	2,510,000	1,165,000	1,130,000	965,000	680,000	655,000	490,000	770,000	11,200,000
04/01/34	590,000	2,455,000	2,600,000	1,210,000	1,185,000	1,005,000	715,000	685,000	515,000	790,000	11,750,000
04/01/35	960,000	2,420,000	2,590,000	1,225,000	1,205,000	1,030,000	735,000	710,000	540,000	795,000	12,210,000
04/01/36	1,150,000	2,465,000	2,655,000	1,265,000	1,255,000	1,070,000	765,000	740,000	570,000	810,000	12,745,000
04/01/37	1,385,000	2,510,000	2,715,000	1,310,000	1,300,000	1,115,000	795,000	775,000	595,000	830,000	13,330,000
04/01/38	1,620,000	2,555,000	2,790,000	1,350,000	1,350,000	1,160,000	835,000	810,000	620,000	855,000	13,945,000
04/01/39	6,460,000	2,495,000	2,910,000	1,410,000	1,415,000	1,220,000	875,000	845,000	655,000	880,000	19,165,000
04/01/40	5,940,000	2,505,000	2,950,000	1,450,000	1,460,000	1,260,000	905,000	885,000	685,000	895,000	18,935,000
04/01/41	5,570,000	2,575,000	3,050,000	1,510,000	1,525,000	1,315,000	950,000	925,000	715,000	930,000	19,065,000
04/01/42	8,925,000	2,385,000	3,020,000	1,525,000	1,550,000	1,350,000	980,000	955,000	750,000	925,000	22,365,000
04/01/43	9,395,000	2,425,000	3,130,000	1,585,000	1,625,000	1,410,000	1,025,000	1,000,000	790,000	955,000	23,340,000
04/01/44	10,560,000	2,370,000	3,185,000	1,630,000	1,680,000	1,465,000	1,065,000	1,045,000	825,000	970,000	24,795,000
04/01/45	10,685,000	2,425,000	3,305,000	1,700,000	1,760,000	1,535,000	1,115,000	1,095,000	865,000	1,005,000	25,490,000
04/01/46	11,095,000	2,490,000	3,455,000	1,785,000	1,845,000	1,615,000	1,170,000	1,150,000	910,000	1,045,000	26,560,000
04/01/47	10,635,000	2,520,000	3,550,000	1,845,000	1,925,000	1,680,000	1,220,000	1,205,000	955,000	1,070,000	26,605,000
04/01/48	7,425,000	4,215,000	3,500,000	1,890,000	1,975,000	1,735,000	1,270,000	1,250,000	1,000,000	1,080,000	25,340,000
04/01/49	-	11,240,000	3,295,000	1,970,000	2,050,000	1,810,000	1,320,000	1,310,000	1,050,000	1,105,000	25,150,000
04/01/50	-	10,440,000	3,360,000	2,035,000	2,130,000	1,880,000	1,380,000	1,370,000	1,100,000	1,130,000	24,825,000
04/01/51	-	8,465,000	3,760,000	2,070,000	2,200,000	1,945,000	1,435,000	1,420,000	1,155,000	1,145,000	23,595,000
04/01/52	-	-	8,105,000	2,225,000	2,210,000	1,985,000	1,475,000	1,470,000	1,205,000	1,130,000	19,805,000
04/01/53	-	-	-	7,125,000	2,355,000	2,035,000	1,525,000	1,520,000	1,265,000	1,120,000	16,945,000
04/01/54	-	-	-	-	6,210,000	2,225,000	1,575,000	1,575,000	1,325,000	1,115,000	14,025,000
04/01/55	-	-	-	-	-	6,320,000	1,770,000	1,640,000	1,390,000	1,125,000	12,245,000
04/01/56	-	-	-	-	-	-	5,870,000	1,810,000	1,450,000	1,135,000	10,265,000
04/01/57	-	-	-	-	-	-	-	5,525,000	1,630,000	1,140,000	8,295,000
04/01/58	-	-	-	-	-	-	-	-	5,445,000	1,250,000	6,695,000
04/01/59	-	-	-	-	-	-	-	-	-	4,975,000	4,975,000
04/01/60	-	-	-	-	-	-	-	-	-	3,335,000	3,335,000
	95,000,000	90,000,000	90,000,000	50,000,000	50,000,000	45,000,000	35,000,000	35,000,000	30,000,000	35,810,000	555,810,000

**Oklahoma Water Resources Board  
Drinking Water Program**

**Projected Future Drinking Water Bonds**

Fiscal Year:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Projected Future Drinking Water Bonds	Total Interest		
Principal:	\$95,000,000	\$90,000,000	\$90,000,000	\$50,000,000	\$50,000,000	\$45,000,000	\$35,000,000	\$35,000,000	\$30,000,000	\$30,000,000				
Rate:	3.250%	3.750%	4.250%	4.750%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%				
First Interest	10/01/20	10/01/21	10/01/22	10/01/23	10/01/24	10/01/25	10/01/26	10/01/27	10/01/28	10/01/29				
First Principal	04/01/22	04/01/23	04/01/24	04/01/25	04/01/26	04/01/27	04/01/28	04/01/28	04/01/29	04/01/30				
Last Payment:	04/01/51	04/01/52	04/01/53	04/01/54	04/01/55	04/01/56	04/01/57	04/01/57	04/01/58	04/01/59				
Date	Interest													
04/01/21	1,543,750	-	-	-	-	-	-	-	-	-		1,543,750		
04/01/22	1,522,869	2,531,250	-	-	-	-	-	-	-	-		4,054,119		
04/01/23	1,522,869	3,268,500	2,868,750	-	-	-	-	-	-	-		7,660,119		
04/01/24	1,522,869	3,268,500	3,693,888	1,781,250	-	-	-	-	-	-		10,266,506		
04/01/25	1,522,869	3,268,500	3,619,513	2,261,238	1,875,000	-	-	-	-	-		12,547,119		
04/01/26	1,511,494	3,174,375	3,513,688	2,211,600	2,413,000	1,687,500	-	-	-	-		14,511,656		
04/01/27	1,511,494	3,132,938	3,422,950	2,167,425	2,369,250	2,211,750	1,312,500	-	-	-		16,128,306		
04/01/28	1,511,494	3,068,625	3,329,450	2,121,350	2,323,750	2,173,250	1,724,750	1,312,500	-	-		17,565,169		
04/01/29	1,511,494	2,999,438	3,233,400	2,073,613	2,276,250	2,133,250	1,696,750	1,737,250	1,125,000	-		18,786,444		
04/01/30	1,511,494	2,926,688	3,133,950	2,023,975	2,226,500	2,091,500	1,667,500	1,709,500	1,492,000	1,342,875		20,125,981		
04/01/31	1,511,494	2,850,188	3,032,163	1,972,675	2,175,250	2,048,000	1,637,000	1,680,500	1,470,500	1,790,500		20,168,269		
04/01/32	1,511,494	2,763,750	2,928,675	1,919,950	2,122,000	2,003,000	1,605,500	1,650,000	1,448,250	1,753,250		19,705,869		
04/01/33	1,507,838	2,675,063	2,823,488	1,865,800	2,067,000	1,956,500	1,572,500	1,618,500	1,424,750	1,715,500		19,226,938		
04/01/34	1,499,956	2,585,813	2,716,813	1,810,463	2,010,500	1,908,250	1,538,500	1,585,750	1,400,250	1,677,000		18,733,294		
04/01/35	1,489,963	2,493,750	2,606,313	1,752,988	1,951,250	1,858,000	1,502,750	1,551,500	1,374,500	1,637,500		18,218,513		
04/01/36	1,473,875	2,403,000	2,496,238	1,694,800	1,891,000	1,806,500	1,466,000	1,516,000	1,347,500	1,597,750		17,692,663		
04/01/37	1,454,700	2,310,563	2,383,400	1,634,713	1,828,250	1,753,000	1,427,750	1,479,000	1,319,000	1,557,250		17,147,625		
04/01/38	1,431,706	2,216,438	2,268,013	1,572,488	1,763,250	1,697,250	1,388,000	1,440,250	1,289,250	1,515,750		16,582,394		
04/01/39	1,404,894	2,120,625	2,149,438	1,508,363	1,695,750	1,639,250	1,346,250	1,399,750	1,258,250	1,473,000		15,995,569		
04/01/40	1,299,350	2,027,063	2,025,763	1,441,388	1,625,000	1,578,250	1,302,500	1,357,500	1,225,500	1,429,000		15,311,313		
04/01/41	1,202,500	1,933,125	1,900,388	1,372,513	1,552,000	1,515,250	1,257,250	1,313,250	1,191,250	1,384,250		14,621,775		
04/01/42	1,111,906	1,836,563	1,770,763	1,300,788	1,475,750	1,449,500	1,209,750	1,267,000	1,155,500	1,337,750		13,915,269		
04/01/43	966,956	1,747,125	1,642,413	1,228,350	1,398,250	1,382,000	1,160,750	1,219,250	1,118,000	1,291,500		13,154,594		
04/01/44	814,613	1,656,188	1,509,388	1,153,063	1,317,000	1,311,500	1,109,500	1,169,250	1,078,500	1,243,750		12,362,750		
04/01/45	643,663	1,567,313	1,374,025	1,075,638	1,233,000	1,238,250	1,056,250	1,117,000	1,037,250	1,195,250		11,537,638		
04/01/46	471,006	1,476,375	1,233,563	994,888	1,145,000	1,161,500	1,000,500	1,062,250	994,000	1,145,000		10,684,081		
04/01/47	292,013	1,383,000	1,086,725	910,100	1,052,750	1,080,750	942,000	1,004,750	948,500	1,092,750		9,793,338		
04/01/48	120,738	1,288,500	935,850	822,463	956,500	996,750	881,000	944,500	900,750	1,039,250		8,886,300		
04/01/49	-	1,130,438	787,100	732,688	857,750	910,000	817,500	882,000	850,750	985,250		7,953,475		
04/01/50	-	708,938	647,063	639,113	755,250	819,500	751,500	816,500	798,250	930,000		6,866,113		
04/01/51	-	317,438	504,263	542,450	648,750	725,500	682,500	748,000	743,250	873,500		5,785,650		
04/01/52	-	-	344,463	444,125	538,750	628,250	610,750	677,000	685,500	816,250		4,745,088		
04/01/53	-	-	-	338,438	428,250	529,000	537,000	603,500	625,250	759,750		3,821,188		
04/01/54	-	-	-	-	310,500	427,250	460,750	527,500	562,000	703,750		2,991,750		
04/01/55	-	-	-	-	-	316,000	382,000	448,750	495,750	648,000		2,290,500		
04/01/56	-	-	-	-	-	-	293,500	366,750	426,250	591,750		1,678,250		
04/01/57	-	-	-	-	-	-	-	276,250	353,750	535,000		1,165,000		
04/01/58	-	-	-	-	-	-	-	-	272,250	478,000		750,250		
04/01/59	-	-	-	-	-	-	-	-	-	415,500		415,500		
04/01/60	-	-	-	-	-	-	-	-	-	166,750		166,750		
	35,401,356	67,130,063	65,981,888	43,368,688	46,282,500	43,036,250	34,340,750	34,481,500	30,411,500	35,122,375		435,556,869		

**Oklahoma Water Resources Board  
Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)  
Projected Future Program Cashflows**

**2020 Future Bond Issue**

Date	Principal	3.25% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/20			-	
10/01/20		771,875	771,875	
04/01/21	1,285,000	1,543,750	2,828,750	3,600,625
10/01/21	-	1,522,869	1,522,869	-
04/01/22	-	1,522,869	1,522,869	3,045,738
10/01/22	-	1,522,869	1,522,869	-
04/01/23	-	1,522,869	1,522,869	3,045,738
10/01/23	-	1,522,869	1,522,869	-
04/01/24	-	1,522,869	1,522,869	3,045,738
10/01/24	-	1,522,869	1,522,869	-
04/01/25	670,000	1,522,869	2,192,869	3,715,738
10/01/25	-	1,511,981	1,511,981	-
04/01/26	-	1,511,981	1,511,981	3,023,963
10/01/26	-	1,511,981	1,511,981	-
04/01/27	-	1,511,981	1,511,981	3,023,963
10/01/27	-	1,511,981	1,511,981	-
04/01/28	-	1,511,981	1,511,981	3,023,963
10/01/28	-	1,511,981	1,511,981	-
04/01/29	-	1,511,981	1,511,981	3,023,963
10/01/29	-	1,511,981	1,511,981	-
04/01/30	-	1,511,981	1,511,981	3,023,963
10/01/30	-	1,511,981	1,511,981	-
04/01/31	-	1,511,981	1,511,981	3,023,963
10/01/31	-	1,511,981	1,511,981	-
04/01/32	195,000	1,511,981	1,706,981	3,218,963
10/01/32	-	1,508,813	1,508,813	-
04/01/33	455,000	1,508,813	1,963,813	3,472,625
10/01/33	-	1,501,419	1,501,419	-
04/01/34	590,000	1,501,419	2,091,419	3,592,838
10/01/34	-	1,491,831	1,491,831	-
04/01/35	960,000	1,491,831	2,451,831	3,943,663
10/01/35	-	1,476,231	1,476,231	-
04/01/36	1,150,000	1,476,231	2,626,231	4,102,463
10/01/36	-	1,457,544	1,457,544	-
04/01/37	1,385,000	1,457,544	2,842,544	4,300,088
10/01/37	-	1,435,038	1,435,038	-
04/01/38	1,620,000	1,435,038	3,055,038	4,490,075
10/01/38	-	1,408,713	1,408,713	-
04/01/39	6,460,000	1,408,713	7,868,713	9,277,425
10/01/39	-	1,303,738	1,303,738	-
04/01/40	5,940,000	1,303,738	7,243,738	8,547,475
10/01/40	-	1,207,213	1,207,213	-
04/01/41	5,570,000	1,207,213	6,777,213	7,984,425
10/01/41	-	1,116,700	1,116,700	-
04/01/42	8,925,000	1,116,700	10,041,700	11,158,400
10/01/42	-	971,669	971,669	-
04/01/43	9,395,000	971,669	10,366,669	11,338,338
10/01/43	-	819,000	819,000	-
04/01/44	10,560,000	819,000	11,379,000	12,198,000
10/01/44	-	647,400	647,400	-
04/01/45	10,685,000	647,400	11,332,400	11,979,800
10/01/45	-	473,769	473,769	-
04/01/46	11,095,000	473,769	11,568,769	12,042,538
10/01/46	-	293,475	293,475	-
04/01/47	10,635,000	293,475	10,928,475	11,221,950
10/01/47	-	120,656	120,656	-
04/01/48	7,425,000	120,656	7,545,656	7,666,313
10/01/48	-	-	-	-
	<b>95,000,000</b>	<b>70,132,725</b>	<b>165,132,725</b>	<b>165,132,725</b>

**Oklahoma Water Resources Board  
Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)  
Projected Future Program Cashflows**

**2021 Future Bond Issue**

Date	Principal	3.75% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/21	-	-	-	-
10/01/21	-	843,750	843,750	-
04/01/22	2,840,000	1,687,500	4,527,500	5,371,250
10/01/22	-	1,634,250	1,634,250	-
04/01/23	-	1,634,250	1,634,250	3,268,500
10/01/23	-	1,634,250	1,634,250	-
04/01/24	-	1,634,250	1,634,250	3,268,500
10/01/24	-	1,634,250	1,634,250	-
04/01/25	2,510,000	1,634,250	4,144,250	5,778,500
10/01/25	-	1,587,188	1,587,188	-
04/01/26	1,105,000	1,587,188	2,692,188	4,279,375
10/01/26	-	1,566,469	1,566,469	-
04/01/27	1,715,000	1,566,469	3,281,469	4,847,938
10/01/27	-	1,534,313	1,534,313	-
04/01/28	1,845,000	1,534,313	3,379,313	4,913,625
10/01/28	-	1,499,719	1,499,719	-
04/01/29	1,940,000	1,499,719	3,439,719	4,939,438
10/01/29	-	1,463,344	1,463,344	-
04/01/30	2,040,000	1,463,344	3,503,344	4,966,688
10/01/30	-	1,425,094	1,425,094	-
04/01/31	2,305,000	1,425,094	3,730,094	5,155,188
10/01/31	-	1,381,875	1,381,875	-
04/01/32	2,365,000	1,381,875	3,746,875	5,128,750
10/01/32	-	1,337,531	1,337,531	-
04/01/33	2,380,000	1,337,531	3,717,531	5,055,063
10/01/33	-	1,292,906	1,292,906	-
04/01/34	2,455,000	1,292,906	3,747,906	5,040,813
10/01/34	-	1,246,875	1,246,875	-
04/01/35	2,420,000	1,246,875	3,666,875	4,913,750
10/01/35	-	1,201,500	1,201,500	-
04/01/36	2,465,000	1,201,500	3,666,500	4,868,000
10/01/36	-	1,155,281	1,155,281	-
04/01/37	2,510,000	1,155,281	3,665,281	4,820,563
10/01/37	-	1,108,219	1,108,219	-
04/01/38	2,555,000	1,108,219	3,663,219	4,771,438
10/01/38	-	1,060,313	1,060,313	-
04/01/39	2,495,000	1,060,313	3,555,313	4,615,625
10/01/39	-	1,013,531	1,013,531	-
04/01/40	2,505,000	1,013,531	3,518,531	4,532,063
10/01/40	-	966,563	966,563	-
04/01/41	2,575,000	966,563	3,541,563	4,508,125
10/01/41	-	918,281	918,281	-
04/01/42	2,385,000	918,281	3,303,281	4,221,563
10/01/42	-	873,563	873,563	-
04/01/43	2,425,000	873,563	3,298,563	4,172,125
10/01/43	-	828,094	828,094	-
04/01/44	2,370,000	828,094	3,198,094	4,026,188
10/01/44	-	783,656	783,656	-
04/01/45	2,425,000	783,656	3,208,656	3,992,313
10/01/45	-	738,188	738,188	-
04/01/46	2,490,000	738,188	3,228,188	3,966,375
10/01/46	-	691,500	691,500	-
04/01/47	2,520,000	691,500	3,211,500	3,903,000
10/01/47	-	644,250	644,250	-
04/01/48	4,215,000	644,250	4,859,250	5,503,500
10/01/48	-	565,219	565,219	-
04/01/49	11,240,000	565,219	11,805,219	12,370,438
10/01/49	-	354,469	354,469	-
<b>90,000,000</b>	<b>67,130,063</b>	<b>157,130,063</b>	<b>157,130,063</b>	

**Oklahoma Water Resources Board**  
**Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)**  
**Projected Future Program Cashflows**

**2022 Future Bond Issue**

Date	Principal	4.25% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/22			-	
10/01/22	-	956,250	956,250	
04/01/23	3,085,000	1,912,500	4,997,500	5,953,750
10/01/23	-	1,846,944	1,846,944	-
04/01/24	1,750,000	1,846,944	3,596,944	5,443,888
10/01/24	-	1,809,756	1,809,756	-
04/01/25	2,490,000	1,809,756	4,299,756	6,109,513
10/01/25	-	1,756,844	1,756,844	-
04/01/26	2,135,000	1,756,844	3,891,844	5,648,688
10/01/26	-	1,711,475	1,711,475	-
04/01/27	2,200,000	1,711,475	3,911,475	5,622,950
10/01/27	-	1,664,725	1,664,725	-
04/01/28	2,260,000	1,664,725	3,924,725	5,589,450
10/01/28	-	1,616,700	1,616,700	-
04/01/29	2,340,000	1,616,700	3,956,700	5,573,400
10/01/29	-	1,566,975	1,566,975	-
04/01/30	2,395,000	1,566,975	3,961,975	5,528,950
10/01/30	-	1,516,081	1,516,081	-
04/01/31	2,435,000	1,516,081	3,951,081	5,467,163
10/01/31	-	1,464,338	1,464,338	-
04/01/32	2,475,000	1,464,338	3,939,338	5,403,675
10/01/32	-	1,411,744	1,411,744	-
04/01/33	2,510,000	1,411,744	3,921,744	5,333,488
10/01/33	-	1,358,406	1,358,406	-
04/01/34	2,600,000	1,358,406	3,958,406	5,316,813
10/01/34	-	1,303,156	1,303,156	-
04/01/35	2,590,000	1,303,156	3,893,156	5,196,313
10/01/35	-	1,248,119	1,248,119	-
04/01/36	2,655,000	1,248,119	3,903,119	5,151,238
10/01/36	-	1,191,700	1,191,700	-
04/01/37	2,715,000	1,191,700	3,906,700	5,098,400
10/01/37	-	1,134,006	1,134,006	-
04/01/38	2,790,000	1,134,006	3,924,006	5,058,013
10/01/38	-	1,074,719	1,074,719	-
04/01/39	2,910,000	1,074,719	3,984,719	5,059,438
10/01/39	-	1,012,881	1,012,881	-
04/01/40	2,950,000	1,012,881	3,962,881	4,975,763
10/01/40	-	950,194	950,194	-
04/01/41	3,050,000	950,194	4,000,194	4,950,388
10/01/41	-	885,381	885,381	-
04/01/42	3,020,000	885,381	3,905,381	4,790,763
10/01/42	-	821,206	821,206	-
04/01/43	3,130,000	821,206	3,951,206	4,772,413
10/01/43	-	754,694	754,694	-
04/01/44	3,185,000	754,694	3,939,694	4,694,388
10/01/44	-	687,013	687,013	-
04/01/45	3,305,000	687,013	3,992,013	4,679,025
10/01/45	-	616,781	616,781	-
04/01/46	3,455,000	616,781	4,071,781	4,688,563
10/01/46	-	543,363	543,363	-
04/01/47	3,550,000	543,363	4,093,363	4,636,725
10/01/47	-	467,925	467,925	-
04/01/48	3,500,000	467,925	3,967,925	4,435,850
10/01/48	-	393,550	393,550	-
04/01/49	3,295,000	393,550	3,688,550	4,082,100
10/01/49	-	323,531	323,531	-
04/01/50	3,360,000	323,531	3,683,531	4,007,063
10/01/50	-	252,131	252,131	-
<b>90,000,000</b>	<b>65,981,888</b>	<b>155,981,888</b>	<b>155,981,888</b>	

**Oklahoma Water Resources Board  
Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)  
Projected Future Program Cashflows**

**2023 Future Bond Issue**

Date	Principal	4.75% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/23			-	
10/01/23	-	593,750	593,750	
04/01/24	2,395,000	1,187,500	3,582,500	4,176,250
10/01/24	-	1,130,619	1,130,619	-
04/01/25	1,045,000	1,130,619	2,175,619	3,306,238
10/01/25	-	1,105,800	1,105,800	-
04/01/26	930,000	1,105,800	2,035,800	3,141,600
10/01/26	-	1,083,713	1,083,713	-
04/01/27	970,000	1,083,713	2,053,713	3,137,425
10/01/27	-	1,060,675	1,060,675	-
04/01/28	1,005,000	1,060,675	2,065,675	3,126,350
10/01/28	-	1,036,806	1,036,806	-
04/01/29	1,045,000	1,036,806	2,081,806	3,118,613
10/01/29	-	1,011,988	1,011,988	-
04/01/30	1,080,000	1,011,988	2,091,988	3,103,975
10/01/30	-	986,338	986,338	-
04/01/31	1,110,000	986,338	2,096,338	3,082,675
10/01/31	-	959,975	959,975	-
04/01/32	1,140,000	959,975	2,099,975	3,059,950
10/01/32	-	932,900	932,900	-
04/01/33	1,165,000	932,900	2,097,900	3,030,800
10/01/33	-	905,231	905,231	-
04/01/34	1,210,000	905,231	2,115,231	3,020,463
10/01/34	-	876,494	876,494	-
04/01/35	1,225,000	876,494	2,101,494	2,977,988
10/01/35	-	847,400	847,400	-
04/01/36	1,265,000	847,400	2,112,400	2,959,800
10/01/36	-	817,356	817,356	-
04/01/37	1,310,000	817,356	2,127,356	2,944,713
10/01/37	-	786,244	786,244	-
04/01/38	1,350,000	786,244	2,136,244	2,922,488
10/01/38	-	754,181	754,181	-
04/01/39	1,410,000	754,181	2,164,181	2,918,363
10/01/39	-	720,694	720,694	-
04/01/40	1,450,000	720,694	2,170,694	2,891,388
10/01/40	-	686,256	686,256	-
04/01/41	1,510,000	686,256	2,196,256	2,882,513
10/01/41	-	650,394	650,394	-
04/01/42	1,525,000	650,394	2,175,394	2,825,788
10/01/42	-	614,175	614,175	-
04/01/43	1,585,000	614,175	2,199,175	2,813,350
10/01/43	-	576,531	576,531	-
04/01/44	1,630,000	576,531	2,206,531	2,783,063
10/01/44	-	537,819	537,819	-
04/01/45	1,700,000	537,819	2,237,819	2,775,638
10/01/45	-	497,444	497,444	-
04/01/46	1,785,000	497,444	2,282,444	2,779,888
10/01/46	-	455,050	455,050	-
04/01/47	1,845,000	455,050	2,300,050	2,755,100
10/01/47	-	411,231	411,231	-
04/01/48	1,890,000	411,231	2,301,231	2,712,463
10/01/48	-	366,344	366,344	-
04/01/49	1,970,000	366,344	2,336,344	2,702,688
10/01/49	-	319,556	319,556	-
04/01/50	2,035,000	319,556	2,354,556	2,674,113
10/01/50	-	271,225	271,225	-
04/01/51	2,070,000	271,225	2,341,225	2,612,450
10/01/51	-	222,063	222,063	-
	<b>50,000,000</b>	<b>43,368,688</b>	<b>93,368,688</b>	<b>93,368,688</b>

**Oklahoma Water Resources Board**  
**Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)**  
**Projected Future Program Cashflows**

**2024 Future Bond Issue**

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/24			-	
10/01/24	-	625,000	625,000	
04/01/25	1,740,000	1,250,000	2,990,000	3,615,000
10/01/25	-	1,206,500	1,206,500	-
04/01/26	875,000	1,206,500	2,081,500	3,288,000
10/01/26	-	1,184,625	1,184,625	-
04/01/27	910,000	1,184,625	2,094,625	3,279,250
10/01/27	-	1,161,875	1,161,875	-
04/01/28	950,000	1,161,875	2,111,875	3,273,750
10/01/28	-	1,138,125	1,138,125	-
04/01/29	995,000	1,138,125	2,133,125	3,271,250
10/01/29	-	1,113,250	1,113,250	-
04/01/30	1,025,000	1,113,250	2,138,250	3,251,500
10/01/30	-	1,087,625	1,087,625	-
04/01/31	1,065,000	1,087,625	2,152,625	3,240,250
10/01/31	-	1,061,000	1,061,000	-
04/01/32	1,100,000	1,061,000	2,161,000	3,222,000
10/01/32	-	1,033,500	1,033,500	-
04/01/33	1,130,000	1,033,500	2,163,500	3,197,000
10/01/33	-	1,005,250	1,005,250	-
04/01/34	1,185,000	1,005,250	2,190,250	3,195,500
10/01/34	-	975,625	975,625	-
04/01/35	1,205,000	975,625	2,180,625	3,156,250
10/01/35	-	945,500	945,500	-
04/01/36	1,255,000	945,500	2,200,500	3,146,000
10/01/36	-	914,125	914,125	-
04/01/37	1,300,000	914,125	2,214,125	3,128,250
10/01/37	-	881,625	881,625	-
04/01/38	1,350,000	881,625	2,231,625	3,113,250
10/01/38	-	847,875	847,875	-
04/01/39	1,415,000	847,875	2,262,875	3,110,750
10/01/39	-	812,500	812,500	-
04/01/40	1,460,000	812,500	2,272,500	3,085,000
10/01/40	-	776,000	776,000	-
04/01/41	1,525,000	776,000	2,301,000	3,077,000
10/01/41	-	737,875	737,875	-
04/01/42	1,550,000	737,875	2,287,875	3,025,750
10/01/42	-	699,125	699,125	-
04/01/43	1,625,000	699,125	2,324,125	3,023,250
10/01/43	-	658,500	658,500	-
04/01/44	1,680,000	658,500	2,338,500	2,997,000
10/01/44	-	616,500	616,500	-
04/01/45	1,760,000	616,500	2,376,500	2,993,000
10/01/45	-	572,500	572,500	-
04/01/46	1,845,000	572,500	2,417,500	2,990,000
10/01/46	-	526,375	526,375	-
04/01/47	1,925,000	526,375	2,451,375	2,977,750
10/01/47	-	478,250	478,250	-
04/01/48	1,975,000	478,250	2,453,250	2,931,500
10/01/48	-	428,875	428,875	-
04/01/49	2,050,000	428,875	2,478,875	2,907,750
10/01/49	-	377,625	377,625	-
04/01/50	2,130,000	377,625	2,507,625	2,885,250
10/01/50	-	324,375	324,375	-
04/01/51	2,200,000	324,375	2,524,375	2,848,750
10/01/51	-	269,375	269,375	-
04/01/52	2,210,000	269,375	2,479,375	2,748,750
10/01/52	-	214,125	214,125	-
	<b>50,000,000</b>	<b>46,282,500</b>	<b>96,282,500</b>	<b>96,282,500</b>

**Oklahoma Water Resources Board**  
**Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)**  
**Projected Future Program Cashflows**

**2025 Future Bond Issue**

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/25			-	
10/01/25	-	562,500	562,500	
04/01/26	765,000	1,125,000	1,890,000	2,452,500
10/01/26	-	1,105,875	1,105,875	-
04/01/27	770,000	1,105,875	1,875,875	2,981,750
10/01/27	-	1,086,625	1,086,625	-
04/01/28	800,000	1,086,625	1,886,625	2,973,250
10/01/28	-	1,066,625	1,066,625	-
04/01/29	835,000	1,066,625	1,901,625	2,968,250
10/01/29	-	1,045,750	1,045,750	-
04/01/30	870,000	1,045,750	1,915,750	2,961,500
10/01/30	-	1,024,000	1,024,000	-
04/01/31	900,000	1,024,000	1,924,000	2,948,000
10/01/31	-	1,001,500	1,001,500	-
04/01/32	930,000	1,001,500	1,931,500	2,933,000
10/01/32	-	978,250	978,250	-
04/01/33	965,000	978,250	1,943,250	2,921,500
10/01/33	-	954,125	954,125	-
04/01/34	1,005,000	954,125	1,959,125	2,913,250
10/01/34	-	929,000	929,000	-
04/01/35	1,030,000	929,000	1,959,000	2,888,000
10/01/35	-	903,250	903,250	-
04/01/36	1,070,000	903,250	1,973,250	2,876,500
10/01/36	-	876,500	876,500	-
04/01/37	1,115,000	876,500	1,991,500	2,868,000
10/01/37	-	848,625	848,625	-
04/01/38	1,160,000	848,625	2,008,625	2,857,250
10/01/38	-	819,625	819,625	-
04/01/39	1,220,000	819,625	2,039,625	2,859,250
10/01/39	-	789,125	789,125	-
04/01/40	1,260,000	789,125	2,049,125	2,838,250
10/01/40	-	757,625	757,625	-
04/01/41	1,315,000	757,625	2,072,625	2,830,250
10/01/41	-	724,750	724,750	-
04/01/42	1,350,000	724,750	2,074,750	2,799,500
10/01/42	-	691,000	691,000	-
04/01/43	1,410,000	691,000	2,101,000	2,792,000
10/01/43	-	655,750	655,750	-
04/01/44	1,465,000	655,750	2,120,750	2,776,500
10/01/44	-	619,125	619,125	-
04/01/45	1,535,000	619,125	2,154,125	2,773,250
10/01/45	-	580,750	580,750	-
04/01/46	1,615,000	580,750	2,195,750	2,776,500
10/01/46	-	540,375	540,375	-
04/01/47	1,680,000	540,375	2,220,375	2,760,750
10/01/47	-	498,375	498,375	-
04/01/48	1,735,000	498,375	2,233,375	2,731,750
10/01/48	-	455,000	455,000	-
04/01/49	1,810,000	455,000	2,265,000	2,720,000
10/01/49	-	409,750	409,750	-
04/01/50	1,880,000	409,750	2,289,750	2,699,500
10/01/50	-	362,750	362,750	-
04/01/51	1,945,000	362,750	2,307,750	2,670,500
10/01/51	-	314,125	314,125	-
04/01/52	1,985,000	314,125	2,299,125	2,613,250
10/01/52	-	264,500	264,500	-
04/01/53	2,035,000	264,500	2,299,500	2,564,000
10/01/53	-	213,625	213,625	-
	<b>45,000,000</b>	<b>43,036,250</b>	<b>88,036,250</b>	<b>88,036,250</b>

**Oklahoma Water Resources Board  
Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)  
Projected Future Program Cashflows**

**2026 Future Bond Issue**

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/26			-	
10/01/26	-	437,500	437,500	
04/01/27	505,000	875,000	1,380,000	1,817,500
10/01/27	-	862,375	862,375	-
04/01/28	560,000	862,375	1,422,375	2,284,750
10/01/28	-	848,375	848,375	-
04/01/29	585,000	848,375	1,433,375	2,281,750
10/01/29	-	833,750	833,750	-
04/01/30	610,000	833,750	1,443,750	2,277,500
10/01/30	-	818,500	818,500	-
04/01/31	630,000	818,500	1,448,500	2,267,000
10/01/31	-	802,750	802,750	-
04/01/32	660,000	802,750	1,462,750	2,265,500
10/01/32	-	786,250	786,250	-
04/01/33	680,000	786,250	1,466,250	2,252,500
10/01/33	-	769,250	769,250	-
04/01/34	715,000	769,250	1,484,250	2,253,500
10/01/34	-	751,375	751,375	-
04/01/35	735,000	751,375	1,486,375	2,237,750
10/01/35	-	733,000	733,000	-
04/01/36	765,000	733,000	1,498,000	2,231,000
10/01/36	-	713,875	713,875	-
04/01/37	795,000	713,875	1,508,875	2,222,750
10/01/37	-	694,000	694,000	-
04/01/38	835,000	694,000	1,529,000	2,223,000
10/01/38	-	673,125	673,125	-
04/01/39	875,000	673,125	1,548,125	2,221,250
10/01/39	-	651,250	651,250	-
04/01/40	905,000	651,250	1,556,250	2,207,500
10/01/40	-	628,625	628,625	-
04/01/41	950,000	628,625	1,578,625	2,207,250
10/01/41	-	604,875	604,875	-
04/01/42	980,000	604,875	1,584,875	2,189,750
10/01/42	-	580,375	580,375	-
04/01/43	1,025,000	580,375	1,605,375	2,185,750
10/01/43	-	554,750	554,750	-
04/01/44	1,065,000	554,750	1,619,750	2,174,500
10/01/44	-	528,125	528,125	-
04/01/45	1,115,000	528,125	1,643,125	2,171,250
10/01/45	-	500,250	500,250	-
04/01/46	1,170,000	500,250	1,670,250	2,170,500
10/01/46	-	471,000	471,000	-
04/01/47	1,220,000	471,000	1,691,000	2,162,000
10/01/47	-	440,500	440,500	-
04/01/48	1,270,000	440,500	1,710,500	2,151,000
10/01/48	-	408,750	408,750	-
04/01/49	1,320,000	408,750	1,728,750	2,137,500
10/01/49	-	375,750	375,750	-
04/01/50	1,380,000	375,750	1,755,750	2,131,500
10/01/50	-	341,250	341,250	-
04/01/51	1,435,000	341,250	1,776,250	2,117,500
10/01/51	-	305,375	305,375	-
04/01/52	1,475,000	305,375	1,780,375	2,085,750
10/01/52	-	268,500	268,500	-
04/01/53	1,525,000	268,500	1,793,500	2,062,000
10/01/53	-	230,375	230,375	-
04/01/54	1,575,000	230,375	1,805,375	2,035,750
10/01/54	-	191,000	191,000	-
	<b>35,000,000</b>	<b>34,340,750</b>	<b>69,340,750</b>	<b>69,340,750</b>

**Oklahoma Water Resources Board  
Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)  
Projected Future Program Cashflows**

**2027 Future Bond Issue**

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/27			-	
10/01/27	-	437,500	437,500	
04/01/28	255,000	875,000	1,130,000	1,567,500
10/01/28	-	868,625	868,625	-
04/01/29	555,000	868,625	1,423,625	2,292,250
10/01/29	-	854,750	854,750	-
04/01/30	580,000	854,750	1,434,750	2,289,500
10/01/30	-	840,250	840,250	-
04/01/31	610,000	840,250	1,450,250	2,290,500
10/01/31	-	825,000	825,000	-
04/01/32	630,000	825,000	1,455,000	2,280,000
10/01/32	-	809,250	809,250	-
04/01/33	655,000	809,250	1,464,250	2,273,500
10/01/33	-	792,875	792,875	-
04/01/34	685,000	792,875	1,477,875	2,270,750
10/01/34	-	775,750	775,750	-
04/01/35	710,000	775,750	1,485,750	2,261,500
10/01/35	-	758,000	758,000	-
04/01/36	740,000	758,000	1,498,000	2,256,000
10/01/36	-	739,500	739,500	-
04/01/37	775,000	739,500	1,514,500	2,254,000
10/01/37	-	720,125	720,125	-
04/01/38	810,000	720,125	1,530,125	2,250,250
10/01/38	-	699,875	699,875	-
04/01/39	845,000	699,875	1,544,875	2,244,750
10/01/39	-	678,750	678,750	-
04/01/40	885,000	678,750	1,563,750	2,242,500
10/01/40	-	656,625	656,625	-
04/01/41	925,000	656,625	1,581,625	2,238,250
10/01/41	-	633,500	633,500	-
04/01/42	955,000	633,500	1,588,500	2,222,000
10/01/42	-	609,625	609,625	-
04/01/43	1,000,000	609,625	1,609,625	2,219,250
10/01/43	-	584,625	584,625	-
04/01/44	1,045,000	584,625	1,629,625	2,214,250
10/01/44	-	558,500	558,500	-
04/01/45	1,095,000	558,500	1,653,500	2,212,000
10/01/45	-	531,125	531,125	-
04/01/46	1,150,000	531,125	1,681,125	2,212,250
10/01/46	-	502,375	502,375	-
04/01/47	1,205,000	502,375	1,707,375	2,209,750
10/01/47	-	472,250	472,250	-
04/01/48	1,250,000	472,250	1,722,250	2,194,500
10/01/48	-	441,000	441,000	-
04/01/49	1,310,000	441,000	1,751,000	2,192,000
10/01/49	-	408,250	408,250	-
04/01/50	1,370,000	408,250	1,778,250	2,186,500
10/01/50	-	374,000	374,000	-
04/01/51	1,420,000	374,000	1,794,000	2,168,000
10/01/51	-	338,500	338,500	-
04/01/52	1,470,000	338,500	1,808,500	2,147,000
10/01/52	-	301,750	301,750	-
04/01/53	1,520,000	301,750	1,821,750	2,123,500
10/01/53	-	263,750	263,750	-
04/01/54	1,575,000	263,750	1,838,750	2,102,500
10/01/54	-	224,375	224,375	-
04/01/55	1,640,000	224,375	1,864,375	2,088,750
10/01/55	-	183,375	183,375	-
	<b>35,000,000</b>	<b>34,481,500</b>	<b>69,481,500</b>	<b>69,481,500</b>

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)  
 Projected Future Program Cashflows

2028 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/28			-	
10/01/28	-	375,000	375,000	
04/01/29	160,000	750,000	910,000	1,285,000
10/01/29	-	746,000	746,000	-
04/01/30	430,000	746,000	1,176,000	1,922,000
10/01/30	-	735,250	735,250	-
04/01/31	445,000	735,250	1,180,250	1,915,500
10/01/31	-	724,125	724,125	-
04/01/32	470,000	724,125	1,194,125	1,918,250
10/01/32	-	712,375	712,375	-
04/01/33	490,000	712,375	1,202,375	1,914,750
10/01/33	-	700,125	700,125	-
04/01/34	515,000	700,125	1,215,125	1,915,250
10/01/34	-	687,250	687,250	-
04/01/35	540,000	687,250	1,227,250	1,914,500
10/01/35	-	673,750	673,750	-
04/01/36	570,000	673,750	1,243,750	1,917,500
10/01/36	-	659,500	659,500	-
04/01/37	595,000	659,500	1,254,500	1,914,000
10/01/37	-	644,625	644,625	-
04/01/38	620,000	644,625	1,264,625	1,909,250
10/01/38	-	629,125	629,125	-
04/01/39	655,000	629,125	1,284,125	1,913,250
10/01/39	-	612,750	612,750	-
04/01/40	685,000	612,750	1,297,750	1,910,500
10/01/40	-	595,625	595,625	-
04/01/41	715,000	595,625	1,310,625	1,906,250
10/01/41	-	577,750	577,750	-
04/01/42	750,000	577,750	1,327,750	1,905,500
10/01/42	-	559,000	559,000	-
04/01/43	790,000	559,000	1,349,000	1,908,000
10/01/43	-	539,250	539,250	-
04/01/44	825,000	539,250	1,364,250	1,903,500
10/01/44	-	518,625	518,625	-
04/01/45	865,000	518,625	1,383,625	1,902,250
10/01/45	-	497,000	497,000	-
04/01/46	910,000	497,000	1,407,000	1,904,000
10/01/46	-	474,250	474,250	-
04/01/47	955,000	474,250	1,429,250	1,903,500
10/01/47	-	450,375	450,375	-
04/01/48	1,000,000	450,375	1,450,375	1,900,750
10/01/48	-	425,375	425,375	-
04/01/49	1,050,000	425,375	1,475,375	1,900,750
10/01/49	-	399,125	399,125	-
04/01/50	1,100,000	399,125	1,499,125	1,898,250
10/01/50	-	371,625	371,625	-
04/01/51	1,155,000	371,625	1,526,625	1,898,250
10/01/51	-	342,750	342,750	-
04/01/52	1,205,000	342,750	1,547,750	1,890,500
10/01/52	-	312,625	312,625	-
04/01/53	1,265,000	312,625	1,577,625	1,890,250
10/01/53	-	281,000	281,000	-
04/01/54	1,325,000	281,000	1,606,000	1,887,000
10/01/54	-	247,875	247,875	-
04/01/55	1,390,000	247,875	1,637,875	1,885,750
10/01/55	-	213,125	213,125	-
04/01/56	1,450,000	213,125	1,663,125	1,876,250
10/01/56	-	176,875	176,875	-
	<b>30,000,000</b>	<b>30,411,500</b>	<b>60,411,500</b>	<b>60,411,500</b>

Oklahoma Water Resources Board  
 Drinking Water SRF - Cash Flow & Capacity Analysis (August 2019)  
 Projected Future Program Cashflows

2029 Future Bond Issue

Date	Principal	5.00% Interest	Total Debt Service	Fiscal Year Debt Service
04/01/29			-	
10/01/29	-	447,625	447,625	
04/01/30	-	895,250	895,250	1,342,875
10/01/30	-	895,250	895,250	-
04/01/31	745,000	895,250	1,640,250	2,535,500
10/01/31	-	876,625	876,625	-
04/01/32	755,000	876,625	1,631,625	2,508,250
10/01/32	-	857,750	857,750	-
04/01/33	770,000	857,750	1,627,750	2,485,500
10/01/33	-	838,500	838,500	-
04/01/34	790,000	838,500	1,628,500	2,467,000
10/01/34	-	818,750	818,750	-
04/01/35	795,000	818,750	1,613,750	2,432,500
10/01/35	-	798,875	798,875	-
04/01/36	810,000	798,875	1,608,875	2,407,750
10/01/36	-	778,625	778,625	-
04/01/37	830,000	778,625	1,608,625	2,387,250
10/01/37	-	757,875	757,875	-
04/01/38	855,000	757,875	1,612,875	2,370,750
10/01/38	-	736,500	736,500	-
04/01/39	880,000	736,500	1,616,500	2,353,000
10/01/39	-	714,500	714,500	-
04/01/40	895,000	714,500	1,609,500	2,324,000
10/01/40	-	692,125	692,125	-
04/01/41	930,000	692,125	1,622,125	2,314,250
10/01/41	-	668,875	668,875	-
04/01/42	925,000	668,875	1,593,875	2,262,750
10/01/42	-	645,750	645,750	-
04/01/43	955,000	645,750	1,600,750	2,246,500
10/01/43	-	621,875	621,875	-
04/01/44	970,000	621,875	1,591,875	2,213,750
10/01/44	-	597,625	597,625	-
04/01/45	1,005,000	597,625	1,602,625	2,200,250
10/01/45	-	572,500	572,500	-
04/01/46	1,045,000	572,500	1,617,500	2,190,000
10/01/46	-	546,375	546,375	-
04/01/47	1,070,000	546,375	1,616,375	2,162,750
10/01/47	-	519,625	519,625	-
04/01/48	1,080,000	519,625	1,599,625	2,119,250
10/01/48	-	492,625	492,625	-
04/01/49	1,105,000	492,625	1,597,625	2,090,250
10/01/49	-	465,000	465,000	-
04/01/50	1,130,000	465,000	1,595,000	2,060,000
10/01/50	-	436,750	436,750	-
04/01/51	1,145,000	436,750	1,581,750	2,018,500
10/01/51	-	408,125	408,125	-
04/01/52	1,130,000	408,125	1,538,125	1,946,250
10/01/52	-	379,875	379,875	-
04/01/53	1,120,000	379,875	1,499,875	1,879,750
10/01/53	-	351,875	351,875	-
04/01/54	1,115,000	351,875	1,466,875	1,818,750
10/01/54	-	324,000	324,000	-
04/01/55	1,125,000	324,000	1,449,000	1,773,000
10/01/55	-	295,875	295,875	-
04/01/56	1,135,000	295,875	1,430,875	1,726,750
10/01/56	-	267,500	267,500	-
04/01/57	1,140,000	267,500	1,407,500	1,675,000
10/01/57	-	239,000	239,000	-
	<b>35,810,000</b>	<b>35,122,375</b>	<b>70,932,375</b>	<b>70,932,375</b>

## **Attachment 4**

# **Oklahoma Drinking Water Treatment Loan Administrative Fund Audit Report For SFY 2019**

State of Oklahoma



**WATER RESOURCES BOARD**  
the water agency

**OKLAHOMA DRINKING WATER TREATMENT LOAN  
ADMINISTRATIVE FUND**

---

**ANNUAL FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018  
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, 2019 and 2018**

---

**TABLE OF CONTENTS**

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



## INDEPENDENT AUDITOR'S REPORT

To the Members of the  
Oklahoma Water Resources Board

### **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, 2019 and 2018, 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, 2019 and 2018, 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 18, 2019, 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 18, 2019

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2019 and 2018**

---

**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, 2019 and 2018**

---

**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, 2019 and 2018. 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**

- The Fund's net position increased by approximately 25.09% and decreased by 10% in FY 2019 and 2018, respectively. Ending net position increased from \$7,971,776 in FY 2018 to \$9,972,151 in FY 2019. Ending net position decreased from \$8,853,570 in FY 2017 to \$7,971,776 in FY 2018.
- During FY 2019, total operating income increased by \$740,376 or 49.12%. Total operating income increased \$310,553 or 25.95% in FY 2018. Operating revenues come from borrowers paying 0.5% administrative fees on their outstanding loan balance.

**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, 2019 and 2018**

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

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

	<b>Business-Type</b>		
	<b>Activities</b>		
	June 30		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Current assets	\$ 10,096,110	\$ 8,093,221	\$ 8,958,944
Capital assets, net	10,701	1,512	8,449
<b>Total assets</b>	<b>10,106,811</b>	<b>8,094,733</b>	<b>8,967,393</b>
Current liabilities	134,660	122,957	113,823
<b>Total liabilities</b>	<b>134,660</b>	<b>122,957</b>	<b>113,823</b>
Net position			
Investment in capital assets	10,701	1,512	8,449
Unrestricted	9,961,450	7,970,264	8,845,121
<b>Total net position</b>	<b>\$ 9,972,151</b>	<b>\$ 7,971,776</b>	<b>\$ 8,853,570</b>

The increase in current assets and unrestricted net position in FY 2019 is attributable to an increase in cash and an increase in administrative fees receivable, due to a reduction in the transfer to the DSWRF loan fund and an increase in operating revenues.

In FY 2018, the decrease in net position is attributable to a decrease in cash related to the transfer to the DWSRF Loan Fund. The increase in current liabilities is due to an increase in the indirect cost being paid for special mapping projects conducted by OWRB employees outside the DWSRF Loan Program.

(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, 2019 and 2018**

	<b>Business-Type</b>		
	<b>Activities</b>		
	Years Ended June 30,		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>			
Operating revenues	\$ 3,041,323	\$ 2,291,548	\$ 2,003,952
Non-operating revenues	190,475	121,032	124,924
<b>Total revenues</b>	<u>3,231,798</u>	<u>2,412,580</u>	<u>2,128,876</u>
<b>Expenses</b>			
Personnel expense	378,910	397,991	447,394
Indirect cost expense	103,540	89,628	86,499
Other administrative expenses	266,602	253,774	262,461
Trustee fees	42,659	36,059	-
Depreciation expense	2,076	6,936	10,991
<b>Total expenses</b>	<u>793,787</u>	<u>784,388</u>	<u>807,345</u>
Net income before transfers	2,438,011	1,628,192	1,321,531
Transfers (to) from other programs	<u>(437,636)</u>	<u>(2,509,986)</u>	<u>(63,381)</u>
<b>Change in net position</b>	2,000,375	(881,794)	1,258,150
<b>Total net position - beginning</b>	7,971,776	8,853,570	7,595,420
<b>Total net position - ending</b>	<u><u>\$ 9,972,151</u></u>	<u><u>\$ 7,971,776</u></u>	<u><u>\$ 8,853,570</u></u>

Operating revenues increased in FY 2019 due to an increase program income because of an increase in loans funded by the DWSRF Loan Fund.

Operating revenues increased in FY 2018 due to an increase in program income. The decrease in net position is attributable to a large transfer out to the DWSRF Loan Fund for the matching portion of the 2017 Capitalization Grant.

(Unaudited. See accompanying auditor's report.)

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2019 and 2018**

---

**Capital Assets**

At the end of June 30, 2019, the capital assets net of accumulated depreciation were \$10,701.

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

	Years Ended June 30,		
	2019	2018	2017
Software	\$ -	\$ -	\$ 4,054
Automobile	10,701	213	3,896
Printer	-	1,299	499
	-	1,299	499
<b>Totals</b>	<b>\$ 10,701</b>	<b>\$ 1,512</b>	<b>\$ 8,449</b>

During FY 2019, the program purchased a new vehicle. During FY 2018, 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, 2019 and 2018**

---

**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, 2019 and 2018**

**Statements of Net Position – June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS:</b>		
Current Assets:		
Cash and cash equivalents	\$8,864,720	\$7,402,790
Administrative fee receivable	1,212,153	677,988
Interest receivable	19,237	12,443
Total current assets	<u>10,096,110</u>	<u>8,093,221</u>
Noncurrent Assets:		
Depreciable capital assets, net	<u>10,701</u>	<u>1,512</u>
Total noncurrent assets	<u>10,701</u>	<u>1,512</u>
Total assets	<u>10,106,811</u>	<u>8,094,733</u>
 <b>LIABILITIES:</b>		
Current Liabilities:		
Accounts payable	<u>134,660</u>	<u>122,957</u>
Total current liabilities	<u>134,660</u>	<u>122,957</u>
 <b>NET POSITION:</b>		
Investment in capital assets	10,701	1,512
Unrestricted	<u>9,961,450</u>	<u>7,970,264</u>
Total net position	<u>\$9,972,151</u>	<u>\$7,971,776</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, 2019 and 2018**

**Statements of Revenues, Expenses and Changes in Net Position – Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Administrative fee income	\$ 3,037,406	\$ 2,287,548
Application fee income	3,917	4,000
Total operating revenues	<u>3,041,323</u>	<u>2,291,548</u>
<b>OPERATING EXPENSES</b>		
Personnel expense	378,910	397,991
Indirect cost expense	103,540	89,628
Other administrative expenses	266,602	253,774
Trustee fees	42,659	36,058
Depreciation expense	2,076	6,937
Total operating expenses	<u>793,787</u>	<u>784,388</u>
<b>OPERATING INCOME</b>	2,247,536	1,507,160
<b>NON-OPERATING REVENUES</b>		
Interest income	<u>190,475</u>	<u>121,032</u>
Total non-operating revenues	<u>190,475</u>	<u>121,032</u>
Net income before transfers	2,438,011	1,628,192
Transfers to Oklahoma Drinking Water State Revolving Fund Loan Program	<u>(437,636)</u>	<u>(2,509,986)</u>
<b>Change in net position</b>	2,000,375	(881,794)
<b>Total net position - beginning</b>	<u>7,971,776</u>	<u>8,853,570</u>
<b>Total net position - ending</b>	<u><u>\$9,972,151</u></u>	<u><u>\$7,971,776</u></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, 2019 and 2018**

**Statements of Cash Flows – Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Administrative fee income	\$2,503,241	\$2,216,896
Application fee income	3,917	4,000
Payments to employees	(378,910)	(397,991)
Payments to other suppliers	(401,098)	(369,955)
Net Cash Provided by Operating Activities	<u>1,727,150</u>	<u>1,452,950</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers to Oklahoma Drinking Water State Revolving Fund Loan Program	(437,636)	(2,509,986)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(437,636)</u>	<u>(2,509,986)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(11,265)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(11,265)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	183,681	120,159
Net Cash Provided by Investing Activities	<u>183,681</u>	<u>120,159</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,461,930	(936,877)
<b>Balances - beginning of the year</b>	<u>7,402,790</u>	<u>8,339,667</u>
<b>Balances - end of the year</b>	<u>\$8,864,720</u>	<u>\$7,402,790</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$2,247,536	\$1,507,160
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,076	6,937
Change in assets and liabilities:		
Decrease (Increase) in administration fee receivable	(534,165)	(70,652)
Decrease (Increase) in due from other funds	-	371
Decrease (Increase) in due to other funds	(386)	(6,771)
Increase (Decrease) in other accrued liabilities	12,089	15,905
Net Cash Provided by Operating Activities	<u>\$1,727,150</u>	<u>\$1,452,950</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, 2019 and 2018**

---

**Footnotes to the Basic Financial Statements:**

**1. Summary of Significant Accounting Policies**

Reporting Entity

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

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

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

Basis of Accounting and Measurement Focus

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

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

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

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

Cash and Cash Equivalents

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

Capital Assets

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

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2019 and 2018**

---

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

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.

**2. Cash Deposits and Investment Risk**

Cash of \$8,807,712 and \$7,402,655 at June 30, 2019 and 2018 respectively, was on deposit in the State Treasurer's office's internal investment pool – *OK Invest*. Short-term investments of \$57,008 and \$135 at June 30, 2019 and 2018, respectively, were on deposit with the Program's trustee. The deposits are invested in *Federated Treasury Obligations* money market mutual funds.

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

Of the \$8,807,712 and \$7,402,655 in cash and cash equivalents on deposit with the State Treasurer as of June 30, 2019 and June 30, 2018, 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 <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.

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

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2019 and 2018**

assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2019, the Program's investments in obligations not directly guaranteed by the U.S. Government and investments in money market mutual funds were valued according to the following hierarchy and were rates as follows:

- OK Invest (State Treasurer) – not subject to credit ratings or fair value hierarchy
- Federated Treasury Obligation – credit rating AAAM and fair value hierarchy of Level 1

**3. Capital Assets**

A summary of equipment activity follows:

	Beginning Balance July 1, 2018	Additions	Deletions	Ending Balance June 30, 2019
Other capital assets:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	22,796	11,265	-	34,061
Total other capital assets, historical cost	<u>\$ 137,952</u>	<u>11,265</u>	<u>-</u>	<u>\$ 149,217</u>
Less: accumulated depreciation for:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	1,787	213	-	2,000
Automobile	21,497	1,863	-	23,360
Total accumulated depreciation	<u>\$ 136,440</u>	<u>2,076</u>	<u>-</u>	<u>\$ 138,516</u>
Other capital assets, net	<u>\$ 1,512</u>	<u>9,189</u>	<u>-</u>	<u>\$ 10,701</u>
	Beginning Balance July 1, 2017	Additions	Deletions	Ending Balance June 30, 2018
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	\$ 109,102	4,054	-	\$ 113,156
Printer	1,501	286	-	1,787
Automobile	18,900	2,597	-	21,497
Total accumulated depreciation	<u>\$ 129,503</u>	<u>6,937</u>	<u>-</u>	<u>\$ 136,440</u>
Other capital assets, net	<u>\$ 8,449</u>	<u>(6,937)</u>	<u>-</u>	<u>\$ 1,512</u>

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2019 and 2018**

---

**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, 2019 and 2018 were 79.00% and 65.66%, respectively.

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2019 and 2018**

---

**INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE**



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

To the Members of the  
Oklahoma Water Resources Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Oklahoma Water Resources Board/Oklahoma Drinking Water Treatment Loan Administrative Fund (the "Fund") as of and for the year ended June 30, 2019, 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 18, 2019.

**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.

A handwritten signature in black ink that reads "Arledge & Associates, P.C." The signature is written in a cursive, flowing style.

Edmond, Oklahoma  
September 18, 2019

## **Attachment 5**

### **SFY 2019 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, 2019 AND 2018  
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, 2019 and 2018

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
FINANCIAL STATEMENTS:	
Statements of Net Position	5
Statements of Revenues, Expenses and Changes in Net Position	6
Statements of Cash Flows	7
Notes to Financial Statements	8
SUPPLEMENTAL SCHEDULE INFORMATION	
Supplemental Combining Statement of Net Position Information- By Program Component	23
Supplemental Combining Statement of Revenues, Expenses and Changes in Net Position Information- By Program Component	24
Supplemental Combining Statement of Cash Flows Information- By Program Component	25



## 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, 2019 and 2018, 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, 2019 and 2018, 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 24, 2019 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.



Edmond, Oklahoma  
September 24, 2019

## **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, 2019. Please read it in conjunction with the Program's financial statements, which begin on page 5. The Oklahoma Department of Environmental Quality ("ODEQ") administers the Program. ODEQ's primary activities include providing direct assistance and managing the coordination of the Program to meet the objectives of the Safe Drinking Water Act. Pursuant to an interagency agreement between ODEQ and the Oklahoma Water Resources Board (the "OWRB"), OWRB handles certain financial functions including originating, approving and servicing loans made to qualifying recipients.

#### FINANCIAL HIGHLIGHTS

- The Program's net position increased by over 4% from \$267,295,996 in FY-2018 to \$279,753,087 in FY-2019. The increase in net position is primarily attributable to an increase in federal grant revenue retained to fund loans.
- The Program experienced an increase of \$73,151,193 in the amount of outstanding loans. At June 30, 2019, the Program had 142 outstanding loans with a principal balance of \$551,361,538. At June 30, 2018 the Program had 129 outstanding loans with a principal balance of \$478,210,345.

#### PROGRAM HIGHLIGHTS

- During FY 2019, eleven (11) construction loans, totaling approximately \$85.5 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 ten (10) projects totaling \$74.3 million.
- Made binding commitments for eleven (11) new loans, totaling approximately \$96 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, 2019 and 2018**

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash	\$ 30,215,957	\$ 38,233,416
Federal letter of credit payments receivable	728,718	973,284
Accrued interest on loans receivable	3,765,484	3,229,091
Other interest receivable	146,845	210,918
Loans receivable	<u>23,461,333</u>	<u>22,259,771</u>
Total current assets	<u>58,318,337</u>	<u>64,906,480</u>
Noncurrent Assets:		
Restricted cash	8,819,845	72,976,597
Restricted investments	21,299,855	22,616,670
Loans receivable, net of current portion and allowance for uncollectible loans of \$16,900 in 2019 and \$203,064 in 2018	527,900,205	455,950,574
Equipment, net	<u>478,083</u>	<u>414,840</u>
Total noncurrent assets	<u>558,497,988</u>	<u>551,958,681</u>
Total assets	<u>616,816,325</u>	<u>616,865,161</u>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>		
Unamortized loss on defeasance	<u>-</u>	<u>1,066,269</u>
<b><u>LIABILITIES</u></b>		
Current Liabilities:		
Accounts payable	44,778	42,533
Due to Oklahoma Department of Environmental Quality ("ODEQ")	683,940	930,751
Compensated absences	108,892	94,950
Interest payable	3,426,983	3,635,483
Current maturities of long-term debt	<u>14,960,000</u>	<u>11,530,000</u>
Total current liabilities	<u>19,224,593</u>	<u>16,233,717</u>
Noncurrent Liabilities:		
Compensated absences	46,675	44,682
Long-term debt, net of current maturities	283,885,000	298,845,000
Unamortized (discount)/ premium	<u>33,906,970</u>	<u>35,512,035</u>
Total noncurrent liabilities	<u>317,838,645</u>	<u>334,401,717</u>
Total liabilities	<u>337,063,238</u>	<u>350,635,434</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt	478,083	414,840
Restricted for loans and debt service	279,430,571	267,020,788
Unrestricted net liability	<u>(155,567)</u>	<u>(139,632)</u>
Total net position	<u>\$ 279,753,087</u>	<u>\$ 267,295,996</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, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Operating revenues:		
Federal grants	\$ 4,036,546	\$ 4,575,127
Loan program income (net of bad debt recovery of \$186,164 in 2019 and bad debt expense of \$105,793 in 2018)	12,630,980	10,882,091
Other revenue	-	-
Total operating revenue	<u>16,667,526</u>	<u>15,457,218</u>
<b>EXPENSES</b>		
Operating expenses:		
Salaries and benefits	2,249,600	2,639,340
Professional services	665,915	532,442
Travel	100,578	84,819
Office	64,776	64,678
Equipment	18,654	85,802
Depreciation	142,093	88,952
Indirect costs	646,260	799,338
Other expense	101,362	33,628
Interest expense	13,504,150	11,832,088
Debt issuance expense	-	633,508
Total operating expenses	<u>17,493,388</u>	<u>16,794,595</u>
Operating income (loss)	<u>(825,862)</u>	<u>(1,337,377)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Federal grants	10,422,351	10,555,693
Federal grants-principal forgiveness	(1,034,021)	(4,049,033)
Investment income	1,655,037	24,765
Interest income-invested cash balances	1,745,986	1,029,116
Total nonoperating revenues	<u>12,789,353</u>	<u>7,560,541</u>
Income (loss) before transfers	11,963,491	6,223,164
Transfers in - Drinking Water Treatment Loan Administrative Fund	<u>493,600</u>	<u>2,509,986</u>
Increase in net position	12,457,091	8,733,150
<b>NET POSITION</b>		
Net position, beginning of year	<u>267,295,996</u>	<u>258,562,846</u>
Net position, end of year	<u>\$ 279,753,087</u>	<u>\$ 267,295,996</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, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Federal grant receipts	\$ 4,281,112	\$ 4,073,643
Collection of interest on loans to local governmental units	11,908,423	10,679,203
Payments to employees	(2,233,665)	(2,448,345)
Payments to suppliers	(1,842,111)	(1,932,731)
Interest paid on debt	(14,251,446)	(10,662,648)
Net cash provided (used) by operating activities	<u>(2,137,687)</u>	<u>(290,878)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from sale of bonds, net	-	90,660,223
Principal paid on bonds	(11,530,000)	(10,405,000)
Federal grant receipts	9,388,330	6,506,660
Transfers in (out) - Drinking Water Treatment Loan Administrative Fund	493,600	2,509,986
Net cash provided (used) by noncapital financing activities	<u>(1,648,070)</u>	<u>89,271,869</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of equipment	(205,336)	(326,075)
Net cash (used) in capital and related financing activities	<u>(205,336)</u>	<u>(326,075)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans to local governmental units	(95,796,731)	(76,236,822)
Collection of principal on loans to local governmental units	21,797,681	21,840,018
Collection of principal on loans to local governmental units from federal grant proceeds	1,034,021	4,049,033
Interest on investments	1,653,130	24,992
Interest on invested cash balances	1,811,966	934,655
Sales of investments	1,316,815	1,933,911
Net cash provided (used) by investing activities	<u>(68,183,118)</u>	<u>(47,454,213)</u>
Net increase (decrease) in cash	(72,174,211)	41,200,703
Cash and cash equivalents, beginning of year	111,210,013	70,009,310
Cash and cash equivalents, end of year	<u>\$ 39,035,802</u>	<u>\$ 111,210,013</u>
Reconciliation to Statement of Net Position:		
Cash	\$ 30,215,957	\$ 38,233,416
Restricted Cash	8,819,845	72,976,597
Total cash and cash equivalents	<u>\$ 39,035,802</u>	<u>\$ 111,210,013</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (825,862)	\$ (1,337,377)
Adjustment to reconcile net operating income to net cash provided by operating activities:		
Depreciation	142,093	88,952
Amortization of bond premium and deferred loss on defeasance	(538,796)	199,619
Provision (recovery) for uncollectible loans	(186,164)	105,793
Changes in operating assets and liabilities:		
Decrease (Increase) in letter of credit payments receivable	244,566	(501,484)
Decrease (Increase) in interest receivable	(536,393)	(308,681)
Increase (Decrease) in accounts payable	2,245	(63,307)
Increase (Decrease) in due to/from ODEQ	(246,811)	564,791
Increase (Decrease) in compensated absences	15,935	(9,005)
Increase (Decrease) in other accrued liabilities	-	-
Increase (Decrease) in interest payable	(208,500)	969,821
Net cash provided (used) by operating activities	<u>\$ (2,137,687)</u>	<u>\$ (290,878)</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, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Basis of Accounting and Measurement Focus

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

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

Federal Letter of Credit Payments

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

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, 2019 represents a portion of the Series 2013B Revenue Bonds as well as the residual investment amounts related to the Series 2003 Revenue Bonds remaining after the retirement of the Series 2003 Revenue bonds during FY-2016. The amount has been set-aside into a Debt Service Reserve Fund. The Debt Service Reserve fund portion of restricted investments totals \$21,299,855 and \$22,616,670 at June 30, 2019 and June 30, 2018, 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, 2019 and 2018

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

Bond Issue Premium

The Program's State Revolving Fund Revenue Bonds Series 2018, Series 2016, Series 2013A, Series 2012A, and Series 2011, were initially sold at a premium of \$39,332,674. The bond premium is being amortized over the remaining life of the bonds. Net amortization expense of \$1,605,065 and \$1,220,869 was recorded in 2019 and 2018, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

Deferred Amount on Defeasance

On July 12, 2016, the Program defeased all of the outstanding Series 2010 bonds using available excess cash. The defeasance resulted in a difference between the net carrying amount of the old debt and defeasance cost of \$3,864,397. This difference, reported in the accompanying financial statements as a deferred outflow, is being charged to operations through the year 2019 using the straight line method. Net amortization expense of \$1,066,269 and \$1,420,488 was recorded in 2019 and 2018, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and change 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, 2019 and 2018 was as follows:

Balance, July 1, 2018	\$ <u>7,971,776</u>	Balance, July 1, 2017	\$ <u>8,853,570</u>
Fee income	3,041,323	Fee income	2,291,548
Interest income	190,475	Interest income	121,032
Operating expenses	(793,787)	Operating expenses	(784,388)
Transfers	<u>(437,636)</u>	Transfers	<u>(2,509,986)</u>
Balance, June 30, 2019	\$ <u>9,972,151</u>	Balance, June 30, 2018	\$ <u>7,971,776</u>

Unrestricted Net Liability

The unrestricted net liability at June 30, 2019 and 2018, 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, 2019 and 2018

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 \$30,215,957 and \$38,233,416 at June 30, 2019 and 2018 respectively, was on deposit in the State Treasurer's office's internal investment pool – *OK Invest*. Restricted cash of \$8,819,845 and \$72,976,597 at June 30, 2019 and 2018 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 \$30,215,957 and \$38,233,416 in cash and cash equivalents on deposit with the State Treasurer as of June 30, 2019 and June 30, 2018, 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, 2019 and 2018

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, 2019 and 2018

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

The program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based 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, 2019 and 2018, 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	
				2019	2018
OK Invest	On Demand	Not Rated	N/A	\$ 30,215,957	\$ 38,233,416
Federated Treasury Obligations Fund	16 days	AAAm	Level 1	1,067,185	7,954,390
Federated Government Obligations Fund	16 days	AAAm	Level 1	3,728,140	57,933,374
Goldman Sach Fin. Sq. Treasury Oblig. Fund		AAAm	Level 1	4,369,168	7,088,833
Federal Farm Credit Bank	2022/2025	AA+	Level 2	2,878,495	2,804,129
Federal Home Loan Bank	2020/2023	AA+	Level 2	1,082,306	1,066,119
Federal Home Loan Mortgage Corp. Int. Strips	2025	AA+	Level 2	2,592,360	2,363,469
Federal National Mortgage Assoc. Int. Strips	2020/2022	AA+	Level 2	340,737	904,960
Tennessee Valley Authority	2021	AA+	Level 2	729,440	727,948
Tennessee Valley Authority Coupon Strips	2020/2025	AA+	Level 2	12,970,277	14,154,517
Sub-Total				\$ 59,974,065	\$ 133,231,155
U.S. Treasury Notes	2019/2020	NA	Level 1	361,592	595,528
				\$ 60,335,657	\$ 133,826,683
Reconciliation to Statement of Net Position					
	Cash			\$ 30,215,957	\$ 38,233,416
	Restricted cash			8,819,845	72,976,597
	Restricted investments			21,299,855	22,616,670
	Total			\$ 60,335,657	\$ 133,826,683

*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, 2019: 15% or \$9,164,493 is invested in government obligations money market mutual funds, 35% or \$20,955,207 is invested directly in fixed income securities, and 50% or \$30,215,957 is invested in OK Invest.

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

NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

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, 2019 and 2018 are as follows:

	Year Ended June 30, 2019					Totals
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	
LOC available for draw	\$ 10,702,032	21,218,077	4,428,762	24,334,718	240,184,411	300,868,000
Grant available in 2019	629,880	1,574,700	314,940	2,362,050	10,865,430	15,747,000
LOC reprogrammed	-	-	-	-	-	-
Cumulative cash draws	<u>11,095,269</u>	<u>22,099,210</u>	<u>4,615,272</u>	<u>25,421,190</u>	<u>247,900,447</u>	<u>311,131,388</u>
LOC balance available for draw at June 30, 2019	<u>\$ 236,643</u>	<u>693,567</u>	<u>128,430</u>	<u>1,275,578</u>	<u>3,149,394</u>	<u>5,483,612</u>

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

NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

3. FEDERAL LETTERS OF CREDIT (Cont'd)

	Year Ended June 30, 2018					Totals
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	
LOC available for draw	\$ 10,170,872	19,890,177	4,163,182	22,342,868	231,021,901	287,589,000
Grant available in 2018	531,160	1,327,900	265,580	1,991,850	9,162,510	13,279,000
LOC reprogrammed	-	-	-	-	-	-
Cumulative cash draws	10,629,239	20,886,100	4,362,370	23,072,120	237,478,096	296,427,925
LOC balance available for draw at June 30, 2018	\$ 72,793	331,977	66,392	1,262,598	2,706,315	4,440,075

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 3.50% at June 30, 2019 and from 0% to 3.50% at June 30, 2018.

Not less than 20% up to a maximum of 30% of the annual federal grant must be used for principal forgiveness for projects meeting regionalization and consolidation criteria. For the period ending June 30, 2019 the Program made one loan to a borrower in this category and no loans in the period ending June 30, 2018 that have or will receive principal forgiveness.

The Program also provides for extended loan terms to borrowers meeting the “disadvantaged” criteria. Loan terms can be extended to up to thirty years and not to exceed the useful life of the proposed project. For the periods ending June 30, 2019 and 2018, the Program made 9 and 5 loans, respectively, under the “disadvantaged” criteria.

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

NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

4. LOANS RECEIVABLE (Cont'd)

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, 2019 and 2018, principal payments of \$22,831,702 and \$25,889,051, respectively, had been received.

The allowance for loan losses at June 30, 2019 of \$16,900 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, 2017 to June 30, 2019, is as follows:

Balance, June 30, 2017	\$ 427,968,367
Loan disbursements	76,236,822
Loan principal repayments and forgiveness	<u>(25,889,051)</u>
	478,316,138
Change in provision for uncollectible loans	<u>(105,793)</u>
Balance, June 30, 2018	\$ <u>478,210,345</u>
Loan disbursements	95,796,731
Loan principal repayments and forgiveness	<u>(22,831,702)</u>
	551,175,374
Change in provision for uncollectible loans	<u>186,164</u>
Balance, June 30, 2019	\$ <u>551,361,538</u>

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

NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

5. RESTRICTED INVESTMENTS

A description of the restricted investments held at June 30, 2018 and 2017, is as follows:

	<u>2019</u>	<u>2018</u>
Federal Farm Credit Bank	\$ 2,878,495	\$ 2,804,129
Federal Home Loan Bank	1,082,306	1,066,119
Federal Home Loan Mortgage Corp. Int. Strips	2,592,360	2,363,469
Federal National Mortgage Assoc. Int. Strips	340,737	904,960
Tennessee Valley Authority	729,440	727,948
Tennessee Valley Authority Coupon Strips	12,970,277	14,154,517
U.S. Treasury Notes	361,592	595,528
Goldman Sachs Fin. Sq. Treasury Oblig. Fund	344,648	-
	<u>\$ 21,299,855</u>	<u>\$ 22,616,670</u>
Total restricted investments		

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 \$11,000,000 and \$3,153,500 at June 30, 2019 and 2018, respectively.

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

NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

7. EQUIPMENT

A summary of changes to equipment is as follows:

	Year ended 2019		
	June 30, 2018	Additions	June 30, 2019
Equipment	\$ 1,325,630	205,336	\$ 1,530,966
Accumulated depreciation	<u>(910,790)</u>	<u>(142,093)</u>	<u>(1,052,883)</u>
Net	\$ <u>414,840</u>	<u>63,243</u>	\$ <u>478,083</u>

	Year ended 2018		
	June 30, 2017	Additions	June 30, 2018
Equipment	\$ 999,555	326,075	\$ 1,325,630
Accumulated depreciation	<u>(821,838)</u>	<u>(88,952)</u>	<u>(910,790)</u>
Net	\$ <u>177,717</u>	<u>237,123</u>	\$ <u>414,840</u>

8. LONG-TERM DEBT

Bonds Payable

On March 22, 2018, the Program issued State Revolving Fund Revenue Bonds, Series 2018 in the amount of \$80,055,000. The bonds are secured by the loans made to the local entities by the 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, 2019 and 2018

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

On October 19, 2016, the Program issued State Revolving Fund Revenue Bonds, Series 2016 in the amount of \$90,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements in order to obtain Federal grants.

On September 19, 2013, the Program issued State Revolving Fund Revenue Bonds, Series 2013A in the amount of \$41,410,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements in order to obtain Federal grants.

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.

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

NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

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.

On July 12, 2016, the Program defeased all of the outstanding Series 2010 bonds using available excess cash. The defeasance resulted in a difference between the net carrying amount of the old debt and defeasance cost of \$3,864,397. This difference, reported in the accompanying financial statements as a deferred outflow, is being charged to operations through the year 2019 using the straight line method.

Future debt service payments required by the Program's serial bonds as of June 30, 2019 are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 14,960,000	11,271,074	26,231,074
2021	16,775,000	10,523,694	27,298,694
2022	17,040,000	9,655,838	26,695,838
2023	17,970,000	8,722,701	26,692,701
2024	18,235,000	7,719,638	25,954,638
2025-2029	73,270,000	31,236,026	104,506,026
2030-2034	68,850,000	18,819,450	87,669,450
2035-2039	53,605,000	6,837,100	60,442,100
2040-2044	18,140,000	1,120,925	19,260,925
	<u>\$ 298,845,000</u>	<u>105,906,446</u>	<u>404,751,446</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 2018, 2016, 2013A, 2012A, and 2011 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

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

NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

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, 2018 to be immaterial for the Series 2018, 2016, Series 2011, Series 2012A, and Series 2013A bonds.

Changes in long-term debt outstanding at June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Beginning Balances:		
Add: Serial 2018 bonds due April 1, 2020 to April 1, 2038, interest at 3.375% to 5.00%	\$ 80,055,000	\$ -
Serial 2016 bonds due April 1, 2019 to April 1, 2041, interest at 4.00% to 5.00%	89,500,000	90,000,000
Serial 2013B bonds due April 1, 2019 to April 1, 2025, interest at 2.705% to 4.116%	18,755,000	\$ 22,675,000
Serial 2013A bonds due April 1, 2019 to April 1, 2043, interest at 4.00% to 5.00%	32,995,000	34,905,000
Serial 2012A bonds due April 1, 2019 to April 1, 2042, interest at 3.00% to 5.00%	39,050,000	41,725,000
Serial 2011 bonds due April 1, 2019 to April 1, 2042, interest at 3.00% to 5.25%	50,020,000	51,420,000
Unamortized (discount)/ premium	35,512,035	26,127,681
	<u>\$ 345,887,035</u>	<u>\$ 266,852,681</u>
Add: Serial 2018 bonds due April 1, 2020 to April 1, 2038, interest at 3.375% to 5.00%	-	80,055,000
Add: 2018 Bond Premium	-	10,605,223
Less: Debt Repayments	(11,530,000)	(10,405,000)
Less: Current Amortization of Premium	(1,605,065)	(1,220,869)
Ending Balances:	<u>\$ 332,751,970</u>	<u>\$ 345,887,035</u>
Amounts due in one year	<u>\$ 14,960,000</u>	<u>\$ 11,530,000</u>

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

NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

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, 2019

	Set-Aside Funds					Totals
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	
<b>ASSETS</b>						
Current Assets:						
Cash	\$ -	-	-	-	30,215,957	30,215,957
Federal letter of credit payments receivable (payable)	(1,176)	886,318	71,783	(228,207)	-	728,718
Accrued interest on loans receivable	-	-	-	-	3,765,484	3,765,484
Other interest receivable	-	-	-	-	146,845	146,845
Loans receivable	-	-	-	-	23,461,333	23,461,333
Total current assets	(1,176)	886,318	71,783	(228,207)	57,589,619	58,318,337
Noncurrent Assets:						
Restricted Cash	-	-	-	-	8,819,845	8,819,845
Restricted investments	-	-	-	-	21,299,855	21,299,855
Loans receivable, net of current portion and allowance for uncollectible loans of \$16,900	-	-	-	-	527,900,205	527,900,205
Equipment, net	-	83,210	-	394,873	-	478,083
Total noncurrent assets	-	83,210	-	394,873	558,019,905	558,497,988
Total assets	(1,176)	969,528	71,783	166,666	615,609,524	616,816,325
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts payable	-	-	-	44,778	-	44,778
Due to (from) Oklahoma Department of Environmental Quality ("ODEQ")	(1,176)	886,318	71,783	(272,985)	-	683,940
Compensated absences	9,504	52,640	10,518	36,230	-	108,892
Interest Payable	-	-	-	-	3,426,983	3,426,983
Current maturities of long-term debt	-	-	-	-	14,960,000	14,960,000
Total current liabilities	8,328	938,958	82,301	(191,977)	18,386,983	19,224,593
Noncurrent Liabilities:						
Compensated absences	4,073	22,562	4,507	15,533	-	46,675
Long-term debt, net of current maturities	-	-	-	-	283,885,000	283,885,000
Unamortized (discount)/premium	-	-	-	-	33,906,970	33,906,970
Total noncurrent liabilities	4,073	22,562	4,507	15,533	317,791,970	317,838,645
Total liabilities	12,401	961,520	86,808	(176,444)	336,178,953	337,063,238
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	-	83,210	-	394,873	-	478,083
Restricted for loans and debt service	-	-	-	-	279,430,571	279,430,571
Unrestricted net liability	(13,577)	(75,202)	(15,025)	(51,763)	-	(155,567)
Total net position	\$ (13,577)	8,008	(15,025)	343,110	279,430,571	279,753,087

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, 2019

	Set-Aside Funds					Totals
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	
<b>REVENUES</b>						
Operating revenues:						
Federal grants	\$ 435,975	1,416,584	201,665	1,982,322	-	4,036,546
Other revenue	-	-	-	-	-	-
Loan program income (net of bad debt recovery of \$186,164)	-	-	-	-	12,630,980	12,630,980
Total operating revenue	<u>435,975</u>	<u>1,416,584</u>	<u>201,665</u>	<u>1,982,322</u>	<u>12,630,980</u>	<u>16,667,526</u>
<b>EXPENSES</b>						
Operating expenses:						
Salaries and benefits	171,754	965,031	154,825	957,990	-	2,249,600
Professional services	215,000	-	-	450,915	-	665,915
Travel	4,204	33,671	4,502	58,201	-	100,578
Office	121	4,019	505	60,131	-	64,776
Equipment	-	-	-	18,654	-	18,654
Depreciation	-	9,246	-	132,847	-	142,093
Indirect costs	49,748	276,169	45,149	275,194	-	646,260
Other expense	-	60,851	-	40,511	-	101,362
Interest expense	-	-	-	-	13,504,150	13,504,150
Debt issuance expense	-	-	-	-	-	-
Trustee fees	-	-	-	-	-	-
Total operating expenses	<u>440,827</u>	<u>1,348,987</u>	<u>204,981</u>	<u>1,994,443</u>	<u>13,504,150</u>	<u>17,493,388</u>
Operating income (loss)	<u>(4,852)</u>	<u>67,597</u>	<u>(3,316)</u>	<u>(12,121)</u>	<u>(873,170)</u>	<u>(825,862)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Federal grants	-	-	-	-	10,422,351	10,422,351
Federal grants-Principal Forgiveness	-	-	-	-	(1,034,021)	(1,034,021)
Investment income	-	-	-	-	1,655,037	1,655,037
Interest income-invested cash balances	-	-	-	-	1,745,986	1,745,986
Net nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,789,353</u>	<u>12,789,353</u>
Income (loss) before transfers	<u>(4,852)</u>	<u>67,597</u>	<u>(3,316)</u>	<u>(12,121)</u>	<u>11,916,183</u>	<u>11,963,491</u>
Transfers in - Drinking Water Treatment Loan Admin Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,600</u>	<u>493,600</u>
Increase (decrease) in net position	<u>(4,852)</u>	<u>67,597</u>	<u>(3,316)</u>	<u>(12,121)</u>	<u>12,409,783</u>	<u>12,457,091</u>
<b>NET POSITION</b>						
Net position, beginning of year	<u>(8,725)</u>	<u>(59,589)</u>	<u>(11,709)</u>	<u>355,231</u>	<u>267,020,788</u>	<u>267,295,996</u>
Net position, end of year	<u>\$ (13,577)</u>	<u>8,008</u>	<u>(15,025)</u>	<u>343,110</u>	<u>279,430,571</u>	<u>279,753,087</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, 2019

	Set-Aside Funds					Totals
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Federal grant receipts	\$ 466,030	1,213,110	252,902	2,349,070	-	4,281,112
Collection of interest on loans to local governmental units	-	-	-	-	11,908,423	11,908,423
Payments to employees	(166,902)	(949,418)	(151,509)	(965,836)	-	(2,233,665)
Payments to other suppliers	(299,128)	(171,236)	(101,393)	(1,270,354)	-	(1,842,111)
Interest paid on debt	-	-	-	-	(14,251,446)	(14,251,446)
Net cash provided (used) by operating activities	-	92,456	-	112,880	(2,343,023)	(2,137,687)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Principal paid on bonds	-	-	-	-	(11,530,000)	(11,530,000)
Federal grant receipts	-	-	-	-	9,388,330	9,388,330
Transfers in (out) - Drinking Water Treatment Loan Admin. Fund	-	-	-	-	493,600	493,600
Net cash provided (used) by noncapital financing activities	-	-	-	-	(1,648,070)	(1,648,070)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of equipment	-	(92,456)	-	(112,880)	-	(205,336)
Net cash provided (used) by capital and related financing activities	-	(92,456)	-	(112,880)	-	(205,336)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Loans to local governmental units	-	-	-	-	(95,796,731)	(95,796,731)
Collection of principal on loans to local governmental units	-	-	-	-	21,797,681	21,797,681
Collection of principal on loans to local governmental units from federal grant proceeds	-	-	-	-	1,034,021	1,034,021
Interest on investments	-	-	-	-	1,653,130	1,653,130
Interest on invested cash balances	-	-	-	-	1,811,966	1,811,966
Sale (Purchase) of investments	-	-	-	-	1,316,815	1,316,815
Net cash provided (used) by investing activities	-	-	-	-	(68,183,118)	(68,183,118)
Net increase (decrease) in cash	-	-	-	-	(72,174,211)	(72,174,211)
Cash and cash equivalents, beginning of year	-	-	-	-	111,210,013	111,210,013
Cash and cash equivalents, end of year	\$ -	-	-	-	39,035,802	39,035,802
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ (4,852)	67,597	(3,316)	(12,121)	(873,170)	(825,862)
Adjustment to reconcile net operating income to net cash provided by operating activities:						
Depreciation	-	9,246	-	132,847	-	142,093
Amortization of bond premium and deferred loss on defeasance	-	-	-	-	(538,796)	(538,796)
Provision (recovery) for uncollectible loans	-	-	-	-	(186,164)	(186,164)
Changes in operating assets and liabilities:						
Decrease (Increase) in letter of credit payments receivable	30,055	(203,474)	51,237	366,748	-	244,566
Decrease (Increase) in interest receivable	-	-	-	-	(536,393)	(536,393)
Increase (Decrease) in accounts payable	-	-	-	2,245	-	2,245
Increase (Decrease) in due to/from ODEQ	(30,055)	203,474	(51,237)	(368,993)	-	(246,811)
Increase (Decrease) in compensated absences	4,852	15,613	3,316	(7,846)	-	15,935
Increase (Decrease) in other accrued liabilities	-	-	-	-	-	-
Increase (Decrease) in interest payable	-	-	-	-	(208,500)	(208,500)
Net cash provided (used) by operating activities	\$ -	92,456	-	112,880	(2,343,023)	(2,137,687)

## **Attachment 6**

# **Capacity Development Annual Report for SFY 2019**

---

# Oklahoma Department of Environmental Quality

---

Capacity Development Program  
Annual Progress Report to EPA  
State Fiscal Year 2019

---

September 27, 2019

## 1. Introduction

With the Safe Drinking Water Act (SDWA) Amendments of 1996, Congress put in place a variety of initiatives designed to assist public water systems in providing safe drinking water and complying with the terms of the Act. One of these was the capacity development (CD) initiative, established with the intent of focusing on those systems most in need of assistance, primarily 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 Oklahoma Department of Environmental Quality (DEQ) must submit an annual report of CD activities to the United States Environmental Protection Agency (EPA). This report reflects the efficacy of the State's CD Strategy by detailing improvements in the TMF capabilities of the State's public water systems. The annual CD progress report is available on the DEQ's website, at <https://www.deq.ok.gov/water-quality-division/public-water-supply/capacity-development/>.

A *public water system* (PWS) is defined by the SDWA as a system that provides water via piping or other constructed conveyances for human consumption to at least 15 service connections or serves an average of at least 25 people for at least 60 days each year.

There are three types of PWSs:

1. Community Water Supplies (CWS) such as towns and rural water districts;
2. Non-transient non-community (NTNC) systems such as schools or factories; and
3. Non-community (NC) systems such as rest stops or parks.

Of the 1,392 active PWSs in Oklahoma:

- 189 systems use surface water as their primary source;
- 738 use groundwater as their primary source;
- 369 purchase from surface water systems;
- 8 use groundwater under the direct influence of surface water as their primary source;
- 80 purchase from groundwater systems; and
- 8 purchase from groundwater under the direct influence of surface water systems.

Of the 1,392 PWSs in Oklahoma:

- 925 are community water systems;
- 81 are non-transient non-community; and
- 386 are non-community water systems.

DEQ has the statutory authority to ensure that all water supply systems will have adequate TMF capabilities prior to their construction in Oklahoma. For new systems; these capabilities are assessed via two DEQ regulatory directives. The first directive derives from Oklahoma Administrative Code (OAC) 252-626: Public Water Supply Construction Standards [<https://www.deq.ok.gov/asd/rules-and-regulations/attachment/626/>], which states that a PWS must receive a "Permit-to-Construct" from DEQ prior to initiating construction. The other directive requires all operators of a PWS to be licensed by

DEQ, according to OAC 252:710: Waterworks and Wastewater Works Operator Certification Regulations [<https://www.deq.ok.gov/asd/rules-and-regulations/attachment/710/>].

## 2. Enforcement and Compliance Mechanisms

DEQ's CD program relies on the success of its enforcement and compliance programs. These two programs are partially funded through the Drinking Water State Revolving Fund (DWSRF) 10% State Program Management Set-Aside, and the 15% Local Assistance and Other State Programs Set-Aside. Funding information is detailed in DEQ's *Final Intended Use Plan, Drinking Water State Revolving Fund, State Fiscal Year 2020*. Note that State's fiscal year is from July 1<sup>st</sup> to June 30<sup>th</sup> the following calendar year.

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 causes behind the violations. When it is determined that enforcement is needed, there are three main legal tools available to the agency to bring about 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. NOVs address matters such as monitoring failures, improper operating procedures, or construction deficiencies. A NOV has a short deadline for compliance, typically fifteen days from the day the water system receives the document.

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 when a water system refuses to agree to the terms of a CO. In an ACO, DEQ determines what tasks need to be completed and sets deadlines for the completion of these tasks. Both the CO and the ACO stipulate the penalties for failing to meet the required deadlines.

**Boil Advisories**, while not enforcement actions themselves, are an additional tool used by DEQ to achieve compliance. These notices are issued to systems that have "acute" or "*E. Coli*" 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 2017, DEQ issued 2,556 enforcement actions, which consisted of:

- 2,216 informal enforcement letters;
- 330 NOVs and COs;
- 1 Administrative Compliance Order; and
- 9 Boil Advisories.

A total of 2,426 systems were returned to compliance during calendar year 2018 (some systems returned to compliance more than once).

### 3. Capacity Development Program Coordinator

The Capacity Development Coordinator (CDC) manages the CD program and section in Oklahoma. The CDC is responsible for fostering the relationship among the various DEQ drinking water programs, and between DEQ and other state agencies and organizations that are involved with supporting and assisting public water supplies. The overall goal of this effort is maintaining coordinated efforts towards increasing PWS TMF capabilities.

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.

<b>Tool</b>	<b><i>Technical</i></b>	<b><i>Managerial</i></b>	<b><i>Financial</i></b>
Construction Permitting	X		
PWS Enforcement	X	X	
Operator Certification	X	X	
SWAP	X	X	
AWOP	X	X	X
DWSRF	X	X	X
CD TMF Assessments	X	X	X
Sanitary Surveys	X		
Asset Management Training	X	X	X
Regionalization	X	X	X
FACT		X	X
Rate Studies			X
Water Loss Auditing	X	X	X

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 2019. 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 SFY 2019, 17 water systems consolidated into neighboring water systems. Five of these systems were school water supplies that were consolidated into larger water systems. Nine NC systems and three small CWS were consolidated into larger nearby CWS. The systems that were consolidated were:

- Bridge Creek Upper Elementary School, Bridge Creek Middle School, Bridge Creek Field House, Bridge Creek High School – all consolidated into Bridge Creek School;
- Konawa Assembly of God – now a part of Konawa PWS;
- Cee Gee’s Club – now a part of Edmond PWS;
- Osage Country Meat Market – now a part of Ponca City PWS;
- Wichita Mountains Wildlife Refuge (Doris campground), Wichita Mountains Wildlife Refuge Visitors Center, Holy City – all consolidated into Wichita Mountains Wildlife Refuge;
- Copper Head Run Rally – now a part of Mayes Rural Water District #6;
- H & T Quick Stop – now a part of Cleveland County Rural Water District #1;
- Terra Verde Discovery School – now a part of Norman PWS;
- Lewis Trailer Park – now a part of McCurtain Rural Water District #8;
- Mayes County Rural Water District #9 – now a part of Grove Municipal Authority PWS;
- 81 Mobile Home Park – now a part of Hennessey PWS; and
- Elk River Landing – now a part of Seneca-Cayuga PWS;

Incorporating NC 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. DEQ will continue to seek out NC water supplies that are struggling with compliance and will help them consider regionalization and/or consolidation, if appropriate for their situations.

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

- DEQ;
- Oklahoma Department of Commerce;
- Oklahoma Water Resources Board;
- Indian Health Service;
- U.S. Department of Agriculture – Rural Development;
- Oklahoma Association of Regional Councils;
- Communities Unlimited;

- EPA;
- Cherokee Nation; and
- Chickasaw Nation.

FACT meets quarterly to discuss the status of Oklahoma community water supplies identified in DEQ's enforcement list and to coordinate water and wastewater project funding. Before each meeting, invitations are extended to a few water and/or wastewater systems from across the state that are contending with severe problems and have the greatest *financial* need. Guests are invited for the purpose of helping them identify the best source of project funding as efficiently and effectively as possible.

With every public financing agency present at FACT, communication barriers are reduced and application processes are streamlined, resulting in rapid assistance. FACT provides a single uniform method for requesting funding and regulatory approvals, and it offers guides, checklists, and forms that are accepted by all FACT-participating agencies. DEQ has been a member of FACT since its inception in the early 1990s and has been instrumental in crafting an organization that helps to correct some of Oklahoma's most difficult to solve public water supply issues. The CDC is an important member of FACT and serves by coordinating the process of inviting water and wastewater systems to FACT, distributing background information about the invited guests to FACT members, and assisting with logistics and questions invited guests may have during the meetings.

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 operations 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 proper *technical* training to properly treat and monitor drinking water supplied to the public. Also, with oversight from the DEQ Operator Certification section, ORWA provides study material and training for operators of all classifications of water facilities, as well as *managerial* training for system managers and board members. The examinations for operators are administered by the ORWA by means of a DEQ contract, and during SFY19, 1,086 individual water operator exams and 135 water laboratory operator exams were given. Also during SFY 2018, 16 public water supply systems did not have available an appropriately licensed operator in responsible charge, listed in Table 2, on the next page.

<b>PWS ID Number</b>	<b>System Name</b>	<b>PWS ID Number</b>	<b>System Name</b>
OK2004451	ACG Materials Bouse Junction	OK2006363	Brooksville
OK2000208	Cherokee	OK3002416	Chisholm Creek Housing Authority
OK3001659	Clemmer Water Association	OK2002711	Deer Creek
OK2002413	Fairmont	OK4006322	Family of Faith
OK2001939	Gypsy School	OK4001144	Lakeway MHP
OK2002705	Lamont	OK2002463	Lavicky Sand
OK2007001	Optima	OK1021410	Osage RWD #20
OK3001664	Sunnyside Water Association	OK2006367	Timber Creek MHP

Table 2: PWS Systems without a Certified Operator in SFY2018

All of the above-listed systems are facing enforcement action concerning a lack of an appropriately certified operator. However, DEQ has made efforts to make these systems aware of training and testing opportunities that are available to them at little or no charge, and will continue to work with them until a licensed operator is hired.

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.

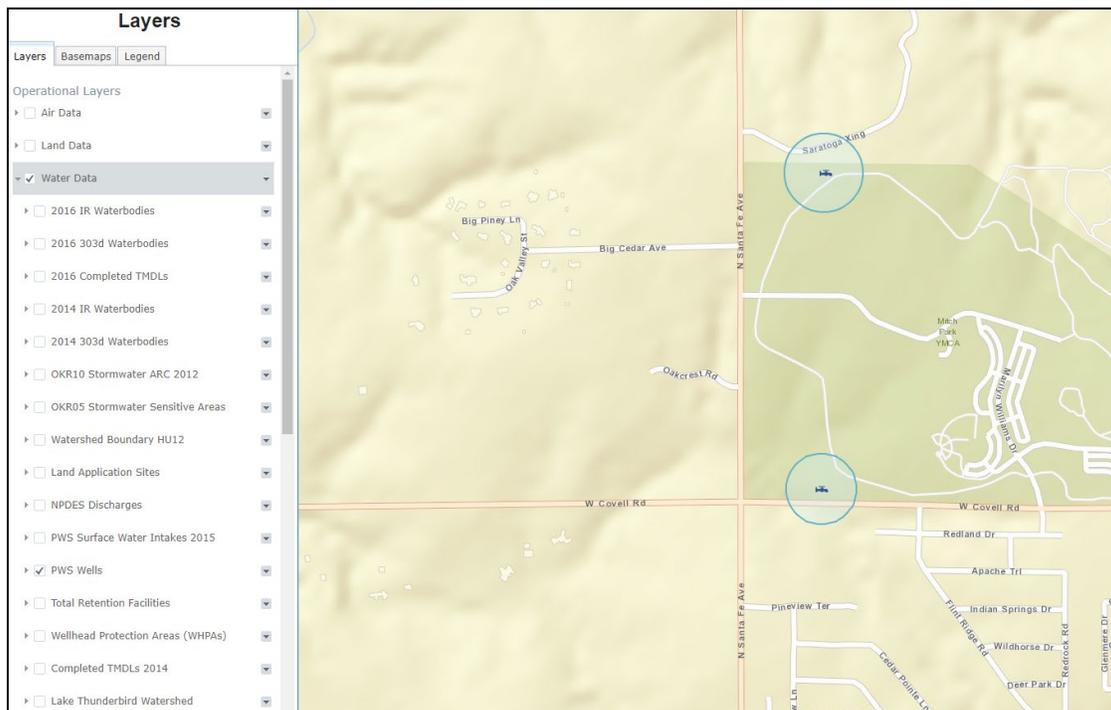


Figure 1: Sample map indicating location of well and wellhead protection areas.

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. All DEQ-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.

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 and economical ways a PWS 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, and a larger AWOP “super” group has been created with states from Region 7 (Missouri, Iowa, and Kansas). DEQ continues its involvement in AWOP by

attending quarterly regional and biennial national meetings and by participating in and hosting multi-state comprehensive performance evaluations (CPE) and training workshops.



Figure 2: Conducting a Filter Study during the Eufaula CPE.

From 1997 through the end of SFY 2019, DEQ has conducted 25 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 optimizing water treatment. A CPE provides analysis of the facility's design capabilities and a system's administrative, operational, and maintenance practices, leading to a report that addresses the *TMF* aspects of the water system. Following the CPE, the participating water system receives a report within 60 days from DEQ that outlines factors that may influence the optimization of its treatment operations.

In Oklahoma, the AWOP Coordinator and the CDC have been collaborating to find ways to further the incorporation of *TMF* concepts in the CPE process, with a focus on bolstering the administrative review with elements from the capacity development program, including *TMF* assessments and water loss audits.

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 and water loss audit on each borrower, providing assistance and guidance to correct any found deficiencies.

Currently, 41 water systems are on the DWSRF Project Priority List for a total of over \$97 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 \$1,204,889,969.00 to fund a total of 190 water system upgrades. In addition to funding infrastructure improvements, the program funds the CD, Small System Technical Assistance, and SWAP programs, partially funds the PWS Program, and is funding the agency's water loss auditing work.

Beginning with SFY 2019, the DWSRF began work to provide subsidies in the form of principal forgiveness to public water supplies that have health-based violations, such as Disinfection Byproduct (DBP) issues. The total amount of subsidies given will be determined by the FFY 2019 Capitalization Grant, but the maximum amount of principal forgiveness to be given will be either \$100,000, or the cost of the project, whichever is less. For SFY 2020, The Muskogee Municipal Authority and the Eufaula Public Works Authority will each receive \$100,000 to assist with DBP issues, and 25 additional systems were added to the DWSRF Project Priority List during SFY 2019 as candidates for DBP principal forgiveness.

G. The PWS *Sanitary Survey Program* is implemented by DEQ, in cooperation with EPA Region 6. In the course of conducting inspections, field staffs from the Environmental Complaints and Local Services (ECLS) and WQD divisions of DEQ provide *technical* assistance to PWS system personnel in resolving compliance issues. Across the state, ECLS and WQD staff members inspect surface water systems quarterly and ground water systems semiannually. In SFY 2019, 919 Sanitary Surveys were conducted by ECLS and WQF staff, and 709 non-primacy site inspections were completed by ECLS.

## **6. Challenges to Oklahoma's Capacity Development Strategy**

Mile for mile, Oklahoma offers the nation's most diverse terrain. It is one of only four states with more than ten ecoregions, and has by far the most changes in ecoregions per mile in America. Oklahoma's ecoregions, terrains, and subclimates include everything from Rocky Mountain foothills to cypress swamps, from tallgrass prairies to hardwood forests, and pine-covered mountains. Each is graced with wide blue lakes, tumbling freshwater rivers, and peaceful country streams. Additionally, there is one man-made type of terrain: urban turf. This 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 (MCL). For some regulations, EPA establishes treatment techniques (TT) 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.

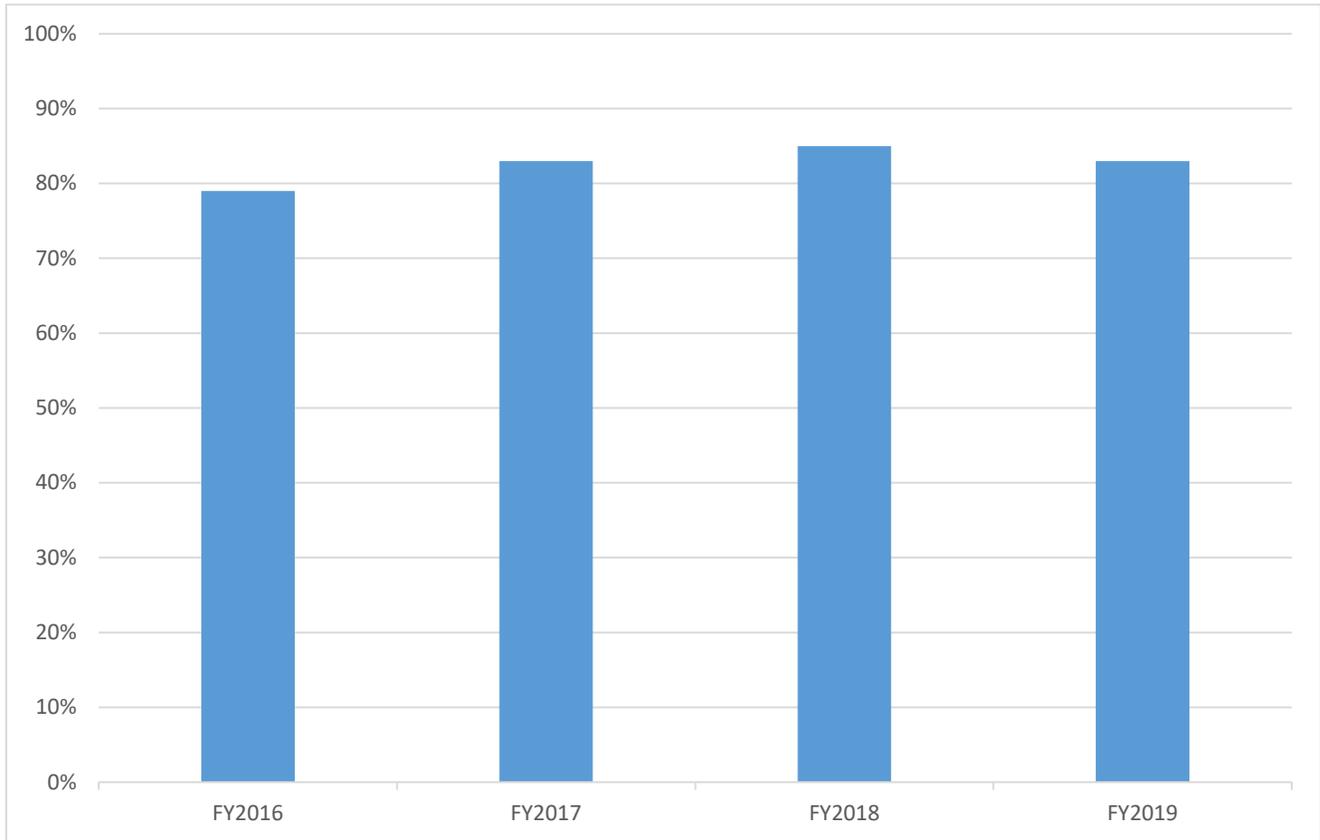


Figure 3: Percent of Systems Reporting No Violations

The State of Oklahoma’s PWS Program currently oversees 1,392 active entities that meet the federal definition of a PWS. Of these, 1,154, or approximately 83%, reported no MCL or TT violations.

Of the 1,392 PWSs in Oklahoma during the calendar year 2018:

- Seven systems had 20 violations for exceeding the MCL for arsenic;
- Two systems had violations for arsenic monitoring;
- One system had four violations for exceeding the MCL of the Inorganic Contaminant (IOC) group;
- No system had violations for IOC group monitoring;
- 22 systems had 64 violations for exceeding the nitrate MCL in at least one of their wells;
- 68 systems had 80 nitrate monitoring violations;
- No system had Synthetic Organic Contaminant (SOC) group MCL violations;
- Six systems had 141 SOC group monitoring violations;
- No system had violations of Volatile Organic Carbon (VOC) MCLs;
- 13 systems had 641 violations of VOC monitoring;
- Seven systems had 36 Radionuclide MCL violations;
- 11 systems had 76 violations for Radionuclides monitoring;
- 195 systems had 937 violations of the Disinfection Byproducts Rule (DBPR) MCL;
- 18 systems had 53 violations of the DBPR Treatment Technique requirement;
- 186 systems had 465 DBPR monitoring violations;

- Three systems had three Revised Total Coliform Rule (RTCR) acute MCL violations, leading to three mandatory boil orders that were issued based on positive fecal coliform or E-coli test results;
- 310 systems had 665 RTCR MCL violations that indicated a confirmed coliform positive sample;
- 12 systems had 43 violations of the Surface Water Treatment Rule (SWTR) monitoring requirements;
- 24 surface water PWS systems had 69 Surface Water Treatment Rule (SWTR) Treatment Technique violations;
- One system had a treatment technique violations of the Lead and Copper Rule;
- No system had any Ground Water Rule (GWR) Treatment Technique Violation;
- 36 systems has 38 monitoring violations of the GWR;
- 42 systems had 63 Lead and Copper Rule Monitoring violations; and
- 31 systems had 140 violations related to failure to perform public notice (PN) and one system had failure to complete, distribute and/or submit a Consumer Confidence Report (CCR).

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. One new community system was identified by DEQ in SFY 2019: Cleveland County RWD #1. DEQ has met with representatives of the new water systems and are working with them to assure that the water system develops and maintains the appropriate *TMF* capacity.

## **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) systems were treated equally regardless of the severity of the violation.

This approach utilizes the ETT formula as a basis for determining a PWS's enforcement priority points. It will also be used to help identify and prioritize systems for enforcement response. In the formula, violations that pose a greater risk to public health are given greater importance. The formula calculates a score for each system based on open-ended violations and violations that have occurred over the past 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 3 lists four community and non-transient non-community PWS systems that were created during the SFY 2016.

<b>PWS ID Number</b>	<b>System Name</b>	<b>Type</b>	<b>On ETT List</b>
OK6002168	England Shores MHP	CWS	Y
OK4001144	Lakeway MHP	CWS	Y
OK3002416	Chisholm Creek Housing Addition	CWS	Y
OK2002467	Wako Inc	NTNC	N
OK2002320	Tumbleweed Sagebrush Site	NTNC	N
OK2002319	Select 9 Site	NTNC	N
OK3004817	McCurtain County RWD #6	CWS	Y

Table 3: The seven community and non-transient non-community systems that became active during SFY 2016.

Four of the listed systems ended up on the ETT list with scores greater than 11 during their first three years of operation (England Shores MHP, Lakeway MHP, Chisholm Creek Housing Addition, McCurtain RWD #6 ); DEQ provided technical assistance to all four to help correct capacity development deficiencies, as well as conducting enforcement action as necessary. Two of the system (Chisholm Creek Housing Addition, McCurtain County RWD#6) have subsequently corrected their violations and have returned to compliance. The final two systems (England Shores MHP, Lakeway MHP) were found systems that are resistant to both technical assistance and enforcement; DEQ will continue efforts to reach out to them to help them improve capacity and return to compliance.

## 8. Program Initiatives

**A. Water Loss Auditing** - For SFY 2019 and beyond, DEQ is continuing efforts to promote water loss auditing at water supplies across the state. The water loss audits, conducted according to the American Water Works Association (AWWA) 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 become a primary concern. Water loss auditing is rapidly becoming one of the most effective tools in the agency’s capacity development toolkit for addressing this concern by promoting water system sustainability.

The value of water loss auditing is two-fold. First, it provides an accurate assessment of the levels of real and apparent water loss occurring in a PWS, which in most cases is a significant improvement in the quality and accuracy of the system’s water loss information. Secondly, the result of a water loss audit is the roadmap for taking action to reduce the loss, guiding what steps are needed to keep more water in the pipes, and more revenue in the water system budget.

Water systems that begin regular water loss auditing and start 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.

In SFY 2019, 36 water loss audits were conducted, contributing to a total of 165 completed since the beginning of the program in SFY 2015. In the past year, 2.1 billion gallons/year of real loss and 305 million gallons/year of apparent loss were identified by water loss auditing.

**B. Capacity Development Baseline Assessments** - During SFY 2019, DEQ continued conducting a state-wide Capacity Development Assessment of all Oklahoma municipal water supplies and rural water districts serving 10,000 or fewer people. The ultimate goal of this project will be a benchmark Capacity Development score, based on the cumulative result of the assessment, that will serve as a metric of the state of *Technical, Managerial, and Financial* capacity at Oklahoma community water supplies.

The project is being completed in stages and relies on staff from the ECLS division of DEQ conducting CD assessments at one-third of the 711 qualifying PWS each year. At the end of the third year, the results of the CD assessments will be compiled to calculate the CD benchmark score. After the third year and on each subsequent year, ECLS inspectors will return to a third of the assessed PWSs to conduct a follow-up CD assessment, creating an opportunity to gauge improvement at individual systems and leading to an updated CD benchmark score each year.

The results of the project are being used to more accurately determine the current *Technical, Managerial, and Financial* CD needs of Oklahoma's PWSs, leading to more targeted and relevant guidance for the agency and its technical assistance-providing partners. The results will also provide valuable feedback on the effectiveness of current technical assistance efforts and suggest areas for improvement.

As of the end of SFY 2019, 370 of the 711 targeted systems have been assessed. Table 4 on the next page summarizes the top ten *TMF* issues discovered during the assessment.

Technical / Managerial / Financial Capacity Need	Percentage and Number of Systems Needing Assistance.
No mutual aid assistance available	79.50% / 353
No plan for regular backflow preventer maintenance	68.24% / 303
Have not conducted an energy audit	66.89% / 297
No plan to eliminate dead ends where feasible	61.04% / 271
No regular water loss auditing / tracking	52.25 % / 232
No board review of O&M plans	52.70% / 234
No communication policy	46.62% / 207
No strategic plan	46.62% /207
No requirement for backflow preventers where potential for contamination is high	46.62% / 207
No operations and maintenance plan	47.97% / 213

Table 4: Top Ten TMF Issues Found During the First Two Years of the CD Baseline Assessment Project

The issues identified during the CD baseline assessment will be used to guide technical assistance efforts at DEQ and will be shared with ORWA, CU, EFC, and other organizations that regularly provide help to Oklahoma PWS systems.

## 9. Success

**A. Water Loss Reduction via Leak Detection and Meter Analysis** - The results of DEQ’s water loss auditing work across the state indicated that several of the audited PWSs were dealing with significant levels of either real loss, apparent loss, or both. When coupled with high data validity, these results are both reflective of actual conditions at the PWS and indicators that leak detection and/or meter analysis would help pinpoint areas where PWSs could take physical steps to reduce water loss.

To help bridge the gap between identifying water loss and correcting it, DEQ contracted with the ORWA to conduct leak detection and meter analysis at audited PWSs where the audit results indicated a data validity score of greater than 50 and either non-revenue water (as percentage of supply) at 20% or greater, apparent losses greater than 10 gallon/customer/meter/day, or both. During SFY 2019, ORWA conducted on-site technical assistance with seven audited PWSs, helping all seven systems locate water leaks and four conduct meter analysis. The technical assistance provided by ORWA was similar to DEQ’s water loss audit training in that ORWA staff both conducted leak detection and meter analysis work and training PWSs system staff how to do the work themselves.

ORWA field personnel and PWS system staff identified and located leaks using zone metering, night listening, and leak correlators, and in many instances were able to assist the PWS in uncovering and repairing the line leaks at the time of discovery or shortly thereafter. For systems with high suspected levels of apparent loss, 10% of the oldest customer meters were tested by comparing flows with a meter of known accuracy, and meters with an error percentage greater than 2% (+/-) were identified with recommendations for replacement.

Table 5 below summarizes the findings observed during ORWA leak detection and meter analysis technical assistance, since beginning the program four years ago:

Leaks Located by Field Work	115
Real Loss Identified by Field Work	478 MG/year
Leaks Repaired During Field Work	30
Real Loss Eliminated By Repair	164 MG/year
Value of Real Loss Eliminated by Repair	\$406,411/year
Percentage of Real Loss Identified by Audit Found by Leak Detection	87.98%
Customer Meters Out of Compliance	26% of tested meters

Table 5: Summary of ORWA Leak Detection and Meter Analysis Technical Assistance since SFY2017.

The success of the ORWA leak detection and meter analysis project lies is two-fold. Primarily, the work being conducted by ORWA is creating real water and revenue savings for the participating systems; more water is staying in system pipes and more money is staying in system budgets. Secondly, and perhaps more importantly, the work is completing the link between the time and effort investing in water loss auditing and the real savings that can be achieved by acting on the audit results.

In making a PWS system aware of its water loss problems, giving it the information they need to solve them, and demonstrating how to mitigate those problems to save water and money, DEQ and ORWA is enhancing sustainability and helping to create water systems that are more resilient to natural disasters, climate change, and anything else that may impact them.

## 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. This cooperative effort is very effective at promoting CD enhancement, but we believe it can be made more effective when efforts are targeted to where they are needed most. To this end, we are utilizing the results of the state-wide CD baseline assessment to guide technical assistance efforts and to target systems that need the most assistance. DEQ has also entered into two new technical assistance contracts with ORWA to provide rate studies and sustainability assistance to small Oklahoma water supplies; these contracts are directly targeted at correcting the deficiencies noted in the baseline assessments.

Also, DEQ will continue to build on the success of the water loss control program by performing additional water loss audits at PWS that request the help and by continuing funding for ORWA’s work conducting leak detection and meter analysis technical assistance. In contrast to other states where water loss auditing and control is involuntary, we believe we can obtain significant cooperating and meaningful results via voluntary participation and free technical assistance. Our future results should bear out this belief.

Finally, in response to the amendments to Section 1420 of SDWA brought about by Section 2012 of the America's Water Infrastructure Act (AWIA), DEQ's CD section will increase our efforts toward promoting and supporting the implementation of Asset Management (AM) at the state's PWSs. Currently, DEQ partners with the EFC to provide at least one yearly AM training class in the state. To further support AM training, DEQ intends to explore other training and technical assistance avenues in the state, along with maintaining or enhance the current relationship with the EFC.

Additionally, DEQ will be modifying our current CD strategy to include provisions that encourage PWS systems to develop AM plans that include best management practices and that delineate the AM training discussed above.

## **11. References**

*Oklahoma Capacity Development Strategy Document*

*SFY 2020 DWSRF Intended Use Plan*

*2018 State of Oklahoma Public Water Supply Program Annual Compliance Report*

## **Attachment 7**

### **Sources and Uses of Funds Statement**

**SOURCES OF FUNDS\***

Beginning July 1, 2018

Beginning Balance (SFY 2018 Carryover) \$111,210,013.00

***State Fiscal Year 2019***

Federal Grant FFY 2017 - Loan \$2,706,320.97

Federal Grant FFY 2017 - Set-Asides \$1,723,041.16

Federal Grant FFY 2018 - Loan \$7,716,030.00

Federal Grant FFY 2018 - Set-Asides \$2,558,071.79

State Match for 2018 grant \$493,600.00

Principal Repayments \$21,797,680.00

Interest Earnings on Loans \$11,908,423.00

Interest Earnings on Other DW Funds \$3,465,096.00

Sale of Investments \$1,316,815.00

**Sub Total \$53,685,077.92****Total Sources of Funds \$164,895,090.92****USES OF FUNDS**

DWSRF Loan Draws for SFY 2019 \$95,796,731.00

**Sub Total \$95,796,731.00*****DWSRF Set-Aside Programs for SFY 2019***

Payroll \$2,233,665.00

Suppliers \$1,842,111.00

Equipment \$205,336.00

**Sub Total \$4,281,112.00*****Debt Service Obligations***

Debt Service on 2011 Bonds \$3,905,856.25

Debt Service on 2012 Bonds \$3,949,350.00

Debt Service on 2013A Bonds \$4,292,918.75

Debt Service on 2013B Bonds \$4,759,267.00

Debt Service on 2016 Bonds \$4,904,062.50

Debt Service on 2018 Bonds \$3,969,991.56

**Sub Total \$25,781,446.06****Total Uses of Funds \$125,859,289.06****Difference of Sources and Uses \$39,035,801.86**

\*Cash Basis

## **Attachment 8**

### **Loans Receiving Subsidy and Extended Term Financing**

## Loans Receiving Subsidy and Extended Term Financing

## Attachment 8

Recipient	Tracking Number	Assistance Amount	Subsidy Amount	Year	Extended Term (Y/N)	Binding Commitment
Ada PWA	P40-2006201-01	\$ 23,290,000.00			Y	9/15/2015
Adair Municipal Authority	P40-1021613-01	\$ 830,000.00	\$ 332,000.00	FY 2010	N	9/14/2010
Alva UA	P40-2007603-01	\$ 2,635,000.00			Y	12/19/2017
Atoka MA	P40-1010401-01	\$ 5,169,000.00			Y	10/12/2016
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
Canadian Co. RWD #5	P40-3000901-01	\$ 1,161,000.00			Y	6/19/2018
Chandler Municipal Authority	P40-1020702-01	\$ 2,500,000.00	\$ 375,000.00	FY 2010	N	6/12/2012
Cherokee Co. RWD #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
Cotton Co. RWD #2	P40-2001702-01	\$ 5,000,000.00			Y	8/21/2018
Davis Municipal Authority	P40-1010822-01	\$ 9,995,000.00	\$ 500,000.00	FY 2010	Y	12/13/2011
Delaware Co. RWD #1	P40-3002134-01	\$ 260,000.00			Y	10/17/2011
Delaware Co. RWSG/SWMD #11	P40-3002157-01	\$ 950,000.00	\$ 630,116.78	FY 2012	N	4/15/2014
Delaware Co. RWSG/SWMD #11	P40-3002157-01	\$ 950,000.00	\$ 193,180.61	FY 2013	N	4/15/2014
Edmond PWA (III)	P40-1020723-03	\$ 2,500,000.00	\$ 1,688,422.62	FY 2015	N	12/20/2016
Edmond PWA (III)	P40-1020723-03	\$ 2,500,000.00	\$ 811,577.38	FY 2016	N	12/20/2016
Enid Municipal Authority (II)	P40-2002412-02	\$ 5,435,000.00	\$ 500,000.00	FY 2010	N	04/10/2012
Enid Municipal Authority (III)(Eng. Only)	P40-2002412-03	\$ 20,000,000.00			Y	08/21/2018
Eufaula PWA	P40-1020514-01	\$ 1,000,000.00			Y	12/06/2018
Eufaula PWA (II)	P40-1020514-02	\$ 6,185,000.00			Y	12/06/2018
Fairmont PWA	P40-2002413-01	\$ 862,000.00	\$ 856,859.50	FY 2013	N	05/19/2014
Garber MA	P40-2002416-01	\$ 2,100,000.00	\$ 1,822,561.48	FY 2014	N	12/02/2015
Garber MA	P40-2002416-01	\$ 2,100,000.00	\$ 268,348.86	FY 2015	N	12/02/2015
Geary Utility Authority	P40-2000608-01	\$ 1,775,000.00			Y	2/08/2011
Garvin Co. RWD #4	P40-3002503-01	\$ 1,183,456.00			Y	12/16/2014
Gore PWA	P40-1021773-01	\$ 885,000.00	\$ 874,628.52	FY 2015	N	10/12/2016
Grand Lake Public Works Authority	P40-1021691-01	\$ 5,500,000.00	\$ 500,000.00	FY 2011	Y	7/17/2012
Guthrie PWA (III)	P40-1020903-03	\$ 610,000.00	\$ 590,706.60	FY 2013	N	6/17/2014
Jay UA (II)	P40-1021674-02	\$ 1,031,000.00			Y	5/15/2018
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	\$ 1,027,638.52	FY 2014	Y	12/02/2015
Lone Chimney Water Authority (II)	P40-1021221-02	\$ 3,270,000.00	\$ 490,500.00	FY 2011	Y	9/18/2012
Longtown RWD #1	P40-1020623-01	\$ 570,000.00	\$ 15,650.00	FY 2010	N	10/16/2012
Longtown RWD #1	P40-1020623-01	\$ 570,000.00	\$ 69,850.00	FY 2011	N	10/16/2012
Longtown RWD #1 (II)	P40-1020623-02	\$ 600,000.00	\$ 600,000.00	FY 2012	N	03/18/2014
Mayes Co. RWD #6	P40- 1021666-01	\$ 2,590,000.00	\$ 500,000.00	FY 2012	N	07/16/2013

3/3/2020

Muskogee MA (II)	P40-1021607-02	\$ 17,640,000.00				Y	10/16/2018
Newcastle Public Works Authority (II)	P40-2004704-02	\$ 1,389,455.00	\$ 208,418.25	FY 2011		N	10/16/2012
Nicoma Park DA	P40-8005579-01	\$ 4,700,000.00				Y	06/18/2019
Noble Co. RWD #1	P40-1021205-01	\$ 1,155,114.97	\$ 655,031.75	FY 2011		N	8/21/2012
Noble Co. RWD #1	P40-1021205-01	\$ 1,155,114.97	\$ 500,083.22	FY 2012		N	8/21/2012
Oklahoma City WUT (III)	P40-1020902-03	\$ 35,838,000.00				Y	1/20/2015
Oklahoma City WUT (IV)	P40-1020902-04	\$ 65,550,000.00				Y	3/15/2016
Oklahoma City WUT (V)	P40-1020902-05	\$ 57,300,000.00				Y	11/15/2016
Oklahoma City WUT (VI)	P40-1020902-06	\$ 52,500,000.00				Y	1/16/2018
Oklahoma City WUT (VII)	P40-1020902-07	\$ 20,000,000.00				Y	1/15/2019
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
Pittsburg County Rural Water District #14	P40-1020625-01	\$ 3,724,500.00	\$ 1,033,500.00	FY 2017		N	04/17/2018
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
Sayre PWA	P40-2000508-01	\$ 823,180.00				Y	2/19/2019
Shattuck Municipal Authority	P40-2002304-01	\$ 1,485,000.00	\$ -			Y	2/13/2012
Shawnee Municipal Authority (II)	P40-1020504-02	\$ 1,485,000.00	\$ 222,750.00	FY 2010		N	8/10/2010
South Delaware Co. RWA	P40-1221645-01	\$ 3,000,000.00	\$ 1,867,022.62	FY 2016		Y	4/18/2017
Stroud Utilities Authority	P40-1020705-01	\$ 2,360,000.00	\$ 354,000.00	FY 2011		N	8/21/2012
Stillwater UA (III)	P40-1021220-03	\$ 29,900,000.00				Y	5/17/2016
Stillwater UA (IV)	P40-1021220-04	\$ 12,600,000.00				Y	8/15/2017
Tahlequah Public Works Authority (II)	P40-1021701-02	\$ 1,680,000.00	\$ 252,000.00	FY 2010		N	12/13/2011
Tahlequah Public Works Authority (III)	P40-1021701-03	\$ 8,200,000.00				Y	12/06/2018
Wagoner Co. RWD #4	P40-1021529-01	\$ 6,200,000.00	\$ 200,000.00	FY 2010		N	10/12/2010
Wagoner Co. RWD #5 (III)	P40-1021528-03	\$ 4,270,000.00				Y	11/15/2016
Wagoner Co. RWD #5 (IV)	P40-1021528-04	\$ 3,245,000.00				Y	03/21/2017
Wagoner Public Works Authority (II)	P40-1021649-02	\$ 1,200,000.00	\$ 135,000.00	FY 2010		N	9/18/2012
Wagoner Public Works Authority (II)	P40-1021649-02	\$ 1,200,000.00	\$ 45,000.00	FY 2011		N	9/18/2012
<b>Total for all 63 Loans</b>		<b>\$ 550,306,820.94</b>	<b>\$ 22,285,700.00</b>				

\*Loans are not closed yet.

Percentage of Loans Receiving Additional Subsidy:	52%
Percentage of Funding Provided as Additional Subsidy:	4%
Percentage of Loans Receiving Extended Term Financing:	60%

All Dates from 7/1/2010 thru 6/30/2019

## **Attachment 9**

### **FFATA Cumulative Report**

FFATA Tracking for SFY 2019 (FFY 2018 Grant)

Grant Amount: \$10,865,430

	System Name	Date Reported	Amount	Date Closed
1st FFATA report	Muskogee MA (II)	10/19/2018	\$10,865,430.00	10/18/2018
2nd FFATA report				
3rd FFATA report				
4th FFATA report				
5th FFATA report				
		Sub-total	<u>\$10,865,430.00</u>	
			\$10,865,430.00	
			<u>-\$10,865,430.00</u>	
		Remaining to be reported	\$0.00	

**FFATA Report For Grants**

**Federal Award Identifier Number (FAIN):**98681418

**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):**

OKLAHOMA CITY, Oklahoma 731026010

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

**Is this information correct?:** Yes

**Project Description:** CAPITALIZATION GRANT FOR OKLAHOMA'S DRINKING WATER STATE REVOLVING FUND PROGRAM TO PROVIDE LOW INTEREST FINANCING TO RECIPIENTS FOR COSTS ASSOCIATED WITH THE PLANNING, DESIGN, AND CONSTRUCTION OF ELIGIBLE DRINKING WATER IMPROVEMENT PROJECTS AND ACTIVITIES TO PROTECT HUMAN HEALTH.

**Is this information correct?:** Yes

**Total Federal Funding Amount:**15747000.00

**Is this information correct?:** Yes

**Obligation/Action Date:**July 20, 2018

**Is this information correct?:** Yes

**Report Month:**Oct 2018

**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?:**

**Prime Awardee Names and Compensation of Highly Compensated Officers:**

**Subawardee Data**

**Subawardee Information:** Subawardee DUNS:

833047751

Subawardee Name:

MUSKOGEE MUNICIPAL AUTHORITY

Subawardee Address:

229 W OKMULGEE  
MUSKOGEE, Oklahoma 744017033

Subawardee Parent DUNS:

833047751

Amount of Subaward:

10865430.00

Subaward Obligation/Action Date:

October 18, 2018

CFDA Program Number(s):

66.468 Capitalization Grants for Drinking Water State Revolving Funds

Federal Agency ID:

6800

Federal Agency Name:

ENVIRONMENTAL PROTECTION AGENCY

Subaward Project Description:

Install aeration at Radio Hill storage tank and mixing at the Honor Heights storage tank. Replace two 24-inch water lines with 17,000 linear feet of 30-inch water line and replace water lines associated with the two 24-inch water lines with new water lines. Replace various water lines throughout the distribution system. Relocate the chlorine dioxide feed from at the intake to the water treatment plant.

Subawardee Principal Place of Performance:

Muskogee, Oklahoma 744017033

Subaward Number:

ORF-18-0012-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	2016 Cap Grant Requirement	2017 Cap Grant Requirement	2018 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	\$2,678,600.00	\$2,655,800.00	\$3,149,400.00
Adair MA	\$332,000.00	\$332,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bartlesville MA (V)	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Chandler MA	\$375,000.00	\$375,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Davis MA	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Enid MA (II)	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Logan Co. RWD #1	\$112,500.00	\$112,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Okmulgee MA (III)	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pawnee PWA	\$130,000.00	\$130,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Salina PWA	\$1,284,000.00	\$1,284,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shawnee MA (II)	\$222,750.00	\$222,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tahlequah PWA (II)	\$252,000.00	\$252,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wagoner Co. RWD #4	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Longtown RWD #1	\$85,500.00	\$15,650.00	\$69,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wagoner PWA (II)	\$180,000.00	\$135,000.00	\$45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Broken Arrow MA (III)	\$500,000.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Lake PWA	\$500,000.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Laverne PWA	\$500,000.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Logan Co. RWD #1 (II)	\$187,500.00	\$0.00	\$187,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lone Chimney WA (II)	\$490,500.00	\$0.00	\$490,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Newcastle PWA (II)	\$208,418.25	\$0.00	\$208,418.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Noble Co. RWD #1	\$1,155,114.97	\$0.00	\$655,031.75	\$500,083.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Stroud UA	\$354,000.00	\$0.00	\$354,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mayes Co. RWD #6	\$500,000.00	\$0.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Longtown RWD #1 (II)	\$600,000.00	\$0.00	\$0.00	\$600,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Delaware Co. RWD #11	\$823,297.39	\$0.00	\$0.00	\$630,116.78	\$193,180.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fairmont PWA	\$856,859.50	\$0.00	\$0.00	\$0.00	\$856,859.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Guthrie PWA (III)	\$590,706.60	\$0.00	\$0.00	\$0.00	\$590,706.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Logan Co. RWD #1 (III)	\$1,479,491.81	\$0.00	\$0.00	\$0.00	\$451,853.29	\$1,027,638.52	\$0.00	\$0.00	\$0.00	\$0.00
Garber MA	\$2,090,910.34	\$0.00	\$0.00	\$0.00	\$0.00	\$1,822,561.48	\$268,348.86	\$0.00	\$0.00	\$0.00
Gore PWA	\$874,628.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$874,628.52	\$0.00	\$0.00	\$0.00
Edmond PWA (III)	\$2,500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,688,422.62	\$811,577.38	\$0.00	\$0.00
South Delaware Co. RWA	\$1,867,022.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,867,022.62	\$0.00	\$0.00
Pittsburg Co. RWD #14	\$1,033,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,033,500.00	\$0.00
<b>Grand Total Assigned to Grant</b>		\$5,058,900.00	\$3,510,300.00	\$2,230,200.00	\$2,092,600.00	\$2,850,200.00	\$2,831,400.00	\$2,678,600.00	\$1,033,500.00	\$0.00
<b>Total Remaining To Be Assigned</b>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,622,300.00	\$3,149,400.00

## **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
<b>DWSRF Funds Available for Projects</b>								
394 *Annual (New Funds)	0	15,686,892	7,218,125	12,359,174	17,126,072	28,776,596	1,540,176	118,371,743
395 *Cumulative	0	15,686,892	22,905,017	35,264,191	52,390,263	81,166,859	82,707,035	201,078,778
<b>DWSRF Assistance as a % of Funds Available</b>								
396 *Annual	-	0%	127%	138%	31%	50%	688%	65%
397 *Cumulative	-	0%	40%	74%	60%	57%	68%	67%
<b>Outlays as a % of Capitalization Grants</b>								
398 *Annual	-	2%	26%	46%	140%	29%	-	70%
399 *Cumulative	-	2%	11%	21%	48%	42%	61%	63%
<b>Disbursements as a % of Funds Available</b>								
400 *Annual	-	0%	69%	29%	85%	23%	1026%	15%
401 *Cumulative	-	0%	22%	24%	44%	37%	55%	32%
<b>Project Starts as a % of Funds Available</b>								
402 *Annual	-	0%	127%	138%	31%	50%	688%	65%
403 *Cumulative	-	0%	40%	74%	60%	57%	68%	67%
<b>Project Completions as a % of Funds Available</b>								
404 *Annual	-	0%	0%	0%	11%	46%	272%	7%
405 *Cumulative	-	0%	0%	0%	4%	19%	23%	14%
<b>Loan Principal Repayments as a % of Funds Available</b>								
406 *Annual	-	0%	0%	0%	2%	30%	145%	8%
407 *Cumulative	-	0%	0%	0%	1%	11%	14%	10%
<b>Disbursements as a % of DWSRF Assistance</b>								
408 *Annual	-	-	54%	21%	275%	47%	149%	24%
409 *Cumulative	-	-	54%	33%	73%	65%	81%	48%
<b>Project Starts as a % of DWSRF Assistance</b>								
410 *Annual	-	-	100%	100%	100%	100%	100%	100%
411 *Cumulative	-	-	100%	100%	100%	100%	100%	100%
<b>Project Completions as a % of DWSRF Assistance</b>								
412 *Annual	-	-	0%	0%	35%	92%	39%	11%
413 *Cumulative	-	-	0%	0%	6%	33%	34%	21%
<b>Loan Principal Repayments as a % of DWSRF Assistance</b>								
414 *Annual	-	-	0%	0%	7%	61%	21%	12%
415 *Cumulative	-	-	0%	0%	1%	20%	20%	15%
<b>Project Completions as a % of Project Starts</b>								
416 *Annual	-	-	0%	0%	35%	92%	39%	11%
417 *Cumulative	-	-	0%	0%	6%	33%	34%	21%
<b>Financial Indicators based on Cumulative Activity</b>								
418 *Return on Federal Investment	-	0.0%	282.4%	155.7%	120.1%	120.4%	120.6%	141.6%
419 *Assistance Provided as a % of Funds Available	-	0.0%	40.1%	74.4%	60.2%	56.6%	68.4%	66.6%
420 *Disbursements as a % of Assistance Provided	-	-	54.4%	32.8%	73.4%	65.0%	80.8%	47.8%
421 *Additional Assistance Provided Due to Leveraging	-	-	-	-	-	-	-	\$22,396,060
424 *Set-Aside Spending Rate	-	10.2%	22.1%	36.3%	51.6%	50.3%	61.9%	74.3%
425 *Net Return/(Loss) after Repaying Match Bonds Excluding Subsidy	\$0	\$3,614	\$95,041	\$352,867	\$928,552	\$1,132,691	\$437,982	(\$316,212)
426 *Net Return on Contributed Capital Excluding Subsidy	-	0.1%	2.0%	3.5%	3.1%	3.2%	0.9%	-0.5%
<b>Subsidy Information from PBR as of Report Date</b>								
427 Grant Amount	0	0	0	0	0	0	0	0
428 Negative Interest	0	0	0	0	0	0	0	0
429 Principal Forgiven	0	0	0	0	0	0	0	0
430 *Total Annual Subsidy	0	0	0	0	0	0	0	0
431 *Total Cumulative Subsidy	0	0	0	0	0	0	0	0
<b>Green Project Reserve (GPR) from PBR as of Report Date</b>								
432 Green Infrastructure								
433 Energy Efficiency								
434 Water Conservation								
435 Green Innovative								
436 *Total Annual GPR								
437 *Cumulative GPR								

\* Calculated values.

**Drinking Water SRF Program Information  
for the State of Oklahoma**

Fund Analysis	For the Reporting Year Ending June 30 of:							
	2005	2006	2007	2008	2009	2010	2011	2012
<b>DWSRF Funds Available for Projects</b>								
394 *Annual (New Funds)	78,789,741	8,397,804	7,932,817	13,221,083	39,325,986	162,640,171	83,717,300	92,882,407
395 *Cumulative	279,868,519	288,266,323	296,199,140	309,420,223	348,746,209	511,386,380	595,103,880	687,786,087
<b>DWSRF Assistance as a % of Funds Available</b>								
396 *Annual	42%	383%	929%	270%	211%	89%	84%	64%
397 *Cumulative	60%	69%	92%	100%	112%	105%	102%	97%
<b>Outlays as a % of Capitalization Grants</b>								
398 *Annual	203%	41%	190%	53%	259%	59%	82%	49%
399 *Cumulative	81%	76%	88%	85%	100%	91%	90%	86%
<b>Disbursements as a % of Funds Available</b>								
400 *Annual	63%	604%	559%	426%	138%	43%	132%	69%
401 *Cumulative	41%	57%	70%	86%	92%	76%	84%	82%
<b>Project Starts as a % of Funds Available</b>								
402 *Annual	42%	383%	929%	270%	211%	89%	84%	64%
403 *Cumulative	60%	69%	92%	100%	112%	105%	102%	97%
<b>Project Completions as a % of Funds Available</b>								
404 *Annual	14%	185%	1042%	208%	111%	12%	76%	154%
405 *Cumulative	14%	19%	46%	53%	60%	45%	49%	63%
<b>Loan Principal Repayments as a % of Funds Available</b>								
406 *Annual	3%	104%	99%	62%	59%	11%	18%	19%
407 *Cumulative	8%	11%	13%	15%	20%	17%	17%	18%
<b>Disbursements as a % of DWSRF Assistance</b>								
408 *Annual	150%	158%	60%	158%	65%	48%	157%	107%
409 *Cumulative	68%	82%	76%	88%	82%	72%	82%	84%
<b>Project Starts as a % of DWSRF Assistance</b>								
410 *Annual	100%	100%	100%	100%	100%	100%	100%	100%
411 *Cumulative	100%	100%	100%	100%	100%	100%	100%	100%
<b>Project Completions as a % of DWSRF Assistance</b>								
412 *Annual	33%	48%	112%	77%	53%	14%	90%	239%
413 *Cumulative	23%	27%	50%	53%	53%	43%	48%	65%
<b>Loan Principal Repayments as a % of DWSRF Assistance</b>								
414 *Annual	8%	27%	11%	23%	28%	12%	21%	29%
415 *Cumulative	14%	16%	15%	15%	18%	16%	17%	18%
<b>Project Completions as a % of Project Starts</b>								
416 *Annual	33%	48%	112%	77%	53%	14%	90%	239%
417 *Cumulative	23%	27%	50%	53%	53%	43%	48%	65%
<b>Financial Indicators based on Cumulative Activity</b>								
418 *Return on Federal Investment	163.5%	226.7%	218.4%	264.9%	243.0%	251.7%	303.0%	326.0%
419 *Assistance Provided as a % of Funds Available	59.7%	69.1%	92.1%	99.7%	112.3%	104.9%	102.0%	98.9%
420 *Disbursements as a % of Assistance Provided	68.0%	82.5%	76.5%	85.8%	81.5%	72.4%	82.2%	84.5%
421 *Additional Assistance Provided Due to Leveraging	\$29,214,830	\$45,261,980	\$98,869,409	\$121,408,326	\$165,187,340	\$246,657,727	\$295,968,613	\$322,413,860
424 *Set-Aside Spending Rate	77.6%	85.6%	94.1%	97.2%	97.9%	90.6%	90.1%	90.6%
425 *Net Return/(Loss) after Repaying Match Bonds Excluding Subsidy	(\$553,992)	(\$1,645,862)	(\$1,329,083)	(\$417,484)	\$1,239,047	\$4,052,907	\$3,965,936	\$4,241,942
426 *Net Return on Contributed Capital Excluding Subsidy	-0.6%	-1.8%	-1.2%	-0.4%	0.8%	2.6%	2.4%	2.4%
<b>Subsidy Information from PBR as of Report Date</b>								
427 Grant Amount	0	0	0	0	0	0	0	0
428 Negative Interest	0	0	0	0	0	0	0	0
429 Principal Forgiven	0	0	0	0	0	30,221,760	1,367,250	1,882,000
430 *Total Annual Subsidy	0	0	0	0	0	30,221,760	1,367,250	1,882,000
431 *Total Cumulative Subsidy	0	0	0	0	0	30,221,760	31,589,010	33,471,010
<b>Green Project Reserve (GPR) from PBR as of Report Date</b>								
432 Green Infrastructure				0	0	0	0	0
433 Energy Efficiency				0	0	510,000	1,760,121	9,151,196
434 Water Conservation				0	0	6,769,000	4,895,000	2,585,000
435 Green Innovative				0	0	0	0	0
436 *Total Annual GPR				0	0	7,279,000	6,655,121	11,736,196
437 *Cumulative GPR				0	0	7,279,000	13,934,121	25,670,317

\* Calculated values.

**Drinking Water SRF Program Information  
for the State of Oklahoma**

Fund Analysis	For the Reporting Year Ending June 30 of:						
	2013	2014	2015	2016	2017	2018	2019
<b>DWSRF Funds Available for Projects:</b>							
394 *Annual (New Funds)	10,454,559	112,193,541	24,941,555	94,104,198	128,235,535	119,323,080	23,310,175
395 *Cumulative	698,240,646	810,434,187	835,375,742	929,479,940	1,057,715,475	1,177,038,555	1,200,348,730
<b>DWSRF Assistance as a % of Funds Available</b>							
396 *Annual	436%	18%	184%	130%	85%	80%	367%
397 *Cumulative	102%	90%	93%	97%	95%	94%	99%
<b>Outlays as a % of Capitalization Grants</b>							
398 *Annual	-	106%	83%	128%	87%	110%	4%
399 *Cumulative	90%	91%	91%	93%	92%	93%	89%
<b>Disbursements as a % of Funds Available</b>							
400 *Annual	591%	43%	114%	47%	61%	64%	411%
401 *Cumulative	89%	83%	84%	80%	78%	77%	83%
<b>Project Starts as a % of Funds Available</b>							
402 *Annual	348%	25%	187%	98%	106%	62%	336%
403 *Cumulative	101%	90%	93%	94%	95%	92%	97%
<b>Project Completions as a % of Funds Available</b>							
404 *Annual	436%	72%	204%	70%	16%	78%	319%
405 *Cumulative	69%	69%	73%	73%	66%	67%	72%
<b>Loan Principal Repayments as a % of Funds Available</b>							
406 *Annual	172%	108%	76%	94%	14%	18%	94%
407 *Cumulative	20%	32%	33%	40%	36%	35%	36%
<b>Disbursements as a % of DWSRF Assistance</b>							
408 *Annual	136%	241%	62%	36%	73%	80%	112%
409 *Cumulative	88%	92%	90%	83%	82%	82%	84%
<b>Project Starts as a % of DWSRF Assistance</b>							
410 *Annual	80%	142%	102%	76%	125%	78%	91%
411 *Cumulative	99%	100%	100%	97%	100%	98%	97%
<b>Project Completions as a % of DWSRF Assistance</b>							
412 *Annual	100%	406%	111%	54%	19%	98%	87%
413 *Cumulative	67%	77%	79%	75%	69%	72%	73%
<b>Loan Principal Repayments as a % of DWSRF Assistance</b>							
414 *Annual	40%	607%	41%	73%	16%	23%	25%
415 *Cumulative	19%	36%	36%	41%	38%	37%	36%
<b>Project Completions as a % of Project Starts</b>							
416 *Annual	125%	287%	109%	71%	15%	126%	95%
417 *Cumulative	68%	77%	79%	78%	69%	73%	75%
<b>Financial Indicators based on Cumulative Activity</b>							
418 *Return on Federal Investment	347.2%	355.5%	354.5%	349.6%	372.0%	387.9%	434.8%
419 *Assistance Provided as a % of Funds Available	102.0%	90.3%	93.1%	96.9%	95.4%	93.8%	99.1%
420 *Disbursements as a % of Assistance Provided	87.7%	91.9%	90.1%	82.8%	81.7%	81.6%	83.8%
421 *Additional Assistance Provided Due to Leveraging	\$381,063,787	\$339,028,501	\$362,553,887	\$392,269,280	\$478,229,857	\$546,401,528	\$610,716,267
424 *Set-Aside Spending Rate	92.6%	93.0%	95.9%	95.7%	95.3%	96.5%	95.6%
425 *Net Return/(Loss) after Repaying Match Bonds Excluding Subsidy	\$3,737,381	\$2,821,117	\$2,338,332	\$4,453,116	\$5,646,114	\$6,317,315	\$5,557,546
426 *Net Return on Contributed Capital Excluding Subsidy	2.1%	1.5%	1.2%	2.1%	2.6%	2.7%	2.4%
<b>Subsidy Information from PBR as of Report Date</b>							
427 Grant Amount	0	0	0	0	0	0	0
428 Negative Interest	0	0	0	0	0	0	0
429 Principal Forgiven	5,826,743	2,912,000	603,290	3,448,863	5,232,561	-20,508	1,033,500
430 * Total Annual Subsidy	5,826,743	2,912,000	603,290	3,448,863	5,232,561	-20,508	1,033,500
431 * Total Cumulative Subsidy	39,297,753	42,209,753	42,813,043	46,261,906	51,494,468	51,473,960	52,507,460
<b>Green Project Reserve (GPR) from PBR as of Report Date</b>							
432 Green Infrastructure	0	0	0	0	0	0	0
433 Energy Efficiency	2,683,878	0	0	0	0	0	0
434 Water Conservation	7,730,390	0	0	0	0	0	0
435 Green Innovative	0	0	0	0	0	0	0
436 * Total Annual GPR	10,414,268	0	0	0	0	0	0
437 * Cumulative GPR	36,084,586	36,084,586	36,084,586	36,084,586	36,084,586	36,084,586	36,084,586

\* Calculated values.

## **Attachment 12**

### **DWSRF SFY 2019 Intended Use Plan (IUP) Revisions**

## Attachment 12

### SFY 2019 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 2019 IUP is being amended to include changes made to the Project Priority List (PPL) and the Regionalization/Consolidation PPL. The total required subsidization amount is \$3,149,400, which is 20% of the FFY 2018 capitalization grant (\$15,747,000). The FFY 2018 grant did not mandate funding for a green project reserve; therefore, DEQ chose not to track green projects.

#### DESCRIPTION OF CHANGES

##### Description of Project Additions and Deletions:

Project Additions – Since the SFY 2019 IUP was issued in August 2018, the public water systems that have requested the SFY 2019 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 2019 Project Priority List.

a. Jay UA (II)	\$ 1,031,000.00
b. Edmond PWA (IV)	\$ 19,000,000.00
c. Canadian Co. RW & SD #5	\$ 1,161,000.00
d. Cotton Co. RWD #2	\$ 5,000,000.00
e. Enid MA (III)	\$ 20,000,000.00
f. Logan Co. RWS & SWMD #1 (V)	\$ 1,000,000.00
g. Muskogee MA (II)	\$ 18,000,000.00
h. Eufaula PWA	\$ 1,000,000.00
i. Eufaula PWA (II)	\$ 6,185,000.00
j. Tahlequah PWA (III)	\$ 8,920,000.00
k. OKC WUT (VII)	\$ 20,000,000.00
l. Sayre PWA	\$ <u>823,180.00</u>
	\$ 102,120,180.00

The following projects were removed from the SFY 2019 Project Priority List at the applicants' requests.

- a. Cleveland MA
- b. Garfield Co. RWD #6
- c. Konawa PWA
- d. Foss Reservoir MCD (II)
- e. Foss Reservoir MCD (III)



k. OKC WUT (VII)	\$ 25,743,281.00	\$ 20,000,000.00
l. Sayre PWA	\$ 549,580.00	\$ 823,180.00
m. Nicoma Park DA	\$ 3,930,000.00	\$ 4,700,000.00
n. Miami Special UA (II)	\$ 2,750,000.00	\$ 2,785,000.00

The following project was moved from one SFY to another SFY.

- a. 50 points      Bixby PWA (II) \$5,700,000.00 from 2019 to 2020

## **Attachment 13**

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



**WC-0834**  
**8" and 16" Water Line Replacement**

**City of Oklahoma City**  
**Loan Amount: \$999,544.00**  
Drinking Water State Revolving Fund



City of Oklahoma City  
420 W Main St  
Oklahoma City, Oklahoma 73102  
Engineer

SW Water Works LLC  
201 NW 132nd St.  
Oklahoma City, Oklahoma  
Contractor

Funded by the  
Oklahoma Department of Environmental Quality  
in cooperation with the  
Oklahoma Water Resources Board  
and U.S. Environmental Protection Agency

State Senator: Julie Kirt  
State Representative: Jason Dunnington

04.09.2019



# Water Treatment Plant Cotton County RWD No. 2



**Loan Amount: \$5,000,000.00**  
Drinking Water State Revolving Fund  
Project No. P40-2001702-01



**ENGINEER:**  
Jung Engineering  
#3 NW Eagle Road  
Lawton, OK 73507

**CONTRACTORS:**  
Crossland Heavy Contractors  
408 NE 145th Place,  
Edmond, OK 73013

Funded by the  
Oklahoma Department of Environmental Quality  
in cooperation with the  
Oklahoma Water Resources Board and  
U.S. Environmental Protection Agency

State Senator: Chris Kidd  
State Representative: Scooter Park



Name of Project:  
Teehee Water Treatment  
Plant Rehabilitation



Owner:  
Tahlequah Public Works Authority

Loan Amount: \$4,559,700  
Drinking Water State Revolving Fund

Engineer and Address:  
Holloway, Updike and Bellen, Inc.  
818 East Side Blvd.  
Muskogee, OK 74403

Contractor and Address:  
Huffman Construction LLC  
1450 Rowe Parkway  
Poplar Bluff, MO 63901

Funded by the  
Oklahoma Department of Environmental Quality  
in cooperation with the  
Oklahoma Water Resources Board and  
U.S. Environmental Protection Agency

State Senator: Dewayne Rector  
State Representative: Matt Meador

08.22.2019

## **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	101	Bryan County RWS & SWMD #2 (IV)	ORF-16-0009-DW	-50,197	11/13/2018	<input checked="" type="checkbox"/>
OK	117	Cotton County Rural Water District #2	ORF-18-0003-DW	5,000,000	8/22/2018	<input type="checkbox"/>
OK	118	Enid Municipal Authority (III)-Eng. Only	ORF-18-0020-DW	20,000,000	9/10/2018	<input type="checkbox"/>
OK	120	Eufaula Public Works Authority	ORF-19-0012-DW	1,000,000	12/6/2018	<input type="checkbox"/>
OK	127	Eufaula Public Works Authority (II)	ORF-19-0012-DWA	6,185,000	6/19/2019	<input type="checkbox"/>
OK	116	Logan County RWS & SWMD #1 (V)	ORF-18-0015-DW	1,000,000	8/21/2018	<input type="checkbox"/>
OK	119	Muskogee Municipal Authority (II)	ORF-18-0012-DW	17,640,000	10/18/2018	<input type="checkbox"/>
OK	71	Newcastle Public Works Authority (II)	ORF-13-0006-DW	-19,949	6/10/2019	<input checked="" type="checkbox"/>
OK	128	Nicoma Park Development Authority	ORF-19-0007-DW	4,700,000	6/26/2019	<input type="checkbox"/>
OK	122	Oklahoma City Water Utilities Trust (VII)	ORF-19-0011-DW	20,000,000	1/30/2019	<input type="checkbox"/>
OK	125	Pittsburg County Rural Water District #14	ORF-17-0004-DW	1,033,500	2/6/2019	<input type="checkbox"/>
OK	126	Sayre Public Works Authority	ORF-18-0016-DW	823,180	3/20/2019	<input type="checkbox"/>
OK	121	Tahlequah Public Works Authority (III)	ORF-18-0017-DW	8,200,000	12/17/2018	<input type="checkbox"/>
<b>Total for all 13 Loans</b>				<b>85,511,534</b>		