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OKLAHOMA Water News

Bimonthly Newsletter of the Oklahoma Water Resources Board

From the Director



*Duane A. Smith
OWRB Executive Director*

As we enter another busy legislative session, the Water Board has identified several water-related initiatives that we believe require and deserve the support of our state's elected representatives. Again, the agency's strategic planning process has been an invaluable tool in delineating strategies to best manage, preserve, and protect Oklahoma's water resources.

An important legislative goal this session and high-priority agency issue is to secure an appropriation for the State Drinking Water State Revolving Fund (DWSRF) loan program. The Fund requires at least a \$12 million infusion to finance future State match requirements and provide reserve for a leveraged bond issue of \$67 million. Due to increasingly stringent drinking water quality standards and the related demand for potable supplies, the additional bonding capacity is required for the OWRB to

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Oklahoma Officials Terminate Texas Water Talks

At a January 11 press conference, State officials formally announced that water marketing discussions with members of the North Texas Water Agency (NTWA) have broken off. Oklahoma's demand for specific measures to protect Oklahomans in the event of drought and assurances for future water supply in southeast and central Oklahoma were cited as primary reasons for the impasse.

Howard Barnett, Governor Keating's Chief of Staff, informed the press that a viable plan for the development of southeast Oklahoma waters would not be submitted to the State Legislature during the upcoming session. Barnett was joined in making the announcement by Choctaw Chief Gregory Pyle and Chickasaw Nation Governor Bill Anoatubby.

An independent appraisal firm from Redmond, Washington, recently estimated that Texas' least-cost alternative water supply project—Marvin Nichols Reservoir, a controversial 72,000-acre project proposed in



The last proposal offered by the North Texas Water Agency included a three-phase plan to transport up to 320,000 acre-feet of water per year from the Kiamichi, Little, and Mountain Fork River Basins to users in Texas.

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provide communities with the necessary infrastructure to treat and deliver good quality drinking water. In addition to a general appropriation, potential sources for this funding include the Constitutional Reserve (Rainy Day) Fund, Gross Production Tax (REAP) funding, a water user fee, and a tap fee on public water supply systems.

The Water Board is also seeking FY-03 and long-term funding for our highly successful Beneficial Use Monitoring Program, which helps ensure that state surface and groundwaters are maintaining beneficial uses, and waters are meeting numerical/narrative criteria assigned to them in Oklahoma's Water Quality Standards. We must continue to identify needs and opportunities, such as groundwater monitoring and assessment, for expansion of this critically important program.

Funding for the update of the Oklahoma Comprehensive Water Plan, due in 2005, is also an agency priority. This will perhaps be the most important planning effort ever undertaken by the OWRB as we

incorporate regional initiatives, driven by local water users, to identify water infrastructure needs throughout Oklahoma.

Other agency-supported legislative initiatives include amending the Oklahoma Floodplain Management Act to strengthen its floodplain protection authority and ensuring continued funding for the very popular Rural Economic Action Plan (REAP) grant program. The Water Board will also encourage the State Legislature to approve new agency rules pertaining to the Water Quality Standards.

In this year of anticipated budget cuts and shortfalls, the hard-working and competent employees of the OWRB will again be called upon to identify innovative strategies that not only improve our responsiveness to citizen needs but do so with limited resources. Then again, budgeting challenges are certainly nothing new. The difference, as always, is our staff, who will continue to meet these challenges with enthusiasm, ingenuity, and unequalled service to Oklahomans.

Water Talks. . . . Continued from page 1

the 2002 Texas Water Plan—would require at least \$5.1 billion to construct. According to Barnett, that figure represents a conservative starting point that Oklahoma negotiators were prepared to request. Although no specific contract terms have been contemplated, one draft revenue scenario envisioned an up-front payment from Texas of \$35 million with annual payments escalating between \$9 and \$124 million throughout the 100-year life of the deal. Revenue would be paid directly to a public trust established through the pending State/Tribal Water Compact.

Revenue earmarked from the sale/lease agreement, which would have been contingent upon full legislative approval, was slated to resolve the State's contract obligation to repay the federal government for construction of Sardis Lake and to establish numerous water/sewer system improvements, new roads, hospitals and health care, and other benefits. The sizable up-front payment and revenue stream generated by a water marketing contract would also have provided enhanced bonding capacity for the Compact Commission, created by the draft Water Compact. According to the Department of Environmental Quality and Rural Development, a federal funding agency, at least \$93 million is required to upgrade public water supply and wastewater infrastructure throughout the southeast Oklahoma region.

Collectively, southeast Oklahoma's six major watersheds produce more than 6 million acre-feet of water (about 2 trillion gallons) in an average year, most of which flows out of Oklahoma unused. Oklahoma and Texas officials had negotiated the use of approximately 320,000 acre-feet of water per year from the Kiamichi River basin (downstream from Hugo Reservoir), Little River basin (downstream from Pine Creek Reservoir), and

Mountain Fork basin (downstream from Broken Bow and the Mountain Fork River trout fishery area).

The State and Tribes had specifically agreed that Texas would be prohibited from withdrawing waters from Oklahoma rivers during drought periods when flows fell below a prescribed amount. Concerning potential downstream water dependency claims by Texas, the draft Water Compact provides that any out-of-state water sale contract must contain an express waiver of downstream dependency. In addition, the Red River Compact (between the states of Oklahoma, Texas, Arkansas, and Louisiana), which apportions water in the Basin to member states, limits the amount of water a Texas entity could legally claim to that amount specifically apportioned to Texas under the agreement, regardless of the needs that develop in that state. The Compact also prohibits the sale of Oklahoma groundwaters, and under terms of the last contract proposal from the North Texas Water Agency, no new reservoirs would be built in Oklahoma.

For the past year, the OWRB has been working with the U.S. Army Corps of Engineers on a detailed study to comprehensively assess southeast Oklahoma's water resources and future water supply demands in the area. The proposed water marketing project was also set to undergo rigid environmental study prior to finalization of an agreement.

Water Deal Reaches Impasse: State and Tribal Officials Speak Out

Howard Barnett **Governor Keating's Chief of Staff**



►“While both sides recognize the enormous real and intrinsic value of southeast Oklahoma’s precious water supplies, north Texas officials stand firm on what they believe the water is worth in relation to the transfer restrictions and other protective measures that Oklahoma requires. Although the two parties have agreed in principle to general engineering and water transfer scenarios, NTWA’s current proposal

was insufficient to provide required protections for Oklahomans as well as to adequately compensate Oklahoma for the water.”

►“North Texas officials are adamant about Oklahoma providing reliable storage for them to draw upon instead of having to rely upon available river flows. However, we oppose the assignment of storage in existing lakes or the construction of new reservoirs at this time to fulfill their needs. In conjunction with our demands for protective measures concerning drought and future water supply for Oklahomans, Texas’ latest offer provides insufficient monetary compensation for the water based upon our estimates of their costs to secure other sources of supply.”

►“If a draft water sale contract or agreement is not presented to the State Legislature, as originally envisioned, the future of the draft Water Compact and its vital provisions will also be in jeopardy. Although the Compact did not itself provide for the sale of water from southeast Oklahoma, it did establish a mechanism for that to occur. While the State still supports the water rights and quality administration system established by that agreement throughout the boundaries of the Choctaw and Chickasaw Tribal Nations, I’m not so sure that the Tribes will be as anxious to sign the Compact. If not, then we are back where we started from and all water rights in southeastern Oklahoma, including those currently held by Oklahoma City and recognized by the State, are potentially in flux due to conflicting claims to those rights.”

►“I commend Duane Smith and his staff at the Water Resources Board for the diligent support they have provided to the State’s negotiating team, as well as for their exhaustive study of hydrologic factors and identification of various measures to protect the future viability of southeast Oklahoma.”

Governor Bill Anoatubby **Chickasaw Nation**



“We’ve always seen the Tribal role in this process as being a protector of Oklahoma resources with the people of Oklahoma as our first and foremost priority. Although they have negotiated in good faith, I believe that Texas

officials have greatly underestimated the value of our water, and as a result, we could not reach an agreement that is best for all Oklahomans. Even if we can establish measures far above and beyond what is necessary to protect our water needs, the environment, and present and future generations of Oklahomans, we will not part with one drop of water if it’s not absolutely in our best interest.”

Chief Gregory Pyle **Choctaw Nation**



“The Tribes have always contended that if an agreement could not be reached that was good for southeast Oklahoma and the Choctaw and Chickasaw Nations, we would walk away from the negotiating table. This

water is our birthright, and if we can’t negotiate a water deal that ensures our future growth and prosperity, there will be no deal at all.”

Duane Smith **Executive Director of OWRB**



“Although we have identified numerous potential projects, most of which have limited funding options, that would have been ideal candidates for expenditures of these revenues, protecting Oklahomans is absolutely

the primary concern. I am confident that the negotiating team has made the right decision. The OWRB’s various financial assistance programs are responsible for about three-quarters of all water and wastewater projects financed in Oklahoma, and although insufficient to fulfill all of southeast Oklahoma’s needs, stand ready to fund eligible projects in the region.”

OWRB's Karen Recer Retires

After nearly 30 years of service to the agency and State of Oklahoma, Karen Recer retired at the end of January. Karen began her career with the OWRB as a typist-clerk in the OWRB Groundwater Division in 1972. She resigned her position in 1978 to go back to school and complete a degree in Accounting, and graduated from the University of Central Oklahoma in 1979 (then Central State University). Karen returned to the Board a year later as an Accountant. For the past 15 years, Karen has supervised the OWRB Accounting unit as agency Comptroller. Karen and her husband, Ron, have purchased a 'fifth wheel' and plan to travel extensively. We wish them the best of luck.



Karen Recer, 1973

Flood Insurance Prudent, Profitable

Homeowners are often confused by insurance and coverage, which means they rely upon their insurance agents for information and advice. Unfortunately, agents often lack the training necessary to provide complete information, leaving homeowners with an impression either that flood insurance is not available or that homeowner policies automatically cover flood losses. As a result, uninsured flood losses continue to occur.

Therefore, a number one priority of all homeowner insurance agents should be to educate citizens about the availability and negligible expense of flood insurance. However, many licensed property and casualty agents are either unaware of the availability of flood insurance or they lack the necessary training to write the policies. Agents are required to be licensed underwriters before they are permitted by the Oklahoma Insurance Department to write flood insurance policies.

More than 100,000 Oklahoma homes are located in floodplains, yet less than 13 percent of those homes are insured against potential flood damage. The National Flood Insurance Program (NFIP) offers flood insurance to consumers through licensed agents and coverage is available almost anywhere in Oklahoma, regardless of whether or not the structure is located in a designated floodplain.

When tallying the multiple benefits of federally-subsidized flood insurance, the sizable commission available to insurance agents is often overlooked. Many agents seeking the necessary training and education on flood insurance are simply responding to the supply and demand aspects, but later come to realize that writing these policies can be quite profitable. For example,

The sizable commission available to insurance agents for selling flood insurance is often overlooked.

insuring a \$120,000 structure (including \$60,000 contents) in a floodplain results in a premium of approximately \$978. Assuming a direct commission of 15%, the agent stands to earn \$147 on the policy.

Carroll Fisher, State Insurance Commissioner, and the Oklahoma Insurance Department encourage all Oklahoma property and casualty underwriters to attend the 3rd Annual Oklahoma Flood Forum on March 19, 2002, at the Clarion Meridian Hotel and Convention Center, 737 S. Meridian, Oklahoma City, Oklahoma 73108. To register for the Flood Forum, please call Diana Herrera, CFM, at (281) 829-6880. There is no charge for the Forum and CECs will be awarded.



Visit the OWRB web site at
www.owrb.state.ok.us

2001 Weather Report

According to the Oklahoma Climatological Survey (OCS) and statewide Mesonet information, 2001 was the first year in the past 12 that the State received below normal precipitation.

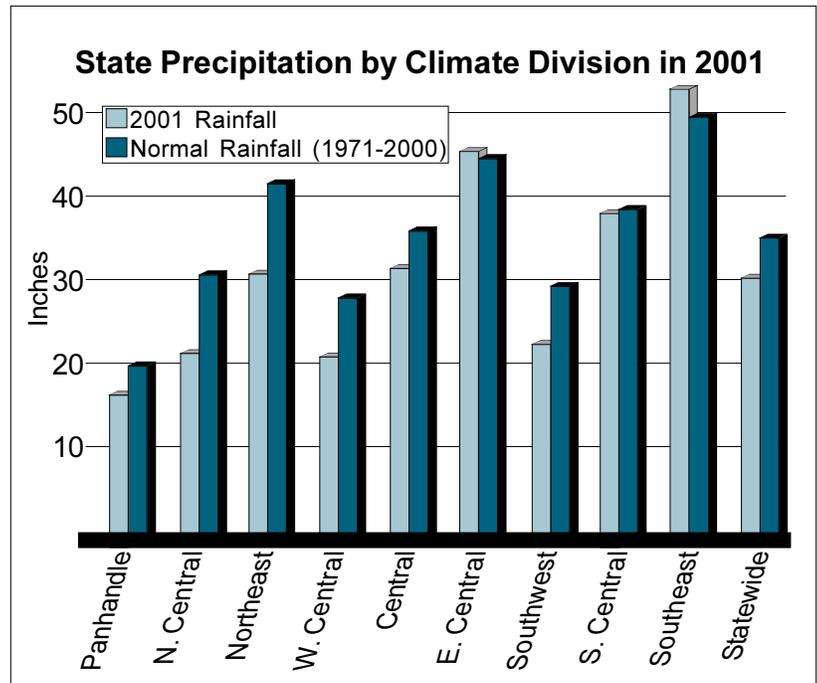
Although Oklahoma has recently experienced several dry episodes—perhaps most notably the winter/spring of 1996—prior to 2001, 1988 was the last year with lower statewide rainfall totals. Even the extremely dry summers of 1998 and 2000 could not offset their rainy winters, springs, and/or autumns.

The average rainfall across the State in 2001 was between two and three inches below normal (based on data from 1961-90). This amount falls at about the 65th percentile for annual precipitation, which means that 2001 was drier than roughly two-thirds of all years since records began in 1895.

The OCS adds that because the last decade has been relatively wet in Oklahoma, updated “normals” (considering rainfall data from 1971 through 2000) will indicate that state-averaged rainfall in 1989 and 1994 was also slightly below normal.

On a regional basis, western and northern Oklahoma were particularly dry during the past calendar year, while eastern and southeastern Oklahoma observed normal to slightly wetter than normal conditions.

2001 was also the fourth consecutive year that Oklahoma was warmer than normal. The average temperature of 60.9 F ranks as the fifteenth warmest of the 107 years since 1895. The warmth, relative to normal, was greatest in northern Oklahoma, and the Panhandle’s average temperature of 58.5 F was its sixth warmest since 1895.



Congress Approves Cloud Seeding Research

In November, Congress approved \$2 million in funding for a Weather Damage Mitigation Program, which would be the largest federal cloud seeding research effort in decades. The monies were approved as part of the annual appropriation for the U.S. Bureau of Reclamation, which will administer the program involving Oklahoma, Texas, Kansas, and other states that manage operational cloud seeding programs.

“Oklahoma’s participation will be especially valuable to this effort,” said Duane Smith, OWRB Executive Director. “Oklahoma is home to the most advanced weather technology and largest number of qualified meteorologists available anywhere in the world. The extraordinary resources available at OU, the National Severe Storms Laboratory, and other partnered weather agencies here will be invaluable in this effort.” Smith added that Congressman J.C. Watts was integral to passage of the legislation.

The 2001 Oklahoma Weather Modification Program, initiated March 1, 2001, was slated to continue statewide operations uninterrupted through October 31. However, last June, the program was suspended due to insufficient

funds. The OWRB and Oklahoma Weather Modification Advisory Board, who oversee and direct the program, continue to investigate long-term funding sources for the effort, which seeks to augment rainfall and prevent hail damage throughout the State.



High-performance aircraft are one of the many state-of-the-art tools employed in the Oklahoma Weather Modification Program.

Water Quality Division & Board Room Relocated

After six years of being housed in various locations throughout the basement of the OWRB's Oklahoma City office building, Water Quality Division staff have moved to one larger area on the second floor of the building. According to Water Quality Division Chief Derek Smithee, the move is expected to greatly improve efficiency and camaraderie among Division employees.

The agency's board room has also moved to the second floor, where additional space will better accommodate guests and staff during regular monthly meetings of the nine-member Water Board. The board room is also used for staff meetings and frequently hosts meetings of various organizations, such as the State Geographic Information Systems (GIS) Council.

The April OWRB meeting will be the first held in the new board room.

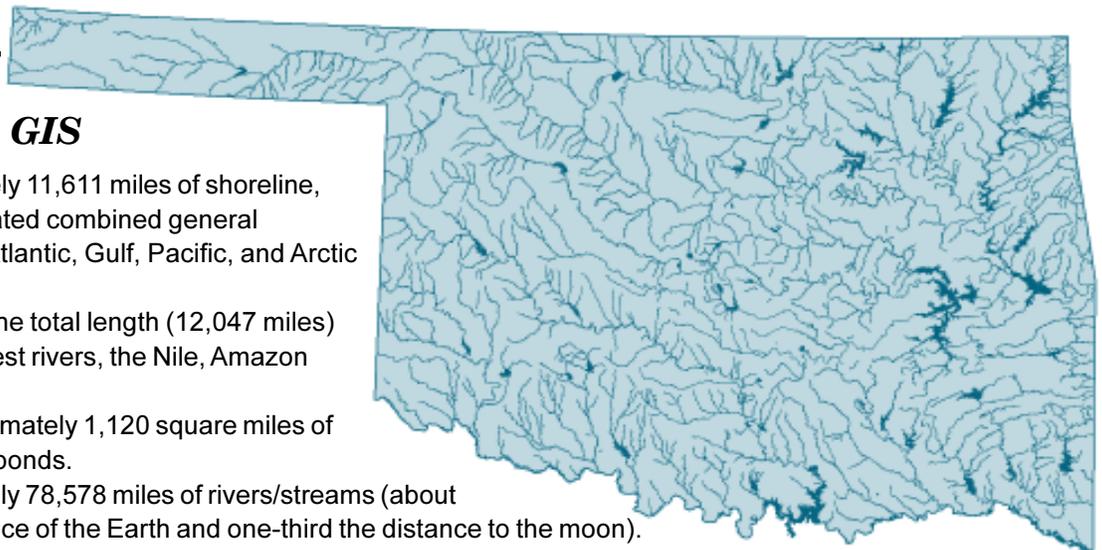


Michael Moore, Katera Whitaker, and Bill Cauthron of the Water Quality Division pitch in to get everything moved, organized, and operational as quickly as possible.

Water Facts

Verified by OWRB GIS

- ▶ Oklahoma has approximately 11,611 miles of shoreline, slightly less than the estimated combined general (nontidal) coastline of the Atlantic, Gulf, Pacific, and Arctic Coasts (12,383 miles).
 - This number is almost the total length (12,047 miles) of the world's three longest rivers, the Nile, Amazon and Yangtze.
- ▶ Oklahoma contains approximately 1,120 square miles of water area in its lakes and ponds.
- ▶ Oklahoma has approximately 78,578 miles of rivers/streams (about three times the circumference of the Earth and one-third the distance to the moon).



Reclamation's Centennial Celebration

June 17, 2002, will mark the 100th anniversary of the signing of the Reclamation Act of 1902--the act that created the Bureau of Reclamation within the United States Geological Survey (USGS).

The mission of the Bureau, currently housed within the U.S. Department of the Interior, is to manage, develop, and protect water and related resources in an environmentally and economically sound manner for the welfare of the public. The original purpose of the Bureau, developing and executing irrigation projects in arid and semiarid regions of the West, has been expanded to include developing and executing projects to provide municipal and industrial water supplies, hydroelectric power generation and transmission, water quality improvement, flood control, navigation, and river regulation

and control. The Bureau is also responsible for maintaining information and statistical data concerning Bureau dams, reservoirs, and other facilities, including structural/engineering data, operational records, and safety information.

The Reclamation program has helped to provide enhanced quality of life and improvements to the environment through the development of a water storage and delivery infrastructure, which provides safe and dependable water supplies and protects and improves the nation's water quality.

In recognition of its anniversary, Reclamation will conduct a year-long Centennial program, from June 17, 2002, to June 17, 2003. The Centennial theme will be "A Century of Water for the West, 1902-2002."

Water Resources Update

Reservoir Storage

Reservoir storage levels in Oklahoma have noticeably improved. As of February 12, the combined normal conservation pools of 31 selected major federal reservoirs across Oklahoma (see below) are approximately 97.2 percent full, a 1.3 percent increase from that recorded on January 28, according to information from the U.S. Army Corps of Engineers (Tulsa District). Only five reservoirs have experienced lake level decreases since that time, including all three in the North Central climate division. Thirteen reservoirs are currently operating at less than full capacity (compared to 17 last month); five reservoirs (including Hula, only 38.6 percent, and Lugert-Altus, 42.8 percent) remain below 80 percent capacity.

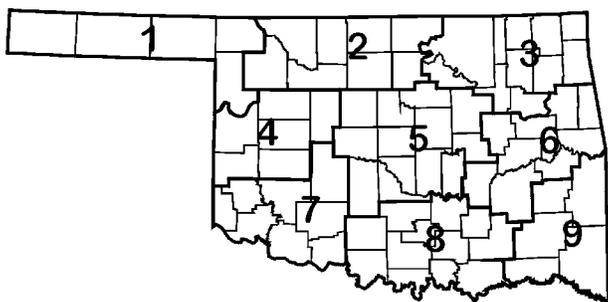
Storage in Selected Oklahoma Lakes & Reservoirs

As of February 12, 2002

Climate Division	Conservation Storage (acre-feet)	Present Storage (acre-feet)	Percent of Storage	
			Conservation	Flood
NORTH CENTRAL	412,635	412,635	100.0	0.30
NORTHEAST	3,484,317	3,322,802	95.4	0.47
WEST CENTRAL	276,790	239,767	86.6	0.00
CENTRAL	154,225	154,225	100.0	0.91
EAST CENTRAL	2,968,681	2,967,895	100.0	0.43
SOUTHWEST	301,810	195,054	64.6	0.00
SOUTH CENTRAL	2,803,244	2,780,425	99.2	0.79
SOUTHEAST	1,464,929	1,464,929	100.0	10.59
STATE TOTALS	11,866,631	11,537,732	97.2	2.09

Drought Indices

According to the latest Palmer Drought Severity Index (February 9, below), drought conditions have improved in all areas as a result of recent moisture. Only two regions—the North Central and West Central climate divisions (both experiencing “mild drought”)—are classified in a drought category. All of Oklahoma’s nine climate divisions have undergone PDSI moisture increases since January 26. The most modest increase occurred in the South Central climate division (“moist spell”).



The latest monthly Standardized Precipitation Index (through January, below) indicates that long-term dryness has improved somewhat in the north and west. Among the *selected* time periods (3-, 6-, 9- and 12-month SPIs), the Northwest, North Central, Northeast, and West Central climate divisions report “moderately dry” to “very dry” conditions throughout the last 6 to 12 months. In particular, the Northwest and North Central regions are “very dry” over the past 6 months. Among periods beyond one year, only the 15- and 18-month SPIs (North Central and Northeast, both “moderately dry”) report dry conditions for any area of Oklahoma.

Palmer Drought Severity Index

Standardized Precipitation Index

Through January 2002

Climate Division (#)	Current Status 2/9/2002	Value		Change In Value				
		2/9	1/26		3-Month	6-Month	9-Month	12-Month
NORTHWEST (1)	INCIPIENT DROUGHT	-0.54	-2.19	1.65	NEAR NORMAL	VERY DRY	MODERATELY DRY	NEAR NORMAL
NORTH CENTRAL (2)	MILD DROUGHT	-1.19	-3.25	2.06	NEAR NORMAL	VERY DRY	MODERATELY DRY	MODERATELY DRY
NORTHEAST (3)	INCIPIENT DROUGHT	-0.61	-2.54	1.93	NEAR NORMAL	NEAR NORMAL	NEAR NORMAL	MODERATELY DRY
WEST CENTRAL (4)	MILD DROUGHT	-1.12	-3.03	1.91	NEAR NORMAL	MODERATELY DRY	NEAR NORMAL	NEAR NORMAL
CENTRAL (5)	MOIST SPELL	1.11	-0.06	1.17	NEAR NORMAL	NEAR NORMAL	NEAR NORMAL	NEAR NORMAL
EAST CENTRAL (6)	MOIST SPELL	1.54	0.87	0.67	NEAR NORMAL	NEAR NORMAL	NEAR NORMAL	NEAR NORMAL
SOUTHWEST (7)	NEAR NORMAL	-0.48	-2.15	1.67	NEAR NORMAL	NEAR NORMAL	NEAR NORMAL	NEAR NORMAL
SOUTH CENTRAL (8)	MOIST SPELL	1.97	1.43	0.54	NEAR NORMAL	NEAR NORMAL	NEAR NORMAL	NEAR NORMAL
SOUTHEAST (9)	UNUSUAL MOIST SPELL	2.36	1.40	0.96	MODERATELY WET	MODERATELY WET	MODERATELY WET	MODERATELY WET

Financial Assistance Program Update

Totals as of February 12, 2002

FAP Loans—251 totaling \$394,015,000

The OWRB's Financial Assistance Program (FAP), created by the State Legislature in 1979, provides loans for water and wastewater system improvements in Oklahoma. The tremendous popularity of the bond loan program is due, in part, to extended payoff periods of up to 30 years at extremely competitive low-interest rates, averaging approximately 4.762 percent since 1986.

CWSRF Loans—124 totaling \$439,679,040

The Clean Water State Revolving Fund (CWSRF) loan program was created in 1988 to provide a renewable financing source for communities to draw upon for their wastewater infrastructure needs. The CWSRF program is Oklahoma's largest self-supporting wastewater financing effort, providing low-interest loans to communities in need.

DWSRF Loans—20 totaling \$66,112,225

The Drinking Water State Revolving Fund (DWSRF) loan program is an initiative of the OWRB and Oklahoma Department of Environmental Quality to assist municipalities and rural water districts in the construction and improvement of drinking water systems. These projects are often mandated for communities to obtain compliance with increasingly stringent federal standards related to the treatment of drinking water.

REAP Grants—315 totaling \$26,276,866

The Rural Economic Action Plan (REAP) Program was created by the State Legislature in 1996. REAP grants, used for water/wastewater system improvements, target primarily rural communities with populations of 7,000 or less, but priority is afforded to those with fewer than 1,500 inhabitants.

Emergency Grants—482 totaling \$28,218,700

OWRB emergency grants, limited to \$100,000, are awarded to correct situations constituting a threat to life, health, and/or property and are an indispensable component of the agency's financial assistance strategy.

Applicants eligible for water/wastewater project financial assistance vary according to the specific program's purpose and requirements, but include towns and other municipalities with proper legal authority, various districts established under Title 82 of Oklahoma Statutes (rural water, master/water conservancy, rural sewage, and irrigation districts), counties, public works authorities, and/or school districts. Applications for agency financial assistance programs are evaluated individually by agency staff. Those meeting specific program requirements are recommended by staff for approval at monthly meetings of the nine-member Water Board.

More information about the OWRB's Financial Assistance Program can be obtained by calling the OWRB at (405) 530-8800.

Grady Grandstaff, *Chairman*; Richard C. Sevenoaks, *Vice Chairman*; Ervin Mitchell, *Secretary*
Lonnie L. Farmer, Richard McDonald, Bill Secrest, Dick Seybolt, Wendell Thomasson, Harry Currie

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