

Annual 1999 Report

Bimonthly Newsletter of the Oklahoma Water Resources Board

Board Approves Long-Term Strategic Plan for Agency

In September 1999, the OWRB began development of our Strategic Planning Document. Through this effort, our agency's long-term direction -- 2000-2003 -- was defined.

Our mission statement describes our many roles in the environmental arena -- managing, protecting and planning for Oklahoma's long-range water needs. We also believe that the element of professionalism is something that the OWRB is known for, and we should always keep in our focus as we serve Oklahoma.

Our agency statement of strategy tells us the efforts necessary to solidify our claim -- maintain our expert knowledge, drive our systems and practices for efficiency and effectiveness, and take the lead in forming alliances.

Agencywide performance measures are a key component of our management philosophy in order to assure the optimum use of management energy, and as important, to monitor performance. Each division has at least one critical measure. All of us are confident that we can deliver increased and improved services in the coming three fiscal years while maintaining our FY-2000 budget.

FAP Provided 73% of All Water/Wastewater Construction Loans

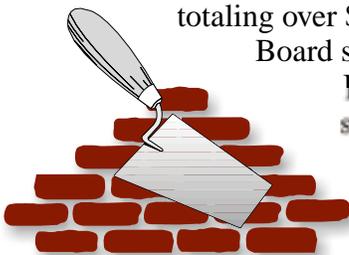
Last year in Oklahoma, the Board's innovative Financial Assistance Program (FAP) furnished 73 percent of all loan funding for water and wastewater infrastructure construction (outside Oklahoma City.) In March 1999, the Financial Assistance Division closed two separate debt issuances.

One was a \$75 million State Loan Program Revenue Bond Issue, 50 percent larger than any previous new money bond issue, and it maintained Standard & Poor's AA rating. The other was a \$2.3 million two-year note that resulted in the OWRB receiving a \$10.8 million grant from the U.S. EPA to finance vitally needed wastewater construction.

In 1999, the Board approved loans and grants for 142 cities, towns and rural water districts totaling over \$75 million, a figure which equates to 11 percent of all funding provided by the Board since inception of the innovative financing programs 17 years ago.

Interest earned on the Statewide Water Development Revolving Fund, which is the source of funding for emergency grants, topped \$25 million in 1999, surpassing the original \$25 million nest egg appropriated by the legislature to set the FAP in motion.

In 1999, the Board approved 13 Clean Water SRF loans totaling \$25,482,835; four Drinking Water SRF loans totaling \$14,444,954 and 17 Bond Series loans totaling \$26,345,000. Emergency grants to 26 communities amounted to \$1,795,940.



Governor's Water Conference Sets Attendance Record

The 20th Annual Governor's Water Conference November 17 attracted 425 water planners; officials of cities, towns and rural water districts; state legislators, state and federal agency representatives and citizens interested in water resources.

Water Board Chairman Lonnie Farmer and Lieutenant Governor Mary Fallin welcomed conferees to an agenda of experts predicting water availability, water quality, future demands and infrastructure financing strategies. Among experts taking the podium were Carolyn Richardson, director of environmental advocacy for the California Farm Bureau Federation; Gregg Cooke, EPA Region 6 Administrator; Carroll Fisher, Oklahoma Insurance Commissioner; Patsy Bragg, chair of the Tulsa Metropolitan Utility Authority; Larry Watkins, general manager of the Electric Cooperatives of Oklahoma; Duane Smith, OWRB executive director, and state and federal panelists exploring Year 2000 water topics.

Fifty-three small towns and rural water districts went home with big checks, although the checks were only poster-sized replicas of Rural Economic Action Plan (REAP) grants to come. For the first time, announcement of REAP grants for FY 2000 was a feature of the conference agenda.

At the conference luncheon, three were honored as Oklahoma Water Pioneers. They were Stillwater attorney Sidney D. Williams and the late environmentalist/teachers Jimmie Pigg of Moore and James Eddie Phillips of Faxon.

OWRB Achieved 1999 Legislative Goals

The Oklahoma Legislature again appropriated \$4.5 million for the Rural Economic Action Plan, and made available some additional funding from oil and gas production tax revenues. The OWRB received an appropriation for its share of the EPA cost match for the Drinking Water State Revolving Fund.

The weather modification measure (SB 101) marked the beginning of a partnership between OWRB and property/casualty insurance companies. It gives Oklahoma the opportunity to create a true state-of-the-art hail suppression and rainfall enhancement initiative.

The OWRB was successful in achieving the state's first law to address reduction of flood-related losses by creating the Oklahoma Flood Hazard Mitigation Program and naming a Flood Hazard Mitigation Team on which the OWRB will serve.

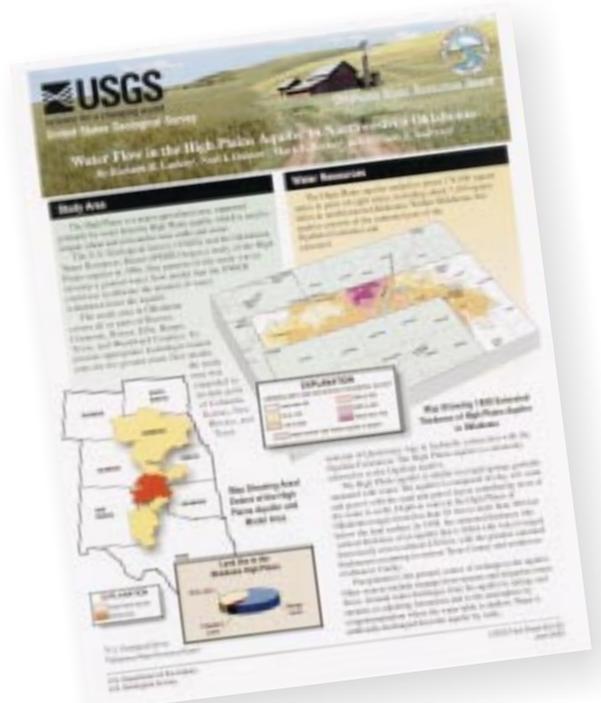
The legislature reaffirmed its confidence in the Beneficial Use Monitoring Program and first-year successes by appropriating \$500,000 for the second year of work.

HCR 1066 instructed the OWRB to work with tribal leaders, legislators and citizens of the Kiamichi River Basin in developing a plan for repayment of Sardis Lake construction costs, adopting a lake management plan, encouraging economic development and embracing infrastructure improvements in the region. It named OWRB Executive Director Duane Smith co-chairman of the committee.

OWRB, USGS Cooperate in Study of the Ogallala Aquifer

To better understand the hydrology of the Ogallala Aquifer in northwestern Oklahoma, the OWRB cooperated in a 3-year study by the U.S. Geological Survey. The study developed a groundwater flow model that will assist the Water Board in managing water supplies in the region. The 7100-square mile area under scrutiny annually produces crops and livestock valued at \$4.5 billion.

Researchers reported sharp declines in water levels in small areas of Texas County, where the aquifer is thickest,



lesser declines in Cimarron County, and declines less than 10 feet in a small area in Beaver County. Some portions of Ellis County registered rises of 10 feet or more.

Annual water use amounts to 396,000 acre-feet, 217,000 of it in Texas County; 70,000 acre-feet in Cimarron County, and 41,000 acre-feet in Beaver County. Irrigation accounts for 93 percent of total

OWRB Chairs Committee Seeking Kiamichi Basin Strategy

The Water Resources Board, with the cooperation of Choctaw and Chickasaw leaders, legislators and citizens of southeastern Oklahoma, made enormous progress following the directives of HCR 1066 in resolving long-standing issues concerning repayment of the Sardis water storage debt.

By year end, the Kiamichi Basin Working Group, co-chaired by OWRB Executive Director Duane Smith and L. V. Watkins, Choctaw and Chickasaw tribal representative, had held five meetings and the Water Board had met and made presentations to more than 30 local groups.

HCR 1066 directed the Working Group to adhere to specific cornerstone principles including a Sardis Lake level management plan developed by the Oklahoma Department of Wildlife Conservation to protect fish and wildlife; reserving a sufficient amount of water for users in the Kiamichi River Basin Region; optimizing financing opportunities for water and wastewater infrastructure; addressing the state's obligation to repay construction costs of the water supply at Sardis Reservoir; assigning highest priority to Oklahomans' present and future needs for water from the Kiamichi Basin; and protecting the integrity of the Kiamichi River.

Additionally, principles were set out for the lower basin area near Hugo Lake. They are: implementing a Hugo Lake level management plan; protecting Hugo Lake's wildlife management and waterfowl areas; addressing the Hugo PWA water supply storage contract with the Corps of Engineers; and protecting the future water supply in the Hugo area.

The Kiamichi Basin Working Group recommends to the legislature that the state pursue a formal compact with the Choctaw and Chickasaw Tribes.



Oklahoma Takes Giant Step in Flood Loss Buy-outs

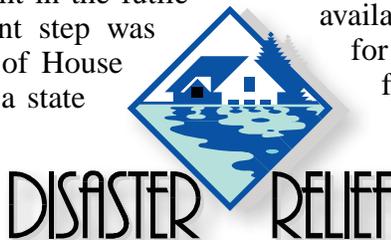
Oklahoma advanced a giant step closer to reducing flood losses incurred on repetitive loss properties -- those properties in flood zones caught in the futile cycle of flood and repair. The giant step was Governor Keating's April 6 signing of House Bill 1841, a measure which created a state flood hazard mitigation program to assist communities in the purchase and removal of repetitively flooded structures.

As coordinator for the National Flood Insurance Program (NFIP), the Oklahoma Water Resources Board worked closely with legislature, the Oklahoma Department of Civil Emergency Management and OFMA, to encourage a

bill that should result in a significant reduction in flood losses.

Although HB 1841, the Oklahoma Flood Hazard Mitigation Act, authorized no funding, it expanded uses of the Statewide Water Development Revolving Fund, allowing creation of a flood hazard mitigation account to be administered by the Board. Should funding become available, municipalities could draw loans or grants for the purchase of structures with histories of flood damage.

Proponents of the bill intended it as means to prevent building in the floodplain, encourage the purchase of flood insurance, reduce the cost of disaster response and recovery operations, and encourage cities and towns to develop comprehensive hazard mitigation plans. It also established a State Hazard Mitigation Team to review and prioritize mitigation project applications.



OFMA First in the Nation to Gain ASFPM Accreditation



In September, the Oklahoma Certified Floodplain Manager Program was the first state program in the U.S. to obtain accreditation from the Association of State Floodplain Managers, Inc. The ASFPM Certification Board of Regents approved the Oklahoma program under provisions of the Charter of the Certified Floodplain Manager Program.

The prestigious certification was almost entirely due to the hard-charging state group, the Oklahoma Floodplain Managers Association, coordinated by Ken Morris of the Water Resources Board and then-chaired by Ron Flanagan of Tulsa. Earlier the OFMA Board of

Directors had voted to pursue accreditation for the state program and appointed a Professional Development Certification Committee to design a comprehensive test. After months of hard work, the Professional Development Committee submitted it to ASFPM's Certification Board of Regents for approval.

This first-in-the-nation certification set Oklahoma out as a model and raised the bar of professionalism for floodplain managers throughout the U.S. Before year's end 68 members of OFMA had earned the certified floodplain manager designation, entitling them to display the distinguished CFM initials after their names.

Oklahoma's certification requires application and fees, continuing education and adherence to a professional code of conduct.

OWRB, Insurers Cooperate in Weather Modification

The Oklahoma Weather Modification Program, coordinated by the Water Resources Board, was able to fly high in 1999, thanks to a \$1 million legislative appropriation and \$2 million contribution from the state's property/casualty insurance companies. The program that formerly relied on legislative appropriations from the "Rainy Day Fund," now has a funding mechanism for the long term.

Senate Bill 101 approved by the 1999 Legislature created the Weather Modification Advisory Board to oversee the program and coordinate the mechanism that provides long-term funding for the state's rainfall enhancement/hail suppression program. The cooperative state/private sector cost-share effort, emphasizing hail suppression benefits, could underwrite \$3 million a year in improvements to the program. This funding

mechanism has the potential to expand the program from three project aircraft to seven and from two radars to three.

For the third year, the state contracted with Weather Modification, Inc., Fargo, N.D., to fly cloud seeding missions.

Oklahoma crop losses to hail average \$2.5 million a year, not including property/casualty claims. Proponents of the program point out that even small reductions in hail damage to crops and property justify the costs of the program, and in the long term, could reduce premiums paid by Oklahomans.

The year ended with successful cloud seeding missions that suppressed hail and brought rain to many areas following one of the state's driest and warmest Novembers.

One Book Wins ALA Award, Another Nominated

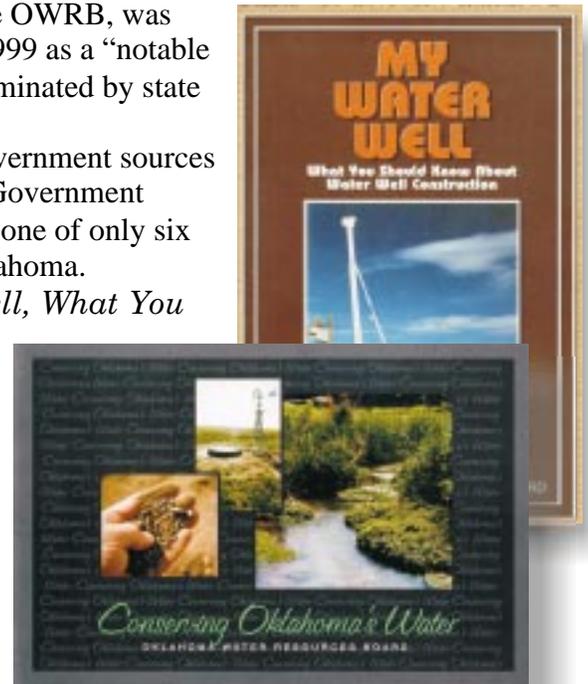
Conserving Oklahoma's Water, a booklet published by the OWRB, was recognized by the American Library Association (ALA) in mid-1999 as a "notable document," and a year-end publication, *My Water Well*, was nominated by state librarians for the award.

The elite list of outstanding publications from 43 state and government sources is compiled annually by the Notable Documents Panel of ALA's Government Documents Round Table. *Conserving Oklahoma's Water* was one of only six publications by state entities recognized and one of two from Oklahoma.

The Water Board's newest publication entitled *My Water Well, What You Should Know About Water Well Construction*, explains the state's program for water well drillers and pump contractors, what landowners should know before constructing a well, how to protect a well from contamination and many other helpful tips.

ALA selections are considered to be commendable documents less known outside their target audiences and of interest to many readers

Both booklets are offered without charge from the OWRB.



Board Updates Successful REAP Initiative

In an effort to help the Rural Economic Action Plan grant program better accommodate the small communities it is intended to serve, the Water Resources Board changed its schedule for accepting grant applications from an "open cycle" to a "closed cycle." A rule change approved by the 1999 Legislature set September 1 as the deadline for all applications for FY 2000 funding, in an attempt to better align the Water Board program with that of the Councils of Government.

As a result, on November 17, for the first time since the Oklahoma Legislature created the REAP in 1996, the Water Resources Board announced all 53 REAP grants approved for funding in FY 2000.

Previous rules relied on an "open cycle," during which applications were continually accepted, evaluated and prioritized according to the number of points scored by the community. Projects with highest priorities were funded as money became available.

The disadvantage to the open cycle was that a community whose application scored very high in priority points and had awaited funding for a year or more could be bumped by any new application that scored even one point higher.

REAP specifically targets communities of 7,000 or less, but awards priority to those of 1,500 or less. By December 31, 1999, the Board had approved 197 REAP grants totaling \$16.1 million.



BUMP is 2 Years Old, Seeks Stable Funding

The Beneficial Use Monitoring Program (BUMP), approved by the 1998 Oklahoma Legislature and confirmed by a second appropriation in 1999, was assigned by statute to the Oklahoma Water Resources Board. BUMP will assure that the beneficial uses assigned to streams and bodies of water in the Oklahoma Water Quality Standards are protected and maintained.

The strategy set out by the OWRB included extensive sampling at river, stream and lake sites for general water quality parameters, nutrients, pesticides and bacteria; fixed station load monitoring in cooperation with the USGS and others; developing standardized groundwater monitoring methods with the Department of Environmental Quality; intensive monitoring at any site identified as impaired; and prioritizing sites for remediation.

Although statutes awarded the OWRB oversight in this statewide effort, the state's Rainy Day Fund has been the source of 1998 and 1999 legislative appropriations. In 2000, the Water Board will request stable, long-term funding for the BUMP, a unique initiative that provides the sound, reproducible and defensible data critical in making informed water quality management decisions.

File Imaging Thrusts Board into 21st Century

The imaging of 743,739 pages of well logs and water rights thrust the Water Board well into twenty-first century technology. This initial stage will utilize about 34 gigabytes (GB), or 34 billion bytes, on the optical computer information storage system.

Transferring the paper records to computer-accessible electronic information groups makes them immediately accessible through employees' desktop computers.

When all of the agency's permanent files have been imaged, the 4,000 square feet of space now occupied by conventional shelves will shrink dramatically. The imaged files to fit in two storage devices about the same size as an old-fashioned juke box, with which it shares some similar workings.



WQS Now Instruct Enviro Agencies in Their Use

Passage of SB 549 in the 1999 legislative session spells out for all of the state's environmental agencies how Oklahoma Water Quality Standards will be implemented in the water quality programs for which their agencies have responsibility. The legislation set out minimum implementation procedures to assure that all agencies accurately and correctly use the WQS in their programs. Implementation Plans will be reviewed by an advisory council, chaired by the OWRB, and promulgated into each respective agency's rules.

Representing another step forward in water quality management, Use-Support Protocols were added to the Standards and Implementation Documents. Real-world environmental data are now required to make water quality management decisions, so the consistent interpretation of those data is imperative. Previously, incomplete data or faulty interpretation sometimes resulted in use-support determinations that could not be defended or repeated. Some waters were reported threatened or impaired without supporting documentation.

Now Chapter 46 of the WQS prescribes specific thresholds and exceedance percentiles to determine whether waters support the beneficial uses assigned to them or whether those uses are threatened.

The Nine-Member Board Sets Policy for the Agency



*Lonnie Farmer
Chairman*



*Richard C. Sevenoaks
Vice Chairman*



*Grady Grandstaff
Secretary*



Richard McDonald



Bill Secret



Dick Seybolt



Ervin Mitchell



Wendell Thomasson



Harry Currie



*Duane A. Smith
Executive Director*



Oklahoma Water Resources Board BUDGET

FUND	FY-97	FY-98	FY-99	FY-00
State Appropriated Funds:	\$4,200,453	\$3,866,678	\$3,631,242	\$3,761,689
Constitutional Reserve Fund			\$731,381	\$700,000
State Continuing/Revolving:				
205 Weather Modification Rev Fund	1,001,000	1,042,036	263,819	2,894,808
210 Well Drillers & Pump Installers Fund	26,000	0	818	22,000
240 Water Management Fund	390,417	318,934	352,704	274,997
420 USGS Cooperative Fund	200,000	145,985	293,575	200,000
443 Reimbursement Fund	1,289,666	561,590	1,111,483	1,951,959
444 Drinking Water Loan Adm Fund				26,012
445 Wastewater Facility Const Fund				507,955
472 WRF-SRF Account	357,410	280,467	20,008	100,000
Total Revolving Funds	\$2,263,493	\$2,349,012	\$2,042,407	\$5,977,731
400 Federal Funds	998,395	455,503	569,374	1,352,438
410 Federal Water Quality Management	5,000,000	4,675,775	3,465,128	7,500,000
Total Expenditures by Fund	\$13,463,341	\$11,346,968	\$10,439,532	\$19,291,858
ACTIVITY/NUMBER AND NAME				
01 Administration	\$2,499,150	\$1,810,076	\$1,802,566	\$2,526,258
02 Water Quality Programs	845,602	707,189	863,659	1,528,284
04 Financial Assistance	1,051,463	778,810	871,784	1,442,393
07 Planning & Management	3,902,954	3,125,185	3,121,054	3,039,447
08 Weather Modification				2,894,808
15 Office of Secretary of Environment	5,164,172	4,925,708	3,780,469	7,860,668
Total Expenditures by Activity	\$13,463,341	\$11,346,968	\$10,439,532	\$19,291,858