

CLEAN WATER STATE REVOLVING FUND SFY 2015 Annual Report



**Financial Assistance Division
Oklahoma Water Resources Board**



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On the cover: Wastewater Treatment Plant Outfall, Norman UA, September 2015.

Mission: To protect and enhance the quality of life for Oklahomans by managing and improving the state's water resources to ensure clean and reliable water supplies, a strong economy, and a safe and healthy environment.



Joe Freeman, Chief
Lori Johnson, Assistant Chief

FINANCIAL ASSISTANCE STAFF



Back Row L to R: Paula Mills, Laura Oak, Steven Emmett, Vivek Rajaraman, Kar Tang, Kathy Koon, Connie Guinn
Middle Row L to R: Claressa Bailey, Kavitha Sadhasivam, Brenda Hansel, Kelly Jasper, Byju Sudhakaran, Destiny Sanderson
Front Row L to R: Kate Burum, Charles de Coune, Lori Johnson, Joe Freeman, Jerri Hargis, Tony Mensah
Not pictured: Andrew Allen, Matthew Sellers



FROM THE DIRECTOR

Drought-proofing Oklahoma. It's not just our mission, it's the key to the future viability of our state. Central to this mission is water conservation. Though water is a resource that we cannot create, we can increase its availability through its wise and efficient

use. In fact, the cheapest source of water is conserved water. We at the Oklahoma Water Resources Board are pleased and humbled to have lead development of the 2012 Comprehensive Water Plan and to coordinate the efforts of the Water for 2060 Advisory Council, all made possible via our Governor, State Legislature and multiple partners. With these plans as our guide, the OWRB's Financial Assistance Division will become increasingly crucial in the development of a more sustainable water future for our state.

Water conservation, water recycling, and water reuse are no longer catch phrases, but rather, real strategies that local communities are putting into practice that will make a significant difference in the inevitable dry years to come. Given the recent wave of droughts followed by historic flooding plaguing our communities, not to mention strong population growth coupled with aging infrastructure, Oklahomans are clamoring for more proactive water planning. With that in mind, the OWRB promotes concrete water conservation actions across our state. Innovative measures such as wastewater reuse, use of marginal quality waters, responsible stormwater practices, low impact development, and other water and energy efficiency measures are just a few of the pioneering concepts that will ensure more efficient use of our shared, finite water resources.

As it has done for more than 25 years, the State Revolving Fund Program will continue to work closely with state, federal, and local partners to identify common objectives and find innovative solutions to meet Oklahoma's water and wastewater infrastructure needs. With both enthusiasm and confidence, we continue to strive for a more secure water future for all Oklahomans.

Sincerely,

J. D. Strong
Executive Director



FROM THE CHIEF

The Financial Assistance Division of the Oklahoma Water Resources Board is dedicated to assisting communities and rural districts in maintaining adequate water and wastewater facilities. Since 1983, we have provided approximately 60% of all the financing for Oklahoma's water and wastewater infrastructure needs. To date, we

have funded over \$3.3 billion in projects with our loan and grant programs which in turn lead to savings of over \$1 billion for Oklahoma communities and rural districts.

This has been a big year within the Clean Water State Revolving Fund community with the Reauthorization of the Clean Water Act. There are new eligibilities, new requirements, and new guidance that affect both our work and our borrowers, such as the ability to now purchase land with these funds. This report delves into these changes in some detail and how the OWRB will respond and address them with our borrowers.

Our new Public Wastewater System Planning Guide was, in fact, just such a response. We are excited about the timely release of our new Guide as it fits so appropriately into the Clean Water Act's renewed emphasis on fiscal sustainability. With some minor adjustments, staff was able to readily convert the Guide into an outstanding Fiscal Sustainability Plan template.

The Division looks forward to meeting new challenges set forth by the state goals of the Water for 2060 Act to be released in the coming months. We are pleased that we can play such a significant role in the solution. Given the excellent rapport that we share with so many communities around our state, we are in a prime position to spread the word and encourage conservation, reuse, sustainability, planning, conservation pricing, consolidation, system cooperation, and so much more.

We strive to accomplish both sound financing and unparalleled environmental protection in all of our loans. The Financial Assistance Division is proud of our natural AAA ratings on all of our State Revolving Fund bond issues as well as our use of innovative means to meet Oklahoma's infrastructure needs.

Work completed through the Oklahoma Comprehensive Water Plan process documented a tremendous need of over \$44 billion through the year 2060 for wastewater investments in Oklahoma. It will take the efforts of all of us in the industry to meet this great challenge.

We look forward to continuing our role in helping Oklahoma build its future.

Sincerely,

Joe Freeman, Chief
Financial Assistance Division

INTRODUCTION

The federal Clean Water Act (CWA) requires a report of the annual Clean Water State Revolving Fund (CWSRF) activities. The OWRB hereby submits the CWSRF Annual Report for State Fiscal Year (SFY) 2015, July 1, 2014 through June 30, 2015.

This report describes sources and uses of funds, environmental performance of construction activities, the OWRB's financial position, as well as the manner in which the OWRB met the SFY 2015 Intended Use Plan (IUP) 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 is intended to fulfill both requirements.

EXECUTIVE SUMMARY

Since 1990, the OWRB's CWSRF program has approved over \$1 billion in wastewater infrastructure projects throughout the State, historically providing over 60% of Oklahoma's wastewater financing needs. Although enormous progress has been made in addressing Oklahoma's wastewater infrastructure needs, much work is still required. Based on the Oklahoma Comprehensive Water Plan (OCWP), anticipated wastewater infrastructure needs through 2060 are more than \$44 billion (in 2010 dollars).

The CWSRF plays a crucial role in financing this ever-growing need by providing financing at 40% below-market interest rates with standalone AAA bond

ratings. The AAA ratings allow the OWRB to provide access to significantly lower interest rates than Oklahoma communities are able to obtain through local debt issuance. Utilizing the CWSRF program has saved Oklahomans an estimated \$391 million in principal and interest.

In SFY 2015 Oklahoma's CWSRF committed approximately \$58.9 million in loans for projects listed on the SFY 2015 Project Priority List (PPL).

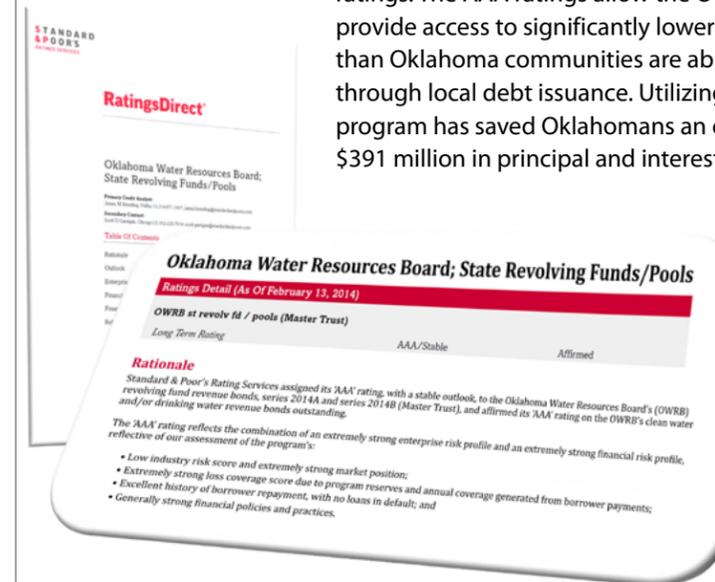
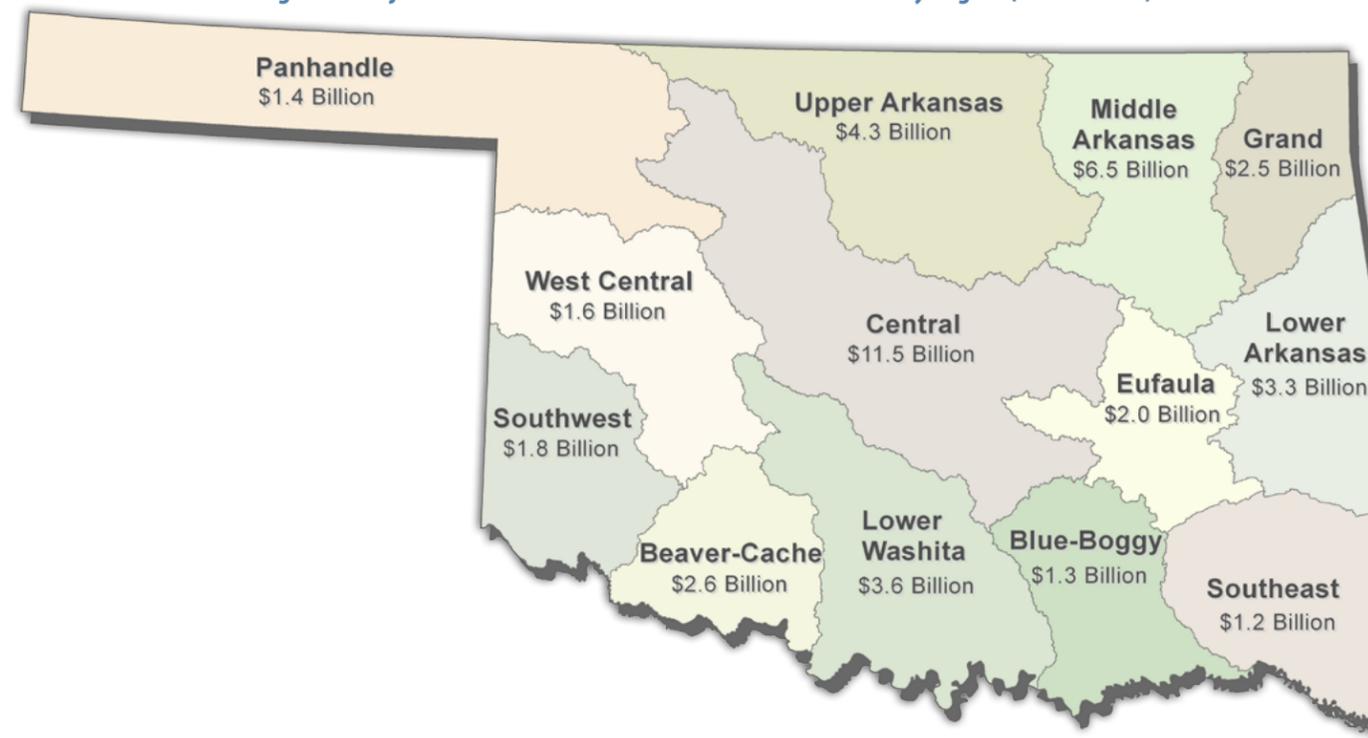


Figure 1: Projected Statewide Wastewater Infrastructure Cost by Region (2010 Dollars)



PROJECT ACTIVITY

The capital financing through the CWSRF Program enables Oklahoma’s wastewater systems to affordably meet treatment standards for wastewater. These discharges into the State’s rivers and lakes are in accordance with the National Pollutant Discharge Elimination System (NPDES), administered by the Oklahoma Department of Environmental Quality (ODEQ). The OWRB conducted seven (7) environmental reviews and appropriate determinations were executed and distributed using the EPA approved State Environmental Review Process (SERP) prior to assistance being provided.

The SFY 2015 projects allowed borrowers to cost effectively:

- rehabilitate aging treatment plants and collection lines;
- expand capacity to meet anticipated population and economic growth opportunities throughout the projects’ design life;
- attain compliance with State effluent discharge requirements to protect Oklahoma’s water resources;
- aim to improve the quality of priority rivers and lakes identified as threatened or impaired by reducing pollutant loading;
- and save on interest expenses by refinancing their loans.

Seven (7) Oklahoma entities received binding commitments (see Table 1 for details) totaling approximately \$16.3 million for \$212 activities during SFY 2015 including:

- construction of new treatment and collection systems;
- engineering and design;
- rehabilitation of existing facilities and;
- refinancing of existing debt, and green infrastructure.

In SFY 2015, Colbert PWA and El Reno MA addressed the EPA’s Green Project Reserve (GPR) initiative via the incorporation of energy efficient devices. Two loans – Colbert PWA and Nicoma Park DA – received additional subsidy in the form of “Principal Forgiveness” totaling \$616,443 to assist with improvements and rehabilitation of their wastewater systems in communities with a population of less than 3,300. In total, systems approved by the OWRB for funding are expected to save more than an estimated \$9.5 million in principal and interest expense for their essential wastewater infrastructure over the life of the loans.

The following pages highlight the loans which were funded by the CWSRF Program in SFY 2015. For each loan, details including the project description, binding commitment amount, assistance provided, GPR amount as well as the status of construction as of June 30, 2015.

Figure 2: SFY 2015 CWSRF Funded Projects by Planning Region

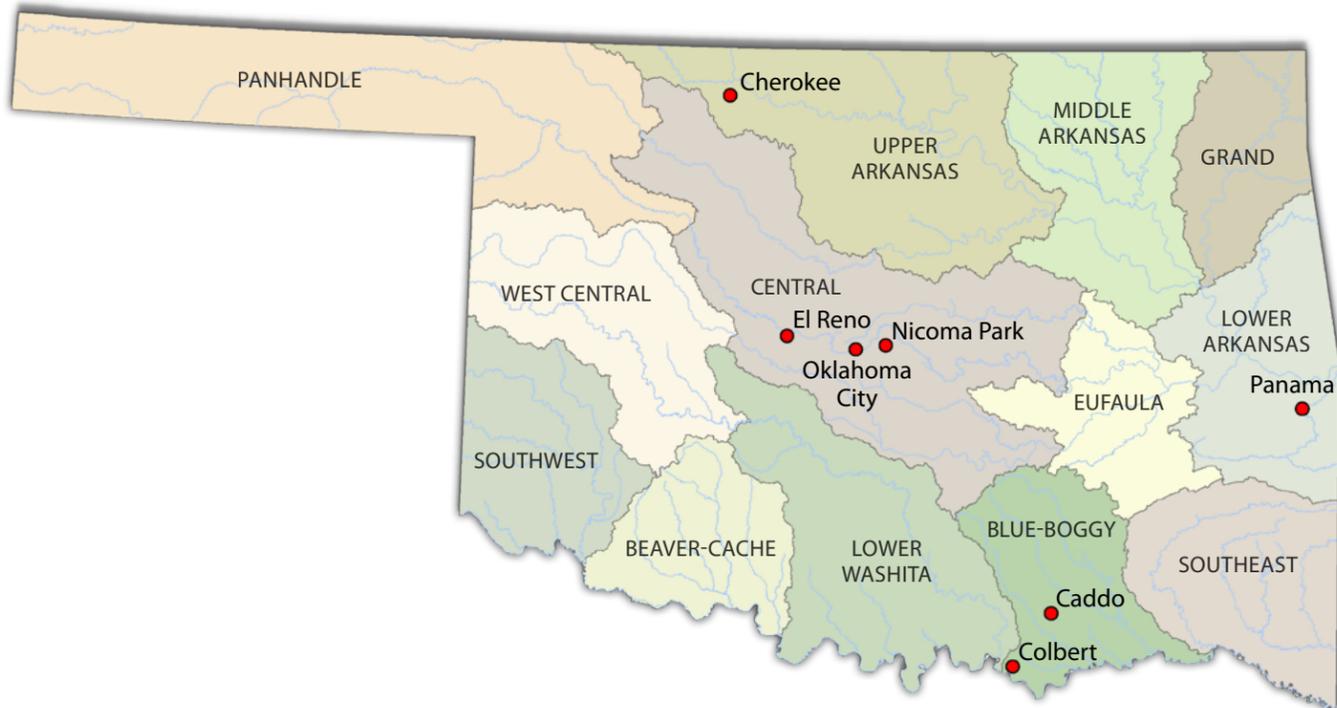


TABLE 1: PROJECTS IDENTIFIED FOR RECEIVING CWSRF FINANCIAL ASSISTANCE WITHIN SFY 2015

Part 1: Section 212 Publicly Owned Treatment Works									
Borrower	Project Number	Assistance Provided Reportable to NIMS 2015	Binding Commitment Reportable to Annual Report 2015	Binding Commitment Date	Type	Loan Closing Date	% Interest Rate on Loan***	Estimated Savings*	Loan Mature Date
El Reno Municipal Authority	ORF-13-0003-CW	\$21,530,000.00	\$5,890,000.00	8/19/2014	L (Incr)	8/26/2014	2.70	\$4,742,000	9/15/2039
Nicoma Park Development Authority**	ORF-15-0006-CW	\$4,120,000.00	\$4,120,000.00	5/19/2015	L	5/19/2015	2.63	\$1,944,000	3/15/2046
Colbert Public Utilities Authority**	ORF-15-0008-CW	\$884,000.00	\$950,000.00	7/15/2014	L	2/9/2015	2.09	\$543,000	9/15/2035
Caddo Public Works Authority	ORF-15-0009-CW	\$895,000.00	\$915,000.00	12/16/2014	R	12/17/2014	2.05	\$482,000	9/15/2027
Panama Public Works Authority	ORF-15-0010-CW	\$1,022,000.00	\$1,025,000.00	7/15/2014	R	7/21/2014	2.37	\$326,000	9/15/2031
Oklahoma City Water Utilities Trust	ORF-15-0011-CW	\$800,000.00	\$800,000.00	5/19/2015	L	6/30/2015	2.71	\$137,000	9/15/2046
Cherokee Development Authority	ORF-15-0012-CW	\$2,640,000.00	\$2,640,000.00	6/16/2015	L	6/26/2015	2.77	\$1,338,000	3/15/2046
Enid Municipal Authority	ORF-09-0019-CW	(4,518,256.69)	N/A	5/11/2010	L	5/25/2010	2.81	N/A	3/15/2032
Elgin Public Works Authority	ORF-10-0005-CW	(436,442.24)	N/A	10/17/2011	L	12/1/2011	2.63	N/A	9/15/2032
Owasso Public Works Authority	ORF-13-0005-CW	(197,123.65)	N/A	11/19/2013	L	12/13/2013	2.28	N/A	3/15/2026
Kiefer Public Works Authority	ORF-14-0006-CW	(151,385.78)	N/A	12/17/2013	L	3/24/2014	1.56	N/A	3/15/2021
PART 1 TOTAL		\$26,587,791.64	\$16,340,000.00					\$9,512,000	
Part 2: Section 319 Nonpoint Source Management Programs									
Borrower	Project Number	Assistance Provided Reportable to NIMS 2015	Binding Commitment Reportable to Annual Report 2015	Binding Commitment Date	Type	Loan Closing Date	% Interest Rate on Loan***	Estimated Savings*	Loan Mature Date
None	N/A	\$0.00	\$0.00	N/A	N/A	N/A	N/A	\$0.00	N/A
PART 2 TOTAL		\$0.00	\$0.00					\$0.00	
Part 3: Section 320 National Estuary Program									
Borrower	Project Number	Assistance Provided Reportable to NIMS 2015	Binding Commitment Reportable to Annual Report 2015	Binding Commitment Date	Type	Loan Closing Date	% Interest Rate on Loan***	Estimated Savings*	Loan Mature Date
None	N/A	\$0.00	\$0.00	N/A	N/A	N/A	N/A	\$0.00	N/A
PART 3 TOTAL		\$0.00	\$0.00					\$0.00	
Part 4: Section 603(d)(7) Program Administration Counted Toward Binding Commitments									
Borrower	Project Number	Assistance Provided Reportable to NIMS 2015	Binding Commitment Reportable to Annual Report 2015	Binding Commitment Date	Type	Loan Closing Date	% Interest Rate on Loan***	Estimated Savings*	Loan Mature Date
None	N/A	\$0.00	\$0.00	N/A	N/A	N/A	N/A	\$0.00	N/A
PART 4 TOTAL		\$0.00	\$0.00					\$0.00	
GRAND TOTAL (CWSRF PROJECTS)₁		\$26,587,791.64	\$16,340,000.00					\$9,512,000	
GRAND TOTAL (ALL PROJECTS)		\$26,587,791.64	\$16,340,000.00					\$9,512,000	

₁ The sum of the totals of Parts 1, 2, 3, and 4

E=Equivalency; L=Direct Loans; R=Refinance; (Incr)=Increase in Binding Commitment amount; (Dec)=Decrease in Binding Commitment amount

* Total estimated savings calculated includes interest saved on the Promissory Note amount using the CWSRF program vs self or private financing; rounded to the nearest thousand

** Total estimated savings calculated includes principal forgiveness plus interest saved on the Promissory Note amount.

*** Interest Rate includes 0.5% administrative fee

PROJECT APPROVALS

EL RENO MUNICIPAL AUTHORITY

BINDING COMMITMENT

Approval: \$5,890,000*
Approval Date: 08/19/14
*Initial Approval of \$16,500,000 on 11/19/13

ASSISTANCE PROVIDED

Loan Amount: \$21,530,000
Funded Date: 08/26/14
Percent Complete as of 06/30/15: 38%
GPR: \$1,038,000 (EE)
Additional Subsidization: \$0
Estimated Savings: \$4,742,000

ORF-13-0003-CW



TUESDAY, NOVEMBER 19, 2013

EL RENO RECEIVES \$16.5M LOW-INTEREST LOAN FOR NEW WASTEWATER TREATMENT PLANT

The OWRB approved a \$16.5 million loan Tuesday that will enable the City of El Reno to construct a modern wastewater treatment plant.

The announcement was issued by J.D. Strong, executive director of the state agency. El Reno City Manager Tony Rivera attended the Water Board meeting in support of the loan application.

Wastewater treatment in El Reno is provided via a total-retention lagoon-type system, coupled with land application of treated effluent. The operation has two primary lagoon cells that have a total surface area of 40 acres, and a pair of evaporation cells that also have a total surface area of 40 acres.

The ODEQ has cited the Canadian County municipality for impermissible wastewater discharges from the treatment lagoons.

To prevent the unauthorized releases, the El Reno Municipal Authority intends to replace the lagoon system with a sewage treatment plant capable of producing treated effluent that complies with contemporary environmental standards.

The project will feature construction of a 2 million-gallon per-day sequential batch reactor wastewater treatment

plant to serve about 18,000, records reflect. Blueprints indicate the project will include headworks, an influent lift station, ultraviolet disinfection equipment, an effluent lift station, force main, and a cascade aerator. The project also will include a waste-activated sludge pump station, an aerobic digester, and other equipment.

When the treatment plant becomes operational, the existing sewage treatment lagoons will be converted into wastewater holding ponds. The modern facility will increase El Reno's wastewater treatment capacity by 36 percent, data indicate.

Joe Freeman, chief of the OWRB's Financial Assistance Division, calculated that the loan from the CWSRF will save El Reno utility customers approximately \$5 million in interest charges over the 29-year life of the debt, compared to traditional financing.



The loan will be secured with a lien on the revenues generated by the city's water and sewer systems, the proceeds from a penny city sales tax, and perhaps a mortgage on the municipal water and sewer systems, Freeman said. The city raised water and sewer rates earlier this year in preparation for the wastewater treatment plant project.

Since 1983 the OWRB has approved \$3 billion in loans and grants – an average of \$100 million per year for three consecutive decades – for water and wastewater infrastructure improvements throughout Oklahoma. For example, El Reno also has six other outstanding loans with the OWRB that were earmarked for various water and sewer renovations.

"We thank State Senators Ron Justice and Rob Johnson, and State Representatives Todd Russ, David L. Perryman, and Harold Wright for their support of this project," Strong said.

PROJECT APPROVALS

NICOMA PARK DEVELOPMENT AUTHORITY

BINDING COMMITMENT

Approval: \$3,890,000 & \$230,000
Approval Date: 01/20/15 & 5/19/15

ASSISTANCE PROVIDED

Loan Amount: \$4,120,000
Funded Date: 05/19/15
Percent Complete as of 06/30/15: 10%
GPR: \$0
Additional Subsidization: \$308,221.50
Estimated Savings: \$1,944,000

ORF-15-0006-CW



TUESDAY, JANUARY 20, 2015

NICOMA PARK DEVELOPMENT AUTHORITY RECEIVES \$3,890,000 WASTEWATER SYSTEM LOAN

The Nicoma Park Development Authority (Authority) was approved for a \$3,890,000 loan Tuesday from the OWRB to expand the community's wastewater infrastructure. The OWRB approved the CWSRF loan during the panel's regular monthly meeting on January 20.

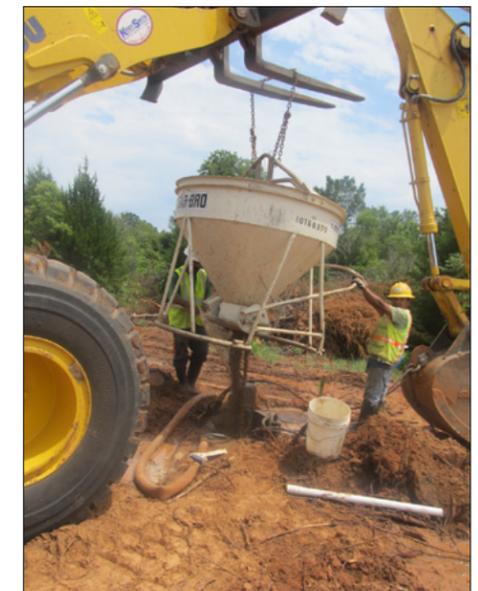
The community will utilize the loan proceeds to expand the community's existing sanitary sewer system within the city limits. The system expansion includes the installation of approximately 5 miles of 8-inch PVC sewer line, approximately 1.4 miles of 10-inch PVC line, and 177 sewer system manholes, as well as the removal of three lift stations. The project will also include additional improvements such as asphalt paving and repair, traffic control, and erosion control. After project completion, the Authority will continue to convey their wastewater to the Choctaw treatment plant.

The Authority, created February 11, 1986, currently serves 494 sewer customers and anticipates adding another 485 customers upon completion of the expansion project. Joe Freeman, chief of the OWRB's Financial Assistance Division, calculated that the Authority's customers will save an estimated

\$1,878,000, over the life of the 30-year loan, compared to traditional financing. The CWSRF loan shall be secured with a lien on the revenues of the Authority's water and sewer systems, and the proceeds of a one cent sales tax.

Nicoma Park officials attending the OWRB's monthly meeting in support of the loan application included Mark Cochell, Vice Mayor, and Beverly McManus, City Clerk.

"We are grateful to State Senators Anastasia Pittman and Ron Sharp, and State Representatives Gary Banz and Mike Shelton, for their support of our financial assistance programs," said J.D. Strong, executive director of the OWRB.



PROJECT APPROVALS

COLBERT PUBLIC UTILITIES AUTHORITY

ORF-15-0008-CW

BINDING COMMITMENT

Approval: \$950,000
Approval Date: 07/15/14

ASSISTANCE PROVIDED

Loan Amount: \$884,000
Funded Date: 02/09/15
Percent Complete as of 06/30/15: 40%
GPR: \$362,335 (EE)
Additional Subsidization: \$308,221.50
Estimated Savings: \$543,000



WEDNESDAY, JULY 16, 2014

COLBERT PUBLIC UTILITIES AUTHORITY RECEIVES \$950,000 WASTEWATER SYSTEM LOAN

The Colbert Public Utilities Authority (Authority) was approved for a \$950,000 loan Tuesday from the OWRB to facilitate improvements to the community's wastewater infrastructure. The OWRB approved the CWSRF loan during the panel's regular monthly meeting.

The loan proceeds will help convert the primary lagoon into two aerated lagoons, remove sludge,

reconstruct the main lift station, as well as rehabilitate the flow meters, valves, outlet boxes, rip-rap, yard piping, and lagoon dikes.

Joe Freeman, chief of the OWRB's Financial Assistance Division, calculated that the Authority's customers will save an estimated \$331,651, over the life of the 20-year loan, compared to traditional financing. The CWSRF loan shall be secured with a lien on the revenues of the water, wastewater, and sanitation systems. The Authority currently serves 923 water customers and 430

sewer customers. In addition to the OWRB's CWSRF loan, the project also has been awarded a \$300,000 Community Development Block Grant from the Oklahoma Department of Commerce. Colbert officials attending the OWRB's monthly meeting in support of the loan application included Doug McCleary, Engineer, and Charles Rainbolt, Bond Counsel.

"We are grateful to the state legislators in Bryan County for their support of our financial assistance programs," said J.D. Strong, executive director of the OWRB.



PROJECT APPROVALS

CADDO PUBLIC WORKS AUTHORITY

ORF-15-0009-CW

BINDING COMMITMENT

Approval: \$915,000
Approval Date: 12/16/14

ASSISTANCE PROVIDED

Loan Amount: \$895,000
Funded Date: 12/17/14
Percent Complete as of 06/30/15: 100%
GPR: \$0
Additional Subsidization: \$0
Estimated Savings: \$482,000



THURSDAY, DECEMBER 18, 2014

CADDO PUBLIC WORKS AUTHORITY APPROVED FOR \$915,000 LOAN TO REFINANCE WASTEWATER SYSTEM DEBT

The Caddo Public Works Authority (Authority) has been approved for a \$915,000 loan through the OWRB to refinance the remainder of two previous Rural Utility Service loans that were originally used to fund wastewater system improvements. The OWRB refinancing loan, made available through the OWRB's CWSRF loan program, was approved during the agency's monthly board meeting on December 16.

The Authority was created October 5, 1970, and currently serves 412 sewer customers. Approximately \$25,414 in local funds will also be used as part of the debt refinancing. The wastewater collection system consists of about 72,336 feet of gravity sewer mains that range from 6" through 10". Gravity sewer pipe materials consist of PVC and clay. No specific amount of manholes is mentioned and no materials are indicated for the manholes in the system. The average manhole diameter is 3 feet. There is only one lift station in the system to facilitate the transportation of sewage to the wastewater treatment plant. The lift station is electrically

operated. Treatment is mainly based on retention lagoons. The system consists of 12 total retention lagoons over 60 acres of total surface areas and bar screens.

Joe Freeman, chief of the OWRB's Financial Assistance Division, calculated that the Authority's sewer system customers will save an estimated \$482,000, over the life of the loan. The OWRB's CWSRF loan shall be secured with a lien on the Authority's water and sewer system, as well as the proceeds generated by a one cent sales tax.

"We are grateful to State Senator Josh Brecheen and State Representative Dustin Roberts for their continued



support of water and wastewater infrastructure funding in Oklahoma," said J.D. Strong, OWRB Executive Director.



PROJECT APPROVALS

PANAMA PUBLIC WORKS AUTHORITY

ORF-15-0010-CW

BINDING COMMITMENT

Approval: \$1,025,000
Approval Date: 07/15/14

ASSISTANCE PROVIDED

Loan Amount: \$1,022,000
Funded Date: 07/21/14
Percent Complete as of 06/30/15: 100%
GPR: \$0
Additional Subsidization: \$0
Estimated Savings: \$326,000



TUESDAY, JULY 15, 2014

PANAMA PUBLIC WORKS AUTHORITY RECEIVES \$1,025,000 WASTEWATER SYSTEM LOAN

The Panama Public Works Authority (Authority) was approved for a \$1,025,000 loan Tuesday from the OWRB. The OWRB approved the CWSRF loan during the panel's regular monthly meeting. The loan proceeds will be used to refinance loans that the Authority had obtained previously

to finance wastewater system improvement projects in past years.

According to Joe Freeman, chief of the OWRB's Financial Assistance Division, the Authority's customers will save an estimated \$258,077 in interest charges, over the life of the 17 and a half-year loan, compared to traditional financing. The CWSRF loan will be secured with a lien on the revenues of the wastewater system. The Authority currently

serves 554 water customers and 528 sewer customers. Panama officials attending the OWRB's monthly meeting in support of the loan application included Authority Chairman Lloyd Hale, and El Doris Weaver, Clerk.

"We are grateful to State Senator Mark Allen and State Representative Ed Cannaday for their support of our financial assistance programs," said J.D. Strong, executive director of the OWRB.



PROJECT APPROVALS

OKLAHOMA CITY WATER UTILITIES TRUST

ORF-15-0011-CW

BINDING COMMITMENT

Approval: \$800,000
Approval Date: 05/19/15

ASSISTANCE PROVIDED

Loan Amount: \$800,000
Funded Date: 06/30/15
Percent Complete as of 06/30/15: 0%
GPR: \$0
Additional Subsidization: \$0
Estimated Savings: \$137,000



WEDNESDAY, MAY 20, 2015

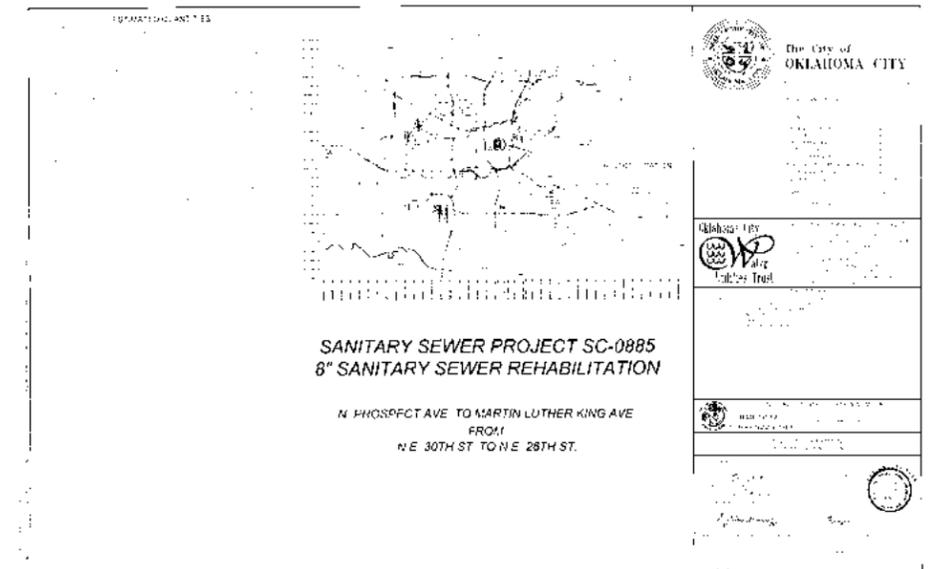
OKLAHOMA CITY WATER UTILITIES TRUST RECEIVES \$800,000 LOAN FOR WASTEWATER SYSTEM

The Oklahoma City Water Utilities Trust (Trust) was approved for an \$800,000 loan Tuesday from the OWRB to facilitate improvements to the community's wastewater infrastructure. The OWRB approved the CWSRF loan during the Board's regular monthly meeting.

The Trust will use the loan proceeds to rehabilitate an 8-inch sanitary sewer line, and replace and rehabilitate existing manholes, from NE 30th St. to NE 26th St. between N. Prospect Ave. and Martin Luther King Ave. in Oklahoma City.

Joe Freeman, chief of the OWRB's Financial Assistance Division, said the 30-year CWSRF loan shall be secured with a lien on the revenues of the Trust's water and sewer systems. The project will also include \$75,304 in local funding. Oklahoma City officials attending the OWRB's monthly meeting in support of the loan application included Bret Weingart, Assistant Utilities Director, Finance Director Billy Little, and Sam Samandi, Engineering Manager.

"We are grateful to State Legislators from the Oklahoma City metro for their support of our financial assistance programs," said J.D. Strong, executive director of the OWRB.



CHEROKEE DEVELOPMENT AUTHORITY

ORF-15-0012-CW

BINDING COMMITMENT

Approval: \$2,640,000
Approval Date: 06/16/15

ASSISTANCE PROVIDED

Loan Amount: \$2,640,000
Funded Date: 06/26/15
Percent Complete as of 06/30/15: 0%
GPR: \$0
Additional Subsidization: \$0
Estimated Savings: \$1,338,000



WEDNESDAY, JUNE 17, 2015

CHEROKEE DEVELOPMENT AUTHORITY RECEIVES \$2,640,000 WASTEWATER SYSTEM LOAN

The Cherokee Development Authority (Authority) received approval for a \$2,640,000 loan Tuesday from the OWRB to improve the community's wastewater infrastructure. Construction of upgrades and improvements to the Authority's wastewater system will be financed by Oklahoma's CWSRF.

The community's current treatment system consists of two primary lagoon cells, and two evaporation cell lagoons. The system discharges effluent into Clay Creek. The project will rehabilitate the existing lagoon system, therefore, providing increased water quality benefits for community residents and businesses in and near Cherokee.



Joe Freeman, chief of the OWRB's Financial Assistance Division, calculated that the Authority's customers will save an estimated \$1,365,000, over the life of the 30-year loan, compared to traditional financing. The CWSRF loan shall be secured by a lien on water, sewer, sanitation, rental revenues as well as a one cent sales tax. Cherokee officials attending the OWRB's monthly meeting in support of the loan application included Don Bowman, City Manager, and Roman Stevens, Operations Manager.



The CWSRF program is administered by the OWRB with partial funding from the EPA. Oklahoma utilizes the CWSRF program to provide communities the resources necessary to maintain and improve the infrastructure that protects our valuable water resources statewide.

"We are grateful to State Senator Patrick Anderson and Speaker Jeff Hickman, for their support of our financial assistance programs," said J.D. Strong, executive director of the OWRB.

OVERARCHING APPROPRIATIONS AND PROGRAMMATIC REQUIREMENTS

Oklahoma's Capitalization Grant was awarded on July 1, 2014 and included FFY 2014 Appropriations conditions. With the acceptance of the award, OWRB agreed to comply with all requirements pertaining to the Consolidated and Further Continuing Appropriations Act, 2014 (P.L. 113-6).

The Water Resources Reform and Development Act of 2014 (WRRDA) was signed into law by President Obama on June 10, 2014 and became effective on October 1, 2014. WRRDA provided changes to Titles I, II, V, and VI of the Federal Water Pollution Control Act and, in essence, reauthorized the CWSRF Program. Some of the more significant changes to the CWSRF program resulting from the reauthorization included: land purchase necessary for construction now being an eligible cost for wastewater infrastructure; up to a 30-year loan term for qualified projects/applicants; a fiscal sustainability plan required for infrastructure repaired or replaced as well as American Iron and Steel (AIS) and prevailing wage provisions becoming permanent requirements of the CWSRF Program.

The following WRRDA requirements became effective in SFY 2015:

- Davis Bacon §602(b)(6)
- NEPA §602(b)(6)
- Generally Accepted Accounting Principles §602(b)(9)
- Use of Fees §602(b)(11)
- Expanded Eligibilities §603(c)
- Loan Terms Up to 30 Years §603(d)(1)(A)&(B)
- Fiscal Sustainability Plans §603(d)(1)(E)
- Administrative Costs §603(d)(7)
- American Iron and Steel §608
- Definition of 212 Projects §212(2)(A)

This Annual Report documents the OWRB's compliance and implementation with both the Appropriations Act and WRRDA as well as highlights projects which were funded between July 1, 2014 and June 30, 2015.

Operating Agreement

The Operating Agreement (OA) between the State of Oklahoma and EPA incorporates required assurances,

certifications and specific requirements related to the appropriate use of funds under the CWSRF. The purpose of the OA is to define and integrate rules, regulations, guidelines, policies, procedures and activities to be followed by the EPA and OWRB. In order to incorporate the new WRRDA requirements, a revised OA became effective on January 1, 2015.

DEVELOPING SYSTEM SUSTAINABILITY AND RESILIENCY

EPA efforts in the area of sustainability practices and approaches include promoting green chemistry and engineering, managing materials rather than creating waste, using green infrastructure to manage storm water runoff, and supporting the sustainable design of communities. Sustainable design employs robust, comprehensive planning processes to deliver projects that are cost effective over their life cycle, resource efficient, and consistent with community sustainability goals. The EPA's Clean Water and Drinking Water Infrastructure Sustainability Policy suggests the need to build on existing efforts to promote sustainable water infrastructure, working with states and water systems.

Oklahoma's severe statewide drought and then extreme flooding further emphasized the very real need for water resiliency and sustainability planning in our communities. Oklahoma's CWSRF program encourages system sustainability by employing multiple steps beginning with the application questionnaire utilized to rank and review projects giving preference to those projects that include green infrastructure. Once the project was slated for possible funding, OWRB engineers worked closely with each project engineer to ensure that all possible options and technology with regard to reducing energy and water use were considered in the design.

In 2015 the OWRB finalized its online OASIS interface to bring sustainability ideas to new applicants or entities that want to consider a new project. The OASIS tool explores the benefits of these sustainability alternatives through the *Background Questions* section of the application.

Sustainability policy and goals were also addressed in the Wastewater Planning Guide (Guide) and Fiscal Sustainability Plan (FSP) released in July 2015. The Guide and FSP encourage systems to consider designing facilities that will be sustainable well into the future and can assist in fulfilling the new CWA requirements for asset management and system planning.

TABLE 2: OKLAHOMA CWSRF SUSTAINABILITY

This table indicates how projects funded satisfy the intent of the EPA's Sustainability Policy

Recipient	Loan Number	Project Title	Amount Funded ¹	Sustainability Criterion Met ²
El Reno MA	ORF-13-0003-CW	New WWTP	\$21,530,000	1,3
Nicom Park DA	ORF-15-0006-CW	Sanitary Sewer Collection System Expansion	\$4,120,000	1
Colbert PUA	ORF-15-0008-CW	WWTP Lagoons Improvements	\$884,000	1,3
Caddo PWA	ORF-15-0009-CW	Refinance of 2 existing RD loans for WW System Improvements	\$895,000	2
Panama PWA	ORF-15-0010-CW	Refinance of 2 existing RD loans for WW System Improvements	\$1,022,000	2
Oklahoma City WUT	ORF-15-0011-CW	Sanitary Sewer Collection System Rehabilitation	\$800,000	1
Cherokee DA	ORF-15-0012-CW	WWT Lagoons Rehab	\$2,640,000	1

¹ Final amount on the Promissory Note.

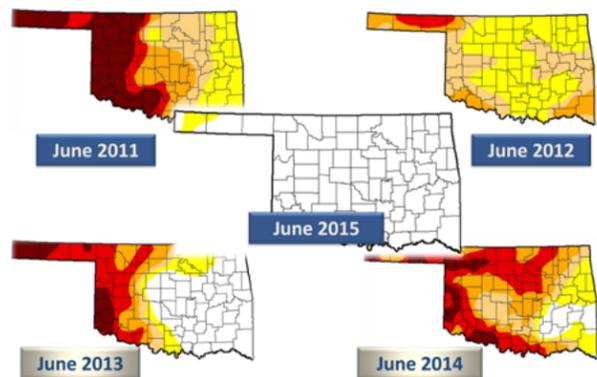
² Criteria are as follows: 1=Repair, replacement and upgrade of infrastructure in existing communities. 2=Investigations, studies or plans to improve technical, managerial, or financial capacity. 3=Preliminary planning and projects that reflect life cycle costs, conservation of natural resources, and alternative approaches.

Resiliency

Resiliency of water and wastewater systems in Oklahoma can best be attained through cooperation and connection between systems for redundancy and increased capacity. While such activities are more common in the water than in the wastewater sector, where feasible, it will be strongly encouraged by the Water for 2060 Advisory Council on its list of recommendations to go before the State legislature in fall of 2015.

The OWRB has addressed resiliency to extreme events such as drought and climate change in its production of the OCWP where studies were done for different climate scenarios. An analysis tool, dubbed "Oklahoma H2O," was developed to compare projected demands by basin; and an online drought tool developed in conjunction with the US Bureau of Reclamation and others.

Figure 3: Oklahoma Drought Conditions over 5 Junes



The OCWP further addresses climate change by providing new 2030 and 2060 demand projections for the two scenarios for both the Municipal and Industrial sector and the Crop Irrigation sector. The scenarios are for a "Hot/Dry" weather pattern and a "Warm/Wet" pattern. Both show a significant increase in demand. The OCWP Executive Report summarizes that: "Impacts on surface water gaps are expected to be

most significant under the Hot/Dry scenario and are anticipated to increase in severity. Federal, state, and local water planners should continue to monitor climate change science in light of these potential impacts on Oklahoma's supplies and demand."

Additionally, the US Bureau of Reclamation funded Drought Tool for Oklahoma is essentially an outline of drought management concepts and options with an exhaustive set of links to valuable resources available to entities and planners. The analysis tool, Oklahoma H2O is a Microsoft Access and GIS based tool that compares projected demands to physical supplies in each basin. It was a key foundation of the OCWP technical work and its projections. While this program is not off-the-shelf software for everyday users, Oklahoma H2O is available to provide future planners basin-level information on potential supply gaps and gives the flexibility to pose various "what-if" scenarios, including climate change scenarios, in making vital supply and management decisions.

Wastewater Planning Guide

Wastewater system planning decisions are local and can vary greatly by system. In SFY 2015 the OWRB began presenting the Guide as a way to assist public wastewater utilities in developing plans to meet their long-term needs. The Guide is an easy-to-use printed document with companion online fillable forms and spreadsheets designed to assist entities in developing detailed strategies to meet both their short term and long-term wastewater infrastructure needs; empowering entities to think about a more resilient, sustainable, and efficient design that will meet its long-term goals.

The Guide may be most useful for smaller utilities who have not prepared Capital Improvement Plans

(CIP) in the past. However, the steps and processes outlined are applicable to any size wastewater system. The Guide steps the user through the process of understanding what infrastructure it has in place, what its needs are, and the options it has to meet those needs using a question and answer format. The planning process involves several steps, including gathering data, identifying goals and objectives of the organization, developing and assessing alternatives to meet goals, and outlining methods to implement selected alternatives. Planning also includes periodic reassessment to account for any changes in conditions, goals, or objectives. The Guide also provides resources to additional information that may be valuable in the planning process. The intent of the Guide is not to provide a single solution that fits every system, but to provide a framework for collecting data that is necessary for long-range wastewater system planning.

The Guide, which can be found online at www.owrb.ok.gov/guides, includes color coded sections and tables for use with FSPs.

Fiscal Sustainability Plans – §603(d)(1)(E)

As amended, the CWA now includes section 603(d)(1)(E) which states that an FSP will be developed and implemented for proposed "repair, replacement, or expansion,..." of existing treatment works. Per EPA guidance, FSPs are required for projects who submitted a programmatic application on or after October 1, 2014. Programmatic Application is defined in the Oklahoma Administrative Code (OAC) in Section 785:50-9-9 as "the application that is required prior to being placed on the Project Priority List."

With new guidance in place, sustainability is intended to take a front seat in the design and development phase using the entity's own FSP.

The FSP includes, at a minimum:

- An inventory of critical assets (Section 4 of the Guide, Asset Management: Inventory Development, System Operation and Maintenance);
- An evaluation of the condition and performance of those assets (Sections 4 & 5, Wastewater System Administration, of the Guide);
- Documentation that the system has evaluated and will be implementing water and energy conservation efforts; and
- A plan to maintain, repair and replace the treatment works over time and a plan to fund these activities (Section 8 of the Guide).

An FSP is not initially required to describe an entire system, but rather, be a dynamic plan of sustainability that describes, in logical sections, the project being funded. As new projects come online, their respective FSPs should be added to any earlier FSPs that may exist and describe how it fits into the larger system context. The OWRB encourages that entities take a look at developing a system-wide FSP (fundable by the CWSRF) or at least doing so in stages as subsequent projects come online.

It is not the intention that all projects heretofore require an FSP. As explained in EPA's January 6, 2015 Memorandum regarding its WRRDA Interpretive Guidance footnote 5, page 12:

"FSPs are not required for new treatment works (unless they are physically replacing an existing treatment works or expanding the treatment capacity of an existing system) or for projects involving an upgrade that does not involve repair/replacement or expand the treatment capacity (e.g., adding advanced treatment)."

Hence, systems that are determined by the OWRB to meet the above description will not be asked to prepare or certify that they have an FSP. The OWRB will, however, continue to encourage the use of such plans in all new projects as a valuable tool for both maintaining their existing treatment works as well as establishing a better system long-term and planning for the funds that make it possible.

For assistance recipients who submitted a programmatic application on or after October 1, 2014, as part of their loan agreement, they certified with their loan agreement that they either:

- Have a plan that fulfills the requirements of the FSP. An additional certification will be received with the final reimbursement request that documents that their plan was updated to included the CWSRF funded infrastructure.
- Will develop an FSP as part of the CWSRF project. The OWRB will review the FSP prior to the final reimbursement request on site using the OWRB's FSP Checklist.

TABLE 3: PROGRAMMATIC APPLICATION DATES & WRRDA REQUIREMENTS

Recipient	Loan Number	Programmatic Application Date	Binding Commitment Date	Funded Date	AIS	FSP (Y/N)	NEPA	GPR*	Ad Sub*	FFATA*
El Reno MA	ORF-13-0003-CW	3/13/2013	8/19/2014	8/26/2014	X	N	X	X		X
Nicom Park DA	ORF-15-0006-CW	3/12/2014	5/19/2015	5/19/2015	X	N	X		X	X
Colbert PUA	ORF-15-0008-CW	3/25/2014	7/15/2014	2/9/2015	X	N	X	X	X	X
Caddo PWA**	ORF-15-0009-CW	3/19/2014	12/16/2014	12/17/2014	X	N	X			
Panama PWA**	ORF-15-0010-CW	4/1/2014	7/15/2014	7/21/2014	X	N	X			
Oklahoma City WUT	ORF-15-0011-CW	9/25/2014	5/19/2015	6/30/2015	X	N	X			
Cherokee DA	ORF-15-0012-CW	1/21/2015	6/16/2015	6/26/2015	X	Y	X			
Owasso PWA***	ORF-13-0005-CW	N/A**	11/19/2013	12/13/2013	N/A**	N/A**	X			X
Ardmore PWA***	ORF-13-0004-CW	N/A**	11/14/2012	11/20/2012	N/A**	N/A**	X			X
Tulsa MUA***	ORF-11-0003-CW	N/A**	4/12/2011	4/15/2012	N/A**	N/A**	X			X
Tulsa MUA***	ORF-12-0003-CW	N/A**	4/10/2012	4/30/2012	N/A**	N/A**	X			X
Enid MA***	ORF-09-0019-CW	N/A**	5/10/2010	5/25/2010	N/A**	N/A**	X			X
Ponca City UA***	ORF-07-0006-CW	N/A**	10/9/2007	10/9/2007	N/A**	N/A**	X			X

* Funds were from FFY 2014 Appropriations.

** Refinances

*** Funded prior to WRRDA. All federal requirements applicable at the time of loan closure were applied.

Online Benefits Assessment Program for Wastewater

The OASIS program was designed to help communities quantify the environmental, social, and economic benefits of their wastewater infrastructure investment. The information included in the resulting output statements can help community leaders make well-informed decisions regarding the types of projects that will best meet their community's short- and long-term goals.

For SFY 2015, the current application was developed and made available to communities for use via the OWRB website at www.owrb.ok.gov/oasis. The division decided however, to withhold intensive marketing of the product until further functionality could be completed. Scheduled for a Fall 2015 release, OASIS will include the "Treatment Effectiveness" of various available technologies on different parameters that may or may not be in an entity's wasteload allocation.

The OASIS project was developed as part of the OCWP and funded through the EPA and the OWRB.

ENCOURAGING STORMWATER PROJECT FUNDING by Lori Johnson

This year the ODEQ proposed a new general permit to replace the 2005 small Municipal Separate Storm Sewer System (MS4) general permit, OKR04. The ODEQ evaluated 66 small MS4s that are located in the 2010 Census urbanized areas and other areas that may have a high pollution potential. Of those, 51 will be required to submit a Notice of Intent (NOI) for the new MS4 permit. Seven of those 51 are new MS4s designated as a result of the 2010 Census.

In an effort to make the transition to the new permit seamless, the ODEQ hosted two training sessions on the issuance and new requirements of the OKR04 permit.

OWRB Financial Assistance staff was invited to discuss eligibilities for stormwater projects through the CWSRF program during the trainings. The discussion emphasized Green Infrastructure and Low Impact Development projects to meet the requirements of the OKR04 permit. Local and nationwide projects were given as examples. As a result of the presentations, one entity has expressed interest in a project through the program. Additionally, ODEQ stormwater staff gained knowledge about our program and will be able to help us spread the word as they talk to their permitted entities.



EXPANDED ELIGIBILITIES §603(C)/212(2)A

With the passage of WRRDA, projects eligible for consideration for funding expanded in SFY 2015. The expanded eligibilities were promoted during marketing sessions conducted by OWRB staff.

Eligibilities of Oklahoma's CWSRF Program include:

- Construction of publicly owned treatment works. Treatment works are defined by the Oklahoma CWSRF program as devices and systems that are used in the storage, treatment, recycling and reclamation of municipal sewage or industrial wastes of a liquid nature or necessary to recycle or reuse water. Projects that implement nonpoint source best management practices such as green infrastructure are not considered treatment works.
- Implementation of a nonpoint source management program;
- Development and implementation of a conservation and management plan under CWA Section 320;
- Construction, repair or replacement of decentralized wastewater systems that treat municipal wastewater;
- Measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water including those that are required by an MS4 permit. Projects may include but are not limited to green roofs, rain gardens, roadside plantings, porous pavement and rainwater harvesting;
- Measures to reduce the demand for publicly owned treatment works capacity through water conservation, efficiency or reuse. Assistance can only be provided for municipalities, inter-municipal or state agencies. Eligible projects include installation; replacement, or upgrade of water meters; plumbing fixtures retrofit or replacement; gray water recycling; water reuse; water audits and water conservation plans;
- Development and implementation of watershed projects consistent with Section 122 of the CWA. Eligible projects include watershed management of wet weather discharges, stormwater best management practices, watershed partnerships, integrated water resource planning, municipality-wide stormwater management planning or increased resilience of treatment works;
- Reusing or recycling wastewater, stormwater, or subsurface drainage water. Eligible items also include the purchase and installation of treatment equipment sufficient to meet reuse standards;

- Measures to reduce the energy consumption needs for publicly owned treatment works. Eligible projects include the installation of energy efficient lighting, HVAC, process equipment, electronic equipment and systems at publicly-owned treatment works, energy audits and optimization studies are also eligible;
- Measures to increase the security of publicly owned treatment works;
- Land necessary for construction including surface and subsurface easements, a place to store equipment and material during construction, land needed to locate eligible projects, and land integral to the treatment process.

INTEREST RATES AND FINANCING TERMS §603(D)(1)(A)&(B)

The interest rate on each loan reflects the current rate of approximately 60% of Municipal Market Daily (mmd) AAA scale spot rates through maturity plus 70 basis points. The interest rate is calculated approximately 10 days prior to loan closing.

Based on changes to the CWA, CWSRF loans now have a maximum term of 30 years or the anticipated weighted average life expectancy of the project components being financed, whichever is less. The worksheet that the OWRB uses to determine the Weighted Average Useful Life of project components can be found online at www.owrb.ok.gov/forms.

Terms may change for future loans. An additional 0.5% administrative fee is charged on the unpaid principal balances.

AFFORDABILITY

Seven (7) of the seven (7) projects funded (or 100%) in SFY 2015 were located in communities considered disadvantaged. For the CWSRF program, disadvantaged communities are defined as areas where the income of the community is less than 85% of the U.S. median household income. Two (2) of the disadvantaged communities funded had populations of less than 3,300 and consequently received additional subsidy in the form of principal forgiveness.

GREEN PROJECT RESERVE

The FFY 2014 Capitalization Grant Conditions state that “the recipient agrees to make a timely and concerted good faith solicitation for projects that address green infrastructure, water or energy efficiency improvements or other environmentally innovative projects. A good faith solicitation must be open to all GPR eligible projects in each of the four GPR categories.... The recipient agrees to include in its IUP such qualified projects, or components of projects, that total an amount at least equal to 10% of its capitalization grant.” As a result, Oklahoma was required to allocate a minimum of \$1,132,800 to projects which met the GPR requirements.

All projects listed on the SFY 2015 PPL were evaluated by OWRB engineers to determine if the project could be eligible under the GPR. As of June 30, 2015, two (2) of the loans approved in SFY 2015 included green components totaling \$1,400,335 (Table 4). Business cases and/or justifications were available for public viewing at www.owrb.ok.gov/greenreserve within the quarter in which the loan was made.

Green components are identified in the Engineering Report. The guidelines have been developed to assist consulting engineers in preparing engineering reports that include for the identification of green components and their associated estimated cost. The GPR components are tracked from the planning phase of the project through design, bidding, and construction. A tracking sheet has been developed to compare the estimated cost of the green components to actual purchased and installation cost. During construction inspections, green components are identified, evaluated and included in the inspection reports. They are reviewed again during the payment approval process.

ADDITIONAL SUBSIDIZATION

The FFY 2014 Capitalization Grant stated that “The recipient agrees to use funds provided by this grant to provide

additional subsidization in the form of principal forgiveness... to recipients of eligible Clean Water State Revolving loans in an amount at least equal to \$616,443 but no more than \$924,665...”

For SFY 2015, subsidy in the form of Principal Forgiveness was targeted for construction projects in communities with populations of less than 3,300 which were considered disadvantaged and unable to afford the financing. The Program had two qualifying entities, Colbert PWA and Nicoma Park PWA, each receiving Principal Forgiveness in the amount of \$308,221.50 for a total of \$616,443 (Table 4).

FFATA REPORTING

Reporting under the Federal Funding Accountability and Transparency Act (FFATA) was completed as required. FFATA reports were submitted monthly to the FFATA Subaward Reporting System as federal funds were drawn. The OWRB reports were based on the actual expenditure of federal funds. The amount reported to FFATA during SFY 2015 totaled \$11,328,000 which is equal to the 2014 capitalization grant.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES §602(B)(9)

CWSRF recipients are required to maintain project accounts in accordance with generally accepted governmental accounting standards. All loan agreements stipulate that the “Borrower shall maintain separate Project accounts in accordance with generally accepted government accounting standards.”

Active borrowers are required to submit financial audits annually to the OWRB. Annual Financial Audits were reviewed to verify that the borrowers maintained the minimum Debt Coverage Ratio required by their loan

Borrower	Small Community <3,300	Appropriation Year	Assistance Amount	Green Amount	Principal Forgiveness	Green Project Description	Green Category
Nicoma Park DA	Yes	2014	\$4,120,000	\$0	\$308,221.50	N/A	N/A
Colbert PUA	Yes	2014	\$884,000	\$362,335	\$308,221.50	High efficiency pump and motors at main lift station and premium efficiency motor at surface aerators	EE
El Reno MA	No	2014	\$21,530,000	\$1,038,000	\$0	High efficiency influent and effluent pump stations and cascade aerator	EE
TOTALS				\$1,400,335	\$616,443		

covenants. The audit’s opinions, findings and notes were also reviewed in an effort to identify risks and concerns regarding the borrowers’ financial and operational situation. Issues were discussed with the borrower or its auditor and resolved as needed. If required, CWSRF borrowers will be notified that a single audit was required. All single audits were reviewed in accordance with the revised Office of Management and Budget (OMB) Guidance and internal procedures. Information pertaining to federal expenditures passed through our programs was verified for accuracy. Federal expenditure amounts were verified by internal records. Any discrepancies in federal expenditure amounts between the single audits and internal records were resolved through contact with auditors. When necessary, single audits were corrected by the auditors and resubmitted.

NEPA REVIEW §602(B)(6)

All projects requesting funding from the CWSRF program were subject to an interdisciplinary environmental review by the OWRB consistent with the National Environmental Policy Act (NEPA) as required by the FWPCA section 511(c) (1). The Oklahoma CWSRF applies a NEPA-like State environmental review process to all projects seeking funding through the CWSRF program regardless of the source of funding. Oklahoma’s State Environmental Review Process is memorialized as part of the OWRB’s Chapter 50 Rules and reviewed annually by the EPA.

There are three basic environmental determinations which can apply to projects funded with the CWSRF. These include Categorical Exclusion (CATEX), Finding of No Significant Impact (FONSI) following the preparation of an Environmental Assessment (EA) or a Record of Decision (ROD) following the preparation of an Environmental Impact Statement (EIS). The Board may also choose to accept determinations made by other federal agencies in lieu of conducting

a formal environmental review. In this case, a Statement of Finding (SOF) would be issued. Seven (7) environmental determinations were made during SFY 2015 and are listed in Table 5 for each project.

As part of the environmental review, the Oklahoma CWSRF program required all projects in SFY 2015 to be in compliance with Federal Environmental Cross-Cutting Requirements. The requirements are those provisions in federal law, executive orders, and government-wide policies which apply by their own terms to projects and activities receiving federal financial assistance. Consultants for projects which anticipated receiving a FONSI were required to send a request for comment letter to all cross-cutter agencies, as listed in the Funding Agency Coordinating Team (FACT) Environmental Information Document (EID) Checklist for the preparation of the EID for wastewater projects. A response was required from each agency responsible for the cross-cutter, confirming the project would have no impact. In the case that no response was received, the CWSRF staff made an internal determination and documented that the cross-cutter was not impacted. For projects receiving a CATEX determination, CWSRF staff sent request for comment letters and did internal determinations based on information received from the project owners. Documentation for this determination was included in the CATEX determination.

BENEFITS REPORTING CBR/NIMS

The OWRB complied with reporting requirements regarding the utilization of funds under the SFY 2015 IUP. The major reporting vehicle was the CWSRF Benefits Reporting (CBR) Database. This reporting was done within 30 days of loan closing. Reporting included basic information including additional subsidization,

Community	Loan Number	Enforcement Schedule Order	Decision Type	Date
Caddo PWA	ORF-15-0009-CW	Yes	SOF	12/15/2014
Cherokee DA	ORF-15-0012-CW	Yes	CE	5/8/2015
Lexington PWA	ORF-15-0005-CW	Yes	CE	3/20/2015
Oklahoma City WUT	ORF-15-0011-CW	No	CE	5/14/2015
Nicoma Park DA	ORF-15-0006-CW	No	FONSI/EA	9/22/2014
Panama PWA	ORF-15-0010-CW	Yes	SOF	7/11/2014
Perkins PWA	ORF-16-0004-CW	No	CE	6/30/2015

* El Reno MA, Loan No. ORF-13-0003-CW, was issued a FNSI/EA on 10/18/2013.

GPR components, general data elements and environmental benefits. The National Information Management System (NIMS) reporting was completed in September for SFY 2015.

SFY 2015 loans were reported in CBR based on the loan closing amounts and closing dates. These were entered as CBR datafield "Initial Agreement." CBR data for SFY 2015 loans were digitally uploaded into NIMS. Loan amounts reported in the SFY 2015 Annual Report however, are based on the *Letter of Binding Commitment* (Board Approval) amount and date (Table 1). Binding Commitment amounts are occasionally greater than the final "loan closing" amounts as they are generally made prior to the bidding and subsequent loan closing process. However, one loan had a supplemental Binding Commitment and subsequent Initial Agreement in SFY 2015; therefore the promissory note was much greater than the Binding Commitment amount reported. These differences create a reporting variance of both dates and values between the SFY 2015 NIMS Report and SFY 2015 Annual Report.

A total of \$31,891,000 of "assistance" (amount for OWRB "closed loans") minus this year's deobligations of \$5,303,208.36 gave an amount that was reported to NIMS for the SFY 2015 of \$26,587,791.64.

DISADVANTAGED BUSINESS ENTERPRISE

To ensure compliance with the OWRB's Capitalization Grant and EPA's Disadvantaged Business Enterprise (DBE) requirements, the OWRB has established a DBE program in accordance with the regulations of 40 CFR Part 33. Both Loan Recipients (Project Owners) and Prime Contractors are required to implement DBE Guidance (ORF-267) found at www.owrb.ok.gov/forms. The OWRB submits a "Minority Business Enterprise (MBE) / Women Business Enterprise Utilization under Federal Grants, Cooperative Agreements" report (EPA Form 5700-52A) annually to the EPA. The OWRB reported \$572,320 procured to MBEs and \$33,080 to WBEs for the FFY 2014 Capitalization Grant.

DAVIS BACON §602(B)(6)

The Appropriations Act includes the following information regarding the applicability of Davis Bacon (DB) and prevailing wage requirements: "Under the FY 2013 Continuing Resolution, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by CWSRF. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site." Compliance procedures were provided in Oklahoma's FFY 2014 Capitalization Grant.

The DB requirements were included in the required information to bidders as part of the Supplemental Conditions (ORF-185) and posted on OWRB's website at www.owrb.ok.gov/forms. The passage of WRRDA continued these requirements; however, they are now part of the CWSRF authorizing language.

For every project, OWRB staff verified that appropriate wage rates were being utilized, and that the wage rates and DB posters were posted at the job site where it could be seen by all. Additionally, OWRB staff reviewed weekly payroll forms during site visits, and received certifications from borrowers or their designees that payroll reports were reviewed on a weekly basis and are accurate. OWRB staff also conducted interviews with workers on site to ensure compliance with all DB requirements.

AMERICAN IRON AND STEEL §608

Beginning with the FFY 2014 Appropriation, WRRDA further codified the requirement that funds made available from a CWSRF may not be used for a project for the construction, alteration, maintenance, or repair of treatment works unless all of the iron and steel products used in the project are produced in the United States. The term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, construction materials.

The AIS requirements were included in the required information to bidders as part of the Supplemental Conditions (ORF-185) posted on the OWRB's website at www.owrb.ok.gov/forms and also in the advertisement information and other front end documents for loans approved in SFY 2015. All materials that fall under the AIS requirements are inspected and checked to ensure that they are made in the USA, and have the manufacturer's certifications. Materials that qualify for de minimus waiver are tracked to ensure that they do not exceed five percent of the total material cost. Any deviations from the AIS requirements are noted in the inspection report.

LOAN CONDITIONS

The loan documents are reviewed annually to ensure that they adhere to the necessary state and federal regulations. This includes updating language that is appropriate for each new Capitalization Grant condition. This past year the agreements were modified to address the new WRRDA requirements for borrowers and added language regarding the OMB Guidance on Single Audits.

SCIENCEFEST OKLAHOMA

by Lori Johnson and Kate Burum

ScienceFest Oklahoma is an annual event that targets 4th and 5th grade students from all over Oklahoma. The mission of ScienceFest Oklahoma is "to set the national standard for educating youth of the benefits of protecting our environment, conserving natural resources and using alternative energies" with a goal of providing a "learning experience to remember." The planning committee is made up of individuals from different state agencies including 2 from the OWRB, private citizens and a public corporation.

This year's event was held on April 30, 2015 at the Oklahoma State Fairgrounds. There were 45 different activity stations focusing on interactive science, technology, engineering or math activities reaching 2,363 students. Thirteen activity stations focused on water in some way.

The planning committee worked diligently this year in ensuring that ScienceFest was not just a one day experience but something that could be brought back to the classroom and even into career exploration. In addition to providing hands-on, interactive science activities the day of the event, the committee was able to provide teacher kits to approximately 110 teachers that attended the event that day. Additionally, the committee created a Science Career Electronic Scavenger Hunt. By participating, students were able to get a glimpse into possible careers in science and find answers and fun facts related to that career.

In addition to the OWRB's support on the committee, a majority of our Financial Assistance Division staff attend as presenters, teaching the students about wastewater treatment, infrastructure and conservation. They accomplished this through an interactive life size game board that requires teamwork and decision making skills.

This is a highly anticipated event amongst our staff and our agency puts a high priority on ensuring future generations take an interest in science. It has always been a very successful event and serves as a way for OWRB to "pay it forward" by educating students from all over Oklahoma on water and wastewater issues!



Photos by Oklahoma Forestry Services

STATUS AND CHANGES

The SFY 2015 IUP was amended twice to reflect the changes resulting from WRRDA, the addition of new projects, adjustments to the loan award dates, revisions to the construction assistance amounts, updates to the GPR amounts as well as subsidy amounts.

AMENDMENT I – SEPTEMBER 30, 2014

Programmatic Changes to the IUP

The Amendment provided updates to the IUP based on the approval and effective date of WRRDA. Changes were in the areas of:

- Clarification regarding definition of Application Dates;
- Extended Loan Terms for non-disadvantaged communities;
- Expanded Eligibilities;
- Fiscal Sustainability Plans;
- Architectural and Engineering Contracts; and
- Identification of Equivalency Projects.

Priority List Revisions

Addition of New Projects: Oklahoma City WUT submitted a request for projects to be considered for loan funding during SFY 2015, 2016, 2017, and 2018.

Other changes: Several entities with projects listed on the SFY 2015 CWSRF PPL had ranking changes due to revised project items or construction estimates and/or target project approval dates. The list was revised to reflect these adjustments.

Additional Requirements

Green Project Reserve

El Reno MA's and Colbert PUA's projects were identified as including elements that qualified under the GPR. The project description and business case were available on OWRB's website at www.owrb.ok.gov/greenreserve at the time of project funding.

Additional Subsidy

Additional subsidy was available on a first come first serve basis per the SFY 2015 IUP and a project's readiness to proceed. The PPL listed any changes in subsidy based on the revised project ranking.

AMENDMENT II – FEBRUARY 26, 2015

Priority List Revisions

Addition of New Projects: Cherokee DA submitted a request to be considered for loan funding during SFY 2015.

Other changes: Several entities with projects listed on the SFY 2015 CWSRF PPL had ranking changes due to revised project items or construction estimates and/or target project approval dates. The list was revised to reflect these adjustments.

Additional Requirements

Green Project Reserve

No additional projects were identified as including elements that qualified under the GPR.

Additional Subsidy

Colbert PUA's and Nicoma Park PWA's projects were identified as eligible to receive additional subsidization under the FFY 2014 Appropriation Provisions. Additional subsidy was available on a first come first serve basis per the SFY 2015 IUP and a project's readiness to proceed. The PPL listed the amount of subsidy provided to the two entities.

TECHNICAL ASSISTANCE by Matt Sellers

The Financial Assistance Division is committed to maintaining positive relationships with its borrowers throughout the life of their loans. One way we do this is through one-to-one marketing, which emphasizes personalized interactions with borrowers. Individualized assistance is provided through site visits scheduled at the entities' convenience. This proactive approach establishes a rapport that strengthens customer loyalty and creates return borrowers.

On a typical site visit, the borrower is provided with planning tools such as our Public Wastewater Supply Planning Guide and given examples of how these tools can assist in future development. Any questions or concerns of the borrower are addressed and we gain a feel for the challenges facing the entity. By discovering their short and long term needs, the OWRB is able to inform them of the various ways in which we can help. The advantages of the CWSRF program, such as term flexibility, no reserve requirement, and a subsidized AAA interest rate, are promoted to those facing wastewater and stormwater issues. Through these visits, we are able to solidify a customer base for years to come.

Goals set out in the IUP provide a road map for activities conducted throughout the year. The FY 2015 IUP included ten (10) short-term and seven (7) long-term goals for the year.

SHORT-TERM GOALS AND ACCOMPLISHMENTS

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)(I) of the Act.

Five (5) of the seven (7) projects funded during SFY 2015 were proposed as a result of violations to wastewater discharge permits and/or enforceable order violations detailing a specific short-term compliance schedule. This assistance allows these communities to attain compliance with the enforceable requirements of the CWA 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.

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 groundwater quality standards.

Once constructed, all funded projects will contribute to the long-term elimination of pollution to surface and groundwater. As detailed in Table 14, loans were made to five (5) communities to address consent order or enforceable schedule. Five (5) 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). Five (5) projects are located within hydrologic basins where groundwater vulnerability is designated as "Very High" to contamination from surface sources of pollution as designated in Oklahoma's Water Quality Standards or affecting source water protection areas.

Work with state/local agencies to identify current gaps in the State's nonpoint source, stormwater, green infrastructure and Brownfields funding, identify potential CWSRF-eligible projects, and develop appropriate financing strategies, as necessary.

The Oklahoma CWSRF program team consults with sister state agencies periodically during the year to identify

potentially CWSRF eligible projects. Additionally, the ability to fund these types of projects is forefront in program presentations made by staff to systems as well as service providers. In SFY 2015, no projects were identified in these areas for funding.

As interest is received, 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.

In SFY 2015, seventy-one percent (71%) (five of seven) binding commitments for long-term, low-interest loans were made to Oklahoma's communities with populations of under 10,000. The amount approved for these systems was approximately \$9.56 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.

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

This goal is being achieved on an ongoing basis. The CWSRF five-year PPL 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.

Gain approval of applications for the FFY 2014 CWSRF capitalization grant appropriations and have grant funds awarded within the 3rd quarter FFY 2014.

The FFY 2014 CWSRF capitalization grant was awarded on and had a budget project period beginning July 1, 2014.

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

During SFY 2015, \$2,265,600 was reallocated from the 2012B bond proceeds to meet the remaining state match requirement necessary for the 2014 Capitalization Grant.

Based on detailed projected cash flows of the OWRB's CWSRF Program provided by OWRB Financial Advisor FirstSouthwest, the state match debt was structured to coincide with the repayment of the bonds. The intention was for total income to be slightly in excess of debt service to ensure adequate coverage. This

GOALS AND ACCOMPLISHMENTS

schedule and bond sizing provides for required bond repayment while allowing the CWSRF program sufficient operational capacity for upcoming projects.

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, 2031.

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

This goal was met, as this request was made through both the CWSRF and DWSRF IUPs. Oklahoma has reserved the authority to transfer 33% of the SFY 2003 through 2014 capitalization grants, totaling over \$51 million. To date, \$32.9 million has been transferred from the CWSRF to the DWSRF. It is anticipated that an additional \$4 million will be available through the FFY 15 DWSRF Capitalization Grant.

Complete a revenue bond issue to meet funding shortfalls and to provide matching funds for federal capitalization grants.

A bond issue was not necessary to meet the demands during SFY 2015; however, OWRB did close the 2014A Bond Issue to refund the 2004 State Revolving Fund Bond Issue.

In order to ensure a low level of unliquidated obligation of federal funds, maintain a maximum of two capitalization grants open at any given time.

The FFY 2014 Capitalization Grant was awarded in July 2014. Closeout paperwork for the SFY 2014 grant was submitted July 10, 2015 and listed an end date of June 30, 2015.

LONG-TERM GOALS AND ACCOMPLISHMENTS

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.

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 SFY 2015, five (5) commitments were made for projects as a result of a state or federal enforceable compliance 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 SFY 2015 IUP, but were not ready to proceed to loan commitments during the year. Many of the projects not funded in SFY 2015 have been moved to the SFY 2016 IUP and are scheduled to be funded during SFY 2016.

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.

This goal is accomplished on an ongoing basis. Loans made during SFY 2015 assist communities in 1) eliminating sewage system bypasses which degrade the integrity of the surface water of the state through rehabilitation efforts to repair damaged or inoperable components or to reduce system infiltration and inflow, 2) providing greater system capacity, and/or 3) providing additional levels of treatment to reduce pollutant loads to effluent receiving streams. 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 CWA 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.

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

This goal is achieved on an ongoing basis through the funding projects under the program. Of the seven (7) projects approved in SFY 2015:

One (1) project implemented aspects of approved water quality plans;

One (1) project was located in a top ten Nonpoint Source Priority Watershed;

Five (5) projects discharge into 303(d) listed stream segments; and

Two (2) projects were implemented in a Nutrient-Limited Watershed.

GOALS AND ACCOMPLISHMENTS

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.

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 maintaining 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 Table 6). 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 the Capacity Model, which demonstrates perpetuity and is available on the OWRB's website at www.owrb.ok.gov/audit.

TABLE 6: STATEMENT OF SOURCES AND USES OF FUNDS AND AGING SUMMARY			
Sources	Cumulative Total through June 30, 2014	July 1, 2014 - June 30, 2015	Cumulative Total through June 30, 2015
Federal Capitalization Grants	285,771,600	11,328,000	297,099,600
ARRA Capitalization Grant	31,662,100		31,662,100
State Match			
Appropriation/Agency Cash - Committed	14,521,100		14,521,100
Provided from State Match Bond Issues	40,763,170	2,265,600	43,028,770
CWSRF Bond Proceeds	393,089,957		393,089,957
Principal Repayments on Assistance Provided	421,675,981	29,990,059	451,666,040
Interest Repayments on Assistance Provided	70,724,639	9,390,800	80,115,439
Investment Earnings	74,317,838	1,912,277	76,230,115
TOTAL SOURCES	1,332,526,386	54,886,736	1,387,413,122
Uses			
Loan Assistance Disbursed (Base Program)	836,886,296	47,934,929	884,821,225
ARRA Loan Assistance Disbursed	30,395,616		30,395,616
Leveraged Bond Debt Service			
Principal	167,080,000	12,855,000	179,935,000
Interest	67,049,709	8,401,843	75,451,552
Bond Debt Service Reserve	34,628,536	(3,077,638)	31,550,898
State Match Bond Debt Service - Principal	2,136,000	495,000	2,631,000
ARRA Administrative	1,266,484		1,266,484
Administrative Expenses (Non-ARRA)	2,496,721		2,496,721
Transfer to DWSRF Program	32,992,182		32,992,182
TOTAL USES	1,174,931,544	66,609,134	1,241,540,678
Total Source of Funds for FY 2015		54,886,736	
Less Total FY 2015 Expenditures		(66,609,134)	
DIFFERENCE OF SOURCES AND USES		(11,722,398)	

Aging Schedule FY 2015	
Name of Loan Recipient	Over 30 Days
None	\$0

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

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.

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 an 18.1% cumulative retained earnings as a percentage of contributed capital. Visit www.owrb.ok.gov/audit for more information.

Encourage communities to develop sustainable systems that employ effective utility management practices to build and maintain the level of technical, financial and managerial capacity necessary to ensure long-term sustainability.

The OWRB finalized the OASIS Program which is a web based application that will assist communities in making sustainable decisions. The program has been available for use by Oklahoma systems since April 2015. Additionally, the OWRB finalized a wastewater planning guide to help systems with long-term sustainable infrastructure planning. The Guide was available for use by Oklahoma systems beginning in August 2015.

Encourage communities to plan and integrate into their projects innovation water conservation practices including reuse, reclamation, conservation pricing, conservation incentives, or other measures that will assist Oklahoma in reaching the goals outlined in the Water for 2060 initiative.

As part of the OWRB’s ongoing outreach to systems, discussions on conservation and other Water for 2060 proposed measures are continually discussed during field visits and conferences. As a result, the first projects to be funded in SFY 2016 via the CWSRF program will be Automated Meter Reading Projects.

SPREADING THE NEWS IN OKLAHOMA by Charles de Coune and Lori Johnson

During Fiscal Year 2015, Financial Assistance employees reached potential loan applicants, along with their engineers and advisors, through a number of methods. The OWRB staffed Financial Assistance exhibits at multiple conferences, held two stand-alone Funding Opportunities training sessions, and provided short presentations on funding opportunities at workshops on Sustainability and Financial Management. Along with assisting in our efforts to reach out to potential borrowers, these activities reinforced the OWRB’s status as Oklahoma’s recognized leader in water and sewer infrastructure financing.

The American Public Works Association of Oklahoma (APWAOK) and the Oklahoma Water Environment Association (OWEA), a member association of the Water Environment Federation (WEF), held their annual technical conference in the spring of 2015. The theme was “Moving Forward to a Sustainable Oklahoma.” Featured presentations addressed water reuse, asset and capital planning, treatment plant operations and sustainability, water/wastewater, regulatory updates, innovative design and more. Among the presenters was OWRB’s executive director, J.D. Strong, with an update on the 2060 Comprehensive Water Plan. The OWRB’s exhibit at the conference was able to reach out to current and potential customers in order to discuss the CWSRF expanded eligibilities and funding for potential projects.

The OWRB’s marketing efforts do not stop at our participation in conferences and workshops. In 2015, the OWRB rolled out the H2Olistic outreach program, through which members of management visit municipalities and rural water/sewer districts to go over “All things OWRB.” Thanks to this outreach, entities learn about all aspects of the OWRB, not the least of which is the CWSRF funding program. Along with the formal marketing approaches in place, all members of the Financial Assistance Division look for opportunities to educate entities about the CWSRF program.

BINDING COMMITMENTS & ASSISTANCE ACTIVITY - NIMS

A “binding commitment” as defined by OWRB 785:50 means “legal obligations by the State to the local recipient that define the terms and the timing for assistance under the Clean Water SRF.”

As detailed in Table 1, the Oklahoma CWSRF entered into binding commitments for seven (7) SFY 2015 projects, all of which were distributed to \$212 sewer construction and refinancing projects. There were no \$319 or \$320 projects funded this fiscal year. These \$212 activities including adjustments, totaled \$16.3 million meeting the 120% requirement. Assistance provided reportable to NIMS for SFY 2015 totaled \$26.6 million.

SOURCES, USES AND GUARANTEES OF FUNDS

As shown in Table 6, sources of funds totaled approximately \$54.9 million. Federal funds are drawn as construction is completed and reimbursement requests are submitted. Federal funds are drawn down as quickly as possible using the First In First Out method. Total expenditures or “uses” of funds, totaled \$66.6 million.

BYPASS PROCEDURES

The OWRB has established bypass procedures within the 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 fundable 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.” Due to available capacity within the program there were no bypassed priority projects in SFY 2015.

FINANCIAL SUSTAINABILITY

The OWRB and FirstSouthwest Company have developed the Clean Water SRF capacity model to gauge the long-term health of the SRF. The model is continually monitored throughout each fiscal year to assure that the

perpetuity of the CWSRF program is sustainable. A snapshot of the long-term sustainability of the fund can be found online at www.owrb.ok.gov/audit.

CWSRF PROGRAM COMPLIANCE AND FINANCIAL AUDITS

Arledge & Associates Inc., Certified Public Accountants were retained to audit SFY 2015 CWSRF financial statements and compliance for the program. The Single Audit of the program, audited financial statements, along with the financial statements of the administrative fund held outside the CWSRF can be found at www.owrb.ok.gov/audit.

INTEREST RATE SUBSIDY

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. The OWRB offers CWSRF loans at an interest rate equal to 60% of the MMD AAA scale spot rates for each year though maturity with 70 basis points added to compensate for risk. The interest rate is calculated approximately 10 days prior to loan closing and is provided to communities regardless of credit quality. Our interest rates have stayed similar to past CWSRF interest rates and are commonly in the 2.16% – 3.26% range.

STATE MATCHING FUNDS

Through SFY 2015, Oklahoma received federal capitalization grant awards totaling almost \$318 million matched in previous years by \$57.3 million in state funds. As a part of the Series 2012B Bond Issue, \$2.265 million of the bond proceeds were reallocated to cover the 20% match for the 2014 capitalization grant.

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.

FINANCIAL INDICATORS

In an effort to measure the pace, Oklahoma’s CWSRF incorporates “financial indicators” into annual program review. The Financial Indicators table below presents seven key measures that reflect the different financial objectives of the SRF and provides broad indicators of how the CWSRF is meeting them.

GRANT PAYMENT SCHEDULE

The OWRB is committed to the timely and expeditious use of its Capitalization Grant funds by expending those funds usually within the SFY they are received. The FFY 2014 Capitalization Grant was completely drawn and closed-out with EPA in SFY 2015.

TABLE 7: FINANCIAL INDICATORS

Financial Indicators	Fund Analysis for the Reporting Year Ending June 30 of:								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Federal Return on Investment									
306 *Annual	224%	181%	3840%	196%	337%	384%	569%	644%	1390%
307 *Cumulative	232%	229%	247%	242%	253%	265%	278%	287%	299%
Executed Loans as a % of Funds Available									
308 *Annual	183%	171%	223%	374%	55%	370%	31%	135%	119%
309 * Cumulative	90%	92%	97%	118%	106%	111%	100%	102%	103%
Disbursements as a % of Executed Loans									
310 *Annual	51%	70%	80%	23%	121%	174%	182%	62%	180%
311 *Cumulative	87%	86%	85%	70%	75%	81%	85%	84%	86%
Additional Loans Made Due to Leveraging									
312 *Annual	6,641,881	13,402,858	26,574,962	148,666,847	28,878,228	43,218,046	10,946,356	22,584,767	7,308,410
313 *Cumulative	31,645,531	45,048,389	71,623,351	220,290,198	249,168,426	292,386,472	303,332,828	325,917,595	333,226,005
314 *Cumulative Additional Loans as a % of Contributed Capital	13%	18%	28%	74%	74%	87%	87%	90%	92%
Sustainability (Retained Earnings) Excludes Subsidy									
318 *Annual	4,169,290	4,701,038	4,603,656	3,698,749	3,479,826	1,398,069	828,929	-141,142	-121,277
319 *Cumulative	38,054,699	42,755,737	47,359,393	51,058,142	54,537,968	55,936,037	56,764,966	56,623,824	56,502,547
320 *Cumulative Additional Loans as a % of Contributed Capital	15.9%	17.4%	18.6%	19.2%	18.0%	18.6%	18.1%	17.4%	17.3%
Subsidy Information from CBR as of Report Date									
321 Grant Amount			0	0	0	0	0	0	0
322 Negative Interest			0	0	0	0	0	0	0
323 Principal Forgiven			6,229,556	24,210,271	1,967,220	2,714,580	1,090,416	508,067	616,443
324 *Total Annual Subsidy			6,229,556	24,210,271	1,967,220	2,714,580	1,090,416	508,067	616,443
325 *Total Cumulative Subsidy			6,229,556	30,439,827	32,407,047	35,121,628	36,212,043	36,720,110	37,336,553
Green Project Reserve (GPR) from CBR as of Report Date									
326 Green Infrastructure			1,250,000	6,167,762	0	0	0	0	0
327 Water Efficiency			1,140,000	284,572	3,430,437	1,878,492	3,735,536	2,407,000	0
328 Water Conservation			0	233,973	1,165,500	0	0	579,000	0
329 Green Innovation			0	0	676,914	0	350,793	0	0
330 *Total Annual GPR			2,390,000	6,686,308	5,272,351	1,878,492	4,086,329	2,986,000	0
331 *Cumulative GPR			2,390,000	9,076,308	14,348,658	16,227,150	20,313,479	23,299,479	23,299,479

* Calculated values.

THE GRAND CONCEPTOR COMES TO PONCA CITY by Cole Perryman

The Ponca City Utility Authority (PCUA) recently utilized \$1.668 million of their CWSRF loan to rehabilitate an 80-year old sewer line. A challenge from the outset, the project’s sewer line ran through the Phillips 66 Refinery, was plagued by frequent backups, had multiple broken and missing pipe segments, and had large amounts of groundwater inflow and infiltration.

For the duration of the project, the refinery would be operating at full capacity 24 hours a day. This meant that the project must adhere to the refinery’s safety requirements, and coordinate with the refinery’s schedule. Finally, the project would also have to take into account the location where the sewer line crossed beneath the refinery’s BNSF railway.

In order to provide the most effective, cost-efficient engineering design, project consultants Cabbiness Engineering evaluated nearly 6,700 feet of sewer main and chose an innovative trenchless rehabilitation technique which combined pipe-bursting and a cured-in-place approach.

Upon project completion, the project team demonstrated to the refinery a \$254,000 annual savings in sewage billing, and significant reductions in water use at the refinery’s fire response storage ponds. Through a strong public/private partnership between the PCUA, the Phillips 66 refinery, the OWRB, and Cabbiness Engineering, the project was completed within budget and within the four-month construction schedule.

After decades of city leaders, refinery management, and vocal citizens’ concerns that a sensible and affordable construction solution for this sewer project could not be designed, the reality was instead an award-winning project. Ultimately, the project was named as the 2015 Environmental Category Project by the American Public Works Association (APWA) Oklahoma Chapter, was chosen as the APWA Oklahoma’s 2015 Project of the Year, and was given the American Council of Engineering Companies of Oklahoma’s 2014 Engineering Excellence “Grand Conceptor” Award. The project was an exemplary success and an illustration of the local water infrastructure solutions that are the hallmark of the CWSRF program.

FEES §602(B)(12)

Administrative fees are assessed to each participating borrower at the rate of one-half of one percent (0.5%) per annum of the amount of each borrower’s loan balance outstanding. These totaled \$2,216,820.98 in SFY 2015. Application fee rates totaled \$4,250 for SFY 2015. As required by §602(b)(11), these fees are deposited into the CWSRF administrative account outside of the SRF for operating expenses.

TABLE 8: LOAN APPLICATION FEES

\$249,999 or less	\$100.00
\$250,000 - 999,999	\$250.00
\$1,000,000 or more	\$500.00

ADMINISTRATIVE COSTS §603(D)(7)

With WRRDA, the methodology of determining funds allowable “for the reasonable costs of administering the fund and conducting activities” has changed.

The OWRB has the option of using one of the following methods:

- An amount equal to 4 percent of all grant awards received by a state CWSRF less any amount that have been used in previous years to cover administrative expenses;
- \$400,000; or
- 1/5 percent of the current valuation of the fund.

As documented in the OWRB’s OA, it is beneficial to the OWRB to continue to utilize the 4% of all grant awards received by the state.

CONSTRUCTION STARTS AND INITIATION OF OPERATIONS

The Program saw seven (7) projects begin construction within SFY 2015. After subtracting the total of this year’s de-obligations of \$5,303,208 from the total Assistance Amount of the 7 loans, a total annual assistance amount of \$39,087,792 was reported to NIMS for SFY 2015. Eleven (11) projects completed construction and initiated operations within SFY 2015. After subtracting the total of this year’s de-obligations plus the change in assistance for the Enid MA of \$4,518,257 from the total Assistant Amount of the 11 loans, a total annual assistance amount of \$29,739,417 was reported to NIMS for SFY 2015.

TABLE 9: HISTORICAL FUNDING SOURCES

Fiscal Year	Federal Cap Grant Amount	State Match Amount	Over Match Amount	Bond Issue Proceeds	Notes	Less 4% Administration	Total Available for Assistance
1988	\$9,278,000.00	\$1,855,600.00	\$0.00	\$0.00	(1)	\$371,120.00	\$10,762,480.00
1989	\$7,597,400.00	\$1,519,480.00	\$0.00	\$0.00	(2)	\$303,896.00	\$8,812,984.00
1990	\$7,862,000.00	\$1,572,400.00	\$0.00	\$0.00	(3)	\$314,480.00	\$9,119,920.00
1991	\$16,580,619.00	\$3,316,123.80	\$0.20	\$0.00	(3)	\$663,224.76	\$19,233,518.24
1992	\$15,697,737.00	\$3,139,547.40	\$0.60	\$0.00	(4)	\$627,909.48	\$18,209,375.52
1993	\$15,528,546.00	\$3,105,709.20	-\$0.20	\$0.00	(5)	\$621,141.84	\$18,013,113.16
1994	\$9,632,600.00	\$1,926,520.00	\$0.00	\$0.00	(6)	\$385,304.00	\$11,173,816.00
1995	\$9,951,183.00	\$1,990,236.60	\$0.40	\$0.00	(7)	\$398,047.32	\$11,543,372.68
1996	\$16,300,350.00	\$3,260,070.00	-\$1.00	\$0.00	(7,8)	\$652,014.00	\$18,908,405.00
1997	\$4,986,100.00	\$997,220.00	\$21,450.00	\$0.00	(8)	\$199,444.00	\$5,805,326.00
1998	\$10,879,110.00	\$2,175,822.00	\$8,644.94	\$0.00	(9)	\$435,164.40	\$12,628,412.54
1999	\$10,880,001.00	\$2,176,000.20	\$105,646.80	\$0.00	(10)	\$435,200.04	\$12,726,447.96
2000	\$10,996,702.00	\$2,199,340.40	\$82,990.54	\$0.00	(11)	\$439,868.08	\$12,839,164.86
2001	\$10,746,747.00	\$2,149,349.40	\$677.89	\$0.00	(12)	\$429,869.88	\$12,466,904.41
2002	\$10,770,705.00	\$2,154,141.00	\$0.00	\$26,000,000.00	(12,13)	\$430,828.20	\$38,494,017.80
2003	\$10,700,700.00	\$2,140,140.00	\$0.00	\$127,500,000.00	(14)	\$428,028.00	\$139,912,812.00
2004	\$10,720,400.00	\$2,144,080.00	\$0.00	\$0.00	(14)	\$428,816.00	\$12,435,664.00
2005	\$8,693,800.00	\$1,738,760.00	\$0.00	\$0.00	(14)	\$347,752.00	\$10,084,808.00
2006	\$7,046,300.00	\$1,409,260.00	\$67,760.00	\$0.00	(14)	\$281,852.00	\$8,241,468.00
2007/2008	\$14,087,400.00	\$2,817,480.00	\$0.00	\$0.00	(15)	\$563,496.00	\$16,341,384.00
ARRA	\$31,662,100.00	N/A	\$0.00	\$0.00		\$1,266,484.00	\$30,395,616.00
2009/2010	\$21,914,100.00	\$4,382,820.00	\$0.00	\$93,534,169.20	(15,16)	\$876,564.00	\$118,954,525.20
2011	\$11,930,000.00	\$2,386,000.00	\$0.00	\$0.00	(16)	\$477,200.00	\$13,838,800.00
2012	\$11,419,000.00	\$2,283,800.00	\$0.00	\$100,030,252.74	(16,17)	\$456,760.00	\$113,276,292.74
2013	\$10,786,000.00	\$2,157,200.00	\$0.00	\$0.00	(17)	\$431,440.00	\$12,511,760.00
2014	\$11,328,000.00	\$2,265,600.00	\$0.00	\$0.00	(18)	\$453,120.00	\$13,140,480.00
TOTALS	\$317,975,600.00	\$57,262,700.00	\$287,170.17	\$347,064,421.94		\$12,719,024.00	\$699,108,388.11

1. FY 1988 state match appropriated by the legislature from the Statewide Water Development Revolving Fund. - 7/30/88, H.B. 1571
2. FY 1989 state match appropriated by the legislature from the Statewide Water Development Revolving Fund. - 4/26/89, S.B. 51
3. FYs 1990 and 1991 state matches appropriated by the legislature from the Special Cash Fund. - 3/20/91, S.B. 144
4. 2,892,047 of FY 1992 state match appropriated by the legislature from the Constitutional Reserve Fund. - 5/28/93, S.B. 390; \$200,000 in state match provided by Ute settlement - State of New Mexico and \$47,501 in state match provided from OWRB grant account.
5. FY 1993 state match appropriated by the legislature from the Constitutional Reserve Fund. - 5/18/94, H.B. 2761
6. OWRB issued its \$1,950,000 SRF Program Notes, Series 1994 on October 25, 1994. The Series 1994 Notes were paid from monies in the Debt Service Reserve Fund for the Board's 1985 State Loan Program Bonds.
7. OWRB issued its \$4,050,000 CWSRF Revenue Notes, Series 1996 on May 22, 1996. The Series 1996 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans. \$1,990,237 went toward meeting the FY 1995 state match and \$2,018,545 toward the FY 1996 state match.
8. OWRB issued its \$2,275,000 CWSRF Revenue Notes, Series 1997 on June 26, 1997. The Series 1997 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans. \$1,241,524 went toward meeting the FY 1996 state match and \$1,018,670 toward the FY 1997 state match.
9. OWRB issued its \$2,200,000 CWSRF Revenue Notes, Series 1998 on June 25, 1998. The Series 1998 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans.
10. OWRB issued its \$2,300,000 CWSRF Revenue Notes, Series 1999 on February 15, 1999. The Series 1999 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans.
11. OWRB issued its \$2,300,000 CWSRF Revenue Notes, Series 2000 on June 22, 2000. The Series 2000 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans.
12. OWRB issued its \$4,345,000 CWSRF Revenue Notes, Series 2001 on April 11, 2001. The Series 2001 Notes were paid from investment and interest earnings on CWSRF accounts. \$2,149,349.40 went toward meeting the FY 2001 state match and \$2,154,141.00 went toward meeting the FY 2002 state match.
13. OWRB issued a \$28,890,000 CWSRF Interim Construction Loan Revenue Bonds, Series 2001, on August 15, 2001. The Series 2001 Bonds are to be paid from principal and interest payments made on CWSRF loans made from bond proceeds.
14. OWRB issued a \$204,480,000 CWSRF/DWSRF Interim Construction Loan Revenue Bonds, Series 2004, on October 26, 2004. The Series 2004 Bonds are to be paid from principal and interest payments made on CWSRF loans made from bond proceeds. Match for 2003, 2004, 2005, 2006 with \$67,760 left.
15. Reallocation of bond funds from the 2004 Bond Issue to state matching funds - \$3,908,100 for the 2007, 2008 and 2009 cap grants.
16. OWRB issued a \$85,000,000 Revenue Bond Issue, Series 2011 on April 13, 2011 with \$6,492,200 for the 2010 and 2011 cap grants and a portion of the 2012 cap grant. \$814,000 for the 2012 state match will be available from the 2011 bond issue the remainder will need to come from another source.
17. OWRB issued a \$86,505,000 Revenue Bond Issue, Series 2012B on November 7, 2012 with \$2,047,000 for the remainder of the 2012 cap grant. The state match for the 2013 cap grant was provided with a reallocation of the 2012B bond proceeds of \$1,500,000 and overmatch from 2006 of \$67,760 and overmatch from 2012B Bonds of \$577,200, and \$12,240 from an appropriation from the Water Infrastructure Development Fund.
18. Reallocation of bond funds from the 2012B Bond Issue to state matching funds.

TABLE 10: SUMMARY OF ADMINISTRATIVE ACCOUNTS

Cap Grant No. CS40	Cap Grant Funds	4% Set-Aside Amount	State Admin. Year	Expended from 4% Set Aside	Banked 4% Set-Aside Balance Cumulative	Received in Outside Account*/**	Expended from Outside Account	Expended from Outside Account/ BUMP	Outside Acct** Balance Cumulative
0001-89-0	88	\$371,120.00	1990	\$267,260.20	\$103,859.80	\$0.00	\$0.00		\$0.00
0001-89-1	89	\$303,896.00	1991	\$317,222.55	\$90,533.25	\$6,645.85	\$0.00		\$6,645.85
0001-90-0	90	\$314,480.00	1992	\$304,224.90	\$100,788.35	\$61,038.10	\$4,845.78		\$62,838.17
0001-91-0	91	\$663,224.76	1993	\$338,973.80	\$425,039.31	\$135,268.39	\$19,201.38		\$178,905.18
0001-92-0	92	\$627,909.48	1994	\$412,302.79	\$640,646.00	\$172,677.21	\$91,539.01		\$260,043.38
0001-93-0	93	\$621,141.84	1995	\$36,317.36	\$1,225,470.48	\$198,427.36	\$374,450.40		\$84,020.34
0001-94-0	94	\$385,304.00	1996	\$370,594.21	\$1,240,180.27	\$204,594.86	\$217,803.20		\$70,812.00
0001-95-0	95	\$398,047.32	1997	\$376,309.00	\$1,261,918.59	\$110,168.75	\$81,189.13		\$99,791.62
0001-96-0	96	\$652,014.00	1998	\$283,979.00	\$1,629,953.59	\$338,310.69	\$311,939.84		\$126,162.47
0001-97-0	97	\$199,444.00	1999	\$0.00	\$1,829,397.59	\$377,880.55	\$378,995.72		\$125,047.30
0001-98-0	98	\$435,164.40	2000	\$0.00	\$435,164.40	\$491,889.36	\$449,188.42		\$167,748.24
0001-99-0	99	\$435,200.04	2001	\$220,545.42	\$649,819.02	\$601,236.58	\$507,070.09	\$1,857.93	\$260,056.80
0001-100-0	2000	\$439,868.08	2002	\$144,193.71	\$945,493.39	\$610,366.39	\$707,864.29	\$26,075.53	\$136,483.37
0001-101-0	2001	\$429,869.88	2003	\$128,364.98	\$1,246,998.29	\$721,147.29	\$615,566.98	\$43,131.32	\$198,932.36
40000202	2002	\$430,828.20	2004	N/A	\$1,677,826.49	\$793,865.98	\$678,699.06	\$3,935.22	\$310,164.06
40000204	2003	\$428,028.00	2005	N/A	\$2,105,854.49	\$843,271.10	\$745,075.59	\$0.00	\$408,359.57
40000205	2004	\$428,028.00	2006	N/A	\$2,533,882.49	\$874,416.19	\$778,732.54	\$0.00	\$504,043.22
40000206	2005	\$347,752.00	2007	\$61,048.30	\$2,820,586.19	\$977,081.00	\$696,811.00	\$0.00	\$784,313.22
40000207	2006	\$281,852.00	2008	\$31,751.26	\$3,070,686.93	\$959,796.00	\$875,374.00	\$0.00	\$868,735.22
40000208	2007/2008	\$563,496.00	2009	\$127,823.28	\$3,506,359.65	\$1,019,751.00	\$1,193,883.00	\$0.00	\$694,603.22
2W-96688501	ARRA	\$1,266,484.00	2010	\$742,626.65	\$4,030,217.00	\$1,179,759.31	\$1,178,736.04	\$0.00	\$695,626.49
40000210	2009/2010	\$876,564.00	2011	\$255,064.13	\$4,651,716.87	\$1,002,432.46	\$1,206,749.42	\$0.00	\$491,309.53
40000211	2011	\$477,200.00	2012	\$80,572.58	\$5,048,344.29	\$1,757,659.00	\$1,053,387.11	\$0.00	\$1,195,581.42
40000212	2012	\$456,760.00	2013	N/A	\$5,505,104.29	\$2,049,551.00	\$1,376,583.00	\$0.00	\$1,868,549.42
40000213	2013	\$431,440.00	2014	N/A	\$5,936,544.29	\$2,276,819.00	\$1,955,991.00	\$0.00	\$2,189,377.42
40000214	2014	\$453,120.00	2015	N/A	\$6,389,664.29	\$2,252,743.00	\$2,051,801.00	\$0.00	\$2,390,319.70
TOTALS	N/A	\$12,718,236.00	N/A	\$4,499,174.12	\$8,219,061.88	\$20,016,796.42	\$17,551,477.00	\$75,000.00	\$2,390,319.42
AVAILABLE ADMINISTRATIVE FUNDS					\$8,219,061.88				
TOTAL OF ALL AVAILABLE ADMINISTRATIVE FUNDS									\$10,609,381.30

* Revenue and expenditures from the outside account are thru June 30, 2015 and will be updated with the Annual Report.

** The outside account revenue is generated from a 0.50% annual administrative fee on all outstanding loans.

TABLE 11: ACTUAL FEDERAL DISBURSEMENTS

	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total (Qtr 1-4)
Scheduled	11,328				
Actual Federal SRF Program Totals*	0	5,303	3,387	2,639	11,328

* Dollars Reported in Millions

TABLE 12: CONSTRUCTION STARTS							
Project Number	Initial Agreement Date	Latest Agreement Date thru RY	Construction Start Date	Borrower	Number of Agreements	NIMS Current Year Change	Year End
PRIOR ASSISTANCE YEAR PROJECTS					3	20,060,000	20,060,000
ORF-13-0006-CW	5/23/2013	5/23/2013	1/27/2014	Tulsa Metro Utility Authority		9,850,000	9,850,000
ORF-14-0002-CW	3/13/2014	3/13/2014	1/15/2015	Tulsa Metro Utility Authority		2,910,000	2,910,000
ORF-14-0012-CW	12/18/2013	12/18/2013	10/13/2014	Muskogee Municipal Authority		7,300,000	7,300,000
NEW ASSISTANCE					4	24,331,000	24,331,000
ORF-13-0003-CW	8/26/2014	8/26/2014	9/22/2014	El Reno Municipal Authority		21,530,000	21,530,000
ORF-15-0008-CW	2/9/2015	2/9/2015	3/15/2015	Colbert Public Utilities Authority		884,000	884,000
ORF-15-0009-CW	12/17/2014	12/17/2014	12/17/2014	Caddo Public Works Authority		895,000	895,000
ORF-15-0010-CW	7/21/2014	7/21/2014	7/21/2014	Panama Public Works Authority		1,022,000	1,022,000
CHANGES IN ASSISTANCE					0	-5,303,208	41,401,792
ORF-09-0019-CW	5/25/2010	2/18/2015	7/6/2010	Enid Municipal Authority		-4,518,257	35,381,743
ORF-10-0005-CW	12/1/2011	2/3/2015	12/19/2011	Elgin Public Works Authority		-436,442	2,623,558
ORF-13-0005-CW	12/13/2013	6/9/2015	2/24/2014	Owasso Public Works Authority		-197,124	3,227,876
ORF-14-0006-CW	3/24/2014	6/10/2015	5/1/2014	Kiefer Public Works Authority		-151,386	168,614
						39,087,792	85,792,792
NIMS Reports Amounts							
Number of Assistance Agreements: (Line 202)					7		
Annual Assistance Provided in Dollars: (Line 200)					39,087,792		

TABLE 13: INITIATION OF OPERATIONS							
Project Number	Initial Agreement Date	Latest Agreement Date thru RY	Initiation of Operations Date	Borrower	Number of Agreements	NIMS Current Year Change	Year End
PRIOR ASSISTANCE YEAR PROJECTS					9	32,340,673	39,145,673
ORF-05-0006-CW	6/23/2006	6/23/2006	6/16/2015	Broken Arrow Municipal Authority		15,000,000	15,000,000
ORF-07-0006-CW	10/9/2007	10/9/2007	8/15/2014	Ponca City Utility Authority		5,565,000	5,565,000
ORF-10-0005-CW	12/1/2011	2/3/2015	7/16/2014	Elgin Public Works Authority		-436,442	2,623,558
ORF-11-0002-CW	10/21/2011	10/21/2011	8/5/2014	Glenpool Utility Services Authority		3,740,625	3,740,625
ORF-11-0006-CW	2/13/2012	12/18/2012	7/10/2014	Vian Public Works Authority		1,655,000	1,655,000
ORF-13-0005-CW	12/13/2013	6/9/2015	2/24/2015	Owasso Public Works Authority		-197,124	3,227,876
ORF-13-0011-CW	10/25/2013	10/25/2013	9/16/2014	Frederick Public Works Authority		4,315,000	4,315,000
ORF-13-0012-CW	10/29/2013	10/29/2013	10/16/2014	Oilton Public Works Authority		2,850,000	2,850,000
ORF-14-0006-CW	3/24/2014	6/10/2015	1/30/2015	Kiefer Public Works Authority		-151,386	168,614
NEW ASSISTANCE					2	1,917,000	1,917,000
ORF-15-0009-CW	12/17/2014	12/17/2014	12/17/2014	Caddo Public Works Authority		895,000	895,000
ORF-15-0010-CW	7/21/2014	7/21/2014	7/21/2014	Panama Public Works Authority		1,022,000	1,022,000
CHANGES IN ASSISTANCE					0	-4,518,257	35,381,743
ORF-09-0019-CW	5/25/2010	2/18/2015	8/29/2012	Enid Municipal Authority		-4,518,257	35,381,743
						29,739,417	76,444,417
NIMS Reports Amounts							
Number of Assistance Agreements: (Line 206)					11		
Annual Assistance Provided in Dollars: (Line 204)					29,739,417		

DOCUMENT MANAGEMENT SYSTEM

The OWRB continued its efforts to streamline operations by implementing a document management system for the Financial Assistance Division's documents. Program staff utilized the document management system daily to view and process documents. The repository contributes to better management of the programs' records by improving staff efficiency and providing greater records integrity. The system allows faster access to files by multiple people simultaneously and increases staff productivity by decreasing time required for retrieving files and finding misplaced files. Other advantages to document imaging include reducing risk by providing backup to critical and essential paper documents and reducing physical storage space. Subsequent plans include implementing workflow to route documents and automate many of the programs' processes.

The system is integrated with the division's loan servicing software, Infrastructure Financing Software (IFS), to provide staff convenient access to loan documents. IFS has the added benefit of loan data and tracking as well as creating custom reports and standard for instantaneous data retrieval. Development of automated reports necessary for many CWSRF reporting requirements will continue in SFY 2015 expediting CBR/NIMS reporting as well as this Annual Report.

STANDARD OPERATING PROCEDURES

Standard Operating Procedures (SOP) were formalized for all Division sections: Analysts, Engineers, Operations, and Environmental. These SOPs are considered living documents that will continually be updated as processes evolve.

FORMS ONLINE

The many and various forms used by our clients were thoroughly revisited in SFY 2015 to assure that only the latest were on our servers and old versions backed up and removed to avoid any confusion or use of out of date forms. Many of these have been placed on our website for download at www.owrb.ok.gov/forms. The intention is that all forms will be available there and only there to avoid duplicates or out of date forms and are not to be copied to any other place on the OWRB's servers or on staff workstations.

MOVING SMALL SYSTEMS FORWARD WITH GPS AND GIS TECHNOLOGY

by Scott Roberson

In an age when large cities routinely use GPS and GIS technology for water and wastewater system mapping and data management, many small systems in Oklahoma struggle with out of date paper maps, or even hand drawn maps. The Oklahoma Water Resource Board is implementing a new mapping pilot project with funds outside of the CWSRF loan fund aimed at moving these systems forward.

Good management of any water and wastewater system depends upon having good dependable maps. To help address this need, in SFY 2016 the OWRB will provide assistance to up to 10 towns and rural water districts across the state, mapping their systems and providing access to their map data using a web viewer. This pilot project will allow systems the opportunity to see the locations of their pipelines and other infrastructure overlaid upon high resolution aerial photos and topographic maps. The web viewer will also provide access to the infrastructure's attribute data. Using mobile devices or desktop computers these systems will have the map information they need at their fingertips day or night.

Ultimately, the OWRB would like to provide all water and wastewater systems in the State of Oklahoma, large or small, a web platform for viewing their maps. Good maps provide the following benefits:

- Facilitates efficient location of infrastructure during line break events;
- Preserves infrastructure location knowledge over time and employee turnover;
- Facilitates efficient water line leak detection or wastewater line inflow and infiltration inspection activities;
- Provides accurate information for planning for future system growth and needs;
- Provides accurate information for determining water/wastewater service availability for new customers; and
- Provides assistance to providers implementing Fiscal Sustainability Plans as part of their CWSRF loans.

GOALS FOR FUTURE INTENDED USE PLANS

To provide for better management and greater flexibility of the CWSRF, as well as the DWSRF, the OWRB again requested EPA approval to reserve the right to transfer funds, of up to 33% of the DWSRF capitalization grant, between the two programs. However, no transfer was necessary for SFY 2015.

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

The following rule changes related to the CWSRF program were approved by the OWRB on February 17, 2015 and ratified by the Legislature and Governor. They became effective on September 1, 2015.

Sections 785:50-9-9, 785:50-9-21, 785:50-9-23, 785:50-9-24; 785:50-9-60, 785:50-9-61, and 785:50-9-62 was amended to change words and acronyms to be consistent with NEPA. The intended effect was to clarify language and accurately reflect what is in NEPA.

Section 785:50-9-21 was amended to include updated language regarding the information regarding the census. The intended effect was to make the language cohesive and consistent with the proposed definition of a Census Population.

Section 785:50-9-9 amends the definition of the 303(d) list and to remove federal when referring to the CWA in definitions. The changes were proposed to update the language and correct the definitions.

Section 785:50-9-9 adds the definition of CWA. The intended effect was to update the definition to include all amendments and reauthorizations of the CWA.

Section 785:50-9-9 adds the definitions of Loan Application and Programmatic Application. The intended effect was to update the definitions to follow the new reauthorized CWA and to clarify what is needed from potential borrowers.

Sections 785:50-9-21, 785:50-9-24, 785:50-9-35 and 785:50-9-45 adds and amends language reflecting the new requirements of the CWA. The intended effect was to make the rules consistent with the CWA and clarify the new requirements for potential borrowers.

Sections 785:50-9-23, 785:50-9-60 and 785:50-9-61 were amended to correct grammatical errors in the rules.

Sections 785:50-9-23, 785:50-9-24 and 785:50-9-60 were amended to update the language to reflect the current

process. The intended effect of the amendments was to accurately reflect the work process in the rules.

Sections 785:50-9-23, 785:50-9-28, and 785:50-9-33 were amended to update the language to reflect the new definitions of Loan Application and Programmatic application. The intended effect was to clarify the language for potential borrowers and make the language cohesive throughout the rules.

Section 785:50-9-33 was amended to change "state priority list" to "project priority list". The intended effect was to correct the language to reflect what is used in all other CWSRF documents.

Sections 785:50-9-33, 785:50-9-35, 785:50-9-38 and 785:50-9-60 were amended to move certain existing sections of the rules to reflect the correct process of loan closing and construction. The intended effect was to create more cohesive sections and make the language easily understood for potential applicants.

Section 785:50-9-35 was amended to reflect the new definition of the CWA and update the language. The intended effect was to make the rules cohesive and update the CWA definition to include all amendments past and future.

Section 785:50-9-60 was amended to include a broader definition of projects exempt from an environmental review. The intended effect was to make the language reflect the new CWA guidance and to add flexibility for potential borrowers.

EPA reviewed and approved the changes on May 12, 2015.

A complete list of OWRB Financial Assistance Administrative Rules can be found on the Secretary of State's website at www.oar.state.ok.us/. An unofficial version can be found on the OWRB website at www.owrb.ok.gov/rules. Oklahoma state statutes can be found at www.oscn.net.

The Financial Assistance Division complies with all applicable state statutes, federal laws, and administrative codes.

ENVIRONMENTAL BENEFIT AND PERFORMANCE

The CWSRF program continues to provide affordable financing to communities, achieving its ultimate purpose of protecting public health and the environment while helping the State work towards meeting the "fishable/swimmable" goals of the CWA. 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. Further, these metrics provide reference data that can be used to fulfill the OWRB's reporting requirements in accordance with Environmental Results Assistance Agreement Order No. 5700.7.

Table 14 below summarizes the environmental benefits addressed by each project. Five (5) of the seven (7) projects approved for funding during SFY 2015 were proposed as a result of a documented public health threat and/or NPDES discharge permit violation and assist borrowers

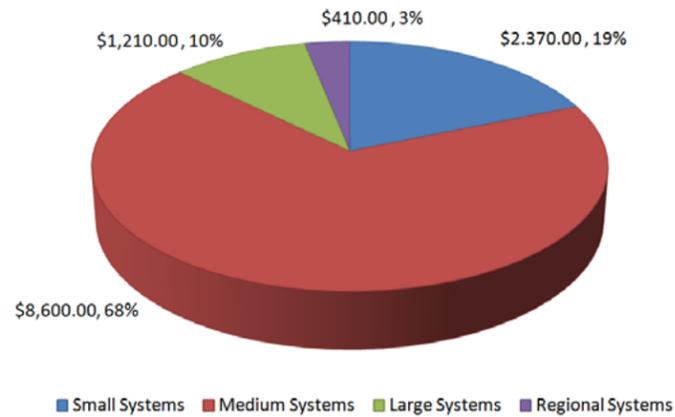
come into permit compliance. Five (5) of the seven (7) projects benefit communities discharging into priority stream segments identified as threatened or impaired in Oklahoma's Integrated Water Quality Assessment Report (303(d) listing). Additionally, five (5) projects lie within hydrologic basins where groundwater is considered highly vulnerable, within or affecting a source water protection area, watershed designated as nutrient-limited, or upstream of waters with recreational or of ecological significance.

TABLE 14: PROJECTED ENVIRONMENTAL BENEFITS FOR PROJECTS FUNDED WITHIN SFY 2015

Project	El Reno MA*	Nicoma Park DA	Colbert PUA	Caddo PWA	Panama PWA	Oklahoma City WUT	Cherokee DA
Project Number	ORF-13-0003-CW	ORF-15-0006-CW	ORF-15-0008-CW	ORF-15-0009-CW	ORF-15-0010-CW	ORF-15-0011-CW	ORF-15-0012-CW
Binding Commitment Year	2015	2015	2015	2015	2015	2015	2015
Population	17,219	2,477	1,697	1,203	1,486	590,995	1,560
Total Assistance Provided	\$21,530,000	\$4,120,000	\$884,000	\$895,000	\$1,022,000	\$800,000	\$2,640,000
Waterbody Name	North Canadian River	Choctaw Creek	Unnamed Trib to Sandy Creek	Caddo Creek	Poteau River	North Canadian River	Clay Creek
Affected Waterbody ID	52053000010_10	52052000030_00	410700000250_00	410600010140_00	220100010010_10	52052000010_20	621010010090_00
PROJECT TYPE FACTOR							
Consent Order or Enforceable NPDES Permit Schedule	X		X	X	X		X
Eliminate or reduce documented health threat or NPDES violation within watershed that is a water supply	X				X		X
Eliminate or reduce documented health threat or NPDES violation			X				
All other projects sustaining or reducing current degree of treatment, increasing capacity, reliability, or efficiency, reclaim/reuse water, or reduce documented water quality threat		X		X		X	
WATER QUALITY RESTORATION FACTOR							
Affects 303d listed stream	X	X		X		X	X
NPS Priority Watershed	X						
Project Implements water quality plan	X						
WATER QUALITY PROTECTION FACTOR							
Appendix A water							
Outstanding Resource Water							
High Quality Water							
Sensitive Water Supply							
Scenic River							
Nutrient-limited watershed	X						X
Cultural Significance							
Appendix B water							
Waters with recreational and/or ecological significance							X
Source water protection area							
Groundwater vulnerability							
Low				X	X		
Moderate							
High							
Very High	X	X	X			X	X

*El Reno's Total Assistance Provided includes supplemental Binding Commitment increase approved in SFY 2015 plus original Binding Commitment approved in SFY 2014.

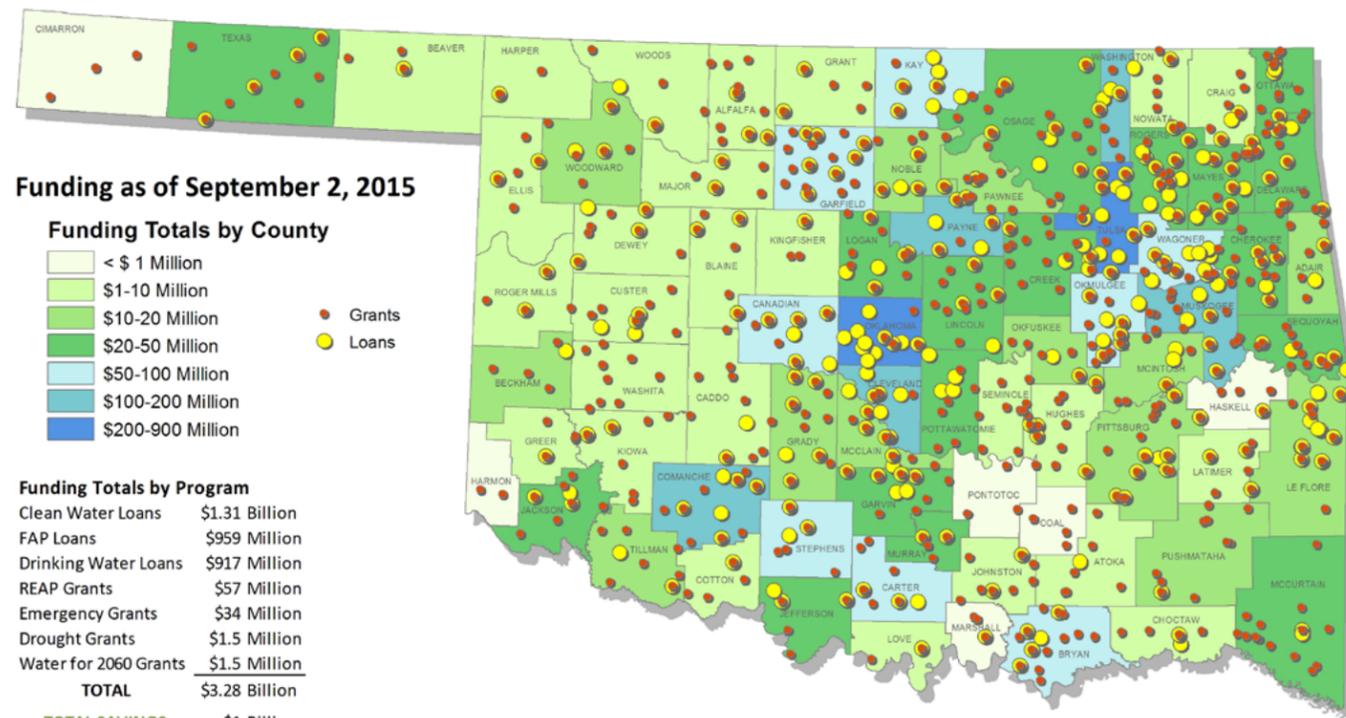
Figure 4: Statewide Wastewater Infrastructure Cost Summary in Billions



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 OWRB has received a positive response from communities across the state requesting their projects be added to the five-year CWSRF PPL. For SFY 2016, twelve (12) communities have made requests for thirteen (13) wastewater construction and water conservation projects totaling over \$84.6 million. The demand through 2020 totals over \$229.8 million. This number is likely low, as historically the number of projects identified on the CWSRF PPL 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. The OCWP documents over \$12.5 billion in wastewater construction needs thru the year 2020.

The OWRB’s Financial Assistance Division has funded Oklahoma water and wastewater infrastructure projects for over 30 years. We look forward to working with our partners to develop solutions in order to help communities address their infrastructure needs for this generation and generations to come!

Figure 5: Loan and Grant Recipient Status



Available online as an interactive viewer.
www.owrb.ok.gov/cwsrf

LIST OF ACRONYMS

AIS	American Iron and Steel
CATEX	Categorical Exclusion
CBR	CWSRF Benefits Reporting
CIP	Capital Improvement Plan
CWA	Clean Water Act
CWSRF	Clean Water State Revolving Fund
DA	Development Authority
DB	Davis Bacon (Act)
DWSRF	Drinking Water State Revolving Fund
EA	Environmental Assessment
EID	Environmental Information Document
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
FACT	Funding Agency Coordinating Team
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FONSI	Finding of No Significant Impact
FSP	Fiscal Sustainability Plan
GIS	Geographic Information Systems
GPR	Green Project Reserve
Guide	Public Wastewater System Planning Guide
IFS	Infrastructure Financing Software
IUP	Intended Use Plan
MA	Municipal Authority
MMD	Municipal Market Daily
MS4	Municipal Separate Storm Sewer System
NEPA	National Environmental Policy Act
NIMS	National Information Management System
NOI	Notice of Intent
NPDES	National Pollutant Discharge Elimination System
OA	Operating Agreement
OASIS	Oklahoma Advantages Assessment & Scoring for Infrastructure Solutions
OCWP	Oklahoma Comprehensive Water Plan
ODEQ	Oklahoma Department of Environmental Quality
OMB	Office of Management and Budget
PUA	Public Utilities Authority
PWA	Public Works Authority
PPL	Project Priority List
ROD	Record of Decision
SFY	State Fiscal Year
SOF	Statement of Finding
SOP	Standard Operating Procedures
SERP	State Environmental Review Process
WRRDA	Water Resources Reform and Development Act
WUT	Water Utilities Trust

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Thank you to the Financial Assistance Division staff for their hard work over the last year. The program would not be the success that it is without them!

