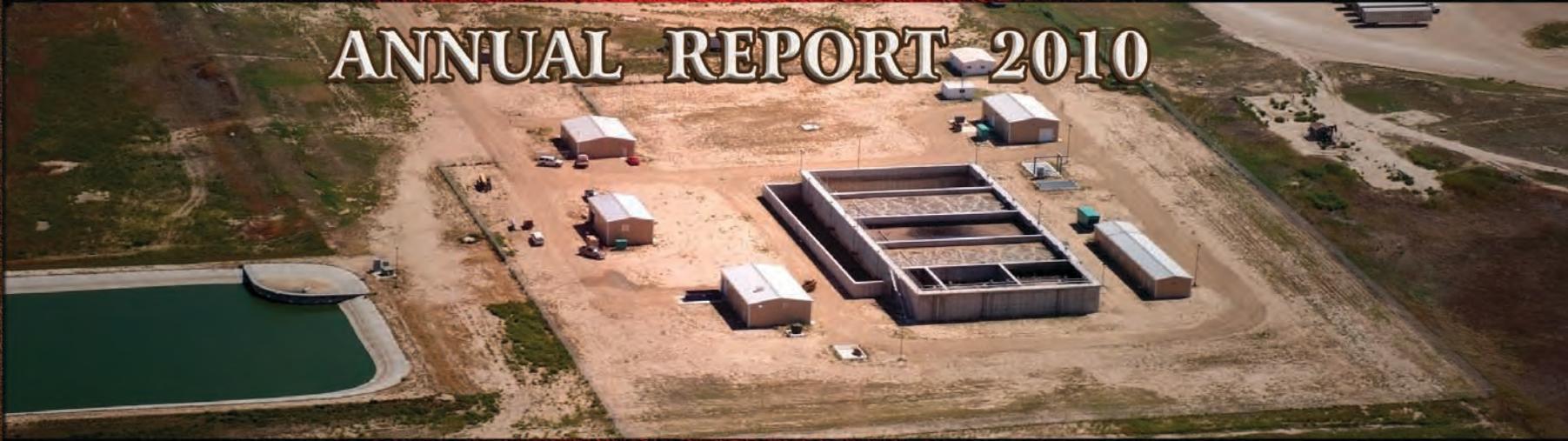


Oklahoma Clean Water State Revolving Fund

ANNUAL REPORT 2010

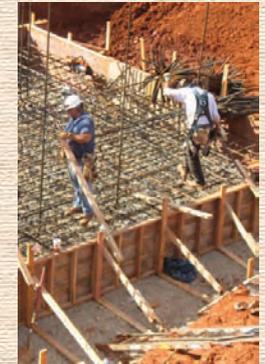


Projects by Oklahoma Planning Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Meeting Oklahoma's Infrastructure Needs

Since 1979, the Oklahoma Water Resources Board (OWRB) has administered the largest and most popular financial assistance programs for funding construction of water and wastewater infrastructure in Oklahoma. To date, the agency has issued more than \$2.3 billion in loans and grants for system improvements, construction, green projects and refinancings saving Oklahoma communities over \$820 million!



J.D. STRONG
INTERIM EXECUTIVE DIRECTOR

BRAD HENRY
GOVERNOR



STATE OF OKLAHOMA
WATER RESOURCES BOARD

Serving as Oklahoma's water agency for more than 50 years, the Oklahoma Water Resources Board (OWRB) has been instrumental in creating a higher quality of life for Oklahomans by providing more affordable infrastructure financing, improved water quality, and enhanced access to water. The OWRB and its partners are in the final stages of the update of Oklahoma's Comprehensive Water Plan, which will result in accurate and timely water-related data, intensive studies of available water and future needs, as well as a defensible permitting process that recognizes both the inevitability of drought and the need for water conservation.

From a broader viewpoint, the OWRB continues to expand the nature and magnitude of its water management projects while embracing new and innovative technologies. At the same time, the agency strives to identify common objectives of our state, federal and local partners, thus providing Oklahoma citizens with maximum results at minimum cost. As Oklahoma works to address our \$1.2 billion gap in wastewater and \$4.1 billion gap in drinking water infrastructure needs, our Financial Assistance Division plays an important role in this effort by providing critical low cost financing to Oklahoma communities and rural water districts.

With enthusiasm and confidence, we are striving to create a secure water future for Oklahoma.

Sincerely,

J.D. Strong
Interim Executive Director



J.D. STRONG

INTERIM EXECUTIVE DIRECTOR

BRAD HENRY

GOVERNOR



STATE OF OKLAHOMA
WATER RESOURCES BOARD

The Financial Assistance Division of the Oklahoma Water Resources Board is dedicated to assisting communities and rural water districts in maintaining adequate water and wastewater facilities. Since the approval of the first grant in 1983, we have provided approximately 65% of all financing for Oklahoma's water and wastewater infrastructure needs. To date, we have funded over \$2.3 billion dollars with our loan and grant programs, which in turn has led to an interest savings of over \$820 million for our communities and rural water districts. With dual goals of maintaining sound financial and environmental protection, the Financial Assistance Division is proud of our natural AAA ratings on all of our bond issues and our use of innovative methods to meet Oklahoma's infrastructure needs.

As we review our accomplishment in FY 2010, we are pleased that the program was up to the challenge of the American Recovery and Reinvestment Act of 2009 by funding almost three times the average number of infrastructure projects in a year! More than \$62 million in Recovery Act funds were leveraged with \$183.5 million in below market rate loan funds for a total investment of \$242.9 million in Oklahoma water and wastewater infrastructure.

As we move into FY 2011, we will continue to service our historic loans while funding additional water and wastewater projects, as well as addressing expanded uses such as green infrastructure projects. We look forward to continuing our role in helping Oklahoma build its future!

Sincerely,

Joe Freeman, Chief
Financial Assistance Division



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*Attachments can be found on enclosed CD

OKLAHOMA'S COMPREHENSIVE WATER PLAN

Oklahoma Comprehensive Water Plan

OCWP

Oklahoma faces a myriad of water challenges, not the least of which

is unavoidable drought cycles. If Oklahoma is to reach its potential for economic growth while securing optimum quality of life for its people, Oklahoma citizens must assume a direct role in shaping policy that guides the management, development, and protection of water resources.

As part of its broad responsibility to enhance the quality of life and general welfare, the state has the specific obligation to plan for the use of water and natural resources in a manner that will best serve the many needs of the people of Oklahoma. The Oklahoma Comprehensive Water Plan (OCWP), the state's long-range water use and management strategy, was first published in 1980 and updated in 1997. In 2006, the Oklahoma Legislature appropriated funds to the Oklahoma Water Resources Board for the Plan's second update.

While Oklahoma's current Water Plan, published in 1997, provides an indispensable inventory of the state's water supplies, projects future needs, and offers recommendations to deal with impending water policy questions, state citizens require a more detailed strategy to meet the many new challenges posed by increased usage and competition for avail-

13 Watershed Planning Regions



able water supplies. With public opinion and legal obligations in mind, policy makers must achieve a balance between economic development on the one hand and recreational and environmental needs on the other.

The OWRB and its planning partners are updating and expanding statewide assessments of current and future water supply needs through the next 50 years and beyond, including inventories of both rural and urban water supplies. Just as important, Oklahoma's water policy issues are being identified through an unprecedented and extensive public input process involving thousands of citizens from across the state.

Reliable water supply is dependent upon the infrastructure required to deliver it as well as the financing opportunities to build and maintain that infrastructure. As a result, the Water Plan will build upon existing state and federal funding programs, including the OWRB's Financial Assistance Programs, to better understand and meet the growing infrastructure needs of water providers throughout Oklahoma.

The American Recovery and Reinvestment Act of 2009, passed by Congress and signed by President Obama in February 2009, complemented ongoing Water Plan initiatives by providing an immediate "shot-in-the-arm" for Oklahoma's water and wastewater systems. The Act, part of the Administration's stimulus package to energize the nation's economy and create jobs, included approximately \$62 million for "shovel ready" water and wastewater infrastructure projects in Oklahoma. Specifically, the stimulus package appropriated \$31 million each for Oklahoma's Clean Water and Drinking Water State Revolving Fund loan programs. Congress also set aside \$70 million in stimulus funds for USDA Rural Development's Water and Wastewater Loans and Grants.

INVESTING IN OKLAHOMA COMMUNITIES

Quantifying the Social, Economic and Environmental Benefits of Oklahoma's ARRA Projects

I. Project Description

The goal of this project was to develop a method to quantify the environmental, social, and economic benefits of Oklahoma water infrastructure projects funded by The American Recovery and Reinvestment Act of 2009 (ARRA). The OWRB sought a way to convey the significant contributions of the ARRA investment to community decision makers, state leaders, and Oklahoma citizens. It did so through a partnership between the OWRB, the U.S. Environmental Protection Agency, and Northbridge Environmental Management Consultants,

ARRA provided \$31.6 million for Oklahoma water quality projects through the Clean Water State Revolving Fund (CWSRF). As the managing entity for the Oklahoma CWSRF, the OWRB ensured that every dollar of Recovery Act funds was committed to projects that provided the greatest benefit to the health of Oklahoma's water bodies and to the economic vitality of its communities.

CWSRF has operated in Oklahoma successfully for twenty years, providing more than \$620 million in assistance for eligible wastewater infrastruc-



ARRA provided \$31.6 M for Oklahoma Water Quality Projects through CWSRF

ture, nonpoint source and estuary projects. In recent years, the OWRB has sought increasingly sophisticated methods—from the CWSRF Benefits Reporting System to the Beneficial Use Monitoring Program and GIS mapping—to capture the environmental and public health benefits of its projects. With the Recovery Act's goal of mitigating the effects of the recession through infrastructure investment, attention turned to the economic and social benefits of the CWSRF program. In addition to their anticipated environmental and public health contribution, the projects funded by ARRA are expected to yield significant direct and indirect economic, social, and "quality of life" benefits. This is achieved through their impact on job creation, aesthetics, recreation, industry, and many other aspects of Oklahoma life.

II. Project Methodology

First, to narrow the field of potential benefit measures, Northbridge conducted a wide-reaching literature review to identify studies quantifying the myriad benefits of water infrastructure investment. This review yielded a collection of nineteen economic, environmental and social benefits that have exhibited links to water infrastructure investment.



19 water infrastructure benefits presented to decision makers in 4 communities

The nineteen initial benefits were provided to doctoral students in the University of Oklahoma sociology department for testing. The students presented the benefits to a variety of community members involved in making water infrastructure decisions. The interviews assessed how the community members prioritized and reacted to these benefits and solicited suggestions for additional benefits as well.

Four communities were selected for the pilot study based on the following: successful recent completion of a CWSRF ARRA project, type of project, and availability of useful data.

- Grove: A small resort and retirement lake community
- Norman: Intellectual, politically aware, and environmentally active
- Piedmont: An upper-middle-class community connected with Oklahoma City but with its own separate identity
- Ardmore: Both a recreational "lake country" destination and a commercial center equidistant from Dallas and Oklahoma City

Investing In Oklahoma Communities

Northbridge, with help from the OWRB, segmented the benefits into two tiers: benefits that were high priority for community members, and benefits that were low priority for community members but high priority for OWRB. The final set of benefits was as follows:

Tier I Benefits (High priority to communities)

- Impact of infrastructure investment on economic growth (number of jobs created, increase in household earnings, and increased productivity)
- Increase in property values resulting from enhanced water quality
- Increase in property values resulting from increased access to water infrastructure
- Reduction in health risk from waterborne illnesses as a result of water infrastructure investment
- Monetary cost of waterborne illnesses avoided by water infrastructure investment
- Value of recreation supported by water quality projects
- Types of recreation supported by water quality projects



Tier I Benefits — Benefits of high priority for community decision makers

- Energy cost savings from water and energy efficiency upgrades to water infrastructure facilities
- Reduction in greenhouse gas emissions as a result of water infrastructure facility design
- Phosphorus reduction (reduction in algal blooms) resulting from water infrastructure investment
- Impact of water quality and access to infrastructure on perceived quality of life
- Sustainability of water infrastructure facilities
- Interest rate savings as a result using the CWSRF program
- Cost of delaying infrastructure improvements as a result of construction inflation

Tier II Benefits (High priority to OWRB/Low priority to communities)

- Population served by water infrastructure/reduction in infrastructure needs
- Public valuation of water quality (willingness to pay for infrastructure improvements)



Tier II Benefits — Benefits of high priority for OWRB

- Cost savings from advanced wastewater treatment (avoidance of additional treatment costs for polluted sources)
- Protection of fish habitat
- Maintaining/improving waterbody beneficial uses

The OWRB decided that the remainder of the project would focus on the Tier I benefits, with the Tier II benefits to be pursued at a later date.

As the next step was to pinpoint a specific data element that would act as a “Multiplier” for each benefit. To accomplish this Northbridge used Oklahoma-specific data as much as possible. In many cases, this required performing new research using Oklahoma data sources. For each benefit, simple criteria were identified that could describe the features of ARRA-funded infrastructure projects, such as the total project cost, the population served, treatment technology utilized, etc. This project information, combined with the Multiplier identified for each benefit, generates an Output Statement describing the specific environmental, social, or economic benefit expected to result from the community’s ARRA-funded project.



Identified criteria & found specific multiplier for each Benefit to generate an Output Statement



Outputs and Multipliers can be easily identified through the O.A.S.I.S. System

Communities can now present Benefits to citizens and other leaders to show positive impacts from infrastructure investments.

III. Suggested Uses

It's anticipated that the Multipliers and Outputs can be used to convey the benefits of the OWRB projects. Due to the broad potential the Multipliers and Outputs offer for strategic management, outreach, and communications, the set of benefits will be referred to as the Oklahoma Advantages Assessment and Scoring for Infrastructure Solutions (OASIS) system. The data can be used in its current form to generate Output Statements using common spreadsheet software; however, it would have a much greater impact as a customized modeling program designed for the common user. The software would quickly generate the expected benefits of a given infrastructure project. Community leaders can then present these benefits to their citizens or legislators to illustrate the positive impacts resulting from past or planned infrastructure investments. Such a tool could help communities make well-informed decisions about the types of projects that will best serve their short- and long-term goals as well as show state and federal leaders the benefits of their funding contributions.

The OWRB managers could use the results from the computer model to enhance public relations efforts and build support for the OWRB financing programs at both the state and national levels. Highlighting the benefits from projects in reports such as the OWRB's CWSRF annual report would help convey how the OWRB's management of the ARRA funds resulted in exponential benefits at the community level. Reporting the benefits resulting from the OWRB-funded projects may also help generate additional interest in the SRF among entities that have not received the SRF funds but may have a future interest in the program. In addition, marketing of the SRF program can be enhanced by using fact sheets and case studies about the benefits of particular projects to attract attention from water providers that are considering similar options.

The OASIS Benefits could also serve to enhance the OWRB's priority ranking system and pre-application priority list questionnaire. Oklahoma's Integrated Priority Ranking System provides a process by which project applications are evaluated and allocated points to determine their priority ranking relative to other projects that apply for funding. The community impact measures could be used

to inform future changes to the ranking system by providing greater insight into the potential benefits of different types of projects and their relative importance. For example, as the ARRA Green Project Reserve requirement becomes a more integral part of the SRF program, benefits such as "Greenhouse Gas Emissions Reductions" could inform future changes to the ranking system for green projects.

The OASIS Benefits have great potential for enhancing the OWRB's CWSRF program, including and beyond the applications described here. Using OASIS to communicate infrastructure benefits will instill additional public confidence in the OWRB's mission and help convey the connection between water quality and quality of life.

Annual Report

CWSRF AAA bond rating
SAVED OKLAHOMANS

\$239 Million

CWSRF financed

65%

Of Oklahoma's Wastewater needs



Introduction

The Oklahoma Water Resources Board (OWRB) hereby submits the Clean Water State Revolving Fund (CWSRF) Annual Report for Fiscal Year 2010 (July 1, 2009 through June 30, 2010). The federal Clean Water Act (CWA) requires the OWRB, as program administrator, to report annual Fund activities. This report describes sources and uses of funds, environmental performance of construction activities, OWRB's financial position, as well as how the OWRB met the FY 2010 Intended Use Plan Goals and Objectives.

The OWRB has agreed to submit this report to the Environmental Protection Agency (EPA) within 90 days following the end of the fiscal year. In addition, Oklahoma Statutes require an annual report be submitted to the Governor and Legislature within 120 days of the end of the state fiscal year. This report fulfills both requirements.

Executive Summary

Since 1990, the OWRB's CWSRF program has financed over \$900 million in wastewater infrastructure projects throughout the State, providing on average over 65% of Oklahoma's Wastewater financing needs. Although enormous progress has been made, much work is still required. An estimated \$1.2 billion in need was identified by Oklahoma wastewater systems and documented in EPA's 2008 Wastewater Needs Survey.

The CWSRF plays a crucial role in financing this ever-growing need by providing financing at 40% below market interest rate with a standalone AAA bond rating. This provides access to significantly lower interest rates than Oklahoma communities are able to obtain through local debt issuance and has saved Oklahomans over \$239.1 million.

Fiscal Year 2010 saw another outstanding year for wastewater infrastructure rehabilitation and new construction. Oklahoma's CWSRF committed approximately \$191 million in loans for projects listed on the FY 2010 Priority Funding List. Twenty-five (25) of the FY 2010 binding commitments received approximately \$24 million in additional subsidization through the American Recovery and Reinvestment Act

Over \$147.8 million was available for the CWSRF Program with major sources being Series 2004 revenue bond proceeds, federal grant funds, loan repayments, and investment interest. Disbursements totaling \$82.9 million consisted of \$62.8 million in wastewater construction and refinancing and \$20.1 million in repayment of Series 2004 revenue bonds, transfer to Drinking Water State Revolving Fund Program, administrative expenses, and trustee bank fees.



American Recovery & Reinvestment Act



President Obama signed the American Recovery and Reinvestment Act of 2009 into law on February 17, 2009. The legislation provided an unprecedented opportunity to improve wastewater infrastructure across the nation while creating jobs for our citizens. Oklahoma received approximately \$31.6 million in federal funding to provide increased funding for wastewater system improvements funded through the CWSRF program. Projects funded were required to be under construction or have construction contracts awarded by February 17, 2010.

ARRA Project Review and Ranking

The OWRB utilized Oklahoma's approved CWSRF Integrated Ranking System (which is detailed in Oklahoma Administrative Code Title 785 Chapter 50) to review and rank projects to be funded with ARRA dollars. Projects receiving the greatest number of points during the ranking process received ARRA funding. Projects which were "ready to proceed" to construction (i.e. have completed engineering, environmental and financial application) received an additional 400 points through the ranking process. If a project encountered delays, it was skipped using Oklahoma's CWSRF approved bypass procedures. Communities not receiving ARRA funds received normal below market CWSRF financing.

Preference for Expeditious Activities

The ARRA required priority be given to projects that will be "ready to proceed" to construction within 12 months of the date of enactment, February 17, 2010. In anticipation of compliance with this requirement, the OWRB consulted with all potential recipients with projects on the FY 2009 and 2010 Priority Funding Lists by letter and phone to determine which of the projects could be started and expeditiously completed. Up to 400 points were provided during the CWSRF Integrated Priority Ranking System to projects "ready to proceed to construction."

Additional Subsidization

The ARRA states that "each State shall use not less than 50 percent of the amount of its capitalization grant to provide additional subsidization to eligible recipients in the form of forgiveness of principal,

American Recovery & Reinvestment Act



1st in the Region

3rd in the Nation

For ARRA Funds Under Contract

negative interest loans, or grants, or any combination of these.” Oklahoma’s CWSRF Program offered a principal forgiveness/loan combination financing opportunity for communities ranked and “ready to proceed” to construction on the Project Priority List. Approximately \$30.3 million of ARRA funds were earmarked for principal forgiveness. The additional subsidies were targeted, as much as possible, to disadvantaged communities as defined through the 30 year financing negotiation under the Drinking Water State Revolving Fund.

In January 2010 it was determined that the final ARRA principal forgiveness amount for each ARRA project was approximately 30%, with “green” projects receiving up to 100% principal forgiveness. The remaining project cost would be from traditional loan funds. Table 1 shows the final ARRA funding amounts.



Green Project Reserve

Oklahoma continues to be committed to the implementation of sustainable or green infrastructure. The Recovery Act legislation required that not less than 20% of the funds be for projects to address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities. All projects included on the FY 2009 and FY 2010 Project Priority List were evaluated to determine elements would qualify under the Green Project Reserve

Several solicitations for Green Projects were sent to communities, crosscutters as well as non-traditional groups. At the conclusion of ARRA, the final Green Project Reserve amount was \$7.9 million which exceeded the 20% requirement by \$1.5 million. The green projects are notated as GPR within Table 1.

Accounting and Tracking

Oklahoma utilized the Clean Water Benefits Reporting System (CBR) to track the progress of projects each quarter under ARRA. The CBR information was then exported to be utilized in reporting via Recovery.gov as well as the House Transportation and Infrastructure Committee.

The State of Oklahoma mandates the OWRB to deposit ARRA funds into a special ARRA account. The funds are then transferred into OWRB accounts as funding requests are made. This process is memorialized within a series of flow-charts provided to and approved by EPA Region 6.

Public Review

In accordance with the Oklahoma Administrative Code Title 785 Chapter 50, the OWRB posted the FY 2009 and FY 2010 Intended Use Plans subsequent amendments at www.owrb.ok.gov. Notice of the



availability to the public was provided by announcements in the Daily Oklahoman newspaper, which has a total circulation of 802,000. Organizations and individuals on the CWSRF distribution list were notified of the Amendments either electronically or via mail.

ARRA Programmatic Coordination

The Clean Water and Drinking Water State Revolving Fund Programs developed a collaborative partnership with the U.S. Department of Agriculture's Rural Development Water and Wastewater Loan and Grant Program. Through ARRA, these programs combined have over \$132 million in additional resources earmarked for water and wastewater improvements for Oklahoma communities. The three programs met at a minimum on a quarterly basis to determine the most advantageous funding opportunity for communities while ensuring ARRA funding is expended in an expeditious manner.

ARRA Activities between February 2009 and June 2009

The OWRB submitted the initial application and revised FY 2009 Intended Use Plan (IUP) for ARRA funding to EPA on February 24, 2009. The ARRA award from EPA was received on April 22, 2009. An amendment to add several additional projects was submitted on April 19, 2009, and approved on June 12, 2009. The first five projects entered into Binding Commitments with the OWRB in April 2009 with the first loan closing occurring on May 15, 2009. Prior to June 30, 2009, OWRB entered into ARRA Binding Commitments with seven entities for a total amount of \$60.6 million of which \$7.7 million was additional subsidization from ARRA funds. Projects on the FY 2009 list that were not funded by June of 2009 were added to the FY 2010 IUP and Project Priority List and were eligible for ARRA subsidization.

ARRA Activities between July 2009 and February 2010

Between July 2009 and February 2010, the OWRB entered into binding commitments with 25 communities under ARRA for a total amount of \$58.8 million of which \$19.7 million was in the form of principal forgiveness. During the same time frame, OWRB closed 28 ARRA project loans for a total amount of \$75.2 million of which \$24 million was in the form of principal forgiveness. All CWSRF ARRA Projects had contracts executed by January 15, 2010, one month in advance of the February 17, 2010 deadline.

American Recovery & Reinvestment Act



“Job creation, whether direct or indirect, is going to be very important over the next several years. It is always important, but critical in the near future.”

- Thomas K. Badin, Special District Judge (Ardmore)

TABLE 1

Oklahoma's Clean Water State Revolving Fund Program					
ARRA Projects funded between February 17, 2009 and February 17, 2010					
ARRA Loan Recipient	Total Assistance	ARRA Amount	Green Amount	Loan Closing Date	Contracts in Place
Adair Municipal Authority	\$1,400,000.00	\$432,320.00	\$0.00	09/22/09	08/31/09
Ardmore Public Works Authority	\$1,090,000.00	\$336,592.00	\$0.00	12/18/09	01/08/10
Central Oklahoma Master Conservancy District	\$369,520.00	\$369,520.00	\$369,520.00	12/04/09	12/16/09
Central Oklahoma Master Conservancy District	\$1,131,765.00	\$1,131,765.00	\$1,131,765.00	01/12/10	01/14/10
Collinsville Municipal Authority	\$550,000.00	\$169,840.00	\$0.00	10/30/09	09/21/09
Del City Municipal Services Authority	\$1,190,000.00	\$367,472.00	\$0.00	10/09/09	10/13/09
Duncan Public Utilities Authority	\$340,000.00	\$304,136.00	\$304,135.00	09/18/09	04/28/09
El Reno Municipal Authority	\$205,000.00	\$63,304.00	\$0.00	12/18/09	12/01/09
Grand Lake Public Works Authority	\$992,500.00	\$306,484.00	\$0.00	12/29/09	12/30/09
Grove Municipal Services Authority	\$1,900,000.00	\$586,720.00	\$0.00	08/21/09	08/25/09
Guymon Utilities Authority	\$1,335,000.00	\$412,248.00	\$0.00	11/06/09	11/13/09
Harrarh Public Works Authority	\$1,930,000.00	\$595,984.00	\$0.00	05/29/09	05/18/09
Henryetta Municipal Authority	\$3,650,000.00	\$1,127,120.00	\$0.00	12/21/09	12/21/09
Lawton Water Authority	\$12,270,000.00	\$2,000,000.00	\$0.00	11/30/09	12/15/09
Moore Public Works Authority	\$3,943,482.00	\$1,217,747.00	\$0.00	05/28/09	04/13/09
Muskogee Municipal Authority	\$1,435,000.00	\$443,128.00	\$0.00	08/28/09	09/15/09
Mustang Improvement Authority	\$6,590,000.00	\$2,000,000.00	\$0.00	06/08/09	06/08/09

American Recovery & Reinvestment Act



TABLE 1 (cont.)

Oklahoma's Clean Water State Revolving Fund Program					
ARRA Projects funded between February 17, 2009 and February 17, 2010					
ARRA Loan Recipient	Total Assistance	ARRA Amount	Green Amount	Loan Closing Date	Contracts in Place
Norman Utilities Authority	\$7,640,000.00	\$2,000,000.00	\$0.00	08/28/09	09/25/09
Oklahoma City Water Utilities Trust	\$9,469,451.00	\$2,000,000.00	\$0.00	11/13/09	11/03/09
Oklahoma Conservation Commission	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	12/29/09	12/29/09
Oklahoma Conservation Commission	\$86,500.00	\$86,500.00	\$86,500.00	12/08/09	10/01/09
Oklahoma Conservation Commission	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	12/08/09	10/01/09
Owasso Public Works Authority	\$1,785,000.00	\$1,785,000.00	\$75,925.00	12/08/09	12/01/09
Pawnee Public Works Authority	\$1,275,000.00	\$393,720.00	\$0.00	05/15/09	04/24/09
Perkins Public Works Authority	\$7,225,000.00	\$2,000,000.00	\$1,250,000.00	05/29/09	05/12/09
Piedmont Municipal Authority	\$2,515,000.00	\$776,632.00	\$0.00	12/17/09	12/24/09
Ponca City Utility Authority	\$575,000.00	\$177,560.00	\$0.00	10/06/09	09/28/09
Sperry Utility Services Authority	\$390,000.00	\$120,432.00	\$0.00	10/09/09	09/10/09
Stillwater Utilities Authority	\$1,875,000.00	\$579,000.00	\$249,975.00	11/24/09	01/15/10
Sulphur Municipal Authority	\$10,200,000.00	\$2,000,000.00	\$233,973.00	12/29/09	01/13/10
Tulsa City-County Library System	\$202,800.00	\$202,800.00	\$202,800.00	12/29/09	12/31/09
Tulsa Metropolitan Utility Authority	\$7,350,000.00	\$2,000,000.00	\$0.00	11/24/09	12/16/09
Walters Public Works Authority	\$1,326,407.00	\$409,594.00	\$0.00	12/23/09	12/08/09
Total Funding Amount	\$96,237,425.00	\$30,395,618.00	\$7,904,593.00		

Loan Funding Project Activity

“The Okmulgee Municipal Authority is excited and encouraged to be able to borrow money from the Oklahoma Water Resource Board. . . . The extremely low interest rates and flexibility of these loans are a benefit to all Oklahoma Municipalities. In addition, the professionalism and helpfulness of the staff of the Financial Assistance Division at OWRB is exceptional and highly appreciated by all those who encounter them. It is rare in today’s world to encounter governmental employees who are genuinely concerned with helping their customers.”

- Bob Baxter, City Manager (Okmulgee)



Thirty-four Oklahoma entities received binding commitments totaling \$191 million during FY 2010 for eligible projects including construction of new treatment and collection systems, rehabilitation of existing facilities, and green infrastructure. The FY 2010 projects will allow borrowers to cost effectively rehabilitate aging treatment plants and collection lines, expand capacity to meet anticipated population and economic growth opportunities throughout the 20-year design life, attain compliance with State effluent discharge requirements in place to protect Oklahoma’s surface and ground waters and in some locations, improve the quality of priority rivers and lakes identified as threatened or impaired.

The capital financing through the CWSRF Program enables Oklahoma’s wastewater systems to affordably meet treatment standards for wastewater discharged into the State’s rivers and lakes in accordance with the National Pollutant Discharge Elimination System (NPDES), administered by the Oklahoma Department of Environmental Quality (ODEQ). With

a fixed, 40%-below-market interest rate, ARRA subsidies, and a payback period of up to 20 years, these communities are expected to save more than \$72 million in capital expenditures for their essential wastewater infrastructure over the life of the loans. In FY 2010 OWRB funded 29 large communities, 9 small community loans and 3 state agency/universities consortiums.

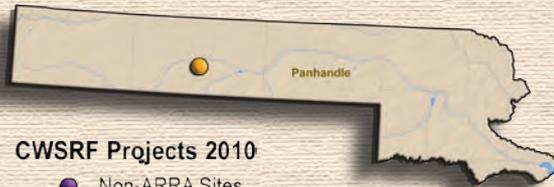
In order to analyze Oklahoma’s water supply and demand with necessary emphasis on a multitude of geographic variables, the OWRB delineated thirteen Watershed Planning regions (including eighty-two surface water basins) as part of the OCWP. Binding commitments approved within FY 2010 are presented within this report by OCWP planning district. One of the final products of the OCWP will be individual reports for each region that will include detailed evaluations of water supplies, future demands, alternatives to address potential water shortages, and possible infrastructure improvement opportunities.

Your Financial Assistance Division for FY 2010



Back Row: Matt Cogburn; Tamara Griffin; Shelly Bacon; Robert Lindenberger; Joe Freeman (Chief); Vivek Rajaraman; Simeon Stoitzev
Middle Row: Jennifer Wasinger (Asst. Chief); Sonia Mock; Angela Thompson; Anita Ray; Laura Oak; Tony Mensah
Front Row: Kate Burum; Daniel Hughes ; Barry Fogerty; Yohanes Sugeng; Ben Balasko
Not Pictured: Byju Sudhakaran; Kathy Koon

Panhandle Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Guymon



Guymon

GUYMON UTILITIES AUTHORITY (ARRA)

ORF-09-0013-CW

Population: 10,472

Loan Amount: \$1,335,000.00

Binding Commitment Date: 10/13/09

Loan Closing Date: 11/06/09

Percent Complete as of June 30, 2010: 50%

OWRB Staff: Y. Sugeng, Engineer; M. Cogburn, Environmental Specialist; S. Stoitzev, Financial Analyst

Guymon Utilities Authority, Texas County, owns and operates a wastewater system that serves the City of Guymon. The Oklahoma Department of Environmental Quality issued a Consent Order to the City of Guymon regarding construction and operation violation. The Authority's wastewater treatment system consists of two treatment facilities: the 28-acre northeast treatment lagoons and the 22-acre west treatment lagoons. These two treatment systems do not currently provide sufficient capacity for the City of Guymon's wastewater and the effluent from Seaboard Industries wastewater pre-treatment facility. To address the violations and capacity issues, the City of Guymon initiated a two phased process with Phase I funded via the CWSRF Program in FY 2009. This project is considered Phase II of the improvements and further enhances the wastewater treatment system by constructing an ultra-violet disinfection system, a 20-inch diameter outfall line plus manholes to the Beaver River as well as a cascade aerator.



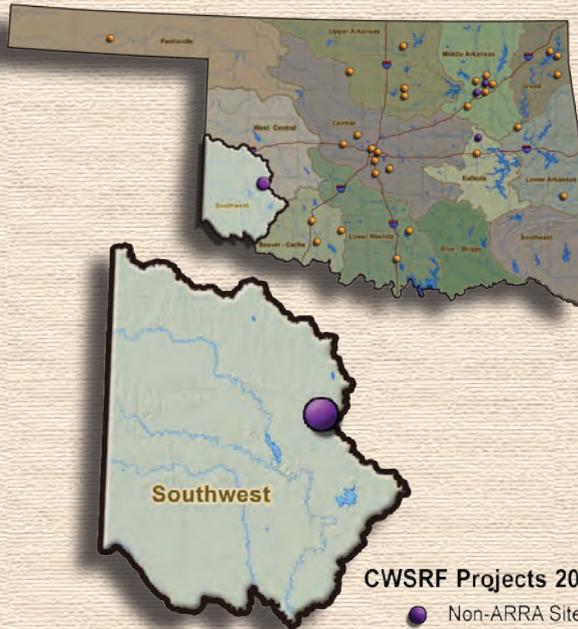
Southwest Region



Ardmore



Bethany



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites

HOBART PUBLIC WORKS AUTHORITY

ORF-07-0007-CW

Population: 3,997

Loan Amount: \$1,270,000.00

Binding Commitment Date: 6/8/10

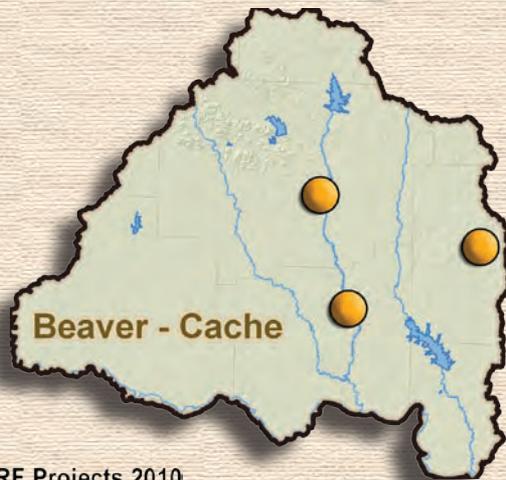
Loan Closing Date: 10/10

Percent Complete: 0%

OWRB Staff: Y. Sugeng, Engineer; M. Cogburn, Environmental Specialist; S. Mock, Financial Analyst

Hobart Public Works Authority owns and operates a water and wastewater system that serves the City of Hobart. Presently, there are areas in the corporate limits along Highway 183, where the existing homes and the Hobart Municipal Airport are not served by the public sanitary sewer system. The Authority is proposing to construct new sanitary sewer collection systems for the existing houses without public sewer to reduce health risks. The Authority has proposed to resolve their problems by constructing 6,350 LF of 8" PVC sewer line, 14,250 LF of 12" PVC sewer line, 19,800 LF of 6" PVC force main, a lift station, 54 manholes and other various components.

Beaver-Cache Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



DUNCAN PUBLIC WORKS AUTHORITY (ARRA)

ORF-09-0016-CW

Population: 21,732

Loan Amount: \$340,000.00

Binding Commitment Date: 9/8/09

Loan Closing Date: 9/18/09

Percent Complete: 100%

OWRB Staff: B. Sudhakaran, Engineer; T. Griffin, Environmental Specialist; S. Stoitzev, Financial Analyst

Duncan Public Works Authority owns and operates a wastewater treatment plant designed to treat an average daily flow of 4.5 MGD, with a peak hourly design flow of 6.75 MGD. Duncan Public Works Authority proposes to replace the current

aerators in the activated sludge nitrification basin at the Wastewater treatment plant. These aerators are used to mix and circulate the mixed liquid phase of sewage. The new motors and the variable frequency drives are part of energy efficiency improvements to the plant.

LAWTON WATER AUTHORITY (ARRA)

ORF-09-0015-CW

Population: 92,757

Loan Amount: \$12,270,000.00

Binding Commitment Date: 9/8/09

Loan Closing Date: 11/30/09

Percent Complete: 80%

OWRB Staff: B. Sudhakaran, Engineer; M. Cogburn, Environmental Specialist; S. Mock, Financial Analyst



Lawton



Walters'



Lawton

Lawton Water Authority continues the implementation of their Master Plan. This project proposes sanitary sewer rehabilitation, upgrading, and improvements to the wastewater treatment plant. The sewer line rehabilitation work includes SE "D" Ave. upgrade to 12" from 10", NW 62nd St. upgrade to 12" from 10", rehabilitation of sub-basins 313-B, 304, 305, 311, 310 and 303. The wastewater treatment plant upgrades include the improvement of the influent pump station, grit removal system, primary clarifiers, primary sludge pump station, primary effluent pump station, trickling filters, trickling filter pump station, nitrification aeration basins, aeration blower building, nitrification clarifiers, effluent filtration and aeration, mixed sludge holding tanks, anaerobic digesters & control building and solids handling building.

WALTERS PUBLIC WORKS AUTHORITY (ARRA)

ORF-09-0005-CW

Population: 2,657

Loan Amount: \$1,326,407.00

Binding Commitment Date: 10/13/09

Loan Closing Date: 12/23/09

Percent Complete: 65%

OWRB Staff: V. Rajaraman, Engineer; K. Koon, Environmental Specialist; D. Hughes, Financial Analyst

Walters Public Works Authority owns and operates a water and wastewater system that serves the City of Walters. The Oklahoma Department of Environmental Quality has issued a consent order to the Authority regarding sanitary sewer overflow from a manhole that was flowing into a nearby drainage ditch. According to the consent order, the Authority needs to perform necessary improvements on the collection system to eliminate the unpermitted discharges. The Authority proposed to resolve their problems by constructing two new sewer interceptors as well as upgrading the existing wastewater treatment plant to replace and install a new headwork screen, guide rails, pump controls, flow measurement device, control gates, valves, and an earthen berm.

Lower Washita Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Ardmore



Sulphur

ARDMORE PUBLIC WORKS AUTHORITY (ARRA)

ORF-09-0018-CW

Population: 23,711

Loan Amount: \$1,090,000.00

Binding Commitment Date: 9/8/09

Loan Closing Date: 12/18/09

Percent Complete: 50%

OWRB Staff: V. Rajaraman, Engineer; M. Cogburn, Environmental Specialist; D. Hughes, Financial Analyst

Ardmore Public Works Authority owns and operates a wastewater treatment plant and sewer related components. The proposed project includes replacement and rehabilitation of about 185 manholes. The rehabilitation work includes replacement of standard frame and cover, reversible frame and cover, replacement of wastewater stub out connection, inflow insert, and repairs to the pipe entrance at the manhole. This loan will pay for the associated work, which includes full depth saw cut, wastewater service transfer, concrete pavement repair, job site safety, and traffic control.



Sulphur



SULPHUR MUNICIPAL AUTHORITY (ARRA)

ORF-09-0030-CW

Population: 4,794

Loan Amount: \$10,200,000.00

Binding Commitment Date: 12/8/09

Loan Closing Date: 12/29/09

Percent Complete: 30%

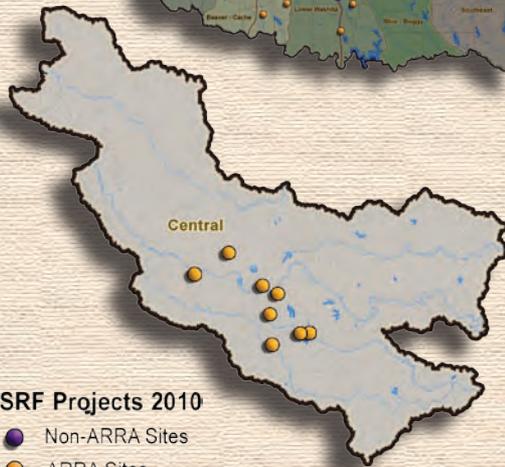
OWRB Staff: T. Mensah, Engineer; M. Cogburn, Environmental Specialist; S. Stoitzev, Financial Analyst

The Sulphur Municipal Authority owns and operates a sanitary sewer and wastewater treatment facility consisting of collection lines, lift stations, flow equalization basin, head works and a sequencing batch reactor (SBR) waste water treatment plant (WWTP). The Authority is under a Consent Order from the Oklahoma Department of Environmental Quality regarding overflows in the collection system and high inflow into the wastewater treatment facility. To properly address the order, the Authority is proposing to retrofit and expand the existing WWTP through the construction of a three-basin SBR system and replacement of eighteen (18) inch force main. The design flow for the proposed new system is 1.5 million gallons per day (MGD) with a peak flow of 4.3 MGD. The proposed project also includes the construction of flow equalization basin (FEB), pre-aeration basin, blower building with blowers, head works rehabilitation, new aerobic digester, new primary lift station, gravity belt thickener with filter press, and all other related appurtenances.

“Fixing infrastructure is like going to the dentist. You want preventative care, you don’t want it to break.”

– Mark Bruegel,
Manager at Michelin (Ardmore)

Central Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Del City



Oklahoma City

DEL CITY MUNICIPAL SERVICES AUTHORITY (ARRA)

ORF-09-0022-CW

Population: 22,128

Loan Amount: \$1,190,000.00

Binding Commitment Date: 8/11/09

Loan Closing Date: 10/9/09

Percent Complete: 100%

OWRB Staff: V. Rajaraman, Engineer; M. Cogburn, Environmental Specialist; D. Hughes, Financial Analyst

Del City Municipal Services Authority owns and operates a wastewater collection system that serves the City of Del City. The Authority recently completed a general evaluation of the wastewater treatment plant, the treatment performance, and sludge management alternatives. Based on the engineering study report, the greatest issue at the plant is sludge management. The loss of application fields and the seasonal weather problems of application at the fields frequently cause the plant to get behind in the ability to process sludge. Through this project, the Authority proposed to resolve their problem by building a new belt filter press to meet or exceed the 18% solids level for the landfill application.



Oklahoma City



Piedmont

OKLAHOMA CITY WATER UTILITIES TRUST (ARRA)

ORF-09-0021-CW

Population: 506,132

Loan Amount: \$9,469,450.64

Binding Commitment Date: 7/14/09

Loan Closing Date: 11/13/09

Percent Complete: 65%

OWRB Staff: Y. Sugeng, Engineer; K. Koon, Environmental Specialist; A. Thompson, Financial Analyst

Oklahoma City Water Utilities Trust owns and operates a water and wastewater system that serves the City of Oklahoma City. Existing collection lines and manholes have deteriorated due to age and are subject to inflow and infiltration

problems, increasing the possibility of sewer overflows. Through the eight (8) projects funded under this loan, the City proposed to rehabilitate existing sewer lines and manholes to reduce the total system wet weather inflow and to enhance the long-term structural integrity of the existing system. The projects are anticipated to improve the overall condition of the existing system while providing for the protection of public health and safety.

PIEDMONT MUNICIPAL AUTHORITY (ARRA)

ORF-09-0014-CW

Population: 3,650

Loan Amount: \$2,515,000.00

Binding Commitment Date: 8/11/09

Loan Closing Date: 12/17/09

Percent Complete: 65%

OWRB Staff: V. Rajaraman, Engineer; K. Koon, Environmental Specialist; S. Mock, Financial Analyst

Piedmont Municipal Authority owns and operates a wastewater treatment system consisting of collection lines, lift stations, and a total retention lagoon treatment system. Due to recent growth in the area, the current lagoon system is operating near its maximum capacity. In order to solve their problem, the City plans to convey a portion of their flow to the City of Oklahoma City. The proposed project consists of the construction of approximately 11,080 feet of 24-inch gravity sanitary sewer line, approximately 2,040 feet of 8-inch force main and all related construction and appurtenances.

Central Region



OKLAHOMA CONSERVATION COMMISSION/UNIVERSITY OF OKLAHOMA (ARRA)

ORF-09-0031-CW

Population: 95,694

Loan Amount: \$86,500.00

Binding Commitment Date: 10/13/09

Loan Closing Date: 12/8/09

Percent Complete: 100%

OWRB Staff: Y. Sugeng, Engineer; T. Griffin, Environmental Specialist; A. Thompson, Financial Analyst

Located in Norman, Oklahoma, The University of Oklahoma is a doctoral degree-granting research university serving the educational, cultural, economic, and health-care needs of the state, region and nation. The University, in cooperation with the Oklahoma Conservation Commission is proposing to construct an approximately 1500 S.F. experimental green roof located on the University of Oklahoma campus at the National Weather Center in Norman, Oklahoma. Green roof or a vegetative roof system is proven to reduce storm water runoff quantity and improve discharge quality while reducing warm season energy demand loads and extending the life of the waterproofing membrane. Due to its location, this project will also become the subject of research examination and visitation by numerous scholars, students, and community officials for Oklahoma and the world. The classroom roof will be used for study, teaching of students and officials, and as an exhibit for visitors.



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



**CENTRAL OKLAHOMA
MASTER CONSERVANCY
DISTRICT (ARRA)**

ORF-09-0027-CW/ORF-09-0027-CWA

Population: 171,910

Loan Amount: \$1,501,285.20

Binding Commitment Date: 9/8/09

Loan Closing Date: 1/12/10

Percent Complete: 90%

OWRB Staff: B. Sudhakaran, Engineer; T. Griffin, Environmental Specialist; A. Thompson, Financial Analyst

The Central Oklahoma Master Conservancy District (COMCD) is made up of representatives from the cities of Del City, Midwest City and Norman and is responsible for managing the resources of Lake Thunderbird. Lake Thunderbird is a 303(d) listed priority watershed and the priority assignment is due to the impairment listing for color, turbidity and dissolved oxygen. COMCD proposed a project to manage the anoxic hypolimnion of Lake Thunderbird. By utilizing the supersaturated dissolved oxygen injection system (SDOX) to maintain the bottom 5 meters of hypolimnion at 3 ppm, the dissolved oxygen will restore the low dissolved oxygen impairment. The SDOX method will involve installing an onshore pump and appropriate piping to allow water to be withdrawn, supersaturated to around 300% and then injected back to the hypolimnion with minimal thermal impact. The proposed project consists of two SDOX chambers, one control panel, one programmable logic controller (PLC), two pumps and motors, packaging and testing and protective coatings.

"The economic development door for Piedmont is finally open, and the door knob is the sewer."

- Mike Fina, Mayor (Piedmont)

Central Region



MOORE PUBLIC WORKS AUTHORITY

ORF-08-0002-CWA

Loan Amount: \$42,837,500

Binding Commitment Date: 5/13/10

Loan Closing Date: 09/10

Percent Complete: 0%

OWRB Staff: B. Sudhakaran, Engineer; M. Cogburn, Environmental Specialist; D. Hughes, Financial Analyst

Moore Public Works Authority's wastewater collection and treatment system is comprised of approximately 193 miles of collection lines, four lift stations, and a wastewater treatment plant (WWTP.) The WWTP is a 20+ year old Rotating Biological Contactor (RBC). To meet changes in discharge permit limits for ammonia (as required by an Oklahoma Department of Environmental Quality Consent Order) as well as existing and future capacity needs, the Authority is proposing to construct improvements to its existing WWTP. The proposed project will replace the RBC type treatment process with a Sequential Batch Reactor (SBR) process and increase treatment capacity to approximately 9.0 MGD. Construction includes site work, screening, grit removal and parshall flume, influent lift station, Sequential Batch Reactor (SBR) and effluent flow equalization, aerobic digesters, effluent pump station, sludge dewatering and disposal facilities, wet weather flow holding pond, yard piping, site electric work, instrumentation and controls, belt filter press, new WWTP buildings and miscellaneous appurtenances.



El Reno



El Reno



El Reno

CITY OF EL RENO

ORF-09-0025-CW

Loan Amount: \$205,000.00

Binding Commitment Date: 10/13/09

Loan Closing Date: 12/18/09

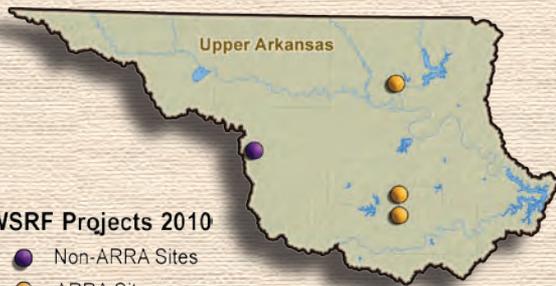
Percent Complete: 100%

OWRB Staff: V. Rajaraman, Engineer; T. Griffin, Environmental Specialist; S. Stoitzev, Financial Analyst

El Reno Municipal Authority owns and operates a sanitary sewer system consisting of approximately 82 miles of line ranging in size from 6-inch through 27-inch diameter that serves the City of El Reno. Pipe materials consist of cast iron, clay, ductile iron, and PVC. The Oklahoma Department of Environmental Quality has issued a Consent Order to the City regarding the unpermitted wastewater discharges from the wastewater treatment plant. To resolve the problem the City conducted an Infiltration and Inflow (I&I) study and identified a bad section of pipe in downtown El Reno along the tributary of Four Mile Creek. The Authority proposes to replace the bad section of the pipe and reduce the I&I to the system. The project consists of replacing approximately 1,250 feet of 10" pipe, 780 feet of 12" pipe, 385 feet of 4" pipe, seven (7) sewer manholes and other related construction and appurtenances.



Upper Arkansas Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Stillwater



Stillwater

STILLWATER UTILITIES AUTHORITY (ARRA)

ORF-09-0024-CW

Population: 39,065

Loan Amount: \$1,875,000.00

Binding Commitment Date: 8/11/09

Loan Closing Date: 11/24/09

Percent Complete: 47%

OWRB Staff: B. Sudhakaran, Engineer; M. Cogburn, Environmental Specialist; A. Thompson, Financial Analyst

Stillwater Utilities Authority proposed improvements to its wastewater treatment system in part to address an Oklahoma Department of Environmental Quality Consent Order (#08-233), to correct unauthorized discharge of wastewater from the City's wastewater collection system. The Authority's collection lines and manholes have deteriorated due to age and are subject to inflow and infiltration problems, increasing the possibilities of sewer overflows. The projects include replacement of existing sewer lines and manholes, construction of an enclosure to protect equipment at the wastewater treatment plant (WWTP), installation of a lightning protection system at the WWTP, rehabilitation of a lift station, and to replace deteriorated field apparatuses used for the application of biosolids and maintenance of storm sewers. The improvements will help to improve the overall condition and enhance the long-term structural integrity of the existing system while providing for the protection of public health and safety.



ENID MUNICIPAL AUTHORITY

ORF-09-0019-CW

Population: 47,045

Loan Amount: \$39,900,000.00

Binding Commitment Date: 5/11/10

Loan Closing Date: 5/25/10

Percent Complete: 3%

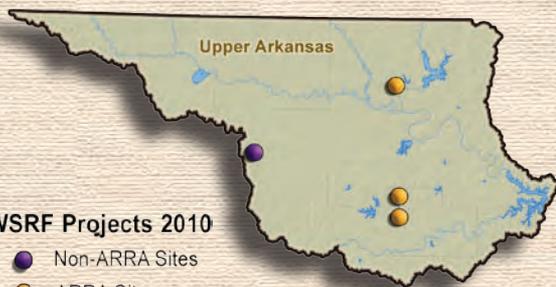
OWRB Staff: V. Rajaraman, Engineer; M. Cogburn, Environmental Specialist; S. Mock, Financial Analyst

Enid Municipal Authority owns and operates a water pollution control facility which was built in 1954 and was expanded several times to the present average daily flow capacity of 8.5 million gallons per day. Many of the process units and facilities have reached the end of their useful lives. The projected flows from population and industrial growth are expected to exceed the present capacity within a few years. To solve the problem and serve the citizens of Enid, the City is proposing to build a new Verticel® modified nitrification Water Reclamation Facility (WRF) at a new location for the projected flow of 12mgd for the planning year of 2030. The proposed project consists of influent pumping station, headworks, three primary clarifiers, verticell basin, three final clarifiers, sludge pumping station, flow meter, ultra violet disinfection, effluent pumping station and other related construction and appurtenances to serve the City of Enid.

“It’s the first plant of its kind in the state of Oklahoma,” Strong said, adding that the project showed the city not just taking care of its future needs but employing the newest technology, as well. “Enid should be congratulated for being proactive and deliberate in its decision making.”

- J.D. Strong, Interim Executive Director (Water Board)

Upper Arkansas Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Ponca City



Tulsa

PONCA CITY UTILITY AUTHORITY (ARRA)

ORF-09-0011-CW

Population: 25,919

Loan Amount: \$575,000.00

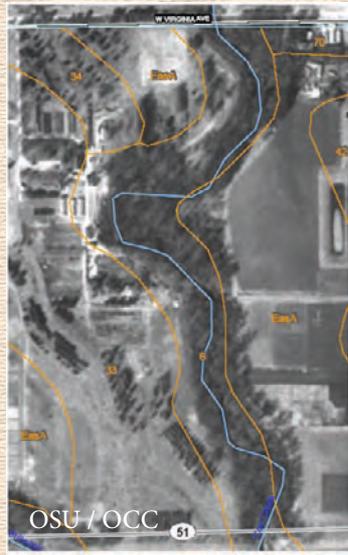
Binding Commitment Date: 7/14/09

Loan Closing Date: 10/6/09

Percent Complete: 100%

OWRB Staff: Y. Sugeng, Engineer; M. Cogburn, Environmental Specialist; D. Hughes, Financial Analyst

Ponca City Utility Authority owns and operates a water and wastewater system that serves the City of Ponca City. The entity requested funding to install an emergency generator at the main lift station and make improvements at the Brentwood lift station. The Brentwood lift station improvements include installing larger pumps, new SCADA controls, connection for a portable pump and generator, and constructing a four hour emergency holding basin and all necessary appurtenances.



**Oklahoma Conservation Commission/Oklahoma State University (ARRA)
Cow Creek Stream Restoration and Stream Bank Stabilization Project**

ORF-09-0032-CW

Population: 39,065

Loan Amount: \$2,000,000.00

Binding Commitment Date: 10/15/09

Loan Closing Date: 12/8/09

Percent Complete: 1%

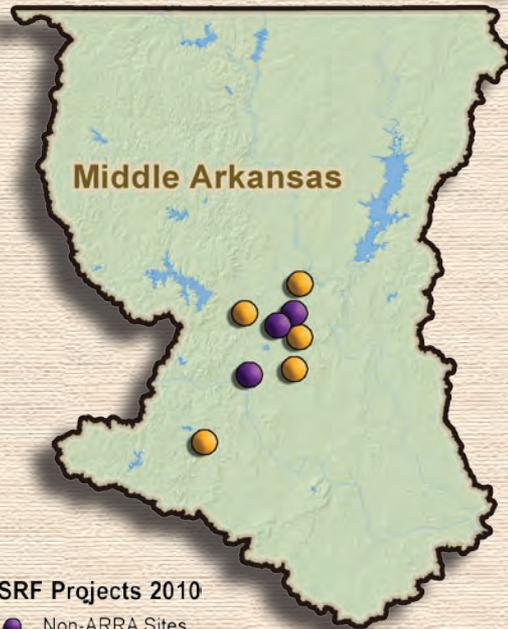
OWRB Staff: B. Balasko, Engineer; K. Koon, Environmental Specialist; A. Thompson, Financial Analyst

Sediment is a critical non-point source pollutant throughout Oklahoma. One source of excessive sediment is incised stream banks. Stabilization of these stream banks can improve water quality through reduced loadings to rivers and streams, and can reduce the potential for downstream flooding by reconnecting streams to their floodplains. Cow Creek, located on the west side of Stillwater, Oklahoma, is a typical degrading stream. In addition to water quality issues, the downstream meander migration pattern and the widening of the channel has threatened land and infrastructure on both sides of the creek. The Oklahoma Conservation Commission in cooperation with Oklahoma State University proposes to address this issue by restoring the stream bank between OK-51 and West Virginia Ave. The proposed project consists of removing a current rip-rap obstruction, establishing a riffle/pool sequence along the stream, resloping stream banks as necessary, reestablishing vegetation, and all related construction and appurtenances.

“A stabilization project of this magnitude on such a small creek [Cow Creek] should result in significant reductions in sediment loading to the system and should demonstrate techniques that might be needed to stabilize other systems.”

- Shanon Phillips, Water Quality Division Director (Conservation Commission)

Middle Arkansas Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites

GARNETT REGIONAL DETENTION POND

The City of Owasso
\$1,920,000.00
 Clean Water State Revolving Fund

Meshek & Associates, P.L.C.
 1437 S. Boulder Ave., Suite 1080
 Tulsa, OK 74119

Cherokee Builders, Inc.
 2005 N. 167th E. Ave.
 Tulsa, OK 74116

Funded By The Oklahoma
 Water Resources Board

State Senator Randy Brogdon
 State Representative David Derby



OWASSO PUBLIC WORKS AUTHORITY (ARRA) 96th and Garnett Rd. Regional Detention Facility

ORF-09-0003-CWA
Population: 18,502
Loan Amount: \$1,785,000.00
Binding Commitment Date: 8/11/09
Loan Closing Date: 12/8/09
Percent Complete: 40%

OWRB Staff: V. Rajaraman, Engineer; M. Cogburn,
 Environmental Specialist; S. Mock, Financial Analyst

Owasso, Oklahoma is a growing city located about 15 miles northeast of Tulsa in Tulsa County. Rapid development in the Ranch Creek Tributary A drainage basin has resulted in increased storm water runoff. The Owasso Public Works Authority has proposed to construct a regional detention facility near 96th St. and Garnett Rd. in order to impound and control the release of higher runoff from upstream areas. The pond will provide relief for downstream culverts that do not have the capacity to carry the increased flow. This project is one of several identified in the City of Owasso's Master Drainage Plan. The proposed project consists of grading and earthwork necessary to construct the pond and dam, re-vegetate, construction of a concrete spillway, and all related construction and appurtenances.



Owasso



Owasso

OWASSO PUBLIC WORKS AUTHORITY

ORF-09-0003-CW

Population: 18,502

Loan Amount: \$10,795,000.00

Binding Commitment Date: 8/11/09

Loan Closing Date: 12/8/09

Percent Complete: 40%

OWRB Staff: V. Rajaraman, Engineer; M. Cogburn, Environmental Specialist; S. Mock, Financial Analyst

The Owasso Public Works Authority owns and operates a sanitary sewer system consisting of collection lines, lift stations and wastewater treatment plant. The Authority is proposing to update the aging 117th Street Pump Station. The Authority is also proposing to increase the capacity of the Owasso WWTP to be capable of treating an average daily flow of 4.2 mgd and a peak of 5.8 mgd to better match current projected residential and commercial growth and to provide more efficient and reliable service. The project will also eliminate hydraulic bottlenecks within the plant and provide more efficient solids treatment. The proposed project consists of improvements to the aeration tank, WAS thickening, Relief Pump Station, WWTP conveyance system, and construction of new final clarifier, new Activated Sludge Pump Station No. 2, Activated Sludge Pump Station No. 1, effluent disinfection, aerobic digestion and all other related construction and appurtenances to the serve the City of Owasso.

OWASSO PUBLIC WORKS AUTHORITY

East 76th Street North Sanitary Sewer Interceptor

ORF-09-0007-CW

Population: 18,502

Loan Amount: \$4,510,000.00

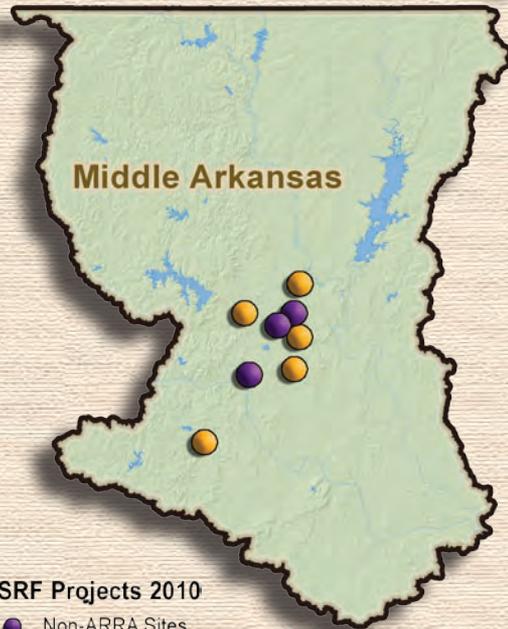
Binding Commitment Date: 8/11/09

Loan Commitment Date: 12/8/09

Percent Complete: 30%

OWRB Staff: V. Rajaraman, Engineer; M. Cogburn, Environmental Specialist; S. Mock, Financial Analyst

Middle Arkansas Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Owasso, Oklahoma is a growing city located about 15 miles northeast of Tulsa in Tulsa County. The Owasso Public Works Authority has also experienced rapid growth and development in recent years and expects the same in coming years. The Authority has also received requests for extensions of sewer service. The Authority has also annexed 990 acres of the Stone Canyon development that was within the Authority's fence line (Section 35 and 36 of Township 21 North Range 14 East). To meet the present and future demand, the Authority is proposing to construct a gravity interceptor sewer to serve approximately 3,483 acres of developed and undeveloped land which includes the Stone Canyon development. The proposed project consists of constructing approximately 18,900 feet of 24-inch sanitary sewer line, approximately 1,950 feet of 15-inch sanitary sewer line, approximately 5,725 feet of 12-inch sanitary sewer line, approximately 1,875 feet of 10-inch sanitary sewer line, approximately 1,050 feet of 8-inch sanitary sewer line and all related construction and appurtenances.

TULSA MUNICIPAL UTILITY AUTHORITY

ORF-10-0001-CW

Population: 393,049

Loan Amount: \$27,757,000.00

Binding Commitment Date: 4/13/10

Loan Closing Date: 4/15/10

Percent Complete: 0%

OWRB Staff: B. Balasko, Engineer; T. Griffin, Environmental Specialist; A. Thompson, Financial Analyst

Tulsa Metropolitan Utility Authority is proposing sanitary sewer system rehabilitation and capacity improvements as part of its continuous Tulsa City Wide program. This loan is divided into seventeen (17) total city-wide projects. Nine (9) projects



consist of engineering design only; while eight (8) involve various engineering/construction improvements/rehabilitation. The most cost effective design and construction methods will be chosen from the engineering design reports.

SPERRY UTILITY SERVICES AUTHORITY (ARRA)

ORF-09-0023-CW

Population: 981

Loan Amount: \$390,000.00

Binding Commitment Date: 9/8/09

Loan Closing Date: 10/9/09

Percent Complete: 85%

OWRB Staff: V. Rajaraman, Engineer; K. Koon, Environmental Specialist; S. Stoitzev, Financial Analyst

Sperry Utility Services Authority requested a loan that will be used to upgrade their wastewater treatment system. The construction work is mainly targeted to improve the wastewater treatment plant. The loan amount will be used to construct a chlorine disinfection system, dechlorination system, two chlorine contact basins, V-notch weir with a flow meter and all appurtenances to serve the disinfection facility and for the installation of a standby generator.

COLLINSVILLE MUNICIPAL AUTHORITY (ARRA)

ORF-09-0009-CW

Population: 4,077

Loan Amount: \$550,000.00

Binding Commitment Date: 7/14/09

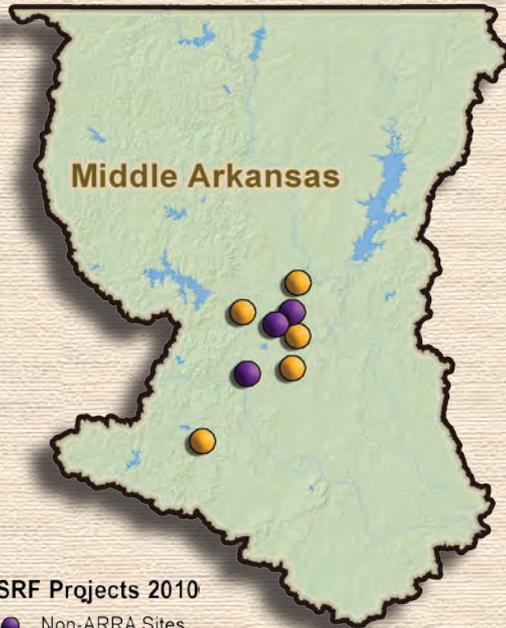
Loan Closing Date: 10/30/09

Percent Complete: 40%

OWRB Staff: Y. Sugeng, Engineer; K. Koon, Environmental Specialist; D. Hughes, Financial Analyst

Collinsville Municipal Authority proposes to make improvements in their waste water treatment plant to comply with the new OPDES permit issued by Oklahoma Department of Environmental Quality. The proposed project includes UV equipment and installation, UV channel, 16" pipe and pipe fittings, site work, electrical work, engineering and inspection.

Middle Arkansas Region



CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Tulsa



TCCL

TULSA CITY COUNTY LIBRARY (ARRA) Central Library Green Roof and Sperry Rain Garden

ORF-09-0034-CW

Population: 393,049

Loan Amount: \$278,580.00

Binding Commitment Date: 11/10/09

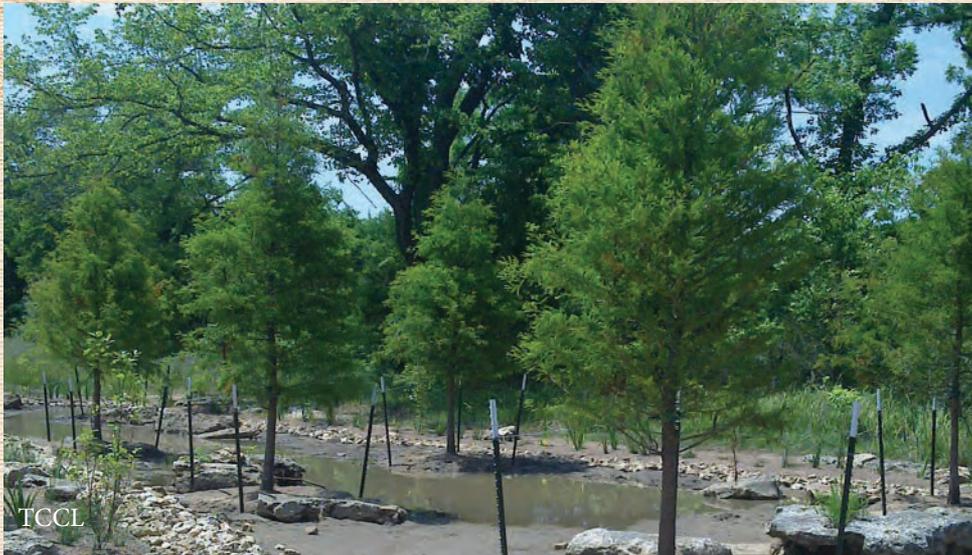
Loan Closing Date: 12/29/09

Percent Complete: 40%

OWRB Staff: Y. Sugeng, Engineer; K. Koon, Environmental Specialist; A. Thompson, Financial Analyst

Central Library Green Roof

Reflecting pools were installed during the original construction of the Central Library in 1964. By 1965, it was realized the pools were not sufficiently waterproofed and the water leaking from the pools caused damage to automobile's paint jobs parked underneath and dripped on library customers. Since the pools continually leaked, the decision was made to permanently drain the pools. The pool surfacing has subsequently cracked, heaved, and become quite an eye-sore. The entity is proposing to construct a green roof or a vegetative roof system to replace the reflecting pools. The system is proven to reduce storm water runoff quantity and improve discharge quality while reducing warm season energy demand loads and extending the life of the waterproofing membrane. The green roof also provides the community with an aesthetic natural benefit.



Sperry Rain Garden

Sperry Library raised its foundation in excess of 4 feet to alleviate any flood threats due to the structure being located within the floodplain. A two acre area on the northwest corner of the property remains too low to allow a natural flow of rainfall to the bar ditches despite significant grading. This results in a perpetually soggy area which attracts negative plants, insect, and animal activity. The entity is proposing to construct a rain garden. The rain garden will be designed to hold all rain water coming from approximately 50% of the site, create a natural habitat, recharge the water table, and create a potential educational tool at a public facility.



Sapulpa Municipal Authority (ARRA)

ORF-09-0010-CW

Loan Amount: \$3,969,114.00

Population: 19,166

Binding Commitment Date: 10/13/09

Loan Closing Date: Withdrawn

Percent Complete: 0%

OWRB Staff: V. Rajaraman, Engineer; T. Griffin, Environmental Specialist; A. Thompson, Financial Analyst

Sapulpa Municipal Authority proposes to make upgrades to the sanitary sewer system due to excessive infiltration and inflow. The Oklahoma Department of Environmental Quality has issued a

Consent Order for sanitary sewer overflows in the area North of Johnson Street between Hickory and Johannes Streets. The Authority proposed to resolve the problem by resizing the existing Interceptor line. The proposed project consists of constructing approximately 7681 feet of PVC gravity line (1830 feet of 10" line, 460 feet of 12" line, 3743 feet of 15" line and 1648 feet of 21" line) and all other related construction and appurtenances.

Grand Region

"As mayor you balance your responsibility to the public with your responsibility to the environment. There is a considerable misconception about the lake and water/wastewater treatment, educating citizens is the only way to overcome the gap."

- Gary Bishop, Mayor (Grove)



Grove



Grove

GRAND LAKE PWA (ARRA)

ORF-09-0004-CW

Population: 4,958

Loan Amount: \$992,500.00

Binding Commitment Date: 9/8/09

Loan Closing Date: 12/29/09

Percent Complete: 35%

OWRB Staff: B. Sudhakaran, Engineer; T. Griffin, Environmental Specialist; D. Hughes, Financial Analyst

The Authority is proposing to improve their wastewater treatment system to avoid inflow and infiltration by rehabilitating part of their sewer lines and manholes. Additionally, the Authority intends to improve their wastewater treatment plant by installing new pumps and flow monitoring system. The

proposed facilities will include the rehabilitation of five lift stations and raising the height of one lift station, rehabilitation of 5350 L.F. of collection lines, rehabilitation of 43 manholes, and the installation of flow monitoring system and pumps for the wastewater treatment plant.

GROVE MUNICIPAL SERVICES AUTHORITY (ARRA)

ORF-07-0008-CW

Population: 5,131

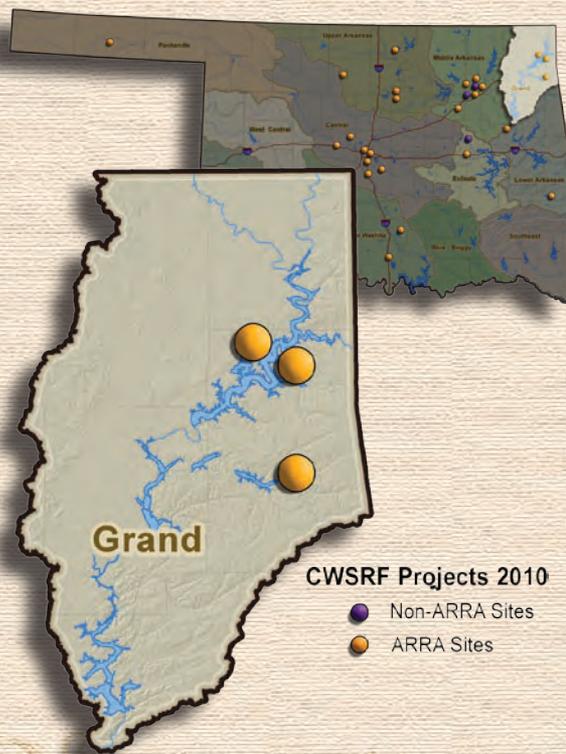
Loan Amount: \$1,900,000.00

Binding Commitment Date: 7/14/09

Loan Closing Date: 8/21/09

Percent Complete: 100%

OWRB Staff: B. Sudhakaran, Engineer; M. Cogburn, Environmental Specialist; S. Mock, Financial Analyst

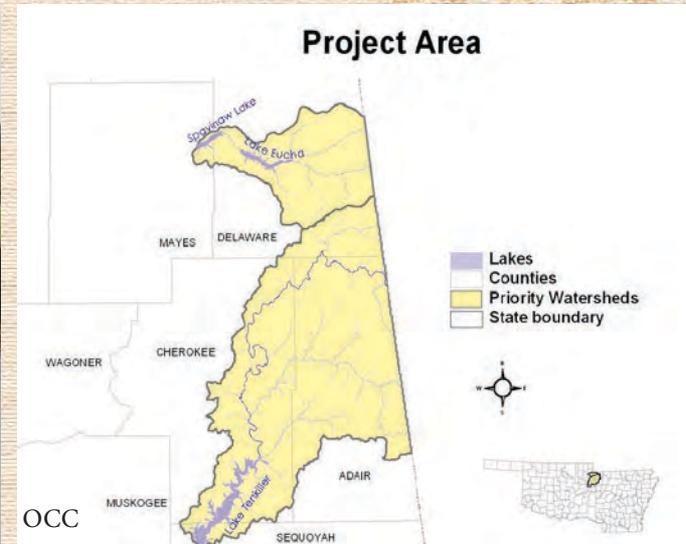


CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Photo provided by OCC



Grove Municipal Services Authority is proposing to modify their existing biosolids management capability at the existing wastewater treatment plant (WWTP) through the construction of a cost-effective biosolids composting facility and related appurtenances immediately adjacent to the existing WWTP facilities. The proposed project would include the construction of a 40,000 square foot concrete surface and the use of a skid steer tractor/loader and trommel screen for operations. Composting would consist of a 1 to 1 wood chip to biosolid ratio, meeting Oklahoma Department of Environmental Quality requirements as set forth in the City's Sludge Management Plan.

**OKLAHOMA CONSERVATION COMMISSION (ARRA)
Streambank Restoration in the Illinois River and Eucha/Spavinaw Watersheds**

ORF-09-0028-CW

Population: 100,000

Loan Amount: \$2,000,000.00

Binding Commitment Date: 9/8/09

Loan Closing Date: 12/29/09

Percent Complete: 1%

OWRB Staff: B. Balasko, Engineer; M. Cogburn, Environmental Specialist; A. Thompson, Financial Analyst

Streambank instability and resulting erosion is a widespread problem throughout Oklahoma waters. Channel alterations, riparian degradation, increases in livestock and human traffic, and changes in land use have all contributed to bank instability. Bank erosion can contribute significantly to sediment loading in streams and downstream reservoirs, as well as contribute to pollutant loading. Increased velocities caused by the channelization of the stream also result in further erosion of downstream areas. The Oklahoma Conservation Commission proposes to address this issue by restoring various streambanks located throughout The Illinois River and Eucha/Spavinaw Watersheds. The proposed project consists of reestablishing native vegetation on streambanks, resloping banks as necessary, installing various in-stream structures as needed (i.e. rock veins, etc.), and all related construction and appurtenances.

Eufaula Region



OKMULGEE MUNICIPAL AUTHORITY

ORF-09-0012-CW

Population: 13,022

Loan Amount: \$5,100,000.00

Binding Commitment Date: 6/8/10

Loan Closing Date:

Percent Complete: 0%

OWRB Staff: Y. Sugeng, Engineer; M. Cogburn, Environmental Specialist; D. Hughes, Financial Analyst

Okmulgee Municipal Authority owns and operates a water and wastewater system that serves the City of Okmulgee. The City of Okmulgee has been under a consent decree with the Environmental Protection Agency (EPA) and the Oklahoma Department of Environmental Quality (ODEQ) to improve the collection system and eliminate the overflowing manholes. The Authority is proposing to replace several sewer lines and manholes throughout the city. The proposed lines will be at the same location and at least minimum grade as required by ODEQ.



Henryetta



Henryetta



HENRYETTA MUNICIPAL AUTHORITY (ARRA)

ORF-09-0029-CW

Loan Amount: \$3,650,000.00

Population: 6,096

Binding Commitment Date: 10/13/09

Loan Closing Date: 12/21/09

Percent Complete: 30%

OWRB Staff: V. Rajaraman, Engineer; T. Griffin, Environmental Specialist; S. Stoitzev, Financial Analyst

Henryetta Municipal Authority proposes to make upgrades to the sanitary sewer system due to excessive infiltration and inflow. The Oklahoma Department of Environmental Quality has issued a Consent Order to the City because of unpermitted wastewater discharges at several locations. The City conducted an Infiltration and Inflow (I&I) study and identified several basins which are susceptible to inflow. The Authority has proposed to resolve the problem by rehabilitating the collection system. The proposed project consists of replacing approximately 6,000 feet of 12” pipe, 5,300 feet of 10” pipe, 29,350 feet of 8” pipe, 3,900 feet of surface road repair, remove and replace 137 sewer manholes, reconnect 548 service connections, approximately 99 sewer main spot repairs and other related construction and appurtenances.



Lower Arkansas Region

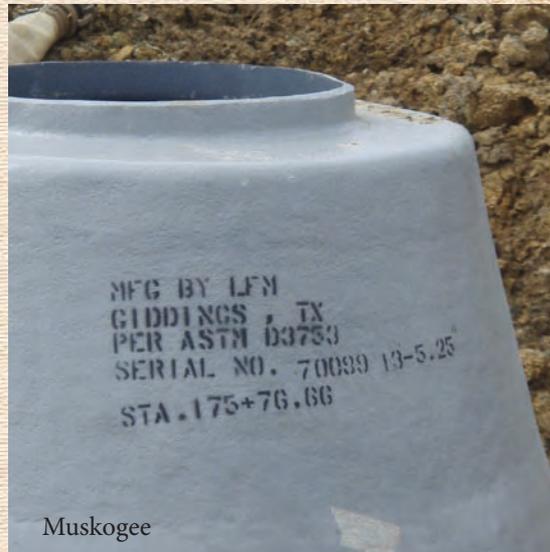


CWSRF Projects 2010

- Non-ARRA Sites
- ARRA Sites



Grove



Muskogee

MUSKOGEE MUNICIPAL AUTHORITY (ARRA)

ORF-09-0020-CW

Population: 38,310

Loan Amount: \$1,435,000.00

Binding Commitment Date: 8/11/09

Loan Closing Date: 8/28/09

Percent Complete: 99%

OWRB Staff: B. Balasko, Engineer; T. Griffin, Environmental Specialist; S. Mock, Financial Analyst

Muskogee Municipal Authority owns and operates a wastewater treatment system consisting of collection lines, lift stations, and a mechanical treatment plant. The “Coody Creek Sanitary Outfall Sewer” was constructed in 1911 and is at the end of its useful life. The line was constructed using formed-in-place concrete with no reinforcing steel. Hydrogen sulfide gases generated by raw sewage have corroded the interior of the pipe causing it to collapse in several locations. The Authority proposes to solve their problem by replacing the line. The proposed project consists of the construction of approximately 3,600 feet of 54-inch sanitary sewer line and all related construction and appurtenances.

Loan Adjustments for FY 2010 Binding Commitments

- Moore Public Works Authority was approved by the OWRB for funding in April 2009. The first phase of the loan was closed on May 28, 2009 (ORF-08-0002-CW). Phase II, however, was taken back to OWRB in November 2009 in order to extend the time that the CWSRF funds were available. In early 2010, it was further determined that the initial engineers estimate was insufficient to complete Phase II of the project. An additional extension of time and increase of funds to \$42 million was subsequently approved by OWRB in May 2010.
- Sapulpa Management Authority was approved by the OWRB for funding in October in 2010. Ultimately the Authority determined that they were unable to fulfill the ARRA requirements and sought another funding.
- Poteau Valley Improvement Authority was approved by the OWRB as an ARRA GPR project in September 2009. A funding increase adjustment was made to the binding commitment in November 2009 based on a revised engineers estimate. Ultimately, the project encountered difficulties with the U.S. Army Corps of Engineers and the project was unable to move forward in order to meet ARRA deadlines.
- Central Oklahoma Master Conservancy District was approved by the OWRB as an ARRA GPR project in September 2009. A funding increase to \$1.1 Million was approved in November 2009 based on revised engineers estimate. Part 1 of the loan was closed on December 4, 2009. An additional funding increase to \$1.5 Million and one month extension was approved in January 2010 based on the completion of plans and specifications.
- The Piedmont Municipal Authority and Owasso

Public Works Authority were originally approved by the Board in August 2009. In November 2009 the projects were taken back to OWRB in order to extend the time that the CWSRF funds were available.

Intended Use Plan Status and Changes

The FY 2010 Intended Use Plan (IUP) was amended two times during the fiscal year for the addition of new projects, adjustments to the loan award dates, revisions to the construction assistance amounts, and to include the new FY 2010 appropriation requirements. A public notice was released prior to all amendments and no other projects targeted for funding were impacted.

Total funds of approximately \$314.9 million were initially required for the 60 projects included on the fundable portion of the July 2009 IUP issuance. Amendment I, issued September 2009, added the community of Henryetta to the Project Priority List (PPL) as well as made adjustments to loan dates and assistance amounts. With these changes, the total amount of funds requested increased to \$319.8 million.

In May 2010 Amendment II was issued to add three additional communities to the PPL. The total amount of funds requested on the fundable portion of the PPL decreased to \$145.3 million due to a considerable number of projects approved from September 2009 to February 2010. The new FY 2010 appropriation requirements were also added with Amendment II.

A total of 35 projects identified on the fundable portion of the FY 10 PPL received a binding commit-

ment during the fiscal year. Loans receiving binding commitments totaled \$203.5 million in funds. The remaining entities included on the FY 2010 project Priority List were consulted and moved to the FY 2011 list as appropriate.

Goals and Accomplishments

Goals and Objectives provide a road map for activities conducted throughout the year. The FY 10 Intended Use Plan set out fourteen short-term and five long-term goals for the year.

Short-term Goals and Accomplishments

1 Provide financing to communities listed in this plan that are under NPDES enforcement orders to meet deadlines for municipal compliance in accordance with Section 301(I)(1) of the Act.

Status: Eighteen (18) of the thirty-four (34) projects funded during FY 10 were proposed as a result of violations to wastewater discharge permits and/or enforceable orders detailing a specific short-term compliance schedule. This assistance will allow these Oklahoma communities to attain compliance with the enforceable requirements of the Act and improve or maintain water quality in receiving streams and underlying groundwater. The OWRB continued to implement a process initiating immediate contact with municipalities receiving new consent orders to inform and work with them in determining eligibility and to provide funding in accordance with enforcement schedules.

2 Provide financing to assist communities in eliminating water pollution problems, improving water quality in the State's waters, and building sewage facilities needed to maintain surface water and ground water quality standards.

Status: Once constructed, all funded projects will contribute to the long-term elimination of pollution to surface and ground waters. As detailed in Attachment 3, loans were made to twelve (12) communities to reduce pollutant loads discharged directly to rivers upstream of public and private water supply reservoirs. Twenty-one (21) projects will reduce pollutants discharged from entities with discharge points located on State priority stream segments identified as threatened or impaired on the Impaired Waterbodies List, Section 303 (d) (Oklahoma's Integrated Water Quality Assessment Report). Twenty-nine (29) projects are located within hydrologic basins where groundwater is designated as "very highly vulnerable" to contamination from surface sources of pollution or within drainage basins of "waters with recreational and/or ecological significance", as designated in Oklahoma's Water Quality Standards or affecting source water protection areas.

3 Work with State/local agencies to identify current gaps in the State's NPS, stormwater, and Brownfields funding, identify potential CWSRF eligible projects, and develop appropriate financing strategies, as necessary.

Status: Oklahoma's CWSRF can fund virtually any pollution control project that is included in the NPS Management Program 2000 - 2015. Prior to funding a NPS Project, however, State law requires that the Oklahoma Conservation Commission (OCC) must submit written concurrence on the proposed

project. The project must 1) meet a critical local or state need, as defined in the NPS Management Program; 2) be needed to comply with the NPS Management Program; 3) is designed to prevent, reduce, or halt pollution of the waters of the state; 4) be cost-effective; and 5) be awarded on a cost-share basis, as required. With the ARRA Green Project Reserve, OWRB consulted with OCC as the lead NPS agency. OCC reviewed the GPR proposals and provided constructive comments and opportunities for partnerships.

Additionally, OWRB worked cooperatively with OCC, ODEQ and other federal, state, sub-state and local stakeholders to identify current gaps in the State's nonpoint source financing and potential high priority projects or regions of the state and to investigate various financing strategies to fund nonpoint source projects. Staff also met with the Oklahoma Clean Lakes and Watersheds Association in April of 2010 to discuss ARRA funded GPR projects as well as the future of the GPR in the CWSRF program.

In SFY 2011, OWRB will continue to work with municipalities and other agencies to support and adopt watershed approaches to protect water/wastewater infrastructure as well as identify gaps in funding.

4 Meet the needs of current and potential borrowers by developing and implementing a CWSRF Market Strategy based upon the customer satisfaction survey conducted in FY 2007.

Status: Although the vast majority of the feedback to the surveys was positive, the OWRB Financial Assistance Division identified four key areas of improvement: outreach, financing strategies, application assistance, and program efficiencies. Projects

relating to these four focus areas have been identified and assigned. Each project varies in length from one to three years and has been incorporated into the Division's marketing goals and objectives, which are reviewed and evaluated on an ongoing basis.

To address the communities' need for further assistance in developing the CWSRF application, OWRB developed a project entitled the "Application Assistance Program." This program was vital to ensuring project were able to meet the expeditious requirements under ARRA. The purpose of the program is to implement individual training or pre-application meetings for applicants when needed. An environmental specialist, a financial analyst, and an engineer will visit an applicant and review the loan process in detail. The team leader will then follow up with the applicant on a monthly basis to determine if they need further guidance.

5 Provide 25% of all CWSRF loans to communities of less than 10,000 population for assistance in building more affordable sewage treatment works or implementing NPS pollution control activities.

Status: Twenty-six percent (26%) of FY 2010 binding commitments for long-term, low-interest loans were made to Oklahoma's small communities, totaling \$28 million. The cumulative total is above the program goal and the CWSRF program is anticipated to continue providing below market-rate loans to help ensure project affordability and environmental health protection for small communities across Oklahoma. The OWRB works very closely with USDA Rural Development to determine the most appropriate source of funding for small communities. As a result of ARRA, a special

brochure was developed which summarized the Clean and Drinking Water State Revolving Fund (DWSRF) Loan Programs, as well as the USDA Rural Development Water and Wastewater Loan and Grant Program.

6 Obtain maximum capitalization of the Fund for the State in the shortest time possible.

Status: This goal is being achieved on an ongoing basis. The CWSRF five-year Project Priority List identifies more long-term project needs than available CWSRF funds. To provide for these needs, the OWRB financing plan makes loan repayments, as well as federal funds, available to obligate to new wastewater construction projects or to place in reserve for leveraged bond issues, sized to meet current and future demand according to cash flow modeling.

7 Gain approval of applications for the FY 2009 CWSRF capitalization grant appropriations and have grant funds awarded within the 1st quarter FFY 2010.

Status: The ARRA Capitalization grant was awarded on April 24, 2009. With the work associated with ARRA, OWRB was delayed in applying for the FY 2009 and FY 2010 capitalization grants. OWRB's application for the FY 2009 and 2010 CWSRF capitalization grants in March of 2010. An award has not been received to date.

8 Generate sufficient investment and loan interest earnings to retire state revenue bonds.

Status: During FY 05, \$7.5 million in state match monies for the 2003, 2004, 2005, and 2006 capitalization grants were provided by the Series 2004 Revenue

Bond Issue. Based on a detailed projected cash flow of the Bond Issue provided by The Public Financial Management Group, the Board's Financial Advisor at the time, the state match debt was structured to coincide with the repayment of the bonds. To ensure adequate coverage, the intention was for total income to be slightly in excess of debt service. This schedule and bond sizing provides for required bond repayment while allowing the CWSRF program sufficient operational capacity for upcoming projects on Intended Use Plans as well as the additional flexibility to transfer CW funds to the DW Program when necessary. Additionally, significant cost savings are passed on to CWSRF loan recipients by leveraging federal capitalization grant monies with larger bond issuances, reducing bond issuance costs. Sufficient funds will be generated from interest and investment earnings to retire the balance of the state match bonds by April 1, 2025.

9 Gain EPA approval to reserve transfer authority of an amount equal to 33% of the DWSRF capitalization grants between the DWSRF and the CWSRF.

Status: This goal was met, as this request was made through both the CWSRF and DWSRF Intended Use Plans. Oklahoma has reserved the authority to transfer 33% of the FY 03 through 09 capitalization grants, totaling over \$29.9 million. During FY 10, approximately \$8.7 million in funds were transferred from the CWSRF Cash Management Plan (CMP) Account to the DWSRF account. It is anticipated that an additional \$5.5 million will be available through the FY 10 DWSRF Capitalization Grant, increasing reserve authority to \$5.5 million through FY 11.

10 Complete a revenue bond issue to meet funding shortfalls and to provide matching funds for Federal Capitalization Grants, as necessary.

Status: A revenue bond issue was not necessary during FY 2010; however, one is being planned for FY 2011 for the approximate amount of \$175 million.

11 As part of the OWRB's CWSRF Marketing Initiative Strategy develop a plan to implement workshops held in conjunction with other Water/Wastewater financing agencies, add a loan calculator to OWRB's website, and develop an outreach plan for notification of improvements, enhancements, or changes made to the CWSRF program.

Status: During FY 2010, OWRB updated their website by adding an "easy to use" loan calculator for use by any future borrower. The loan calculator is able to give a rough estimate on how much the borrower can save by borrowing money thru OWRB programs. The website also added several new links such as EPA-ARRA website and OWRB-ARRA. OWRB also made presentations and also exhibited in major conferences across the Oklahoma to promote the CWSRF program. Any interested customers were guided thru OWRB's loan application and technical planning process. OWRB staffs conducted a meeting with new customers as needed.

12 Develop capacity model and other criteria to implement 30-year financing term.

Status: OWRB rules under the Oklahoma Administrative Code have been changed to allow for extended term financing for the Clean Water Program. A 60-year capacity model was developed with the help of OWRB financial advisors and was submitted to EPA for review along with other appropriate documentation for approval. EPA conditionally approved the OWRB's request to offer 30-year financing when appropriate to communities beginning July 1, 2010.

13 Support Congress's directive under the American Recovery and Reinvestment Act of 2009 to provide an unprecedented opportunity to improve wastewater infrastructure across the nation while creating jobs for our citizens.

Status: The ARRA requires priority be given to projects that will be "ready to proceed" to construction within 12 months of the date of enactment, February 17, 2010. Oklahoma had 34 CWSRF agreements with contracts executed by January 15, 2010. In anticipation of compliance with this requirement, OWRB consulted with all potential recipients with projects on the project priority list by letter and phone to make determination as to which of these projects can be started and expeditiously completed.

14 Solicit projects that address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities.

Status: The goal with ARRA was to have at least 20% of funds directed towards projects that met the guidelines of the Green Project Reserve. On April 16, 2009, OWRB announced a solicitation accepting proposals for additional green projects through May 16, 2009. The notice was posted on OWRB's website, mailed to service providers and communities as well as state and federal reviewing agencies. It was also distributed via mail and e-mail to non-traditional organizations such as state agencies, environmental organizations, and universities for consideration and posting on their websites. As of February 17, 2010, OWRB funded eleven (11) projects with green components totaling \$7,904,593.

Long-term Goals and Accomplishments

1 Assist borrowers in complying with the enforceable requirements of the Clean Water Act to reach the goal of eliminating discharge of pollutants into the State's waters.

Status: This goal is being accomplished on an ongoing basis. As detailed in short-term goal No. 1, financial assistance provided through the CWSRF focuses on providing loans to communities with wastewater discharge permit violations and/or consent orders detailing a schedule of compliance. For FY 2010 fifty-two percent (52%) of the new commitments made were for projects required to meet a State or federal enforceable construction schedule. CWSRF assistance will contribute to bringing these Oklahoma communities into compliance with the enforceable requirements of the Act.

The OWRB continued to provide technical assistance to communities with projects listed on the FY 2010 IUP, but were not ready to proceed to loan commitments during the year. Many of the projects not funded in FY 2010 have been moved to the FY 2011 IUP and are scheduled to be funded during FY 2011.

2 Assist in the maintenance, restoration and protection of beneficial uses identified in Oklahoma's Water Quality Standards to provide for the propagation of fish and wildlife and the protection of water and recreational resources in and on waters of the State.

Status: This goal is accomplished on an ongoing basis. Loans made during FY 10 assist communities in 1) eliminating sewage system bypasses which de-

grade the integrity of the surface water of the state through providing greater storage capacity and/or 2) providing additional levels of treatment to reduce pollutant loads to effluent receiving stream.

Loan commitments and subsequent construction directly accomplish this goal by enabling municipalities to discharge water which meets discharge permit requirements in place to meet the "fishable/swimmable goals" of the Clean Water Act and Oklahoma's Water Quality Standards for surface and groundwater. By providing increased levels of treatment prior to discharge into surface waters of the state, fish and wildlife habitat is better protected and recreational uses are enhanced. Along with providing construction and refinancing loan funds toward this goal, the Board continues to support its CWSRF Water Quality Standards Implementation Plan ("WQS Plan").

CWSRF Water Quality Standards Implementation Plan – As part of a long-term State initiative, the CWSRF maintains a plan detailing how the program supports Oklahoma's WQS. As detailed in the Plan, the primary function of the program is to fund wastewater projects that 1) maintain water quality where beneficial uses are supported; 2) remove threats to water quality where beneficial uses are in danger of not being supported; and 3) restore water quality where beneficial uses are not being supported. Program activities or processes supporting OWQS include project prioritization, planning and environmental document review/approval, and design and construction review and oversight. Updates to the Plan included the addition of Oklahoma's integrated priority rating system used to rank projects on the basis of environmental benefits, including 1) a water quality protection factor (preventative measures against degradation

of high-quality water bodies and waters meeting beneficial uses); 2) a water quality restoration factor (restorative measures on waters not meeting beneficial uses); 3) project type factor (whether the project will eliminate a documented health threat), and 4) a general readiness to proceed factor. The rating system works with other state agencies priority water protection plans by the integration of non-point source priority watersheds and other approved water quality remediation plans, TMDLs, or 208 water quality management plans.

3 Support EPA's Watershed Approach and Strategic Plan and assist the State in meeting water quality goals identified in the Continuing Planning Process and Nonpoint Source Management Program to reduce or eliminate water quality threats in Oklahoma's priority watersheds.

Status: The CWSRF program assists in implementation of these strategic plans and their water quality goals that in turn work towards meeting Oklahoma Water Quality Standards and the "fishable/swimmable" goals of the Clean Water Act.

Program staff coordinates with numerous agencies and organizations, including the Office of the Secretary of the Environment, Oklahoma Conservation Commission, Oklahoma Department of Environmental Quality, Oklahoma Scenic Rivers Commission, Oklahoma Corporation Commission, Oklahoma Association of Conservation Districts, National Resources Conservation Services, Oklahoma Municipal League, and Oklahoma Rural Water Association. Within OWRB, CWSRF activities are coordinated where possible between water quality monitoring, assessment, water quality standards, and permitting staffs. Staff is also involved with other water related organization including the Oklahoma

Clean Lakes and Watersheds Association, an association of water quality scientists and state professionals from state agencies and universities. Work on the National State/EPA SRF Workgroup's Environmental Benefits Task Group has also provided an opportunity for CWSRF environmental staff, along with USEPA to meet with these entities.

The coordination with Oklahoma's environmental agencies and conservation organizations provides staff with the latest information on water quality issues around Oklahoma so that we may better target marketing and funding in those areas. Opportunities for further identifying priority projects include 1) attending Water Quality Standards rules revision meetings, 2) involvement with Oklahoma's NRCS State Technical Committee, 3) meetings with the OCC and NRCS to identify NPS funding gaps and ODEQ and Oklahoma Corporation Commission to identify stormwater and Brownfields projects, and 4) presenting at the annual conferences including but not limited to the State Brownfields Conference, Oklahoma Clean Lakes and Watersheds Association, and Natural Resources Management Conference.

4 Maintain the fiscal integrity of the CWSRF to ensure it remains viable and self-perpetuating to meet the long-range water quality needs of the State.

Status: This goal is being achieved on an ongoing basis through stringent program procedures and financial controls as well as continuous repayment of previously issued loans that provide a "renewable" source of funding for future loans.

To maintain the fiscal integrity of the CWSRF, the OWRB performs a variety of processes including, providing credit reviews and technical assistance to loan recipients, establishing fiscal controls, and main-

taining financial accounts within the CWSRF sufficient to minimize financial risk. The OWRB's credit review of CWSRF applications and the OWRB's procedures for monitoring loan conditions and collecting payments of interest and principal have enhanced the fiscal integrity of the program. Traditionally, each of these processes has ensured that payments from loan recipients are billed and paid in a prompt manner, thus enhancing the fiscal integrity of the CWSRF. To date the program has maintained a zero default loan repayment record (see Attachment 4b. Aging Schedule). Should a default occur, the cross-collateralization strategy included in the Master Trust Agreement will allow excess CWSRF revenues to be available to cure any DWSRF bond payment default or reserve fund deficiency, or vice versa. The OWRB also maintains a Cash Flow Model, which demonstrates perpetuity (see Attachment No. 14 for spreadsheet, including assumptions).

5 Maintain the perpetuity of the CWSRF through maintaining net assets equal to federal capitalization grants and state matching funds.

Status: The OWRB has defined the perpetuity of the CWSRF as "maintaining an amount in the CWSRF equal to the capitalization grants and state match indefinitely." When investment and loan interest earnings by the CWSRF meet or exceed the administrative funds withdrawn from the CWSRF then the OWRB can demonstrate that this goal has been met. During FY 10, investment earnings and interest earned on loans totaled 1.35 times greater than total funds withdrawn from the CWSRF for administrative expenses, interest payments on bonds, and trustee fees.

The OWRB's target interest rate, approximately 60% of market rate, provides financial incentives for water

quality improvements through participation in the program. This target rate, combined with a sound, innovative long-term financing plan, should help maintain the buying power of the fund in perpetuity.

The financial indicator for perpetuity, sustainability or retained earnings, shows a 19.7% cumulative retained earnings as a percentage of contributed capital (Attachment 9).

Fund Financial Management

Fund Financial Status

1 Binding Commitments & Assistance Activity

As detailed in Attachment 1, the Oklahoma CWSRF entered into binding agreements for 34 projects, and a decrease in funds to two (2) projects from previous years. Assistance to Section 212 sewer construction and refinancing projects, including adjustments, totaled over \$185.2 million. FY10 binding commitments (excluding refinancing loans) reportable to EPA's National Information Management System (NIMS) totaled over \$191 million. No Section 320 projects were funded. Attachments 1, 2, 3 and 6 illustrate assistance levels and financial activity of the fund.

2 Sources, Uses and Guarantees of Funds

Attachment 4a presents sources and uses of funds. Sources totaled approximately \$147.8 million. Federal funds are drawn as construction is completed and reimbursement requests are submitted and will

continue to be drawn down as quickly as possible.

OWRB has established bypass procedures within OWRB Rules which along with the Integrated Priority Rating System guides project funding. The bypass procedure states "A project on the fundable portion of the list may be bypassed if it is determined that the project will not be ready to proceed during the funding year. This determination will be made on projects that are unable to meet the schedule established on the priority list. The applicant whose project is affected shall be given written notice that the project is to be bypassed. Projects that have been bypassed 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 treated in the same manner as additional allotments."

Total expenditures or "uses" of funds, totaled \$82.9 million. Remaining Series 2004 bond proceeds were obligated to construction projects during FY 09 and an anticipated Series 2011 bond issue could be closed in the fourth quarter of FY 11. No funds were used for guarantees. See Attachment 4a and Attachment 14 for additional details.

3 A-133 Audit, Compliance and Financial Audits

Arlidge & Associates Inc., Certified Public Accountants were retained to audit FY 10 CWSRF financial statements for the program. A copy of the audited financial statements, along with the financial statements of the administrative fund held outside the CWSRF will be submitted to EPA when available. An A-133 Audit was conducted for SFY 2010.

Financial Indicators and Interest Rate Subsidy
Over the past several years EPA and the State SRF Workgroup have developed a process to measure the pace of the CWSRF Program. In an effort to measure the pace, Oklahoma's CWSRF incorporates "financial indicators" into annual program review. Attachment 9 presents five key measures that reflect the different financial objectives of the SRF and provides broad indicators of how the CWSRF is meeting them.

In addition to these five numeric indicators, an additional indicator, "Estimated Interest Rate Subsidy" provides a description of the subsidy provided by the CWSRF program's AAA rated bonds compared to interest rates available to communities whose local debt would fit into a given credit rating category. Although the CWSRF bonds carry an average interest rate of 4.33%, the OWRB offers CWSRF loans at an interest rate equal to 60% of the Municipal Market Daily (MMD) AAA scale spot rates for each year though maturity with 55 basis points added to compensate for risk. The interest rate is calculated 10 days prior to loan closing and is provided to communities regardless of credit quality. On average our interest rates have stayed similar to past CWSRF interest rates and have averaged 2.1% - 2.8% range.

This way of calculating interest rates provides an interest rate savings of approximately 2.8% for communities that could obtain the same interest rate as the OWRB. For communities that cannot obtain such a high credit rating, the market interest rate available to them is higher and therefore the 2.8% loan rate offers a greater subsidy in comparison to the market. Subsidies ranged from 1.3% for high investment grade communities to 2.4% for non-

investment grade communities as shown in the table. The market rates listed are those that were available at the time the CWSRF bonds were sold. During the two-year period since the bonds were sold when market rates were higher, the subsidy was even larger. If interest rates rise, the size of the subsidy provided will grow.

State Matching Funds

Through FY 2010, Oklahoma received federal capitalization grant awards totaling \$250.6 million, matched in previous years by \$43.8 million in State funds. Attachment 13 lists sources of State match funding for FFY capitalization grants awarded through the Clean Water Act from 1988 through 2008. As a part of the Series 2004 Bond Issue, \$7.5 million in bonds were designated to provide State matching funds to cover the 20% match for anticipated FFY 03, 04, 05, and 06 capitalization grants. In January 2010, the Board reallocated \$3.9 million of bond proceeds from the 2004 Bond Issue to State matching funds for the 07, 08 and 09 capitalization grants. Since July 24, 1996 the 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 draw down ratio been followed.

Proposed Program Initiatives

Modifications of the Program

OWRB received EPA's approval to begin offering 30-year extended term financing for disadvantaged communities July 1, 2010.

Long-term and Short-term Goals for Future Intended Use Plans

To provide for better management and greater flexibility of the CWSRF, as well as the DWSRF, the OWRB will again request EPA approval to reserve the right to transfer funds, of up to 33% of the DWSRF capitalization grant, between the two programs. The OWRB anticipates that transfers between the CWSRF and DWSRF may be necessary in order to provide adequate funds to meet the demand in future years. Any transfers will be implemented in accordance with state and federal laws and program regulations.

No changes in the loan interest rate subsidy are anticipated, however, the OWRB is currently utilizing an independent financial advisor to review all OWRB lending programs and identify the strategy's long-term impact on the health of the fund, along with the financial aspects of the loan application and loan monitoring processes.

Rule Changes

Title 785 of the Oklahoma Administrative Code, Chapter 50 Subsection 9 contains regulations for Oklahoma's CWSRF Program. Changes were made during SFY 2010 to incorporate changes to EPA's

NEPA process. The changes were approved by EPA and became effective on July 1, 2010.

Provisions of the Operating Agreement and Grant Conditions

The OWRB has agreed to all the terms and conditions listed in its Operating Agreement (OA) with EPA as well as the annual capitalization grant agreements. Many of the terms and conditions are self explanatory and need no further explanation while other conditions need further description.

Adherence to Operating Agreement

- 1 Modification to the OA** – No changes were made during FY 10.
- 2 Timing of Application Review** – OWRB has met this term of the operating agreement.
- 3 Roles and Responsibilities** – State legislation gives the OWRB authority to develop regulations to implement state environmental review procedures ("SERP"). These regulations, adopted by the Board, were included in the regulations implementing the CWSRF.
- 4 Maintain a Competent Organization and**
- 5 Accept EPA Training** – During SFY 2010, the OWRB maintained staffing with skills necessary to assure the CWSRF operates in a lawful manner, with full disclosure, and in compliance with federal and state programmatic requirements and to assure that all projects met acceptable technical, environ-

mental and financial requirements as established or referenced in the OA/capitalization grants.

The Agency retained the services of a financial advisor during the year to assist in developing and refining CWSRF financing strategies, portfolio management, cash flow modeling, and program operations.

The OWRB attends various training from EPA and other sources. The following is a partial list of training sessions/conferences which were budgeted and attended to keep the organization up-to date on the latest technologies and trends in wastewater infrastructure design, financing, and on legislation and program requirements.

- Oklahoma Rural Water Association Annual Conference
- Oklahoma Municipal League Annual Conference
- National Association Bond Lawyers Conference
- NEPA Training
- Oklahoma Municipal League Water Summit
- Oklahoma Rural Water Association Convention
- Governor's Water Conference
- Water Day at the Capitol
- Drug Free Workplace
- OIG Fraud, Waste and Abuse Training
- Fact Meeting (Qtrly)
- SRF 101 Workshop

- Region 6 SRF Annual Meeting
- Infrastructure Financing Software Training
- Council of Infrastructure Financing Authorities Fall and Spring Conferences
- EPA/State Workgroup Meetings (Fall/Spring)
- How to Identify Bid Rigging Training
- U.S.D.A. Engineer's ARRA Meeting
- Green Building Conference
- EPA/ARRA Training
- Energy Management Workshop
- Various Buy American, Green Infrastructure and Davis Bacon Webcasts

6 Manage CWSRF Program – The OWRB managed the CWSRF program in accordance with the OA, terms of the grant agreements, the CWA, as amended, 40 CFR Part 35 Subpart K and applicable regulations.

7 Maintain Separate CWSRF Account – The OWRB maintains a current and separate account for the CWSRF. A revenues and expenditures statement is prepared by staff, audited by outside auditors and included in the financial statements in Attachment 14.

8 Payment Schedule – The OWRB has entered into sufficient binding commitments to cover the schedule of payments from the EPA -ACH System (see Attachment 6).

9 State Matching Funds – The OWRB issued \$7.5 million in bonds to provide match for the FFY 2003, 04, 05, and 06 capitalization grants and an overmatch for future grants. The 2007, 08 and

09 capitalization grants were matched with bond proceeds from the 2004 Bond issue reallocation in January 2010.

10 Binding Commitments – By the end of FY 10, cumulative binding commitments of large- and small-community construction and refinancing of non-CWSRF debt totaled over \$800.8 million, 272% above the minimum required commitments of \$294.3 million as detailed in Attachment 6.

11 Timely Expenditures – The FY 2010 IUP identified sufficient projects to obligate existing funds and maintain a program reserve. The Series 2004 bond issue was sized to meet the funding demand through the majority of 2010.

12 Enforceable Requirements of the Act – Section 602(b)(5) requires that “all funds in the fund as a result of capitalization grants (including the capitalization grant, repayments of the first round of loans awarded from the grant, and state match) will first be used to assure maintenance of progress toward compliance with enforceable deadlines, goals, and requirements of the Act, including the municipal compliance deadline.” Prior to the award of the first capitalization grant in 1989, the State certified that all projects listed as National Municipal Policy Projects (under enforcement actions) had been previously funded. This requirement was, therefore, considered to be met.

13 Title II Equivalency Requirements – According to Section 602 (b)(6) of the federal CWA, Title II equivalency requirements listed in this section no longer applied after October 1, 1994. The Board met this requirement by approving binding commitments to equivalency projects in

sufficient numbers to satisfy the equivalency provisions of the federal capitalization grants for those grant payments received prior to October 1, 1994 (see Attachment 2 & 6).

14 State Law and Procedures – OWRB expended grant funds in accordance with all state laws and procedures.

15 State Accounting and Audit Procedures – The OWRB utilizes fiscal controls and accounting procedures, including the latest edition of “Standards for Audit of Governmental Organization, Program, Activities, and Functions,” published by the GAO, sufficient to assure compliance. In order to verify that the CWSRF accounting procedures conform to “generally accepted accounting principles,” the OWRB procured an independent auditor to test compliance with “generally accepted accounting principles.” Financial audit reviews with audited financial statements are included in Attachment 9.

16 Intended Use Plan (IUP) – OWRB followed Oklahoma Administrative Code Title 785 Chapter 50 in preparing the FY 2010 IUP and subsequent amendments.

17 Capitalization Grant – The FY 07 and 08 grants were awarded on September 24, 2009. The ARRA Capitalization grant was awarded on April 24, 2009.

18 Repayment to the Fund – The OWRB collected principal payments in accordance with interim construction, long-term and small community loan agreements. As noted on Attachment 4b, Aging Schedule FY 10, there were no cases of receipt of principal and interest payments over 90 days past due and no defaults were recorded.

19 Financial Assistance Provided by CWSRF – All loans made were consistent with plans developed under CWA Section 205(j), 208, 303(e) and 319.

20 Disadvantaged Business Enterprise Program – In response to changes in the Disadvantaged Business Program, OWRB modified its MBE/WBE program to be consistent with federal rules. The new OWRB forms were first implemented in January 2009 and stress that compliance is not achieved by meeting the MBE/WBE targets. Compliance is measured instead by ensuring that the six affirmative steps are implemented to the greatest extent possible. FY 10 MBE/WBE procurement as a percentage of all large-community loan procurement is presented in the following tables, along with the goals negotiated with EPA for the four procurement

categories. As required by 40 DFR Part 33, the table documents Oklahoma CWSRF as it relates to the total Capitalization Grant.

21 Disbursements/Third Quarter Schedule and Commitments – Attachment 11 provides a comparison of projected federal disbursements and actual disbursements.

22 Fund Administration – The CWSRF is administered in accordance with the EPA OA and all other provisions and conditions of the EPA capitalization grant agreements.

23 Project Management and Review Procedures – The CWSRF was managed in accordance with applicable CWSRF state procedures.

TABLE 2

FY 10 MBE/WBE for Project Procurement (based on 120% of CAP Grant)				
Minority Business Enterprise				
Category	Construction	Equipment	Services	Supplies
Goal	10.62%	11.48%	16.84%	12.00%
Procurement Amount	\$1,056,817	\$132,500	\$65,274	\$2,737,049
% Achieved	17.45%	2.19%	1.08%	45.20%

TABLE 3

FY 10 MBE/WBE for Project Procurement (based on 120% of CAP Grant)				
Women Owned Business Enterprise				
Category	Construction	Equipment	Services	Supplies
Goal	9.01%	13.51%	30.94%	31.00%
Procurement Amount	\$869,100	\$0	\$65,000	\$1,178,131
% Achieved	14.35%	0.00%	1.07%	19.45%

TABLE 4

CWSRF Environmental Decisions in 2010				
Community	Loan Number	Enforcement Schedule Order	Decision Type	Date
Grove MSA	ORF-07-0008-CW	NO	CE	07/14/09
Collinsville MA	ORF-09-0009-CW	YES	CE	07/14/09
Ponca City UA	ORF-09-0011-CW	NO	CE	07/14/09
Oklahoma City WUT	ORF-09-0021-CW	YES	FNSI/EA & CE	07/14/09
Piedmont MA	ORF-09-0014-CW	YES	FNSI/EA	08/11/09
Stillwater UA	ORF-09-0024-CW	YES	CE	08/11/09
Del City MSA	ORF-09-0022-CW	NO	CE	08/11/09
Muskogee UA	ORF-09-0020-CW	YES	CE	08/11/09
Owasso PWA	ORF-09-0003-CW	NO	CE	08/11/09
Owasso PWA	ORF-09-003-CWA	NO	CE	08/11/09
Owasso PWA	ORF-09-0007-CW	NO	FNSI/EA	08/11/09
Ardmore PWA	ORF-09-0018-CW	NO	CE	09/08/09
Grand Lake PWA	ORF-09-0004-CW	NO	CE	09/08/09
Sperry USA	ORF-09-0023-CW	NO	CE	09/08/09
Duncan PUA	ORF-09-0016-CW	NO	CE	09/08/09
Lawton WA	ORF-09-0015-CW	NO	CE	09/08/09
Sapulpa MA	ORF-09-0010-CW	YES	FNSI/EA	10/13/09
El Reno MA	ORF-09-0025-CW	YES	CE	10/13/09
Guymon UA	ORF-09-0013-CW	YES	FNSI/EA	10/13/09
Walters PWA	ORF-09-0005-CW	YES	FNSI/EA	10/13/09
Henryetta MA	ORF-09-0029-CW	YES	CE	10/13/09
Sulphur MA	ORF-09-0030-CW	YES	FNSI/EA	12/08/09
Tulsa MUA	ORF-10-0001-CW	YES	CE	04/13/10
Enid MA	ORF-09-0019-CW	YES	FNSI/EA	05/11/10
Hobart PWA	ORF-07-0007-CW	NO	FNSI/EA	06/08/10
Okmulgee MA	ORF-09-0012-CW	YES	CE	06/08/10

24 Sanctions and Compliance – No sanctions/corrective actions were required during the year.

25 National Reporting Needs – OWRB supplied EPA with the required set of project-level data and documentation, including the Project Priority List, Intended Use Plan, Third Quarter Disbursement Schedule and project loan information for the National Information Management System.

26 Records – The OWRB maintained documents and made them available to the public in accordance with federal and state regulations.

27 Environmental Review - The OWRB conducted environmental reviews and determinations were executed and distributed using the EPA approved State Environmental Review Process prior to funds being provided for the projects identified in Table 4. In addition to these environmental decisions, the OWRB initiated several planning and environmental reviews that will result in environmental decisions being issued in FY 2011.

28 Consistency With Planning – The OWRB maintains engineer report guidance documents to ensure CWSRF project planning is consistent with CWA Sections 205(j), 208, and 303(e).

29 Grant Agreement Administrative and Programmatic Conditions

Terms and conditions for all capitalization grant awards are summarized in the following. Many conditions have been met and need no explanation, while others that have been met are described in the following pages.

Environmental Benefit and Performance

The CWSRF program continues to provide affordable financing to communities, achieving the programs' ultimate purpose of protecting public health and the environment and helping states work toward meeting the "fishable/swimmable" goals of the Clean Water Act. Oklahoma's integrated priority rating system prioritizes projects based upon multiple environmental benefit metrics to ensure that CWSRF funds are most effectively used, to provide a standardized intra-agency method for benefit comparison and reporting, and to provide reference data that can be used to fulfill OWRB's reporting requirements in accordance with Environmental Results Assistance Agreement Order No. 5700.7. This Order is incorporated as long-term goal No. 4 in the "Long-term Goals & Accomplishments" section included in Part II of this report.

Twenty-two (22) of the 34 projects approved for funding during FY 10 were proposed as a result of a documented public health threat and/or NPDES discharge permit violation and would fund construction to allow borrowers to come into permit compliance. Twenty-seven (27) projects would benefit communities discharging into priority stream segments identified as threatened or impaired in Oklahoma's Integrated Water Quality Assessment Report. Additionally, 29 of the 34 projects lie within hydrologic basins where groundwater is considered highly vulnerable, within or affecting a source water protection area, or upstream of waters with recreational and/or segments of ecological significance.

Current Wastewater and Runoff Control Needs

As a result of the widespread need for water pollution control infrastructure financing and efforts by the OWRB to implement a "lower than market rate" loan program, the Board has received an overwhelming response from communities across the state requesting their projects be added to the five-year CWSRF Project Priority List. To date, 32 communities have made requests for wastewater construction, refinancing, and nonpoint source pollution control projects totaling over \$274 million through 2015. This number is likely low, as historically the number of projects identified on the CWSRF Project Priority List target for future years underestimates the actual project demand due to the uncertainty of future construction schedules, the issuance of new enforcement or administrative orders, etc.

It is anticipated that the outcomes and recommendations of the OCWP will help provide vital information to better understand current and future wastewater needs. In May 2010, the Oklahoma Academy sponsored a special Town Hall meeting at which 185 citizen participants from across the state gathered to engage in a fair, inclusive and transparent process to develop strategic recommendations which will be sent to OWRB for consideration as the OCWP is updated. Several of the working groups provided infrastructure based recommendations including:

- State assistance for monitoring water quality, quantity and infrastructures to insure sustainable water resources on a local, regional and state level.
- Grants and loans for "leakage surveys or assessments" by municipalities or rural water districts.

The recommending group contends that substantial conservation of wasted water treatment dollars can be achieved if system leakage is addressed.

- Increased funding for research and development along with education on the issue of water conservation on a local, regional and state level.
- Public water supply and waste water operators should be required to identify and report water losses in order to qualify for government funding. The group also recommends that water based pricing of water should be implemented and that water conservation measures such as red cedar eradication and composting should be incentivized.

The OWRB's Financial Assistance Division has funded Oklahoma wastewater infrastructure projects for over 25 years. With the update of the OCWP, the CWSRF program will continue to provide a targeted integral tool for communities to address their needs for this generation and beyond!

Acknowledgements

The Financial Assistance Division would like to thank our FY 2010 assistance recipients as well as past recipients for helping making Oklahoma's Clean Water State Revolving Fund Program a success.

Thank you to the FAD technical and financial staff for preparation of the project summaries, attachments, and review of the report. Special thanks to Owen Mills and the OWRB Public Information Staff for their vision with the formatting of this report. And, thank you to the Kansas Scenic Byways program for the design inspiration.

Finally, tremendous thanks to the OWRB's Financial Assistance Staff for their dedication and hard work over the last year. Funding the equivalent of three years worth of projects within a twelve month period was a daunting task that you completed with flying colors!

Cover photo: Guymon Wastewater Treatment Plant - Barry Fogerty, OWRB

Oklahoma Clean Water State Revolving Fund

State of Oklahoma

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