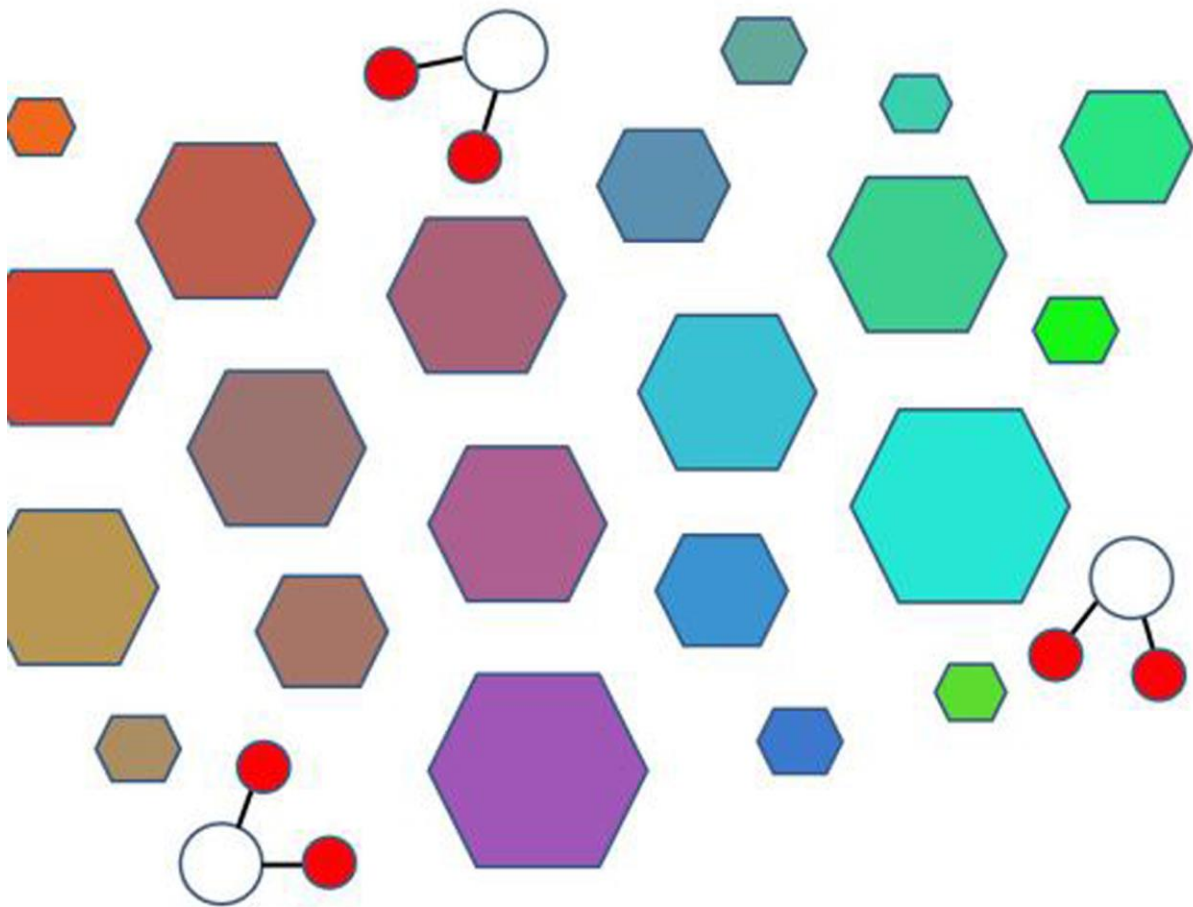


Amendment



# 2021 Intended Use Plan

Clean Water State Revolving Fund

Financial Assistance Division | Oklahoma Water Resources Board



## Amendment to 2021 CWSRF IUP

The 2021 IUP document can be found at [www.owrb.ok.gov/cwsrf](http://www.owrb.ok.gov/cwsrf). The section proposed to be amended is found below with the changes denoted by strikethrough and underline. Public comment period ends March 15<sup>th</sup>, 2021.

### V. OWRB APPROVAL AND CLOSING

Once the project has been deemed eligible, the environmental and engineering review (as applicable) has been approved, and the potential borrower has been authorized financially and legally, then the project is sent to the Board for final approval.

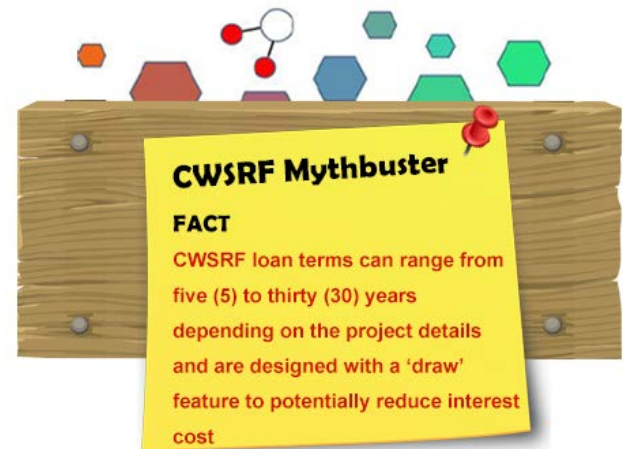
If the project is approved by the Board, the project manager works with the loan applicant to set a time and date for closing. Close to the closing date, the loan analyst will typically meet with the borrower's employees to go over loan documentation requirements such as payment requisition, debt coverage, loan payment and more. Loan documents are distributed by the applicant's Bond Counsel to the OWRB for legal and financial review. An interest rate is set and all required documentation is gathered for signatures.

If the applicant has not borrowed from the OWRB in the past, a formal closing typically takes place. During a formal closing, the applicant's representative, its bond counsel, its local counsel, and OWRB representatives meet to review and sign all closing documents.

If the applicant has already borrowed from the OWRB, the closing will typically be informal. Informal meetings do not require all parties involved to be present. Instead, each party signs their portion of the documents individually.

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

The interest rate is calculated approximately ten days prior to loan closing. Currently it consists of approximately 60% of Municipal Market Daily (MMD) AAA scale spot rates through maturity plus 0.40% to 0.76% to account for interest rate risk, where 0.40% is charged on the shortest maturities and 0.76% is charged on the longest maturities. An additional 0.5% administrative fee is charged on the unpaid



principal balances. The interest rate calculation is reviewed, at a minimum, annually by the OWRB and is subject to change any time after it has been reviewed.

In Fiscal Year 2021, OWRB intends to pilot a sponsorship model whereas an applicant with a traditional CWSRF loan will sponsor a nonpoint source project. In doing so, OWRB will agree to reduce the interest rate so that the final payback amount will be the same as if they were only taking out the loan for the traditional project. Sponsored projects must address a water quality issue or initiative and be approved under the state's Nonpoint Source Management Plan (NPSMP). The amount available per project is up to 90% of estimated interest on the original project not inclusive of the administrative fee. OWRB will make \$5,000,000 available for sponsored projects.

CWSRF loans 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 utilizes to determine the Weighted Average Useful Life of project components can be found on OWRB's website at <http://www.owrb.ok.gov/financing/faforms.php>.