

Legislative Appropriation of \$25 Million for Water/Sewer Projects Has Grown to \$1 Billion In Loans, Grants Throughout the State

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OKLAHOMA CITY -- The state Water Resources Board passed the billion-dollar mark recently in loans and grants the agency has issued over the past 20 years to help underwrite water and sewer improvements throughout Oklahoma.

A ceremony to commemorate the milestone is scheduled Nov. 12 at the State Capitol, in the Blue Room on the second floor. Members of the Legislature, former Governors and members of the state water board have been invited. So have others "who supported creation of the first water/wastewater loan program in 1982 and who have enabled the program to prosper over the past two decades," said Duane Smith, executive director of the Oklahoma Water Resources Board.

The water board's Financial Assistance Program was created in 1979 by Senate Bill 215, but a series of legal skirmishes hobbled the program for three years. In 1982, Senate Bill 145 cleared up the technical and legal problems associated with the program, and House Bill 1655 appropriated \$25 million of surplus revenue to the Statewide Water Development revolving fund. Two years later, in 1984, Senate Bill 156 essentially authorized use of the \$25 million revolving fund. Additionally, State Question 581 passed by a margin of almost 2-to-1 in the primary election in August 1984. That constitutional amendment authorized use of state funds to finance water resource and sewage treatment projects in cities, towns and counties and other units of the state.

In the succeeding years the Oklahoma Water Resources Board has issued 425 long-term, low-interest loans for \$944,220,024 plus 830 grants totaling \$57,650,965, ledgers reflect.

An impressive accomplishment, considering it started from an initial investment of \$25 million, said House Speaker Larry E. Adair and Senate President Pro Tempore Stratton Taylor.

Furthermore, analysts calculate that the municipalities and rural water districts which received the loans have saved at least \$178 million on interest charges, Smith emphasized. "And that's a conservative estimate," he added. Currently the interest rate on loans from the Water Resources Board is 2.122 percent, said Joe Freeman, chief of the agency's Financial Assistance Division.

Financial aid from the Water Resources Board has included:

- 268 Financial Assistance Program loans totaling \$416,945,000 for water and wastewater system improvements.

The very first FAP loan was \$165,000 to Rogers Mills County Rural Water District #2; the water board closed on that loan May 14, 1986, records show.

- 132 Clean Water State Revolving Fund loans totaling \$449,578,442.

That program was created in 1988 to provide a renewable financing source for communities to draw upon for their wastewater infrastructure needs. The first was an \$11.1 million construction loan to Tulsa that was closed on Aug. 15, 1990.

- 25 Drinking Water State Revolving Fund loans totaling \$77,696,582.

That program is an initiative of the Oklahoma Water Resources Board and the state Department of Environmental Quality; it assists municipalities and rural water districts in the construction and improvement of their drinking water systems. The first DWSRF loan approved by the board was \$4,177,000 to Holdenville for construction of a water treatment plant. The Water Resources Board approved the loan on June 9, 1998, but the closing wasn't until Nov. 24, 1998.

- 490 emergency grants totaling \$28,746,370.

Those grants, for up to \$100,000 each, underwrite projects to correct situations that constitute a threat to life, health and/or property. The water board approved its first two emergency grants Aug. 12, 1983; Optima received \$49,500 and Boynton got \$27,695, both for water system improvements.

- 340 REAP grants totaling \$28,904,595.

The first Rural Economic Action Plan grants from the Water Resources Board were issued Jan. 14, 1997, to Coyle, Terral, Eakly, Indianola, Wanette, Seminole County Rural Water District #1, Okfuskee County Rural Water District #1, Okay, Braggs, Rogers County Rural Water District #1, Inola, Depew, Canadian, Moyers Public Schools, Hunter, Cleo Springs, Woods County Rural Water District #1, Dewey County Rural Water, Sewer, and Solid Waste Management District #3, Stringtown, and Beckham County Rural Water District #2.

The Rural Economic Action Plan, which the Legislature created in 1996, provides the Water Resources Board with funds to help finance public improvements in communities with a population of 7,000 or less, particularly areas with 1,750 or fewer residents. The Legislature has earmarked more than \$4 million of the REAP appropriation every year for the Water Resources Board, for water and wastewater grants of up to \$150,000 each, Adair and Taylor noted.