

CLEAN WATER STATE REVOLVING FUND

DRAFT SFY 2016 INTENDED USE PLAN



Financial Assistance Division
Oklahoma Water Resources Board

July 1, 2015



Meeting Purpose

- Overview of OWRB's CWSRF Program
- Discuss the Board's strategy for managing the program
- Present the annual plan for the use of the federal funds awarded under the Clean Water State Revolving Fund Program

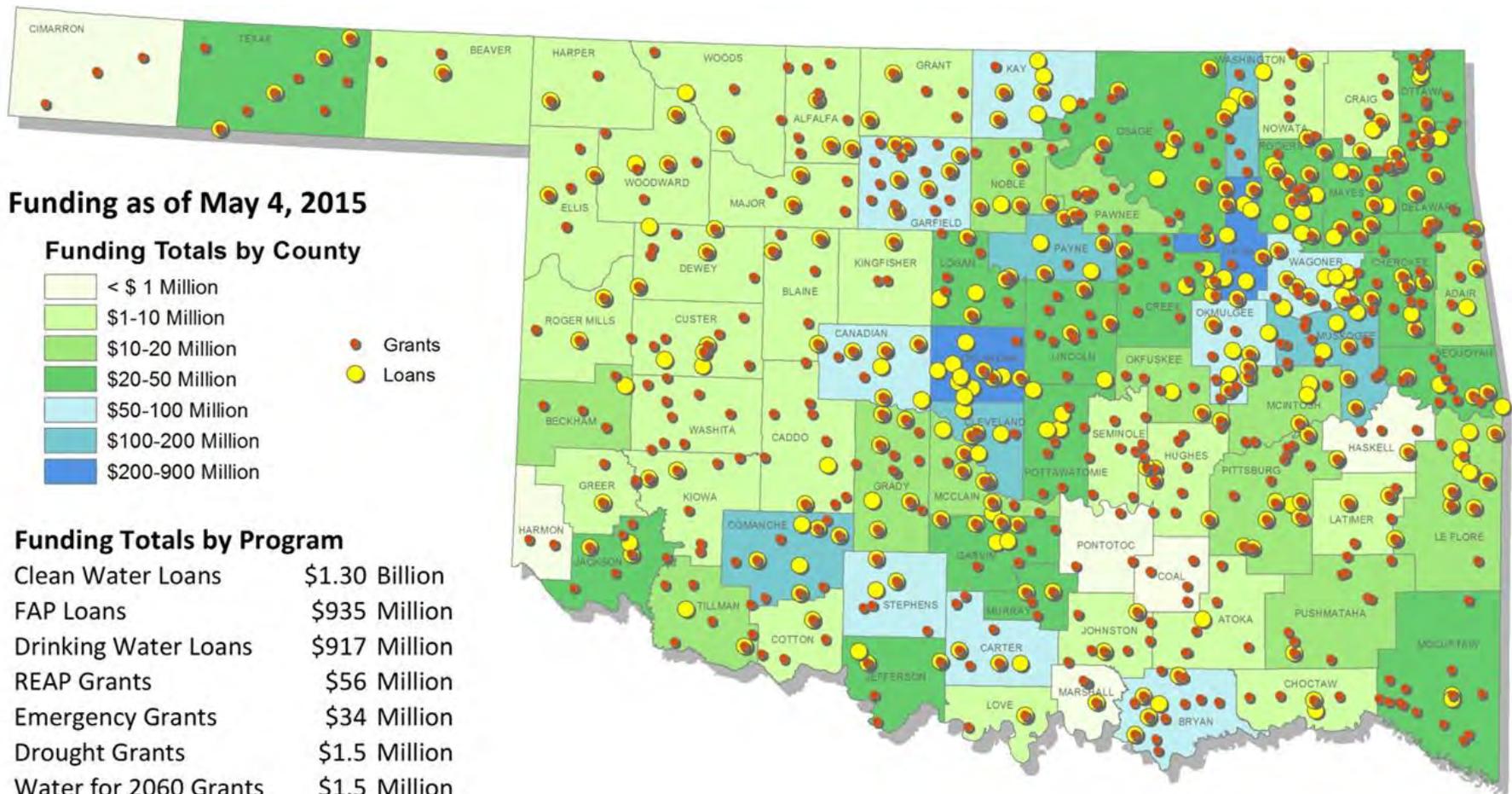


Financial Assistance Division

- Administers five grant and loan infrastructure programs
- Since inception, funded approx. \$3 Billion
- Saved Oklahoma communities approximately \$1 Billion
- Major implementation tool to address the \$82 Billion infrastructure need



Financial Assistance Programs



TOTAL SAVINGS \$1 Billion

Loans and Grants

Clean Water State Revolving Fund (CWSRF)

- “Revolving Aspect” – ***loan repayments*** and investment ***earnings*** are continually ***recycled to fund new projects***
- Ongoing commitment of ***federal funds***
- Financing strategy which provides loans at 40% below market rates
- Ease of loan application and technical approval process

Clean Water State Revolving Fund

- Targets projects for infrastructure improvements to address **CWA compliance issues**
- Eligible Projects include:

Traditional Projects:

- Secondary/Advanced Treatment
- Inflow/Infiltration Correction
- New Collector Sewers
- New Interceptor Sewers
- Land acquisition **NEW!**
- Security systems

2060 / Green Projects:

- Water Re-use
- Stormwater Projects
- Green Infrastructure Projects
- Nonpoint Source Projects
- Meter upgrades (AMR) **NEW!**
- Energy efficiency
- Environmentally Innovative

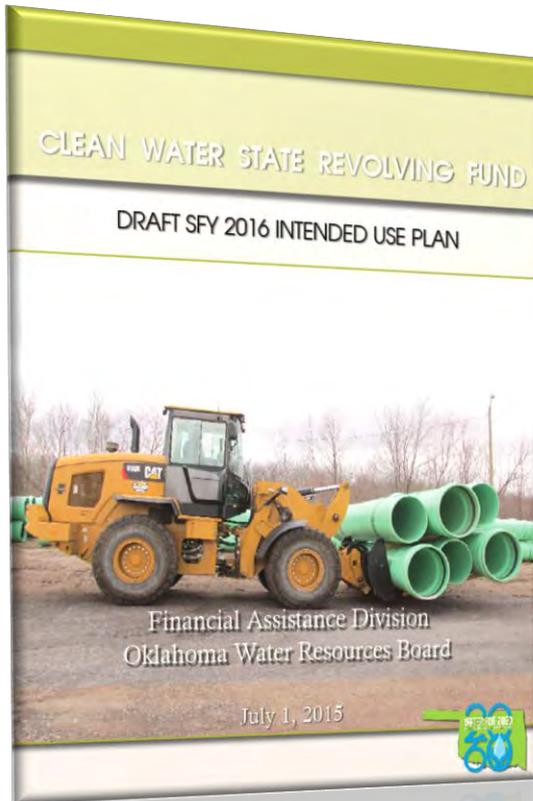


Long and Short-Term Goals

- **Long-term Goals:** meeting CWA and State Water Quality goals & goals of the *OCWP* and *Water for 2060* while maintaining the long-range integrity of the fund
- **Short-term Goals:** continually improving the CWSRF program



Draft Plan



Available online
owrb.ok.gov/CWSRF



Application Process

1. Programmatic Application (PPL request)
2. Financial Application (L1/L2)

Project Priority Ranking (PPL)

Five Factors - 600 pt. max. (Appendix A)

1. Project Type (70 pts max.) pollution reduction, compliance, capacity, reuse, efficiency, etc.
2. Water Quality Restoration (20 pts max.) impaired waterbody (303d)
3. Water Quality Protection (10 pts max.) protected waterbody (e.g. SWS)
4. Readiness to Proceed (400 pts max.)
5. Programmatic Priority (100 pts max.) aligned with Water For 2060 & Green Project Reserve

Changes from WRRDA - SFY 2016

Water Resources Reform & Development Act (WRRDA)

- June 10, 2014 WRRDA signed into law with Amendments to the CWA and its first reauthorization since 1987.
- EPA Interpretive Guidance finalized Jan. 6, 2015.
- Many changes, just a few affect Oklahoma

CWSRF Program Changes

- Plans & Specs required prior to Board Approval – (OWRB Rule change ~July 1, 2015)
- F.A.C.T. - updated Cost and Effectiveness evaluation of processes, materials, and technologies by Oct. 1, 2015 (Appendix B)
- Fiscal Sustainability Plan for project infrastructure – programmatic applications submitted after Oct. 1, 2014
- 30-year terms now available for *all* applicants for qualified projects – as of Oct. 1, 2014
 - *All loans now require a Weighted Average Worksheet (Project lifespan - Appendix C)*

CWSRF Program Changes

- Additional Subsidization (AdSub) no longer required
 - SFY 2016 for Projects aligned with *Water For 2060* goals and *Green Project Reserve* will be eligible for AdSub
- Land acquisition necessary for construction now eligible
- Greater emphasis on addressing stormwater impacts

CWSRF Program Changes

- Construction, repair or replacement of publically owned *decentralized* WW treatment systems
- Architectural and Engineering Contracts
 - Must follow federal procurement process or state equivalent process
 - State statutes mimic federal process
 - Certified by our State Attorney General

WRRDA Program Requirements

- Davis Bacon – Prevailing Wage Rates
- American Iron and Steel
- Green Project Reserve
- Fiscal Sustainability Plan
- Additional Subsidization
- Affordability Criteria

Davis-Bacon (wage rates)

- Now directly amended into the CWA [§ 602(b)(6)]
- Include updated prevailing wage rate information **10 days prior to bid opening**
- Contracts are generally executed within **90 days of bid opening**
- Applies to all construction on treatment works (excludes nonpoint source projects)
- Provide payroll certification to OWRB
- Guidance is available owrb.ok.gov/cwsrf

American Iron and Steel

- Now directly amended into the CWA [§ 608]
- Each local entity that receives CWSRF financial assistance for SFY 2016 is required to ***use American-made iron and steel products***

American Iron and Steel

- **Definition of Iron and Steel**
 - The following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, construction materials.
- Under certain circumstances a Waiver may be available – contact our offices
- **New Forms now available online**
owrb.ok.gov/forms

Green Project Reserve (GPR)

- Green Projects are eligible for AdSub
 - Green Infrastructure – Green roofs, bio-retention ponds...
 - Water Efficiency – Reuse, conservation, AMRs, ...
 - Energy Efficiency
 - Environmentally Innovative Activities
- *Categorical* elements or *Business Case* justification required
- GPR Checklist (Appendix D)

Affordability Criteria

The CWA now requires that States develop affordability criteria that assist with the identification of applicants that would have difficulty financing projects.

Must include:

- Employment
- Income
- Population trends



Appendix F: Affordability Criteria

			Numerical Score
Population Change <i>(Information obtained from American Community Survey Data)</i>	-5%	-4.01%	0
	-4%	-3.01%	1
	-3%	-2.01%	2
	-2%	-1.01%	3
	-1%	-0.01%	4
	0%	0.99%	5
	1%	1.99%	6
	2%	2.99%	7
	3%	3.99%	8
	4%	4.99%	9
	5%	and above	10

			Numerical Score
Per Capita Income <i>(Information obtained from American Community Survey Data)</i>	\$ (3,000.00)	\$ (2,501.00)	0
	\$ (2,500.00)	\$ (2,001.00)	1
	\$ (2,000.00)	\$ (1,501.00)	2
	\$ (1,500.00)	\$ (1,001.00)	3
	\$ (1,000.00)	\$ (0.01)	4
	\$ -	\$ 999.00	5
	\$ 1,000.00	\$ 1,499.00	6
	\$ 1,500.00	\$ 1,999.00	7
	\$ 2,000.00	\$ 2,499.00	8
	\$ 2,500.00	\$ 2,999.00	9
	\$ 3,000.00	and above	10

			Numerical Score
Unemployment <i>(Information obtained from American Community Survey Data)</i>	3.00%	and above	0
	2.50%	2.99%	1
	2.00%	2.49%	2
	1.50%	1.99%	3
	1.00%	1.49%	4
	0.00%	-0.99%	5
	-1.00%	-1.49%	6
	-1.50%	-1.99%	7
	-2.00%	-2.49%	8
	-2.50%	-2.99%	9
	-3.00%	and below	10

Transfer of Pledged Revenues Out to City or In from City

Transfer Revenues Out	-5
Transfer Revenues In	5
No Transfer	0

(Information obtained from Annual Audit Income Statement per Borrower)

Total Score Available

35

DRAFT

Fiscal Sustainability Plan

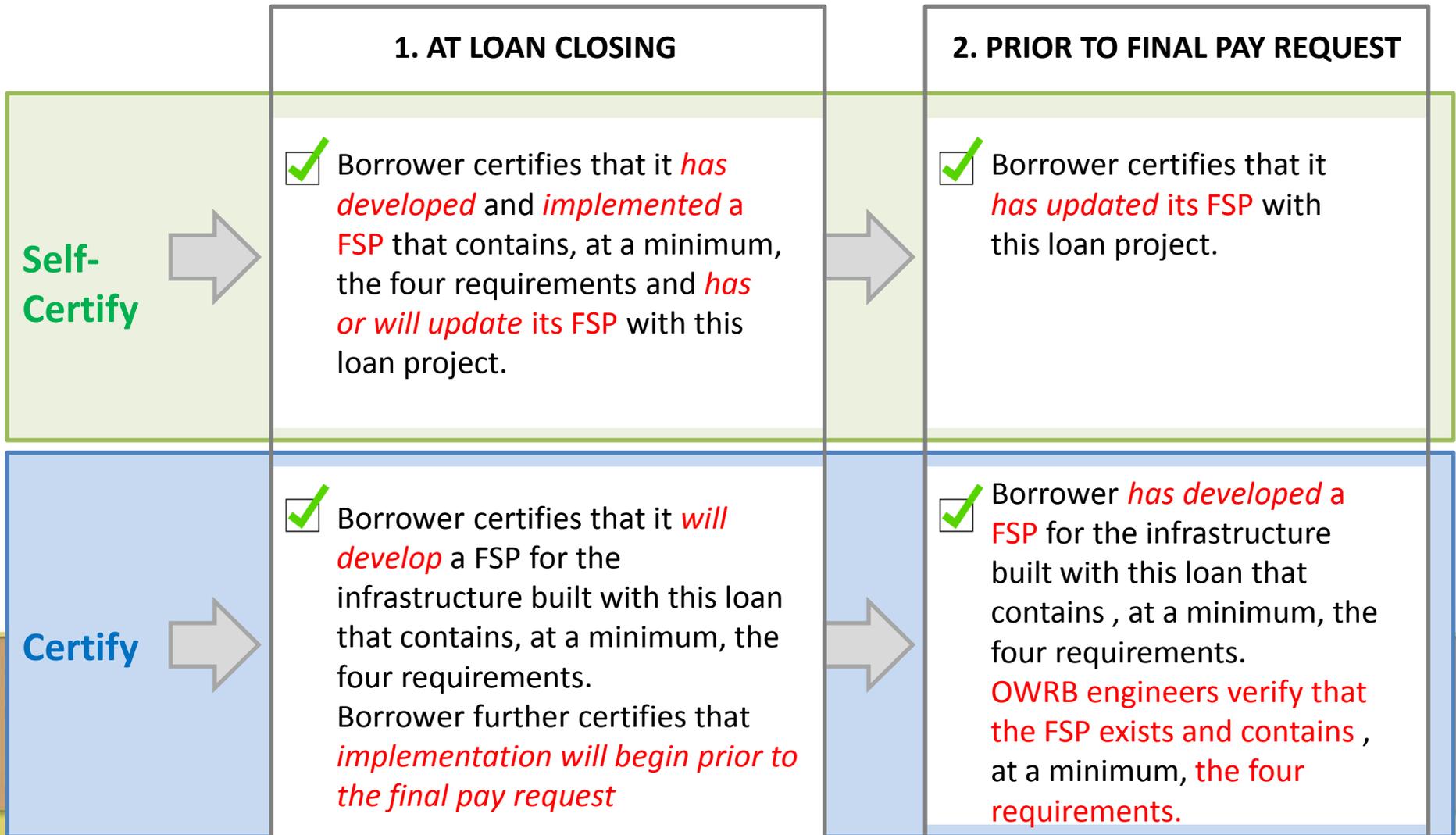
- The CWA now requires that states require an Fiscal Sustainability Plan (FSP) be developed and implemented for proposed repair, replacement, or expansion of *existing* treatment works.
- At a minimum the FSP will include:
 1. Inventory of critical assets
 2. Evaluation of asset condition and performance
 3. Water and energy conservation Plan and Implementation
 4. Maintenance, Repair, Replacement, and Funding Plan

Fiscal Sustainability Plan

- FSP does not have to include the entire system
- Must include everything paid for with loan
- Living document developed over time
- Plan is not required to be received at OWRB offices
- Eligible loan expense

FSP Certification

Two Tracks



Draft Certification At Loan Closing

EXHIBIT H

[Fiscal Sustainability Plan]

The Borrower shall comply with all federal requirements applicable to the Loan (including those imposed by the 2015 Water Resources Reform and Development Acts to the Federal Water Pollution Control Act) which the Borrower understands includes, among other, requirements that a fiscal sustainability plan (FSP) be implemented or a certification that the borrower has previously implemented an FSP. The FSP must meet the following conditions:

- An inventory of critical assets that are a part of the treatment works;
- An evaluation of the condition and performance of inventoried assets or asset groupings;
- A plan that the borrower has evaluated and will be implementing water and energy conservation efforts; and
- A plan for maintaining, repairing and as necessary replacing the treatment works and a plan for funding such activities

Self-Certify

The Borrower certifies that it has **already developed** and implemented a FSP that contains the four requirements as listed above. A certification that the **FSP has been updated** to include the infrastructure constructed with this loan will be required prior to the approval of the final disbursement request.

Certify

The Borrower **certifies that it will develop** a FSP that contains the four requirements as listed above. A **certification that the FSP has been developed** for the infrastructure constructed with this loan will be required prior to the approval of the final disbursement request.

Draft Certification With Final Pay Request

We, (*BORROWER NAME*), certify that we have developed and are implementing a Fiscal Sustainability Plan (FSP) which meets all the requirements as set out in the loan agreement, (*LOAN NUMBER*) with the Oklahoma Water Resources Board including:

- An inventory of critical assets that are a part of the treatment works;
- An evaluation of the condition and performance of inventoried assets or asset groupings;
- A plan that the borrower has evaluated and will be implementing water and energy conservation efforts; and
- A plan for maintaining, repairing and as necessary replacing the treatment works and a plan for funding such activities

We understand that the FSP shall be considered a living document that should be updated according to any new additions or changes to our system. The approval of the final disbursement is contingent upon fulfillment and execution of this document.

Fiscal Sustainability Plan

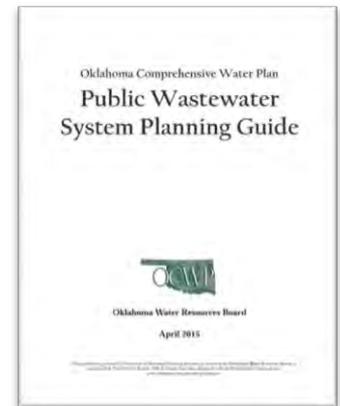
■ OWRB Planning Guides

- **Organizational tools** to assist system in developing strategies to meet their long-term water/wastewater needs and become more sustainable



■ Water System Planning Guide

■ Wastewater System Planning Guide (FSP Template) **NEW!**



Oklahoma Comprehensive Water Plan
**Public Wastewater
System Planning Guide**

An FSP Template



Oklahoma Water Resources Board

April 2015

Minimum Conditions for Fiscal Sustainability Plan (per WRRDA Amendments 2014)

1. Inventory of critical assets (Section 4)
2. Evaluation of asset condition and performance (Section 4)
3. Plan & implement water and energy conservation efforts
(Section 8)
4. Plan for maintaining and funding the project
(Sections 4 & 8)

Inventory of Critical Assets

System Name			
Date of assessment (mm/dd/yyyy)			
Facility type			
<i>Use numbered columns for each separate unit¹</i>		Unit 1	Unit 2
		Unit 3	
PUMPS		Short-lived asset? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Number of pumps			
Type of pump			
Manufacturer			
Rated capacity of pump (gpm @ feet TDH)			
Specifications		Horsepower	
		Volts	
		Speed (rpm)	
Assumed solids concentration?			
Variable or cc			
Installation date			
Base effective useful life (years)			
Initial Efficiency Rating			
Estimated remaining effective useful life (years)			
Replacement within next 5 years?		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
CONTROL		Short-lived asset? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Number of units			
Description of control strategy			
Installation date (mm/dd/yyyy)			
Estimated remaining effective useful life (years)			
Replacement within next 5 years?		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Perceived condition (Poor, Fair, Good, Excellent)			

Evaluation of Condition & Performance

¹ Use additional forms if necessary.

SFY 2016 Additional Subsidization

- \$1,000,000 in Principal Forgiveness available for projects that meet the intent of the Water for 2060 Act
- \$250,000 max. per project
 - *As funds are available, projects which include Water for 2060 related components (REUSE) may receive principal forgiveness in an amount equal to the Water for 2060 related expenditures or \$250,000, whichever is less.*

Planning for Infrastructure Funding

■ Sources of Funds

– Capitalization Grant plus match:	\$13,612,800
– Proposed Bond Issue:	\$75,000,000
– Other (repayments, investments, etc):	\$85,249,746
– Total Sources of Funds:	\$173,862,546

■ Total Fund Commitments

– Obligations:	\$181,979,688
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Proposed Projects

- Received requests for 8 wastewater construction projects for FY 2016
- Fundable List Amount: \$80.1 Million
- Five Year List: 17 requests totaling \$225.3 Million

■ Project requests are accepted and amended throughout the year.



Project Priority List

Priority Rank and Name	Project No.	Target B.C. Date	Priority List Amount (\$)	Project Description
1. Lexington PWA	ORF-15-0005-CW	09/15/15	\$3,030,000	Construction of a new sequential batch reactor (SBR) wastewater treatment plant (WWTP) and the rehabilitation of the aeration basins and emergency holding pond into a sludge dewatering unit and two-cell flow equalization basins (FEB). (Cat. I)
2. Altus MA	ORF-14-0007-CW	09/15/15	\$2,854,000	WWTP improvements including replacement of headworks, new bar screen, new energy saving motors and pumping controls, new clarifier, new effluent disinfection system, site work, and water reuse for internal washdown. (Cat. II & X)
3. Tulsa MUA	ORF-16-0001-CW	10/20/15	\$38,540,000	Sanitary sewer system and WWTP improvements, new interceptor, and water reuse for internal washdown. (Cat. I, II, IIIA, IIIB, IVA, & IVB & X)
4. Del City MSA	ORF-16-0003-CW	12/15/15	\$14,000,000	Wastewater System Improvements (Cat. II)
5. Choctaw UA	ORF-15-0007-CW	01/19/16	\$3,100,000	Bring existing WWTP back to its original design capacity of 1.0 MGD and sanitary sewer collection line extension along 10th St. from Hiwassee Road to Indian Meridian Road (Cat II & IVA)
6. Cherokee DA	ORF-15-0012-CW	07/24/15	\$1,785,000	Rehabilitation of existing lagoons (Cat. IIIB)
7. Skiatook PWA	ORF-15-0003-CW	12/15/15	\$9,781,890	Improvements at Bird Creek and Hominy Creek WWTP (Cat. I)
8. Oklahoma City WUT	ORF-16-0002-CW	06/21/16	\$7,000,000	42" relief interceptor from S. Shields Ave. and S.E. 19th St. to S. Blackwelder Ave. and S.W. 21st St. 30", 21", & 18" relief mains from S. Harvey Ave. to S. Shields Ave. along S. 55th St. and S. 67th St. (Cat. IVB)
TOTAL			\$80,090,890	

Changes Since April Draft IUP

- New to PPL – Cities of Perkins and Broken Arrow
 - \$13M Wastewater Conveyance and Treatment Facilities Project; \$2.7M on AMRs
 - Figures included in the draft text and charts will be updated in final IUP & Appendices accordingly
 - Priority Ranking may also change
- Narrowed definition of 212 Treatment Works to allow for flexibility (nonpoint source BMPs and green infrastructure added)
- Minor grammatical corrections and typos



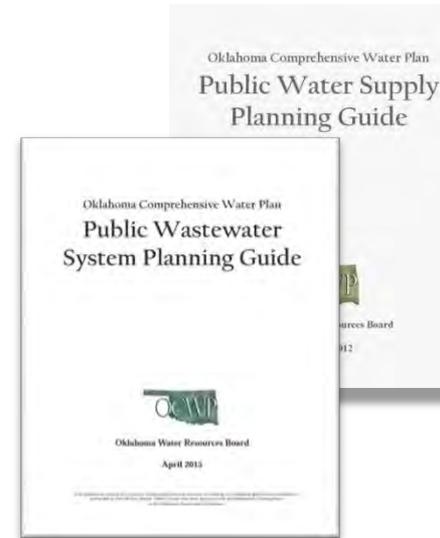
Enhanced Efforts in 2016

■ Water for 2060

- Encourage systems to consider Water Reuse, Green Stormwater and Green Infrastructure

■ Outreach with Water and Wastewater Planning Guides / FSP

■ Outreach with O.A.S.I.S.



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Home Page Administration Requests Project Details Background Questions Output Statements Logout

Name of Applicant: Oklahoma City (OCWAT) Edit Applicant Information
Population: 545 000

Select Application: South WTP & Sewer Rehab Add New Edit Name Delete Selected

Contact Person for this Application:
Profile: Mr. First Name: Mick Last Name: Cornett Suffix:
Email: mcayor@okt.gov Phone: (405) 293-2424 Add/Edit

Submission Complete: Date Completed/Last Updated: 4/20/11 Save

Types of Project(s) to be Funded:

Project Categories	Number Selected	Add / Delete
Wastewater Treatment Plant	1	+ X
Sewer System	1	+ X
Stormwater Management	0	+ X
Nonpoint Source Pollution Control	0	+ X

Total Number of Projects Created: 2

Enhanced Efforts in 2016

Oklahoma Advantages Assessment and Scoring for Infrastructure Solutions

O.A.S.I.S. For Clean Water SRF

- Quantify infrastructure investment for environmental, social, and economic benefits
- Help leaders make well-informed decisions
- Help leaders articulate the benefits of the investment to their constituents

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Home Page Assistance Request Project Details Background Questions Output Statements Logout

Name of Applicant: Oklahoma City (OCWUT) Edit Applicant Information
Population: 540,000

Select Application: South WTP & Sewer Rehab Add New Edit Name Delete Selected

Contact Person for this Application:

Prefix: Mr First Name: Mick Last Name: Cornes Suffix: Add/Edit
Email: mayor@okc.gov Phone: (405) 297-2424

Submission Complete: Date Completed/Last Updated: 4/4/2011 Save

Type(s) of Project(s) to be Funded:

Project Categories	Number Selected	Add / Delete
Wastewater Treatment Plant	1	+ x
Sewer System	1	+ x
Stormwater Management	0	+ x
Nonpoint Source Pollution Control	0	+ x

Total Number of Projects Created: 2

Questions

Public Comment
Period Closes
May 15, 2015



Financial Assistance Division



State of Oklahoma
OWRB
WATER RESOURCES BOARD
the water agency