

DRINKING WATER STATE REVOLVING FUND (DWSRF)
SFY 2025 Annual Report

(Pursuant to: The Safe Drinking Water Act, Section 1452(g)(4))

October 24, 2025



OKLAHOMA
Environmental
Quality



OKLAHOMA
Water Resources
Board

Prepared for the:
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The Oklahoma Department of Environmental Quality

And

The Oklahoma Water Resources Board

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I. Background, Key Aspects, and Loan Funding Activities

A. Background

The Safe Drinking Water Act (SDWA), as amended in 1996, requires each state with a Drinking Water State Revolving Fund (DWSRF) program to publish and submit to the United States Environmental Protection Agency (EPA) Administrator a report every 2 years on its DWSRF activities. The Oklahoma Department of Environmental Quality (DEQ) and Oklahoma Water Resources Board (OWRB) choose to submit a report annually.

The United States Congress authorized the DWSRF as part of the SDWA in August of 1996. The DWSRF allows each state, which successfully applies for and receives a capitalization grant, funding for loans to public water supply systems to make infrastructure improvements to achieve compliance with national primary drinking water regulations or otherwise further the public health protection objectives of the SDWA. In Oklahoma, OWRB provides low-interest loans to eligible public water supply systems according to the project priority system developed by DEQ. In addition, Congress provided funding for set-aside activities to administer the DWSRF program and benefit water supply systems in meeting the requirements of the SDWA.

DEQ and OWRB herewith submit the State Fiscal Year (SFY) 2025 DWSRF Annual Report to EPA. For the purpose of this report and future reports on the DWSRF, the reporting period will be the state's fiscal year from July 1, 2024, through June 30, 2025.

B. Key Aspects

The SFY 2025 Audit contains the following information:

Financial Highlights:

- The Program's net position increased by over 12.8% from \$379,007,984 in FY 2024 to \$427,622,015 in FY 2025. The increase in net position is primarily attributable to an increase in federal grant revenue provided from the Infrastructure Investment and Jobs Act (IIJA) supplemental grant, state matching funds from a legislative appropriation and a transfer from the Drinking Water Treatment Loan Administrative Fund.
- The Program experienced an increase of \$140,187,404 in the amount of outstanding loans. As of June 30, 2025, the Program had 170 outstanding loans with a principal balance of \$1,055,110,360. At the end of SFY 2024, the Program had 173 outstanding loans with a principal balance of \$914,922,956.

Program Highlights:

- During SFY 2025, eighteen (18) construction loans totaling approximately \$206.5 million were closed to correct deficiencies and achieve compliance with the national primary drinking water regulations or otherwise further the public health protection objectives of the SDWA. One system, Oklahoma City WUT (XII), received a binding commitment during SFY 2024, but didn't close the loan until SFY 2025. Please see Table 4 on page 26.
- Completed construction during the year on fifteen (15) projects totaling \$94.6 million.

- Made binding commitments for seventeen (17) new loans, totaling approximately \$135.2 million, in drinking water construction for communities to correct problems and achieve compliance with the SDWA. See pages 3-7.

C. Loan Funding Activities

DEQ and OWRB made binding commitments to seventeen (17) projects during SFY 2025. Ten (10) of which were long-term loans to small communities including: Checotah Public Works Authority (PWA) (II); Johnston County Rural Water, Sewer & Solid Waste Management District (RWS & SWMD) No. 3; Salina PWA (II); Commerce Development Authority (DA); LeFlore County Rural Water District (RWD) No.17; Francis PWA (II); Gore PWA; Westville Utility Authority (UA); Garfield County RWD No. 5; and Chelsea Economic Development Authority (EDA). Seven (7) of the binding commitments were long-term loans to large communities. They include Lawton Water Authority (WA) (VII); Lawton WA (IX); Edmond PWA (XI); Edmond PWA (VIII); Enid Municipal Authority (MA) (VII); Midwest City Municipal Authority (MA); and Oklahoma City WUT (XVII).

DEQ and OWRB closed loans with fifteen (15) systems for eighteen (18) projects by June 30, 2025. See Tables 4 and 5. Oklahoma City WUT, Lawton WA, and Edmond PWA each had two (2) loans close this year.

The Federal Fiscal Year (FFY) 2024 appropriation grant assistance agreement had a subsidy requirement of 14%. It also included a minimum 12% or up to 35% subsidy requirement for disadvantaged systems. Although the appropriation also encouraged assistance for Green Project Reserve (GPR) projects, GPR was not mandatory for FFY 2024. DEQ and OWRB did not provide subsidy for GPR projects during SFY 2025.

DEQ targeted the additional subsidies to public water supplies who have health-based violations (HBV), such as disinfection byproduct (DBP) issues, regionalization, consolidation, or other compliance issues. Four (4) loans were closed which included two (2) DBP projects, one (1) Consolidation project, and one (1) HBV for a deteriorated tower. They were Checotah PWA (II), LeFlore Co. RWS & SWMD #17, Midwest City MA, and Francis PWA (II). A “disadvantaged community” is defined at VII.B in the SFY 2025 Intended Use Plan (IUP). Please see Attachment 2 and 8. Eighteen (18) loans were closed, and all were considered “disadvantaged” according to the definition except for two (2) which were Edmond PWA (XI), and Edmond PWA (VIII). Please see Attachment 10 for subsidy funds by Grant and Projects, and Attachment 15 for Subsidy Draw Down Tracking Chart by Projects.

The project descriptions listed on the following pages show seventeen (17) projects that received a binding commitment during SFY 2025.

SFY 2025 Project Descriptions

Lawton WA (VII)

Binding Commitment Date: July 16, 2024; Binding Commitment Amount:

\$29,000,000.00

Loan Closing Date: August 23, 2024; Loan Closing Amount: \$29,000,000.00

Loan Term: Thirty (30) years

Principal Forgiveness (Subsidy) Amount: None

Project Description: Waterline replacements for Map 10, Map 11 Phase 1 (partly funded in Loan 6), Map 11 Phase 2, Map 39, and future construction.

Construction completion is estimated to occur in the spring of 2026.

Edmond PWA (XI)

Binding Commitment Date: September 17, 2024; Binding Commitment Amount:

\$54,000,000.00

Loan Closing Date: September 24, 2024; Loan Closing Amount: \$54,000,000.00

Loan Term: Thirty (30) years

Principal Forgiveness (Subsidy) Amount: None

Project Description: Construction of 8,200 linear feet (LF) of 42-inch and 48-inch raw water transmission pipeline with the option to use ductile iron pipe (DIP), high density polyethylene pipe (HDPE) or steel pipe; and 22,700 LF of 24-inch, 36-inch, and 42-inch finished water transmission pipeline with the option to use DIP, fiberglass reinforced pipe (FRP), or steel pipe along with all appurtenances.

Construction completion is estimated to occur in the fall of 2026.

Checotah PWA (II)

Binding Commitment Date: October 15, 2024; Binding Commitment Amount:

\$881,650.00

Loan Closing Date: November 8, 2024; Loan Closing Amount: \$881,650.00

Loan Term: Zero (0) years

Principal Forgiveness (Subsidy) Amount: \$313,752.87 (IIJA GS 2023), \$486,247.13 (IIJA GS 2024), and \$81,650.00 (Cap. Grant Disadv. (CGD) (Disadvantaged)

Project Description: Construction of a new 500,000-gallon clearwell, rehabilitation of the existing 1,000,000-gallon clearwell, and installation of a mixer and aeration system in the existing clearwell.

Construction completion is estimated to occur in the summer of 2026.

Edmond PWA (VIII)

Binding Commitment Date: December 17, 2024; Binding Commitment Amount:

\$9,335,000.00

Loan Closing Date: December 19, 2024; Loan Closing Amount: \$9,335,000.00

Loan Term: Thirty (30) years

Principal Forgiveness (Subsidy) Amount: None

Project Description: Construction of 10,000 linear feet (LF) of 24-inch ductile iron pipe (DIP), 135 LF of 18-inch DIP, 30 LF for 12-inch polyvinyl chloride (PVC) pipe, 130 LF of 8-inch PVC pipe, and 65 LF of 6-inch PVC pipe with all appurtenances. Construction completion is estimated to occur in the fall of 2026.

Johnston Co. RWS & SWMD No. 3

Binding Commitment Date: December 17, 2024; Binding Commitment Amount: \$1,937,520.00

Loan Closing Date: January 2, 2025; Loan Closing Amount: \$1,937,520.00

Loan Term: Thirty (30) years

Principal Forgiveness (Subsidy) Amount: \$800,000.00 (IIJA GS 2024), and \$150,000.00 (CGD))(Disadvantaged)

Project Description: Construction of 13,319 linear feet of ten (10) inch HDPE pipe for water line distribution to replace a 40-year old 8-inch water line along State Hwy 1 with all appurtenances.

Construction completion is estimated to occur in the fall/winter of 2025.

Enid MA (VII)

Binding Commitment Date: December 17, 2024; Binding Commitment Amount: \$6,000,000.00

Loan Closing Date: January 2, 2025; Loan Closing Amount: \$3,594,450.00

Loan Term: Three (3) years

Principal Forgiveness (Subsidy) Amount: \$898,612.50 (IIJA GS 2024), and \$150,000.00 (CGD) (Disadvantaged)

Project Description: Construction of 12,207 linear feet (LF) of 8-inch polyvinyl chloride (PVC) pipe, 122 LF of 12-inch PVC pipe, 70 LF of 6-inch PVC pipe, 37 LF of 4-inch PVC pipe, 50 LF of 14-inch high-density polyethylene (HDPE) pipe, and 52 LF of 10-inch HDPE pipe with all appurtenances across six (6) projects along various streets in Enid.

Construction completion is estimated to occur in the spring of 2026.

Salina PWA (II)

Binding Commitment Date: January 21, 2025; Binding Commitment Amount: \$950,000.00

Loan Closing Date: January 28, 2025; Loan Closing Amount: \$950,000.00

Loan Term: Zero (0) years

Principal Forgiveness (Subsidy) Amount: \$800,000.00 (IIJA GS 2024), and \$150,000.00 (CGD) (Disadvantaged)

Project Description: Construction of one (1) 75-gallon per minute (gpm) Blue Goose booster pump station (BPS) and one (1) 80-gpm Pine Crest BPS along with all appurtenances.

Construction completion is estimated to occur in the spring of 2026.

Midwest City MA

Binding Commitment Date: January 21, 2025; Binding Commitment Amount: \$219,000.00

Loan Closing Date: April 10, 2025; Loan Closing Amount: \$219,000.00

Loan Term: Zero (0) years

Principal Forgiveness (Subsidy) Amount: \$219,000.00 (Base CG 2022 HB)

Project Description: Connecting 32 houses to the Midwest City Public Water Supply that are currently served by the Starview Public Water Supply. Disconnection of the existing groundwater public water supply well.

Construction completion is estimated to occur in the winter of 2025.

Oklahoma City WUT (XVII) (LSLI)

Binding Commitment Date: January 21, 2025; Binding Commitment Amount: \$2,500,000.00

Loan Closing Date: January 28, 2025; Loan Closing Amount: \$2,500,000.00

Loan Term: Fifteen (15) years

Principal Forgiveness (Subsidy) Amount: \$1,250,000.00 (IIJA LSLI 2022)

Project Description: Hydro excavating via potholing for 5,000 of the remaining unknown service lines on both the public and private side of the meter. Provide Brita pitchers for those customers with lead service lines.

Construction completion is estimated to occur in the winter of 2027.

Lawton WA (IX)

Binding Commitment Date: February 25, 2025; Binding Commitment Amount: \$21,000,000.00

Loan Closing Date: March 7, 2025; Loan Closing Amount: \$21,000,000.00

Loan Term: Thirty (30) years

Principal Forgiveness (Subsidy) Amount: \$1,000,000.00 (IIJA GS 2024) (Disadvantaged)

Project Description: Waterline replacements for Map 8, Map 46, Map 53, and Map 58. Installation of 53,028 linear feet of 8-inch polyvinyl chloride (PVC) pipe, 934 linear feet of 10-inch PVC pipe, and 4,344 linear feet of 12-inch PVC pipe including all appurtenances.

Construction completion is estimated to occur in the spring of 2027.

Commerce DA

Binding Commitment Date: March 18, 2025; Binding Commitment Amount: \$931,230.00

Loan Closing Date: April 3, 2025; Loan Closing Amount: \$931,230.00

Loan Term: Zero (0) years

Principal Forgiveness (Subsidy) Amount: \$800,000.00 (IIJA GS 2024) and \$131,230.00 CGD) (Disadvantaged)

Project Description: Installation of 2,469 linear feet of 12-inch polyvinyl chloride (PVC) water line and 4,774 linear feet of 6-inch PVC water line along with all appurtenances.

Construction completion is estimated to occur in the spring of 2026.

LeFlore Co. RWD No. 17

Binding Commitment Date: March 18, 2025; Binding Commitment Amount: \$800,000.00

Loan Closing Date: April 3, 2025; Loan Closing Amount: \$300,000.00;

Loan Term: Zero (0) years

Principal Forgiveness (Subsidy) Amount: \$300,000.00 (IIJA GS 2024) (Disadvantaged)

Project Description: Construction of 22,000 linear feet of 6-inch polyvinyl chloride (PVC) water line to replace existing 6-inch water line, installation of a chlorine booster pump station, rehabilitation of the 100,000-gallon standpipe and installation of mixing within the 100,000-gallon standpipe along with all appurtenances.

Construction completion is estimated to occur in the fall of 2026.

Francis PWA (II)

Binding Commitment Date: March 18, 2025; Binding Commitment Amount:

\$1,730,000.00

Loan Closing Date: April 3, 2025; Loan Closing Amount: \$1,730,000.00

Loan Term: Thirty (30) years

Principal Forgiveness (Subsidy) Amount: \$800,000.00 (IIJA GS 2024, and \$150,000.00 CGD) (Disadvantaged)

Project Description: Construction of a new 125,000 gallon spheroid water tower along with all appurtenances. Installation of a 6" water line loop from the north side of town to the south side of town. Replacement of 2 well pumps. Demolition of pre-existing water tower.

Construction completion is estimated to occur in the summer of 2026.

Garfield Co. RWD No. 5

Binding Commitment Date: April 15, 2025; Binding Commitment Amount: \$800,000.00

Loan Closing Date: April 23, 2025; Loan Closing Amount: \$800,000.00

Loan Term: Zero (0) years

Principal Forgiveness (Subsidy) Amount: \$800,000.00 (IIJA GS 2024)(Disadvantaged)

Project Description: Construction of one (1) public water supply well with a capacity of two-hundred seventy-three (273) gallons per minute (gpm) and all associated appurtenances.

Construction completion is estimated to occur in the winter of 2026.

Gore PWA (II)

Binding Commitment Date: April 15, 2025; Binding Commitment Amount: \$1,410,000.00

Loan Closing Date: April 23, 2025; Loan Closing Amount: \$1,397,173.00

Loan Term: Twenty (20) Years

Principal Forgiveness (Subsidy) Amount: \$800,000.00 (IIJA GS 2024) (Disadvantaged)

Project Description: Rehabilitation of the surface water treatment plant including replacement of valves, raw water piping, and electrical and instrumentation units with all appurtenances along with installation of 450-five-eighths-inch by three-quarters-inch meters.

Construction completion is estimated to occur in the summer of 2026.

Westville UA

Binding Commitment Date: April 15, 2025; Binding Commitment Amount: \$1,764,308.00

Loan Closing Date: April 23, 2025; Loan Closing Amount: \$1,599,220.00

Loan Term: Thirty (30) Years

Principal Forgiveness (Subsidy) Amount: \$800,000.00 (IIJA GS 2024) (Disadvantaged)

Project Description: Construction of a new 350,000-gal elevated storage tank and all appurtenances.

Construction completion is estimated to occur in the fall of 2026.

Chelsea FDA

Binding Commitment Date: May 20, 2025; Binding Commitment Amount: \$2,000,000.00

Loan Closing Date: May 28, 2025; Loan Closing Amount: \$1,076,497.00

Loan Term: Twenty (20) Years

Principal Forgiveness (Subsidy) Amount: \$800,000.00 (IIJA GS 2024) (Disadvantaged)

Project Description: Construction of one (1) new 36-foot diameter solids contact clarifier with a rated capacity of 650-gallons per minute (gpm) along with all appurtenances.

Construction completion is estimated to occur in the fall/winter of 2025.

D. Additional Requirements [Subsidies, Davis Bacon (DB), State Revolving Fund (SRF) Data System, Federal Funding Accountability and Transparency Act (FFATA), Drinking Water National Information Management System (DWNIMS), American Iron and Steel (AIS), Sustainability, Build American Buy American ACT (BABAA), and State Laws and Procedures, etc.]

The following information shows the accounting of subsidies for the FFY 2022, 2023, and 2024 Base capitalization grants, FFY IIJA 2022 GS, 2023 GS, and 2024 GS grants, FFY 2022 and 2023 IIJA Lead Service Line Inventory/Replacement (LSLI/R), and FFY 2022, 2023, and 2024 IIJA Emerging Contaminants (EC) grants as of June 30, 2025, as shown in Attachment 16. The total combined subsidy forwarded to SFY 2026 is \$60,314,589.37. DEQ/OWRB uses principal forgiveness when assigning subsidies.

DWSRF projects receiving loan subsidies and/or extended-term financing are listed in Attachment 8. Also, please see Attachment 10 for the Subsidy Tracking Chart by Grant and Projects.

All projects funded with subsidy funds are required to include the Davis-Bacon Provisions as defined in the capitalization grant conditions. DWSRF staff monitored each project through planning, bidding, contracting, and construction to ensure that these provisions were met.

DEQ is required to report project level data in the DWSRF SRF Data System on a quarterly basis. All seventeen (17) regular projects, and one (1) LSLI/R project that closed a loan in SFY 2025 have been entered into the SRF Data System. See list in Attachment 14.

DEQ is required to report project funding in the FFATA database for Equivalency projects. An amount reported for funded projects, equal to the capitalization grant amount (minus the set-aside amount), was submitted to the FFATA database during SFY 2025 for the FFY 2024 Base, and for the FFY 2024 IIJA GS grants except for a small portion. The FFY 2024 base capitalization grant amount was \$6,774,000, minus the set-aside amount of \$2,099,940, which equals \$4,674,060. One (1) project totaling \$9,335,000, was used for reporting on the base grant, and the same project was used as a partial amount on the IIJA GS grant for equivalency. The project is Edmond PWA (VIII). \$4,674,060 was entered on December 20, 2024, for the base grant. The FFY 2024 IIJA GS grant amount was \$33,407,000, minus set-aside amount of \$3,897,762, which is \$29,509,238. The amount of \$4,660,940 of the referenced Edmond PWA (VIII) project in the amount of \$9,335,000, was entered on December 20, 2024, for the IIJA GS grant. Also, Lawton WA (IX) Phase III, in the amount of \$21,000,000 was entered on March 10, 2025 for the IIJA GS grant. Elk City PWA (III), in the amount of \$3,494,544.13, was entered on September 10, 2025, for the IIJA GS Grant. The remaining amount needed, which is \$353,753.87, will be reported during SFY 2026. These grants were based on Equivalency for this SFY.

The IIJA LSLI/R and EC grants are based on Equivalency. The FFY 2024 IIJA LSLI/R grant was not applied for during SFY 2025. Additional FFATA reporting for the FFY 2022 LSLI/R grant was submitted during SFY 2025. Oklahoma City WUT (XVII) LSL #2 project was reported on February 7, 2025, in the amount of \$2,500,000. There were no new loans for the FFY 2022 IIJA EC, and no FFATA reporting during SFY 2025 on this grant. Please see Attachment 9.

DEQ is required to report all financial information into the DWNIMS database on a yearly basis. All financial information was entered into DWNIMS by the EPA deadline.

On January 17, 2014, H.R. 3547, "Consolidated Appropriations Act, 2014," was enacted. This law provides appropriations for the DWSRF for FFY 2014 while adding an AIS requirement. H.R. 3547 included language in Division G, Title IV, under the heading "Use of American Iron and Steel". DEQ implemented the provisions of this new act on January 17, 2014. Also, the DWSRF forms were updated to include this new requirement.

DEQ continues to encourage a range of practices that support sustainable water infrastructure and overall system sustainability through the Capacity Development program by implementing the Capacity Development Assessment for each loan recipient.

On June 23, 2015, EPA sent out guidelines for Enhancing Public Awareness of SRF Assistance Agreements. The "Signage Requirement" has been adopted by DEQ and OWRB. Please see Attachment 13 for documentation.

During SFY 2025, the IIJA mandated that project signs displaying information related to former federal administrations be removed from the signage requirements, leaving only the requirement to display tribal, state, and/or local funding agencies and representatives.

State Laws and Procedures

DEQ complied with the following state laws and procedures: Oklahoma Public Competitive Bidding Act of 1974

OS Title 74 – Central Purchasing Act

OS Title 61 – Public Buildings and Public Works

OS Title 82 – Waters and Water Rights

OAC 785-50 - Financial Assistance

OAC 252-004 - Rules of Practice and Procedure

OAC 252-626 - Public Water Supply Construction Standards

OAC 252-631 - Public Water Supply Operation

OAC 252-633 - Drinking Water State Revolving Fund

OAC 252-710 - Water Works and Wastewater Works Operator Certification

II. DWSRF Summary

In anticipation of the federal re-authorization of the SDWA and creation of the DWSRF, H.B. 2426 was signed into law creating the Drinking Water Treatment Revolving Loan Account on May 10, 1994. Re-authorization of the SDWA was accomplished August 6, 1996, and H.B. 1084 was signed into law, amending the previous action to implement Section 1452 of the SDWA.

Table 1 is a summary of federal and state matching funds available to the DWSRF from 1997 through 2024 as a result of federal capitalization grants authorized to be awarded to the State of Oklahoma. Provided the federal SDWA is re-authorized, capitalization grants from the federal government are expected to continue beyond 2024.

Table 1-Awarded Funds

Federal Fiscal Year (FFY)	Federal Appropriation	20% State Match	Total	Reserved for Set-Asides	Total Available for Assistance
1997	\$17,561,900	\$3,512,380	\$21,074,280	\$5,444,189	\$15,630,091
1998	\$10,224,200	\$2,044,840	\$12,269,040	\$3,169,502	\$9,099,538
1999	\$10,716,000	\$2,143,200	\$12,859,200	\$3,321,960	\$9,537,240
2000	\$11,137,000	\$2,227,400	\$13,364,400	\$1,781,920	\$11,582,480
2001	\$11,183,000	\$2,236,600	\$13,419,600	\$2,247,253	\$11,172,347
2002	\$12,446,500	\$2,489,300	\$14,935,800	\$3,236,090	\$11,699,710
2003	\$12,371,700	\$2,474,340	\$14,846,040	\$2,845,492	\$12,000,549
2004	\$12,833,800	\$2,566,760	\$15,400,560	\$3,336,788	\$12,063,772

2005	\$12,806,700	\$2,561,340	\$15,368,040	\$3,009,575	\$12,358,465
2006	\$13,285,600	\$2,657,120	\$15,942,720	\$3,141,612	\$12,801,108
2007	\$13,285,600	\$2,657,120	\$15,942,720	\$3,383,424	\$12,559,296
2008	\$13,151,000	\$2,630,200	\$15,781,200	\$3,534,820	\$12,246,380
2009	\$13,151,000	\$2,630,200	\$15,781,200	\$6,074,218	\$9,706,982
ARRA	\$31,481,000	\$0	\$31,481,000	\$1,259,240	\$30,221,760
2010	\$16,863,000	\$3,372,600	\$20,235,600	\$5,227,530	\$15,008,070
2011	\$11,701,000	\$2,340,200	\$14,041,200	\$3,627,310	\$10,413,890
2012	\$11,151,000	\$2,230,200	\$13,381,200	\$3,456,810	\$9,924,390
2013	\$10,463,000	\$2,092,600	\$12,555,600	\$3,243,530	\$9,312,070
2014*	\$14,226,000	\$2,850,200	\$17,101,200	\$4,392,810	\$12,683,390
2015	\$14,157,000	\$2,831,400	\$16,988,400	\$4,388,670	\$12,599,730
2016	\$13,393,000	\$2,678,600	\$16,071,600	\$4,151,830	\$11,919,770
2017	\$13,279,000	\$2,655,800	\$15,934,800	\$4,116,490	\$11,818,310
2018	\$15,747,000	\$3,149,400	\$18,896,400	\$4,881,570	\$14,014,830
2019**	\$15,580,000	\$3,120,000	\$18,700,000	\$4,836,000	\$13,864,000
2020	\$15,610,000	\$3,122,000	\$18,732,000	\$4,839,100	\$13,892,900
2021	\$15,596,000	\$3,119,200	\$18,715,200	\$4,834,760	\$13,880,440
2022	\$9,935,000	\$1,987,000	\$11,922,000	\$3,079,850	\$8,842,150
2022 IIJA GS	\$25,508,000	\$2,550,800	\$28,058,800	\$1,429,477	\$26,629,323
2022 IIJA LSLI/R	\$40,192,000	\$0	\$40,192,000	\$10,449,920	\$29,742,080
2022 IIJA EC***	\$5,733,624	\$0	\$5,733,624	\$933,624	\$4,800,000
2023	\$7,177,000	\$1,435,400	\$8,612,400	\$2,224,870	\$6,387,530
2023 IIJA GS	\$30,602,000	\$3,060,200	\$33,662,200	\$4,257,343	\$29,404,857
2023 IIJA EC	\$11,104,000	\$0	\$11,104,000	\$554,988	\$10,549,012
2024****	\$6,774,000	\$1,354,800	\$8,128,800	\$2,099,940	\$6,028,860
2024 IIJA/GS	\$33,407,000	\$6,681,400	\$40,088,400	\$3,897,762	\$36,190,638
2023 IIJA/LSLR	\$32,047,000	\$0	\$32,047,000	\$7,449,000	\$24,598,000
2024 IIJA/EC	\$11,104,000	\$0	\$11,104,000	\$606,806	\$10,497,194
TOTAL					
	\$576,967,624	\$83,462,600	\$762,648,024	\$134,753,874	\$525,693,350

*A \$25,000 contract was issued through EPA and taken off the top of the grant amount (Grant amount \$14,251,000 minus \$25,000 left an awarded amount of \$14,226,000).

**A \$20,000 contract was issued through EPA and taken off the top of the grant amount (Grant amount \$15,600,000 minus \$20,000 left an awarded amount of \$15,580,000).

***The FFY 2022 IIJA appropriation amount for the IIJA Emerging Contaminants grant was \$10,711,000, and DEQ applied for, and was awarded, \$5,733,624 due to lack of eligible projects.

****A \$17,000 contract was issued through EPA and taken off the top of the grant amount (Grant amount \$6,774,000 minus \$17,000 left an awarded amount of \$6,757,000).

Federal capitalization grant funds were awarded to DEQ during SFY 2025. DEQ applied for the FFY 2024 base capitalization grant on June 12, 2024. EPA awarded \$6,757,000, to DEQ on September 27, 2024. The state matching funds for the FFY 2024 base capitalization grant in the amount of \$1,354,800 were provided by the Oklahoma Legislature. DEQ applied for two (2) additional grants under the IIJA allotments. The first one is FFY 2024 IIJA GS and DEQ applied for it on June 12, 2024. EPA awarded \$33,407,000, to DEQ on September 27, 2024. The FFY 2024 GS grant matching funds in the amount of \$6,681,400 were provided by a transfer from the DWSRF Administrative Fund. The second one is FFY 2024 IIJA EC that DEQ applied for on June 11, 2024. EPA awarded \$11,104,000 to DEQ on September 9, 2024. There were no state matching funds required for the IIJA EC grant. DEQ did not apply for FFY 2024 LSLI/R funds during SFY 2025. The 2025 DWSRF Bond Issue that closed in June 2025 provided \$5 million for state matching funds for the FFY 2025 base and GS grants. See pages 40-41 for more information regarding revenue bond issues. See Attachment 7 for the Sources and Uses of Funds Statement.

A. Set-asides

Section 1452 of the SDWA authorizes four set-asides to enable states to implement requirements of the SDWA. DEQ reserved 31% of the FFY 2024 capitalization grant. The following is a description of the four set-aside account activities.

1. DWSRF Administration

Funds equal to 4% of the FFY 2024 federal capitalization grant were set-aside to offset administrative costs incurred by DEQ during SFY 2025. Administrative tasks include technical tasks, including the review of planning and design documents, construction documents, and project inspection. A copy of the DEQ and OWRB Interagency Agreement (IA) is included as Attachment 1.

The DWSRF Administration Set-aside from the FFY 2024 capitalization grant was \$270,960, and EPA added \$17,000 to the Cadmus contract for DWINSA Training which left \$253,960 to be awarded. This entire amount was specified for staff salaries, to provide travel and training necessary for the adequate performance of staff, to pay DWSRF audit costs, and to provide equipment and supplies to meet the needs of the administration of the DWSRF during SFY 2025. A total of \$73,960 for SFY 2025 was budgeted for DEQ expenses associated with administration of the DWSRF and \$180,000 was budgeted for OWRB expenses. No funds were paid to OWRB during SFY 2025. Table 2, included on page 14, contains budget and expense data.

DEQ expended \$104,322.97 from the FFY 2022 grant Administration Set-aside, \$129,587.03 from the FFY 2023 grant Administration Set-aside, and \$864.23 from the FFY 2024 grant Administration Set-aside during SFY 2025.

In the SFY 2025 work plan, two (2) contracts were listed as potential projects during the year. The first contract was the Annual Audit Contract listed for \$44,500. The contract was awarded for \$44,500, and this amount was expended for contracted work. The second contract was the IA with OWRB for \$180,000 and this amount was not expended during SFY 2025. Also, DEQ is a member of the Funding Agency Coordinating Team (FACT). This team is made up of members of the various funding agencies for water projects in the state. The team meets quarterly to discuss systems pursuing funding, and to help systems decide the best option for their situation. FACT will be scheduling an “Engineering/Environmental Conference” this year or in the near future. This brings together the consulting engineers of Oklahoma and agency staff for training and updates. DEQ and OWRB meet monthly to discuss the projects pursuing DWSRF funding.

Funds from the FFY 2024 IIJA federal capitalization grants were set-aside to offset Administration costs incurred by DEQ during SFY 2025.

	<u>Percent</u>	<u>Awarded</u>	<u>Expended</u>
IIJA General Supplemental	1.4%	\$ 456,985	\$ 456,305
IIJA Lead Service Line Inventory	0.4%	\$1,146,000	\$ 10,873
IIJA Emerging Contaminants	1.4%	\$ 154,617	\$ 31,236

During SFY 2025, DEQ transferred \$2,426.70 from the FFY 2021 grant into the loan fund to minimize ULOs while waiting for final invoices. In accordance with EPA’s DWSRF Set-aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify any transferred funds from future capitalization grants if they are needed. Set-aside amounts are listed in Table 2.

In accordance with the governing state revolving fund bond documents, including but not limited to the Bond Indenture, administrative funds utilized to administer the program may be paid from the 0.5% administration fee collected on DWSRF loans. The borrowers are billed 0.5% of the outstanding loan principal semi-annually along with their principal and interest payments. As authorized by H.B. 1084 (May 1998), administrative fees collected by OWRB will be held outside the DWSRF account in the Drinking Water Treatment Administrative Fund (DWTAF).

During SFY 2025, administration fees and loan application fees of \$4,850,273 were invoiced and collected. Additionally, the DWTAF earned \$408,780 in interest for SFY

2025. A total of \$837,074 was expended from the DWTAF to support key operational needs, including staff salaries, professional development, organizational memberships, annual IT maintenance, and other administrative expenses. Additionally, the fund covered the state match requirement for the FFY 2024 IIJA GS grant amounting to \$6,681,400. All expenditures made from the DWTAF were for eligible DWSRF purposes. The balance of the DWTAF at June 30, 2025, was \$11,658,357. Table 3, located on page 15 of this report, includes cumulative DWTAF income and expenditure data. See page 10 of the financial statements for detail on how the administrative fee is collected. Also, see page 10 of the financial statements for the fee balance.

The specific goal for the DWSRF Administrative set-aside is to provide administration of the DWSRF by providing loans to the systems designated for funding in the IUP. Outputs and deliverables for this set-aside will be the successful completion of loans for infrastructure construction projects to public water systems to ensure drinking water is safe and in compliance with the goals of the SDWA. Each employee in the DWSRF program is evaluated throughout the year based on tasks and goals set up at the beginning of each state fiscal year. These tasks are required to accomplish the goals listed in the IUP each year. During these reviews, tasks that are not on schedule will be addressed by the section supervisor. The necessary corrective action of goal emphasis or staff readjustment can be initiated as required.

Table 2: Capitalization Budget and Expenses (Set-Aside Accounts)

Grant/Use	Total Set-Aside	Specified	Unspecified	Unspecified & Moved to Loan Fund	Cumulative Unspecified & Moved to Loan Fund	Current Year Transfer	Date of Transfer	Expended	Remaining Balance*
FFY 2022 Capitalization Grant = \$9,935,000 - \$3,079,850 = \$6,855,150 to the loan fund									
Admin	397,400	397,400	0	0	1,308,691	0		218,926	178,474
SSTA	198,700	198,700	0	0	959,478	0		106,154	92,546
SPM	993,500	993,500	0	0	5,873,807	0		419,282	574,218
LA	1,490,250	1,490,250	0	0	9,909,394	0		1,490,250	0
Totals	3,079,850	3,079,850	0	0	18,051,370	0		2,234,612	845,238
FFY 2023 Capitalization Grant = \$7,177,000 - \$2,224,870 = \$4,952,130 to the loan fund									
Admin	287,080	287,080	0	0	1,308,691	0		75,147	211,933
SSTA	143,540	143,540	0	0	959,478	0		61,573	81,967
SPM	717,700	717,700	0	0	5,873,807	0		517,063	200,637
LA	1,076,550	1,076,550	0	0	9,909,394	0		879,320	197,230
Totals	2,224,870	2,224,870	0	0	18,051,370	0		1,533,103	691,767
FFY 2024 Capitalization Grant = \$6,757,000 - \$2,082,940 = \$4,674,060 to the loan fund									
Admin	253,960	253,960	0	0	1,308,691	0		864	253,096
SSTA	135,480	135,480	0	0	959,478	0		20,515	114,965
SPM	677,400	677,400	0	0	5,873,807	0		91,286	586,114
LA	1,016,100	1,016,100	0	0	9,909,394	0		139,626	876,474
Totals	2,082,940	2,082,940	0	0	18,051,370	0		252,292	1,830,648
Cumulative FFY 1997-2024 Grants									
Admin	15,456,280	14,739,387	126,353	1,182,338	1,308,691	0		13,755,317	511,418
SSTA	7,117,019	6,720,648	65,567	893,911	959,478	0		6,155,200	262,457
SPM	35,724,083	33,141,249	1,440,661	4,648,273	5,873,807	0		30,265,458	1,173,664
LA	46,877,771	43,330,179	1,570,160	8,339,234	9,909,394	0		39,102,618	919,271
Totals	105,175,153	97,931,463	3,202,741	15,063,756	18,051,370	0		89,278,594	2,866,809

*Remaining balances might not match EPA balances due to delay in drawing down funds

DWSRF OUTSIDE ACCOUNT ADMINISTRATION FEES
Table 3

STATE FISCAL YEAR	RECEIVED IN OUTSIDE ACCOUNT ADMIN FEES	RECEIVED IN OUTSIDE ACCOUNT APPLICATION FEES	RECEIVED IN OUTSIDE ACCOUNT INTEREST EARNED	EXPENDED FROM OUTSIDE ACCOUNT	OUTSIDE ACCT BALANCE CUMMULATIVE
					\$0
1999	\$10,106	\$1,750	\$124		\$11,980
2000	\$27,103	\$2,250	\$1,178	\$58	\$42,453
2001	\$55,593	\$2,750	\$2,820	\$53,283	\$50,333
2002	\$124,102	\$3,850	\$1,561	\$12,369	\$167,478
2003	\$108,724	\$2,850	\$1,199	\$176,084	\$104,166
2004	\$180,786	\$5,000	\$740	\$168,729	\$121,963
2005	\$264,917	\$3,600	\$3,494	\$102,857	\$291,117
2006	\$483,417	\$5,250	\$13,396	\$182,222	\$610,958
2007	\$676,705	\$3,000	\$31,255	\$693,954	\$627,964
2008	\$875,695	\$4,500	\$32,551	\$454,583	\$1,086,127
2009	\$1,416,043	\$10,850	\$53,443	\$528,296	\$2,038,167
2010	\$1,330,896	\$10,500	\$74,719	\$471,636	\$2,982,646
2011	\$1,615,020	\$4,750	\$90,420	\$279,347	\$4,413,488
2012	\$2,123,263	\$5,500	\$114,422	\$4,618,824	\$2,037,849
2013	\$2,181,973	\$5,500	\$52,811	\$381,803	\$3,896,330
2014	\$2,464,260	\$2,750	\$84,739	\$373,893	\$6,074,186
2015	\$2,097,528	\$3,250	\$116,547	\$251,373	\$8,040,137
2016	\$2,363,671	\$2,500	\$118,486	\$3,518,792	\$7,006,002
2017	\$1,916,955	\$2,750	\$123,540	\$709,580	\$8,339,667
2018	\$2,216,896	\$4,000	\$120,160	\$3,277,933	\$7,402,790
2019	\$2,559,207	\$3,917	\$183,679	\$1,284,872	\$8,864,721
2020	\$2,768,155	\$4,367	\$178,577	\$3,766,334	\$8,049,486
2021	\$2,682,216	\$4,600	\$104,734	\$3,736,739	\$7,104,297
2022	\$3,169,881	\$7,900	\$80,458	\$1,184,216	\$9,178,320
2023	\$3,575,963	\$10,267	\$183,930	\$2,146,682	\$10,801,798
2024	\$4,256,736	\$8,850	\$367,468	\$1,517,074	\$13,917,778
2025	\$4,844,606	\$5,667	\$408,780	\$7,518,474	\$11,658,357
TOTALS	\$46,390,417	\$132,717	\$2,545,230	\$37,410,008	

CASH BASIS

FY 2012 – Money provided for Delaware #10 Loan Write-off

FY 2016, 2018, 2019, 2020, 2021, 2022 and 2023, 2024 and 2025 expenditures include state match transfers

2. Small System Technical Assistance

Funds equal to 2% of the FFY 2024 federal capitalization grant were set-aside to fund small system technical assistance during SFY 2025. These funds were reserved to provide technical assistance to public water supply systems serving populations of 10,000 or fewer. In Oklahoma, during SFY 2025, 95% (1,204) of the public water supply systems met the definition of a small system and serve 1,207,501 Oklahomans. This technical assistance was provided by DEQ personnel.

The Small System Technical Assistance Set-aside from the FFY 2024 capitalization grant was \$135,480. This entire amount was specified for staff salaries and related expenses.

The Small System Technical Assistance Set-aside fund expended \$29,598 from the FFY 2022 grant, \$19,525 from the FFY 2023 grant, and \$290 from the 2024 grant during SFY 2025.

Funds from the FFY 2024 IIJA federal capitalization grants were set-aside to offset Small System Technical Assistance costs incurred by DEQ during SFY 2025.

	<u>Percent</u>	<u>Awarded</u>	<u>Expended</u>
IIJA General Supplemental	0.45%	\$ 150,575	\$ 300,266 (2022-2024)
IIJA Lead Service Line Inventory	0.02%	\$ 573,000	\$ 425,792
IIJA Emerging Contaminants	1.4%	\$ 150,729	\$ 7,422

During SFY 2025, DEQ transferred \$116,872.19 from the 2021 grant into the project loan fund to minimize ULOs while waiting for final invoices. In accordance with EPA's DWSRF Set-aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify the transferred funds from future capitalization grants if they are needed. Set-aside amounts are listed in Table 2.

Efforts funded by the Small Systems Technical Assistance Set-aside include assistance to small water supply systems in preparation and application for DWSRF loan projects and to systems deemed in need of improved operational controls. DEQ Public Water Supply Engineering and Enforcement District Engineers and Representatives along with DWSRF staff accomplished much of this effort. Other technical assistance to the defined small systems is provided through the Program Management Set-aside described in the following section.

3. State Program Management

Funds equal to \$677,400 (10%) of the FFY 2024 federal capitalization grant were set aside to fund a portion of the Public Water Supply Supervision (PWSS) Program during SFY 2025. The FFY 2024 funds were reserved to provide technical assistance and other enforcement activities of the PWSS Program, as well as conducting Sanitary Surveys. The PWSS Program, as administered by the Water Quality Division (WQD) of DEQ, regulated 1,257 water supply systems which serve 3,698,404

Oklahomans in SFY 2025. The required tasks of the State Program Management (SPM) set-aside were accomplished by WQD staff, in particular the Public Water Supply Engineering and Enforcement Section District Engineers and Representatives along with the Environmental Complaints and Local Services (ECLS) Division of DEQ.

The SPM Set-aside funds from the FFY 2024 capitalization grant was specified for staff salaries and related expenses and contracts during SFY 2025.

During SFY 2025, the Program Management set-aside expended \$29,183 from the FFY 2022 capitalization grant, \$513,429 from the FFY 2023 grant, and \$153,224 from the FFY 2024 grant.

Funds from the FFY 2024 IIJA federal capitalization grants were set-aside to offset State Program Management incurred by DEQ during SFY 2025.

	<u>Percent</u>	<u>Awarded</u>	<u>Expended</u>
IIJA General Supplemental	3.87%	\$ 1,292,543	\$ 641,411
IIJA Lead Service Line Inventory	10.0%	\$ 2,865,000	\$ 18,705
IIJA Emerging Contaminants	1.36%	\$ 150,730	\$ 50,261

During SFY 2025, DEQ transferred \$238,950.36 from the 2021 grant into the project loan fund to minimize ULOs while waiting for final invoices. In accordance with EPA's DWSRF Set-aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify the transferred funds from future capitalization grants if they are needed. Set-aside amounts are listed in Table 2.

The SPM Set-aside program was administered by WQD staff, State Environmental Lab Services (SELS) staff, and ECLS staff. See program information and accomplishments below.

Lab Capacity and Development (LCD)

SELS has used DWSRF funding for activities associated with maintaining adequate analytical capacity in the State to support the SDWA and the conditions of agency drinking water primacy. Primarily, utilization of this funding has gone for participation in various workshops and informational exchanges associated with Lead and Copper Rule Revisions (LCRR), perfluoroalkyl substances (PFAS), and other emerging contaminants. Time has been spent and will continue to be spent on activities related to quantifying PFAS in drinking water, analytical standards for harmful algal bloom (HAB) testing, and research regarding emerging contaminants of concern. Also, this funding is used for renewal of SELS' The NELAC Institute (TNI) Accreditation, which includes the PFAS in drinking water testing mentioned previously. Lastly, these funds were used and will continue to be used for drinking water testing and reporting outside of normal business hours to increase Public Water Supply (PWS) monitoring

compliance and respond to public health emergencies. In FY25, SELS implemented EPA method 505, which allowed the utilization of a single drinking water method to analyze for analytes currently being tested using multiple methods. This has increased efficiency and resulted in improved sample turnaround times. Additionally, research for methods to analyze for Fluoride has been in development and should be available for compliance samples in FY26.

State Environmental Laboratory Capacity

To maintain laboratory capacity and fulfill Principal State Laboratory (PSL) mission critical functions, SELS has the ongoing and critical need to replace outdated, inefficient, unserviceable, and nonfunctional instrumentation and equipment that supports the drinking water program. This need also includes the purchase of new technologies to prepare for future rule promulgation. This fiscal year SELS utilized DWSRF funding to procure the following:

A new autoclave (sterilization unit) to maintain laboratory capacity for analyzing and disposing of primary drinking water compliance samples. Use of the unit's sterilization ensures the integrity of lab reagents and supplies, crucial for accurate and reliable test results. The unit is also used for safe disposal of positive bacteria samples in compliance with state and federal requirements for waste disposal. This purchase supports sustainability maintaining SELS operations and certification for bacteriological testing.

Three ultrapure reagent water generating systems for supporting the microbiology and chemistry laboratories which are located on differing floors. High quality ultrapure reagent water is required for the majority of the analytical and field testing performed by the SELSD.

A large standing environmental incubator to maintain laboratory capacity for analyzing primary drinking water compliance samples. The unit's controlled environment ensures the consistent and precise conditions required for microbiological sample incubation, improving testing accuracy. This purchase enables the laboratory to meet federal drinking water testing certification requirements and fortifies our capacity to safeguard public health.

A uV/VIS spectrophotometer was purchased to analyze drinking water samples for absorbance at 254nm to calculate specific ultraviolet absorbance (SUVA) for determining DBP formation potential.

During SFY 2025, WQD staff accomplished the following activities through State Program Management Set-aside funding:

1. Tracking and technical assistance associated with Inorganic Chemicals;
 - a) *Quantity was 624 systems with current arsenic schedules in SFY 2025.*
 - b) *Quantity was 909 systems with current nitrate schedules for SFY 2025.*
 - c) *Quantity was 305 systems with current nitrite schedules in SFY 2025.*

- d) *Quantity was 625 systems with current other phase 2 & 5 inorganic schedules in SFY 2025.*
- 2. Tracking and technical assistance associated with the Organic Chemicals;
 - a) *Quantity was 626 systems with current volatile organic schedules in SFY 2025.*
 - b) *Quantity was 511 systems with current synthetic organic schedules in SFY 2025.*
- 3. Tracking and technical assistance associated with the Stage 2 Disinfectant/DBPs Rule; *Quantity was 879 systems with current DBP schedules in SFY 2025.*
- 4. Updating PWS inventory information such as administrative contact information, sources of water and treatment processes; *Quantity was 684 updates for systems in SFY 2025.*
- 5. Updating latitudes and longitudes for surface water intakes and public water supply wells; *Quantity was 8,160 new or updated/corrected locations in SFY 2025.*
- 6. Reviewed and evaluated the eligibility of projects and compliance issues surrounding each system that requested placement on the DWSRF project priority list; *Quantity was 33 for SFY 2025.*
- 7. Tracking and database maintenance for systems affected by drought conditions; *Quantity was zero (0) systems for SFY 2025.*
- 8. Tracking and technical assistance associated with the Lead and Copper Rule; *Quantity was 960 systems with current lead and copper schedules for SFY 2025.*
- 9. Performance of comprehensive performance evaluations (CPEs); *Quantity was zero (0) mandatory CPEs for SFY 2025.*
- 10. Tracking and technical assistance associated with the Consumer Confidence Rule (CCR); *Quantity was 888 systems with CCR schedules for SFY 2025.*
- 11. Tracking and technical assistance associated with the Revised Total Coliform Rule (RTCR); *Quantity was 66 systems with current RTCR schedules for SFY 2025.*
- 12. Tracking and technical assistance associated with Ground Water Rule (GWR); Oklahoma DEQ had 255 total E. Coli events with triggered ground water schedules for 203 systems *for SFY 2025.*
- 13. Tracking and technical assistance associated with radionuclides; *Quantity was 553 systems with radionuclide schedules for SFY 2025.*
- 14. Tracking and technical assistance associated with Surface Water Treatment Rules (SWTR); *Quantity was 162 systems with SWTR requirements for SFY 2025.*
- 15. Tracking of public notice; *Quantity was 2,233 public notices requested for SFY 2025.*
- 16. Daily importation of electronic sample data into SDWIS; *Quantity was 69,156 samples imported for SFY 2025.*

4. Local Assistance and Other State Programs

Funds equal to \$1,016,100 (15%) of the FFY 2024 federal capitalization grant were reserved for capacity development activities, which include the Water Loss and Leak Detection Program, Asset Management Plan Development, Rate Studies, and other technical assistance during SFY 2025.

Funds from the FFY 2024 IIJA federal capitalization grants were set-aside to offset Local Assistance and Other State Program costs incurred by DEQ during SFY 2025.

	<u>Percent</u>	<u>Awarded</u>	<u>Expended</u>
IIJA General Supplemental	5.98%	\$1,997,661	\$ 1,381,564
IIJA Lead Service Line Inventory	10.0%	\$ 2,865,000	\$ 0
IIJA Emerging Contaminants	1.36%	\$ 150,730	\$ 108

During SFY 2025, DEQ transferred \$227,950.36 from the 2021 grant into the project loan fund to minimize ULOs while waiting for final invoices. Also, DEQ transferred \$8,061.25 from the 2020 grant into the project loan fund to minimize ULOs while waiting for final invoices. Unexpended Local Assistance and Other State Programs Set-aside funds from the FFY 2021, FFY 2022, FFY 2023, and FFY 2024 Capitalization Grants were utilized to cover expenses during SFY 2025.

During SFY 2025, the Local Assistance and Other State Programs' set-aside expended \$-95,320 (correction) from the FFY 2022 grant, \$768,622 from the FFY 2023 grant, and \$681,623 from the FFY 2024 General Supplemental grant for a total of \$1,354,925. The FFY 2022, 2023, and 2024 capitalization grant expenditures are broken down as follows:

Local Assistance and other State Programs' Activities:	\$-146,084 (corr)
Water Loss Program Activities:	\$385,568
ECLS – Non-Primacy:	\$990,150
Crypto Activities:	\$0
HAB:	\$0
RTCR Assessments:	\$26,393
Capacity Development Assessments:	\$2,009
PWS Small System Technical Sampling Assistance:	<u>\$96,889</u>
	\$1,354,925

The required tasks of the Local Assistance and Other State Programs Set-aside were accomplished by Capacity Development Section (CapDev) staff, ECLS staff, WQD staff, and SELS staff. See program information and accomplishments below.

Water Loss Program Activities

In SFY 2025, DEQ continued work supporting better water loss management and reduction across Oklahoma. WQD with assistance from Oklahoma Rural Water

Association (ORWA) continued efforts to promote water loss auditing by conducting water loss audits at 33 public water supplies across the state during the fiscal year. The work consisted of both conducting the audit according to the American Water Works Association (AWWA) M36 method as well as training system personnel to continue performing the audit work on their own. The auditing work completed during SFY 2025 has identified 2,620.57 million gallons/year in real loss and 333.08 million gallons/year in apparent loss. The work continues to show that levels of real and apparent loss continue to be a concern across the state.

In SFY 2025, DEQ has also continued its work with the ORWA to conduct leak detection and meter analysis at public water supplies that have had a water loss audit performed. During SFY 2025, ORWA staff performed leak detection and meter analysis technical assistance at 14 water systems. Over the course of SFY 2025, 401.033 million gallons of lost water per year were identified, at a value of \$8,106,991/year. Of the loss that was identified, 23 of these leaks were repaired during detection- saving systems 317.5 million gallons in real loss and an estimated total of \$7,804,311/year. In each instance, water systems received training from ORWA on how to conduct leak detection and meter analysis on their own, as well as help in locating leaks and faulty meters.

Capacity Development Assessments

From 2017 to 2020, DEQ conducted the Capacity Development Project Baseline, a state-wide capacity development assessment of municipal water supplies and rural water districts that serve 10,000 or fewer people. From 2021 through the end of calendar year 2023, capacity development assessments continued to be completed for public water systems to continue expanding on the understanding of systems' Technical, Managerial, and Financial (TMF) capacities. Beginning January 2024, the CapDev began using a new version of the assessment that implemented major improvements to the assessment that made it easier to complete, understand, and synthesize.

During SFY 2025, 45 assessments were conducted. The results of these assessments indicate that, on average, water systems have 77.60% of the necessary TMF capacity to achieve sustainability. This brings the total number of new assessments completed to 68, which means a total of 1,297 Capacity Development Assessments have been completed since the program's inception. Of the SFY 2025 assessments, 31 were initial assessments that earned an average score of 73.9%, while 14 were follow up assessments that earned a higher average of 85.8%. This reflects positively on the effectiveness of the CapDev's TA efforts. Of the assessments completed in SFY 2025, most of the assessed systems (73.33%) demonstrated borderline to adequate levels of TMF capacity, having successfully implemented between 50%-90% of capacity development factors. Over twenty percent (22.22%) of assessed systems demonstrated ideal levels of TMF capacity (possessing 90% or greater of capacity development factors), while 4.44% of assessed systems had a critical lack of capacity (possessing fewer than 50% of recommended capacity development factors). The information gathered from these assessments is being used to guide targeted TMF technical assistance to water systems in greatest need

of help, as well as to strategically plan technical assistance outreach and focus areas for DEQ and other technical assistance providers.

Rate Analysis Activities

During SFY 2025, DEQ through its contract with ORWA conducted 20 rate studies with 12 municipal systems and 8 rural water districts. In each case, ORWA works with the system to comprehensively account for all expenses and revenue streams, develops a model that forecasts and considers asset management concerns as well as planned capital improvements, and helps the system implement the new rate structure by presenting it to the governing board and the public. Based on the rate studies completed, the participating systems experienced an average improvement in operating ratio of 0.09 (9%), and 10 systems moved from insolvency to financial sustainability.

Source Water Protection Plans

As of SFY 2025, DEQ's Source Water Protection (SWP) Program has finished the redevelopment of their Source Water Assessment and has further developed SWP resources and a SWP Action Plan template for water systems to create a more comprehensive plan when it comes to understanding and protecting their source waters. DEQ completed 5 SWP plans during SFY 2025. During this period, DEQ successfully completed its first pilot assessment with the City of Antlers. Additional assessments will be completed during the next fiscal year which will help to further improve the program. In addition to internal source water efforts, DEQ is also a member of the Oklahoma Source Water Collaborative. This group meets regularly to identify the source water protection needs of surface and ground water systems across the state, as well as to facilitate collaboration across the agencies involved. This past year, the collaborative has worked on creating a comprehensive GIS map that houses a multitude of layers relating to the topic of Source Water Protection. The collaborative hopes to have this map available to the public within the next year.

Asset Management (AM) Plans

America's Water Infrastructure Act of 2018 (AWIA) and amendments to Section 1420 of SDWA brought about by Section 2012 of the America's Water Infrastructure Act (AWIA), required that states amend their capacity development strategies to include a description of how the state will encourage the development of AM plans at PWS systems. The state's strategy focuses on providing training seminars, one-on-one assistance, and providing for third-party AM plan development via technical assistance contracts. The CapDev's increased efforts toward promoting and supporting the implementation of AM plans at the state's PWS systems. To further support AM training, DEQ has included a presentation geared towards operators in the 10 Operator Renewal Trainings held across the state in State FY25. Also, during SFY 2025, the CapDev assisted with the completion of 14 Asset management plans.

Complaint and Spill Investigations

A cornerstone of the ECLS Division is the Environmental Complaints Program. ECLS procedures allow for a rapid response and a quick resolution to environmental complaints. ECLS, through its 58 local Environmental Programs Specialists (EPSs) strategically located across the state, investigates citizen complaints, and documents each investigation in a central repository. ECLS works toward correction of all complaints in its jurisdiction within 90 days or moves the complaint to enforcement. If the investigation requires the assistance of another Division at DEQ, the complaint is referred to that Division. ECLS handles all initial investigations for all public water supply complaints. ECLS investigated three-hundred-eighty-five (385) complaints involving public water supplies during SFY 2025. When a spill is reported, whether by the responsible party or a first responder, the local EPS will determine if the location is within a delineated area. If the spill is within a delineated area, the EPS will contact the community to ensure awareness and to facilitate discussion about inclusion in the wellhead protection plan as if the spill was from a potential source of contamination. ECLS investigated two-hundred-seventy-nine (279) spills in 2025.

Technical Assistance

ECLS, through its local EPSs, has a long history of providing technical service to the citizens and communities of Oklahoma. ECLS provides technical assistance to its citizens and public water supply systems, including the following:

- Discussion and clarification of rules and regulations through site visits; phone calls; and mailing DEQ regulations, fact sheets, and/or letters.
- Operational and compliance assistance to municipalities and/or regulated facilities.
- Participation in public meetings.

In SFY 2025, ECLS provided one-hundred-sixty-four (164) technical assistance visits to public water supply systems and Oklahoma citizens with questions about their drinking water.

Sanitary Surveys and Site Inspections

Sanitary Surveys are in-depth inspections of EPA's eight elements of a PWS system:

(1) source, (2) treatment, (3) distribution system, (4) finished water storage, (5) pumps, pump facilities, and controls, (6) monitoring, reporting, and data verification, (7) system management and operation, and (8) operator compliance with State requirements.

Oklahoma's primacy agreement with EPA requires a sanitary survey be conducted for each PWS system once every three years (triennial). PWS Engineering and Enforcement Representatives have taken over the responsibility from ECLS for conducting Sanitary Surveys of PWS systems that provide complex treatment. During SFY 2025, PWS District Engineers and Representatives received training and improved procedures to conduct Sanitary Surveys. Seven-hundred-fifteen (715) Sanitary Surveys were completed during SFY 2025.

ECLS EPSs conducted one-thousand-three-hundred and ninety-nine (1,399) site inspections at all PWS systems not scheduled for triennial Sanitary Surveys during SFY 2025. These site inspections are conducted to ensure PWS systems are continuing to be properly operated and maintained and to continue maintaining good working relationships with PWS Operators.

PWS Small System Technical Sampling Assistance

SELS continues to utilize DWSRF to fund one technical Full Time Employee (FTE) to support the Small System Assistance (SSA) Program. This role involves targeted outreach to provide advanced technical assistance to system personnel, focusing on proper sample collection techniques and emphasizing sample integrity and traceability. Efforts are concentrated on building a sustainable training infrastructure, helping system staff understand compliance sample rules, schedules, collection techniques, and test results. To improve compliance rates, online training videos and other tools have been developed and deployed for small public water supplies across the state. In SFY 2025, SELS staff oversaw and assisted in the collection of ninety-five (95) compliance samples under five federal drinking water rules through sixty-five (65) on-site visits and two-hundred-seven (207) virtual technical assistance events. The viability of these samples was 100%, ensuring customers' drinking water requirements and public health were maintained.

RTCR Assessments

The goal of an RTCR assessment is to find sanitary defects which can provide pathways of entry for contamination into a PWS distribution system. A level 1 assessment may be performed by anyone; however, a level 2 assessment must be performed by qualified personnel.

In SFY 2025, DEQ completed both level 1 and level 2 assessments for PWSs that were required to comply with that specific part of the RTCR. An assessment is required when the total coliform sample results show that a PWS may be vulnerable to contamination.

ECLS and WQD staff completed sixty-nine (69) level 1 and level 2 assessments during SFY 2025.

While DEQ staff performed assessments at PWSs, they utilized that opportunity to teach operators and owners how to assess their own system; the goal being that PWS staff will be more likely in the future to find sanitary defects on their own before problems arise.

B. State Matching Funds

The SDWA requires state matching funds equivalent to 20% of each capitalization grant. The state matching funds for the FFY 2024 base capitalization grant in the amount of \$1,354,800, and the 2024 IIJA GS Grant in the amount of \$6,681,400 were provided through the Oklahoma Legislature, and a transfer from the DWSRF Administrative Fund. The 2025 DWSRF Bond Issue that closed in June 2025 provided \$5 Million for state

matching funds for the FFY 2025 grants. Please see pages 40-41 of this report, which provides more details about the bond issues.

C. Project Activities

Eligible projects proposed by applicants requesting funding from the DWSRF are ranked and prioritized according to the Project Priority System procedures. The project with the most points shall be first on the Project Priority List (PPL). The project with the least points shall be last. The specific categories of source, treatment, storage, and distribution are not ranked separately. Projects will be funded in order of priority as each project meets the program requirements throughout the state fiscal year. For a project to be funded, it must meet “ready to proceed” criteria as listed in the IUP.

Projects that have met the “ready to proceed” requirements are moved to the fundable portion of the PPL and bypass those projects that are not ready to proceed. The project is advertised and bids received pursuant to the Oklahoma Public Competitive Bidding Act of 1974. The loan amount is then sized in accordance with the bid to be accepted and awarded. The project is then recommended to the OWRB Board for approval. If approved, DWSRF funds are committed through a board order. The loan is then closed, contract documents signed, and “Notice to Proceed” is issued to the contractor to start construction on a specified date.

DEQ and OWRB provide DWSRF assistance to the systems of highest priority that are ready to proceed with their project. If the highest priority system is not ready to proceed, it may be bypassed and funding goes to the next highest priority system that is ready to proceed. A bypass letter is sent to each system on the PPL whenever the bypass procedures are needed. Lower ranked projects were funded as their projects were determined to be ready to proceed. The original IUP for SFY 2025 is included as Attachment 2. For revisions to the IUP, please see Attachment 12.

Table 4 - DWSRF Project and Loan Details

2025

Project Name	SFY of Loan Closing	Pop.	Environmental Decision		Binding Commit. Date	Loan Closing				Project Component					Planning and Design
			Date	Type		Amount	Interest Rate	Admin. Fee	Start Const.	Treatment	Transmission & Distribution	Source	Storage		
Oklahoma City WUT (XII)	2025	1,114,000	11/4/24	CATEX	5/21/2024	\$75,261,000	2.95%	0.50%	4/23/25	\$67,261,000.00	\$8,000,000.00	\$0	\$0	\$0	
Lawton WA (VII)	2025	114,387	9/29/23	CATEX	7/16/24	\$29,000,000	2.83%	0.50%	11/23/24	\$0	\$29,000,000	\$0	\$0	\$0	
Edmond PWA (XI) (EQ)	2025	80,214	3/22/24	Reviewed and accepted USACE FNSI	9/17/24	\$54,000,000	2.77%	0.50%	10/14/24	\$0	\$54,000,000	\$0	\$0	\$0	
Checotah PWA (II)	2025	8,250	3/3/20	CATEX	10/15/24	\$881,650	0.00%	0.00%	1/2/25	\$881,650	\$0	\$0	\$0	\$0	
Edmond PWA (VIII)	2025	80,214	7/6/22	CATEX	12/17/24	9,335,000	2.81%	0.50%	2/17/25	\$0	\$9,335,000	\$0	\$0	\$0	
Johnston Co. RWD #3	2025	3,223	1/19/24	CATEX	12/17/24	\$1,937,520	2.90%	0.50%	3/10/25	\$0	\$1,937,520	\$0	\$0	\$0	
Enid MA (VII)	2025	52,650	10/18/24	CATEX	12/17/24	\$3,594,450	2.15%	0.50%	3/31/25	\$0	\$3,594,450	\$0	\$0	\$0	
Salina PWA (II)	2025	1,422	6/17/24	EA/FNSI	1/21/25	\$950,000	0.00%	0.00%	4/1/25	\$0	\$950,000	\$0	\$0	\$0	
Oklahoma City WUT (XVII) LSLI #2	2025	1,114,000	12/3/24	CATEX	1/21/25	\$2,500,000	0.00%	0.50%	2/1/25	\$0	\$2,500,000	\$0	\$0	\$0	
Lawton WA (IX) (EQ)	2025	114,387	9/29/23	Covered by (VII) CATEX	2/25/25	\$21,000,000	3.03%	0.50%	4/1/25	\$0	\$21,000,000	\$0	\$0	\$0	
Commerce DA	2025	2,645	12/11/24	CATEX	3/18/25	\$931,230	0.00%	0.00%	5/19/25	\$0	\$931,230	\$0	\$0	\$0	
LeFlore Co. RWD #17	2025	373	11/6/24	CATEX	3/18/25	\$300,000	0.00%	0.00%	5/23/25	\$0	\$300,000	\$0	\$0	\$0	
Francis PWA (II)	2025	390	1/22/25	CATEX	3/18/25	\$1,730,000	3.20%	0.50%	4/21/25	\$0	\$0	\$0	\$1,730,000	\$0	
Midwest City MA	2025	56,785	6/10/24	CATEX	1/21/25	\$219,000	0.00%	0.0%	5/12/25	\$0	\$219,000	\$0	\$0	\$0	
Gore PWA (II)	2025	1,688	2/20/25	CATEX	4/15/25	\$1,397,173	3.19%	0.50%	7/5/25	\$1,217,256.96	\$179,916.04	\$0	\$0	\$0	
Westville UA	2025	1,596	4/11/25	EA/FNSI	4/15/25	\$1,599,220	3.46%	0.50%	8/15/25	\$0	\$0	\$0	\$1,599,220	\$0	
Garfield Co. RWD #5	2025	1,980	2/25/25	CATEX	4/15/25	\$800,000	0.00%	0.00%	7/15/25	\$0	\$0	\$800,000	\$0	\$0	
Chelsea Economic DA	2025	1,964	12/11/24	CATEX	5/20/25	\$1,076,497	3.14%	0.50%	7/1/25	\$1,076,497	\$0	\$0	\$0	\$0	
Totals:						\$206,512,740				\$70,436,403.96	\$131,947,116.04	\$800,000.00	\$3,329,220.00	\$0	

The total percentage of small systems funded through the Oklahoma DWSRF program is shown in Table 5 below. Currently, 19% of all DWSRF funds have been utilized for small systems. Also 10% of the current year's funds have been utilized for small systems.

Table 5 Total Percentage of Small Systems Funded				
Binding Commitments	SFY	Pop.	Small	Large
SFY 1998-2001			\$22,548,975	\$25,989,280
SFY 2002-2005			\$14,465,983	\$117,672,718
SFY 2006-2018			\$247,845,626	\$753,401,429
SFY 2019-2024			\$160,726,359	\$939,101,014
Lawton WA (VII)	2025	114,387		\$29,000,000
Edmond PWA (XI)	2025	80,214		\$54,000,000
Checotah PWA (II)	2025	8,250	\$881,650	
Edmond PWA (VIII)	2025	80,214		\$9,335,000
Johnston Co. RWS & SWMD #3	2025	3,223	\$1,937,520	
Enid MA (VII)	2025	52,650		\$6,000,000
Salina PWA (II)	2025	1,422	\$950,000	
Midwest City MA	2025	56,785		\$219,000
Oklahoma City WUT (XVII) LSLI #2	2025	1,114,000		\$2,500,000
Lawton WA (IX)	2025	114,387		\$21,000,000
Commerce DA	2025	2,645	\$931,230	
LeFlore Co. RWD #17	2025	373	\$800,000	
Francis PWA (II)	2025	390	\$1,730,000	
Garfield Co. RWD #5	2025	1,980	\$800,000	
Gore PWA (II)	2025	1,688	\$1,410,000	
Westville UA	2025	1,596	\$1,764,308	
Chelsea Economic DA	2025	1,964	\$2,000,000	
Total for 2025			\$13,204,708	\$122,054,000
Total Overall			\$458,791,651	\$1,958,218,441
Percentage			19%	81%

As part of the on-going efforts to meet the small system funding provisions, the DWSRF program continues efforts towards marketing, outreach, and technical assistance, including, but not limited to, the following activities.

- Small system technical assistance provided by DEQ staff, Public Water Supply Engineering & Enforcement Section, and ECLS Division;
- Active participation in quarterly meetings of the FACT – including the United States Department of Agriculture Rural Development (USDA-RD), OWRB, ORWA, Indian Health Services (IHS), Oklahoma Department of Commerce (ODOC), Communities Unlimited (CU), Oklahoma Development Finance Authority (ODFA), and Oklahoma Association of Regional Councils (OARC) – wherein invitations are extended to water systems with the most urgent technical and financial needs;
- Water Loss Program Activities are provided free of charge to small systems. We plan to continue the voluntary audits with a focus on small systems (see pages 20-21 for activities);
- Monthly meetings and/or consultations may be held by DWSRF staff with small systems on the PPL that are not yet “ready to proceed” to assist them to become “shovel ready”;
- Coordination with OWRB and ORWA staff to provide financial and technical consultations (see pages 3-7 and table 4);
- Presentations at conferences and workgroups to establish availability of small systems technical and financial assistance (see page 33, Short-Term Goal 8);
- Continue to provide subsidy for public water systems with health-based violations, such as DBP issues (see pages 3-7);
- DWSRF presented, or assisted at a booth, at twenty (20) conferences during SFY 2025. OWRB presented/attended fifteen (15) conferences during SFY 2025.

Fund Financial Status

Binding Commitments:

A Binding Commitment is a loan application that is approved for funding by the OWRB. DEQ prepares and sends out the Binding Commitment notifying applicants that OWRB had approved their applications and concurred in awarding DWSRF loans. Before issuance of these commitments, the projects are reviewed in accordance with DEQ’s EPA approved State Environmental Review Procedures and with the rules and regulations of the Oklahoma Administrative Code.

Binding commitments must be made in an amount equal to each grant payment that is deposited into the loan fund and state match within one year of receipt of each grant payment. As of June 30, 2025, DEQ had entered into binding commitments for 536% over the required binding commitment amount. Oklahoma’s binding commitments are displayed in Table 6.

During SFY 2025, many projects had an adjustment between the binding commitment amount and the amount at loan closing. The total of these adjustments is listed in Table 6.

Table 6 details the payment schedule and binding commitments for Oklahoma's Drinking Water State Revolving Fund. The table demonstrates that during state fiscal year 2025 the Oklahoma Department of Environmental Quality entered into binding commitments within one year of receipt of payments. Please note that the table lists actions by federal fiscal years.

FFY	QTR	2022 Grant	2023 Grant	2024 Grant	Set-Aside	TOTAL	CUMULATIVE	BINDING	CUM. BIND.	PROJ	BINDING	CUM. BIND.	% OF
		Loan	Loan	Loan	Payments	QTR	LOAN	COMMIT.	COMMIT.		COMMIT.	COMMIT.	BIND COM
		Payments	Payments	Payments		PAYMENTS	PAYMENTS	REQUIRED	REQUIRED		ACTUAL	ACTUAL	REQUIRED
2022	1st				\$1,154,190	\$5,380,620	\$283,354,203	\$6,689,828	\$344,572,109	(cl)	\$36,600,000	\$1,680,001,966	488%
	2nd				\$1,154,190	\$0	\$283,354,203	\$227,288	\$344,799,398	(cm)	\$1,911,551	\$1,681,913,517	488%
	3rd				\$1,154,190	\$0	\$283,354,203	\$227,288	\$345,026,686	(cn)	\$227,946,538	\$1,909,860,055	554%
	4th	\$27,506,098			\$1,484,703	\$27,506,098	\$310,860,301	\$6,731,182	\$351,757,868	(co)	\$4,000,000	\$1,913,860,055	544%
2023	1st	\$3,427,575			\$1,008,208	\$3,427,575	\$314,287,876	\$6,687,582	\$358,445,450	(cp)	\$32,453,184	\$1,946,313,240	543%
	2nd				\$1,008,208	\$0	\$314,287,876	\$230,838	\$358,676,288	(cq)	\$31,823,305	\$1,978,136,545	552%
	3rd				\$1,008,208	\$0	\$314,287,876	\$230,838	\$358,907,126	(cr)	\$14,110,735	\$1,992,247,280	555%
	4th				\$1,789,377	\$0	\$314,287,876	\$33,304,258	\$392,211,384	(cs)	\$2,240,000	\$1,994,487,280	509%
2024	1st		\$15,645,994		\$1,565,879	\$15,645,994	\$329,933,870	\$4,314,732	\$396,526,116	(ct)	\$99,145,376	\$2,093,632,656	528%
	2 nd		\$15,645,993		\$1,565,879	\$15,645,993	\$345,579,863	\$201,642	\$396,727,757	(cu)	\$37,245,000	\$2,130,877,656	537%
	3rd				\$1,565,878	\$0	\$345,579,863	\$201,642	\$396,929,399	(cv)	\$75,201,322	\$2,206,078,978	556%
	4th				\$687,985	\$0	\$345,579,863	\$357,875	\$397,287,274	(cw)	\$83,000,000	\$2,289,078,977	576%
2025	1st			\$14,674,060	\$1,439,427	\$14,674,060	\$360,253,923	\$19,088,369	\$416,375,643	(cx)	\$18,154,170	\$2,307,233,147	554%
	2 nd			\$19,509,237	\$1,439,426	\$19,509,237	\$379,763,160	\$19,088,367	\$435,464,010	(cy)	\$22,724,680	\$2,332,957,827	536%
	3rd				\$1,439,425	\$0	\$379,763,160	\$313,176	\$435,777,186	(cz)	\$4,372,890	\$2,337,330,717	536%
	4th				\$974,440	\$0	\$379,763,160						
Total		\$30,933,673	\$31,291,987	\$34,183,297		\$379,763,160		\$435,777,186			\$2,337,330,717		

Timely and Expeditious Use of Funds:

DEQ's goal is to have less than 2 years' worth of capitalization grants open. As of June 30, 2025, DEQ had three open grants, which are for FFY 2022, 2023, and FFY 2024. The FFY 2022, and 2023 grants will be closed out during SFY 2026. Federal funds are drawn as quickly as possible using the First-In-First-Out (FIFO) method.

Recipient Accounting Requirements:

DWSRF recipients are required to maintain project accounts in accordance with Generally Accepted Government Accounting Standards (GAGAS). All loan agreements for DWSRF recipients stipulate that the "Borrower shall maintain separate Project accounts in accordance with GAGAS." Active borrowers are required to submit financial audits annually to the OWRB. OWRB staff review the audits and work with the borrowers or their auditors to resolve any issue encountered.

Cash Draw Proportionality:

Since program inception, DEQ/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 drawdown ratio been followed.

Cross-Cutting Authorities:

DEQ has reviewed all DWSRF funded projects for compliance with applicable Federal cross-cutting authorities, including: National Environmental Policy Act; National Historic Preservation Act; Archeological and Historic Preservation Act; Protection of Wetlands; Environmental Justice; Flood Plain Management; Farmland Protection Policy Act; Wild and Scenic Rivers Act; Endangered Species Act; Clean Air Act; Safe Drinking Water Act; Disadvantaged Business Enterprise Provisions; Equal Employment Opportunity Executive Order (rescinded in January 2025); Civil Rights Act of 1964; Section 13 of the Federal Water Pollution Control Act Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; The Age Discrimination Act of 1975; Clean Water Act; Debarment and Suspension Executive Order; Environmental Justice Executive Order 12898 (rescinded in January 2025); Demonstration Cities and Metropolitan Development Act; Uniform Relocation Assistance and Real Property Acquisition Act; and Lobbying Disclosure Rules.

During April of SFY 2025, EPA suspended the following Disadvantaged Business Enterprise (DBE) requirements:

1. Fair share objectives negotiation requirements under 40 CFR Part 33 Subpart D;
2. Recipient reporting requirements under 40 CFR 33.502;
3. All enforcement and compliance actions pursuant to 40 CFR Part 33.105;
4. Collection of EPA Form 5700-52A as a condition of closeout.

D. Prospective Loan Projects

During SFY 2025, thirty-three (33) projects were added to the DWSRF PPL. Based on the original SFY 2025 IUP, the DWSRF PPL contained twenty-five (25) projects. Also, twenty-five (25) projects were removed from the PPL either by request or by receiving a binding commitment. All of these projects were on the planning portion of the list and are working to comply with DWSRF planning and design requirements. Seventeen (17) of these projects received a binding commitment during SFY 2025. The remaining projects are at various stages in the planning process. The SFY 2025 IUP is included as Attachment 2.

During SFY 2025, environmental decisions were finalized for fourteen (14) DWSRF projects. The breakdown of these decisions is as follows: twelve (12) Categorical Exclusions (CATEXs); two (2) Environmental Assessments (EA)/Finding of No Significant Impacts (FNSI).

III. DWSRF Goals Attained

A. Short-Term Goals

The DWSRF loans made for projects during SFY 2025, detailed in Table 4, were specifically directed at achieving the goals (as numerically listed below) of the DWSRF program and were accomplished (in italics) as follows:

1. Provide twenty-five (25) loans to the twenty-four (24) water systems listed on the Fundable Portion of the SFY 2025 Project Priority List (PPL). (Target Completion: June 2025)

Answer: The State closed eighteen (18) loans to systems on the SFY 2025 Project Priority List. Please see Table 4 for a list of systems, including all pertinent information.

2. Apply for FFY 2025 capitalization grants. (Target Completion: April 2025)

Answer: DEQ applied for the 2025 capitalization grants during the week of June 19th, 2025.

3. Complete set-aside work plans specifying funds from the 2024 capitalization grants. (Target Completion: Within 90 days of grant award)

Answer: DEQ submitted set-aside work plans for the 2024 capitalization grants on December 23, 2024, after receiving an extension from EPA.

4. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2025)

Answer: Based on the information provided in completed source water assessments, DEQ has partnered with the ORWA to develop source water protection plans for small public water supplies. This project is funded via DWSRF set-asides and began work in SFY 2021. During SFY 2025, five (5) source water protection plans were completed by ORWA.

5. Use set-aside funds to provide technical assistance to systems to comply with LT2ESWTR, Stage 2 DBPR; RTCR; LCR, and GWR. (Target Completion: June 2025)

Answer: DEQ meets this goal. See pages 18, 19, and 24 for accomplishments.

6. If needed, issue DWSRF Revenue Bonds to finance the additional demand for drinking water loan funds. (Target Completion: June 2025)

Answer: OWRB issued DWSRF Revenue Bonds during this SFY in the amount of \$160M.

7. Expend Capitalization Grant within two years of grant award.

Answer: The FFY 2022, 2023, and 2024 Capitalization Grants will be expended by June 30, 2027.

8. Promote and market the DWSRF program by giving presentations around the State. (Target Completion: June 2025)

Answer: DWSRF presented, or assisted at a booth, at twenty (20) training events during SFY 2025. OWRB presented/attended fifteen (15) conferences during SFY 2025.

9. Continue to promote and further Justice40 Initiative. (Target Completion: June 2025)

Answer: The DWSRF program is working with the CapDev to co-fund projects with the WIIN 2104 Small Underserved Disadvantaged Communities Grant.

10. Target the additional funds made available through the IIJA to disadvantaged communities. (Target Completion: June 2025)

Answer: The DWSRF program directed disadvantaged funding to twelve (12) systems eligible who received funding during SFY 2025. See pages 3-7.

Please refer to pages 9-10, Table 1, for total grants available for assistance and page 27, Table 5, for total percent of small systems funded since inception of DEQ's loan program.

DEQ funded systems whose projects were determined to be eligible and whose costs were eligible.

B. Long-Term Goals

The application and receipt of capitalization grant funding, the provision of state matching funds, and the proposition to provide low interest loans to eligible loan

applicants are the specific efforts required to achieve the following goals of the DWSRF program:

1. To maintain the fiscal integrity of the DWSRF and to assure a continuous enhancement of the loan fund for future generations;
 - *The DWSRF program has been leveraged to meet the funding needs in the future. See Pages 40 & 41. DEQ and OWRB work together to assure the long-term financial health of the loan fund through contracts and an annual audit. See Attachments 4 & 5.*
2. To maintain the fund in perpetuity; perpetuity consists of maintaining the principal amounts of the state matching funds and capitalization grants, less set-asides, within the DWSRF;
 - *The DWSRF program has been leveraged which will provide state matching funds for future grants. A bond issue was issued in June 2025, during SFY 2025. See Attachment 3 & 5.*
3. To assist the State in meeting the total drinking water funding needs by blending DWSRF capitalization grant and state match funds with leveraged DWSRF bond proceeds to provide long-term, low-interest drinking water financing;
 - *Provided construction loan financing for systems through DWSRF loans provided to Oklahoma water systems. See Tables 4 and 5, and Attachments 4 and 5.*
4. To obtain maximum capitalization of the fund for the State while generating sufficient investment and loan interest earnings to retire revenue bonds;
 - *The DWSRF program has been leveraged to meet the funding needs in the future. See Attachments 3 and 5.*
5. Use set-aside funds along with DWSRF loans to maximize compliance and public health protection;
 - The DWSRF program funded 18 projects during SFY 2025. See pages 3-7, and Attachments 1 and 2.
6. Promote technical, managerial, and financial capability of all public water supply systems;
 - OWRB and DEQ conduct financial analysis and overview of the ability of the borrower to run the system. The CapDev completed water loss audits, Capacity Development Assessments, and rate analysis studies during SFY 2025. See Attachments 1 and 6.
7. Encourage the consolidation and/or regionalization of small public water systems that lack the capability to operate and maintain systems in a cost-effective manner;
 - The DWSRF program offers principal forgiveness funding for these activities. During SFY 2025, one system received principal forgiveness for consolidation or regionalization. The system is Midwest City MA. See Attachment 2, and pages 3-7.
8. Target public water supply projects with health-based violations to reduce the non-compliance rate;
 - During SFY 2025, OWRB and DEQ continued its effort to target public water systems with HBV, primarily DBPs, or

regionalization/consolidation. During this period, 4 out of 18 projects funded were systems with HBVs or regionalization/consolidation issues. The projects were Checotah PWA (II) (DBP), LeFlore Co. RWD #17 (DBP), Francis PWA (II) (HB/Tower), and Midwest City MA (consolidation). The DWSRF program offers principal forgiveness funding for these activities. See pages 3-7.

9. Target the additional funds made available through the IIJA to disadvantaged communities in accordance with EPA's Memo of Implementation of DWSRF provisions from the IIJA;
 - The DWSRF program directed disadvantaged funding to those systems eligible who received funding during SFY 2025. Twelve (12) systems received IIJA funds and were disadvantaged. See pages 3-7.
10. Encourage climate resilient projects;
 - The CapDev performs assessments for water systems being funded through DWSRF. These assessments assist in identifying and improving resiliency of drinking water systems.
11. Continue to refine the CapDev Program through the following actions:
 - a. Revising the Capacity Development Strategy to reflect current goals and methods used by the CapDev, including the promotion of proper asset management at Oklahoma water supplies;
 - The Capacity Development Strategy was updated in calendar year 2021. *There are five (5) FTEs working to provide technical assistance through the CapDev program.* See page 36.
 - b. Enhancing Implementation of the Water Loss Auditing and Leak Detection Program.
 - The CapDev provided these services in conjunction with a contract with ORWA. See pages 20-21.
 - c. Increasing the amount of technical, managerial, and financial assistance provided to small Oklahoma public water supplies, both from CapDev staff and from 3rd-party technical assistance providers;
 - The CapDev provided these services in conjunction with 3rd party contracts. See page 21.
 - d. Implementing a Source Water Protection Program;
 - The CapDev provided this service. See page 15 of Attachment 6.
 - e. Promoting and transferring optimization concepts to water systems through participation in the Area Wide Optimization Program (AWOP);
 - See page 7 of Attachment 6.

All of the program goals listed above were achieved in SFY 2025. Also, DEQ complied with general grant regulations.

Since DWSRF has more demand for funding than it can supply, bonds were issued in June 2025, in the amount of \$160M.

Oklahoma may provide a “disadvantaged community program” for systems wishing to receive financing up to a 40-year loan, however, Oklahoma has yet to pursue 40-year financing. DEQ closed eight (8) loans for a term between 20 and 30 years during SFY 2025.

Environmental Results under EPA Assistance Agreements

1. In accordance with “EPA’s Environmental Results under EPA Assistance Agreements, Order No. 5700.7”, which became effective on January 1, 2005, DEQ herein describes the outcome of the output goals listed below.

Output Goal 1 – Provide twenty-five (25) loans to the twenty-four (24) water systems listed on the Fundable Portion of the SFY 2025 PPL. See Appendix B, of the SFY 2025 IUP, for a list of projects on the PPL.

Outcome:

The State closed loans to eighteen (18) projects on the SFY 2025 PPL. See Table 4 for system names and amounts.

Output Goal 2 – Enter into binding commitments with eighteen (18) small systems and seven (7) large systems, one large system will have two different loans, for a total of twenty-five (25) projects during SFY 2025. See Appendix B, of the SFY 2025 IUP, for a list of these systems and their population.

Outcome:

DEQ made binding commitments with seventeen (17) systems on the SFY 2025 PPL. See Table 4 and Table 5 for system names and amounts. Of these systems, ten (10) were small systems, and seven (7) were large systems.

2. Environmental benefits will result from loans made and projects completed to reduce specific contaminants, create energy savings, conserve water, increase capacity to meet current water needs, replace aging infrastructure, and comply with state and federal regulations.

Output and Outcome

1. Assisting non-compliant systems to achieve compliance: 4 systems (Checotah PWA (II), LeFlore Co. RWD #17, Francis PWA (II), and Midwest City MA)
2. Assisting compliant systems to maintain compliance: 13 systems (OKC WUT (XII), Lawton WA (VII), Edmond PWA (XI), Edmond PWA (VIII), Johnston Co. RWS & SWMD #3, Enid MA (VII), Salina PWA, Lawton WA (IX), Commerce DA, Gore PWA (II), Westville UA, Garfield Co RWD #5, Chelsea Economic DA)
3. Assisting compliant systems to meet future requirements: 1 system (OKC WUT (XVII) (LSLI))
4. Other assistance not compliance related: 0 systems

IV. Capacity Development Strategy Activities

The SDWA includes requirements for states to obtain authority to: (1) ensure that new systems have TMF capacity to provide safe and affordable drinking water for now and in the future; (2) ensure that all DWSRF loan recipients have sufficient TMF capacity prior to receiving loan funds (or that the loan funds will allow them to receive the capacity they require); and (3) develop a strategy to address the capacity of existing systems.

The Capacity Development Strategy document, which demonstrates that DEQ has the statutory authority to ensure that all proposed new water supply systems have TMF capabilities to provide safe and affordable drinking water, was initially submitted to EPA and was approved on July 6, 1999. DEQ revised the Capacity Development Strategy Document twice since inception of the programs: first in 2012, which updated regulatory citations and incorporated language to facilitate implementation of EPA's Sustainable Infrastructure initiative and expansion of future DWSRF grant funding, and again in 2020 to include training and development/implementation assistance for system asset management plans. DEQ has the authority to review and approve all planning, design documents, and applications to construct and operate waterworks, as well as ensure that proper technical, managerial, and financial requirements are met during the life of the plant. DEQ jurisdiction over the "permit to construct process" is the main control point through which all public drinking water systems must be approved before construction can be initiated and drinking water supplied to the public.

The Capacity Development requirements for DWSRF loan recipients are attained via a multi-agency approach coordinated by the agency CapDev. All loan fund applicants are assessed for TMF capacity by the CapDev, who assists the applicants in developing policies, procedures, or making other changes to obtain and maintain appropriate capacity and sustainability.

Additional assistance is provided to applicants by 1) the OWRB (managerial and financial capacity assistance), 2) via technical assistance from DEQ permitting, inspection, and enforcement staff, and 3) via assistance from 3rd-party providers. All loan applicants that had projects listed on the PPL have received technical assistance and have been thoroughly reviewed to ensure that they are fully capable of operating and maintaining a public water supply system.

The WQD maintains a complete inventory of all public water supply systems, monitoring data, and records of violations. PWS with actual or potential problems are targeted to receive TMF capacity assistance, increased monitoring, and/or legal oversight to ensure that the problem does not continue or increase to the point that public health is threatened.

DEQ's Existing System Capacity Development program was approved by EPA Region 6 on August 25, 2000. DEQ submitted the 2024 annual report to EPA in September 2024. DEQ will submit the 2025 report within 90 days of the close of the fiscal year. See Attachment 6 for a copy of the 2025 report.

V. Operator Certification Activities

The SDWA directs the Administrator of EPA, in cooperation with the States, to specify minimum requirements for certification of operators of community and non-transient non-community water systems. EPA's final guidelines were published on February 5, 1999. States had two years from this date to adopt and implement an operator certification program that complies with EPA's guidelines.

DEQ currently has an operator certification program that requires certification of operators for community water systems. DEQ has amended Oklahoma's rules related to operator certification to ensure that the program complies with EPA's final guidelines, including required certification of non-transient non-community system operators. DEQ submitted documentation of the revised operator certification program to EPA in August 2000. EPA approved the program in March 2001. The DWSRF grant application does not specify funds for the Operator Certification program.

VI. EPA Automated Standard Application for Payments (ASAP) Payment

In lieu of depositing federal capitalization grant funds directly into the DWSRF, the federal government has implemented the ASAP system. The ASAP system is a federal cash management tool that allows the state to draw down the capitalization grant funds only when eligible costs are incurred. The ASAP system was developed by the U.S. Office of Management and Budget to improve cash management of federal payments. Since federal cash payments to the state cannot be made until costs are incurred, this procedure eliminates any potential interest earnings between the time the capitalization grant was awarded and the time the funds were utilized (loaned). The 20 percent state match is placed into the DWSRF prior to receiving federal grant payments.

VII. Interest Rates/State Financing Plan

The SDWA places certain federal requirements on projects that receive assistance from the DWSRF. These federal requirements include "cross-cutting" federal laws and authorities. Loans below market rate are necessary to create program incentives to comply with the federal cross-cutting measures and to reduce the cost of compliance with the SDWA. Federal cross-cutting laws and authorities will continue to be a requirement for all DWSRF projects utilizing federal capitalization grant funds and state matching funds.

The Oklahoma DWSRF financing plan objective is to provide (1) a pool of funds to meet program demand, which is well above that anticipated to be available directly from the DWSRF, (2) below market interest rate loans which provide program incentives for Oklahoma water supply systems to become compliant with the federal SDWA, (3) flexibility/perpetuity of the DWSRF, and (4) a strategy to assist small water systems. To

meet the program objectives of the DWSRF program in an efficient and cost-effective manner, the Oklahoma DWSRF financing plan consists of the following:

The DWSRF program provides up to 30-year loan terms that are subject to the useful life of infrastructure to be constructed. All loans bear a fixed interest rate. Loans require an interest and administrative fee to be paid semi-annually as funds are drawn. Occasionally, principal re-payments may begin prior to construction completion based on each borrower's promissory note. Once construction is completed, loans require that principal, interest, and administration fee are paid monthly to a local trustee until the loan is paid off. The DWSRF provides loans for both small and large public drinking water systems at an interest rate equal to 70% of the AAA Municipal Market Daily (MMD) rate plus 40-76 basis points depending on the loan term. An administration fee of 0.5% is added.

VIII. Current and Five-Year Projection of Water Needs

As a result of the efforts by DEQ and OWRB to establish a "lower than market rate" loan program, several water supply systems have responded favorably by requesting that their projects be added to the DEQ DWSRF five (5) year PPL. The DEQ PPL for SFY 2025 contained the current year's needs plus anticipated needs for the next five years. The SFY 2025 PPL reflected a cumulative demand of \$953,761,837.39 over the next five years. The SFY 2025 PPL is included as Appendix B to the SFY 2025 IUP. The SFY 2025 IUP is in Attachment 2 of this annual report. For revisions to the IUP, please see Attachment 12.

For SFY 2025, twenty-five (25) projects were identified on the PPL as being potentially ready to proceed with financing and were identified in the SFY 2025 IUP. All projects are ranked in accordance with the DEQ priority ranking system. The DWSRF PPL and IUP are adjusted periodically to reflect changes in project status, new requests, and available funds. The sources of funds necessary to finance SFY 2025 loan requests include FFY 1997 through 2024 federal capitalization grants, state match, principal and interest payments on outstanding loans, investment earnings, and leveraged bonds. For SFY 2025, a complete breakout of the sources of funds is included in Table 1 of the IUP (included as Attachment 2) and a final version can be found in Attachment 7 of this report. It is anticipated that future federal appropriations for capitalization grants requiring state matching funds will continue through the year 2026.

IX. Ten- and Twenty-Year Projection of DWSRF Needs

Oklahoma has approximately 760 operational public water treatment facilities and distribution systems that are eligible for DWSRF assistance. Most treatment facilities were originally designed with a 20-year design life, whereas the design life of a distribution system is normally 40 years. Based on these facts, it is reasonable to assume that 5% of all public water treatment facilities and 2.5% of all distribution systems will need to be

replaced or rehabilitated each year. Additional annual needs will occur as a result of poor operation and maintenance.

The most current estimate of water infrastructure needs conducted by EPA reflects total public water supply system needs for the entire nation of greater than \$625.0 billion dollars. This current estimate takes into consideration all drinking water needs for the next 20 years. This estimate is from EPA's 2021 Needs Survey and Assessment. The current state estimate of needs does not forecast ten-year needs nor does the state currently have a way of estimating public drinking water needs for the next ten years. The 2021 Needs Survey results was published on EPA's website and in the September 2023 Seventh Report to Congress. For Oklahoma, the 2021 Needs Survey results showed an increase in percentage of needs from 1.42% (in 2015) to 1.45%. This state percentage, utilizing the results of the 2021 Needs Assessment, will be in effect for allocating DWSRF program funds for fiscal years 2023 through 2027 appropriations. The 2025 Drinking Water Infrastructure Needs Survey Assessment data collection has begun and will continue into 2026.

X. Detailed Financial Report

During SFY 2025, DEQ used the 2022, and 2023 capitalization grants to fund set-aside activities and DWSRF loans. DEQ entered into a contract for the annual financial and compliance audit of the DWSRF program for SFY 2025 which will be performed during SFY 2026. The audited financial statements can be found in Attachment 6.

Audited financial statements for the Oklahoma Drinking Water Treatment Loan Administrative Fund for SFY 2025 are included as Attachment 4.

XI. Cross-Collateralization of the DWSRF and Clean Water State Revolving Fund (CWSRF)

The Master Trust Agreement dated as of October 1, 2003, provides a bond structure that allows for cross-collateralization of the CWSRF and the DWSRF in order to provide additional bond security and ratings enhancement for both programs. With cross-collateralization, excess CWSRF revenues (revenues pledged to repayment of CWSRF bonds over and above what is needed to make actual debt service payments) would be available to cure any DWSRF bond payment default or reserve fund deficiency. Likewise, excess DWSRF revenues would be available to cure any CWSRF bond payment default or reserve fund deficiency. Pursuant to federal regulations, cross-collateralization support cannot extend to debt specifically issued for the purpose of providing state matching funds. The Master Trust Agreement provides adequate safeguards to ensure that future CWSRF or DWSRF bond issues will comply with this limitation.

A new Master Trust Indenture was created on December 1, 2019 for the DWSRF and CWSRF bond programs. The indenture makes some technology changes to the document, modifies the flow of funds, includes changes implemented in tax law, and moves the bonds from a reserve fund model to cash flow model. In the new indenture, the loans are pledged to the specific program and not to individual bond issues; therefore, all the funds are available to pay the bonds in the specific programs. As bonds are defeased or refunded in the 2003 Master Trust Agreement, any outstanding loans will be moved to the 2019 Master Trust Indenture and the funds will be used to pay the 2019 outstanding bonds. The cross- collateralization and security between the two programs has not changed.

XII. Transfer Authority Between Drinking Water and Clean Water SRFs

In accordance with the SDWA SRF funds transfer provisions (Section 302), Oklahoma reserved the authority to transfer funds between the DWSRF and CWSRF in order to assure adequate capacity to meet funding demands for both programs.

The OWRB had previously reserved the authority to transfer up to 33% of the DWSRF capitalization grants. The total amount of transfers from CWSRF to DWSRF is \$57,992,182 leaving \$33,024,590 available to transfer through the FFY 2024 capitalization grant. CWSRF transferred \$10 Million to DWSRF during SFY 2025 to provide funds for disbursements until the DWSRF Bond Issue closed on June 25, 2025. The \$10 Million was transferred back to CWSRF in July 2025.

XIII. DWSRF Program Changes

Revenue Bonds will be sized, based on the amount of identified need, and a portion of the proceeds may include funds for the purpose of providing the state matching funds for future capitalization grants. DEQ and OWRB remain committed to achieving the goals of the SDWA by providing the greatest amount of low-interest financing to the greatest number of borrowers possible. The structure and size of the Revenue Bond issue will be designed to minimize the impact of program changes on local borrowers and maintain the DWSRF Program as a permanent and perpetual source of financing.

The following table includes the current outstanding DWSRF Bond Issues:

TABLE 7
Outstanding OWRB Obligations

<u>Issue</u>	<u>Issue Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Outstanding Balance (June 30, 2025) Total</u>
Series 2016 DW	\$90,000,000	10/19/2016	4/1/2041	\$67,915,000
Series 2018 DW	\$80,055,000	3/22/2018	4/1/2038	\$45,875,000
Series 2019 DW*	\$28,210,000	12/19/2019	4/1/2042	\$23,610,000
Series 2020 DW	\$95,000,000	10/22/2020	4/1/2040	\$80,570,000
Series 2021 DW	\$199,000,000	12/22/2021	4/1/2051	\$188,585,000
Series 2023A DW	\$175,000,000	5/18/2023	4/1/2051	\$175,000,000
Series 2025 DW	<u>\$160,000,000</u>	6/25/2025	4/1/2055	<u>\$160,000,000</u>
	<u>\$827,265,000</u>			<u>\$741,555,000</u>

*Refunding of the 2011 and 2012 CW/DW Series - Total issue was \$154,420,000 for CW/DW combined
Issues starting with Series 2019 were issued under the 2019 Master Trust Indenture, all others were issued under the 2003 Master Trust Indenture

Attachment 1

OWRB and DEQ Interagency Agreement

**DRINKING WATER
STATE REVOLVING FUND
INTERAGENCY AGREEMENT
BETWEEN
THE
OKLAHOMA WATER RESOURCES BOARD
AND
THE DEPARTMENT OF
ENVIRONMENTAL QUALITY**



DRINKING WATER STATE REVOLVING FUND

DEQ/OWRB Interagency Agreement

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DEQ/OWRB INTERAGENCY AGREEMENT

SECTION I: INTRODUCTION AND PURPOSE

The 1996 amendments to the Safe Drinking Water Act (P.L. 104-182)(SDWA) authorize a Drinking Water State Revolving Fund (DWSRF) program to assist public water systems to finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect public health. Section 1452 of the SDWA authorizes the Administrator of the U.S. Environmental Protection Agency (EPA) to award capitalization grants to states, which in turn can provide low-cost loans and other types of assistance to eligible systems.

Title 82 of Oklahoma Statutes, Section 1085.71 et seq., establishes the DWSRF to implement portions of the federal SDWA. Sections 1085.71 through 1085.84A establish the duties of the Oklahoma Water Resources Board (OWRB) and the Department of Environmental Quality (DEQ). This Interagency Agreement shall constitute the joint operating agreement between DEQ and OWRB required by section 1085.82 and shall further clarify the duties and roles of each agency by establishing procedures to ensure compliance with state and federal laws.

SECTION II: DWSRF CAPITALIZATION GRANT(S)

The DWSRF Capitalization Grant Agreement between the State of Oklahoma, by and through its authorized agency and the EPA, consists of the Grant Application(s), Intended Use Plan (IUP), and Operating Agreement between DEQ and EPA.

- The DEQ has the responsibility to make application for, enter into and be recipient of the capitalization grant(s) from the EPA.
- DEQ shall prepare an IUP with the cooperation of OWRB, including amendments, for submittal to EPA. The amount of the capitalization grant(s) to be utilized for administrative costs will be identified in the IUP. OWRB will prepare and submit to DEQ, prior to the beginning of each state fiscal year, an annual budget that reflects the anticipated administrative expenses of OWRB for the DWSRF program for the upcoming state fiscal year.
- DEQ shall coordinate with OWRB regarding the Intended Use Plan public meeting.
- DEQ and OWRB will jointly prepare the Operating Agreement and, as necessary, annual updates. DEQ will submit the documents to EPA.
- DEQ and OWRB jointly covenant that, to the extent the OWRB has agreed to apply any DWSRF Capitalization Grant funds in connection with the issuance of any DWSRF Revenue Bonds or other series bonds on a parity therewith (issued pursuant to a Master Trust Agreement by and between the OWRB and its Trustee Bank and dated as of October 1, 2003, as amended by the Master Trust Indenture dated December 1, 2019, and including all bond series indentures and any superseding master indenture; collectively referred to as the "DWSRF Revenue Bonds"), such funds shall be drawn as rapidly as is permissible under law, rules and regulations applicable to the DWSRF Program and the DWSRF Capitalization Grants, provided however, that this covenant is understood by DEQ and the OWRB to only apply to those portions of the Capitalization Grant funds permitted to be used to make DWSRF loans. The DEQ and the OWRB further covenant to take all actions required to comply with the terms and conditions of

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the DWSRF Capitalization Grants and not omit to take any action if such omission would result in noncompliance with any term or condition of the DWSRF Capitalization Grant Agreement(s). The agreements of DEQ and OWRB in this paragraph shall survive the expiration or other termination of this Agreement and, if a new Interagency Agreement is entered into for subsequent fiscal years, identical language shall be included in each such Interagency Agreement until such time as all obligations under this paragraph are satisfied. The provisions of this paragraph are for the benefit of the Trustee Bank for the DWSRF Revenue Bonds and may be directly enforced by said Trustee Bank.

- OWRB will continue to secure the required match.

SECTION III: DWSRF CAPACITY

OWRB has the authority to issue bonds for the Drinking Water Treatment Loan Account under Title 82 Section 1085.77 et seq. Bond proceeds may provide funds to meet funding demands or for the stability of the fund. OWRB will select service providers for the issuance of bonds in accordance with the Oklahoma Bond Oversight and Reform Act. OWRB will also create capacity models, submit requests to rating agencies for review, monitor cash flows, create reimbursement resolutions, and seek approval for bond issuances from the Council of Bond Oversight along with other related activities as needed for the issuance of the bonds. DEQ provides estimated future draws to help OWRB determine projected cash flow for bond repayments.

OWRB will also monitor the bond issues and select service providers to help ensure compliance with applicable state and federal law. OWRB will conduct arbitrage rebate calculations, and produce and submit financial disclosure information.

SECTION IV: ANNUAL JOINT REPORT TO THE GOVERNOR AND LEGISLATURE

DEQ and OWRB will coordinate the preparation of an Annual Joint Report for submittal to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. Submission of the Annual Joint Report will be within 120 days of the end of each fiscal year.

SECTION V: ANNUAL REPORT

DEQ and OWRB will coordinate the preparation of an annual report for submittal to EPA according to the schedule identified in the capitalization grant. The Annual Joint Report to the Governor and Legislature described in Section III herein may also be prepared by DEQ and OWRB to meet the biennial reporting requirements of EPA.

SECTION VI: LOAN APPLICATION

OWRB will accept DWSRF loan applications from those projects identified in the fundable portion of the project priority list in the current IUP. Upon receipt of a loan application and design documents, DEQ and OWRB will review documents for completeness. If the loan application is

DEQ/OWRB INTERAGENCY AGREEMENT

incomplete, OWRB will notify the applicant of the deficiencies.

OWRB will review the loan application to determine whether the applicant's financial, legal, and managerial capabilities are sufficient to ensure repayment of a loan from the DWSRF. OWRB will review the loan financials according to the applicable bond documents to ensure the entity meets the required debt coverage ratio, the annual audit is current, and verify the pledged security and system revenues for repayments. Entity eligibility is also reviewed according to O.S. 82 Section 1085.72. DEQ will determine project eligibility in accordance with DWSRF project eligibility requirements. OWRB will prepare a loan evaluation, a loan summary, and other necessary documents for loan applications prior to the OWRB Board Meetings.

DEQ will review the priority ranking request, planning, design, and related application documents for compliance with the applicable requirements of Part E, Section 1452 of the SDWA, and other applicable federal and state requirements. If DEQ cannot certify planning and design documents, it will advise the applicant and OWRB of the reason(s) for rejection. If OWRB cannot approve an application for financial assistance, OWRB will notify the applicant and DEQ of the reason(s) for rejection.

DEQ will maintain the official engineering and technical project files. OWRB will maintain the official financial review and application files.

DEQ will review all project planning documents and make a determination of the eligibility of the scope of the project.

DEQ will review project design documents to assure uniformity with planning documents for compliance with state and federal requirements. DEQ will provide written documentation to OWRB indicating that the project has received appropriate planning and design approvals from DEQ.

OWRB agrees that a project loan will not be approved without appropriate planning and design approvals from DEQ, except as provided for under Section VIII herein.

SECTION VII: LOAN APPROVAL

After review of environmental, engineering, legal, and confirmation of compliance, DEQ will refer the project to the OWRB for approval of the loan at the next available Board Meeting. OWRB will review financial aspects of the loan. OWRB will create a Board Order and Board Summary that will be presented at the next applicable meeting of the Board. The Board Order will contain a brief description of the project, a not to exceed loan amount, the term of the loan, and the security that will be pledged to the loan. Other information may be included in the Board Order as needed. The Board Summary will have similar information and include a breakdown of the sources and uses of the funds to be included for the project.

SECTION VIII: BINDING COMMITMENT

Upon approval of an Engineering Report, an environmental decision, plans and specifications, and issuance of a "Permit to Construct" by DEQ, and approval of the loan application and issuance of a Board Order by OWRB, DEQ will issue a binding commitment of loan funds for the planning, design, and/or construction of the drinking water project. This binding commitment may contain those conditions deemed necessary by DEQ and OWRB. A binding commitment may be issued by DEQ prior to plans and/or specifications approval in cases where both DEQ and OWRB agree that it would be advantageous to the loan applicant and/or the DWSRF, or where DEQ and OWRB want to make a loan for planning and/or design. If either DEQ or OWRB believe it would be

DEQ/OWRB INTERAGENCY AGREEMENT

advantageous to the loan applicant and/or the DWSRF (or in the event that either DEQ or OWRB want to make a loan for planning and/or design), each agency agrees to notify the other agency that it has determined that such a binding commitment is warranted prior to the approval of the plans and specifications. DEQ and OWRB agree that the agency receiving the notification has a duty to inform the other agency as to whether it agrees that such binding commitment is warranted within fourteen (14) days. Binding commitments will expire if the recipients have not closed on a DWSRF loan within one year of the date of the OWRB order approving the loan. However, the binding commitment may be extended if mutually agreed to by DEQ, OWRB, and the recipient.

SECTION IX: BIDDING AND CONTRACT DOCUMENTS

DEQ will review project bidding documents for compliance with state and federal requirements following bid opening. Upon authorization by DEQ, each loan recipient shall execute the construction contract and submit one copy of same, with related documents, to DEQ for review and concurrence that contract award is consistent with approved bidding documents.

DEQ will maintain a copy of all approved bidding and contract documents for the term of the loan. Upon request, DEQ will provide OWRB with a copy of the bidding and contract documents approval letter(s).

For projects seeking an alternative project delivery method, DEQ will ensure the procurement process for federally funded projects is followed. DEQ will also review requests for qualifications and proposals from engineer/contractor quality based services, contracts, and sub-contractor bidding documents.

SECTION X: LOAN CLOSING

Following approval of all bidding documents by DEQ, OWRB will coordinate with entity service providers, prepare for, and schedule a loan closing which will include all applicable loan documents including but not limited to the loan agreement, promissory note, trust agreement, and security agreement. DEQ may review preliminary loan documents and provide loan conditions that DEQ deems necessary to ensure compliance with any local, state, or federal requirements. In addition, DEQ will, prior to loan closing, provide OWRB with the following:

- Written documentation that DEQ has completed their review of the technical documents and that the project is available for loan closing.
- A detailed project budget of the contracted amounts.
- A detailed project schedule that has been coordinated with federal and/or state enforcement officials.
- Special condition(s) required by DEQ, if any.

OWRB will organize the disbursement documents needed to transfer funds to the entity, review all service provider agreements, prepare a closing letter, and correlate other documents as needed prior to closing. OWRB will also calculate an interest rate approximately 10 days before closing.

OWRB will maintain the loan closing documents (Transcript of Proceedings). A copy of each executed loan agreement and promissory note will be provided to DEQ.

DEQ/OWRB INTERAGENCY AGREEMENT

SECTION XI: CHANGE ORDERS AND CONSTRUCTION RELATED DOCUMENTS

Change orders and construction related documents will be submitted by the recipients to DEQ for review. When change orders that will not exceed the loan contingency amount are submitted, DEQ may modify the project budget and notify OWRB of the determination (approval/denial) at the same time the recipient is notified.

If a change order will exceed the loan contingency amount or the loan project period, DEQ will notify OWRB before taking any action on the change order, and both agencies will work together to reach an agreement on the appropriate action to be taken.

SECTION XII: INSPECTION OF PROJECT, BOOKS, AND RECORDS

At any time during normal business hours, the DEQ may inspect any and all projects, any and all incidental works, areas, facilities and premises otherwise pertaining to the project for which application is made. From the time of receipt of the pre-application, throughout all stages of construction, and at any other time while any assistance from the DWSRF Program recipient is outstanding, DEQ and the OWRB, in addition to the inspections by DEQ solely, agree that they both may inspect any and all projects, any and all incidental works, areas, facilities and premises otherwise pertaining to the project for which application is made. DEQ and OWRB further may inspect any and all books, accounts, records, contracts, or other instruments, documents, or information possessed by recipient or its contractors, agents, employees, or representatives which relate in any respect to the receipt, deposit, and/or expenditure of DWSRF assistance funds.

Upon substantial construction completion and initiation of operation of the project, DEQ will receive from the applicant a certification regarding the construction completion date and recovery of unexpended loan funds. The certification will be forwarded to OWRB at which time OWRB will de-obligate any unpaid loan proceeds. At the time specified by loan documents, OWRB shall provide a final amortization for the loan proceeds drawn.

SECTION XIII: LOAN DISBURSEMENT

After loan closing, DEQ shall have authority to approve the disbursement of loan proceeds. OWRB shall have the authority to then release the funds.

Requests for loan disbursements and budget revisions will be submitted to DEQ from the loan recipients based upon actual project costs incurred. Both OWRB and DEQ agree to establish and maintain a loan disbursement procedure that will minimize the time a borrower has to wait on loan disbursements.

SECTION XIV: LOAN MONITORING

Loan monitoring will continue for the life of the loan, typically for a period up to 30 years. OWRB will create and maintain procedures to ensure repayment of loan funds from entities as specified in the loan documents. OWRB will review monthly operating statements. OWRB will also review applicable licenses, insurances, and financial audits on an annual basis to ensure compliance. If loan entities are not maintaining the required documents or meeting the required debt coverage ratio per the loan documents, then OWRB will continue to work with the entities to bring the exception items up to date.

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SECTION XV: LOAN TERMINATION

If at any time DEQ and OWRB determine that there is cause to believe the project may not be completed or undertaken according to the terms of the loan agreement and applicable statutes and rules, DEQ and OWRB will issue the recipient a letter requiring specific action to be undertaken within a specified time period to assure timely completion of the project or otherwise to assure remedy of the defect(s). Failure to complete the specific action within the specified time period may result in withholding disbursements or loan default, as provided in the loan agreement between the recipient and OWRB. However, DEQ and OWRB will work with the recipient in an effort to avoid termination of the loan commitment or loan default.

SECTION XVI: RETURN OF FUNDS TO THE DWSRF

DEQ agrees that financial assistance funds made available to a recipient by the DWSRF shall be utilized and expended by the recipient solely and exclusively for the payment of authorized and allowable costs and expenses of the project for which assistance was approved. In the event funds furnished to a recipient by the DWSRF are not utilized and expended by the recipient for the specified project as indicated in each loan agreement, DEQ will notify the recipient who shall return or otherwise pay to OWRB, for deposit in the DWSRF, any and all such unused funds or any amounts of funds used and expended for unauthorized purposes plus a market rate of interest on the unused or unauthorized amount.

SECTION XVII: ADMINISTRATIVE COSTS

Money made available as a result of the capitalization grant administrative set aside may be used for reasonable costs of administering the DWSRF Program, provided that the amount does not exceed four percent (4%) of all EPA grant awards received by the DWSRF.

Disbursement requests for incurred administrative costs from the DWSRF shall be paid 100% (no state match) from the administrative set aside. Payment of administrative funds from the capitalization grant will be in accordance with this Interagency Agreement, grant conditions, and the EPA Operating Agreement.

OWRB will maintain an administrative fund as established by 82 O.S. 2011, Section 1085.84A, the Master Trust Agreement dated October 1, 2003, the Master Trust Indenture dated December 1, 2019, and supplements thereof outside the DWSRF. Monies to be deposited into the Drinking Water Treatment Loan Administrative Fund (OWRB Account Number 444-835) include loan application fees, program income from administrative fees assessed as established in individual loan agreements, and interest earnings from administrative fund investments. Monies in this fund will be utilized solely for the purpose of reimbursing actual and eligible expenditures by OWRB and DEQ for the administration of the DWSRF Program. OWRB will be responsible for maintaining this fund in accordance with OWRB Drinking Water Treatment Loan Administrative Fund Standard Operating Procedure (SOP). The current version and any changes to this SOP must be agreed upon by DEQ and OWRB prior to taking effect. Monies in this fund may be invested and maintained by the Office of the State Treasurer in accordance with applicable state law. OWRB will be responsible for processing requests for reimbursement from this fund and will provide an annual accounting of the administrative funds.

The division of the available funds for the administration of the program will be negotiated annually by OWRB and DEQ prior to finalizing agency fiscal budgets.

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DWSRF Administrative Set Aside

DEQ and OWRB agree that sufficient funds will be made available to pay for program administrative costs as a result of the 4% administrative set aside from the DWSRF capitalization grants. All costs billed from the 4% administrative set aside shall not exceed the proposed DWSRF total administrative budget for each agency. The amount budgeted in the IUP of the 4% administrative set aside shall be distributed for DWSRF grants that DEQ applies for.

Drinking Water Treatment Loan Administrative Fund (DWTLAF)

DEQ and OWRB agree that funds in the Drinking Water Treatment Loan Administrative Fund as allowable will be available for DWSRF administrative purposes and may be utilized to pay for the following OWRB and DEQ DWSRF expenses not paid from the 4% capitalization grant set aside including as necessary, the state match for DWSRF capitalization grants. Availability of funds according to the OWRB's standard operating procedure will be taken into consideration prior to expenditures being made from the account.

SECTION XVIII: LOAN REPAYMENT

Payment of principal, interest, and administrative fees on loans shall be made to OWRB as provided in the loan documents. Such repayments will be deposited in the appropriate DWSRF funds.

OWRB will be responsible for the collection of delinquent interest and principal payments, and the maintenance of the record of collection actions taken. In the event of default, OWRB will utilize all available means to remedy the default.

SECTION XIX: INTEREST RATE DETERMINATION/FINANCING PLAN

All loans from the DWSRF will be made at or below market interest rates, which may include interest-free loans. OWRB and DEQ will jointly agree on an annual financing plan as set forth in the Drinking Water IUP.

SECTION XX: ANNUAL AUDIT

The State is required to conduct an annual independent financial audit and an annual independent compliance audit of its DWSRF program, including set-aside programs. These audits will be in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. The OWRB will maintain accounting records for the DWSRF loan account. These records will be maintained in accordance with generally accepted accounting practices.

The DEQ will contract with an independent auditor annually to perform a financial audit in accordance with generally accepted governmental auditing standards which are defined, but not limited to those contained in the U.S. General Accounting Office (GAO) publication Governmental Audit Standards, as revised. The audit report will contain an opinion on the financial statements of the DWSRF and set-aside programs. DEQ will arrange for the audit to be completed within three (3) months of the end of the State fiscal year (June 30) at which time a

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copy will be provided to the OWRB.

The OWRB agrees to make all DWSRF financial records available to the DEQ and/or the auditors selected by DEQ. In addition, OWRB agrees to review draft audit reports and respond to DEQ regarding any audit findings.

SECTION XXI: COOPERATION AND INFORMATION EXCHANGE

DEQ and OWRB jointly recognize that the successful implementation and management of the DWSRF Program requires close cooperation and an open exchange of information between the two agencies. In this regard, the agencies will cooperate in the development of rules and policies relating to the DWSRF Program and will freely share information concerning loan recipients and project status. The agencies will copy each other on all project related correspondence sent to applicants and loan recipients in the DWSRF Program.

DEQ and OWRB additionally recognize the fact that program development and management will require continuous communication and coordination. To this end the Director of the Water Quality Division, DEQ, or designee and the Chief of the Financial Assistance Division, OWRB, or designee are designated as the contact persons for their respective agencies.

SECTION XXII: FORCE MAJEURE

DEQ and OWRB shall take reasonable efforts to minimize any delays and will perform the requirements of this Interagency Agreement within the approved schedule unless performance is prevented or delayed by events, which constitute a Force Majeure. "Force Majeure," for purposes of this Agreement, is defined as any event arising from causes beyond the reasonable control of the DEQ or OWRB or their contractors or subcontractors which delays or prevents the performance of any obligation under this Agreement, such as, without limitation, acts of God; vandalism; fire; flood; labor disputes or strikes; weather conditions which would prevent or impair construction activities; civil disorder or unrest. Force Majeure events do not include increased costs of performance of the tasks agreed to by the Parties or changed economic circumstances. DEQ or OWRB shall notify the other in writing within fifteen (15) days after DEQ or OWRB knew or should have known of a Force Majeure event that will cause a delay or anticipated delay in achieving compliance with any requirement of the Interagency Agreement.

SECTION XXIII: AMENDMENTS; EFFECTIVE TERM

This Interagency Agreement may be amended annually prior to the beginning of the state's fiscal year or at any other mutually agreeable time to incorporate program changes and otherwise will remain in full effect until superseded by mutual agreement.

DEQ/OWRB INTERAGENCY AGREEMENT

Department of Environmental Quality

Kathy Aebischer

Kathy Aebischer
Director of Administrative Services

ATTEST:

Date: 12/12/23

Oklahoma Water Resources Board

Jennifer Castillo

Jennifer Castillo
Chairman

ATTEST:

Suzanne V. Landes

Date: 12/19/2023



Attachment 2

SFY 2025 Intended Use Plan (IUP) and Project Priority Lists

STATE OF OKLAHOMA
DEPARTMENT OF ENVIRONMENTAL QUALITY



FINAL
INTENDED USE PLAN

DRINKING WATER STATE REVOLVING FUND
STATE FISCAL YEAR 2025

Effective 7-1-2024 through 6-30-2025

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I. INTRODUCTION

The Safe Drinking Water Act (SDWA) Amendments of 1996 authorized a Drinking Water State Revolving Fund (DWSRF) program to assist public water systems in financing the cost of replacement and repair of drinking water infrastructure to achieve or maintain compliance with the SDWA requirements and to protect public health. The DWSRF program will help ensure that drinking water supplies remain safe and affordable, and that the systems that receive funding will be properly operated and maintained.

The SDWA places a strong emphasis on preventing contamination rather than reacting to problems. Central to this emphasis is the development of state prevention programs including source water protection, capacity development, and additional requirements for operator certification. To fund these activities, the SDWA allowed not only the creation of the loan fund but also four set-aside accounts to fund the following state activities:

1. Administration of DWSRF;
2. Small System Technical Assistance Program;
3. State Program Management; and
4. Local Assistance and other State Programs.

As required by the SDWA, the State of Oklahoma, through the Department of Environmental Quality (DEQ), is required to prepare this annual Intended Use Plan (IUP) in order to identify the set-aside programs and DWSRF loan projects that will utilize the funds available to the DWSRF. This IUP is prepared for State Fiscal Year (SFY) 2025 and identifies sources and uses of available program funds. For the purpose of the DWSRF and this IUP, the fiscal year identified is the SFY 2025, beginning July 1, 2024, and ending June 30, 2025. The capitalization grants and state matching funds to fund these activities are from prior fiscal years and the Federal Fiscal Year (FFY) 2024 appropriation. DEQ has already applied for the FFY 2024 grant to ensure funding will be available on July 1, 2024, which is the beginning date of SFY 2025.

To ensure that the public had an opportunity to review DEQ's proposed plans for the DWSRF, a draft IUP was made available 30 days prior to the IUP public meeting which was held on June 24, 2024. To ensure that interested parties were made aware of the public meeting date, DEQ posted notice on DEQ's website and distributed announcements to a mailing list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial consultants, and interested citizens. The public comment period closed on June 25, 2024, at COB. No comments were received.

As a result of federal appropriations to the State, DEQ has received federal capitalization grants totaling \$498,630,000.00 from FFY 1997 thru FFY 2023. DEQ will apply for the FFY 2024 Base Capitalization Grant in the amount of \$6,774,000.00 approved by Congress. This IUP includes the total funds received from repayments and interest earnings, state match, capitalization grants less set-asides, and leveraged revenue bond funds. These federal and state funds will be utilized by DEQ in accordance with the purposes identified in this IUP. The state is required to provide 20 percent matching funds for each capitalization grant as the federal payments are received for DWSRF projects. Table 1 reports the sources of funds available to the DWSRF program and their intended uses.

It is the intent of the Oklahoma DWSRF program to consistently comply with all requirements as stipulated in each year's grant agreement for the capitalization grant. However, procedural changes and reporting requirements may be modified by the Environmental Protection Agency (EPA). These changes will be incorporated into the Oklahoma DWSRF program, as necessary.

TABLE 1
Sources and Uses SFY 2025 – Base and Bipartisan Infrastructure Law (BIL)
DWSRF General Supplemental

<u>SOURCES OF FUNDS</u>	
Beginning July 1, 2024	
Beginning Balance (SFY 2024 Carryover)	\$ 88,176,063
Federal Grant Carryover from Previous FFYs	\$ 1,605,874
Federal Grant FFY 2024	\$ 6,774,000
BIL Federal Grant (FFY 2024)	\$ 33,407,000
State Match SFY 2025 (BIL and Base)	\$ 8,036,200
Principal Repayments	\$ 42,328,125
Release of 2013B Bond Reserve Funds	\$ 8,501,900
Interest Earnings on Loans	\$ 15,798,370
Interest Earnings from Bond Funds	\$ 368,000
Interest Earnings on Fund 473	\$ 2,222,558
Sub Total	\$ 119,042,027
Total Sources of Funds	\$ 207,218,090
<u>USES OF FUNDS</u>	
Anticipated Disbursements for SFY 2025 Project Priority List	\$ 34,693,438
Loan Obligations Prior Years (anticipated to be drawn in SFY 2025)	\$ 119,634,369
DWSRF Set-Aside Programs for SFY 2025	
Administration	\$ 942,285
Small System TA	\$ 376,157
Program Management	\$ 2,242,730
Local Assistance	\$ 3,224,587
Subtotal	\$ 6,785,759
Debt Service Obligations	
Debt Service on 2013B Bonds	\$ 858,957
Debt Service on 2016 Bonds	\$ 14,762,313
Debt Service on 2018 Bonds	\$ 2,689,163
Debt Service on 2019 Bonds	\$ 2,954,071
Debt Service on 2020 Bonds	\$ 6,685,075
Debt Service on 2021 Bonds	\$ 10,906,400
Debt Service on 2023A Bonds	\$ 7,248,544
Subtotal	\$ 46,104,523
Total Uses of Funds	\$ 207,218,090
* Additional Funds Needed	\$ 0
*Will use Clean Water State Revolving Fund (CWSRF) transfer funds, future cap grant, future state match and bond issues to fund future needs as required.	

II. LIST OF PROGRAMS

A. SET-ASIDE PROGRAMS

Section 1452 (g) and Section 1452 (k) of the SDWA authorizes set-asides to enable states to implement the requirements of the SDWA. The set-asides are based on a percentage of the capitalization grant as specified in the SDWA. DEQ will reserve the following amounts in the FFY 2024 capitalization grant for set-asides as follows: four (4) percent for Administration; two (2) percent for Small System Technical Assistance; ten (10) percent for Program Management; fifteen (15) percent for Local Assistance and other State Programs. The fifteen (15) percent for Local Assistance and other State Programs will be broken into ten (10) percent for Capacity Development Program and five (5) percent for the following uses: Rate Studies and Other Technical Assistance; and PWS Small System Technical Sampling Assistance. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2024 capitalization grant funds are to be expended during SFY 2025. Table 2 shows planned DWSRF Set-aside activities for SFY 2025.

TABLE 2
DWSRF Set-Aside Activities
SFY 2025

Set-aside category	Percent of Set - Aside Program	Total amount reserved from FFY 2024 grant	Reclaimed credit from old grants	Cumulative amount to be specified in workplans
Admin.	4	\$ 270,960	\$ -	\$ 270,960
Tech. Asst.	2	\$ 135,480	\$ -	\$ 135,480
St. Prg. Mgt.	10	\$ 677,400	\$ -	\$ 677,400
Local Assist.*	15	\$ 1,016,100	N/A	\$ 1,016,100
Total	31	\$ 2,099,940	\$ -	\$ 2,099,940

*Local Assistance is the only category that is ineligible for reclaiming funds

1. DWSRF Administration

Section 1452(g) of the SDWA authorizes states to provide funding for the DWSRF Administration as a set-aside activity. The administration of the fund will be accomplished by DEQ personnel and through an interagency agreement with the Oklahoma Water Resources Board (OWRB). Administrative tasks include portfolio management; debt issuance; DWSRF program costs; support services; and financial, management, and legal consulting fees.

Title 82 of Oklahoma Statutes, Section 1085.71 through 1085.84A establishes the DWSRF program duties of OWRB and DEQ. The interagency agreement between OWRB and DEQ specifies the responsibilities of each agency in regard to the following tasks: DWSRF capitalization grant application and management; annual joint report to the Governor and Legislature; annual report to EPA; loan applications; binding commitment to loan applicants; bidding and contract documents; loan closings; change orders and other related construction documents; inspections of projects, books and records; environmental reviews; payments; loan terminations; and the return of funds.

As allowed by the SDWA, DEQ reserved and specified an amount equal to four (4) percent of the FFY 2024 capitalization grant for administrative support of the DWSRF. DEQ will use an estimated amount of \$270,960.00 (see Table 2) from set-aside funds for SFY 2025 DWSRF administration. This set-aside is to fund activities that implement, administer, and operate the DWSRF program during SFY 2025.

In addition to set-aside funds, the Drinking Water Treatment Loan Administration Fund can be utilized by DEQ and OWRB for additional administrative expenses. This fund is a statutory account outside DWSRF and is funded through fees applied to each loan. At the end of SFY 2025, it is projected that approximately \$14,354,422.00 will be available. Table 4 shows accumulated amounts of available funds from SFY 1997 through SFY 2024 and the projected amount for SFY 2025. Additional information concerning this fund is in Section IV.B. of this report.

Competency of the program is demonstrated through EPA approval of the Quality Management Plan for DEQ. The DWSRF ensures competency of personnel through an established hiring process, training programs, standard operating procedures, and implementation of the quality assurance system within the agency.

2. Small System Technical Assistance

Section 1452(g)(2)(D) of the SDWA authorizes states to provide funding for technical assistance to public water systems serving a population of 10,000 or fewer. DEQ staff will provide technical assistance and compliance determinations for small systems to assist with compliance of the SDWA.

Small water systems will be provided technical assistance to improve treatment and capacity to operate surface water systems, to improve compliance with drinking water standards, comply with monitoring and reporting requirements, to improve the quality of service to customers along with the quality of water system management, and to increase the knowledge of board members in efficient water system operation.

As allowed by the SDWA, DEQ reserved and specified an amount equal to two (2) percent of the FFY 2024 capitalization grant to fund small system technical assistance activities for SFY 2025. DEQ will use an estimated amount of \$135,480.00 (see Table 2) from set-aside funds for SFY 2025.

3. State Program Management

Section 1452(g)(2) of the SDWA, authorizes states to provide funding to finance State Program Management (SPM) requirements. These requirements are to provide technical assistance to small water systems, to provide technical assistance through source water protection programs, to develop and implement the Capacity Development Strategy, to provide Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR) assistance, to provide Stage 2 Disinfectant/Disinfection Byproducts Rule (S2DBPR) assistance, to provide Revised Total Coliform Rule (RTCR) assistance, to provide Lead and Copper Rule (LCR) and Lead and Copper Rule Revisions (LCRR) assistance, to conduct Sanitary Surveys, and to provide Ground Water Rule (GWR) assistance, proposed Lead and Copper Rule Improvements (LCRI) assistance, and Per-and-Polyfluoroalkyl Substances (PFAS) assistance. DEQ personnel will accomplish these tasks.

As allowed by the SDWA, DEQ reserved and specified an amount equal to ten (10) percent of the FFY 2024 capitalization grant for state program management. DEQ will use \$677,400.00 (see Table 2) from set-aside funds for SFY 2025 public water supply state program management.

Using DWSRF funding, DEQ's State Environmental Laboratory Services (SELS) plans to obtain additional analytical based resources and training to build Lab Capacity and Development and technical competency. These extended capabilities will enable the SELS to prepare for expanded support for current and new rules under the SDWA and develop the analytical methodologies needed to respond to emerging contaminants.

4. Local Assistance and other State Programs

Section 1452(k) of the SDWA authorizes states to provide funding for Local Assistance and other State Programs. The Local Assistance and other State Programs set-aside funds will be used for the Water Loss Audit Program, SELS PWS Small System Technical Sampling Assistance, RTCR assessments, and the Capacity Development Section as allowed under Section 1452(k)(1) of the SDWA.

Previously, DEQ completed over 1,100 Source Water Assessment and Protection (SWAP) plans for drinking water suppliers in the State. The plans defined the areas of concern around either drinking water wells and/or surface water sources, determined the potential sources of contamination within those areas, and completed a susceptibility analysis for each source and system. The Capacity Development Section is in the process of developing a Source Water Protection Program, which will include reviewing and updating existing SWAPs, as well as working with Oklahoma Rural Water Association (ORWA) and other entities and stakeholders to educate public water supplies and their customers as well as promote the adoption of and engagement of source water protection plans by water systems.

Local Assistance funding will be designated to fund two programs internal to the agency that are managed by the Capacity Development Section Manager: a capacity development assessment and assistance program and a water loss auditing program, both focused on helping water supplies serving fewer than 10,000 persons. The state-wide capacity development assessment and assistance program involves meeting with water system personnel, conducting interviews focused on determining the technical, managerial, and financial (TMF) condition of the water supply, and offering assistance and resources to the system to address noted deficiencies. In addition to providing assistance, another important goal for capacity development is determining state level trends in TMF conditions and tracking how water system TMF conditions have changed over time to determine the effectiveness of current capacity development technical assistance efforts and to guide future work. The assessments also serve to introduce public water supply personnel to capacity development concepts that they may not be familiar with and to give personnel an opportunity to request capacity development help if they need it.

The water loss auditing program is focused on conducting water loss audits at public water supplies using the American Water Works Association (AWWA) M36 method and software. Local Assistance funding is used to conduct water loss audits at public water supplies that request it, and the work serves to both conduct the audit and to teach public water supply personnel how to conduct future audits by themselves. Using the AWWA software, public water supplies obtain the knowledge necessary to begin

controlling and reducing non-revenue water which increases system efficiency, enhances system sustainability, and reduces the impact on the environment.

Local Assistance funding will also be used to fund two contracts outside of DEQ that are overseen by the Capacity Development Section Manager. The first, focused on leak detection/meter analysis, is implemented by the ORWA at public water supplies referred to them by DEQ that have received a water loss audit. ORWA will use the results of the audit to conduct leak detection and meter analysis, with the goals of finding leaks (which the system can repair), determining production and consumer meter accuracy, and training system personnel on how to conduct leak detection and meter analysis on their own.

The second contract is focused on providing needed TMF assistance to small PWSs in areas identified as significant needs by the state-wide capacity development assessment. Via this contract, ORWA helps small PWSs develop and implement asset management and source water protection plans, conduct rate analyses, develop operation and maintenance plans, and other tasks.

As allowed by the SDWA, DEQ reserved and specified an amount equal to fifteen (15) percent of the FFY 2024 capitalization grant for Local Assistance and other State Programs. DEQ will use \$1,016,100.00 (see Table 2) from set-aside funds for SFY 2025, with ten (10) percent for Capacity Development Section and five (5) percent for the following uses: Rate Studies and Other Technical Assistance; and PWS Small System Technical Sampling Assistance. In accordance with EPA's DWSRF Set-Aside Management Policy that was announced on February 9, 1999, DEQ will reserve the authority to specify the transferred funds from future capitalization grants if they are needed.

B. DRINKING WATER STATE REVOLVING FUND PROJECTS

Regardless of status or available funds, a public water system with a population of 10,000 or less cannot have multiple projects open at the same time. This will be reviewed on a case-by-case basis.

1. DWSRF Project Priority System

DEQ has established the Project Priority System, included as Appendix A, and prepared the comprehensive Project Priority List (PPL), included as Appendix B. The comprehensive PPL demonstrates which eligible drinking water projects are to receive loan funds from the DWSRF. The comprehensive PPL is comprised of a Funding List and a Contingency List that ranks projects according to the DWSRF Project Priority System that:

- a. Address the most serious risk to human health;
- b. Are necessary to ensure compliance with the requirements of the SDWA;
- c. Assist systems most in need, on a per household basis; and,
- d. Emergencies including natural and man-made disasters. *

*Projects, deemed by DWSRF which come about as a result of an emergency and pose an immediate public health concern, will be made a priority over current projects on the PPL.

Eligible projects proposed by applicants requesting funding from the DWSRF are ranked and prioritized according to the Project Priority System procedures. The project with the most points shall be first on the PPL; the project with the least points shall be last. The specific categories of source, treatment, storage, and distribution are not

ranked separately. Projects will be funded in order of priority as each project meets the program requirements throughout the state fiscal year. For a project to be funded, it must be “ready to proceed.”

2. Ready to Proceed

“Ready to proceed” means a project that has met the following requirements:

- a. Approved engineering report/technical memorandum;
- b. Approved construction permit for plans and specifications;
- c. Completed financial application;
- d. Completed environmental review; and
- e. Approved capacity development assessment and asset management plan.

Projects that have met the above requirements will be moved ahead of projects that are not on schedule on the PPL.

The project is then advertised, and bids received pursuant to the Oklahoma Public Competitive Bidding Act of 1974. The loan amount is then sized in accordance with the bid to be accepted and awarded. The project is then recommended to the OWRB Board for approval. If approved, DWSRF funds are committed through a board order. OWRB approval is followed by loan closing, contract documents signed, and “Notice to Proceed” issued to the contractor to start construction on a specified date. On a case-by-case basis, DWSRF can determine if bids are needed before closing. For 100% principal forgiveness loans, bidding must be complete before going to the OWRB Board. Modifications to this process will be considered on a case-by-case basis.

3. Bypass Projects Not Ready to Proceed and Small Systems

A project may be bypassed if it is not on schedule and not “ready to proceed.” Bypassed projects will be monitored and encouraged to meet program requirements so that they may be reinstated to the fundable portion of the list.

In addition, SDWA §1452(a)(2) states, “Of the amount credited to any State loan fund established under this section in any fiscal year, 15 percent shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons to the extent such funds can be obligated for eligible projects of public water systems.” If this SDWA small system funding provision has not been met with projects above the PPL’s fundable line but there are “ready to proceed” small system projects below the fundable line, projects should be bypassed to reach those small system projects to the extent such funds can be obligated for eligible projects.

Oklahoma DWSRF expects to meet the SDWA small system funding provision for SFY 2025. As part of the on-going efforts to meet the small system funding provisions, the DWSRF program will continue its efforts towards marketing, outreach, and technical assistance, including but not limited to the following activities:

- a. Small system technical assistance provided by Technical Assistance Providers and DEQ staff, such as the Public Water Supply Engineering and Enforcement Section and Environmental Complaints and Local Services Division;
- b. Water Loss Audits, including leak detection and meter calibration services;

- c. Monthly meetings and/or consultations by DWSRF staff with small systems on the PPL that are not yet “ready to proceed” to assist them to become “shovel ready;”
- d. Coordination with OWRB and ORWA staff to provide financial and technical consultations;
- e. Presentations at conferences and workgroups to establish availability of small systems technical and financial assistance;
- f. DWSRF outreach and marketing (presentations are to be scheduled in different regions of the State);
- g. TMF assessment and assistance with developing standard procedures and other documents;
- h. Active participation in quarterly meetings of the Funding Agency Coordinating Team (FACT) – including the United States Department of Agriculture Rural Development (USDA-RD), OWRB, ORWA, Indian Health Services (IHS), Oklahoma Department of Commerce (ODOC), Communities Unlimited (CU), Oklahoma Development Finance Authority (ODFA), Oklahoma Association of Regional Councils (OARC), and more – wherein invitations are extended to water systems with the most urgent technical and financial needs.

4. Allocation of Funds

Allocation of funds among the eligible projects is based on a six-step process:

- a. Projects of eligible applicants that request financial assistance are ranked according to the Project Priority System and placed on the PPL;
- b. The financial assistance needed for each drinking water project that is “ready to proceed” is determined;
- c. Sources of unobligated funds available to the DWSRF that are necessary to provide the requested financial assistance are identified;
- d. The highest priority projects that will be “ready to proceed” during SFY 2025 are placed on the SFY 2025 Funding List, included as Appendix B;
- e. Bypass Process will be implemented and notification letters may be issued to applicants which have projects not “ready to proceed” according to the Priority Ranking System procedures; and
- f. The consistency with the funds available and the financial assistance requested is determined.

Information pertinent to each DWSRF project is included on the PPL pursuant to the requirements of the SDWA. To be placed on the fundable portion of the list the project must be “ready to proceed.”

The contingency portion of the PPL, included as Appendix B, is developed from the projects of applicants that are bypassed and projects of applicants that do not rank high enough to receive funding. This contingency list includes projects which may receive loan funds should projects in the fundable portion does not proceed on schedule.

5. Status of Projects on the Fundable Portion of the Priority List

The SFY 2025 PPL attached as Appendix B shows a total of twenty-five (25) projects, with four (4) projects expected to be funded from the Base program and the rest of the projects will be either funded solely from the Bipartisan Infrastructure Law (BIL) or a

combination of both, on the fundable portion of the PPL with their assigned priority points, project name, loan amount, population, project description, anticipated binding commitment date, and project number.

6. SRF Available Funds

For SFY 2025, the total need of \$173,947,988 (BIL and Base Program) for projects is shown in Appendix B. It is estimated that \$34,693,438.00 will need to be disbursed in SFY 2025. These funds are derived from past capitalization grants and state matching funds, FFY 2024 capitalization grant, General DWSRF Supplemental Capitalization Grant, and state match for both capitalization grants, investment income, interest income, and projected bond issue funds. Additional needed funds will be obtained as indicated in the bottom of Table 1.

C. AMERICAN IRON AND STEEL AND BUILD AMERICA, BUY AMERICA

On January 17, 2014, H.R. 3547, “Consolidated Appropriations Act, 2014,” (Appropriations Act) was enacted requiring that “none of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or made available by a drinking water treatment revolving loan fund as authorized by Section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States.” SDWA Section 1452, amended by the Infrastructure Investment and Jobs Act (IIJA), made the American Iron and Steel (AIS) requirement permanent to the DWSRF program.

On November 15, 2021, IIJA, Pub. L. No. 117-58, which includes the Build America, Buy America Act (BABA). Pub. L. No. 117-58, §§ 70901-52, was signed into law. BABA strengthens Made in America Laws and will bolster America’s industrial base, protect national security, and support high-paying jobs. BABA requires that no later than May 14, 2022, 180 days after the enactment of the IIJA, the head of each covered Federal agency shall ensure that “none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.”

D. ADDITIONAL SUBSIDIZATION – BASE PROGRAM

During SFY 2025, \$948,360.00 (14%) will be available as additional subsidy. As in the previous year, DEQ’s primary focus for the subsidy (14%) of FFY 2024 Capitalization Grant will be public water supplies with health-based violations (HBV), such as disinfection byproduct (DBP) issues. However, if these types of projects are not ready to proceed, the focus may shift towards other initiatives, such as, regionalization, consolidation, or other compliance issues. Additionally, during SFY 2025, DEQ plans to provide additional subsidization to all eligible projects seeking funding through the DWSRF program. For these projects, the amount of loan forgiveness/grant per project will be 20% of the project cost up to \$200,000.00 or as evaluated on a case-by-case basis. Table 3 shows the amount of subsidy funds left from that FFY.

TABLE 3
Subsidy Funds
SFY 2025

FFY 2023	FFY2024	Available for SFY 2025
\$504,780.00	\$948,360.00	\$1,453,140.00

E. DAVIS-BACON WAGE RATES

The requirement for implementation of the Department of Labor (DOL) Davis-Bacon Prevailing Wage Rates for DWSRF projects is a mandatory condition of the capitalization grant. DEQ has fully implemented this requirement by ensuring that the latest DOL wage rates for each contract of each project are established prior to bidding, that weekly payroll reports are received from the prime and sub-contractors and reviewed by the water system, that employee interviews are conducted at least twice during the contract period, and that all complaints regarding the wage rate determinations are investigated and resolved.

F. SUSTAINABILITY POLICY

EPA finalized their Sustainability Policy on February 12, 2011. The primary direction of the policy is "...encouraging 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 Capacity Development Section maintains a strong capacity development program which includes a comprehensive review of each DWSRF applicant for technical, financial, and managerial capacity. This program is the platform for a sustainability program because it already incorporates the three-tiered review. Applicants are evaluated through detailed technical reviews, financial audits, and managerial checklists. To qualify for a DWSRF loan, an applicant must meet a minimum debt coverage requirement of 1.25 times.

The Capacity Development Section, using the set-asides for State Program Management and Small System Technical Assistance and Local Assistance, expands the review of systems from the DWSRF applicants to all Oklahoma public water supply systems. An annual Capacity Development Report is provided to EPA each year, prior to September 30, detailing all of the activities which are incorporated into the ongoing strategy for ensuring capacity development for public water supply systems. The report provides information on Oklahoma's efforts through enforcement, permitting, operator certification, source water assessment, the Area Wide Optimization Program (AWOP), small system technical assistance program, and the Public Water Supply Sanitary Survey program.

G. REPORTING REQUIREMENTS

DWSRF provides numerous reports to EPA and other entities as required by capitalization grant agreement, or other federal and state requirements.

Oklahoma will report quarterly in the SRF Data System on the use of all DWSRF funds. This information will also be included in the Annual Report. Quarterly reporting shall include use of the funds for subsidy, as well as information on the environmental benefits of DWSRF assistance agreements.

Oklahoma will also report annually to the SRF Data System. Detailed reporting will include all required information related to the DWSRF capitalization grant, set asides, leveraged funds, and project and loan costs.

Oklahoma will report to the Federal Funding Accountability and Transparency Act (FFATA) database as each project loan is closed to the amount of the capitalization grant less the set-asides for each year.

III. DWSRF GOAL STATEMENTS

A. SHORT-TERM GOALS

1. Provide twenty-five (25) loans to the twenty-four (24) water systems listed on the Fundable Portion of the SFY 2025 PPL. (Target Completion: June 2025)
2. Apply for FFY 2025 capitalization grants. (Target Completion: April 2025)
3. Complete set-aside work plans specifying funds from the capitalization grants. (Target Completion: Within 90 days of grant award)
4. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2025)
5. Use set-aside funds to provide technical assistance to systems to comply with LT2ESWTR, S2DBPR, RTCR, LCR, LCRR, LCRI, GWR, PFAS, and Sanitary Surveys. (Target Completion: June 2025)
6. If needed, issue DWSRF Revenue Bonds to finance the additional demand for drinking water loan funds. (Target Completion: June 2025)
7. Expend Capitalization Grants within two years of grant award.
8. Promote and market the DWSRF program by giving presentations around the State. (Target Completion: June 2025).
9. Continue to promote and further Justice40 initiative. (Target Completion: June 2025)
10. Target the additional funds made available through the BIL to disadvantaged communities. (Target Completion: June 2025)

B. LONG-TERM GOALS

1. Maintain the fiscal integrity of the DWSRF and assure a continuous enhancement of the loan fund for future generations.
2. Maintain the fund in perpetuity. Perpetuity consists of maintaining the principal amounts of the state matching funds and capitalization grants, less set-asides, within the DWSRF.
3. Assist the State in meeting the total drinking water funding needs by blending DWSRF capitalization grant and state match funds with leveraged DWSRF bond proceeds to provide long-term low-interest drinking water financing.
4. Obtain maximum capitalization of the fund for the State while generating sufficient investment and loan interest earnings to retire revenue bonds.
5. Use set-aside funds along with DWSRF loans to maximize compliance and public health protection.

6. Promote technical, managerial, and financial capability of all public water supply systems.
7. Encourage the consolidation and/or regionalization of small public water systems that lack the capability to operate and maintain systems in a cost-effective manner.
8. Target public water supply projects with health-based violations to reduce the non-compliance rate.
9. Target the additional funds made available through the BIL to disadvantaged communities in accordance with EPA's memo of implementation of DWSRF provisions from the BIL.
10. Encourage cybersecurity and climate resilient projects.
11. Continue to refine the Capacity Development Program through the following actions:
 - a. Revising the capacity development strategy to reflect current goals and methods used by the Capacity Development Section, including the promotion of proper asset management at Oklahoma water supplies.
 - b. Enhancing implementation of the Water Loss Auditing and Leak Detection Program.
 - c. Increasing the amount of technical, managerial, and financial assistance provided to small Oklahoma public water supplies, both from Capacity Development Section staff and from 3rd-party technical assistance providers.
 - d. Implementing a Source Water Protection Program.
 - e. Promoting and transferring optimization concepts to water systems through participation in the area wide optimization program (AWOP).

C. ENVIRONMENTAL RESULTS UNDER EPA ASSISTANCE AGREEMENTS

1. In accordance with "EPA's Environmental Results under EPA Assistance Agreements, Order No. 5700.7," which became effective on January 1, 2005, DEQ herein describes the outputs to be used as a measure to comply with the new requirements.
 - a. Output 1 – Provide twenty-five (25) loans to the twenty-four (24) water systems listed on the SFY 2025 PPL. See Appendix B, for a list of projects on the PPL.
 - b. Output 2 – Enter into binding commitments with eighteen (18) small systems and seven (7) large systems, one large system will have two different loans, for a total of twenty-five (25) projects during SFY 2025. See Appendix B, for a list of these systems and their population.
2. Environmental benefits will result from loans made and projects completed to reduce specific contaminants, create energy savings, conserve water, increase capacity to meet current water needs, replace aging infrastructure, and comply with state and federal regulations.

IV. FINANCING PLANS

The type of assistance to be provided will be loans for up to 100 percent of the eligible cost of drinking water projects. DWSRF program requirements are defined in DEQ and OWRB program regulations. OWRB provides a DWSRF financing plan that maintains funds to meet the program demand. Loans at below market interest rates provide affordable financing and incentives for loan applicants to meet the program requirements. The program provides for flexibility and the perpetuity of the DWSRF.

DEQ and OWRB provide one financing plan for both small and large systems, a long-term DWSRF loan. The long-term DWSRF loan is a 30-year loan (up to a 40-year loan for eligible disadvantaged communities subject to useful life of proposed project) with a fixed interest rate used for the construction of drinking water infrastructure improvements. Interest and administration fees are paid semi-annually based on outstanding principal loan balance. Principal payments start according to date set forth in the promissory note.

Beginning with the 2009 American Recovery and Reinvestment Act and the FFY 2010 Capitalization Grant, DWSRF may grant subsidies in the form of principal forgiveness to systems. Those systems which met the criteria for consolidation and/or regionalization were granted principal forgiveness in accordance with the DWSRF procedures for each type of project. Starting in SFY 2019, DEQ's focus for the subsidy became public water supplies that have HBV, such as DBP issues. In addition to HBV and regionalization/consolidation projects, during SFY 2025, DEQ plans to provide additional subsidization to all eligible projects seeking funding through the DWSRF program (see page 10).

The total amount of subsidies given will be determined by the FFY 2024 Capitalization Grant. The method the DWSRF uses to fund projects is to draw all the state matching funds first, federal capitalization grants next, bond fund, and then second round funds.

A. DWSRF INTEREST RATES

DWSRF will provide long-term financing loans for both small and large public drinking water systems at an interest rate equal to 70% of Municipal Market Daily (MMD) AAA scale spot rates 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 0.50% administrative fee is charged on the unpaid principal balances. The interest rate calculation is reviewed annually by the OWRB and is subject to change on future loans.

B. ADMINISTRATION FEES

OWRB charges an annual administration fee of 0.5 percent on the unpaid loan balance, and an application fee upon filing. This fee is based on the size of the application. If the application is for \$249,999 or less, the fee is \$100. If the application is for \$250,000 to \$999,999, the fee is \$250. If the application is for \$1,000,000 or more, the fee is \$500. Administrative fees collected are deposited into the Drinking Water Treatment Loan Administration Fund as shown in Table 4. This fund is a statutory account outside the DWSRF, and fees deposited into this fund will be used to offset the future DWSRF administrative expenses of DEQ and OWRB including, as necessary, the state match for DWSRF capitalization grants and a reserve to issue bonds. It is projected that the Drinking Water Treatment Loan Administrative Fund will contain approximately \$14,354,422.00 at the end of SFY 2025.

TABLE 4
Drinking Water Treatment Loan Administration Fund

Revenue	FY1997-2024*	FY 2025	Total
Application Fee	\$ 118,200.00	\$ 5,000.00	\$ 123,200.00
Administration Fees on Loans (.5%)	\$ 41,049,425.00	\$ 3,419,702.00	\$ 44,469,127.00
Interest Earnings on Fund 444	\$ 1,768,982.00	\$ 126,754.00	\$ 1,895,736.00
Recovery of Loan Default	\$ 600,819.00	\$ 40,000.00	\$ 640,819.00
Total Revenue	\$ 43,537,426.00	\$ 3,591,456.00	\$ 47,128,882.00
Expenses			
Administrative Costs	\$ 10,601,957.00	\$ 900,000.00	\$ 11,501,957.00
Transfer to DWSRF for Loan Write-Off	\$ 4,159,703.00	\$ -	\$ 4,159,703.00
Funds Used for State Match	\$ 14,112,800.00	\$ 3,000,000.00	\$ 17,112,800.00
Total Expenses	\$ 28,874,460.00	\$ 3,900,000.00	\$ 32,774,460.00
Balance	\$ 14,662,966.00	\$ (308,544.00)	\$ 14,354,422.00
*Includes projections for April, May & June 2024			

C. BINDING COMMITMENTS

It is anticipated that DEQ will enter into twenty-five (25) binding commitments with eighteen (18) small systems and seven (7) large systems, one large system with two loans, during SFY 2025. The amount of funding for small systems is anticipated to be \$90,839,733.00 which is equal to 52 percent of the amount of funding available for projects on the fundable portion of the SFY 2025 PPL. This amount exceeds the requirement that at least 15 percent of loan funds be utilized for small systems. A graphical presentation of this information is presented in Exhibit 1.

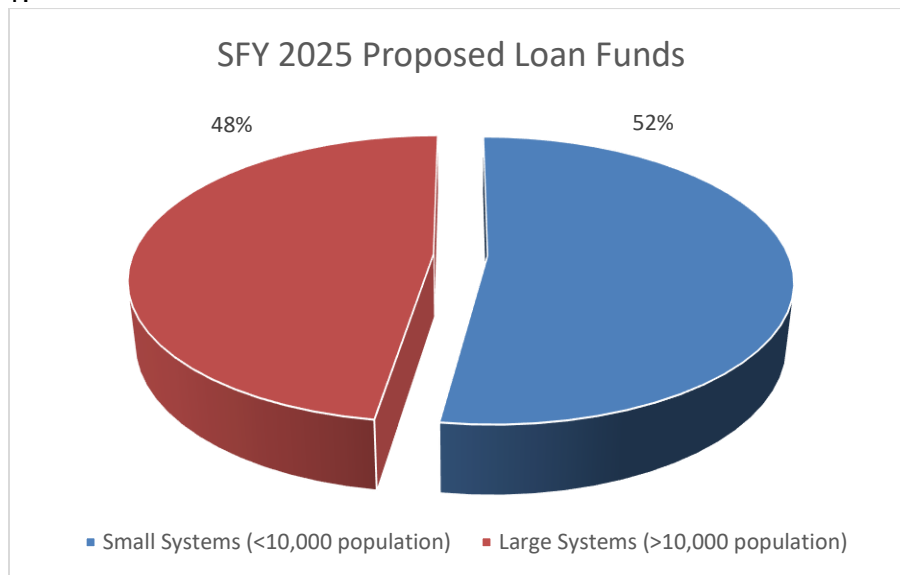


Exhibit 1 – DWSRF Proposed Loans to Small Systems SFY 2025

V. ASSURANCES AND SPECIFIC PROPOSALS

DEQ provides the necessary assurances and certifications as a part of the Operating Agreement between DEQ and EPA. The DEQ/EPA Operating Agreement includes the requirements of the SDWA, as follows:

1. The State has the authority to establish a DWSRF project loan fund and to operate the DWSRF program in accordance with the SDWA.
2. The State will comply with its statutes and regulations.
3. The State has the technical capability to operate the program.
4. The State will accept capitalization grant funds in accordance with a payment schedule.
5. The State will deposit all capitalization grant funds in the DWSRF project fund or set-aside account.
6. The State will provide an amount at least equal to 20 percent of the capitalization grant (State match) in the DWSRF project fund.
7. The State will provide an amount of at least 20 percent to the DWSRF General Supplemental made available through the BIL.
8. The State will deposit interest earnings and repayments into the DWSRF project fund.
9. The State will match capitalization grant funds the State uses for 1452(g)(2) set-asides.
10. The State will use Generally Accepted Accounting Principles.
11. The State will have the DWSRF project fund and set-aside account audited annually in accordance with General Accepted Government Auditing Standards.
12. The State will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments.
13. The State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner.
14. The funds will be used in accordance with the IUP.
15. The State will provide EPA with an Annual Report.
16. The State will comply with all federal cross-cutting authorities.

The State agrees that binding commitments for DWSRF projects which receive loan funds made available from the capitalization grant will be made only after the State has conducted an environmental review according to DWSRF regulations (OAC 252:633) and a determination is executed and distributed using the EPA approved State Environmental Review Process (SERP).

The State agrees to submit Annual Reports to EPA on the actual use of funds and how the State has met the goals and objectives for the previous fiscal year as identified in the IUP for the previous year.

VI. CRITERIA FOR PROJECT SELECTION AND DISTRIBUTION OF FUNDS

A. DISTRIBUTION OF FUNDS

The following criteria were used to develop the proposed distribution of the DWSRF funds:

1. Utilize set-asides as authorized by the SDWA.
2. Identify all possible public drinking water systems eligible to receive DWSRF assistance.
3. Identify and rank public drinking water system projects requesting financial assistance that results in compliance with SDWA requirements on the DWSRF PPL.
4. Determine the readiness to proceed of each project ranked on the DWSRF PPL.
5. Identify the sources and spending limits of DWSRF.
6. Allocate funds to projects ready to proceed according to the Project Priority System, Appendix B.
7. Develop a grant payment schedule that will be used to make timely binding commitments to the projects selected for DWSRF assistance. The anticipated federal DWSRF loan fund payment schedule for the FFY 1997 through FFY 2024 capitalization grants is included as Appendix C.
8. Develop an outlay schedule to pay project costs as incurred.

All funds in the DWSRF will be used to provide direct construction loans, long-term small community loans, or to refinance existing debt obligations of eligible applicants, when such debt obligations were incurred, and the construction commenced after July 1, 1993, and all program requirements have been met.

Provisions for project bypass, assistance deadlines, and default are addressed in the DEQ DWSRF Regulations and/or State legislation implementing the DWSRF.

Set-aside funds are used for the administration of the DWSRF program, to provide small system technical assistance, to manage the State program, and to provide local assistance and fund other State programs for water systems. These activities have a direct impact on solving existing problems and preventing future problems. By implementing these programs, the costly need for infrastructure may be reduced. An example is the Small System Technical Assistance Program that provides a water system with training and assistance to operate a plant more efficiently. This will enable the water system to make operational changes to meet the stringent levels for turbidity, total trihalomethanes, and the five haloacetic acids, rather than spending funds on costly construction for upgrades that may be unnecessary.

Though using set-asides may take away from the amount of grant funds to be used for loans, the long-term plan is to concurrently implement the set-aside programs with the loan program to provide the best overall assistance to water systems.

DEQ decides each year on which programs are needed and prepares a budget for each of the programs. Based on the budgets and history of the program, DEQ determined that 31 percent of the FFY 2024 grant for set-asides is needed to fund the programs for SFY 2025. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2024 capitalization grant funds are to be expended during SFY 2025.

B. FUNDS AVAILABLE FOR DWSRF PROJECTS

As discussed in Section III. A. 1, and shown in Table 1, a total of \$207,218,090.00, less set asides, will potentially be available during SFY 2025 to fund twenty-six (26) projects listed on the combined (BIL and Base) PPL. There is a great need for funding

drinking water infrastructure and the current demand for funds by projects that are ready to proceed will justify leveraging of funds. The OWRB may issue bonds in SFY 2025 to meet needed funding for DWSRF projects.

C. DWSRF LEVERAGED BOND ISSUE

Similar to previous years, substantial demand for drinking water funds exceeds capitalization grants and state match amounts. DEQ and OWRB may issue DWSRF Revenue Bonds (amount to be determined) to finance the additional demand. The Revenue Bonds will be sized based on the amount of identified need, and a portion of the proceeds may include funds for the purpose of providing the state matching funds. The Revenue Bonds may be issued in a single series, or multiple, smaller series as funds are required for eligible project costs. The series of Revenue Bonds will be issued as needed.

D. DESCRIPTION OF FINANCIAL STATUS OF DWSRF

During SFY 2025, the funds expected to be available to the DWSRF include past capitalization grants and state matches, FFY 2024 capitalization grant and state match, FFY 2024 General Supplemental capitalization grant and state match, transfer of funds from the CWSRF, investment income, interest earnings, loan repayments, and leveraged revenue bond funds. The financial status of the DWSRF is further detailed in Table 1: DWSRF Sources and Uses.

E. DEVELOPMENT OF PAYMENT SCHEDULE

The total amount of loan funds and spending limits are identified in the grant payment schedule included as Appendix C. This chart shows the federal payment schedule for loan funds for FFY 2023 and FFY 2024 capitalization grants. This amount is summarized by quarter and the totals are shown.

All project loans scheduled for funding from the DWSRF will be reviewed for consistency with appropriate planning, design, and construction requirements. Evidence of this review and funding shall be documented in each DWSRF project file.

For any fiscal year, fifteen percent (15%) of a capitalization grant amount shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons to the extent such funds can be obligated for eligible projects of public water systems.

To the extent Capitalization Grant funds are to be disbursed to loan recipients for direct project costs, those funds will be drawn from the EPA's Automated Clearing House (ACH). State match will be expended prior to the draw upon Capitalization Grant funds.

The FFY 2024 State Match requirement for the DWSRF base (20%) and the BIL General Supplemental (20%) totaling \$8,036,200 will be met through either funds appropriated to OWRB and/or the DWSRF Administrative Account managed by OWRB.

Oklahoma's projected grant payment schedule is based on the time of the capitalization grant award, expenditure of the state match, the scheduled dates for binding commitments, projected construction schedules for projects as specified for a particular bond series, and the proposed budget for set-asides.

F. FINANCIAL PLANNING PROCESS AND MANAGEMENT OF FUNDS

The OWRB and its financial advisor have developed the DWSRF cash flow analysis/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 DWSRF program is sustainable. Moreover, the model is used to aid in illustrating the overall impact to program capacity as a result of extended term financing, fluctuating federal funding levels, lending rate policies, market volatility, etc.

G. CASH DRAW RATIO

All state match funds will be drawn prior to capitalization grant draws to ensure the required cash draw ratio will be maintained.

VII. SAFE DRINKING WATER ACT AMENDMENT OPTIONS

A. PRIVATELY OWNED DRINKING WATER SYSTEMS

Although the SDWA provides for funding of privately owned drinking water systems, DEQ has determined that funding these systems is not in compliance with the state statutes and constitution. According to Oklahoma Annotated Code Title 82 Section 1085.72 and Article 10, Paragraph 39 of the Constitution of Oklahoma, the definition of eligible entity is limited to mean “any city, town, county or the State of Oklahoma, and any rural water district, public trust, master conservancy district, any other political subdivision or any combination thereof.” By law, the funds established for the DWSRF are limited to those entities, precluding any privately owned entities from receiving monies.

B. DISADVANTAGED COMMUNITIES

The DWSRF program may provide up to 40-year loan terms that are only available to eligible Disadvantaged Communities and subject to the useful life of infrastructure to be constructed. A “Disadvantaged Community” means those communities which serve a population whose Median Household Income (MHI) is greater than 80% but less than 90% of the National Median Household Income (NMHI) MHI according to the United States Census Bureau/American Community Survey. Communities serving population whose MHI is less than 80% of the NMHI according to the United States Census Bureau/American Community Survey will be designated as “Severely Disadvantaged Communities” and hence will receive 60 priority points instead of the 40 points reserved for Disadvantaged Communities. MHI is based on the most recent 5-year average of median household income from United States Census Data.

Also, DWSRF is mandated to provide a minimum of 12% and not to exceed 35% of the capitalization grant to Disadvantaged Communities primarily serving 10,000 population or fewer. If a system serving more than 10,000 population and the proposed project is to impact a disadvantaged area, low income, minorities or people of color, this project will be considered for this subsidy. During SFY 2025, \$812,880.00 (12%) is available for communities that meet the above definition. The amount of subsidy per project will be **\$150,000.00 or 20%**, whichever is less. For a

Severely Disadvantaged Community with a project costing less than \$400,000.00, the amount of subsidy will be decided on a case-by-case basis. Further, the DWSRF project priority system provides for priority points to be given to projects that benefit disadvantaged communities.

For systems that do not meet the Disadvantaged Communities definition, NMHI data based on census blocks may be considered to determine principal forgiveness eligibility. Water systems with a population of 250 or less that are not considered disadvantaged as based on the NMHI may utilize a household income survey to determine whether the water system is a Disadvantaged Community. DEQ will determine Disadvantaged Community status based on the information submitted.

C. TRANSFER OF FUNDS

Under the SDWA, the state is allowed to transfer and/or cross-collateralize fund assets of the DWSRF program and the CWSRF program. Oklahoma may take advantage of funding flexibility between the CWSRF and DWSRF programs, provided by EPA, to assure adequate capacity to meet all funding demands. In accordance with the Safe Drinking Water Act – State Revolving Fund (SRF) funds transfer provisions (Section 302), the State hereby reserves the “authority to transfer an amount up to 33 percent of the Drinking Water SRF program capitalization grant to the Clean Water SRF program or an equivalent amount from the Clean Water SRF program to the Drinking Water SRF program.” With this IUP, Oklahoma requests the ability to transfer funds as necessary between the DWSRF and CWSRF during SFY 2025. The approval of the IUP will constitute the approval of the transfer request. It is understood that fund transfers between the programs during SFY 2025 or in future years may not be available for return to the SRF fund of origin if a permanent extension of transfer authority is granted.

D. FEDERAL REQUIREMENTS ON AVAILABLE FUNDS (EQUIVALENCY)

Funds are subject to federal requirements such as Davis-Bacon Act prevailing wages and American Iron and Steel provisions. DWSRF-funded projects must follow all federal “cross-cutter” requirements and EPA’s signage requirements.

The DWSRF has two tiers of funding: Equivalency projects and Non-Equivalency projects.

Equivalency projects (Federal Requirements) portion of the DWSRF funded projects must follow all federal requirements commonly known as “cross-cutters”. This type of financial assistance is referred to broadly as “Equivalency”. Equivalency projects may receive an additional interest rate reduction. Additionally, a portion of the available Equivalency funds may be reserved for projects receiving additional subsidization.

Non-Equivalency projects - Non-Equivalency projects are not subject to federal cross-cutter requirements, with the exception of the federal anti-discrimination laws, also known as the “super cross-cutters” and state environmental review process.

VIII. BIPARTISAN INFRASTRUCTURE LAW

The IJA, also known as the BIL, was signed into law on November 15, 2021. The law's investment in the water sector is nothing short of transformational. It includes billions of dollars over a total of 5 years (FFY 2022 to FFY 2026) to the DWSRF through EPA to strengthen the nation's drinking water systems. The BIL provides additional capitalization grants for DWSRF General Supplemental Funding, Lead Service Line Replacement Funding and DWSRF Emerging Contaminants Funding. All these new funds are subject to the same governing rules, regulations, and conditions as the DWSRF Base Program.

A. DWSRF BIL General Supplemental Funding

"Provided further, That for the funds made available under this paragraph in this Act, forty-nine percent of the funds made available to each State for Drinking Water State Revolving Fund capitalization grants shall be used by the State to provide subsidy to eligible recipients in the form of assistance agreements with 100 percent forgiveness of principal or grants (or any combination of these), notwithstanding section 1452(d)(2) of the Safe Drinking Water Act (42 U.S.C. 300j-12)"

DWSRF BIL General Supplemental PPL

The BIL DWSRF General Supplemental PPL includes a total of \$173,467,192.00, of which \$132,974,192.00 will be funded from the General Supplemental Capitalization Grant made available through BIL. See page 2 of Appendix B. The shortfall to fund all the projects listed will be from the DWSRF Base program. See Sources and Uses in Table 1.

The BIL DWSRF General Supplemental PPL includes a total of twenty-one (21) projects. All these communities meet the state definition of Disadvantaged Community.

DWSRF BIL General Supplemental Set-Asides

During SFY 2025, DEQ plans to utilize \$456,985.00 for Administration, \$150,575.00 for Small System Technical Assistance, \$1,292,543.00 for State Program Management, and \$1,997,660.00 for Local Assistance and other State Programs to implement the BIL DWSRF General Supplemental capitalization grant as well as supplement the funding for state eligible programs and activities listed under the Set-Asides Programs of the DWSRF Base program.

DWSRF BIL General Supplemental State Match

During SFY 2025, like the DWSRF Base Program, the BIL General Supplemental requires twenty percent (20%) state match of \$6,681,400.00 will be met through either funds appropriated to OWRB and/or the DWSRF Administrative Account managed by OWRB.

DWSRF BIL General Supplemental Requirements and Goals

In addition to the goals listed above, the main focus for these funds will be to assist those communities that meet the state definition of Disadvantaged Community and furthering Justice40 Initiative.

DEQ will apply for the FFY 2024 General Supplemental Funds in the amount of \$33,407,000.00 approved by Congress, during SFY 2025. The subsidy from this allocation will be provided to only those communities that meet the state definition of Disadvantaged Community. During SFY 2025, \$16,369,430 (49% of the capitalization grant) will be available to Disadvantaged Communities as defined under Section VII. Part B Disadvantaged Communities within the IUP. The amount of the subsidy/loan forgiveness/grant will be as follows:

- Disadvantaged Communities as defined above serving 10,000 people or fewer may receive 100% loan forgiveness up to \$800,000.00 for eligible project and costs. Not all costs/fees, or incurred costs, will qualify for funding. Costs must be negotiated, fair, and reasonable to be eligible/qualify.
- Disadvantaged Communities serving more than 10,000 people may qualify for 25% of the loan amount or \$1,000,000.00, whichever is less as loan forgiveness.
- Disadvantaged and Severely Disadvantaged Communities seeking funding for regionalization/consolidation may receive additional loan forgiveness as evaluated on a case-by-case basis.
- Projects for Non-Disadvantaged Communities serving a total of 10,000 people or fewer benefiting areas of low income (below 90% of NMHI), minorities and/or people of color, may receive loan forgiveness of up to \$800,000.00 or the cost of the project in that area, whichever is less.
- Projects for Non-Disadvantaged Communities serving a total of more than 10,000 people benefiting areas of low income (below 90% of NMHI), minorities and/or people of color, may qualify for 25% of the loan amount or \$1,000,000.00, whichever is less, as loan forgiveness in the area deemed as disadvantaged.
- For systems that do not meet the Disadvantaged Communities definition, NMHI data based on census blocks may be considered to determine principal forgiveness eligibility. Water systems with a population of 250 or less that are not considered disadvantaged as based on the NMHI may utilize a household income survey to determine whether the water system is a Disadvantaged Community. Based on data submitted, DEQ will determine Disadvantaged Community status.

Maximum Loan Forgiveness Eligibility

For the BIL DWSRF General Supplemental funds and the Base DWSRF program, the following maximum amounts apply:

- For large (10,000 population or greater) disadvantaged systems the maximum is \$1,000,000.00;
- For small (less than 10,000 population) disadvantaged systems the maximum is \$950,000.00;
- For health-based violations and and/or regionalization/consolidation projects, the maximum amount of loan forgiveness/grant will be determined on a case-by-case basis.

Prioritization of Loan Forgiveness Funds

- Communities that have received loan forgiveness from the previous year of BIL funding will be ineligible for funding this fiscal year.
- Ready to proceed projects will receive available funding first. If there are not enough funds for all ready-to-proceed projects, the following prioritization will be utilized:
 - Severely disadvantaged communities will receive priority over disadvantaged communities.
 - Within those considered to be severely disadvantaged, priority will be given to small systems (population under 10,000).
 - Small severely disadvantaged systems will be prioritized based on total points from the DWSRF ranking form.

B. DWSRF BIL Lead Service Line Replacement Funding

“Provided further, That for the funds made available under this paragraph in this Act, forty-nine percent of the funds made available to each State for Drinking Water State Revolving Fund capitalization grants shall be used by the State to provide subsidy to eligible recipients in the form of assistance agreements with 100 percent forgiveness of principal or grants (or any combination of these), notwithstanding section 1452(d)(2) of the Safe Drinking Water Act (42 U.S.C. 300j–12)”

Project eligibility under this appropriation is limited to lead service line replacement (LSLR), planning and design for LSLR projects and associated activities, and developing lead service line inventories in accordance with the LCRR. A “lead service line” is defined as, *“...a service line made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, owned by the property owner, or both. For the purposes of this subpart, a galvanized service line is considered a lead service line if it ever was or is currently downstream of any lead service line or service line of unknown material. If the only lead piping serving the home or building is a lead gooseneck, pigtail, or connector, and it is not a galvanized service line that is considered an LSL the service line is not a lead service line.”*

DWSRF BIL Lead Service Line Replacement PPL

The Lead Service Line Replacement PPL includes a total of \$76,992,031.75, most if not all of these communities are seeking loan forgiveness/grant (see Table 5 below). As listed in Appendix E, the Lead Service Line Replacement PPL includes a total of forty-three (43) projects. The fundable list portion of this PPL includes forty-three (43) projects. All but five (5) of these communities meet the state definition of Disadvantaged Community within the IUP.

TABLE 5: SOURCES AND USES FOR BIL LSLR

SOURCES OF FUNDS	
¹ Beginning Balance on July 1, 2024	\$ 26,915,424
² Federal Grant FFY 2023	\$ 28,650,000
³ Reallotment from FFY 2022	\$ 3,397,000
⁴ Federal Grant FFY 2024	\$ -
Sub Total	\$ 32,047,000
Total Sources of Funds	\$ 58,962,424
USES OF FUNDS	
Expected DWSRF Loan Commitments for SFY 2025	\$ 38,366,016
Disbursements-Anticipated 30% of Loan Commitments SFY 2025	\$ 2,229,801
DWSRF Set-Aside Programs for SFY 2025	
Administration	\$ 2,646,000
Small System TA	\$ 1,208,000
Program Management	\$ 6,665,000
Local Assistance	\$ 6,865,000
	\$ 17,384,000
Total Uses of Funds	\$ 57,979,817
Additional Funds Needed	\$ 982,607
¹ Beginning balance for SFY 2025.	
² DEQ is requesting the funds for FFY 2023.	
³ DEQ is applying for available reallotment funds from FFY 2022.	
⁴ Due to lack of entities pursuing loans, DEQ is not applying for the SFY 2024 grant at this time.	

DEQ plans to apply for reallotted FFY 2022 LSLR funds in the amount of \$3,397,000, and will utilize the remaining funds from FFY 2022 LSLR Capitalization Grant during SFY 2025. DEQ currently plans to apply for the FFY 2023 LSLR Capitalization Grant approved by Congress during SFY 2025 which is the second year of allotment. DEQ also plans to apply for the FFY 2024 LSLR Capitalization Grant during the second year of allotment, SFY 2026, unless funds are needed sooner. The subsidy from these funds will be provided to only those communities that meet the state definition of Disadvantaged Community. During SFY 2025, \$17,367,423.76 (the remaining of the 49% of the FFY 2022 capitalization grant) will be available to Disadvantaged Communities as defined under Section VII Part B Disadvantaged Communities within the IUP. The availability of this amount is subject to an entity, or entities, taking on a loan from this pot of funding. The amount of the loan forgiveness/grant provided will be as follows:

- Disadvantaged Communities serving 10,000 people or fewer will receive up to 100% loan forgiveness for eligible projects and costs. These water systems will not be eligible for LSL funding until the initial LSL inventory has been submitted and accepted by DEQ.

- Disadvantaged Communities serving more than 10,000 people will qualify for 50% of the loan amount, or \$3.5 million, whichever is less as loan forgiveness. The maximum cumulative amount of loan forgiveness during all years of BIL LSL funding is \$3.5 million.
- Projects under this category for Non-Disadvantaged Communities benefiting areas of low income (below 90% of National Median Household Income) minorities and/or people of color, will qualify for loan forgiveness based on the entire population of the public water supply as described above.
- For systems that do not meet the Disadvantaged Communities definition, NMHI data based on census blocks may be considered to determine principal forgiveness eligibility. Water systems with a population of 250 or less that are not considered disadvantaged as based on the NMHI may utilize a household income survey to determine whether the water system is a Disadvantaged Community. Based on data submitted, DEQ will determine Disadvantaged Community status.
- For any BIL LSL projects that include loan funding, the maximum loan term is 15 years.

Any project funded under this appropriation involving the replacement of a lead service line must replace the entire lead service line, not just a portion.

Corrosion control studies and associated infrastructure are not eligible under this appropriation.

Consistent with the base DWSRF program, bottled water is not eligible under this appropriation.

DWSRF BIL Lead Service Line Replacement Set-Asides

Set-aside eligibilities under this appropriation include but are not limited to the development of LSLR inventories, technical assistance to small water systems undertaking LSLR inventories or construction projects, planning and design for LSLR projects, funding state staff and contractors working on LSLR outreach and inventory plans, etc.

To complete these tasks, during SFY 2025, DEQ plans to utilize remaining FFY 2022 LSLR Capitalization Grant set asides, \$1,146,000.00 for Administration, \$573,000.00 for Small System Technical Assistance, \$2,865,000.00 for State Program Management, and \$2,865,000.00 for Local Assistance and other State Programs to implement the BIL DWSRF Lead Service Line Replacement capitalization grant. DEQ is utilizing LSLR funds for two technical assistance contracts emphasizing assistance for small systems to complete their initial LSLI.

DWSRF BIL Lead Service Line Replacement Requirements and Goals

In addition to the goals listed above, the main focus for these funds will be to assist those communities and service areas that meet the state definition of Disadvantaged Community with, but not limited, to the following:

- Assist water systems with developing lead service line inventories in accordance with the LCRR.
- Investigate unknown service lines to determine piping material(s).
- Replace lead service lines as defined above on both privately and publicly owned service lines.

C. DWSRF BIL Emerging Contaminant Funding

“Provided further, that funds provided under this paragraph in this Act deposited into the State revolving fund shall be provided to eligible recipients as loans with 100 percent principal forgiveness or as grants (or a combination of these)”

“Provided further, that funds provided under this paragraph in this Act shall be to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances...”

DWSRF BIL Emerging Contaminant PPL

The Emerging Contaminant PPL includes a total of \$22,420,240.00, of which \$23,611,770.00 will be funded from the Emerging Contaminant Capitalization Grants (FFY 22 and FFY 23) made available through BIL. As listed in Appendix F, the Emerging Contaminant PPL includes a total of five (5) projects. All these communities meet the definition of Disadvantaged Community, and all but one, serves less than 25,000 persons.

TABLE 6: SOURCES AND USES EMERGING CONTAMINANTS	
<u>SOURCES OF FUNDS</u>	
Beginning Balance on July 1, 2024	\$ 14,315,368
Federal Grant FFY 2024	\$ 11,104,000
Sub Total	\$ 25,419,368
Total Sources of Funds	\$ 25,419,368
<u>USES OF FUNDS</u>	
Expected DWSRF Loan Commitments for SFY 2025	\$ 23,201,740
Anticipated Disbursements for SFY 2025	\$ 5,441,348
*DWSRF Set-Aside Programs for SFY 2025	
Administration	\$ 377,462
Small System TA	\$ 376,759
Program Management	\$ 443,898
Local Assistance	\$ 390,846
Subtotal	\$ 1,588,965
Total Uses of Funds	\$ 7,030,313
** Funds Remaining	\$ 18,389,055
* Includes Carryover from SFY 2023 and 2024	
** Might be Funded Through the DWSRF Base Program	

DWSRF BIL Emerging Contaminant Set-Asides

During SFY 2025, DEQ plans to utilize \$154,617.00 for Administration, \$150,729.00 for Small System Technical Assistance, \$150,730.00 for State Program Management, and \$150,730.00 for Local Assistance and other State Programs to implement the BIL DWSRF Emerging Contaminant capitalization grant.

DWSRF BIL Emerging Contaminant Requirements and Goals

The main focus for these funds will be to improve the drinking water by removing manganese and PFAS from the drinking water.

DEQ will utilize the remaining funds from FFY 2022 Emerging Contaminants Capitalization Grant, \$5,700,000.00, FFY 2023 Emerging Contaminants Capitalization Grant in the amount of \$11,104,000.00, approved by Congress, during SFY 2025. One hundred percent (100%) of these funds will be provided as subsidy to all eligible recipients with a minimum of 25% of the funds awarded to communities that meet the state definition of Disadvantaged Community. During SFY 2025, \$11,104,000.00 may be available as subsidy, \$2,776,000.00 of which will be directed toward Disadvantaged Communities or PWS serving fewer than 25,000 persons. DEQ plans to apply for the FFY 2024 Emerging Contaminants Capitalization Grant in the amount of \$11,104,000.00 approved by Congress, during SFY 2025.

Transfer of Funds

Under the SDWA, the state is allowed to transfer and/or cross-collateralize fund assets of the DWSRF program and the CWSRF program. Oklahoma may take advantage of funding flexibility between the CWSRF and DWSRF programs, provided by EPA, to assure adequate capacity to meet all funding demands. In accordance with the Safe Drinking Water Act – State Revolving Fund (SRF) funds transfer provisions (Section 302), the State hereby reserves the authority "to transfer an amount up to 33 percent of the Drinking Water SRF program capitalization grant to the Clean Water SRF program or an equivalent amount from the Clean Water SRF program to the Drinking Water SRF program." With this IUP, Oklahoma requests the ability to transfer funds as necessary between the DWSRF and CWSRF during SFY 2025. The approval of the IUP will constitute the approval of the transfer request. It is understood that fund transfers between the programs during SFY 2025 or in future years may not be available for return to the SRF fund of origin if a permanent extension of transfer authority is granted.

IX. PUBLIC REVIEW AND COMMENT

On June 24, 2024, a public meeting was held in compliance with the Oklahoma State Administrative Procedures Act and DWSRF regulations. To ensure that interested parties were made aware of the public meeting, DEQ posted notice on the DEQ website and distributed announcements to a mailing list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial consultants, and interested citizens. The public comment period closed on June 25, 2024, at COB. No comments were received.

X. AMENDMENTS TO THE PLAN

Revisions to this plan determined to be insignificant and/or minor revisions required for administrative purposes, shall be made by DEQ without notification to the public, and will be reported to EPA in the Annual Report.

APPENDIX A PROJECT PRIORITY SYSTEM

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY DRINKING WATER STATE REVOLVING FUND

Statutory References: *OAC 252:633-1-5,*
 OAC 252:633-3-4, and
 OAC 252:633 Appendix A

PART I: DWSRF PROJECT PRIORITY SYSTEM

A. **Projects included.** The comprehensive PPL shall consist of all eligible projects requesting placement on the PPL. Projects which meet all requirements for funding shall be placed on a Fundable List and included in the current Intended Use Plan (IUP). Projects which rank below the available funding level shall be considered the contingency section of the Fundable List. Projects in this part of the list may receive loans due to bypass provision or due to additional funds becoming available.

B. **Project ranking.** The ranking factors are based on the relative impact of the project in achieving the objectives of the Safe Drinking Water Act Amendments of 1996. The ranking factors are listed in Part II of this Appendix.

C. Management of the Project Priority List.

1. **Tie breaking procedure.** A tie breaking procedure shall be used when two or more projects have equal points under the Project Priority System and are in competition for funds. Tied projects will be ranked with the first project which has the greatest value for the ranking factor for Violations of Maximum Contaminant Levels (Primary Standards).
2. **Project bypass.** A project on the fundable portion of the PPL may be bypassed for one year if it is not on schedule as indicated in the IUP or the project's specific consent/administrative order. The applicant whose project is affected shall be given a written notice that the project is to be bypassed. Bypassed projects may be reinstated on the funded 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 applied to the next ranked project on the PPL.
3. **Project Priority List update.** The priority list shall be periodically reviewed by the DEQ Water Quality Division Director and changes (i.e., loan award dates, estimated construction assistance amounts, project bypass, addition of new projects, etc.) will be made as necessary.

PART II RANKING SYSTEM

A. **Formula.** The project priority points (P) are derived from the formula:

$P = A + B + C + D + E + F + G + H + I$, where the factors are defined as:

1. A = Violations of Maximum Contaminant Levels (Primary Standards).
2. B = Quantity Deficiencies.
3. C = Design Deficiencies.

4. D = Vulnerability to Potential Pollution.
5. E = Violation of Recommended Maximum Levels (Secondary Levels).
6. F = Consolidation.
7. G = Compliance Orders.
8. H = Source Water Protection.
9. I = Affordability.

Ranking factors one through eight are to address the risks to human health and compliance with the Safe Drinking Water Act Amendments of 1996. Ranking factor nine addresses the affordability requirements of the Safe Drinking Water Act Amendments of 1996.

B. Factors Descriptions.

1. Violations of Maximum Contaminant Levels (Primary Standards) (A).

Maximum contaminant levels are established for those parameters which may be detrimental to public health. Severity point values will be the sum of points for the violations of a contaminant during a 24 month period from the date of the request. Contaminants reported quarterly, such as nitrate, may include up to eight violations during this 24 month period. Those contaminants reported monthly, such as fecal coliform, may include up to twenty-four violations during this 24 month period. Violations of standards of contaminants based on a running annual average, such as total trihalomethanes, will be based on a 12 month reporting period and will include only severity value. Violations of more than one contaminant are additive. These violations are documented by inclusion in the Safe Drinking Water Information System (SDWIS). These values may be increased quarterly in the event that there are repeated violations.

Contaminant	Severity (points per violation)
Antimony	10
Arsenic	10
Asbestos	10
Barium	2
Beryllium	10
Bromate	10
Cadmium	10
Chlorates	10
Chlorine Dioxide	10
Chromium	10
Copper >1.3	5
Fecal Coliform	20
Fluoride > 4	5
Gross Alpha Radioactivity	5
Gross Beta Radioactivity	5
Lead	30
Contaminant	Severity (points per violation)
Mercury	10
Nitrate	30
Pesticides and other SOC's	10
Radium	10
Selenium	5

Thallium	10
Total Coliform (Significant Non-complier)	10
Total Haloacetic Acids	30
Total Organic Carbon	10
Total Trihalomethanes	30
Turbidity (Significant Non-complier)	10
Uranium	10
Volatile Organic Contaminants	10

2. **Quantity Deficiencies (B).** Quantity deficiencies are shortages of water due to source, treatment, or distribution problems. Deficiencies of only one condition will be allowed. These conditions are documented by inspection records, a comprehensive performance evaluation, or another system evaluation.

Condition	Severity
Continual shortage	60
Shortage during high use (seasonal)	60

3. **Design Deficiencies (C).** Design deficiencies are those which could be corrected by enlargement, repair, or replacement of a portion of the system. Deficiencies of more than one condition are additive. These conditions are documented by inspection records, a comprehensive performance evaluation, or another system evaluation.

Condition	Severity
Demand exceeds design capacity	30
Groundwater under the influence of surface water	120
Improper well construction	30
Inadequate chemical feed	25
Inadequate disinfection	30
Inadequate distribution (area not served)	25
Inadequate distribution (deterioration)	25
Inadequate distribution (low pressure)	25
Inadequate filtration (surface)	30
Inadequate intake structure	25
Inadequate laboratory equipment	20
Inadequate mixing	25
Inadequate settling	25
Inadequate storage	25
Inadequate water treatment wastewater disposal	10
Lack of generator	120

4. **Vulnerability to Potential Pollution (D).** Vulnerability describes a condition in which the source of supply for a system could potentially be contaminated and for which the project will address. Vulnerabilities to more than one condition are additive. These conditions are documented by vulnerability assessments for monitoring waivers or source water protection area assessments.

Condition	Severity
Point source discharge in delineated area	10
Subject to agricultural chemicals	5
Subject to industrial spills	5

Subject to oil/gas/coal/mineral operations	5
Unprotected watershed	3

5. **Violation of Recommended Maximum Levels (Secondary Standards) (E).** Recommended maximum levels are set for parameters which are not harmful to health but make the water undesirable for use. Deficiencies of more than one condition are additive. These conditions are documented in the State Environmental Laboratory data base.

<u>Contaminant</u>	<u>Severity</u>
Chloride	3
Color	3
Corrosivity	3
Foaming Agents	3
Iron	20
Manganese	20
Odor	3
pH	3
Sulfate	3
TDS	3
Zinc	3

6. **Consolidation (F).** Projects which result in the consolidation, interconnection, or improvement of services for two or more water systems shall add twenty (20) for consolidation, ten (10) for interconnection, and ten (10) for improvement of services such as back-up or emergency supply. Projects may meet more than one of these conditions. The points awarded for this category are documented in the engineering report.
7. **Compliance Orders (G).** Projects that will result in the compliance with a formal enforcement action will receive one hundred fifty (150) points.
8. **Source water protection (H).** Water supply systems which have implemented source water protection programs such as watershed protection programs or wellhead protection programs will add one hundred (100) points to their total.
9. **Affordability (I).** This element is to assist systems most in need, on a per household basis. The points awarded for this category are documented by the latest census information.

<u>Median Household Income (MHI)</u>	<u>Severity</u>
Severely Disadvantaged	60
Disadvantaged	40
Not Disadvantaged	0

OK DWSRF PPL SFY 2025 Project Priority List
for Base and BIL General Supplemental

	PRIORITY POINTS	SYSTEM	LOAN AMOUNT		CUMULATIVE AMOUNT	POPULATION	Severly Dis- advantged, Dis- advantged, or No*	PROJECT DESCRIPTION	Anticipated Binding Commitment Date	Anticipated Construction Date	Project Number
<u>SFY 2025</u>											
<u>Funding List</u>											
<u>Base</u>											
Base	330	Midwest City MA	\$	115,000.00	\$ 115,000.00	56,785	D	Installing automated water meters and service lines to approximately 35 residential houses in the Starview neighborhood in order to remove them from a small public water supply being operated by the Oklahoma County Utility Services Company and connect them to the Midwest City water distribution system.	7/1/2024	9/1/2024	P40-1020806-01
Base	205	Creek Co. RWD #1	\$	378,000.00	\$ 493,000.00	16,350	S	Installing approximately 2.5 miles of 4 inch water line and a pump station in order to add 35-40 existing families to our system that are curently using contaminated and low-producing private wells.	7/1/2024	9/1/2024	P40-1020419-01
Base	185	Lawton WA (VII)	\$	29,000,000.00	\$ 29,493,000.00	114,387	S	Project 2: Water System Rehabilaitation.	7/1/2024	9/1/2024	P40-1011303-07
Base	125	Edmond PWA (VIII)	\$	15,000,000.00	\$ 44,493,000.00	80,214	N	Installation of a 24-inch Water Line project along E. 33rd Street from East of S. Broadway/Highway 77 to I-35. The water system improvements will increase distribution reliability, boost pressure and loop into other existing water lines.	5/1/2025	7/1/2025	P40-1020723-08
Total:					\$ 44,493,000.00						
<u>BIL</u>											
BIL	495	Salina PWA (II)	\$	2,640,000.00	\$ 2,640,000.00	1,422	S	Demolish abandoned water treatment plant and clearwell; Construct a new 10" waterline from OOWA supply line to new site at West Evanjoy Street and North Grace Street; Construct a new duplex 300 gpm pump station with standby power at new site; Construct a new 375,000 gallon water storage tank at new site; Construct new 40' x 60' maintenance and storage building; Demolish both existing water tanks at Jetton Hill Water Storage site; Construct a new 350,000 gallon storage tank at Jetton Hill site; Replace Pine Creek Pump Station No. 1 with a new 50 gpm above ground pump station w/standby power; Construct a new 50,000 gallon water tank; Construct 4" water line from old tank to new tank; Abandon and demolish Pine Crest Pump Station No. 2; Abandon and demolish Pine Crest Water Tank.	9/1/2024	11/1/2024	P40-1021603-02

APPENDIX B

OK DWSRF PPL SFY 2025 Project Priority List
for Base and BIL General Supplemental

8/15/2024

BIL	420	LeFlore Co. RWD #17	\$	1,000,000.00	\$	3,640,000.00	373	S	Installing tank mixing and aeration, rehabilitate 45' tall standpipe in order to correct TTHM & HAA5 levels on DEQ consent order, and to replace 7,800 L.F. of defective main water line that is causing 50% water loss every month.	1/1/2025	3/1/2025	P40-3004048-01
BIL/Base	360	Anadarko PWA (IV)	\$	1,500,000.00	\$	5,140,000.00	7,604	S	Build a new water tower, add fencing, and a generator.	7/1/2024	9/1/2024	P40-2020906-03
BIL/Base	355	Snyder PWA	\$	1,750,000.00	\$	6,890,000.00	5,556	S	The proposed project will consist of two parts. Section A will involve the construction of a new disinfection system and will involve the conversion of the City of Snyder's primary means of disinfection to Chloramines from Chlorine, thereby reducing disinfection byproducts and working towards fulfilling the requirements of the related consent order with ODEQ. For Section B, the City of Snyder will replace all existing manual read meters with new meters that utilize a remote-read metering system.	10/1/2024	12/1/2024	P40-1011503-01
Base	330	Checotah PWA (II)	\$	2,490,000.00	\$	9,380,000.00	8,250	S	Rehabilitation of an existing 1 million gallon clearwell, and the addition of a new 500,000 gallon clearwell at the water treatment plant.	9/1/2024	11/1/2024	P40-1020515-02
BIL/Base	305	Gore PWA (II)	\$	900,000.00	\$	10,280,000.00	1,688	D	Rehabilitation of 1992 Water Treatment Units; add variable speed drives to backwash pumps and a high service pump; and replace approximately 500 water meters with AMR meters.	7/1/2024	9/1/2024	P40-1021773-02
BIL	290	Caddo Co. RWD #1 (Lookeba)	\$	1,000,000.00	\$	11,280,000.00	275	S	Remediate Arsenic problem.	1/1/2025	3/1/2025	P40-2000802-01
BIL	235	Francis PWA	\$	2,330,000.00	\$	13,610,000.00	390	S	Replace a deteriorating water tower installed in 1911 and at risk of failing due to crumbling footing, and install an additional water line to create a loop in the infrastructure.	11/1/2024	1/1/2025	P40-2006205-01
BIL/Base	220	Tenkiller UA	\$	13,000,000.00	\$	26,610,000.00	18,390	S	Construct a new water treatment plant and conveyance system that provides water for six existing water districts in Cherokee County.	2/1/2025	4/1/2025	P40-1021777-01
BIL	205	Creek Co. RWD #1 (II)	\$	134,458.70	\$	26,744,458.70	16,350	S	Install generators at each of the 4 pump stations.	10/1/2024	12/1/2024	P40-1020419-02
BIL	185	Lawton WA (IX)	\$	25,000,000.00	\$	51,744,458.70	114,387	S	Project 3: Water System Rehabilitation.	10/1/2024	12/1/2024	P40-1011303-09
BIL	180	Breckinridge PWA	\$	992,308.50	\$	52,736,767.20	239	S	Installing a waterline to secure clean water from Garber, OK.	9/1/2024	11/1/2024	P40-2002420-01
BIL	145	Davenport UA	\$	816,215.00	\$	53,552,982.20	881	S	Replace a pressure reducing valve and construct a Rechloramination and Nitrification Control station.	11/1/2024	1/1/2025	P40-3004104-01
BIL/Base	125	Cherokee Co. RWD #13	\$	1,000,000.00	\$	54,552,982.20	2,120	D	Water Treatment Plant Improvements, and construction of a water storage tank.	10/1/2024	12/1/2024	P40-1021721-01
BIL	125	Kingfisher PWA (II)	\$	1,000,000.00	\$	55,552,982.20	5,073	D	Install a full SCADA automation system for the City's water wells, treatment plant, and towers; Painting of the Meeker Water Tower; Valve Replacement in the distribution system; and Water pipe replacement in the distribution system.	9/1/2024	11/1/2024	P40-2003702-02

BIL/Base	115	Johnston Co. RWD #3	\$	1,462,759.50	\$	57,015,741.70	3,223	S	Replacing existing 8" waterline along Hwy. 1 thru Sections 17, 20, 29, T2S, R5E, Johnston County, and installing automated meters for the rural water members on the water system.	9/1/2024	11/1/2024	P40-2003511-01
BIL/Base	110	Morris PWA	\$	1,390,730.00	\$	58,406,471.70	1,460	S	Rehabilitating an existing booster station, upgrade the SCADA system and constructing a proposed 110,000-gallon elevated storage tower with aeration, which will tie in with an 8" waterline.	9/1/2024	11/1/2024	P40-3005610-01
BIL	88	Commerce DA	\$	1,343,517.00	\$	59,749,988.70	2,645	S	Replacing water lines under several streets within the City.	1/1/2025	3/1/2025	P40-2005810-01
BIL/Base	85	Garfield Co. RWD #6 (II)	\$	2,205,000.00	\$	61,954,988.70	1,430	S	Install a booster pump, waterline enlargements and looping lines to maintain an adequate supply of potable water.	8/1/2024	10/1/2024	P40-2002415-02
BIL/Base	65	Enid MA (VII)	\$	4,000,000.00	\$	65,954,988.70	52,650	D	Replacing and improving aging infrastructure that requires constant maintenance. Projects identified are: 700-2100 Blk of E. Cherokee WL; 1000-1400 Blk 4th St WL; 1900 & 2000 Blk of Maine, 200 Blk of S. Hays, 2100 Blk of Cherokee; 700-800 Blk of S. Van Buren WL; 100-400 Blk of Olive Ave. WL; 100-400 Blk of Cottonwood Ave. WL; and 100-400 Blk of Hickory WL.	1/1/2025	3/1/2025	P40-2002412-07
BIL/Base	410	Bryan Co. RWS and SWMD #2 (VI)	\$	63,500,000.00	\$	129,454,988.70	6,508	S	Rehabilitate/expansion to the existing water treatment plants & filters; a new raw water pump station; a new elevated water storage tank; a new 18" transmission main water line; five (5) additional groundwater wells; and a new 0.6 MG ground storage tank.	10/1/2024	12/1/2024	P40-1010604-06
Total:				\$		129,454,988.70						
									\$	173,947,988.70		

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BIL	1480	Barnsdall PWA	\$	1,100,000.00	\$	1,100,000.00	1,955	S	Upgrades to the water treatment plant which will include a new clarifier, controls upgrade and the addition of aeration at the plant clearwell and distribution storage.	9/1/2025	11/1/2025	P40-1020304-01
BIL/Base	1090	Sardis Lake WA	\$	1,300,200.00	\$	2,400,200.00	3,307	S	Addressing issues for DBP violations.	7/1/2025	9/1/2025	P40-1010319-01
BIL	940	Cleveland MA	\$	100,000.00	\$	2,500,200.00	4,870	S	Installation of an aeration system and mixing system in the primary elevated water storage tanks and automated flushing hydrants.	9/1/2025	11/1/2025	P40-1021210-01
BIL/Base	930	Waurika PWA	\$	4,915,000.00	\$	7,415,200.00	7,890	S	Design, engineering, and construction of a new water treatment plant intended to replace an existing plant that has been the subject of numerous consent orders for the last several years.	7/1/2025	9/1/2025	P40-1011201-01

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BIL/Base	855	Latimer Co. RWD #2	\$	1,782,455.00	\$	9,197,655.00	1,500	S	Modifying an existing booster station, installing a new booster pump, construct two (2) 80,000-gallon standpipe water storage towers with circulation systems, and construction/upsizing of 7,700 linear feet of public waterline from a 6" to 8" in size.	7/1/20245	9/1/2025	P40-3003903-01
BIL	745	McCurtain Co. RWD #1	\$	2,990,000.00	\$	12,187,655.00	4,196	S	Replacement of Asbestos Cement (AC) water mains with PVC pipe, and rehabilitation of an existing standpipe and upgrades include: spray aeration, inlet/outlet pipe upgrading, forced-air ventilation, etc. for TTHM non compliance.	9/1/2025	11/1/2025	P40-3004806-01
Base	690	Maysville MA	\$	4,195,800.00	\$	16,383,455.00	1,212	S	Water Treatment Plant Improvements.	9/1/2025	11/1/2025	P40-1010807-01
BIL/Base	640	Anadarko PWA (III)	\$	2,600,000.00	\$	18,983,455.00	7,604	S	Install a new baffled clearwell with new Cl2 feed system and distribution pumping.	7/1/2025	9/1/2025	P40-2020906-03
BIL	615	Afton PWA	\$	1,000,000.00	\$	19,983,455.00	1,428	S	Rehabilitation of the water treatment plant, residuals lagoons, and raw water intake structure to bring it into compliance.	9/1/2025	11/1/2025	P40-1021696-01
BIL	580	Pittsburg PWA	\$	120,000.00	\$	20,103,455.00	280	S	Replacement of the filter media in the slow sand filter, additional chlorine feed point at the WTP, flushing hydrant, and booster chlorine station in the distribution system.	9/1/2025	11/1/2025	P40-1020604-01
BIL/Base	525	Pushmataha RWD #3	\$	1,500,000.00	\$	21,603,455.00	4,825	S	Treatment Plant rehabilitation and water line upgrades.	7/1/2025	9/1/2025	P40-1010318-01
Base	490	Okarche PWA	\$	2,895,000.00	\$	24,498,455.00	1,110	N	Construct a Treatment Plant for Nitrate Removal.	9/1/2025	11/1/2025	P40-2003703-01
BIL/Base	480	Boynton PWA	\$	1,300,000.00	\$	25,798,455.00	450	S	Replacement of a water tank in poor condition with a new larger water tank. Mixing, aeration, and air draft system will be installed into tank to address disinfection byproducts.	7/1/2025	9/1/2025	P40-3005127-01
BIL	455	McCurtain Co. RWD #9	\$	2,458,528.60	\$	28,256,983.60	999	S	Install an elevated storage tank.	9/1/2025	11/1/2025	P40-3004820-01
BIL	420	Taft PWA	\$	100,000.00	\$	28,356,983.60	250	S	Installing a dedicated water line to the standpipe to ensure all customers receive aerated/recirculated water and DBP compliant water.	9/1/2025	11/1/2025	P40-3005118-01
BIL	415	Fairfax PWA	\$	800,000.00	\$	29,156,983.60	1,655	S	Correcting issues with the intake line at the lake that need to be addressed, as well as water lines that need to be replaced.	10/1/2025	12/1/2025	P40-1021204-01
BIL/Base	413	Fairview UA	\$	13,154,300.00	\$	42,311,283.60	2,690	S	Construct a new water treatment plant and appurtenances.	9/1/2025	11/1/2025	P40-2004404-01
BIL/Base	390	Krebs UA	\$	1,500,000.00	\$	43,811,283.60	2,051	S	Design and construct a new water treatment plant capable of treating DBPs.	10/1/2025	12/1/2025	P40-1020606-01
Base	390	Krebs UA (II)	\$	7,000,000.00	\$	50,811,283.60	2,051	S	Water distribution system replacement for the entire system.	10/1/2025	12/1/2025	P40-1020606-02

BIL	383	Fort Towson PWA	\$	2,000,000.00	\$	52,811,283.60	631	S	Construct a new water tower or standpipe; upgrades to the water treatment plant; new raw water pumps; sediment removal from the water tank; new well pump; install air conditioning for the labortory and water plant; new computer system; new filters for all portions of the water plant; new inline turbidity meters; new inline chlorine meter; and other equipment or hardware items identified.	7/1/2025	9/1/2025	P40-2001207-01
Base	370	Chickasha MA	\$	35,000,000.00	\$	87,811,283.60	16,926	S	Construction of a new water treatment plant.	7/1/2025	9/1/2025	P40-1010821-01
BIL	360	Indiahoma PWA	\$	314,000.00	\$	88,125,283.60	350	D	Install an aeration system in the water tower, replace blending station, repair wellhouse, chlorination machine, and tank level guide repair.	10/1/2025	12/1/2025	P40-2001609-01
Base	360	Devol PWA	\$	100,000.00	\$	88,225,283.60	150	N	Water treatment improvements for reduction of disinfection by-products.	9/1/2025	11/1/2025	P40-3001701-01
BIL	340	Frederick PWA (II)	\$	130,000.00	\$	88,355,283.60	4,218	S	Installation of a permanent Chlorine Dioxide Feed System and a separate chlorine gas storage/feed building.	10/1/2025	12/1/2025	P40-1011401-02
BIL/Base	330	Marshall Co. RWD #2	\$	3,800,750.00	\$	92,156,033.60	14,817	S	Replacement of the existing water meters with remote read meters.	9/1/2025	11/1/2025	P40-1010848-01
BIL/Base	300	Major Co. RWD #1	\$	1,272,500.00	\$	93,428,533.60	1,000	S	Replacing the main water source transmission line to increase water quantity, and a blending station to lower nitrate levels and remedy a DEQ Consent Order.	3/1/2025	5/1/2025	P40-2004407-01
BIL	250	Pawhuska PWA	\$	1,000,000.00	\$	94,428,533.60	4,060	S	Installation of approximately 9,000 LF of 12" PVC waterline.	9/1/2025	11/1/2025	P40-1021301-01
BIL	250	Okmulgee Co. RWD #2	\$	900,000.00	\$	95,328,533.60	1,695	S	Expansion within the existing system by upgrading the existing water distribution system by repairing and replacing existing parts of the system, replace valves, replace lines by boring of the creek, repairing two towers, and replace existing pumps and add generators.	12/1/2025	2/1/2026	P40-3005604-01
Base	250	Canadian Co. RWD #1	\$	2,000,000.00	\$	97,328,533.60	750	S	Construct one new Ion Exchange nitrate reduction water treatment plant, two new distribution standpipes, and install eight new well pumps.	12/1/2025	2/1/2025	P40-2000908-01
BIL	240	Jet UA (III)	\$	991,700.00	\$	98,320,233.60	230	S	Identification, planning, design, and replacement of lead <i>distribution</i> lines.	9/1/2025	11/1/2025	P40-2000211-03
Base/BIL	230	Westville UA	\$	1,800,000.00	\$	100,120,233.60	1,596	S	Construction of a new 350,000-gallon elevated steel water storage tank.	9/1/2024	11/1/2024	P40-3000109-01
BIL/Base	230	Guymon UA (III)	\$	20,000,000.00	\$	120,120,233.60	11,442	D	Construct a new facility for reuse of wastewater effluent to supplement the water supply.	1/1/2026	3/1/2026	P40-2007003-03
BIL	220	Seiling PWA	\$	1,125,500.00	\$	121,245,733.60	860	S	Erect a new water tower.	9/1/2025	11/1/2025	P40-2002205-01
BIL	220	Altus MA (V)	\$	810,000.00	\$	122,055,733.60	26,087	D	Construct a potable water blending station and related improvements to blend groundwater and treated surface water.	10/1/2025	12/1/2025	P40-1011501-05
Base	220	Comanche PWA (III)	\$	488,100.00	\$	122,543,833.60	3,259	S	Raw water line replacement of the 6 inch transmission line from the Comanche Lake Pump Station to the Water Treatment Plant.	7/1/2025	9/1/2025	P40-1011101-03
BIL/Base	195	Midwest City MA (II)	\$	2,965,000.00	\$	125,508,833.60	56,785	D	Install approximately 8,700 L.F. of waterline to provide water to an unserved section of the city.	9/1/2025	11/1/2025	P40-1020806-02

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BIL	190	Kansas PWA	\$2,000,000.00	\$	127,508,833.60	802	S	Replacement of all water lines for the system; removal of the two existing water storage tanks (nonfunctioning); and build a storage tank for use by Kansas PWA, and other local water systems.	1/1/2026	3/1/2026	P40-2002135-01
BIL/Base	185	Cleo Springs PWA	\$ 1,175,000.00	\$	128,683,833.60	326	S	Replace waterlines and valves.	10/1/2025	12/1/2025	P40-2004402-01
Base	180	Mustang IA	\$ 8,800,000.00	\$	137,483,833.60	15,435	N	Construction of a one (1) million-gallon elevated storage tank.	7/1/2025	9/1/2025	P40-2000922-01
BIL/Base	180	Murray Co. RWD #1 (II)	\$ 2,000,000.00	\$	139,483,833.60	5,805	S	Replace antiquated mains and install a pressure reducing valve.	12/1/2025	2/1/2026	P40-2005012-02
BIL	175	Miami Special UA (III)	\$ 475,500.00	\$	139,959,333.60	14,137	S	Installation of a chlorination building and new well house.	7/1/2025	9/1/2025	P40-2005813-03
Base	175	New Cordell UA (II)	\$ 1,120,000.00	\$	141,079,333.60	2,903	N	Replace antiquated cast iron water mains with PVC water pipe, and install a chlorine bleach feed system and instrumentation at the booster station.	12/1/2025	2/1/2026	P40-2007502-02
BIL/Base	173	Cleveland Co. RWD #1	\$ 9,543,550.00	\$	150,622,883.60	80	S	Extend the water system to other areas of southern Cleveland County to reach several small Public Water Systems serving several small Public Water Systems which have issues with Lead, Arsenic, and Uranium. Also, increasing capacity in the system, and create alternative routes to supply water to rural customers.	7/1/2025	9/1/2025	P40-4001499-01
BIL/Base	170	Clinton PWA (II)	\$ 15,000,000.00	\$	165,622,883.60	10,485	D	Construction of a water pipeline between the cities of Clinton and Weatherford.	10/1/2025	12/1/2025	P40-1010828-02
Base	170	Stillwater UA (VIII)	\$ 37,000,000.00	\$	202,622,883.60	53,800	S	New filters at WTP, Rehab Steel Clearwell, and Rehab Solids Contact Units at the WTP.	7/1/2025	9/1/2025	P40-1021220-08
Base	160	Stillwater UA (VI)	\$ 37,000,000.00	\$	239,622,883.60	53,800	S	Construction of conveyance for additional raw water storage at Lake McMurtry.	9/1/2025	11/1/2025	P40-1021220-06
Base	160	Stillwater UA (VII)	\$ 25,000,000.00	\$	264,622,883.60	53,800	S	Construction of pump station for additional raw water storage at Lake McMurtry.	7/1/2025	9/1/2025	P40-1021220-07
BIL	160	Garfield RWD #5	\$ 299,844.00	\$	264,922,727.60	1,980	D	Drilling a new water well, and building a well house which will include all electrical and telemetry needs.	5/1/2026	7/1/2026	P40-2002444-01
BIL/Base	160	Stephens Co. RWD #1	\$ 855,000.00	\$	265,777,727.60	960	S	Remove and replace raw water storage tanks, and install a secondary sand filter.	9/1/2025	11/1/2025	P40-2006906-01
BIL/Base	155	McCurtain Co. RWD #8 (III)	\$ 6,500,000.00	\$	272,277,727.60	5,685	S	Replacement of approximately 10.5 miles (55,500 feet) of existing 8" waterline to 12", replacement of approximately 2.15 miles (11,360 feet) of 8" waterline to 10" to resolve all low pressure issues throughout the system, and the purchase and implementation of a drive-by meter reading system.	9/1/2025	11/1/2025	P40-1010207-03
Base/BIL	150	Erick PWA (II)	\$ 1,000,000.00	\$	273,277,727.60	1,023	S	Addition of at least two (2) new water wells.	11/1/2025	1/1/2026	P40-2000502-02
BIL	140	Beckham Co. RWD #2	\$ 850,000.00	\$	274,127,727.60	857	S	Construction to supply water to the community of Delhi, Oklahoma which has high nitrate levels.	9/1/2025	11/1/2025	P40-2000510-01

Base	140	OKC WUT (XIII)	\$	44,727,000.00	\$	318,854,727.60	1,114,000	D	WA-0002 - Hefner WTP Electrical Flash Improvements \$4,373,000; WA-0003 - Hefner WTP South Low Lift Station - Switchgear Replacement & Separate Electrical Room \$2,534,000; WA-0004 - N. Colfax Ground Tank (5 MG) Rehabilitation \$596,000; WA-0005 - S. Colfax Ground Tank (5 MG) Rehabilitation \$596,000); WM-0299 - Watershed Protection Program and Lake Reservation Road Improvements \$547,000; WT-0224 - Draper WTP Clearwell Upgrades - Replacement of Existing CLearwells \$36,081,000.	1/1/2026	3/1/2026	P40-1020902-13
Base	140	OKC WUT (XIV)	\$	9,568,000.00	\$	328,422,727.60	1,114,000	D	WA-0006 - Hefner WTP Backwash System Assessment & Improvement \$2,900,000; WM-0299 - Watershed Protection Program and Lake Reservation Road Improvements \$563,000; WA-0007 - General City-Wide Water Main R&R Projects \$6,105,000.	1/1/2026	3/1/2026	P40-1020902-14
BIL/Base	130	Vinita UA (II)	\$	1,709,200.00	\$	330,131,927.60	12,330	S	Removing and replacing the filter media and underdrain system for three (3) Trident filters, repairing the corrosion at the base of the filter basin(s) and remove three raw water interconnections.	2/1/2026	4/1/2026	P40-1021611-02
BIL	120	Porum PWA	\$	6,296,510.00	\$	336,428,437.60	5,290	S	Installation of approximately 72,000 L.F. of line replacement and additional line, a proposed water storage tank, rehabilitation of two standpipes, and a proposed booster station.	9/1/2025	11/1/2025	P40-1020302-01
Base	110	Edmond PWA (XIII)	\$	10,000,000.00	\$	346,428,437.60	80,214	N	Design and install a new elevated water storage tower, demolition of an existing 2.0 MG ground storage tank and a 0.5 MG elevated storage tower, and site yard piping to connect the new tower to the existing system.	1/1/2026	3/1/2026	P40-1020723-13
Base	110	Edmond PWA (XII)	\$	21,000,000.00	\$	367,428,437.60	80,214	N	AI-35 Complex Storage Improvements (TANK-02).	1/1/2026	3/1/2026	P40-1020723-12
Base	100	Edmond PWA (XI)	\$	25,000,000.00	\$	392,428,437.60	80,214	N	Raw Water and Finished Water Transmission Mains (MAIN-03).	1/1/2026	3/1/2026	P40-1020723-11
Base	100	Edmond PWA (X)	\$	222,000,000.00	\$	614,428,437.60	80,214	N	Arcadia Lake Water Treatment Plant Expansion, remaining processes (WTP-01C), new ozone generation system, new pre-ozone pipeline contactor, three (3) new solids contact clarifiers, two (2) new post ozone contactors, eight (8) new dual media filters, new pre-treatment chemical building, new post treatment chemical building, and associated electrical, controls, yard piping, paving, and other site improvements necessary to bring the new processes online and connect to existing processes and infrastructure.	7/1/2025	9/1/2025	P40-1020723-10
Base	100	Norman UA (III)	\$	16,000,000.00	\$	630,428,437.60	92,256	D	Install collection lines to bring the majority of the groundwater wells to one centralized location, storage tank, pumping station, and distribution lines.	9/1/2025	11/1/2025	P40-1010801-03

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BIL/Base	100	Canadian Co. RWD #4	\$	3,500,000.00	\$	633,928,437.60	907	S	Construction of water mains, booster stations, well improvements, and water rights acquisition.	10/1/2025	12/1/2025	P40-2000930-01
BIL/Base	85	Hobart PWA	\$	20,000,000.00	\$	653,928,437.60	4,046	S	Replacing all of the waterlines in the system.	9/1/2025	11/1/2025	P40-1011502-01
BIL/Base	85	Foss Reservoir MCD (II)	\$	20,000,000.00	\$	673,928,437.60	17,888	S	Install three (3) new 1.25 MGD DAF filters followed by four new independent sand filters.	9/1/2025	11/1/2025	P40-1010829-02
BIL	85	Ringling MA	\$	442,800.00	\$	674,371,237.60	1,372	S	Clean, repair, and paint existing elevated potable water storage tank, including addressing holes in the roof, corroded roof rafter connections, gaps between the roof and sidewalls and significant lost of interior coating.	10/1/2025	12/1/2025	P40-2003404-01
BIL	85	Tri-County RWD #2 (III)	\$	575,000.00	\$	674,946,237.60	5,172	S	Refurbish the main water storage tank, and Circle W standpipe restoration.	12/1/2025	2/1/2026	P40-2006362-03
BIL/Base	85	Chouteau PWA	\$	1,000,000.00	\$	675,946,237.60	2,100	S	Replacing lines that have leaks beyond repair.	11/1/2025	1/1/2026	P40-3004615-01
BIL	85	Bridgeport PWA	\$	450,000.00	\$	676,396,237.60	109	S	Install a liner in the water tower.	9/1/2025	11/1/2025	P40-2000804-01
BIL	85	Chelsea Economic DA	\$	1,100,000.00	\$	677,496,237.60	1,964	S	Construction of a 36 foot diameter by 15 foot high solids contact clarifier for the water treatment plant.	12/1/2025	2/1/2026	P40-1021504-01
BIL	85	Dewar PWA	\$	750,000.00	\$	678,246,237.60	917	S	Booster station improvements, and line replacements.	12/1/2025	2/1/2026	P40-3005613-01
BIL	85	Hughes Co. RWD #4	\$	356,000.00	\$	678,602,237.60	800	S	Construct a pump station to supply water while a 40+ year old standpipe is drained, and rehabilitated inside and out.	7/1/2025	9/1/2025	P40-3003203-01
BIL	85	Nash PWA	\$	793,283.45	\$	679,395,521.05	224	S	Water tower replacement.	9/1/2025	11/1/2025	P40-2002701-01
BIL/Base	70	Blackwell MA	\$	1,600,000.00	\$	680,995,521.05	9,241	S	Construct a new clearwell or clearwells.	7/1/2025	9/1/2025	P40-1021101-01
BIL	65	Eufaula PWA (III)	\$	800,000.00	\$	681,795,521.05	4,617	S	Construct a 0.9 MG water storage standpipe to improve water reliability.	9/1/2025	11/1/2025	P40-1020514-03
BIL	65	Alex MA	\$	150,000.00	\$	681,945,521.05	635	D	Upgrade the filtration system electrical components as well as upgrading all of the filter medium.	11/1/2025	1/1/2026	P40-2002603-01
BIL/Base	65	Wagoner Co. RWD #4 (II)	\$	4,300,000.00	\$	686,245,521.05	25,792	S	Replacement of existing waterline in the same location as the existing line. Approximately two miles of 12-inch waterline will be replaced with 16-inch line in order to eliminate an area of restriction in the water distribution system. The District will also replace approximately one mile of existing 3.5-inch line with an 8-inch line, due to numerous breaks in the existing line.	1/1/2026	3/1/2026	P40-1021529-02
BIL/Base	60	Cherokee DA (III)	\$	2,000,000.00	\$	688,245,521.05	1,630	N	Water main replacements.	11/1/2025	1/1/2026	P40-2000208-03
BIL/Base	60	Burnt Cabin Rural Water District	\$	1,750,000.00	\$	689,995,521.05	208	S	New water treatment plant to replace the existing plant that has exceeded the design life of the plant and lacks the redundancy of treatment units as required by ODEQ.	7/1/2025	9/1/2025	P40-1021763-01
BIL/Base	60	Drumright Utility Trust	\$	1,000,000.00	\$	690,995,521.05	2,876	S	Replacement of approximately 8,475 linear feet of existing waterline.	1/1/2026	3/1/2026	P40-2001902-01
BIL/Base	60	Henryetta MA (II)	\$	2,000,000.00	\$	692,995,521.05	8,248	S	Construction of a new water storage tank and improvements to the Westside booster pump station.	7/1/2025	9/1/2025	P40-1020709-02
BIL	60	Carmen PWA	\$	803,740.61	\$	693,799,261.66	355	S	Construction of a new water well.	7/1/2025	9/1/2025	P40-2000207-01

BIL/Base	60	Pawnee Co. RWD #2	\$	1,250,000.00	\$	695,049,261.66	1,175	D	Construction of two water wells, a generator at the water treatment plant, and raw water main improvements.	7/1/2025	9/1/2025	P40-3005921-01
BIL	53	Apache PWA	\$	1,000,000.00	\$	696,049,261.66	1,521	S	Acquisition of land and drilling of a new water well.	10/1/2025	12/1/2025	P40-2000806-01
BIL	25	Tulsa Co. WID #14	\$	152,587.03	\$	696,201,848.69	1,400	N	Replacement of 60-year old galvanized water lines.	12/1/2025	2/1/2026	P40-3007213-01
Base	25	Jenks PWA	\$	850,000.00	\$	697,051,848.69	16,924	N	Replacement of the 10-inch waterline crossing the Arkansas River which is no longer in service due to multiple fractures in the pipeline; and develop a Water System Master Plan for the entire City of Jenks.	9/1/2025	11/1/2025	P40-3007201-01
			Total:	\$ 697,051,848.69								
<u>2027</u>												
Base	140	OKC WUT (XV)	\$	8,762,000.00	\$	8,762,000.00	1,114,000	D	WA-0008 - Hefner WTP High Lift Pump Station Electrical Improvemets \$2,686,000; WA-0009 - Morgan Road Ground Tank (5MG) Rehabilitation \$633,000; WA-0010 - Reno Road Elevation Tank Rehabilitation (1 MG) \$1,382,000; WM-0299 - Watershed Protection Program and Lake Reservation Road Improvements \$580,000; WT-0265 - Draper WTP Electrial and Arc Flash Improvements - Phase 2 \$3,481,000.	1/1/2027	3/1/2027	P40-1020902-15
			Total:	\$ 8,762,000.00								
<u>2028</u>												
Base	160	Stillwater UA (IX)	\$	37,000,000.00	\$	37,000,000.00	53,800	S	Rehab Kaw Pipeline and /or add parallel crossings.	7/1/2027	9/1/2027	P40-1021220-09
				\$ 37,000,000.00								
<u>2033</u>												
Base	160	Stillwater UA (X)	\$	37,000,000.00	\$	37,000,000.00	53,800	S	Waterline from WTP to 6th Street.	7/1/2032	9/1/2032	P40-1021220-10
			Total:	\$ 37,000,000.00								
									\$	953,761,837.39		

Requests in-house											
	Should be coming through portal	Elk City PWA (III)	\$	2,450,000.00		10,510	S	Replacement of approximately 14,000 linear feet of water main.	12/1/2024	2/1/2025	P40-2000501-03
	In the portal-being sent for ranking	Delaware Co. RWD #3	\$	680,000.00		653	S	Addition of a Booster Pump Station to provide the district with an emergency water supply from the City of Grove.	12/1/2024	2/1/2025	P40-1221615-01
	Should be coming through portal	Geary UA (IV)	\$	1,250,000.00	Not moving forward until third project is closed out and complete.	1,258	S	Installing approximately 3,000 L.F. of raw water transmission main and North Canadian River crossing improvements.	1/1/2025	3/1/2025	P40-2000608-04
	210	Roland UA (II)	\$	1,950,000.00		3,842	S	Install a 500,000 gallon water tank and rehabilitation of existing tank.	1/1/2025	3/1/2025	P40-1020212-02
	Should be coming through portal	Cherokee Co. RWD #12	\$	261,116.00		95	S	Replacing aged and deteriorated waterlines that have surpassed their functional lifespan.	1/1/2025	3/1/2025	P40-2001189-01
	Should be coming through portal	Carnegie PWA (II)	\$	800,000.00		1,637	S	Replacing old water lines: lines are corroded, weak, and breaking.	11/1/2024	1/1/2025	P40-2000805-02
BIL	Being Ranked and in the portal	Sayre PWA (III)	\$	800,000.00		4,375	S	Replacing existing undersized 2" corroded galvanized distribution lines with new PVC water lines.	11/1/2024	1/1/2025	P40-2000508-03
BIL	75 ? and is in the portal	Okfuskee Co. RWD #2	\$	500,000.00		2,250	D	Replacing meters throughout the system.	10/1/2024	12/1/2024	P40-3005402-01
Base/BIL	Being Ranked and not in the portal	Consolidated RW & SD #1 of Jefferson County	?	No amount and need detailed letter		9,631		Consolidation of Town of Loco into Consolidated RW & SD #1 of Jefferson County			P40-3003401-01
Base/BIL	Being Ranked and is in the portal	Broken Bow PWA (III)	\$	50,000,000.00		15,375	S	Improving and expanding our clarification, filtration, and installing a new UV treatment proces of our water treatment plant.	9/1/2025	11/1/2025	P40-1010214-03
Base/BIL	Being Ranked	South Coffeyville PWA	\$	1,143,602.00		790	S	Rehabilitating the existing booster pump station with a control valve, replacing the altitude valve and concrerte vault, and upsize the existing waterlines from 6" to 10".	2/1/2025	4/1/2025	P40-3005305-01
Base/BIL	Under review points=70	Okfuskee Co. RWD #3	\$	2,100,000.00		1,823	S	Upgrading water lines in the Town of Clearview.	5/1/2024	7/1/2024	P40-3005401-01

Needs denial letter	Being Ranked	Burlington PWA	\$	452,761.00	156	D	Modifying an existing booster station, installing 2,800 L.F. of waterline from a 2" and 4", to 6" in size. Fire Flow only???	9/1/2023	11/1/2023	P40-3000202-01
Has CO-needs new letter	On hold-project rec'd a letter and was added to PPL in 2023 list	Marshall Co. RWD #2	\$	3,800,750.00	14,817	S	Replacement of the existing water meters with remote read meters.	9/1/2023	11/1/2023	P40-1010848-01
No MHI	On hold	Hitchcock PWA	\$	1,000,000.00	141	N	Construct a new standpipe to increase the town's water pressure.			
	On hold for income survey?	Meno PWA	\$	1,000,000.00	195	N	Installing AMI meters on two wells and 110 households, adding Telemetrics on water tower and two wells, and replacing approximately 3,500 feet of outdated metal/cement water pipes.			

APPENDIX C
FEDERAL PAYMENT SCHEDULE

FFY	Cumulative Disbursements	FFY 2022				FFY 2023				FFY 2024				FFY 2025				FFY 2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1997-2021 Base Grants	\$ 247,572,451.00																				
2022 Base Grant	\$ 6,855,150.00				\$ 3,427,575.00	\$ 3,427,575.00															
2023 Base Grant	\$ 4,952,130.00									\$ 2,476,065.00	\$ 2,476,065.00										
2024 Base Grant	\$ 4,674,060.00													\$ 4,674,060.00							
2022 BIL General Supplemental	\$ 24,078,523.00				\$ 24,078,523.00																
2022 BIL Lead Service Line Inventory/Replacement	\$ 29,742,080.00					\$ 29,742,080.00															
2022 BIL Emerging Contaminants	\$ 4,800,000.00				\$ 4,800,000.00																
2023 BIL General Supplemental	\$ 26,339,857.00									\$ 13,169,929.00	\$ 13,169,928.00										
2023 BIL Emerging Contaminants	\$ 10,549,012.00									\$ 5,274,506.00	\$ 5,274,506.00										
2023 BIL Lead Service Line Inventory/Replacement (apply in 2nd year) and 2022 Reallotment Funds	\$ 24,598,000.00															\$ 12,299,000.00	\$ 12,299,000.00				
2024 BIL General Supplemental	\$ 29,509,237.00													\$ 10,000,000.00	\$ 19,509,237.00						
2024 BIL Emerging Contaminants	\$ 10,497,194.00																	\$2,624,299.00	\$2,624,299.00	\$2,624,299.00	\$2,624,297.00
Total Grants	\$ 424,167,694.00																				

Applying for highlighted grants during SFY 2025



707 North Robinson, P.O. Box 1677, Oklahoma City, Oklahoma 73101-1677

News Release

For Immediate Release: May 24, 2024

Media Contact: Erin Hatfield, (405) 437.8468

DEQ to Hold a Public Meeting on the Drinking Water State Revolving Fund State Fiscal Year 2025 Intended Use Plan

A public meeting will be held by the Oklahoma Department of Environmental Quality (DEQ) to receive comments on the draft state fiscal year 2025 Drinking Water State Revolving Fund (DWSRF) Intended Use Plan and Project Priority Lists. The meeting is open to the public and will be on Monday, June 24, 2024, at 1:30 p.m. in the DEQ Multipurpose Room, 707 N Robinson Avenue, Oklahoma City, OK.

A copy of the **DWSRF** draft plan will be available on the DEQ website at: <https://www.deq.ok.gov/wp-content/uploads/water-division/Draft-IUP-SFY25.pdf>. A copy may also be obtained by contacting Vicki Reed by phone at (405) 702-8128, or by email at vicki.reed@deq.ok.gov, or by mail at Water Quality Division, DWSRF Section, Department of Environmental Quality, P.O. Box 1677, Oklahoma City, OK 73101-1677. The comment period will remain open until Close of Business (COB) on June 25, 2024. Comments can be made by email to Vicki.Reed@deq.ok.gov, or by mail to Department of Environmental Quality, P.O. Box 1677, Oklahoma City, OK, 73101-1677, and the envelope must be postmarked no later than June 25, 2024, for review and inclusion.

For more information on this public meeting call Vicki Reed at: (405) 702-8128.

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**OK DWSRF PPL SFY 2025 Project Priority List
for Lead Service Line Program IUP 4-16-2024**

PRIORITY POINTS	SYSTEM	LOAN AMOUNT	CUMULATIVE AMOUNT	POPULATION	Dis- advantaged Y or N	PROJECT DESCRIPTION	Anticipated Binding Commitment Date	Anticipated Construction Date	Project Number
<u>Funding List</u>									
240	Jet PWA (II)	\$ 208,300.00	\$ 208,300.00	230	S	Identification, planning, design, and replacement of lead service lines.	8/1/2024	10/1/2024	P40-2000211-02
160	Frederick PWA (III)	\$ 2,500,000.00	\$ 2,708,300.00	4,218	S	Identification, planning, design, and replacement of lead service lines.	2/1/2025	4/1/2025	P40-1011401-03
160	Spencer Utility Authority	\$ 1,250,000.00	\$ 3,958,300.00	3,746	S	Identification, planning, design, and replacement of lead service lines.	4/1/2025	6/1/2025	P40-2005509-01
160	Pawhuska PWA (II)	\$ 1,000,000.00	\$ 4,958,300.00	4,060	S	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-1021301-02
138	Tri-County RWD #2 (II)	\$ 1,250,000.00	\$ 6,208,300.00	5,172	S	Identification, planning, design, and replacement of lead service lines.	8/1/2024	10/1/2024	P40-2006362-02
105	Kaw City MA	\$ 1,875,000.00	\$ 8,083,300.00	587	S	Identification, planning, design, and replacement of lead service lines.	1/1/2025	3/1/2025	P40-2003605-01
100	Okarche PWA (II)	\$ 3,100,000.00	\$ 11,183,300.00	1,110	N	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-2003703-02
60	Anadarko PWA (II)	\$ 1,500,000.00	\$ 12,683,300.00	7,604	S	Identification, planning, design, and replacement of lead service lines.	6/1/2025	8/1/2025	P40-1010806-02
60	Weatherford PWA	\$ 30,000.00	\$ 12,713,300.00	10,833	S	Identification, planning, design, and replacement of lead service lines.	4/1/2025	6/1/2025	P40-2002002-01
60	Nowata MA (II)	\$ 650,000.00	\$ 13,363,300.00	5,566	S	Identification, planning, design, and replacement of lead service lines.	9/1/2024	11/1/2024	P40-1021503-02
60	Guthrie PWA (IV)	\$ 4,000,000.00	\$ 17,363,300.00	9,925	S	Identification, planning, design, and replacement of lead service lines.	10/1/2024	12/1/2024	P40-1020903-04
60	Geary UA (III)	\$ 500,000.00	\$ 17,863,300.00	1,258	S	Identification, planning, design, and replacement of lead service lines.	10/1/2024	12/1/2024	P40-2000608-03
60	Tryon UA	\$ 100,000.00	\$ 17,963,300.00	448	D	Identification, planning, design, and replacement of lead service lines.	7/1/2025	9/1/2025	P40-2004103-01
60	Claremore PWA	\$ 1,900,000.00	\$ 19,863,300.00	20,043	D	Identification, planning, design, and replacement of lead service lines.	7/1/2025	9/1/2025	P40-1021512-01
60	Muskogee Co. RWD #6	\$ 500,000.00	\$ 20,363,300.00	2,550	S	Identification, planning, design, and replacement of lead service lines.	7/1/2025	9/1/2025	P40-3005105-01
60	Waurika PWA (II)	\$ 690,000.00	\$ 21,053,300.00	7,890	S	Identification, planning, design, and replacement of lead service lines.	12/1/2024	2/1/2025	P40-1011201-02
60	Erick PWA	\$ 360,000.00	\$ 21,413,300.00	1,023	D	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-2000502-01
60	Oilton PWA	\$ 750,000.00	\$ 22,163,300.00	1,435	S	Identification, planning, design, and replacement of lead service lines.	9/1/2024	11/1/2024	P40-2001901-01
60	Waynoka UA (II)	\$ 2,000,000.00	\$ 24,163,300.00	993	S	Identification, planning, design, and replacement of lead service lines.	3/1/2025	5/1/2025	P40-2007604-02
60	Arnett PFA (II)	\$ 120,000.00	\$ 24,283,300.00	496	S	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-2002305-02
60	Marlow MA	\$ 587,718.75	\$ 24,871,018.75	4,600	S	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-2006907-01
60	Wewoka PWA (II)	\$ 1,600,000.00	\$ 26,471,018.75	4,257	S	Identification, planning, design, and replacement of lead service lines.	10/1/2024	12/1/2024	P40-1020510-02
60	Eufaula PWA (IV)	\$ 8,100,000.00	\$ 34,571,018.75	4,617	S	Identification, planning, design, and replacement of lead service lines.	6/1/2025	8/1/2025	P40-1020514-04
60	Geronimo PWA	\$ 450,000.00	\$ 35,021,018.75	1,200	S	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-3001680-01

**OK DWSRF PPL SFY 2025 Project Priority List
for Lead Service Line Program IUP 4-16-2024**

60	Wanette PWA	\$	387,500.00	\$	35,408,518.75	402	S	Identification, planning, design, and replacement of lead service lines.	11/1/2024	1/1/2025	P40-3006310-01
60	Tonkawa MA (II)	\$	120,000.00	\$	35,528,518.75	3,449	S	Identification, planning, design, and replacement of lead service lines.	11/1/2024	1/1/2025	P40-2003603-02
60	Bokchito PUA	\$	150,000.00	\$	35,678,518.75	564	S	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-2000704-01
60	Comanche PWA (II)	\$	60,000.00	\$	35,738,518.75	3,259	S	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-1011101-02
60	Heavener UA	\$	1,240,000.00	\$	36,978,518.75	3,300	S	Identification, planning, design, and replacement of lead service lines.	12/1/2024	2/1/2025	P40-1020101-01
60	Norman UA (IV)	\$	3,000,000.00	\$	39,978,518.75	92,256	D	Identification, planning, design, and replacement of lead service lines.	1/1/2025	3/1/2025	P40-1020801-04
60	Enid MA (VI)	\$	26,926,943.00	\$	66,905,461.75	52,650	D	Identification, planning, design, and replacement of lead service lines.	4/15/2025	6/15/2025	P40-2002412-05
60	Maud MA	\$	40,000.00	\$	66,945,461.75	1,136	S	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-2006302-01
60	Poteau PWA	\$	150,000.00	\$	67,095,461.75	7,939	S	Identification, planning, design, and replacement of lead service lines.	11/1/2024	1/1/2025	P40-3004015-01
60	Cushing MA (II)	\$	50,000.00	\$	67,145,461.75	8,371	S	Identification, planning, design, and replacement of lead service lines.	3/1/2025	5/1/2025	P40-2006061-02
60	Breckinridge PWA (II)	\$	8,000.00	\$	67,153,461.75	239	S	Identification, planning, design, and replacement of lead service lines.	5/1/2025	7/1/2025	P40-2002420-01
60	Garber MA (II)	\$	400,000.00	\$	67,553,461.75	845	S	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-2002416-02
60	Bryan Co. RWS & SWMD #2 (VII)	\$	4,436,300.00	\$	71,989,761.75	6,508	S	Identification, planning, design, and replacement of 50% of customer service lines.	12/1/2024	2/1/2025	P40-1010604-07
60	Chouteau PWA (II)	\$	1,000,000.00	\$	72,989,761.75	2,100	S	Identification, planning, design, and replacement of lead service lines.	11/1/2024	1/1/2025	P40-3004615-02
40	Sterling PWA	\$	450,000.00	\$	73,439,761.75	762	N	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-2001601-01
40	Cherokee Co. RWD #16	\$	321,800.00	\$	73,761,561.75	1,002	D	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-1021727-01
40	Rogers Co. RWD #5 (II)	\$	1,060,170.00	\$	74,821,731.75	12,800	N	Identification, planning, design, and replacement of lead service lines.	7/1/2024	9/1/2024	P40-1021507-02
3	Jenks PWA (II)	\$	2,000,000.00	\$	76,821,731.75	16,924	N	Identification, planning, design, and replacement of lead service lines.	4/1/2025	6/1/2025	P40-3007201-02
3	Drummond PWA	\$	170,300.00	\$	76,992,031.75	405	N	Identification, planning, design, and replacement of lead service lines.	5/1/2025	7/1/2025	P40-3002401-01
Total for 2025:				\$	76,992,031.75						

2026

60	Tulsa MUA (III) (City of Tulsa)	\$	54,000,000.00	\$	54,000,000.00	504,613	D	Identification, planning, design, and replacement of lead service lines.	12/1/2025	2/1/2026	P40-1020418-03
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2027

60	Murray Co. RWD #1	\$	3,562,200.00	\$	3,562,200.00	5,805	S	Identification, planning, design, and replacement of lead service lines.	4/1/2027	6/1/2027	P40-2005012-01
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Requests in-house									
Being Ranked	OKC WUT (XVII)	\$	2,510,000.00	1,114,000	S	Identification, planning, design, and replacement of lead service lines.	8/1/2024	9/1/2024	P40-1020902-17

**OK DWSRF PPL SFY 2025 Project Priority List
for Emerging Contaminants Program IUP 4-16-2024**

PRIORITY POINTS	SYSTEM	LOAN AMOUNT	CUMULATIVE AMOUNT	POPULATION	Dis- advantaged Y or N	PROJECT DESCRIPTION	Anticipated Binding Commitment Date	Anticipated Construction Date	Project Number
<u>Funding List</u>									
350	Konawa PWA	\$ 2,100,000.00	\$ 2,100,000.00	1,479	S	Drill 4 wells north of Konawa where the source water quality is much better than our current wells, and if the capacity of the aquifer is not sufficient to meet the needs of the City, a second alternative is to drill 3 new wells near our existing wells and the addition of an iron and manganese removal plant.	9/1/2024	11/1/2024	P40-2006704-01
390	Krebs UA	\$ 3,500,000.00	\$ 5,600,000.00	2,051	S	Constructing a new water treatment plant with manganese treatment system.	12/1/2024	2/1/2025	P40-1020606-01
205	Lawton WA (VIII)	\$ 11,000,000.00	\$ 16,600,000.00	114,387	S	Southeast Water Treatment Plant Manganese Program.	7/1/2024	9/1/2024	P40-1011303-08
185	Osage Co. RWD #21 (II)	\$ 1,100,000.00	\$ 17,700,000.00	1,575	S	Modification of the existing water treatment plant to include the addition of a clarifier, and upgrade of filters and membrane system necessary to provide potable water low in iron and manganese.	10/1/2024	12/1/2024	P40-2003616-02
120	Tri-County RWD #2	\$ 4,720,240.00	\$ 22,420,240.00	5,172	S	Improvements include water line improvements to bring high manganese well water to the water treatment plant. Other system improvements will include adding another filtration skid to our WTP in order to accommodate the increased GPM. In addition to the increased filtration capacity, a 12" transmission line will be needed in order to keep our pressures and distribution GPM at acceptable levels. Also, the Seminole #7 wells and storage tower will require SCADA components to be installed as well as an upgrade to our current SCADA system along with CL analyzers, flow meters, etc.	9/1/2024	11/1/2024	P40-2006362-01
Total:		\$ 22,420,240.00							

Requests in-house

Being Ranked

Being Ranked

Being Ranked

Attachment 3

Capacity Model for SFY 2025

The Capacity Model report is unavailable at this time. It will be submitted separately when it becomes available.

Attachment 4

Oklahoma DWTLAF Audit Report for 2025



OKLAHOMA

Water Resources Board

OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND

**ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024
AND INDEPENDENT AUDITOR'S REPORTS**

**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
ANNUAL FINANCIAL REPORT
As of and for the Years Ended June 30, 2025 and 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
Oklahoma Water Resources Board

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Oklahoma Water Resources Board Oklahoma Drinking Water Treatment Loan Administrative Fund (the "Fund") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund, as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

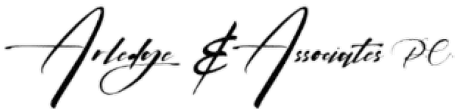
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma
September 25, 2025



**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
ANNUAL FINANCIAL REPORT
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MANAGEMENT’S DISCUSSION AND ANALYSIS

**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
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MANAGEMENT’S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Oklahoma Drinking Water Treatment Loan Administrative Fund's (the "Fund") financial performance provides an overview of the Fund's financial activities for the fiscal years ended June 30, 2025 and 2024. Please read it in conjunction with the Fund's financial statements. The Fund was created to account for the administrative fees and application fees received from loans made from The Oklahoma Drinking Water State Revolving Fund Program (the "Program"). The Oklahoma Department of Environmental Quality manages the capitalization grant. The Oklahoma Water Resources Board (the "Board") handles certain financial functions including originating, approving, and servicing loans made to qualifying recipients as well as maintaining the Fund.

Financial Highlights

- During FY 2025, total operating income increased by \$910,934 or 27.15%. Total operating income increased \$213,054 or 6.78% in FY 2024. Operating revenues come from borrowers paying 0.5% administrative fees on their outstanding loan balance.
- The Fund's net position decreased by approximately 13.08% and increased by 27.02% in FY 2025 and FY 2024, respectively. Ending net position decreased from \$15,169,138 in FY 2024 to \$13,184,957 in FY 2025. Ending net position increased from \$11,941,920 in FY 2023 to \$15,169,138 in FY 2024.

Using This Annual Report

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The Fund is accounted for and presented like, but not identical to, a special-purpose government engaged solely in business-type activities.

The financial statements for the Fund are presented after the Management’s Discussion and Analysis in this annual report and then followed by the footnotes in this order:

- Management’s Discussion and Analysis – that provides useful analysis that facilitates a better understanding of the Fund’s financial condition and changes therein.
- Basic Financial Statements
 - Statements of Net Position
 - Statements of Revenues, Expenses and Changes in Net Position
 - Statements of Cash Flows
- Footnotes - that elaborate on the accounting principles used in the preparation of the financial statements and further explain financial statement elements.

A Financial Analysis of the Fund

One of the most frequently asked questions about the Fund’s finances is, “Has the overall financial condition improved, declined or remained steady over the past year?”

(Unaudited. See accompanying auditor’s report.)

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The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Fund as a whole and about its activities in a way that helps answer this question. The following tables present a condensed comparative presentation of net position and changes therein.

Oklahoma Water Resources Board
Drinking Water Treatment Loan Account Administrative Fund
Net Position

	Business-Type Activities		
	<u>June 30</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current assets	\$ 13,233,105	\$ 15,242,765	\$ 11,986,446
Capital assets, net	8,434	11,326	15,908
Total assets	<u>13,241,539</u>	<u>15,254,091</u>	<u>12,002,354</u>
Current liabilities	56,582	84,953	60,434
Total liabilities	<u>56,582</u>	<u>84,953</u>	<u>60,434</u>
Net position			
Investment in capital assets	8,434	11,326	15,908
Unrestricted	13,176,523	15,157,812	11,926,012
Total net position	<u>\$ 13,184,957</u>	<u>\$ 15,169,138</u>	<u>\$ 11,941,920</u>

In FY 2025, the decrease in net position is attributable to an increase in transfers out to the DWSRF loan fund for state match requirements for DWSRF capitalization grants.

In FY 2024, the increase in net position is attributable to an increase in administrative fees receivable and an increase in cash related to only transferring a small portion to the DWSRF Loan Fund.

(Unaudited. See accompanying auditor's report.)

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Oklahoma Water Resources Board
Drinking Water Treatment Loan Account Administrative Fund
Revenues, Expenses, and Changes in Net Position

	Business-Type Activities		
	Years Ended June 30,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues			
Operating revenues	\$ 5,077,876	\$ 4,405,922	\$ 3,814,773
Non-operating revenues	430,938	367,471	187,082
Total revenues	<u>5,508,814</u>	<u>4,773,393</u>	<u>4,001,855</u>
Expenses			
Personnel expense	412,905	458,784	280,683
Indirect cost expense	138,322	98,202	87,620
Other administrative expenses	177,348	408,033	230,659
Trustee fees	80,128	80,974	71,024
Depreciation expense	<u>2,892</u>	<u>4,582</u>	<u>2,494</u>
Total expenses	<u>811,595</u>	<u>1,050,575</u>	<u>672,480</u>
Net income before transfers	4,697,219	3,722,818	3,329,375
Transfers (to) from other programs	<u>(6,681,400)</u>	<u>(495,600)</u>	<u>(1,337,800)</u>
Change in net position	(1,984,181)	3,227,218	1,991,575
Total net position - beginning	15,169,138	11,941,920	9,950,345
Total net position - ending	<u><u>\$ 13,184,957</u></u>	<u><u>\$ 15,169,138</u></u>	<u><u>\$ 11,941,920</u></u>

In FY 2025, operating revenues increased by 15.25% due to an increase in administrative fee income. Expenses decreased by 22.15% due to a administrative expenses decreasing. Transfers increased due to an increase in transfers to the DWSRF Loan Fund.

Operating revenues increased in FY 2024 due to an increase in program income. The increase in expenses in due to an increase in operational cost. The decrease in operating transfers out is attributable to a decrease in the transfer out to the DWSRF Loan Fund to provide the state match requirement for the 2023 federal capitalization grant.

(Unaudited. See accompanying auditor's report.)

**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
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Capital Assets

At the end of June 30, 2025, the capital assets net of accumulated depreciation were \$8,434.

**Oklahoma Water Resources Board
Drinking Water Treatment Loan Account Administrative Fund
Capital Assets
(Net of accumulated depreciation)**

	Years Ended June 30,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Automobile	\$ 8,434	\$ 11,326	\$ 15,908
Totals	<u><u>\$ 8,434</u></u>	<u><u>\$ 11,326</u></u>	<u><u>\$ 15,908</u></u>

See Note 3 to the financial statements for more detailed information on the Fund's capital assets and changes therein.

Economic Factors and Next Year's Outlook

The Oklahoma DWSRF has been extremely popular with communities that borrow from the program. No additional staff is planned at this time. No change in the Oklahoma DWSRF financing strategy is anticipated for the next fiscal year.

Contacting the Fund's Financial Management

This financial report is designed to provide the Board's accountability of the Fund. If you have questions about this report or need additional financial information, contact the Financial Assistance Division of the Oklahoma Water Resources Board at 3800 N. Classen Blvd, Oklahoma City, OK 73118.

(Unaudited. See accompanying auditor's report.)

**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
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BASIC FINANCIAL STATEMENTS

OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
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As of and for the Years Ended June 30, 2025 and 2024

Statements of Net Position – June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$11,658,357	\$13,917,778
Administrative fee receivable	1,540,524	1,312,921
Interest receivable	34,224	12,066
Total current assets	<u>13,233,105</u>	<u>15,242,765</u>
Noncurrent Assets:		
Depreciable capital assets, net	<u>8,434</u>	<u>11,326</u>
Total noncurrent assets	<u>8,434</u>	<u>11,326</u>
Total assets	<u>13,241,539</u>	<u>15,254,091</u>
 LIABILITIES:		
Current Liabilities:		
Accounts payable	<u>56,582</u>	<u>84,953</u>
Total current liabilities	<u>56,582</u>	<u>84,953</u>
 NET POSITION:		
Investment in capital assets	8,434	11,326
Unrestricted	<u>13,176,523</u>	<u>15,157,812</u>
Total net position	<u>\$13,184,957</u>	<u>\$15,169,138</u>

See accompanying notes to the basic financial statements.

OKLAHOMA WATER RESOURCES BOARD
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Statements of Revenues, Expenses and Changes in Net Position – Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Administrative fee income	\$ 5,072,209	\$ 4,394,811
Application fee income	5,667	8,350
Other income	-	2,761
Total operating revenues	<u>5,077,876</u>	<u>4,405,922</u>
OPERATING EXPENSES		
Personnel expense	412,905	458,784
Indirect cost expense	138,322	98,202
Other administrative expenses	177,348	408,033
Trustee fees	80,128	80,974
Depreciation expense	2,892	4,582
Total operating expenses	<u>811,595</u>	<u>1,050,575</u>
OPERATING INCOME	4,266,281	3,355,347
NON-OPERATING REVENUES		
Interest income	<u>430,938</u>	<u>367,471</u>
Total non-operating revenues	<u>430,938</u>	<u>367,471</u>
Net income before transfers	4,697,219	3,722,818
Transfers to Oklahoma Drinking Water State Revolving Fund Loan Program	<u>(6,681,400)</u>	<u>(495,600)</u>
Change in net position	(1,984,181)	3,227,218
Total net position - beginning	<u>15,169,138</u>	<u>11,941,920</u>
Total net position - ending	<u><u>\$13,184,957</u></u>	<u><u>\$15,169,138</u></u>

See accompanying notes to the basic financial statements.

OKLAHOMA WATER RESOURCES BOARD
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Statements of Cash Flows – Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Administrative fee income	\$4,844,606	\$4,256,736
Application fee income	5,667	8,850
Payments to employees	(412,905)	(458,784)
Payments to other suppliers	(424,169)	(562,690)
Net Cash Provided by Operating Activities	<u>4,013,199</u>	<u>3,244,112</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Oklahoma Drinking Water State Revolving Fund Loan Program	(6,681,400)	(495,600)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(6,681,400)</u>	<u>(495,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	408,780	367,468
Net Cash Provided by Investing Activities	<u>408,780</u>	<u>367,468</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,259,421)	3,115,980
Balances - beginning of the year	<u>13,917,778</u>	<u>10,801,798</u>
Balances - end of the year	<u><u>\$11,658,357</u></u>	<u><u>\$13,917,778</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$4,266,281	\$3,355,347
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,892	4,582
Change in assets and liabilities:		
Decrease (Increase) in administration fee receivable	(227,603)	(140,836)
Decrease (Increase) in other receivable	-	500
Increase (Decrease) in other accrued liabilities	(28,371)	24,519
Net Cash Provided by Operating Activities	<u><u>\$4,013,199</u></u>	<u><u>\$3,244,112</u></u>

See accompanying notes to the basic financial statements.

**OKLAHOMA WATER RESOURCES BOARD
OKLAHOMA DRINKING WATER TREATMENT LOAN ADMINISTRATIVE FUND
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Footnotes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies

Reporting Entity

The Oklahoma Drinking Water Treatment Revolving Loan Account (the "Program"), Title 82 Oklahoma Statutes, Sections 1085.71 et seq. was created pursuant to the 1996 Amendments (P.L. 104-182) to the Federal Safe Drinking Water Act set apart from all other Oklahoma Water Resources Board accounts and programs to be permanent and perpetual; not subject to fiscal year limitations. Title 82, Section 1085.84 created the Oklahoma Drinking Water Treatment Loan Administrative Fund (the "Fund") for the purpose of administering the Program, transferring monies into the Program and for other purposes authorized by the Federal Safe Drinking Water Act. The Fund consists of revenues primarily from loan administrative fees, Fund investment earnings, and loan application processing fees.

Administrative fees are assessed on loans made from the Program. Fees are assessed to each participating municipality at the rate of one-half of one percent (0.5%) per annum of the amount of each municipality's loan balance outstanding.

The significant accounting principles and practices followed by the Fund are presented below:

Basis of Accounting and Measurement Focus

The Fund is accounted for and presented similar to, but not identical to, a special-purpose government engaged solely in business type activities.

The Fund uses the accrual basis of accounting whereby expenses are recognized when the liability is incurred, and revenues are recognized when earned.

The Fund uses the economic resources measurement focus where all assets, liabilities, net position, revenues, expenses, and transfers relating to the Program and net income and capital maintenance are measured.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB").

Cash and Cash Equivalents

The Fund considers all highly liquid debt instruments purchased with an original maturity of three months or less and money market funds to be cash equivalents.

Capital Assets

Capital assets are stated at cost, less accumulated depreciation. Depreciation is charged to operating expense and is computed using the straight-line method. The useful life of automobiles has been estimated at 5 years. Maintenance and repairs are charged to operations when incurred and improvements are capitalized. The Fund's policy is to capitalize purchases of more than \$5,000.

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1. Summary of Significant Accounting Policies (cont'd)

When assets are retired or otherwise disposed of the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is reflected in operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through September 25, 2025, the date the financial statements were available to be issued and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

2. Cash Deposits and Investment Risk

Cash of \$11,656,253 and \$13,913,711 at June 30, 2025, and 2024, respectively, was on deposit in the State Treasurer's office's internal investment pool – *OK Invest*. Short-term investments of \$2,104 and \$4,067 at June 30, 2025, and 2024, respectively, were on deposit with the Program's trustee. The deposits are invested in *Federated Treasury Obligations* and *Federated Hermes Treasury Obligations* money market mutual funds.

Custodial credit risk for deposits is the risk that in the event of a bank or other institution's failure, the Fund's deposits may not be returned, or the Fund will not be able to recover collateral securities in the possession of an outside party. The Fund deposits its funds with the Office of the State Treasurer (OST). Oklahoma statutes require OST to ensure that all state funds either be insured by Federal Deposit Insurance, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The Fund's deposits with the State Treasurer are pooled with the funds of other State agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the Treasurer may determine, in the State's name.

Of the \$11,656,253 and \$13,913,711 in cash and cash equivalents on deposit with the State Treasurer as of June 30, 2025, and June 30, 2024, respectively, represent amounts held within OK INVEST. Agencies and funds that are considered to be part of the State's reporting entity in the State's Annual Comprehensive Financial Report are allowed to participate in OK INVEST. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the day to day OK INVEST management with an emphasis on safety of the capital and the probable income to be derived and meeting the State's daily cash flow requirements. Guidelines in the State Treasurer's Investment Policy address credit quality requirements, diversification percentages and the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer's website at <http://www.ok.gov/treasurer/>. An evaluation of the use and purpose of the Funds participation in the internal investment pool determined that the amounts on deposit with OK INVEST are considered demand accounts and reported as cash equivalents.

OKLAHOMA WATER RESOURCES BOARD
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2. Cash Deposits and Investment Risk (cont'd)

The Program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2025 and 2024, the Program's investments in obligations not directly guaranteed by the U.S. Government and investments in money market mutual funds were valued according to the following hierarchy and were rates as follows:

- OK Invest (State Treasurer) – not subject to credit ratings or fair value hierarchy
- Federated Treasury Obligation and Federated Hermes Treasury Obligation – credit rating AAAM and fair value hierarchy of Level I

3. Capital Assets

A summary of equipment activity follows:

	Beginning Balance July 1, 2024	Additions	Deletions	Ending Balance June 30, 2025
Other capital assets:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	48,521	-	-	48,521
Total other capital assets, historical cost	<u>\$ 163,677</u>	<u>-</u>	<u>-</u>	<u>\$ 163,677</u>
Less: accumulated depreciation for:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	37,195	2,892	-	40,087
Total accumulated depreciation	<u>\$ 152,351</u>	<u>2,892</u>	<u>-</u>	<u>\$ 155,243</u>
Other capital assets, net	<u>\$ 11,326</u>	<u>(2,892)</u>	<u>-</u>	<u>\$ 8,434</u>
	Beginning Balance July 1, 2023	Additions	Deletions	Ending Balance June 30, 2024
Other capital assets:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	48,521	-	-	48,521
Total other capital assets, historical cost	<u>\$ 163,677</u>	<u>-</u>	<u>-</u>	<u>\$ 163,677</u>
Less: accumulated depreciation for:				
Computer software	\$ 113,156	-	-	\$ 113,156
Printer	2,000	-	-	2,000
Automobile	32,613	4,582	-	37,195
Total accumulated depreciation	<u>\$ 147,769</u>	<u>4,582</u>	<u>-</u>	<u>\$ 152,351</u>
Other capital assets, net	<u>\$ 15,908</u>	<u>(4,582)</u>	<u>-</u>	<u>\$ 11,326</u>

**OKLAHOMA WATER RESOURCES BOARD
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4. Indirect Costs

Indirect costs represent recoverable personnel costs charged to the Program by the Fund in connection with administering and accounting for activities of the Program. The amount allocated to the Program is based on a percentage of the Fund personnel costs as established in an indirect cost allocation plan. The indirect cost rate for the year ended June 30, 2025, and 2024, were 70% and 82.84%, respectively.

**OKLAHOMA WATER RESOURCES BOARD
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INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the
Oklahoma Water Resources Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Oklahoma Water Resources Board Oklahoma Drinking Water Treatment Loan Administrative Fund (the "Fund") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated September 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Arledge & Associates PC

Oklahoma City, Oklahoma
September 25, 2025



Attachment 5

SFY 2025 Financial Statements for the DWSRF Program

**OKLAHOMA DEPARTMENT OF
ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER
STATE REVOLVING FUND
LOAN PROGRAM**

**FINANCIAL STATEMENTS
AS OF
JUNE 30, 2025 AND 2024
AND INDEPENDENT AUDITOR'S REPORT**

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

ANNUAL FINANCIAL STATEMENTS
FOR THE YEARS ENDED June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
Oklahoma Department of Environmental Quality
Oklahoma Drinking Water State Revolving Fund Loan Program

Opinion

We have audited the accompanying financial statements of the Oklahoma Department of Environmental Quality/Oklahoma Drinking Water State Revolving Fund Loan Program (the "Program") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Program as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Program, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

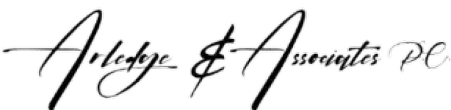
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Program's basic financial statements. The accompanying combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the program's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma
September 25, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Our discussion and analysis of the Oklahoma Drinking Water State Revolving Fund Program's (the "Program") financial performance provides an overview of the Program's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Program's financial statements, which begin on page 5. The Oklahoma Department of Environmental Quality ("ODEQ") administers the Program. ODEQ's primary activities include providing direct assistance and managing the coordination of the Program to meet the objectives of the Safe Drinking Water Act. Pursuant to an interagency agreement between ODEQ and the Oklahoma Water Resources Board (the "OWRB"), OWRB handles certain financial functions including originating, approving and servicing loans made to qualifying recipients.

FINANCIAL HIGHLIGHTS

- The Program's net position increased by over 12.8% from \$379,007,984 in FY-2024 to \$427,622,015 in FY-2025. The increase in net position is primarily attributable to the increase in federal grant revenue from the Infrastructure Investment and Jobs Act supplemental grant, state matching funds from a legislative appropriation and a transfer from the Drinking Water Treatment Loan Administrative Fund.
- The Program experienced an increase of \$140,187,404 in the amount of outstanding loans. At June 30, 2025, the Program had 170 outstanding loans with a principal balance of \$1,055,110,360. At June 30, 2024, the Program had 173 outstanding loans with a principal balance of \$914,922,956.

PROGRAM HIGHLIGHTS

- During FY 2025, eighteen (18) construction loans, totaling approximately \$206.5 million were made to correct deficiencies and achieve compliance with the national primary drinking water regulations or otherwise further public health protection objectives of the Safe Drinking Water Act (SWDA).
- During FY 2025, we completed construction on fifteen (15) projects totaling \$94.6 million.
- During FY 2025, we made binding commitments for seventeen (17) new loans, totaling approximately \$135.2 million, in drinking water construction for communities to correct problems and achieve compliance with the SWDA.

ECONOMIC FACTORS AND NEXT YEAR'S OUTLOOK

The Oklahoma DWSRF has been extremely popular with communities that borrow from the program. The Program's financing strategy of providing long-term loans at 70% of market rate has been consistent for many years. No additional staff is planned at this time. The Program is expected to increase assets as well as operating income as more loans are approved and eligible draws are made from the federal capitalization grants and the bond issue.

CONTACTING THE PROGRAM'S FINANCIAL MANAGEMENT

This financial report is designed to provide the DEQ's accountability of the Program. If you have questions about this report or need additional financial information, contact the Administrative Services Division of the Oklahoma Department of Environmental Quality at 707 North Robinson, Oklahoma City, OK 73101.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**STATEMENTS OF NET POSITION
June 30, 2025 and 2024**

	<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current Assets:			
Cash	\$	147,807,905	\$ 113,988,429
Federal letter of credit payments receivable		3,693,280	2,257,903
Accrued interest on loans receivable		6,156,936	5,047,163
Other interest receivable		46,845	397,986
Loans receivable		44,637,534	41,741,526
Total current assets		<u>202,342,500</u>	<u>163,433,007</u>
Noncurrent Assets:			
Restricted cash		33,759,958	7,377,758
Restricted investments		-	8,215,792
Loans receivable, net of current portion		1,010,472,826	873,181,430
Equipment, net		725,549	628,964
Total noncurrent assets		<u>1,044,958,333</u>	<u>889,403,944</u>
Total assets		<u>1,247,300,833</u>	<u>1,052,836,951</u>
	<u>LIABILITIES</u>		
Current Liabilities:			
Accounts payable		469,350	648,714
Due to Oklahoma Department of of Environmental Quality ("ODEQ")		3,908,616	2,207,186
Compensated absences		122,346	177,506
Interest payable		5,693,946	5,847,380
Other accrued liabilities		746,644	-
Current maturities of long-term debt		19,800,000	22,715,000
Total current liabilities		<u>30,740,902</u>	<u>31,595,786</u>
Noncurrent Liabilities:			
Compensated absences		52,433	76,073
Long-term debt, net of current maturities		721,755,000	581,555,000
Unamortized (discount)/premium		61,671,453	54,817,166
Total noncurrent liabilities		<u>783,478,886</u>	<u>636,448,239</u>
Total liabilities		<u>814,219,788</u>	<u>668,044,025</u>
	<u>DEFERRED INFLOW OF RESOURCES</u>		
Unamortized (gain/loss) on refunding		<u>5,459,030</u>	<u>5,784,942</u>
	<u>NET POSITION</u>		
Invested in capital assets, net of related debt		725,549	628,964
Restricted for loans and debt service		427,755,931	379,230,596
Unrestricted net position		<u>(859,465)</u>	<u>(851,576)</u>
Total net position	\$	<u>427,622,015</u>	\$ <u>379,007,984</u>

See accompanying notes and independent auditors report.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the periods ending June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
REVENUES		
Operating revenues:		
Federal grants	\$ 5,254,841	\$ 6,106,349
Loan program income	20,735,568	21,072,740
Other Income	5,400,000	-
Total operating revenue	<u>31,390,409</u>	<u>27,179,089</u>
EXPENSES		
Operating expenses:		
Salaries and benefits	2,700,432	3,034,955
Personnel	791	-
Professional services	1,223,810	1,264,976
Travel	143,112	154,198
Office	50,321	93,448
Equipment	1,477	213,312
Depreciation	298,842	314,966
Indirect costs	744,583	861,463
Other expense	2,778	193,357
Interest expense	20,081,858	20,983,326
Debt issuance costs	893,614	-
Administration expense	367,030	-
Total operating expenses	<u>26,508,647</u>	<u>27,114,001</u>
Operating income (loss)	<u>4,881,762</u>	<u>65,088</u>
NONOPERATING REVENUES (EXPENSES)		
Federal grants	36,405,855	37,670,594
Federal grants-principal forgiveness	(11,392,472)	(18,727,329)
Loss on investments	245,226	397,423
Investment income	25,110	81,191
Interest income-invested cash balances	1,767,150	3,087,030
Net nonoperating revenues	<u>27,050,869</u>	<u>22,508,909</u>
Income (loss) before transfers	31,932,631	22,573,997
Transfers in - Oklahoma Water Resources Board	10,000,000	-
Transfers in - Drinking Water Treatment Loan Admin Fund	6,681,400	495,636
Total Transfers	<u>16,681,400</u>	<u>495,636</u>
Increase (decrease) in net position	48,614,031	23,069,633
NET POSITION		
Net position, beginning of year	<u>379,007,984</u>	<u>355,938,351</u>
Net position, end of year	<u>\$ 427,622,015</u>	<u>\$ 379,007,984</u>

See accompanying notes and independent auditors report.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal grant receipts	\$ 3,891,212	\$ 5,571,770
Collection of interest on loans to local governmental units	20,005,409	20,553,877
Payments to employees	(2,803,638)	(3,021,374)
Payments to suppliers	(692,147)	(2,018,721)
Interest paid on debt	(23,389,523)	(23,437,302)
Other income	5,400,000	-
Net cash used by operating activities	<u>2,411,313</u>	<u>(2,351,750)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from bond issuance	169,682,606	-
Bond issuance cost	(893,614)	-
Principal paid on bonds	(22,715,000)	(20,525,000)
Federal grant receipts	25,013,383	18,943,265
Transfers in (out) - Oklahoma Water Resources Board	10,000,000	-
Transfers in (out) - Drinking Water Treatment Loan Administrative Fund	6,681,400	495,636
Net cash provided (used) by noncapital financing activities	<u>187,768,775</u>	<u>(1,086,099)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of equipment	(395,427)	(531,675)
Net cash used in capital and related financing activities	<u>(395,427)</u>	<u>(531,675)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans to local governmental units	(192,724,292)	(165,682,107)
Collection of principal on loans to local governmental units	41,144,416	40,865,706
Collection of principal on loans to local governmental units from federal grant proceeds	11,392,472	18,727,329
Interest on investments	25,110	81,191
Interest on invested cash balances	2,118,291	3,046,584
Sale (Purchase) of investments	8,461,018	2,559,021
Net cash used by investing activities	<u>(129,582,985)</u>	<u>(100,402,276)</u>
Net increase (decrease in cash)	60,201,676	(104,371,800)
Cash and cash equivalents, beginning of year	121,366,187	225,737,987
Cash and cash equivalents, end of year	<u>\$ 181,567,863</u>	<u>\$ 121,366,187</u>
Reconciliation to Statement of Net Position:		
Cash	\$ 147,807,905	\$ 113,988,429
Restricted Cash	33,759,958	7,377,758
Total cash and cash equivalents	<u>\$ 181,567,863</u>	<u>\$ 121,366,187</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 4,857,356	\$ 65,088
Adjustment to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation	298,842	314,966
Amortization of bond premium	(2,828,319)	(2,825,872)
Deferred amount on refunding	(325,912)	(325,912)
Debt issuance cost	893,614	-
Changes in operating assets and liabilities:		
Decrease (Increase) in letter of credit payments receivable	(1,363,629)	(534,579)
Decrease (Increase) in interest receivable	(1,109,773)	(518,863)
Increase (Decrease) in accounts payable	(154,958)	360,923
Increase (Decrease) in letter of credit payments payable	(71,748)	(430,337)
Increase(Decrease) in due to/from DEQ	1,701,430	831,447
Increase(Decrease) in compensated absences	(78,800)	13,581
Increase(Decrease) in accrued liabilities	746,644	-
Increase(Decrease) in interest payable	(153,434)	697,808
Net cash provided (used) by operating activities	<u>\$ 2,411,313</u>	<u>\$ (2,351,750)</u>

See accompanying notes and independent auditors report.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Oklahoma Drinking Water State Revolving Fund Loan Program (the "Program") was created pursuant to the Federal Safe Drinking Water Act Amendments of 1995 (the "Act"), Section 1452, to provide a perpetual fund for financing the construction of drinking water treatment facilities for municipalities and other entities. The program utilizes Federal Capitalization grants, required State matching funds, bond proceeds, interest received on loans and invested cash balances. Standard loans made by the Program must be repaid within 30 years from construction completion.

The Program consists of two program components: 1) set-aside funds and 2) loan fund. The set-aside funds are administered by the Oklahoma Department of Environmental Quality ("ODEQ"). ODEQ's primary activities include providing direct assistance and managing the coordination of the Program to meet its primary objective pursuant to the Act. The loan fund is administered by the Oklahoma Water Resources Board ("OWRB") pursuant to an interagency agreement between ODEQ and OWRB. The OWRB handles certain financial functions, including the originating, approving and servicing loans made to qualifying recipients.

Basis of Accounting and Measurement Focus

The Program prepares its financial statements in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB"). The Program is accounted for and presented similar to a special-purpose government engaged solely in business type activities.

The financial statements of the Program are prepared under the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred. The Program uses the economic resources measurement focus where all assets, liabilities, net position, revenues, expenses and transfers relating to the Program and net income and capital maintenance are measured.

Federal Letter of Credit Payments

Funding from Federal grants is provided through a Federal letter of credit ("LOC"). The Program records revenue as qualifying expenditures are made or as expenses are incurred, as appropriate. Availability of funds under the LOC is specified by the terms of the grant. The Program draws on the available funds as necessary to fund operations and selected loans.

Federal Grants

Federal grants are recognized as operating revenue upon payment of allowable grant expenditures eligible for reimbursement from the EPA and not covered by state matching or program income.

Cash and Cash Equivalents

The Program considers all highly liquid debt instruments purchased with an original maturity of three months or less and money market funds to be cash equivalents.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Restricted Cash

Restricted cash represents the portion of the Program's cash balance at year-end that has been obligated for known future expenditures, such as loans, which have been approved and are complete as to all application requirements. The restricted portion fluctuates as obligated funds are used or as funds are de-obligated.

Restricted Investments

Restricted investments at June 30, 2025 represents a portion of the Series 2013B Revenue Bonds as well as the residual investment amounts related to the Series 2003 Revenue Bonds remaining after the retirement of the Series 2003 Revenue bonds during FY-2016. The amount has been set-aside into a Debt Service Reserve Fund. The Debt Service Reserve fund portion of restricted investments totals \$0 and \$8,215,792 at June 30, 2025 and June 30, 2024, respectively (See Note 5). The 2013B Revenue Bonds were paid off in April 2025.

Equipment

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The useful life of software has been estimated at 3 years. The useful life of computers has been estimated at 3 to 5 years. The useful life of equipment has been estimated at 5 years. The useful life of furniture has been estimated at 9 years. The Program's policy is to capitalize individual asset purchases in excess of \$5,000.

Debt Issuance Costs

Debt issuance costs are expensed as incurred.

Bond Issue Discount and Premium

The Program's State Revolving Fund Revenue Bonds Series 2025, Series 2021, Series 2020, Series 2018, and Series 2016 were initially sold at a premium of \$88,429,935. Series 2023A was initially sold at a discount of \$984,845. The bond discount/premium is being amortized over the remaining life of the bonds. Net amortization expense of \$2,828,318 and \$2,826,532 was recorded in 2025 and 2024, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

Deferred Amount on Refunding

The Program's State Revolving Fund Revenue Bonds, Series 2019, were used to refund the 2011B and 2012A Series Revenue Bonds. The refunding resulted in a deferred inflow of \$7,251,547 which is being amortized over twenty-three years. Net amortization of \$325,912 was recorded in FY 2025 and 2024, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Loan Administration Fees

Loan administrative fees are assessed to each participating borrower by the OWRB at the rate of one-half of one percent per annum of the amount of each borrower's loan balance outstanding. Fees paid by the participating borrowers are remitted directly to OWRB and, therefore, are not included in the accompanying Program financial statements. These fees are deposited into the Drinking Water Loan Administration Fund, an account held outside the Program. The activity within this fund for the years ended June 30, 2025 and 2024, was as follows:

Balance, July 1, 2024	\$ <u>15,169,138</u>	Balance, July 1, 2023	\$ <u>11,941,920</u>
Fee income	5,077,876	Fee income	4,405,922
Interest income	430,938	Interest income	367,471
Operating expenses	(811,594)	Operating expenses	(1,050,575)
Transfers	<u>(6,681,400)</u>	Transfers	<u>(495,600)</u>
Balance, June 30, 2025	\$ <u><u>13,184,958</u></u>	Balance, June 30, 2024	\$ <u><u>15,169,138</u></u>

Unrestricted Net Liability

The unrestricted net liability at June 30, 2025 and 2024, respectively, is attributed to the accrual for compensated absences for financial reporting purposes in advance of reimbursement of such costs under the Program's federal funding arrangements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

2. CASH DEPOSITS AND INVESTMENT RISK

Cash of \$147,807,905 and \$113,988,429 at June 30, 2025 and 2024, respectively, was on deposit in the State Treasurer's office's internal investment pool – OK Invest. Restricted cash of \$33,759,958 and \$7,377,758 at June 30, 2025 and 2024, respectively, was on deposit with the Program's trustee. Amounts on deposit with the Program's trustee bank are invested in the Federated Treasury Obligations, Federated Government Obligation, Goldman Sachs Financial Square Treasury Obligations and the Goldman Sachs Financial Square Federal Funds money market mutual funds.

Custodial credit risk for deposits is the risk that in the event of a bank or other institution failure, the Program's deposits may not be returned or the Program will not be able to recover collateral securities in the possession of an outside party. The Program deposits its funds with the Office of the State Treasurer (OST). Oklahoma statutes require OST to ensure that all state funds either be insured by Federal Deposit Insurance, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The Program's deposits with the State Treasurer are pooled with the funds of other State agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the Treasurer may determine, in the State's name.

Of the \$147,807,905 and \$113,988,429 in cash and cash equivalents on deposit with the State Treasurer at June 30, 2025 and June 30, 2024, 100% represent amounts held within OK INVEST, an internal investment pool. Agencies and funds that are considered to be part of the State's reporting entity in the State's Annual Comprehensive Financial Report ("ACFR") are allowed to participate in OK INVEST. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the day-to-day OK INVEST management with an emphasis on safety of the capital and the probable income to be derived and meeting the State's daily cash flow requirements. Guidelines in the State Treasurer's Investment Policy address credit quality requirements, diversification percentages and the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer's website at <https://oklahoma.gov/treasurer/>. An evaluation of the use and purpose of the Program's participation in the internal investment pool determined that the amounts on deposit with OK INVEST are considered demand deposits and are reported as cash equivalents.

Investment Interest Rate Risk – the Program does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates as it relates to funds not directly associated with bond issue proceeds.

Investment Credit Risk – Non-Debt Proceeds – for non-debt proceeds, the Program has no investment policy that limits its investment choices other than the limitation of state law imposed on the State Treasurer as follows:

- a. U.S. Treasury Bills, Notes and Bonds and U.S. Government Agency Securities with certain ratings and maturity limitations.
- b. Collateralized or insured certificates of deposit and other evidences of deposit issued by a bank, savings bank, savings and loan association or credit union located in the state.
- c. With certain ratings and maturity limitations, negotiable certificates of deposit, bankers' acceptances and commercial paper.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

2. CASH DEPOSITS AND INVESTMENT RISK (Cont'd)

- d. Obligations of state and local governments, including obligations of Oklahoma state public trusts, with certain ratings and maturity limitations.
- e. Collateralized repurchase agreements tri-party repurchase agreements.
- f. Money market mutual funds and short-term bond funds regulated by the Securities and Exchange Commission (SEC) and in which investments consist of obligations of the U.S. Government and its agencies and instrumentalities and repurchase agreements collateralized by obligations of the U.S. Government and its agencies and instrumentalities.

Investment Credit Risk - Debt Proceeds – for debt proceeds, the bond indenture provides for restrictions on the investment choices of the Program as follows:

- a. Obligations of the United States Government, its agencies and instrumentalities.
- b. Collateralized or insured certificates of deposit and other evidences of deposit at banks, savings banks, savings and loan associations or credit unions located in the State of Oklahoma.
- c. Money market funds regulated by the Securities and Exchange Commission and which investments consist of those items specified in (a) and (b) above.
- d. Investment agreements with entities maintaining a rating in the top two categories by a nationally recognized municipal bond rating agency.

The program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2025 and 2024, the Program's investments in obligations not directly guaranteed by the U.S. Government and investments in money market mutual funds were valued according to the following hierarchy and were rated as follows:

Type	Maturities	Credit Rating	Fair Value Hierarchy	Carrying Value	
				2025	2024
OK Invest	On Demand	Not Rated	N/A	\$ 147,807,905	\$ 113,988,429
Federated Government Obligation Fund	16 days	AAA-m	Level 1	33,759,958	6,160,605
Goldman Sach Fin. Sq. Treasury Oblig. Fund	16 days	AAA-m	Level 1	-	1,217,153
Federal Farm Credit Bank	2022/2025	AA+	Level 2	-	882,440
Federal Loan Mortgage Corp. Int. Strips	2025	AA+	Level 2	-	2,815,900
Tennessee Valley Authority Coupon Strips	2022/2025	AA+	Level 2	-	4,517,452
				<u>\$ 181,567,863</u>	<u>\$ 129,581,979</u>
Reconciliation to Statement of Net Position					
			Cash	\$ 147,807,905	\$ 113,988,429
			Restricted Cash	33,759,958	7,377,758
			Restricted Investments	-	8,215,792
				<u>\$ 181,567,863</u>	<u>\$ 129,581,979</u>

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
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NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

2. CASH DEPOSITS AND INVESTMENT RISK (Cont'd)

Concentration of Investment Credit Risk – neither the Program nor the bond indenture place any limit on the amount the Program may invest in any one issuer. The Program has the following concentration of credit risk at June 30, 2025: 19% or \$33,759,958 is invested in government obligations money market mutual funds, and 81% or \$147,807,896 is invested in OK Invest. A "pooled cash" concept is used by ODEQ in maintaining cash and equivalents for the Program's Set Aside accounts. Under this method, cash and equivalents are pooled and each ODEQ program has equity in the pooled amount. There were no pooled cash overdrafts included in Due to ODEQ in the current year.

3. FEDERAL LETTERS OF CREDIT

The Fund has access to a line of credit with the Federal government through the Environmental Protection Agency that can be accessed for various projects by the Fund. Federal letters of credit ("LOC") balances available at June 30, 2025 and 2024, are as follows:

	Year Ended June 30, 2025					
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	Totals
LOC Available for draw	\$ (12,306,666)	\$ (23,425,474)	\$ (7,390,605)	\$ (33,090,514)	\$ (334,492,933)	\$ (410,706,192)
Grant available in 2025	2,011,562	2,693,673	1,009,784	8,894,490	69,278,491	83,888,000
LOC reprogrammed	(1,000,000)	(3,000,000)	-	(4,000,000)	8,000,000	-
Cumulative cash draws	(14,637,408)	(28,883,998)	(7,794,735)	(38,108,229)	(386,540,640)	(475,965,010)
LOC balance available for draw at June 30, 2025	<u>\$ (25,932,512)</u>	<u>\$ (52,615,799)</u>	<u>\$ (14,175,556)</u>	<u>\$ (66,304,253)</u>	<u>\$ (643,755,082)</u>	<u>\$ (802,783,202)</u>

	Year Ended June 30, 2024					
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	Totals
LOC Available for draw	\$ 15,729,106	\$ 33,467,643	\$ 6,979,404	\$ 39,788,597	\$ 348,814,834	\$ 444,779,584
Grant available in 2024	430,546	854,874	280,714	1,213,724	15,501,142	18,281,000
LOC reprogrammed	(503,252)	(1,801,323)	(373,325)	(1,070,155)	3,748,055	-
Cumulative cash draws	(13,981,533)	(27,973,334)	(7,138,699)	(36,511,340)	(351,278,482)	(436,883,388)
LOC balance available for draw at June 30, 2024	<u>\$ 1,674,867</u>	<u>\$ 4,547,860</u>	<u>\$ (251,906)</u>	<u>\$ 3,420,826</u>	<u>\$ 16,785,549</u>	<u>\$ 26,177,196</u>

Due to the fact that the grants cover a period of more than 8 quarters, not all of the balances presented above are available for immediate drawdown.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
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NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

4. LOANS RECEIVABLE

The Program originates loans with Oklahoma municipalities and other entities for financing of public water supply infrastructure construction projects such as drinking water treatment, transmission or storage projects eligible under the Safe Drinking Water Act, or the refinance of existing debt for these purposes. Effective interest rates on the outstanding loans vary from 0% to 3.96% at June 30, 2025, and from 0% to 3.50% at June 30, 2024.

At least 14% of the 2024 annual federal grant must be used for principal forgiveness for projects meeting health-based issues, regionalization, or consolidation criteria. For the period ending June 30, 2025, the Program made one (1) loan to borrowers in this category.

At least 12% up to a maximum of 35% of the 2024 federal grant must be used for principal forgiveness for project meeting disadvantaged criteria. For the period ending June 30, 2025, the program made six (6) loans to borrowers in this category.

During FY 2025, DEQ was awarded new grants from the Infrastructure Investment and Jobs Act allotments. The first new grant, DWSRF General Supplemental (GS), required a 49% subsidy. For the period ending June 30, 2025, the program made thirteen (13) loans to borrowers in this category. The second new grant, Lead Service Line Inventory/Replacement (LSLI/R), required 49% subsidy and 51% loan. For the period ending June 30, 2025, the program made one (1) loan to borrowers in this category. The third new grant, Emerging Contaminants, (EC) requires 100% principal forgiveness. For the period ending June 30, 2025, the program made zero (0) loans to a borrower in this category.

As of FY25, the Fund remains in compliance with the relevant requirements for the programs outlined above.

The Program also provides for extended loan terms to borrowers meeting the “communities” criteria. Loan terms can be extended to up to thirty years and not to exceed the useful life of the proposed project. For the periods ending June 30, 2025 and 2024, the Program made 8 and 9 loans, respectively, under the “disadvantaged” criteria.

Loans are collateralized by various revenue sources including, but not limited to, user charges and sales taxes collected by the borrowers. Principal payments must start within one year of construction completion or at an earlier date set in the loan agreement. Loan terms are available up to a maximum of twenty years, except for loans qualifying under the “disadvantaged” criteria for which the maximum term is thirty years. During the years ended June 30, 2025 and 2024, principal payments of \$52,536,888 and \$59,593,035, respectively, had been received.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

4. LOANS RECEIVABLE (Cont'd)

Loans receivable activity from July 1, 2024 to June 30, 2025 is as follows:

Balance, June 30, 2023	\$	808,833,884
Loan Disbursements		165,682,107
Loan Principal repayments and forgiveness		<u>(59,593,035)</u>
		<u>106,089,072</u>
Balance, June 30, 2024	\$	<u>914,922,956</u>
Loan Disbursements		192,724,292
Loan Principal repayments and forgiveness		<u>(52,536,888)</u>
		<u>140,187,404</u>
Balance, June 30, 2025	\$	<u><u>1,055,110,360</u></u>

5. RESTRICTED INVESTMENTS

A description of the restricted investments held at June 30, 2025 and 2024, is as follows:

<u>Type</u>	<u>2025</u>	<u>2024</u>
Federal Farm Credit Bank	\$ -	\$ 882,440
Federal Loan Mortgage Corp. Int. Strips	-	2,815,900
Tennessee Valley Authority Coupon Strips	-	4,517,452
	<u>\$ -</u>	<u>\$ 8,215,792</u>

6. BINDING COMMITMENTS

The OWRB, pursuant to an interagency agreement entered into between ODEQ and OWRB, approves funding of various loan applications through the Program. These binding commitments will be funded by the Program provided that a loan agreement and promissory note are executed within one year from the date of original approval unless an extension is granted by the OWRB. Binding commitments approved by the OWRB for which a loan agreement and promissory note have not been executed totaled \$0 and \$75,261,000 at June 30, 2025 and 2024, respectively.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
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NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

7. EQUIPMENT

A summary of changes to equipment is as follows:

	Year ended 2025			
	June 30, 2024	Additions	Disposals	June 30, 2025
Equipment	\$ 2,732,963	\$ 395,427	\$ -	\$ 3,128,390
Accumulated depreciation	(2,103,999)	(298,842)	-	(2,402,841)
Net	\$ 628,964	\$ 96,585	\$ -	\$ 725,549

	Year ended 2024			
	June 30, 2023	Additions	Disposals	June 30, 2024
Equipment	\$ 2,201,288	\$ 531,675	\$ -	\$ 2,732,963
Accumulated depreciation	(1,789,032)	(314,967)	-	(2,103,999)
Net	\$ 412,256	\$ 216,708	\$ -	\$ 628,964

8. LONG-TERM DEBT

Bonds Payable

On June 25, 2025, the Program issued State Revolving Fund Revenue Bonds, Series 2025, in the amount of \$160,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account, and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On May 18, 2023, the Program issued State Revolving Fund Revenue Bonds, Series 2023A, in the amount of \$175,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account, and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

8. LONG-TERM DEBT (Cont'd)

On December 22, 2021, the Program issued State Revolving Fund Revenue Bonds, Series 2021, in the amount of \$199,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On October 22, 2020, the Program issued State Revolving Fund Revenue Bonds, Series 2020 in the amount of \$95,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On December 19, 2019 the Program issued State Revolving Fund Refunding Bonds, Series 2019 in the amount of \$154,420,000. A portion of the bonds, \$28,210,000, were issued together with certain other available monies and investments to refund the \$48,545,000 of the State Revolving Fund Revenue Bonds, Series 2011A and \$36,890,000 of the State Revolving Fund Revenue Bonds, Series 2012B, and to pay the cost of issuance of the bonds. The remaining portion of the issue was used to refund bonds in the OWRB Clean Water Loan Program.

On March 22, 2018, the Program issued State Revolving Fund Revenue Bonds, Series 2018 in the amount of \$80,055,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On October 19, 2016, the Program issued State Revolving Fund Revenue Bonds, Series 2016 in the amount of \$90,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On September 19, 2013, the Program issued State Revolving Fund Revenue Bonds, Series 2013B in the amount of \$35,505,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide funds, together with certain other available monies and investments, to retire the Program's Series 2003 Revenue Bonds, and to fund a debt service reserve fund.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

8. LONG-TERM DEBT (Cont'd)

Advanced Refunding

The Program used \$24,581,196 of funds available in the 2013A revenue fund along with cash on hand to refund \$23,985,000 of outstanding principal of the 2013A Drinking Water State Revolving Fund bonds. The available funds were placed in escrow to refund the bonds on December 14, 2021. As a result, the 2013A Series bonds are considered defeased and the liability for the bond has been removed from the Statement of Net Position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,792,672. This difference, reported in the accompanying financial statements as a deferred inflow, is being charged to operations through the year 2043 using the straight line method. The Board completed the advance refunding to reduce its total debt service payments over the next twenty two years by \$1,065,459 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$7,473,559 for the DW Program.

Future debt service payments required by the Program's serial bonds as of June 30, 2025, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 19,800,000	\$ 28,563,204	\$ 48,363,204
2027	20,300,000	29,609,971	49,909,971
2028	23,030,000	28,656,857	51,686,857
2029	23,880,000	27,611,831	51,491,831
2030	24,230,000	26,505,033	50,735,033
2031-2035	126,545,000	115,401,350	241,946,350
2036-2040	137,520,000	91,601,527	229,121,527
2041-2045	139,160,000	68,172,731	207,332,731
2046-2050	142,950,000	39,370,175	182,320,175
2051-2054	84,140,000	6,944,564	91,084,564
Total	\$ <u>741,555,000</u>	\$ <u>462,437,242</u>	\$ <u>1,203,992,242</u>

In addition to their normal scheduled maturity dates as shown above, the bonds may also be redeemed at the option of the Board, in whole or in part, at such dates and for such prices, plus accrued interest as set forth in the bond indenture.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

8. LONG-TERM DEBT (Cont'd)

Changes in long-term debt outstanding at June 30, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Series 2023A bonds due April 1, 2027 to April 1, 2053, interest at 4.125% to 5.00%	\$ 175,000,000	\$ 175,000,000
Series 2021 bonds due April 1, 2022 to April 1, 2051, interest at 1.75% to 5.00%	192,550,000	196,325,000
Series 2020 bonds due April 1, 2021 to April 1, 2040, interest at 2.00% to 5.00%	84,320,000	87,895,000
Serial 2019 bonds due April 1, 2020 to April 1, 2042, interest at 1.73% to 3.17%	25,935,000	26,490,000
Serial 2018 bonds due April 1, 2020 to April 1, 2038, interest at 3.38% to 5.00%	46,375,000	52,325,000
Serial 2016 bonds due April 1, 2020 to April 1, 2041, interest at 4.00% to 5.00%	79,265,000	84,500,000
Serial 2013B bonds due April 1, 2020 to April 1, 2025, interest at 2.71% to 4.12%	825,000	2,260,000
Unamortized premium	54,817,166	57,643,038
	<u>\$ 659,087,166</u>	<u>\$ 682,438,038</u>
Add: Series 2025 bonds due April 1, 2027 to April 1, 2055, interest at 5.00% to 5.25%	160,000,000	-
Add: bond Premium from series 2025 issuance	9,682,606	-
Less: debt principal repayments	(22,715,000)	(20,525,000)
Less: current amortization of premium	<u>(2,828,319)</u>	<u>(2,825,872)</u>
Ending Balances:	<u>\$ 803,226,453</u>	<u>\$ 659,087,166</u>
Amounts due in one year	<u>\$ 19,800,000</u>	<u>\$ 22,715,000</u>

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

9. ARBITRAGE REBATE DUE TO FEDERAL GOVERNMENT

In order for the interest on the Program's Series 2025, 2023A, 2021, 2020, 2018, and 2016 bonds to be tax-exempt, the Board must comply with certain provisions of the Internal Revenue Code, as amended. One provision requires that the arbitrage earnings (defined as the excess of the amount earned on all nonpurpose investments over the amount which would have been earned if the nonpurpose investments were invested at a rate equal to the note/bond yield) be rebated to the Internal Revenue Service. This rebate is payable at the end of each five years during the term of the issues. Management has estimated the arbitrage rebate liability to be \$367,030 and \$0 was recorded in 2025 and 2024, respectively, for Series 2025, 2023A, 2021, 2020, 2018, and 2016 bonds.

10. COMMITMENTS AND CONTINGENCIES

The Program is exposed to various risks of loss related to torts, thefts of assets, efforts and omissions, injuries to employees while performing Program business, or acts of God. The Program maintains insurance through the State of Oklahoma Risk Management Division, which is included in the indirect costs charged to the Program. There have not been any claims against the Program since its inception in 1998.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 19, 2025, the date on which the financial statements were available to be issued.

**OKLAHOMA DEPARTMENT OF
ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER
STATE REVOLVING FUND
LOAN PROGRAM**

SUPPLEMENTAL SCHEDULE INFORMATION

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**SUPPLEMENTAL COMBINING STATEMENT OF NET POSITION INFORMATION - BY PROGRAM COMPONENT
For the Year Ended June 30, 2025**

	Set Aside Funds					
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	Totals
<u>ASSETS</u>						
Current Assets:						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 147,807,905	\$ 147,807,905
Federal letter of credit payments receivable	218,453	2,376,344	-	1,316,942	-	3,911,739
Due from Oklahoma Department of of Environmental Quality ("ODEQ")	-	-	352,773	-	-	352,773
Accrued interest on loans receivable	-	-	-	-	6,156,936	6,156,936
Other interest receivable	-	-	-	-	46,845	46,845
Loans receivable	-	-	-	-	44,637,534	44,637,534
Total current assets	218,453	2,376,344	352,773	1,316,942	198,649,220	202,913,732
Noncurrent Assets:						
Restricted cash	-	-	-	-	33,759,958	33,759,958
Loans receivable, net of current portion	-	-	-	-	1,010,472,826	1,010,472,826
Equipment, net	-	725,549	-	-	-	725,549
Total noncurrent assets	-	725,549	-	-	1,044,232,784	1,044,958,333
Total assets	218,453	3,101,893	352,773	1,316,942	1,242,882,004	1,247,872,065
<u>LIABILITIES</u>						
Current Liabilities:						
Accounts payable	791	185,600	134,310	148,649	-	469,350
Federal letter of credit payments payable	-	-	218,459	-	-	218,459
Due to Oklahoma Department of of Environmental Quality ("ODEQ")	218,455	2,916,294	-	1,126,640	-	4,261,389
Compensated absences	31,300	32,825	16,523	41,698	-	122,346
Interest payable	-	-	-	-	5,693,946	5,693,946
Other accrued liabilities	-	-	-	-	746,644	746,644
Current maturities of long-term debt	-	-	-	-	19,800,000	19,800,000
Total current liabilities	250,546	3,134,719	369,292	1,316,987	26,240,590	31,312,134
Noncurrent Liabilities:						
Compensated absences	13,413	14,068	7,083	17,869	-	52,433
Long-term debt, net of current maturities	-	-	-	-	721,755,000	721,755,000
Unamortized (discount)/premium	-	-	-	-	61,671,453	61,671,453
Total noncurrent liabilities	13,413	14,068	7,083	17,869	783,426,453	783,478,886
Total liabilities	263,959	3,148,787	376,375	1,334,856	809,667,043	814,791,020
<u>DEFERRED INFLOW OF RESOURCES</u>						
Unamortized (gain/loss) on refunding	-	-	-	-	5,459,030	5,459,030
<u>NET POSITION</u>						
Invested in capital assets, net of related debt	-	725,549	-	-	-	725,549
Restricted for loans and debt service	-	-	-	-	427,755,931	427,755,931
Unrestricted net position	(45,506)	(772,443)	(23,602)	(17,914)	-	(859,465)
Total net position	\$ (45,506)	\$ (46,894)	\$ (23,602)	\$ (17,914)	\$ 427,755,931	\$ 427,622,015

See accompanying notes to the financial statements

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**SUPPLEMENTAL COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN
NET POSITION INFORMATION - BY PROGRAM COMPONENT
For the Year Ended June 30, 2025**

	Set Aside Funds					
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	Totals
REVENUES						
Operating revenues:						
Federal grants	\$ 696,306	\$ 1,031,333	\$ 727,784	\$ 2,799,418	\$ -	\$ 5,254,841
Loan program income	-	-	-	-	20,735,568	20,735,568
Other income	-	-	-	-	5,400,000	5,400,000
Total operating revenue	<u>696,306</u>	<u>1,031,333</u>	<u>727,784</u>	<u>2,799,418</u>	<u>26,135,568</u>	<u>31,390,409</u>
EXPENSES						
Operating expenses:						
Salaries and benefits	528,396	607,641	207,586	1,356,809	-	2,700,432
Personnel	791	-	-	-	-	791
Professional services	43,950	30,000	390,412	759,448	-	1,223,810
Travel	141	5,080	10,129	127,762	-	143,112
Office	147	14,590	1,149	34,435	-	50,321
Equipment	-	-	-	1,477	-	1,477
Depreciation	-	298,842	-	-	-	298,842
Indirect costs	163,283	51,097	81,936	448,267	-	744,583
Other expense	-	-	-	2,778	-	2,778
Interest expense	-	-	-	-	20,081,858	20,081,858
Administration expense	-	-	-	-	367,030	367,030
Debt issuance costs	-	-	-	-	893,614	893,614
Total operating expenses	<u>736,708</u>	<u>1,007,249</u>	<u>691,212</u>	<u>2,730,976</u>	<u>21,342,502</u>	<u>26,508,647</u>
Operating income (loss)	<u>(40,402)</u>	<u>24,084</u>	<u>36,572</u>	<u>68,442</u>	<u>4,793,066</u>	<u>4,881,762</u>
NONOPERATING REVENUES (EXPENSES)						
Federal grants	-	-	-	-	36,405,855	36,405,855
Federal grants-principal forgiveness	-	-	-	-	(11,392,472)	(11,392,472)
Loss on investments	-	-	-	-	245,226	245,226
Investment income	-	-	-	-	25,110	25,110
Interest income-invested cash balances	-	-	-	-	1,767,150	1,767,150
Net nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,050,869</u>	<u>27,050,869</u>
Income (loss) before transfers	(40,402)	24,084	36,572	68,442	31,843,935	31,932,631
Transfers in - Oklahoma Water Resources Board	-	-	-	-	10,000,000	10,000,000
Transfers in - Drinking Water Treatment Loan Admin Fund	-	-	-	-	6,681,400	6,681,400
Total Transfers	-	-	-	-	16,681,400	16,681,400
Increase (decrease) in net position	(40,402)	24,084	36,572	68,442	48,525,335	48,614,031
NET POSITION						
Net position, beginning of year	<u>(5,104)</u>	<u>(70,978)</u>	<u>(60,174)</u>	<u>(86,356)</u>	<u>379,230,596</u>	<u>379,007,984</u>
Net position, end of year	<u>\$ (45,506)</u>	<u>\$ (46,894)</u>	<u>\$ (23,602)</u>	<u>\$ (17,914)</u>	<u>\$ 427,755,931</u>	<u>\$ 427,622,015</u>

See accompanying notes to the financial statements

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

STATEMENTS OF CASH FLOWS - BY PROGRAM COMPONENT
For the Year Ended June 30, 2025

	Set Aside Funds					
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Federal grant receipts	\$ 655,875	\$ 910,664	\$ 727,784	\$ 1,596,889	\$ -	\$ 3,891,212
Collection of interest on loans to local governmental units	-	-	-	-	20,005,409	20,005,409
Payments to employees	(496,789)	(641,629)	(252,775)	(1,412,445)	-	(2,803,638)
Payments to suppliers	(159,086)	126,392	(475,009)	(184,444)	-	(692,147)
Interest paid on debt	-	-	-	-	(23,389,523)	(23,389,523)
Other income	-	-	-	-	5,400,000	5,400,000
Net cash provided (used by) operating activities	-	395,427	-	-	2,015,886	2,411,313
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from bond issuance	-	-	-	-	169,682,606	169,682,606
Bond Issuance Cost	-	-	-	-	(893,614)	(893,614)
Principal paid on bonds	-	-	-	-	(22,715,000)	(22,715,000)
Federal grant receipts	-	-	-	-	25,013,383	25,013,383
Transfers in (out) - Oklahoma Water Resources Board	-	-	-	-	10,000,000	10,000,000
Transfers in (out) - Drinking Water Treatment Loan Administrative Fund	-	-	-	-	6,681,400	6,681,400
Net cash provided (used) by noncapital financing activities	-	-	-	-	187,768,775	187,768,775
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of equipment	-	(395,427)	-	-	-	(395,427)
Net cash provided (used) in capital and related financing activities	-	(395,427)	-	-	-	(395,427)
CASH FLOWS FROM INVESTING ACTIVITIES						
Loans to local governmental units	-	-	-	-	(192,724,292)	(192,724,292)
Collection of principal on loans to local governmental units	-	-	-	-	41,144,416	41,144,416
Collection of principal on loans to local governmental units from federal grant proceeds	-	-	-	-	11,392,472	11,392,472
Interest on investments	-	-	-	-	25,110	25,110
Interest on invested cash balances	-	-	-	-	2,118,291	2,118,291
Sale (Purchase) of investments	-	-	-	-	8,461,018	8,461,018
Net cash provided (used) by investing activities	-	-	-	-	(129,582,985)	(129,582,985)
Net increase (decrease in cash)	-	-	-	-	60,201,676	60,201,676
Cash and cash equivalents, beginning of year	-	-	-	-	121,366,187	121,366,187
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ -	\$ 181,567,863	\$ 181,567,863
Reconciliation to Statement of Net Position:						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 147,807,905	\$ 147,807,905
Restricted Cash	-	-	-	-	33,759,958	33,759,958
Total cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 181,567,863	\$ 181,567,863
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (40,402)	\$ 24,084	\$ 36,572	\$ 44,036	\$ 4,793,066	\$ 4,857,356
Adjustment to reconcile net operating income (loss) to net cash provided by operating activities:						
Depreciation	-	298,842	-	-	-	298,842
Amortization of bond premium	-	-	-	-	(2,828,319)	(2,828,319)
Amortization of gain from refunding	-	-	-	-	(325,912)	(325,912)
Debt issuance cost	-	-	-	-	893,614	893,614
Changes in operating assets and liabilities:						
Decrease (Increase) in letter of credit payments receivable	(40,431)	(120,669)	-	(1,202,529)	-	(1,363,629)
Decrease (Increase) in interest receivable	-	-	-	-	(1,109,773)	(1,109,773)
Increase (Decrease) in accounts payable	241	(239,346)	(36,369)	120,516	-	(154,958)
Increase (Decrease) in letter of credit payments payable	-	-	(71,748)	-	-	(71,748)
Increase(Decrease) in due to/from DEQ	48,985	466,504	116,734	1,069,207	-	1,701,430
Increase(Decrease) in compensated absences	31,607	(33,988)	(45,189)	(31,230)	-	(78,800)
Increase(Decrease) in accrued liabilities	-	-	-	-	746,644	746,644
Increase(Decrease) in interest payable	-	-	-	-	(153,434)	(153,434)
Net cash provided (used) by operating activities	\$ -	\$ 395,427	\$ -	\$ -	\$ 2,015,886	\$ 2,411,313

See accompanying notes to the financial statements

Attachment 6

Capacity Development Annual Report for SFY 2025



CAPACITY DEVELOPMENT PROGRAM ANNUAL REPORT

Oklahoma Dept. of Environmental Quality

State Fiscal Year 2025



OKLAHOMA
Environmental
Quality

Lisa Stewart
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INTRODUCTION

With the Safe Drinking Water Act (SDWA) Amendments of 1996, Congress put in place a variety of initiatives designed to assist public water supply (PWS) systems in providing safe drinking water and complying with the terms of the Act. One of these was the capacity development (CD) initiative, established with the intent of focusing on those systems most in need of assistance, primarily small systems serving populations of 3,300 or less. CD is the process by which the State of Oklahoma assures that drinking water systems acquire and maintain the *technical, managerial, and financial* (TMF) capabilities to successfully operate.

All states are currently implementing state-specific CD programs tailored to meet water system needs. As required in Section 1420 of the Safe Drinking Water Act Amendments of 1996, the Oklahoma Department of Environmental Quality (DEQ) must submit an annual report of CD activities to the United States Environmental Protection Agency (EPA). This report reflects the efficacy of the State's CD Strategy by detailing improvements in the TMF capabilities of the State's PWS systems. The annual CD progress report is available on DEQ's website, at <https://www.deq.ok.gov/water-quality-division/public-water-supply/capacity-development/>.

Program Evaluation

DEQ routinely reviews both new and existing systems for compliance through established programs, including Public Water Supply Sanitary Surveys, Compliance Monitoring, and Operator Training and Certification which are further described in this report. The summary of Oklahoma's strategy to Section 1420(a) of the SDWA are accessible at <G:\USER\SHARE\CAP-D\TEAMDOCS\Capsumry\Nwsysfin.PDF>.

ENFORCEMENT AND COMPLIANCE MECHANISMS

DEQ's CD program relies on the success of its enforcement and compliance programs. These two programs are partially funded through the Drinking Water State Revolving Fund (DWSRF) 10% State Program Management Set-Aside and 15% Local Assistance and Other State Programs Set-Aside. Funding information is detailed in DEQ's *Final Intended Use Plan, Drinking Water State Revolving Fund State Fiscal Year 2025*. Note that Oklahoma's state fiscal year is from July 1 to June 30.

DEQ maintains a strong enforcement program. Systems with violations of SDWA requirements or with state PWS rule violations are referred to DEQ enforcement staff for analysis of the causes behind the violations and for correction. When it is determined that enforcement is needed, there are three main legal tools available to the agency to bring about compliance: Notices of Violation, Consent Orders, and Administrative Compliance Orders. Boil Orders, while not official enforcement actions, also play a role in protecting public health.

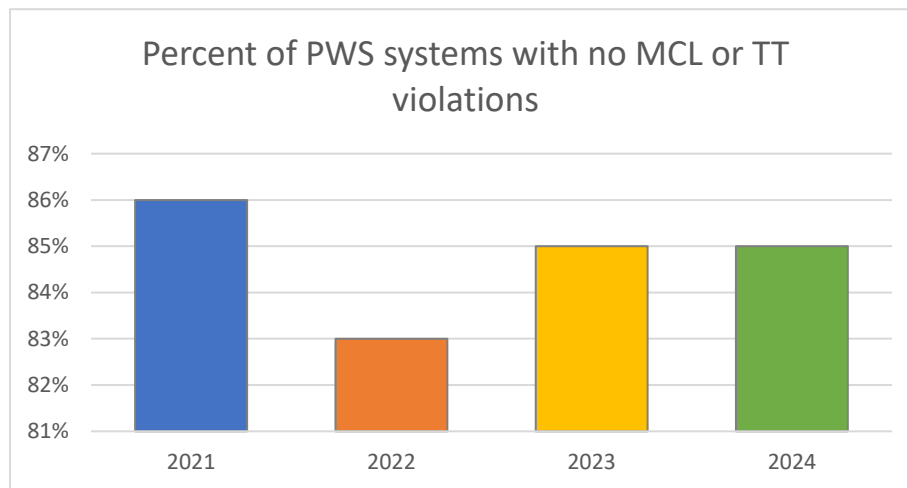
A **Notice of Violation** (NOV) is the first formal enforcement document issued to facilities upon failure to comply with SDWA or state PWS rules or regulations. NOV's address matters such as maximum contaminant level (MCL) violations, monitoring failures, improper operating procedures, or construction deficiencies. NOV's have short deadlines for compliance, typically between fourteen (14) and thirty (30) days from the date the PWS system receives the document.

If it is determined that a system is not likely to regain compliance by a NOV's deadline, a DEQ PWS District Engineer (DE) prepares a **Consent Order** (CO). A CO is a mutual agreement between DEQ and the affected system that cites the system's responsibilities, establishes a longer deadline for returning to compliance (with milestones and deadlines for major steps towards compliance), and specifies fines that may be levied against the system because of non-compliance.

An **Administrative Compliance Order (ACO)** is issued when time is limited and there is a significant health hazard, or when a PWS system refuses to agree to the terms of a CO. In an ACO, DEQ determines what tasks need to be completed and sets deadlines for the completion of these tasks. Both the CO and the ACO include stipulated penalties for failing to meet the required deadlines.

Boil Orders, while not enforcement actions themselves, are an additional tool used by DEQ to protect public health. These orders are issued to systems that have acute health risks or *E. coli* bacteriological violations. Boil Orders require immediate notification be made to all consumers informing them of how to protect themselves.

EPA sets national limits on contaminant levels in drinking water to ensure that the water is safe for human consumption; these limits are known as maximum contaminant levels (MCL). For some regulations, EPA establishes treatment techniques (TT) in lieu of a MCL to control unacceptable levels of contaminants. **The figure below** shows the yearly trend in the percentage of systems in Oklahoma reporting no MCL or TT violations.



In calendar year 2024, DEQ issued 2,747 enforcement actions, which consisted of:

- 2,303 informal enforcement letters;
- 432 NOVs and COs;
- 0 Administrative Compliance Orders; and
- 12 Boil Orders.

A total of 2,528 systems were returned to compliance during calendar year 2024 (some systems returned to compliance more than once).

The State of Oklahoma's Public Water Supply Program currently oversees 1,267 PWS systems that meet the federal definition of a PWS. The total number of violations for the calendar year of 2024 was 12,595 (some PWS systems may be counted more than once if they incurred multiple violations). Of the total number of PWS systems 1,077 (85%) reported no maximum contaminant level (MCL) violations and 576 (45%) incurred a violation at some point during the calendar year of 2024. **Appendix A** shows the count of violations by the number of PWS systems.

ETT IMPLEMENTATION

At the direction of EPA, DEQ implemented an Enforcement Response Policy and Enforcement Targeting Tool (ETT) aimed to identify PWS systems with health-based violations as opposed to the previous approach, where all the significant non-compliance (SNC) systems were treated equally regardless of the severity of the violation.

This approach utilizes the ETT formula as a basis for determining a PWS system's enforcement priority points. It will also be used to help identify and prioritize systems for enforcement response. In the formula, violations that pose a greater risk to public health are given greater importance. The formula calculates a score for each system based on open-ended violations and violations that have occurred over the past five years but does not include violations that have returned to compliance or are on the "path to compliance" through a specified enforcement action.

Under this policy, violation types are "weighted" with points being assigned for each violation type based on its threat to public health. Points for each "unaddressed" violation are added together to provide total score for each PWS system. PWS systems whose scores exceed "11" are considered priority systems for enforcement unless the violations can be returned to compliance within six months.

The Capacity Development Section and the PWS Compliance Section track new community (C), and Non-transient Non-community (NTNC) systems that appear on the ETT list during their first three years of operation, providing them with technical assistance aimed at getting them back into compliance.

Between July 1, 2022, and June 30, 2025, the following C and NTNC systems became active PWS systems:

PWS ID Number	PWS Name	Activation Date	PWS Type	ETT Enforcement Priority
OK5001437	Freedom Farms	2/2/2023	NTNC	No
OK1021778	Canoe Mountain Water System	3/20/2023	C	Yes
OK2002056	Traverse Wind Energy, LLC	7/25/2023	NTNC	No
OK3000911	Gordon's Hollow HOA	7/6/2024	C	No
OK3004713	McClain County RW & SD #9	5/8/2025	C	No

ETT scores for PWS systems are available at <https://echo.epa.gov/>.

CAPACITY DEVELOPMENT PROGRAM

The Capacity Development Section (CDS) implements the CD strategy in Oklahoma. The CDS is responsible for fostering the relationship among the various DEQ drinking water programs, between DEQ, and other state agencies and organizations that are involved with supporting and assisting PWS systems. The CDS coordinates with the Oklahoma Water Resources Board (OWRB), Oklahoma Rural Water Association (ORWA), Communities Unlimited (CU), Southwest Environmental Finance Center (SWEFC), Oklahoma Municipal League (OML), and other agencies and organizations that provide TMF training and assistance to PWS systems. This ensures that open lines of communication exist between the entities and promotes cooperative and complementary efforts towards achieving water system sustainability. The overall goal is maintaining coordinated efforts towards increasing PWS TMF capabilities. **The table below** lists the tools currently in use in Oklahoma to assess and enhance TMF capabilities.

Oklahoma's Capacity Development Tools

<i>Tool</i>	<i>Technical</i>	<i>Managerial</i>	<i>Financial</i>
Construction Permitting	X		
PWS Enforcement	X	X	
Operator Certification	X	X	
Source Water Protection Plan	X	X	
Area Wide Optimization Program	X	X	X
Drinking Water State Revolving Fund	X	X	X
CD TMF Assessments	X	X	X
Sanitary Surveys	X		
Asset Management Training	X	X	X
Regionalization	X	X	X
FACT		X	X
Rate Studies			X
Water Loss Auditing	X	X	X

WATER QUALITY EFFORTS AND PARTICIPATION

Regionalization and Consolidation

DEQ continued efforts to identify new and existing PWS systems that may benefit from **regionalization and/or consolidation** into larger PWS systems in State FY25. Systems were considered for regionalization/consolidation that:

- Have source water capacity limitations (drought),
- Are undergoing DEQ enforcement proceedings,
- Are considering giving away, selling, or abandoning the system, or
- Have expressed interest in regionalization or consolidation.

Creating combined distribution systems can enhance public health by providing all systems in the combined system with water that is more thoroughly tested and often more plentiful and reliable than they were able to produce on their own. During State FY25, DEQ DWSRF was able to fund one project, Midwest City PWS, for consolidation. The project included connecting 32 houses to the Midwest City Public Water Supply that were served by the Starview Public Water Supply and disconnecting its existing groundwater well.

Funding Agency Coordinating Team

The Funding Agency Coordinating Team (FACT), hosted by ORWA, is comprised of the following state and federal agencies and organizations:

- Oklahoma Department of Environmental Quality;
- Oklahoma Department of Commerce;
- Oklahoma Water Resources Board;
- Indian Health Service;
- U.S. Department of Agriculture – Rural Development;
- Oklahoma Association of Regional Councils;
- Communities Unlimited;

- Environmental Protection Agency;
- Bureau of Reclamation;
- Cherokee Nation; and
- Chickasaw Nation.

FACT meets quarterly to discuss the status of Oklahoma community water supplies identified in DEQ's enforcement list and to coordinate water and wastewater project funding. Before each meeting, invitations are extended to a few water and/or wastewater systems from across the state that are contending with severe problems and have the greatest *financial* need. Guests are invited for the purpose of helping them identify the best source of project funding as efficiently and effectively as possible.

With most public financing agencies present at FACT, communication barriers are reduced and application processes are streamlined, resulting in rapid assistance. FACT provides a single uniform method for requesting funding and regulatory approvals, and it offers guides, checklists, and forms that are accepted by all FACT-participating agencies. DEQ has been a member of FACT since its inception in the early 1990s and has been instrumental in crafting an organization that helps to correct some of Oklahoma's most difficult to solve PWS issues. The CDS is an important member of FACT and serves by offering TMF assistance to invited systems.

The assistance provided by FACT has been universally praised by invited PWS systems, which provide feedback by voluntarily completing a brief survey immediately following the FACT meeting and a follow-up survey a few months later. Survey responses are used to fine-tune the assistance provided by FACT and help plan the direction of subsequent FACT meetings.

WATER QUALITY PROGRAMS

Construction Permitting Program

The Construction Permitting Program assures technical adequacy by reviewing PWS system engineering reports as well as construction plans and specifications. This technical review helps determine the sufficiency of the source water and the water system infrastructure.

PWS Enforcement Program

The PWS Enforcement Program helps assure the technical capabilities of PWS systems by providing technical assistance and training to water systems on operations, maintenance, regulations, security, and more. Managerial capabilities are also addressed by providing training to water system managers.

Operator Certification Program

The Operator Certification Program is charged with training and licensing persons working in water and wastewater facilities in the State. Programmatic oversight helps to ensure that operators have adequate *technical* training to properly treat and monitor drinking water supplied to the public. Also, with oversight from DEQ Operator Certification section, ORWA provides study material and training for operators for all classifications of water facilities as well as *managerial* training for system managers and board members.

During State FY25, 1,365 Water Operator and 193 Water Laboratory individual examinations were administered by DEQ Partners. Overall, 1,220 individuals passed the water operator exam while 171 individuals passed the water laboratory exam. Also, during State FY25, 15 NOVs were issued to PWS systems for not having an appropriately licensed operator. If operator license issues arise, DEQ makes these systems aware of training and

testing opportunities that are available to them at little or no charge so that the PWS system is easily able to quickly rectify the issue.

In addition to the training offered by ORWA, training is available in classroom settings (taught by DEQ and other certified instructors/agencies) and via the internet several times during the year. Online classes for operators and other environmental professionals are available at any place with an internet connection.

Area-Wide Optimization Program (AWOP)

The Area-Wide Optimization Program (AWOP) was first piloted in April 1999 in Oklahoma by EPA Region 6. This program started as a multi-state effort to optimize particle removal and disinfection capabilities of filtration at conventional water treatment plants. AWOP is now a voluntary approach to improve drinking water quality beyond compliance levels to enhance public health protection, and it is no longer limited to only conventional water treatment plants. Following the AWOP model is one of the most cost-effective and economical ways a PWS can improve their ability to produce safe drinking water, as it is focused on enhancing process monitoring and control using the existing staff and facilities.

In State FY25, Oklahoma DEQ participated in all quarterly meetings, conducted workshops, and attended multi-state CPEs. One of the workshops conducted by the Oklahoma DEQ AWOP team was a turbidity and data integrity workshop at a small PWS system. More workshops and voluntary CPEs are planned to occur in State FY26.

To date, the Oklahoma DEQ AWOP Team conducted 25 optimization and seven mandatory CPEs of water systems within the state. These serve to assist communities and system personnel in understanding the intricacies of water treatment. Within 60 days following the CPE, the system receives a report from DEQ that outlines the factors that may influence treatment optimizations. In addition, the AWOP team provided technical assistance in the form of workshops on optimization of different treatment factors at multiple PWS systems.

Oklahoma DEQ also has an AWOP Awards Program. In this program, PWS systems sign up to participate and have the chance to earn points by achieving different optimization goals throughout the year. Awards are given based on a tiered ranking list, and PWS systems are recognized with plaques, trophies, signs, flags, and more.

Internally, the Oklahoma DEQ AWOP Team has grown to include six team leads that head each facet of AWOP in Oklahoma, as well as other active members from various sections within the PWS Group.

Drinking Water State Revolving Fund (DWSRF) Loan Program

The Drinking Water State Revolving Fund (DWSRF) Loan Program in the state of Oklahoma is co-managed by DEQ and OWRB and is dedicated to providing low-interest loans to upgrade PWS infrastructure. The program is designed to help those in greatest need based on a priority system that places a primary emphasis on drinking water quality compliance. DWSRF applicants are assisted throughout the planning, design, bidding, contracting, and construction phases of the project by DEQ engineers and environmental specialists. Borrowers also receive TMF capacity assistance from the CDS. This assistance includes a capacity development assessment to determine the needs of the system and further technical assistance to develop any capacities that are deemed necessary for receiving DWSRF funding. Applications for the DWSRF program are accepted anytime throughout the year.

Currently, 124 water systems are on the DWSRF PPL for a total of over \$836,209,079.00 in projects to be funded within the next few years. From 1998 to the present, the program has entered into binding commitments totaling over \$2,417,185,242.00 to fund a total of 306 PWS upgrades. In addition to funding infrastructure improvements,

the program funds CDS technical assistance, lab equipment in the State Environmental Lab, the Source Water Protection program, water loss auditing and leak detection programs, and the PWS Supervision Program.

Under the Base grant, DWSRF provided subsidies in the form of principal forgiveness to public water supplies that serve disadvantaged communities or that have health-based violations. The total amount of subsidies given was determined by the FY24 Capitalization Grant and the FY22 Capitalization Grant. For State FY25, DWSRF committed \$812,880.00 in disadvantaged subsidy to six systems under the FY24 Capitalization Grant, and \$219,000.00 in health-based subsidy to one system under the FY22 Capitalization Grant.

DWSRF also provided subsidies in the form of principal forgiveness to public water supplies under the FY24 Infrastructure and Investment Jobs Act (IIJA) grants for disadvantaged communities. The total amount of subsidies committed for IIJA General Supplemental projects was \$9,084,860.00 to 12 water systems.

During State FY25, under the IIJA Lead Service Line Inventory (LSLI) Grant, one water system received \$1,250,000.00. Zero subsidy was committed during State FY25 from the Emerging Contaminants (EC) funding.

PWS Sanitary Survey Program

The PWS Sanitary Survey Program is implemented by DEQ, in cooperation with EPA Region 6. In the course of conducting inspections, field staff from the Environmental Complaints and Local Services (ECLS) Division of DEQ and the WQD provide technical assistance to PWS system personnel in resolving compliance issues. Across the state, ECLS staff members inspect all water systems annually. In State FY25, 441 sanitary surveys were conducted by ECLS and WQD staff. Also, in State FY25, 1,172 primacy and non-primacy site inspections were completed by ECLS.

PWS Quarterly Newsletter

The PWS Quarterly Newsletter started in January 2024. Four installations are sent out each year, one at the start of each quarter. Creation of the newsletter is headed by the Capacity Development Section (CDS) with input from other sections within the PWS Group. The newsletter is sent to all PWS systems in the state and consists of topics that keep systems up to date on new and updated rules and regulations. It also provides links to resources that can assist systems with maintaining drinking water quality and highlights upcoming training and events conducted by various state and federal agencies within Oklahoma. Anyone can sign up for the newsletter by visiting the PWS website. The image to the right is a snapshot of the first page of the most recent newsletter, issued July 1, 2025.



CHALLENGES TO OKLAHOMA'S CAPACITY DEVELOPMENT STRATEGY

Mile for mile, Oklahoma offers the nation's most diverse terrain. It is one of only four states with more than ten ecoregions and has by far the most changes in ecoregions per mile in America. Oklahoma's ecoregions, terrains, and sub-climates include everything from Rocky Mountain foothills to cypress swamps, from tallgrass prairies to hardwood forests, and pine-covered mountains. Each is graced with wide blue lakes, tumbling freshwater rivers, and peaceful country streams. Additionally, there is one man-made type of terrain: urban turf. This variety of ecoregions creates source waters with a correspondingly wide range of quality and conditions. This variability in source water quality creates a corresponding variety of treatment challenges for PWS systems.

CAPACITY DEVELOPMENT SECTION PROGRAMS

Water Loss Auditing and Control

Since 2015, DEQ has worked to standardize and promote water loss auditing across the state by the use of the M36 Water Loss Audit Method developed by the American Water Works Association (AWWA). The program has had continuous success tracking and identifying sources of loss and non-revenue water across the state using this scientifically sound, repeatable, and comparable method.

The **figure below** summarizes the volumes of water use and loss identified from the 366 water loss audits completed across the state since 2015.

Summary Water Balance

Volume from Own Sources 106.62 BG/Yr	Water Sold as Exports 14.41 BG/Yr	Authorized Consumption 85.94 BG/Yr	Billed Authorized Consumption 81.80 BG/Yr	Billed Metered Consumption 81.75 BG/Yr	Revenue Water \$81.80 Billion/Yr
				Billed Unmetered Consumption 49.72 MG/Yr	
	Water Supplied 109.03 BG/Yr		Unbilled Authorized 4.14 BG/Yr	Unbilled Metered Consumption 2.35 BG/Yr	Non-Revenue Water \$27.60 Billion/Yr
				Unbilled Unmetered Consumption 1.79 BG/Yr	
		Water Losses 23.45 BG/Yr	Apparent Losses 2.38 BG/Yr	Unauthorized Consumption 290.61 MG/Yr	
Customer Metering Inaccuracies 1.92 BG/Yr					
Water purchased as Imports 14.89 BG/Yr			Real Losses 21.07 BG/Yr	Systematic Data Handling Errors 222.53 MG/Yr	
			Water Main Leaks, etc. 21.07 BG/Yr		

Apparent Losses

Apparent loss is water lost due to customer meter inaccuracies, billing system data errors, and/or unauthorized consumption. It is water that could have been sold and contributes to revenue loss, distorted production data, and misleading consumption statistics. The average amount of apparent loss per audited system is 3%.

Annually, apparent losses account for a smaller percentage of total water loss than real losses; however, apparent losses still represent a significant loss of revenue to most systems participating in the audit, costing on average \$42,420.05 per year per audited system and \$1,311,564.00 per year in all systems audited in State FY25. Apparent loss figures are summarized in the table, **below**:

Apparent Loss	Average	Total FY2025
Annual Apparent Loss identified:	6.53 MG/Yr.	270.56 MG/Yr.
Annual Cost of Apparent Loss:	\$42,420/Yr.	\$1,311,564/Yr.
Unauthorized Consumption:	0.80 MG/Yr.	23.92 MG/Yr.
Customer Metering Inaccuracies:	5.91 MG/Yr.	220.94 MG/Yr.
Systematic Data Handling Errors:	0.63 MG/Yr.	32.54 MG/Yr.

Real Losses

Real loss is defined as water that escapes the water distribution system through leakage, breaks, hydrants, and storage overflows. This loss is water that is treated but is never delivered to customers and results in increased operational costs and stress on source water supplies. Overall, the average amount of real water loss per system is 30% and is the largest category of water loss observed from the audited systems, costing on average \$83,891.68 per year per audited system. This totals \$4,034,727.00 million in identified annual loss of systems audited in FY25. Real loss figures are summarized in **the table below**:

Real Loss	Average	Total FY2025
Current Annual Real Losses:	57.57 MG/Yr.	2.88 BG/Yr.
Annual Cost of Real Loss:	\$83,892/Yr.	\$4,034,727/Yr.

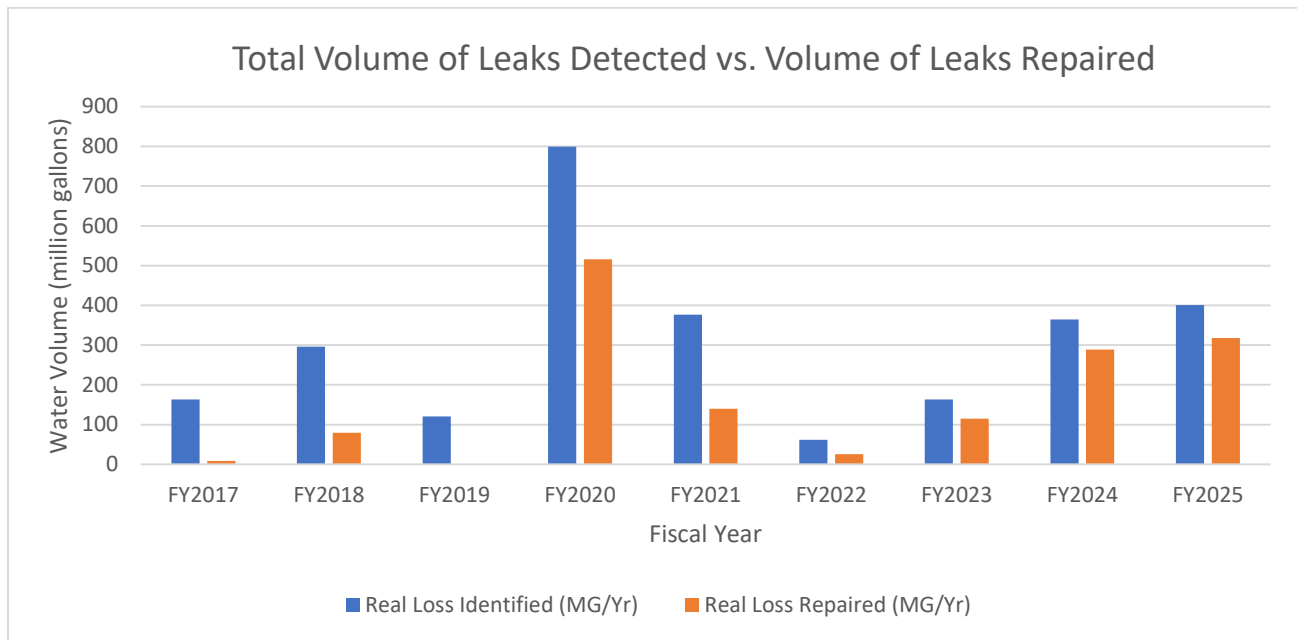
Leak Detection, Meter Analysis, and Loss Correction

Conducting water loss auditing with the AWWA M36 method has improved understanding of real and apparent losses at participating systems; however, this is only the first step towards the ultimate goals of reducing water loss and retaining system revenue.

The next step, intervention, takes the results gained from the water loss audit and uses it to guide efforts to find the specific sources of water loss and to implement solutions. This section summarizes the efforts of the technical assistance program performed by DEQ and ORWA which focused on conducting leak detection and meter analysis at PWS systems where an AWWA M36 water loss audit indicated that significant problems with real and/or apparent loss may exist. **The table below** shows data from State FY25 and the total statistics from the nine-year history of this program.

Leak Detection	Total	FY2025
# of systems who received leak detection help	83	14
Total # leaks detected	481	50
Real Loss Identified (MG/Yr.)	2,747	401.03
Value of Real Loss (\$/Yr.)	\$29,198,468	\$8,106,991
Total # leaks repaired during detection	144	23
Real Loss Repaired (MG/Yr.)	1,491	317.5
Value of Real Loss Repaired (\$/Yr.)	\$17,710,400	\$7,804,311

The **figure below** depicts gallons per year of leaks detected and repaired.



The amount of revenue saved has shown a real, immediate, and positive impact. Program participants have reported increased financial capacity, continued loss reduction, and better operational knowledge gained through their leak detection experiences with ORWA.

Going forward, DEQ will continue to build on the success of the water loss auditing and control program by performing additional water loss audits at PWS systems that request help and by continuing to contract with ORWA to conduct leak detection and meter analysis technical assistance.

Capacity Development Assessment

Introduction

In 2017, DEQ began work on a project to assess the TMF capacity of small municipal PWS systems and rural water districts in Oklahoma. Named the “Capacity Development Baseline Assessment”, the project was designed to develop a clear concept of state-wide TMF needs, determine which systems are most in need of help, and delineate the unique set of needs faced by each system.

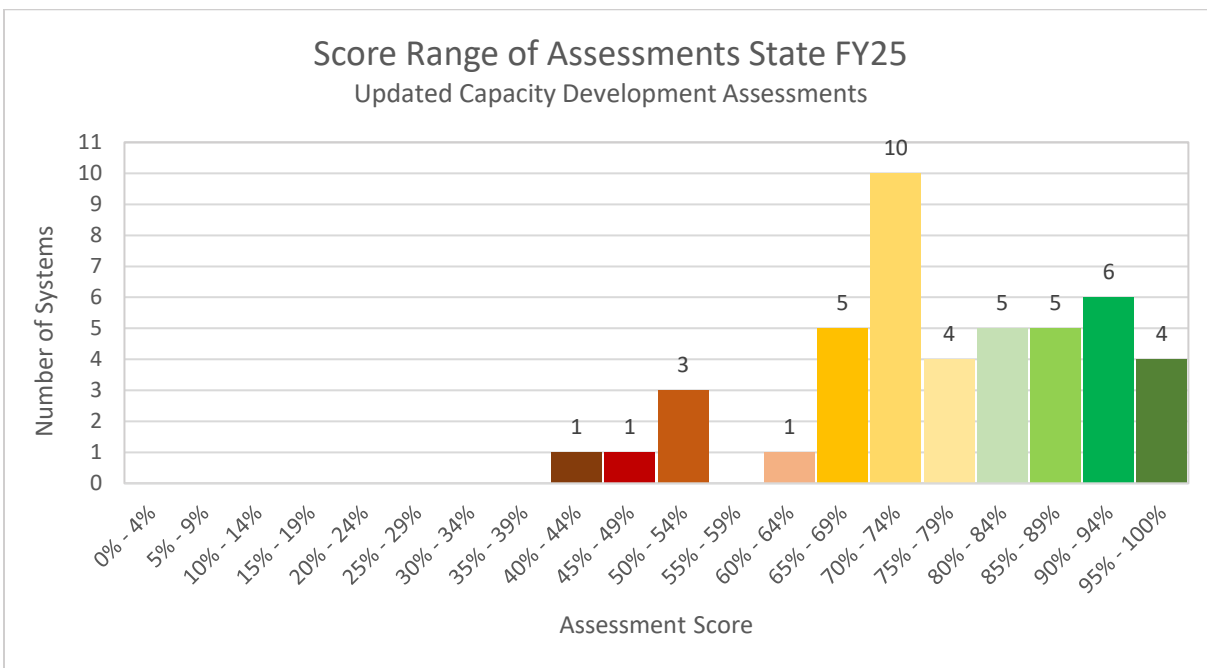
The capacity development baseline assessments were conducted between 2017 to 2020 at all municipal PWS systems and rural water districts in Oklahoma serving 10,000 or fewer individuals. From 2021 through the end of 2023, capacity development assessments continued to be completed in order to establish initial assessment ratings for systems that may have been missed in the baseline assessment. In addition, emphasis was placed on completing follow-up assessments with already completed systems to see if and how their score had changed. During State FY24, the CDS finalized major improvements to the assessment that have made it easier to complete, understand, and synthesize. The updated assessment was implemented in January 2024.

Results

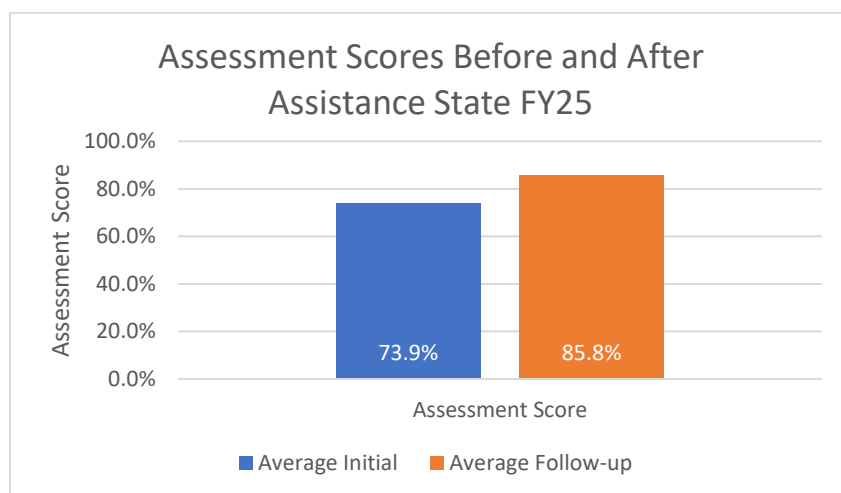
The results of the capacity development assessments have allowed DEQ to identify trends and correlations regarding the status of public PWS systems’ TMF capacities. The data provided significant insights such as the

average assessment score of systems across the state as well as what the greatest issues are that affect a significant proportion of Oklahoma PWS systems. A total of 1,229 original assessments were completed from the program's inception up until December of 2023, while 68 new assessments have been completed since January of 2024.

During State FY25, 45 assessments were conducted. The results of these assessments indicate that, on average, PWS systems have 77.60% of the necessary TMF capacity to achieve sustainability. This means assessed systems are missing on average, 22.40% of the items, procedures, policies, and resources needed to become sustainable. The **figure below** represents the distribution in which systems scored on their assessments during this period.



In order to evaluate the effectiveness of technical assistance (TA) provided to systems, DEQ conducts an initial assessment with a water system before providing TA and then follows up with another assessment to see how much their score improved as a result of TA. Of the 45 assessments completed in State FY25, 31 were initial assessments while 14 were follow-ups. As represented in the **figure below**, the average score of initial assessments was 73.9% while the average for follow-ups was 85.8%. This reflects positively on the effectiveness of the CDS's TA efforts.



Understanding which capacities most systems lack aids the CDS in identifying where TA efforts need to be focused. **The table below** identifies the top five missing capacities among Oklahoma PWS systems as reported by all of the updated Capacity Development Assessments. According to the data, the most common missing capacity for PWS systems is having a written policy regarding communication. A written communication policy/plan coordinates methods to deliver information to people or entities who are important to an organization. Having a communication plan in place will ensure efficiency when dealing with emergencies specific to the water sector e.g. water outages, boil order advisories, and planned maintenance. DEQ has developed a template for such a policy and shares this template with systems who lack this capacity.

% systems without	TMF Capacity Missing	Type of Capacity
72%	System has a complete written policy regarding communication.	Technical
71%	System has a complete written meter maintenance plan.	Technical
69%	Cybersecurity: System has a written plan to prepare, act, and recover from a cybersecurity incident.	Technical
68%	Operation and Maintenance (O&M) written plan available and regularly updated, detailing all aspects of operating the water system.	Technical
68%	System conducts an energy audit on a regular basis.	Technical

It is common for systems to lack written plans, policies, and procedures. Considering this, DEQ improved and further developed its collection of templates for systems to utilize to address identified TMF deficiencies. The following templates are available for download on the DEQ Capacity Development webpage:

- Operations and Maintenance Plan
- Training and Certification Plan
- Communication Policies
- Strategic Growth Plan
- Emergency Response Plan
- Water Loss Audit Software
- Reporting and Records Policy
- Meter Maintenance Plan
- Backflow Cross-Connection Policy
- Cybersecurity Plan
- Organizational Chart
- Board Tour Memo
- Personnel Policies
- Asset Management Plan
- Meter Connections and Billing Status Policy
- Procurement Policy

Conclusions

A review of the capacity development assessments' answers yielded the following three primary conclusions:

1. Of all the Technical, Managerial, and Financial (TMF) issues surveyed, the top five limitations of Oklahoma systems are all 'technical.'

All top five limitations of Oklahoma PWS systems were found to be in the technical section of the TMF assessment. One of the most common technical capacities missing was a written Operation & Maintenance (O&M) plan. A complete and up-to-date O&M plan is crucial for PWS system sustainability. These plans should cover all aspects of system operations to ensure continuous PWS system operation in the event of an emergency or employee turnover. In addition, O&M plans are excellent tools to train new staff and to document and preserve institutional knowledge concerning system operations. PWS governing boards are encouraged to review O&M plans at least annually to become familiar with system operational challenges and to develop a knowledge base for making accurate, strategic, and informed decisions.

2. Of all the deficiencies surveyed, three out of the top five included a lack of 'written policy or plan'.

According to the TMF missing capacity table, it is common for systems to lack written plans, policies, and procedures. Most systems tend to say they have a plan, yet after more investigation, it is usually discovered to not be written down. Having every plan, procedure and audit written down is highly recommended. Without these plans written down for all system staff to view, the possibility for chaos and disorganization is inevitable. One of the main objectives for capacity development is to assist these systems with developing and implementing written plans, policies, and procedures.

3. Water operator turnover has a major impact on the sustainability of a system.

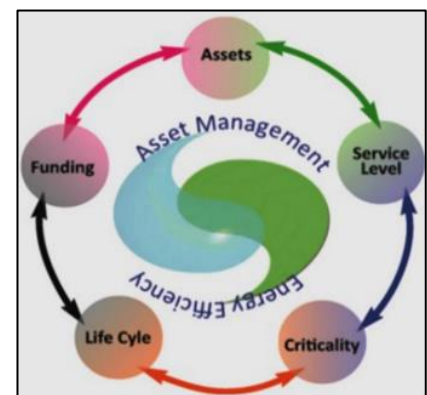
There are multiple factors that contribute to a system's capacity development score decreasing over time. One of the biggest influences is high employee turnover. Many of the small systems assessed by DEQ have one operator who has run the system for many years, often taking on many different responsibilities within their community. As those employees retire or leave their systems, the institutional knowledge carried by that employee is lost, making written plans and policies even more difficult to create.

Asset Management

Asset management (AM) is the practice of operating a PWS system so that the cost of owning and operating infrastructure capital assets is minimized while delivering the service level that satisfies customers. Termed "applied common sense" by the water industry, it is a means of operating a system that maximizes efficiencies and maintains sustainability, allowing a system to provide safe water at an affordable cost - indefinitely.

An AM plan is built around 5 core components:

- Building an asset inventory,
- Determining a target level of service,
- Determining criticality of assets,
- Calculating life cycle costing, and
- Developing a long-term funding plan.



The five core components of an asset management plan

The Capacity Development Asset Management Tool

The CDS developed an AM plan tool that is available to any Oklahoma PWS system, free of charge. The Microsoft Excel-based tool assists systems in cataloging their assets, determining the likelihood and consequence of failure, and exploring timeframes and funding options for asset replacement.

AM plans are a requirement for any PWS undergoing a project with DEQ's DWSRF section. Once completed, regular updates to the plan are strongly encouraged. AM plans are vital for making informed decisions on infrastructure acquisition, construction, operation, maintenance, renewal, replacement, expansion, and disposal. Having a plan in place that is regularly updated will minimize risk, help manage costs, and ensure the continuous delivery of safe drinking water to customers. The CDS assisted with the completion of 14 asset management plans in State FY25.

Asset Management Outreach

America's Water Infrastructure Act of 2018 (AWIA) and amendments to Section 1420 of SDWA brought about by Section 2012 of the America's Water Infrastructure Act (AWIA), required that states amend their capacity development strategies to include a description of how the state will encourage the development of AM plans at PWS systems. The state's strategy focuses on providing training seminars, one-on-one assistance, and providing for third-party AM plan development via technical assistance contracts. The CDS increased efforts toward promoting and supporting the implementation of AM plans at the state's PWS systems. To further support AM training, DEQ included a presentation geared towards operators in the 10 Operator Renewal Trainings held across the state in State FY25.

Source Water Protection Program

As of State FY25, DEQ's Source Water Protection (SWP) Program finished the redevelopment of the Source Water Assessment and further developed SWP resources and a SWP Action Plan template for PWS systems to create a more comprehensive plan to understanding and protecting their source waters. During this period, DEQ successfully completed its first pilot assessment with the City of Antlers. Updates to this plan were developed following EPA's Source Water Assessment and Protection Programs Guidance. The SWP Assessment includes the following components:

- Delineation of the Source Water Protection Area(s)
- Inventory of the Potential Sources of Contamination (PSOC)
- Assessment of the sensitivity of the source(s)
- Determination of the susceptibility of each source

This re-development included alterations to the original methods of the assessment process. These changes include swapping the delineation method for groundwater sources to now be determined via a calculated fixed radius, switching to a more robust and extensive delineation method for surface water sources, applying a new inventory process, and introducing new calculations and score ranges for vulnerability, sensitivity, and susceptibility scores.

With the improved SWP Program, the process no longer ends at the assessment phase. Once the assessment is complete, a system then enters the protection phase (modeled after EPA's "Components of a Source Water Protection Program"). The SWP report has been modified into a more comprehensive document that provides systems with tailored results and resources to better implement the protection phase. Some of the additional resources include informational handouts that the CDS developed on topics such as best management practices (BMPs), funding, and green infrastructure. In addition, an action plan template has been created which serves as

an exercise for the system to consider beneficial SWP practices and projects that can be implemented at their system.

In addition to internal source water efforts, DEQ is also a member of the Oklahoma Source Water Collaborative with OWRB, OCC (Oklahoma Conservation Commission), ORWA, ODAFF (Oklahoma Department of Agriculture and Forestry), SWAWWA (Southwest Section of AWWA), USDA NRCS (United States Department of Agriculture Natural Resources Conservation Service), and the GWPC (Ground Water Protection Council). This group meets regularly to identify the source water protection needs of surface and ground water systems across the state, as well as to facilitate collaboration across the agencies involved. This past year, the collaborative worked on creating a comprehensive GIS map that houses a multitude of layers relating to the topic of Source Water Protection. The collaborative hopes to have this map be made public within the next year.

Lead Testing in Schools and Child Care Facilities in Drinking Water Grant Program

Background

Beginning in 2020, the CDS began implementation of a program aimed at reducing or eliminating lead from drinking water in public schools and public or private childcare centers. Using funding appropriated by the EPA Water Infrastructure Improvements for the Nation Act- Section 2107, the Lead Testing in Schools and Child Care Facilities Drinking Water Grant Program (LWSC) offers free testing of drinking water for lead to any Oklahoma public school or childcare facility that requests to participate. In addition to free drinking water sampling, these facilities receive direction on how to address high lead levels based on EPA's "3Ts" guidance, access to remediation funding, and follow up sampling if necessary.

Program Updates

During State FY25, DEQ hired a third-party contractor to assist with the reduction of waitlisted facilities. Partnership between the two organizations has been successful with a complete reduction of waitlisted facilities and an increase in the number of enrolled facilities from 146 to 288 through targeted outreach.

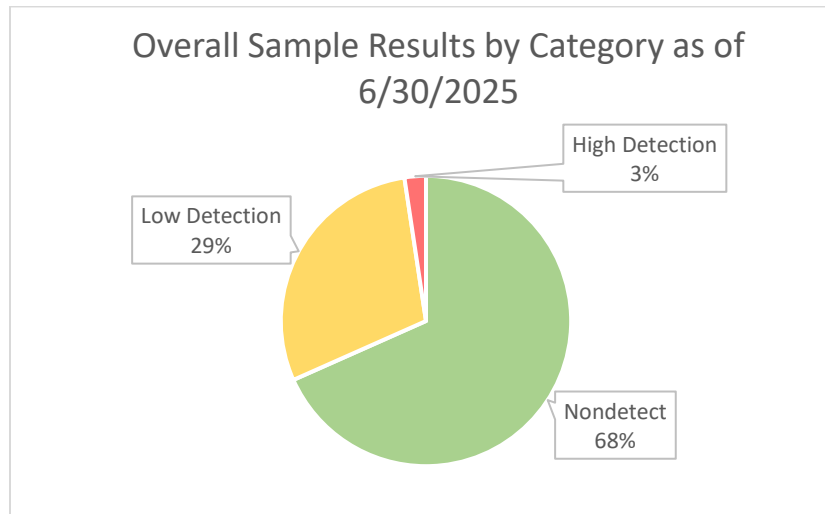
Currently, there are 4,836 eligible public schools and childcare facilities in Oklahoma. Currently, 288 facilities are involved in the program: 96 public schools and 192 childcare facilities. A total of 102 facilities completed the program. **Below** is a chart summarizing the program participants by status in the program.

Status of Facilities in Program	Number of Facilities
Waitlist (signed up for program, waiting to be sampled)	55
Inventory Complete (waiting to be sampled)	20
Remediation (sampling complete, facilities are fixing fixtures with lead detections before re-sampling)	111
Complete (done with entire program)	102

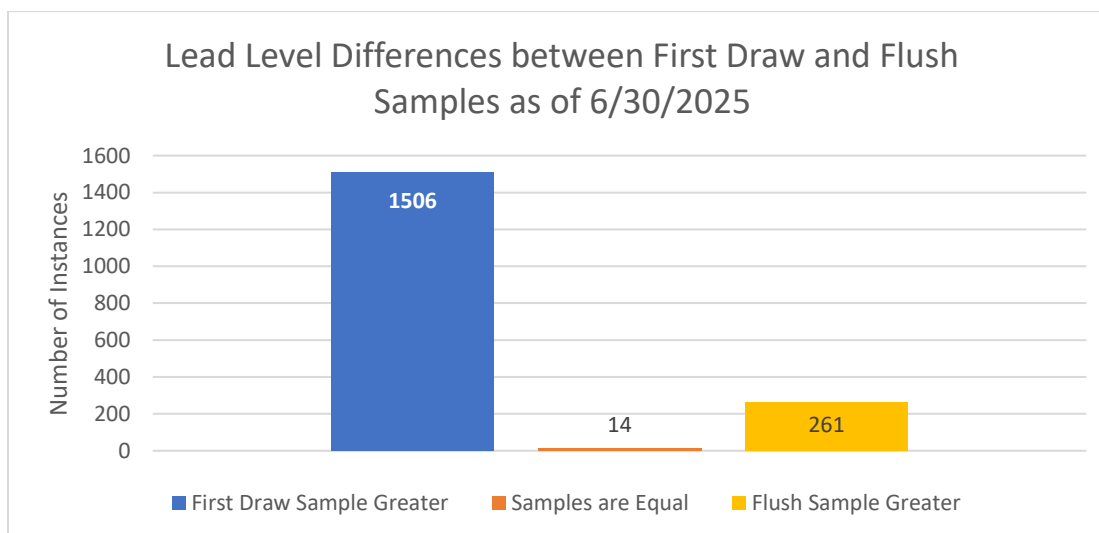
Sample Analysis

Program representatives have collected a total of 8,144 samples from school and childcare facilities across the state. These sample results are summarized **below** and categorized into three categories: non-detect, low detection, and high detection. Facilities with high detection samples (equal to or above 15.0 µg/L) are immediately contacted and instructed to remove the fixtures from service until a remediation plan is implemented.

Category	Samples	Percentage
No detectable level of lead (under 1.0 µg/L)	5,566	68.3%
Low Detection (between 1.0 and 14.9 µg/L)	2,384	29.3%
High Detection (equal to or above 15.0 µg/L)	194	2.4%



To collect accurate data and adhere with EPA's 3T's guidance program representatives take two samples at each outlet: a first draw (right from the tap) and a flush sample (taken after running the water for 30 seconds). The results of these two samples helps inform remediation decisions, if needed. The chart **below** depicts the difference in lead results from the first draw vs. "flush" (second draw) samples. Higher lead results in the first draw with lower results in the second draw, imply that the lead source could be from fixture contamination, not plumbing lines. Chart below only includes sample results with detectable levels of lead.



Expected Outcomes

Expected outcomes for the “Lead Testing in Public Schools & Childcare Facilities” project are:

- The reduction of children’s exposure to lead in drinking water.
- The increase in community knowledge on the harmful effects of lead in drinking water- and what can be done to mitigate exposure.
- Water quality improvement and lead exposure reduction in drinking water.
- Establishment of routine practices such as those outlined in the 3Ts guidance.
- Fostering sustainable partnerships at the state and local level to allow for a more efficient use of resources and the exchange of information among experts in various areas of school, childcare, utility, and health sectors.

PWS Sustainability

Adequate TMF capacity is a critical component of PWS sustainability and is required for a system to consistently provide safe drinking water to the public. Acquiring and maintaining this TMF capacity can be challenging for many PWS systems. A failure to maintain TMF capacity can lead to unsustainable, inefficient operation, and frequent or continuous violations of health-based, primary drinking water standards.

If a PWS system requests technical assistance, the CDS schedules a visit with the PWS to help with various TMF policies and plans to improve the sustainability of the PWS system. To maximize assistance throughout the state, Oklahoma DEQ contracted with ORWA to provide TMF assistance with rate analyses, financial management planning, SWP planning, and much more.

In State FY25, 184 instances of technical assistance were provided to 77 unique systems across Oklahoma, each of them receiving customized assistance based on their needs. The specific assistance that was provided in State FY25 to these systems is detailed in the table **below**.

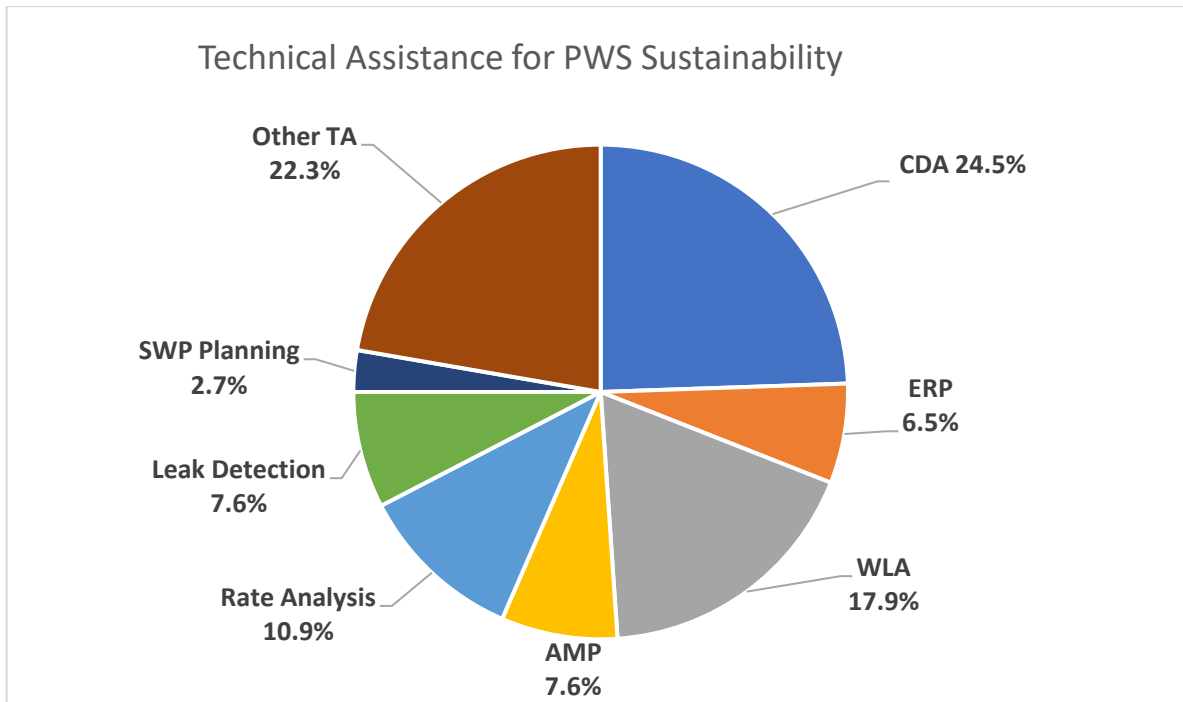
Type and Number of TMF Assistance Provided for PWS Sustainability in State FY25

TMF Assistance Type	# of Assistances Provided
Capacity Development Assessments (CDA)	45
Emergency Response Planning and Procedures (ERP)	12
Water Loss Auditing (WLA)	33
Asset Management Plans (AMP)	14
Rate Analysis	20
Leak Detection Assistance	14
Source Water Protection (SWP) Planning	5
Other Technical Assistance (TA) (Plans, Policies, and SOPs)	41
Total	184

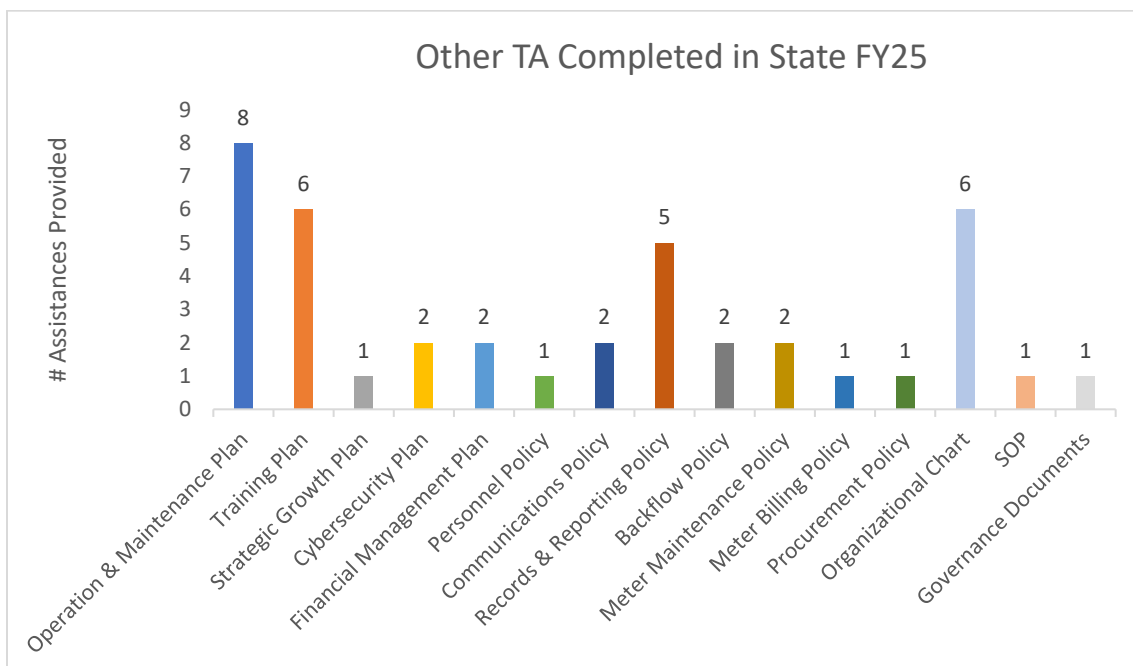
To maximize effectiveness, each participating PWS received a package of technical assistance activities focused on their individual needs. There is no maximum amount of time or effort that may be expended on an individual system: as much assistance and guidance as needed will be provided to the participating system. Participation is voluntary and is driven by the level of interest of the participating system.

The PWS technical assistance program focuses on these seven priority areas for improved resiliency and sustainability of PWS systems in Oklahoma. However, any system in Oklahoma can reach out to the CDS through their website to receive technical assistance and guidance on the creation of multiple plans and policies.

Percentage of TMF Assistance Provided for PWS Sustainability State FY25



Along with the main technical assistance outlined **above**, the CDS can aid with the completion of templates on various plans and policies related to maintaining an efficient and sustainable water system. The chart **below** displays the type and number of “Other TA” completed for State FY25.



Technical Assistance Provided to Disadvantaged Communities

Long-Range System Sustainability (LRSS) Program

Adequate TMF capacity is especially critical, but often difficult, for the success and sustainability for small (less than 10,000 in population), underserved (by having been in violation of a health-based primary drinking water standard at some point over the past five years), and disadvantaged (communities where the median household income is at 85% or less than the national median household income according to the United States Census Bureau / American Community Survey) communities. Inability to possess adequate TMF capacity can lead to health-based enforcement actions, unpreparedness during emergencies, financial issues, and more.

In State FY20, DEQ and ORWA, as members of the Oklahoma Strategic Alliance, joined forces and developed a program aimed at improving and enhancing PWS sustainability at small, underserved, and disadvantaged communities. Named the Long-Range System Sustainability (LRSS) Program, the program leads PWS systems through a series of programs and trainings, that once complete, provide a significant boost to TMF capacity and system sustainability. The LRSS program focuses on many of the issues examined by the Baseline TMF Assessment, and systems that complete the program demonstrate an improved TMF score, as well as improved efficiency, operations, and fiscal condition.

Small, Underserved and Disadvantaged Communities Grant

In addition to the LRSS Program, DEQ was awarded grant funds through the Water Infrastructure Improvements Act (WIIN) for FFY2024. DEQ plans to use this grant for infrastructure projects to achieve compliance at small, underserved, and disadvantaged communities and enable them to provide water while meeting state and federal regulations. DEQ will combine these grant funds with Drinking Water State Revolving Fund (DWSRF) principal forgiveness funding, which will allow additional oversight in the planning, design, bidding, and construction phases of the projects. DEQ plans to continue using the funds as described as long as the grant funding is available.

Emerging Contaminants-Small and Disadvantaged Communities Grant

DEQ was awarded Federal FY22 and Federal FY23 funding for the EPA Emerging Contaminants in Small and Disadvantaged Communities Grant (EC-SDC) in State FY24. DEQ is using EC-SDC funding to take a proactive approach to sampling and remediation/reduction of possible exposure in and around PWS systems that are small, disadvantaged and lack the capacity to effectively identify and treat the emerging contaminants on their own. Funding under the EC-SDC in the Safe Drinking Water Act (SDWA) section 1459A will help small and disadvantaged PWS systems across the State to sample for and implement remediation and mitigation measures for per- and polyfluoroalkyl substances (PFAS) and other emerging contaminants, including manganese.

In State FY25, DEQ partnered with the ORWA and the State Environmental Lab Services to sample all eligible PWS systems for PFAS. So far, 126 out of the 318 small and disadvantaged PWS systems were sampled under Method 537.1 v2. All eligible systems were sent letters explaining the PFAS Rule and the grant program prior to their first sampling event. The EC-SDC Grant Program will sample each eligible system up to four times for PFAS to fulfill the initial monitoring requirements and to establish a year baseline for the emergence of PFAS. Sampling will continue through State FY26 and is expected to conclude in November 2026.

So far, there have been eight instances of PFAS detection, with one system being known to need remediation. It is expected that these numbers will increase as more systems are sampled in different parts of the state and at different times of the year.

The final three years of this program will be used to implement remediation projects at the systems that are highest on the prioritization list. These projects will have an emphasis on PFAS removal, but other projects for the

removal of manganese and other emerging contaminants will be eligible for remediation funding as well. EC-SDC funds will be partnered with Drinking Water State Revolving Fund (DWSRF) principal forgiveness funding, which will allow additional oversight in the planning, design, bidding, and construction phases of the projects. DEQ anticipates receipt of funds to be used to implement remediation measures where the PFAS and other emerging contaminants levels exceed the health advisories of the EPA. In addition, DEQ will develop outreach materials to educate the public on PFAS and other emerging contaminants and their health effects and occurrence in water before, during, and after all actions pertaining to EC-SDC.

This program will result in a reduction in the number of PWS systems serving small or disadvantaged communities that have elevated levels of PFAS or other contaminants that threaten public health.

SUMMARY AND FUTURE PLANS

Enhancing the *technical, managerial, and financial* capacities of Oklahoma's PWS systems is a group effort. The continued success of DEQ CD program is dependent on the efforts of the DWSRF Section, PWS Engineering and Enforcement Section, PWS Compliance Section, Operator Certification Section, State Environmental Lab, and the various agencies that represent the FACT and OSA. This cooperative effort is very effective at promoting Capacity Development enhancement, but it can possibly be made more effective when efforts are targeted to where they are needed most.

DEQ CDS is looking forward to continue updating and implementing the SWP program, enhance AWOP Awards, complete water loss audits, assist in solutions to reduce loss, further improve water system capacity across the state of Oklahoma through technical assistance, continue improving the asset management tool, continue sampling for lead at enrolled schools and daycares, and guide the Disadvantaged Communities Program and Emerging Contaminants Program, targeting systems that need the most assistance through onsite help as well as infrastructure funding.

Long-Term expected outcomes for the Capacity Development program include:

1. A trend showing reduction in the number of PWS systems out of compliance with health-based standards.
2. A trend showing continued improvement in TMF assessment scores, especially in small, underserved, and disadvantaged communities leading to an improvement in the overall state TMF assessment score.
3. Improved understanding of current and emerging threats to water quality, safe drinking water, public health, and environmental health.
4. Reduction in real and apparent water loss at PWS systems as well as an increased understanding of types of loss and importance of data integrity.
5. A continuation in the promotion of the lead testing in drinking water in schools and daycare facilities program across the state with an expectation of increased enrollment into the program.
6. A continuation in the reduction of lead exposure from drinking water at schools and daycare facilities by assisting with remediation actions to reduce or eliminate lead.
7. Increase the number of completed and active SWP plans for a variety of PWS systems using accurate, up-to-date and easily accessible data. Perform outreach emphasizing the benefits of implementation of protecting Oklahoma's source water and information on funding opportunities.
8. Provide more funding opportunities and resources for small, underserved, and disadvantaged communities through the emerging contaminants and SUDC EPA grants.
9. Increased use and promotion of DEQ's asset management tool to improve understanding of asset criticality and enhance sustainability of PWS systems.

- 10.** Promotion of the AWOP Awards Program to increase awareness and implementation of optimization concepts.

APPENDIX A

Total Count of Violations by number of PWS Systems in 2024

Chemical Contaminant	MCLs		Treatment Technique		Significant Monitoring/Reporting	
	Number of Violations	Number of Systems with Violations	Number of Violations	Number of Systems with Violations	Number of Violations	Number of Systems with Violations
Phase II/V						
Arsenic MCL Violations	21	6				
Arsenic Monitoring Violations					6	6
IOC MCL Violations	25	1				
IOC Monitoring Violations					22	11
Nitrate & Nitrite as (N) MCL	50	23				
Nitrate Monitoring Violations					153	108
SOC MCL Violations	0	0				
SOC Monitoring Violations					8291	165
VOC MCL Violations	0	0				
VOC Monitoring Violations					1441	32
Radionuclide						
MCL Violations	21	8				
Monitoring Violations					240	20
DBPR Rule						
DBP MCL & MRDL	587	125				
Treatment Technique (TOC's)			56	23		
Monitoring Violations					596	221
Total Coliform Rule (RTCR)						
Acute MCL Violations	7	6				
TCR Monitoring Violations					633	294
Lead & Copper Rule						
Treatment Technique			0	0		
Monitoring Violations					94	69
Ground Water Rule						
Treatment Technique			0	0		
Monitoring Violations					54	44
Surface Water Rules						
Treatment Technique			49	20		
Monitoring Violations					104	19
Consumer Confidence Report						
Failure to distribute or submit					78	78
Public Notification						
Failure to notify					67	6
<u>SUBTOTALS</u>	711	175	105	43	11,779	1,073
GRAND TOTAL OF VIOLATIONS = 12,595						
ACTUAL TOTAL NUMBER OF PUBLIC WATER SYSTEMS WITH MCL VIOLATIONS = 190						
ACTUAL TOTAL COUNT OF PUBLIC WATER SYSTEMS IN VIOLATION FOR MCL, TREATMENT TECHNIQUE AND MONITORING/REPORTING ACROSS ALL RULES = 576						

REFERENCES

Oklahoma Capacity Development Strategy Document State FY25 DWSRF Intended Use Plan

2024 State of Oklahoma Public Water Supply Program Annual Compliance Report

Attachment 7

Sources and Uses of Funds Statement

SOURCES OF FUNDS*

Beginning July 1, 2024

Beginning Balance (SFY 2024 Carryover) **\$121,366,187*****State Fiscal Year 2025***

Federal Capitalization Grants	\$40,297,067
2025 DWSRF Bond Issue Proceeds	\$169,682,606
State Match from Legislative Appropriation	\$5,400,000
State Match transferred from DW Admin	\$6,681,400
Transfer from CWSRF	\$10,000,000
Principal Repayments	\$41,144,416
Interest Earnings on Loans	\$20,005,409
Interest Earnings on Other DW Funds	\$2,143,401
Sale of Investments	\$8,461,018

Sub Total **\$303,815,317****Total Sources of Funds** **\$425,181,504****USES OF FUNDS**DWSRF Loan Draws for SFY 2025 **\$192,724,292****Sub Total** **\$192,724,292*****DWSRF Set-Aside Programs for SFY 2025***

Payroll	\$2,803,638
Suppliers	\$692,147
Equipment	\$395,427

Sub Total **\$3,891,212*****Debt Service Obligations***

Bond Issuance Cost	\$893,614
Leveraged Bond Debt Service - Principal	\$22,715,000
Leveraged Bond Debt Service - Interest	\$23,389,523

Sub Total **\$46,998,137****Total Uses of Funds** **\$243,613,641****Difference of Sources and Uses** **\$181,567,863**

*Cash Basis

Attachment 8

Loans Receiving Subsidy and Extended Terms

Loans Receiving Subsidy and Extended Term Financing

Attachment 8

Recipient	Tracking Number	Assistance Amount	Subsidy Amount	Year	Extended Term (Y/N)	Binding Commitment
Ada PWA	P40-2006201-01	\$ 23,290,000.00			Y	9/15/2015
Adair Municipal Authority	P40-1021613-01	\$ 830,000.00	\$ 332,000.00	FY 2010	N	9/14/2010
Altus MA (III) (LSLI)	P40-1011501-03	\$ 7,600,000.00	\$ 2,500,000.00	FY 2022 BIL LSLI	Y	3/21/2023
Altus MA (IV)	P40-1011501-04	\$ 20,400,000.00	\$ 1,000,000.00	FY 2023 BIL GS	Y	3/19/2024
Alva UA	P40-2007603-01	\$ 2,635,000.00			Y	12/19/2017
Alva UA (II)	P40-2007603-02	\$ 1,565,000.00	\$ 1,000,000.00	FY 2022 Base and FY 2022 BIL GS	N	12/8/2022
Anadarko PWA	P40-1010806-01	\$ 135,686.43	\$ 102,406.43	FY 2019	100% PF	2/15/2022
		\$ 135,686.43	\$ 33,280.00	FY 2021 6%	100% PF	2/15/2022
Arnett PFA	P40-2002305-01	\$ 997,000.00	\$ 997,000.00	FY 2023 Base and FY 2023 BIL GS	100% PF	11/30/2023
		\$ 180,230.00	\$ 100,000.00	FY 2017	N	12/15/2020
Atoka Co. RWD #4	P40-1010412-01	\$ 180,230.00	\$ 75,000.00	FY 2019 6%	N	12/15/2020
		\$ 180,230.00	\$ 5,230.00	FY 2020 6%	N	12/15/2020
Atoka MA	P40-1010401-01	\$ 5,169,000.00			Y	10/12/2016
Atoka MA (II)	P40-1010401-02	\$ 4,010,000.00	\$ 100,000.00	FY 2019	Y	2/18/2020
Atoka MA (III)	P40-1010401-03	\$ 1,261,000.00			Y	9/15/2020
Bartlesville Municipal Authority (V)	P40-1021401-05	\$ 3,810,000.00	\$ 500,000.00	FY 2010	N	6/12/2012
Bernice PWA	P40-2002166-01	\$ 2,250,000.00	\$ 1,000,000.00	FY 2023 Base and FY 2023 BIL GS	Y	12/19/2023
Broken Arrow Municipal Authority (III)	P40-1021508-03	\$ 64,755,000.00	\$ 500,000.00	FY 2011	N	9/13/2011
Bryan Co. RWS & SWMD #2 (V)	P40-1010604-05	\$ 70,235.72	\$ 70,235.72	FY 2017	N	9/17/2019
Buffalo PWA	P40-2003003-01	\$ 218,000.00	\$ 218,000.00	FY 2022 BIL GS	100% PF	2/21/2023
Calera Public Works Authority	P40-2000702-01	\$ 1,850,000.00	\$ 100,000.00	FY 2019 6%	Y	4/21/2020
Canadian Co. RWD #5	P40-3000901-01	\$ 1,161,000.00			Y	6/19/2018
Carnegie PWA	P40-2000805-01	\$ 243,080.00	\$ 243,080.00	FY 2022 BIL GS	100% PF	12/08/2022
Chandler Municipal Authority	P40-1020702-01	\$ 2,500,000.00	\$ 375,000.00	FY 2010	N	6/12/2012
Chicotah PWA (II)	P40-1020515-02	\$ 881,650.00	\$ 881,650.00	FY 2023 & 2024 BIL GS and FY 2024 Base	100 % PF	2/22/2024
Chicotah PWA (III)	P40-1020515-03	\$ 1,341,000.00	\$ 1,000,000.00	FY 2022 Base and FY 2022 BIL GS	N	1/17/2023
Chelsea EDA		\$ 1,076,497.00	\$ 800,000.00	FY 2024 BIL GS	N	5/28/2025
Cherokee Co. RWD #1	P40-1021621-01	\$ 100,000.00	\$ 100,000.00	FY 2020 6%	N	6/15/2021
Cherokee Co. RWD #3	P40-4001117-01	\$ 3,110,000.00			Y	7/12/2011
		\$ 1,575,000.00	\$ 79,700.00	FY 2017	N	2/16/2021
Cherokee Co. RWD #11	P40-1221637-01	\$ 1,575,000.00	\$ 100,000.00	FY 2020 6%	N	2/16/2021
		\$ 3,427,150.00	\$ 864,241.00	FY Base and FY 2023 BIL GS	Y	12/19/2023
Cherokee Co. RWD #11 (II)	P40-1221637-02					
Cheyenne UA	P40-1010803-01	\$ 100,000.00	\$ 100,000.00	FY 2017	100% PF	4/21/2020
Cheyenne UA (II)	P40-1011803-02	\$ 739,702.62	\$ 739,702.62	FY2023 BIL GS	100% PF	11/30/2023
Collinsville Municipal Authority	P40-1021505-01	\$ 8,291,000.00			Y	12/05/2019
Comanche Co. RWD #2	P40-2001604-01	\$ 3,300,000.00			Y	10/23/2013
Comanche Co. RWD #2 (II)	P40-2001604-02	\$ 2,545,000.00	\$ 636,250.00	FY 2021	Y	6/21/2022
Comanche Co. RWD #2 (III)	P40-2001604-03	\$ 1,840,000.00	\$ 800,000.00	FY 2022 BIL GS	Y	2/21/2023
		\$ 200,000.00	\$ 104,530.00	FY 2018	100% PF	12/21/2021
Comanche PWA	P40-1011101-01	\$ 200,000.00	\$ 95,470.00	FY 2020 6%	100% PF	12/21/2021
		\$ 931,230.00	\$ 931,230.00	FY 2024 Base and 2024 BIL GS	100 % PF	4/03/2025
Commerce DA	P40-2005810-01					
		\$ 1,977,000.00	\$ 1,877,000.00	FY 2018	N	4/20/2021
Copan PWA	P40-1021417-01	\$ 1,977,000.00	\$ 26,268.00	FY 2019 6%	N	4/20/2021
		\$ 1,977,000.00	\$ 73,732.00	FY 2020 6%	N	4/20/2021
Cotton Co. RWD #2	P40-2001702-01	\$ 5,000,000.00			Y	8/21/2018
Creek Co. RWD #2	P40-3001902-01	\$ 13,140,000.00	\$ 1,000,000.00	FY 2022 BIL GS	Y	2/21/2023
Custer City PWA	P40-2002009-01	\$ 708,545.00	\$ 708,545.00	FY 2022 BIL GS	100% PF	12/08/2022
Davis Municipal Authority	P40-1010822-01	\$ 9,995,000.00	\$ 500,000.00	FY 2010	Y	12/13/2011
Delaware Co. RWD #1	P40-3002134-01	\$ 260,000.00			Y	10/17/2011
		\$ 950,000.00	\$ 630,116.78	FY 2012	N	4/15/2014
Delaware Co. RWSG/SWMD #11	P40-3002157-01	\$ 950,000.00	\$ 193,180.61	FY 2013	N	4/15/2014
East Central Oklahoma Water Authority	P40-1021713-01	\$ 1,000,000.00	\$ 100,000.00	FY 2019	Y	8/20/2019
		\$ 2,500,000.00	\$ 1,688,422.62	FY 2015	N	12/20/2016
Edmond PWA (III)	P40-1020723-03	\$ 2,500,000.00	\$ 811,577.38	FY 2016	N	12/20/2016
Edmond PWA (VI)	P40-1020723-06	\$ 40,000,000.00			Y	4/21/2020
Edmond PWA (V)	P40-1020723-05	\$ 20,000,000.00			Y	4/20/2021
Edmond PWA (VII)	P40-1020723-07	\$ 45,000,000.00	\$ 1,000,000.00	FY 2019	Y	4/18/2022
Edmond (VIII)	P40-1020723-08	\$ 9,335,000.00			Y	12/18/2024
Edmond PWA (IX)	P40-1020723-09	\$ 140,000,000.00			Y	4/18/2022
Edmond (XI) EQ	P40-1020723-11	\$ 54,000,000.00			Y	9/23/2024
		\$ 1,700,000.00	\$ 373,537.07	FY 2020	N	4/18/2022
Elk City PWA (II)	P40-2000501-02	\$ 1,700,000.00	\$ 51,462.93	FY 2021	N	4/18/2022
		\$ 1,700,000.00	\$ 100,000.00	FY 2021 6%	N	4/18/2022
Enid MA (II)	P40-2002412-02	\$ 5,435,000.00	\$ 500,000.00	FY 2010	N	04/10/2012
Enid MA (III)(Eng. Only)	P40-2002412-03	\$ 20,000,000.00			Y	08/21/2018
Enid MA (IV)	P40-2002412-04	\$ 205,000,000.00			Y	12/15/2020
		\$ 4,000,000.00	\$ 1,000,000.00	FY 2020	N	04/18/2022
Enid MA (V)	P40-2002412-05	\$ 4,000,000.00	\$ 100,000.00	FY 2021 6%	N	04/18/2022
		\$ 3,594,450.00	\$ 1,048,612.50	FY 2024 Base and FY 2024 BIL GS	N	12/20/2024
Enid (VII)	P40-2002412-07					

10/22/2025

Eufaula PWA	P40-1020514-01	\$	1,000,000.00			Y	12/06/2018
Eufaula PWA (II)	P40-1020514-02	\$	6,185,000.00	\$ 100,000.00	FY 2017	Y	12/06/2018
Fairmont PWA	P40-2002413-01	\$	862,000.00	\$ 856,859.50	FY 2013	N	05/19/2014
Fletcher PWA	P40-2001612-01	\$	999,999.00	\$ 999,999.00	FY 2023 Base and FY 2023 BIL GS	100% PF	10/17/2023
Fort Cobb PWA	P40-2000810-01	\$	974,146.10	\$ 974,146.10	FY 2022 Base and FY 2022 BIL GS	100% PF	01/17/2023
Francis PWA (II?)	P40-2006205-02	\$	1,730,000.00	\$ 950,000.00	FY 2024 Base and FY 2024 BIL GS	Y	04/03/2025
Garber MA	P40-2002416-01	\$	2,100,000.00	\$ 1,822,561.48	FY 2014	N	12/02/2015
		\$	2,100,000.00	\$ 268,348.86	FY 2015	N	12/02/2015
Garfield Co. RWD #5	P40-2002444-01	\$	800,000.00	\$ 800,000.00	FY 2024 BIL GS	100% PF	04/15/2025
Garfield Co. RWD #6 (EC)	P40-2002415-01	\$	2,240,000.00	\$ 2,240,000.00	FY 2022	100% PF	09/19/2023
Geary Utility Authority	P40-2000608-01	\$	1,775,000.00			Y	2/08/2011
Geary Utility Authority (II)	P40-2000608-02	\$	73,732.00	\$ 73,732.00	FY 2019 6%	100% PF	10/15/2019
Garvin Co. RWD #4	P40-3002503-01	\$	1,183,456.00			Y	12/16/2014
Geronimo PWA (II)	P40-3001680-02	\$	747,111.00	\$ 747,111.00	FY 2022 BIL GS	100% PF	3/21/2023
Gore PWA	P40-1021773-01	\$	885,000.00	\$ 874,628.52	FY 2015	N	10/12/2016
Gore PWA (II)	P40-1021773-02	\$	1,397,173.00	\$ 800,000.00	FY 2024 BIL GS	N	4/15/2025
Grady Co. RWD #6	P40-3002603-01	\$	11,220,000.00			Y	12/15/2020
Grand Lake Public Works Authority	P40-1021691-01	\$	5,500,000.00	\$ 500,000.00	FY 2011	Y	7/17/2012
Guthrie PWA (III)	P40-1020903-03	\$	610,000.00	\$ 590,706.60	FY 2013	N	6/17/2014
Holdenville PWA (II)	P40-1020803-02	\$	90,322.50	\$ 90,322.50	FY 2018	100% PF	6/15/2021
Hollis PWA	P40-2002901-01	\$	383,624.00	\$ 383,624.00	FY 2022 BIL GS	100% PF	3/21/2023
		\$	237,403.00	\$ 147,755.00	FY 2021	100% PF	6/21/2022
Hominy PWA (II)	P40-1021306-02	\$	237,403.00	\$ 89,648.00	FY 2021 6%	100% PF	6/21/2022
Jay UA (II)	P40-1021674-02	\$	1,031,000.00			Y	5/15/2018
Jay UA (III)	P40-1021674-03	\$	12,025,000.00	\$ 1,000,000.00	FY 2023 Base and FY 2023 BIL GS	Y	11/30/2023
		\$	861,500.00	\$ 150,000.00	FY 2017	N	12/15/2020
Jet Utilities Authority	P40-2000211-01	\$	861,500.00	\$ 100,000.00	FY 2020 6%	N	12/15/2020
		\$	1,937,520.00	\$ 950,000.00	FY 2024 BIL GS and FY 2024 Base	Y	1/2/2025
Johnston Co RWS & SWMD #3	P40-2003511-01						
		\$	162,168.00	\$ 100,000.00	FY 2018	N	6/15/2021
Kingfisher PWA	P40-2003702-01	\$	162,168.00	\$ 62,168.00	FY 2020 6%	N	6/15/2021
Laverne Public Works Authority	P40-2003002-01	\$	3,700,000.00	\$ 500,000.00	FY 2011	Y	10/16/2012
		\$	5,000,000.00	\$ 15,250.00	FY 2020 6%	N	6/21/2022
Lawton WA (IV)	P40-1011303-04	\$	5,000,000.00	\$ 565,472.07	FY 2021	N	6/21/2022
		\$	28,000,000.00	\$ 1,000,000.00	FY 2022 BIL GS	Y	12/8/2022
Lawton WA (V)	P40-1011303-05	\$	30,000,000.00			Y	10/17/2023
Lawton WA (VI)	P40-1011303-06	\$	29,000,000.00			Y	7/16/2024
Lawton WA (VII)	P40-1011303-07	\$	21,000,000.00	\$ 1,000,000.00	FY 2024 BIL GS	Y	3/6/2025
Lawton WA (IX)	P40-1011303-09	\$	300,000.00	\$ 300,000.00	FY 2024 BIL GS	100 % PF	4/3/2025
LeFore Co. RWD #17	P40-3004048-01	\$	9,675,000.00	\$ 100,000.00	FY 2019	Y	4/21/2020
Locust Grove PWA	P40-1021668-01	\$	750,000.00	\$ 112,500.00	FY2010	N	10/05/2011
Logan Co. RWD #1	P40-2004207-01	\$	1,250,000.00	\$ 187,500.00	FY 2011	N	03/13/2012
Logan Co. RWD #1 (II)	P40-2004207-02	\$	1,500,000.00	\$ 451,853.29	FY 2013	Y	12/02/2015
Logan Co. RWD #1 (III)	P40-2004207-03	\$	1,500,000.00	\$ 1,027,638.52	FY 2014	Y	12/02/2015
Lone Chimney WA (II)	P40-1021221-02	\$	3,270,000.00	\$ 490,500.00	FY 2011	Y	9/18/2012
Longtown RWD #1	P40-1020623-01	\$	570,000.00	\$ 15,650.00	FY 2010	N	10/16/2012
		\$	570,000.00	\$ 69,850.00	FY 2011	N	10/16/2012
Longtown RWD #1 (II)	P40-1020623-02	\$	600,000.00	\$ 600,000.00	FY 2012	N	03/18/2014
Loyal PWA	P40-2003701-01	\$	612,997.00	\$ 612,997.00	FY 2022 Base and FY 2022 BIL GS	100% PF	10/18/2022
Mangum UA (II)	P40-2002802-02	\$	618,135.00	\$ 618,135.00	FY 2023 BIL GS	100% PF	11/30/2023
Marietta PWA	P40-2004301-01	\$	3,208,172.00	\$ 800,000.00	FY 2023 BIL GS	Y	03/19/2024
Mayes Co. RWD #6	P40-1021666-01	\$	2,590,000.00	\$ 500,000.00	FY 2012	N	07/16/2013
		\$	32,500,000.00	\$ 904,581.50	FY 2018	Y	12/21/2021
McAlester PWA	P40-1020609-01	\$	32,500,000.00	\$ 95,418.50	FY 2019	Y	12/21/2021
		\$	32,500,000.00	\$ 100,000.00	FY 2020 6%	Y	12/21/2021
McCurtain Co. RWD #8 (II)	P40-1010207-02	\$	615,000.00	\$ 100,000.00	FY 2020 6%	N	04/20/2021
		\$	490,000.00	\$ 100,000.00	FY 2017	N	06/16/2020
McIntosh Co. RWS & SWMD #2	P40-1020535-01	\$	490,000.00	\$ 100,000.00	FY 2019	N	06/16/2020
		\$	100,000.00	\$ 27,034.00	FY 2017	N	02/16/2021
McIntosh Co. RWD #8	P40-1020529-01	\$	100,000.00	\$ 72,966.00	FY 2018	N	02/16/2021
		\$	695,000.00	\$ 200,000.00	FY 2021	Y	05/17/2022
McIntosh Co. RWD #9	P40-3004907-01	\$	695,000.00	\$ 100,000.00	FY 2021 6%	Y	05/17/2022
McIntosh Co. RWD #13	P40-2005603-01	\$	800,000.00	\$ 800,000.00	FY 2023 BIL GS	100% PF	03/19/2024
Miami Special UA (II)	P40-2005813-02	\$	2,785,000.00	\$ 100,000.00	FY 2019	N	12/05/2019
Midwest City MA	P40-1020806-01	\$	219,000.00	\$ 219,000.00	FY 2022 HB	100% PF	04/10/2025
Muskogee MA (II)	P40-1021607-02	\$	17,640,000.00	\$ 100,000.00	FY 2017	Y	10/16/2018
		\$	2,250,000.00	\$ 562,500.00	FY 2019	N	12/21/2021
New Cordell UA	P40-2007502-01	\$	2,250,000.00	\$ 100,000.00	FY 2021 6%	N	12/21/2021
Newcastle PWA (II)	P40-2004704-02	\$	1,389,455.00	\$ 208,418.25	FY 2011	N	10/16/2012
Newkirk MA	P40-2003604-01	\$	316,643.24	\$ 316,643.24	FY 2022 BIL GS	100% PF	12/08/2022
Nicoma Park DA	P40-8005579-01	\$	4,700,000.00			Y	06/18/2019
		\$	1,155,114.97	\$ 655,031.75	FY 2011	N	8/21/2012
Noble Co. RWD #1	P40-1021205-01	\$	1,155,114.97	\$ 500,083.22	FY 2012	N	8/21/2012
Nowata MA	P40-1021503-01	\$	737,900.00	\$ 737,900.00	FY 2023 BIL GS	100% PF	11/30/2023
Oklahoma City WUT (III)	P40-1020902-03	\$	35,838,000.00			Y	1/20/2015
Oklahoma City WUT (IV)	P40-1020902-04	\$	65,550,000.00			Y	3/15/2016
Oklahoma City WUT (V)	P40-1020902-05	\$	57,300,000.00			Y	11/15/2016

10/22/2025

Oklahoma City WUT (VI)	P40-1020902-06	\$	52,500,000.00			Y	1/16/2018
Oklahoma City WUT (VII)	P40-1020902-07	\$	20,000,000.00			Y	1/15/2019
Oklahoma City WUT (VIII)	P40-1020902-08	\$	21,750,014.00			Y	9/17/2019
Oklahoma City WUT (IX)	P40-1020902-09	\$	74,000,000.00			Y	6/16/2020
		\$	31,645,000.00	\$ 188,137.07	FY 2019	Y	4/18/2022
Oklahoma City WUT (X)	P40-1020902-10	\$	31,645,000.00	\$ 811,862.93	FY 2020	Y	4/18/2022
		\$	31,645,000.00	\$ 100,000.00	FY 2021 6%	Y	4/18/2022
Oklahoma City WUT (XI) (LSLI)	P40-1020902-11	\$	2,225,000.00	\$ 734,250.00	FY 2022 LSLI	N	4/18/2023
Oklahoma City WUT (XII)	P40-1020902-12	\$	75,261,000.00	\$ 1,000,000.00	FY 2024 BIL GS	Y	5/24/2024
Oklahoma City WUT (XVII) LSLI #2	P40-1020902-17	\$	2,500,000.00	\$ 1,250,000.00	FY 2022 LSLI	N	1/22/2025
		\$	300,000.00	\$ 225,000.00	FY 2019	100% PF	12/21/2021
Okmulgee Co. RWD #4	P40-3005602-01	\$	300,000.00	\$ 62,168.00	FY 2020 6%	100% PF	12/21/2021
		\$	300,000.00	\$ 12,832.00	FY 2021 6%	100% PF	12/21/2021
Okmulgee MA (III)	P40-1020708-03	\$	4,895,000.00	\$ 500,000.00	FY 2010	N	12/14/2010
Okmulgee MA (IV)	P40-1020708-04	\$	700,000.00	\$ 600,000.00	FY 2017	N	5/19/2020
		\$	700,000.00	\$ 100,000.00	FY 2019	N	5/19/2020
		\$	1,350,000.00	\$ 337,500.00	FY 2019	N	12/21/2021
Okmulgee MA (V)	P40-1020708-05	\$	1,350,000.00	\$ 100,000.00	FY 2020 6%	N	12/21/2021
Pawnee PWA	P40-1021209-01	\$	2,130,000.00	\$ 130,000.00	FY 2010	N	03/13/2012
Pawnee PWA (II)	P40-1021209-02	\$	800,000.00	\$ 800,000.00	FY 2023 BIL GS	100% PF	02/20/2024
Perry MA (II)	P40-1021206-02	\$	4,000,000.00	\$ 1,000,000.00	FY 2022 BIL GS	Y	09/20/2022
Pittsburg County Rural Water District #14	P40-1020625-01	\$	3,724,500.00	\$ 1,033,500.00	FY 2017	N	04/17/2018
		\$	730,000.00	\$ 182,500.00	FY 2021	N	06/21/2022
Pontotoc Co. RWD #6	P40-3006222-01	\$	730,000.00	\$ 100,000.00	FY 2021 6%	N	06/21/2022
		\$	787,480.00	\$ 196,870.00	FY 2019	Y	03/15/2022
Porter PWA	P40-3007306-01	\$	787,480.00	\$ 100,000.00	FY 2021 6%	Y	03/15/2022
Pushmataha Co. RWD #2	P40-3006402-01	\$	1,640,322.00	\$ 800,000.00	FY 2023 BIL GS	N	03/19/2024
Quinton PWA	P40-3006123-01	\$	790,000.00			Y	09/16/2014
Roland Utilities Authority	P40-1020212-01	\$	2,359,000.00			Y	01/21/2020
Rogers Co. RWD #6	P40-3006628-01	\$	3,000,000.00			Y	10/8/2010
Salina Public Works Authority	P40-1021603-01	\$	3,210,000.00	\$ 1,284,000.00	FY 2010	Y	9/18/2012
		\$	950,000.00	\$ 950,000.00	FY 2024 BIL GS and FY 2024 Base	100% PF	1/21/2025
Salina Public Works Authority (II)	P40-1021603-02						
Sayre PWA	P40-2000508-01	\$	823,180.00			Y	2/19/2019
Sayre PWA (II)	P40-2000508-02	\$	785,489.51	\$ 785,489.51	FY 2023 BIL GS	100% PF	10/17/2023
Shattuck Municipal Authority	P40-2002304-01	\$	1,485,000.00			Y	2/13/2012
Shawnee Municipal Authority (II)	P40-1020504-02	\$	1,485,000.00	\$ 222,750.00	FY 2010	N	8/10/2010
Shawnee Municipal Authority (III)	P40-1020504-03	\$	17,460,000.00	\$ 100,000.00	FY 2020 6%	Y	5/18/2021
South Delaware Co. RWA	P40-1221645-01	\$	3,000,000.00	\$ 1,867,022.62	FY 2016	Y	4/18/2017
Stigler MIA	P40-1020303-01	\$	245,778.21	\$ 245,778.21	FY 2022 BIL GS	100% PF	1/17/2023
Stroud Utilities Authority	P40-1020705-01	\$	2,360,000.00	\$ 354,000.00	FY 2011	N	8/21/2012
		\$	161,000.00	\$ 100,000.00	FY 2018	N	8/18/2020
Stroud Utilities Authority (II)	P40-1020705-02	\$	161,000.00	\$ 61,000.00	FY 2019	N	8/18/2020
Stillwater UA (III)	P40-1021220-03	\$	29,900,000.00			Y	5/17/2016
Stillwater UA (IV)	P40-1021220-04	\$	12,600,000.00			Y	8/15/2017
Stillwater UA (V)	P40-1021220-05	\$	37,000,000.00	\$ 1,000,000.00	FY 2023 BIL GS	Y	11/30/2023
Stilwell Area DA	P40-1020205-01	\$	7,975,000.00	\$ 800,000.00	FY 2023 BIL GS	Y	2/20/2024
Tahlequah Public Works Authority (II)	P40-1021701-02	\$	1,680,000.00	\$ 252,000.00	FY 2010	N	12/13/2011
Tahlequah Public Works Authority (III)	P40-1021701-03	\$	8,200,000.00			Y	12/06/2018
Temple UA	P40-1011306-01	\$	1,500,000.00	\$ 1,500,000.00	FY 2022 CG, FY 2022 BIL GS	100% PF	12/08/2022
		\$	1,519,100.00	\$ 1,000,000.00	FY 2022, FY 2022 BIL GS	N	01/17/2023
Tonkawa MA (III)	P40-2003603-03	\$		\$ 200,000.00	FY 2010	N	10/12/2010
Wagoner Co. RWD #4	P40-1021529-01	\$	6,200,000.00				
Wagoner Co. RWD #5 (III)	P40-1021528-03	\$	4,270,000.00			Y	11/15/2016
Wagoner Co. RWD #5 (IV)	P40-1021528-04	\$	3,245,000.00			Y	03/21/2017
Wagoner Co. RWD #5 (V)	P40-1021528-05	\$	14,215,000.00	\$ 913,072.45	FY 2022 CG, FY 2022 BIL GS	Y	06/20/2023
		\$	1,200,000.00	\$ 135,000.00	FY 2010	N	9/18/2012
Wagoner Public Works Authority (II)	P40-1021649-02	\$	1,200,000.00	\$ 45,000.00	FY 2011	N	9/18/2012
		\$	992,200.00	\$ 992,200.00	FY 2022 CG, FY 2022 BIL GS	100% PF	2/21/2023
Waynoka UA (III)	P40-2007604-03						
Westville UA	P40-3000109-01	\$	1,599,220.00	\$ 800,000.00	FY 2024 BIL GS	Y	4/15/2025
		\$	450,000.00	\$ 350,000.00	FY 2019	100% PF	3/15/2022
Welch PWA	P40-2001801-01	\$	450,000.00	\$ 100,000.00	FY 2021 6%	100% PF	3/15/2022
Weleetka Public Works Authority	P40-1020512-01	\$	95,330.00	\$ 95,330.00	FY 2017	N	2/18/2020
Wewoka PWA	P40-1020510-01	\$	400,000.00	\$ 400,000.00	FY 2021	100% PF	6/21/2022
Wewoka PWA (III)	P40-1020510-03	\$	9,565,000.00	\$ 800,000.00	FY 2023 BIL GS	Y	12/19/2023
Total for all 134 Loans		\$	1,829,843,454.70	\$ 84,722,256.35			

*Loans are not closed yet.

Percentage of Loans Receiving Additional Subsidy:	76%
Percentage of Funding Provided as Additional Subsidy:	5%
Percentage of Loans Receiving Extended Term Financing:	48%

All Dates from 7/1/2010 thru 6/30/2025

Attachment 9
FFATA Cumulative Report

Grant Amount: \$6,774,000 \$6,757,000 minus \$17,000 for DWINSA

Loan Fund Amount \$4,674,060 Edmond VIII \$9,335,000

	System Name	Loan Number	Date Reported	Amount	Date Closed
1st FFATA report	Edmond PWA (VIII)	ORF-21-0020-DW	12/20/2024	\$4,674,060.00	12/19/2024
2nd FFATA report					
3rd FFATA report					
4th FFATA report					
5th FFATA report					

Sub-total \$4,674,060.00

Remaining to be reported \$0.00

FFATA Report For Grants

Federal Award Identifier Number 98681424
(FAIN):

Federal Agency 6800
ID:

Is this information correct? Yes

Federal Agency Name: ENVIRONMENTAL PROTECTION AGENCY

Prime Awardee Unique Entity ID (SAM): EAJXCM2XTCF3

EFT Indicator:

Prime Awardee Name: DEPARTMENT OF ENVIRONMENTAL QUALITY

Prime Awardee Address: 707 N ROBINSON AVE
OKLAHOMA CITY, Oklahoma 731026010

Principal Place Of Performance (POP): Edmond, Oklahoma 730343744

CFDA Program Number(s): 66.468 Capitalization Grants for Drinking Water State Revolving Funds

Is this information correct? Yes

Project Description: This agreement provides a capitalization grant to the Oklahoma's Drinking Water State Revolving Fund (DWSRF) program. The award furthers the public health protection objectives of the Safe Drinking Water Act (SDWA). This agreement will provide funds to capitalize the OK DWSRF program to provide low interest financing for costs associated with the planning, design and construction of eligible drinking water improvement projects and activities to protect human health. As part of this agreement, the recipient ensures compliance with federal and state regulations, which are designed to protect public health.

The OK DWSRF program is applying for their full allotment of \$6,774,000. However, they have requested that \$17,000 of their Administration Set-aside (4%) be held back by the region to be applied to an Office of Groundwater and Drinking Water contract with Cadmus to carry out Drinking Water Infrastructure Needs Survey and Assessment work in the State of Oklahoma. This will cause the Commitment Notice and the Award to be \$6,757,000. Activities: The Oklahoma Drinking Water State Revolving Fund program will be using these funds to provide low interest rate financing to eligible public water systems for the costs associated with the planning, design, and construction of eligible drinking water improvement projects. The recipient may also use some of the funding for specific set-asides, including but not limited to providing technical assistance to small systems, for operator certification activities, and source water protection activities. Subrecipient: Loans awarded as part of the Drinking Water State Revolving Fund Program are considered subawards. However, these will be awarded as loans and not subgrants. Outcomes: The anticipated deliverables include financing, planning, design, and construction of eligible public health-related projects. Deliverables will also be used to increase the technical, managerial, and financial capacity of public water systems. The expected outcome is public health protection. The intended beneficiaries include citizens throughout the State of Oklahoma.

Is this information correct? Yes

Total Federal Funding Amount: 6757000.00

Is this information correct? Yes

Obligation/Action Date: September 27, 2024

Is this information correct? Yes

Report Month: Dec 2024

In your business or organization's preceding completed fiscal year, did your business or organization (the legal entity to which this specific SAM record, represented by a UEI number, belongs) receive (1) 80 percent or more of your annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements? No

Does the public have access to information about the compensation of the executives in your business or organization (the legal entity to which this specific SAM record, represented by a UEI number, belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986? No

Prime Awardee Names and Compensation of Highly Compensated Officers:

Subawardee Data

Subawardee Information: Subawardee Unique Entity ID (SAM):
Subawardee Name:

Subawardee Address:

Amount of Subaward:

Subaward Obligation/Action Date:

CFDA Program Number(s):

Federal Agency ID:

FNJJN9D6U557

EDMOND PUBLIC WORKS DEPARTMENT

10 S LITTLER AVE

EDMOND, Oklahoma 730343744

4674060.00

December 19, 2024

66.468 Capitalization Grants for Drinking Water State Revolving Funds

6800

Federal Agency Name:

ENVIRONMENTAL PROTECTION AGENCY
Construction of 10,000 linear feet (LF) of 24-inch ductile iron pipe (DIP), 135 LF of 18-inch DIP, 30 LF for 12-inch polyvinyl chloride (PVC) pipe, 130 LF of 8-inch PVC pipe, and 65 LF of 6-inch PVC pipe with all appurtenances.

Subaward Project Description:

Subawardee Principal Place of Performance:

EDMOND, Oklahoma 730343744
ORF-21-0020-DW

Subaward Number:

As provided to you by your subawardee, in your subawardee's business or organization's preceding completed fiscal year, did its business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) receive (1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?:

No

As provided to you by your subawardee, does the public have access to information about the compensation of the executives in the subawardee's business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?:

No

Grant Amount: \$33,407,000
Loan Fund Amount \$29,509,238

	System Name	Loan Number	Date Reported	Amount	Date Closed
1st FFATA report	Edmond PWA (VIII) (split with FFY 2024 Base)	ORF-21-0020-DW	12/20/2024	\$4,660,940.00	12/19/2024
2nd FFATA report	Lawton WA (IX) Phase III	ORF-24-0009-DW	3/10/2025	\$21,000,000.00	3/7/2025
3rd FFATA report	Elk City PWA (III)	ORF-25-0015-DW	9/10/2025	\$3,494,544.13	7/31/2025
4th FFATA report					
5th FFATA report					

Sub-total \$29,155,484.13

\$29,509,238.00
-\$29,155,484.13
Remaining to be reported \$353,753.87

FFATA Report For Grants

Federal Award Identifier Number 02F20303
(FAIN):

Federal Agency 6800
ID:

Is this information
correct?: Yes

Federal Agency ENVIRONMENTAL PROTECTION AGENCY
Name:

Prime Awardee Unique Entity ID EAJXCM2XTCF3
(SAM):

EFT Indicator:

Prime Awardee Name:DEPARTMENT OF ENVIRONMENTAL
QUALITY

Prime Awardee Address:707 N ROBINSON AVE
OKLAHOMA CITY, Oklahoma 731026010

Principal Place Of
Performance(POP): OKLAHOMA CITY, Oklahoma 731026010

CFDA Program 66.468 Capitalization Grants for Drinking Water State Revolving
Number(s): Funds

Is this information
correct?: Yes

Project Description:This agreement provides a capitalization grant, funded by the Infrastructure Investment and Jobs Act (IIJA) (Public Law 117-58), for the State of Oklahoma's Drinking Water State Revolving Fund (DWSRF) program. The award furthers the public health protection objectives of the Safe Drinking Water Act (SDWA).Activities:The recipient of these funds will provide low interest rate financing to eligible public water systems for the costs associated with the planning, design, and construction of eligible drinking water improvement projects. The recipient may also use some of the funding for specific set-asides, including but not limited to providing technical assistance to small systems, for operator certification activities, and source water protection activities. Subrecipient:The 'subawards' will be in the form of infrastructure assistance loans from the Oklahoma Drinking Water State Revolving Fund to lower income communities and communities in need of upgrading their drinking water systems to achieve or maintain compliance with both state and national DW standards. They are not subawards to the communities. Outcomes:The anticipated deliverables include financing, planning, design, and construction of eligible public health-related projects. Deliverables will also be used to increase the technical, managerial, and financial capacity of public water systems. The expected outcome is public health protection. The intended beneficiaries include citizens throughout the State of Oklahoma.

Is this information
correct?: Yes

Total Federal Funding 33407000.00
Amount:

Is this information
correct?: Yes

Obligation/Action Date:September 27, 2024

Is this information
correct?: Yes

Report Month:Dec 2024

In your business or organization's preceding completed fiscal year, did your business or organization (the legal entity to which this specific SAM record, No
represented by a UEI number, belongs) receive (1) 80 percent or more of your annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?:

Does the public have access to information about the compensation of the executives in your business or organization (the legal entity to which this No
specific SAM record, represented by a UEI number, belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?:

Prime Awardee Names and Compensation of Highly Compensated
Officers:

Subawardee Data

Subawardee Subawardee Unique Entity ID (SAM):
Information: Subawardee Name:

Subawardee Address:

Amount of Subaward:

Subaward Obligation/Action Date:

CFDA Program Number(s):

Federal Agency ID:

Federal Agency Name:

Subaward Project Description:

FNJJN9D6U557

EDMOND PUBLIC WORKS DEPARTMENT

10 S LITTLER AVE

EDMOND, Oklahoma 730343744

4660940.00

December 19, 2024

66.468 Capitalization Grants for Drinking
Water State Revolving Funds

6800

ENVIRONMENTAL PROTECTION AGENCY

Construction of 10,000 linear feet (LF) of 24-
inch ductile iron pipe (DIP), 135 LF of 18-
inch DIP, 30 LF for 12-inch polyvinyl
chloride (PVC) pipe, 130 LF of 8-inch PVC

pipe, and 65 LF of 6-inch PVC pipe with all appurtenances.

Subawardee Principal Place of Performance:

EDMOND, Oklahoma 730343744

Subaward Number:

ORF-21-0020-DW

As provided to you by your subawardee, in your subawardee's business or organization's preceding completed fiscal year, did its business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) receive (1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?:

No

As provided to you by your subawardee, does the public have access to information about the compensation of the executives in the subawardee's business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?:

Subaward ID Lawton Water Authority (IX)

Delete

Update

Subaward Details

Subaward ID		Subaward Amount		Subrecipient Information	
Lawton Water Authority (IX)		\$21,000,000.00		Subaward Date	
				Mar 7, 2025	
Description				Place of Performance	
"Waterline replacements for Map 8, Map 46, Map 53, and Map 58. Installation of 53,028 linear feet of 8 inch polyvinyl chloride (PVC) pipe, 934 linear feet of 10 inch PVC pipe, and 4,344 linear feet of 12 inch PVC pipe including all appurtenances."				Location	
				LAWTON, OKLAHOMA 73501	
				UNITED STATES	
				Congressional District	
				04	

Assistance Award Information

Award ID (FAIR)	Date Signed (Base Award)	Principal Place of Performance	
02F20303	Sep 27, 2024	Location	
Assistance Listing Number(s)	Assistance Type	(blank), OKLAHOMA	
66.468 Drinking Water	FORMULA GRANT (A) (03)	(blank) UNITED STATES	
State Revolving Fund	Total Award Value	Congressional District	
	\$33,407,000.00	OKLAHOMA 05	

Subrecipient Information

Legal Business Name	Congressional District	Highest Level Owner	
CITY OF LAWTON	04	Legal Business Name	
Doing Business As	Physical Address	(blank)	
LAWTON WATER AUTHORITY	212 SW 9TH ST	Unique Entity ID	
Unique Entity ID	LAWTON, OK 73501-3944	(blank)	
N8LFHPD3CWGS	UNITED STATES		

Executive Compensation

As provided to you by your subrecipient, in your subrecipient's business or organization's preceding completed fiscal year, did its business or organization (the legal entity to which the Unique Entity ID it provided belongs) receive \$25,000,000 or more in annual gross revenue from Federal procurement contracts (and subcontracts) and Federal awards (and subawards) subject to the Transparency Act, as defined at § 170.300?

No

Subaward ID Elk City PWA (IV) |

Delete

Update

Subaward Details

Version Current Version

Subaward ID

Elk City PWA (IV)

Subaward Amount

\$3,494,544.13

Subaward Date

Jul 31, 2025

Description

To replace deteriorated water lines to ensure that customers have reliable access to potable water.

Place of Performance

Location	ELK CITY, OKLAHOMA 73644 UNITED STATES
Congressional District	03

Assistance Award Information

Award ID (FAIN)

02F20303

Assistance Listing Number(s)

66.468 Drinking Water
State Revolving Fund

Date Signed (Base Award)

Sep 27, 2024

Assistance Type

FORMULA GRANT (A) (03)

Total Award Value

\$33,407,000.00

Principal Place of Performance

Location	Congressional District
(blank), OKLAHOMA (blank) UNITED STATES	OKLAHOMA 05

Subrecipient Information

Legal Business Name

THE ELK CITY PUBLIC WORKS
AUTHORITY

Doing Business As

(blank)

Unique Entity ID

XQ42ETB9NN86

Congressional District

03

Physical Address

200 N VAN BUREN AVE
ELK CITY, OK 73644
UNITED STATES

Highest Level Owner

Legal Business Name	Unique Entity ID
(blank)	(blank)

Grant Amount: \$40,192,000

Loan Fund Amount \$37,742,080

Loan Fund Amount includes original loan fund plus transfer from set-asides in August 2024

	System Name	Loan Number	Date Reported	Amount	Date Closed
1st FFATA report	Altus MA (III)	ORF-23-0018-DW	4/28/2023	\$7,600,000.00	4/7/2023
2nd FFATA report	OKC WUT (XI)	ORF-22-0072-DW	4/28/2023	\$2,225,000.00	4/25/2023
3rd FFATA report	OKC WUT (XVII)	ORF-25-0020-DW	2/7/2025	\$2,500,000.00	1/28/2025
4th FFATA report					
5th FFATA report					
Sub-total				\$12,325,000.00	

\$37,742,080.00
-\$12,325,000.00
Remaining to be reported \$25,417,080.00

FFATA Report For Grants

Federal Award Identifier Number (FAIN): 02F21101

Federal Agency ID: 6800

Is this Information correct?: Yes

Federal Agency Name: ENVIRONMENTAL PROTECTION AGENCY

Prime Awardee Unique Entity ID (SAM): EAJXCM2XTCF3

EFT Indicator:

Prime Awardee Name: DEPARTMENT OF ENVIRONMENTAL QUALITY

Prime Awardee Address: 707 N ROBINSON AVE
OKLAHOMA CITY, Oklahoma 731026010

Principal Place Of Performance (POP): Oklahoma City, Oklahoma 731026010

CFDA Program Number(s): 66.468 Capitalization Grants for Drinking Water State Revolving Funds

Is this information correct?: Yes

Project Description: Section 1452 of the Safe Drinking Water Act (SDWA) authorizes the state to utilize funds to further the health protection objectives of SDWA. This agreement will provide funds to capitalize the recipient's DWSRF with an emphasis on lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. As part of this agreement, the state ensures compliance with federal and state regulations, which are designed to protect public health. **Activities:** The state has submitted an Intended Use Plan (IUP) as part of the application package for this capitalization grant. This IUP contains a list of the capital projects that address lead service line replacement and associated activities directly connected to the identification, planning, design, and replacement of lead service lines, which may receive funding from this grant. The recipient may also use some of the funding for specific 'set-asides' to provide technical assistance to small systems, program administration, state program management and other allowable uses. **Subrecipient:** No subawards are included in this assistance agreement. **Outcomes:** The benefits of this grant will be to capitalize the recipient's DWSRF with primary purpose to reduce lead in drinking water by funding projects emphasizing the identification and removal of lead service lines. The Fund may also be used to increase technical, financial and managerial capacity of public water systems, and provide assurance of a cleaner and safer potable water supply by funding improvements to multiple water infrastructure projects. These public health benefits will be statewide.

Is this information correct?: Yes

Total Federal Funding Amount: 40192000.00

Is this information correct?: Yes

Obligation/Action Date: September 14, 2022

Is this information correct?: Yes

Report Month: Feb 2025

In your business or organization's preceding completed fiscal year, did your business or organization (the legal entity to which this specific SAM record, No represented by a UEI number, belongs) receive (1) 80 percent or more of your annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?:

Does the public have access to information about the compensation of the executives in your business or organization (the legal entity to which this specific SAM record, represented by a UEI number, belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?: No

Prime Awardee Names and Compensation of Highly Compensated Officers:

Subawardee Data

Subawardee Information: Subawardee Unique Entity ID (SAM):

Subawardee Name:

Subawardee Address:

Subawardee Parent Unique Entity ID (SAM):

Amount of Subaward:

Subaward Obligation/Action Date:

CFDA Program Number(s):

Federal Agency ID:

L8NDGFG9HHN8
OKLAHOMA CITY WATER UTILITIES TRUST
420 W MAIN ST STE 500
OKLAHOMA CITY, Oklahoma 731024406
CLTPPDEBWNH3
25000000.00
February 28, 2025
66.468 Capitalization Grants for Drinking Water State Revolving Funds
6800
ENVIRONMENTAL PROTECTION

Federal Agency Name:

AGENCY

Subaward Project Description:

Hydro excavating via potholing for 5,000 of the remaining unknown service lines on both the public and private side of the meter. Provide Brita pitchers for those customers with lead service lines.

Subawardee Principal Place of Performance:

Oklahoma City, Oklahoma 731026010

Subaward Number:

ORF-25-0020-DW

As provided to you by your subawardee, in your subawardee's business or organization's preceding completed fiscal year, did its business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) receive (1) 80 percent or more of its annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?:

No

As provided to you by your subawardee, does the public have access to information about the compensation of the executives in the subawardee's business or organization (the legal entity to which the Unique Entity ID (SAM) it provided belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?:

No

Attachment 10

Base and IIJA Subsidy Tracking Chart FFY 2025

Attachment 10
Subsidy Tracking chart

Entity	Principal Forgiveness Amount	2010 Cap Grant Requirement	2011 Cap Grant Requirement	2012 Cap Grant Requirement	2013 Cap Grant Requirement	2014 Cap Grant Requirement	2015 Cap Grant Requirement	2016 Cap Grant Requirement	2017 Cap Grant Requirement	2018 Cap Grant Requirement	2019 Cap Grant Requirement	2019 Cap Grant Requirement for Disadvantaged	2020 Cap Grant Requirement	2020 Cap Grant Require-ment for Dis-advantaged	2021 Cap Grant Requirement	2021 Cap Grant Require-ment for Dis-advantaged	2022 Cap Grant Requirement	2022 Cap Grant Require-ment for Dis-advantaged	2023 Cap Grant Requirement	2023 Cap Grant Requirement for Dis- advantaged	2024 Cap Grant Requirement	2024 Cap Grant Requirement for Dis-advantaged
		\$5,058,900.00	\$3,510,300.00	\$2,230,200.00	\$2,092,600.00	\$2,850,200.00	\$2,831,400.00	\$2,678,600.00	\$2,655,800.00	\$3,149,400.00	\$3,120,000.00	\$936,000.00	\$2,185,400.00	\$936,600.00	\$2,183,440.00	\$935,760.00	\$1,390,900.00	\$1,192,200.00	\$1,004,780.00	\$861,240.00	\$948,360.00	\$812,880.00
Adair MA	\$332,000.00	\$332,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Bartlesville MA (V)	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Chandler MA	\$375,000.00	\$375,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Davis MA	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Enid MA (II)	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Logan Co. RWD #1	\$112,500.00	\$112,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Okmulgee MA (III)	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Pawnee PWA	\$130,000.00	\$130,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Salina PWA	\$1,284,000.00	\$1,284,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Shawnee MA (II)	\$222,750.00	\$222,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Tahlequah PWA (II)	\$252,000.00	\$252,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Wagoner Co. RWD #4	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Longtown RWD #1	\$85,500.00	\$15,650.00	\$69,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Wagoner PWA (II)	\$180,000.00	\$135,000.00	\$45,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Broken Arrow MA (III)	\$500,000.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Grand Lake PWA	\$500,000.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Laverne PWA	\$500,000.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Logan Co. RWD #1 (II)	\$187,500.00	\$0.00	\$187,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Lone Chimney WA (II)	\$490,500.00	\$0.00	\$490,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Newcastle PWA (II)	\$208,418.25	\$0.00	\$208,418.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Noble Co. RWD #1	\$1,155,114.97	\$0.00	\$655,031.75	\$500,083.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Stroud UA	\$354,000.00	\$0.00	\$354,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Mayes Co. RWD #6	\$500,000.00	\$0.00	\$0.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Longtown RWD #1 (II)	\$600,000.00	\$0.00	\$0.00	\$600,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Delaware Co. RWD #11	\$823,297.39	\$0.00	\$0.00	\$630,116.78	\$193,180.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Fairmont PWA	\$856,859.50	\$0.00	\$0.00	\$0.00	\$856,859.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Guthrie PWA (III)	\$590,706.60	\$0.00	\$0.00	\$0.00	\$590,706.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Logan Co. RWD #1 (III)	\$1,479,491.81	\$0.00	\$0.00	\$0.00	\$451,853.29	\$1,027,638.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Garber MA	\$2,090,910.34	\$0.00	\$0.00	\$0.00	\$0.00	\$1,822,561.48	\$268,348.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Gore PWA	\$874,628.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$874,628.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Edmond PWA (III)	\$2,500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,688,422.62	\$811,577.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
South Delaware Co. RWA	\$1,867,022.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,867,022.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Pittsburg Co. RWD #14	\$1,033,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,033,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Muskogee MA (II)	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Eufaula PWA (II)	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
East Central Okla. WA	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Bryan Co. RWD #2 (V)	\$70,236.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,236.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Weleetka PWA	\$95,330.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,330.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Atoka MA (II)	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Locust Grove PWA	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Miami Special UA (II)	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Cheyenne UA	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Okmulgee MA (IV)	\$700,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600,000.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Geary UA (II)	\$73,732.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$73,732.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Calera PWA	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
McIntosh Co. RWS & SWMD #2	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Stroud UA (II)	\$161,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$61,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Atoka Co. RWD #4	\$180,230.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$75,000.00	\$0.00	\$5,230.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Jet PWA	\$250,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Cherokee Co. RWD #11	\$179,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$79,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
McIntosh Co. RWD #8	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,034.00	\$72,966.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Copan PWA	\$1,977,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,877,000.00	\$0.00	\$26,268.00	\$0.00	\$73,732.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Holdenville PWA (II)	\$90,322.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,322.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Kingfisher PWA	\$162,168.00	\$0.00	\$																			

Attachment 10
Subsidy Tracking chart

Pontotoc Co. RWD #6	\$282,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$182,500.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Hominy PWA (II)	\$237,403.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$147,755.00	\$89,648.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wewoka PWA	\$400,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$400,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Loyal PWA	\$214,077.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$214,077.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Alva UA (II)	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Fort Cobb PWA	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Checotah PWA (III)	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Temple UA	\$700,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Tonkawa MA (III)	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Waynoka UA (III)	\$192,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$192,200.00	\$0.00	\$0.00	\$0.00	\$0.00
Wagoner Co. RWD #5 (V)	\$250,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fletcher PWA	\$199,999.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$199,999.00	\$0.00	\$0.00	\$0.00
Jay UA (III)	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Arnett PFA	\$197,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$197,000.00	\$0.00	\$0.00	\$0.00
Cherokee Co. RWD #11 (II)	\$64,241.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$64,241.00	\$0.00	\$0.00	\$0.00
Barnice PWA	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$0.00	\$0.00	\$0.00
Checotah PWA (II)	\$81,650.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$81,650.00	\$0.00
Johnston Co. RWS &	\$150,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150,000.00	\$0.00
Enid MA (VII)	\$150,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150,000.00
Salina PWA (II)	\$150,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150,000.00
Commerce DA	\$131,230.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$131,230.00
Francis PWA (II)	\$150,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150,000.00
Midwest City MA	\$219,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$219,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grand Total Assigned		\$5,058,900.00	\$3,510,300.00	\$2,230,200.00	\$2,092,600.00	\$2,850,200.00	\$2,831,400.00	\$2,678,600.00	\$2,655,800.00	\$3,149,400.00	\$3,120,000.00	\$936,000.00	\$2,185,400.00	\$936,600.00	\$2,183,440.00	\$935,760.00	\$1,183,077.00	\$1,192,200.00	\$0.00	\$861,240.00	\$0.00	\$812,880.00
Total Remaining To Be Assigned		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$207,823.00	\$0.00	\$1,004,780.00	\$0.00	\$948,360.00	\$0.00

Attachment 10
Subsidy Tracking chart

[illegible][illegible]

Attachment 11

DWNIMS Financial Indicators

The DWNIMS Financial Indicators report from EPA's database is not available at this time. It will be submitted separately when it becomes available.

Attachment 12

SFY 2025 Drinking Water State Revolving Fund (DWSRF) INTENDED USE PLAN (IUP)

REVISIONS

As required by the Safe Water Drinking Act, the State of Oklahoma through the Department of Environmental Quality (DEQ), it is required to prepare an annual Intended Use Plan (IUP) to identify the set-aside programs and DWSRF loan projects that will utilize the funds available to the DWSRF. The SFY 2025 IUP is being amended to include changes made to the Project Priority List (PPL). The total required subsidization amount is \$948,360.00 which is 14% of the FFY 2024 capitalization grant (\$6,774,000.00). The FFY 2024 grant did not mandate funding for a green project reserve; therefore, DEQ chose not to track green projects.

DESCRIPTION OF CHANGES

Description of Project Additions and Deletions:

Project Additions – Since the SFY 2025 IUP was issued in July 2024, the public water systems that have requested the SFY 2025 IUP be amended to include construction loans for their communities are shown in the attached Appendix B (1) and:

The following projects received a binding commitment and were removed from the SFY 2025 Project Priority List.

a.	Lawton WA (VII)	\$29,000,000.00
b.	Edmond PWA (XI)	\$54,000,000.00
c.	Checotah PWA (II)	\$881,650.00
d.	Edmond PWA (VIII)	\$9,335,000.00
e.	Johnston Co. RWS & SWMD #3	\$1,937,520.00
f.	Enid MA (VII)	\$6,000,000.00
g.	Salina PWA (II)	\$950,000.00
h.	Midwest City MA	\$219,000.00
i.	Oklahoma City WUT (XVII) LSLI	\$2,500,000.00
j.	Lawton WA (IX)	\$21,000,000.00
k.	Commerce DA	\$931,230.00
l.	LeFlore Co. RWD #17	\$800,000.00
m.	Francis PWA (II)	\$1,730,000.00
n.	Garfield Co. RWD #5	\$800,000.00
o.	Gore PWA (II)	\$1,410,000.00
p.	Westville UA	\$1,764,308.00
q.	Chelsea Economic DA	\$2,000,000.00

The following projects were removed from the SFY 2025 Project Priority List at the applicants' request.

- a. Warner UA (removed project per request)
- b. Newcastle PWA (III) (removed project per request)
- c. Cherokee DA (II) (removed project per request)
- d. Edmond PWA (XII) (removed project per request)
- e. Jenks PWA (removed project per request)
- f. Blackwell MA (removed project per request)
- g. Sardis Lake WA (removed project per request)
- h. Pawnee Co. RWD #2 (removed project per request)

The following projects were added to the SFY 2025 Project Priority List at the applicant's request.

- a. Delaware Co. RWD #3
- b. Roland UA (II)
- c. Cherokee Co. RWD #12
- d. Carnegie PWA (II)
- e. McIntosh Co. RWD #12 (Shell Creek)
- f. Grand Lake PWA (III)
- g. Blackwell MA
- h. Wilson PWA
- i. Walters PWA
- j. Cherokee Co. RWD #16 (Wildcat)
- k. Osage Co. RWD #21 (III)
- l. Langley PWA
- m. LeFlore Co. RWD #3
- n. Jefferson Co. Consolidated RW & SD #1
- o. Roger Mills Co. RWD #2
- p. Konawa PWA (II)
- q. Marlow PWA (II)
- r. Perry MA (III)
- s. Kenefic PUA
- t. Beckham Co. RWD #2 (II)
- u. South Coffeyville PWA
- v. Sayre PWA (III)
- w. Crescent PWA
- x. Chandler MA (II)
- y. Durant City Utility Authority (II)
- z. Clarita-Olney RWD
- aa. Mayes Co. RWD #8
- bb. Minco MA
- cc. Cheyenne UA (III)

- dd. Okmulgee Co. RWD #4 (II)
- ee. Okmulgee Co. RWD #5
- ff. Cherokee Co. RWD #7
- gg. Ringling MA

Revised Project Priority List/IUP Project Amounts:

Since the SFY 2025 IUP was issued in July of 2024, applicants requested increases and decreases in loan amounts due to bid amounts or revised construction estimates.

Applicants for the following projects requested loan increases and decreases:

	<u>From</u>	<u>To</u>
a. Commerce DA	\$915,500	\$1,343,517
b. Francis PWA	\$2,277,220	\$2,330,000
c. Tri-County RWD #2 (III)	\$450,000	\$575,000
d. Lawton WA (VII)	\$25,000,000	\$29,000,000
e. Edmond PWA (XI)	\$25,000,000	\$54,000,000
f. Stillwater UA (VII)	\$25,000,000	\$37,000,000
g. Johnston Co. RWS & SWMD #3	\$1,462,759.50	\$2,500,000
h. Davenport UA	\$816,215	\$800,000,
i. Edmond PWA (VIII)	\$15,000,000	\$9,335,000
j. Salina PWA (II)	\$2,640,000	\$950,000
k. Midwest City MA	\$115,000	\$219,000
l. Lawton WA (IX)	\$25,000,000	\$21,000,000
m. LeFlore Co. RWD #17	\$1,000,000.00	\$800,000.00
n. Creek Co. RWD #1	\$378,000	\$768,700
o. Breckinridge PWA	\$992,308.50	\$1,097,838
p. Elk City PWA (III)	\$2,450,000	\$3,750,000
q. Okmulgee Co. RWD #5	\$340,000	\$600,000
r. Roland UA (II)	\$1,950,000	\$2,700,000
s. McCurtain Co. RWD #8 (III)	\$6,500,000	\$8,040,484.37

Attachment 13

Documentation for EPA Guidelines for Enhancing Public Awareness of SRF Assistance Agreements







Attachment 14 - DWSRF Assistance Agreement Report for SFY 2025

State Tracking Number	Other Track Number	Borrower Name	Initial Agreement Date	Initial Agreement Amount	Current Interest Rate	Current Repayment Period	Assigned Grant Subsidy	Total Project Cost
ORF-23-0012-DW	P40-1021504-01	Chelsea Economic Development Authority	05/28/2025	\$1,076,497.00	3.14	20	\$800,000.00	\$1,076,497.00
ORF-25-0004-DW	P40-3000109-01	Westville Utilities Authority	04/23/2025	\$1,599,220.00	3.46	30	\$800,000.00	\$1,599,220.00
ORF-23-0092-DW	P40-1021773-02	Gore Public Works Authority (II)	04/23/2025	\$1,397,173.00	3.19	20	\$800,000.00	\$1,397,173.00
ORF-23-0073-DW	P40-1021773-02	Garfield County Rural Water District #5	04/23/2025	\$800,000.00			\$800,000.00	\$800,000.00
ORF-23-0095-DW	P40-1020806-01	Midwest City Municipal Authority	04/10/2025	\$219,000.00			\$219,000.00	\$219,000.00
ORF-23-0074-DW	P40-2006205-02	Francis Public Works Authority (II)	04/03/2025	\$1,730,000.00	3.2	30	\$950,000.00	\$1,730,000.00
ORF-23-0061-DW	P40-2005810-01	Commerce Development Authority	04/03/2025	\$931,230.00			\$931,230.00	\$931,230.00
ORF-23-0060-DW	P40-3004048-01	LeFlore County RWD # 17	04/03/2025	\$300,000.00			\$300,000.00	\$300,000.00
ORF-24-0009-DW	P40-1011303-09	Lawton Water Authority (IX)	03/07/2025	\$21,000,000.00	3.03	30	\$1,000,000.00	\$21,000,000.00
ORF-25-0020-DW	P40-1020902-17	Oklahoma City Water Utilities Trust (XVII) LSLI-2	01/28/2025	\$2,500,000.00	0	15	\$1,250,000.00	\$2,500,000.00
ORF-22-0043-DW	P40-1021603-02	Salina Public Works Authority (II)	01/28/2025	\$950,000.00			\$950,000.00	\$950,000.00
ORF-24-0019-DW	P40-2002412-07	Enid Municipal Authority (VII)	01/02/2025	\$3,594,450.00	2.15	3	\$1,048,612.50	\$3,594,450.00
ORF-23-0034-DW	P40-2003511-01	Johnston Co. RWS & SWMD #3	01/02/2025	\$1,937,520.00	2.9	30	\$950,000.00	\$1,937,520.00
ORF-21-0020-DW	P40-1020723-08	Edmond Public Works Authority (VIII)	12/19/2024	\$9,335,000.00	2.81	30	\$0.00	\$9,335,000.00
ORF-25-0006-DW	P40-1020515-02	Checotah Public Works Authority (II)	11/08/2024	\$881,650.00			\$881,650.00	\$881,650.00
ORF-23-0076-DW	P40-1020723-11	Edmond Public Works Authority (XI)	09/24/2024	\$54,000,000.00	2.77	30	\$0.00	\$54,000,000.00
ORF-24-0008-DW	P40-1011303-07	Lawton Water Authority (VII)	08/23/2024	\$29,000,000.00	2.83	30	\$0.00	\$29,000,000.00
ORF-24-0001-DW	P40-1020902-12	Oklahoma City Water Utilities Trust (XII)	07/17/2024	\$75,261,000.00	2.95	30	\$1,000,000.00	\$75,261,000.00
								\$206,512,740.00

Attachment 15

Subsidy Draw Down Tracking Chart 2025

Attachment 15
Subsidy Draw Down Tracking Chart

Subsidiy Amount	Subsidiy Amount Drawn To Date	Subsidiy Amount Remaining to be Drawn
\$332,000.00	\$332,000.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00
\$375,000.00	\$375,000.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00
\$112,500.00	\$112,500.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00
\$130,000.00	\$130,000.00	\$0.00
\$1,284,000.00	\$1,284,000.00	\$0.00
\$222,750.00	\$222,750.00	\$0.00
\$252,000.00	\$252,000.00	\$0.00
\$200,000.00	\$200,000.00	\$0.00
\$85,500.00	\$85,500.00	\$0.00
\$180,000.00	\$180,000.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00
\$187,500.00	\$187,500.00	\$0.00
\$490,500.00	\$490,500.00	\$0.00
\$208,418.25	\$208,418.25	\$0.00
\$1,155,114.97	\$1,155,114.97	\$0.00
\$354,000.00	\$354,000.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00
\$600,000.00	\$600,000.00	\$0.00
\$823,297.39	\$823,297.39	\$0.00
\$856,859.50	\$856,859.50	\$0.00
\$590,706.60	\$590,706.60	\$0.00
\$1,479,491.81	\$1,479,491.81	\$0.00
\$2,090,910.34	\$2,090,910.34	\$0.00
\$874,628.52	\$874,628.52	\$0.00
\$2,500,000.00	\$2,500,000.00	\$0.00
\$1,867,022.62	\$1,867,022.62	\$0.00
\$1,033,500.00	\$1,033,500.00	\$0.00
\$100,000.00	\$100,000.00	\$0.00
\$100,000.00	\$100,000.00	\$0.00
\$70,236.00	\$70,236.00	\$0.00
\$95,330.00	\$95,330.00	\$0.00
\$100,000.00	\$100,000.00	\$0.00
\$600,000.00	\$600,000.00	\$0.00
\$100,000.00	\$100,000.00	\$0.00
\$100,000.00	\$100,000.00	\$0.00
\$100,000.00	\$100,000.00	\$0.00
\$150,000.00	\$150,000.00	\$0.00
\$79,700.00	\$79,700.00	\$0.00
\$100,000.00	\$100,000.00	\$0.00
\$1,882,103.00	\$1,882,103.00	\$0.00
\$90,322.50	\$62,107.50	\$28,215.00
\$100,000.00	\$100,000.00	\$0.00
\$1,000,000.00	\$1,000,000.00	\$0.00
\$562,500.00	\$562,500.00	\$0.00
\$337,500.00	\$337,500.00	\$0.00
\$225,000.00	\$225,000.00	\$0.00
\$104,530.00	\$104,530.00	\$0.00
\$196,870.00	\$196,870.00	\$0.00
\$102,406.43	\$102,406.43	\$0.00
\$1,000,000.00	\$1,000,000.00	\$0.00
\$1,000,000.00	\$1,000,000.00	\$0.00
\$425,000.00	\$425,000.00	\$0.00
\$1,000,000.00	\$1,000,000.00	\$0.00
\$200,000.00	\$200,000.00	\$0.00
\$636,250.00	\$636,250.00	\$0.00
\$350,000.00	\$350,000.00	\$0.00
\$565,472.07	\$565,472.07	\$0.00
\$182,500.00	\$182,500.00	\$0.00
\$147,755.00	\$147,755.00	\$0.00
\$400,000.00	\$340,932.01	\$59,067.99
\$214,077.00	\$214,077.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00
\$250,000.00	\$250,000.00	\$0.00
\$219,000.00	\$0.00	\$219,000.00
\$35,672,252.00	\$35,365,969.01	\$306,282.99
Grand Total of Subsidiy	Grand Total Drawn To Date	Total Remaining To Be Drawn

[illegible][illegible]

* Received subsidy funds from Regular funds and Disadvantaged funds

Attachment 16
Grant Subsidy Balances

FFY 2022 Base Grant Amount	\$9,935,000.00
14% HB Subsidy	\$1,390,900.00
Subsidy Amount Awarded	\$1,183,077.00
Subsidy Amount left to Award	\$207,823.00
Remaining Amount Carried Forward to SFY 2026	\$207,823.00
12% Disadvantaged Subsidy	\$1,192,200.00
Subsidy Amount Awarded	\$1,192,200.00
Subsidy Amount left to Award	\$0
Remaining Amount Carried Forward to SFY 2026	\$207,823.00

FFY 2023 Base Grant Amount	\$7,177,000.00
14% HB Subsidy	\$1,004,780.00
Subsidy Amount Awarded	\$0.00
Subsidy Amount left to Award	\$1,004,780.00
Remaining Amount Carried Forward to SFY 2026	\$1,004,780.00
12% Disadvantaged Subsidy	\$861,240.00
Subsidy Amount Awarded	\$861,240.00
Subsidy Amount left to Award	\$0.00
Remaining Amount Carried Forward to SFY 2026	\$1,004,780.00

FFY 2024 Base Grant Amount	\$6,774,000.00
14% HB Subsidy	\$948,360.00
Subsidy Amount Awarded	\$0.00
Subsidy Amount left to Award	\$948,360.00
Remaining Amount Carried Forward to SFY 2026	\$948,360.00
12% Disadvantaged Subsidy	\$812,880.00
Subsidy Amount Awarded	\$812,880.00
Subsidy Amount left to Award	\$0.00
Remaining Amount Carried Forward to SFY 2026	\$948,360.00

IIJA FFY 2022 GS Grant Amount	\$25,508,000.00
49% Subsidy	\$12,498,920.00
Subsidy Amount Awarded	\$12,498,920.00
Subsidy Amount left to Award	\$0.00
Remaining Amount Carried Forward to SFY 2026	\$0.00

IIJA FFY 2023 GS Grant Amount	\$30,602,000.00
49% Subsidy	\$14,994,980.00
Subsidy Amount Awarded	\$14,994,980.00
Subsidy Amount left to Award	\$0.00
Remaining Amount Carried Forward to SFY 2026	\$0.00

IIJA FFY 2024 GS Grant Amount	\$33,407,000.00
49% Subsidy	\$16,369,430.00
Subsidy Amount Awarded	\$9,084,859.63
Subsidy Amount left to Award	\$7,284,570.37
Remaining Amount Carried Forward to SFY 2026	\$7,284,570.37

FFY IIJA 2022 LSLI/R Grant Amount	\$40,192,000.00
49% Subsidy	\$19,694,080.00
Subsidy Amount Awarded	\$4,484,250.00
Subsidy Amount left to Award	\$15,209,830.00
Remaining Amount Carried Forward to SFY 2026	\$15,209,830.00

FFY IIJA 2023 LSLI/R Grant Amount	\$24,598,000.00
49% Subsidy	\$12,053,020.00
Subsidy Amount Awarded	\$0.00
Subsidy Amount left to Award	\$12,053,020.00
Remaining Amount Carried Forward to SFY 2026	\$12,053,020.00

FFY IIJA 2022 EC Grant Amount	\$5,733,624.00
100% Subsidy	\$4,800,000.00
Subsidy Amount Awarded	\$2,240,000.00
Subsidy Amount left to Award	\$2,560,000.00
Remaining Amount Carried Forward to SFY 2026	\$2,560,000.00

FFY IIJA 2023 EC Grant Amount	\$11,104,000.00
100% Subsidy	\$10,549,012.00
Subsidy Amount Awarded	\$0.00
Subsidy Amount left to Award	\$10,549,012.00
Remaining Amount Carried Forward to SFY 2026	\$10,549,012.00

FFY IIJA 2024 EC Grant Amount	\$11,104,000.00
100% Subsidy	\$10,497,194.00
Subsidy Amount Awarded	\$0.00
Subsidy Amount left to Award	\$10,497,194.00
Remaining Amount Carried Forward to SFY 2026	\$10,497,194.00