

OKLAHOMA WATER RESOURCES BOARD MEETING INFORMATION

The Oklahoma Water Resources Board meets monthly in accordance with the date, time, and location shown on the final posted agenda. A draft Board meeting agenda and packet materials are scheduled to be prepared approximately 10 calendar days prior to the Board's meeting. A final agenda is scheduled to be posted at least 24 hours prior to the meeting. The standard sections of the agenda are numbered in a series; additional or special items will appear on the agenda subsequently. Standard sections include the following:

- 01000 = Call to Order
- 02000 = Financial Assistance Division
- 03000 = Summary Disposition Agenda
- 04000 = Items of Interest
- 05000 = Special Consideration Items

This meeting packet contains expanded information (summary documents, proposed orders, etc.) associated with individual agenda items. Each section of the packet contains a cover sheet noting the appropriate corresponding agenda item/number. (For example, to locate agenda item 2.D., concerning a grant or loan, review the packet for the section labeled, "2. Financial Assistance Division," which will begin on page 02000. Item D. is placed in alphabetical order in the section and is labeled accordingly.) The documents and information provided within the meeting packet are draft until approved by the Board. Please contact OWRB staff for the final, official documents as approved by the Board.

If you require assistance in locating an item or accompanying documents, please contact OWRB staff at (405) 530-8800.

1.B.

**December 17 ,2024, Regular Meeting Draft Official Minutes
For consideration at the January 21, 2025 Board Meeting**

CALL TO ORDER

The Regular Meeting of the Oklahoma Water Resources Board was called to order by Madam Chair Jennifer Castillo, on December 17, 2024, at 9:34 a.m. at the Oklahoma Water Resources Board located at 3800 N. Classen Blvd. Oklahoma City, Oklahoma 73118. The meeting was conducted pursuant to the Oklahoma Open Meeting Law with due and proper notice provided pursuant to Sections 303 and 311 thereof. The agenda was posted on December 12, 2024, at 2:00 p.m., at the Oklahoma Water Resources Board's offices at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma.

A. Roll Call. Madam Chair Castillo welcomed everyone to the meeting and asked for the roll call of members.

Board Members Present

Robert Stallings, Jr.
Ron Justice
Suzanne Landess
Tom Gorman (arrived at 9:41 am)
Darren Cook
Jennifer Castillo
Bob Latham
Jarred Campbell
Matt Muller

Board Members Absent

None

Staff Members Present

Julie Cunningham, Executive Director
Sara Gibson, General Counsel
Tamara Lilly, Executive Administrator
Lori Johnson, Chief, Financial Assistance Division
Bill Cauthron, Chief, Water Quality Programs Division
Chris Neel, Chief, Planning and Management Division
Cleve Pierce, Chief, Administrative Services Division

Others Attending

Terry Hutchins, JCRW #3
Sheldon Totum, Hughes County RWD #6
Marlon Sullivan, Johnston County RWD #3
Allen Benelli
K. White, Reign Gardens
Sandra Benelli
Sandy Stafford, Hughes County RWD #4
Jason Childress, OG&E
Bud Ground, EFO
Mary Stallings
Darrell Davis, Edmond
Keli Cain, OEM
David Agbetunsin, Glenpool Utility
S.S from Glenpool Utility
Dallas Stisimple, IAE Law
Steven Hoffman, DEQ
John Finch, DEQ
Tommy Hosty, DEQ
Amanda Booze, DEQ
William Campbell, Coterra

Garrett King
Andrea L., City of Shawnee
Gander, BOKFS
Kelly Pham, DEQ
Chris Wolff, MPS
Cheryl Sterling
W.S.
Randy M., BancFirst
Leslie Lewis, Halff
Joseph Silk, Congressman Brecheen's Office
Bryson Panas, PSO

B. Discussion, Amendments and Vote to Approve Official Minutes of the October 21, 2024, Regular Meeting. Madam Chair Castillo inquired if all members reviewed the minutes of the October 21, 2024, meeting and if no questions, or changes, requested a motion to approve. No comments or amendments; Mr. Stallings motioned to approve, and Mr. Justice seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Stallings, Justice, Landess, Cook, Gorman Castillo
NAY: None
ABSTAIN: Muller, Campbell
ABSENT: Gorman

C. Executive Director's Report:

OWRB Rulemaking is in full swing, and the following timeline will be in effect, Publication November, Public hearing December, Public Comment December, and vote in January. Submittal to Legislature March 1, 2025.

Oklahoma had the wettest November on record since 1895. The seasonal outlook is that we are back in a drought. Hopefully the ground water basins were able to capture some of that run-off.

Received great feedback regarding the Governor's Water Conference. Held a finance water workshop on the second day, and educated several people on how water infrastructure could possibly get financing.

OWRB was awarded the Top Workplaces for 11th time. Companies across the state participated. This award judges the quality of the workplace and is based on an employee satisfaction survey conducted by an independent 3rd party. We were 1 of 3 state agencies to receive the award and we had an 81% participation rate for the 2024 survey.

Met with several legislatures including the new House Budget Chair, Trey Caldwell and the new Speaker Elect Kyle Hilbert.

12/6/2024 - Deadline for Requesting Drafting of Bills and Joint Resolutions
12/20/2024 - Filing Deadline for Bills with a Fiscal Impact
1/7/2025 (Noon) - Organizational Day for the 60th Legislature
1/16/2025 (4:00 p.m.) -Deadline for Filing of Bills and Joint Resolutions

Have sent our water right holders a letter informing them of new legislation including the enforcement piece and what that will look like.

D. Financial Update

Mr. Cleve pierce, Chief Administrative Services Division, presents the budget report for the period ending November 2024. Mr. Pierce reports the agency has spent 28 % of it appropriated budget leaving 72 %; spent 23% of its revolving budget, leaving 77%; has spent 13% of its federal budget, leaving 87%. Overall, the total budget remaining is 21% with 79% of the year remaining.

2. FINANCIAL ASSISTANCE DIVISION

- A. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for the Rural Water, Sewer and Solid Waste Management District No. 3, Johnston County, Oklahoma. Recommended for Approval.

This is a \$2,018,000 loan request from the Rural Water, Sewer, and Solid Waste Management District No. 3, Johnston County, Oklahoma. They have requested the funds to install approximately 13,000 linear feet of 10-inch water line along State Highway 1 and all related appurtenances to replace the existing aging and dilapidated 8" water line. The loan will be funded through the Drinking Water SRF loan program with a fixed interest rate plus an admin fee and a maturity not to exceed 30 years. The loan will be secured with a lien on the district's water system revenues and a mortgage on their water system. The district is a 1st time borrower of the board and their debt coverage ratio stands at 1.91 times.

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve. Mr. Latham motioned to approve, and Mr. Gorman seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Stallings, Justice, Landess, Muller, Cook, Campbell, Gorman Castillo
NAY: None
ABSTAIN: None
ABSENT: None

- B. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for the Enid Municipal Authority, Garfield County, Oklahoma. Recommended for Approval.

This is a \$6,000,000 loan request from the Enid Municipal Authority. They have requested the funds to replace aging waterlines throughout the city to increase water pressure, decrease water age, and reduce water loss. The loan will be funded through the Drinking Water SRF loan program with a fixed interest rate plus an admin fee and a maturity not to exceed 30 years. The loan will be secured with a lien Enid's water, sewer, and sanitation systems revenues, and a 2-cent sales tax. Enid is the 2nd largest borrower of the boards with a principal balance of approximately \$317 million and their debt coverage ratio stands at 2.48 times.

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve. Ms. Landess motioned to approve, and Mr. Justice seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Justice, Landess, Muller, Cook, Campbell, Gorman, Castillo
NAY: None
ABSTAIN: Stallings
ABSENT: None

- C. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for The Edmond Public Works Authority, Oklahoma County, Oklahoma. Recommended for Approval.

This is a \$9,335,000 loan request from The Edmond Public Works Authority. They have requested the funds to construct approximately 10,000 linear feet of 24-inch waterline along 33rd street from I-35 westward to Bryant and all related appurtenances to loop into existing waterlines to increase distribution reliability and water pressure. The loan will be funded through the Drinking Water SRF loan program with a fixed interest rate plus an admin fee and a maturity not to exceed 30 years. The loan will be secured with a lien on Edmond's water, sewer, sanitation, and electric system revenues, and a two-cent sales tax. Edmond is the 3rd largest borrower of the boards with a principal balance of approximately \$300 million and their debt coverage ratio stands at 2.22 times.

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve. Mr. Stallings motioned to approve, and Mr. Campbell seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Stallings, Justice, Landess, Muller, Cook, Campbell, Gorman, Castillo
NAY: None
ABSTAIN: None
ABSENT: None

- D. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for The Glenpool Utility Services Authority, Tulsa County, Oklahoma. Recommended for Approval.

This is a \$35,000,000 loan request from The Glenpool Utility Services Authority. They have requested the funds to construct a new sequencing batch reactor wastewater treatment plant to replace their current process of aerated lagoons to address DEQ permit violations and a growing population. The loan will be funded through the Clean Water SRF loan program with a fixed interest rate plus an admin fee and a maturity not to exceed 30 years. The loan will be secured with a lien on Glenpool's water, sewer, and sanitation systems revenues, and a 4-cent sales tax. The total project cost is over \$81 million. The board approved a \$44 million ARPA grant in July of 2023 that was designated by the legislature for this project and Glenpool has \$2.4 million of their own ARPA funds in this project as well. Glenpool has been a long-time borrower of the board's and is in good standing. They currently have one loan outstanding with the board with a principal balance of approximately \$1.5 million and their debt coverage ratio stands at 2.51 times.

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve. Mr. Muller motioned to approve, and Mr. Stallings seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Stallings, Justice, Landess, Muller, Cook, Campbell, Gorman, Castillo
NAY: None
ABSTAIN: None
ABSENT: None

- E. Consideration of and Possible Action on Proposed Resolution Authorizing Certain Individuals To Sign and Act on Behalf of the Board Regarding the Board's Financial Assistance Program, State Revolving Fund Programs, other Financial Assistance grants, loans, and/or programs, and Issues of Indebtedness and Authorizing Members to Act as Assistant Secretary. Recommended for Approval.

This is a resolution that authorizes board members and certain staff to sign and act on behalf of the board regarding the Board's financial assistance programs. The board passed a similar resolution in July of this year that covered the board's financial assistance loan programs as well as the CW and DW SRF loan programs. The new resolution also covers the ARPA program and any future programs administered by the board. The resolution allows BancFirst, our trustee bank, to have signatures on file for verification of each board member, the executive director, the chief and assistant chief of the financial assistance division as approved signatories.

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve. Mr. Campbell motioned to approve, and Mr. Stallings seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Stallings, Justice, Landess, Muller, Cook, Campbell, Gorman, Castillo
NAY: None
ABSTAIN: None
ABSENT: None

3. SUMMARY DISPOSITION AGENDA ITEMS

Any item listed under this Summary Disposition Agenda may, at the request of any member of the Board, the Board's staff, or any other person attending this meeting, be transferred to the Special Consideration Agenda. Under the Special Consideration Agenda, separate discussion and vote or other action may be

taken on any items already listed under that agenda or items transferred to that agenda from this Summary Disposition Agenda.

- A. Requests to Transfer Items from Summary Disposition Agenda to the Special Consideration Agenda and Action on Whether to Transfer Such Items.
- B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on Summary Disposition Agenda and Possible Action on Items Listed Below.

*It was verbally announced by Chairman Castillo that item 3-J, #1-Freedom Rock Ranch will be pulled from the agenda and consideration by the Board.

C. Consideration of and Possible Action on Financial Assistance Division Items:

1. Emergency Grant Applications:

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
a.	FAP-25-0002-G	The Welch Public Works Authority	Craig	\$ 64,900.00

2. Rural Economic Action Plan (REAP) Grant Applications:

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
ACOG a.	FAP-25-0005-R	The Orlando Public Works Authority	Logan	\$ 150,000.00
ASCOG b.	FAP-25-0009-R	The Wayne Public Works Authority	McClain	\$ 99,999.00
EODD c.	FAP-25-0061-R	Council Hill Public Works Authority	Muskogee	\$ 99,999.00
NODA d.	FAP-25-0062-R	The Kremlin-Hillsdale Rural Water District No.1	Garfield	\$ 99,999.06
SODA e.	FAP-25-0080-R	Town of Tatum	Carter	\$ 80,000.00
SWODA f.	FAP-25-0008-R	Rural Water, Sewer and Solid Waste Management District No. 2	Beckham	\$ 99,840.00

3. CWSRF Principal Forgiveness Loan Applications:

None.

4. DWSRF Principal Forgiveness Loan Applications:

None.

5. Sewer Overflow and Stormwater Reuse Municipal Grants (“OSG”)
None.
6. American Rescue Plan Act (ARPA) Grant Applications:
None.

D. Consideration of and Possible Action on the Contracts and Agreements:

1. Amendment Agreement between Oklahoma Department of Environmental Quality and OWRB extending the date of service and updating contract pricing related to lab analysis.
2. Amended Joint Funding Agreement between OWRB and the U.S. Geological Survey reducing funding from both parties for the Surface Water Monitoring Program with the Oklahoma-Texas Water Science Center.
3. Agreement between OWRB and the Office of the Secretary of Energy and Environment aimed towards updating and increasing the accuracy of the National Wetlands Inventory by using current remote sensing datasets and determination of change of wetland type as a result of the creation of large reservoirs.
4. No-Cost Amendment Agreement between OWRB and the Board of Regents of the University of Oklahoma providing an extension of time for the Sponsored Research Agreement related to the modernization and migration of OWRB Geospatial Resources.
5. No-Cost Amendment Agreement between OWRB and the Office of Secretary of Energy and Environment providing an extension of time for Oklahoma’s Water Management Planning Program Agreement.
6. Agreement between OWRB and the Office of the Secretary of Energy and Environment providing funding for the Water Quality Monitoring Program-Monitoring Initiative goals.
7. Agreement between OWRB and the Office of the Secretary of Energy and Environment To fund the State of Oklahoma’s Water Quality Management Planning program to improve impaired water and protect unimpaired waters across the state by conducting planning that informs and supports implementation of Clean Water Act programs
8. Agreement between the State of Oklahoma by and through the Office of Management and Enterprise Services for the benefit of OWRB and Phase 2 to initiate and execute the development of software features to allow for intent to drill enhancements, online water use process, water use mailout process automation, Oracle migration, 90-day permit request, Thentia integration and to replace PHP well log application.

E. Consideration of and Possible Action on Applications for Temporary Permits to Use Groundwater:

1. White Springs, LLC, Jefferson County, 2023-680
2. The Family Trust of John Warren and Darla Elaine Tharp, Kay County, 2024-503
3. Super Lee, LLC, Garfield County, 2024-509
4. Ricky R. and Carolyn Williams, Garvin County, 2024-519
5. Monte Lee Little and Janet Lynn Little, Washita County, 2024-609

F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:

1. John E. and Markie Jo Repp, Washita County, 1980-585B
2. Lavonne Kroeker, Major County, 2002-597
3. Phillips 66 Company, Kay County, 2022-510

G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:

1. Sunnywater Realty, Inc., Creek County, 2023-610
2. Jason Tyler Becker, Beaver County, 2024-520
3. Bobby and Annette Landreth, Blaine County, 2024-552
4. Hood Ranch Inc., Texas County, 2024-571

5. Theodore S. Sutton Inheritance Trust, Beaver County, 2024-589
6. Faith and Larry Willis Haynes, Beckham County, 2024-607

H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:

1. City of Elk City, Beckham County, 1974-044
2. Ronald D. Carey, Cimarron County, 1978-737
3. Beau and Kristen Carman, Beaver County, 1979-544
4. Celebrity Feeders, LLC, Cimarron County, 2000-551
5. Canadian County Rural Water District #4, Canadian County, 2007-549B

I. Consideration of and Possible Action on Applications to Amend Prior Right to Use Groundwater:

1. Trey and Amy Carlisle, Harper County, 1954-1162B

J. Consideration of and Possible Action on Applications to for Term/Seasonal Permits to Use Stream Water:

Item pulled from agenda and consideration.

K. Consideration of and Possible Action on Applications for Regular Permits to Use Stream Water:

1. Jason Sylte RELP and Chris Sylte Relp, McCurtain County, 2023-018
2. Double Barrel Property Company, LLC, Wagoner County, 2023-019
3. 3520 Sparks, LLC, Lincoln County, 2024-014

L. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Stream Water:
None

M. Consideration of and Possible Action on Well Driller and Pump Installer Licensing:

1. New Licenses, Accompanying Operator Certificates and Activities:
 - a. Licensee: Recoil Oilfield Services DPC-1056
 1. Operator: Nick Cooper OP-2557
 - Activities: Pump Installation
 - b. Licensee: Almond Water Well Service DPC-1058
 2. Operator: Christopher Almond OP-2558
 - Activities: Pump Installation
 - c. Licensee: Rocking K Industries DPC-1060
 3. Operator: Frank Loewen OP-2559
 - Activities: Ground water wells and pump installation
 - d. Licensee: M&W Drilling LLC DPC-1062
 4. Operator: John Schappell OP-2560
 - Activities: Groundwater wells and monitoring wells
 - e. Licensee: Red River Water Well Drilling LLC DPC-1064
 5. Operator: Eric Igo OP-2561
 - Activities: Groundwater well
2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses:
 - a. Licensee: J & B Pump and Supply DPC-0587
 1. Operator: Adolfo Diaz Jr OP- 2562
 - Activities: Pump installation
 - b. Licensee: M&H Enterprises DPC-1046
 2. Operator: Patrick Nickel OP- 2563
 - Activities: Pump installation
 - c. Licensee: B&H Construction DPC-0765
 3. Operator: Windel Hanks OP- 2564
 - Activities: Heat exchange
 - d. Licensee: B&H Construction DPC-0765

4. Operator: Jonathan Koppel
Activities: Heat exchange

OP- 2565

- N. Consideration of and Possible Action on Dam and Reservoir Construction:
1. Ardmore City Lake Dam, Carter County, OK10500
 2. Litsch Family Farm Pond Dam, Oklahoma County, OK30640
- O. Consideration of and Possible Action on Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
1. Oklahoma Turnpike Authority, Tulsa County, FP-2024-13
 2. Port Pleasure HOA, Craig County, FP-2024-14
- P. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:
1. Toran French, McCurtain County, #FPA-78
 2. Andrew Meyers, Oklahoma County, #FPA-564
 3. Matt Lafee, Cotton County, #FPA-740
 4. Ronald Wiseman, Hughes County, #FPA-22
 5. Margaret Wyatt, Wagoner County, #FPA-133
 6. Shawn Gibson, Creek County, #FPA-775
 7. Aaron Scott, Pottawatomie County, #FPA-675
- Q. Consideration of and Possible Action on a Second Consent Order:
1. Misty Lake, Cleveland County, OK12578
 2. Shawnee City Lake, Pottawatomie County, OK11039
- R. Consideration of and Possible Action on a Proposed Default Order:
1. Katherine and James McCoy, Pittsburg County, 2023-626
- S. Consideration of and Possible Action on an Acquisition of Assets:
1. Rural Water District No. 4, Hughes County, Oklahoma by Rural Water District No. 6, Hughes County, Oklahoma

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve.

Mr. Latham motioned to approve, and Ms. Landess seconded the motion.

*Mr. Stallings voiced to record, he approves all except for Item 3C-2 D under Special Consideration, The Kremlin-Hillsdale Rural Water District No.1, he will abstain from voting on this item.

Madam Chair Castillo called for the vote.

AYE: Latham, Stallings, Justice, Landess, Muller, Cook, Campbell, Gorman, Castillo

NAY: None

ABSTAIN: Stallings; only for item 3C-2D, The Kremlin-Hillsdale Rural Water District No.1; approves all other items of Summary Disposition.

ABSENT: None

04000 4. PUBLIC HEARING ON PROPOSED NEW AND AMENDED PERMANENT RULES OF THE BOARD
Chairman Castillo

- A. Staff Presentations and Public comment on Amendments to Permanent Rules Proposed for Adoption During 2024
1. a. Summary of Proposed Amendments to Chapter 5 – Fees – Mr. Yohanes Sugeng

Subchapter 1. General Provisions

785:5-1-9. Dam safety and inspection fees [AMENDED]

785:5-1-21. Documentation reviews related water trapped in producing mines [AMENDED]

b. Questions and Discussion by Board Members-None

c. Public Comment-None

2. a. Summary of Proposed Amendments to Chapter 20 -Appropriation and Use of Stream Water – Mr. Chris Neel

Subchapter 1. General Provisions

785:20-1-3. Statutory provisions on violation and penalties [AMENDED]

Subchapter 3. Application Requirements and Processing

785:20-3-2. General application requirements [AMENDED]

785:20-3-9. Defective applications; when applications deemed withdrawn [AMENDED]

Subchapter 7. Permits

785:20-7-1. Classes of stream water permits [AMENDED]

Subchapter 9 Actions after Stream Water Right Obtained

785:20-9-5. Reports [AMENDED]

APPENDIX A. Application for a Permit to Use Surface or Stream Water [REVOKED]

b. Questions and Discussion by Board Members- Discussion regarding notice to stream water permit holder letter regarding cancelling a permit for non-response. Ensuring we are working with permit holders who are actively working on documents for their permits and are responsive.

Discussion regarding surface permits when multiple permits are in use; seniority use permits and permits reporting non-use. To obtain more accurate water use is the overall goal in reporting.

c. Public Comment- Written comments were received; Comment from Bud Ground issue with 20-9-5-Reports- would like to keep certain language that OWRB proposed striking. Reporting of water use language due to contractual issues within the manufacturing sector. Comments have been received by OWRB and are working together with Mr. Ground on language.

Comment from Dallas S., Citizens for the Protection of the Arbuckle Simpson- Concerns with 20-7-1- Temporary permits and renewals language. Also concerns with item in Chapter 30 regarding permits.

3. a. Summary of Proposed Amendments to Chapter 25 – Dams and Reservoirs – Mr. Yohanes Sugeng

Subchapter 3. Responsibility, Classification and Design Standards

785:25-3-6. Minimum spillways performance standards [AMENDED]

Subchapter 7. Post Approval Actions

785:25-7-8. Certificate of completion [AMENDED]

Subchapter 9. Actions After Construction

785:25-9-1. Inspections of dams [AMENDED]

b. Questions and Discussion by Board Members-None

c. Public Comment-None

4. a. Summary of Proposed Amendments to Chapter 30 – Taking and Use of Groundwater – Mr. Chris Neel

Subchapter 3. Permit Application Requirements and Processing

785:30-3-1. General application requirements [AMENDED]
785:30-3-3. Acceptance of application for filing; when applications deemed withdrawn [AMENDED]
Subchapter 5. Groundwater Permits
785:30-5-4. Provisional Temporary permits [AMENDED]
Subchapter 7. Amendments to Groundwater Rights
785:30-7-4. Adding or replacing a well for the purpose of exercising prior rights or existing permits [AMENDED]
785:30-7-8. Consolidation of permits [REVOKED]
Subchapter 13. Miscellaneous Provisions
785:30-13-5. Allocation of municipal water
APPENDIX D. Identified Springs that Emanate from a Sensitive Sole Source Groundwater Basin [AMENDED]

b. Questions and Discussion by Board Members- Discussion of intent to drill permits, relying on well drillers to follow the rules, change to rules aims to place more responsibility on the permit holder.

Discussion of well spacing and exceptions. Land consolidation and well spacing along with multiple/consolidating permits.

c. Public Comment: Written comments were received; Public comment was noted under Chapter 20 which referenced chapter 30.

5. a. Summary of Proposed Amendments to Chapter 35 – Well Driller and Pump Installer Licensing – Mr. Charles O’Malley

Subchapter 13. Authorization to Drill Groundwater Wells
785:35-13-1. Authorization to drill groundwater wells [AMENDED]

b. Questions and Discussion by Board Members- Discussion regarding test holes and casing.

c. Public Comment: None

6. a. Summary of Proposed Amendments to Chapter 50 – Financial Assistance – Ms. Lori Johnson

Subchapter 6. Water and Sewer Program Emergency Grants Requirements and Procedures
785:50-6-1. Approval criteria [AMENDED]
785:40-6-3. Emergency grant priority point system [AMENDED]
785:50-6-4. Disbursement of grant funds [AMENDED]
Subchapter 8. Rural Economic Action Plan (REAP) Grant Program Requirements and Procedures
785:50-8-2. Definitions [AMENDED]
785:50-8-3. Application review and disposition [AMENDED]
785:50-8-4. Applicable law; deadline for applications; eligible project costs [AMENDED]
785:50-9-5. REAP grant priority point system
Subchapter 9. Clean Water State Revolving Fund Regulations
Part 3. General Program Requirements
785:50-9-23. Clean Water SRF Project Priority System [AMENDED]
Subchapter 20. Safeguarding Tomorrow Revolving Loan Program Regulations [NEW]
785:50-20-1. General program description and procedures [NEW]
785:50-20-2. General approval standards and criteria [NEW]
785:50-20-3. Terms and conditions [NEW]
785:50-20-4. Disbursement of funds and conditions for disbursement [NEW]

b. Questions and Discussion by Board Members: None

c. Public Comment: None

05000 5. SPECIAL CONSIDERATION

Chairman Jennifer Castillo

A. Consideration of and Possible Action on Application for a Temporary Groundwater Right No. 2023-501, Sandra H. Benelli and Allen W. Benelli Co-Trustees of the Sandra H. Benelli Trust, McClain County, Oklahoma:

1. Summary – **Mr. Chris Neel**
2. Discussion and presentation by parties-Mr. and Mrs. Benelli made a presentation to the Board.

Protestant Mr. King made a presentation.

3. Possible Executive Session

As authorized by the Oklahoma Open Meeting Act in Section 307(B)(8) of Title 25 of the Oklahoma Statutes, an executive session may be held for the purpose of “[e]ngaging in deliberations or rendering a final or intermediate decision in an individual proceeding pursuant to Article II of the Administrative Procedures Act”.

- (a) Vote on whether to hold Executive Session. Before it can be held, the Executive Session must be authorized by a majority vote of a quorum of members present and such vote must be recorded.
 - (b) Designation of person to keep written minutes of Executive Session, if authorized.
 - (c) Executive Session, if authorized.
4. Return to open meeting and possible vote or action on any matter discussed in the Executive Session, if authorized.
 5. Vote on whether to approve the Proposed Order as presented or as may be amended, or vote on any other action or decision relating to the Proposed Order.

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve. Mr. Muller motioned to approve the motion with the conditions of the following as discussed by the Board: The Benelli’s shall be limited to the use of a total of 20-acre feet, with maximum withdraw of two wells (well sites) pumping at 6 gallons per minute and all clerical errors are to be corrected by OWRB. The Benelli’s have the option to apply for additional water in the future; Mr. Campbell seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Justice, Landess, Muller, Cook, Campbell, Gorman, Castillo
NAY: Stallings
ABSTAIN: None
ABSENT: None

B. Consideration of and Possible Action on Application for a Limited Quantity Temporary Groundwater Right No. 2023-684, William J. & Julie K. Lewis, Creek County, Oklahoma:

1. Summary – **Mr. Chris Neel**
2. Discussion and presentation by parties: Presentation given by Ms. White attorney for the applicants. No protestants were present.

3. Possible Executive Session

As authorized by the Oklahoma Open Meeting Act in Section 307(B)(8) of Title 25 of the Oklahoma Statutes, an executive session may be held for the purpose of “[e]ngaging in deliberations or rendering a final or intermediate decision in an individual proceeding pursuant to Article II of the Administrative Procedures Act”.

- (a) Vote on whether to hold Executive Session. Before it can be held, the Executive Session must be authorized by a majority vote of a quorum of members present and such vote must be recorded.
- (b) Designation of person to keep written minutes of Executive Session, if authorized.

- (c) Executive Session, if authorized.
4. Return to open meeting and possible vote or action on any matter discussed in the Executive Session, if authorized.
5. Vote on whether to approve the Proposed Order as presented or as may be amended, or vote on any other action or decision relating to the Proposed Order.

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve. Mr. Muller motioned to approve the order as written, and Mr. Latham seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Stallings, Justice, Landess, Muller, Cook, Campbell, Gorman, Castillo
NAY: None
ABSTAIN: None
ABSENT: None

C. Consideration of and Possible Action on Application for a Limited Quantity Groundwater Right No. 2023-531, Matt DeSantiago and Brett Williams, Cleveland County, Oklahoma:

1. Summary – **Mr. Chris Neel**
2. Discussion and presentation by parties: Ms. White with Klein (sp) Collective representing the applicants. Ms. White recommended this application be remanded back to the hearing examiner.

Protestants: Cheryl Sterling and William Sterling made a presentation to the Board.

3. Possible Executive Session

As authorized by the Oklahoma Open Meeting Act in Section 307(B)(8) of Title 25 of the Oklahoma Statutes, an executive session may be held for the purpose of “[e]ngaging in deliberations or rendering a final or intermediate decision in an individual proceeding pursuant to Article II of the Administrative Procedures Act”.

- (a) Vote on whether to hold Executive Session. Before it can be held, the Executive Session must be authorized by a majority vote of a quorum of members present and such vote must be recorded.
- (b) Designation of person to keep written minutes of Executive Session, if authorized.
- (c) Executive Session, if authorized.
4. Return to open meeting and possible vote or action on any matter discussed in the Executive Session, if authorized.
5. Vote on whether to approve the Proposed Order as presented or as may be amended, or vote on any other action or decision relating to the Proposed Order.

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve.

The board for clarity questioned the application for legal description, owners and beneficial use. OWRB General Counsel and Ms. White provided clarification to the Board.

Mr. Gorman motioned this item to be remanded back to the hearing examiner, and Mr. Stallings seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Stallings, Justice, Landess, Muller, Cook, Campbell, Gorman, Castillo
NAY: None
ABSTAIN: None
ABSENT: None

D. Consideration of and Possible Action on the Resolution of Litigation in Jennifer Benitscheck Taylor, Petitioner/Appellee, vs. The Oklahoma Water Resources Board, An Agency of the State of Oklahoma, Respondent/Appellant, and Sequoyah County Conservation District, Interested Parties/Intervenors. Sequoyah County Case No. CV-2018-128, Sup. Ct. Case No. 121,031:

1. Summary – **Ms. Julie Cunningham**
2. Discussion and questions by the Board
3. Possible Executive Session

As authorized by the Oklahoma Open Meeting Act in Section 307(B)(4) of Title 25 of the Oklahoma Statutes, an executive session may be held for the purpose of confidential communications between a public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation or proceeding in the public interest.

Pursuant this provision, the Board may hold an executive session for the purpose of discussing Jennifer Benitscheck Taylor, Petitioner/Appellee, vs. The Oklahoma Water Resources Board, An Agency of the State of Oklahoma, Respondent/Appellant, and Sequoyah County Conservation District, Interested Parties/Intervenors.

Statement by legal counsel advising on whether disclosure of the discussion of the litigation will seriously impair the ability of the Board and State to conduct the present and proposed litigation in the public interest.

- (a) Vote on whether to hold Executive Session. Before it can be held, the Executive session must be authorized by a majority vote of a quorum of members present and such vote must be recorded.
 - (b) Designation of person to keep written minutes of Executive Session, if authorized.
 - (c) Executive Session, if authorized.
4. Return to open meeting and possible vote or action on any matter discussed in the Executive Session, if authorized.
 5. Vote on whether to approve the Settlement Agreement as presented or as may be amended or vote on any other action or decision relating to the Settlement Agreement.

Madam Chair Castillo inquired if there were any questions, need for discussion or a motion to approve. Mr. Gorman motioned to approve, and Mr. Stallings seconded the motion. Madam Chair Castillo called for the vote.

AYE: Latham, Stallings, Justice, Landess, Muller, Cook, Campbell, Gorman, Castillo
NAY: None
ABSTAIN: None
ABSENT: None

06000 6. NEW BUSINESS

Chairman Jennifer Castillo

Under the Open Meeting Act, this agenda item is authorized only for matters not known about or which could not have been reasonably foreseen prior to the time of posting the agenda or any revised agenda.

07000 7. ADJOURNMENT

Chairman Jennifer Castillo

The next regular meeting of the Oklahoma Water Resources Board will be held on Tuesday, January 21, 2025, at 9:30 am. In the offices of the OWRB, 3800 N. Classen Boulevard, Oklahoma City, OK 73118.

*Audio of this meeting is available by request

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

Thomas Gorman, Vice Chairman

Matt Muller

Darren Cook

Ron Justice

Bob. Latham

Robert L. Stallings, Jr.

Jarred Campbell

ATTEST:

Suzanne Landess, Secretary (SEAL)

1. D. FINANCIAL UPDATE

1. D.1. Monthly Budget Report



December 2024 FOR FY2025 FY 2025 Revenues and Expenses

Revenues	Fund	General Revenue	Budgeted	Expended	Balance	Percentage Remaining
	19411	1	FY 24 Carryover	188,806	0	188,806
19501	1	FY 25 Appropriation	6,003,372	2,093,394	3,909,978	65%
Total General Revenue			6,192,178	2,093,394	4,098,784	66%
Revolving Funds						
21000	2	Drillers Indemnity Fund	50,000	0	50,000	100%
21500	3	OWRB Revolving Fund	5,509,081	1,986,878	3,522,203	64%
23500	4	Phase II A-S Hydro St Rev Fund	211,412	456	210,956	100%
24000	5	Revolving Fund	914,000	529,511	384,489	42%
24500	6	Drillers Regulation Fund	0	0	0	
25000	7	Water Infrastructure Dev. Fund (OCWP)	3,674,861	885,252	2,789,609	76%
42000	8	USGS Cooperative Agreement	351,600	12,775	338,825	96%
44400	9	DW Loan Administration Fund	1,507,037	218,458	1,288,579	86%
44500	10	CW Loan Administration Fund	2,520,581	585,324	1,935,257	77%
Total Revolving Funds			14,738,572	4,218,653	10,519,919	71%
Federal Funds						
40000	11	Federal Fund - General	1,177,679	330,202	847,477	72%
40700	12	Federal Fund - Engineering and Planning	4,578,738	527,294	4,051,444	88%
49700	13	Federal Fund - *ARPA	1,441,330	342,854	1,098,476	76%
Total Federal Funds			7,197,747	1,200,350	5,997,397	83%
Total Funding			28,128,497	7,512,397	20,616,100	73%
Expenses			Budgeted	Expended	Balance	Percentage Remaining
	510000	14	Salary Expense	8,278,646	3,666,397	4,612,249
512000	15	Insurance	1,488,665	589,654	899,011	60%
513000	16	FICA and Retirement	1,994,985	850,561	1,144,424	57%
515000	17	Professional Services	10,064,106	1,748,365	8,315,741	83%
519000	18	Flexible Benefits	16,000	6,331	9,669	60%
Total Personal Services			21,842,402	6,861,308	14,981,094	69%
520000	19	Travel Expense	672,093	162,515	509,578	76%
530000	20	Administrative Expense	1,367,004	443,945	923,059	68%
540000	21	Furniture and Equipment Expense	695,975	44,630	651,345	94%
550000	22	Intra Inter Agency Payments	3,551,023	0.00	3,551,023	100%
Total Operating Expenses			6,286,095	651,090	5,635,005	90%
Total Expenditures			28,128,497	7,512,397	20,616,100	73%

*American Recovery and Reinvestment Act (ARPA)

Percentage of Year Remaining

50%

2. FINANCIAL ASSISTANCE DIVISION

January 21, 2025

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: The Grove Municipal Services Authority, Delaware County

Loan Application No.: ORF-24-0058-CW
Clean Water SRF Loan (“CWSRF Loan”)

Amount Requested: \$1,000,000.00

Interest Rate: The CWSRF Loan shall bear a fixed interest rate to be determined prior to loan closing plus an administrative fee of 0.5% per annum, all on the outstanding principal balance of the loan.

Payment Term: Interest, administrative fee, and principal payments shall be made on a semi-annual basis. The applicant shall commence principal repayment no later than one (1) year following Project completion and the maturity of the loan shall be no later than twenty (20) years following the date the Project is completed.

Security Position: The loan shall be secured with a lien on the revenues of the applicant's water, sewer, and gas systems, a 2.4 cents sales tax and may include a mortgage on the applicant's water, sewer, and gas systems and other real property.

Purpose: The applicant will utilize the loan proceeds to: (i) install a belt press and a screw press at the wastewater treatment plant, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<u>Sources of Funds (Est.)</u>		<u>Uses of Funds (Est.)</u>	
Loan Proceeds	\$1,000,000.00	Project	\$953,000.00
		Bond Counsel	19,500.00
		Financial Advisor	19,500.00
		Local Counsel	7,500.00
		Trustee Bank	500.00
Total	<u>\$1,000,000.00</u>	Total	<u>\$1,000,000.00</u>

**ORDER APPROVING LOAN APPLICATION
THE GROVE MUNICIPAL SERVICES AUTHORITY
ORF-24-0058-CW**

2. The loan shall be secured with a lien on the revenues of the Applicant's water, sewer, and gas systems, a 2.4 cents sales tax and may include a mortgage on the Applicant's water, sewer, and gas systems and other real property.

3. Upon the Applicant's acceptance of the Board's Letter of Binding Commitment, the funds shall be reserved for the Applicant for a period of one (1) year from the date of this Order. In the event the loan is not closed on or before such date, the Board reserves the right to (i) approve, at the Applicant's request, a reasonable extension of time to close the loan, or (ii) de-obligate all or a portion of the loan funds in order to be used by the Board to make other CWSRF loans, as the Board determines shall permit the best use of the funds. Funds shall be provided to the Applicant from the CWSRF in accordance with the CWSRF program regulations as approved by the United States Environmental Protection Agency.

4. The Board's Staff is authorized to determine what additional conditions or requirements shall be necessary in order to assure the soundness of the loan and compliance with applicable financial, legal, CWSRF, and Bond Resolution requirements. In accordance with applicable authority and the United States Environmental Protection Agency ("EPA") guidelines for the implementation of the CWSRF Capitalization Grant, the loan conditions may include principal forgiveness to be used to pay a portion of the costs of the Project as described in the Application or for other purposes authorized by applicable authority and EPA guidelines. The Board's Staff is further authorized to approve future modifications or additions to the project purposes and uses of funds approved herein, provided such modifications or additions will not materially and adversely affect the loan.

5. The loan shall be subject in all respects to the provisions of the Applicant's promissory note(s), loan agreement(s), and other loan documents which shall be executed by proper officials of the Applicant and a Board Member at or prior to loan closing as appropriate.

6. Additional loans may be made at such times, for such projects of the Applicant, at such repayment periods and interest rates, and upon such other terms and conditions as may be agreed to and approved by the Board and the Applicant.

So ordered this 21st day of January, 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

**ORDER APPROVING LOAN APPLICATION
THE GROVE MUNICIPAL SERVICES AUTHORITY
ORF-24-0058-CW**

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: Oklahoma City Water Utilities Trust, Oklahoma County

Loan Application No.: ORF-25-0020-DW
Drinking Water SRF Loan (“DWSRF Loan”)

Funding Requested: \$2,500,000.00

Loan Interest Rate: The DWSRF Loan shall bear a fixed interest rate to be determined prior to loan closing plus an administrative fee of 0.5% per annum, all on the outstanding principal balance of the loan.

Loan Payment Term: Interest, administrative fee, and principal payments shall be made on a semi-annual basis. The applicant shall commence principal repayment no later than one (1) year following Project completion and the maturity of the loan shall be no later than fifteen (15) years following the date the Project is completed.

Loan Security Position: The DWSRF loan shall be secured with a lien on the revenues of the applicant's water, sewer, and sanitation systems and may include a mortgage on the applicant's water and sewer systems and other real property.

Purpose: The applicant will utilize the loan proceeds to: (i) extend the lead service line inventory verification program, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<u>Sources of Funds (Est.)</u>		<u>Uses of Funds (Est.)</u>	
Loan Proceeds	\$2,500,000.00	Project	\$2,500,000.00
Total	\$2,500,000.00	Total	\$2,500,000.00

**BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA**

IN THE MATTER OF LOAN APPLICATION)
NO. ORF-25-0020-DW IN THE NAME OF)
OKLAHOMA CITY WATER UTILITIES TRUST)
OKLAHOMA COUNTY, OKLAHOMA)

**PROPOSED
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of January, 2025.

WHEREAS, Oklahoma City Water Utilities Trust (the "Applicant") has made its Application for Funding No. ORF-25-0020-DW (the "Loan Application") to the Board and to the Oklahoma Department of Environmental Quality (the "DEQ") for a loan from the Drinking Water Treatment Revolving Loan Account (the "DWSRF"), pursuant to Title 82 Oklahoma Statutes 2021, Sections 1085.71 *et seq.*, as amended; and

WHEREAS, the Applicant intends to use the loan for drinking water system improvements, to further compliance with State and Federal standards and/or to refinance existing indebtedness originally incurred for such purposes; and

WHEREAS, the DEQ has certified the Loan Application with regards to compliance with applicable technical program requirements and forwarded it to the Board with a recommendation that the Loan Application be considered and approved for a DWSRF Loan; and

WHEREAS, the Board has completed its review of the Loan Application and related information, and finds that the Loan Application should be approved according to the terms and conditions set forth below.

NOW, THEREFORE, LET IT BE RESOLVED AND ORDERED BY THE OKLAHOMA WATER RESOURCES BOARD:

Application for Funding No. ORF-25-0020-DW in the name of Oklahoma City Water Utilities Trust be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) extend the lead service line inventory verification program, all related appurtenances (the "Project"), and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. A loan shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$2,500,000.00. The Applicant shall pay interest on the loan at a fixed rate to be determined prior to closing plus an administrative fee at the rate of 0.5% per annum, all on the outstanding balance of disbursed loan proceeds. Interest, administrative fee, and any principal payments shall be made on a semi-annual basis. The Applicant shall commence principal repayment no later than one (1) year

**ORDER APPROVING LOAN APPLICATION
OKLAHOMA CITY WATER UTILITIES TRUST
ORF-25-0020-DW**

following Project completion, and the maturity of the loan shall be no later than fifteen (15) years following the date the Project is completed.

2. The loan shall be secured with a lien on the revenues of the Applicant's water, sewer, and sanitation systems and may include a mortgage on the Applicant's water and sewer systems and other real property.

3. Upon the Applicant's acceptance of the DEQ's Letter of Binding Commitment, the funds shall be reserved for the Applicant for a period of one (1) year from the date of this Order. In the event the loan is not closed on or before such date, the Board reserves the right to (i) approve, at the Applicant's request, a reasonable extension of time to close the loan, or (ii) de-obligate all or a portion of the loan funds in order to be used by the Board to make other DWSRF loans, as the Board determines shall permit the best use of the funds. Funds shall be provided to the Applicant from the DWSRF in accordance with the DWSRF program regulations as approved by the United States Environmental Protection Agency.

4. The Board's Staff is authorized to determine what additional conditions or requirements shall be necessary in order to assure the soundness of the loan and compliance with applicable financial, legal, DWSRF, and Bond Resolution requirements. In accordance with applicable authority and the United States Environmental Protection Agency ("EPA") guidelines for the implementation of the DWSRF Capitalization Grant, the loan conditions may include principal forgiveness to be used to pay a portion of the costs of the Project as described in the Application or for other purposes authorized by applicable authority and EPA guidelines. The Board's Staff is further authorized to approve future modifications or additions to the project purposes and uses of funds approved herein, provided such modifications or additions will not materially and adversely affect the loan.

5. The loan shall be subject in all respects to the provisions of the Applicant's promissory note(s), loan agreement(s), and other loan documents which shall be executed by proper officials of the Applicant and a Board Member at or prior to loan closing as appropriate.

6. Additional loans may be made at such times, for such projects of the Applicant, at such repayment periods and interest rates, and upon such other terms and conditions as may be agreed to and approved by the Board and the Applicant.

So ordered this 21st day of January, 2025 in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

**ORDER APPROVING LOAN APPLICATION
OKLAHOMA CITY WATER UTILITIES TRUST
ORF-25-0020-DW**

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: Piedmont Municipal Authority, Canadian County

Loan Application No.: FAP-25-0001-L
State Loan Program Revenue Bond Loan (“FAP Loan”)

Amount Requested: \$22,650,000.00

Interest Rate: The FAP Loan shall bear interest at a fixed rate.

Payment Term: Principal and interest payments shall be made on a semi-annual basis. The term of the FAP Loan shall be no longer than thirty (30) years.

Security Position: The loan shall be secured with a lien on the revenues of the applicant's water and sewer systems, a 4 cent sales tax and may include a mortgage on the applicant's water and sewer systems and other real property.

Purpose: The applicant will utilize the loan proceeds to: (i) make water system improvements including design and construction of a secondary line to Oklahoma City, a booster pump station, an elevated storage tank, and rehabilitation of two water wells, make wastewater system improvements including construction of a lift station and interceptor lines, development of a wastewater master plan, and conducting a sanitary sewer line and manhole inspection, all related appurtenances (the “Project”), (ii) satisfy the Local Reserve Requirement, if necessary; and (iii) pay related costs of issuance.

<u>Sources of Funds (Est.)</u>		<u>Uses of Funds (Est.)</u>	
Loan Proceeds	\$21,831,578.74	Project	\$21,165,193.77
		Bond Counsel	220,815.79
		Financial Advisor	220,815.79
		OWRB Costs of Issuance	114,845.50
		Local Counsel	109,157.89
		Trustee Bank	750.00
Total	\$21,831,578.74	Total	\$21,831,578.74

**BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA**

IN THE MATTER OF LOAN APPLICATION)
NO. FAP-25-0001-L IN THE NAME OF)
PIEDMONT MUNICIPAL AUTHORITY)
CANADIAN COUNTY, OKLAHOMA)

**PROPOSED
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of January, 2025.

WHEREAS, Piedmont Municipal Authority (the "Applicant") has made its Application for Funding No. FAP-25-0001-L (the "Loan Application") to the Board for a loan from the proceeds of the Board's State Loan Program Revenue Bonds issued pursuant to the 2016 General Bond Resolution dated as of November 1, 2016, as supplemented and amended (the "Bond Resolution"), and authorized by Title 82 Oklahoma Statutes 2021, Sections 1085.31 *et seq*, as amended; and

WHEREAS, the Applicant intends to use the loan to provide for acquisition, development, and utilization of storage and control facilities for water and sewage systems for the use and benefit of the public and for the conservation and distribution of water for beneficial purposes in or from reservoirs or other storage facilities and/or refinancing indebtedness originally incurred for such purposes; and

WHEREAS, the Board has completed its review of the Loan Application and related information, and finds that the Loan Application should be approved according to the terms and conditions set forth below.

NOW, THEREFORE, LET IT BE RESOLVED AND ORDERED BY THE OKLAHOMA WATER RESOURCES BOARD:

Application for Funding No. FAP-25-0001-L in the name of Piedmont Municipal Authority be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) make water system improvements including design and construction of a secondary line to Oklahoma City, a booster pump station, an elevated storage tank, and rehabilitation of two water wells, make wastewater system improvements including construction of a lift station and interceptor lines, development of a wastewater master plan, and conducting a sanitary sewer line and manhole inspection, all related appurtenances (the "Project"), (ii) satisfy the Local Reserve Requirement, if necessary and (iii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. A loan shall be made out of proceeds of the Board's State Loan Program Revenue Bonds to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$22,650,000.00. The Applicant shall pay interest on

**ORDER APPROVING LOAN APPLICATION
PIEDMONT MUNICIPAL AUTHORITY
FAP-25-0001-L**

the loan at a fixed or variable rate to be established periodically by the Board. Principal and interest payments shall be made on a semi-annual basis or as otherwise provided for under the Bond Resolution. The term of the loan shall be no longer than thirty (30) years.

2. The loan shall be secured with a lien on the revenues of the Applicant's water and sewer systems, a 4 cents sales tax and may include a mortgage on the Applicant's water and sewer systems and other real property.

3. The funds shall be reserved for the Applicant for a period of one (1) year from the date of this Order. In the event the loan is not closed on or before such date, the Board reserves the right to (i) approve, at the Applicant's request, a reasonable extension of time to close the loan, or (ii) de-obligate all or a portion of the loan funds in order to be used by the Board to make other loans, as the Board determines shall permit the best use of the funds. Funds shall be provided to the Applicant from proceeds of the Board's State Loan Program Revenue Bonds in accordance with the requirements of the Bond Resolution.

4. The Board's Staff is authorized to determine what additional conditions or requirements shall be necessary in order to assure the soundness of the loan and compliance with applicable financial, legal, and Bond Resolution requirements. The Board's Staff is further authorized to approve future modifications or additions to the project purposes and uses of funds approved herein, provided such modifications or additions will not materially and adversely affect the loan.

5. The loan shall be subject in all respects to the provisions of the Applicant's promissory note(s), loan agreement(s), and other loan documents which shall be executed by proper officials of the Applicant and a Board Member at or prior to loan closing as appropriate.

6. Additional loans may be made at such times, for such projects of the Applicant, at such repayment periods and interest rates, and upon such other terms and conditions as may be agreed to and approved by the Board and the Applicant.

So ordered this 21st day of January, 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman


ATTEST:

Suzanne Landess, Secretary

(SEAL)

**ORDER APPROVING LOAN APPLICATION
PIEDMONT MUNICIPAL AUTHORITY
FAP-25-0001-L**

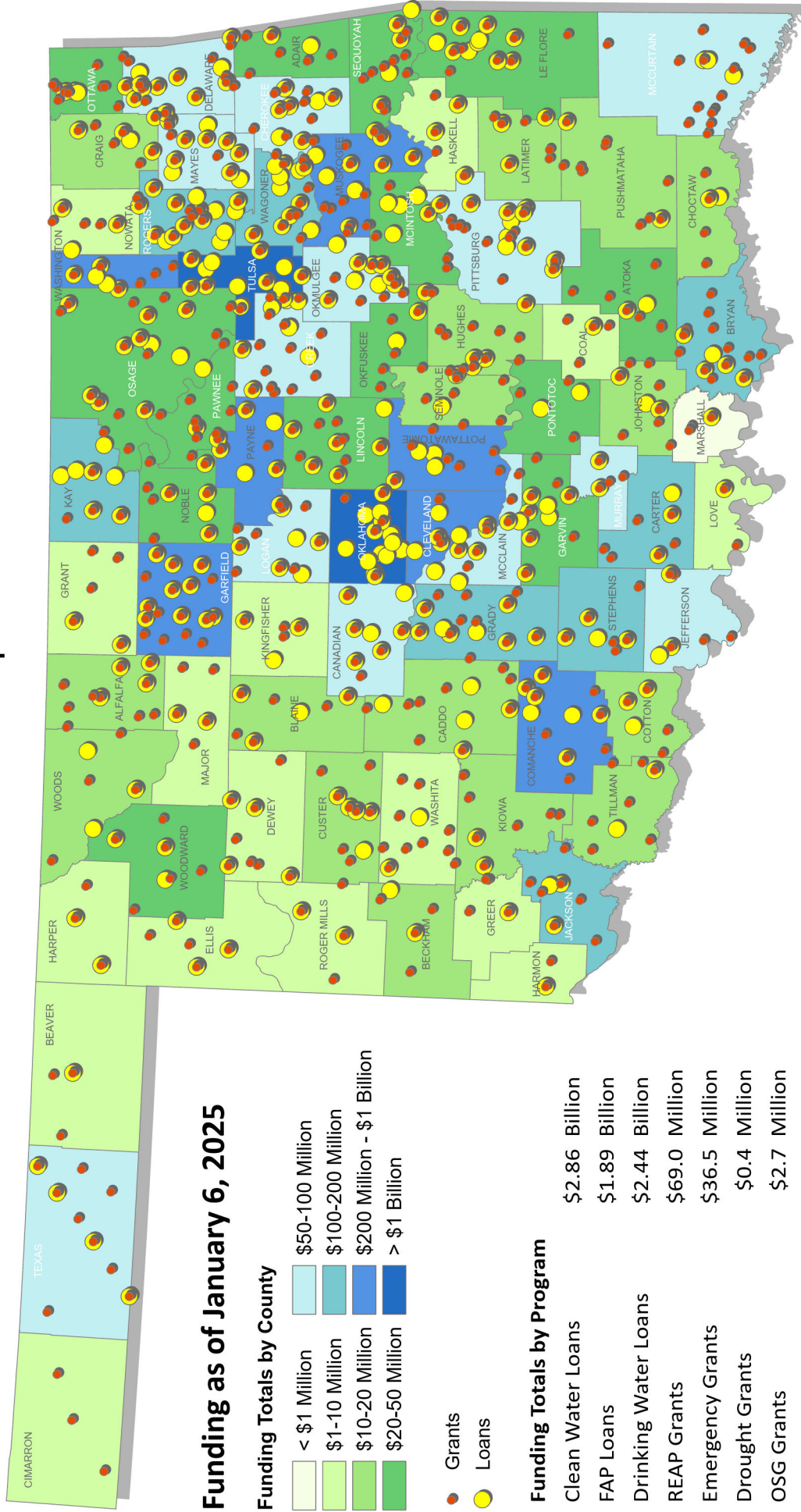
Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

Financial Assistance Division

Loan and Grant Recipient Status



3.C. SUMMARY DISPOSITION AGENDA ITEMS

FINANCIAL ASSISTANCE DIVISION

January 21, 2025

**BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA**

IN THE MATTER OF GRANT APPLICATION)
NO. FAP-25-0003-G IN THE NAME OF THE)
PAWHUSKA PUBLIC WORKS AUTHORITY,)
OSAGE COUNTY, OKLAHOMA.)

**PROPOSED
ORDER APPROVING GRANT APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of January 2025. The Board finds that since the application for this grant has received a priority ranking of 83 points under Chapter 50 of the Board's Rules and that since sufficient funds are available in the Emergency Grant Account of the Water Resources Fund, the grant application for an amount not to exceed \$55,000.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Purpose: The project shall consist of replacing the line that was damaged and to avoid future incidents encapsulate the line in concrete as well as other related construction and necessary appurtenances, as more fully described in the engineering report included in applicant's grant application.

Conditions:

1. The amount of the grant will be based on 85% of the actual total eligible cost of the project. The amount of the grant shall not exceed \$55,000.00.
2. Grant funds shall be deposited in a separate account with a federally insured financial institution.
3. Applicants who have raised water and/or sewer rates resulting in an advancement in position of priority for assistance shall not modify those rates after receipt of the grant without the prior written consent of the Board, unless such modification would not result in a change in position of priority.
4. The applicant shall fully document disbursement of grant funds as required by the Board. Further, applicant shall maintain proper books, records, and supporting documentation, and make the same available for inspection by the Board. Disbursement of grant funds without supporting documentation shall be considered unauthorized expenditure of grant funds.
5. The applicant shall return any unexpended grant funds to the Board within thirty (30) days of completion of the project or within thirty (30) days from the applicant's receipt of all invoices, whichever is later.

6. The applicant shall return or otherwise pay to the Board, any grant funds expended for unauthorized or unallowable purposes. Authorized purposes are those which are necessary for the completion of the project described in the grant application, which application is incorporated by reference herein, or which are necessary for the project as approved, if the project is different from that described in the application. Any funds returned by the applicant under this paragraph shall bear interest at the maximum rate allowed by law. The applicant shall direct to the Board any and all questions regarding whether an expenditure is authorized.
7. Furthermore, prior to and during the construction period, Pawhuska Public Works Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies.

SO ORDERED this 21st day of January 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess , Secretary

(SEAL)

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

REAP GRANT APPLICATION
RECOMMENDED FOR APPROVAL

APPLICANT: The Geronimo Public Works Authority
COUNTY: Comanche

DATE RECEIVED: 09/02/2024
APPLICATION NUMBER: FAP-25-0075-R

Amount Requested: \$144,925.00

Amount Recommended: \$144,925.00

PROJECT DESCRIPTION: The Geronimo Public Works Authority (Authority) owns and operates a water distribution system. A new development in the area is expected where the Authority does not currently have waterlines. The proposed project is to install approximately 1,300 linear feet of 6-inch water line and all appurtenances required to complete the project. The estimated cost of the project is \$149,925.00 which will be funded by the OWRB REAP grant of \$144,925.00 and Local funds of \$5,000.00.

Priority Ranking			Priority Points
Population <u>1158</u> (Maximum: 55 points)			<u>55</u>
WATER AND SEWER RATE STRUCTURE (Maximum: 13 points)			
Water rate per 5,000 gal/month:	\$ 59.66	<input type="checkbox"/> Flat rate	<u>-3</u>
Sewer rate per 5,000 gal/month:	<u>38.45</u>	<input type="checkbox"/> Decreasing Block	<u>-2</u>
Total	\$ 98.11	<input type="checkbox"/> Uniform	<u>0</u>
		<input checked="" type="checkbox"/> Increasing Block	<u>+2</u>
	10 points	<input type="checkbox"/> Sales tax (W/S)	<u>+1</u>
INDEBTEDNESS PER CUSTOMER (Maximum: 10 points)			
Total Indebtedness:	\$ 0.00		
Monthly Debt Payment:	\$ 0.00		<u>0</u>
Number of Customers:	520		
Monthly Payment Per Customer:	\$ 0.00		
MEDIAN HOUSEHOLD INCOME	\$ 48,167.00	(Maximum: 10 points)	<u>1</u>
ABILITY TO FINANCE PROJECT (Maximum: 12 points)			
FP	=	$\frac{(\$144,925.00)}{(520)} \times \frac{(0.0710)}{(12)}$	= \$ 1.65
AMOUNT OF GRANT REQUESTED (Maximum: 5 points)			
AR	=	\$144,925.00	<u>(5)</u>
REQUEST NUMBER	<u>0</u>		<u>0</u>
ENFORCMENT ORDER	<u>No</u>	(Maximum: 5 points)	<u>0</u>
BENEFIT OF PROJECT TO OTHER SYSTEMS	<u>No</u>		<u>0</u>
FISCAL SUSTAINABILITY			<u>3</u>
TOTAL PRIORITY POINTS			<u>70</u>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF REAP GRANT APPLICATION)
NO. FAP-25-0075-R IN THE NAME OF)
THE GERONIMO PUBLIC WORKS AUTHORITY,)
COMANCHE COUNTY, OKLAHOMA.)

PROPOSED
ORDER APPROVING REAP GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of January 2025. The Board finds that since the application for this grant has received a priority ranking of 70 points under Chapter 50 of the Board's Rules and that since sufficient funds are available in the REAP Grant Account of the Water Resources Fund, the grant application for an amount not to exceed \$144,925.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the REAP grant shall not exceed \$144,925.00.
2. REAP Grant funds shall be deposited in a separate account with a federally insured financial institution.
3. Applicants who have raised water and/or sewer rates resulting in an advancement in position of priority for assistance shall not modify those rates after receipt of the REAP grant without the prior written consent of the Board, unless such modification would not result in a change in position of priority.
4. The applicant shall fully document disbursement of REAP grant funds as required by the Board or its staff. Further, applicant shall maintain proper books, records, and supporting documentation, and make the same available for inspection by the Board or its staff. Disbursement of grant funds without supporting documentation shall be considered and deemed unauthorized expenditure of grant funds.
5. The applicant shall return any unexpended REAP grant funds to the Board within thirty (30) days of completion of the project or within thirty (30) days from the applicant's receipt of all invoices, whichever is later.

6. The project shall be to install approximately 1,300 linear feet of 6-inch water line as well as other related construction and necessary appurtenances, as more fully described in the engineering report included in applicant's grant application. Applicant is authorized to expend the REAP grant funds only for purposes of completing such project. The applicant shall return or otherwise pay to the Board, any REAP grant funds expended for unauthorized or unallowable purposes. Any funds due to be returned by the applicant under this paragraph shall additionally bear interest at the maximum rate allowed by law until repaid in full. Whenever there is any doubt as to whether an expenditure is authorized, the applicant shall consult with Board staff and obtain staff's answer before making the expenditure.

7. Furthermore, prior to and during the construction period, The Geronimo Public Works Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies.

SO ORDERED this 21st day of January 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

REAP GRANT APPLICATION
RECOMMENDED FOR APPROVAL

APPLICANT: Carney Public Utilities Authority
COUNTY: Lincoln

DATE RECEIVED: 08/30/2024
APPLICATION NUMBER: FAP-25-0067-R

Amount Requested: \$99,999.00

Amount Recommended: \$99,999.00

PROJECT DESCRIPTION: Carney Public Utilities Authority operates a wastewater system which is not currently meeting all Oklahoma Department of Environmental Quality (ODEQ) requirements due to permit violations for Biochemical Oxygen Demand and PH limits and needs to be brought back up to standards. The proposed project is to begin rehabilitation of the wastewater system including old lines and manholes and all appurtenances required to complete the project. The estimated cost of the project is \$99,999.00 which will be funded by the OWRB REAP grant of \$99,999.00.

Priority Ranking			Priority Points
Population <u>647</u> (Maximum: 55 points)			<u>55</u>
WATER AND SEWER RATE STRUCTURE (Maximum: 13 points)			
Water rate per 5,000 gal/month: \$ 29.00	() Flat rate	<u>-3</u>	12
Sewer rate per 5,000 gal/month: <u>30.00</u>	() Decreasing Block	<u>-2</u>	
Total \$ 59.00	() Uniform	<u>0</u>	
	(X) Increasing Block	<u>+2</u>	
10 points	() Sales tax (W/S)	<u>+1</u>	
INDEBTEDNESS PER CUSTOMER (Maximum: 10 points)			
Total Indebtedness: \$ 2,090,000.00			9
Monthly Debt Payment: \$ 5,525.00			
Number of Customers: 296			
Monthly Payment Per Customer: \$ 18.67			
MEDIAN HOUSEHOLD INCOME \$ 31,000.00	(Maximum: 10 points)		<u>6</u>
ABILITY TO FINANCE PROJECT (Maximum: 12 points)			
FP = $\frac{(\$99,999.00)}{(296)} \frac{(0.0710)}{(12)} =$	\$ 2.00		<u>6</u>
AMOUNT OF GRANT REQUESTED (Maximum: 5 points)			
AR = \$99,999.00			<u>1</u>
REQUEST NUMBER <u>1</u>			<u>(5)</u>
ENFORCMENT ORDER <u>Yes</u>	(Maximum: 5 points)		<u>5</u>
BENEFIT OF PROJECT TO OTHER SYSTEMS <u>No</u>			<u>0</u>
FISCAL SUSTAINABILITY			<u>10</u>
TOTAL PRIORITY POINTS			<u>99</u>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF REAP GRANT APPLICATION)
NO. FAP-25-0067-R IN THE NAME OF THE)
CARNEY PUBLIC UTILITIES AUTHORITY,)
LINCOLN COUNTY, OKLAHOMA.)

PROPOSED
ORDER APPROVING REAP GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of January 2025. The Board finds that since the application for this grant has received a priority ranking of 99 points under Chapter 50 of the Board's Rules and that since sufficient funds are available in the REAP Grant Account of the Water Resources Fund, the grant application for an amount not to exceed \$99,999.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the REAP grant shall not exceed \$99,999.00.
2. REAP Grant funds shall be deposited in a separate account with a federally insured financial institution.
3. Applicants who have raised water and/or sewer rates resulting in an advancement in position of priority for assistance shall not modify those rates after receipt of the REAP grant without the prior written consent of the Board, unless such modification would not result in a change in position of priority.
4. The applicant shall fully document disbursement of REAP grant funds as required by the Board or its staff. Further, applicant shall maintain proper books, records, and supporting documentation, and make the same available for inspection by the Board or its staff. Disbursement of grant funds without supporting documentation shall be considered and deemed unauthorized expenditure of grant funds.
5. The applicant shall return any unexpended REAP grant funds to the Board within thirty (30) days of completion of the project or within thirty (30) days from the applicant's receipt of all invoices, whichever is later.

6. The project shall be to begin rehabilitation of the wastewater system including old lines and manholes as well as other related construction and necessary appurtenances, as more fully described in the engineering report included in applicant's grant application. Applicant is authorized to expend the REAP grant funds only for purposes of completing such project. The applicant shall return or otherwise pay to the Board, any REAP grant funds expended for unauthorized or unallowable purposes. Any funds due to be returned by the applicant under this paragraph shall additionally bear interest at the maximum rate allowed by law until repaid in full. Whenever there is any doubt as to whether an expenditure is authorized, the applicant shall consult with Board staff and obtain staff's answer before making the expenditure.

7. Furthermore, prior to and during the construction period, the Carney Public Utilities Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies.

SO ORDERED this 21st day of January 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD


Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

REAP GRANT APPLICATION
RECOMMENDED FOR APPROVAL

APPLICANT: The Bernice Public Works Authority
COUNTY: Delaware

DATE RECEIVED: 08/28/2024
APPLICATION NUMBER: FAP-25-0038-R

Amount Requested: \$85,168.00

Amount Recommended: \$85,168.00

PROJECT DESCRIPTION: The Bernice Public Works Authority (Authority) operates a water distribution system that is currently a single-well system with low-quality ground water. The Authority is connecting to the Ketchum Public Works Authority water system for a better quality primary water supply, but will still use their well water as a backup water supply. The proposed project is to purchase two generators: one for the pump station at the connection between the two systems and one at the well site for backup power at the well site, and all appurtenances required to complete the project. The estimated cost of the project is \$85,168.00 which will be funded by the OWRB REAP Grant.

Priority Ranking			Priority Points
Population <u>586</u> (Maximum: 55 points)			<u>55</u>
WATER AND SEWER RATE STRUCTURE (Maximum: 13 points)			
Water rate per 5,000 gal/month:	\$ 68.75	<input type="checkbox"/> Flat rate	<u>-3</u>
Sewer rate per 5,000 gal/month:	<u>0.00</u>	<input type="checkbox"/> Decreasing Block	<u>-2</u>
Total	\$ 68.75	<input type="checkbox"/> Uniform	<u>0</u>
		<input checked="" type="checkbox"/> Increasing Block	<u>+2</u>
	10 points	<input type="checkbox"/> Sales tax (W/S)	<u>+1</u>
INDEBTEDNESS PER CUSTOMER (Maximum: 10 points)			
Total Indebtedness:	\$ 1,250,000.00		
Monthly Debt Payment:	\$ 6,112.05		<u>8</u>
Number of Customers:	368		
Monthly Payment Per Customer:	\$ 16.61		
MEDIAN HOUSEHOLD INCOME \$ 37,188.00		(Maximum: 10 points)	<u>4</u>
ABILITY TO FINANCE PROJECT (Maximum: 12 points)			
FP =	$\frac{(\$85,168.00)}{(368)}$	$\frac{(0.0710)}{(12)}$	= \$ 1.37
			<u>3</u>
AMOUNT OF GRANT REQUESTED (Maximum: 5 points)			
AR =	\$85,168.00		<u>1</u>
REQUEST NUMBER	<u>0</u>		<u>0</u>
ENFORCMENT ORDER	<u>No</u>	(Maximum: 5 points)	<u>0</u>
BENEFIT OF PROJECT TO OTHER SYSTEMS	<u>Yes</u>		<u>5</u>
FISCAL SUSTAINABILITY			<u>3</u>
TOTAL PRIORITY POINTS			<u>91</u>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF REAP GRANT APPLICATION)
NO. FAP-25-0038-R IN THE NAME OF)
THE BERNICE PUBLIC WORKS AUTHORITY,)
DELAWARE COUNTY, OKLAHOMA.)

PROPOSED
ORDER APPROVING REAP GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of January 2025. The Board finds that since the application for this grant has received a priority ranking of 91 points under Chapter 50 of the Board's Rules and that since sufficient funds are available in the REAP Grant Account of the Water Resources Fund, the grant application for an amount not to exceed \$85,168.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the REAP grant shall not exceed \$85,168.00.
2. REAP Grant funds shall be deposited in a separate account with a federally insured financial institution.
3. Applicants who have raised water and/or sewer rates resulting in an advancement in position of priority for assistance shall not modify those rates after receipt of the REAP grant without the prior written consent of the Board, unless such modification would not result in a change in position of priority.
4. The applicant shall fully document disbursement of REAP grant funds as required by the Board or its staff. Further, applicant shall maintain proper books, records, and supporting documentation, and make the same available for inspection by the Board or its staff. Disbursement of grant funds without supporting documentation shall be considered and deemed unauthorized expenditure of grant funds.
5. The applicant shall return any unexpended REAP grant funds to the Board within thirty (30) days of completion of the project or within thirty (30) days from the applicant's receipt of all invoices, whichever is later.

6. The project shall be to purchase two generators: one for the pump station at the connection between the two systems and one at the well site for backup power at the well site as well as other related construction and necessary appurtenances, as more fully described in the engineering report included in applicant's grant application. Applicant is authorized to expend the REAP grant funds only for purposes of completing such project. The applicant shall return or otherwise pay to the Board, any REAP grant funds expended for unauthorized or unallowable purposes. Any funds due to be returned by the applicant under this paragraph shall additionally bear interest at the maximum rate allowed by law until repaid in full. Whenever there is any doubt as to whether an expenditure is authorized, the applicant shall consult with Board staff and obtain staff's answer before making the expenditure.
7. Furthermore, prior to and during the construction period, The Bernice Public Works Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies.

SO ORDERED this 21st day of January 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

REAP GRANT APPLICATION
RECOMMENDED FOR APPROVAL

APPLICANT: Rural Water, Sewer, and Solid Waste Management District No. 3, Osage County, Oklahoma **DATE RECEIVED:** 08/25/2024
COUNTY: Osage **APPLICATION NUMBER:** FAP-25-0029-R

Amount Requested: \$99,999.00

Amount Recommended: \$99,999.00

PROJECT DESCRIPTION: Rural Water, Sewer, and Solid Waste Management District No. 3, Osage County, Oklahoma operates a water distribution system. The existing water storage tanks need rehabilitation. The proposed project is to sandblast the tanks, recoat the tanks, and all appurtenances required to complete the project. The estimated cost of the project is \$117,080.00 which will be funded by the OWRB REAP grant of \$99,999.00 and local funds of \$17,081.00.

Priority Ranking			Priority Points
Taps <u>252</u> (Maximum: 55 points)			<u>55</u>
WATER AND SEWER RATE STRUCTURE (Maximum: 13 points)			
Water rate per 5,000 gal/month:	\$ 78.75	<input type="checkbox"/> Flat rate	<u>-3</u>
Sewer rate per 5,000 gal/month:	<u>0.00</u>	<input type="checkbox"/> Decreasing Block	<u>-2</u>
Total	\$ 78.75	<input type="checkbox"/> Uniform	<u>0</u>
		<input checked="" type="checkbox"/> Increasing Block	<u>+2</u>
	10 points	<input type="checkbox"/> Sales tax (W/S)	<u>+1</u>
INDEBTEDNESS PER CUSTOMER (Maximum: 10 points)			
Total Indebtedness:	\$ 416,720.44		
Monthly Debt Payment:	\$ 3,653.00		<u>7</u>
Number of Customers:	252		
Monthly Payment Per Customer:	\$ 14.50		
MEDIAN HOUSEHOLD INCOME	\$ 50,105.00	(Maximum: 10 points)	<u>1</u>
ABILITY TO FINANCE PROJECT (Maximum: 12 points)			
FP	=	$\frac{(\$99,999.00)}{(252)} \cdot \frac{(0.0710)}{(12)} =$	\$ 2.35 <u>6</u>
AMOUNT OF GRANT REQUESTED (Maximum: 5 points)			
AR	=	\$99,999.00	<u>1</u>
REQUEST NUMBER	<u>1</u>		<u>(5)</u>
ENFORCMENT ORDER	<u>No</u>	(Maximum: 5 points)	<u>0</u>
BENEFIT OF PROJECT TO OTHER SYSTEMS	<u>Yes</u>		<u>5</u>
FISCAL SUSTAINABILITY			<u>10</u>
TOTAL PRIORITY POINTS			<u>92</u>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF REAP GRANT APPLICATION)
NO. FAP-25-0029-R IN THE NAME OF THE)
RURAL WATER, SEWER, AND SOLID WASTE)
MANAGEMENT DISTRICT NO. 3, OSAGE COUNTY,)
OKLAHOMA.)

PROPOSED
ORDER APPROVING REAP GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of January 2025. The Board finds that since the application for this grant has received a priority ranking of 92 points under Chapter 50 of the Board's Rules and that since sufficient funds are available in the REAP Grant Account of the Water Resources Fund, the grant application for an amount not to exceed \$99,999.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the REAP grant shall not exceed \$99,999.00.
2. REAP Grant funds shall be deposited in a separate account with a federally insured financial institution.
3. Applicants who have raised water and/or sewer rates resulting in an advancement in position of priority for assistance shall not modify those rates after receipt of the REAP grant without the prior written consent of the Board, unless such modification would not result in a change in position of priority.
4. The applicant shall fully document disbursement of REAP grant funds as required by the Board or its staff. Further, applicant shall maintain proper books, records, and supporting documentation, and make the same available for inspection by the Board or its staff. Disbursement of grant funds without supporting documentation shall be considered and deemed unauthorized expenditure of grant funds.
5. The applicant shall return any unexpended REAP grant funds to the Board within thirty (30) days of completion of the project or within thirty (30) days from the applicant's receipt of all invoices, whichever is later.

6. The project shall be to sandblast the water storage tanks and recoat the water storage tanks as well as other related construction and necessary appurtenances, as more fully described in the engineering report included in applicant's grant application. Applicant is authorized to expend the REAP grant funds only for purposes of completing such project. The applicant shall return or otherwise pay to the Board, any REAP grant funds expended for unauthorized or unallowable purposes. Any funds due to be returned by the applicant under this paragraph shall additionally bear interest at the maximum rate allowed by law until repaid in full. Whenever there is any doubt as to whether an expenditure is authorized, the applicant shall consult with Board staff and obtain staff's answer before making the expenditure.
7. Furthermore, prior to and during the construction period, Rural Water, Sewer, and Solid Waste Management District No. 3, Osage County, Oklahoma is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies.

SO ORDERED this 21st day of January 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

REAP GRANT APPLICATION
RECOMMENDED FOR APPROVAL

APPLICANT: Kiowa Public Works Authority
COUNTY: Pittsburg

DATE RECEIVED: 08/23/2024
APPLICATION NUMBER: FAP-25-0025-R

Amount Requested: \$99,999.00

Amount Recommended: \$99,999.00

PROJECT DESCRIPTION: Kiowa Public Works Authority operates a water treatment plant which is under a consent order for unpermitted discharges. The proposed project is to remove the residuals from the plant’s backwash lagoon and truck them to a land application site and all appurtenances required to complete the project. The estimated cost of the project is \$99,999.00 which will be funded by the OWRB REAP grant of \$99,999.00.

Priority Ranking			Priority Points
Population <u>595</u> (Maximum: 55 points)			<u>55</u>
WATER AND SEWER RATE STRUCTURE (Maximum: 13 points)			
Water rate per 5,000 gal/month: \$ 42.47	<input type="checkbox"/> Flat rate	<u>-3</u>	<u>12</u>
Sewer rate per 5,000 gal/month: <u>30.32</u>	<input type="checkbox"/> Decreasing Block	<u>-2</u>	
Total \$ 72.79	<input type="checkbox"/> Uniform	<u>0</u>	
	<input checked="" type="checkbox"/> Increasing Block	<u>+2</u>	
10 points	<input type="checkbox"/> Sales tax (W/S)	<u>+1</u>	
INDEBTEDNESS PER CUSTOMER (Maximum: 10 points)			
Total Indebtedness: \$ 2,330,766.00			<u>10</u>
Monthly Debt Payment: \$ 9,522.00			
Number of Customers: 339			
Monthly Payment Per Customer: \$ 28.09			
MEDIAN HOUSEHOLD INCOME \$ 44,063.00	(Maximum: 10 points)		<u>3</u>
ABILITY TO FINANCE PROJECT (Maximum: 12 points)			
FP = $\frac{(\$99,999.00)}{(339)} \cdot (0.0710) = \$ 1.75$			<u>4</u>
AMOUNT OF GRANT REQUESTED (Maximum: 5 points)			
AR = \$99,999.00			<u>1</u>
REQUEST NUMBER <u>1</u>			<u>(5)</u>
ENFORCMENT ORDER <u>Yes</u>	(Maximum: 5 points)		<u>5</u>
BENEFIT OF PROJECT TO OTHER SYSTEMS <u>No</u>			<u>0</u>
FISCAL SUSTAINABILITY			<u>10</u>
TOTAL PRIORITY POINTS			<u>95</u>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF REAP GRANT APPLICATION)
NO. FAP-25-0025-R IN THE NAME OF THE)
KIOWA PUBLIC WORKS AUTHORITY,)
PITTSBURG COUNTY, OKLAHOMA.)

PROPOSED
ORDER APPROVING REAP GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of January 2025. The Board finds that since the application for this grant has received a priority ranking of 95 points under Chapter 50 of the Board's Rules and that since sufficient funds are available in the REAP Grant Account of the Water Resources Fund, the grant application for an amount not to exceed \$99,999.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the REAP grant shall not exceed \$99,999.00.
2. REAP Grant funds shall be deposited in a separate account with a federally insured financial institution.
3. Applicants who have raised water and/or sewer rates resulting in an advancement in position of priority for assistance shall not modify those rates after receipt of the REAP grant without the prior written consent of the Board, unless such modification would not result in a change in position of priority.
4. The applicant shall fully document disbursement of REAP grant funds as required by the Board or its staff. Further, applicant shall maintain proper books, records, and supporting documentation, and make the same available for inspection by the Board or its staff. Disbursement of grant funds without supporting documentation shall be considered and deemed unauthorized expenditure of grant funds.
5. The applicant shall return any unexpended REAP grant funds to the Board within thirty (30) days of completion of the project or within thirty (30) days from the applicant's receipt of all invoices, whichever is later.

6. The project shall be to remove the residuals from the plant's backwash lagoon and truck them to a land application site as well as other related construction and necessary appurtenances, as more fully described in the engineering report included in applicant's grant application. Applicant is authorized to expend the REAP grant funds only for purposes of completing such project. The applicant shall return or otherwise pay to the Board, any REAP grant funds expended for unauthorized or unallowable purposes. Any funds due to be returned by the applicant under this paragraph shall additionally bear interest at the maximum rate allowed by law until repaid in full. Whenever there is any doubt as to whether an expenditure is authorized, the applicant shall consult with Board staff and obtain staff's answer before making the expenditure.
7. Furthermore, prior to and during the construction period, Kiowa Public Works Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies.

SO ORDERED this 21st day of January 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD


Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

REAP GRANT APPLICATION
RECOMMENDED FOR APPROVAL

APPLICANT: The Cashion Public Works Authority
COUNTY: Kingfisher

DATE RECEIVED: 08/31/2024
APPLICATION NUMBER: FAP-25-0070-R

Amount Requested: \$99,999.00

Amount Recommended: \$99,999.00

PROJECT DESCRIPTION: The Cashion Public Works Authority (Authority) operates a water system. The Authority needs to locate future ground water sources to serve the area. The proposed project is to drill test wells to identify future sources of water for the Authority and all appurtenances required to complete the project. The estimated cost of the project is \$99,999.00 which will be funded by the OWRB REAP grant of \$99,999.00.

Priority Ranking			Priority Points
Population <u>850</u> (Maximum: 55 points)			<u>55</u>
WATER AND SEWER RATE STRUCTURE (Maximum: 13 points)			
Water rate per 5,000 gal/month:	\$ 71.99	<input type="checkbox"/> Flat rate	<u>-3</u>
Sewer rate per 5,000 gal/month:	<u>32.61</u>	<input type="checkbox"/> Decreasing Block	<u>-2</u>
Total	\$ 104.60	<input type="checkbox"/> Uniform	<u>0</u>
		<input checked="" type="checkbox"/> Increasing Block	<u>+2</u>
	10 points	<input type="checkbox"/> Sales tax (W/S)	<u>+1</u>
INDEBTEDNESS PER CUSTOMER (Maximum: 10 points)			
Total Indebtedness:	\$ 0.00		
Monthly Debt Payment:	\$ 0.00		<u>0</u>
Number of Customers:	335		
Monthly Payment Per Customer:	\$ 0.00		
MEDIAN HOUSEHOLD INCOME	\$ 87,500.00	(Maximum: 10 points)	<u>0</u>
ABILITY TO FINANCE PROJECT (Maximum: 12 points)			
FP	=	$\frac{(\$99,999.00)}{(335)} \frac{(0.0710)}{(12)} =$	\$ 1.7
AMOUNT OF GRANT REQUESTED (Maximum: 5 points)			
AR	=	\$99,999.00	<u>1</u>
REQUEST NUMBER	<u>0</u>		<u>0</u>
ENFORCMENT ORDER	<u>No</u>	(Maximum: 5 points)	<u>0</u>
BENEFIT OF PROJECT TO OTHER SYSTEMS	<u>No</u>		<u>0</u>
FISCAL SUSTAINABILITY			<u>10</u>
TOTAL PRIORITY POINTS			<u>83</u>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF REAP GRANT APPLICATION)
NO. FAP-25-0070-R IN THE NAME OF)
THE CASHION PUBLIC WORKS AUTHORITY,)
KINGFISHER COUNTY, OKLAHOMA.)

PROPOSED
ORDER APPROVING REAP GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of January 2025. The Board finds that since the application for this grant has received a priority ranking of 83 points under Chapter 50 of the Board's Rules and that since sufficient funds are available in the REAP Grant Account of the Water Resources Fund, the grant application for an amount not to exceed \$99,999.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the REAP grant shall not exceed \$99,999.00.
2. REAP Grant funds shall be deposited in a separate account with a federally insured financial institution.
3. Applicants who have raised water and/or sewer rates resulting in an advancement in position of priority for assistance shall not modify those rates after receipt of the REAP grant without the prior written consent of the Board, unless such modification would not result in a change in position of priority.
4. The applicant shall fully document disbursement of REAP grant funds as required by the Board or its staff. Further, applicant shall maintain proper books, records, and supporting documentation, and make the same available for inspection by the Board or its staff. Disbursement of grant funds without supporting documentation shall be considered and deemed unauthorized expenditure of grant funds.
5. The applicant shall return any unexpended REAP grant funds to the Board within thirty (30) days of completion of the project or within thirty (30) days from the applicant's receipt of all invoices, whichever is later.

6. The project shall be to drill test wells to identify future sources of water for the Authority as well as other related construction and necessary appurtenances, as more fully described in the engineering report included in applicant's grant application. Applicant is authorized to expend the REAP grant funds only for purposes of completing such project. The applicant shall return or otherwise pay to the Board, any REAP grant funds expended for unauthorized or unallowable purposes. Any funds due to be returned by the applicant under this paragraph shall additionally bear interest at the maximum rate allowed by law until repaid in full. Whenever there is any doubt as to whether an expenditure is authorized, the applicant shall consult with Board staff and obtain staff's answer before making the expenditure.
7. Furthermore, prior to and during the construction period, The Cashion Public Works Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies.

SO ORDERED this 21st day of January 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF REAP GRANT APPLICATION)
NO. FAP-25-0064-R IN THE NAME OF THE)
HARPER COUNTY RURAL WATER DISTRICT NO. 1,)
HARPER COUNTY, OKLAHOMA.)

PROPOSED
ORDER APPROVING REAP GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of January 2025. The Board finds that since the application for this grant has received a priority ranking of 91 points under Chapter 50 of the Board's Rules and that since sufficient funds are available in the REAP Grant Account of the Water Resources Fund, the grant application for an amount not to exceed \$88,245.72 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the REAP grant shall not exceed \$88,245.72.
2. REAP Grant funds shall be deposited in a separate account with a federally insured financial institution.
3. Applicants who have raised water and/or sewer rates resulting in an advancement in position of priority for assistance shall not modify those rates after receipt of the REAP grant without the prior written consent of the Board, unless such modification would not result in a change in position of priority.
4. The applicant shall fully document disbursement of REAP grant funds as required by the Board or its staff. Further, applicant shall maintain proper books, records, and supporting documentation, and make the same available for inspection by the Board or its staff. Disbursement of grant funds without supporting documentation shall be considered and deemed unauthorized expenditure of grant funds.
5. The applicant shall return any unexpended REAP grant funds to the Board within thirty (30) days of completion of the project or within thirty (30) days from the applicant's receipt of all invoices, whichever is later.

6. The project shall be to move the chlorine to a separate apparatus, build fences around the wells and booster station along with sanitary facilities and lay six inch gravel for the access roads as well as other related construction and necessary appurtenances, as more fully described in the engineering report included in applicant's grant application. Applicant is authorized to expend the REAP grant funds only for purposes of completing such project. The applicant shall return or otherwise pay to the Board, any REAP grant funds expended for unauthorized or unallowable purposes. Any funds due to be returned by the applicant under this paragraph shall additionally bear interest at the maximum rate allowed by law until repaid in full. Whenever there is any doubt as to whether an expenditure is authorized, the applicant shall consult with Board staff and obtain staff's answer before making the expenditure.
7. Furthermore, prior to and during the construction period, Harper County Rural Water District No. 1, Harper County, Oklahoma is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies.

SO ORDERED this 21st day of January 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: Midwest City Municipal Authority, Oklahoma County

Loan Application No.: ORF-23-0095-DW
 Drinking Water SRF Loan (“DWSRF Loan”)

Amount Requested: \$219,000.00

Payment Term: The applicant shall be required to comply with all DWSRF loan provisions. If all DWSRF loan provisions are met to the satisfaction of the OWRB, then the funding shall be forgiven in total without fees for administration or interest.

Purpose: The applicant will utilize the loan proceeds to: (i) connect approximately 32 houses from the Starview Public Water System to the Midwest City water distribution system, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<u>Sources of Funds (Est.)</u>		<u>Uses of Funds (Est.)</u>	
Loan Proceeds	\$219,000.00	Project	\$214,000.00
		Bond Counsel	5,000.00
Total	\$219,000.00	Total	\$219,000.00

**BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA**

IN THE MATTER OF LOAN APPLICATION)
NO. ORF-23-0095-DW IN THE NAME OF)
MIDWEST CITY MUNICIPAL AUTHORITY)
OKLAHOMA COUNTY, OKLAHOMA)

**PROPOSED
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of January, 2025.

WHEREAS, Midwest City Municipal Authority (the "Applicant") has made its Application for Funding No. ORF-23-0095-DW (the "Loan Application") to the Board and to the Oklahoma Department of Environmental Quality (the "DEQ") for a loan from the Drinking Water Treatment Revolving Loan Account (the "DWSRF"), pursuant to Title 82 Oklahoma Statutes 2021, Sections 1085.71 *et seq.*, as amended; and

WHEREAS, the Applicant intends to use the loan for drinking water system improvements, to further compliance with State and Federal standards and/or to refinance existing indebtedness originally incurred for such purposes; and

WHEREAS, the DEQ has certified the Loan Application with regards to compliance with applicable technical program requirements and forwarded it to the Board with a recommendation that the Loan Application be considered and approved for a DWSRF Loan; and

WHEREAS, the Board has completed its review of the Loan Application and related information, and finds that the Loan Application should be approved according to the terms and conditions set forth below.

NOW, THEREFORE, LET IT BE RESOLVED AND ORDERED BY THE OKLAHOMA WATER RESOURCES BOARD:

Application for Funding No. ORF-23-0095-DW in the name of Midwest City Municipal Authority be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) connect approximately 32 houses from the Starview Public Water System to the Midwest City water distribution system, all related appurtenances (the "Project"), and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. Funding shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$219,000.00.

2. Upon the Applicant's acceptance of the DEQ's Letter of Binding Commitment, the funds shall be reserved for the Applicant for a period of one (1) year from the date of this Order. In the event the loan is not closed on or before such date, the Board reserves the right to (i) approve, at the Applicant's request, a reasonable extension of time to close the loan, or (ii) de-

**ORDER APPROVING LOAN APPLICATION
MIDWEST CITY MUNICIPAL AUTHORITY
ORF-23-0095-DW**

obligate all or a portion of the loan funds in order to be used by the Board to make other DWSRF loans, as the Board determines shall permit the best use of the funds. Funds shall be provided to the Applicant from the DWSRF in accordance with the DWSRF program regulations as approved by the United States Environmental Protection Agency.

3. The Board's Staff is authorized to determine what additional conditions or requirements shall be necessary in order to assure the soundness of the loan and compliance with applicable financial, legal, DWSRF, and Bond Resolution requirements. In accordance with applicable authority and the United States Environmental Protection Agency ("EPA") guidelines for the implementation of the DWSRF Capitalization Grant, the loan conditions may include principal forgiveness to be used to pay a portion of the costs of the Project as described in the Application or for other purposes authorized by applicable authority and EPA guidelines. The Board's Staff is further authorized to approve future modifications or additions to the project purposes and uses of funds approved herein, provided such modifications or additions will not materially and adversely affect the loan.

4. The loan shall be subject in all respects to the provisions of the Applicant's promissory note(s), loan agreement(s), and other funding documents which shall be executed by proper officials of the Applicant and a Board Member at or prior to loan closing as appropriate.

5. Additional loans may be made at such times, for such projects of the Applicant, at such repayment periods and interest rates, and upon such other terms and conditions as may be agreed to and approved by the Board and the Applicant.

So ordered this 21st day of January, 2025 in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

**ORDER APPROVING LOAN APPLICATION
MIDWEST CITY MUNICIPAL AUTHORITY
ORF-23-0095-DW**

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: The Salina Public Works Authority, Mayes County

Loan Application No.: ORF-22-0043-DW
Drinking Water SRF Loan (“DWSRF Loan”)

Amount Requested: \$950,000.00

Payment Term: The applicant shall be required to comply with all DWSRF loan provisions. If all DWSRF loan provisions are met to the satisfaction of the OWRB, then the funding shall be forgiven in total without fees for administration or interest.

Purpose: The applicant will utilize the loan proceeds to: (i) construct two booster pump stations, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<u>Sources of Funds (Est.)</u>		<u>Uses of Funds (Est.)</u>	
Loan Proceeds	\$950,000.00	Project	\$1,520,000.00
Cherokee Nation Grant	650,000.00	Bond Counsel	32,500.00
		Financial Advisor	32,500.00
		Local Counsel	15,000.00
Total	\$1,600,000.00	Total	\$1,600,000.00

**BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA**

IN THE MATTER OF LOAN APPLICATION)
NO. ORF-22-0043-DW IN THE NAME OF)
THE SALINA PUBLIC WORKS AUTHORITY)
MAYES COUNTY, OKLAHOMA)

**PROPOSED
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of January, 2025.

WHEREAS, The Salina Public Works Authority (the "Applicant") has made its Application for Funding No. ORF-22-0043-DW (the "Loan Application") to the Board and to the Oklahoma Department of Environmental Quality (the "DEQ") for a loan from the Drinking Water Treatment Revolving Loan Account (the "DWSRF"), pursuant to Title 82 Oklahoma Statutes 2021, Sections 1085.71 *et seq.*, as amended; and

WHEREAS, the Applicant intends to use the loan for drinking water system improvements, to further compliance with State and Federal standards and/or to refinance existing indebtedness originally incurred for such purposes; and

WHEREAS, the DEQ has certified the Loan Application with regards to compliance with applicable technical program requirements and forwarded it to the Board with a recommendation that the Loan Application be considered and approved for a DWSRF Loan; and

WHEREAS, the Board has completed its review of the Loan Application and related information and finds that the Loan Application should be approved according to the terms and conditions set forth below.

NOW, THEREFORE, LET IT BE RESOLVED AND ORDERED BY THE OKLAHOMA WATER RESOURCES BOARD:

Application for Funding No. ORF-22-0043-DW in the name of The Salina Public Works Authority be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) construct two booster pump stations, all related appurtenances (the "Project"), and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. Funding shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$950,000.00.

2. Upon the Applicant's acceptance of the DEQ's Letter of Binding Commitment, the funds shall be reserved for the Applicant for a period of one (1) year from the date of this Order. In the event the loan is not closed on or before such date, the Board reserves the right to (i) approve, at the Applicant's request, a reasonable extension of time to close the loan, or (ii) de-obligate all or a portion of the loan funds in order to be used by the Board to make other DWSRF

**ORDER APPROVING LOAN APPLICATION
THE SALINA PUBLIC WORKS AUTHORITY
ORF-22-0043-DW**

loans, as the Board determines shall permit the best use of the funds. Funds shall be provided to the Applicant from the DWSRF in accordance with the DWSRF program regulations as approved by the United States Environmental Protection Agency.

3. The Board's Staff is authorized to determine what additional conditions or requirements shall be necessary in order to assure the soundness of the loan and compliance with applicable financial, legal, DWSRF, and Bond Resolution requirements. In accordance with applicable authority and the United States Environmental Protection Agency ("EPA") guidelines for the implementation of the DWSRF Capitalization Grant, the loan conditions may include principal forgiveness to be used to pay a portion of the costs of the Project as described in the Application or for other purposes authorized by applicable authority and EPA guidelines. The Board's Staff is further authorized to approve future modifications or additions to the project purposes and uses of funds approved herein, provided such modifications or additions will not materially and adversely affect the loan.

4. The loan shall be subject in all respects to the provisions of the Applicant's promissory note(s), loan agreement(s), and other funding documents which shall be executed by proper officials of the Applicant and a Board Member at or prior to loan closing as appropriate.

5. Additional loans may be made at such times, for such projects of the Applicant, at such repayment periods and interest rates, and upon such other terms and conditions as may be agreed to and approved by the Board and the Applicant.

So ordered this 21st day of January, 2025 in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

**ORDER APPROVING LOAN APPLICATION
THE SALINA PUBLIC WORKS AUTHORITY
ORF-22-0043-DW**

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

**AMERICAN RESCUE PLAN ACT (ARPA) APPLICATION
RECOMMENDED FOR APPROVAL**

Applicant: City of Coweta, State of Oklahoma, Wagoner County

Grant Application No.: ARP-23-0043-DTG
American Rescue Plan Act Grant (“ARPA Grant”)

Amount Requested: \$128,000.00

Designated Grant

Information: Name and/or number of the ARPA Grant account under which designated: ARPA - YY000881

Purpose: City of Coweta, State of Oklahoma (City) operates a water distribution system. A new development is being built in the city and the current water main in the area is not big enough to hold the new flow demand once the development is complete. The proposed project is to upgrade approximately 1,900 linear feet of 8-inch water main to 12-inch water main and all appurtenances required to complete the project.

<u>Sources of Funds (Est.)</u>		<u>Uses of Funds (Est.)</u>	
OWRB ARPA Grant:	\$128,000.00	Project:	\$256,000.00
Muscogee Creek Tribal Matching Funds:	128,000.00		
Total	<u>\$256,000.00</u>	Total	<u>\$256,000.00</u>

**BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA**

IN THE MATTER OF AMERICAN RESCUE PLAN ACT)
(ARPA) GRANT APPLICATION NO. ARP-23-0043-DTG)
IN THE NAME OF THE CITY OF COWETA, STATE OF)
OKLAHOMA, WAGONER COUNTY.)

**PROPOSED
ORDER APPROVING ARPA GRANT APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of January 2025. The Board finds that since the application for this grant has been identified by the legislature, has met the eligibility requirements for this grant, and that since sufficient funds are available, the grant application for an amount not to exceed \$128,000.00 should be approved for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the ARPA grant shall not exceed \$128,000.00.
2. ARPA grant funds shall be accounted for separately with a federally insured financial institution.
3. The project shall be to upgrade approximately 1,900 linear feet of 8-inch water main to 12-inch water main. Applicant is authorized to request the ARPA grant funds only for costs incurred for eligible expenses for the purposes of completing such project.
4. Furthermore, prior to and during the construction period, City of Coweta, State of Oklahoma is required to comply with the requirements of all applicable federal and state statutory provisions, all applicable ARPA regulations, and the Oklahoma Water Resources Board ARPA Grant Agreement, Board rules, regulations, and grant policies. The Board Staff is authorized to determine what additional conditions may be necessary in order to assure compliance with the applicable requirements.
5. The Board's Staff is authorized to approve future modifications or additions to the project purposes and uses of funds approved herein, provided such modifications or additions will not materially or adversely affect the grant.

SO ORDERED this 21st day of January 2025, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

Suzanne Landess, Secretary

(SEAL)

Reviewed By:



Lori Johnson, Chief
Financial Assistance Division

3. SUMMARY DISPOSITION AGENDA ITEMS

D. Contracts and Agreements Recommended for Approval

January 21, 2025

AGENDA ITEM 3D(1)

STATEMENT OF WORK

WITH: Office of Management and Enterprise and Services
Information Services

PURPOSE: To build OWRB Water Division data processing
server connecting to data services for continuous
processing of incoming data

AMOUNT: Not to exceed \$4420.00

TERM: To be completed within 120 days of the Statement
of Work being fully executed.



Office of Management and Enterprise services Information Services

Statement of Work Number: SOW0003890

Project Name: OWRB Water Division Data Processing Server

Project Number:

P-Code: 090P008152

Demand Number: DMND0371667

Revision: 0

This Statement of Work, entered into between the Office of Management and Enterprise Services (“OMES”) and Water Resources Board (“Agency”) (collectively, the “Parties”), is effective as of the last date executed, and sets forth the Parties’ agreement with respect to the above-referenced Project Name. The terms of this Statement of Work are incorporated into the Agreement for Shared Services entered into between the parties. For mutual consideration, the Parties agree as follows:

I. INTRODUCTION AND SCOPE OF WORK: (Provide a general description of the work, including the background, brief summary statement of any deliverables and tasks to be completed, ongoing support and maintenance requirements, knowledge transfer and other expected results of this Statement of Work.)

Provide server grade processing resources that OWRB can schedule to process:

1. Incoming continuous water level data, 24 hours worth, each day with custom scripts, and
2. Establish an ODBC connection to access cloud based discrete database, Gold Systems, Inc., Ambient Water Quality Management System (AWQMS), and schedule routine script-driven data processing for various outputs.

Both processes will utilize custom R language code developed at OWRB.

Resources:

Part 810 - App Dev, Server Engineer, Cloud Engineer

Part 796 - Server Technician

Maintenance:

VM, Storage

Should additional OMES resources be required, requests for them will be made in advance as needs are identified. Any such requests will be subject to a change request and a subsequent SOW revision.



Any Part Number with a Rate Amount listed as \$0 is due to one of the following:

- Allocated resource covered by a different interagency statement of work.
- Dedicated resource covered under agency's Shared Services' Agreement.
- Resource within scope of a contract wherein the agency issued the purchase order directly to the supplier.

II. PERIOD OF PERFORMANCE AND TIMELINE: (Detail the expected time period over which the work will occur.)

To be completed within 120 days of the SOW being fully executed.

III.COSTS: (Define how costs are to be calculated, whether hourly cost for the required skill set and the cost amount, including one-time and recurring costs, as applicable. NOTE: One or more cost categories may not be applicable to a particular project. THE ONLY COSTS BILLED TO AGENCY WILL BE ACTUAL COSTS INCURRED BY OMES.)

One Time Costs associated with project completion

Part #	Part	Quantity	Rate	Amount
Total One Time Costs				\$0.00

Per hour costs associated with project completion

Part #	Part	Estimated Hours	Rate	Amount
810	Project-Consulting Specialist	32	\$110.00	\$3,520.00
796	Project-Consulting Specialist	10	\$90.00	\$900.00
Total Per Hour Costs				\$4,420.00

Monthly costs associated with project completion

Part #	Part	Quantity	Rate	Amount
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628	Maint- Application Maint	\$780.48
	Total Monthly Costs	\$780.48

	Total Cost	\$5,200.48
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IV. Assumptions: (The Project scope and estimated costs include the following assumptions.)

Security exception approval received to provide OWRB with the ability to create, edit, delete, and save R scripts on the server, in addition to the ability to add/edit tasks on task scheduler.

V. MISCELLANEOUS:

No service hereunder shall be performed until this Statement of Work is signed by all Parties; however, the costs associated with the tasks set forth herein may require adjustment if this Statement of Work is not fully executed by the earlier of the end of the current fiscal year or within 30 days following execution on behalf of OMES. Notwithstanding the foregoing, the Agency is financially responsible for any planning and preparation costs incurred by OMES on the Agency's behalf and in advance of execution of this SOW. Tasks outside the scope of this Statement of Work will not be performed, and no additional terms or conditions will be added to this Statement of Work, unless agreed to in writing by the Parties. Either party may terminate this Statement of Work by providing at least thirty days' written notice to the other party, but Agency is obligated to pay for products and services delivered prior to the effective date of the termination. This is a P90 estimate, this estimate will be within +/- 10% of the final cost of this project. It is the Agency's responsibility to notify OMES of specific internal policies and regulations applicable to this work such as, but not limited to: IRS Publication 1075, Family Educational Rights and Privacy Act, Health Insurance Portability and Accountability Act / Health Information Technology for Economic and Clinical Health Act, Criminal Justice Information System, or Social Security Number Protection Act of 2010.

To the extent this Statement of Work includes goods leased by OMES and provided to Agency, Agency agrees to comply with lessee's obligations to lessor as set forth in the applicable lease agreement.

Tasks performed under the terms of this Statement of Work are accepted upon the earlier of the Parties' execution of an OMES Form 051 Certification of Completion and Acceptance or after 14 days of completion.

SIGNATURES:

The undersigned represent and warrant they are authorized, as representatives of the party on whose behalf they are signing, to sign this Statement of Work and to bind their respective party thereto.



OKLAHOMA
Office of Management
& Enterprise Services

<p>OMES:</p> <p>Authorized Signature</p> <p>Printed Name Aleta Seaman</p> <p>Title Interim CIO</p> <p>Date</p>	<p>AGENCY:</p> <p>Authorized Signature</p> <p>Printed Name Jennifer Castillo</p> <p>Title OWRB Board Chairman</p> <p>Date</p>
<p>OMES:</p> <p>Authorized Signature</p> <p>Printed Name</p> <p>Title</p> <p>Date</p>	<p>AGENCY:</p> <p>Authorized Signature</p> <p>Printed Name Suzanne Landess</p> <p>Title OWRB Board Secretary</p> <p>Date</p>

AGENDA ITEM 3D(2)

CONTRACT FOR PROFESSIONAL SERVICES

WITH: HISINC, LLC

PURPOSE: Employ HISINC, LLC, to administer, manage and implement floodplain administration assignments as requested by OWRB

AMOUNT: Not to exceed \$2,500.00

TERM: Through July 31, 2025

CONTRACT FOR PROFESSIONAL SERVICES

This Contract for Professional Services (“Contract”) between HISINC, L.L.C., an independent contractor, (“Contractor”), and the Oklahoma Water Resources Board (“OWRB”), an agency of the State of Oklahoma,

WITNESSETH:

WHEREAS, 27A O.S. § 1-3-101(C) provides that OWRB has the jurisdictional area of environmental responsibility in the State of Oklahoma for, among other things, flood plain management; and

WHEREAS, OWRB is authorized pursuant to 82 O.S. § 1085.2 to aid counties, incorporated cities and towns and special purpose districts in promoting and developing flood control; and

WHEREAS, in carrying out its statutory authority, among other things OWRB acts as the state coordinating agency for the National Flood Insurance Program (“NFIP”), and has scheduled a week-long course on floodplain management for floodplain administrators in Oklahoma entitled “Managing Floodplain Development Through the NFIP” (the “Course”) to be held in Oklahoma City, Oklahoma in February 2025; and

WHEREAS, Contractor currently employs Rev. W.B. Smith ("Smith") who is a registered professional engineer, a floodplain administrator, a Certified Floodplain Manager, and past Chairman of the Oklahoma Floodplain Managers Association, Inc., and who has over 40 years’ experience in floodplain management; and

WHEREAS, Contractor and OWRB are agreeable to entering into this Contract whereby OWRB will obtain the services of Smith from Contractor upon the terms which follow; and

WHEREAS, this Contract is authorized by 82 O.S. § 1085.2.

NOW, THEREFORE, IT IS AGREED by and between Contractor and OWRB as follows:

1. **SERVICES TO BE PROVIDED BY CONTRACTOR.** Contractor shall provide to OWRB the services of Smith to perform assignments which assist OWRB in implementing OWRB's NFIP and other floodplain management responsibilities. These assignments may include but are not necessarily limited to instructing local floodplain administrators during the course scheduled on or about February 3rd-6th, 2025 in Oklahoma City, Oklahoma. Contractor shall make Smith available to report to and consult with the Division Chief of the OWRB's Engineering and Planning Division while continually being monitored by the OWRB’s State Floodplain Management Staff during the Course.

2. **OBLIGATIONS OF OWRB.** If necessary, to perform the assignments given to Smith, OWRB will provide workspace and a personal computer which Contractor may use as necessary for performing Contractor's work under this Contract. It is expressly agreed that the provision of

workspace and personal computer shall not be construed as creating an employer-employee relationship between OWRB and Smith nor between OWRB and Contractor.

3. **COMPENSATION TO CONTRACTOR.**

a. Compensation for Services. For all services performed by Contractor during the period of this Contract, OWRB shall pay to Contractor Fifty-five Dollars (\$55.00) per hour worked.

b. Reimbursement for actual, necessary expenses. Whenever approved by the Chief of the Engineering and Planning Division or their designee in advance of the travel and incurring of expenses, Contractor shall also be reimbursed for (i) Contractor's out-of-pocket expenses incurred in travel necessary for Contractor's performance under this Contract, as limited by and in accordance with the State Travel Reimbursement Act, 74 O.S. § 500.1 et seq., and (ii) to the extent authorized and permitted by state law including but not limited to 74 O.S. § 500.9A, Contractor's other actual out-of-pocket expenses necessary for Contractor's performance under this Contract, which shall not exceed Five Hundred Fifty Dollars (\$550.00) per event or occurrence.

c. Limit on compensation and reimbursement. Notwithstanding any other provision of this paragraph 3, the total amount paid to Contractor under this Contract, including any and all amounts as compensation for services and reimbursement for travel and other necessary expenses, shall not exceed Two Thousand Five Hundred Dollars (\$2,500.00). As an employee of an independent contractor, Smith shall not receive nor be entitled to any benefits accorded to employees of the state, or any pay in lieu of benefits.

d. Invoices; payment procedure. On or before February 28, 2025, Contractor shall submit an invoice to OWRB for services performed and expenses incurred which are attributable to the Course. The invoice shall be in form and content acceptable to the OWRB; among other requirements, the invoice shall contain information about dates and hours worked and a general description of the services provided. If the invoice is unacceptable to OWRB, OWRB shall return the invoice to Contractor with the reason for rejection of the invoice.

e. Compensation and reimbursement subject to appropriation of funds. It is understood and agreed that funding for this Contract depends upon and is subject to State and/or Federal appropriations. In the event funds to finance this Contract become unavailable, either in full or in part, for whatever reason as determined by OWRB, OWRB may unilaterally terminate the Contract or reduce the consideration upon notice in writing to the Contractor. OWRB shall be the final authority as to the availability of funds. In the event of non-appropriation or discontinuance of funding for this Contract, the Contractor will be paid for production or services provided up to the effective date of termination.

4. **TERM OF CONTRACT.** This Contract shall become effective when all necessary signatures and approvals are obtained and shall be in full force and effect until July 31, 2025, unless terminated earlier as provided herein. This Contract may be amended, extended or renewed upon mutual agreement of the parties. OWRB and Contractor further agree that this Contract may be terminated at any time during its term by mutual agreement of the parties to terminate or may

be terminated unilaterally by either party upon thirty (30) days advance written notice of termination by the terminating party to the other party.

5. **INDEPENDENT CONTRACTOR STATUS.** For all purposes, Contractor is an independent contractor and Smith is an employee of Contractor. It is expressly understood and intended that neither Contractor nor Smith is, nor shall be, an employee of OWRB for any purpose. OWRB will not provide Contractor or Smith with worker's compensation coverage. OWRB will not provide to Contractor nor Smith any benefits that are accorded to state employees, whether full time employees, temporary employees, seasonal employees or other categories of employees recognized by the Oklahoma Personnel Act or otherwise by any court cases. Contractor is solely responsible for the payment of any required State and Federal income or other taxes, periodic withholding thereof, and all other liabilities of independent contractors, including but not limited to the payment of workers compensation insurance, other taxes, Social Security payments and adjustments relating to retirement benefits. Neither Contractor nor Smith is authorized to operate any motor vehicle of the State, and Smith may ride in a motor vehicle of the State only as necessary to provide the services set forth in this Contract. Contractor shall have the right to control and determine the method and means of performing the services described in paragraph 1 above; OWRB shall not have the right to control or determine such method or means. Contractor retains the right to perform services for other parties.

6. **AUDIT.** Contractor agrees that all records and other items of the Contractor relating to Contractor's professional services under this Contract shall be subject to examination by OWRB, the State Purchasing Director of the Central Purchasing Division of the Office of Management and Enterprise Services, and the State Auditor and Inspector of the State of Oklahoma. Access to such items shall be made available during reasonable business hours to any proper representative of these agencies or officials for inspection, copying and audit purposes. The term "records" includes books, documents, accounting procedures and practices, claims, and other data regardless of type whether in written form, computer data, or other form of Contractor relating to this Contract. Contractor shall maintain accurate records and documentation of all expenditures of time and resources in fulfilling its obligations under this Contract and shall retain all records relative to this Contract for a period of time not less than three (3) years following completion and/or termination of this Contract. If an audit, litigation or other action involving the records is commenced before the end of the foregoing three (3) year period, then the records shall be maintained for three (3) years after the date that all issues arising out of the action are resolved or until the end of the three year retention period, whichever is later.

7. **CONTRACT SUBJECT TO OKLAHOMA LAW AND APPROVING AUTHORITIES; SEVERABILITY.** This Contract shall be governed by and subject to the laws of the State of Oklahoma. The terms and conditions stated in any corresponding state purchasing and acquisition documentation, Purchase Order, and approval of any necessary authorities, are incorporated by reference herein and made a part hereof. If any provision of this Contract shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Contract and this Contract shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

AGREED to by the parties on the dates specified below.

HISINC, L.L.C.

W.B. Smith, President Date

OKLAHOMA WATER RESOURCES BOARD ATTEST:

Jennifer Castillo Date
Chairman

Suzanne Landess Date
Secretary

(SEAL)

AGENDA ITEM 3D(3)

AMENDMENT AGREEMENT

WITH: Meshek & Associates, LLC

PURPOSE: Amendment Agreement extending time and adding to the scope of work to provide professional engineering services in connection with Cooperating Technical Partnership Program Assistance for the creation and maintenance of Flood Hazard Data.

AMOUNT: \$0

TERM: Through December 31, 2025

**AMENDMENT AGREEMENT
BETWEEN
MESHEK & ASSOCIATES, LLC
AND
OKLAHOMA WATER RESOURCES BOARD**

This **AMENDMENT AGREEMENT** (hereinafter “Amendment Agreement”), dated for convenience of reference as of the 23rd day of December 2024, but to be effective after approval by all necessary persons, by and between Meshek & Associates, LLC (herein “Contractor”) and the Oklahoma Water Resources Board (herein “OWRB”),

WITNESSETH

WHEREAS, Contractor and OWRB have entered into a certain “Agreement for Professional Engineering Services for Cooperating Technical Partner Program (CTP) Assistance” dated March 9, 2011 as subsequently amended and renewed May 8, 2012, October 16, 2012, and January 21, 2014, February 1, 2015, November 16, 2016, November 10, 2017, September 18, 2018, November 1, 2019, September 1, 2020, October 21, 2021, December 1, 2022, and October 24, 2023 (herein “Agreement”), whereby Contractor has agreed to perform certain professional engineering services needed and requested by the OWRB in connection with carrying out the OWRB’s responsibilities under a certain Cooperating Technical Partner Partnership Agreement (“CTP Agreement”) with the Federal Emergency Management Agency (“FEMA”) to create and maintain accurate, up-to-date flood hazard data for OWRB or communities served in Oklahoma; and,

WHEREAS, 27A O.S. § 1-3-101(C) provides that the OWRB has the jurisdictional area of environmental responsibility in the State for, among other things, flood plain management; and

WHEREAS, the OWRB is authorized pursuant to 82 O.S. § 1085.2 to aid counties, incorporated cities and towns and special purpose districts in promoting and developing flood control; and

WHEREAS, the OWRB has entered into a Cooperating Technical Partner Partnership Agreement (“CTP Agreement”) dated November 6, 2002 with the Federal Emergency Management Agency (“FEMA”) to work together with FEMA to create and maintain accurate, up-to-date flood hazard data for OWRB or communities served in the State; and

WHEREAS, funding has become available from FEMA through the Oklahoma Department of Emergency Management (“OEM”) to the OWRB to implement the CTP Agreement; and

WHEREAS, the OWRB requires professional engineering services in order to carry out the CTP Agreement; and

WHEREAS, based upon the proposal submitted by Contractor, the OWRB has duly selected the Contractor to provide such services to the OWRB upon the terms provided below.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants provided below, it is hereby agreed as follows:

1. **AGREEMENT TERM.** The term of the Agreement shall continue in effect through December 31, 2025.
2. **ADDITIONS TO SCOPE OF WORK.** Contractor shall perform the additional tasks and assignments as outlined in the Additional Scope of Work attached hereto and incorporated herein by reference as Exhibit A.
3. **OTHER TERMS AND CONDITIONS.** Except for the additional time for performance and additional scope of work provided pursuant to Paragraphs 1 through 3 herein, all other terms, conditions and provisions set forth in the Agreement in its entirety with all attachments shall remain unchanged and are incorporated by reference as though fully set forth in this Amendment Agreement.

In witness whereof, the parties have approved and executed this Amendment Agreement on the dates shown below.

OKLAHOMA WATER RESOURCES BOARD

MESHEK & ASSOCIATES, LLC

Jennifer Castillo, Chairman Date

Brandon Claborn Date
Vice President

ATTEST:

ATTEST:

Suzanne Landess, Secretary Date

Date

Exhibit A

Scope of Work

The Oklahoma Water Resources Board (OWRB) has received funding from the Federal Emergency Management Agency (FEMA) for the development of a Risk MAP project as part of a Cooperative Technical Partner (CTP) agreement. The work under this Agreement relates to consulting services for completion of Mapping Activity Statements (MAS) No. 21-3, 21-4, 22-1, 22-2, 22-3, 22-4, 23-1, 23-2, and the addition of MAS No. 24-1. This amendment may also cover further Mapping Activity Statements that may be awarded to OWRB in the future.

Activities are further defined as follows:

A. Mapping Activity Statement No. 24-1:

- A.1. Program Management: 2024-2025 State CTP Business Plan Update
Contract amount: \$12,042.00**

AGENDA ITEM 3D(4)

JOINT FUNDING AGREEMENT

WITH: United States Geological Survey

PURPOSE: For modeling scenarios to assess regional impacts to stream flows from groundwater withdrawals in the Arbuckle-Simpson aquifer, part of Phase II of the Arbuckle-Simpson hydro study funded through class 23500.

AMOUNT: Not to exceed \$1,061,500.00

TERM: February 1, 2025 through September 30, 2028

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement
FOR
Water Resource Investigations

Customer #: 600000284
Agreement #: 25SJJFAOK002010
Project #: SJ00VER
TIN #: 73-6017987

Fixed Cost Agreement YES[X] NO[]

THIS AGREEMENT is entered into as of February 1, 2025, by the U.S. GEOLOGICAL SURVEY, Oklahoma-Texas Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the Oklahoma Water Resources Board party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation for negotiated deliverables (see attached), herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of \$0.00

- (a) \$130,000 by the party of the first part during the period February 1, 2025 to September 30, 2028
- (b) \$1,061,500 by the party of the second part during the period February 1, 2025 to September 30, 2028
- (c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of: \$0

Description of the USGS regional/national program:

- (d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.

4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

8. The maps, records or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program, and if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records or reports published by either party shall contain a statement of the cooperative relations between the parties. The Parties acknowledge that scientific information and data developed as a result of the Scope of Work (SOW) are subject to applicable USGS review, approval, and release requirements, which are available on the USGS Fundamental Science Practices website (<https://www.usgs.gov/office-of-science-quality-and-integrity/fundamental-science-practices>).

Form 9-1366
(May 2018)

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement
FOR
Water Resource Investigations

Customer #: 6000000284
Agreement #: 25SJJFAOK002010
Project #: SJ00VER
TIN #: 73-6017987

9. Billing for this agreement will be rendered **quarterly**. Invoices not paid within 60 days from the billing date will bear Interest, Penalties, and Administrative cost at the annual rate pursuant the Debt Collection Act of 1982, (codified at 31 U.S.C. § 3717) established by the U.S. Treasury.

USGS Technical Point of Contact

Name: Jason Lewis
Branch Chief
Address: 202 NW 66th Street
Oklahoma City, OK 73116
Telephone: (405) 651-2029
Fax: (n/a)
Email: jmlewis@usgs.gov

Customer Technical Point of Contact

Name: Derrick Wagner
Address: 3800 N. Classen Blvd
Oklahoma City, OK 73118
Telephone: (405) 530-8800
Fax: (n/a)
Email: Derrick.Wagner@owrb.ok.gov

USGS Billing Point of Contact

Name: Mitchell King
Budget Analyst
Address: 202 NW 66th Street
Oklahoma City, OK 73116
Telephone: (405) 249-3296
Fax: (n/a)
Email: mking@usgs.gov

Customer Billing Point of Contact

Name: Jessica Billingsley
Address: 3800 N. Classen Blvd.
Oklahoma City, OK 73118
Telephone: (405) 530-8800
Fax: (n/a)
Email: jessica.billingsley@owrb.ok.gov

U.S. Geological Survey
United States
Department of Interior

Oklahoma Water Resources Board

Signature

Signatures

By _____
Name: Timothy H. Raines
Title: Director

By _____ Date: _____
Name:
Title:

By _____ Date: _____
Name:
Title:

By _____ Date: _____
Name:
Title:



United States Department of the Interior

U.S. GEOLOGICAL SURVEY
Oklahoma-Texas Water Science Center
202 NW 66th St., Bldg. 7
Oklahoma City, OK 73116

December 20, 2024

Derrick Wagner
Oklahoma Water Resources Board
3800 N. Classen Blvd
Oklahoma City, OK 73118

Mr. Derrick Wagner:

Enclosed is our standard joint-funding agreement 25SJFAOK002010 between the U.S. Geological Survey Oklahoma-Texas Water Science Center and Oklahoma Water Resources Board for the Arbuckle-Simpson Aquifer modeling project, during the period February 1, 2025 through September 30, 2028 in the amount of \$1,061,500 from your agency. U.S. Geological Survey contributions for this agreement are \$130,000 for a combined total of \$1,191,500. Please sign and return one fully-executed original to Mitchell King at GS-W-OT_OTFM@usgs.gov.

Federal law requires that we have a signed agreement before we start or continue work. Please return the signed agreement by **February 1, 2025**. If, for any reason, the agreement cannot be signed and returned by the date shown above, please contact Jason Lewis at (405) 651-2029 or email jmlewis@usgs.gov to make alternative arrangements.

This is a fixed cost agreement to be billed quarterly via Down Payment Request (automated Form DI-1040). Please allow 30-days from the end of the billing period for issuance of the bill. If you experience any problems with your invoice(s), please contact Mitchell King at phone number (405) 249-3296 or GS-W-OT_OTFM@usgs.gov.

The results of all work performed under this agreement will be available for publication by the U.S. Geological Survey. We look forward to continuing this and future cooperative efforts in these mutually beneficial water resources studies.

Sincerely,

Timothy H. Raines
Director

Enclosure
25SJFAOK002010



A PROPOSAL SUBMITTED TO: Oklahoma Water Resources Board

Modeling Scenarios to Assess Regional Impacts to Streamflows from Groundwater Withdrawals in the Arbuckle-Simpson aquifer, 2003-2024

Proposal drafted by: S. Jerrod Smith, Evin Fetkovich, Shana Mashburn
Proposal last updated: December 19, 2024



U.S. Department of the Interior
U.S. Geological Survey

Background

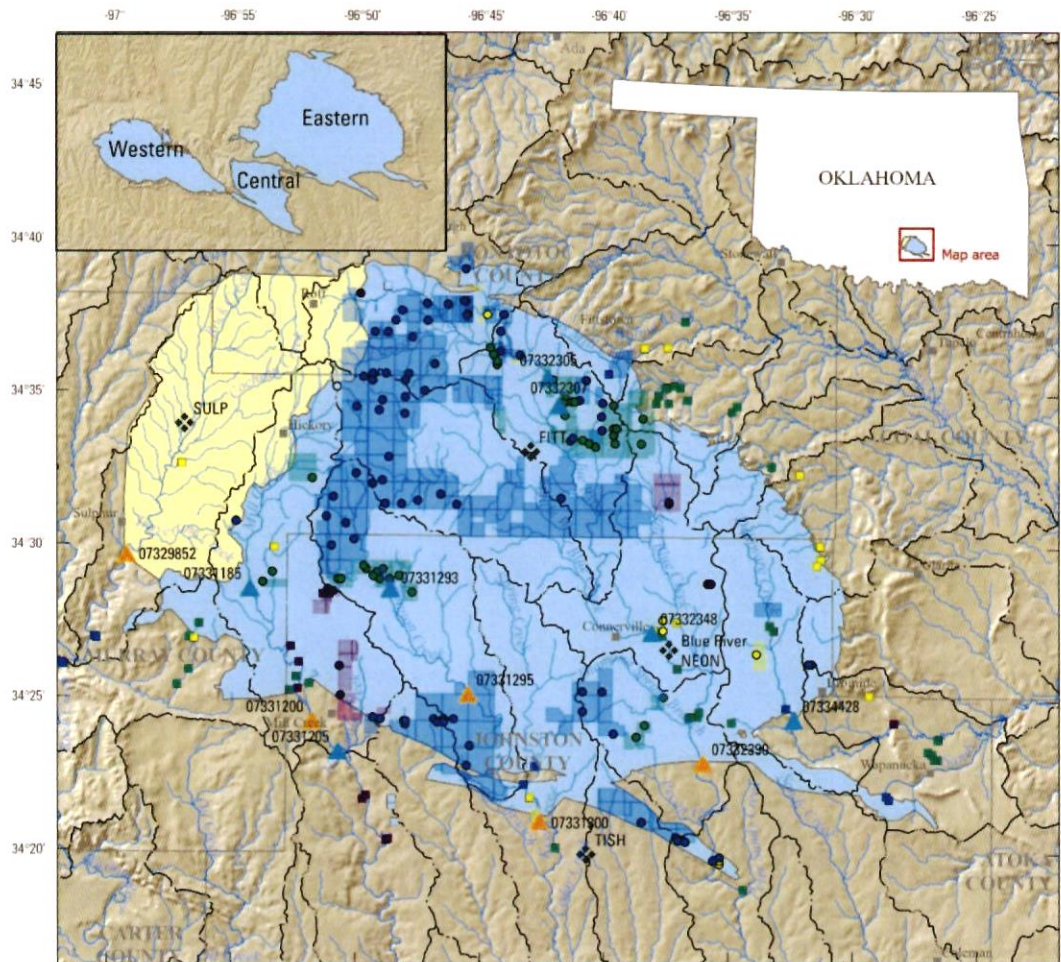
The Arbuckle-Simpson aquifer, located in south-central Oklahoma, outcrops across an area of approximately 520 square miles (332,800 acres) of uplifted carbonate rocks in Carter, Coal, Johnston, Murray, and Pontotoc Counties. This karst aquifer is characterized by uplifts, large fault displacements, and folded structures. The eastern Arbuckle-Simpson aquifer (fig. 1) provides water to approximately 39,000 people in the cities of Ada and Sulphur, Okla., and surrounding areas, which contributes to the eastern Arbuckle-Simpson having the largest groundwater withdrawals of the three subdivisions of the aquifer. The largest streams and springs (by flow) emanate from the eastern Arbuckle-Simpson aquifer.

The Oklahoma Water Resources Board (OWRB) manages the use of groundwater and surface-water resources under separate appropriation doctrines, according to Oklahoma Water Law. Surface water is considered to be publicly owned and is subject to appropriation by the OWRB (Oklahoma State Legislature, 2023a). Conversely, groundwater is considered a private property right that belongs to the overlying surface owner, but permits are required to be obtained from the OWRB for use of groundwater (Oklahoma State Legislature, 2023b). However, a permit is not required for most domestic use of groundwater. In response to concerns about potential transfers of groundwater from the Arbuckle-Simpson aquifer to central Oklahoma, the Oklahoma Senate passed Senate Bill (SB) 288 (2003), which imposed a moratorium on the issuance of any temporary groundwater permit for municipal or public water-supply use outside of any county that overlies a “sensitive sole-source groundwater basin” until the OWRB completes a hydrological study and approves a maximum annual yield (MAY, the total amount of fresh groundwater that can be produced from each basin or subbasin allowing a minimum twenty (20) year life of such basin or subbasin [OWRB, 2023a]). A sensitive sole-source aquifer is one that supplies at least 50 percent of the drinking water for its service area, and there are no reasonably available alternative drinking water sources nearby should the aquifer become contaminated. This moratorium was implemented in conjunction with the mandate for completion of a hydrologic study to help ensure that any permit for the removal of water from the groundwater basin will not result in groundwater withdrawals that could reduce the natural flow of water from springs or streams emanating from the basin (Oklahoma Water Resources Board, 2003).

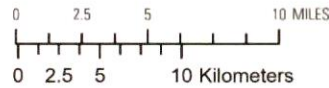
As a result of Senate Bill (SB) 288, a comprehensive series of investigations of the Arbuckle-Simpson aquifer were conducted between 2003 and 2011 to obtain information necessary to perform groundwater-flow model simulations that would help the OWRB to determine how much water could be withdrawn from the aquifer while maintaining flows to springs and streams (Seilheimer and Fisher, 2008; Christenson and others, 2009, 2011; Faith and others, 2010). The OWRB established a MAY for the Arbuckle-Simpson aquifer in 2013 based primarily on simulated effects of groundwater withdrawals on spring flows and base flows to streams. The MAY was set for the entire extent of the Arbuckle-Simpson aquifer (not just the eastern Arbuckle-Simpson aquifer) to 78,404 acre-feet per year over the total land area of 392,019 acres, with the resulting equal-proportionate share (EPS) determined to be 0.20 acre-feet per acre per year for the Arbuckle-Simpson aquifer (OWRB, 2023b).

Since completion of those studies, the OWRB established rules for sensitive sole-source groundwater basins (Oklahoma State Legislature, 2023c). In addition to the general rules for the taking and use of groundwater in an aquifer with a determined MAY, the OWRB must also find that the proposed use of groundwater is not likely to degrade or interfere with springs or streams emanating in whole or in part from water originating from the sensitive-sole-source groundwater basin. Only then can the OWRB approve the application and issue the appropriate permit. Well-spacing rules for sensitive sole-source groundwater basins were established to help determine if taking and use of groundwater

would interfere with springs or streams emanating from the aquifer. These rules are: (1) no new or proposed well shall be drilled and completed within 1,320 feet of a spring that flows 50 gallons per minute or more, emanates from the groundwater basin, and is identified in Appendix 1 table 1; (2) no new or proposed well shall be drilled and completed within 2 miles of a spring that flows 500 gallons per minute or more, emanates from the groundwater basin, and is identified in Appendix 1 table 1, unless the OWRB first determines that the total amount of groundwater authorized to be used from all wells within that radius is no more than 1,600 acre-feet per year; and (3) no new or proposed well shall be drilled and completed within 1 mile of a stream segment considered to be perennial in the U.S. Geological Survey's (USGS) National Hydrology Dataset (USGS, 2023) and with a base flow of more than 500 gallons per minute (about 1.1 cubic foot per second) that emanates from the groundwater basin (Oklahoma State Legislature, 2023c). The MAY and well-spacing rules were aimed at not reducing base flows in streams by more than 25 percent.



Albers Equal-Area Conic projection
 North American Datum of 1983
 1:350,000-scale digital data



Eastern Arbuckle-Simpson Aquifer
 extent from Oklahoma Water Resources
 Board (2024a)

EXPLANATION

- | | | | |
|---|---|---|--|
| ▲ Phase 1 USGS Streamgages | ● DWRB Permitted Wells by Use Type | ■ DWRB Dedicated Lands for Permitted Wells | ■ Towns |
| ▲ Phase 2 USGS Streamgages | ● Public Supply | ■ Public Supply | — Streams |
| ◆ Mesonet Climate Stations (Mesonet, 2023; National Ecological Observatory Network, 2023) | ● Mining | ■ Mining | — Watershed Basins (Hydrologic Unit Code 12) |
| ◆ DWRB Surface-Water Diversions by Use Type | ● Industrial | ■ Industrial | — Counties |
| ■ Public Supply | ● Irrigation | ■ Irrigation | ■ Unnamed upper confining unit deposited after the Simpson Group |
| ■ Mining | ● Combined Recreation, Fish, and Wildlife, Agriculture, Other | ■ Combined Recreation, Fish, and Wildlife, Agriculture, Other | ■ eastern Arbuckle-Simpson aquifer surficial extent |
| ■ Industrial | | | |
| ■ Irrigation | | | |
| ■ Combined Recreation, Fish, and Wildlife, Agriculture, Other | | | |

Figure 1. The extent of the Arbuckle-Simpson aquifer (shown in inset map) and the previously-modeled eastern Arbuckle-Simpson aquifer.

Problem

A previously-published MODFLOW-2000 model of the eastern Arbuckle-Simpson aquifer, hereinafter referred to as the Phase 1 study, was developed by Christenson and others (2011) for use in evaluating the allocation of water rights and simulating management options for the Arbuckle-Simpson aquifer. The results of modeling scenarios for the Phase 1 study helped the OWRB determine the MAY for the Arbuckle-Simpson aquifer. While this previous model was adequate to meet the objectives for the Phase 1 study, this model is not adequate to provide answers about recent hydrologic conditions (since 2008) or provide an evaluation of regional impacts to spring discharge or streamflows from nearby groundwater withdrawals.

The previous model from the Phase 1 study can be updated using more modernized and robust modeling techniques, calibrated to streamflows and groundwater levels at more locations than were previously used, and calibrated to recently-collected data. The updated model can be used to evaluate the potential impacts to streamflows from nearby groundwater withdrawals via streamflow (base-flow) depletion zone maps and simulation results.

The OWRB can use the results of this modeling study to assess the current well-spacing rules for the aquifer and determine whether the well-spacing rules should be modified. Maps of spatially-distributed recharge across the aquifer could be used to determine higher recharge areas to provide information to agencies to decide if protection zones could be implemented to minimize impacts from further development. Areas of higher average annual recharge to the aquifer could be delineated for protection zones. The Arbuckle-Simpson stakeholders can use the results of this modeling effort to identify areas in the eastern Arbuckle-Simpson aquifer that may require a more localized study to assess local-scale impacts of groundwater pumping on spring discharge or streamflows.

Objective

The objective of the proposed modeling project is to determine the potential percent depletion of base flows in streams/springs resulting from distributed groundwater withdrawals at various pumping rates and at various distances from streams in the eastern Arbuckle-Simpson aquifer.

Scope

The scope of the project encompasses the eastern Arbuckle-Simpson aquifer (fig. 1) from land surface through the thickness of the aquifer to the total depth as defined in Christenson and others (2011). The proposed modeling project will take 3.5 years to complete. The data used in the project will include hydrologic data from 2003 to 2024.

Approach

The proposed modeling will be a cooperative project between the OWRB and USGS. The tasks for completing this project are as follows: (1) a **conceptual model and water budget** will be developed for the period modeled (2003 to 2024) for the eastern Arbuckle-Simpson aquifer, (2) a **steady-state model** will be constructed to represent average conditions during the period modeled with 2003 pumping, (3) a **transient model** will be constructed to represent conditions for the years 2003-2024 period, (4) **predictive scenarios (simulations)** will be run to determine regional-scale well pumping

effects on base flows and spring flows, (5) products will be developed from the model simulations, including a **groundwater watershed boundary map and base-flow depletion zone maps** for selected groundwater pumping scenarios, and (6) a **model archive data release** on ScienceBase (<https://www.sciencebase.gov/catalog/>) and a **USGS Scientific Investigations Report** will be published to summarize the results from the project.

Task 1: Conceptual Model and Water Budget

A conceptual model is a simplified description of the major inflow and outflow sources (hydrologic boundaries) of a groundwater-flow system and includes a water-budget accounting of the estimated mean flows (water-budget components) from those sources for a specified period. The development of a conceptual model is necessary to guide and constrain the construction of a numerical model. A conceptual model and water budget will be constructed for the model period years 2003 to 2024. A conceptual model consists of mean water inflows and outflows exchanged between each hydrologic boundary for the eastern Arbuckle-Simpson aquifer. Hydrologic boundaries of the water budget will be estimated by analyzing the available data; however, where data are not available, assumptions will be made by using published analogs.

Tasks 2 and 3: Updating the steady-state and transient numerical groundwater-flow models

The following sections describe the previous numerical modeling (Christenson and others, 2011) approach with a comparison to the proposed new modeling approach using modernized and more robust modeling methods.

Model Discretization

The Christenson and others (2011) model was developed using MODFLOW-2000, using 1-day stress periods and model cells of 656-ft by 656-ft (200-m by 200-m) for a total area modeled of 387.1 mi² (247,744 acres). The Christenson and others (2011) model was discretized into 6 model layers to allow simulation of vertical flows. The top layer (layer 1) was assigned the altitude of land surface, followed by layers 2-5 of equal thickness, and the bottom layer (layer 6) being assigned variable thickness to approximate the total thickness of the aquifer. The Layer-Property Flow package was used to represent hydraulic properties, and the Geometric Multigrid Solver was used to solve the groundwater-flow equation. The transient model was calibrated to hydrologic conditions during a 5-water-year time period starting October 1, 2003, through September 30, 2008.

The proposed model will be developed using MODFLOW 6 (Langevin and others, 2017) and will use the same or similar spatial discretization and layering as the Christenson and others (2011) model. The simulation will include: (1) a steady-state stress period representing hydrologic conditions for 2003, (2) annual transient stress periods representing years 2003-2018, and (3) monthly transient stress periods representing years 2019-2024. Solving of the groundwater-flow equation will be handled by MODFLOW 6 using the Newton-Raphson formulation (Niswonger and others, 2011; and Panday and others, 2013). Land surface in the model will be resampled from a 1/3 arc-second (10 meter) digital elevation model (DEM) (USGS, 2015), which will also be used to calculate the groundwater-level

elevation surface. The base of aquifer for the model will be the same base of aquifer that was used in the Christenson and others (2011) model.

Hydraulic and Storage Properties

Hydraulic and storage properties used in the Christenson and others (2011) model were assigned based on the hydrostratigraphic unit coinciding with each node. The hydraulic and storage properties used in model simulations are horizontal hydraulic conductivity, vertical anisotropy (the ratio of horizontal to vertical hydraulic conductivity), specific yield, and specific storage. These properties were assigned by hydrostratigraphic unit (post-Simpson, Simpson, Arbuckle-Timbered Hills, and basement units). The Christenson and others (2011) model was simulated as a confined aquifer because parts of the aquifer are confined and other parts of the aquifer that appeared to be unconfined had measured storage properties similar to those of confined aquifers.

Hydraulic properties in the proposed model will be assigned to match the properties associated with the hydrostratigraphic units used in the Christenson and others (2011) model. Pilot-point methods (Doherty, 2010) may be used to vary the model hydraulic conductivity values if sufficient geostatistical data on hydraulic conductivity variability are available. The proposed model will be simulated with both confined cells and convertible cells. Confined cells could be assigned to those portions of the aquifer that appear to be confined by an overlying lower hydraulic conductivity hydrostratigraphic unit. Convertible cells are those cells that can have variable transmissivity, with the capability to be no flow when head goes below the bottom cell elevation or the capability to be rewetted if flow returns to the cell.

Streams

Streams in the Christenson and others (2011) model were simulated using the Drain package (Harbaugh and others, 2000). The Drain package simulates base flows discharged from the aquifer to streams but it does not simulate flow from the drain to the aquifer when the simulated head in the stream falls below the specified drain elevation. Drain elevations were assigned by using the lowest elevation in the land-surface DEM in each model cell. The hydraulic conductance of the interface between the aquifer and the drains was set to a uniform value of 1,000 meters per day (3,281 feet per day). Streams flowing across the eastern Arbuckle-Simpson aquifer are in bedrock channels with almost no alluvial deposits, and therefore, streams are well connected to groundwater. Drains simulated in the previous model are illustrated in Christenson and others (2011, fig. 30).

Streams in the proposed model will be simulated primarily using the Streamflow-Routing (SFR) package (Niswonger and Prudic, 2005; Langevin and others, 2017), which allows for improved accounting of net streambed seepage along stream reaches. Interactions back and forth between the aquifer and streams will be simulated in the model using this SFR package, which is required to evaluate potential impacts from groundwater pumping to streamflows. The River package (Harbaugh, 2005; Langevin and others, 2017) may also be used in parts of the model where detailed simulation and accounting of net streambed seepage is unnecessary.

Recharge

The Christenson and others (2011) model simulated areal recharge from infiltration of precipitation through the soil zone and was applied to layer 1. Recharge was distributed in the model by zones based on the hydrostratigraphic unit at the land surface. Recharge zones specified for the previous model are illustrated in Christenson and others (2011, fig. 31). Annual recharge during water years 2004–2008 ranged from 2.57 inches per year (in/yr) in 2006 to 11.61 in/yr in 2007; the mean annual recharge for the 5-year period was 5.58 in/yr.

A Soil-Water-Balance model (Westenbroek and others, 2010) will be used to distribute recharge spatially (on a cell-by-cell basis) across the model area of the eastern Arbuckle-Simpson aquifer. The Soil-Water-Balance will be calibrated to basin-scale annual or monthly recharge estimates determined from selected streamgage records using the Rorabaugh (1964) method. Mean annual recharge from the calibrated Soil-Water-Balance model will be mapped to show areas of the aquifer with higher simulated recharge.

Evapotranspiration

Evapotranspiration from the groundwater saturated zone (hereinafter referred to as “saturated-zone evapotranspiration”) was not simulated in the Christenson and others (2011) model. This component of total evapotranspiration can be an important part of the groundwater budget and likely occurs in areas of the aquifer where the saturated zone intersects the plant root zone, most commonly in lower lying or wetland areas along streams (Lubczynski, 2009). Saturated-zone evapotranspiration will be simulated in the proposed new model using the Evapotranspiration package (Harbaugh, 2005; Langevin and others, 2017) unless available data suggests that it is a negligible (less than 2 percent) part of the conceptual model budget.

Groundwater Withdrawals

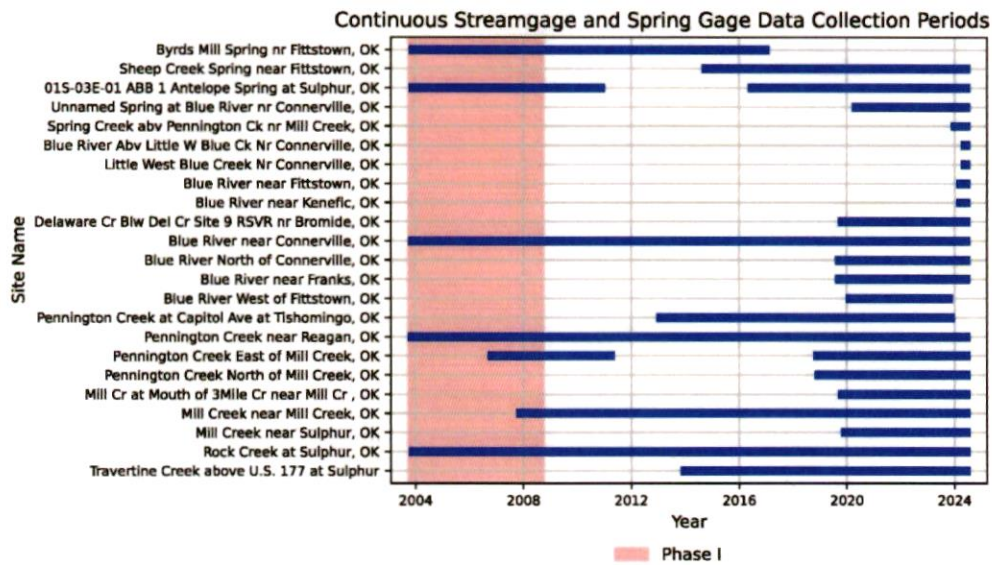
In the Christenson and others (2011) model, reported groundwater withdrawals were simulated using the Well package based on reported-groundwater-use estimates compiled by the OWRB. Withdrawals at each simulated well were assigned to a single model layer based on measured or inferred well depths. Withdrawals from groundwater wells in the proposed new model will be simulated using either the Well package or Multi-Node Well package (Harbaugh, 2005; Langevin and others, 2017) depending on the availability of well construction information. Simulated groundwater withdrawals will be based on reported-groundwater-use estimates for 2002–2024 (2002 for the steady-state simulation and 2003–2024 for the transient simulation); these data will be compiled and supplied by the OWRB. These data will be spatially and temporally aggregated for publication in the model archive data release such that sensitive public-supply well locations and personal-identifying information are not released to the public.

Calibration

Model calibration is the process of systematically changing selected model input values (parameters) within limits to improve the fit between model-simulated data and observed data (calibration targets). The preferred calibration results (1) minimize the differences (residuals) between simulated and observed data and (2) conform to the predetermined conceptual model. The calibration process includes both manual and automated adjustment of parameters. The manual calibration approach is primarily focused on aligning the numerical-model water budget to the conceptual-model water budget. The manual calibration also involves adjustment of selected structural elements of the model, such as boundary elevations, that are not easily adjusted by automated calibration methods. The automated calibration approach is focused solely on minimizing residuals using the PEST++ iterative ensemble smoother (White, 2018), which reduces calibration run times in highly parameterized models. The Christenson and others (2011) steady-state model was calibrated to synoptic water levels at 17 sites measured on August 7-11, 1995, and base flows at 8 sites measured on August 14, 1995. The transient model was calibrated for the period October 2003 to September 2008 (water years 2004 to 2008) to (1) streamflows (simulated base flow plus estimated runoff) at 2 gages: Blue River near Connerville, Oklahoma, and Pennington Creek near Reagan, Oklahoma, and (2) groundwater levels at 19 observation wells equipped with continuous data loggers.

The proposed numerical groundwater-flow model will be calibrated to base-flow observations at selected springs and streamgages and available groundwater-level observations for the transient model period 2003–2024 (fig. 2). The calibration data set will include historical data (including OWRB groundwater levels in approximately 100 wells from the phase 1 study) and recently monitored groundwater-level observations 2019-2024 (including synoptic groundwater-level measurements from 2006, 2022 and 2023) from USGS (2024), base-flow observations estimated from USGS streamgage records from recently monitored period 2019-2024, continuous spring flow data at 3 sites for the 2019-2024 period, synoptic spring flow data from 2018 and 2023, and other data collected as part of the ongoing USGS study.

A)



B)

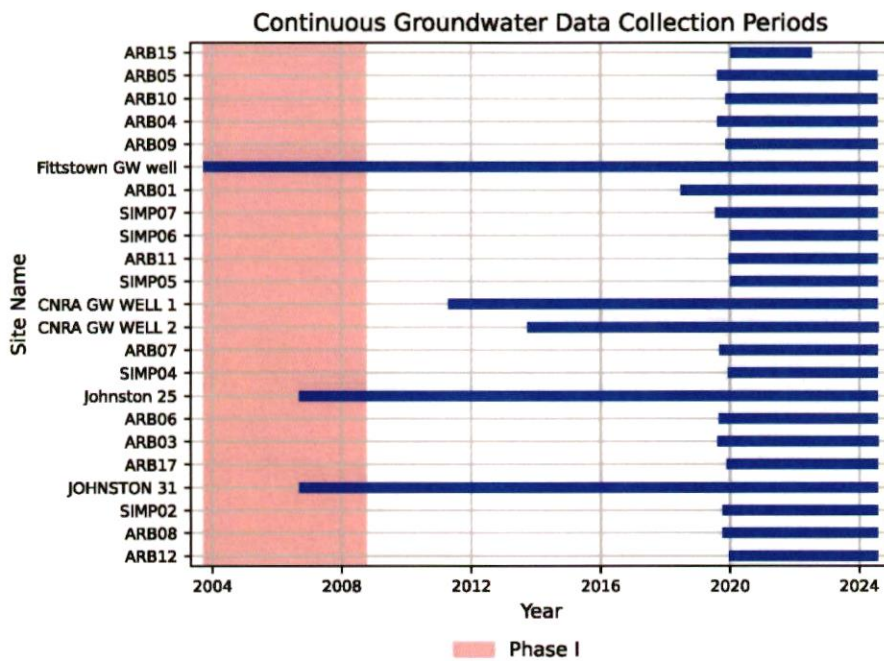


Figure 2. Some of the sites proposed for use in numerical groundwater-flow model calibration and their associated data collection periods: A) Continuous streamgauge and spring gages and B) continuous groundwater wells (graph illustrates an increase in continuous data availability for calibration in recent years).

Task 4: Predictive Scenarios (Simulations)

Proposed model simulations will be run by using the calibrated model and updating selected model parameters based on specific scenarios. These scenarios include: (Scenario 1) a base-flow depletion scenario with an output streamflow (base-flow) depletion zone map illustrating the influence of stream-offset distance on streamflow (base-flow) depletion, (Scenario 2) a scaled historical groundwater withdrawal scenario ranging from 50 to 200 percent of groundwater withdrawal rates for the 2003-2024 period, and (Scenario 3) a hypothetical groundwater-development scenario simulating effects of groundwater withdrawals at three selected locations near streams with pumping rates that approximate a) well pumping rates typical of public-supply wells in the Arbuckle-Simpson aquifer and b) pumping rates typical of mine pit dewatering in the Arbuckle-Simpson aquifer.

Scenario 1: Base-flow depletion scenario

A base-flow-depletion scenario (Barlow and Leake, 2012) for the eastern Arbuckle-Simpson aquifer groundwater-flow model will be constructed by simulating pumping of a hypothetical well in each model cell. This type of scenario is computationally intensive and, therefore, will be run on the calibrated steady-state model, which has a shorter run time than the transient model. The goal of this scenario will be to assess the spatial sensitivity of groundwater withdrawals on base flows while holding parameters other than groundwater withdrawals (such as climate parameters) constant. In doing so, the effects of groundwater withdrawals can be isolated. Selected streams (simulated by the SFR package) will be used as the basis for calculating base-flow-depletion fraction. A base-flow-depletion fraction equation was developed by following the steps of the “Constructing Capture Maps” section of Leake and others (2010):

$$d_f = \frac{Q_{kij} - Q_{base}}{q_{well}}$$

Where

d_f is the base-flow-depletion fraction;

Q_{kij} is the base flow at given outflow location with the addition of the hypothetical groundwater withdrawal at a cell in layer k , row i , and column j ;

Q_{base} is the base flow at a given outflow location without any additional hypothetical groundwater withdrawals; and

q_{well} is the groundwater-withdrawal rate for the hypothetical well at a cell in layer k , row i , and column j .

In other words, the base-flow-depletion fraction will be calculated for each cell (one model run for each cell) by using the amount of groundwater withdrawn from the hypothetical well in that cell and the corresponding change in base flow at a specified point on a stream (which represents net base flow for all stream segments upstream from that point). The results of the model runs can be compiled to generate a base-flow depletion or capture map—a matrix with the dimensions of the groundwater-flow model grid containing a base-flow-depletion fraction for each cell for which a hypothetical well was

simulated (Leake and others, 2010; Barlow and Leake, 2012) (fig. 3). Base-flow depletion will be represented as a percentage, where each cell indicates how much base flow would decrease in response to the amount of groundwater that was withdrawn. If groundwater withdrawals from the hypothetical well resulted in 100 percent base-flow depletion, then all groundwater withdrawn from the hypothetical well was captured from base flow. A base-flow depletion of 0 percent indicated that groundwater withdrawn from the hypothetical well captured no base flow. Groundwater withdrawals can capture groundwater from a variety of sources, including groundwater that would have otherwise been lost to evapotranspiration, groundwater in storage, and groundwater that would have otherwise contributed to base flow (Barlow and Leake, 2012); however, this study will focus on the capture associated with base flow (that is, groundwater withdrawals resulting in base-flow depletion).

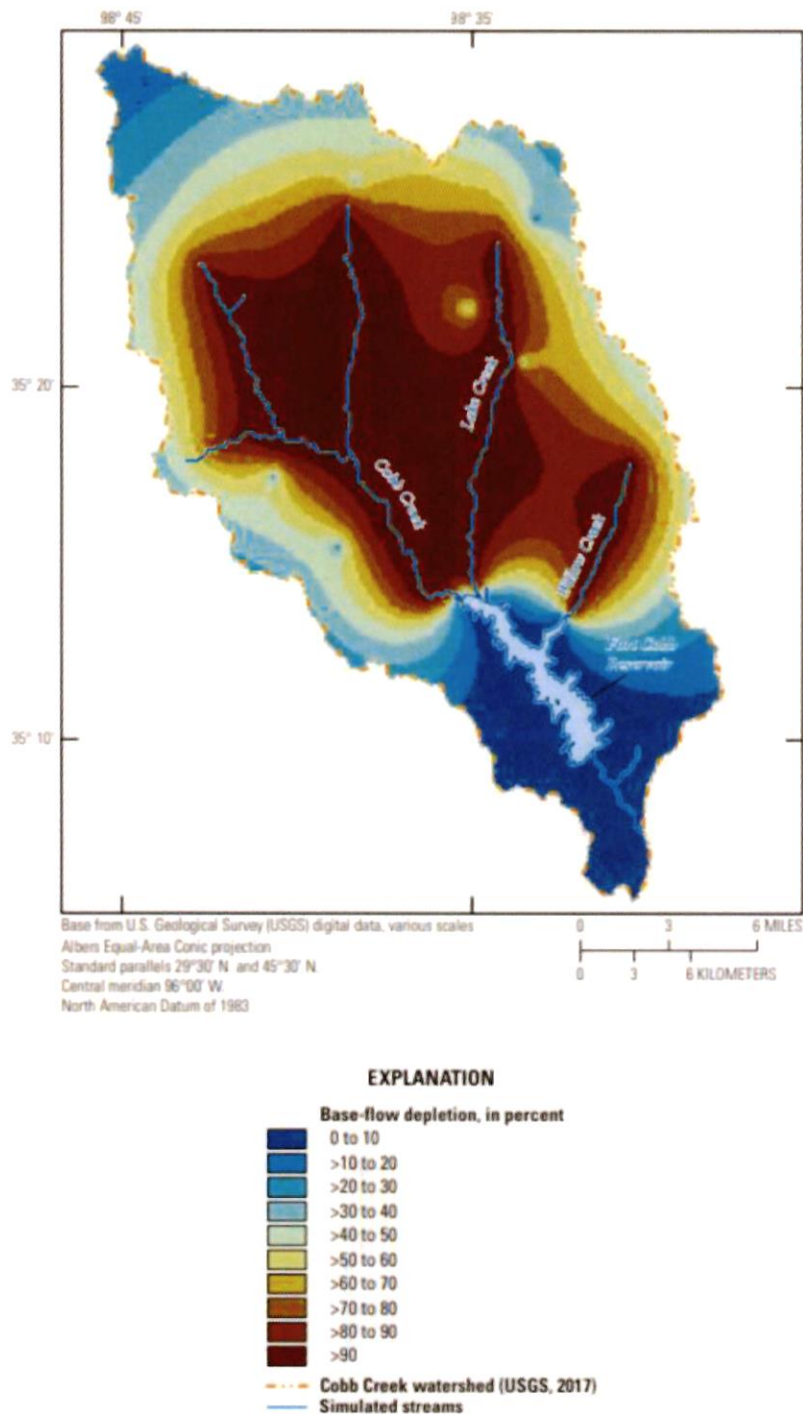


Figure 3. Example of a base-flow depletion map showing percentages of base-flow depletions obtained from steady-state, base-flow-depletion simulations representing long-term equilibrium and by using total inflows to the Fort Cobb Reservoir for the Cobb Creek watershed, western Oklahoma [Rush Springs aquifer] (Trevisan and others, 2024)

Scenario 2: Scaled historical groundwater withdrawal scenario

A scaled historical groundwater withdrawal scenario will be run on the calibrated transient model to investigate the effects of increased or decreased groundwater withdrawals on base flows in selected simulated streams. The scenario will consist of 10 simulations scaling the historical groundwater-withdrawal rates by 50, 60, 70, 80, 90, 100, 125, 150, 175, and 200 percent. The scenario with 100-percent scaled historical-groundwater-withdrawal rates will be identical to the calibrated transient model. Historical groundwater withdrawals for the steady-state stress period will not be scaled to ensure identical starting conditions for each simulation.

Scenario 3: Hypothetical groundwater-development scenario

A hypothetical groundwater-development scenario will include simulations that can act as an example of testing and illustrating potential effects of hypothetical well placement on simulated base flows. The simulations will be used to summarize base-flow depletion associated with hypothetical public-supply or mine-dewatering well placement. Two sets of simulations (one set for public-supply well placement and one set for mine-dewatering well placement) will each include three hypothetical well locations at varying lateral distances from a selected simulated stream or at varying longitudinal distances upstream from a selected simulated stream. The locations of the hypothetical wells will be chosen by the OWRB with input from USGS.

Task 5: Development of a groundwater watershed boundary map and base-flow depletion zone maps

Groundwater watershed boundaries will be delineated from simulated groundwater levels in the upper layer of the calibrated groundwater-flow model. A particle-tracking model (Langevin and others, 2017) will be added to the MODFLOW 6 simulation to clearly identify groundwater divides.

Based on the simulated base-flow depletion map from Task 4, Scenario 1 (fig. 3), zones will be created based on base-flow-depletion threshold values selected by the OWRB. The zones will be shown on the base-flow depletion map.

6) Publication of a model archive data release and USGS Scientific Investigations Report

A model archive data release will be compiled, reviewed, and published on ScienceBase (<https://www.sciencebase.gov/catalog/>). The data release will include all relevant files and model inputs and outputs as well as other relevant non-published data or files pertaining to the model. The processes and findings from the proposed model will be published in a USGS Scientific Investigations Report

Quality Assurance Plan

The proposed modeling project will follow the guidelines and requirements described in the USGS Office of Groundwater Technical Memorandum 2016.02 for model archiving. The USGS requires additional management of geospatial and tabular data, and standardized formats for model archives. This policy is intended to ensure that the results of the study could be replicated and that the model could be used for analyses in the future. Data must include associated metadata that will also be stored in the model archives. The model archive must include all model files including inputs, results, programs, scripts, and spatial information required to replicate interpretations published in the final report.

Each component of the conceptual model water budget has uncertainty, but some components are more uncertain than others. The effect of that uncertainty on numerical model validity and confidence may be amplified or dampened by the relative role that the component plays in the balanced conceptual model water budget. In unconfined aquifers, recharge (inflow) and streambed seepage (net outflow) are typically the largest component flows, but are also the components best constrained by field data such as continuous groundwater-levels and streamflows at gages. Saturated-zone evapotranspiration and lateral groundwater flows, however, are notoriously difficult to estimate from field data and are, therefore, often based on crude assumptions and back-of-the-envelope calculations. Balancing the conceptual model water budget (inflows = outflows) is one of the simplest and most effective ways to reduce uncertainty in estimated component flows. Using multiple methods (for example, WTF and RORA for recharge estimation) can reduce uncertainty in conceptual model component flows. The conceptual model water budget provides data-based constraints for constructing and evaluating the validity of the numerical model. However, there is a feedback loop between the conceptual and numerical models. Comparing the conceptual model water budget to the calibrated numerical model water budget reveals the feasibility of the conceptual model given the structural constraints of the numerical model. Sometimes the numerical model indicates that the proposed conceptual model is flawed and should be revised. A close match between the conceptual-model and numerical-model water budgets, however, increases confidence in the simulated results.

All numerical groundwater-flow models are simplifications of the aquifer systems represented and, therefore, have error and uncertainty. A sensitivity analysis will be performed on the calibrated groundwater-flow model using PEST++ software (White and others, 2020) to identify which model parameters have the greatest influence on observation/calibration target residuals. The most sensitive parameters are those for which small changes in value have relatively large affects on model outcomes and conclusions. Results of the sensitivity analysis will be published in the model archive data release and summarized in the USGS Scientific Investigations Report.

Relevance and Benefits

This proposed project supports the USGS Water Mission Area Goals of working with partners to monitor, assess, conduct targeted research, and deliver information on water resources and conditions including groundwater use and availability. This proposed study will achieve these goals by (1) advancing the understanding of the processes that determine water availability using integrated modeling techniques and (2) predicting changes in the quantity of water resources in response to changing climate, population, land-use, and management, and (3) working with the OWRB to complete this study. The proposed study will also benefit the Nation and address the USGS mission to monitor and assess availability and quality of the Nation's freshwater supply by developing advanced predictive

water resource models that will be used by multiple parties for planning and operational purposes (USGS, 2021). The USGS would benefit by applying the increased capabilities of MODFLOW to a variety of new situations for which integrated modeling tools currently do not exist.

Deliverables

The results of the proposed project will be published in a USGS Scientific Investigations Report and a model archive data release. The model archive data release will conform to the USGS Public Access Plan and will be published on USGS [ScienceBase](#) with [Federal Geographic Data Committee \(FGDC, 1998\) standard-compliant metadata](#) concurrent with the release of the Scientific Investigations Report. The USGS will submit written quarterly progress reports to the OWRB. In addition, project status will be shared with the OWRB throughout the study during monthly progress meetings.

Timeline and Budget

The following milestones and task schedule are contingent upon approval of the joint funding agreement with all participants. The time to project completion is 3.75 years from the completed joint funding agreement or February 1, 2025, whichever is later. The task timeline will be updated upon start date of funding agreement, if necessary.

Timeline	Quarters from beginning of project															
State Fiscal Year	FY25			FY26				FY27				FY28				
Federal Fiscal Year	FY25			FY26				FY27				FY28				
Tasks	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Task 1: develop conceptual model and water budget	■	■	■	■												
Task 2: update steady-state model				■												
Task 3: update transient model				■	■	■										
Task 4: run predictive scenarios to determine well pumping effects to streamflows/springs							■	■	■							
Task 5: generate maps of groundwater watershed boundaries and base-flow-depletion zones									■	■						
Task 6: draft, review, and publish model archive data release and USGS SIR report									■	■	■	■	■	■	■	

Task Budget	FY25	FY26	FY27	FY28	Total
Labor	\$230,331	\$321,195	\$332,857	\$291,800	\$1,176,159
Travel	\$5,069	\$5,105	\$5,143	\$0	\$15,341
Vehicles and Fuel	\$0	\$0	\$0	\$0	0
Equipment	\$0	\$0	\$0	\$0	0
Total Costs	\$235,400	\$326,300	\$338,000	\$291,800	\$1,191,500
OWRB Funds	\$205,400	\$286,300	\$308,000	\$261,800	\$1,061,500
USGS Funds	\$30,000	\$40,000	\$30,000	\$30,000	\$130,000

Personnel

The personnel to complete this project will be an experienced groundwater modeler, S. Jerrod Smith, who will lead the project and modeling efforts and will train Evin Fetkovich and Chloe Codner on modeling. The Supervisory Hydrologist, Shana Mashburn, will ensure USGS methods and policies are followed.

Name	Title	Project Role	Location
S. Jerrod Smith	Modeling Specialist	Project Chief and lead modeler	USGS – Oklahoma City
Evin Fetkovich	Hydrologist	Modeler in training	USGS – Oklahoma City
Chloe Codner	Hydrologist	Data processing & analysis, modeler in training	USGS – Oklahoma City
Shana Mashburn	Studies Chief - Supervisory Hydrologist	Ensure compliance with USGS methods, policies, & standards	USGS – Oklahoma City

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Appendix 1. Springs discharge measured in the Arbuckle-Simpson Aquifer

Appendix 1 Table 1. Springs with discharge greater than 50 gallons per minute based on historical data available in USGS NWIS database (USGS, 2024) with an indicator for springs having discharge greater than 500 gallons per minute that emanate from the Arbuckle-Simpson Aquifer, a sensitive sole-source groundwater basin, that are included in the well-spacing provisions established by the OWRB (springs listed are for the entire Arbuckle-Simpson Aquifer across the western, central, and eastern subdivisions).

[>, greater than; gpm, gallons per minute]

Agency Code	Station Number	Decimal Latitude	Decimal Longitude	Spring Name	Discharge > 500 gpm
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USGS	07329849	34.504444	-96.941111	Antelope Spring	Yes
USGS	07329880	34.458900	-96.941400	Lowrance Springs	Yes
USGS	07334200	34.594534	-96.665563	Byrds Mill Spring	Yes
USGS	342035096554101	34.343148	-96.928345	Buck Irving Spring	Yes
USGS	342147096393901	34.363148	-96.661115	Three Springs	Yes
USGS	342148096394001	34.363426	-96.661392	Three Springs	Yes
USGS	342150096284002	34.363981	-96.478055	Seven Springs 2	Yes
USGS	342342096464801	34.394889	-96.781056	Gray Spring	Yes
USGS	342342097134701	34.395088	-97.230019	Unnamed Spring	Yes
USGS	342342097135501	34.395088	-97.232241	Unnamed Spring	Yes
USGS	342353097045501	34.398145	-97.082239	Unnamed Spring	Yes
USGS	342411096350101	34.403148	-96.583891	Deadmans Spring	Yes
USGS	342511097064501	34.419667	-97.111917	Devils Bathtub Spring	Yes
USGS	342517096453401	34.420322	-96.759006	Unnamed Spring	Yes
USGS	342613096514701	34.437036	-96.863344	Colvert Spring	Yes
USGS	342634097160001	34.442865	-97.266965	Unnamed Spring	Yes
USGS	342639097160001	34.444254	-97.266965	Unnamed Spring	Yes
USGS	342712096373701	34.453425	-96.627226	Cummins Spring	Yes
USGS	342712096374101	34.453425	-96.628337	Unnamed Spring	Yes
USGS	342726096400601	34.457389	-96.669417	Nelson Spring (Washington Spring)	Yes
USGS	342732096432201	34.458981	-96.723062	Gregor Spring	Yes
USGS	342738096401401	34.460647	-96.670839	Unnamed Spring	Yes
USGS	342818097170501	34.471753	-97.285021	Unnamed Spring	Yes
USGS	07329847	34.502700	-96.939300	Buffalo Spring	No
USGS	341540096485101	34.261205	-96.814451	Daube Spring	No
USGS	341638096502301	34.277316	-96.840008	Unnamed Spring	No
USGS	341718096515802	34.288427	-96.866398	Webb Spring	No
USGS	341719096520801	34.288704	-96.869175	Unnamed Spring	No
USGS	341927096541901	34.324259	-96.905566	Chapman Spring	No
USGS	341933096535201	34.325926	-96.898066	Tired Spring	No
USGS	341958096354301	34.332871	-96.595557	Desperado Spring	No
USGS	342054096514501	34.348426	-96.862787	South Spring	No
USGS	342108096553801	34.352314	-96.927512	Blue Hole Spring	No
USGS	342116096394601	34.354537	-96.663059	Wolf Spring	No
USGS	342216096314001	34.379694	-96.526972	Viola Spring	No
USGS	342218096411301	34.371760	-96.687227	Smith Spring	No
USGS	342231096300901	34.375370	-96.502777	Unnamed Spring	No
USGS	342232096561901	34.375647	-96.938902	Williams Spring	No
USGS	342233096444501	34.375333	-96.746972	Caldwell Spring	No
USGS	342246097143601	34.379533	-97.243630	Unnamed Spring	No
USGS	342247097143301	34.379811	-97.242797	Unnamed Spring	No
USGS	342253097165801	34.381477	-97.283075	Cold Spring	No

USGS	342254096425501	34.382389	-96.715389	Spring Creek Spring	No
USGS	342318096325401	34.388426	-96.548612	Rutherford Spring	No
USGS	342335096462501	34.392861	-96.774000	Trent Spring	No
USGS	342337097134801	34.393700	-97.230297	Unnamed Spring	No
USGS	342414096364701	34.404056	-96.613278	Diamond Spring	No
USGS	342421097065401	34.405923	-97.115295	Unnamed Spring	No
USGS	342428096444301	34.407870	-96.741951	Unnamed Spring	No
USGS	342505097094401	34.418144	-97.162518	Unnamed Spring	No
USGS	342517096453401	34.420322	-96.759006	Bridge Spring	No
USGS	342537096454701	34.426608	-96.763375	Pilot Spring	No
USGS	342613096521101	34.437036	-96.870011	Colvert Spring	No
USGS	342628097163001	34.441198	-97.275298	Unnamed Spring	No
USGS	342634097104401	34.442866	-97.179186	Unnamed Spring	No
USGS	342718096380401	34.454972	-96.634444	Anderson Spring	No
USGS	342724096400202	34.456759	-96.667505	Unnamed Spring	No
USGS	342726096380001	34.457314	-96.633615	Inslee Spring	No
USGS	342727096401301	34.457592	-96.670561	Unnamed Spring	No
USGS	342730096562701	34.458424	-96.941126	Lowrance Spring 2	No
USGS	342732096395801	34.458981	-96.666394	Shadowfax Spring	No
USGS	342732096400601	34.458981	-96.668616	Bilbo Spring	No
USGS	342732096402301	34.458981	-96.673339	Tisdell Spring	No
USGS	342757097195501	34.465919	-97.332244	Unnamed Spring	No
USGS	342819097123301	34.472031	-97.209464	Boiling Spring	No
USGS	342837097193301	34.477030	-97.326133	Pole Spring	No
USGS	342908096373701	34.457333	-96.669472	Poe Spring	No
USGS	342911096373701	34.486481	-96.627227	Willis Spring	No
USGS	343114096332701	34.520647	-96.557781	Coffee Pot Spring	No
USGS	343114096353101	34.520500	-96.607806	Cave Spring	No
USGS	343241096360201	34.544750	-96.600833	Canyon Spring	No
USGS	343247097181901	34.481197	-97.308077	Five Mile Spring	No
USGS	343422096385101	34.572778	-96.647500	Sheep Creek Spring	No
USGS	343606096401301	34.601756	-96.670563	Unnamed Spring	No

AGENDA ITEM 3D(5)

FIRST AMENDMENT AGREEMENT

WITH: Office of Management and Enterprise Services

PURPOSE: For the administrative services related to the American Rescue Plan Act Grant Funds designated by the Legislature for the Lugert-Altus Irrigation District grant funds for irrigation improvement projects.

AMOUNT: Amended amount not to exceed \$25,000.000.00

TERM: Through December 31, 2026

EXHIBIT E-1: FIRST AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD

This is a first Amendment (“First Amendment”) to the Grant Agreement (“Agreement”) bearing the date of last signature of March 23, 2023, between the Office of Management and Enterprise Services Grant Management Office (OMES) and the Oklahoma Water Resource Board (“Subrecipient”) and is effective as of **December 31, 2024**. The Grant Agreement signed on March 23, 2023, replaced a prior Grant Agreement bearing the date of last signature of August 31, 2022. The Agreement and any amendments thereto, are authorized by 62 O.S. § 255.1 for the purpose of managing ARPA funds as appropriated by the Oklahoma State Legislature, and likewise meet the requirements of 74 O.S. § 581 as well as the rules, regulations, and guidance issued by the U.S. Department of the Treasury regarding, *inter alia*, the obligating of funds through an interagency agreement. This First Amendment shall be appended to the Agreement as **Exhibit E-1** and supplements and amends the Agreement including all supplements thereto. Unless otherwise indicated herein, undefined capitalized terms used in this First Amendment shall have the respective meanings specified in the Agreement. All other terms of the Agreement not modified by this First Amendment, remain in full force and effect.

The parties agree to amend the Agreement to include:

- I. A revised Funding Review Packet (FRP).

This First Amendment incorporates herein the following new attachments to the Agreement:

- I. Attachment A-1: Revised Funding Review Packet – Lugert-Altus Irrigation District
- II. Attachment A-2: Senate Bill 429 (May 2022)

THIS SPACE IS INTENTIONALLY LEFT BLANK.

SIGNATURES FOLLOW ON THE NEXT PAGE.



EXHIBIT E-1: FIRST AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD

SIGNATURES

Except as amended hereby, the Agreement remains in full force and effect. The undersigned represent and warrant they are authorized, as representatives of the Party on whose behalf they are signing, to bind their respective Party thereto, by signing this First Amendment.

**OFFICE OF MANAGEMENT AND
ENTERPRISE SERVICES FOR THE
STATE OF OKLAHOMA**

**OKLAHOMA WATER
RESOURCES BOARD**

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date

ATTEST

BY:

Name and Title

(Seal)



OMES

APPROVED AS TO FORM:

Elizabeth Base
OMES Deputy General Counsel

Date

Parker Wise
Director of OMES Grants Management Office

Date



ATTACHMENT A-1

Revised Funding Review Packet

Lugert-Altus Irrigation District



OKLAHOMA

AMERICAN RESCUE PLAN ACT



State of Oklahoma

ARPA State & Local Fiscal Recovery Funds (SLFRF) Project Funding Review

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for Working Group, Joint Committee, Steering Committee and Governor consideration and review.

SLFRF Resources

- ▶ Final Rule (FR) ([link](#))
- ▶ Overview of Final Rule ([link](#))
- ▶ Frequently Asked Questions ([link](#))
- ▶ Compliance and Reporting Guidance (February 22, 2022) ([link](#))

Project Overview

Project Name: **Lugerl-Altus Irrigation District**

Organization Name: *Oklahoma Water Resources Board*

Primary Contact

Name: Julie Cunningham
Email: julie.cunningham@owrb.ok.gov
Phone: 405-530-8800

Project Lawyer

Name: Sara Gibson
Email: sara.gibson@owrb.ok.gov
Phone: 405-530-8800

Project Cost: \$25,000,000

Project Cost Breakdown: *The submitter must complete the template below. An incomplete project cost breakdown or a breakdown provided in a different format may result in delays in project review. The goal of the budget is to provide a clear and concise description of the expenses requested to support the activities in your application. A successful budget will show what each expense is, how much it costs, and the calculation used to get that amount.*

Proposed Project Cost Breakdown		
Subawards	\$ 25,000,000	Total of all below sections
Grant to LAID for modernizing LAID current infrastructure to maximize water efficiency.	\$ 25,000,000	Costs include planning, design, acquisition and construction costs. Main goal is water savings.

Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

Local funds from the district have totaled \$2.75 million on water conservation projects to date.

The district has also secured a WaterSMART grant from the Federal Bureau of Reclamation (BOR).

What goods or services will you need to complete this project?

For OWRB, there is a potential need for contracting out some of the oversight of the programs, but those costs would be included in the administration of the program. Examples for contracting out could include but not be limited to engineering construction oversight, reporting and ranking, or IT related expenses. However, we anticipate doing most of the oversight in house.

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes, we are aware of the requirement of 2 CFR 200 for federal procurement requirements of the program.

Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals

OWRB would anticipate having the program controls, structure, etc. by Fall 2022 to award the grant to LAID with construction beginning around winter/spring 2023. All funds will be expended by Dec. 30, 2026 at the latest.

How many Oklahomans will benefit from this project?

See project funding template submitted by LAID

What is the potential return on investment for this project?

See project funding template submitted by LAID

Project Description to include impact of COVID-19, intended impact of project, and general description of services

[See project funding template submitted by LAID](#)

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A)

[5.8 Clean Water: Water Conservation](#)

JC Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance ([2 CFR Part 200](#)). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

JC

Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

[Yes](#)

What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

[See project funding template submitted by LAID](#)

Please provide an outline/brief summary of your performance management plan. A complete performance management plan will be required after grant agreement execution. [OWRB has financial controls, technical expertise, and processes in place to administer federal programs, oversee construction, and audit projects. The board has approved 2,781 projects for nearly \\$8 billion, spanning over thirty years, with documented, longstanding AAA bond ratings on multiple issuances, and consistently clean annual program audit reviews from independent auditors and EPA \(available upon request\). Project performance is ultimately measured by successful construction and regulatory approval. The OWRB will oversee, facilitate, and document information on project management, pre-construction approvals by various regulatory agencies, bidding and](#)

contracting, site inspections, invoice compliance review, financial controls and project close out. Grant agreements with awardees will also be in place to help ensure compliance with requirements.

Please provide an outline/brief summary of your community engagement or outreach plan. A complete community engagement/outreach plan will be required after grant agreement execution.

See project funding template submitted by LAID

Please explain how non-English speaking constituents will be able to benefit from this program. Note that more documentation may be required around this after grant agreement execution.

OWRB has adopted a "Discrimination and Federal Funding Policy" to ensure that OWRB or any sub-recipient of funding must comply with civil rights laws and regulations. The policy can be found on OWRB's website at

<https://oklahoma.gov/content/dam/ok/en/owrb/documents/about-us/discriminationpolicy.pdf>

Capital Expenditure Requirements

***Definitions:** Per the Uniform Guidance, the term "capital expenditures" means "expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstal/ations, renovations, or alterations to capital assets that materially increase their value or useful life." Equipment with a useful life of more than one year and a per-unit acquisition cost greater or equal to \$5,000 is considered a capital expenditure.*

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

OWRB has been administering grant and loan programs with both state and federal funding since the 80's to address water/sewer infrastructure projects.

JC

Jc _Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4)(January 27, 2022) (summary: Appendix B)

JC

Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

JC

Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 - 2 CFR 200.316 and 2 CFR 200.330.

JC

Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

JC

Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 23-28, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 3.0)

JcRisk Assessment

Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

JC

Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, Over 30 years experience administering State Revolving Funds capitalization grant, STAG Grant Program and American Recovery & Reinvestment Act funding (2009) to subsidize water/sewer loan programs; Over 25 years experience administering the Rural Economic Action Plan (REAP) program for water/sewer infrastructure, Emergency Grant, and various drought assistance grants.

What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

Yes, OWRB has a Negotiated Indirect Cost Agreement with EPA.

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

Yes, over 30 years experience

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Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

If yes, how much funding was received by your organization or entity?

Yes, \$67,431.14 was our reimbursement for Covid-19 related expenditures.

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

Yes; See above. OWRB has received the EPA CWSRF capitalization grant since it was established over 30 years, the EPA Sewer Overflow and Stormwater Reuse Municipal Grant (our first year), the FEMA High Hazard Potential Dam Grant since it was established in 2019.

Is your proposal a pre-existing project or program?

If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

Yes, See project funding template submitted by LAID.

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe. If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, The State's Consolidated General Records Disposition Schedule requires agencies, boards, commissions, and institutions whose programs are funded all or in part by federal funds shall retain all records in accordance with applicable records keeping requirements. OWRB has an electronic filing database where records are maintained indefinitely.

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI). Please note that registration in SAM.gov is required prior to the execution of the grant agreement.

Yes, DUNS 0056213700000; UEI: E5KGD1NYA1S5

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

Yes, the OWRB's CWSRF, DWSRF and FAP loan programs and administrative accounts undergo annual audits, including a single audit. Also, the SRF programs undergo an annual evaluation of the programs by EPA. The audits are contained on our website at <https://oklahoma.gov/owrb/financing/financial-documents-and-investor-relations.html>

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Describe all of the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

OWRB will develop Standard Operating Procedures (SOP's) and a grant recipient packet to ensure the recipient complies with the regulations of SLFR.

Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, Our accounting software is a proprietary system, Infrastructure Financing Software (IFS), and has the capability to assign unique identifiers, track and account for different sources of funding, and create reports on the project level or funding source level.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

Yes, Lugert-Altus Irrigation District will be the secondary sub-recipient according to SB429. US Treasury Final Rule establishes eligibilities closely in line with both the CWSRF and DWSRF program. OWRB administers the CWSRF program and co-administers the DWSRF program with ODEQ and has process in place to determine eligibility.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Lori Johnson, Chief of Financial Assistance Division, 12 years experience

Jerri Hargis, Assistant Chief of Financial Assistance Division, approx. 8 years experience

Laura Oak, Accountant, 25+ years experience

Kretchen Olmeda, Project and Operations Manager, 3+ years experience

Other Project Questionnaire Information

In which county is your organization headquartered?

Oklahoma

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

OWRB has a long history of administering grants and loans for water/sewer infrastructure projects.

See project funding template submitted by LAID

Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this

community was impacted by the pandemic. A complete analysis of disproportionately impacted populations will be required after grant agreement execution.

[See project funding template submitted by LAID](#)

Which counties would be most impacted by this project or program?

[Jackson, Greer, and Kiowa](#)

Will this project support qualified census tracts?

[Yes](#)

If so, please identify which qualified census tracts will be impacted.

[See project funding template submitted by LAID](#)

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

[Yes. See project funding template submitted by LAID.](#)

In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.)

In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

[See project funding template submitted by LAID](#)

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

[See project funding template submitted by LAID](#)

If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

[N/A](#)

Will this project bring revenue to the state or impacted communities?

[Yes](#)

If yes, how much revenue may be generated by this project annually, over the next five years?

[See project funding template submitted by LAID](#)

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions
 "Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Additional programmatic data and justifications required for projects in Public Health and Negative Economic Impact categories (EC 1.1-3.5) and projects with Capital Expenditures. See details below table 7.

Table 1: Public Health

Section	Public Health
COVID-19 Mitigation & Prevention	
1.1	COVID-19 Vaccination "
1.2	COVID-19 Testing"
1.3	COVID-19 Contact Tracing"
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)**"
1.5	Personal Protective Equipment"
1.6	Medical Expenses (including Alternative Care Facilities)"
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)"
1.8	COVID-19 Assistance to Small Businesses" ▶ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)

Section	Public Health
1.9	COVID 19 Assistance to Non-Profits" <ul style="list-style-type: none"> ▶ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
1.10	COVID-19 Aid to Impacted Industries" <ul style="list-style-type: none"> ▶ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry ▶ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Community Violence Interventions	
1.11	Community Violence Interventions**
Behavioral Health	
1.12	Mental Health Services**
1.13	Substance Use Services**
Other	
1.14	Other Public Health Services"

Table 2: Negative Economic Impacts

Section	Negative Economic Impact
Assistance to Households	
2.1	Household Assistance: Food Programs*A
2.2	Household Assistance: Rent, Mortgage, and Utility Aid*A
2.3	Household Assistance: Cash Transfers*A
2.4	Household Assistance: Internet Access Programs*A
2.5	Household Assistance: Paid Sick and Medical LeaveA
2.6	Household Assistance: Health Insurance*A
2.7	Household Assistance: Services for Un/Unbanked*A
2.8	Household Assistance: Survivor's BenefitsA
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers*A
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*A
2.11	Healthy Childhood Environments: Child Care*A
2.12	Healthy Childhood Environments: Home Visiting*A

► Number of households served (by program if recipient establishes multiple separate household assistance programs)

: Section Negative Economic Impact

2.13 Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System*A

2.14 Healthy Childhood Environments: Early Learning*A

► The National Center for Education Statistics ("NCES") School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.

2.15 Long-term Housing Security: Affordable Housing*A

2.16 Long-term Housing Security: Services for Unhoused Persons*A

2.17 Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities*A

2.18 Housing Support: Other Housing Assistance*A

2.19 Social Determinants of Health: Community Health Workers or Benefits Navigators*A

2.20 Social Determinants of Health: Lead Remediation*A

2.21 Medical Facilities for Disproportionately Impacted CommunitiesA

Section	Negative Economic Impact	
	Strong Healthy Communities:	
2.22	Neighborhood Features that Promote Health and Safety"	
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties"	
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts"	
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services**"	▶ The National Center for Education Statistics ("NCES") School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.26	Addressing Educational Disparities: Mental Health Services**"	
2.27	Addressing Impacts of Lost Instructional Time"	
2.28	Contributions to UI Trust Funds"	
Assistance to Small Businesses		
2.29	Loans or Grants to Mitigate Financial Hardship"	
2.30	Technical Assistance, Counseling, or Business Planning**"	
2.31	Rehabilitation of Commercial Properties or Other Improvements"	
2.32	Business Incubators and Start-Up or Expansion Assistance**"	▶ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
2.33	Enhanced Support to Microbusinesses**"	
Assistance to Non-Profits		

: Section Negative Economic Impact

2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)"	▶ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
Aid to Impacted Industries		
2.35	Aid to Tourism, Travel, or Hospitality/\	▶ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry
2.36	Aid to Other Impacted Industries/\	▶ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose offunds (e.g., payroll support, safety measure implementation)
Other		
2.37	Economic Impact Assistance: Other*\	

Table 3: Services to Disproportionately Impacted Communities

Section	Public Sector Capacity	
General Provisions		
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	▶ Number of government FTEs responding to COVID-19 supported under this authority
3.2	Public Sector Workforce: Rehiring Public Sector Staff	▶ Number of FTEs rehired by governments under this authority
3.3	Public Sector Workforce: Other	
3.4	Public Sector Capacity: Effective Service Delivery	
3.5	Public Sector Capacity: Administrative Needs	

Table 4: Premium Pay

Section	Premium Pay
4.1	Public Sector Employees <ul style="list-style-type: none"> ▶ List of sectors designated as critical to protecting the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the final rule ▶ Number of workers to be served ▶ Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) ▶ For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, other than those where the eligible worker receiving premium pay is earning (with the premium pay included) below 150 percent of their residing state or county's average annual wage for all occupations, as defined by the Bureau of Labor Statistics Occupational Employment and Wage Statistics, whichever is higher, on an annual basis; OR the eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions ▶ Number of workers to be served with premium pay in K-12 schools
4.2	Private Sector: Grants to Other Employers

Table 5: Infrastructure

- - -

Section	Infrastructure
Water and Sewer	
5.1	Clean Water: Centralized Wastewater Treatment
5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution
5.12	Drinking water: Lead Remediation, including in Schools and Daycares
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Water and Sewer: Private Wells

► See Final Rule and reporting guidance for details

: Section Infrastructure

5.17 Water and Sewer: IIJA Bureau of Reclamation Match

5.18 Water and Sewer: Other

Broadband

5.19 Broadband: "Last Mile" projects

5.20 Broadband: IIJA Match

5.21 Broadband: Other projects

▶ See Final Rule and reporting guidance for details

Table 6: Revenue Replacement

— — — —

Section	Revenue Replacement
6.1	Provision of Government Services
6.2	Non-federal Match for Other Federal Programs

Table 7: Administrative

Section	Administrative
7.1	Administrative Expenses
7.2	Transfers to Other Units of Government

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- ▶ Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- ▶ Brief description of how a recipient's response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- ▶ Does this project include a capital expenditure? (Collection began in January 2022)
- ▶ Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)
- ▶ Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)
 - COVID-19 testing sites and laboratories, and acquisition of related equipment
 - COVID-19 vaccination sites
 - Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)
 - Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs

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- o Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- o Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- o Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- o Public health data systems, including technology infrastructure
- o Adaptations to congregate living facilities, including skilled nursing facilities, other long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- o Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- o Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- o Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- o Affordable housing, supportive housing, or recovery housing development
- o Food banks and other facilities primarily dedicated to addressing food insecurity
- o Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- o Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- o Childcare, daycare, and early learning facilities
- o Job and workforce training centers
- o Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- o Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)
- o Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
- o Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
- o Schools and other educational facilities or equipment to address educational disparities
- o Technology and tools to effectively develop, execute, and evaluate government programs
- o Technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs

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- ▶ For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an "other" use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)
- ▶ For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 26 and 27 [of the reporting and compliance guidance] (This field is optional in April 2022; required in July 2022)

Appendix 8: Capital Expenditure Written Justification

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed.** Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.
- **Explanation of why a capital expenditure is appropriate.** For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- **Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.** Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.

ATTACHMENT A-2

Legislation

Senate Bill 429 (May 2022)

An Act

ENROLLED SENATE
BILL NO. 429

By: Thompson and Hall of the
Senate

and

Hilbert of the House

An Act relating to the Oklahoma Water Resources Board; making appropriations; stating purposes; requiring that portions of certain funds be utilized for certain grants; establishing certain priority for certain funding; providing requirements and limitations for the grants; allowing certain funds to be reserved; and requiring promulgation of rules and establishment of procedures for administration of grants.

SUBJECT: Oklahoma Water Resources Board

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. There is hereby appropriated to the Oklahoma Water Resources Board from any monies not otherwise appropriated from the Statewide Recovery Fund created pursuant to Enrolled House Bill No. 3349 of the 2nd Session of the 58th Oklahoma Legislature, the sum of Fifty Million Dollars (\$50,000,000.00) or so much thereof as may be necessary to establish grant programs that facilitate the design, construction, and maintenance of water and wastewater infrastructure, and to improve the condition of publicly owned, deficient dams regulated by the Oklahoma Water Resources Board.

SECTION 2. From the funds appropriated by Section 1 of this act, the Oklahoma Water Resources Board is hereby authorized to expend Twenty-five Million Dollars (\$25,000,000.00) for a grant program for communities with a population of seven thousand (7,000)

or less as reported in the most recent decennial census published by the United States Bureau of the Census or to rural water districts with less than 2,300 non-pasture taps for projects that meet the federal eligibility requirements of the U.S. Treasury's Coronavirus State and Local Fiscal Recovery Funds Final Rule for water and wastewater investments. The Board may reserve not more than four percent (4%) from this expenditure authority for purposes of administering the program.

SECTION 3. From the funds appropriated by Section 1 of this act, the Oklahoma Water Resources Board is hereby authorized to expend Twenty Million Dollars (\$20,000,000.00) for a grant program for communities with a population greater than seven thousand (7,000) as reported in the most recent decennial census published by the United States Bureau of the Census or to rural water districts with more than 2,300 non-pasture taps for projects that meet the federal eligibility requirements of the U.S. Treasury's Coronavirus State and Local Fiscal Recovery Funds Final Rule for water and wastewater investments. The Board may reserve not more than four percent (4%) from this expenditure authority for purposes of administering the program.

SECTION 4. From the funds appropriated by Section 1 of this act, the Oklahoma Water Resources Board is hereby authorized to expend Five Million Dollars (\$5,000,000.00) for a grant program for communities that own dams with the latest condition assessment of poor or unsatisfactory. Priority for funding shall be given to communities that have a population of less than seven thousand (7,000) as reported in the most recent decennial census published by the United States Bureau of the Census. Projects funded by the grant program shall be limited to up to One Million Dollars (\$1,000,000.00) per community and must meet the federal eligibility requirements of the U.S. Treasury's Coronavirus State and Local Fiscal Recovery Funds Final Rule. The Board may reserve not more than seven and one-half percent (7.5%) from this expenditure authority for purposes of administering the program.

SECTION 5. The Oklahoma Water Resources Board shall promulgate rules and establish procedures for evaluating and awarding grant applications for grant programs provided for in Sections 2, 3, and 4 of this act.

SECTION 6. There is hereby appropriated to the Oklahoma Water Resources Board from any monies not otherwise appropriated from the Statewide Recovery Fund created pursuant to Enrolled House Bill No. 3349 of the 2nd Session of the 58th Oklahoma Legislature, the sum of Twenty Million Dollars (\$20,000,000.00) or so much thereof as may be necessary to match tribal investment in rural water infrastructure projects within areas of the state that are tribal reservations. Projects shall meet the federal eligibility requirements of the U.S. Treasury's Coronavirus State and Local Fiscal Recovery Funds Final Rule for water and wastewater investments.

SECTION 7. There is hereby appropriated to the Oklahoma Water Resources Board from any monies not otherwise appropriated from the Statewide Recovery Fund created pursuant to Enrolled House Bill No. 3349 of the 2nd Session of the 58th Oklahoma Legislature, the sum of Twenty-five Million Dollars (\$25,000,000.00) or so much thereof as may be necessary to promote water conservation, encourage economic longevity, and ensure reliable food supply by converting portions of an open ditch irrigation system to pipe within the Lugert-Altus Irrigation District. Projects funded shall meet the federal eligibility requirements of the U.S. Treasury's Coronavirus State and Local Fiscal Recovery Funds Final Rule.

Passed the Senate the 19th day of May, 2022.

Presiding Officer of the Senate

Passed the House of Representatives the 20th day of May, 2022.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

AGENDA ITEM 3D(6)

FOURTH AMENDMENT AGREEMENT

WITH: Office of Management and Enterprise Services

PURPOSE: For the administrative services related to the American Rescue Plan Act Grant Funds designated by the Legislature for the Tribal cooperation grant matching funds for water and wastewater infrastructure projects.

AMOUNT: Amended amount not to exceed \$82,000.000.00

TERM: Through December 31, 2026

**EXHIBIT E-3: FOURTH AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD**

This is a fourth Amendment (“Fourth Amendment”) to the Grant Agreement (“Agreement”) bearing the date of last signature of August 31, 2022, between the Office of Management and Enterprise Services Grant Management Office (OMES) and the Oklahoma Water Resources Board (“Subrecipient”) and is effective as of **December 31, 2024**. This Fourth Amendment supplements and amends the Agreement and the Amended Grant Agreement bearing the date of last signature of February 27, 2023, and the Second Amended Grant Agreement bearing the date of last signature of December 13, 2023, and the Third Amendment to the Agreement bearing the date of last signature of September 9, 2024 (collectively “Prior Amendments”). This Agreement and any amendments thereto, are authorized by 62 O.S. § 255.1 for the purpose of managing ARPA funds as appropriated by the Oklahoma State Legislature, and likewise meet the requirements of 74 O.S. § 581 as well as the rules, regulations, and guidance issued by the U.S. Department of the Treasury regarding, *inter alia*, the obligating of funds through an interagency agreement. This Fourth Amendment shall be appended to the Agreement as **Exhibit E-3** and supplements and amends the Agreement and Prior Amendments including all supplements thereto. Unless otherwise indicated herein, undefined capitalized terms used in this Fourth Amendment shall have the respective meanings specified in the Agreement and Prior Amendments. All other terms of the Agreement and Prior Amendments not modified by this Fourth Amendment, remain in full force and effect.

The parties agree to amend the Agreement and Prior Amendments as follows:

- I. A revised Funding Review Packet (FRP).

This Fourth Amendment incorporates herein the following new attachments to the Agreement and Prior Amendments:

- I. Attachment A-8: Revised Funding Review Packet - Tribal Matching Fund for Water and Sewer Infrastructure



EXHIBIT E-3: FOURTH AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD

SIGNATURES

Except as amended hereby, the Agreement and Prior Amendments remain in full force and effect. The undersigned represent and warrant they are authorized, as representatives of the Party on whose behalf they are signing, to bind their respective Party thereto, by signing this Fourth Amendment.

**OFFICE OF MANAGEMENT AND
ENTERPRISE SERVICES FOR THE
STATE OF OKLAHOMA**

**OKLAHOMA WATER
RESOURCES BOARD**

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date

ATTEST

BY: _____

Name and Title

(Seal)



**EXHIBIT E-3: FOURTH AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD**

OMES

APPROVED AS TO FORM:

Elizabeth Base OMES Deputy General Counsel

Date

Parker Wise, Director of OMES Grants Management Office

Date



**EXHIBIT E-3: FOURTH AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD**

ATTACHMENT A-8

Revised Funding Review Packet

Tribal Matching Fund for Water and Sewer Infrastructure



AMERICAN RESCUE PLAN ACT



State of Oklahoma

ARPA State & Local Fiscal Recovery Funds (SLFRF) Project Funding Review

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for Working Group, Joint Committee, Steering Committee and Governor consideration and review.

SLFRF Resources

- Final Rule (FR) ([link](#))
- Overview of Final Rule ([link](#))
- Frequently Asked Questions ([link](#))
- Compliance and Reporting Guidance (February 22, 2022) ([link](#))

Project Overview

Project Name: ***Tribal Matching Fund for Water and Sewer Infrastructure***

Organization Name: Office of the Oklahoma Secretary of Energy and Environment as administered through the Oklahoma Water Resources Board with assistance from the Oklahoma Department of Environmental Quality.

Primary Contact

Name: Julie Cunningham
 Email: julie.cunningham@owrb.ok.gov
 Phone: 405-530-8800

Project Lawyer

Name: Sara Gibson
 Email: sara.gibson@owrb.ok.gov
 Phone: 405-530-8800

Project Cost: \$82,000,000

Project Cost Breakdown: *The submitter must complete the template below. An incomplete project cost breakdown or a breakdown provided in a different format may result in delays in project review. The goal of the budget is to provide a clear and concise description of the expenses requested to support the activities in your application. A successful budget will show what each expense is, how much it costs, and the calculation used to get that amount.*

Proposed Project Cost Breakdown		
Subawards	\$ 82,000,000	Total of all below sections
Co-investment grants to eligible public entities (e.g. rural water and wastewater service providers for design and construction of water and sewer infrastructure	\$72,000,000	This funding request <u>requires</u> a dollar-for-dollar tribal co-investment (from the Chickasaw Nation, Cherokee Nation, Choctaw Nation of Oklahoma, Iowa Tribe of Oklahoma, and Muscogee (Creek) Nation. Project selection will be through the Tribe with approval from the Secretary of Energy and Environment. The funds will co-fund a project along with the local contribution and other funding sources such as grants from USDA and Indian Health Services. The idea is to leverage both sources of ARPA funds to create larger, more

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Tribal Matching Fund for Water and Sewer Infrastructure

		impactful projects benefitting the most Oklahomans, including tribal citizens.
	\$10,000,000.00	This funding request will require a co-investment from the state and the tribe. However, it will be open to any tribe in the State of Oklahoma. The OWRB will send out a request for projects to all the tribes, which will then have 30 days to respond, with a letter of interest for any projects that are eligible. The OWRB will then rank the projects, and gain approval from the Secretary of Energy and Environment on the selected projects.

Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

At a minimum, \$82,000,000 (total) from the Chickasaw Nation, Cherokee Nation, Choctaw Nation, Iowa Tribe, Muscogee (Creek) Nation of Oklahoma, or any other tribe located in Oklahoma, together with a minimum local match depending on each project. Additionally, there will likely be additional federal funding from agencies like Indian Health Services, USDA and others.

What goods or services will you need to complete this project?

There is a potential for contracting a portion of engineering, IT, or other services, should it be necessary, depending on timing of individual project start, etc., however.

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes, we are aware of the requirement of 2 CFR 200 for federal procurement requirements of the program.

Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals

Timelines will vary based on specific project development. OWRB plans to begin awards at the OWRB February 21, 2023 board meeting. Construction of projects and project closeout would be completed by December 2026.

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How many Oklahomans will benefit from this project?

100,000-500,000

What is the potential return on investment for this project?

250%-1000%

Project Description to include impact of COVID-19, intended impact of project, and general description of services

The ARPA legislation expressly includes public water, wastewater, and stormwater control projects eligible under the federal Clean Water and Drinking Water State Revolving Funds, administered by all states through the Environmental Protection Agency. These funds would be used to create regional water infrastructure in rural Oklahoma communities in dire need of system upgrades to provide safe and reliable drinking water and wastewater systems in some of Oklahoma's most economically underserved and poorest areas of the state. These citizens, without assistance, would have little possibility of affording this critical infrastructure and essential public health upgrades.

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A) Water/Sewer Infrastructure under the eligibilities in Appendix A 5.1-5.15

__JC__ Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance (2 CFR Part 200). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

__JC__ Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

Yes

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What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

National Pollution Discharge Elimination System discharge permit requirements, construction standards and permit to construct, tasks outlined in compliance orders, Safe Drinking Water Act and Clean Water Act compliance

Please provide an outline/brief summary of your performance management plan. A complete performance management plan will be required after grant agreement execution.

OWRB has financial controls, technical expertise, and processes in place to administer federal programs, oversee construction, and audit projects. The board has approved 2,781 projects for nearly \$8 billion, spanning over thirty years, with documented, longstanding AAA bond ratings on multiple issuances, and consistently clean annual program audit reviews from independent auditors and EPA (available upon request). Project performance is ultimately measured by successful construction and regulatory approval. The OWRB will oversee, facilitate, and document information on project management, pre-construction approvals by various regulatory agencies, bidding and contracting, site inspections, invoice compliance review, financial controls and project close out. Grant agreements with awardees will also be in place to help ensure compliance with requirements.

Please provide an outline/brief summary of your community engagement or outreach plan. A complete community engagement/outreach plan will be required after grant agreement execution.

The Secretary of Energy and Environment and OWRB will coordinate engagement activities with tribal, community, and agency partners. The intention is to jointly, with the specific tribal nation, agree upon a highly impactful project or projects to co-fund. Also, in addition to the executive management and assigned financial and engineering staff, the OWRB's current marketing & outreach manager, will be assigned to the project to assist in coordinating engagement activities with tribal, local, and agency partners and broad information sharing regarding the use of these funds. Use of platforms such as social media, GovDelivery, website updates, press releases and workshops will help meet this goal.

Please explain how non-English speaking constituents will be able to benefit from this program. Note that more documentation may be required around this after grant agreement execution.

OWRB has adopted a "Discrimination and Federal Funding Policy" to ensure that OWRB or any sub-recipient of funding must comply with civil rights laws and regulations. The policy can be found on OWRB's website at <https://oklahoma.gov/content/dam/ok/en/owrb/documents/about-us/discriminationpolicy.pdf>

Capital Expenditure Requirements

Definitions: *Per the Uniform Guidance, the term “capital expenditures” means “expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.” Equipment with a useful life of more than one year and a per-unit acquisition cost greater or equal to \$5,000 is considered a capital expenditure.*

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes; In some cases the expenditure may be more than \$1,000,000.

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

OWRB has been administering grant and loan programs with both state and federal funding since the 1980's to address water/sewer infrastructure projects.

__JC__ Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4)(January 27, 2022) (summary: Appendix B)

__JC__ Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

__JC__ Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 – 2 CFR 200.316 and 2 CFR 200.330.

__JC__ Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

__JC__ Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 23-28, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 3.0)

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Risk Assessment

__JC__ Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

__JC__ Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, OWRB has over 30 years experience administering the federal State Revolving Funds capitalization grant, STAG Grant Program and American Recovery & Reinvestment Act funding (2009) to subsidize water/sewer loan programs; Over 25 years experience administering the state Rural Economic Action Plan (REAP) program for water/sewer infrastructure, Emergency Grant, and various drought assistance grants.

What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

Yes, OWRB has a Negotiated Indirect Cost Agreement with the Environmental Protection Agency.

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

Yes, over 30 years experience

Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

If yes, how much funding was received by your organization or entity?

Yes, \$67,431.14 was our reimbursement for Covid-19 related expenditures.

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

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Yes; See above. OWRB has received the EPA CWSRF capitalization grant since it was established over 30 years, the EPA Sewer Overflow and Stormwater Reuse Municipal Grant (our first year).

Is your proposal a pre-existing project or program?

If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

No

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe. If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, The State's Consolidated General Records Disposition Schedule requires agencies, boards, commissions, and institutions whose programs are funded all or in part by federal funds shall retain all records in accordance with applicable records keeping requirements. OWRB has an electronic filing database where records are maintained indefinitely.

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI). Please note that registration in SAM.gov is required prior to the execution of the grant agreement.

Yes, DUNS 0056213700000; UEI: E5KGD1NYA1S5

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

Yes, the OWRB's CWSRF, DWSRF and FAP loan programs and administrative accounts undergo annual audits, including a single audit. Also, the SRF programs undergo an annual evaluation of the programs by EPA. The audits are contained on our website at <https://oklahoma.gov/owrb/financing/financial-documents-and-investor-relations.html>

Describe all of the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

OWRB will develop Standard Operating Procedures (SOP's) and a grant recipient packet to ensure the recipient complies with the regulations of SLFR.

Tribal Matching Fund for Water and Sewer Infrastructure

Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, OWRB's accounting software is a proprietary system, Infrastructure Financing Software (IFS), and has the capability to assign unique identifiers, track and account for different sources of funding, and create reports on the project level or funding source level.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

Yes, eligible recipients are public entities as defined in Title 82 of Oklahoma State Statute and project eligibilities are generally defined for water/sewer projects as those projects that are eligible for funding under the CWSRF and DWSRF program. OWRB administers the CWSRF program and provides financial administration for the DWSRF program with ODEQ and has process in place to determine eligibility.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Lori Johnson, Chief of Financial Assistance Division, 12 years experience
Jerri Hargis, Assistant Chief of Financial Assistance Division, approx. 8 years experience
Laura Oak, Accountant, 25+ years experience
Kretchen Olmeda, Project and Operations Manager, 3+ years experience

Other Project Questionnaire Information

In which county is your organization headquartered?

Oklahoma

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

OWRB has a long history of administering grants and loans for water/sewer infrastructure projects. Partnering with the major tribal nations and local public water suppliers in Oklahoma will leverage the state investment in order to serve communities within the tribal boundaries, which are often underserved areas.

Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this community was impacted by the pandemic. A complete analysis of disproportionately impacted populations will be required after grant agreement execution.

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Tribal Matching Fund for Water and Sewer Infrastructure

These projects will directly benefit some of the most vulnerable populations across Oklahoma in the footprints of the Choctaw Nation of Oklahoma, Cherokee Nation, Chickasaw Nation, Muscogee (Creek) Nation, Iowa Tribe of Oklahoma, or any tribe located in Oklahoma. More importantly, this will be an example for other partnerships to follow with the state to leverage investment in water infrastructure.

Which counties would be most impacted by this project or program?

Projects in this proposal would be located within the boundaries of the Chickasaw Nation, Cherokee Nation, Choctaw Nation of Oklahoma, Iowa Tribe of Oklahoma, and Muscogee (Creek) Nation. This includes all or a portion of the following counties, including: Adair, Cherokee, Craig, Creek, Delaware, Hughes, Mayes, McIntosh, Muskogee, Nowata, Okfuskee, Okmulgee, Ottawa, Rogers, Sequoyah, Tulsa, Wagoner, and Washington, Atoka, Bryan, Carter, Choctaw, Coal, Garvin, Grady, McClain, Murray, Haskell, Hughes, Jefferson, Johnston, Latimer, LeFlore, Lincoln, Love, Marshall, McCurtain, Payne, Pittsburgh, Pontotoc, Pushmataha, and Stephens.

The second proposal will be open to any tribe in the State of Oklahoma which may include additional counties.

Will this project support qualified census tracts?

No

If so, please identify which qualified census tracts will be impacted.

Enter Answer to the Above Question Here

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

Yes. The 5 tribes have agreed in principle and concept to this initiative.

In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.)

In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

Chickasaw Nation, Cherokee Nation, Choctaw Nation of Oklahoma, Iowa Tribe of Oklahoma, and Muscogee (Creek) Nation have agreed to match, dollar-for-dollar, any funds available through this program, with potential to add additional programmatic federal grants from sources such as USDA and Indian Health Services along with some minimal local contribution as dictated by ability to pay and availability of other federal sources. To date, we have received committal letters with preliminary project cost estimates and pledged funds of \$100.8 million in addition to State ARPA funding. Final

State of Oklahoma
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Tribal Matching Fund for Water and Sewer Infrastructure

pledged dollars from the various funding partners will be available upon construction completion.

The second proposal will require guaranteed matching funds from the tribe that submits a letter of interest.

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

This proposal is set up as a one-time grant program. Projects funded would be standalone projects, completed within the 2026 deadline.

If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

Water and Sewer rehabilitation is an ongoing critical need in Oklahoma to adequately operate and maintain the infrastructure. Communities can access other funding opportunities once these funds have been expended.

Will this project bring revenue to the state or impacted communities?

Yes

If yes, how much revenue may be generated by this project annually, over the next five years?

According to “The Value of Water” report by American Society of Civil Engineers, there is a \$34.90 benefit for every \$1 investment in water infrastructure. You can find the report here

http://www.uswateralliance.org/sites/uswateralliance.org/files/publications/VOW%20Economic%20Paper_0.pdf.

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions

^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Additional programmatic data and justifications required for projects in Public Health and Negative Economic Impact categories (EC 1.1-3.5) and projects with Capital Expenditures. See details below table 7.

Table 1: Public Health

Section	Public Health	
	COVID-19 Mitigation & Prevention	
1.1	COVID-19 Vaccination ^	
1.2	COVID-19 Testing ^	
1.3	COVID-19 Contact Tracing^	
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)*^	
1.5	Personal Protective Equipment^	
1.6	Medical Expenses (including Alternative Care Facilities)^	
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^	
1.8	COVID-19 Assistance to Small Businesses^	➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)

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Section	Public Health	
1.9	COVID 19 Assistance to Non-Profits [^]	<ul style="list-style-type: none"> ➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
1.10	COVID-19 Aid to Impacted Industries [^]	<ul style="list-style-type: none"> ➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aid to the industry ➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
	Community Violence Interventions	
1.11	Community Violence Interventions ^{*^}	
	Behavioral Health	
1.12	Mental Health Services ^{*^}	
1.13	Substance Use Services ^{*^}	
	Other	
1.14	Other Public Health Services [^]	

Tribal Matching Fund for Water and Sewer Infrastructure

Table 2: Negative Economic Impacts

Section	Negative Economic Impact	
	Assistance to Households	
2.1	Household Assistance: Food Programs*^	➤ Number of households served (by program if recipient establishes multiple separate household assistance programs)
2.2	Household Assistance: Rent, Mortgage, and Utility Aid*^	
2.3	Household Assistance: Cash Transfers*^	
2.4	Household Assistance: Internet Access Programs*^	
2.5	Household Assistance: Paid Sick and Medical Leave^	
2.6	Household Assistance: Health Insurance*^	
2.7	Household Assistance: Services for Un/Unbanked*^	
2.8	Household Assistance: Survivor's Benefits^	
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers*^	
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^	
2.11	Healthy Childhood Environments: Child Care*^	
2.12	Healthy Childhood Environments: Home Visiting*^	

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Section	Negative Economic Impact	
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System*^	
2.14	Healthy Childhood Environments: Early Learning*^	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.15	Long-term Housing Security: Affordable Housing*^	
2.16	Long-term Housing Security: Services for Unhoused Persons*^	
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities*^	
2.18	Housing Support: Other Housing Assistance*^	
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators*^	
2.20	Social Determinants of Health: Lead Remediation*^	
2.21	Medical Facilities for Disproportionately Impacted Communities^	

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Section	Negative Economic Impact	
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety [^]	
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties [^]	
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts [^]	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services* [^]	
2.26	Addressing Educational Disparities: Mental Health Services* [^]	
2.27	Addressing Impacts of Lost Instructional Time [^]	
2.28	Contributions to UI Trust Funds [^]	
Assistance to Small Businesses		
2.29	Loans or Grants to Mitigate Financial Hardship [^]	<ul style="list-style-type: none"> ➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
2.30	Technical Assistance, Counseling, or Business Planning* [^]	
2.31	Rehabilitation of Commercial Properties or Other Improvements [^]	
2.32	Business Incubators and Start-Up or Expansion Assistance* [^]	
2.33	Enhanced Support to Microbusinesses* [^]	
Assistance to Non-Profits		

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Section	Negative Economic Impact	
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)^	➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
Aid to Impacted Industries		
2.35	Aid to Tourism, Travel, or Hospitality^	➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry
2.36	Aid to Other Impacted Industries^	➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Other		
2.37	Economic Impact Assistance: Other*^	

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Table 3: Services to Disproportionately Impacted Communities

Section	Public Sector Capacity	
	General Provisions	
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	➤ Number of government FTEs responding to COVID-19 supported under this authority
3.2	Public Sector Workforce: Rehiring Public Sector Staff	➤ Number of FTEs rehired by governments under this authority
3.3	Public Sector Workforce: Other	
3.4	Public Sector Capacity: Effective Service Delivery	
3.5	Public Sector Capacity: Administrative Needs	

Tribal Matching Fund for Water and Sewer Infrastructure

Table 4: Premium Pay

Section	Premium Pay	
4.1	Public Sector Employees	<ul style="list-style-type: none"> ➤ List of sectors designated as critical to protecting the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the final rule ➤ Number of workers to be served ➤ Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) ➤ For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, other than those where the eligible worker receiving premium pay is earning (with the premium pay included) below 150 percent of their residing state or county's average annual wage for all occupations, as defined by the Bureau of Labor Statistics Occupational Employment and Wage Statistics, whichever is higher, on an annual basis; OR the eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions
4.2	Private Sector: Grants to Other Employers	<ul style="list-style-type: none"> ➤ Number of workers to be served with premium pay in K-12 schools

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Table 5: Infrastructure

Section	Infrastructure	
Water and Sewer		
5.1	Clean Water: Centralized Wastewater Treatment	➤ See Final Rule and reporting guidance for details
5.2	Clean Water: Centralized Wastewater Collection and Conveyance	
5.3	Clean Water: Decentralized Wastewater	
5.4	Clean Water: Combined Sewer Overflows	
5.5	Clean Water: Other Sewer Infrastructure	
5.6	Clean Water: Stormwater	
5.7	Clean Water: Energy Conservation	
5.8	Clean Water: Water Conservation	
5.9	Clean Water: Nonpoint Source	
5.10	Drinking water: Treatment	
5.11	Drinking water: Transmission & Distribution	
5.12	Drinking water: Lead Remediation, including in Schools and Daycares	
5.13	Drinking water: Source	
5.14	Drinking water: Storage	
5.15	Drinking water: Other water infrastructure	
5.16	Water and Sewer: Private Wells	

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Section	Infrastructure	
5.17	Water and Sewer: IIJA Bureau of Reclamation Match	
5.18	Water and Sewer: Other	
	Broadband	
5.19	Broadband: “Last Mile” projects	➤ See Final Rule and reporting guidance for details
5.20	Broadband: IIJA Match	
5.21	Broadband: Other projects	

Tribal Matching Fund for Water and Sewer Infrastructure

Table 6: Revenue Replacement

Section	Revenue Replacement	
6.1	Provision of Government Services	
6.2	Non-federal Match for Other Federal Programs	

Tribal Matching Fund for Water and Sewer Infrastructure

Table 7: Administrative

Section	Administrative	
7.1	Administrative Expenses	
7.2	Transfers to Other Units of Government	

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- Brief description of how a recipient’s response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- Does this project include a capital expenditure? (Collection began in January 2022)
- Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)
- Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)
 - COVID-19 testing sites and laboratories, and acquisition of related equipment
 - COVID-19 vaccination sites
 - Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)
 - Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs

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- Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- Public health data systems, including technology infrastructure
- Adaptations to congregate living facilities, including skilled nursing facilities, other long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- Affordable housing, supportive housing, or recovery housing development
- Food banks and other facilities primarily dedicated to addressing food insecurity
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- Childcare, daycare, and early learning facilities
- Job and workforce training centers
- Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)
- Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
- Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
- Schools and other educational facilities or equipment to address educational disparities
- Technology and tools to effectively develop, execute, and evaluate government programs
- Technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs

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- For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)
- For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 26 and 27 [of the reporting and compliance guidance] (This field is optional in April 2022; required in July 2022)

Appendix B: Capital Expenditure Written Justification

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed.** Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.
- **Explanation of why a capital expenditure is appropriate.** For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- **Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.** Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.

AGENDA ITEM 3D(7)

SECOND AMENDMENT AGREEMENT

WITH: Office of Management and Enterprise Services

PURPOSE: For the administrative services related to the American Rescue Plan Act Grant Funds designated by the Legislature for the Ardmore Air Park, Fair Oaks Ranch, OKC 577, Port of Inola, Statewide Targeted Water Investment Fund, and Tinker Air Force Base grants funds for water and wastewater infrastructure projects.

AMOUNT: Amended amount not to exceed \$257,790,709.00

TERM: Through December 31, 2026

EXHIBIT E-2: SECOND AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD

This is a second Amendment (“Second Amendment”) to the Grant Agreement (“Agreement”) bearing the date of last signature of February 27, 2023, and the First Amendment bearing the date of last signature of December 13, 2023, between the Office of Management and Enterprise Services Grant Management Office (OMES) and the Oklahoma Water Resources Board (“Subrecipient”) and is effective as of the date of **December 31, 2024**. The Agreement and any amendments thereto, are authorized by 62 O.S. § 255.1 for the purpose of managing ARPA funds as appropriated by the Oklahoma State Legislature, and likewise meet the requirements of 74 O.S. § 581 as well as the rules, regulations, and guidance issued by the U.S. Department of the Treasury regarding, *inter alia*, the obligating of funds through an interagency agreement. This Second Amendment shall be appended to the Agreement as **Exhibit E-2** and supplements and amends the Agreement and First Amendment including all supplements thereto. Unless otherwise indicated herein, undefined capitalized terms used in this Second Amendment shall have the respective meanings specified in the Agreement and First Amendment. All other terms of the Agreement and First Amendment not modified by this Second Amendment, remain in full force and effect.

The parties agree to amend the Agreement and First Amendment to include:

- I. A revised Funding Review Packet (FRP) for six projects.

This Second Amendment incorporates herein the following new attachments to the Agreement and First Amendment:

I. Attachment A-10: Revised Funding Review Packets:

Ardmore Air Park
Fair Oaks Ranch
OKC 577
Port of Inola
Statewide Targeted Water Investment Fund
Tinker Air Force Base – 60” Water Transmission Line
Relocation



EXHIBIT E-2: SECOND AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD

SIGNATURES

Except as amended hereby, the Agreement and First Amendment remain in full force and effect. The undersigned represent and warrant they are authorized, as representatives of the Party on whose behalf they are signing, to bind their respective Party thereto, by signing this Second Amendment.

**OFFICE OF MANAGEMENT AND
ENTERPRISE SERVICES FOR THE
STATE OF OKLAHOMA**

**OKLAHOMA WATER
RESOURCES BOARD**

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date

ATTEST

BY:

Name and Title

(Seal)



**EXHIBIT E-2: SECOND AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD**

OMES

APPROVED AS TO FORM:

Elizabeth Base
OMES Deputy General Counsel

Date

Parker Wise
Director of OMES Grants Management Office

Date



ATTACHMENT A-10

Revised Funding Review Packets

Ardmore Air Park

Fair Oaks Ranch

OKC 577

Port of Inola

Statewide Targeted Water Investment Fund

Tinker Air Force Base – 60” Water Transmission Line Relocation



AMERICAN RESCUE PLAN ACT



State of Oklahoma

ARPA State & Local Fiscal Recovery Funds (SLFRF) Project Funding Review Oklahoma Water Resources Board Ardmore Air Park

State of Oklahoma
ARPA SLFRF Project Funding Review
Oklahoma Water Resources Board
Ardmore Air Park

Last updated December 30, 2024

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for applicant consideration and subrecipient risk assessment.

SLFRF Resources

- Final Rule (FR) ([link](#))
- Overview of Final Rule ([link](#))
- Frequently Asked Questions ([link](#))
- Compliance and Reporting Guidance (version 5.0, June 16, 2022) ([link](#))

Project Overview

Project Name: Ardmore Air Park

Organization Name: *Oklahoma Water Resources Board*

Primary Contact

Name: Julie Cunningham

Email: Julie.cunningham@owrb.ok.gov

Phone: 405-530-8800

Project Lawyer

Name: Sara Gibson

Email: sara.gibson@owrb.ok.gov

Phone: 405-530-8800

Project Cost: \$17,100,000

Project Cost Breakdown: *The submitter must complete the template below. An incomplete project cost breakdown or a breakdown provided in a different format may result in delays in project review. The goal of the budget is to provide a clear and concise description of the expenses requested to support the activities in your application. A successful budget will show what each expense is, how much it costs, and the calculation used to get that amount.*

Proposed Project Cost Breakdown		
Total Requested Amount	\$ 17,100,000.00	Total of all below sections
Subaward	\$ 17,100,000.00	Details
OWRB to provide federal grant to Southern Oklahoma Water Corporation	\$ 17,100,000.00	New water lines and treatment in and around the Ardmore Air Park and Lake Murray State Park

Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

Unknown

What goods or services will you need to complete this project?

For OWRB, there is a potential need for contracting out some of the oversight of the programs, but those costs would be included in the administration of the program.

Examples for contracting out could include but not be limited to engineering construction oversight, reporting and ranking, or IT related expenses. However, we anticipate doing most of the oversight in house.

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes, the Oklahoma Competitive Bidding Act will be followed as well as 2 CFR 200 for procuring engineering services

Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals.

Projects will be completed by Dec. 31, 2026

How many Oklahomans will benefit from this project?

Unknown

What is the potential return on investment for this project?

Unknown

Project Description to include impact of COVID-19, intended impact of project, and general description of services

There is heavy demand for growth and development around Ardmore Industrial Air Park. Lack of water supply is preventing that growth and development right now. System upgrades are critically needed to support development of new commercial, retail, and residential areas in and around the Air Park. The water system suffers from a lack of capacity due to inefficiencies caused by decrepit and undersized water main lines. Three new water main lines are critically needed to handle increased demand due to growth to the north and east of Ardmore. These main lines are supplied by the treatment plant at the Ardmore Industrial Air Park (ADM). The treatment plant at ADM is not able to properly clarify water due to increased demand. The facility also has no backup power – it cannot operate when the main power supply is down.

There is heavy demand for growth and development around Lake Murray State Park. Lack of water supply is preventing that growth and development right now. System upgrades are critically needed to support development of tourism, new commercial, retail, etc.

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A)
5.15 - Drinking water: Other water infrastructure

JC Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance (2 CFR Part 200). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

JC Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

Yes

What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

OWRB will track timelines and other reporting requirements in compliance with ARPA regulations.

Please provide an outline/brief summary of your performance management plan.

OWRB has financial controls, technical expertise, and processes in place to administer federal programs, oversee construction, and audit projects. The board has approved 2,781 projects for nearly \$8 billion, spanning over thirty years, with documented, longstanding AAA bond ratings on multiple issuances, and consistently clean annual program audit reviews from independent auditors and EPA (available upon request). Project performance is ultimately measured by successful construction and regulatory approval. The OWRB will oversee, facilitate, and document information on project management, pre-construction approvals by various regulatory agencies, bidding and contracting, site inspections, invoice compliance review, financial controls, and project close out. Grant agreements with awardees will also be in place to help ensure compliance with requirements

Please provide an outline/summary of your community engagement or outreach plan.

OWRB staff has hosted a webinar specific to designated projects to outline the process to access the funds, go over the federal requirements, and answer any questions. OWRB

staff has had one on one meetings with OKC to get a status update and go over the process as a follow up to the webinar.

Please explain how non-English speaking constituents will be able to benefit from this program.

OWRB has adopted a “Discrimination and Federal Funding Policy” to ensure that OWRB or any sub-recipient of funding must comply with civil rights laws and regulations. The policy can be found on OWRB’s website at

<https://oklahoma.gov/content/dam/ok/en/owrb/documents/about-us/discriminationpolicy.pdf>

Capital Expenditure Requirements

Definitions: *Per the Uniform Guidance, the term “capital expenditures” means “expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.” Equipment with a useful life of more than one year and a per-unit acquisition cost greater or equal to \$5,000 is considered a capital expenditure.*

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes; Yes

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

OWRB has been administering grant and loan programs with both state and federal funding since the 1980’s to address water/sewer infrastructure projects.

__JC__ Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4) (January 27, 2022) (summary: Appendix B)

__JC__ Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

__JC__ Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 – 2 CFR 200.316 and 2 CFR 200.330.

__JC__ Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

__JC__ Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 27-33, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 4.0)

Risk Assessment

__JC__ Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

____ Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, OWRB has over 30 years' experience administering the federal State Revolving Funds capitalization grant, STAG Grant Program and American Recovery & Reinvestment Act funding (2009) to subsidize water/sewer loan programs; Over 25 years' experience administering the state Rural Economic Action Plan (REAP) program for water/sewer infrastructure, Emergency Grant, and various drought assistance grants.

What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

Yes, OWRB has a Negotiated Indirect Cost Agreement with EPA.

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

Yes, over 30 years' experience

Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

If yes, how much funding was received by your organization or entity?

Yes, \$67,431.14 was our reimbursement for Covid-19 related expenditures.

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

Yes, See above. OWRB has received the EPA CWSRF capitalization grant since it was established over 30 years, the EPA Sewer Overflow and Stormwater Reuse Municipal Grant (our first year), the FEMA High Hazard Potential Dam Grant since it was established in 2019.

Is your proposal a pre-existing project or program?

No

If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

N/A

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe.

If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, The State's Consolidated General Records Disposition Schedule requires agencies, boards, commissions, and institutions whose programs are funded all or in part by federal funds shall retain all records in accordance with applicable records keeping requirements. OWRB has an electronic filing database where records are maintained indefinitely.

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI).

Yes, DUNS 0056213700000; UEI: E5KGD1NYA1S5

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

Yes, the OWRB's CWSRF, DWSRF and FAP loan programs and administrative accounts undergo annual audits, including a single audit. Also, the SRF programs undergo an annual evaluation of the programs by EPA. The audits are contained on our website at <https://oklahoma.gov/owrb/financing/financial-documents-and-investor-relations.html>

Describe all the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

OWRB will develop Standard Operating Procedures (SOP's) and a grant recipient packet to ensure the recipient complies with the regulations of SLFR.

Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, OWRB's accounting software is a proprietary system, Infrastructure Financing Software (IFS), and has the capability to assign unique identifiers, track, and account for different sources of funding, and create reports on the project level or funding source level.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

Yes, the Southern Oklahoma Water Corporation will be the secondary sub-recipient according to SB13. US Treasury Final Rule establishes eligibilities closely in line with both the CWSRF and DWSRF program. OWRB administers the CWSRF program and co-administers the DWSRF program with ODEQ and has process in place to determine eligibility.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Lori Johnson, Chief of Financial Assistance Division, 12 years experience

Jerri Hargis, Assistant Chief of Financial Assistance Division, approx. 8 years experience

Laura Oak, Accountant, 25+ years experience

Kretchen Olmeda, Project and Operations Manager, 3+ years experience

Other Project Questionnaire Information

In which county is your organization headquartered?

Oklahoma

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

OWRB has a long history of administering grants and loans for water/sewer infrastructure projects.

Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this community was impacted by the pandemic.

Unknown

Which counties would be most impacted by this project or program?

Carter

Will this project support qualified census tracts?

Unknown

If so, please identify which qualified census tracts will be impacted.

Enter Answer to the Above Question Here

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

Unknown

In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.)

In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

N/A

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

Operations would continue with no ongoing investment

If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

N/A

Will this project bring revenue to the state or impacted communities?

Unknown

State of Oklahoma
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Oklahoma Water Resources Board
Ardmore Air Park

If yes, how much revenue may be generated by this project annually, over the next five years?

Unknown at this time.

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions

^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Additional programmatic data and justifications required for projects in Public Health and Negative Economic Impact categories (EC 1.1-3.5) and projects with Capital Expenditures. See details below table 7.

Table 1: Public Health

Section	Public Health	
	COVID-19 Mitigation & Prevention	
1.1	COVID-19 Vaccination ^	
1.2	COVID-19 Testing ^	
1.3	COVID-19 Contact Tracing^	
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)*^	
1.5	Personal Protective Equipment^	
1.6	Medical Expenses (including Alternative Care Facilities)^	
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^	
1.8	COVID-19 Assistance to Small Businesses^	➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)

Section	Public Health	
1.9	COVID 19 Assistance to Non-Profits [^]	<ul style="list-style-type: none"> ➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
1.10	COVID-19 Aid to Impacted Industries [^]	<ul style="list-style-type: none"> ➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry ➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Community Violence Interventions		
1.11	Community Violence Interventions ^{*^}	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs
Behavioral Health		
1.12	Mental Health Services ^{*^}	
1.13	Substance Use Services ^{*^}	

Section	Public Health	
	Other	
1.14	Other Public Health Services^	

Table 2: Negative Economic Impacts

Section	Negative Economic Impact	
Assistance to Households		
2.1	Household Assistance: Food Programs*^	<ul style="list-style-type: none"> ➤ Number of households served (by program if recipient establishes multiple separate household assistance programs)
2.2	Household Assistance: Rent, Mortgage, and Utility Aid*^	
2.3	Household Assistance: Cash Transfers*^	
2.4	Household Assistance: Internet Access Programs*^	
2.5	Household Assistance: Paid Sick and Medical Leave^	
2.6	Household Assistance: Health Insurance*^	
2.7	Household Assistance: Services for Un/Unbanked*^	
2.8	Household Assistance: Survivor's Benefits^	
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers*^	
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs

Section	Negative Economic Impact	
2.11	Healthy Childhood Environments: Child Care ^{*^}	
2.12	Healthy Childhood Environments: Home Visiting ^{*^}	<ul style="list-style-type: none"> ➤ Number of children served by childcare and early learning services (pre-school/pre-K/ages 3-5) ➤ Number of families served by home visiting
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System ^{*^}	
2.14	Healthy Childhood Environments: Early Learning ^{*^}	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.15	Long-term Housing Security: Affordable Housing ^{*^}	
2.16	Long-term Housing Security: Services for Unhoused Persons ^{*^}	<ul style="list-style-type: none"> ➤ Number of households receiving eviction prevention services (including legal representation) ➤ Number of affordable housing units preserved or developed
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities ^{*^}	
2.18	Housing Support: Other Housing Assistance ^{*^}	
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators ^{*^}	

Section	Negative Economic Impact	
2.20	Social Determinants of Health: Lead Remediation*^	
2.21	Medical Facilities for Disproportionately Impacted Communities^	
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^	
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties^	
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts^	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance. ➤ Number of students participating in evidence-based tutoring programs
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services*^	
2.26	Addressing Educational Disparities: Mental Health Services*^	
2.27	Addressing Impacts of Lost Instructional Time^	
2.28	Contributions to UI Trust Funds^	
Assistance to Small Businesses		
2.29	Loans or Grants to Mitigate Financial Hardship^	<ul style="list-style-type: none"> ➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
2.30	Technical Assistance, Counseling, or Business Planning*^	

Section	Negative Economic Impact	
2.31	Rehabilitation of Commercial Properties or Other Improvements [^]	
2.32	Business Incubators and Start-Up or Expansion Assistance ^{*^}	
2.33	Enhanced Support to Microbusinesses ^{*^}	
Assistance to Non-Profits		
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted) [^]	➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
Aid to Impacted Industries		
2.35	Aid to Tourism, Travel, or Hospitality [^]	➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry
2.36	Aid to Other Impacted Industries [^]	➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Other		
2.37	Economic Impact Assistance: Other ^{*^}	

Table 3: Services to Disproportionately Impacted Communities

Section	Public Sector Capacity	
	General Provisions	
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	➤ Number of government FTEs responding to COVID-19 supported under this authority
3.2	Public Sector Workforce: Rehiring Public Sector Staff	➤ Number of FTEs rehired by governments under this authority
3.3	Public Sector Workforce: Other	
3.4	Public Sector Capacity: Effective Service Delivery	
3.5	Public Sector Capacity: Administrative Needs	

Table 4: Premium Pay

Section	Premium Pay	
4.1	Public Sector Employees	<ul style="list-style-type: none"> ➤ List of sectors designated as critical to protecting the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the final rule ➤ Number of workers to be served ➤ Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) ➤ For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, other than those where the eligible worker receiving premium pay is earning (with the premium pay included) below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics Occupational Employment and Wage Statistics, whichever is higher, on an annual basis; OR the eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions ➤ Number of workers to be served with premium pay in K-12 schools
4.2	Private Sector: Grants to Other Employers	

Table 5: Infrastructure

Section	Infrastructure	
	Water and Sewer	
5.1	Clean Water: Centralized Wastewater Treatment	➤ See Final Rule and reporting guidance for details
5.2	Clean Water: Centralized Wastewater Collection and Conveyance	
5.3	Clean Water: Decentralized Wastewater	
5.4	Clean Water: Combined Sewer Overflows	
5.5	Clean Water: Other Sewer Infrastructure	
5.6	Clean Water: Stormwater	
5.7	Clean Water: Energy Conservation	
5.8	Clean Water: Water Conservation	
5.9	Clean Water: Nonpoint Source	
5.10	Drinking water: Treatment	
5.11	Drinking water: Transmission & Distribution	
5.12	Drinking water: Lead Remediation, including in Schools and Daycares	
5.13	Drinking water: Source	
5.14	Drinking water: Storage	
5.15	Drinking water: Other water infrastructure	

Section	Infrastructure	
5.16	Water and Sewer: Private Wells	
5.17	Water and Sewer: IIJA Bureau of Reclamation Match	
5.18	Water and Sewer: Other	
	Broadband	➤ See Final Rule and reporting guidance for details
5.19	Broadband: “Last Mile” projects	
5.20	Broadband: IIJA Match	
5.21	Broadband: Other projects	

Table 6: Revenue Replacement

Section	Revenue Replacement	
6.1	Provision of Government Services	
6.2	Non-federal Match for Other Federal Programs	

Table 7: Administrative

Section	Administrative	
7.1	Administrative Expenses	
7.2	Transfers to Other Units of Government	

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- Brief description of how a recipient’s response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- Does this project include a capital expenditure? (Collection began in January 2022)
- Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)
- Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)
 - COVID-19 testing sites and laboratories, and acquisition of related equipment
 - COVID-19 vaccination sites
 - Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)

- Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs
- Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- Public health data systems, including technology infrastructure
- Adaptations to congregate living facilities, including skilled nursing facilities, other long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- Affordable housing, supportive housing, or recovery housing development
- Food banks and other facilities primarily dedicated to addressing food insecurity
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- Childcare, daycare, and early learning facilities
- Job and workforce training centers
- Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)
- Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
- Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
- Schools and other educational facilities or equipment to address educational disparities

- Technology and tools to effectively develop, execute, and evaluate government programs
 - Technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs
- For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)
- For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 30 and 31 [of the reporting and compliance guidance]

Appendix B: Capital Expenditure Written Justification

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed.** Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.
- **Explanation of why a capital expenditure is appropriate.** For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- **Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.** Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.



AMERICAN RESCUE PLAN ACT



State of Oklahoma

ARPA State & Local Fiscal Recovery Funds (SLFRF) Project Funding Review Oklahoma Water Resources Board City of Tulsa-Fair Oaks Ranch

State of Oklahoma
ARPA SLFRF Project Funding Review
Oklahoma Water Resources Board
City of Tulsa-Fair Oaks Ranch

Last updated December 2nd, 2024

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for applicant consideration and subrecipient risk assessment.

SLFRF Resources

- Final Rule (FR) ([link](#))
- Overview of Final Rule ([link](#))
- Frequently Asked Questions ([link](#))
- Compliance and Reporting Guidance (version 5.0, June 16, 2022) ([link](#))

Project Overview

Project Name: Fair Oaks Ranch

Organization Name: *Oklahoma Water Resources Board*

Primary Contact

Name: Julie Cunningham

Email: Julie.cunningham@owrb.ok.gov

Phone: 405-530-8800

Project Lawyer

Name: Sara Gibson

Email: sara.gibson@owrb.ok.gov

Phone: 405-530-8800

Project Cost: \$50,000,000

Project Cost Breakdown: *The submitter must complete the template below. An incomplete project cost breakdown or a breakdown provided in a different format may result in delays in project review. The goal of the budget is to provide a clear and concise description of the expenses requested to support the activities in your application. A successful budget will show what each expense is, how much it costs, and the calculation used to get that amount.*

Proposed Project Cost Breakdown		
Total Requested Amount	\$ 50,000,000.00	Total of all below sections
Subaward	\$ 50,000,000.00	Details
OWRB to provide federal grant to City of Tulsa for water and sewer to Fair Oaks Ranch	\$ 50,000,000.00	Planning/Design and Construction of upgrades and expansion of the city's existing infrastructure to serve existing users and accommodate planned growth.

Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

[From Fair Oaks Ranch Funding Review Packet:](#)

[TMUA CIP Matching funds - \\$4,894,000](#)

EDA Grant - \$145,000

Donation of ROW/Easements - \$3,606,768

What goods or services will you need to complete this project?

For OWRB, there is a potential need for contracting out some of the oversight of the programs, but those costs would be included in the administration of the program. Examples for contracting out could include but not be limited to engineering construction oversight, reporting and ranking, or IT related expenses. However, we anticipate doing most of the oversight in house.

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes, the Oklahoma Competitive Bidding Act will be followed as well as 2 CFR 200 for procuring engineering services

Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals.

Projects will be completed by Dec. 31, 2026

How many Oklahomans will benefit from this project?

From Fair Oaks Ranch Funding Review Packet:

We anticipate 4,000-9,000 direct new jobs, with an overall job impact between 8,000-19,000. The counties directly benefitting from the project will be Tulsa, Wagoner, and Rogers Counties. In these areas, approximately 13,000 current residents would be benefitted as well as reasonable future projection of 70,000 residents.

What is the potential return on investment for this project?

From Fair Oaks Ranch Funding Review Packet:

The proposed project will result in an estimated \$1.6-\$3.6 billion in annual incremental GDP at full expected capacity, to be realized within 5-10 years of construction completion. Additionally, the project will generate utility fees from users locating within the project area, with such fees supporting the long-term maintenance, upkeep, and replacement of the infrastructure.

Project Description to include impact of COVID-19, intended impact of project, and general description of services

From Fair Oaks Ranch Funding Review Packet:

COVID-19 has greatly impacted the Tulsa region, including rural Qualified Census Tracts, which has seen a 10.4% decrease in employment and regional wage decline of 8.1% from January 2020. COVID-19 also has had a much larger impact on certain demographic groups, especially our Black, Indigenous and People of Color (BIPOC) community. The

recent labor shortage has also been highly concentrated in cities, while rural QCTs lack sufficient demand for labor due to limited job growth.

Further, wastewater is a critical need for northeast and east Tulsa. Specifically, the Tulsa Port at Catoosa is limited in its ability to serve businesses due to volume limitations in the Lower Bird Creek Treatment Plant. Beyond this, the City of Catoosa has limited existing wastewater collection capacity during both wet and dry weather due to limitations in the collection system feeding the Lower Bird Creek Wastewater Treatment Plan. **These circumstances point to a critical need for necessary investment in infrastructure to achieve an adequate minimum level of wastewater services.**

In 2020-2021, the Tulsa Regional Chamber of Commerce commissioned a study to evaluate worker displacement during COVID-19. This study found that workers lacking post-secondary education, especially BIPOC workers, most often lost jobs or were forced into lower paying jobs. Since this report was issued, we have been working to develop employment strategies for COVID-displaced workers, including opening of a supply chain industrial park at Robson Ranch in east Tulsa, near the Tulsa Port and City of Catoosa. This 2,000-acre industrial park is focused on supply chain jobs, the majority of which would be suitable for individuals lacking post-secondary educational credentials. A **projection of increased need due to population and employment growth** has been performed by McKinsey & Company as well the City of Tulsa. However, attraction of employers has been hampered by a lack of wastewater, which has been noted as the reason for elimination in the final selection for 10+ advanced manufacturers looking to set up large scale projects (averaging 2,000+ jobs and ~\$1.5 billion in capex for each project). **The proposed wastewater project is responsive to these projections of increased need and addresses displacement of workers due to COVID-19.**

Finally, the proposed project has been shown to be a cost-effective means for meeting the needs of the Tulsa Port, City of Catoosa, Robson Ranch, and general east Tulsa development through the following studies which took into account available alternatives: 1.Spunky Creek Basin Master Plan, December 1991 2.TMUA Comprehensive Wastewater System Study, April 2003 3.Spunky Creek Basin Wastewater Study, December 2007 4.TMUA Comprehensive Assessment - August 2012 5.Catoosa Interceptor Relief – Conceptual Design Report, May 2016 6.Conceptual Plan for Lower Bird Creek WWTP Draft, January 2021.

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A)
5.1: Clean Water – Centralized Wastewater Treatment and 5.2- Clean Water: Centralized Wastewater Collection and Conveyance

*State of Oklahoma
ARPA SLFRF Project Funding Review
Oklahoma Water Resources Board
City of Tulsa-Fair Oaks Ranch*

__JC__ Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance (2 CFR Part 200). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

__JC__ Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

Yes

What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

From Fair Oaks Ranch Funding Review Packet:

The proposed project will benefit from the project performance measures and processes which we will put in place for EDA's Build Back Better Regional Challenge. These metrics will be collected and monitored by the Tulsa Authority for Economic Opportunity (TAEO), leveraging a database that will be implemented in FY23. Key data points tracked will include:

- Jobs created.
- Average wages of jobs.
- Total capital investment.
- Disadvantaged business entity (DBE) participation (goal of 10%)
- Advanced mobility companies targeted (goal of 12)
- Advanced mobility companies attracted (goal of 5-11)

Please provide an outline/brief summary of your performance management plan.

OWRB has financial controls, technical expertise, and processes in place to administer federal programs, oversee construction, and audit projects. The board has approved 2,781 projects for nearly \$8 billion, spanning over thirty years, with documented, longstanding AAA bond ratings on multiple issuances, and consistently clean annual

program audit reviews from independent auditors and EPA (available upon request). Project performance is ultimately measured by successful construction and regulatory approval. The OWRB will oversee, facilitate, and document information on project management, pre-construction approvals by various regulatory agencies, bidding and contracting, site inspections, invoice compliance review, financial controls, and project close out. Grant agreements with awardees will also be in place to help ensure compliance with requirements

Please provide an outline/summary of your community engagement or outreach plan. OWRB staff has hosted a webinar specific to designated projects to outline the process to access the funds, go over the federal requirements, and answer any questions. OWRB staff has had one on one meetings with City of Tulsa's engineer to get a status update and go over the process as a follow up to the webinar.

Please explain how non-English speaking constituents will be able to benefit from this program.

OWRB has adopted a "Discrimination and Federal Funding Policy" to ensure that OWRB or any sub-recipient of funding must comply with civil rights laws and regulations. The policy can be found on OWRB's website at <https://oklahoma.gov/content/dam/ok/en/owrb/documents/about-us/discriminationpolicy.pdf>

Capital Expenditure Requirements

Definitions: *Per the Uniform Guidance, the term "capital expenditures" means "expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life." Equipment with a useful life of more than one year and a per-unit acquisition cost greater or equal to \$5,000 is considered a capital expenditure.*

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes; Yes

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

OWRB has been administering grant and loan programs with both state and federal funding since the 1980's to address water/sewer infrastructure projects.

__JC__ Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4) (January 27, 2022) (summary: Appendix B)

__JC__ Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

__JC__ Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 – 2 CFR 200.316 and 2 CFR 200.330.

__JC__ Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

__JC__ Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 27-33, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 4.0)

Risk Assessment

__JC__ Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

__JC__ Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, OWRB has over 30 years' experience administering the federal State Revolving Funds capitalization grant, STAG Grant Program and American Recovery &

Reinvestment Act funding (2009) to subsidize water/sewer loan programs; Over 25 years' experience administering the state Rural Economic Action Plan (REAP) program for water/sewer infrastructure, Emergency Grant, and various drought assistance grants.

What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

Yes, OWRB has a Negotiated Indirect Cost Agreement with EPA.

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

Yes, over 30 years' experience

Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

If yes, how much funding was received by your organization or entity?

Yes, \$67,431.14 was our reimbursement for Covid-19 related expenditures.

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

Yes, See above. OWRB has received the EPA CWSRF capitalization grant since it was established over 30 years, the EPA Sewer Overflow and Stormwater Reuse Municipal Grant (our first year), the FEMA High Hazard Potential Dam Grant since it was established in 2019.

Is your proposal a pre-existing project or program?

No

If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

N/A

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe. If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, The State's Consolidated General Records Disposition Schedule requires agencies, boards, commissions, and institutions whose programs are funded all or in part by federal funds shall retain all records in accordance with applicable records keeping requirements. OWRB has an electronic filing database where records are maintained indefinitely.

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI).

Yes, DUNS 0056213700000; UEI: E5KGD1NYA1S5

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

Yes, the OWRB's CWSRF, DWSRF and FAP loan programs and administrative accounts undergo annual audits, including a single audit. Also, the SRF programs undergo an annual evaluation of the programs by EPA. The audits are contained on our website at <https://oklahoma.gov/owrb/financing/financial-documents-and-investor-relations.html>

Describe all the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

OWRB will develop Standard Operating Procedures (SOP's) and a grant recipient packet to ensure the recipient complies with the regulations of SLFR.

Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, OWRB's accounting software is a proprietary system, Infrastructure Financing Software (IFS), and has the capability to assign unique identifiers, track, and account for different sources of funding, and create reports on the project level or funding source level.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

Yes, the City of Tulsa will be the secondary sub-recipient according to SB13. US Treasury Final Rule establishes eligibilities closely in line with both the CWSRF and DWSRF program. OWRB administers the CWSRF program and co-administers the DWSRF program with ODEQ and has process in place to determine eligibility.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Lori Johnson, Chief of Financial Assistance Division, 10+ years experience

Jerri Hargis, Assistant Chief of Financial Assistance Division, approx. 10 years experience

Laura Oak, Accountant, 25+ years experience

Kretchen Olmeda, Project and Operations Manager, 3+ years experience

Other Project Questionnaire Information

In which county is your organization headquartered?

Oklahoma

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

OWRB has a long history of administering grants and loans for water/sewer infrastructure projects.

Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this community was impacted by the pandemic.

From Fair Oaks Ranch Funding Review Packet:

COVID-19 has greatly impacted the Tulsa region, which has seen a 10.4% decrease in employment and regional wage decline of 8.1% from January 2020. COVID-19 also has had a much larger impact on certain demographic groups, especially our BIPOC community. The recent labor shortage has also been highly concentrated in cities, while rural communities lack a sufficient demand for labor due to limited job growth. The region faced challenges before COVID-19. Poverty rates for Tulsa County grew from 11.0 to 14.3 percent in the 2010-2019 period and opportunities varied for the region's residents based on educational outcomes. For example, unemployment for Tulsa MSA residents with a high school degree is 1.8x higher than unemployment for those with a bachelor's or higher. All of these circumstances point to a critical need to invest in the region's infrastructure supporting long-term job growth in an effort to increase economic opportunity and growth. Wastewater infrastructure improvements at the Robson Ranch site will remove the primary barrier cited by prospective employers and strengthen the links between key sites in Northeast Oklahoma, creating enhanced economic opportunities in the state's second largest metro, and across rural communities in Wagoner, Rogers, and Mayes Counties and the surrounding areas.

Which counties would be most impacted by this project or program?

Tulsa, Rogers, and Wagoner

Will this project support qualified census tracts?

From Fair Oaks Ranch Funding Review Packet:

This project will directly support "disadvantaged" census tracts pursuant to section 223 of Executive Order 14008 for the Justice40 Initiative. It does not specifically address census tracts identified as "qualified" under HUD guidance.

If so, please identify which qualified census tracts will be impacted.

From Fair Oaks Ranch Funding Review Packet:

According to M-21-28, Interim Implementation Guidance for the Justice40 Initiative, and the 2020 Census Tract Reference Map, disadvantaged census tracts impacted by the proposed project include Wagoner County 304.03, Tulsa 75000, Catoosa 12900, Fair Oaks 25000, and Rogers County 504.08.

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

Yes

In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.)

In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

From Fair Oaks Ranch Funding Review Packet:

TMUA CIP Match Funds - \$4,894,000

EDA - \$145,000

Donation of ROW/Easements - \$3,606,768

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

The project will continue operation after initial funding. Ongoing investment is not necessary.

If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

N/A

Will this project bring revenue to the state or impacted communities?

Yes

If yes, how much revenue may be generated by this project annually, over the next five years?

From Fair Oaks Ranch Funding Review Packet:

The proposed project will result in an estimated \$1.6-\$3.6 billion in annual incremental GDP at full expected capacity, to be realized within 5-10 years of construction completion.

State of Oklahoma
ARPA SLFRF Project Funding Review
Oklahoma Water Resources Board
City of Tulsa-Fair Oaks Ranch

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions

^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Additional programmatic data and justifications required for projects in Public Health and Negative Economic Impact categories (EC 1.1-3.5) and projects with Capital Expenditures. See details below table 7.

Table 1: Public Health

Section	Public Health	
	COVID-19 Mitigation & Prevention	
1.1	COVID-19 Vaccination ^	
1.2	COVID-19 Testing ^	
1.3	COVID-19 Contact Tracing^	
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)*^	
1.5	Personal Protective Equipment^	
1.6	Medical Expenses (including Alternative Care Facilities)^	
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^	
1.8	COVID-19 Assistance to Small Businesses^	➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)

Section	Public Health	
1.9	COVID 19 Assistance to Non-Profits^	<ul style="list-style-type: none"> ➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
1.10	COVID-19 Aid to Impacted Industries^	<ul style="list-style-type: none"> ➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry ➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Community Violence Interventions		
1.11	Community Violence Interventions*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs
Behavioral Health		
1.12	Mental Health Services*^	
1.13	Substance Use Services*^	

Section	Public Health	
	Other	
1.14	Other Public Health Services^	

Table 2: Negative Economic Impacts

Section	Negative Economic Impact	
Assistance to Households		
2.1	Household Assistance: Food Programs*^	<ul style="list-style-type: none"> ➤ Number of households served (by program if recipient establishes multiple separate household assistance programs)
2.2	Household Assistance: Rent, Mortgage, and Utility Aid*^	
2.3	Household Assistance: Cash Transfers*^	
2.4	Household Assistance: Internet Access Programs*^	
2.5	Household Assistance: Paid Sick and Medical Leave^	
2.6	Household Assistance: Health Insurance*^	
2.7	Household Assistance: Services for Un/Unbanked*^	
2.8	Household Assistance: Survivor's Benefits^	
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers*^	
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs

Section	Negative Economic Impact	
2.11	Healthy Childhood Environments: Child Care ^{*^}	
2.12	Healthy Childhood Environments: Home Visiting ^{*^}	<ul style="list-style-type: none"> ➤ Number of children served by childcare and early learning services (pre-school/pre-K/ages 3-5) ➤ Number of families served by home visiting
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System ^{*^}	
2.14	Healthy Childhood Environments: Early Learning ^{*^}	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.15	Long-term Housing Security: Affordable Housing ^{*^}	
2.16	Long-term Housing Security: Services for Unhoused Persons ^{*^}	<ul style="list-style-type: none"> ➤ Number of households receiving eviction prevention services (including legal representation)
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities ^{*^}	<ul style="list-style-type: none"> ➤ Number of affordable housing units preserved or developed
2.18	Housing Support: Other Housing Assistance ^{*^}	
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators ^{*^}	

Section	Negative Economic Impact	
2.20	Social Determinants of Health: Lead Remediation*^	
2.21	Medical Facilities for Disproportionately Impacted Communities^	
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^	
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties^	
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts^	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance. ➤ Number of students participating in evidence-based tutoring programs
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services*^	
2.26	Addressing Educational Disparities: Mental Health Services*^	
2.27	Addressing Impacts of Lost Instructional Time^	
2.28	Contributions to UI Trust Funds^	
Assistance to Small Businesses		
2.29	Loans or Grants to Mitigate Financial Hardship^	<ul style="list-style-type: none"> ➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
2.30	Technical Assistance, Counseling, or Business Planning*^	

Section	Negative Economic Impact	
2.31	Rehabilitation of Commercial Properties or Other Improvements [^]	
2.32	Business Incubators and Start-Up or Expansion Assistance ^{*^}	
2.33	Enhanced Support to Microbusinesses ^{*^}	
Assistance to Non-Profits		
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted) [^]	➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
Aid to Impacted Industries		
2.35	Aid to Tourism, Travel, or Hospitality [^]	➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry
2.36	Aid to Other Impacted Industries [^]	➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Other		
2.37	Economic Impact Assistance: Other ^{*^}	

Table 3: Services to Disproportionately Impacted Communities

Section	Public Sector Capacity	
	General Provisions	
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	➤ Number of government FTEs responding to COVID-19 supported under this authority
3.2	Public Sector Workforce: Rehiring Public Sector Staff	➤ Number of FTEs rehired by governments under this authority
3.3	Public Sector Workforce: Other	
3.4	Public Sector Capacity: Effective Service Delivery	
3.5	Public Sector Capacity: Administrative Needs	

Table 4: Premium Pay

Section	Premium Pay	
4.1	Public Sector Employees	<ul style="list-style-type: none"> ➤ List of sectors designated as critical to protecting the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the final rule ➤ Number of workers to be served ➤ Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) ➤ For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, other than those where the eligible worker receiving premium pay is earning (with the premium pay included) below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics Occupational Employment and Wage Statistics, whichever is higher, on an annual basis; OR the eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions ➤ Number of workers to be served with premium pay in K-12 schools
4.2	Private Sector: Grants to Other Employers	

Table 5: Infrastructure

Section	Infrastructure	
	Water and Sewer	
5.1	Clean Water: Centralized Wastewater Treatment	➤ See Final Rule and reporting guidance for details
5.2	Clean Water: Centralized Wastewater Collection and Conveyance	
5.3	Clean Water: Decentralized Wastewater	
5.4	Clean Water: Combined Sewer Overflows	
5.5	Clean Water: Other Sewer Infrastructure	
5.6	Clean Water: Stormwater	
5.7	Clean Water: Energy Conservation	
5.8	Clean Water: Water Conservation	
5.9	Clean Water: Nonpoint Source	
5.10	Drinking water: Treatment	
5.11	Drinking water: Transmission & Distribution	
5.12	Drinking water: Lead Remediation, including in Schools and Daycares	
5.13	Drinking water: Source	
5.14	Drinking water: Storage	
5.15	Drinking water: Other water infrastructure	

Section	Infrastructure	
5.16	Water and Sewer: Private Wells	
5.17	Water and Sewer: IIJA Bureau of Reclamation Match	
5.18	Water and Sewer: Other	
Broadband		
5.19	Broadband: “Last Mile” projects	➤ See Final Rule and reporting guidance for details
5.20	Broadband: IIJA Match	
5.21	Broadband: Other projects	

Table 6: Revenue Replacement

Section	Revenue Replacement	
6.1	Provision of Government Services	
6.2	Non-federal Match for Other Federal Programs	

Table 7: Administrative

Section	Administrative	
7.1	Administrative Expenses	
7.2	Transfers to Other Units of Government	

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- Brief description of how a recipient’s response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- Does this project include a capital expenditure? (Collection began in January 2022)
- Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)
- Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)
 - COVID-19 testing sites and laboratories, and acquisition of related equipment
 - COVID-19 vaccination sites
 - Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)

- Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs
- Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- Public health data systems, including technology infrastructure
- Adaptations to congregate living facilities, including skilled nursing facilities, other long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- Affordable housing, supportive housing, or recovery housing development
- Food banks and other facilities primarily dedicated to addressing food insecurity
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- Childcare, daycare, and early learning facilities
- Job and workforce training centers
- Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)
- Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
- Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
- Schools and other educational facilities or equipment to address educational disparities

- Technology and tools to effectively develop, execute, and evaluate government programs
- Technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs
- For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)
- For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 30 and 31 [of the reporting and compliance guidance]

Appendix B: Capital Expenditure Written Justification

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed.** Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.
- **Explanation of why a capital expenditure is appropriate.** For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- **Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.** Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.



AMERICAN RESCUE PLAN ACT



State of Oklahoma

ARPA State & Local Fiscal Recovery Funds (SLFRF) Project Funding Review Oklahoma Water Resources Board OKC 577

Last updated December 30, 2024

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for applicant consideration and subrecipient risk assessment.

SLFRF Resources

- Final Rule (FR) ([link](#))
- Overview of Final Rule ([link](#))
- Frequently Asked Questions ([link](#))
- Compliance and Reporting Guidance (version 5.0, June 16, 2022) ([link](#))

Project Overview

Project Name: OKC 577

Organization Name: *Oklahoma Water Resources Board*

Primary Contact

Name: Julie Cunningham

Email: Julie.cunningham@owrb.ok.gov

Phone: 405-530-8800

Project Lawyer

Name: Sara Gibson

Email: sara.gibson@owrb.ok.gov

Phone: 405-530-8800

Project Cost: \$8,000,000

Project Cost Breakdown: The submitter must complete the template below. An incomplete project cost breakdown or a breakdown provided in a different format may result in delays in project review. The goal of the budget is to provide a clear and concise description of the expenses requested to support the activities in your application. A successful budget will show what each expense is, how much it costs, and the calculation used to get that amount.

Proposed Project Cost Breakdown		
Total Requested Amount	\$ 8,000,000	Total of all below sections
Subaward	\$ 8,000,000.00	Details
OWRB to provide federal grant to Oklahoma Industries Authority for water/sewer to the OKC 577 megasite	\$ 8,000,000.00	16" water main and 18" sewer main extension from the OKC Water Utilities Trust infrastructure to provide service to the industrial site.

Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

[From OKC 577 Funding Review Packet:](#)

Private capital to complete interconnection of feeder lines to the main water and sewer lines.

What goods or services will you need to complete this project?

For OWRB, there is a potential need for contracting out some of the oversight of the programs, but those costs would be included in the administration of the program. Examples for contracting out could include but not be limited to engineering construction oversight, reporting and ranking, or IT related expenses. However, we anticipate doing most of the oversight in house.

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes, the Oklahoma Competitive Bidding Act will be followed as well as 2 CFR 200 for procuring engineering services

Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals.

Projects will be completed by Dec. 31, 2026

How many Oklahomans will benefit from this project?

From OKC Funding Review Packet:

This work will expand the use of necessary utilities for businesses and employers in a 3 square mile area. This mega industrial site area will create hundreds of construction jobs and the facilities built at the site will increase the workforce by several thousands of jobs

What is the potential return on investment for this project?

From OKC 577 Funding Review Packet:

As an example, we are currently talking to several companies that would invest billions of dollars in infrastructure and facilities that would create thousands of jobs. The city and state would be receiving sizeable returns from the sales tax, real estate tax and income taxes generated from this mega site

Project Description to include impact of COVID-19, intended impact of project, and general description of services

From OKC 577 Funding Review Packet:

This project will expand the area water distribution and sanitary system upgrade for a three (3) square mile area in a Qualified Census Tract and Opportunity Zone. This project will ensure that the publicly owned distribution system has increased capacity, which will improve the accessibility of public owned utilities to the residents and businesses in the area.

As populations and businesses expand in this area there is a risk to public health and public safety because the existing infrastructure will not have the capacity for servicing the area. There will be a need for this new infrastructure so that existing users will continue to have adequate water and sewer capacity. This water transmission and sanitary sewer line services the residents and businesses in this area.

Further, COVID-19 exposed the extreme need to move manufacturing and storage of goods back to the USA. This has caused an immediate need for sites like this to be development ready. COVID-19 has also caused construction prices to increase dramatically. Without assistance to make large sites development ready, companies will choose other states for their investments.

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A)

5.18 Water and Sewer: Other

__JC__ Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance (2 CFR Part 200). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

__JC__ Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

Yes

What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

From OKC 577 Funding Review Packet:

The Alliance for Economic Development uses key performance indicators for projects to evaluate the success of a project. Measures include tracking actual to planned Project Completion Time, Budget to Actual, and Engineering Estimate compared to Actual Bids. Plan

for collecting required programmatic data includes inspection, schedule tracking/Gantt Charts, and progress meetings using software such as GIS, and future use of a Project Management Information System.

The Alliance for Economic Development will monitor project performance along the way to ensure the water and sewer lines are installed properly, within budget, and fully functional within the American Rescue Plan Act deadlines of funds obligated by December 31, 2024, and project completion by December 31, 2026.

Please provide an outline/brief summary of your performance management plan.

OWRB has financial controls, technical expertise, and processes in place to administer federal programs, oversee construction, and audit projects. The board has approved 2,781 projects for nearly \$8 billion, spanning over thirty years, with documented, longstanding AAA bond ratings on multiple issuances, and consistently clean annual program audit reviews from independent auditors and EPA (available upon request). Project performance is ultimately measured by successful construction and regulatory approval. The OWRB will oversee, facilitate, and document information on project management, pre-construction approvals by various regulatory agencies, bidding and contracting, site inspections, invoice compliance review, financial controls, and project close out. Grant agreements with awardees will also be in place to help ensure compliance with requirements

Please provide an outline/summary of your community engagement or outreach plan.

OWRB staff has hosted a webinar specific to designated projects to outline the process to access the funds, go over the federal requirements, and answer any questions. OWRB staff has had one on one meetings with OKC to get a status update and go over the process as a follow up to the webinar.

Please explain how non-English speaking constituents will be able to benefit from this program.

OWRB has adopted a “Discrimination and Federal Funding Policy” to ensure that OWRB or any sub-recipient of funding must comply with civil rights laws and regulations. The policy can be found on OWRB’s website at

<https://oklahoma.gov/content/dam/ok/en/owrb/documents/about-us/discriminationpolicy.pdf>

Capital Expenditure Requirements

Definitions: *Per the Uniform Guidance, the term “capital expenditures” means “expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.” Equipment with a useful life of more than one year and a per-unit acquisition cost greater or equal to \$5,000 is considered a capital expenditure.*

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes; Yes

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

OWRB has been administering grant and loan programs with both state and federal funding since the 1980's to address water/sewer infrastructure projects.

 JJ Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4) (January 27, 2022) (summary: Appendix B)

 JJ Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

 JC Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 – 2 CFR 200.316 and 2 CFR 200.330.

 JC Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

 JC Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 27-33, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 4.0)

Risk Assessment

JC Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

 JC Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, OWRB has over 30 years' experience administering the federal State Revolving Funds capitalization grant, STAG Grant Program and American Recovery & Reinvestment Act funding (2009) to subsidize water/sewer loan programs; Over 25 years' experience administering the state Rural Economic Action Plan (REAP) program for water/sewer infrastructure, Emergency Grant, and various drought assistance grants.

What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

Yes, OWRB has a Negotiated Indirect Cost Agreement with EPA.

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

Yes, over 30 years' experience

Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

If yes, how much funding was received by your organization or entity?

Yes, \$67,431.14 was our reimbursement for Covid-19 related expenditures.

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

Yes, See above. OWRB has received the EPA CWSRF capitalization grant since it was established over 30 years, the EPA Sewer Overflow and Stormwater Reuse Municipal Grant (our first year), the FEMA High Hazard Potential Dam Grant since it was established in 2019.

Is your proposal a pre-existing project or program?

No

If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

N/A

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe. If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, The State's Consolidated General Records Disposition Schedule requires agencies, boards, commissions, and institutions whose programs are funded all or in part by federal funds shall retain all records in accordance with applicable records keeping requirements. OWRB has an electronic filing database where records are maintained indefinitely.

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI).

Yes, DUNS 0056213700000; UEI: E5KGD1NYA1S5

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

Yes, the OWRB's CWSRF, DWSRF and FAP loan programs and administrative accounts undergo annual audits, including a single audit. Also, the SRF programs undergo an annual evaluation of the programs by EPA. The audits are contained on our website at <https://oklahoma.gov/owrb/financing/financial-documents-and-investor-relations.html>

Describe all the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

OWRB will develop Standard Operating Procedures (SOP's) and a grant recipient packet to ensure the recipient complies with the regulations of SLFR.

Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, OWRB's accounting software is a proprietary system, Infrastructure Financing Software (IFS), and has the capability to assign unique identifiers, track, and account for different sources of funding, and create reports on the project level or funding source level.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

Yes, the Oklahoma Industries Authority will be the secondary sub-recipient according to SB13. US Treasury Final Rule establishes eligibilities closely in line with both the CWSRF and DWSRF program. OWRB administers the CWSRF program and co-administers the DWSRF program with ODEQ and has process in place to determine eligibility.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Lori Johnson, Chief of Financial Assistance Division, 12 years experience

Jerri Hargis, Assistant Chief of Financial Assistance Division, approx. 10 years experience

Laura Oak, Accountant, 25+ years experience

Kretchen Olmeda, Project and Operations Manager, 3+ years experience

Other Project Questionnaire Information

In which county is your organization headquartered?

Oklahoma

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

OWRB has a long history of administering grants and loans for water/sewer infrastructure projects.

Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this community was impacted by the pandemic.

From OKC 577 Funding Review Packet:

The site is located in a Qualified Census Tract and Opportunity Zone

Which counties would be most impacted by this project or program?

From OKC 577 Funding Review Packet:

Oklahoma and the five counties in the Oklahoma City Metropolitan Service Area

Will this project support qualified census tracts?

From the OKC 577 Funding Review Packet:

Yes, the site is located in a Qualified Census Tract

If so, please identify which qualified census tracts will be impacted.

From the OKC 577 Funding Review Packet:

1073.03

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

From the OKC 577 Funding Review Packet:

Yes

In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.)

In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

From the OKC 577 Funding Review Packet:

Oklahoma City through its Economic Development Trust provided Oklahoma Industries Authority (OIA) \$12.3M in funding for the acquisition of the property. The master developer, OKC 577, is prepared to spend in excess of \$50M in site preparation costs including relocating pipelines, high voltage power lines, site grading, and internal street and utility infrastructure.

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

No ongoing investment will be required

If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

N/A

Will this project bring revenue to the state or impacted communities?

From the OKC 577 Funding Review Packet:

Yes

If yes, how much revenue may be generated by this project annually, over the next five years?

From the OKC 577 Funding Review Packet:

There is potential revenue of several million dollars per year in real estate taxes, sales tax, and payroll taxes.

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions

^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Additional programmatic data and justifications required for projects in Public Health and Negative Economic Impact categories (EC 1.1-3.5) and projects with Capital Expenditures. See details below table 7.

Table 1: Public Health

Section	Public Health	
	COVID-19 Mitigation & Prevention	
1.1	COVID-19 Vaccination ^	
1.2	COVID-19 Testing ^	
1.3	COVID-19 Contact Tracing^	
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)*^	
1.5	Personal Protective Equipment^	
1.6	Medical Expenses (including Alternative Care Facilities)^	
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^	
1.8	COVID-19 Assistance to Small Businesses^	➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)

Section	Public Health	
1.9	COVID 19 Assistance to Non-Profits^	<ul style="list-style-type: none"> ➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
1.10	COVID-19 Aid to Impacted Industries^	<ul style="list-style-type: none"> ➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry ➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Community Violence Interventions		
1.11	Community Violence Interventions*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs
Behavioral Health		
1.12	Mental Health Services*^	
1.13	Substance Use Services*^	

Section	Public Health	
	Other	
1.14	Other Public Health Services^	

Table 2: Negative Economic Impacts

Section	Negative Economic Impact	
Assistance to Households		
2.1	Household Assistance: Food Programs*^	<ul style="list-style-type: none"> ➤ Number of households served (by program if recipient establishes multiple separate household assistance programs)
2.2	Household Assistance: Rent, Mortgage, and Utility Aid*^	
2.3	Household Assistance: Cash Transfers*^	
2.4	Household Assistance: Internet Access Programs*^	
2.5	Household Assistance: Paid Sick and Medical Leave^	
2.6	Household Assistance: Health Insurance*^	
2.7	Household Assistance: Services for Un/Unbanked*^	
2.8	Household Assistance: Survivor's Benefits^	
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers*^	
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs

Section	Negative Economic Impact	
2.11	Healthy Childhood Environments: Child Care ^{*^}	
2.12	Healthy Childhood Environments: Home Visiting ^{*^}	<ul style="list-style-type: none"> ➤ Number of children served by childcare and early learning services (pre-school/pre-K/ages 3-5) ➤ Number of families served by home visiting
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System ^{*^}	
2.14	Healthy Childhood Environments: Early Learning ^{*^}	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.15	Long-term Housing Security: Affordable Housing ^{*^}	
2.16	Long-term Housing Security: Services for Unhoused Persons ^{*^}	<ul style="list-style-type: none"> ➤ Number of households receiving eviction prevention services (including legal representation)
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities ^{*^}	<ul style="list-style-type: none"> ➤ Number of affordable housing units preserved or developed
2.18	Housing Support: Other Housing Assistance ^{*^}	
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators ^{*^}	

Section	Negative Economic Impact	
2.20	Social Determinants of Health: Lead Remediation*^	
2.21	Medical Facilities for Disproportionately Impacted Communities^	
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^	
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties^	
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts^	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance. ➤ Number of students participating in evidence-based tutoring programs
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services*^	
2.26	Addressing Educational Disparities: Mental Health Services*^	
2.27	Addressing Impacts of Lost Instructional Time^	
2.28	Contributions to UI Trust Funds^	
Assistance to Small Businesses		
2.29	Loans or Grants to Mitigate Financial Hardship^	<ul style="list-style-type: none"> ➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
2.30	Technical Assistance, Counseling, or Business Planning*^	

Section	Negative Economic Impact	
2.31	Rehabilitation of Commercial Properties or Other Improvements [^]	
2.32	Business Incubators and Start-Up or Expansion Assistance ^{*^}	
2.33	Enhanced Support to Microbusinesses ^{*^}	
Assistance to Non-Profits		
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted) [^]	➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
Aid to Impacted Industries		
2.35	Aid to Tourism, Travel, or Hospitality [^]	➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry
2.36	Aid to Other Impacted Industries [^]	➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Other		
2.37	Economic Impact Assistance: Other ^{*^}	

Table 3: Services to Disproportionately Impacted Communities

Section	Public Sector Capacity	
	General Provisions	
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	➤ Number of government FTEs responding to COVID-19 supported under this authority
3.2	Public Sector Workforce: Rehiring Public Sector Staff	➤ Number of FTEs rehired by governments under this authority
3.3	Public Sector Workforce: Other	
3.4	Public Sector Capacity: Effective Service Delivery	
3.5	Public Sector Capacity: Administrative Needs	

Table 4: Premium Pay

Section	Premium Pay	
4.1	Public Sector Employees	<ul style="list-style-type: none"> ➤ List of sectors designated as critical to protecting the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the final rule ➤ Number of workers to be served ➤ Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) ➤ For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, other than those where the eligible worker receiving premium pay is earning (with the premium pay included) below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics Occupational Employment and Wage Statistics, whichever is higher, on an annual basis; OR the eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions ➤ Number of workers to be served with premium pay in K-12 schools
4.2	Private Sector: Grants to Other Employers	

Table 5: Infrastructure

Section	Infrastructure	
	Water and Sewer	
5.1	Clean Water: Centralized Wastewater Treatment	➤ See Final Rule and reporting guidance for details
5.2	Clean Water: Centralized Wastewater Collection and Conveyance	
5.3	Clean Water: Decentralized Wastewater	
5.4	Clean Water: Combined Sewer Overflows	
5.5	Clean Water: Other Sewer Infrastructure	
5.6	Clean Water: Stormwater	
5.7	Clean Water: Energy Conservation	
5.8	Clean Water: Water Conservation	
5.9	Clean Water: Nonpoint Source	
5.10	Drinking water: Treatment	
5.11	Drinking water: Transmission & Distribution	
5.12	Drinking water: Lead Remediation, including in Schools and Daycares	
5.13	Drinking water: Source	
5.14	Drinking water: Storage	
5.15	Drinking water: Other water infrastructure	

Section	Infrastructure	
5.16	Water and Sewer: Private Wells	
5.17	Water and Sewer: IIJA Bureau of Reclamation Match	
5.18	Water and Sewer: Other	
	Broadband	
5.19	Broadband: “Last Mile” projects	➤ See Final Rule and reporting guidance for details
5.20	Broadband: IIJA Match	
5.21	Broadband: Other projects	

Table 6: Revenue Replacement

Section	Revenue Replacement	
6.1	Provision of Government Services	
6.2	Non-federal Match for Other Federal Programs	

Table 7: Administrative

Section	Administrative	
7.1	Administrative Expenses	
7.2	Transfers to Other Units of Government	

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- Brief description of how a recipient’s response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- Does this project include a capital expenditure? (Collection began in January 2022)
- Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)
- Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)
 - COVID-19 testing sites and laboratories, and acquisition of related equipment
 - COVID-19 vaccination sites
 - Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)

- Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs
- Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- Public health data systems, including technology infrastructure
- Adaptations to congregate living facilities, including skilled nursing facilities, other long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- Affordable housing, supportive housing, or recovery housing development
- Food banks and other facilities primarily dedicated to addressing food insecurity
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- Childcare, daycare, and early learning facilities
- Job and workforce training centers
- Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)
- Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
- Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
- Schools and other educational facilities or equipment to address educational disparities

- Technology and tools to effectively develop, execute, and evaluate government programs
 - Technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs
- For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)
- For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 30 and 31 [of the reporting and compliance guidance]

Appendix B: Capital Expenditure Written Justification

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed.** Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.
- **Explanation of why a capital expenditure is appropriate.** For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- **Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.** Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.



AMERICAN RESCUE PLAN ACT



State of Oklahoma

ARPA State & Local Fiscal Recovery Funds (SLFRF) Project Funding Review Oklahoma Water Resources Board Tulsa Ports-Inola Wastewater

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ARPA SLFRF Project Funding Review
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Tulsa Ports-Inola Wastewater

Last updated December 30, 2024

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for applicant consideration and subrecipient risk assessment.

SLFRF Resources

- Final Rule (FR) ([link](#))
- Overview of Final Rule ([link](#))
- Frequently Asked Questions ([link](#))
- Compliance and Reporting Guidance (version 5.0, June 16, 2022) ([link](#))

Project Overview

Project Name: Port of Inola

Organization Name: *Oklahoma Water Resources Board*

Primary Contact

Name: Julie Cunningham

Email: Julie.cunningham@owrb.ok.gov

Phone: 405-530-8800

Project Lawyer

Name: Sara Gibson

Email: sara.gibson@owrb.ok.gov

Phone: 405-530-8800

Project Cost: \$14,000,000

Project Cost Breakdown: *The submitter must complete the template below. An incomplete project cost breakdown or a breakdown provided in a different format may result in delays in project review. The goal of the budget is to provide a clear and concise description of the expenses requested to support the activities in your application. A successful budget will show what each expense is, how much it costs, and the calculation used to get that amount.*

Proposed Project Cost Breakdown		
Total Requested Amount	\$ 14,000,000.00	Total of all below sections
Subaward	\$ 14,000,000.00	Details
OWRB to provide federal grant to City of Tulsa-Rogers County Port Authority for wastewater project in Inola	\$ 14,000,000.00	Funds will be used for planning/design and site preparation of new WWTP at the Tulsa port of Inola and planning/designing and construction of the Town of Inola's wastewater treatment and collection system upgrades to provide service in unsewered area, help with compliance of a consent order from ODEQ, and to transfer wastewater to the new WWTP facility at the Inola Port.

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Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

Not for this request but the entire project includes the construction of the wastewater treatment plant that the entity has received \$22.3 million from the US Department of Commerce – Economic Development Administration (EDA), \$5.5 million has been committed as a cash match from Tulsa Ports, Rogers County \$500,000 and Indian Health Services has agreed to commit funds towards the project.

What goods or services will you need to complete this project?

For OWRB, there is a potential need for contracting out some of the oversight of the programs, but those costs would be included in the administration of the program. Examples for contracting out could include but not be limited to engineering construction oversight, reporting and ranking, or IT related expenses. However, we anticipate doing most of the oversight in house.

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes, the Oklahoma Competitive Bidding Act will be followed as well as 2 CFR 200 for procuring engineering services

Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals.

Projects will be completed by Dec. 31, 2026 *Enter Project Timeline*

How many Oklahomans will benefit from this project?

From Tulsa Ports Funding Review Packet:

The Tulsa Port of Inola is a master planned industrial park. Three configurations of the park site master plan have been filed with the county. Each configuration varies slightly in acreage and square footage per industry. The methodology to determine the number of Oklahomans that will directly benefit from the project was sourced from a National Association of Industrial and Office Properties entitled *stabilization of the US Manufacturing Sector and Its Impact on Industrial Space* with values derived from data compiled through the Energy Information Association (EIA). Based on that methodology and which master planned option is built out, the project will support the creation of 17,481, 16,500, or 18,791 new jobs. In addition, approximately 12,600 Oklahomans will benefit from the project through the creation of indirect and induced jobs.

What is the potential return on investment for this project?

From Tulsa Ports Funding Review Packet:

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In this instance, return on investment will be based on the additional economic impact the project will deliver to Oklahoma. To determine a return on investment for this project, a conservative estimate of the economic impact of the project was generated using tax impact and impact of employment wages to provide a final value of \$73,588,225. The initial value will be the \$42 million total cost of the project. Subtracting these two figures will provide the net investment for the project. The cost of the investment will be the \$14 million investment requested in this application. Expressed as a percentage, the project's return on investment is 2.25%. Including long-term multipliers (e.g. household spending, amortized investment, and government spending) to the final economic impact value, the project will generate a 26.84% return on investment in Oklahoma.

Project Description to include impact of COVID-19, intended impact of project, and general description of services
From Tulsa Ports Funding Review Packet:

Operating under a consent order from the Oklahoma Department of Environmental Quality, the Town of Inola's wastewater infrastructure is in need of critical repairs. Its inability to generate adequate revenue to improve this existing decrepit infrastructure has been exacerbated by the COVID-19 pandemic due to a shrinking taxbase. ARPA funds are a necessary investment to help Inola provide a minimum level of wastewater utility service to existing businesses and households, and to support population growth in a rural area, that is highly unlikely to be provided using private sources of funds in this community of 1,900 people. The project is consistent with those identified in the EPA's Clean Water State Revolving Fund and Drinking Water State Revolving Fund and required to be in compliance with the ODEQ Consent Order. The project is necessary to improve and replace an existing sanitary sewer system and lift station that is in an extreme state of disrepair. The project will allow the Town to decommission its aging existing wastewater treatment plant and construct pump facilities to transfer wastewater to a treatment facility at the Tulsa Port of Inola. The project will also provide sanitary sewer to an existing commercial corridor within Town Limits that is currently without service. Services that will be required for this project are: Engineering, design, right-of-way acquisition, surveying, geotechnical boring/analysis, environmental clearance, permitting, and administration.

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A)

[5.1- Clean Water: Centralized Wastewater Treatment](#)

JC Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance ([2 CFR Part 200](#)). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

JC Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

[Yes](#)

What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

[From Tulsa Ports Funding Review Packet:](#)

[The Port Authority will track physical progress and quality of the infrastructure project through high-quality project management and financial administration according to state and federal standards. In addition, the job growth and investment impacts will be tracked by new jobs and investment created within the Tulsa Port of Inola Industrial park as well as new tax revenue generated for the Town of Inola and Rogers County.](#)

Please provide an outline/brief summary of your performance management plan.

[OWRB has financial controls, technical expertise, and processes in place to administer federal programs, oversee construction, and audit projects. The board has approved 2,781 projects for nearly \\$8 billion, spanning over thirty years, with documented, longstanding AAA bond ratings on multiple issuances, and consistently clean annual program audit reviews from independent auditors and EPA \(available upon request\). Project performance is ultimately measured by successful construction and regulatory](#)

approval. The OWRB will oversee, facilitate, and document information on project management, pre-construction approvals by various regulatory agencies, bidding and contracting, site inspections, invoice compliance review, financial controls, and project close out. Grant agreements with awardees will also be in place to help ensure compliance with requirements

Please provide an outline/summary of your community engagement or outreach plan. OWRB staff has hosted a webinar specific to designated projects to outline the process to access the funds, go over the federal requirements, and answer any questions. OWRB staff has had one on one meetings with Tulsa Ports to get a status update and go over the process as a follow up to the webinar.

Please explain how non-English speaking constituents will be able to benefit from this program.

OWRB has adopted a “Discrimination and Federal Funding Policy” to ensure that OWRB or any sub-recipient of funding must comply with civil rights laws and regulations. The policy can be found on OWRB’s website at

<https://oklahoma.gov/content/dam/ok/en/owrb/documents/about-us/discriminationpolicy.pdf>

Capital Expenditure Requirements

Definitions: *Per the Uniform Guidance, the term “capital expenditures” means “expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.” Equipment with a useful life of more than one year and a per-unit acquisition cost greater or equal to \$5,000 is considered a capital expenditure.*

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes; Yes

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

OWRB has been administering grant and loan programs with both state and federal funding since the 1980’s to address water/sewer infrastructure projects.

JC___ Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4) (January 27, 2022) (summary: Appendix B)

_JC___ Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

_JC___ Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 – 2 CFR 200.316 and 2 CFR 200.330.

_JC___ Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

_JC___ Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 27-33, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 4.0)

Risk Assessment

JC___ Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

_JC___ Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, OWRB has over 30 years' experience administering the federal State Revolving Funds capitalization grant, STAG Grant Program and American Recovery &

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Reinvestment Act funding (2009) to subsidize water/sewer loan programs; Over 25 years' experience administering the state Rural Economic Action Plan (REAP) program for water/sewer infrastructure, Emergency Grant, and various drought assistance grants.

What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

Yes, OWRB has a Negotiated Indirect Cost Agreement with EPA.

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

Yes, over 30 years' experience

Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

If yes, how much funding was received by your organization or entity?

Yes, \$67,431.14 was our reimbursement for Covid-19 related expenditures.

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

Yes, See above. OWRB has received the EPA CWSRF capitalization grant since it was established over 30 years, the EPA Sewer Overflow and Stormwater Reuse Municipal Grant (our first year), the FEMA High Hazard Potential Dam Grant since it was established in 2019.

Is your proposal a pre-existing project or program?

No

If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

N/A

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe. If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, The State's Consolidated General Records Disposition Schedule requires agencies, boards, commissions, and institutions whose programs are funded all or in part by federal funds shall retain all records in accordance with applicable records keeping requirements. OWRB has an electronic filing database where records are maintained indefinitely.

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI).

Yes, DUNS 0056213700000; UEI: E5KGD1NYA1S5

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

Yes, the OWRB's CWSRF, DWSRF and FAP loan programs and administrative accounts undergo annual audits, including a single audit. Also, the SRF programs undergo an annual evaluation of the programs by EPA. The audits are contained on our website at <https://oklahoma.gov/owrb/financing/financial-documents-and-investor-relations.html>

Describe all the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

OWRB will develop Standard Operating Procedures (SOP's) and a grant recipient packet to ensure the recipient complies with the regulations of SLFR.

Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, OWRB's accounting software is a proprietary system, Infrastructure Financing Software (IFS), and has the capability to assign unique identifiers, track, and account for different sources of funding, and create reports on the project level or funding source level.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

Yes, the City of Tulsa-Rogers County Port Authority (Tulsa Ports) will be the secondary sub-recipient according to SB13. US Treasury Final Rule establishes eligibilities closely in line with both the CWSRF and DWSRF program. OWRB administers the CWSRF program and co-administers the DWSRF program with ODEQ and has process in place to determine eligibility.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Lori Johnson, Chief of Financial Assistance Division, 12 years experience

Jerri Hargis, Assistant Chief of Financial Assistance Division, approx. 10 years experience

Laura Oak, Accountant, 25+ years experience

Kretchen Olmeda, Project and Operations Manager, 3+ years experience

Other Project Questionnaire Information

In which county is your organization headquartered?

Oklahoma

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

OWRB has a long history of administering grants and loans for water/sewer infrastructure projects.

Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this community was impacted by the pandemic.

From Tulsa Ports Funding Review Packet:

The Town of Inola is the disproportionally impacted community that will benefit from the project. The elimination of primary and retail jobs within the community as a result of the pandemic greatly impacted the Town's ability to generate adequate revenue to properly maintain and improve wastewater utility infrastructure as required under the OK DEQ Consent Order. The Town has a population of 1,900 residents and is located in a rural area of southern Rogers County. It does not have the means or resources to recruit new businesses to help diversify the economy that will help secure new revenue streams to support the needs of residents.

Which counties would be most impacted by this project or program?

Rogers, Tulsa, Mayes

Will this project support qualified census tracts?

No

If so, please identify which qualified census tracts will be impacted.

N/A

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

Yes for larger project, not for scope of this project

In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.)

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In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

US Dpt of Commerce EDA - \$22.3 M

Tulsa Ports - \$5.5 M

Rogers County - \$500,000

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

Yes, operations will continue without continued investment from the state

If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

N/A

Will this project bring revenue to the state or impacted communities?

Yes

If yes, how much revenue may be generated by this project annually, over the next five years?

From Tulsa Ports Funding Review Packet:

Year 1: Up to \$150,000 (estimated). Year 5: Up to \$350,000 (estimated)

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions
 ^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Additional programmatic data and justifications required for projects in Public Health and Negative Economic Impact categories (EC 1.1-3.5) and projects with Capital Expenditures. See details below table 7.

Table 1: Public Health

Section	Public Health	
	COVID-19 Mitigation & Prevention	
1.1	COVID-19 Vaccination ^	
1.2	COVID-19 Testing ^	
1.3	COVID-19 Contact Tracing^	
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)*^	
1.5	Personal Protective Equipment^	
1.6	Medical Expenses (including Alternative Care Facilities)^	
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^	
1.8	COVID-19 Assistance to Small Businesses^	➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)

Section	Public Health	
1.9	COVID 19 Assistance to Non-Profits^	<ul style="list-style-type: none"> ➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
1.10	COVID-19 Aid to Impacted Industries^	<ul style="list-style-type: none"> ➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry ➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Community Violence Interventions		
1.11	Community Violence Interventions*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs
Behavioral Health		
1.12	Mental Health Services*^	
1.13	Substance Use Services*^	

Section	Public Health	
	Other	
1.14	Other Public Health Services^	

Table 2: Negative Economic Impacts

Section	Negative Economic Impact	
Assistance to Households		
2.1	Household Assistance: Food Programs*^	<ul style="list-style-type: none"> ➤ Number of households served (by program if recipient establishes multiple separate household assistance programs)
2.2	Household Assistance: Rent, Mortgage, and Utility Aid*^	
2.3	Household Assistance: Cash Transfers*^	
2.4	Household Assistance: Internet Access Programs*^	
2.5	Household Assistance: Paid Sick and Medical Leave^	
2.6	Household Assistance: Health Insurance*^	
2.7	Household Assistance: Services for Un/Unbanked*^	
2.8	Household Assistance: Survivor's Benefits^	
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers*^	
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs

Section	Negative Economic Impact	
2.11	Healthy Childhood Environments: Child Care ^{*^}	
2.12	Healthy Childhood Environments: Home Visiting ^{*^}	<ul style="list-style-type: none"> ➤ Number of children served by childcare and early learning services (pre-school/pre-K/ages 3-5) ➤ Number of families served by home visiting
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System ^{*^}	
2.14	Healthy Childhood Environments: Early Learning ^{*^}	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.15	Long-term Housing Security: Affordable Housing ^{*^}	
2.16	Long-term Housing Security: Services for Unhoused Persons ^{*^}	<ul style="list-style-type: none"> ➤ Number of households receiving eviction prevention services (including legal representation)
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities ^{*^}	<ul style="list-style-type: none"> ➤ Number of affordable housing units preserved or developed
2.18	Housing Support: Other Housing Assistance ^{*^}	
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators ^{*^}	

Section	Negative Economic Impact	
2.20	Social Determinants of Health: Lead Remediation*^	
2.21	Medical Facilities for Disproportionately Impacted Communities^	
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^	
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties^	
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts^	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance. ➤ Number of students participating in evidence-based tutoring programs
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services*^	
2.26	Addressing Educational Disparities: Mental Health Services*^	
2.27	Addressing Impacts of Lost Instructional Time^	
2.28	Contributions to UI Trust Funds^	
Assistance to Small Businesses		
2.29	Loans or Grants to Mitigate Financial Hardship^	<ul style="list-style-type: none"> ➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
2.30	Technical Assistance, Counseling, or Business Planning*^	

Section	Negative Economic Impact	
2.31	Rehabilitation of Commercial Properties or Other Improvements [^]	
2.32	Business Incubators and Start-Up or Expansion Assistance ^{*^}	
2.33	Enhanced Support to Microbusinesses ^{*^}	
Assistance to Non-Profits		
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted) [^]	➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
Aid to Impacted Industries		
2.35	Aid to Tourism, Travel, or Hospitality [^]	➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry
2.36	Aid to Other Impacted Industries [^]	➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Other		
2.37	Economic Impact Assistance: Other ^{*^}	

Table 3: Services to Disproportionately Impacted Communities

Section	Public Sector Capacity	
	General Provisions	
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	➤ Number of government FTEs responding to COVID-19 supported under this authority
3.2	Public Sector Workforce: Rehiring Public Sector Staff	➤ Number of FTEs rehired by governments under this authority
3.3	Public Sector Workforce: Other	
3.4	Public Sector Capacity: Effective Service Delivery	
3.5	Public Sector Capacity: Administrative Needs	

Table 4: Premium Pay

Section	Premium Pay	
4.1	Public Sector Employees	<ul style="list-style-type: none"> ➤ List of sectors designated as critical to protecting the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the final rule ➤ Number of workers to be served ➤ Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) ➤ For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, other than those where the eligible worker receiving premium pay is earning (with the premium pay included) below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics Occupational Employment and Wage Statistics, whichever is higher, on an annual basis; OR the eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions ➤ Number of workers to be served with premium pay in K-12 schools
4.2	Private Sector: Grants to Other Employers	

Table 5: Infrastructure

Section	Infrastructure	
	Water and Sewer	
5.1	Clean Water: Centralized Wastewater Treatment	➤ See Final Rule and reporting guidance for details
5.2	Clean Water: Centralized Wastewater Collection and Conveyance	
5.3	Clean Water: Decentralized Wastewater	
5.4	Clean Water: Combined Sewer Overflows	
5.5	Clean Water: Other Sewer Infrastructure	
5.6	Clean Water: Stormwater	
5.7	Clean Water: Energy Conservation	
5.8	Clean Water: Water Conservation	
5.9	Clean Water: Nonpoint Source	
5.10	Drinking water: Treatment	
5.11	Drinking water: Transmission & Distribution	
5.12	Drinking water: Lead Remediation, including in Schools and Daycares	
5.13	Drinking water: Source	
5.14	Drinking water: Storage	
5.15	Drinking water: Other water infrastructure	

Section	Infrastructure	
5.16	Water and Sewer: Private Wells	
5.17	Water and Sewer: IIJA Bureau of Reclamation Match	
5.18	Water and Sewer: Other	
Broadband		➤ See Final Rule and reporting guidance for details
5.19	Broadband: “Last Mile” projects	
5.20	Broadband: IIJA Match	
5.21	Broadband: Other projects	

Table 6: Revenue Replacement

Section	Revenue Replacement	
6.1	Provision of Government Services	
6.2	Non-federal Match for Other Federal Programs	

Table 7: Administrative

Section	Administrative	
7.1	Administrative Expenses	
7.2	Transfers to Other Units of Government	

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- Brief description of how a recipient’s response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- Does this project include a capital expenditure? (Collection began in January 2022)
- Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)
- Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)
 - COVID-19 testing sites and laboratories, and acquisition of related equipment
 - COVID-19 vaccination sites
 - Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)

- Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs
- Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- Public health data systems, including technology infrastructure
- Adaptations to congregate living facilities, including skilled nursing facilities, other long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- Affordable housing, supportive housing, or recovery housing development
- Food banks and other facilities primarily dedicated to addressing food insecurity
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- Childcare, daycare, and early learning facilities
- Job and workforce training centers
- Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)
- Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
- Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
- Schools and other educational facilities or equipment to address educational disparities

- Technology and tools to effectively develop, execute, and evaluate government programs
 - Technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs
- For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)
- For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 30 and 31 [of the reporting and compliance guidance]

Appendix B: Capital Expenditure Written Justification

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed.** Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.
- **Explanation of why a capital expenditure is appropriate.** For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- **Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.** Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.



AMERICAN RESCUE PLAN ACT



State of Oklahoma

ARPA State & Local Fiscal Recovery Funds (SLFRF) Project Funding Review

Oklahoma Water Resources Board Statewide Targeted Water Investment Fund

State of Oklahoma
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Oklahoma Water Resources Board
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Last updated December 30, 2024

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for applicant consideration and subrecipient risk assessment.

SLFRF Resources

- Final Rule (FR) ([link](#))
- Overview of Final Rule ([link](#))
- Frequently Asked Questions ([link](#))
- Compliance and Reporting Guidance (version 5.0, June 16, 2022) ([link](#))

Project Overview

Project Name: Statewide Targeted Water Investment Fund

Organization Name: *Oklahoma Water Resources Board*

Primary Contact

Name: Julie Cunningham

Email: Julie.cunningham@owrb.ok.gov

Phone: 405-530-8800

Project Lawyer

Name: Sara Gibson

Email: sara.gibson@owrb.ok.gov

Phone: 405-530-8800

Project Cost: \$133,690,709

Project Cost Breakdown: *The submitter must complete the template below. An incomplete project cost breakdown or a breakdown provided in a different format may result in delays in project review. The goal of the budget is to provide a clear and concise description of the expenses requested to support the activities in your application. A successful budget will show what each expense is, how much it costs, and the calculation used to get that amount.*

Proposed Project Cost Breakdown		
Total Requested Amount	\$ 133,690,709	Total of all below sections
Subaward	\$ 133,690,709	Details
OWRB to provide federal grant to River Parks Authority in Tulsa	\$ 4,200,000	To repair an earthen berm to repair damage caused by a flood
OWRB to provide federal grant to Lawton	\$ 10,000,000	To Rehab the Lake Ellsworth Dam
OWRB to provide federal grant to Edmond	\$ 13,000,000	To upgrade the water treatment and distribution system
OWRB to provide federal grants to Equity Based communities	\$ 15,000,000	OWRB to offer an equal share to: Boley, Brooksville, Clearview, Grayson, Langston, Lima, Redbird, Rentiesville, Summit, Taft, Tatum, Tullahasee and Vernon. Communities

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		have until April 28, 2023 to make application, otherwise funds are redistributed to the communities that made an application
OWRB to provide federal grant to Glenpool	\$ 44,000,000	To replace wastewater treatment plant
OWRB to provide federal grant to Shawnee	\$ 9,931,194.00	To replace sewer and water lines
OWRB to provide federal grant to Central OK Habitat for Humanity	\$ 2,000,000.00	To provide water and sewer service to a new development in north OKC
OWRB to provide federal grant to Waurika Lake Master Conservancy District	\$ 18,564,000.00	To upgrade the raw water infrastructure at Waurika Lake
OWRB to provide federal grant to Panhandle State at Goodwell	\$163,840.00	To provide access to drinking water for livestock and enhance the student experience
OWRB to provide federal grant to Bethany	\$4,600,000	Upgrades to water reliability and water system
OWRB to provide federal grant to Lawton	\$ 2,000,000.00	Rehabilitate Gondola Lake dam
OWRB to provide federal grants to Master Conservancy Districts	\$ 7,048,241.00	Equal share provided to Arbuckle MCD, Central Oklahoma MCD, Foss Reservoir MCD, Mountain Park MCD, Fort Cobb MCD for improvements to their water distribution system and dams.
OWRB to provide federal grants to Oklahoma City Water Utilities Trust	\$ 2,083,434.00	To update the Deer Creek wastewater treatment plant
OWRB to provide federal grants to Woodward Municipal Authority	\$ 100,000	To dredge the sewer lagoons to increase the treatment capacity.
OWRB to provide federal grants to Lincoln County Rural Water District #3	\$ 1,000,000	To provide water to Wellston by adding pump station, lines, AMI.

Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

[None have been identified](#)

What goods or services will you need to complete this project?

For OWRB, there is a potential need for contracting out some of the oversight of the programs, but those costs would be included in the administration of the program. Examples for contracting out could include but not be limited to engineering construction oversight, reporting and ranking, or IT related expenses. However, we anticipate doing most of the oversight in house

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes, the Oklahoma Competitive Bidding Act will be followed as well as 2 CFR 200 for procuring engineering services

Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals.

Projects will be completed by Dec. 31, 2026

How many Oklahomans will benefit from this project?

Projects span across the state

What is the potential return on investment for this project?

Access to clean drinking water for public health and water quality improvements

Project Description to include impact of COVID-19, intended impact of project, and general description of services

See project funding template submitted by individual recipients

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A)

5.18 - Water and Sewer: Other

__JC__ Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance (2 CFR Part 200). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

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JC Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

Yes

What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

[See project funding template submitted by individual recipients](#)

Please provide an outline/brief summary of your performance management plan.

[OWRB has financial controls, technical expertise, and processes in place to administer federal programs, oversee construction, and audit projects. The board has approved 2,781 projects for nearly \\$8 billion, spanning over thirty years, with documented, longstanding AAA bond ratings on multiple issuances, and consistently clean annual program audit reviews from independent auditors and EPA \(available upon request\). Project performance is ultimately measured by successful construction and regulatory approval. The OWRB will oversee, facilitate, and document information on project management, pre-construction approvals by various regulatory agencies, bidding and contracting, site inspections, invoice compliance review, financial controls, and project close out. Grant agreements with awardees will also be in place to help ensure compliance with requirements](#)

Please provide an outline/summary of your community engagement or outreach plan.

[OWRB staff has hosted a webinar specific to designated projects to outline the process to access the funds, go over the federal requirements, and answer any questions. OWRB staff has also set up, or is trying to schedule, one on one meetings with each recipient to get a status update and go over the process if they were unable to participate in the webinar.](#)

Please explain how non-English speaking constituents will be able to benefit from this program.

[OWRB has adopted a “Discrimination and Federal Funding Policy” to ensure that OWRB or any sub-recipient of funding must comply with civil rights laws and regulations. The policy can be found on OWRB’s website at](#)

<https://oklahoma.gov/content/dam/ok/en/owrb/documents/about-us/discriminationpolicy.pdf>

Capital Expenditure Requirements

Definitions: *Per the Uniform Guidance, the term “capital expenditures” means “expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.” Equipment with a useful life of more than one year and a per-unit acquisition cost greater or equal to \$5,000 is considered a capital expenditure.*

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

OWRB has been administering grant and loan programs with both state and federal funding since the 1980's to address water/sewer infrastructure projects.

 JC Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4) (January 27, 2022) (summary: Appendix B)

 JC Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

 JC Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 – 2 CFR 200.316 and 2 CFR 200.330.

 JC Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

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 JC Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 27-33, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 4.0)

Risk Assessment

JC Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

JC Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, OWRB has over 30 years' experience administering the federal State Revolving Funds capitalization grant, STAG Grant Program and American Recovery & Reinvestment Act funding (2009) to subsidize water/sewer loan programs; Over 25 years' experience administering the state Rural Economic Action Plan (REAP) program for water/sewer infrastructure, Emergency Grant, and various drought assistance grants.

What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

Yes, OWRB has a Negotiated Indirect Cost Agreement with EPA.

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

Yes, over 30 years' experience

Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

If yes, how much funding was received by your organization or entity?

Yes, \$67,431.14 was our reimbursement for Covid-19 related expenditures.

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

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Yes, See above. OWRB has received the EPA CWSRF capitalization grant since it was established over 30 years, the EPA Sewer Overflow and Stormwater Reuse Municipal Grant (our first year), the FEMA High Hazard Potential Dam Grant since it was established in 2019.

Is your proposal a pre-existing project or program?

No

If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

Enter Answer to the Above Question Here

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe. If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, The State's Consolidated General Records Disposition Schedule requires agencies, boards, commissions, and institutions whose programs are funded all or in part by federal funds shall retain all records in accordance with applicable records keeping requirements. OWRB has an electronic filing database where records are maintained indefinitely.

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI).

Yes, DUNS 0056213700000; UEI: E5KGD1NYA1S5

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

Yes, the OWRB's CWSRF, DWSRF and FAP loan programs and administrative accounts undergo annual audits, including a single audit. Also, the SRF programs undergo an annual evaluation of the programs by EPA. The audits are contained on our website at <https://oklahoma.gov/owrb/financing/financial-documents-and-investor-relations.html>

Describe all the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

OWRB will develop Standard Operating Procedures (SOP's) and a grant recipient packet to ensure the recipient complies with the regulations of SLFR.

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Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, OWRB's accounting software is a proprietary system, Infrastructure Financing Software (IFS), and has the capability to assign unique identifiers, track, and account for different sources of funding, and create reports on the project level or funding source level.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

Yes to recipients as described above. They will be the secondary sub-recipient according to SB13. US Treasury Final Rule establishes eligibilities closely in line with both the CWSRF and DWSRF program. OWRB administers the CWSRF program and co-administers the DWSRF program with ODEQ and has process in place to determine eligibility.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Lori Johnson, Chief of Financial Assistance Division, 12 years experience

Jerri Hargis, Assistant Chief of Financial Assistance Division, approx. 10 years experience

Laura Oak, Accountant, 25+ years experience

Kretchen Olmeda, Project and Operations Manager, 3+ years experience

Other Project Questionnaire Information

In which county is your organization headquartered?

Oklahoma

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

OWRB has a long history of administering grants and loans for water/sewer infrastructure projects.

[See project funding template submitted by individual recipients](#)

Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this community was impacted by the pandemic.

The equity based community projects are identified as vulnerable populations. Details on impact due to covid vary.

Which counties would be most impacted by this project or program?

Oklahoma, Pottawatomie, Tulsa, Comanche, Jefferson, Caddo, Murray, Cleveland, Custer, Kiowa, Texas, Okmulgee, Okfuskee, Logan, Seminole, Wagoner, McIntosh, Muskogee, Carter

Will this project support qualified census tracts?

Yes

If so, please identify which qualified census tracts will be impacted.

Unknown at this time

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

Unknown at this time but not required

In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.)

In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

None

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

This is a one-time grant program and will end once these funds have been depleted.

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If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

None

Will this project bring revenue to the state or impacted communities?

Yes

If yes, how much revenue may be generated by this project annually, over the next five years?

Unknown

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions
 ^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Additional programmatic data and justifications required for projects in Public Health and Negative Economic Impact categories (EC 1.1-3.5) and projects with Capital Expenditures. See details below table 7.

Table 1: Public Health

Section	Public Health	
	COVID-19 Mitigation & Prevention	
1.1	COVID-19 Vaccination ^	
1.2	COVID-19 Testing ^	
1.3	COVID-19 Contact Tracing^	
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)*^	
1.5	Personal Protective Equipment^	
1.6	Medical Expenses (including Alternative Care Facilities)^	
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^	

Section	Public Health	
1.8	COVID-19 Assistance to Small Businesses [^]	<ul style="list-style-type: none"> ➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
1.9	COVID 19 Assistance to Non-Profits [^]	<ul style="list-style-type: none"> ➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
1.10	COVID-19 Aid to Impacted Industries [^]	<ul style="list-style-type: none"> ➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry ➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Community Violence Interventions		
1.11	Community Violence Interventions* [^]	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs

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Section	Public Health	
	Behavioral Health	
1.12	Mental Health Services*^	
1.13	Substance Use Services*^	
	Other	
1.14	Other Public Health Services^	

Table 2: Negative Economic Impacts

Section	Negative Economic Impact	
	Assistance to Households	
2.1	Household Assistance: Food Programs*^	<ul style="list-style-type: none"> ➤ Number of households served (by program if recipient establishes multiple separate household assistance programs)
2.2	Household Assistance: Rent, Mortgage, and Utility Aid*^	
2.3	Household Assistance: Cash Transfers*^	
2.4	Household Assistance: Internet Access Programs*^	
2.5	Household Assistance: Paid Sick and Medical Leave^	
2.6	Household Assistance: Health Insurance*^	
2.7	Household Assistance: Services for Un/Unbanked*^	
2.8	Household Assistance: Survivor's Benefits^	
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers*^	
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs

Section	Negative Economic Impact	
2.11	Healthy Childhood Environments: Child Care*^	
2.12	Healthy Childhood Environments: Home Visiting*^	<ul style="list-style-type: none"> ➤ Number of children served by childcare and early learning services (pre-school/pre-K/ages 3-5) ➤ Number of families served by home visiting
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System*^	
2.14	Healthy Childhood Environments: Early Learning*^	
2.15	Long-term Housing Security: Affordable Housing*^	
2.16	Long-term Housing Security: Services for Unhoused Persons*^	<ul style="list-style-type: none"> ➤ Number of households receiving eviction prevention services (including legal representation) ➤ Number of affordable housing units preserved or developed
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities*^	
2.18	Housing Support: Other Housing Assistance*^	
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators*^	

Section	Negative Economic Impact	
2.20	Social Determinants of Health: Lead Remediation*^	
2.21	Medical Facilities for Disproportionately Impacted Communities^	
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^	
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties^	
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts^	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance. ➤ Number of students participating in evidence-based tutoring programs
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services*^	
2.26	Addressing Educational Disparities: Mental Health Services*^	
2.27	Addressing Impacts of Lost Instructional Time^	
2.28	Contributions to UI Trust Funds^	
Assistance to Small Businesses		
2.29	Loans or Grants to Mitigate Financial Hardship^	<ul style="list-style-type: none"> ➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
2.30	Technical Assistance, Counseling, or Business Planning*^	

Section	Negative Economic Impact	
2.31	Rehabilitation of Commercial Properties or Other Improvements [^]	
2.32	Business Incubators and Start-Up or Expansion Assistance ^{*^}	
2.33	Enhanced Support to Microbusinesses ^{*^}	
Assistance to Non-Profits		
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted) [^]	➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
Aid to Impacted Industries		
2.35	Aid to Tourism, Travel, or Hospitality [^]	➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry ➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
2.36	Aid to Other Impacted Industries [^]	
Other		

Section	Negative Economic Impact	
2.37	Economic Impact Assistance: Other*^	

Table 3: Services to Disproportionately Impacted Communities

Section	Public Sector Capacity	
	General Provisions	
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	➤ Number of government FTEs responding to COVID-19 supported under this authority
3.2	Public Sector Workforce: Rehiring Public Sector Staff	➤ Number of FTEs rehired by governments under this authority
3.3	Public Sector Workforce: Other	
3.4	Public Sector Capacity: Effective Service Delivery	
3.5	Public Sector Capacity: Administrative Needs	

Table 4: Premium Pay

Section	Premium Pay	
4.1	Public Sector Employees	<ul style="list-style-type: none"> ➤ List of sectors designated as critical to protecting the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the final rule ➤ Number of workers to be served ➤ Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) ➤ For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, other than those where the eligible worker receiving premium pay is earning (with the premium pay included) below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics Occupational Employment and Wage Statistics, whichever is higher, on an annual basis; OR the eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions ➤ Number of workers to be served with premium pay in K-12 schools
4.2	Private Sector: Grants to Other Employers	

Table 5: Infrastructure

Section	Infrastructure	
	Water and Sewer	
5.1	Clean Water: Centralized Wastewater Treatment	➤ See Final Rule and reporting guidance for details
5.2	Clean Water: Centralized Wastewater Collection and Conveyance	
5.3	Clean Water: Decentralized Wastewater	
5.4	Clean Water: Combined Sewer Overflows	
5.5	Clean Water: Other Sewer Infrastructure	
5.6	Clean Water: Stormwater	
5.7	Clean Water: Energy Conservation	
5.8	Clean Water: Water Conservation	
5.9	Clean Water: Nonpoint Source	
5.10	Drinking water: Treatment	
5.11	Drinking water: Transmission & Distribution	
5.12	Drinking water: Lead Remediation, including in Schools and Daycares	
5.13	Drinking water: Source	
5.14	Drinking water: Storage	

Section	Infrastructure	
5.15	Drinking water: Other water infrastructure	
5.16	Water and Sewer: Private Wells	
5.17	Water and Sewer: IIJA Bureau of Reclamation Match	
5.18	Water and Sewer: Other	
	Broadband	
5.19	Broadband: “Last Mile” projects	➤ See Final Rule and reporting guidance for details
5.20	Broadband: IIJA Match	
5.21	Broadband: Other projects	

Table 6: Revenue Replacement

Section	Revenue Replacement	
6.1	Provision of Government Services	
6.2	Non-federal Match for Other Federal Programs	

Table 7: Administrative

Section	Administrative	
7.1	Administrative Expenses	
7.2	Transfers to Other Units of Government	

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- Brief description of how a recipient’s response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- Does this project include a capital expenditure? (Collection began in January 2022)
- Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)
- Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)
 - COVID-19 testing sites and laboratories, and acquisition of related equipment
 - COVID-19 vaccination sites

- Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)
- Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs
- Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- Public health data systems, including technology infrastructure
- Adaptations to congregate living facilities, including skilled nursing facilities, other long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- Affordable housing, supportive housing, or recovery housing development
- Food banks and other facilities primarily dedicated to addressing food insecurity
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- Childcare, daycare, and early learning facilities
- Job and workforce training centers
- Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)

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- Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
 - Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
 - Schools and other educational facilities or equipment to address educational disparities
 - Technology and tools to effectively develop, execute, and evaluate government programs
 - Technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs
- For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)
- For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 30 and 31 [of the reporting and compliance guidance]

Appendix B: Capital Expenditure Written Justification

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed.** Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.
- **Explanation of why a capital expenditure is appropriate.** For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- **Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.** Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.



AMERICAN RESCUE PLAN ACT



State of Oklahoma

ARPA State & Local Fiscal Recovery Funds (SLFRF) Project Funding Review Oklahoma Water Resources Board 60” Water Transmission Line Relocation – Tinker Air Force Base

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60" Water Transmission Line Relocation – Tinker Air Force Base

Last updated December 30, 2024

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for applicant consideration and subrecipient risk assessment.

SLFRF Resources

- Final Rule (FR) ([link](#))
- Overview of Final Rule ([link](#))
- Frequently Asked Questions ([link](#))
- Compliance and Reporting Guidance (version 5.0, June 16, 2022) ([link](#))

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 ARPA SLFRF Project Funding Review
 Oklahoma Water Resources Board

60" Water Transmission Line Relocation – Tinker Air Force Base

Project Overview

Project Name: 60" Water Transmission Line Relocation - Tinker Air Force Base

Organization Name: *Oklahoma Water Resources Board*

Primary Contact

Name: Julie Cunningham

Email: Julie.cunningham@owrb.ok.gov

Phone: 405-530-8800

Project Lawyer

Name: Sara Gibson

Email: sara.gibson@owrb.ok.gov

Phone: 405-530-8800

Project Cost: \$35,000,000

Project Cost Breakdown: *The submitter must complete the template below. An incomplete project cost breakdown or a breakdown provided in a different format may result in delays in project review. The goal of the budget is to provide a clear and concise description of the expenses requested to support the activities in your application. A successful budget will show what each expense is, how much it costs, and the calculation used to get that amount.*

Proposed Project Cost Breakdown		
Total Requested Amount	\$35,000,000	Total of all below sections
Subaward	\$ 35,000,000.00	Details
OWRB to provide federal grant to Oklahoma City to relocate a water transmission line near Tinker Air Force Base.	\$ 35,000,000.00	Funds will be used for construction activities related to the relocation of a 60" water transmission main from S. Douglas Blvd. This includes installing approx. 4 miles of 60" water line, valving, connection to existing line, testing, disinfection, construction signage and traffic control, as-builts, erosion control, and surface restoration.

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Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

None

What goods or services will you need to complete this project?

For OWRB, there is a potential need for contracting out some of the oversight of the programs, but those costs would be included in the administration of the program. Examples for contracting out could include but not be limited to engineering construction oversight, reporting and ranking, or IT related expenses. However, we anticipate doing most of the oversight in house.

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes, the Oklahoma Competitive Bidding Act will be followed as well as 2 CFR 200 for procuring engineering services

Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals.

Projects will be completed by Dec. 31, 2026

How many Oklahomans will benefit from this project?

Approximately 400,000

What is the potential return on investment for this project?

Expected project outcome is public safety and public health risk mitigation for a very large population.

Project Description to include impact of COVID-19, intended impact of project, and general description of services

From OKC Funding Review Packet:

Background

A 60" water main that serves approximately 400,000 residents, currently runs parallel to Douglas Blvd. from Lake Draper to North Oklahoma City. On January 4, 2022, Oklahoma City Council approved the closure of a two-mile section of Douglas Blvd. for Tinker Air Force Base security. Due to the road closure, two miles of the 60" water main will be located inside the Base (from SE 74th Street to SE 44th Street). In the event of a break, security levels at the base would delay emergency response time while clearance is authorized for the entry of repair crews, equipment, and material. Immediate response to a failure of this pipeline is essential for public health and public safety, as there would be complete loss of water service. There is no back up water service or separate feed to provide the service area water, in the event of a break. There are several large medical facilities, including Veterans Hospital and OU Medical campus (the state's only Level 1 Trauma Center), served by this water main that would be seriously impacted and would

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be forced to evacuate. In addition to consumption and public health matters, fire fighting within a very large geographic area of Oklahoma City will also be disrupted until the water main is repaired.

Project Description

This necessary infrastructure investment of \$35 million will relocate the segment of the 60" water transmission main outside the Tinker Air Force Base (TAFB) secured area, going East to Post Road starting at SE 74th Street up to SE 44th Street. At SE 44 Street, the line would turn back West to Douglas Blvd where it proceeds North parallel to Douglas Blvd. The purpose and objective of this project is to protect public health and public safety for the service area. Specific project costs to be expended are for construction activities related to the relocation, which includes installing approximately four miles of 60" water line, valving, connection to existing line, testing, disinfection, construction signage and traffic control, as-builts, erosion control, and surface restoration.

This is an eligible use project under Drinking Water State Revolving Funds (DWSRF), as a Transmission/Distribution system project. Furthermore, this project is in accordance with the United States Environmental Protection Agency DWSRF Eligibility Handbook 2017, eligible projects, and pursuant to Public Law 104-182, Section 1452, which states that SRF funds are prioritized to projects that "address the most serious risks to human health" (Drinking Water State Revolving Fund Eligibility Handbook, 2017).

Evaluation of alternative routes determined this proposed project was the best alternative. Any configuration of the relocation would still be the same length, approximately 4 miles. In addition, the other alternatives required acquiring 100-foot easements and building of access roads.

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A)
[5.11 Drinking Water Transmission and Distribution](#)

JC____ Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance ([2 CFR Part 200](#)). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

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JC____ Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

Yes

What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

From OKC Funding Review Packet:

The City of Oklahoma City uses key performance indicators for projects to evaluate the success of a project. Measures include tracking actual to planned Project Completion Time, Budget to Actual, and Engineering Estimate compared to Actual Bids. Plan for collecting required programmatic data includes inspection, schedule tracking/Gantt Charts, and progress meetings using software such as GIS, Primavera, and future use of a Project Management Information System.

Please provide an outline/brief summary of your performance management plan.

OWRB has financial controls, technical expertise, and processes in place to administer federal programs, oversee construction, and audit projects. The board has approved 2,781 projects for nearly \$8 billion, spanning over thirty years, with documented, longstanding AAA bond ratings on multiple issuances, and consistently clean annual program audit reviews from independent auditors and EPA (available upon request). Project performance is ultimately measured by successful construction and regulatory approval. The OWRB will oversee, facilitate, and document information on project management, pre-construction approvals by various regulatory agencies, bidding and contracting, site inspections, invoice compliance review, financial controls, and project close out. Grant agreements with awardees will also be in place to help ensure compliance with requirements

Please provide an outline/summary of your community engagement or outreach plan.

OWRB staff has hosted a webinar specific to designated projects to outline the process to access the funds, go over the federal requirements, and answer any questions. OWRB staff has had one on one meetings with OKC to get a status update and go over the process as a follow up to the webinar.

Please explain how non-English speaking constituents will be able to benefit from this program.

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OWRB has adopted a “Discrimination and Federal Funding Policy” to ensure that OWRB or any sub-recipient of funding must comply with civil rights laws and regulations. The policy can be found on OWRB’s website at <https://oklahoma.gov/content/dam/ok/en/owrb/documents/about-us/discriminationpolicy.pdf>

Capital Expenditure Requirements

Definitions: *Per the Uniform Guidance, the term “capital expenditures” means “expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.” Equipment with a useful life of more than one year and a per-unit acquisition cost greater or equal to \$5,000 is considered a capital expenditure.*

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes; Yes

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

[OWRB has been administering grant and loan programs with both state and federal funding since the 1980’s to address water/sewer infrastructure projects.](#)

 JC Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4) (January 27, 2022) (summary: Appendix B)

 JC Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

 JC Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 – 2 CFR 200.316 and 2 CFR 200.330.

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JC Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

JC Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 27-33, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 4.0)

Risk Assessment

JC Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

JC Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, OWRB has over 30 years' experience administering the federal State Revolving Funds capitalization grant, STAG Grant Program and American Recovery & Reinvestment Act funding (2009) to subsidize water/sewer loan programs; Over 25 years' experience administering the state Rural Economic Action Plan (REAP) program for water/sewer infrastructure, Emergency Grant, and various drought assistance grants.

What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

Yes, OWRB has a Negotiated Indirect Cost Agreement with EPA.

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

Yes, over 30 years' experience

Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

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If yes, how much funding was received by your organization or entity?

Yes, \$67,431.14 was our reimbursement for Covid-19 related expenditures.

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

Yes, See above. OWRB has received the EPA CWSRF capitalization grant since it was established over 30 years, the EPA Sewer Overflow and Stormwater Reuse Municipal Grant (our first year), the FEMA High Hazard Potential Dam Grant since it was established in 2019.

Is your proposal a pre-existing project or program?

No

If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

Enter Answer to the Above Question Here

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe. If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, The State's Consolidated General Records Disposition Schedule requires agencies, boards, commissions, and institutions whose programs are funded all or in part by federal funds shall retain all records in accordance with applicable records keeping requirements. OWRB has an electronic filing database where records are maintained indefinitely.

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI).

Yes, DUNS 0056213700000; UEI: E5KGD1NYA1S5

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

Yes, the OWRB's CWSRF, DWSRF and FAP loan programs and administrative accounts undergo annual audits, including a single audit. Also, the SRF programs undergo an annual evaluation of the programs by EPA. The audits are contained on our website at <https://oklahoma.gov/owrb/financing/financial-documents-and-investor-relations.html>

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Describe all the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

OWRB will develop Standard Operating Procedures (SOP's) and a grant recipient packet to ensure the recipient complies with the regulations of SLFR.

Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, OWRB's accounting software is a proprietary system, Infrastructure Financing Software (IFS), and has the capability to assign unique identifiers, track, and account for different sources of funding, and create reports on the project level or funding source level.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

Yes OKC will be the secondary sub-recipient according to SB13. US Treasury Final Rule establishes eligibilities closely in line with both the CWSRF and DWSRF program. OWRB administers the CWSRF program and co-administers the DWSRF program with ODEQ and has process in place to determine eligibility.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Lori Johnson, Chief of Financial Assistance Division, 10+ years experience

Jerri Hargis, Assistant Chief of Financial Assistance Division, approx. 10 years experience

Laura Oak, Accountant, 25+ years experience

Kretchen Olmeda, Project and Operations Division, 3+ years experience

Other Project Questionnaire Information

In which county is your organization headquartered?

Oklahoma

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

OWRB has a long history of administering grants and loans for water/sewer infrastructure projects.

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Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this community was impacted by the pandemic.

From OKC Funding Review Packet:

The relocation project is in close proximity to many qualified census tracts in the State of Oklahoma.

Which counties would be most impacted by this project or program?

Oklahoma

Will this project support qualified census tracts?

Yes

If so, please identify which qualified census tracts will be impacted.

From OKC Funding Review Packet:

Qualified Census Tracts within Service Area

- 1004
- 1005
- 1010
- 1013
- 1014
- 1022
- 1024
- 1025
- 1026
- 1028
- 1030
- 1033
- 1036.02
- 1040
- 1041
- 1052.01
- 1052.02
- 1053
- 1057
- 1058
- 1061
- 1063.01
- 1079
- 1080.03
- 1080.1
- 1080.11
- 1088.03
- 1091

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

From OKC Funding Review Packet:

Oklahoma County contribution through the Oklahoma Industries Authority (a County Trust) contributed approximately \$5 million to acquire 300 acres of land.

Oklahoma City contribution of approximately \$16 million for the road closure and related street improvements.

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In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.)

In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

N/A

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

No ongoing investments are necessary.

If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

N/A

Will this project bring revenue to the state or impacted communities?

No

If yes, how much revenue may be generated by this project annually, over the next five years?

N/A

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions

^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Additional programmatic data and justifications required for projects in Public Health and Negative Economic Impact categories (EC 1.1-3.5) and projects with Capital Expenditures. See details below table 7.

Table 1: Public Health

Section	Public Health	
	COVID-19 Mitigation & Prevention	
1.1	COVID-19 Vaccination ^	
1.2	COVID-19 Testing ^	
1.3	COVID-19 Contact Tracing^	
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)*^	
1.5	Personal Protective Equipment^	
1.6	Medical Expenses (including Alternative Care Facilities)^	
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^	
1.8	COVID-19 Assistance to Small Businesses^	➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)

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Section	Public Health	
1.9	COVID 19 Assistance to Non-Profits^	<ul style="list-style-type: none"> ➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
1.10	COVID-19 Aid to Impacted Industries^	<ul style="list-style-type: none"> ➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry ➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Community Violence Interventions		
1.11	Community Violence Interventions*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs
Behavioral Health		
1.12	Mental Health Services*^	
1.13	Substance Use Services*^	

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Section	Public Health	
	Other	
1.14	Other Public Health Services^	

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Table 2: Negative Economic Impacts

Section	Negative Economic Impact	
Assistance to Households		
2.1	Household Assistance: Food Programs*^	<ul style="list-style-type: none"> ➤ Number of households served (by program if recipient establishes multiple separate household assistance programs)
2.2	Household Assistance: Rent, Mortgage, and Utility Aid*^	
2.3	Household Assistance: Cash Transfers*^	
2.4	Household Assistance: Internet Access Programs*^	
2.5	Household Assistance: Paid Sick and Medical Leave^	
2.6	Household Assistance: Health Insurance*^	
2.7	Household Assistance: Services for Un/Unbanked*^	
2.8	Household Assistance: Survivor's Benefits^	
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers*^	
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^	<ul style="list-style-type: none"> ➤ Number of Number of workers enrolled in sectoral job training programs ➤ Number of workers completing sectoral job training programs ➤ Number of people participating in summer youth employment programs

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Section	Negative Economic Impact	
2.11	Healthy Childhood Environments: Child Care ^{*^}	
2.12	Healthy Childhood Environments: Home Visiting ^{*^}	<ul style="list-style-type: none"> ➤ Number of children served by childcare and early learning services (pre-school/pre-K/ages 3-5) ➤ Number of families served by home visiting
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System ^{*^}	
2.14	Healthy Childhood Environments: Early Learning ^{*^}	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.15	Long-term Housing Security: Affordable Housing ^{*^}	
2.16	Long-term Housing Security: Services for Unhoused Persons ^{*^}	<ul style="list-style-type: none"> ➤ Number of households receiving eviction prevention services (including legal representation) ➤ Number of affordable housing units preserved or developed
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities ^{*^}	
2.18	Housing Support: Other Housing Assistance ^{*^}	
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators ^{*^}	

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Section	Negative Economic Impact	
2.20	Social Determinants of Health: Lead Remediation*^	
2.21	Medical Facilities for Disproportionately Impacted Communities^	
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^	
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties^	
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts^	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance. ➤ Number of students participating in evidence-based tutoring programs
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services*^	
2.26	Addressing Educational Disparities: Mental Health Services*^	
2.27	Addressing Impacts of Lost Instructional Time^	
2.28	Contributions to UI Trust Funds^	
Assistance to Small Businesses		
2.29	Loans or Grants to Mitigate Financial Hardship^	<ul style="list-style-type: none"> ➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
2.30	Technical Assistance, Counseling, or Business Planning*^	

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Section	Negative Economic Impact	
2.31	Rehabilitation of Commercial Properties or Other Improvements [^]	
2.32	Business Incubators and Start-Up or Expansion Assistance ^{*^}	
2.33	Enhanced Support to Microbusinesses ^{*^}	
Assistance to Non-Profits		
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted) [^]	➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
Aid to Impacted Industries		
2.35	Aid to Tourism, Travel, or Hospitality [^]	➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry
2.36	Aid to Other Impacted Industries [^]	➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Other		
2.37	Economic Impact Assistance: Other ^{*^}	

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Table 3: Services to Disproportionately Impacted Communities

Section	Public Sector Capacity	
	General Provisions	
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	➤ Number of government FTEs responding to COVID-19 supported under this authority
3.2	Public Sector Workforce: Rehiring Public Sector Staff	➤ Number of FTEs rehired by governments under this authority
3.3	Public Sector Workforce: Other	
3.4	Public Sector Capacity: Effective Service Delivery	
3.5	Public Sector Capacity: Administrative Needs	

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Table 4: Premium Pay

Section	Premium Pay	
4.1	Public Sector Employees	<ul style="list-style-type: none"> ➤ List of sectors designated as critical to protecting the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the final rule ➤ Number of workers to be served ➤ Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) ➤ For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, other than those where the eligible worker receiving premium pay is earning (with the premium pay included) below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics Occupational Employment and Wage Statistics, whichever is higher, on an annual basis; OR the eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions ➤ Number of workers to be served with premium pay in K-12 schools
4.2	Private Sector: Grants to Other Employers	

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Table 5: Infrastructure

Section	Infrastructure	
	Water and Sewer	
5.1	Clean Water: Centralized Wastewater Treatment	➤ See Final Rule and reporting guidance for details
5.2	Clean Water: Centralized Wastewater Collection and Conveyance	
5.3	Clean Water: Decentralized Wastewater	
5.4	Clean Water: Combined Sewer Overflows	
5.5	Clean Water: Other Sewer Infrastructure	
5.6	Clean Water: Stormwater	
5.7	Clean Water: Energy Conservation	
5.8	Clean Water: Water Conservation	
5.9	Clean Water: Nonpoint Source	
5.10	Drinking water: Treatment	
5.11	Drinking water: Transmission & Distribution	
5.12	Drinking water: Lead Remediation, including in Schools and Daycares	
5.13	Drinking water: Source	
5.14	Drinking water: Storage	
5.15	Drinking water: Other water infrastructure	

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Section	Infrastructure	
5.16	Water and Sewer: Private Wells	
5.17	Water and Sewer: IIJA Bureau of Reclamation Match	
5.18	Water and Sewer: Other	
Broadband		➤ See Final Rule and reporting guidance for details
5.19	Broadband: "Last Mile" projects	
5.20	Broadband: IIJA Match	
5.21	Broadband: Other projects	

Table 6: Revenue Replacement

Section	Revenue Replacement	
6.1	Provision of Government Services	
6.2	Non-federal Match for Other Federal Programs	

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Table 7: Administrative

Section	Administrative	
7.1	Administrative Expenses	
7.2	Transfers to Other Units of Government	

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- Brief description of how a recipient’s response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- Does this project include a capital expenditure? (Collection began in January 2022)
- Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)
- Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)
 - COVID-19 testing sites and laboratories, and acquisition of related equipment
 - COVID-19 vaccination sites
 - Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)

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- Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs
- Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- Public health data systems, including technology infrastructure
- Adaptations to congregate living facilities, including skilled nursing facilities, other long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- Affordable housing, supportive housing, or recovery housing development
- Food banks and other facilities primarily dedicated to addressing food insecurity
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- Childcare, daycare, and early learning facilities
- Job and workforce training centers
- Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)
- Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
- Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
- Schools and other educational facilities or equipment to address educational disparities

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- Technology and tools to effectively develop, execute, and evaluate government programs
 - Technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs
- For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)
- For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 30 and 31 [of the reporting and compliance guidance]

Appendix B: Capital Expenditure Written Justification

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed.** Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.
- **Explanation of why a capital expenditure is appropriate.** For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- **Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.** Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.

AGENDA ITEM 3D(8)

THIRD AMENDMENT AGREEMENT

WITH: Office of Management and Enterprise Services

PURPOSE: For the administrative services related to the American Rescue Plan Act Grant Funds designated by the Legislature for the Water/Sewer/Dam Programs grant funds for water and wastewater infrastructure projects.

AMOUNT: Amended amount not to exceed \$110,000,000.00

TERM: Through December 31, 2026

EXHIBIT E-2: THIRD AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD

This is a third Amendment (“Third Amendment”) to the amended Grant Agreement (“Amended Agreement”) bearing the date of last signature of February 27, 2023, and the second amendment (“Second Amendment”) bearing the date of last signature of December 13, 2023, between the Office of Management and Enterprise Services Grant Management Office (OMES) and the Oklahoma Water Resources Board (“Subrecipient”) and is effective as of **December 31, 2024**. The Amended Agreement signed on February 27, 2023, replaced a prior Grant Agreement signed between the OMES and Subrecipient bearing the date of last signature of August 31, 2022. The Agreement and any amendments thereto, are authorized by 62 O.S. § 255.1 for the purpose of managing ARPA funds as appropriated by the Oklahoma State Legislature, and likewise meet the requirements of 74 O.S. § 581 as well as the rules, regulations, and guidance issued by the U.S. Department of the Treasury regarding, *inter alia*, the obligating of funds through an interagency agreement. This Third Amendment shall be appended to the Amended Agreement as **Exhibit E-2** and supplements and amends the Amended Agreement and Second Amendment including all supplements thereto. Unless otherwise indicated herein, undefined capitalized terms used in this Third Amendment shall have the respective meanings specified in the Amended Agreement and Second Amendment. All other terms of the Amended Agreement and Second Amendment not modified by this Third Amendment, remain in full force and effect.

The parties agree to amend the Amended Agreement and Second Amendment as follows:

- I. A revised Funding Review Packet (FRP).

This Second Amendment incorporates herein the following new attachments to the Agreement:

- I. Attachment A-5: **Revised Funding Review Packet - Water/Sewer/Dam Grant Programs**



EXHIBIT E-2: THIRD AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD

SIGNATURES

Except as amended hereby, the Agreement and First Amendment remain in full force and effect. The undersigned represent and warrant they are authorized, as representatives of the Party on whose behalf they are signing, to bind their respective Party thereto, by signing this Third Amendment.

**OFFICE OF MANAGEMENT AND
ENTERPRISE SERVICES FOR THE
STATE OF OKLAHOMA**

**OKLAHOMA WATER RESOURCES
BOARD**

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date

ATTEST

BY: _____

Name and Title

(Seal)

THIS SPACE IS INTENTIONALLY LEFT BLANK.

APPROVAL SIGNATURES FOLLOW ON THE NEXT PAGE.



**EXHIBIT E-2: THIRD AMENDMENT
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES AND
OKLAHOMA WATER RESOURCES BOARD**

OMES

APPROVED AS TO FORM:

Elizabeth Base OMES Deputy General Counsel

Date

Parker Wise, Director of OMES Grants Management Office

Date



ATTACHMENT A-5

Revised Funding Review Packet

Water/Sewer/Dam Grant Programs



AMERICAN RESCUE PLAN ACT



State of Oklahoma

ARPA State & Local Fiscal Recovery Funds (SLFRF) Project Funding Review

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Summary

This Funding Review Template is sent to the Oklahoma ARPA project applicant prior to consideration by a Working Group of the Joint Committee on Pandemic Relief Funding. The Template includes the information collected through the project intake workflow and collects further information necessary for Working Group, Joint Committee, Steering Committee and Governor consideration and review.

SLFRF Resources

- Final Rule (FR) ([link](#))
- Overview of Final Rule ([link](#))
- Frequently Asked Questions ([link](#))
- Compliance and Reporting Guidance (February 22, 2022) ([link](#))

Project Overview

Project Name: Water/Sewer/Dam Grant Programs

Organization Name: *Oklahoma Water Resources Board*

Primary Contact

Name: Julie Cunningham

Email: julie.cunningham@owrb.ok.gov

Phone: 405-530-8800

Project Lawyer

Name: Sara Gibson

Email: sara.gibson@owrb.ok.gov

Phone: 405-530-8800

Project Cost: \$110,000,000

Project Cost Breakdown: The submitter must complete the template below. An incomplete project cost breakdown or a breakdown provided in a different format may result in delays in project review. The goal of the budget is to provide a clear and concise description of the expenses requested to support the activities in your application. A successful budget will show what each expense is, how much it costs, and the calculation used to get that amount.

Proposed Project Cost Breakdown		
Total Requested Amount	\$ 110,000,000	Total of all below sections

Subawards	\$ 110,000,000	Details
Small Community Water/Sewer Infrastructure Grant Program	\$ 55,000,000.00	Small community water/sewer grant program for communities with population ≤ 7,000 for up to \$500,000.
Mid to large Community Water/Sewer Infrastructure Grant Program	\$44,000,000.00	Mid to large community water/sewer grant program for communities with population > 7,000 for 50% of the project cost up to \$2,000,000.

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Small Community High Hazard Dam Rehab Grant Program	\$11,000,000	Small community High Hazard Dam Rehab program for communities with population ≤ 7,000 for up to \$1,000,000.
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Other funding identified by applicant (non-SLFRF, matching funds, SLFRF from other sources, private, etc.):

The request is to set up 3 programs for grants for water/sewer projects. 1) Small community water/sewer grant program, 2) Mid to large community water/sewer grant program and 3) Small community high hazard dam rehab program. The program for the mid to large community water/sewer grant program will require a 50% cost share from any sources identified by the recipient.

What goods or services will you need to complete this project?

There is a potential need for contracting out some of the oversight of the programs, but those costs would be included in the administration of the program. Examples for contracting out could include but not be limited to engineering construction oversight, reporting and ranking, or IT related expenses. However, we anticipate doing most of the oversight in house.

Have you identified competitive bidding procedures to be utilized to procure the necessary goods or services?

Yes, we are aware of the requirement of 2 CFR 200 for federal procurement requirements of the program.

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Project Timeline (all projects must expend funds before December 31, 2026) identifying anticipated start date, completion date, and any milestone date goals

The OWRB began approving projects under this agreement in February 2023 with the goal of completing approvals by June 2024. OWRB anticipates expending all funds by December 2026.

How many Oklahomans will benefit from this project?

In excess of 1,000,000

What is the potential return on investment for this project?

At a minimum 34.05% with a greater potential depending on local contribution.

Project Description to include impact of COVID-19, intended impact of project, and general description of services

The ARPA legislation expressly includes public water, wastewater, and stormwater control projects eligible under the federal Clean Water and Drinking Water State Revolving Funds, administered by all states through the Environmental Protection Agency. These projects will help Oklahoma address critical infrastructure and construction need, with a priority on Oklahoma's small and underserved communities, that lost critical revenues during covid and most critical needs to protect human and environmental health of our rivers, streams, and lakes (e.g. rehabilitation of water supply dams classified as high hazard-potential with poor or unsatisfactory condition assessment, filed with the OWRB, and high downstream risk in the case of a dam breach).

Implement and administer 3 grant programs as described below:

1. Small community water/sewer grant program
 - a. For communities with a population $\leq 7,000$
 - b. For rural water districts with $\leq 2,300$ non pasture taps
 - c. Maximum grant = \$500,000
 - d. Modeled after the Rural Economic Action Plan (REAP) Grant that has been successfully implemented by OWRB since 1996.
2. Small community high hazard dam rehabilitation program
 - a. For communities with a population $\leq 7,000$
 - b. Maximum grant = \$1,000,000
 - c. Modeled after FEMA's High Hazard Potential Dam grant program that has been successfully implemented by OWRB since 2019
3. Mid to large community water/sewer grant program

- a. For communities with a population > 7,000
- b. For rural water districts with > 2,300 non pasture taps
- c. Maximum grant = \$2,000,000 (or 50% of the project cost, whichever is less)
- d. Modeled after the Rural Economic Action Plan (REAP) Grant ranking structure to address affordability needs.

Reporting and Planning

Which Expenditure Category should this project be reported under? (See Appendix A) [Water/Sewer Infrastructure under the eligibilities in Appendix A 5.1-5.15](#)

JC

JC Initial here to confirm that you understand you will be a subrecipient and required to comply with federal compliance, reporting, and contract requirements, including the Uniform Guidance ([2 CFR Part 200](#)). Among other requirements of the Uniform Guidance, you are confirming that you have:

- A financial management system capable of separately tracking individual Federal programs, and providing accurate, current, and complete information
- Written procedures regarding compensation and benefits, procurement (including a conflict-of-interest policy), and allowability of costs
- Established and will maintain effective internal controls over each Federal award to provide reasonable assurance that such awards are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award

JC

JC Initial here to confirm understanding that subrecipients expending more than \$750,000 total in Federal funds during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.

Does your organization plan to expend \$750,000 or more in Federal funding in a single fiscal year when accounting for this request and any other federal awards you receive?

[Yes](#)

What are the performance indicators (inputs, outputs, and outcomes) that this project will track to capture impact?

[ODEQ discharge permit requirements, construction standards and permit to construct, tasks outlined in compliance orders, Safe Drinking Water Act and Clean Water Act compliance, dam condition and classification](#)

Please provide an outline/brief summary of your performance management plan. A complete performance management plan will be required after grant agreement execution. [OWRB has financial controls, technical expertise, and processes in place to administer federal programs, oversee construction, and audit projects. The board has approved 2,781 projects for nearly \\$8 billion, spanning over thirty years, with documented, longstanding AAA bond ratings on multiple issuances, and consistently clean annual](#)

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program audit reviews from independent auditors and EPA (available upon request). Project performance is ultimately measured by successful construction and regulatory approval. The OWRB will oversee, facilitate, and document information on project management, pre-construction approvals by various regulatory agencies, bidding and contracting, site inspections, invoice compliance review, financial controls and project close out. Grant agreements with awardees will also be in place to help ensure compliance with requirements.

Please provide an outline/brief summary of your community engagement or outreach plan. A complete community engagement/outreach plan will be required after grant agreement execution.

OWRB has a full-time marketing & outreach manager who will help the Board communicate directly with potential grant applicants and the general public to ensure transparency and broad information sharing regarding the use of these funds and the specific project ranking criteria in place to ensure fair project assessment and grant award. Use of platforms such as social media, GovDelivery, website updates, press releases and workshops will help us meet this goal. We would anticipate setting up an information and application page on the OWRB website which could be linked to a larger state ARPA site housed by the Legislature or Governor.

Please explain how non-English speaking constituents will be able to benefit from this program. Note that more documentation may be required around this after grant agreement execution.

OWRB has adopted a “Discrimination and Federal Funding Policy” to ensure that OWRB or any sub-recipient of funding must comply with civil rights laws and regulations. The policy can be found on OWRB’s website at <https://oklahoma.gov/content/dam/ok/en/owrb/documents/about-us/discriminationpolicy.pdf>

Capital Expenditure Requirements

Definitions: *Per the Uniform Guidance, the term “capital expenditures” means “expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.” Equipment with a useful life of more than one year and a per-unit acquisition cost greater or equal to \$5,000 is considered a capital expenditure.*

Does your project include a capital expenditure? If yes, is the total capital expenditure greater than \$1 million?

Yes; In some cases the expenditure may be more than \$1,000,000.

Do you or your team have prior experience in administering capital expenditure projects? If yes, briefly describe your years of experience. Please list details on project scope and size, as well as any relevant experience in handling capital expenditure projects.

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OWRB has been administering grant and loan programs with both state and federal funding since the 80's to address water/sewer infrastructure projects.

JC Initial here to confirm that you have reviewed and understand provisions of the US Treasury Final Rule regarding the use of State and Local Recovery Funds for capital expenditure, including the requirement to complete a written justification, including an alternatives analysis for capital expenditures of more than \$1 million in SLRF funds. See 87 Fed. Reg. 4450, Sec. 35.6(b)(3)(ii)(E)(4)(January 27, 2022) (summary: Appendix B)

JC Initial here to confirm that you agree to complete and meet the substantive requirements of a written justification for capital expenditure projects, where capital expenditures are greater than \$1million.

JC Initial here to confirm that you have read and understand fully the real property provisions, laid out under 2 CFR 200, specifically, 2 CFR 200.310 – 2 CFR 200.316 and 2 CFR 200.330.

JC Initial here to confirm that you have undertaken due diligence to ensure that the project will comply with all applicable federal and state laws, and including, but not limited to, environmental, siting and permitting laws and regulations.

JC Initial here to confirm you would be able to provide information regarding required programmatic data upon request (pg. 23-28, US Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance version 3.0)

Risk Assessment

JC Initial here to confirm your understanding that 2 CFR Part 200.206 requires the State to perform a risk assessment of applicants focusing on items such as financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

JC Initial here to confirm your understanding that 2 CFR Part 200.206 requires any subrecipient that subgrants State and Local Recovery Funds provided by the State of Oklahoma for this project to its own subrecipients to perform a risk assessment of those potential subrecipients for financial stability, management systems and standards, history of performance, audit reports and findings, and ability to implement programs.

Will you be administering the project? If so, describe your prior experience administering federal or state grants. How many years of experience do you have? If not, who will be administering and what is their prior experience?

Yes, Over 30 years experience administering State Revolving Funds capitalization grant, STAG Grant Program and American Recovery & Reinvestment Act funding (2009) to subsidize water/sewer loan programs; Over 25 years experience administering the Rural Economic Action Plan (REAP) program for water/sewer infrastructure, Emergency Grant, and various drought assistance grants.

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What administrative costs do you expect to incur from the funds requested? (Expressed as a percentage or an amount). Does your organization have a Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal agency?

Yes, OWRB has a [Negotiated Indirect Cost Agreement with EPA](#).

Have you successfully completed a similar project in the past?

If yes, how many years of experience do you have in completing projects similar in scope and size?

Yes, [over 30 years experience](#)

Has your organization or entity been administratively responsible for expending, monitoring and compliance reporting for other pandemic relief funds?

If yes, how much funding was received by your organization or entity?

Yes, [\\$67,431.14 was our reimbursement for Covid-19 related expenditures](#).

Does your organization receive other Federal Funding?

If yes, please describe the type of funding (i.e., federal agency grant source, specific grant description etc.). How many years of experience does your organization have with other Federal funding and the corresponding federal grant requirements, including the Uniform Guidance.

Yes; [See above. OWRB has received the EPA CWSRF capitalization grant since it was established over 30 years, the EPA Sewer Overflow and Stormwater Reuse Municipal Grant \(our first year\), the FEMA High Hazard Potential Dam Grant since it was established in 2019.](#)

Is your proposal a pre-existing project or program?

If yes, how much funding has already been committed to the project? Please describe any other assets that have been committed to the project.

No

Does your organization have a record retention policy, procedure, and/or system to comply with the federal requirement to retain records for 5 years? If yes, please describe.

If no, how do you plan to develop a record retention policy, procedure, and/or system?

Yes, [The State's Consolidated General Records Disposition Schedule requires agencies, boards, commissions, and institutions whose programs are funded all or in part by federal funds shall retain all records in accordance with applicable records keeping requirements. OWRB has an electronic filing database where records are maintained indefinitely.](#)

Is your organization registered in SAM.gov? If yes, please provide the DUNS and unique entity identifier (UEI). Please note that registration in SAM.gov is required prior to the execution of the grant agreement.

Yes, [DUNS 0056213700000; UEI: E5KGD1NYA1S5](#)

Monitoring & Internal Controls

Has your organization ever been subject to an audit or state or federal monitoring in the last three years? If yes, describe and provide reports.

Yes, the OWRB's CWSRF, DWSRF and FAP loan programs and administrative accounts undergo annual audits, including a single audit. Also, the SRF programs undergo an annual evaluation of the programs by EPA. The audits are contained on our website at <https://oklahoma.gov/owrb/financing/financial-documents-and-investor-relations.html>

Describe all of the internal controls that will be used to ensure use of funds is consistent with State and Local Fiscal Recovery Funds regulations. (e.g., written policies and procedures, standard of conduct, etc.)

OWRB will develop Standard Operating Procedures (SOP's) and a grant recipient packet to ensure the recipient complies with the regulations of SLFR.

Does your organization utilize a financial management system? Would that same system be used to monitor/ track/ report projects financial compliance? If yes, please describe your accounting software and financial management system.

Yes, Our accounting software is a proprietary system, Infrastructure Financing Software (IFS), and has the capability to assign unique identifiers, track and account for different sources of funding, and create reports on the project level or funding source level.

Will this project distribute sub-grants or funds to beneficiaries (households, individuals, small businesses, non-profits, etc.)? If you plan to distribute these funds, what internal controls will be in place for eligibility determination to ensure funds are distributed in compliance with the U.S. Treasury Final Rule guidelines?

Yes, eligible recipients are public entities as defined in Title 82 of Oklahoma State Statute and project eligibilities are generally defined for water/sewer projects as those projects that are eligible for funding under the CWSRF and DWSRF program. OWRB administers the CWSRF program and co-administers the DWSRF program with ODEQ and has process in place to determine eligibility.

Please provide the job titles and years of experience for individuals who would be responsible for monitoring compliance.

Lori Johnson, Chief of Financial Assistance Division, 12 years experience

Yohanes Sugeng, Chief of Engineering and Planning Division, 16 years experience

Jerri Hargis, Assistant Chief of Financial Assistance Division, approx. 8 years experience

Laura Oak, Accountant, 25+ years experience

Kretchen Olmeda, Project and Operations Manager, 3+ years experience

Other Project Questionnaire Information

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Water/Sewer/Dam Grant Programs

In which county is your organization headquartered?

Oklahoma

In 100 words or less, please describe any evidence or sources that validate the interventions proposed in your project or program.

OWRB has a long history of administering grants and loans for water/sewer infrastructure projects. Small communities and rural water districts are generally not fiscally able to borrow funds for infrastructure and are in need of grant assistance. However, mid to large sized communities are also generally not considered for grant funding but often have huge needs that impact a large portion of the population. Water and Sewer infrastructure and Dams are critical infrastructure for public and environmental health and safety.

Describe communities or vulnerable populations, including those that have been disproportionately impacted, that will benefit from this project. Include details on how this community was impacted by the pandemic. A complete analysis of disproportionately impacted populations will be required after grant agreement execution.

Within the 3 programs, as described, communities within any population would be eligible with a stronger emphasis on smaller communities. Access to safe and clean water and water storage is essential to Oklahomans in every community but often the most vulnerable populations are the ones in the smallest communities across the state with limited access to funding for critical capital improvements. However, the larger communities also serve vulnerable populations and disadvantaged areas within their communities. Therefore, OWRB has requested funding to address those communities as well with a cost-sharing requirement because they are generally in a better position to secure other funding. Furthermore, the effects of the pandemic, including financial capacity to rehabilitate or expand aging infrastructure due to the loss of sales tax revenue from business closures and increased costs of materials and construction.

Which counties would be most impacted by this project or program?

Available to all 77 counties

Will this project support qualified census tracts?

No

If so, please identify which qualified census tracts will be impacted.

Enter Answer to the Above Question Here

Are matching funds or co-investment available from other organizations (philanthropic, local governments, other) that are interested in this project?

Yes. Local matching/co-investment of 50% will be required for projects with population greater than 7,000 or rural water districts with greater than 2,300 non-pasture taps.

In 50 words or less, tell us which organizations have agreed to match or co-invest funds or have promised in-kind work and tell us what kind of organization they represent (business interest, non-profit, municipal agency, state agency, individual, etc.)

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In total, how many dollars have outside organizations financially committed to this project? Alternatively, describe any other assets that have been committed to the project or program.

See above. The funding for applicants with population over 7,000 or rural water districts with greater than 2,300 non-pasture taps will require a 50/50 cost share. The sources of this cost share can be from local, county, Tribal, or other funds at the discretion of the local community.

After initial funding from the state, would this project be able to continue operation, or would ongoing investment be required?

This proposal is set up as a one-time grant program (possibly two-times if the 2nd tranche is awarded). Projects funded would be standalone projects, completed within the 2026 deadline.

If not able to continue operations without additional State general fund appropriations, describe the amount of additional funding, the period of time such additional state funding would be required and potential alternative sources for the additional funding.

Water and Sewer rehabilitation is an ongoing critical need in Oklahoma to adequately operate and maintain the infrastructure. Communities can access other funding opportunities once these funds have been expended.

Will this project bring revenue to the state or impacted communities?

Yes

If yes, how much revenue may be generated by this project annually, over the next five years?

According to "The Value of Water" report by American Society of Civil Engineers, there is a \$34.90 benefit for every \$1 investment. You can find the report here [http://www.uswateralliance.org/sites/uswateralliance.org/files/publications/VOW%20Economic%20Paper 0.pdf](http://www.uswateralliance.org/sites/uswateralliance.org/files/publications/VOW%20Economic%20Paper%200.pdf).

Appendix A: Expenditure Categories

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions

^Denotes areas where recipients must report on whether projects are primarily serving disproportionately impacted communities.

Additional programmatic data and justifications required for projects in Public Health and Negative Economic Impact categories (EC 1.1-3.5) and projects with Capital Expenditures. See details below table 7.

Table 1: Public Health

Section	Public Health	
	COVID-19 Mitigation & Prevention	
1.1	COVID-19 Vaccination ^	
1.2	COVID-19 Testing ^	
1.3	COVID-19 Contact Tracing^	
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)*^	
1.5	Personal Protective Equipment^	
1.6	Medical Expenses (including Alternative Care Facilities)^	
1.7	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^	
1.8	COVID-19 Assistance to Small Businesses^	➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)

Section	Public Health	
1.9	COVID 19 Assistance to Non-Profits [^]	<ul style="list-style-type: none"> ➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
1.10	COVID-19 Aid to Impacted Industries [^]	<ul style="list-style-type: none"> ➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry ➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Community Violence Interventions		
1.11	Community Violence Interventions ^{*^}	
Behavioral Health		
1.12	Mental Health Services ^{*^}	
1.13	Substance Use Services ^{*^}	
Other		
1.14	Other Public Health Services [^]	

Table 2: Negative Economic Impacts

Section	Negative Economic Impact	
	Assistance to Households	
2.1	Household Assistance: Food Programs*^	➤ Number of households served (by program if recipient establishes multiple separate household assistance programs)
2.2	Household Assistance: Rent, Mortgage, and Utility Aid*^	
2.3	Household Assistance: Cash Transfers*^	
2.4	Household Assistance: Internet Access Programs*^	
2.5	Household Assistance: Paid Sick and Medical Leave^	
2.6	Household Assistance: Health Insurance*^	
2.7	Household Assistance: Services for Un/Unbanked*^	
2.8	Household Assistance: Survivor's Benefits^	
2.9	Unemployment Benefits or Cash Assistance to Unemployed Workers*^	
2.10	Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^	
2.11	Healthy Childhood Environments: Child Care*^	
2.12	Healthy Childhood Environments: Home Visiting*^	

Section	Negative Economic Impact	
2.13	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System*^	
2.14	Healthy Childhood Environments: Early Learning*^	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.15	Long-term Housing Security: Affordable Housing*^	
2.16	Long-term Housing Security: Services for Unhoused Persons*^	
2.17	Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities*^	
2.18	Housing Support: Other Housing Assistance*^	
2.19	Social Determinants of Health: Community Health Workers or Benefits Navigators*^	
2.20	Social Determinants of Health: Lead Remediation*^	
2.21	Medical Facilities for Disproportionately Impacted Communities^	

Section	Negative Economic Impact	
2.22	Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^	
2.23	Strong Healthy Communities: Demolition and Rehabilitation of Properties^	
2.24	Addressing Educational Disparities: Aid to High-Poverty Districts^	<ul style="list-style-type: none"> ➤ The National Center for Education Statistics (“NCES”) School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.
2.25	Addressing Educational Disparities: Academic, Social, and Emotional Services*^	
2.26	Addressing Educational Disparities: Mental Health Services*^	
2.27	Addressing Impacts of Lost Instructional Time^	
2.28	Contributions to UI Trust Funds^	
Assistance to Small Businesses		
2.29	Loans or Grants to Mitigate Financial Hardship^	<ul style="list-style-type: none"> ➤ Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
2.30	Technical Assistance, Counseling, or Business Planning*^	
2.31	Rehabilitation of Commercial Properties or Other Improvements^	
2.32	Business Incubators and Start-Up or Expansion Assistance*^	
2.33	Enhanced Support to Microbusinesses*^	
Assistance to Non-Profits		

Section	Negative Economic Impact	
2.34	Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)^	➤ Number of Non-Profits served (by program if recipient establishes multiple separate non-profit assistance programs)
Aid to Impacted Industries		
2.35	Aid to Tourism, Travel, or Hospitality^	➤ If aid is provided to industries other than travel, tourism, and hospitality (EC 2.36), describe if the industry experienced at least 8 percent employment loss from pre-pandemic levels, or the industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, and rationale for providing aide to the industry
2.36	Aid to Other Impacted Industries^	➤ For each subaward: <ul style="list-style-type: none"> ○ Sector of employer (Note: additional detail, including list of sectors, to be provided in the user guide posted to www.treasury.gov/SLFRP) ○ Purpose of funds (e.g., payroll support, safety measure implementation)
Other		
2.37	Economic Impact Assistance: Other*^	

Table 3: Services to Disproportionately Impacted Communities

Section	Public Sector Capacity	
	General Provisions	
3.1	Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers	➤ Number of government FTEs responding to COVID-19 supported under this authority
3.2	Public Sector Workforce: Rehiring Public Sector Staff	➤ Number of FTEs rehired by governments under this authority
3.3	Public Sector Workforce: Other	
3.4	Public Sector Capacity: Effective Service Delivery	
3.5	Public Sector Capacity: Administrative Needs	

Table 4: Premium Pay

Section	Premium Pay	
4.1	Public Sector Employees	<ul style="list-style-type: none"> ➤ List of sectors designated as critical to protecting the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the final rule ➤ Number of workers to be served ➤ Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) ➤ For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, other than those where the eligible worker receiving premium pay is earning (with the premium pay included) below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics Occupational Employment and Wage Statistics, whichever is higher, on an annual basis; OR the eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions ➤ Number of workers to be served with premium pay in K-12 schools
4.2	Private Sector: Grants to Other Employers	

Table 5: Infrastructure

Section	Infrastructure	
	Water and Sewer	
5.1	Clean Water: Centralized Wastewater Treatment	➤ See Final Rule and reporting guidance for details
5.2	Clean Water: Centralized Wastewater Collection and Conveyance	
5.3	Clean Water: Decentralized Wastewater	
5.4	Clean Water: Combined Sewer Overflows	
5.5	Clean Water: Other Sewer Infrastructure	
5.6	Clean Water: Stormwater	
5.7	Clean Water: Energy Conservation	
5.8	Clean Water: Water Conservation	
5.9	Clean Water: Nonpoint Source	
5.10	Drinking water: Treatment	
5.11	Drinking water: Transmission & Distribution	
5.12	Drinking water: Lead Remediation, including in Schools and Daycares	
5.13	Drinking water: Source	
5.14	Drinking water: Storage	
5.15	Drinking water: Other water infrastructure	
5.16	Water and Sewer: Private Wells	

Section	Infrastructure	
5.17	Water and Sewer: IIJA Bureau of Reclamation Match	
5.18	Water and Sewer: Other	
Broadband		
5.19	Broadband: “Last Mile” projects	➤ See Final Rule and reporting guidance for details
5.20	Broadband: IIJA Match	
5.21	Broadband: Other projects	

Table 6: Revenue Replacement

Section	Revenue Replacement	
6.1	Provision of Government Services	
6.2	Non-federal Match for Other Federal Programs	

Table 7: Administrative

Section	Administrative	
7.1	Administrative Expenses	
7.2	Transfers to Other Units of Government	

Additional Required Programmatic Data

Public Health and Negative Economic Impact (EC 1.1-3.5)

Collection to begin in April 2022

- Brief description of structure and objectives of assistance program(s), including public health or negative economic impact experienced
- Brief description of how a recipient’s response is related and reasonably and proportional to a public health or negative economic impact of COVID-19.18

Capital Expenditures (EC 1.1-3.5)

Collection began in January 2022, with additional optional fields to begin in April 2022; optional fields will become required in July 2022

- Does this project include a capital expenditure? (Collection began in January 2022)
- Total expected capital expenditure, including pre-development costs, if applicable (Collection began in January 2022)
- Type of Capital expenditure, based on the following enumerated uses (This field is optional in April 2022; required in July 2022)
 - COVID-19 testing sites and laboratories, and acquisition of related equipment
 - COVID-19 vaccination sites
 - Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., emergency rooms, intensive care units, telemedicine capabilities for COVID-19 related treatment)
 - Temporary medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs

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- Acquisition of equipment for COVID-19 prevention and treatment, including ventilators, ambulances, and other medical or emergency services equipment
- Emergency operations centers and acquisition of emergency response equipment (e.g., emergency response radio systems)
- Installation and improvement of ventilation systems in congregate settings, health facilities, or other public facilities
- Public health data systems, including technology infrastructure
- Adaptations to congregate living facilities, including skilled nursing facilities, other long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities, as well as public facilities and schools (excluding construction of new facilities for the purpose of mitigating spread of COVID-19 in the facility)
- Mitigation measures in small businesses, nonprofits, and impacted industries (e.g., developing outdoor spaces)
- Behavioral health facilities and equipment (e.g., inpatient or outpatient mental health or substance use treatment facilities, crisis centers, diversion centers)
- Technology and equipment to allow law enforcement to efficiently and effectively respond to the rise in gun violence resulting from the pandemic
- Affordable housing, supportive housing, or recovery housing development
- Food banks and other facilities primarily dedicated to addressing food insecurity
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)
- Devices and equipment that assist households in accessing the internet (e.g., tablets, computers, or routers)
- Childcare, daycare, and early learning facilities
- Job and workforce training centers
- Improvements to existing facilities to remediate lead contaminants (e.g., removal of lead paint)
- Medical equipment and facilities designed to address disparities in public health outcomes (includes primary care clinics, hospitals, or integrations of health services into other settings)
- Parks, green spaces, recreational facilities, sidewalks, pedestrian safety features like crosswalks, streetlights, neighborhood cleanup, and other projects to revitalize public spaces
- Rehabilitations, renovation, remediation, cleanup, or conversions of vacant or abandoned properties
- Schools and other educational facilities or equipment to address educational disparities
- Technology and tools to effectively develop, execute, and evaluate government programs
- Technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, improvements to case management systems or data sharing resources), reduce government backlogs, or meet increased maintenance needs

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- For recipients (other than Tribal governments) investing in projects with total expected capital expenditures for an enumerated eligible use of \$10 million or more, as well as projects with total expected capital expenditures for an “other” use of \$1 million or more, please provide a written justification (This field is optional in April 2022; required in July 2022) (See Appendix B)
- For projects with total expected capital expenditures of over \$10 million, provide labor reporting as outlined for infrastructure projects on pages 26 and 27 [of the reporting and compliance guidance] (This field is optional in April 2022; required in July 2022)

Appendix B: Capital Expenditure Written Justification

For projects expending greater than or equal to \$1 million for capital expenditures, Treasury requires a written justification for the capital expenditure:

- **Description of the harm or need to be addressed.** Provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipient may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.
- **Explanation of why a capital expenditure is appropriate.** For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- **Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.** Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.

Signature: Julie Cunningham
Julie Cunningham (Oct 13, 2023 17:46 CDT)

Email: julie.cunningham@owrb.ok.gov






ARPA YY002306 Water Sewer Dam FRP-Updated to include HB2942-final

Final Audit Report

2023-10-13

Created:	2023-10-13
By:	Lori Johnson (lori.johnson@owrb.ok.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAOTH0q16T2Q6mjGNQcaL09YS6_1tsNrbT

"ARPA YY002306 Water Sewer Dam FRP-Updated to include H B2942-final" History

-  Document created by Lori Johnson (lori.johnson@owrb.ok.gov)
2023-10-13 - 10:07:16 PM GMT- IP address: 165.225.216.110
-  Document emailed to Julie Cunningham (julie.cunningham@owrb.ok.gov) for signature
2023-10-13 - 10:09:36 PM GMT
-  Email viewed by Julie Cunningham (julie.cunningham@owrb.ok.gov)
2023-10-13 - 10:45:53 PM GMT- IP address: 104.47.65.254
-  Document e-signed by Julie Cunningham (julie.cunningham@owrb.ok.gov)
Signature Date: 2023-10-13 - 10:46:42 PM GMT - Time Source: server- IP address: 165.225.216.79
-  Agreement completed.
2023-10-13 - 10:46:42 PM GMT

3. SUMMARY DISPOSITION AGENDA ITEMS

WATER RIGHTS ADMINISTRATION DIVISION

January 21, 2025

WATER RIGHTS ADMINISTRATION DIVISION
Applications for Temporary Permits to Use Groundwater

January 21, 2025

APP. NO. & DATE FILED	NAME OF APPLICANT	NUMBER OF WELLS	COUNTY & BASIN	LAND DEDICATED	PURPOSE & AMOUNT RECOMMENDED
2023-612 8/22/2023	Dantz Hall and Summer Hall	2	Jackson County, Blaine	160 acres Section 10, T2N, R23WIM	Irrigation 320 a.f.
2023-647 10/5/2023	Rickie and Lary Moua	1	Delaware County, Boone/Roubidoux	29.4 acres Section 5, T21N, R24EIM	Agriculture 58.8 a.f.
2024-579 4/22/2024	Mechelle A. Allen, LLC	1	Caddo County, Rush Springs Sandstone	150.89 acres Section 6, T10N, R11WIM	Irrigation 301.78 a.f.
2024-597 6/11/2024	Graydon Tyler Bottom	1	Washita County, Rush Springs Sandstone	160 acres Section 28, T8N, R14WIM	Irrigation 320 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Applications to Amend Temporary Permits to Use Groundwater

January 21, 2025

APP. NO. & DATE FILED	NAME OF APPLICANT	NUMBER OF WELLS	COUNTY & BASIN	LAND DEDICATED	PURPOSE & AMOUNT RECOMMENDED
2023-579 6/14/2024	Weston and Carly Kay	4	Harmon County, Red River Alluvium and Terrace	392 acres Section 19, T4N, R25WIM	Irrigation 784 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Applications for Regular Permits to Use Groundwater

January 21, 2025

APP. NO. & DATE FILED	NAME OF APPLICANT	NUMBER OF WELLS	COUNTY & BASIN	LAND DEDICATED	PURPOSE & AMOUNT RECOMMENDED
2023-659 10/26/2023	Daniel W. and Janet Sue Sherry	5	Canadian County, North Canadian River Alluvium and Terrace Phase 2	160 acres Section 5, T12N, R6WIM	Irrigation 160 a.f.
2024-629 8/30/2024	4 Double J, LLC	2	Custer County, Washita River Alluvium and Terrace Reach 1	304.42 acres Section 1, T12N, R19WIM	Irrigation 320 a.f.
2024-642 9/18/2024	Cole Dalton File and Chelsea Lyn File	1	Ellis County, Ogallala Northwest	160 acres Section 11, T21N, R23WIM	Irrigation 224 a.f.
2024-650 10/10/2024	Trae James Watson	1	Beaver County, Ogallala Panhandle	160 acres Section 15, T5N, R21ECM	Irrigation 320 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Applications to Amend Regular Permits to Use Groundwater

January 21, 2025

APP. NO. & DATE FILED	NAME OF APPLICANT	NUMBER OF WELLS	COUNTY & BASIN	LAND DEDICATED	PURPOSE & AMOUNT RECOMMENDED
1980-506 3/18/2024	Celebrity Feeders, LLC	8	Cimarron County, Ogallala Panhandle	1,409.61 acres Sections 25, 35, 36, T2N, R3ECM	Irrigation 2,819.22 a.f.
1985-656 3/15/2024	Marietta Public Works Authority	2	Love County, Antlers	58.9 acres Sections 17, 29, T7S, R2EIM	Municipal 100 a.f.
2001-564D 2/27/2024	Brennan J. Hendershot	13	Beckham County, North Fork of the Red River	658.64 acres Sections 4, 10, T8N, R23WIM	Irrigation 658.64 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Applications for Term/Seasonal Permits to Use Stream Water

January 21, 2025

APP. NO. & DATE FILED	NAME OF APPLICANT	POINTS OF DIVERSION	COUNTY & STREAM SYSTEM	PURPOSE & AMOUNT RECOMMENDED
2022-028 11/21/2022	Freedom Rock Ranch, LLC	Two points of diversions on Buck Lake in Section 30, T2N, R13EIM	Atoka County SS 1-4-1	Mining 260 a.f.

3.K.

WATER RIGHTS ADMINISTRATION DIVISION
Applications for Regular Permits to Use Stream Water

January 21, 2025

APP. NO. & DATE FILED	NAME OF APPLICANT	POINTS OF DIVERSION	COUNTY & STREAM SYSTEM	PURPOSE & AMOUNT RECOMMENDED
2024-010 5/24/2024	Ronnie Harrell	One point of diversion on Washita River in Section 12, T4N, R4WIM	Garvin County SS 1-8-2	Commercial sale for oil and gas and irrigation 2,676 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Applications to Amend Regular Permits to Use Stream Water

January 21, 2025

APP. NO. & DATE FILED	NAME OF APPLICANT	POINTS OF DIVERSION	COUNTY & STREAM SYSTEM	PURPOSE & AMOUNT RECOMMENDED
1977-165 9/12/2024	Oklahoma Tourism and Recreation Department	One point of diversion on Lake Murray, tributary to Hickory Creek in Section 15, T6S, R2EIM then One point of diversion on Lake Murray, tributary to Hickory Creek in Section 34, T5S, R2EIM	Love County, Carter County SS 1-8-2	Industrial, municipal, fish and wildlife, commercial and recreation 12,620 a.f.
1993-034 10/31/2022	City of Ponca City	One point of diversion on Kaw Reservoir on the Arkansas River in Section, 25, T26N, R3EIM	Kay County SS 2-12	Municipal 14,031 a.f.

**WATER RIGHTS ADMINISTRATION DIVISION
Well Driller and Pump Installer Licensing**

January 21, 2025

DPC NUMBER	NAME OF FIRM	CERTIFIED ACTIVITIES	OPERATORS
New Licenses, Accompanying Operator Certificates and Activities:			
DPC-1121	Hilburn Drilling & Pump Service	Monitoring Wells	Evan Hilburn OP-2566
DPC-1123	A.L. Moser Drilling, LLC	Pump Installation	Lesley Westbroc OP-2567
New Operators, License Name Change, and/or Activities for Existing Licenses:			
DPC-1040	Vanguard Well Resources	Pump Installation	Jacob Friessen OP-2526
DPC-0900	Rippetoe Farms	Pump Installation and groundwater wells	Glen Tigner OP-2568
DPC-0900	Rippetoe Farms	Heat Exchange	Tyler VanMeter OP-2569
DPC-1123	A.L. Moser Drilling, LLC	Pump Installation	Collin Westbroc OP-2570

**WATER RIGHTS ADMINISTRATION DIVISION
Proposed Default Order**

January 21, 2025

BEFORE THE OKLAHOMA WATER RESOURCES BOARD STATE OF
OKLAHOMA

IN THE MATTER of Roger Fine)
Dba Peggs Well and Pump Service) DPC No. UNLICENSED

PROPOSED
DEFAULT ORDER

ON THE 18th day of September 2024, at approximately 9:35 a.m., after allowing additional time for the named Respondent or his representative(s) to attend, the above numbered and entitled cause (scheduled for 9:30 a.m.) came on for hearing in the Second Floor Board Room at the office of the Oklahoma Water Resources Board, 3800 North Classen Boulevard, Oklahoma City, Oklahoma.

The State of Oklahoma, ex rel. Oklahoma Water Resources Board (“OWRB”), was represented by Assistant General Counsel, Andrew Price, and **the Respondent**, Roger Fine dba Peggs Well and Pump Service (“Respondent”), **did not appear in person, by representative or by legal counsel**, after such Respondent was **mailed** the Notice of Violation, Assessment of Penalty, and Hearing by the OWRB herein on **July 29, 2024**, pursuant to the requirements of Article II of the Administrative Procedures Act (the “APA”), 75 O.S. §§ 308a-323 and 12 O.S. § 2004(2), by certified mail restricted delivery return receipt requested, to the address that the Respondent was previously served with the Cease and Desist Illegal Activity and Notice of Penalty, PO Box 73 Peggs, Oklahoma 74452. The Notice of Violation, Assessment of Penalty, and Hearing was returned to sender refused unable to forward, as shown by the retuned envelopes with certified mail receipts, **herein as Exhibit No. 2**.

In the absence of the Respondent, who had an opportunity for a hearing and for whom the OWRB has good service, a judgment by default pursuant to 75 O.S. §309(E) and OAC 785:4-7-3(d) can be entered without further notice to the Respondent.

The following OWRB exhibits were admitted into evidence: Exhibit No. 1, Cease and Desist Illegal Activity and Notice of Penalty dated December 14, 2023, and Exhibit No. 2, Notice of Violation, Assessment of Penalty, and Hearing and retuned envelopes with certified mail receipts.

The Hearing Officer announced that the recommendation to the Board in this matter would be a default judgment in accordance with OAC 785:4-7-3(d), which states “If a respondent party fails to appear without good cause shown, the allegations set forth in the Board’s notice and supplemental statement thereto, if any, shall be deemed confessed, and the Hearing Examiner may recommend a default order based thereon to the Board without further notice to such defaulting respondent.”

The recommendation in this matter as stated in the Notice of Violation, Assessment of Penalty, and Hearing is that an order be issued finding that the Respondent has violated 82 O.S. §1020.16(A) and OAC 785:35-1-3 by failing to make application to the Board and obtaining a license before engaging in commercial drilling and/or installation of groundwater well pumps, and requiring that the Respondent immediately cease and desist commercial installation and/or repair of groundwater well pumps, to apply for and become licensed by the Board to install and/or repair groundwater well pumps prior to performing any such activity and pay an administrative penalty of One Thousand Dollars (\$1,000.00) as authorized by 82 O.S. § 1020.22.

JURISDICTION AND AUTHORITY

The OWRB has jurisdiction and authority pursuant to the Oklahoma Groundwater Law, 82 O.S. §§ 1020.1 *et seq.*, the APA, 75 O.S. §§ 250 *et seq.*, and the rules of the OWRB Oklahoma Administrative Code (“OAC”) Title 785. More specifically, the Board is authorized to implement the following statutes and regulations:

1. Section 1020.16(A) of Title 82 of the Oklahoma Statutes requires that all persons engaged in commercial installation and repair of groundwater well pumps in this state shall make an application for and become licensed with the Board. The application is to be made on a form provided by the Board and pursuant to the rules and regulation established by the Board. OAC 785:35-3-1(a).
2. The Board may prepare examinations and establish other requirements for applicants to obtain, maintain, and renew licenses and operator certifications. 82 O.S. § 1020.16(B); and OAC 785:35-3-1(b).
3. Any person who violates, refuses, or neglects to comply with 82 O.S. §§ 1020.1 through 1020.21 shall be subject to administrative penalties issued by the Board. Said penalties shall not exceed Five Thousand Dollars (\$5,000.00) per day for each violation and each day such violation continues shall constitute a separate violation. Such administrative penalties shall be imposed only after notice and opportunity for hearing on the proposed imposition of such penalties, pursuant to 82 O.S. § 1020.22(A).
4. In addition to administrative penalties, any person who after notice from the Board, continues to violate, refuse, or neglect to comply with 82 O.S. § 1020.16, shall be guilty of a misdemeanor, and upon conviction shall be fined not less than Twenty-five

Dollars (\$25.00) nor more than One Thousand Dollars (\$1,000.00) for each offense. Any person who, after notice that he or she is in violation thereof continues to violate any provision of Sections 1020.1 through 1020.21 of Title 82 and fails to comply therewith within a reasonable length of time, is guilty of a separate offense for each day the violation continues. 82 O.S. § 1020.22(B).

FINDINGS OF FACT

The following facts were deemed confessed by Respondent through default and proven through documentary exhibits offered or officially noticed during the hearing, the Board hereby makes the following findings of fact:

1. The Respondent failed to appear in person or through an attorney at the hearing on September 18, 2024, at the scheduled time of 9:30 a.m. or later that same morning when its case was heard at approximately 9:35 a.m., the Respondent having been mailed notice of the hearing in this matter set for September 18, 2024, at 9:30 a.m., by certified mail restricted delivery return receipt requested, to the address that the Respondent was previously served at with the Cease and Desist Illegal Activity and Notice of Penalty, PO Box 73 Peggs, Oklahoma 74452. The Notice of Violation, Assessment of Penalty, and Hearing was returned to sender refused unable to forward, as shown by the returned envelopes with certified mail receipts. *See Exhibit No. 2.*

2. On December 14, 2023, Chief of the Water Right Administration Division, Chris Neal, issued a Cease and Desist Illegal Activity and Notice of Penalty letter requiring the Respondent pay an administrative penalty in the amount of One Thousand Dollars (\$1,000.00) by January 20, 2024, and to cease and desist from drilling wells or installing water well pumps. The Cease and Desist Illegal Activity and Notice of Penalty was served on the Respondent by certified mail restricted delivery return receipt requested on December 20, 2023. *See Exhibit No. 1.* Respondent failed to respond to the letter or comply with the requests in the letter.

3. Board records show that Roger Fine, dba Peggs Well and Pump Service has never applied for or obtained a license from the Board to perform commercial installation of groundwater well pumps. On March 12, 2023, Board staff received information along with photographic evidence indicating that Mr. Fine was installing groundwater well pumps at 8858 South Highway 82 in Locus Grove, Oklahoma. During subsequent phone conversations with Board staff, including a phone call on December 20, 2023, Mr. Fine, admitted to commercially installing groundwater well pumps and agreed to apply to the Board for license. Board staff informed Mr. Fine that he must cease and desist commercial installation of groundwater well pumps until he obtained a license. Currently, Mr. Fine has not applied for a license or paid the administrative penalty issued.

CONCLUSIONS OF LAW

Based upon applicable law, the Board draws the following Conclusions of Law through the Respondent's default and based upon the evidence that:

1. The proceedings in this matter were conducted in accordance with the provisions of the Oklahoma Groundwater Law, 82 O.S. §§ 1020.1 et seq., the APA, 75 O.S. §§ 250 et seq., and the rules of the OWRB OAC Title 785.
2. The Notice of Violation, Assessment of Penalty, and Hearing gave a date, time, and location for the administrative hearing and explained the nature of the administrative hearing and the issues that would be presented in accordance with 75 O.S. § 309.
3. Notice of the Hearing was sufficiently delivered by certified mail restricted delivery return receipt requested that was refused by the Respondent and copies of the returned envelopes showing refusal are a part of the record.
4. The OWRB has jurisdiction and authority pursuant to the Oklahoma Groundwater Law, 82 O.S. §§ 1020.1 et seq. and the rules of the OWRB OAC Title 785.
5. The allegations set forth in the Board's Notice of Violation, Assessment of Penalty, and Hearing are deemed confessed, pursuant to OAC 785:4-7-3(d).
6. The Respondent has violated 82 O.S. § 1020.16(A) and OAC 785:35-1-3 by failing to make application to the Board and obtaining a license before engaging in commercial drilling and/or installation of groundwater well pumps.

CONCLUSION

The Board hereby orders that the Respondent immediately cease and desist commercial installation and/or repair of groundwater well pumps, apply for and become licensed by the Board to install and/or repair groundwater well pumps prior to performing any such activity and pay an administrative penalty of One Thousand Dollars (\$1,000.00).

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Respondent has violated 82 O.S. § 1020.16(A) and OAC 785:35-1-3 by failing to make application to the Board and obtaining a license before engaging in commercial drilling and/or installation of groundwater well pumps by clear and convincing evidence.

IT IS FURTHER ORDERED that the Respondent shall immediately cease and desist taking water from a completed well without permit.

IT IS FURTHER ORDERED that the Respondent shall apply for and become licensed by the Board to install and/or repair groundwater well pumps prior to performing any such activity.

IT IS FURTHER ORDERED that the Respondent shall pay an administrative penalty of One Thousand Dollars (\$1,000.00) as assessed in the Notice of Violation.

IT IS SO ORDERED by the Oklahoma Water Resources Board in regular and open meeting this ____ day of _____, 2025.

OKLAHOMA WATER RESOURCES BOARD

Jennifer Castillo, Chairman

ATTEST:

January 2025 Dam Safety Board Items

A. Consideration of and Possible Action on Dam and Reservoir Construction:

1. Lightning Creek Holding Pond A (OK11070)

NID. NO. & COUNTY	NAME OF APPLICANT & NAME OF PROJECT	PLANS & SPECS PREPARED BY	HAZARD CLASSIFICATION	LEGAL DESCRIPTION
OK11070	City of Oklahoma City	City of Oklahoma City	High	Sec. 03, T10N R03WIM
Cleveland County	Lightning Creek Detention Pond A	City of Oklahoma City		

The applicant requests approval for the repair of a high hazard potential dam. The primary purpose of the dam is flood control. The proposed project involves replacing a failed 30-inch Corrugated Metal Pipe (CMP) inlet on the east embankment. The dam is 18 feet tall, with 0 acre-feet of normal storage, and a maximum impoundment capacity of 541 acre-feet.

**PLANNING AND MANAGEMENT DIVISION
Floodplain Administrator Accreditation Applications**

January 1, 2025

NUMBER	NAME OF COMMUNITY/CID	FLOODPLAIN ADMINISTRATOR
374	Greer County	William Stevens
800	City of Lone Grove	Joshua Grover
835	Town of Apache	Rue Glover
254	Town of Wright City	Brian Clere
263	Town of Chouteau	Sonny Meeks
40	City of Pond Creek	Michael Payne

4. PROPOSED AMENDMENTS TO PERMANENT RULES

January 21, 2025

Notices of Rulemaking Intent

TITLE 765. OKLAHOMA USED MOTOR VEHICLE, DISMANTLER, AND MANUFACTURED HOUSING COMMISSION CHAPTER 38. MANUFACTURED HOME SALESPERSON

[OAR Docket #24-1117]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 1. Registration Qualifications, Procedures and Fees

765:38-1-4. Issuance of certificate of registration [AMENDED]

SUMMARY:

The Rule Amendments add a temporary certificate of registration for manufactured home salespersons.

AUTHORITY:

Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission; 47 O.S. Section 582(E)(1); 75 O.S. Section 583 B.3.; 75 O.S. Section 302 et.seq

COMMENT PERIOD:

Persons wishing to present their views regarding this action may do so by delivering or mailing their written comments to the Oklahoma Used Motor Vehicle Dismantler, and Manufactured Housing Commission, 421 NW 13th, Suite 330, Oklahoma City, Oklahoma 73103, by December 16th, 2024.

PUBLIC HEARING:

The public hearing will be held on Tuesday, January 14th, 2025, at 10:30 AM, at the office of the Oklahoma Used Motor Vehicle Dismantler, and Manufactured Housing Commission, 421 NW 13th, Suite 100, Oklahoma City, Oklahoma.

REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:

The Oklahoma Used Motor Vehicle Dismantler, and Manufactured Housing Commission requests that business entities affected by these proposed rules provide the Commission, within the comment period, in dollar amounts, if possible, the increase in the level of direct costs, indirect costs, or other costs expected to be incurred by the business entity due to compliance with the proposed rules. Business entities may submit this information in writing to Brian Wilson, at the above address, before the close of the comment period on December 16th, 2024.

COPIES OF PROPOSED RULES:

Copies of the proposed rules may be obtained for review at the office of the Oklahoma Used Motor Vehicle Dismantler, and Manufactured Housing Commission, 421 NW 13th, Suite 330, Oklahoma City, Oklahoma.

RULE IMPACT STATEMENT:

A rule impact statement will be prepared and be available after November 30th, 2024, at the office of the Oklahoma Used Motor Vehicle Dismantler, and Manufactured Housing Commission.

CONTACT PERSON:

Brian Wilson, Director, Oklahoma Used Motor Vehicle Dismantler, and Manufactured Housing Commission, 421, NW 13th, Suite 330, Oklahoma City, Oklahoma 73103 (405)521-3600.

[OAR Docket #24-1117; filed 10-22-24]

TITLE 785. OKLAHOMA WATER RESOURCES BOARD CHAPTER 5. FEES

[OAR Docket #24-1118]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 1. General Provisions

785:5-1-9. Dam safety and inspection fees [AMENDED]

785:5-1-21. Documentation reviews related water trapped in producing mines [AMENDED]

SUMMARY:

Notices of Rulemaking Intent

Last year, the Oklahoma Water Resources Board ("OWRB") is amended rules in Oklahoma Administrative Code ("OAC") 785:5 by amending OAC 785:5-1-9 to reflect increased cost of labor to review dam safety construction applications. The current change proposed by staff is to correct errors in the numerical values within the rule. Staff also proposes a change related to documentation reviews related to water trapped in producing mines to reflect a change in the citation in Title 785, Chapter 30.

AUTHORITY:

Oklahoma Water Resources Board; 82 O.S., § 1085.2; 82 O.S. § 1085.4

COMMENT PERIOD:

Persons wishing to present written comments may do so at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 p.m. on December 16, 2024. Written comments may also be submitted via e-mail to Cris.Krittenbrink@owrb.ok.gov before 5:00 p.m. on December 16, 2024. Persons wishing to present oral comment to the OWRB may do so at the public hearing on December 17, 2024.

PUBLIC HEARING:

A public hearing will be held December 17, 2024, during the monthly meeting of the Board which will begin at 9:30 a.m. in the Board Room of the OWRB's offices located at 3800 North Classen Blvd., Oklahoma City, Oklahoma, 73118.

REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:

The OWRB requests that any business entities affected by these proposed rules provide the Board, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rules. Business entities may submit this information in writing to Chrystal Krittenbrink at 3800 North Classen, Oklahoma City, Oklahoma before the close of the comment period.

COPIES OF PROPOSED RULES:

Copies of the proposed amendments may be reviewed by appointment at the OWRB's office location at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, or may be obtained from Chrystal Krittenbrink, Legal Assistant, at Cris.Krittenbrink@owrb.ok.gov. The proposed amendments may also be viewed on the OWRB web site at <http://www.oklahoma.gov/owrb>.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S., § 303(D), a Rule Impact Statement is available for review by appointment at the OWRB's office, 3800 North Classen Blvd., Oklahoma City, Oklahoma. The Rule Impact Statement may also be viewed on the OWRB web site at <http://www.oklahoma.gov/owrb>.

CONTACT PERSON:

Sara D. Gibson, General Counsel, 405-530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #24-1118; filed 10-25-24]

TITLE 785. OKLAHOMA WATER RESOURCES BOARD CHAPTER 20. APPROPRIATION AND USE OF STREAM WATER

[OAR Docket #24-1119]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 1. General Provisions

785:20-1-3. Statutory provisions on violations and penalties [AMENDED]

Subchapter 3. Application Requirements and Processing

785:20-3-2. General application requirements [AMENDED]

785:20-3-9. Defective applications; when applications deemed withdrawn [AMENDED]

Subchapter 7. Permits

785:20-7-1. Classes of stream water permits [AMENDED]

Subchapter 9. Actions After Stream Water Right Obtained

785:20-9-5. Reports [AMENDED]

Appendix A. Application for a Permit to Use Surface or Stream Water [REVOKED]

SUMMARY:

Notices of Rulemaking Intent

The staff of the Oklahoma Water Resources Board ("OWRB") is proposing amended or new rules in Oklahoma Administrative Code ("OAC") 785:20 as follows: OAC 785:20-3-2 and Appendix A are proposed to be amended to strike out the water right application in the rule. This action would allow OWRB staff to make simplifications or enhancements to the application in a more timely fashion. OAC 785:20-9-5 is proposed to be amended to ensure that an owner of more than one surface water permit at a specific location for the same purpose applies water use to the older permit first. Currently written, the rule is a loophole, allowing a surface water permit holder to tie its seniority to all of its permits (that withdraw from the same diversion point). Other amendments may be considered or proposed as a result of public comments.

AUTHORITY:

Oklahoma Water Resources Board; 82 O.S., §§ 105.1, et seq and 82 O.S., § 1085.2

COMMENT PERIOD:

Persons wishing to present written comments may do so at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 p.m. on December 16, 2024. Written comments may also be submitted via e-mail to Cris.Krittenbrink@owrb.ok.gov before 5:00 p.m. on December 16, 2024. Persons wishing to present oral comment to the OWRB may do so at the public hearing on December 17, 2024.

PUBLIC HEARING:

A public hearing will be held December 17, 2024, during the monthly meeting of the Board which will begin at 9:30 a.m. in the Board Room of the OWRB's offices located at 3800 North Classen Blvd., Oklahoma City, Oklahoma, 73118.

REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:

The OWRB requests that any business entities affected by these proposed rules provide the Board, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rules. Business entities may submit this information in writing to Chrystal Krittenbrink at 3800 North Classen, Oklahoma City, Oklahoma before the close of the comment period.

COPIES OF PROPOSED RULES:

Copies of the proposed amendments may be reviewed by appointment at the OWRB's office location at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, or may be obtained from Chrystal Krittenbrink, Legal Assistant, at Cris.Krittenbrink@owrb.ok.gov. The proposed amendments may also be viewed on the OWRB web site at <http://www.oklahoma.gov/owrb>.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S., § 303(D), a Rule Impact Statement is available for review by appointment at the OWRB's office, 3800 North Classen Blvd., Oklahoma City, Oklahoma. The Rule Impact Statement may also be viewed on the OWRB web site at <http://www.oklahoma.gov/owrb>.

CONTACT PERSON:

Sara D. Gibson, General Counsel, 405-530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #24-1119; filed 10-25-24]

**TITLE 785. OKLAHOMA WATER RESOURCES BOARD
CHAPTER 25. DAMS AND RESERVOIRS**

[OAR Docket #24-1120]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

- Subchapter 3. Responsibility, Classification and Design Standards
785:25-3-6. Minimum spillways performance standards [AMENDED]
- Subchapter 7. Post Approval Actions
785:25-7-8. Certificate of completion [AMENDED]
- Subchapter 9. Actions After Construction
785:25-9-1. Inspections of dams [AMENDED]

SUMMARY:

Notices of Rulemaking Intent

The staff of the Oklahoma Water Resources Board (“OWRB”) is proposing amended or new rules in Oklahoma Administrative Code (“OAC”) 785:25 DAMS AND RESERVOIRS as follows: OAC 785:25-3-6(f)(7) is proposed to be amended for clarity and consistency. OAC 785:25-7-8(a)(1) is proposed to be amended so a designated representative of the Executive Director can sign the certificate of completion for OWRB approved dam projects. Please let me know if additional information is needed. OAC 785:25-9-1 would be reorganized for clarity. Subsection (c) would be given a more descriptive title. The minimum standards for dam inspections would have an additional requirement to assign a condition rating of all dam appurtenances in accordance with the Board’s dam inspection guidelines.

AUTHORITY:

Oklahoma Water Resources Board; 82 O.S. § 1085.2; 82 O.S. § 110.1 and following; 82 O.S. § 105.20 and 105.27.

COMMENT PERIOD:

Persons wishing to present written comments may do so at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 p.m. on December 16, 2024. Written comments may also be submitted via e-mail to Cris.Krittenbrink@owrb.ok.gov before 5:00 p.m. on December 16, 2024. Persons wishing to present oral comment to the OWRB may do so at the public hearing on December 17, 2024.

PUBLIC HEARING:

A public hearing will be held December 17, 2024, during the monthly meeting of the Board which will begin at 9:30 a.m. in the Board Room of the OWRB's offices located at 3800 North Classen Blvd., Oklahoma City, Oklahoma, 73118.

REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:

The OWRB requests that any business entities affected by these proposed rules provide the Board, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rules. Business entities may submit this information in writing to Chrystal Krittenbrink at 3800 North Classen, Oklahoma City, Oklahoma before the close of the comment period.

COPIES OF PROPOSED RULES:

Copies of the proposed amendments may be reviewed by appointment at the OWRB's office location at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, or may be obtained from Chrystal Krittenbrink, Legal Assistant, at Cris.Krittenbrink@owrb.ok.gov. The proposed amendments may also be viewed on the OWRB web site at <http://www.oklahoma.gov/owrb>.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S., § 303(D), a Rule Impact Statement is available for review by appointment at the OWRB's office, 3800 North Classen Blvd., Oklahoma City, Oklahoma. The Rule Impact Statement may also be viewed on the OWRB web site at <http://www.oklahoma.gov/owrb>.

CONTACT PERSON:

Sara D. Gibson, General Counsel, 405-530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #24-1120; filed 10-25-24]

**TITLE 785. OKLAHOMA WATER RESOURCES BOARD
CHAPTER 30. TAKING AND USE OF GROUNDWATER**

[OAR Docket #24-1123]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 3. Permit Application Requirements and Processing

785:30-3-1. General application requirements [AMENDED]

785:30-3-3. Acceptance of application for filing; when applications deemed withdrawn [AMENDED]

Subchapter 5. Groundwater Permits

785:30-5-4. Provisional temporary permits [AMENDED]

Subchapter 7. Amendments to Groundwater Rights

785:30-7-4. Adding or replacing a well for the purpose of exercising prior rights or existing permits [AMENDED]

785:30-7-8. Consolidation of permits [REVOKED]

Subchapter 13. Miscellaneous Provisions

785:30-13-5. Allocation of municipal water [AMENDED]

Notices of Rulemaking Intent

Appendix D. Identified Springs that Emanate From a Sensitive Sole Source Groundwater Basin [AMENDED]

SUMMARY:

The staff of the Oklahoma Water Resources Board ("OWRB") is proposing amended or new rules in Oklahoma Administrative Code ("OAC") 785:30 as follows: OAC 785:30-3-1(c)(1) is proposed to clean up language and clarify existing and proposed well locations on the application. OAC 785:30-5-8(b) is proposed to drop the notary requirement on a signature to surrender a water right. OAC 785:30-7-4(a)(2) is proposed to drop the language referring to Appendix A, since that appendix was previously removed from the rules. OAC 785:30-7-4(b) is being proposed to remove language allowing a permit holder to drill a replacement well without notifying the OWRB. This language change is a result of the addition of an intent-to-drill process implemented in fiscal year 2023 requiring well drillers to notify the OWRB when a well requiring a water right is intended to be drilled. OAC 785:30-7-8 is proposed to be revoked, which has allowed permit holders to report all of their water use on one permit instead of the location where the water was withdrawn. This rule change will allow for more accurate data regarding water use in Oklahoma. OAC 785:30-13-5(c) proposes to take out the 600-ft spacing requirement from municipal lands for drilling municipal wells as a result of a change in 82 O.S. §1020.21. OAC 785:30 Appendix D is being proposed to add and update locations of springs in the Arbuckle-Simpson Groundwater Basin. Other amendments may be considered or proposed as a result of public comments.

AUTHORITY:

Oklahoma Water Resources Board; 82 O.S. § 1085.2; 82 O.S. §1020.21

COMMENT PERIOD:

Persons wishing to present written comments may do so at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 p.m. on December 16, 2024. Written comments may also be submitted via e-mail to Cris.Krittenbrink@owrb.ok.gov before 5:00 p.m. on December 16, 2024. Persons wishing to present oral comment to the OWRB may do so at the public hearing on December 17, 2024.

PUBLIC HEARING:

A public hearing will be held December 17, 2024, during the monthly meeting of the Board which will begin at 9:30 a.m. in the Board Room of the OWRB's offices located at 3800 North Classen Blvd., Oklahoma City, Oklahoma, 73118.

REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:

The OWRB requests that any business entities affected by these proposed rules provide the Board, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rules. Business entities may submit this information in writing to Chrystal Krittenbrink at 3800 North Classen, Oklahoma City, Oklahoma before the close of the comment period.

COPIES OF PROPOSED RULES:

Copies of the proposed amendments may be reviewed by appointment at the OWRB's office location at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, or may be obtained from Chrystal Krittenbrink, Legal Assistant, at Cris.Krittenbrink@owrb.ok.gov. The proposed amendments may also be viewed on the OWRB web site at <http://www.oklahoma.gov/owrb>.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S., § 303(D), a Rule Impact Statement is available for review by appointment at the OWRB's office, 3800 North Classen Blvd., Oklahoma City, Oklahoma. The Rule Impact Statement may also be viewed on the OWRB web site at <http://www.oklahoma.gov/owrb>.

CONTACT PERSON:

Sara D. Gibson, General Counsel, 405-530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #24-1123; filed 10-25-24]

TITLE 785. OKLAHOMA WATER RESOURCES BOARD CHAPTER 35. WELL DRILLER AND PUMP INSTALLER LICENSING

[OAR Docket #24-1124]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 13. Authorization to Drill Groundwater Wells
785:35-13-1. Authorization to drill groundwater wells [AMENDED]

Notices of Rulemaking Intent

SUMMARY:

OAC 785:35-13-1 is proposed to be amended to specify the well construction categories requiring pre-authorization through a notice of intent-to-drill application. Specifically, test holes that will be cased will require pre-authorization.

AUTHORITY:

Oklahoma Water Resources Board; 82.O.S. § 1085.2; 82 O.S. § 1020.16

COMMENT PERIOD:

Persons wishing to present written comments may do so at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 P.M. on December 16, 2024. Written comments may also be submitted via e-mail to Cris.Krittenbrink@owrb.ok.gov before 5:00 PM on December 16, 2024. Persons wishing to present oral comments to the Board may do so at the public hearing on December 17, 2024.

PUBLIC HEARING:

A public hearing will be held December 17, 2024, during the monthly meeting of the Board which will begin at 9:30 a.m. in the Board Room of the Board's offices located at 3800 North Classen Blvd., Oklahoma City, Oklahoma, 73118.

REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:

The Board requests that any business entities affected by these proposed rules provide, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rules. Business entities may submit this information in writing to Chrystal Krittenbrink at 3800 North Classen, Oklahoma City, Oklahoma before the close of the comment period.

COPIES OF PROPOSED RULES:

Copies of the proposed amendments may be reviewed at the Board's office location at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, or may be obtained from the "Contact Person" identified below upon prepayment of the copying charge. The proposed rules may also be viewed on the Board web site at <http://www.owrb.ok.gov>.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S., § 303(D), a Rule Impact Statement is available for review at the OWRB's office, 3800 North Classen, Oklahoma City, Oklahoma. The Rule Impact Statement may also be viewed on the OWRB web site at <http://www.owrb.ok.gov>.

CONTACT PERSON:

Sara Gibson, General Counsel, 405-530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #24-1124; filed 10-25-24]

TITLE 785. OKLAHOMA WATER RESOURCES BOARD CHAPTER 50. FINANCIAL ASSISTANCE

[OAR Docket #24-1136]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

- Subchapter 6. Water and Sewer Program Emergency Grants Requirements and Procedures
 - 785:50-6-1. Approval criteria [AMENDED]
 - 785:50-6-3. Emergency grant priority point system [AMENDED]
 - 785:50-6-4. Disbursement of grant funds [AMENDED]
- Subchapter 8. Rural Economic Action Plan (REAP) Grant Program Requirements and Procedures
 - 785:50-8-2. Definitions [AMENDED]
 - 785:50-8-3. Application review and disposition [AMENDED]
 - 785:50-8-4. Applicable law; deadline for applications; eligible project costs [AMENDED]
 - 785:50-8-5. REAP grant priority point system [AMENDED]
- Subchapter 9. Clean Water State Revolving Fund Regulations
 - Part 3. GENERAL PROGRAM REQUIREMENTS
 - 785:50-9-23. Clean Water SRF Project Priority System [AMENDED]
 - Subchapter 20. Safeguarding Tomorrow Revolving Loan Program Regulations [NEW]
 - 785:50-20-1. General program description and procedures [NEW]
 - 785:50-20-2. General approval standards and criteria [NEW]

Notices of Rulemaking Intent

785:50-20-3. Terms and conditions [NEW]

785:50-20-4. Disbursement of funds and conditions for disbursement [NEW]

SUMMARY:

The staff of the Oklahoma Water Resources Board ("OWRB") proposes the following changes to Oklahoma Administrative Code ("OAC") Title 785, Chapter 50: The proposed changes to Subchapter 6 are to make the language more concise and easier for staff understanding and public understanding and perception. The current rules need correction as they have long had grammatical errors and were not presented in a manner that was easy to read and interpret. The proposed changes to Subchapter 8 are to make it more concise and easier for staff understanding and public understanding and perception. The current rules need correction as they have long had grammatical errors and were not presented in a manner that was easy to read and interpret. Also, this proposed change adds points to the ranking of the REAP grant affording eligible entities the opportunity to increase their opportunity for receiving REAP grant funding. The proposed change to Subchapter 9 has been requested to allow OWRB Staff the flexibility of amending the point structure in the Intended Use Plan for each fiscal year as needs of the eligible entities change. This allows staff to offer the best funding opportunities possible to Oklahoma communities.

AUTHORITY:

Oklahoma Water Resources Board; 82 O.S., § 1085.2

COMMENT PERIOD:

Persons wishing to present written comments may do so at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 P.M. on December 16, 2024. Written comments may also be submitted via e-mail to Cris.Krittenbrink@owrb.ok.gov before 5:00 PM on December 16, 2024. Persons wishing to present oral comments to the Board may do so at the public hearing on December 17, 2024.

PUBLIC HEARING:

A public hearing will be held December 17, 2024, during the monthly meeting of the Board which will begin at 9:30 a.m. in the Board Room of the Board's offices located at 3800 North Classen Blvd., Oklahoma City, Oklahoma, 73118.

REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:

The Board requests that any business entities affected by these proposed rules provide, within the Comment Period, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rules. Business entities may submit this information in writing to Chrystal Krittenbrink at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 P.M. on December 16, 2024 or Cris.Krittenbrink@owrb.ok.gov.

COPIES OF PROPOSED RULES:

Copies of the proposed amendments may be reviewed by appointment at the Board's office location at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, or may be obtained from the Chrystal Krittenbrink, Legal Assistant, at Cris.Krittenbrink@owrb.ok.gov. The proposed amendments may also be viewed on the Board's web site at <http://www.oklahoma.gov/owrb>.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S., § 303(D), a Rule Impact Statement is available for review by appointment at the OWRB's office, 3800 North Classen Blvd., Oklahoma City, Oklahoma. The Rule Impact Statement may also be viewed on the OWRB web site at <http://www.oklahoma.gov/owrb>.

CONTACT PERSON:

Sara D. Gibson, General Counsel, 405-530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #24-1136; filed 10-25-24]

TITLE 810. OKLAHOMA WORKERS' COMPENSATION COMMISSION CHAPTER 1. GENERAL INFORMATION

[OAR Docket #24-1095]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

810:1-1-3. General description of the Oklahoma Workers' Compensation Commission [AMENDED]

810:1-1-4. Petitions to promulgate, amend or repeal rules [AMENDED]

CHAPTER 5. FEES

SUBCHAPTER 1. GENERAL PROVISIONS

785:5-1-9. Dam safety and inspection fees

(a) Filing fees which must be submitted with each application to construct, enlarge, alter, or repair a dam (based on estimated cost of construction, enlargement, etc.) are as follows:

- (1) ~~\$99,999~~\$199,999 or less estimated cost - \$1,000.00
- (2) ~~\$100,000~~\$200,000 through \$11,999,999 estimated cost - One-half of one percent (0.5%) of estimated cost; not to exceed \$6,000.00.
- (3) \$12,000.00 or greater estimated cost - Five hundredths of one percent (0.05%) of estimated cost.

(b) Fees for inspections of dams classified as low or significant hazard potential made at request of a person who is not an owner of the dam or other routine or periodic inspections conducted by Board personnel are as follows:

- (1) Small (see 785:25-3-3) - \$250.00 for each inspection visit.
- (2) Intermediate (see 785:25-3-3) - \$500.00 for each inspection visit.
- (3) Large (see 785:25-3-3) - \$1000.00 for each inspection visit.

(c) Fees for inspections of dams classified as high hazard potential made at request of a person who is not an owner of the dam or other routine or periodic inspections conducted by Board personnel shall be the actual cost of such inspection.

(d) The fee required for issuance of a certificate of completion is \$25.00 plus if applicable, the inspection fee set out in subsection (b) or (c) of this Section.

(e) Inspection report review and administration fees are due with submittal of the inspection reports as follows:

- (1) Significant hazard dams - \$300 once every three (3) years
- (2) High hazard dams - \$350 each year; provided that if the inspection report and fee is not submitted by the date specified, an additional fee of \$50.00 will be due.

785:5-1-21. Documentation reviews related water trapped in producing mines

(a) Submittal of documentation requesting the Board's determination of whether a mine meets the requirements of OAC 785:30-15-

3(b) (request for de minimis determination) shall be accompanied with a \$2,000.00 application fee. Thereafter, any of the Board's required submittals of de minimis documentation for the mine shall be accompanied with a \$250.00 application fee.

(b) A review fee of \$500.00 shall accompany all annual mine reports submitted to the Board as required by ~~785:30-15-3(2)~~785:30-15-3(c)(2) and ~~785:30-15-4(2) & (3)~~785:30-15-4(a)(2) & (3).

(c) Augmentation and Management Plans submitted to the Board in accordance with 785:30-15-6 shall be accompanied with a \$3,000.00 review fee.

OKLAHOMA WATER RESOURCES BOARD

RULE IMPACT STATEMENT

for Rule Amendments in OAC Title 785 Chapter 5

Proposed for Adoption During 2025

A. A BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES.

The staff of the Oklahoma Water Resources Board ("OWRB") is proposing or is considering promulgation of amended or new rules in Oklahoma Administrative Code ("OAC") 785:5 as follows:

OAC 785:5-1-21(b) is proposed to be amended to fix a scrivener's error in administrative code references for review fees accompanying annual pit mine reports.

OAC 785:5-1-9 to correct an error from last year's fee increase that made some smaller dam modification fees more expensive than the next tier of larger dams.

Other amendments may be considered or proposed as a result of public comments.

B. A DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULES, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULES, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES.

No classes of persons will be affected by the changes to administrative code references. Most entities or persons who apply for a permit to construct or modify a dam will not see any changes in the current application fees. Those applicants who propose construction/modification to a dam that is on the larger end of one of the fee tiers will see a small change to the fee.

C. A DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES.

Producing mines pursuant to OAC 785:30-15 will benefit as they gain clarification on administrative fees regarding annual reporting. Entities/persons who construct/modify dams will benefit in that the fees will be more fair and those who construct/modify smaller dams will not be paying a larger application fee than those who construct/modify a larger project.

D. A DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULES UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE.

There are no economic impacts anticipated with the changes in OAC 785:5-1-21(b) as the review fee of \$500.00 accompanying annual mine reports is not proposed to be increased or decreased. There will be no significant impact as a result of the changes to the dam application fee.

E. THE PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, AND ANY ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN STATE REVENUES IF IT CAN BE PROJECTED BY THE AGENCY.

The update to OAC 785:5-1-21(b) would not incur additional cost to the OWRB or any other agency. The benefit to the OWRB would be gained clarification on administrative fees regarding annual reporting, which contributes to annual revenue.

F. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR REQUIRE THEIR COOPERATION IN IMPLEMENTING OR ENFORCING THE RULES.

No persons or entities are likely to be impacted by the proposed changes.

G. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES MAY HAVE AN ADVERSE ECONOMIC EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

The proposed changes are not expected to have an adverse impact on small businesses.

H. AN EXPLANATION OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES.

There are no compliance costs anticipated for the changes.

I. A DETERMINATION OF THE EFFECT OF THE PROPOSED RULES ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT AND, IF THE PROPOSED RULES ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH,

SAFETY AND ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULES WILL REDUCE THE RISK.

The changes will have no effect on the public health, safety, and environment.

J. A DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULES ARE NOT IMPLEMENTED.

There are no detrimental effects anticipated for the changes.

K. THE DATE THE RULE IMPACT STATEMENT WAS PREPARED AND IF MODIFIED, THE DATE MODIFIED:

This rule impact statement was reviewed and approved on November 14, 2024 by Christopher R. Neel, Chief, Water Rights Administration Division, Oklahoma Water Resources Board.

**TITLE 785. OKLAHOMA WATER RESOURCES BOARD
CHAPTER 20. APPROPRIATION AND USE OF STREAM WATER**

Introduction:

This document contains permanent amendments to Chapter 20 adopted by the Oklahoma Water Resources Board that are effective as of September 14, 2018. Also, this document was prepared by Oklahoma Water Resources Board staff as a convenience to the reader, and is not a copy of the official Title 785 of the Oklahoma Administrative Code. The rules in the official Oklahoma Administrative Code control if there are any discrepancies between the Code and this document.

SUBCHAPTERS:

Subchapter 1. General Provisions

Subchapter 3. Application Requirements and

Processing Subchapter 5. Notice, Hearings and

Board Actions Subchapter 7. Permits

Subchapter 9. Actions After Stream Water Right

Obtained Subchapter 11. Miscellaneous Provisions

Appendix A. Application for a Permit to Use Surface or Stream Water [Revoked]

785:20-1-3. Statutory provisions on violations and penalties

As provided by 82 O.S. 1981, §105.20, *the unauthorized use of water, the unauthorized transfer of a water right, the continued use of works which are unsafe after receiving notice to repair, the waste of water, the unauthorized severance of a water right from the land to which it is appurtenant, the refusal to change unsafe works when directed to do so, or the injury or obstruction of waterworks shall be a misdemeanor, and each day such violation continues shall be a separate violation. The Board shall have the right, in addition to filing criminal complaints and any other remedies provided, to bring an action in the district court of the county wherein such act or omission occurs to enjoin the same. The Board and its authorized agents shall have a reasonable right to go upon private property in the performance of its duties and shall have the duty to file complaints of violations. The Executive Director of the Oklahoma Water Resources Board may issue administrative orders requiring the immediate cessation of water use when Board staff has a reasonable belief the use is unauthorized or continued use will damage rights of prior appropriators. Such administrative orders shall indicate the finding of imminent peril and shall specify the actions that are to be taken immediately. In addition, the orders shall specify a time and place for a hearing to be held after such actions are taken. [82:105.20]*

785:20-3-2. General application requirements

(a) **Application form to be used.** The applicant shall complete all applications for a regular, term, seasonal or provisional temporary stream water permit on ~~the approved forms set out in Appendix A, or on an electronic or other form~~ provided by the Board, and in the manner described by the form. The application form may be presented to the Board in person, by mail, e-mail, readable facsimile transmittal, or through the Board's online application service. The filing fee must be submitted to the Board before application review and processing commences. With copies of the application form, the

Board will provide copies of a sample plat on which information as required by the application form must be indicated.

(b) **Right of access to diversion point and to cross lands of another.** If at the time the application is filed, the applicant has evidence regarding right of access to the diversion point and authority to cross lands of another with pipelines or other appurtenances related to the use of the water, such evidence shall be submitted with the application.

[Source: Amended at 11 Ok Reg 2917, eff 6-13-94; Amended at 12 Ok Reg 2671, eff 7-1-95; Amended at 13 Ok Reg 2853, eff 7-1-96; Amended at 15 Ok Reg 2435, eff 6-11-98; Amended at 20 Ok Reg 2604, eff 7-11-03; Amended at 27 Ok Reg 1294, eff 5-27-10]

785:20-3-9. Defective applications; when applications deemed withdrawn

(a) Upon the filing of an application that *is defective as to form or unsatisfactory as to feasibility or safety of the plan or as to the showing of the ability of the applicant to carry the construction to completion, the Board shall advise the applicant of the correction, amendments, or changes required, and sixty (60) days from the date the Board so advises shall be allowed for the refiling thereof.* [82:105.10]

(b) *If refiled corrected as required within such time, the application shall, upon being accepted, take priority as of the date of its original filing, subject to compliance with further provisions of the law and the rules herein.* [82:105.10]

(c) Any corrected application filed after the time allowed in (a) of this Section *shall be treated in all respects as a new application on the date of its refiling* [82:105.10] and the original priority date of filing shall be lost.

(d) If an applicant does not correct an application or publish notice as instructed by the Board, and no further proceedings are initiated by the applicant for six months or more after **last contact with instructed by** the Board, the application shall be deemed withdrawn. The Board shall provide notice to the applicant that the application has been deemed withdrawn.

(e) *For applications that have been pending for more than three (3) years prior to June 5, 2000, the Board shall provide written notice to the applicant at the applicant's last-known address that the application shall be deemed withdrawn and the priority date based on the original filing date shall be lost unless the applicant provides notice of the application as instructed by the Board. The Board shall provide an opportunity for a hearing if requested in order for the applicant to show cause why:*

(1) *notice should not be published, and*

(2) *the application should not be deemed withdrawn and the priority date lost.*

(3) *Cause may be shown by substantial competent evidence that:*

(A) *the applicant has been diligently pursuing plans for the project for which the water is proposed to be used,*

(B) *construction of the project is still practical, and*

(C) *the applicant is still able to complete the project.*

(4) *If the Board receives no response to the notice, the application shall be deemed withdrawn and priority date lost.*

(f) For applications that the Board initially determines may remain pending pursuant to subsection (e) of this section, such *applications may remain pending for more than three (3) years and retain the priority date based on the original filing date or date of refiling in compliance with this Section if the applicant files a request to extend pending status of the application before the end of the first three-year period and each successive three-year period thereafter and the Board determines after notice and an opportunity for hearing that the application may remain pending. If a request to extend pending*

status is not filed in time and as required by Board rules, the application will be deemed withdrawn [82 O.S. 105.10].

[Source: Amended at 18 Ok Reg 2245, eff 7-1-01; Amended at 16 Ok Reg 2682, eff 7-1-99; Amended at 11 Ok Reg 2917, eff 6-13-94]

785:20-7-1. Classes of stream water permits

- (a) **Regular permit.** A regular permit authorizes *the holder of such permit to appropriate water on a year-round basis in an amount and from a source approved by the Board.* [82:105.1(c)]
- (b) **Seasonal permit.** A seasonal permit authorizes *the holder of such permit to divert available water for specified time periods during the calendar year* [82:105.1(D)]
- (c) **Temporary permit.** A temporary permit authorizes *the appropriation of water in an amount and from a source approved by the Board is valid for a time period not to exceed three (3) months, does not vest in the holder any permanent right, and may be canceled by the Board in accordance with its terms.* [82:105.1(E)]
- (d) **Term permit.** A term permit authorizes *the appropriation of water in an amount and from a source approved by the Board for a term of years which does not vest the holder with any permanent right and which expires upon expiration of the term permit.* [82:105.1(F)]
- (e) **Provisional temporary permit.**
- (1) A provisional temporary permit *authorizes an appropriation of water in an amount and from a source approved by the ~~Board~~ Executive Director of the Oklahoma Water Resources Board.* [82:105.1(G)] A provisional temporary permit is granted by the Board's Executive Director for a period not to exceed *ninety (90) days, is non-renewable, does not vest in the holder any permanent right and is subject to cancellation... at any time* [82:105.1(G)] within its term; *notwithstanding the foregoing, a provisional temporary permit may be renewed three (3) times only for the oil and natural gas industry except in a sole source aquifer* [82:105.1(G)]. It is not necessary to hold a hearing, publish application data or notify adjacent downstream domestic or appropriative users prior to consideration of this type of permit. The permit may be issued summarily and immediately at the discretion of and upon administrative approval by the Executive Director.
 - (2) A provisional temporary permit may be issued only where the verified application and supporting materials filed therewith show:
 - (A) That the use will not interfere with domestic or prior appropriative users; and
 - (B) That economic hardship will occur if the permit is not granted; and
 - (C) That the applicant owns, leases or has the written consent of the respective landowners to use lands at the point of diversion or lands for placement of water lines or other appurtenances related to use of the water.
- (f) **Limited quantity permit.**
- (1) The Executive Director of the Board may administratively issue regular, seasonal, temporary or term permits to use 15 acre-feet or less of stream water in a calendar year or during its term if the term is less than one year [82:105.13].
 - (2) Notice of the application for such a permit shall be published by the applicant in a newspaper of general circulation one time only in the county of the point of diversion and in the adjacent downstream county, or as otherwise directed by the Board.
 - (3) Written comments about the application must be filed with the Board within ten (10) days after the date of publication or other notice provided.
 - (4) The permit may be issued or denied summarily and immediately after the ten (10) day period at the discretion of the Executive Director, provided that the Executive Director may

require that a hearing on the application be held. After such hearing, the application shall be presented to the Board with proposed findings of fact and conclusions of law for consideration.

(5) Limited quantity permits cannot be combined to authorize the use of more than a total of 15 acre-feet per year.

(g) **Priorities among classes.** In circumstances where there is less water actually available than that calculated for purposes of considering a regular permit application, regular permit holders shall have a better right over all other classes of permits. Among regular permit holders, priority in time, determined by date of filing an application as provided in these rules, shall give the better right. Among classes other than regular permit holders, priority in time, determined by date of filing an application as provided in these rules, shall give the better right.

[Source: Amended at 11 Ok Reg 2917, eff 6-13-94; Amended at 12 Ok Reg 2671, eff 7-1-95; Amended at 13 Ok Reg 3911, eff 8-7-96 (emergency); Amended at 14 Ok Reg 2750, eff 7-1-97]

785:20-9-5. Reports

(a) Annual reports of water use.

(1) Water use report forms will be mailed during January of each year to every holder of a valid water right. These reports must be completed and returned with the annual file maintenance fee to the Board within thirty (30) days of receipt thereof. This report shall become a part of each record of each stream water right holder. Willful failure to complete and return such report with the appropriate filing fee may be considered by the Board as nonuse of water under a water right. In a review of the water use by the water right holder, the Board may adjust its records regarding nonuse after payment of all past accrued fees.

(2) ~~Absent differing expressed direction of the water right holder, i~~ If two or more water rights are held by the same person for use of water from the same point of diversion, from the same source of supply and for the same purpose, the total amount used annually under all such water rights shall be recorded first under the water right with the oldest priority date until full use is made, then the next amounts shall be reported under the next oldest priority date, until all amounts are accounted for.

(3) Holders of water rights with multiple diversion points may be required to report use from each diversion point, if diversion points are in different stream segments, or diversion points are in both a stream and lake or pond, or other valid reasons as determined by the Board.

(4) When reporting annual water use, holders of a valid water right may make application on a form provided by the Board to excuse nonuse for the reporting year. If the Board approves the application for the excused nonuse, the time for putting the water authorized to beneficial use shall be tolled for the period of excused nonuse.

(b) **Reports by temporary, and term permit holders.** Upon the expiration of the period for which a temporary, or term permit was granted, the appropriator shall cease the taking of water and file a written report with the Board stating the amount of water used under the temporary, or term permit and the date of cessation.

(c) **Change of address.** It shall be the responsibility of the holder of a water right to provide the Board with a current mailing address for receipt of all correspondence dealing with the water right.

[Source: Amended at 12 Ok Reg 2617, eff 7-1-95; Amended at 11 Ok Reg 2917, eff 6-13-94]

APPENDIX A. Application for a Permit to Use Surface or Stream Water REVOKED

~~Figure 1~~



<u>OFFICE USE ONLY</u>	
Application No.	_____
Type of Permit	_____
Stream System Code	_____
Reservoir Code	_____
Hydrologic Unit Code	_____

Application for a Permit to Use Surface or Stream Water

**OKLAHOMA WATER RESOURCES BOARD
PLANNING & MANAGEMENT DIVISION**

3800 North Classen Blvd.
Oklahoma City, OK 73118
Phone: (405) 530-8800
Fax: (405) 530-8900
Website: www.owrb.ok.gov

<u>APPLICATION FILING FEE</u>	
<u>Amount of Water Requested</u>	<u>Fee</u>
0 – 320 acre-feet.....	\$ _____
321 – 640 acre-feet.....	\$ _____
641 – 1500 acre-feet.....	\$ _____
Over 1500 acre-feet.....	\$ _____*
*Plus \$ _____ for each 500 acre-feet (or any increment thereof) over 1500 acre-feet. (Maximum Fee \$3,000.00)	

1. NAME & ADDRESS *(Print the applicant's full name, as listed on the ownership documentation, and mailing address)*

Applicant Name _____	Phone () _____ - _____
Address _____	Fax () _____ - _____
City _____	State _____ Zip _____
Contact Name (if applicable) _____	Phone () _____ - _____
Address _____	Fax () _____ - _____
City _____	State _____ Zip _____

2. TYPE OF SURFACE WATER PERMIT REQUESTED *(Check One)*

- Regular Permit – authorizes diversion and use of water on a year-round basis
- Seasonal Permit – authorizes diversion and use of water for specific time periods during a calendar year.
- Term Permit – valid for a term of years and does not vest the holder with any permanent right.
(Provide ending date for term permit: _____ day of _____, 20____)

3. PURPOSE(S) FOR WHICH WATER WILL BE USED *(List the purpose(s) for which the water will be used and the number of acre-feet for each purpose. Note: one acre-foot of water will cover one acre of land one foot deep and is equal to 325,851 gallons)*

<u>AMOUNT</u>	<u>PURPOSE</u>
_____ acre-feet of water will be used for _____	
_____ acre-feet of water will be used for _____	

<u>OFFICE USE ONLY</u>	
<u>SIC Codes</u>	
_____	_____
_____	_____

Total Amount Requested _____ acre-feet; Pumping Rate not to Exceed _____ gallons per minute

Irrigation Only: _____ acres will be irrigated. Proposed Crops _____

4. DIVERSION(S) OF WATER: Source, Location and Method of Diversion *(For each diversion point, state the amount of water in acre-feet to be diverted annually and give the legal description to the nearest ten (10)-acre tract. Legal description of the diversion point must match the area drawn on the attached plat. If additional space is needed, list on a separate sheet of paper.)*

Figure 2

Will the water be used as a non-consumptive use in a pond, lake or reservoir and will not be pumped or moved from one location to another? Yes No (If yes, use the location of the dam or spillway as the point of diversion below.)

_____ acre-feet of water will be diverted from:

_____ 1/4 of _____ 1/4 of _____ 1/4 of Section _____ Twp. _____ N EIM
 S Rng. _____ WIM in _____
 ECM _____ County

Source of Water: (Check one and provide the requested information showing the source of water to be diverted.)

Direct Diversion from a Stream or River- Name of Stream: _____

Natural Resources Conservation Service Flood Control Site – N.R.C.S Site No. _____
Watershed Name _____

Reservoir or Pond – Name of Reservoir: _____

River or Stream Name Reservoir is Located on: _____

Reservoir is (Check one): Existing (Date Completed _____)

Under Construction Planned

Storage: _____ acre-feet; Average Depth: _____ feet; Surface Area: _____ acres

Method of Diversion: (Check one and provide description of the system to be used)

Gravity: _____

Pump: _____

Do you own or lease the land on which the point of diversion will be located? Yes No (If available, attach a copy of the deed, lease agreement, etc. showing the right o use the point of diversion.)

Will water lines cross public right-of-ways or another landowner's property? Yes No (If yes and available, attach a copy of the easement.)

(Note: If the deed, lease agreement, etc. and/or the easement is not submitted, the permit, if issued, will contain a condition requiring submittal of the information before water use begins.)

5. LEGAL DESCRIPTION OF AREA OF USE (List the legal description of the area of use. Please do not use city lot and block numbers or metes and bounds. If additional space is needed, list on a separate sheet of paper. **Legal description must be drawn on the attached plat and must match the area of use described below. Municipal and rural water entities refer to #6 below.**)

_____ acres in _____ 1/4 of _____ 1/4 of _____ 1/4 of Section _____ Twp. _____ N EIM
 S Rng. _____ WIM in _____
 ECM _____ County

_____ acres in _____ 1/4 of _____ 1/4 of _____ 1/4 of Section _____ Twp. _____ N EIM
 S Rng. _____ WIM in _____
 ECM _____ County

_____ acres in _____ 1/4 of _____ 1/4 of _____ 1/4 of Section _____ Twp. _____ N EIM
 S Rng. _____ WIM in _____
 ECM _____ County

FOR IRRIGATION ONLY: Do you own or lease the land to be irrigated? Yes No (If available, attach a copy of the deed or lease. If not available, the permit, if issued, will require that a deed or lease be submitted before water use begins.)

6. JUSTIFICATION OF PRESENT AND FUTURE NEED

IRRIGATION: Completion of #3 serves as justification of need for amounts requested for irrigation for common crops grown in Oklahoma. The Board will use appropriate publications and information the applicant submits in determining the amount of water needed.

MUNICIPAL AND RURAL WATER ENTITIES: Submit population projection figures and all other methodologies, calculations, and additional information used to determine amount of water requested. Submit a map of the service areas and the water line locations. The map must show points of reference or scale. A schedule of use based on population growth may also be submitted.

Oklahoma Water Resources Board STREAM WATER Application Plat

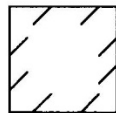
Applicant Name _____ Application # _____

Note: Drawings must match the legal descriptions provided in questions #4 and #5 in the application and one copy of the plat must be filed with the application.

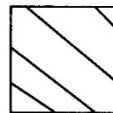
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Section – Township – Range

County



Land Owned
or Leased



Area of Use



Point of Diversion

[Source: Added at 12 Ok Reg 2671, eff 7-1-95; Revoked and reenacted at 13 Ok Reg 2853, eff 7-1-96; Revoked and reenacted at 14 Ok Reg 2750, eff 7-1-97; Revoked and reenacted at 27 Ok Reg 1294, eff 5-27-10]

OKLAHOMA WATER RESOURCES BOARD

RULE IMPACT STATEMENT

for Rule Amendments in OAC Title 785 Chapter 20

Proposed for Adoption During 2025

A. A BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES.

The staff of the Oklahoma Water Resources Board ("OWRB") is proposing or is considering promulgation of amended or new rules in Oklahoma Administrative Code ("OAC") 785:20 as follows:

OAC 785:20-1-3 is proposed to be amended to add language authorizing the Executive Director of the OWRB to issue cease and desist orders.

OAC 785:20-3-2(a) is proposed to be amended to strike out the water right application in the rule. This action would allow OWRB staff to make simplifications or enhancements to the application without legislative approval.

OAC 785:20-3-9(d) is proposed to be amended to provide six (6) months of application processing time that starts after the applicant is last instructed by the Board as opposed to when the Board is last contacted by the applicant.

OAC 785:20-7-1(e)(1) is proposed to be amended to add language clarifying that 90-day provisional temporary permits may be renewable for up to three (3) times for the oil and natural gas industry.

OAC 785:20-9-5(a)(2) is proposed to be amended to ensure that an owner of more than one stream water permit at a specific location for the same purpose applies water use to the older permit first. Currently written, the rule is a loophole, allowing a stream water permit holder to tie its seniority to all its permits that withdraw from the same diversion point.

OAC 785:20-9-5(a)(4) is an addition that provides water right holders an opportunity to explain any nonuse of stream water allocated by the permit and for the same to be taken before the Board for approval.

OAC 785:20 Appendix A is proposed to be taken out of rule, allowing OWRB the flexibility to simplify the application or enhance as needed.

Other amendments may be considered or proposed as a result of public comments.

B. A DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULES, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULES, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES.

There are no classes of persons anticipated to be negatively affected by the proposed changes in OAC 785:20-1-3, OAC 785:20-3-2(a), OAC 785:20-7-1(e)(1), OAC 785:20-9-5(a)(4), and the removal of Appendix A.

Regarding OAC 785:20-9-5(a)(2), the proposed amendment would affect stream water right holders with multiple permits from a single diversion point. Currently, the rules allow a user

to ‘stack’ stream water permits on top of each other and use the older permit as a priority for all permits. Amending the language would entail the permit holder to report water use according to the oldest priority date first. The costs incurred by water right holders should be minimal as permit holders adequately plan based on the priority dates of their permits.

For OAC 785:20-3-9(d) the proposed amendment would affect non-responsive applicants in requiring that application corrections be completed within six (6) months after last instructed by the Board.

C. A DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES.

For OAC 785:20-1-3, domestic users and stream water permit holders would benefit from the Executive Director of the OWRB’s power to more immediately address water use that is unauthorized or continued use that will damage rights of prior appropriators.

OAC 785:20-3-2(a) and the removal of Appendix A would benefit OWRB staff by allowing simplifications to the permit application, potentially cutting down application processing time and benefitting the applicant by allowing them a shorter timeframe between submitting an application and putting the water to beneficial use.

For OAC 785:20-3-9(d), would benefit OWRB staff by decreasing the time spent on processing perpetually inadequate applications. This also benefits responsive applicants by allowing OWRB staff to spend more time reviewing their applications.

For OAC 785:20-7-1(e)(1), the oil and natural gas industry will benefit by allowing the Executive Director of the OWRB to approve up to four (4) consecutive 90-day provisional temporary permits in situations where long term use of water is unnecessary.

For OAC 785:20-9-5(a)(2), permit holders that are senior and negatively affected by the loophole language would be allowed to use their senior allocated water and not be curtailed by water allocated under a junior stream water right.

For OAC 785:20-9-5(a)(4), permit holders will benefit by being provided a Board record of excused non-use of stream water.

D. A DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULES UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE.

There are no economic impacts anticipated with the changes in OAC 785:20-1-3, OAC 785:20-3-2(a), OAC 785:20-9-5(a)(4), and the removal of Appendix A.

For OAC 785:20-3-9(d), the economic impact would be if an applicant does not initiate further proceedings for six (6) months after last instructed by the Board that the application shall be deemed withdrawn and the filing fee forfeited.

For OAC 785:20-7-1(e)(1), the economic impact on the oil and natural gas industry will be beneficial as it will allow the Executive Director of the OWRB to approve up to four (4) consecutive 90-day provisional temporary permits in situations where long term use of water is

unnecessary. The oil and natural gas industry should save time and money by not having to move diversion points every ninety (90) days to procure a new source of water.

Economic impacts regarding the proposed change in OAC 785:20-9-5(a)(2) are anticipated to be minimal and potentially only effect those entities or persons with one diversion point for multiple permits.

E. THE PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, AND ANY ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN STATE REVENUES IF IT CAN BE PROJECTED BY THE AGENCY.

OAC 785:20-3-2(a), OAC 785:20-9-5(a)(2), and the removal of Appendix A would not incur cost to the OWRB or any other agency.

For OAC 785:20-1-3, potential costs incurred would be for administrative hearings that are required to be held.

For OAC 785:20-3-9(d), would not incur cost to the OWRB or any other agency. Benefits would be reduction in processing time of applications and a reduction in the time spent tracking progress on perpetually incomplete applications.

For OAC 785:20-7-1(e)(1), the cost to the OWRB would be minimal. A benefit to OWRB staff would be in not having to process prospective long-term applications that would have likely been necessary if 90-day provisional temporary applications could not be renewed for the oil and natural gas industry. Long term applications require significantly more review time than 90-day provisional temporary applications.

For OAC 785:20-9-5(a)(4), potential costs incurred are estimated to be minimal and may entail an increase to the cost of the annual water use report mailout and staff time in constructing monthly Board meeting packets.

F. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR REQUIRE THEIR COOPERATION IN IMPLEMENTING OR ENFORCING THE RULES.

No persons or entities are likely to be impacted by the proposed changes to OAC 785:20-1-3, OAC 785:20-3-2(a), OAC 785:20-3-9(d), OAC 785:20-7-1(e)(1), OAC 785:20-9-5(a)(4), and the removal of Appendix A.

Changes to OAC 785:20-9-5(a)(2) may impact municipalities or entities who have not adequately managed their water rights, including implementing a long-term strategic water plan. Relying on senior permits to hold a priority date for all of an entity's permits is not an adequate plan. Changes to this rule would put responsibility on those effected to coordinate with other users in the watershed.

G. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES MAY HAVE AN ADVERSE ECONOMIC EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

The proposed changes in OAC 785:20-1-3, OAC 785:20-3-2(a), OAC 785:20-7-1(e)(1), OAC 785:20-9-5(a)(2), OAC 785:20-9-5(a)(4), and the removal of Appendix A are not expected to have an adverse impact on small businesses.

For OAC 785:20-3-9(d), the adverse economic effect on small business would be if an applicant is a small business and does not initiate further proceedings for six (6) months after last instructed by the Board that the application shall be deemed withdrawn and the filing fee forfeited.

H. AN EXPLANATION OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES.

There are no compliance costs anticipated for the changes in OAC 785:20-1-3, OAC 785:20-3-2(a), OAC 785:20-3-9(d), OAC 785:20-7-1(e)(1), OAC 785:20-9-5(a)(2), OAC 785:20-9-5(a)(4), and the removal of Appendix A.

I. A DETERMINATION OF THE EFFECT OF THE PROPOSED RULES ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT AND, IF THE PROPOSED RULES ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULES WILL REDUCE THE RISK.

OAC 785:20-3-2(a), OAC 785:20-3-9(d), OAC 785:20-7-1(e)(1), OAC 785:20-9-5(a)(4), and the removal of Appendix A have no effect on the public health, safety, and environment.

OAC 785:20-9-5(a)(2) closes a reporting loophole and may reduce a risk for stream water permits that supply water to the public.

OAC 785:20-1-3, may reduce risks to public health, safety, and environment by more immediately preventing unauthorized use of water.

J. A DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULES ARE NOT IMPLEMENTED.

There are no detrimental effects anticipated for the changes in OAC 785:20-1-3, OAC 785:20-3-2(a), OAC 785:20-3-9(d), OAC 785:20-7-1(e)(1), OAC 785:20-9-5(a)(2), OAC 785:20-9-5(a)(4), and the removal of Appendix A.

K. THE DATE THE RULE IMPACT STATEMENT WAS PREPARED AND IF MODIFIED, THE DATE MODIFIED:

This rule impact statement was reviewed and approved on November 14, 2024 by Christopher R. Neel, Chief, Water Rights Administration Division, Oklahoma Water Resources Board.

Staff Response to Public Comments on Proposed Amendments of
Oklahoma Water Resources Board Rules
OAC: 785 Chapter 20. Appropriation and Use of Stream Water
2/2/2024

OAC 785:20-9-5(a)(2) – Annual Reports of Water Use

Summary of Comments from Environmental Federation of Oklahoma – Bud Ground, President

1. I ask that that the phrase “Absent differing expression of the water right holder” in 785:20-9-5 (a)(2) not be stricken from the rules. A single diversion point does not mean that all the water taken from that diversion point is used for the same purpose or even the same industry. I am aware of diversion points where the water is divided between different uses, facilities and industries according to contractual requirements which requires something other than the water taken from a diversion point being applied to the oldest permit first.

Response:

Allowing the Rule change to proceed in its current form would not affect the reporting of water on permits with different purposes (such as different facilities or well sites) and different areas of use, as the obligation is only for stream water permits held by the same permit holder, same diversion point, same source of water, and for the same purpose. Since the area of use justifies the need to appropriate waters of the state during the permit approval process, it can be thought of as a component of the purpose and a way to differentiate purposes for having or not having to meet the reporting obligation of this Rule. As such, OWRB staff reaffirm their recommendation of striking “*Absent differing expressed direction of the water right holder*”.

Summary of Comments from Oklahoma Water Alliance – Kyle Arthur

2. The Alliance supports the intent of the proposed changes to 785:20-7-1 and 785:30-5-4 to incorporate the provisions of 82 O.S. § 105.1(G) and 82 O.S. § 1020.10(A). We would, however, suggest that the proposed language be modified to further clarify that only the oil and gas industry may renew a provisional temporary permit up to three times. At times, the issuance of provisional temporary permits can adversely affect the yield of our reservoirs. As such, it is important to be clear in rule that only the oil and gas industry may have them renewed three times.
3. The Alliance supports the proposed changes to 785:20-9-5(a)(4) regarding the reporting of water use, for those holding more than one right from the same point of diversion, under the permit with senior priority date first until full use is made.
4. The comments above are reflective of the Oklahoma Water Alliance’s belief that sound and effective water management, and the science that underpins those policies, is critically dependent upon having accurate data. Both the Red River Basin and Washita Basin studies, in which the OWRB participated, have shown this to be true. And as water use continues to

grow and additional pressures are put upon this finite resource, the need for accurate data will only become more important.

Response:

OWRB staff accept adding the word “only” in the rules to help clarify this change only is pertinent to the oil and natural gas industry.

5. AMCD is in full support of the proposed changes to OAC 785:20-9-5(a)(2) as they address an important issue for senior water right holders. Specifically, the amendment allows senior permit holders who are negatively impacted by the current loophole language to continue utilizing their senior allocated water without being unfairly curtailed by water allocated under a junior stream water right. This change ensures that senior water rights are respected and protected, which is essential for promoting equity and sustainability in water resource management.
6. AMCD believes that these proposed changes are crucial to begin improving the overall management and reporting of water resources in the state, while also benefiting both senior permit holders and the broader community by promoting more efficient and transparent water use practices.
7. The Arbuckle Master Conservancy Districts proposes the following revision to 785:20-7-1(e)(1):

A provisional temporary permit authorizes an appropriation of water in an amount and from a source approved by the Executive Director of the Board [82:105.1(G)] A provisional temporary permit is granted by the Board's Executive Director for a period not to exceed ninety (90) days, is non-renewable, does not vest in the holder any permanent right and is subject to cancellation... at any time [82: 105. 1(G)] within its term; notwithstanding the foregoing, a provisional temporary permit may be renewed three (3) times *only* for the oil and natural gas industry except in a sole source aquifer [82: I 05. 1 (G)]. It is not necessary to hold a hearing, publish application data or notify adjacent downstream domestic or appropriative users prior to consideration of this type of permit. The permit may be issued summarily and immediately at the discretion of and upon administrative approval by the Executive Director.

Response:

OWRB staff do not agree with keeping Executive Director of the Board and instead prefer Executive Director of the Oklahoma Water Resources Board. Staff accepts AMCD’s suggestion of keeping “is non renewable” and changing the proposed language to add “notwithstanding the forgoing” and the word “only”. These 3 changes would clarify that PTs are non-renewable except explicitly for the oil and natural gas industry.

CHAPTER 25. DAMS AND RESERVOIRS

SUBCHAPTER 3. RESPONSIBILITY, CLASSIFICATION AND DESIGN STANDARDS

785:25-3-6. Minimum spillways performance standards

(a) General performance standards.

- (1) Except as otherwise provided in this Chapter, all dams must meet or exceed the following performance standards as determined by analysis of plans and specifications for the dam and existing site conditions.
- (2) Owners of existing dams which do not meet the following performance standards must make necessary changes in the dam to meet the applicable performance standards.
- (3) The discharge capacity and/or storage capacity of the project shall be capable of passing the indicated spillway design flood without infringing on the minimum freeboard requirements, provided that a design which includes overtopping of the dam may be authorized if specifically approved by the Board.
- (4) The minimum performance standards expressed as magnitude of spillway design flood and minimum freeboard will be assigned to the various size and hazard potential classification determined under 785:25-3-3 as described in Appendix B.

(b) **Amending minimum freeboard.** The minimum freeboard requirement may be amended by the Board on a case-by-case basis for good cause shown by the owner.

(c) Probable maximum flood.

- (1) PMF means and refers to the Probable Maximum Flood and is defined as the flood that may be expected from the most severe combination of critical meteorologic conditions, defined as the Probable Maximum Precipitation (PMP), and critical hydrologic conditions that are reasonably possible in the region.
- (2) Since design floods are usually determined by using mathematical computations through computer modeling and since several different acceptable models are available, flood design calculations must fall within plus/minus 5% PMF of the Board's current model results.
- (3) The PMF storm should be the most conservative PMP storm type and duration to adequately reflect the size and hydrologic characteristics of the watershed in which the dam is located.
- (4) *Regional Probable Maximum Precipitation Study for Oklahoma, Arkansas, Louisiana, and Mississippi* (Applied Weather Associates, 2019) shall be used in determining precipitation depth, area, and duration relationships for the PMP. The location-specific precipitation depth-area-duration relationship shall be applied to the spatial and temporal distribution methods described in *Hydrometeorological Report No. 52* (National Oceanic and Atmospheric Administration, 1982).

(d) **PMF on dam designated for regulation.** A dam which the Board has determined is subject to regulation because of its high hazard potential, although otherwise considered too small, shall be required to safely pass 25% PMF with no minimum freeboard.

(e) Dams constructed prior to June 13, 1973.

- (1) Any dam constructed prior to June 13, 1973, classified as having high hazard-potential as described in 785:25-3-3 shall be required to pass a minimum design flood as follows:
 - (A) Small size - 25% PMF with one foot of freeboard.
 - (B) Intermediate size - 50% PMF with no minimum freeboard.
 - (C) Large size - 75% PMF with no minimum freeboard.
- (2) Proposed designs to enlarge, alter, or repair a spillway of any dam constructed prior to June 13, 1973, may be required meet the general performance standards set forth in 785-25-3-6(a) as determined by the Board. Provided that any dam constructed prior to June 13, 1973, that does not meet minimum spillway performance standards in Appendix B, and the spillway/spillways is/are proposed to undergo substantial modification, the minimum spillway performance standards defined in 785-25-3-6(a) shall be met by the proposed design.

(f) **Dams constructed after 1973 without Board approval.** An owner of a dam constructed after 1973 without prior approval by the Board shall remove the dam or may request a variance or waiver from the requirement for submittal of plans and specifications as provided for in 785:25-5-2 and 785:25-5-3, provided the owner of the dam shall submit an application containing the following:

- (1) A topographic map of the dam site showing the location of spillway and outlet works.
- (2) Drawings showing the length, width, and height of dam.
- (3) Detailed plans of spillway structures, spillway profile, and procedures for operating of the spillway structure.
- (4) Hydrologic and hydraulic analysis report as described in Hydrologic and Hydraulic Guidelines for Dams in Oklahoma, Oklahoma Water Resources Board, Dam Safety Program, August 2011.
- (5) Complete a dam breach inundation analysis and map if Board staff determines the dam may be a significant or high hazard-potential structure.
- (6) Inspection of the dam by a registered Professional Engineer and submit a written inspection report to the Board not later than 30 days after the inspection and shall contain information as set forth in a Board hazard inspection report.
- (7) Pay ~~minimum~~ application fee as provided in 785:5-1-9(a) ~~and 785:5-1-9(f)~~.
- (8) In addition, the applicant may be required to submit a detailed geotechnical investigation and analysis of the dam and report on such investigation. The geotechnical investigation shall include a minimum boring layout as follows:
 - (A) One (1) crest boring extending through the embankment and foundation materials to bedrock.

- (B) Two (2) crest borings extending through the embankment and foundation materials to bedrock, one near each abutment.
- (C) One (1) boring extending through the embankment and foundation materials to bedrock near the mid-height on the downstream slope of the dam.
- (D) One (1) boring extending through the embankment and foundation material to bedrock along the toe of the dam.

SUBCHAPTER 7. POST APPROVAL ACTIONS

785:25-7-8. Certificate of completion

- (a) **Issuance; revocation; amendments.** Certificates of completion shall be issued and may be revoked or amended as follows:
- (1) Upon filing of notice of completion of works by the applicant, the Board shall, within sixty (60) days, inspect or cause the dam to be inspected. The Executive Director or their designee shall approve the issuance of a certificate of completion if, based on the certification from the engineer in the Notice of Completion, the dam or reservoir is safe to impound water within the limitations prescribed in the certificate. However, no certificate of completion shall be issued until receipt of fee for certificate and all invoiced filing and inspection fees.
 - (2) Every certificate of completion issued shall contain *the date of approval of plans and specifications for the dam, date construction was completed on said dam, and* [82:110.8] any such terms and conditions as the Board may prescribe. The Board may revoke any such certificate whenever it is determined that the dam constitutes a danger to life and property. Whenever such action is necessary to safeguard life and property, the terms and conditions of any such certificate may be amended and a new certificate issued containing the revised terms and conditions.
 - (3) *Certificates of completion of works from the . . . Board shall be required before any water may be impounded by a new dam or before water may be impounded at an elevation higher than that previously authorized by the Board at an existing dam which has been modified* [82:110.8]
- (b) **Notice and action.** After the issuance of the certificate of completion, the Board shall provide notice to the owner, allowing opportunity for a hearing, prior to the issuance of any order revoking or modifying the previous Board certificate.

SUBCHAPTER 9. ACTIONS AFTER CONSTRUCTION

785:25-9-1. Inspections of dams

- (a) **Oversight vested in Board.** Oversight of the maintenance and operation of constructed dams and reservoirs insofar as necessary to safeguard life and property from injury by reason of the failure thereof is vested in the Board.
- (b) **Periodic inspections.** Except for low hazard potential dams, owners are required to have their dams inspected at their expense by qualified persons periodically according to a schedule prepared by the Board to meet the requirements of paragraphs (1) and (2) of this subsection. ~~Periodic inspections of dams shall be~~ Periodic inspections shall be conducted and the inspection report submitted to the Board by the end of the calendar year according to hazard potential classifications as follows:
- (1) High hazard. High hazard potential dams shall be inspected at least once ~~annually~~ each calendar year.
 - (2) Significant hazard. Significant hazard shall be inspected at least once every three years.
 - (3) Low hazard. Low hazard potential dams shall be inspected at least once every five years, which inspection shall be conducted by the owner and shall consist of a review of the hazard classification on forms provided by the Board.
 - (4) Significant or high hazard dams in an unsatisfactory or poor condition, described in Section 6 of the National Dam Safety Review Board's Guidelines for Updating the 2008 National Inventory of Dams (NID), April 2008, as determined by the Board shall be inspected by a registered Professional Engineer at the expense of the owner at least every six months until such time as the deficiencies have been corrected.
 - ~~(5) Periodic inspections shall be conducted by the end of the calendar year indicated by the schedule above.~~
- (c) ~~Expense of periodic inspections~~ Inspections by qualified persons. ~~Periodic inspections shall be at the owner's expense~~ ~~(Except for low hazard potential dams, periodic inspections)~~ ~~and~~ shall be conducted by a Registered Professional Engineer hired by the owner, who is licensed in the state of Oklahoma, and shall have training and/or experience concerning the analysis, design, and/or construction of dams and reservoirs, or by an engineer of any United States governmental agency acting in his official capacity. Provided that inspections of low hazard classification dams may be conducted by persons who are not Registered Professional Engineers but who are trained in inspecting dams.
- (d) **Unscheduled inspections.** Unscheduled (non-periodic) inspections such, as those conducted in response to complaints, after major heavy precipitation events, after earthquakes within 50 miles of a high or significant hazard potential dam that measure 5.0 or greater on the Richter magnitude scale, or in emergency situations, may be conducted by Board staff, or the Board may require the owner to conduct an unscheduled inspection at the owner's expense. No fee for such inspection shall be due, provided that a request for inspection by other parties shall be governed by 785:25-9-6.
- (e) **United States dams not subject to inspection.** Any dam *constructed by the United States or its duly authorized agencies shall not be subject to inspection while under the supervision of officers or the United States.* [82:105.27]

(f) **Board to notify when inspection due; violation.** The Board shall notify persons shown by its records to own the dam of the date the periodic inspection of the dam is due. Failure to have the inspection completed shall constitute a violation of Board rules.

(g) **Minimum standards.** ~~For each inspection completed~~ ~~Except for low hazard potential dams,~~ qualified persons shall submit a written inspection report describing any dam safety deficiencies observed and outline remedial actions to be taken to address those deficiencies as follows:

(1) Engineering inspection reports shall be prepared for each inspection completed. The inspecting engineer shall record their findings of the inspection and submit a written inspection report to the Board not later than 30 days after the inspection.

(2) All inspections shall also include documentary digital photographs of the dam, auxiliary spillway, principal spillway inlet structure, principal spillway outlet, any other appurtenances, and any potential safety concerns. A condition rating of all appurtenances shall be assigned in the inspection report in accordance with Board dam inspection guidelines. When explanation is needed to identify or describe the safety concern, notes shall be included in the written report to provide this explanation. Photographs shall be attached to the completed inspection report.

(3) Inspection reports shall include a schedule of corrective actions to be taken to address dam safety deficiencies.

(4) Periodic inspection reports shall also include review of the Emergency Action Plan and of the operation and maintenance manual to assure they are still accurate and applicable, as well as any changes in downstream development or other conditions if applicable.

OKLAHOMA WATER RESOURCES BOARD
RULE IMPACT STATEMENT
for Rule Amendments in OAC 785: Chapter 25
Proposed for Adoption During 2025

A. A BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES.

The staff of the Oklahoma Water Resources Board (“OWRB”) is proposing or is considering promulgation of amended or new rules in Oklahoma Administrative Code (“OAC”) 785:25 DAMS AND RESERVOIRS as follows:

OAC 785:25-3-6 Subsection (f)(7) is proposed to be amended for clarity and consistency.

OAC 785:25-9-1 would be reorganized for clarity. Subsection (c) would be given a more descriptive title. The minimum standards for dam inspections would have an additional requirement to assign a condition rating of all dam appurtenances in accordance with the Board’s dam inspection guidelines.

B. A DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULES, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULES, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES.

Private dam engineers will have a more concise deadline for submission of inspection reports. There should be no cost impacts to the agency.

C. A DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES.

Persons who will benefit from the proposed rules are those individuals who live downstream of dams or own structures or property downstream of dams. Owners of dams will benefit from the rule changes by maintaining safe impoundments and limiting the liabilities that arise from dam failures.

D. A DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULES UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE.

The timeline for report submission by hired engineers should not have any potential economic impacts to the dam owners.

E. THE PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, AND ANY

ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN STATE REVENUES IF IT CAN BE PROJECTED BY THE AGENCY.

The agency is not anticipated to incur additional costs. No additional costs are anticipated to be incurred by other agencies. The proposed amendments will have no effect on state revenues.

F. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR REQUIRE THEIR COOPERATION IN IMPLEMENTING OR ENFORCING THE RULES.

The proposed rules are not anticipated to have an economic impact on any political subdivision or require the cooperation of political subdivisions in implementing or enforcing the rules. If a political subdivision owns a dam that has not been maintained in a safe condition, it may bear the cost of repair, removal, or additional inspections.

G. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES MAY HAVE AN ADVERSE ECONOMIC EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

There should be no adverse economic impact on small businesses unless the small business owns a dam that was built without agency approval of plans and specifications or that has not been maintained in a safe condition.

H. AN EXPLANATION OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES.

There are no known less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules, which is protection of life and property.

I. A DETERMINATION OF THE EFFECT OF THE PROPOSED RULES ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT AND, IF THE PROPOSED RULES ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULES WILL REDUCE THE RISK.

The proposed rules will result in a timely submission of dam inspection reports. Inspection reports are critical for the safety for those persons who live downstream from a dam. Dam failures can result in loss of life and property damage.

J. A DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULES ARE NOT IMPLEMENTED.

If the proposed rules are not implemented, there is an increased risk of harm to persons living downstream from dams. Loss of life and extensive or irreparable environmental and property damages could occur. Economic losses would be significant.

K. THE DATE THE RULE IMPACT STATEMENT WAS PREPARED AND IF MODIFIED, THE DATE MODIFIED:

This rule impact statement was reviewed and approved on November 14, 2024, by Yohanes Sugeng, Chief, Engineering and Planning Division, Oklahoma Water Resources Board.

CHAPTER 30. TAKING AND USE OF GROUNDWATER

SUBCHAPTER 3. PERMIT APPLICATION REQUIREMENTS AND PROCESSING

785:30-3-1. General application requirements

(a) **Application form to be used.** The applicant shall complete an application for a groundwater permit on an electronic or other form approved by the Board, copies of which are provided by the Board, and in the manner described by the form. The application form may be presented to the Board in person, by mail, by readable facsimile transmittal, or through the Board's online application service. With copies of the application form, the Board will provide copies of a sample plat on which information as required by the application form must be indicated. The Board may require that relevant portions of the approved form be completed for applications or petitions to amend an existing groundwater right.

(b) **Written permission of owner required if applicant does not own land.** Except as provided in 82 O.S., §1020.21, *no permit shall be issued to an applicant who is not the surface owner of the land on which the well is to be located, or hold a valid [82:1020.11(D)] right from such surface owner permitting withdrawal of water [82:1020.11(D)],* provided that an owner (or lessee) of a mineral estate severed prior to May 28, 1985, shall not be required to get separate authorization from the surface estate owner, pursuant to the Oklahoma Supreme Court case of Unit Petroleum Co. v. Okla. Water Res. Board. A copy of the ownership documentation or written permission may be required as part of the application.

(c) **Existing and proposed well locations; potential well areas; maximum number of wells to be completed.**

(1) **Locations of existing wells.** The applicant may in the application form Appendix A furnished by the Board describe or show the actual location of existing wells by distances in feet from readily identifiable objects or monuments such as section lines or provide latitude/longitude coordinates of existing wells requested to be authorized.

(2) **Locations of proposed wells.** If specific information is known, for instances by test drilling, the actual locations of proposed wells may be shown in the application plat by distances in feet from readily identifiable objects or monuments such as section lines or by latitude/longitude coordinates.

(3) **Potential well areas.** If the applicant does not have specific information as to location of existing or proposed wells, the potential area or areas where such wells are located or may be drilled and completed on the dedicated lands must be indicated on the application plat. Unless specified well location information is provided, the potential well area information for proposed well locations as indicated on the plat will be used to determine the certified mail notice that the applicant must provide. To be authorized by the permit, specific location information about existing and proposed wells must be provided or the wells must be located in the potential well area or areas.

(4) **Maximum number of wells to be completed.** If the requested permit is issued, it will authorize a maximum number of existing wells and proposed wells to be drilled and completed.

(d) **Additional information.** In addition to the information specified in (a) and (b) of this Section and in the application form, the applicant may be required to submit additional information necessary for proper consideration of the application.

(e) Authorization to Drill Groundwater Wells. Groundwater wells pursuant to this Chapter shall follow the requirements of 785:35-13.

[Source: Amended at 10 Ok Reg 3293, eff 6-25-93; Amended at 11 Ok Reg 2935, eff 6-13-94; Amended at 12 Ok Reg 2689, eff 7-1-95; Amended at 13 Ok Reg 2869, eff 7-1-96; Amended at 15 Ok Reg 2438, eff 6-11-98; Amended at 16 Ok Reg 3227, eff 7-12-99; Amended at 17 Ok Reg 2752, eff 7-1-00; Amended at 20 Ok Reg 2607, eff 7-11-03; Amended at 37 Ok Reg 2294, eff 9-11-20]

785:30-3-3. Acceptance of application for filing; when applications deemed withdrawn

- (a) The date of receipt of an application in the office of the Board shall be endorsed thereon and the application noted in the records.
- (b) If an applicant does not correct an application or publish notice as instructed by the Board, and no further proceedings are initiated by the applicant for six months or more ~~after last contact with~~ after instructed by the Board, the application shall be deemed withdrawn. The Board shall provide notice to the applicant that the application has been deemed withdrawn.

[Source: Amended at 16 Ok Reg 3227, eff 7-12-99]

785:30-5-4. Provisional temporary permits

- (a) A provisional temporary permit is a ~~nonrenewable~~ non-renewable permit, with the exception that such a permit may be renewed three (3) times only for the oil and natural gas industry except in a sole source aquifer [82:1020.10], granted by and at the discretion of the Executive Director of the Oklahoma Water Resources Board.
- (b) The permit is only effective *for a period not to exceed ninety (90) days* [82:1020.10] and is subject to cancellation at any time during its term.
- (c) No hearings are held, no application notice or data is published and no notice to surface estate owners is required on applications for this type of permit.
- (d) The application may be approved and the permit may be issued summarily and immediately upon administrative approval where it appears from the verified application and supporting material filed therewith that the permit issuance conditions described in 82 O.S. 1981, §§1020.9 and 1020.11(D) are satisfied and that well spacing distances, as specified in 785:30-3-6, and other conditions as may be required by the Board, are met.
- (e) On applications in which the applicant is not the surface owner of the lands upon which the water well is to be located, the applicant must satisfy the requirements of 82 O.S. 1981, §1020.11(D) and 785:30-3-1(b).
- (f) Provisional temporary permit holders are required to notify the Board in writing within thirty (30) days after the expiration of their permit as to the disposition of the well covered under the permit.

[Source: Amended at 11 Ok Reg 2935, eff 6-13-94; Amended at 12 Ok Reg 2689, eff 7-1-95]

785:30-7-4. Adding or replacing a well for the purpose of exercising prior rights or existing permits

(a) Additional wells.

- (1) The holder of a permit or prior right may make a written petition to the Board for approval of an additional well(s) where such well(s) is or are necessary in order to withdraw the amount authorized by the existing permit. If ownership of the land, permit or prior right changes after

the petition is filed, the petitioner must promptly notify the Board and notice of such change may be required.

(2) The petition shall be filed prior to drilling the well(s) on forms provided by the Board and shall be accompanied by a map or plat (~~see APPENDIX A of this Chapter~~). The additional well(s) must be located on lands dedicated to a permit to take and use groundwater from the same groundwater basin, be drilled and used to prevent waste and meet applicable well spacing requirements or location exceptions.

(3) The Executive Director shall approve the petition, provided:

(A) That the new well location meets established well spacing or is not closer than one-thousand three hundred twenty feet (1320') from lands owned by another if well spacing is not applicable; or

(B) That, if well spacing is not applicable, there is submitted a written statement from each surface estate owner owning land closer than one-thousand three hundred twenty feet (1320') from the well requested to be authorized, stating that he or she has no objection to the new well location.

(4) If one of the above enumerated conditions cannot be met, the permittee must give notice as set forth in 785:30-3-4 regarding each additional proposed well. If a protest is received, the Board shall schedule a hearing and notify the applicant and protestant of such hearing. Even if no protest is received, the petitioner shall be given opportunity for hearing if the petition cannot be recommended for approval to the Board.

(b) Replacement well.

(1) For well locations authorized by a permit or prior right, a replacement well may be drilled on lands relied on to establish the prior right or dedicated lands ~~without prior approval from the Executive Director to service the same area of use as the well being replaced~~ if the proposed replacement well will not be closer than meets established well spacing or will not be closer than one-thousand three hundred twenty feet (1320') from lands owned by another if well spacing is not applicable.

(2) For a well location authorized by permit or prior right where the proposed replacement well location is within one-thousand three hundred twenty feet (1,320') of lands owned by another, the replacement well may be drilled on lands relied on to establish the prior right or dedicated lands ~~without prior approval of the Executive Director, to service the same area of use as the well being replaced~~ provided the replacement well is within two-hundred fifty feet (250) of the well to be replaced.

(3) If paragraphs (1) or (2) of this subsection cannot be met, a petition for an additional well may be filed.

(c) Location of wells identified. A legal description or multi-purpose completion report such as that required by 785:35-5-3 showing the location of the well to the nearest ten (10) acre tract shall be submitted to the Board within sixty (60) days after completion of any additional or replacement well.

[Source: Amended at 10 Ok Reg 3293, eff 6-25-93; Amended at 11 Ok Reg 2935, eff 6-13-94; Amended at 12 Ok Reg 2689, eff 7-1-95; Amended at 13 Ok Reg 2869, eff 7-1-96; Amended at 36 Ok Reg 1288, eff 8-11-19]

~~785:30-7-8. Consolidation of permits~~

~~(a) Permits to use groundwater can be consolidated for annual use reporting purposes only and under the following circumstances:~~

~~(1) The permittee files a written application to consolidate with proper fee;~~

- ~~(2) Consolidation will facilitate the reporting of groundwater use;~~
- ~~(3) The permits are of the same class and are held by the same owner;~~
- ~~(4) The lands dedicated to the permits overlie the same groundwater basin;~~
- ~~(5) The number of wells and withdrawal rate of the wells authorized under the permits will not be changed;~~
- ~~(6) The lands dedicated to the permits are within the same county.~~

~~(b) The Executive Director may approve the application to consolidate if the requirements of subsection (a) of this section are shown. A new permit number, designated with the year the application to consolidate was filed, shall be given to the consolidated permit.~~

~~{Source: Added at 10 Ok Reg 3293, eff 6-25-93; Amended at 13 Ok Reg 2869, eff 7-1-96; Revoked at 14 Ok Reg 2767, eff 7-1-97; Amended at 30 Ok Reg 884, eff 6-13-13}~~

785:30-13-5. Allocation of municipal water

- (a) Allocation of all municipal water from beneath lands which are either inside or outside the corporate municipal limits shall be governed by 82 O.S. 1981, §§1020.1 et seq., as amended.
- (b) When a municipality elects to invoke the provisions of §1020.21 (allocation of water from beneath platted lands), its allocation shall be based upon the amount of acres dedicated to the application which are platted and subdivided into lots within the corporate municipal limits and which overlie the basin or subbasin
- (c) The Board shall issue the permit if the following additional conditions can be met:
 - (1) The municipality shall make water reasonably accessible and available to residents on the platted lands dedicated to the application.
 - ~~(2) The wells are or will be located not less than six hundred (600) feet within the municipal limits.~~
 - (3) ~~(2) The wells are or will be on the platted land dedicated to the application, provided that~~ the municipality shall demonstrate that it owns or otherwise has valid authority to place the wells on the land where the wells are or will be located.
- (d) The requirements of this Section have no application to water allocated to municipalities from beneath unplatted lands either inside or outside the corporate municipal limits or the use of water from wells drilled by municipalities where groundwater rights were established under prior law unless the municipality elects to bring its use from such wells under provisions of 82 O.S. 1981, §§1020.1 et seq.
- (e) A municipality may not allocate groundwater from beneath lands dedicated to a permit unless the municipality acquires ownership of that previously issued permit and changes the purpose of such permit to municipal use if necessary.

[Source: Amended at 17 Ok Reg 2752, eff 7-1-00]

APPENDIX D. Identified Springs that Emanate From a Sensitive Sole Source Groundwater Basin

Figure 1

Table 1.

The following springs flow 50 or more gallons per minute, emanate from a Sensitive Sole Source Groundwater Basin, and are protected by the spacing provisions of Section 785:30-3-6(c) of this Chapter.

Spring Name/Owner ID	USGS Site ID	Latitude	Longitude	Legal Description
Anderson Spring	342718096380401	34.45496	-96.63432	NW NW SW Sec. 24 T01S R06EIM
Antelope Spring at Sulphur, OK	07329849	34.50444444	-96.9411111	NW NW NE Sec. 1 T01S R03EIM
Bilbo Spring	342732096400601	34.4589808	-96.6686163	NE SW NW Sec. 22 T01S R06EIM
Blue Hole Spring	342108096553801	34.3521	-96.92963	SE NW SW Sec. 30 T02S R04EIM
Boiling Spring	342819097123301	34.47203135	-97.2094644	SE SW NW Sec. 16 T01S R01EIM
Buck Irving Spring	342035096554101	34.34314776	-96.9283451	NW SE NW Sec. 31 T02S R04EIM
Buffalo Spring at Sulphur, OK	07329847	34.5027	-96.93993	SE NW NE Sec. 1 T01S R03EIM
Byrds Mill Spring nr Fittstown, OK	07334200	34.59453434	-96.6655632	SE SW SW Sec. 34 T02N R06EIM
Canyon Spring	343241096360201	34.54473886	-96.60082218	NE SE NE Sec. 19 T01N R07EIM
Chapman Spring	3411927096541901	34.32446	-96.90536	NW NW SE Sec. 5 T03S R04EIM
Coffee Pot Spring	343144096332701	34.52064708	-96.5577813	SE SE SW Sec. 27 T01N R07EIM
Cold Spring	342251097165801	34.3814773	-97.2830754	SE NE SE Sec. 15 T02S R01WIM
Colvert Spring	342613096521101	34.43703557	-96.8700114	NE SW SE Sec. 27 T01S R04EIM
Colvert Spring	342613096521701	34.4370356	-96.8633445	NW SW SW Sec. 27 T01S R04EIM
Cummins Spring	342712096373701	34.45342537	-96.6272263	SE NE SW Sec. 24 T01S R06EIM
Daube Spring	341540096485101	34.2612051	-96.8144509	SW SE SE Sec. 30 T03S R05EIM
Deadmans Spring	342411096350101	34.4031200	-96.5838700	NW NW NW Sec. 9 T02S R07EIM
Desperado Spring	341958096354301	34.33304	-96.59525	SW SE SW Sec. 32 T02S R07EIM
Devils Bath tub Spring	342511097064501	34.197000	-97.1120000	SW SE SE Sec. 32 T01S R02EIM
Diamond Spring	342414096364701	34.40367215	-96.61329907	NW NE NW Sec. 7 T02S R07EIM
Five Mile Spring	343247097181901	34.4811900	-97.3080775	NW SW SE Sec. 9 T01S R01WIM
Gray Spring	342342096464801	34.3948889	-96.7811111	SE NW SE Sec. 9 T02S R05EIM
Gregor Spring	342732096432201	34.4589807	-96.7230622	NW SW NW Sec. 19 T01S R06EIM
Inslee Spring	342726096380001	34.4573142	-96.633154	SE SW NW Sec. 24 T01S R06EIM
Lowrance Spring 2	342730096562701	34.45842354	-96.9411256	NW SW NE Sec. 24 T01S R03EIM
Lowrance Springs nr Drake, OK	07329880	34.4589	-96.9414	NW SW NE Sec. 24 T01S R03EIM
Pole Spring	342837097193301	34.47703024	-97.3261003	NW NW NE Sec. 17 T01S R01WIM
Rutherford Spring	342318096325401	34.38842597	-96.5486122	SW NW NW Sec. 14 T02S R07EIM
Seven Springs 2	342150096284002	34.36398146	-96.4780545	NW SW SW Sec. 21 T02S R08EIM
Shadowfax Spring	342732096395801	34.4589808	-96.666394	NW SE NW Sec. 22 T01S R06EIM
Sheep Creek Spring	343422096385101	34.572868	-96.647785	SW SW NW Sec. 11 T01N R06EIM
Smith Spring	342218096411301	34.3717595	-96.6872266	NW SW NW Sec. 21 T02S R06EIM
South Spring	342054096514501	34.34842584	-96.8627874	SW SW SW Sec. 26 T02S R04EIM
Three Springs	342147096393901	34.36314848	-96.6611147	NW SW SE Sec. 22 T02S R06EIM
Three Springs	342148096394001	34.36342625	-96.6613925	NW SW SE Sec. 22 T02S R06EIM
Tired Spring	341933096535201	34.32592599	-96.898066	SW SW NW Sec. 4 T01S R04EIM
Tisdell Spring	342732096402301	34.4589808	-96.6733387	NE SE NE Sec. 21 T01S R06EIM
Unnamed Spring	342724096400202	34.4567586	-96.6675052	SE SW NW Sec. 22 T01S R06EIM
Unnamed Spring	342712096374101	34.45296	-96.62846	SE NE SW Sec. 24 T01S R06EIM

Table 1.

The following springs flow 50 or more gallons per minute, emanate from a Sensitive Sole Source Groundwater Basin, and are protected by the spacing provisions of Sections 785:30-3.6(c) of this Chapter.

Spring Name/Other ID	USGS Site ID	Latitude	Longitude	Legal Description
Anderson Spring	342718096380401	34.45496	-96.63432	NW NW SW Sec. 24 T01S R06EIM
Antelope Spring at Sulphur, OK	07329849	34.50444444	-96.94111111	NW NW NE Sec. 1 T01S R03EIM
Bilbo Spring	342732096400601	34.4589808	-96.6686163	NE SW NW Sec. 22 T01S R06EIM
Blue Hole Spring	342108096553801	34.3521	-96.92963	SE NW SW Sec. 30 T02S R04EIM
Boiling Spring	342819097123301	34.47203135	-97.2094644	SE SW NW Sec. 16 T01S R01EIM
Buck Irving Spring	342035096554101	34.34314776	-96.9283451	NW SE NW Sec. 31 T02S R04EIM
Buffalo Spring at Sulphur, OK	07329847	34.5027	-96.9393	SE NW NE Sec. 1 T01S R03EIM
Byrds Mill Spring nr Fittstown, OK	07334200	34.59453434	-96.6655632	SE SW SW Sec. 34 T02N R06EIM
Canyon Spring	343241096360201	34.54473886	-96.60082218	NE SE NE Sec. 19 T01N R07EIM
Chapman Spring	341927096541901	34.32446	-96.90536	NW NW SE Sec. 5 T03S R04EIM
Coffee Pot Spring	343114096332701	34.52064708	-96.5577813	SE SE SW Sec. 27 T01N R07EIM
Cold Spring	342253097165801	34.3814773	-97.2830754	SE NE SE Sec. 15 T02S R01WIM
Colvert Spring	342613096521101	34.43703557	-96.8700114	NE SW SE Sec. 27 T01S R04EIM
Colvert Spring	342613096514701	34.43703556	-96.8633445	NW SW SW Sec. 27 T01S R04EIM
Cummins Spring	342712096373701	34.45342537	-96.6272263	SE NE SW Sec. 24 T01S R06EIM
Daube Spring	341540096485101	34.2612051	-96.8144509	SW SE SE Sec. 30 T03S R05EIM
Deadmans Spring	342411096350101	34.4031200	-96.5838700	NW NW NW Sec. 9 T02S R07EIM
Desperado Spring	341958096354301	34.33304	-96.59525	SW SE SW Sec. 32 T02S R07EIM
Devils Bathtub Spring	342511097064501	34.4197000	-97.1120000	SW SE SE Sec. 32 T01S R02EIM
Diamond Spring	342414096364701	34.40387215	-96.61329907	NW NE NW Sec. 7 T02S R07EIM
Five Mile Spring	343247097181901	34.4811969	-97.3080775	NW SW SE Sec. 9 T01S R01WIM
Gray Spring	342342096464801	34.3948889	-96.7811111	SE NW SE Sec. 9 T02S R05EIM
Gregor Spring	342732096432201	34.4589807	-96.7230622	NW SW NW Sec. 19 T01S R06EIM
Inslee Spring	342726096380001	34.4573142	-96.633154	SE SW NW Sec. 24 T01S R06EIM
Lowrance Spring 2	342730096562701	34.45842354	-96.9411256	NW SW NE Sec. 24 T01S R03EIM
Lowrance Springs nr Drake, OK	07329880	34.4589	-96.9414	NW SW NE Sec. 24 T01S R03EIM
Pole Spring	342837097193301	34.47703024	-97.3261333	NW NW NE Sec. 17 T01S R01WIM
Rutherford Spring	342318096325401	34.38842597	-96.5486122	SW NW NW Sec. 14 T02S R07EIM
Seven Springs 2	342150096284002	34.36398146	-96.4780545	NW SW SW Sec. 21 T02S R08EIM
Shadowfax Spring	342732096395801	34.4589808	-96.666394	NW SE NW Sec. 22 T01S R06EIM
Sheep Creek Spring	343422096385101	34.572868	-96.647785	SW SE NW Sec. 11 T01N R06EIM
Smith Spring	342218096411301	34.3717595	-96.6872266	NW SW NW Sec. 21 T02S R06EIM
South Spring	342054096514501	34.34842584	-96.8627874	SW SW SW Sec. 26 T02S R04EIM
Three Springs	342147096393901	34.36314848	-96.6611147	NW SW SE Sec. 22 T02S R06EIM
Three Springs	342148096394001	34.36342625	-96.6613925	NW SW SE Sec. 22 T02S R06EIM
Tired Spring	341933096535201	34.32592599	-96.898066	SW SW NW Sec. 4 T03S R04EIM
Tisdell Spring	342732096402301	34.4589808	-96.6733387	NE SE NE Sec. 21 T01S R06EIM
Unnamed Spring	342724096400202	34.4567586	-96.6675052	SE SW NW Sec. 22 T01S R06EIM
Unnamed Spring	342712096374101	34.45296	-96.62846	SE NE SW Sec. 24 T01S R06EIM
Unnamed Spring	342254096425501	34.38238	-96.71595	NE NE SW Sec. 18 T02S R06EIM
Unnamed Spring	342757097195501	34.46591938	-97.3322444	NE SW SW Sec. 17 T01S R01WIM
Unnamed Spring	342517096453401	34.4203222	-96.7588889	SE SE SE Sec. 34 T01S R05EIM
Unnamed Spring	342537096454701	34.4265900	-96.7633406	NE NW SE Sec. 34 T01S R05EIM
Unnamed Spring	342247097143301	34.37981089	-97.2427967	NW SE SW Sec. 18 T02S R01EIM
Unnamed Spring	342335096462501	34.393148	-96.773896	NW SW SW Sec. 10 T02S R05EIM
Unnamed Spring	342908096373701	34.4573333	-96.6694444	SW SW NW Sec. 22 T01S R06EIM
Unnamed Spring	342428096444301	34.4078702	-96.7419508	NE SE SE Sec. 2 T02S R05EIM
Unnamed Spring	342727096401301	34.4575919	-96.6705608	SW SW NW Sec. 22 T01S R06EIM
Unnamed Spring	342231096300901	34.37537049	-96.5027775	NE NW NE Sec. 19 T02S R08EIM

Figure 2

Unnamed Spring	342254096425501	34.38238	-96.71595	NE NE SW Sec. 18 T02S R06EIM
Unnamed Spring	342757097195501	34.46591938	-97.3322444	NE SW SW Sec. 17 T01S R01WIM
Unnamed Spring	342517096453401	34.4203222	-96.7588889	SE SE SE Sec. 34 T01S R05EIM
Unnamed Spring	342537096454701	34.4265900	-96.7633406	NE NW SE Sec. 34 T01S R05EIM
Unnamed Spring	342247097143301	34.37981089	-97.2427967	NW SE SW Sec. 18 T02S R01EIM
Unnamed Spring	342335096462501	34.393148	-96.773896	NW SW SW Sec. 10 T02S R05EIM
Unnamed Spring	342908096373701	34.4573333	-96.6694444	SW SW NW Sec. 22 T01S R06EIM
Unnamed Spring	342428096444301	34.4078702	-96.7419508	NE SE SE Sec. 2 T02S R05EIM
Unnamed Spring	342727096401301	34.4575919	-96.6705608	SW SW NW Sec. 22 T01S R06EIM
Unnamed Spring	342231096300901	34.37537049	-96.5027775	NE NW NE Sec. 19 T02S R08EIM
Unnamed Spring	342342097134701	34.39508844	-97.2300189	SW NW SW Sec. 8 T02S R01EIM
Unnamed Spring	342337097134801	34.39369958	-97.2302967	NW SW SW Sec. 8 T02S R01EIM
Unnamed Spring	343114096353101	34.5205000	-96.6077778	SW SW SE Sec. 30 T01N R07EIM
Unnamed Spring	34228097163001	34.4411981	-97.2752984	NE NE SW Sec. 26 T01S R01WIM
Unnamed Spring	343606096401301	34.6017584	-96.6705635	SE SE NE Sec. 33 T02N R06EIM
Unnamed Spring	342353097145501	34.39814549	-97.0822389	SE SE NW Sec. 10 T02S R02EIM
Unnamed Spring	342505097094001	34.4181442	-97.1625183	NE NE NE Sec. 2 T02S R01EIM
Unnamed Spring	342342097135501	34.3950884	-97.2322412	SE NE SE Sec. 7 T02S R01EIM
Unnamed Spring	342421097065401	34.40592276	-97.1152951	SW SW SE Sec. 5 T02S R02EIM
Unnamed Spring	342634097104401	34.4428657	-97.1791857	SE SE NE Sec. 27 T01S R01EIM
Unnamed Spring	342818097170501	34.4705286	-97.2850213	SW SE NE Sec. 15 T01S R01WIM
Unnamed Spring	342233096444501	34.3753002	-96.7469444	NE NW NE Sec. 23 T02S R05EIM
Unnamed Spring	341638096502301	34.2773159	-96.8400076	NW SE SW Sec. 24 T03S R04EIM
Unnamed Spring	341719096520801	34.28870449	-96.8691754	NE NW NE Sec. 22 T03S R04EIM
Unnamed Spring	342246097143601	34.3795331	-97.24363	NW SE SW Sec. 18 T02S R01EIM
Unnamed Spring	342634097160001	34.44286478	-97.2059649	SE SE NE Sec. 26 T01S R01WIM
Unnamed Spring	342639097160001	34.44425363	-97.2669019	NE SE NE Sec. 26 T01S R01WIM
Unnamed Spring	342738096401401	34.46064745	-96.6708386	SW NW NW Sec. 22 T01S R06EIM
Viola Spring	342216096314001	34.37966	-96.52692	SW NE SW Sec. 13 T02S R07EIM
Washington Spring	342726096400601	34.45738889	-96.6694167	SW SW NW Sec. 22 T01S R06EIM
Webb Spring	341718096515802	34.2884267	-96.8663976	NW NE NE Sec. 22 T03S R04EIM
Williams Spring	342232096561901	34.37564716	-96.9389017	NE NW NE Sec. 24 T02S R03EIM
Willis Spring	342911096373701	34.4864806	-96.6272269	SE SE NW Sec. 10 T01S R06EIM
Wolf Spring	342116096394601	34.35453746	-96.663059	SE SE NW Sec. 27 T02S R06EIM

Unnamed Spring	342342097134701	34.39508844	-97.2300189	SW NW SW Sec. 8 T02S R01EIM
Unnamed Spring	342337097134801	34.39369958	-97.2302967	NW SW SW Sec. 8 T02S R01EIM
Unnamed Spring	343114096353101	34.5205000	-96.6077778	SW SW SE Sec. 30 T01N R07EIM
Unnamed Spring	342628097163001	34.4411981	-97.2752984	NE NE SW Sec. 26 T01S R01WIM
Unnamed Spring	343606096401301	34.6017564	-96.6705635	SE SE NE Sec. 33 T02N R06EIM
Unnamed Spring	342353097045501	34.39814549	-97.0822389	SE SE NW Sec. 10 T02S R02EIM
Unnamed Spring	342505097094401	34.4181442	-97.1625183	NE NE NE Sec. 2 T02S R01EIM
Unnamed Spring	342342097135501	34.3950884	-97.2322412	SE NE SE Sec. 7 T02S R01EIM
Unnamed Spring	342421097065401	34.40592276	-97.1152951	SW SW SE Sec. 5 T02S R02EIM
Unnamed Spring	342634097104401	34.4428657	-97.1791857	SE SE NE Sec. 27 T01S R01EIM
Unnamed Spring	342818097170501	34.47175286	-97.2850213	SW SE NE Sec. 15 T01S R01WIM
Unnamed Spring	342233096444501	34.3753333	-96.7469444	NE NW NE Sec. 23 T02S R05EIM
Unnamed Spring	341638096502301	34.2773159	-96.8400076	NW SE SW Sec. 24 T03S R04EIM
Unnamed Spring	341719096520801	34.28870449	-96.8691754	NE NW NE Sec. 22 T03S R04EIM
Unnamed Spring	342246097143601	34.3795331	-97.24363	NW SE SW Sec. 18 T02S R01EIM
Unnamed Spring	342634097160001	34.44286478	-97.2669649	SE SE NE Sec. 26 T01S R01WIM
Unnamed Spring	342639097160001	34.44425363	-97.2669649	NE SE NE Sec. 26 T01S R01WIM
Unnamed Spring	342738096401401	34.46064745	-96.6708386	SW NW NW Sec. 22 T01S R06EIM
Unnamed Spring	343007096581601	34.502	-96.9712	NW SE NE Sec. 03 T01S R03EIM
Unnamed Spring	342614097114001	34.437333	-97.194528	NW SW SW Sec. 27 T01S R01EIM
Unnamed Spring	342518097064501	34.421917	-97.112778	NE SW SE Sec. 32 T01S R02EIM
Unnamed Spring	343418096384201	34.57175	-96.645083	SE SE NW Sec. 11 T01N R06EIM
Viola Spring	342216096314001	34.37966	-96.52692	SW NE SW Sec. 13 T02S R07EIM
Washington Spring	342726096400601	34.45738889	-96.6694167	SW SW NW Sec. 22 T01S R06EIM
Webb Spring	341718096515802	34.2884267	-96.8663976	NW NE NE Sec. 22 T03S R04EIM
Williams Spring	342232096561901	34.37564716	-96.9389017	NE NW NE Sec. 24 T02S R03EIM
Willis Spring	342911096373701	34.4864806	-96.6272269	SE SE NW Sec. 12 T01S R06EIM
Wolf Spring	342116096394601	34.35453746	-96.663059	SE SE NW Sec. 27 T02S R06EIM

Figure 3

Table 2.

The following springs flow 500 or more gallons per minute, emanate from a Sensitive Sole Source Groundwater Basin, and are protected by the spacing provisions of Section 785:30-3-6(c) of this Chapter.

Spring Name	USGS Site ID	Latitude	Longitude	Legal Description
Antelope Spring at Sulphur, OK	7329849	34.50444444	-96.94111111	NW NW NE Sec. 1 T01S R03EIM
Bilbo Spring	342732096400601	34.4589808	-96.6686163	NW SW NW Sec. 22 T01S R06EIM
Blue Hole Spring	342108096553801	34.3521	-96.92963	SW NE SW Sec. 30 T02S R04EIM
Buck Irving Spring	342035096554101	34.34314776	-96.9283451	NW SE NW Sec. 31 T02S R04EIM
Byrds Mill Spring nr Fittstown,OK	7334200	34.59453434	-96.6655632	SE SW SW Sec. 34 T02N R06EIM
Cold Spring	342253097165801	34.3814773	-97.2830754	SE NE SE Sec. 15 T02S R01WIM
Colvert Spring	342513096521101	34.43703557	-96.8700114	NE SW SE Sec. 27 T01S R04EIM
Colvert Spring	34261506514701	34.4370356	-96.8633445	NE SE SE Sec. 27 T01S R04EIM
Cummins Spring	342712096333701	34.45342537	-96.6272263	SE NE SW Sec. 24 T01S R06EIM
Devils Bathtub Spring	342511097064501	34.41981139	-97.1127954	SE SW SE Sec. 32 T01S R02EIM
Gregor Spring	342732096432201	34.4589807	-96.7230622	NW SE NE Sec. 21 T01S R06EIM
Inslee Spring	342726096380001	34.4573142	-96.6336154	SW SW NW Sec. 24 T01S R06EIM
Lowrance Springs nr Drake, OK	7329880	34.4589	-96.9414	NW NW NE Sec. 24 T01S R03EIM
Shadowfax Spring	342732096395801	34.4589808	-96.666394	NE SW NW Sec. 22 T01S R06EIM
Sheep Creek Spring	343422096385101	34.572868	-96.647785	SW SE NW Sec. 11 T01N R06EIM
Tisdell Spring	342732096402301	34.4589808	-96.6733387	NW SE NE Sec. 21 T01S R06EIM
Unnamed Spring	342712096374101	34.45296	-96.62846	SE NE SW Sec. 24 T01S R06EIM
Unnamed Spring	342254096425501	34.38238	-96.75595	NE NE SW Sec. 18 T02S R06EIM
Unnamed Spring	342757097195501	34.46591938	-97.332244	NE SW SW Sec. 17 T01S R01WIM
Unnamed Spring	342517096453401	34.42148107	-96.7597293	SE SE SE Sec. 34 T01S R05EIM
Unnamed Spring	342537096454701	34.4270365	-96.7633406	SE SW NE Sec. 34 T01S R05EIM
Unnamed Spring	342247097143301	34.37981089	-97.2427967	NE SW SW Sec. 18 T02S R01EIM
Unnamed Spring	342738096401401	34.46064745	-96.6708386	SW NW Sec. 22 T01S R06EIM
Washington Spring	342726096400601	34.45738889	-96.6694167	SW SW NW Sec. 22 T01S R06EIM

Table 2.

The following springs flow 500 or more gallons per minute, emanate from a Sensitive Sole source Groundwater Basin, and are porotected by the spacing provisions of Sevction 785:30-3-6(c) of this Chapter.

Spring Name/Other ID	USGS Site ID	Latitude	Longitude	Legal Description
Antelope Spring at Sulphur, OK	07329849	34.50444444	-96.9411111	NW NW NE Sec. 1 T01S R03EIM
Bilbo Spring	342732096400601	34.4589808	-96.6686163	NE SW NW Sec. 22 T01S R06EIM
Blue Hole Spring	342108096553801	34.3521	-96.92963	SE NW SW Sec. 30 T02S R04EIM
Buck Irving Spring	342035096554101	34.34314776	-96.9283451	NW SE NW Sec. 31 T02S R04EIM
Byrds Mill Spring nr Fittstown, OK	07334200	34.59453434	-96.6655632	SE SW SW Sec. 34 T02N R06EIM
Cold Spring	342253097165801	34.3814773	-97.2830754	SE NE SE Sec. 15 T02S R01WIM
Colvert Spring	342613096521101	34.43703557	-96.8700114	NE SW SE Sec. 27 T01S R04EIM
Colvert Spring	342613096514701	34.4370356	-96.8633445	NW SW SW Sec. 27 T01S R04EIM
Cummins Spring	342712096373701	34.45342537	-96.6272263	SE NE SW Sec. 24 T01S R06EIM
Devils Bathtub Spring	342511097064501	34.4197000	-97.1120000	SW SE SE Sec. 32 T01S R02EIM
Gregor Spring	342732096432201	34.4589807	-96.7230622	NW SW NW Sec. 19 T01S R06EIM
Inslee Spring	342726096380001	34.4573142	-96.633154	SE SW NW Sec. 24 T01S R06EIM
Lowrance Springs nr Drake, OK	07329880	34.4589	-96.9414	NW SW NE Sec. 24 T01S R03EIM
Shadowfax Spring	342732096395801	34.4589808	-96.666394	NW SE NW Sec. 22 T01S R06EIM
Sheep Creek Spring	343422096385101	34.572868	-96.647785	SW SE NW Sec. 11 T01N R06EIM
Tisdell Spring	342732096402301	34.4589808	-96.6733387	NE SE NE Sec. 21 T01S R06EIM
Unnamed Spring	342712096374101	34.45296	-96.62846	SE NE SW Sec. 24 T01S R06EIM
Unnamed Spring	342254096425501	34.38238	-96.71595	NE NE SW Sec. 18 T02S R06EIM
Unnamed Spring	342757097195501	34.46591938	-97.3322444	NE SW SW Sec. 17 T01S R01WIM
Unnamed Spring	342517096453401	34.4203222	-96.7588889	SE SE SE Sec. 34 T01S R05EIM
Unnamed Spring	342537096454701	34.4265900	-96.7633406	NE NW SE Sec. 34 T01S R05EIM
Unnamed Spring	342247097143301	34.37981089	-97.2427967	NW SE SW Sec. 18 T02S R01EIM
Unnamed Spring	342738096401401	34.46064745	-96.6708386	SW NW NW Sec. 22 T01S R06EIM
Unnamed Spring	343418096384201	34.57175	-96.645083	SE SE NW Sec. 11 T01N R06EIM
Washington Spring	342726096400601	34.45738889	-96.6694167	SW SW NW Sec. 22 T01S R06EIM

[Source: Added at 31 Ok Reg 2506, eff 9-12-14; Revoked and reenacted at 37 Ok Reg 2294, eff 9-11-20]

OKLAHOMA WATER RESOURCES BOARD

RULE IMPACT STATEMENT

for Rule Amendments in OAC Title 785 Chapter 30
Proposed for Adoption During 2025

A. A BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES.

The staff of the Oklahoma Water Resources Board ("OWRB") is proposing or is considering promulgation of amended or new rules in Oklahoma Administrative Code ("OAC") 785:30 as follows:

OAC 785:30-3-1(c)(1) is proposed to strike out the language referring to the application being in Appendix A, since that appendix was previously removed from the rules.

OAC 785:30-3-1(e) is proposed to be added to tie in directly to the Intent-to-Drill rules implemented in OAC 785:35 in FY23.

OAC 785:30-3-3(b) is proposed to be amended to provide six (6) months of application processing time that starts after the applicant is last instructed by the Board as opposed to when the Board is last contact by the applicant.

OAC 785:30-5-4(a) is proposed to be amended to add language clarifying that 90-day provisional temporary permits may be renewable for the oil and natural gas industry.

OAC 785:30-7-4(a)(2) is proposed to drop the language referring to Appendix A, since that appendix was previously removed from the rules.

OAC 785:30-7-4(b) is being proposed to remove language allowing a permit holder to drill a replacement well without notifying the OWRB. This language change is a result of the addition of an intent-to-drill process in FY23 requiring well drillers to notify the OWRB when a well requiring a water right is intended to be drilled. Language is proposed to be added to emphasize the intent of a replacement well is to service the same area of use as the well that is authorized on the permit.

OAC 785:30-7-8 is proposed to be revoked, which has allowed permit holders to report all their water use on one permit instead of the location where the water was withdrawn.

OAC 785:30-13-5(c) proposes to take out the 600-ft spacing requirement from municipal lands for drilling municipal wells as a result of a change in 82 O.S. 1981, §§1020.1 et seq.

OAC 785:30 Appendix D is being proposed to add and update locations of springs in the Arbuckle-Simpson Groundwater Basin.

Other amendments may be considered or proposed as a result of public comments.

B. A DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULES, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULES, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES.

There are no classes of persons anticipated to be negatively affected by the proposed changes in OAC 785:30-3-1(c)(1) and OAC 785:30-7-4(a)(2), since Appendix A was previously removed from the rules.

There are no classes of persons anticipated to be negatively affected by the proposed changes in OAC 785:30-3-1(e) as the Intent-to-Drill rule it references was already implemented in OAC 785:35 in FY23.

For OAC 785:30-3-3(b) the proposed amendment would affect non-responsive applicants in requiring that application corrections be completed within six (6) months after last instructed by the Board.

For OAC 785:30-5-4(a) there are no classes of persons anticipated to be negatively affected by the proposed change.

There are no classes of persons anticipated to be negatively affected by the proposed changes in OAC 785:30 Appendix D as the changes would correct known spring location errors and add known spring locations for administering the well spacing requirements of OAC 785:30-3-6(c) for groundwater applications in sole-source groundwater basins.

OAC 785:30-7-4(b) may negatively affect the well drilling community and entities with permits wanting to drill a replacement well by adding time to complete a new well. However, if the well driller and permit holder anticipate drilling a new well in a timely manner, the increased time should be minimal.

OAC 785:30-7-8 is being proposed to require a permit holder to report water use from the permit from which the water has been withdrawn. This would require the permit holder to keep more accurate records for reporting purpose. Most persons and entities already keep accurate records; the language is proposed to require more accurate record-keeping from those who have multiple permits and report cumulatively.

OAC 785:30-13-5(c) should provide relief to municipalities drilling wells within their municipal limits by allowing them the freedom to place a well closer to or outside of their municipal boundary.

C. A DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES.

For OAC 785:30-3-1(c)(1), OAC 785:30-7-4(a)(2), and OAC 785:30-13-5(c), applicants and water right holders will benefit as these changes will allow processes to run more efficiently for both the applicant/permit holder and OWRB staff.

For OAC 785:30-3-1(e), applicants and water right holders will benefit as it makes them aware of a direct tie in with Intent-to-Drill rules (OAC 785:35).

For OAC 785:30-3-3(b), would benefit OWRB staff by decreasing the time spent on processing perpetually inadequate applications. This also benefits responsive applicants by allowing OWRB staff to spend more time reviewing their applications.

For OAC 785:30-5-4(a) the oil and natural gas industry will benefit by allowing the Executive Director of the OWRB to approve up to four (4) consecutive 90-day provisional temporary permits in situations where long term use of water is unnecessary.

OAC 785:30-7-4(b) will benefit other permit holders as well as the citizens of Oklahoma by protecting water resources from being illegally taken without proper notice. The language

change will ensure that replacement wells are drilled in the required locations outlined in the water right permit and to service the same area of use as the well that is authorized on the permit.

OAC 785:30-7-8 will benefit OWRB staff, other state and federal agencies, academic institutions, and the citizens of Oklahoma by having more precise and concise water use data reported on water use reports. Water use data is one of the OWRB's most requested data sets and often times, the data is convoluted to the point that it is rendered unusable.

Appendix D will benefit the natural beauty of the Arbuckle-Simpson groundwater basin as well as those who use the water that emanates from the area.

D. A DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULES UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE.

For OAC 785:30-3-3(b), the economic impact would be if an applicant does not initiate further proceedings for six (6) months after last instructed by the Board that the application shall be deemed withdrawn and the filing fee forfeited.

For OAC 785:30-5-4(a), the economic impact on the oil and natural gas industry will be beneficial as it will allow the Executive Director of the OWRB to approve up to four (4) consecutive 90-day provisional temporary permits in situations where long term use of water is unnecessary.

OAC 785:30-7-4(b) emphasizes the intent of a replacement well is to service the same area of use as the well that is authorized on the permit. There potentially would be an economic impact if the permit holder planned to significantly change well locations to supply water to a different area of use.

Otherwise, there are no economic impacts anticipated with any other of the proposed changes in Chapter 30. No fee changes are being proposed.

E. THE PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, AND ANY ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN STATE REVENUES IF IT CAN BE PROJECTED BY THE AGENCY.

For OAC 785:30-7-4(b) the cost to the OWRB would be in the review and processing time for applications or application materials.

Several of the changes will benefit the agency with having better quality data (OAC 785:30-7-8) and decreased permit processing times (OAC 785:30-3-3(b)).

For OAC 785:30-5-4(a) the cost to the OWRB would be minimal. A benefit to OWRB staff would be in not having to process prospective long-term applications that would have likely been necessary if 90-day provisional temporary applications could not be renewed for the oil and natural gas industry. Long term applications require significantly more review time than 90-day provisional temporary applications.

Otherwise, there are no other anticipated costs to the agency regarding any of the proposed rules other than staff time through the rule-making process.

F. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR REQUIRE THEIR COOPERATION IN IMPLEMENTING OR ENFORCING THE RULES.

No political subdivisions are likely to be economically impacted by the proposed changes to OAC 785:30. The proposed changes are minor and don't affect core processes or functions within the agency or the day-to-day activities of groundwater right holders.

G. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES MAY HAVE AN ADVERSE ECONOMIC EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

For OAC 785:30-3-3(b), the adverse economic effect on small business would be if an applicant is a small business and does not initiate further proceedings for six (6) months after last instructed by the Board that the application shall be deemed withdrawn and the filing fee forfeited.

OAC 785:30-7-4(b) emphasizes the intent of a replacement well is to service the same area of use as the well that is authorized on the permit. If the permit holder is a small business, there would potentially be an economic impact if the permit holder planned to significantly change well locations to supply water to a different area of use.

Otherwise, small businesses are not likely to be economically impacted by the remainder of the proposed changes to OAC 785:30. The proposed changes are minor and don't affect core processes or functions within the agency or the day-to-day activities of groundwater right holders.

H. AN EXPLANATION OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES.

Several of the proposed changes are likely to cut compliance costs or have no effect (OAC 785:30-3-1(c)(1), OAC 785:30-3-3(b), OAC 785:30-5-4(a), and OAC 785:30-7-4(a)(2)).

With respect to OAC 785:30-7-8, this rule was originally meant to cut compliance costs and make reporting groundwater use easier, however it created more costs than it saved; specifically, consolidating reported use by a permit holder takes more staff time sorting out reported groundwater use, entering use into databases, and additional confusion when communicating with the permit holder.

Regarding OAC 785:30-3-1(e) and OAC 785:30-7-4(b), this ties in directly to the Intent-to-Drill rules implemented in 785:35 in FY23. The Intent-to-Drill systems does add compliance cost, which was outlined in the rule-impact statement last year; however, these costs were deemed

necessary for the public health and safety of the citizens of Oklahoma. Although there is a cost associated with filing an intent-to-drill notice to the OWRB, it is to ensure that public health and safety takes precedent. This rule change would not exempt a replacement well from the intent-to-drill notification system.

I. A DETERMINATION OF THE EFFECT OF THE PROPOSED RULES ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT AND, IF THE PROPOSED RULES ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULES WILL REDUCE THE RISK.

Of the proposed rule changes, only OAC 785:30-7-4(b) has a direct effect on public health and safety. The proposed language change ensures that a replacement well will be vetted by OWRB staff, including well location, depth, area of use, and possible sources of pollution.

Indirectly, the addition of spring locations in Appendix D will help protect public health and safety by helping ensure a safe and reliable water source for those entities that rely on spring water sourced from the groundwater basin.

J. A DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULES ARE NOT IMPLEMENTED.

If the proposed rules of OAC 785:30-7-4(b) are not implemented, there would be no oversight on locations where replacement wells are located. If a replacement well is drilled outside of the 250-ft spacing limit without prior approval, appropriate notice and due process would be neglected. Without being vetted by OWRB staff, replacement wells have the potential to comeingle water zones (which may include cross contaminating polluted groundwater resources) and well as interfere with the rights of nearby landowners.

If the proposed additions to Appendix C are not implemented, the additional springs and streams emanating from the Arbuckle-Simpson groundwater basin will not be adequately protected, which will have an adverse effect to downstream users.

K. THE DATE THE RULE IMPACT STATEMENT WAS PREPARED AND IF MODIFIED, THE DATE MODIFIED:

This rule impact statement was reviewed and approved on November 14, 2024 by Christopher R. Neel, Chief, Water Rights Administration Division, Oklahoma Water Resources Board.

Staff Response to Public Comments on Proposed Amendments of
Oklahoma Water Resources Board Rules
OAC: 785 Chapter 30. Appropriation and Use of Groundwater
1/15/2025

OAC 785:30-5-4. Provisional temporary permits

Summary of Comments from Oklahoma Water Alliance – Kyle Arthur

1. The Alliance supports the intent of the proposed changes to 785:20-7-1 and 785:30-5-4 to incorporate the provisions of 82 O.S. § 105.1(G) and 82 O.S. § 1020.10(A). We would, however, suggest that the proposed language be modified to further clarify that only the oil and gas industry may renew a provisional temporary permit up to three times. At times, the issuance of provisional temporary permits can adversely affect the yield of our reservoirs. As such, it is important to be clear in rule that only the oil and gas industry may have them renewed three times.
2. The Alliance supports the proposed revocation of 785:30-7-8 regarding water use reporting practices whereby a permit holder could currently report all of their use under one permit rather than from the water withdrawn location.

Response:

OWRB staff accept adding the word “only” in the rules to help clarify this change is only pertinent to the oil and natural gas industry.

Summary of Comments from the Arbuckle Master Conservancy District – Jason B. Aamodt

3. AMCD strongly supports the proposed changes to OAC 785:30-7-8, which aim to require permit holders to report water use from the specific permit from which the water has been withdrawn. This proposed change would significantly improve record-keeping accuracy, particularly for permit holders with multiple water rights. By requiring more precise reporting, the proposed language enhances transparency and accountability, ensuring that the water usage is properly tracked and managed.
4. The Arbuckle Master Conservancy Districts proposes the following revision to 785:30-5-4(a):

A provisional temporary permit is a nonrenewable permit, with the exception that such a permit may be renewed three (3) times only for the oil and natural gas industry except in a sole source aquifer [82: 1020.10], granted by and at the direction of the Executive Director.

Response:

OWRB staff accepts AMCD’s suggestion of removing “however” and changing the proposed language to add “with the exception that” and the word “only”. Staff do not agree with keeping Executive Director and instead prefer Executive Director of the Oklahoma Water Resources

Board. These 2 changes would clarify that PTs are non-renewable except explicitly for the oil and natural gas industry.

CHAPTER 35. WELL DRILLER AND PUMP INSTALLER LICENSING

SUBCHAPTER 13. AUTHORIZATION TO DRILL GROUNDWATER WELLS

785:35-13-1. Authorization to drill groundwater wells

- (a) Any person who intends to construct any new or replacement groundwater well(s) subject to the provisions of this Chapter shall, before commencing such activity, apply for authorization from the Board on forms provided by the Board, and receive approval from Board staff. Authorizations are not required for groundwater wells completed for domestic use, test holes that will not be cased, geotechnical borings, ~~or~~ heat exchange wells, monitoring wells, recharge wells, and temporary dewatering wells.
- (b) Drilling authorizations will not be issued for construction of a well that requires another separate approval from the Board, such as a water right authorization, transfer, amendment or ~~injection~~recharge well authorization, until the other separate permitting requirements have been satisfied. A drilling authorization does not constitute a water right, injection well authorization, or other authorization that may be required.
- (c) Any person who has failed or in the future fails to obtain an authorization as required by this section shall make application for a late authorization on forms provided by the Board. The late authorization application shall contain the same information as required by subsection (d). The application for a late authorization shall be accompanied by an additional fee payable to the Board. Failure to make an application for an intent to drill for a well requiring a water right shall be subject to administrative fines.
- (d) The application shall be accompanied by a non-refundable fee payable to the Board and shall contain:
- (1) the name and post office address of the applicant or applicants,
 - (2) the name and post address of the well owner,
 - (3) the intended use,
 - (4) the intended latitude/longitude location of the proposed groundwater well (within 10 feet),
 - (5) the intended borehole diameter, casing diameter, casing type, estimated depth of well, and screened/perforated if known,
 - (6) the estimated or desired capacity in gallons per minute,
 - (7) the groundwater well identification number of the water well being replaced if applicable,
 - (8) the water right application number if applicable, and
 - (9) such other information as the Board requires.
- (e) Applications for an authorization to drill a groundwater well will be given a timestamp upon their arrival at the Board offices and will be reviewed according to the time they were received. Applications meeting all the criteria set forth in this section shall be approved by Board staff and those failing to meet the criteria shall be denied or approved with conditions within five (5) business days of receipt by the Board. Expedited, same-day applications that meet the above criteria may be approved for an additional filing fee.
- (f) If the application is incomplete or needs corrections, Board staff shall return the application to the applicant for any necessary corrections. Corrections must be made within sixty (60) days or the application will be cancelled. No refund of any application fees shall be made regardless of whether the application is approved, cancelled, or denied.
- (g) An application for an authorization or late authorization for a groundwater well shall be denied only if Board staff finds:
- (1) Applications failing to meet the criteria set forth in Chapter 35,
 - (2) That the location or operation of the proposed groundwater well would conflict with any regulations adopted by the Board or of other applicable laws of the State of Oklahoma,
 - (3) The applicant refuses to agree to the conditions set forth in the approval,
 - (4) That the application includes any intentionally misleading or falsified data.
- (h) When an application for authorization to drill a groundwater well is approved the applicant shall commence construction of the water well as soon as possible after the date of approval. A drilling authorization may not be assigned from one owner to another or from one driller to another. For wells requiring a water right application, the applicant shall have one (1) year after the approval of the water right application by the Board to complete construction of the groundwater well. If the applicant fails to complete the well under the terms of the authorization, the Board will cancel the authorization. The applicant can request, in writing, a 1-year continuance of the authorization.

OKLAHOMA WATER RESOURCES BOARD
RULE IMPACT STATEMENT
for Rule Amendments in OAC 785: Chapter 35
Proposed for Adoption During 2025

A. A BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES.

The staff of the Oklahoma Water Resources Board ("OWRB") is proposing or is considering promulgation of amended or new rules in Oklahoma Administrative Code ("OAC") 785:35 as follows.

OAC 785:35-13-1 is proposed to be amended to specify the well construction categories requiring pre-authorization through a notice of intent-to-drill application. Specifically, test holes that will be cased will require pre-authorization.

B. A DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULES, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULES, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES.

The proposed rule change will close a loop hole in the current rules, which allow a well driller to drill a test well, case it, and leave the site. This allows the landowner to install a pump and pump water out of the d=ground without applying for a water right. Correcting this language will create a seamless transition from obtaining a water right first, then drilling well(s). OWRB-licensed well drillers will most likely be affected by the proposed amendment to provide for a notice of intent to drill for cased groundwater test holes. The same classes affected will bear the cost of the rules.

C. A DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES.

Drillers and owners of cased test holes that will be completed into production wells will benefit from the protections provided by the pre-authorization process, such as preemptively notifying surround landowners of the intent to use groundwater instead of going through litigation after the fact. All citizens of the State will benefit through improved compliance with groundwater well construction standards and improved water rights administration (e.g., well spacing meets criteria), which will help prevent waste and contamination of groundwater resources (e.g., preventing wells from being drilled in areas of known contamination). As a result of improved compliance, the public will also benefit by having access to more accurate and dependable groundwater data. All citizens of the State will benefit by reducing potential threats to water quality, interference issues with current water right holders.

D. A DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULES UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE.

The probable direct and indirect economic impact of the proposed rule amendment is anticipated to be minimal. It will consist of an application fee as well as the time and effort required to gather the necessary information and submit the notice of intent-to-drill authorization form. However, the proposed rule will only affect test holes that will be cased, a limited practice that primarily occurs when wells will be drilled into unconsolidated formations.

E. THE PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, AND ANY ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN STATE REVENUES IF IT CAN BE PROJECTED BY THE AGENCY.

Probable costs to the OWRB may include actions to enforce the proposed amendments as well as staff time spent reviewing and approving intent-to-drill authorizations.

Probable benefits to the OWRB include improved compliance of groundwater well construction standards and improved administration of groundwater rights. Probable benefits also include reduced enforcement and remediation of non-compliant well construction (i.e., staff time, legal expenses). In addition, the rules will cut down on staff time responding to complaints of illegal groundwater use without a water right.

The probable source of revenue to implement the proposed amendments will likely be paid for by the application fee, which was included in FY2023 rule changes.

F. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR REQUIRE THEIR COOPERATION IN IMPLEMENTING OR ENFORCING THE RULES.

In general, political subdivisions are not charged with the implementation or enforcement of the proposed rules; therefore, no general economic impact is anticipated for these entities.

G. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES MAY HAVE AN ADVERSE ECONOMIC EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

The proposed amendments are expected to have only a minor impact on OWRB-licensed groundwater well drillers. However, failure to have a properly implemented groundwater use permit or improperly located and constructed groundwater well could have a significant adverse impact on small businesses that count on adequate groundwater availability.

H. AN EXPLANATION OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES.

There are no measures to be taken to minimize compliance costs, and there are no less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rules.

Currently the agency is implementing an honor system of compliance through multipurpose completion report submittal for groundwater wells. Although stated in Chapter 35 that multipurpose completion reports are required, OWRB has minimal staff time to devote to enforcement. As a default, compliance costs are already at a minimum.

I. A DETERMINATION OF THE EFFECT OF THE PROPOSED RULES ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT AND, IF THE PROPOSED RULES ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT,

AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULES WILL REDUCE THE RISK.

Drillers and owners of cased test holes that will be completed into production wells will benefit from the protections provided by the pre-authorization process. The pre-authorization process is intended to provide for a proactive approach, rather than reactive approach, to resolving groundwater well construction and groundwater beneficial use issues and concerns. Notification prior to drilling a well will address well spacing criteria (outlined in Chapter 30), improper well construction (outlined in Chapter 35), and identifying known sources of pollution (outlined in Chapter 45, Appendix H). Failure to proactively manage compliance with licensing, proper well construction, and groundwater rights administration could pose significant risk to public health and safety, the environment, and even the economy.

J. A DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULES ARE NOT IMPLEMENTED.

As indicated in item I above, if the proposed amendments are not implemented, all test holes will be excluded from pre-authorization and associated protections. However, in practice, some test holes are cased and eventually completed as groundwater wells. This practice enables drillers to bypass pre-authorization and associated protections by categorizing their work as a test hole. The revised rule will only exempt test holes that will not be cased, closing the potential loophole associated with test holes. Failure to implement the proposed amendments will result in wells completed for commercial use that may not be compliant and OWRB may not be able to prevent groundwater resources from being contaminated, exhausted, or severely impaired for future use.

K. THE DATE THE RULE IMPACT STATEMENT WAS PREPARED AND IF MODIFIED, THE DATE MODIFIED:

This rule impact statement was reviewed and approved on November 14, 2024, by Christopher R. Neel, Chief, Water Rights Administration Division, Oklahoma Water Resources Board.

CHAPTER 50. FINANCIAL ASSISTANCE

SUBCHAPTER 6. WATER AND SEWER PROGRAM EMERGENCY GRANTS REQUIREMENTS AND PROCEDURES

785:50-6-1. Approval criteria

(a) **General approval standards and criteria.** In the review and consideration of applications for financial assistance under the emergency grant program, the Board shall give consideration to the following general and non-exclusive criteria for application approval:

- (1) **Compliance with laws.** The application and proposed project must be found to be in compliance with all applicable and relevant federal, state and local laws and regulations, and applicant must possess all necessary and incidental legal rights and privileges necessary to project commencement and operation.
- (2) **Eligibility.** The applicant and proposed project must be determined to be eligible for the assistance sought.
- (3) **Local need, support and priority.** The project must be found to be needed in the area to be served and must be found to be sufficient, as proposed, to serve such needs. The Board shall additionally consider the project's relative benefit and priority in relation to the needs of other proposed projects and applicants.
- (4) **Availability of other assistance.** The Board shall consider the feasibility and availability of alternative sources of revenue which could be obtained and utilized by applicant for project financing.
- (5) **Economic feasibility.** The Board shall consider the overall apparent economic viability and feasibility of the project as a whole including proposed revenues from the project and the adequacy and reliability of estimated revenues necessary for loan repayment when indicated.
- (6) **Project feasibility.** The Board shall consider from the engineering data submitted and otherwise available documentation whether the proposed project appears to be feasible, and must determine as a prerequisite for approval and funding that it is cost effective.
- (7) **Statewide needs and public interest.** The Board shall give consideration to the relationship between the proposed project and the overall water resource development needs within the State of Oklahoma as well as to whether the proposed project, if constructed, will serve the public interest and welfare.
- (8) **Availability of funds.** The Board shall take into consideration the current and anticipated availability of ~~assistance~~ funds needed to provide the financial assistance requested.

(b) Criteria applicability.

- (1) The general criteria set forth in (a) and (c) of this Section are intended to constitute and shall constitute general guidelines and standards for application review and consideration by the Board.
- (2) Such criteria shall not be deemed appropriate for strict application and interpretation nor shall such criteria be deemed exclusive.
- (3) In all instances, each individual application and project must be reviewed and considered on its own individual merits.
- (4) The criteria and standards set forth in (a) and (c) of this Section shall accordingly be interpreted and applied so as to allow sufficient flexibility in the ultimate exercise of Board's judgment and discretion.

(c) **Criteria for denying an application.** The Board may deny an application for an emergency grant for any of the following reasons:

- (1) The applicant or the entity which stands to receive the benefit of the financial assistance is not an eligible entity.
- (2) The applicant has had improper or unsound management in the past.
- (3) The project is not cost effective.
- (4) Any other reason based upon applicable law, applicable requirements of the pertinent bond resolution governing use of the bond proceeds, or the Board's judgment and discretion.

785:50-6-3. Emergency grant priority point system

(a) Basis of priority system and formula.

(1) **General description.** The priority system consists of a mathematical equation rating the applicants and the proposed project in accordance with the requirements of the statutes by means of a formula awarding points for each criteria used in the evaluation. The maximum point total under the system is one hundred twenty (120). The Board may consider each month, and in order from the highest rating, those applications awarded point ratings of 60 or more priority points. If the Board determines that the applicant with the highest point rating cannot promptly proceed with the project due to delays, including but not limited to those caused by legal problems, engineering problems, feasibility problems or availability of other funding sources, the Board may pass over consideration of such application then proceed to consider in order the next highest rated application. Applications which are bypassed shall retain their ratings and thus remain eligible for further consideration. Applications preliminarily determined by Board staff to have point ratings of 59 or fewer shall be deemed denied; provided, such applications may be reevaluated if the applicant submits additional information showing changed circumstances within 120 days after the date of staff's determination, and such information improves the applicant's preliminary point rating.

(2) **Statutory criteria.** The basis of the priority formula has been developed from the enacting legislation. The two primary statutory criteria are:

(A) The emergency situation of the applicant.

(B) Whether or not the applicant can reasonably finance the project without assistance from the state.

(3) **Total priority points.** Total priority points will be calculated and awarded for individual projects; therefore, eligible entities will be required to complete separate applications for each project for which grant funds are requested. Priority lists compiled and published by other Oklahoma State agencies and/or seniority dates of applications submitted shall be utilized to decide ties in point totals among applicants.

(b) Priority formula for eligible entities other than school districts.

(1) **Formula.** The following formula has been devised to rank grant applications: $P E + WR + I + L + MHI + FP + AR + BP - AN$, where:

(A) P = Priority ranking

(B) E = Emergency ranking

(C) W R = Water and sewer rate

(D) I = Indebtedness per customer

(E) L = Amount of local contribution toward project

(F) MHI = Median Household Income

(G) FP = Applicant's ability to finance project

(H) AR = Amount of grant requested

(I) BP = Benefit of project to other systems

(J) AN = Application number

(2) **Explanation.** Each of these criteria are explained below:

(A) **Emergency rankings (E).** Emergencies are ranked by severity with Category 1 being the most severe and Category 2 being the least severe. Points awarded range from a maximum of 50 points for Category 1 and a minimum of 40 points for Category 2. If an applicant requests funds to correct more than one emergency category need, only the amount of assistance needed to correct the most severe need will be considered in the calculation for the application ranking. The applicant will be informed that separate and additional applications must be filed for other needs and projects. An applicant who receives funding for a project under any of the listed emergencies may not reapply under the same emergency. The two (2) emergency ranking categories are as follows:

(i) **Category 1.** Total loss of a water supply or sewage system or loss of a major component of a system due to a natural or unforeseen disaster which could not have been prevented by the exercise of reasonable care by the applicant. Examples of such disasters may include but are not necessarily limited to: tornado; flood; fire; severe weather; landslide; sudden loss of a water supply system; sudden collapse of a major structural portion of a system; signs of imminent failure of a public water supply lake dam, spillway or outlet structure such as settlement or slumping of the crest, excessive seepage, slides, cracks or sloughs along the upstream and downstream slopes of the dam. Also included under this category is the construction of a new water system to serve areas where residents are supplied by domestic sources or domestic systems whose quantity does not supply the basic needs of the residents. In such cases where new or extended systems are proposed, the Board shall consider and determine whether an adequate population density is available to utilize the proposed system. Notwithstanding any other provisions of this Chapter, if the density is preliminarily determined by Board staff to be inadequate for the applicant to feasibly provide operation and maintenance of the new or extended system, then the application will not be recommended for approval until the proper density, which will make the extension feasible, is achieved. Category 1 emergencies receive 50 points.

(ii) **Category 2.** Water or sewer emergencies which could not have been prevented by the exercise of reasonable care by the applicant and which cause immediate danger or an imminent health hazard to the community or other nearby citizens. Such emergencies may include but are not necessarily limited to: users or systems whose water supply is deemed to be dangerous or unhealthy; systems whose supply source becomes contaminated by man-made pollution caused by a person other than the applicant; overflow of raw sewage into homes or streets due to structural failure in the collection mains and/or structural, mechanical, or electrical failure at a lift station due to disasters which could not have been prevented by the exercise of reasonable care by the applicant, including but not limited to tornado, flooding, fire, or landslides; sewage treatment systems which discharge raw or inadequately treated sewage effluent whose quality and/or quantity causes an immediate and imminent health or safety danger to a public water supply due to a structural, mechanical or electrical failure of a process unit(s) caused by disasters which could not have been prevented by the exercise of reasonable care by the applicant, including but not limited to tornado, flooding, fire, or landslides. Also included under this category is the construction of a new water system to serve areas where residents are supplied by domestic sources or domestic systems whose quality is dangerous or unhealthy as a consequence of circumstances that could not have been prevented by the exercise of reasonable care by the applicant. In such cases where new or extended systems are proposed, the Board shall consider and determine

whether an adequate population density is available to utilize the proposed system. Notwithstanding any other provision of this Chapter, if the density is preliminarily determined by Board staff to be inadequate for the applicant to feasibly provide operation and maintenance of the new or extended system, then the application will not be recommended for approval until the proper density, which will make the extension feasible, is achieved. Category 2 emergencies receive 40 points.

(B) Water and sewer rate structure (WR).

(i) For systems providing water service only:

(I) If the cost per 5000 gallons is \$50.00 or greater, the applicant ~~shall be given~~receives 10 points.

(II) If the cost per 5000 gallons is \$45.00 to \$49.99, the applicant ~~shall be given~~receives 9 points.

(III) If the cost per 5000 gallons is \$40.00 to \$44.99, the applicant ~~shall be given~~receives 8 points.

(IV) If the cost per 5000 gallons is \$35.00 to \$39.99, the applicant ~~shall be given~~receives 7 points.

(V) If the cost per 5000 gallons is \$30.00 to \$34.99, the applicant ~~shall be given~~receives 6 points.

(VI) If the cost per 5000 gallons is \$25.00 to \$29.99, the applicant ~~shall be given~~receives 5 points.

(VII) If the cost per 5000 gallons is \$23.00 to \$24.99, the applicant ~~shall be given~~receives 4 points.

(VIII) If the cost per 5000 gallons is \$21.00 to \$22.99, the applicant ~~shall be given~~receives 3 points.

(IX) If the cost per 5000 gallons is \$19.00 to \$20.99, the applicant ~~shall be given~~receives 2 points.

(X) If the cost per 5000 gallons is \$18.00 to \$18.99, the applicant ~~shall be given~~receives 1 point.

(XI) If the cost per 5000 gallons is less than \$18.00, the applicant ~~shall be given~~receives 0 points.

(ii) For systems providing water and sewer services:

(I) If the cost per 5000 gallons is \$56.00 or greater, the applicant ~~shall be given~~receives 10 points.

(II) If the cost per 5000 gallons is \$53.00 to \$55.99, the applicant ~~shall be given~~receives 9 points.

(III) If the cost per 5000 gallons is \$49.00 to \$52.99, the applicant ~~shall be given~~receives 8 points.

(IV) If the cost per 5000 gallons \$45.00 to \$48.99, the applicant ~~shall be given~~receives 7 points.

(V) If the cost per 5000 gallons is \$41.00 to \$44.99, the applicant ~~shall be given~~receives 6 points.

(VI) If the cost per 5000 is \$37.00 to \$40.99, the applicant ~~shall be given~~receives 5 points.

(VII) If the cost per 5000 gallons is \$34.00 to \$36.99, the applicant ~~shall be given~~receives 4 points.

(VIII) If the cost per 5000 gallons is \$32.00 to \$33.99, the applicant ~~shall be given~~receives 3 points.

(IX) If the cost per 5000 gallons is \$31.00 to \$31.99, the applicant ~~shall be given~~receives 2 points.

(X) If the cost per 5000 gallons is \$30.00 to \$30.99, the applicant ~~shall be given~~receives 1 point.

(XI) If the cost per 5000 gallons is less than \$30.00, the applicant ~~shall be given~~receives 0 points.

(iii) For systems providing sewer service only:

(I) If the cost per connection per month is \$34.00 or greater, the applicant ~~shall be given~~receives 10 points.

(II) If the cost of connection per month is \$32.00 to \$33.99, the applicant ~~shall be given~~receives 9 points.

(III) If the cost of connection per month is \$30.00 to \$31.99, the applicant ~~shall be given~~receives 8 points.

(IV) If the cost of connection per month is \$28.00 to \$29.99, the applicant ~~shall be given~~receives 7 points.

(V) If the cost of connection per month is \$26.00 to \$27.99, the applicant ~~shall be given~~receives 6 points.

(VI) If the cost of connection per month is \$24.00 to \$25.99, the applicant ~~shall be given~~receives 5 points.

(VII) If the cost of connection per month is \$22.00 to \$23.99, the applicant ~~shall be given~~receives 4 points.

(VIII) If the cost of connection per month is \$20.00 to \$21.99, the applicant ~~shall be given~~receives 3 points.

(IX) If the cost of connection per month is \$18.00 to \$19.99, the applicant ~~shall be given~~receives 2 points.

(X) If the cost of connection per month is \$16.00 to \$17.99, the applicant ~~shall be given~~receives 1 point.

(XI) If the cost of connection per month is less than \$16.00, the applicant ~~shall be given~~receives 0 points.

(iv) The Board will deduct 3 points from the total of the Water and Sewer Rate Structure ranking for any system which charges a flat water or sewer rate (unmetered) without regard to the amount of water or sewer used, and 2 points for a decreasing block rate which lowers the cost per 1000 gallons for customers using larger amounts of water. No points will be added or subtracted for systems using a fixed rate per 1,000 gallons above the minimum. Two points will be added for systems using an increasing block rate. Entities who dedicate sales tax for water and/or sewer improvements will be awarded 1 additional point. Under the category the maximum number of points is 13 and the minimum is -3 points.

(C) Indebtedness per customer (I). The indebtedness per customer ranking is calculated by taking the applicant's monthly requirements for debt service on debt incurred for water and/or sewer system purposes and dividing it by the number of customers served.

(i) If the indebtedness per customer is \$20.00 or greater, the applicant ~~shall be given~~receives 10 points.

(ii) If the indebtedness per customer is \$17.50 to \$19.99, the applicant ~~shall be given~~receives 9 points.

(iii) If the indebtedness per customer is \$16.00 to \$17.49, the applicant ~~shall be given~~receives 8 points.

(iv) If the indebtedness per customer is \$14.50 to \$15.99, the applicant ~~shall be given~~receives 7 points.

(v) If the indebtedness per customer is \$13.00 to \$14.49, the applicant ~~shall be given~~receives 6 points.

(vi) If the indebtedness per customer is \$11.50 to \$12.99, the applicant ~~shall be given~~receives 5 points.

(vii) If the indebtedness per customer is \$10.00 to \$11.49, the applicant ~~shall be given~~receives 4 points.

(viii) If the indebtedness per customer is \$8.50 to \$9.99, the applicant ~~shall be given~~receives 3 points.

(ix) If the indebtedness per customer is \$7.00 to \$8.49, the applicant ~~shall be given~~receives 2 points.

(x) If the indebtedness per customer is \$5.50 to \$6.99, the applicant ~~shall be given~~receives 1 point.

(xi) If the indebtedness per customer is less than \$5.50, the applicant ~~shall be given~~receives 0 points.

(D) Local participation (L).

(i) The Board will not approve nor fund any grant application unless the applicant contributes at least fifteen percent (15%) of the total cost of the proposed project.

(ii) The local participation ranking is based on the percent of the total project cost which is locally funded through cash contributions, or incurrence of additional debt through a loan. Grant funds received through other agencies will not be counted as local funding. Points awarded for participation are as follows:

(I) If the percentage of the project cost locally funded is 90% or greater, the applicant shall be given 10 points.

(II) If the percentage of the project cost locally funded is at least 80% but less than 90%, the applicant ~~shall be given~~receives 9 points.

(III) If the percentage of the project cost locally funded is at least 70% but less than 80%, the applicant ~~shall be given~~receives 8 points.

(IV) If the percentage of the project cost locally funded is at least 60% but less than 70%, the applicant ~~shall be given~~receives 7 points.

(V) If the percentage of the project cost locally funded is at least 50% but less than 60%, the applicant ~~shall be given~~receives 6 points.

(VI) If the percentage of the project cost locally funded is at least 40% but less than 50%, the applicant ~~shall be given~~receives 5 points.

(VII) If the percentage of the project cost locally funded is at least 30% but less than 40%, the applicant ~~shall be given~~receives 4 points.

(VIII) If the percentage of the project cost locally funded is at least 25% but less than 30%, the applicant ~~shall be given~~receives 3 points.

(IX) If the percentage of the project cost locally funded is at least 20% but less than 25%, the applicant ~~shall be given~~receives 2 points.

(X) If the percentage of the project cost locally funded is at least 15% but less than 20%, the applicant ~~shall be given~~receives 1 point.

(XI) If the percentage of the project cost locally funded is less than 15%, the application shall not be approved nor funded.

(E) Median Household Income (MHI). The median household income is calculated according to the most current federal decennial census or American Community Survey data available.

(i) The county median figure for median household income will be used in cases where data for the applicant's service area is not available.

(ii) Points are awarded as follows:

(I) If the median household income is less than \$17,000, the applicant ~~shall be given~~receives 10 points.

(II) If the median household income is \$17,000 to \$20,999, the applicant ~~shall be given~~receives 9 points.

(III) If the median household income is \$21,000 to \$23,999, the applicant ~~shall be given~~receives 8 points.

(IV) If the median household income is \$24,000 to \$28,999, the applicant ~~shall be given~~receives 7 points.

(V) If the median household income is \$29,000 to \$31,999, the applicant ~~shall be given~~receives 6 points.

(VI) If the median household income is \$32,000 to \$36,999, the applicant ~~shall be given~~receives 5 points.

(VII) If the median household income is \$37,000 to \$39,999, the applicant ~~shall be given~~receives 4 points.

(VIII) If the median household income is \$40,000 to \$44,999, the applicant ~~shall be given~~receives 3 points.

(IX) If the median household income is \$45,000 to \$47,999, the applicant ~~shall be given~~receives 2 points.

(X) If the median household income is \$48,000 to \$51,999, the applicant ~~shall be given~~receives 1 point.

(XI) If the median household income is \$52,000 or greater, the applicant ~~shall be given~~receives 0 points.

(F) Ability to finance project (FP).

(i) The maximum points possible under this criterion for the ability of the applicant to finance the project without assistance from the state is 12.

(ii) The FP ranking gives a standardized account of the amount the existing water/sewer rates would have to be raised in order for the applicant to finance the project through a loan. A standard interest rate and term of 5% for 25 years is assumed. The cost per customer per month is calculated using the following formula: FP equals the product of AR multiplied by (0.0710), divided by the product of (12) multiplied by (C), where:

(I) FP = Estimate of the amount monthly water/sewer rates would have to be raised to finance the amount of grant request for the project.

(II) AR = Amount of grant request. For this calculation, the amount of available reserve not dedicated to the project will be deducted from the amount requested.

(III) (0.0710) = Annual rate factor for a 25 year loan at 5%

(IV) (12) = Number of months per year.

(V) (C) = Number of customers

(iii) In cases where the applicant's current revenues exceed expenses by a large margin, the Board will appropriately adjust the (AR) figure to accurately represent the applicant's ability to finance the project.

(iv) Points in the FP ranking are awarded as follows:

(I) If the ability to finance the project is \$10.00 or greater, the applicant ~~shall be given~~receives 12 points.

(II) If the ability to finance the project is \$8.00 to \$9.99, the applicant ~~shall be given~~receives 11 points.

(III) If the ability to finance the project is \$6.00 to \$7.99, the applicant ~~shall be given~~receives 10 points.

(IV) If the ability to finance the project is \$5.00 to \$5.99, the applicant ~~shall be given~~receives 9 points.

(V) If the ability to finance the project is \$4.00 to \$4.99, the applicant ~~shall be given~~receives 8 points.

(VI) If the ability to finance the project is \$3.00 to \$3.99, the applicant ~~shall be given~~receives 7 points.

- (VII) If the ability to finance the project is \$2.00 to \$2.99, the applicant ~~shall be given~~ receives 6 points.
- (VIII) If the ability to finance the project is \$1.75 to \$1.99, the applicant ~~shall be given~~ receives 5 points.
- (IX) If the ability to finance the project is \$1.50 to \$1.74, the applicant ~~shall be given~~ receives 4 points.
- (X) If the ability to finance the project is \$1.25 to \$1.49, the applicant ~~shall be given~~ receives 3 points.
- (XI) If the ability to finance the project is \$1.00 to \$1.24, the applicant ~~shall be given~~ receives 2 points.
- (XII) If the ability to finance the project is \$0.75 to \$0.99, the applicant ~~shall be given~~ receives 1 point.
- (XIII) If the ability to finance the project is less than \$0.75, the applicant ~~shall be given~~ receives 0 points.

(G) Amount of grant requested (AR).

(i) Points under this category for amount of grant requested are distributed as follows:

- (I) ~~If the grant amount requested is \$95,001 to \$100,000, the applicant receives -5 points.~~
- (II) ~~If the grant amount requested is \$90,001 to \$95,000, the applicant receives -4 points.~~
- (III) ~~If the grant amount requested is \$85,001 to \$90,000, the applicant receives -3 points.~~
- (IV) ~~If the grant amount requested is \$80,001 to \$85,000, the applicant receives -2 points.~~
- (V) ~~If the grant amount requested is \$75,001 to \$80,000, the applicant receives -1 point.~~
- (VI) ~~If the grant amount requested is \$70,001 to \$75,000, the applicant receives 0 points.~~
- (VII) ~~If the grant amount requested is \$65,001 to \$70,000, the applicant receives 1 point.~~
- (VIII) ~~If the grant amount requested is \$60,001 to \$65,000, the applicant receives 2 points.~~
- (IX) ~~If the grant amount requested is \$55,001 to \$60,000, the applicant receives 3 points.~~
- (X) ~~If the grant amount requested is \$50,000 to \$55,000, the applicant receives 4 points.~~
- (XI) ~~If the grant amount requested is \$45,001 to \$50,000, the applicant receives 5 points.~~
- (XII) ~~If the grant amount requested is \$40,001 to \$45,000, the applicant receives 6 points.~~
- (XIII) ~~If the grant amount requested is \$35,001 to \$40,000, the applicant receives 7 points.~~
- (XIV) ~~If the grant amount requested is \$30,001 to \$35,000, the applicant receives 8 points.~~
- (XV) ~~If the grant amount requested is \$25,001 to \$30,000, the applicant receives 9 points.~~
- (XVI) ~~If the grant amount requested is \$25,000 or less, the applicant receives 10 points.~~

(ii) If a project exceeds \$75,000 and the amount of funds needed over and above the OW RB grant request are being secured through a loan from OWRB, then there will be no deduction of points under this category.

(H) Project benefit to other systems (BP). If the applicant's project will benefit other adjacent systems as well as applicant's, or result in or lead to consolidation of systems, an additional five (5) priority points will be included in the total of priority points assigned to the application.

(I) Number of grants. Since it is anticipated that entities who have received emergency grants might submit additional grant applications for approval, points will be deducted from such applications according to the following schedule; provided, points shall not be deducted from such any emergency grant which was funded 10 or more years prior to the date of Board action on the pending application and which has been subjected to a Board audit:

- (i) ~~If the qualified entity has received one (1) prior grant, the application receives -5 reduction points.~~
- (ii) ~~If the qualified entity has received two (2) prior grants, the application receives -8 reduction points.~~
- (iii) ~~If the qualified entity has received three (3) prior grants, the application receives -10 reduction points.~~
- (iv) ~~If the qualified entity has received four (4) prior grants, the application receives -12 reduction points.~~
- (v) ~~If the qualified entity has received five (5) or more prior grants, the application receives -14 reduction points.~~

(c) Priority formula for school districts.

- (1) School districts, created under Article V of the 1971 School Code, 70 O.S. 1981, §5-101 et seq., are political subdivisions of the State, and therefore are eligible for financial assistance under the Board's program.
- (2) In evaluating and prioritizing grant applications from school districts similar criteria to those applied to municipalities, towns and rural water districts will be utilized.
- (3) In developing a priority formula for school district applicants, again, the two primary statutory criteria are:
 - (A) The emergency situation of the school district.
 - (B) Whether the school district can reasonably finance the emergency project without the Board's assistance.

(4) The emergency aspect of each project is ranked with a maximum of 50 points being given to the most serious situations and a minimum of 30 points to the least serious. The emergency categories and points given for each are the same as those listed in (b)(2) of this Section.

(5) The school district's financial situation is given a maximum of 66 points and is derived by analyzing the following:

- (A) Local tax levies
- (B) Bonded indebtedness
- (C) Local contribution
- (D) Median household income within the school district's geographical area
- (E) Applicant's ability to finance project
- (F) Amount of grant requested
- (G) Application number

(6) Priority lists compiled and published by other Oklahoma state agencies shall be utilized to assess the seriousness of the emergency.

(7) Using the previously mentioned analysis, the following formula has been devised to rank school districts' grant applications: $P = E + LT + BI + L + MHI + FP + AR - AN$, where:

- (A) P = Priority ranking total points
- (B) E = Emergency ranking
- (C) LT = Local tax levies
- (D) BI - Bonded indebtedness
- (E) L = School's contribution toward the project
- (F) MHI = Median household income of population within a school district
- (G) FP = Applicant's ability to finance project
- (H) AR = Amount of grant requested
- (I) AN = Application number

(8) The criteria E, MHI, FP, AR and AN are the same as that set forth in (b) of this section. LT, BI and L are explained as follows:

(A) **Local tax levies (LT).** Points awarded under this category for local tax levies are based on the total amount of mills levied, as follows:

- (i) ~~95 to 100.00 mills → 13 points~~ If the mills are 95 to 100, the applicant received 13 points.
- (ii) ~~90 to 94.99 mills → 11 points~~ If the mills are 90 to 94.99 the applicant receives 11 points.
- (iii) ~~85 to 89.99 mills → 10 points~~ If the mills are 85. to 89.99, the applicant receives 10 points.
- (iv) ~~80 to 84.99 mills → 8 points~~ If the mills are 80 to 84.99, the applicant receives 8 points.
- (v) ~~70 to 79.99 mills → 6 points~~ If the mills are 70 to 79.99, the applicant receives 6 points.
- (vi) ~~60 to 69.99 mills → 4 points~~ If the mills are 60 to 69.99, tha applicant receives 4 points.
- (vii) ~~55 to 59.99 mills → 2 points~~ If the mills are 55 to 59.99, the applicant receives 2 points.
- (viii) ~~50 to 54.99 mills → 1 points~~ If the mills are 50 to 54.99, the applicant receives 1 point.
- (ix) ~~45 to 49.99 mills → 0 points~~ If the mills are 45 to 59.99, the applicant receives 0 points.
- (x) ~~40 to 44.99 mills → -1 points~~ if the mills are 40 to 44.99, the applicant receives -1 point.
- (xi) ~~Less than 40 mills → -2 points~~ If the mills are less than 40, the applicants receives -2 points.

(B) **Bonded indebtedness (BI).**

(i) Priority points for Bonded Indebtedness are as follows: Percentage of Indebtedness Points

- (I) ~~95% to 100% of debt limitation → 10 points~~ If the percentage is 95% to 100%, the applicant receives 10 points
- (II) ~~90% to 94.99% of debt limitation → 8 points~~ If the percentage is 90% to 94.99%, the applicant receives 8 points.
- (III) ~~80% to 89.99% of debt limitation → 7 points~~ If the percentage is 80% to 89.99%, the applicant receives 7 points.
- (IV) ~~75% to 79.99% of debt limitation → 6 points~~ If the percentage is 75% to 79.99%, the applicant receives 6 points.
- (V) ~~70% to 74.99% of debt limitation → 5 points~~ If the percentage is 70% to 74.99%, the applicant receives 5 points.
- (VI) ~~65% to 69.99 of debt limitation → 4 points~~ If the percentage is 65% to 69.99%, the applicant receives 4 points
- (VII) ~~60% to 64.99% of debt limitation → 3 points~~ If the percentage is 60% to 64.99%, the applicant receives 3 points.
- (VIII) ~~55% to 59.99% of debt limitation → 2 points~~ If the percentage is 55% to 59.99%, the applicant receives 2 points.
- (IX) ~~50% to 54.99% of debt limitation → 1 point~~ If the percentage is 50% to 54.99%, the applicant receives 1 point.
- (X) ~~45% to 49.99% of debt limitation → 0 points~~ If the percentage is 45% to 44.99%, the applicant receives 0 points.

(XI) ~~40% to 44.99% of debt limitation - 1 point~~ If the percentage is 40% to 44.99%, the applicant receives -1 point.

(XII) ~~30% to 39.99% of debt limitation - 2 points~~ If the percentage is 30% to 39.99%, the applicant receives -2 points.

(XIII) ~~Less than 30% of debt limitation - 3 points~~ If the percentage is less than 30%, the applicant receives -3 points.

(ii) A deduction of one (1) point from the indebtedness ranking total will be made for applicants with 75% of existing debts financed at rates of 5% or less, and one (1) point will be added if 75% of existing debts are financed at rates greater than 10%.

(C) Local participation (L).

(i) In order to achieve the maximum benefit from available grant funds, the Board will not approve nor fund any grant application unless the applicant contributes at least fifteen percent (15%) of the total cost of the proposed project.

(ii) The local participation ranking is based on the percent of the total project cost which is locally funded through cash contributions or incurrence of additional debt through a loan. Points awarded are as follows:

(I) If the percentage of the project cost locally funded is 90% or greater, the applicant ~~shall be given~~ receives 10 points.

(II) If the percentage of the project cost locally funded is at least 80% but less than 90%, the applicant ~~shall be given~~ receives 9 points.

(III) If the percentage of the project cost locally funded at least 70% but less than 80%, the applicant ~~shall be given~~ receives 8 points.

(IV) If the percentage of the project cost locally funded at least 60% but less than 70%, the applicant ~~shall be given~~ receives 7 points.

(V) If the percentage of the project cost locally funded at least 50% but less than 60%, the applicant ~~shall be given~~ receives 6 points.

(VI) If the percentage of the project cost locally funded is at least 50% but less than 60%, the applicant ~~shall be given~~ receives 5 points.

(VII) If the percentage of the project cost locally funded is at least 40% but less than 50%, the applicant ~~shall be given~~ receives 4 points.

(VIII) If the percentage of the project cost locally funded is at least 25% but less than 30%, the applicant ~~shall be given~~ receives 3 points.

(IX) If the percentage of the project cost locally funded is at least 20% but less than 25%, the applicant ~~shall be given~~ receives 2 points.

(X) If the percentage of the project cost locally funded is at least 15% but less than 20%, the applicant ~~shall be given~~ receives 1 point.

(XI) If the percentage of the project cost locally funded is less than 15%, the application shall not be approved nor funded.

(iii) Under the Ability to Finance Project (FP) category the Number of Customers (C) as previously discussed will be replaced by the Number of Families within a school district. Points awarded under the FP category are the same as discussed and shown in (b) of this Section.

785:50-6-4. Disbursement of grant funds

(a) Notwithstanding and in addition to the provisions set out in (a) of this Section, the following specific provisions shall apply in all instances of the disbursement of grant (financial assistance) funds under the Water and Sewer Financial Assistance Program.

(b) Upon approval of a grant application, the Board shall furnish to the applicant a ~~letter~~ notice letter of grant approval and Board commitment. The notice and commitment shall advise the applicant that the grant application has been formally and officially approved by the Board and that the grant funds approved shall be made available to the applicant by the Board for such purposes and upon such other terms and conditions as the Board may require.

(c) Within ninety (90) days following the date of the letter notice of approval, the applicant shall file with the Board an acceptable bid, as required by the competitive bidding process, for completion of the proposed project. Where determined necessary and appropriate, the Board or its staff may permit additional time to file such a bid; provided, notwithstanding any approval of additional time, if such a bid is not filed within one (1) year following the date of Board approval of the application, then the Board's approval shall expire and no funds shall be released; provided, however, if an acceptable bid for completion has not been filed due to circumstances that lay outside the applicant's control, the applicant may request, and the Board may approve or deny, a one-time extension of time not to exceed six months to file an acceptable bid. Provided further, in the event of such expiration the applicant may file a new application which shall be subject to due consideration on its own merit.

(d) For purposes of final disbursement of funds to the applicant, the grant amount initially approved may be lowered by the Board based on actual project costs.

(e) As the Board may determine and direct, grant funds may be disbursed to the applicant in installments or in lump sum, and may be disbursed prior to, during or upon completion of the project, all as deemed appropriate under the project circumstances presented.

However, prior to the disbursement of any grant funds to the applicant, the applicant must:

- (1) Submit to the Board such evidence as the Board may require to establish that the emergency continues to exist; and
- (2) Establish, in such manner as is acceptable to the Board or its staff, a special and separate federally insured ~~fund or~~ account ~~(within applicant's accounting system)~~ in and through which the grant proceeds shall be administered and accounted for by the applicant.

(f) In all instances, the Board reserves the right to impose additional reasonable and necessary conditions or requirements for the disbursement of grant funds, all as may be deemed appropriate by the Board under the circumstances of the project for which grant assistance is made available.

SUBCHAPTER 8. RURAL ECONOMIC ACTION PLAN (REAP) GRANT PROGRAM REQUIREMENTS AND PROCEDURES

785:50-8-2. Definitions

The following words and terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Applicant" means a qualified entity which submits an application for a REAP grant on its own behalf, or for whom an application is submitted by a COG; a COG shall be deemed not to be an applicant.

"COG" means one of the following organizations:

- (A) Association of Central Oklahoma Governments (ACOG);
- (B) Association of South Central Oklahoma Governments (ASCOG);
- (C) Central Oklahoma Economic Development District (COEDD);
- (D) Eastern Oklahoma Economic Development District (EOEDD);
- (E) Grand Gateway Economic Development Association (GGEDA);
- (F) Indian Nations Council of Governments (INCOG);
- (G) Kiamichi Economic Development District (KEDD);
- (H) Northern Oklahoma Development Association (NODA);
- (I) Oklahoma Economic Development Association (OEDA);
- (J) Southern Oklahoma Development Association (SODA); and
- (K) South Western Oklahoma Development Authority (SWODA).

"Customer" means a single household or commercial unit, and does not mean any service unit which provides or enables utility service for more than one household, residence, or industry.

"Project" means, in addition to those purposes and works described in 785:50-3-1, *sewer line construction or repair and related storm or sanitary sewer [62:2003] works, water line construction or repair, water treatment, water acquisition, distribution or recovery and related [62:2003] works.*

"Qualified entity" means any eligible entity as defined in 785:50-3-2; provided, any city or town with a population of 7001 or more according to the Census Population shall not be a qualified entity.

785:50-8-3. Application review and disposition

(a) **General procedures.** The general procedure to be followed in the financial assistance application, review and consideration process for financial assistance under the REAP grant program shall be as follows:

(1) **Pre-application ~~conference~~workshop.**

(A) While not specifically required, all potential applicants are encouraged to ~~initially contact the Board for purposes of making arrangements for participating~~ participate in ~~the~~ pre-application ~~conference workshop~~ between Board staff, potential applicants (or representative), applicant's legal, financial and engineering advisors and such other persons whose attendance and participation may be deemed appropriate and beneficial. Applicants who attend the workshop shall receive additional points.

(B) At the pre-application ~~conference~~workshop, preliminary matters respecting the applicant, the proposed project and the application for assistance may be generally discussed in an effort to familiarize all concerned parties with the financial assistance program and applicable application requirements and procedures.

(2) **Application.**

(A) Applicant shall initiate application review and consideration by submission to the Board of applicant's application for financial assistance. An application may be submitted directly by the qualified entity or, at the qualified entity's discretion, may be submitted by a COG for the benefit or on behalf of a qualified entity. A COG may assist a qualified entity in filling out or filing an application, but a COG may not exercise any power of review, approval or disapproval over an application. All applications filed with any COG shall be submitted by the COG to the Board. If an application submitted by a COG is approved, the money shall be disbursed directly to the qualified entity.

(B) In all instances, applications must be written and submitted in a form which meets the requirements of Subchapter 5.

(C) All applicants must have the verification form signed and notarized by the applicant representative, and must have a signature of an attorney representing applicant.

(3) **Submittal to Board.** Upon completion of staff review, the submitted application (with staff recommendations, if any) shall be placed upon the Board's agenda for the next regular (or special) Board meeting and shall be thereby submitted to the Board for action as described in (e) below.

(b) **General approval standards and criteria.** In the review and consideration of applications for financial assistance under the REAP grant program, the Board shall follow the priority point system set forth in 785:50-8-5. The Board shall also give consideration to the following general and non-exclusive criteria for application approval:

(1) **Compliance with laws.** The application and proposed project must be found to be in compliance with all applicable and relevant federal, state and local laws and regulations, and applicant must possess all necessary and incidental legal rights and privileges necessary to project commencement and operation.

(2) **Eligibility.** The applicant must be a qualified entity (or a COG applying on behalf of a qualified entity) and the proposed project must be for a qualified purpose as defined in 785:50-3-1 or 785:50-8-2.

(3) **Local need, support and priority.** The project must be found to be needed in the area to be served and must be found to be sufficient, as proposed, to serve such needs. The Board shall additionally consider the project's relative benefit and priority in relation to the needs of other proposed projects and applicants.

(4) **Availability of other assistance.** The Board shall consider the feasibility and availability of alternative sources of revenue which could be obtained and utilized by applicant for project financing.

(5) **Economic feasibility.** The Board shall consider the overall apparent economic viability and feasibility of the project as a whole.

(6) **Project feasibility.** The Board shall consider from the engineering data submitted and otherwise available whether the proposed project appears to be feasible, and must determine as a prerequisite to application approval and funding that the project is cost effective.

(7) **Statewide needs and public interest.** The Board shall give consideration to the relationship between the proposed project and the overall water resource development needs within the State of Oklahoma as well as to whether the proposed project, if constructed, will serve the public interest and welfare.

(8) **REAP grant amount; availability of funds.** In sizing a REAP grant, the Board shall take into consideration the current and anticipated availability of REAP program funds.

(9) **Conservation Measures.** The Board shall consider whether or not the applicant has taken all reasonable measures to limit waste and conserve water.

(c) **Criteria applicability.**

(1) The general criteria set forth in (b) and (d) of this Section are intended to constitute and shall constitute general guidelines and standards for application review and consideration by the Board.

(2) Such criteria shall not be deemed exclusive.

(3) In all instances, each individual application and project must be reviewed and considered on its own individual merits.

(4) The criteria and standards set forth in (b) and (d) of this Section shall accordingly be interpreted and applied so as to allow sufficient flexibility in the ultimate exercise of Board's judgment and discretion.

(d) **Criteria for denying an application.** The Board may deny an application for a REAP grant for any of the following reasons:

(1) The applicant or the entity which stands to receive the benefit of the grant assistance is not an eligible entity.

(2) Any other reason based upon applicable law or the Board's judgment and discretion.

(e) **Board action.**

(1) After reviewing and considering the submitted application, the Board may proceed to take one of the following alternative forms of Board action on the application:

(A) The Board may approve and grant the application as submitted, in whole or in part, and thereby authorize such further action as may be necessary to effectuate the disbursement of funds.

(B) The Board may retain the application under advisement for further consideration or continue hearing on same for later ruling and disposition, and, the Board may withhold ruling on the application pending further hearing and/or submission to the Board of such further or additional information as the Board may require for application consideration purposes.

(C) The Board may reject and deny the application, in whole or in part, based upon any criteria described in (d) of this Section which may be applicable.

(D) The Board may approve and grant the application, in whole or in part, such approval being conditioned and contingent upon the existence of adequate and available grant funds or conditioned and contingent upon receipt and approval by Board staff of any outstanding and necessary material, information, documents, verifications or other authorization.

(2) Upon approval of an application, the Board may authorize the execution of all necessary grant documents and instruments by the Chairman of the Board, or other designated Board member, and may accordingly authorize and provide for disbursements and may authorize such further or additional action as may be necessary to complete and implement the approved transaction.

(a) The Board shall administer applications for REAP funds in accordance with any provisions of law applicable to such applications and REAP funds.

(b) To be considered for and receive funding from funds available for REAP in any given fiscal year, an application must be completed in accordance with the Board's rules and prescribed application form in all material respects with all attachments, and filed by the applicant and received by the Board on or before 5 p.m. the first business day of September of that fiscal year. However, if the deadline cannot be met due to circumstances beyond the applicant's control, the application may be accepted by the Board through the last business day of September with written proof of said circumstances. Any application not properly completed and filed shall not be considered for or funded from funds that may become available during that fiscal year. Furthermore, if no applications are received before the deadline from the area of a given COG, then the Board staff may extend the deadline for that COG through the first business day of November and contact an appropriate official for the COG and notify him or her of the available funds.

(c) A REAP grant application submitted for consideration in a prior fiscal year that was not approved for funding out of funds made available in that prior fiscal year shall expire and be ~~deemed denied unless the applicant files and the Board receives a timely written request to consider said application during the current fiscal year, together with updated application materials as may be reasonably required by the Board. To be timely, such request and updated application materials must be received by the board on or before the first business day of September, of the current fiscal year and cycled out.~~

(d) For purposes of evaluating, approving and funding an application for a REAP grant, categories of project costs which are eligible for assistance ~~shall including, in addition to those project costs described in 785:50-3-1~~ include engineering undertaking or work to conserve and develop surface or subsurface water resources or to control or develop sewage treatment facilities of the State for all useful and lawful purposes by the acquisition, improvement, extension or construction of dams, reservoirs, and other water storage projects, including, but not limited to underground storage projects, filtration and water treatment plants, including any system necessary to distribute water from storage or filtration plants to points of distribution, or from storage to filtration and treatment plants, facilities for distributing water therefrom to wholesale or retail purchasers, floodplain restoration, including but not limited to home relocations, bank stabilization, storm sewer and drainage improvements and any system necessary to improve or develop sewage treatment, collection or distribution capabilities of any area of the State. Such qualified projects are additionally understood to include financial assistance to acquire and own the lands required for the project, and to obtain the water supply and to construct appropriate treatment facilities as described in 785:50-3-1. Additionally, eligible expenses include:

- (1) Architecture and/or engineer fees related to the project. Provided, however, that in order for these costs to be eligible for award, applicants shall provide documentation that all construction funding is available. If construction funding is not available the request for these costs will be placed in a "pending" status until such time as the construction funding is available. If, however, an Engineering Report is a requirement of a Consent Order, an applicant under Consent Order may be awarded a grant to cover the engineering costs without construction funding being available.
- (2) Fees for soil testing.
- (3) Fees for surveying.
- (4) Payments to contractor(s) for construction of the improvements.
- (5) Legal fees and expenses of counsel for the applicant which are related to the project.
- (6) Services of full-time or part-time inspector.
- (7) Administrative expenses shall not be eligible project costs.

785:50-8-5. REAP grant priority point system

(a) Basis of priority system and formula.

(1) **General description.** The priority system consists of a mathematical equation rating the qualified entities and the proposed project in accordance with the requirements of state law by means of a formula awarding points for each criterion used in the evaluation. The maximum point total under the system is one hundred ~~twenty-five (25)~~ thirty (130). The Board may consider each month, and in order from the highest rating, those applications awarded point ratings of 40 or more priority points. If the Board determines that the qualified entity with the highest point rating cannot promptly proceed with the project due to delays, including but not limited to those caused by legal problems, engineering problems, feasibility problems or availability of other funding sources, the Board may pass over consideration of such application then proceed to consider in order the next highest rated application. Applications which are bypassed shall retain their ratings and thus remain eligible for further consideration. Applications preliminarily determined by Board staff to have point ratings of applicant submits additional information showing changed circumstances within 120 days after the date of staff's determination, and such information improves the applicant's preliminary point rating.

(2) **Statutory criteria.** The basis of the priority formula has been developed from the enacting legislation. The primary statutory criteria are:

(A) There shall be a higher priority for any city or town with a population less than one thousand seven hundred fifty (1,750) according to the Census Population than for any jurisdiction with a greater population; and rural water or sewer districts which have less than 525 non-pasature customers; and

(B) *Among other cities or towns, those municipalities having relatively weaker fiscal capacity shall have a priority for project funding in preference to other municipalities* [62:2003]. In order to give a priority evaluation to each applicant, the Board shall evaluate all applications according to the fiscal capacity criteria set forth in this Section.

(3) **Total priority points.** Total priority points will be calculated and awarded for individual projects. Therefore, qualified entities will be required to complete separate applications for each project for which grant funds are requested. Priority lists compiled and published by other Oklahoma State agencies and/or seniority dates of applications submitted shall be utilized to decide ties in point totals among qualified entities.

(b) **Priority formula for eligible entities other than school districts and counties.**

(1) **Formula.** The following formula has been devised to rank grant applications: $T = P + WR + I + MHI + FP + N + AR + BP + PG + S + WA$, Where:

- (A) T = Total of priority points
- (B) P = Population
- (C) WR = Water and sewer rate structure
- (D) I = Indebtedness per customer
- (E) MHI = Median household income
- (F) FP = Applicant's ability to finance project
- (G) N = Need
- (H) AR = Amount of grant requested
- (I) BP = Project benefit to other systems
- (J) PG = Previous grant assistance
- (K) S = Sustainability
- (L) WA = Workshop attended

(2) **Explanation.** Each of these criteria are explained below:

(A) **Population (P).** Municipalities which have a population of less than 1,750 according to the latest Census Population ~~shall be given~~ will receive 55 priority points. Rural water or sewer districts which have less than 525 non-pasture customers ~~shall be given~~ will receive 55 points.

(B) **Water and Sewer rate structure (WR).**

~~(i) For systems providing water service only, points are figured according to the same scale set forth in Section 50-7-5(b)(2)(B)(i).~~ For systems providing water service only:

- (I) If the cost per 5000 gallons is \$50.00 or greater, the applicant receives 10 points.
- (II) If the cost per 5000 gallons is \$45.00 to \$49.99, the applicant receives 9 points.
- (III) If the cost per 5000 gallons is \$40.00 to \$44.99, the applicant receives 8 points.
- (IV) If the cost per 5000 gallons is \$35.00 to \$39.99, the applicant receives 7 points.
- (V) If the cost per 5000 gallons is \$30.00 to 34.99, the applicant receives 6 points.
- (VI) If the cost per 5000 gallons is \$25.99 to \$29.99, the applicant receives 5 points.
- (VII) If the cost per 5000 gallons is \$23.00 to \$24.99, the applicant receives 4 points.
- (VIII) If the cost per 5000 gallons is \$21.00 to \$22.99, the applicant receives 3 points.
- (IX) If the cost per 5000 gallons is \$19.00 to \$20.00, the applicant receives 2 points.
- (X) If the cost per 5000 gallons is \$18.00 to \$18.99, the applicant receives 1 point.
- (XI) If the cost per 5000 gallons is less than \$18.00, the applicant receives 0 points.

~~(ii) For systems providing both water and sewer services, points are figured according to the same scale set forth in Section 50-7-5(b)(2)(B)(ii).~~ For systems providing water and sewer services:

- (I) If the cost per 5000 gallons is \$56.00 or greater, the applicant receives 10 points.
- (II) If the cost per 5000 gallons is \$53.00 to \$55.99, the applicant receives 9 points.
- (III) If the cost per 5000 gallons is \$49.00 to \$52.99, the applicant receives 8 points.
- (IV) If the cost per 5000 gallons is \$45.00 to \$48.99, the applicant receives 7 points.
- (V) If the cost per 5000 gallons is \$41.00 o \$44.99, the applicant receives 6 points.
- (VI) If the cost per 5000 gallons is \$37.00 to \$40.99, the applicant receives 5 points.
- (VII) If the cost per 5000 gallons is \$34.00 to \$36.00, the applicant receives 4 points.
- (VIII) If the cost per 5000 gallos is \$32.00 to \$33.99, the applicant receives 3 points.
- (IX) If the cost per 5000 gallons is \$31.00 to \$31.99, the applicant receives 2 points.
- (X) If the cost per 5000 gallons is \$30.00 to \$30.99, the applicant receives 1 point.
- (XI) If the cost per 5000 gallons is less than \$30.00, the applicant receives 0 points.

~~(iii) For systems providing sewer service only; points are figured according to the same scale set forth in Section 50-7-5(b)(2)(B)(iii).~~

- (I) If he cost per connection per month is \$34.00 or greater, the applicant receives 10 points.
- (II) If the cost of connection per month is \$32.00 to \$33.99, the applicant receives 9 points.
- (III) If the cost of the connection per month is \$30.00 to \$31.99, the applicant receives 8 points.
- (IV) If the cost of connection per month is \$28.00 to \$29.99, the applicant receives 7 points.
- (V) If the cost of connection per month is \$26.00 to \$27.99, the applicant receives 6 points.
- (VI) If the cost of connection per month is \$24.00 to \$25.99, the applicant receives 5 points.
- (VII) If the cost per connection per month is \$22.00 to \$23.99, the applicant receives 4 points.
- (VIII) If the cost per connection per month is \$20.00 to \$21.99, the applicant receives 3 points.

(IX) If the cost per connection per month is \$18.00 to \$19.99, the applicant receives 2 points.

(X) If the cost per connection per month is \$16.00 to \$17.99, the applicant receives 1 point.

(XI) If the cost per connection per month is less than \$16.00, the applicant receives 0 points.

(iv) The Board will deduct 3 points from the total of the Water and Sewer Rate Structure ranking for any system which charges a flat water rate or sewer rate (unmetered) without regard to the amount of water or sewer used, and 2 points for a decreasing block rate which lowers the cost per 1000 gallons for customers using larger amounts of water. No points will be added or subtracted for systems using a fixed rate per 1,000 gallons ~~rate above the minimum.~~ Two points will be added for systems using an increasing block rate. Entities who dedicate sales tax for water and/or sewer improvements will be awarded 1 additional point. Under this category the maximum number of points is 13 and the minimum is -3 points.

(C) Indebtedness per customer (I). The indebtedness per customer ranking is calculated by taking the applicant's monthly requirements for debt service on debt incurred for water and/or sewer system purposes and dividing it by the number of customers served. When the applicant is a provider of wholesale water to other systems, the number of customers served is the sum total of the customers served by the systems to whom they sell water.

(i) If the indebtedness per customer is \$20.00 or greater, the applicant ~~shall be given~~ receives 10 points.

(ii) If the indebtedness per customer is \$17.50 to \$19.99, the applicant ~~shall be given~~ receives 9 points.

(iii) If the indebtedness per customer is \$16.00 to \$17.49, the applicant ~~shall be given~~ receives 8 points.

(iv) If the indebtedness per customer is \$14.50 to \$15.99, the applicant ~~shall be given~~ receives 7 points.

(v) If the indebtedness per customer is \$13.00 to \$14.49, the applicant ~~shall be given~~ receives 6 points.

(vi) If the indebtedness per customer is \$11.50 to \$12.99, the applicant ~~shall be given~~ receives 5 points.

(vii) If the indebtedness per customer is \$10.00 to \$11.49, the applicant ~~shall be given~~ receives 4 points.

(viii) If the indebtedness per customer is \$8.50 to \$9.99, the applicant ~~shall be given~~ receives 3 points.

(ix) If the indebtedness per customer is \$7.00 to \$8.49, the applicant ~~shall be given~~ receives 2 points.

(x) If the indebtedness per customer is \$5.50 to \$6.99, the applicant ~~shall be given~~ receives 1 point.

(xi) If the indebtedness per customer is less than \$5.50, the applicant ~~shall be given~~ receives 0 points.

(D) Median household income (MHI). The median household income is calculated according to the most current ~~United States Decennial Census or American Community Survey~~ data available.

(i) The county median figure for median household income will be used in cases where data for the applicant's service area is not available.

(ii) Points for this MHI criterion are awarded according to the ~~scale set forth in Section 50-7-5(b)(2)(E)~~

~~(ii) decennial census or American Community Survey data available.~~ Points are awarded as follows:

(I) If the median household income is less than \$17,000, the applicant receives 10 points.

(II) If the median household income is \$17,000 to \$20,999, the applicant receives 9 points.

(III) If the median household income is \$21,000 to \$23,999, the applicant receives 8 points.

(IV) If the median household income is \$24,000 to \$28,999, the applicant receives 7 points.

(V) If the median household income is \$29,000 to \$31,999, the applicant receives 6 points.

(VI) If the median household income is \$32,000 to \$36,999, the applicant receives 5 points.

(VII) If the median household income is \$37,000 to \$39,999, the applicant receives 4 points.

(VIII) If the median household income is \$40,000 to \$44,999, the applicant receives 3 points.

(IX) If the median household income is \$45,000 to \$47,999, the applicant receives 2 points.

(X) If the median household income is \$48,000 to \$51,999, the applicant receives 1 point.

(XI) If the median household income is \$52,000 or greater, the applicant receives 0 points.

(E) Ability to finance project (FP).

(i) The maximum points possible under this criterion for the ability of the applicant to finance the project without assistance from the state is 12.

(ii) The FP ranking gives a standardized account of the amount the existing water/sewer rates would have to be raised in order for the applicant to finance the project through a loan. A standard interest rate and term of 5% for 25 years is assumed. The cost per customer per month is calculated using the following formula: $FP = AR (0.0710)/(12)(C)$, Where:

(I) FP = Estimate of the amount monthly water/sewer rates would have to be raised to finance the amount of grant requested for the project.

(II) AR = Amount of grant requested.

(III) 0.0710 = Annual rate factor for a 25 year loan at 5%.

(IV) 12 = Number of months per year.

(V) C = Number of customers.

(iii) In cases where the applicant's current revenues exceed expenses by a large margin, the Board will appropriately adjust the (AR) figure to accurately represent the applicant's ability to finance the project.

(iv) Points in the FP ranking, based upon the cost per customer per month calculated as set forth in (ii) of this subparagraph, are awarded as follows:

- (I) If the FPability to finance the project is \$10.00 or greater, the applicant ~~shall be given~~receives 12 points.
- (II) If the FPability to finance the project is \$8.00 to \$9.99, the applicant ~~shall be given~~receives 11 points.
- (III) If the FPability to finance the project is \$6.00 to \$7.99, the applicant ~~shall be given~~receives 10 points.
- (IV) If the FPability to finance the project is \$5.00 to \$5.99, the applicant ~~shall be given~~receives 9 points.
- (V) If the FPability to finance the project is \$4.00 to \$4.99, the applicant ~~shall be given~~receives 8 points.
- (VI) If the FPability to finance the project is \$3.00 to \$3.99, the applicant ~~shall be given~~receives 7 points.
- (VII) If the FPability to finance the project is \$2.00 to \$2.99, the applicant ~~shall be given~~receives 6 points.
- (VIII) If the FPability to finance the project is \$1.75 to \$1.99, the applicant ~~shall be given~~receives 5 points.
- (IX) If the FPability to finance the project is \$1.50 to \$1.74, the applicant ~~shall be given~~receives 4 points.
- (X) If the FPabili to finance the project is \$1.25 to \$1.49, the applicant ~~shall be given~~receives 3 points.
- (XI) If the FPability to finance the project is \$1.00 to \$1.24, the applicant ~~shall be given~~receives 2 points.
- (XII) If the FPability to finance the project is \$0.75 to \$0.99, the applicant ~~shall be given~~receives 1 point.
- (XIII) If the FPability to finance the project is less than \$0.75, the applicant ~~shall be given~~receives 0 points.

(F) **Need (N).** An applicant who is subject to an enforcement order issued by a governmental agency with environmental jurisdiction ~~shall be given~~receives 5 priority points for a proposed project which will remedy the violation out of which the order arose if the order specifies a project construction start date which is on or before June 30 of the Board's current fiscal year for funding REAP grants.

(G) **Amount of grant requested (AR).** Points under this category for amount of grant requested are determined as follows:

- (i) If the ARgrant amount requested is \$140,001 to \$150,000, the applicant ~~shall be given~~receives -5 points.
- (ii) If the ARgrant amount requested is \$130,001 to \$140,000, the applicant ~~shall be given~~receives -4 points.
- (iii) If the ARgrant amount requested is \$120,001 to \$130,000, the applicant ~~shall be given~~receives -3 points.
- (iv) If the ARgrant amount requested is \$110,001 to \$120,000, the applicant ~~shall be given~~receives -2 points.
- (v) If the ARgrant amount requested is \$100,001 to \$110,000, the applicant ~~shall be given~~receives -1 point.
- (vi) If the ARgrant amount requested is \$100,000, the applicant ~~shall be given~~receives 0 points.
- (vii) If the ARgrant amount requested is \$80,000 to \$99,999, the applicant ~~shall be given~~receives 1 point.
- (viii) If the ARgrant amount requested is \$60,000 to \$79,999, the applicant ~~shall be given~~receives 2 points.
- (ix) If the ARgrant amount requested is \$40,000 to \$59,999, the applicant ~~shall be given~~receives 3 points.
- (x) If the ARgrant amount requested is \$20,000 to \$39,999, the applicant ~~shall be given~~receives 5 points.
- (xi) Any portion of ~~an~~ ARgrant amount requested that is more than \$150,000 shall be denied.

(H) **Project benefit to other systems (BP).** If the applicant's project will benefit other adjacent systems as well as applicant's or result in or lead to consolidation of systems, an additional five (5) priority points will be included in the total of priority points assigned to the application.

(I) **Previous grant assistance (PG).** No qualified entity shall receive more than \$150,000 in REAP grant assistance in any twelve (12) month period. For purposes of this subparagraph a political subdivision and all its public trusts and similar subordinate entities together shall be treated as one and the same qualified entity; provided, rural water or sewer districts shall not be construed to be subordinate entities of counties unless the effect would be to make multiple grants to substantially the same entity and/or service area. If a qualified entity has received one (1) or more REAP grants from the Board in the past, points shall be deducted from the application according to all of the following provisions that apply, provided points shall not be deducted from any

such REAP grant which was funded 10 or more years prior to the date of Board action on the pending application, and has been subject to Board audit:

- (i) If the qualified entity has received one (1) REAP grant in the preceding twelve (12) month period, the application ~~will be given~~receives -8 points.
- (ii) If the qualified entity has received more than one (1) REAP grant in the preceding twelve (12) month period, the application receives -10 points for each REAP grant so received.
- (iii) If the qualified entity has received one (1) REAP grant more than twelve (12) months in the past, the application ~~will be given~~receives -5 points.
- (iv) If the qualified entity has received two (2) REAP grants more than twelve (12) months in the past, the application receives -8 points.
- (v) If the qualified entity has received three (3) REAP grants more than twelve (12) months in the past, the application ~~will be given~~receives -10 points.
- (vi) If the qualified entity has received four (4) REAP grants more than twelve (12) months in the past, application ~~will be given~~receives -12 points.
- (vii) If the qualified entity has received five (5) or more REAP grants more than twelve (12) months in the past, the application ~~will be given~~receives -14 points.

(J) **Sustainability (S).** Points will be awarded for an applicant's sustainability and long range planning as follows:

- (i) Have and have implemented a Fiscal Sustainability Plan that meets the requirements of the Board Staff ~~shall be awarded~~the applicant receives 10 points
- (ii) Have but have not implemented a Fiscal Sustainability Plan that meets the requirements of the Board Staff ~~shall be awarded~~the applicant receives 6 points
- (iii) Applicant is willing to develop and implement a Fiscal Sustainability Plan prior to funding that meets the requirements of the Board Staff ~~shall be awarded~~receives 3 points.

(K) Workshop attended (WA). 5 points will be awarded to any applicant who attends, or has a representative attend the pre-application workshop presented by Board staff. Attendance will be verified during the course of the training.

(c) **Priority formula for school districts and counties.**

(1) School districts created under Article V of the School Code, 70 O.S. 1991, §5-101 et seq., and counties are political subdivisions of the State, and therefore are eligible for financial assistance under the Board's REAP grant program.

(2) In evaluating and prioritizing grant applications from school districts and counties, similar criteria to those applied to municipalities and rural water districts will be utilized.

(3) In developing a priority formula for school district and county applicants, the primary criteria are average daily membership (for schools only), fiscal capacity, need, amount requested, and previous grant assistance.

(4) The following formula has been devised to rank REAP grant applications by counties and school districts: $T = ADM + LT + BI + MHI + FP + N + AR + PG + WA$. Where:

- (A) T = Total of priority points
- (B) ADM = Average daily membership
- (C) Lt = Local tax levies
- (D) BI = Bonded indebtedness
- (E) MHI = Median household income of population within the school district or area of county to be served
- (F) FP = Applicant's ability to finance project
- (G) N = Need
- (H) AR = Amount of grant requested
- (I) PG = Previous grant assistance
- (J) WA = Workshop attended

(5) The criteria MHI, FP, N, AR and PG are the same as that set forth in (b) of this Section. The criteria ADM, LT and BI are explained as follows:

(A) **Average daily membership (ADM).** School districts with an average daily membership of less than 525 students ~~shall be given~~will receive 55 priority points.

(B) **Local tax levies (LT).** Points awarded under this category for local tax levies are based on the total amount of mills levied, as follows:

- (i) If the mills are 95 to 100; the applicant ~~shall be given~~receives 13 points.
- (ii) If the mills are 90 to 94.99, the applicant ~~shall be given~~receives 11 points.
- (iii) If the mills are 85 to 89.99, the applicant ~~shall be given~~receives 10 points.
- (iv) If the mills are 80 to 84.99, the applicant ~~shall be given~~receives 8 points.
- (v) If the mills are 70 to 79.99, the applicant ~~shall be given~~receives 6 points.
- (vi) If the mills are 60 to 69.99, the applicant ~~shall be given~~receives 4 points.
- (vii) If the mills are 55 to 59.99, the applicant ~~shall be given~~receives 2 points.
- (viii) If the mills are 50 to 54.99, the applicant ~~shall be given~~receives 1 point.
- (ix) If the mills are 45 to 49.99, the applicant ~~shall be given~~receives 0 points.

- (x) If the mills are 40 to 44.99, the applicant ~~shall be given~~receives -1 point.
- (xi) If the mills are less than 40, the applicant ~~shall be given~~receives -2 points.

(C) Bonded indebtedness (BI).

(i) Priority points for Bonded Indebtedness are as follows:

- (I) If the percentage is 95% to 100%, the applicant ~~shall be given~~receives 10 points.
 - (II) If the percentage is 90% to 94.99%, the applicant ~~shall be given~~receives 8 points.
 - (III) If the percentage is 80% to 89.99%, the applicant ~~shall be given~~receives 7 points.
 - (IV) If the percentage is 75% to 79.99%, the applicant ~~shall be given~~receives 6 points.
 - (V) If the percentage is 70% to 74.99%, the applicant ~~shall be given~~receives 5 points.
 - (VI) If the percentage is 65% to 69.99%, the applicant ~~shall be given~~receives 4 points.
 - (VII) If the percentage is 60% to 64.99%, the applicant ~~shall be given~~receives 3 points.
 - (VIII) If the percentage is 55% to 59.99%, the applicant ~~shall be given~~receives 2 points.
 - (IX) If the percentage is 50% to 54.99%, the applicant ~~shall be given~~receives 1 point.
 - (X) If the percentage is 45% to 49.99%, the applicant ~~shall be given~~receives 0 points.
 - (XI) If the percentage is 40% to 44.99%, the application ~~shall be given~~receives -1 point.
 - (XII) If the percentage is 30% to 39.99%, the applicant ~~shall be given~~receives -2 points.
 - (XIII) If the percentage is less than 30%, the applicant ~~shall be given~~receives -3 points.
- (ii) A deduction of one (1) point from the indebtedness ranking total will be made for applicants with 75% of existing debts financed at rates of 5% or less, and one (1) point will be added if 75% of existing debts are financed at rates greater than 10%.

SUBCHAPTER 9. CLEAN WATER STATE REVOLVING FUND REGULATIONS

PART 3. GENERAL PROGRAM REQUIREMENTS

785:50-9-23. Clean Water SRF Project Priority System

(a) **Preparation.** The Board shall prepare and maintain a current Clean Water SRF Project Priority Listing of potential eligible projects in the order of priority.

(b) **Projects included.**

(1) **Fundable portion.** The fundable portion includes projects scheduled for financial assistance during the current fiscal year, and which are within the limits of currently available funds.

(2) **Planning portion.** The planning portion includes that portion of the priority list containing all of those projects outside the fundable portion of the list, and which are anticipated to receive financial assistance in future fiscal years. The planning portion may also include contingency projects which are scheduled for assistance during the current fiscal year, but for which adequate funds are not available to provide financial assistance. Contingency projects may receive assistance due to bypass provisions or due to additional funds becoming available.

(c) **Public participation.** Before the beginning of each fiscal year, the Board shall ensure that adequate public participation has taken place. A public meeting will be held to discuss the Clean Water SRF Project Priority List and any revisions that were made to the Clean Water SRF Project Priority System. The notice of public meeting shall precede the public meeting by 30 days and shall be published in a statewide publication. At this time, the Board shall circulate information about the Project Priority List including a description of each proposed project. Attendees of the public meeting will be allowed to express their views concerning the list and system.

(d) **Clean Water SRF Project Priority List.** A Clean Water SRF Project Priority List shall become effective and supersede all previous lists upon the beginning of the fiscal year for which it is designated. A Clean Water SRF Project Priority List, as updated during the funding year, shall remain effective until such time as it is superseded by a new list.

(e) **CWSRF Integrated Priority Rating System.** The Board will utilize an integrated priority ranking system to evaluate and rank proposed treatment projects, ~~including treatment works, Brownfield activities, and stormwater activities~~, based on the relative impact of the project in achieving the water quality objectives of the Clean Water Act. ~~This system consists of criteria integrating public health protection and Oklahoma's Water Quality Standards beneficial use maintenance and protection goals and Anti-degradation policy, including project type, water quality restoration, water quality protection, programmatic priorities, and readiness to proceed.~~

~~(1) **Project Type Factor.** The Project Type Factor provides a maximum of seventy (70) points for proposed water quality projects based on the following:~~

~~(A) Treatment works or water quality projects designed to effectively eliminate or reduce a documented source of human health threat and/or discharge permit limit violation within a watershed of a waterbody being utilized as a public water supply shall receive seventy (70) points.~~

~~(B) Treatment works or water quality projects designed to effectively eliminate or reduce a documented source of human health threat and/or discharge permit limit violation shall receive sixty (60) points.~~

~~(C) Treatment works or water quality projects designed to sustain compliance with or provide a degree of treatment beyond permit limits; increase capacity, reliability, or efficiency; reclaim/reuse wastewater; reduce a~~

~~documented water quality threat, or otherwise maintain beneficial uses shall receive thirty (30) points.~~

~~(D) All other eligible treatment works or pollution control projects shall receive twenty (20) points.~~

~~(2)(1) **Water Quality Restoration Factor** **Impacts.** The Water Quality Restoration Factor provides a maximum of twenty (20) points for proposed projects located on waterbodies which are not meeting the beneficial uses assigned to them in Oklahoma's Water Quality Standards and which are listed on Oklahoma's 303(d) list as threatened or impaired. The water quality restoration factor will be subject to change whenever the 303(d) List is revised. Water quality projects meeting the following criteria shall receive additional priority points: awarded if the project is protecting or improving a waterbody.~~

~~(A) A project located in a watershed listed as a "NPS Priority Watershed" in Oklahoma's Nonpoint Source Management Program shall receive an additional ten (10) points.~~

~~(B) A project listed on Oklahoma's 303(d) list of threatened or impaired stream segments shall receive an additional five (5) points.~~

~~(C) A project that implements the recommendations of a conservation plan, site-specific water quality remediation plan, TMDL, storm water management program, water audit or modified 208 water quality management plan, which has been approved by an agency of competent jurisdiction, in a sub-watershed where discharge or runoff from nonpoint sources are identified as causing, or significantly contributing to water quality degradation shall receive an additional five (5) points.~~

~~(3) **Water Quality Protection Factor.** The Water Quality Protection Factor provides a maximum of ten (10) priority points to proposed water quality projects that provide maintenance of beneficial uses and protection for water bodies afforded special protection under OWQS. Projects shall receive ten (10) points for satisfying the following criteria:~~

~~(A) A water quality project located within the watershed of a stream segment or in a groundwater basin underlying a watershed of a stream segment (known as "Special Source" groundwater):~~

~~(i) listed in OWQS Appendix A as an Outstanding Resources Water, High Quality Water, Sensitive Water Supply, Scenic River, Culturally Significant Water or Nutrient Limited Watershed;~~

~~(ii) listed in OWQS Appendix B as "Areas with Waters of Recreational and/or Ecological Significance";~~

~~or~~

~~(iii) located in a delineated "source water protection area"; or~~

~~(B) A water quality project located in an area overlying a groundwater classified in OWQS with a vulnerability level of Very High, High, Moderate, or Nutrient Vulnerable.~~

~~(4)(2) **Programmatic Priority Factor.** The Programmatic Priority Factor provides a maximum of one hundred (100) priority bonus points to projects that address specific programmatic priorities set forth by the Environmental Protection Agency or Board and detailed in the Annual Intended Use Plan. points awarded for affordability criteria, conservation and enforcement/compliance as defined in the states current IUP.~~

~~(5)(3) **Readiness to Proceed Factor.** The Readiness to Proceed Factor provides a maximum of four hundred (400) points awarded depending on the documents submitted showing the relative "readiness to proceed" with a loan commitment among proposed projects.~~

~~(A) A project requesting to be considered for funding within the five-year planning period shall receive one hundred (100) points.~~

~~(B) In addition to a request for funding, a project for which preliminary planning documents have been submitted shall receive two hundred (200) points. Preliminary planning documents include a preliminary engineering report and a preliminary environmental information document, and must be submitted to the Board and to the Department or the Conservation Commission as appropriate.~~

~~(C) In addition to a request for funding and preliminary planning documents, a project for which a completed loan application has been submitted shall receive three hundred (300) points.~~

~~(D) In addition to a request for funding, preliminary planning documents, and a completed loan application, a project for which the appropriate technical plans and specifications necessary to implement the project have been approved by the Department or the Conservation Commission, as appropriate, shall receive four hundred (400) points.~~

(f) Management of the Project Priority List.

(1) **Tie breaking procedure.** A tie breaking procedure shall be utilized when two or more projects have equal points under the Project Priority System and are in competition for funds. Projects will be ranked according to existing population. According to the most recent federal decennial census or American Community Survey data available, the project with the greatest existing population will receive the higher ranking.

(2) **Project bypass.** A project on the fundable portion of the list may be bypassed if it is determined that the project will not be ready to proceed during the funding year. This determination will be made on projects that are unable to meet the schedule established on the priority list. The applicant whose project is affected shall be given written notices that the project is to be bypassed. Projects that have been bypassed may be reinstated on the funded portion of the list if sufficient funds are available, and the project completes the necessary tasks to proceed. Funds which become available due to the utilization of these bypass procedures will be treated in the same manner as additional allotments.

(3) **Project Priority List update.** The priority list is continually reviewed and changes (i.e., loan award dates, estimated construction assistance amounts, project bypass, addition of new projects, etc.) may occur as necessary.

(4) **Additional allotments.** After defining the fundable portion of the Clean Water SRF Project Priority List, the Board may determine that it is necessary or desirable to obligate additional funds that are available and the list may be extended to include the next highest ranked project or projects on the planning portion of the list. Any sum made available to a state by reallocation or deobligation shall be treated in the same manner as the most recent allotment.

(5) **Project removal.** The Board may remove a project from the Clean Water SRF Project Priority List when the project has been funded, the project is found to be ineligible, it is indicated that the applicant does not intend to continue in the Clean Water State Revolving Loan Program, or the Board has determined that the applicant does not have financial, legal, or managerial capability to construct the project.

(6) **Amount of financial assistance.** The amount of financial assistance shall be the sum of the total eligible costs related to construction. The amount is contingent upon the availability of funds for this purpose. During each funding year, loans totaling twenty-five (25) percent of the funds available from the capitalization grant and state match for that year shall be provided to those eligible small municipalities with a population of 10,000 or less. However, if the state has not met the federal requirement of making binding commitments in an amount equal to one hundred and twenty (120) percent of each quarterly grant payment within one year of receipt of each quarterly payment, other eligible applicants may apply for a loan or an increase to an existing loan to utilize the small community set aside, if such actions will permit the state to comply with the federal binding commitment requirement.

(7) **Addition of new projects to the Clean Water SRF Project Priority List.**

(A) **General.** Prior to the placement of any new projects on the Clean Water SRF Project Priority List, the applicant must submit a request for such placement to the Board. The Programmatic Application must specify that the applicant intends to apply for financial assistance from the Clean Water SRF. The Board will evaluate the Programmatic Application. If it is indicated that a viable project could result which would be in conformance with Clean Water SRF requirements, the potential project will be added to the Clean Water SRF Priority List.

(B) **Brownfield Activities.** Requests received for Brownfield activity projects must satisfy the following requirements before they will be placed on the Clean Water SRF fundable portion of the project priority list:

- (i) Submit a certification from the Department that the project is a Brownfield project;
- (ii) Submit a certification from the Department that urban runoff from the project site potentially impacts water quality; and
- (iii) Submit project documents which determine the water quality benefits of the proposed project.

(C) **Nonpoint source and Watershed Management activities.** Requests received for nonpoint source and watershed management projects must satisfy the requirements of 82 O.S. §1085.58(G), as amended, before they will be placed on the Clean Water SRF fundable portion of the project priority list.

(8) **Categories of need.** All projects receiving financial assistance must fit into at least one of the categories of need listed in 785:50-9-21(a).

(A) A project may include all eligible categories of need.

(B) If a point source project consists of more than one category including a nonpoint source project, its project ranking calculation will be based on that category which will result in the greatest priority points.

(9) **Change of scope.** A change of scope, such as the addition of new construction items, will not be eligible after loan closing unless:

(A) The change of scope is necessary to result in an operable treatment works due to an oversight and not to replace faulty construction or equipment already funded, or

(B) The change of scope is necessary due to changes in Federal or State requirements

SUBCHAPTER 20. SAFEGUARDING TOMORROW REVOLVING LOAN PROGRAM REGULATIONS

785:50-20-1. General program description and procedures

(a) Safeguarding Tomorrow Revolving Loan Program Description.

(1) Pursuant to 82 O.S., §§1085.91 through 1085.96, an additional financial assistance program was created to be administered by the Board and Oklahoma Department of Emergency Management (Department) to implement provisions of the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(2) Under Oklahoma's program, the Department is to generally carry out the role of prioritizing hazard mitigation projects and conducting technical analysis and review of eligible entities and hazard mitigation projects. The Board is to generally carry out the role of conducting financial evaluations and analyses of eligible entities, reviewing documents for loan closings, and managing and administering monies in the Hazard Mitigation Financial Assistance Program Fund to make monies available for financial assistance.

(3) The Safeguarding Tomorrow Revolving Loan Program shall be administered as a separate program from the Board's previously existing Financial Assistance Programs. The rules in this Subchapter are intended to recognize the distinction between the programs where necessary.

(b) General procedures. The general procedures to be followed in the hazard mitigation project review and financial assistance application process for financial review under the program authorized in 82 O.S., §§1085.91 through 1085.96 shall be as follows:

- (1) The applicant shall follow the procedures, rules and regulations administered by the Oklahoma Department of Emergency Management, which shall include placement on the priority list of a eligible entities projects established by the Department and the filing of an application with the Board for hazard mitigation project review and financial assistance.
- (2) The Board shall make an initial determination of whether an entity meets the legal and managerial criteria to receive funding.
- (3) The Board shall prepare an initial financial review of the entity based on documents provided to the Board and proposed loan amount and interest rate for which the entity qualifies. Consultations among Board staff, the Department, and the applicant's representatives may be held where deemed appropriate and beneficial.
- (4) The Board staff shall consider the initial financial review and application. It shall then forward its preliminary recommendation for approval or rejection of the loan application to the applicant, based on applicable criteria set forth in 785:50-20-2.
 - (A) If the recommendation is for rejection, the Board shall provide a written recommendation including the reasons for rejection. The entity may then be allowed to modify or supplement any documents in order to comply with the Board requirements and resubmit the same to the Board.
 - (B) If the Board recommends approval, it shall notify the applicant and the Department.
- (5) After initial financial review approval by the Board, the Board shall follow its established procedures and rules to conduct an in-depth financial review and evaluation of the hazard mitigation project to determine whether it complies with applicable state and federal laws.
- (6) After a secondary application and necessary documents are submitted to the Board, the matter will be reviewed by staff who may request additional information from the applicant or the Department and have further conferences as deemed necessary and beneficial to complete the financial review. The matter will then be placed on the Board's agenda for consideration. The Board may approve the application, reject the application, or request additional information.
- (7) If the application and loan receives final approval, the Board, Department and applicant will coordinate the setting of the date, time and place for the closing of the loan.
- (8) At the loan closing, the Department shall have authority to grant approval for disbursement of loan proceeds and to present the same.
- (9) The Board shall administer the loans until paid by the recipient and a final accounting is completed.

785:50-20-2. General approval standards and criteria

- (a) In the review and consideration for financial assistance under the Safeguarding Tomorrow Revolving Loan Program, the Board shall give consideration to the following general and non-exclusive criteria for application approval:
 - (1) **Compliance with laws.** The application and proposed hazard mitigation project must be found to be in compliance with all applicable and relevant federal, state and local laws and regulations, and applicant must possess all necessary and incidental legal rights and privileges necessary for project commencement and operation.
 - (2) **Eligibility.** The applicant and proposed hazard mitigation project must be determined to be eligible for the assistance sought.
 - (3) **Economic feasibility.** The Board shall consider the overall apparent economic viability and feasibility of the hazard mitigation project as a whole including all revenues from the applicant and the adequacy and reliability of estimated revenues and other repayment sources necessary for loan repayment when indicated.
 - (4) **Availability of funds.** The Board shall take into consideration the current and anticipated availability of assistance funds needed to provide the financial assistance requested.
- (b) The Board may deny an application for a loan from the Safeguarding Tomorrow Revolving Loan Program for any of the following reasons:
 - (1) The applicant or the entity which stands to receive the benefit of the financial assistance is not an eligible entity.
 - (2) The applicant does not have a demonstrated history of sound management.
 - (3) The applicant's financial condition is not sound enough to assure the Board that the loan would be satisfactorily repaid (including but not limited to circumstances such as inability to meet debt service, inability to meet any applicable rate covenant or additional indebtedness requirements, a substantial increase in operation and maintenance costs due to the proposed project, substantial revenue collection problems, substantial negative financial trends, a default or record of late payment(s) on previous indebtedness, etc.)
 - (4) The economic conditions pertinent for the applicant show negative trends (including but not limited to conditions such as substantial declines in sales tax revenues, population, per capita income, building permits, or water and/or sewer connections; a substantial increase in unemployment; or detrimental changes in the bases of ten largest customers or ten largest taxpayers).
 - (5) Any other reason based upon applicable law or the Board's judgment and discretion.

785:50-20-3. Terms and conditions

(a) General limitations and conditions.

- (1) Under the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act and 82 O.S. Section 1085.93, the Board is authorized to use the Safeguarding Tomorrow Revolving Loan Account for the following purposes:
 - (A) To make a loan to an eligible entity if:

- (i) The hazard mitigation project and planning documents have been approved by the Department,
- (ii) The loan is made at or below market interest rates, including interest-free loans, at terms consistent with the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act,
- (iii) Principal and interest payments will begin not later than one year after completion of any hazard mitigation project, which completion date shall be determined by the Department, and all loans will be fully amortized consistent with the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act,
- (iv) The Safeguarding Tomorrow Revolving Loan Fund will be credited with all payments of principal and interest on all loans,
- (v) The applicant demonstrates to the satisfaction of the Board the financial, legal and managerial capability to assure sufficient revenues to pay debt service,
- (vi) The recipient of the loan establishes a dedicated source of revenue or other repayment source for payment of debt service for the loan,
- (vii) The recipient agrees to maintain financial records in accordance with governmental accounting standards, to conduct an annual audit of the financial records relating to the hazard mitigation project and to submit the audit report to the Board on a scheduled annual basis, and
- (viii) The project is identified in the Department's current Intended Use Plan.

(B) As a source of revenue or security for the payment of principal of and interest on any investment certificate issued by the Board. The proceeds of the sale of such investment certificates shall be deposited in the Safeguarding Tomorrow Revolving Loan Fund in compliance with applicable bond resolutions or indentures authorizing the sale;

(C) To earn interest on accounts established under the Safeguarding Tomorrow Revolving Loan Fund;

(D) To administer the Safeguarding Tomorrow Revolving Loan Fund pursuant to the provisions of 82 O.S. §§1085.91 et seq.; and

(E) For such other purposes or in such other manner, as is determined by the Board to be an appropriate use of the Safeguarding Tomorrow Revolving Loan Fund and which has been specifically approved by the Federal Emergency Management Agency pursuant to the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(2) Financial assistance shall not be made from the Safeguarding Tomorrow Revolving Loan Fund until the conditions in (1) of this subsection are met.

(b) Evidence of indebtedness. The financial assistance loans contemplated within this subchapter shall be provided by the Board for approved hazard mitigation projects pursuant to such notes, bonds, revenue bonds or other appropriate form of evidence of indebtedness from the applicant as the Board may require.

(c) Criteria for determining interest rates.

(1) The interest rates on loans to be made from the Safeguarding Tomorrow Revolving Loan Fund shall be in accordance with federal requirements or at or below market rates for similar indebtedness by eligible entities and may vary among classes or categories of eligible entities based on a joint agreement entered into by and between the Board and Department.

(2) Such criteria of the joint agreement may incorporate applicable United States Federal Emergency Management Agency or successor agency guidelines for financial assistance.

(d) Loan repayments. Payment on loans shall be made to the Board as provided in the loan documents.

785:50-20-4. Disbursement of funds and conditions for disbursement

Disbursement of funds and conditions for disbursement After an application for financial assistance under the program authorized by Sections 1085.91 through 96 of Title 82 of the Oklahoma Statutes has been approved by the Board, the following conditions and requirements shall be met prior to the releases and disbursement of any financial assistance funds:

_____ (1) Final approval of disbursement of financial assistance proceeds is granted or waived by the Department.

_____ (2) Applicant and Board, and all other necessary parties, shall have executed all necessary and incidental instruments and documents for loan closing, including but not limited to all _____ mortgages, notes, financing statements and pledges of project security and revenues where appropriate.

_____ (3) Recipient sends disbursement requests to Department, Department approves disbursement requests and forwards same to Board.

OKLAHOMA WATER RESOURCES BOARD

RULE IMPACT STATEMENT
for Rule Amendments in OAC 785:50
Proposed for Adoption During 2025

A. A BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES.

The proposed changes to this rule are to make it more concise and easier for staff understanding and public understanding and perception. The current rules need correction as they have long had grammatical errors and were not presented in a manner that was easy to read and interpret. Also, this proposed change adds points to the ranking of the REAP grant affording eligible entities the opportunity to increase their opportunity for receiving REAP grant funding. The proposed changes also add a new financing program for hazard mitigation projects that will be implemented by Oklahoma Emergency Management.

B. A DESCRIPTION OF THE CLASSES OF PERSONS WHO MOST LIKELY WILL BE AFFECTED BY THE PROPOSED RULES, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULES, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES.

The proposed changes will affect staff and the population of Oklahoma eligible entities who are attempting to apply for financing. There will be no cost incurred by these proposed changes.

C. A DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES.

The probable economic impact of these proposed rule changes is that it will be easier and more understandable for Oklahoma eligible entities to apply for, and potentially receive, necessary grant funding, as well as the opportunity to take additional steps to elevate their ranking on the priority list.

D. A DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULES UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE.

There will be no costs to the agency or state revenues associated with this proposed rule change. The benefit to the agency is that staff will be able to more easily ascertain eligibility and ranking of grant applications, and provide a more rapid response to grant requests thereby providing eligible entities with the funding they need for their critical infrastructure projects.

E. THE PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, AND ANY ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN STATE REVENUES IF IT CAN BE PROJECTED BY THE AGENCY.

Any costs associated with these programs will be covered by legislatively authorized administrative fees. It is anticipated that the proposed amendments will have no effect on state revenues.

F. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES MAY HAVE AN ADVERSE ECONOMIC EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

These proposed rule changes will not have an adverse economic effect on small business but likely could provide benefit to small businesses which are located in eligible entities experiencing water and wastewater infrastructure needs. Good infrastructure is invaluable to a community and the small businesses located within it.

G. AN EXPLANATION OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES.

There are no compliance costs, regulatory issues, or intrusive affects to these proposed rule changes.

H. A DETERMINATION OF THE EFFECT OF THE PROPOSED RULES ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT AND, IF THE PROPOSED RULES ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULES WILL REDUCE THE RISK.

These proposed rules changes could very significantly reduce substantial risks to the public health, safety, and environmental concerns caused by water and wastewater infrastructure disrepair. Infrastructure affected by deterioration and disrepair can present enormous public health, safety, and environmental issues when not addressed in a timely manner. Being able to more quickly access grant funds when eligible, reduces the time necessary to obtain other funding and improve water and wastewater infrastructure.

I. A DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULES ARE NOT IMPLEMENTED.

The detrimental effect on the public health, safety, and environment of not implementing these proposed rule changes is that in their current state, it is much slower to be able to complete the processes required to award grant funding. The longer infrastructure remains in a condition of disrepair, the more opportunity for risks to the health, safety, and environment of the public.

J. THE DATE THE RULE IMPACT STATEMENT WAS PREPARED AND IF MODIFIED, THE DATE MODIFIED:

This rule impact statement was prepared by Sara Gibson, General Counsel, on November 14, 2024.

5. SPECIAL CONSIDERATION

WATER RIGHTS ADMINISTRATION DIVISION

January 21, 2025

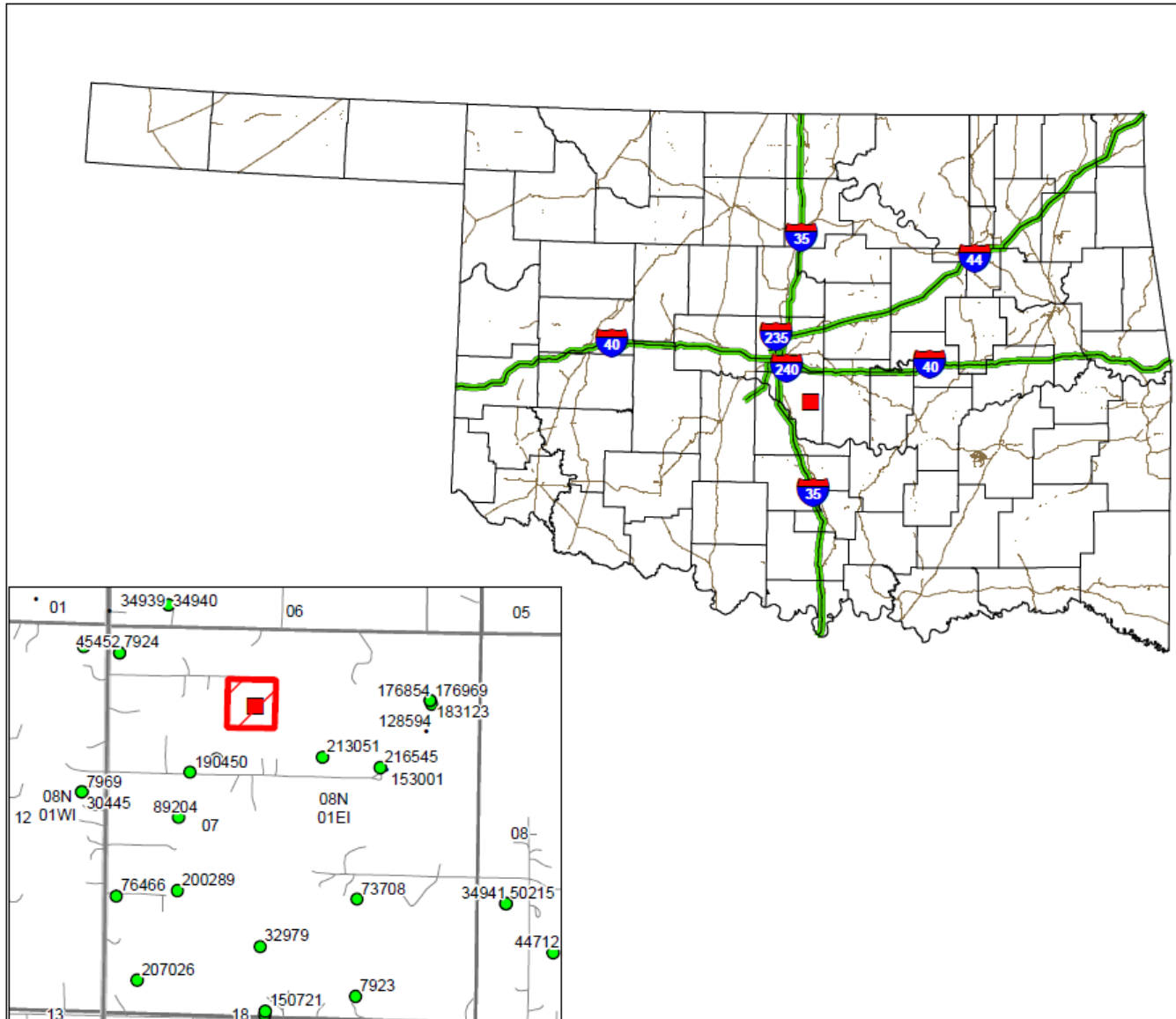
WATER RIGHTS ADMINISTRATION DIVISION
Application for a Limited Quantity Regular Groundwater Permit

January 21, 2025


NUMBER & DATE	COUNTY	NAME OF APPLICANT	RECOMMENDATION
2022-563 9/26/2022	Cleveland County	OKGA, LLC	Approval for proposed order

OKGA, LLC c/o Lia Asztalos of 13628 Crystal Brook Cir, Norman, OK 73126 has filed an application, #2022-563, with the Oklahoma Water Resources Board (Board) for a permit to use 5 acre-feet of groundwater per year. The groundwater is proposed to be used for agriculture (medical (cannabis) marijuana) purposes and to be withdrawn from 10 acres located as follows: 8 acres in SE NE NW and 2 acres in SW NE NW of Section 7, T8N, R1EIM, Cleveland County. The applicant intends to withdraw the groundwater from one (1) well located in the SE NE NW of Section 7, T8N, R1EIM, Cleveland County. The groundwater will be used in Cleveland County as more specifically described in the application plat. Wells and dedicated lands are located over the Garber-Wellington groundwater basin. The applicant gave proper Public Notice, the application was protested, and an administrative hearing was held on May 16, 2024. The hearing examiner recommends not approval. Based upon the disapproval of the application by the board, well exception request is not granted, along with the inadequate lease agreement. The hearing examiner recommends the application is hereby disapproved. A permit shall not be issued.

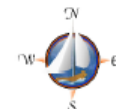
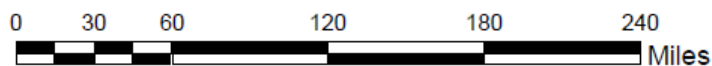
Groundwater Application: Permit #20220563 - OKGA LLC- Cleveland County



Legend

-  Dedicated Lands
-  Well Locations
-  Interstates
-  Groundwater Wells

Created by: JC
Date: 1/15/2025



**BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA**

In the Matter of the Application by OKGA, LLC.)
for Permit to Use Groundwater in Cleveland) Application No. 2022-0563
County, Oklahoma)

PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND BOARD ORDER

INTRODUCTION

1. On September 26, 2022, Oklahoma Kansas Grower’s Association” aka OKGA, LLC. (the “Applicant”) filed Application No. 2022-0563 for a Regular Groundwater Use Permit, Limited Quantity Groundwater Application with the Board for a permit to use groundwater in Cleveland County, Oklahoma. Applicant is an Oklahoma limited liability company formed under the Oklahoma Limited Liability Company Act, 18 O.S. §2001 *et seq.*, as a real estate management company. Applicant requested authorization to use five (5) acre-feet of groundwater each year from the one (1) existing, previously drilled, “domestic use” groundwater well, with the land to be leased to its affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., for agricultural use to grow medical cannabis (marijuana) grow and to irrigate one (1) acre of crops. The Applicant’s legal counsel asserted several times with no citation of any support in statute, rule, case law, or other legal authority, in the Hearing that his client, the Applicant, as an Oklahoma limited liability company, had the same right, as do all of the Protestants, to use five (5) acre feet of groundwater each year for what he referred to as “domestic use”. The Applicant, through its Managing Partner Lia Asztalos, testified that it has leased a certain ten (10) acres of real property located in the City of Norman, Cleveland County, Oklahoma, to an affiliated, but separate, limited liability company named Gladiator Cannabis, LLC., as its Lease Tenant, for agricultural use to grow medical cannabis (marijuana).

2. Based upon the Proposed Findings of Fact and Conclusions of Law that follow, the Board determines that **the application should not be approved.**

PROPOSED FINDINGS OF FACT

3. On May 9, 2023, OWRB Water Rights Administration Division Chief, Chris Neel issued a letter to the Applicant’s Managing Partner, Lia Asztalos (the “Staff Letter”), which notified the Applicant that its application to use groundwater had been reviewed and was deemed complete. The Staff Letter stated that pursuant to 75 O.S. §309 and 82 O.S. §1020.10, and the Board Rules, OAC 785:30-3-4 and OAC 785:30-5-4.1, the OWRB Staff enclosed a Notice of Application to be mailed [by the Applicant] by certified mail, return receipt requested, “to surface owners of lands located within 1,320 feet of the outside boundary of each ten acre-tract of wells subject of your application”. The Staff Letter noted that the “surface owners are allowed ten days from receipt of notice to submit comments regarding your application.”

4. According to the Staff Letter, the Application is for limited quantity which is defined by Board rules to be 15 acre-feet or less per calendar year. The Staff Letter further noted, after the ten-day comment period which immediately follows proper notice, the Application may be approved by the OWRB Executive Director. In the event of a showing of a significant public

interest or property right that would be affected by approval of the Application, the OWRB Executive Director may require that a hearing be held. It was determined that a hearing was necessary in this matter, and that the Application shall be presented to the Board with proposed findings of fact and conclusions of law for consideration.

5. After initially taking this matter under advisement as required under the Board's Rules OAC 785:4-7-11, the undersigned Hearing Examiner, now proposes the Board adopt the following findings of fact as having been proven in the Hearing:

6. The protestant(s) own or lease land overlying the Garber-Wellington groundwater basin. The Board has heretofore determined the equal proportionate share of the maximum annual yield is two (2) acre-feet per acre per year. The Protestants as a natural individual(s), or a family or household for household purposes, are entitled to use groundwater for domestic use without obtaining any groundwater permit from the OWRB (*See* 82 O.S. §1020.1(2) for a more complete statutory definition of "domestic use").

7. The protestants named as follows: Sheila Pingleton, Jose Lopez, Ronald and Mary Stall, Stephanie Delony, Tony Riggs, Peter Gade, Waylon Steelman, Warren K. Jordan, Todd Yates, Jacquelyne Cole, William Kimbrough, and Wayne and Cheryl Diehm (the "Protestants"), all submitted comments and protests without the benefit of legal counsel, pro se, in opposition to the application and the matter was set for hearing on May 16, 2024.

8. A hearing was held at the Board offices in Oklahoma City, Oklahoma, on May 16, 2024. The Applicant was present as were the Protestants for the Hearing on this matter. The Applicant was represented at the Hearing by its legal counsel, Justin Williams, Overman Legal Group, PLLC., 809 NW 36th Street, Oklahoma City, Oklahoma 73118. None of the Protestants in attendance were represented by legal counsel at the Hearing. The Applicant presented two (2) witnesses to testify at the hearing. The first Applicant witness to testify was the Applicant's Managing Partner, Lia Asztalos, and the second and final Applicant witness to testify was OKGA, LLC. member partner, Professional Engineer Doug Schulte.

9. In accordance with the provisions of 75 O.S. §309 and 82 O.S. §1020.10, together with Oklahoma Administrative Code ("OAC") 785:30-3-4 and 785:30-5-4.1, the Hearing Examiner reviewed the "Notice of Application to Use Groundwater", which was mailed by the Applicant by certified mail, return receipt requested, to the surface estate owners of lands within 1,320 feet of the outside boundary of each ten (10) acre-tract of wells subject of the Application.

10. The Applicant through its Managing Partner, Lia Asztalos, certified in writing with signed returned receipts attached, that she notified the surface estate owners of lands located within 1,320 feet of the outside boundary of each ten (10) acre tract of the wells subject of application no. 2022-563, of the Applicant's intention to use groundwater by forwarding the notice of application by U. S. Mail, certified mail return receipt requested, on June 3, 2023, to the attached list of names that correspond to those listed on the Ownership Plat attached to the application, which notice certified that all certified mail green cards with signed return receipt and/or returns of service (or other proof of service that provides the sender with a signature and/or return of service), which was attached to the submitted affidavit, which affidavit was notarized. **The undersigned Hearing Examiner determined that notice of the application was properly given as required by law, which determination was announced in the hearing.**

11. Pursuant to Board Rule OAC 785:4-7-1 and 4-7-7, records were admitted that were offered by the Oklahoma Water Resources Board (“OWRB”) pertinent to this Application, including in part, the application, ownership documents, notice documents, maps, comments and protests of: (1) Sheila Pingleton, (2) Jose Lopez, (3) Ronald and Mary Stall, (4) Stephanie Delony, (5) Tony Riggs, (6) Peter Gade, (7) Waylon Steelman, (8) Warren K. Jordan, (9) Todd Yates, (10) Jacquelyne Cole, (11) William Kimbrough, and, (12) Wayne and Cheryl Diehm, the incomplete water well inventory logs (containing no legal descriptions of the locations of any water wells of any of the Protestants), and the notice scheduling hearing. *See* OWRB Exhibits 1-17. After the hearing was adjourned, the matter was taken under advisement. A proposed order was prepared, served on the parties, and presented to the Board for consideration and action.

12. On September 26, 2022, the Applicant filed Application No. 2022-0563 with the Board for a permit to use groundwater in Cleveland County, Oklahoma. Applicant requested authorization to use five (5) acre-feet of groundwater each year from the one (1) existing, previously drilled, “domestic use” groundwater well, with the land to be leased to its affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., for agricultural use to grow medical cannabis (marijuana) grow and to irrigate one (1) acre of crops. The Applicant’s legal counsel asserted several times with no citation of any support in statute, rule, case law, or other legal authority, in the Hearing that his client, the Applicant, as an Oklahoma limited liability company, had the same right, as do all of the Protestants, to use five (5) acre feet of groundwater each year for what he referred to as “domestic use”.

NOTICE

13. On May 9, 2023, Board staff notified Applicant that the application had been reviewed and directed Applicant to give notice of the application by certified mail to each surface owner of land within 1,320 feet of the outside boundary of the ten-acre tract of land with a groundwater well location covered by the application. *See* OWRB Exhibit 3. Applicant through its then-legal counsel, and, according to the Hearing testimony of the Applicant’s Managing Partner, Lia Asztalos, the member partner, Jason E. Marshall, OBA # 30156, also sent, by certified mail, direct notice to those individuals listed on the surface estates owner’s map. *See* OWRB Exhibits 1 and 4.

14. It is noted that the direct notice sent by certified mail to thirteen (13) surface estate owners at various addresses, came back to the Applicant as “undeliverable” according to a document entitled “Affidavit of Notification By Certified Mail” signed by Lia Asztalos on behalf of OKGA, LLC. and dated as July 23, 2023 (the “Affidavit Of Notification”), a copy of which was received by the OWRB on August 2, 2023, as follows: (1) B& H Realty, LLC., (2) Britain, Kimmer E. & Janis G., (3) Delony, Stephanie, (4) Ellefson, Logan, (5) Fenwick, Shaista, (6) Hixon, Tanda, (7) Hughes, Christina, (8) Lambeth, Lorraine L., (9) Miller, Kevin, (10) Shepard, Linda, (11) Snow, George R. & Aurella L., (12) Tidwell, John A. & Shawna R., and (13) Wright, Ronald Dean & Virginia Lee. *See* OWRB Exhibit 4.

15. It is further noted that the direct notice sent by certified mail to surface owners: (1) B & H Realty, LLC., (2) Tanda Hixon, (3) Stephanie Delony, and, (4) Linda Shepard, came back as “unclaimed”, that the direct notice sent by certified mail to surface owner Logan Ellefson came back with no postal official’s explanation on the returned envelope, and, while the direct notice sent by certified mail to surface owners: (1) Kevin Miller, (2) the Tidwell Family, (3) Shaista

Fenwick, (4) the Brittain Family, (5) the Snow Family, (6) the Wright Family, (7) Christina Hughes, and, (8) Allen Smith, came back as “undeliverable as addressed, unable to forward”, which direct notices were filed as “received” by the Oklahoma Water Resources Board on August 2, 2023. *See* OWRB Exhibit 4.

PROTESTS

16. On May 17, 2023, in reference to a document entitled “Application for a Permit to Use Ground Water No. 2022-563, OKGA, LLC, Cleveland County”, a surface estate owner and protestant, **Jacquelyne Cole, 13580 Crystal Brooke Circle, Norman, OK 73026**, filed what she described as an “official letter of complaint/protest written on behalf of the entire housing addition, Pride 5 located in Norman, OK, east of Indian Meridian/132nd, Imhoff Road, Crystal Brook Cir, and Norris Cir.” Consisting of five (5) single spaced pages, Jacquelyne Cole’s protest letter alleged (the “Cole Protest”) aka Protest 1, together with a number of documents including, but not limited to, references, an index of 14 attachments, three pages of purported neighbor signatures, and a plat map of the Pride 5 Addition. *See* OWRB Exhibit 5.

17. The Cole Protest made numerous allegations, including, but not limited to, that the Pride 5 housing addition had been in existence since 1972, that the Pride 5 housing addition consists of 5- and 10-acre plats (sic), with low population density being mostly retired homeowners of an estimated average of two (2) per household, that all residents are on independent wells, with water consumption primarily for domestic use “**...and not the high-volume commercial usage currently drained from the Garber-Wellington Aquifer from one location at 13628 Crystal Brook Cir, by OKGA, LLC.**”

18. According to the Cole Protest, first page, second paragraph, among other things, “**this is a commercial/industrial operation located in the middle of a residential neighborhood, with two (2) 50 x 100 (5,000 sq ft each) barns (ATCH 2)**”, that “**each barn has four (4) – 600-gallon water circulation tanks providing a minimum of 2.5 gals per day (Ref 1), per plant along with nutrients (Ref 2) that require flushing and chemical sterilization between grows**”, and “**all tanks are plumbed into the multiple drain pipes to flush water 375 feet downhill, into what use (sic) to be a large outdoor arena, which has not been certified nor (sic) approved by DEQ (REF 3) (ATCH 3).**” *See* OWRB Exhibit 5.

19. In addition to (1) the Cole Protest, the next Protestant (2) William K. Kimbrough, 13629 Norris Circle, Norman, OK 73026, filed a Protest letter dated June 6, 2023, which was received by OWRB on June 8, 2023. (3) Protestant Jose Lopez, 13713 Norris Circle, Norman, OK, 73026, filed a Protest letter via FAX on June 9, 2023, with attachments that he collectively referred to as the documents that represent his formal objection to the application filed by OKGA, LLC. (4) Protestant Todd Yates, 13424 E. Imhoff Road, Norman, OK 73026, filed a Protest letter dated June 7, 2023, received by the OWRB on June 9, 2023. (5) Protestants Wayne Allen Diehm and Cheryl Elaine Diehm, 13506 East Imhoff Rd., Norman, OK 73026, filed an undated Protest letter received by the OWRB on June 9, 2023, (6) Protestant Warren K. Jordan, 13324 Crystal Brooke Circle, Norman, OK 73026, filed a Protest Letter undated that was received by the OWRB on June 12, 2023, (7) Protestant Waylon Steelman, 13709 E. Imhoff Rd., Norman, OK 73026, filed a Protest letter dated June 6, 2023, received by the OWRB on June 6, 2023, (8) Protestant Peter Gade, Ph.D., 13817 Norris Circle, Norman, OK 73026, filed a Protest letter dated June 11, 2023, received by the OWRB on June 14, 2023, (9) Protestant Tony F. Riggs, 13511 Norris Circle, Norman, OK

73026, filed a Protest letter dated June 11, 2023, received by the OWRB on June 14, 2023, (10) Protestants Bruce C. Moniz and Rachelle Moniz, 2601 132nd SE Ave, Norman, OK 73026, filed a Protest letter dated June 10, 2023, received by the OWRB on June 14, 2023, (11) Protestant Sheila Pingleton, 13628 E. Imhoff, Norman, OK 73026, filed a Protest letter dated June 6, 2023, received by the OWRB on June 14, 2023, (12) Protestants Ronald Stall and Mary (Knight) Stall, 13303 E. Imhoff Rd., Norman, OK 73026, and (13) Protestant Stephanie Delony, RN, 13712 Crystal Brook Circle, Norman, OK 73026, filed a Protest letter undated, received by the OWRB on August 25, 2023. *See* OWRB Exhibit 5.

HEARING

20. The hearing commenced on May 16, 2024, at the Board's office in Oklahoma City, Oklahoma. Appearing on behalf of the Applicant was Attorney Justin Williams, of the Overman Legal Group, PLLC., law firm in Oklahoma City, Oklahoma, The Protestants all appeared pro se. The hearing was opened, appearances were entered, witnesses were sworn and testified, evidence was admitted, the protestants' protest was heard, and the hearing was adjourned. Thereafter, a proposed order was prepared, served on the parties, and presented to the Board for consideration and action at an upcoming meeting.

21. It is noted that the OWRB Exhibits 1-17 were all admitted into evidence at the beginning of the Hearing. Subsequently, the Applicant presented several exhibits in the Hearing. The Applicant's Exhibit 1 was a slideshow consisting of 16 un-numbered hard-copy pages depicting the Applicant's presentation of their claimed efficient use of water in their production of medical marijuana.

22. The Applicant's Exhibits 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11, were admitted into evidence without objection.

23. Neither the Applicant nor any of the Protestants submitted any proposed findings of fact or conclusions of law for review or consideration.

24. The Applicant's first witness and Managing Partner, Lia Asztalos, testified that the only groundwater the **Applicant and its affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., are currently using from its one (1) single existing groundwater well, is for washing their hands and flushing the toilet.** The Applicant did not articulate or cite any authority, statute, rule, case law, or other legal authority, as to the current use of its one (1) single existing groundwater well by the Applicant, as a limited liability company, without any OWRB permit, or the use of the Applicant's one (1) single existing groundwater well by its affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., a limited liability company, also without any OWRB permit. While not articulated, verbalized, or cited, as legal authority by the Applicant's Attorney, the Applicant's subjective intent may (or may not) be to attempt to silently benefit from the provisions of Board Rule OAC 175:30-1-2, with its statutorily authorized and Board-specified definition of "domestic use", which extends the statutory definition of "domestic use" at 82 O.S. §1020.1(2), from the following:

'Domestic use' means the use of water by a natural individual or by a family or household for household purposes, for farm and domestic animals up to the natural grazing capacity of the land and for the irrigation of land not exceeding a total of three (3) acres in area for

the growing of gardens, orchards and lawns, **and for such other purposes, specified by Board rules, for which de minimis amounts are used.** (Emphasis added).

The Board Rule OAC 785:30-1-2 mirrors the statutory language of the 82 O.S. §1020.1(2) definition of “domestic use” verbatim through the end of the phrase: “...the growing of gardens, orchards and lawns”, and, in pertinent part, adds the following new Board-specified sentence:

Domestic use also includes: (1) the use of water for agriculture purposes by natural individuals, (2) use of water for fire protection, and (3) **the use of water by non-household entities for drinking water purposes, restroom use, and the watering of lawns, provided that the amount of groundwater used for any such purposes does not exceed five acre-feet per year.** (Emphasis added).

While the Applicant’s subjective intent may have been to attempt to silently benefit from Board Rule OAC 785:30-1-2, as to its statutorily authorized and Board-specified extended definition of “domestic use”, without articulating, verbalizing, or citing, any statute, rule, case law, or any other authority in support, through the use of water by the Applicant’s affiliate and purported Lease Tenant, Gladiator Cannabis, LLC. and/or the Applicant as an Oklahoma limited liability company and a non-household entity, using water for drinking water purposes, restroom purposes, and the watering of lawns, provided the amount of groundwater used for such purposes does not exceed five acre-feet per year, such position was not adequately presented or articulated in the Hearing so as to be appropriate and objectively understandable.

25. The pro se Protestants did not object to the Applicant’s repeated unsupported assertions that the Applicant’s affiliate and purported Lease Tenant, Gladiator Cannabis, LLC. and/or the Applicant, had a right to five (5) acre-feet of groundwater for its “domestic use”. Further, the pro se Protestants did not note for the record that none of them have an OWRB groundwater permit for their “domestic use”.

26. The Applicant’s legal counsel, Justin Williams, did not cite any legal authority in support of his repeated assertions that his client has a right to five (5) acre-feet each year of groundwater for domestic use or that the use of groundwater by a commercial enterprise, or the operator of a commercial enterprise, qualifies to use groundwater for “domestic use” under Oklahoma law. (*See* OAC 785:30-1-2).

27. The Applicant, through its legal counsel, Justin Williams, also failed to explain the reason that the Applicant needed an OWRB permit to use any groundwater for its alleged “domestic use.” The Protestants do not need any OWRB groundwater permit to use groundwater for “domestic use”. (*See* 82 O.S. §1020.1(2), the statutory definition of “domestic use”), which does not apply to Oklahoma limited liability companies, as such entities are “formed” under the Oklahoma Limited Liability Company Act, 18 O.S. §2001 et seq.

OWNERSHIP OF LAND

28. OKGA, LLC holds the title to the land **through a Quit Claim Deed** dated January 19, 2022, recorded in the records of the County Clerk of Cleveland County, Oklahoma, in Book 6372, Pages 531-532, **which Quit Claim Deed with its recording information was provided to the OWRB after the record was closed by the Board’s Hearing Examiner at the conclusion of**

the May 16, 2024, hearing. (See Board Rule OAC 785:4-7-11 entitled “Closing the record and submission of cause for ruling”). There is a document in the files of the OWRB entitled “Amended Limited Liability Company Operating Agreement of Cearley’s Urban Farm LLC an Oklahoma Limited Liability Company”, that appears to involve personal property in some form. See OWRB Exhibit 2.

Applicant’s Quit Claim Deed

29. To support this application, **after the hearing record was closed by the Board’s Hearing Examiner on May 16, 2024, the day of the Hearing, subsequently on or about June 25, 2024, the Applicant late-submitted the following instrument(s), outside of the hearing record in violation of Board Rule OAC 785:4-7-11, which instrument(s) were recorded in the Office of the County Clerk of Cleveland County on January 20, 2022:**

Quit Claim Deed (Office of the Cleveland County Clerk, Book 6372, Pages 531-532)

See OWRB Exhibit 2 for unrecorded copy of Quit Claim Deed presented at Hearing before the record closed on May 16, 2024.

30. The Applicant submitted an unrecorded document with no title dated January 19, 2022, and a copy of which was received by the OWRB on July 27, 2022, that acknowledged the Applicant that is receiving a **Quit Claim Deed**, disclosed two (2) liens on the property at **13628 Crystal Brook Circle**, [Norman, Oklahoma 73026], from Robin Sheree Schrader and Noland Donald Schrader III, the two liens are described as: (1) Executive Heating and Air \$72,441.29, filed on October 14, 2021; and (2) Engineered Equipment, Inc. \$16,988.16, filed on November 3, 2021. The Applicant in the same document stated that it was also entering into a purchase agreement for the lab equipment in storage at Storage 1 (1331 24th Avenue SE, Norman, OK 73071). According to the aforesaid purchase agreement, the Applicant agreed to pay twenty-five thousand dollars (\$25,000.00) for the aforesaid lab equipment in two installments.

Applicant’s Purported Lease Agreement

31. The Applicant produced a document consisting of 29 pages, entitled “Lease” with a cover page attached thereto entitled “**Lease Agreement Between OKGA, LLC An Oklahoma limited liability company (“Landlord”) and Gladiator Cannabis, LLC An Oklahoma limited liability company (“Tenant”) as of January 19th, 2022**”, with no legal description of the real **property leased**, that states the Tenant leases from Landlord, two (2) commercial warehouse units located on property with a “...**legal address of 13628 Crystal Brook Circle Norman, OK 73026** or such other street address as designated by Landlord”, **for a lease term of five (5) years** from the effective date of January 19th, 2022, and shall be automatically renewed for five (5) years, unless otherwise terminated. (Emphasis added). See Applicant’s Exhibit 11. Land ownership through the Quit Claim Deed and the purported Lease Agreement was not disputed at the hearing by the Protestants who appeared without the benefit of legal counsel.

32. At the Hearing the Applicant produced a copy of a document entitled “**Lease**” **purportedly by and between OKGA, LLC., an Oklahoma limited liability company, as Landlord (signed by Managing Member David Lowe), and Gladiator Cannabis, LLC., an**

Oklahoma limited liability company, as Tenant (signed by Managing Member Lia Asztalos), effective January 19, 2022, for the real property located at the “legal address” of: 13628 Crystal Brook Circle, Norman, Oklahoma 73026, for a term of five (5) years from the effective date January 19, 2022, and shall automatically renew for five (5) years unless otherwise terminated. (See Applicant’s Exhibit 11).

Un-addressed Lease Legal Issues

33. It should be noted that the purported “Lease” document submitted as Applicant’s Exhibit 11, as presented: **(1) did not include a recitation of the legal description of the real property located in Cleveland County, Oklahoma; (2) the signatures on the “Lease” were not notarized or otherwise attested to in violation of law at 16 O.S. §26 (See 16 O.S. §26); and (3) there was no indication or evidence presented that the purported “Lease” was filed of record or recorded in Cleveland County, Oklahoma, as such purported lease document, on its face, provided no Book and Page number in violation of law at 16 O.S. §15 (See 16 O.S. §15).** While the ownership of land was not disputed during the Hearing on this matter by any of the pro se Protestants, certain deficiencies as a matter of law are provided above that are identified and disclosed herein. (See Applicant’s Exhibit 11).

34. While the Applicant OKGA, LLC. may arguably qualify independently on its own as a separate Oklahoma limited liability company, for approval of its groundwater permit application without the existence of a currently valid lease from the Applicant, to its affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., however, **the Applicant OKGA, LLC., based upon the evidence produced at the hearing, does not currently possess any of the necessary governmental permits indicating ownership is in its own name as a separate limited liability company, issued by the Oklahoma Medical Marijuana Authority, and the Oklahoma Bureau of Narcotics and Dangerous Drugs Control, to proceed to put the requested groundwater in the Application to the requested beneficial use of agriculture for Medical Cannabis (marijuana) grow, or a permit in its own name from the Oklahoma Department of Environmental Quality (DEQ), to properly treat and discharge medical marijuana wastewater under OPDES General Permit No. OKG42T.** In other words, while the Applicant, in its own name, through its Limited Quantity Groundwater Application, Regular Groundwater Use Permit, has applied for a groundwater permit in its own name, the Applicant’s purported lessee and affiliated Oklahoma limited liability company, Gladiator Cannabis, LLC., as represented by the Applicant itself, has independently acquired the necessary governmental permits from the Oklahoma Medical Marijuana Authority and the Oklahoma Bureau of Narcotics and Dangerous Drugs Control for an agricultural use as a Medical Cannabis (marijuana) grow, has secured such necessary governmental permits in its own name, Gladiator Cannabis, LLC., together with a permit issued in its own name from DEQ, to properly treat and discharge medical marijuana wastewater.

35. The Oklahoma Supreme Court, in the case of City of Ardmore v. Excise Board of Carter County, 1932 OK 48, ¶12, 8 P. 2d 2, stated that, “It is elemental that a thing may not be done indirectly that cannot be done directly.” More recently, in the case of Reherman v. Oklahoma Water Resources Board, 1984 OK 12, ¶ 15, 679 P. 2d 1296, the Oklahoma Supreme Court stated that, “The principle that what may not be done directly should not be allowed to be done indirectly.” In this instance, the Applicant OKGA, LLC., purports to have validly leased its ten-acre tract (in two parcels) with its one (1) single existing groundwater well to its separate affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., which purported Lease Tenant has the

required government permits secured in its own name, Gladiator Cannabis, LLC., to grow medical cannabis (marijuana) from the Oklahoma Medical Marijuana Authority and the Oklahoma Bureau of Narcotics and Dangerous Drugs Control, as well as a permit to treat and dispose of medical marijuana wastewater, from the Department of Environmental Quality, however, the purported lease document presented in the hearing does not comply with applicable Oklahoma law for its failure, as a purported lease for more than one year, to not be properly acknowledged and recorded in compliance with 16 O.S. §15, and its failure, as a purported lease, to include a proper legal description of the real property subject to the lease in violation of 16 O.S. §26.

Oklahoma Department of Environmental Quality Authorization for Disposal Under General Permit No. OKG42T0030, Authorization No.: OKG42T0030, Facility ID No.: I-14000840, Cleveland County, Oklahoma, issued in the name of Gladiator Cannabis, LLC.

36. The Applicant's affiliate and purported Lease Tenant, Gladiator Cannabis, LLC (formerly Cearley's Urban Farm, LLC), filed a Form 616-G42T with the Oklahoma Department of Environmental Quality (DEQ) entitled "Application for Authorization Under OPDES General No. OKG42T Wastewater From Medical Marijuana Growing Facilities" signed by Lia Asztalos, as Managing Partner (of Gladiator Cannabis, LLC), on September 18, 2023, requesting New Authorization to generate wastewater Reverse Osmosis (RO) Reject Water, in the daily volume (in gallons) of 800 gallons, with an Annual [365 day year] Volume (in gallons) of 292,000 gallons.

37. Gladiator Cannabis, LLC's application to DEQ to dispose of wastewater, on page 5 of 6, provides a Section M entitled "**SOURCES OF WATER SUPPLY AND AMOUNT USED**", for each source of water supply, the applicant should estimate the average daily use, with specific instructions that the applicant should, in pertinent part, "...identify all sources of facility water by entering the appropriate letter(s) in the boxes below and then providing the appropriate description(s), as indicated in parentheses. List each [water] source on a separate line." The said application to DEQ uses the letter "G" to mean "Groundwater Well" and that a legal description be provided of the well location. Immediately following the aforesaid instructions, the application lists **(1) as the Source "G01", (2) Description "NE ¼, NW ¼, Sec 7, T8N, R1E (SEE EXHIBIT H1-A)", and (3) as the Avg. Daily Use (gpd) "1,600".** (See Applicant's Exhibit 2). While the Application to DEQ from **Gladiator Cannabis, LLC (formerly Cearley's Urban Farm, LLC)**, did not provide the aggregate per annum of these estimates in said application, based upon such information, using a year consisting of 365 days, **the average annual use of water equals 584,000 gallons of wastewater (from a single groundwater well) proposed to be produced from this facility.** (See Applicant's Exhibit 2).

38. The Applicant's purported Lease Tenant, Gladiator Cannabis, LLC (and not in the name of the Applicant OKGA, LLC.), which filed an application with the Oklahoma Department of Environmental Quality (DEQ) "...for a permit to treat and dispose of wastewater", for **Authorization for Disposal Under General Permit No. OKG42T0030, Authorization No.: OKG42T0030, Facility ID No.: I-14000840,** Cleveland County, Oklahoma, which Authorization to treat and dispose of wastewater under OPDES General Permit No. OKG42T, was determined by the Manager of the Industrial Permits Section, Water Quality Division, on January 10, 2024, to be complete. Under the OPDES General Permit No. OKG42T, Gladiator Cannabis, LLC, is authorized to dispose of industrial wastewater associated with the growing of medical marijuana into one (1) tank system (S01), and to land apply this wastewater to land application sites L01 –

L03 as described in the Appendix. According to the DEQ General Permit No.: OKG42T, "...the industrial wastewater consists of the following: (1) waste nutrient water, (2) dehumidifier water, and (3) reverse osmosis (RO) wastewater, as defined in Part II Section I of the Permit", and "this wastewater is classified as Class III wastewater in accordance with OAC 252:616-1-2". (See Applicant's Exhibit 3).

39. The Applicant produced a document in the name of its affiliate and purported lessee, **Gladiator Cannabis, LLC**, labeled **Applicant's Exhibit 9** (and **not in the name of the Applicant OKGA, LLC**), it represents to be from the Oklahoma Bureau of Narcotics & Dangerous Drugs Control on its face dated April 26, 2024, OBN # 10011557, Registration Type: Medical Marijuana Distributor, Schedules: 1 MMO, Registration Status: Active, Current Registration Effective Date: 10/27/2023, with Expiration Date: 10/31/2024. (See Applicant's Exhibit 9).

40. Applicant revised the application as necessary by Board rules and statutes. See OWRB Exhibit 1. Applicant through its then-legal counsel and, according to the Hearing testimony of Applicant's Managing Partner, Lia Asztalos, a member partner, Jason E. Marshall, OBA # 30156, also submitted a surface estate owner's map for notification purposes. See OWRB Exhibit 1.

LAND LOCATED OVER GROUNDWATER BASIN

41. The **land dedicated to this application overlies the Garber-Wellington groundwater basin**. It was uncontested that the land dedicated to this application overlies the Garber-Wellington groundwater basin. The equal proportionate share of the maximum annual yield was established by the Board for the Garber-Wellington groundwater basin as two (2) acre-feet per year per acre. **This maximum annual yield determination by the Board for the Garber-Wellington groundwater basin was not presented by the Applicant or the Protestants at the hearing.**

42. While initially requesting a groundwater permit for twenty (20) acre-feet of water per year per acre of land, the Applicant through its then-legal counsel, and, according to the Hearing testimony of its Managing Partner, Lia Asztalos, and Member Partner, Jason E. Marshall, OBA # 30156, revised its groundwater request down to a request of five (5) acre-feet of water per year per acre of land. While the location of the dedicated land was not disputed at the hearing, the **Applicant, an entity formed under the Oklahoma Limited Liability Company Act, 18 O.S. §2001, et seq., did not support its request for five (5) acre-feet of groundwater per year per acre with any citation of statute, rule, case law, or any other legal authority.**

43. While disputing the location of the existing well as to its proposed new commercial usage rather than its past utilization for "domestic use" and anticipated adverse impact on the thirteen wells of the Protestants, the pro se Protestants did not dispute the reported location of the Applicant's one (1) pre-existing water well. Applicant dedicated to the application, ten (10) acres of land; namely ten (10) acres collectively, in two (2) parcels of land consisting of an eight (8) acre parcel of land in the:

SE ¼ of NE ¼ of NW ¼ of Section 7, Township 8 North, Range 1 East, Indian Meridian, Cleveland County;

and, a two (2) acre parcel of land in the:

SW ¼ of NE ¼ of NW ¼ of Section 7, Township 8 North, Range 1 East Indian Meridian, Cleveland County;

PRIDE 5 LOTS 6 and 7 BLK 1;

See OWRB Exhibits 1 and 2.

2. The Applicant's existing groundwater well is located in Cleveland County as follows:

1 Well: SE ¼ of NE ¼ of NW ¼ of Section 7, Township 8 North, Range 1 East, Indian Meridian, Cleveland County; *See* OWRB Exhibit 1.

44. The Application indicated that the groundwater requested would be taken from the Garber-Wellington groundwater basin for commercial usage by its affiliate and purported Lease Tenant, Gladiator Cannabis, LLC. The Application included a request for a well location exception. See OWRB Exhibit 1. While the Application requested a well location exception, in the hearing, the Applicant claimed through its second witness, OKGA, LLC. member partner, Professional Engineer Doug Schulte, that the adjacent [water] wells were too close and said nothing more as to the Applicant requesting a well location exception.

BENEFICIAL USE

45. The proposed use of the groundwater is for agricultural use to grow medical cannabis (marijuana). *See* OWRB Exhibit 1. The beneficial use of the groundwater by the Applicant (agricultural use), **to grow medical marijuana is recognized as a beneficial use of agriculture under OAC 785:30-1-2, and such beneficial use was uncontested at the hearing.**

Applicant's Amended Limited Liability Company Operating Agreement

46. The Applicant provided a document entitled "Amended Limited Liability Company Operating Agreement of Cearley's Urban Farm LLC An Oklahoma Limited Liability Company", a copy of which was received by the OWRB on July 27, 2022, and which, on its face, was effective October 21, 2021(the "Operating Agreement").

Non-Transferable Commercial Grower License in name of Cearley's Urban Farm LLC. issued by Oklahoma Medical Marijuana Authority (OMMA) on its face expired April 18, 2023

47. The Applicant also provided another document entitled "State of Oklahoma License Certificate Non-Transferable", Commercial Grower License, License Number GAAA-NKBO-YM0M, in the name of "Cearley's Urban Farm LLC", for 13628 Crystal Brook Cir, Norman, Oklahoma 73026-8532, issued by the Oklahoma Medical Marijuana Authority, a copy of which was received by the OWRB on September 26, 2022, and on its face, stated that said license certificate was expiring April 18, 2023. (*See* OWRB Exhibit 2).

Non-Transferable Commercial Grower License in the name of Cearley’s Urban Farm LLC. issued by the Oklahoma Medical Marijuana Authority transferred to Applicant by Purchase

48. The Applicant’s first and primary witness, its Managing Partner, Lia Asztalos, testified in the Hearing that the “**State of Oklahoma License Certificate NON-TRANSFERABLE**”, **Commercial Grower License, License Number GAAA-NKBO-YM0M, in the name of “Cearley’s Urban Farm LLC**, was sold by Cearley’s Urban Farm LLC to the Applicant who purchased the said “**State of Oklahoma License Certificate**”, **Commercial Grower License, License Number GAAA-NKBO-YM0M, in the name of Cearley’s Urban Farm LLC**, and that, despite the Commercial Grower License statement that it is “Non-Transferrable”, the Commercial Grower License possessed by the Applicant is the very same License the Applicant purchased from Cearley’s Urban Farm LLC, which Applicant License with same License Number GAAA-NKBO-YM0M, but now ownership is solely vested in the Applicant’s name, OKGA, LLC.

Non-Transferable Commercial Grower License in the name of Applicant’s Affiliate and Purported Lease Tenant, Gladiator Cannabis, LLC. issued by the Oklahoma Medical Marijuana Authority (OMMA)

49. The Applicant’s Exhibit 8 consists of three (3) pages, the first page of which document is entitled “**State of Oklahoma License Certificate NON-TRANSFERABLE**”, **Commercial Grower License, License Number GAAA-NKBO-YM0M, in the name of “Gladiator Cannabis, LLC”**, for 13628 Crystal Brook Cir, Norman, Oklahoma 73026-8532, issued by the Oklahoma Medical Marijuana Authority, a copy of which license was received by the OWRB on April 26, 2024, and was submitted again in the Hearing as Applicant’s Exhibit 8. It is noted that the second page of the Applicant’s Exhibit 8, basically purports to be information from the Oklahoma Medical Marijuana Authority dated April 26, 2024, that Gladiator Cannabis, LLC. has a Grower License which License Expiration was April 19, 2024. Further, it is noted that the third page of the Applicant’s Exhibit 8 on its face purports to provide an unidentified Application Status for an Application No. 35787, for a Grower Indoor, that was submitted on April 18, 2024, while presumably from the Oklahoma Medical Marijuana Authority, no issuer identification, letterhead or other identifier, is provided.

Oklahoma Bureau of Narcotics and Dangerous Drugs Control (summary statement) that Gladiator Cannabis, LLC, OBN #1001157, Registration Type: Medical Marijuana Distributor

50. The Applicant’s Exhibit 9 is a one (1) page summary statement that Gladiator Cannabis, LLC. is a Medical Marijuana Distributor whose registration is Active with its Current Registration Effective Date of October 27, 2023, and an Expiration Date of October 31, 2024.

Lease of “Legal Address” 13628 Crystal Brook Circle, Norman, Oklahoma 73026, from Applicant to its Affiliate and Purported Lease Tenant, Gladiator Cannabis, LLC. for a Term of Five Years

WASTE BY DEPLETION

51. No specific testimony was presented at the hearing that waste by depletion will occur by the granting of the application for a permit and no specific evidence was admitted that waste by depletion will occur should the application be granted. While the Protestants collectively expressed concerns that the Applicant would be using too much water from their one (1) single pre-existing groundwater well should the Application be approved and the permit be issued, the Protestants failed to introduce any evidence to substantiate that any waste by depletion will occur should the requested permit be granted by the OWRB. The Protestants also collectively expressed additional concerns that there is no evidence or representations in the application as to any metering of the Applicant's groundwater use to help keep the Applicant honest.

52. The Applicant's Managing Partner, Lia Asztalos, assisted by a power point presentation (*See Applicant's Exhibit 1*), testified that the Applicant will not use more water than is allocated by the requested permit and that the use of groundwater is not metered. The Applicant presented information through its first witness and the Applicant's Managing Partner, Lia Asztalos, that it will continue to ensure efficiency by use of a drip irrigation system that delivers water to each plant through tubes in each of the two (2) 5,000 square foot grow buildings on their ten (10) acre site that only uses 900 milli-liters (mL) of water per plant per day at dosage of 300 mL times 3 dosages per day (equals 900 mL) with 100 plants on each table for 7 tables (80 ft. length table) in each room for a total of 700 plants per grow room with two (2) grow rooms with four (4) plant harvests per year.

WASTE BY POLLUTION

53. **Testimony was presented at the hearing by the Applicant that there would not be any waste by pollution and no evidence was admitted that that waste by pollution will occur should the application be granted.** The Applicant claimed that the wastewater treatment and disposal permit would serve to prevent any waste by pollution occurring from its affiliate and purported Lease Tenant Gladiator Cannabis, LLC. secured from the Oklahoma Department of Environmental Quality for **Authorization for Disposal Under General Permit No. OKG42T0030, Authorization No.: OKG42T0030, Facility ID No.: I-14000840**, Cleveland County, Oklahoma, which Authorization to treat and dispose of wastewater under OPDES General Permit No. OKG42T, was determined by the Manager of the Industrial Permits Section, Water Quality Division, on January 10, 2024, to be complete. Under the OPDES General Permit No. OKG42T, Gladiator Cannabis, LLC, is authorized to dispose of industrial wastewater associated with the growing of medical marijuana into one (1) tank system (S01), and to land apply this wastewater to land application sites L01 – L03 as described in the Appendix. According to the DEQ General Permit No.: OKG42T, "...the industrial wastewater consists of the following: (1) waste nutrient water, (2) dehumidifier water, and (3) reverse osmosis (RO) wastewater, as defined in Part II Section I of the Permit", and "this wastewater is classified as Class III wastewater in accordance with OAC 252:616-1-2". (*See Applicant's Exhibit 3*).

WELL SPACING EXCEPTION REQUESTED AND OPPOSED

54. **The Application contains no distances estimated from any locations shown on OWRB Exhibit 1. The Application makes a well location exception request without showing any distances among or between existing adjacent water well(s) on any other or neighboring real property with no explanation provided.** As an amendment to the Application, on April 23,

2023, the Applicant through its **Managing Partner, Lia Asztalos**, submitted a written two (2) page authorization form she signed, to the OWRB, to make certain revisions to the Applicant's Groundwater Permit Application # 20220563, including but not limited to, a request for a well spacing exception with this following typed statement:

“The amount or dimensions of the land dedicated to the permit precludes the drilling of a well in compliance with the spacing requirements set forth in (a) of this application.”

(See OWRB Exhibit 1).

55. While the Applicant's first witness and Managing Partner, Lia Asztalos, signed the amendment to the Application on April 12, 2023, to authorize the OWRB to make certain revisions to the Application as referred to above, **the Applicant's Managing Partner, Lia Asztalos, provided no testimony in support of the Applicant's written request for a well spacing exception in the May 16, 2024, hearing.**

56. While the Applicant, through its second witness, OKGA, LLC, member partner, Professional Engineer Doug Schulte, claimed that the Applicant requested a well location exception because adjacent water wells were too close, no other testimony was presented as to the location or proximity of any adjacent water wells that were referred to by the Applicant as being too close to the Applicant's single pre-existing formerly “domestic use” water well.

57. The Applicant's only water well is pre-existing and Applicant claims its only now “commercial use” water well is located within 1,320 feet of authorized existing “domestic use” wells on lands owned by another [thirteen Protestants] without disclosure of any actual distances measured, any diagrams drawn to scale, well location identifications by legal description, or any legible well location maps drawn to scale. See OWRB Exhibit 7.

58. The Protestants provided generalized comments and objections to the Application including the Applicant's existing one (1) single pre-existing “domestic use” water well location proposed to be utilized for “commercial use”. **Accordingly, a water well location requested exception, based on the pro se Protestants' objections [thirteen Protestants in number], should not be granted.**

PROPOSED CONCLUSIONS OF LAW

59. Based upon applicable law, and as applied to the above Proposed Findings of Fact and evidence in the record, the Board draws the following Proposed Conclusions of Law:

LIMITED LIABILITY COMPANY

60. The Applicant was formed as an Oklahoma limited liability company under the Oklahoma Limited Liability Company Act, 18 O.S. §2001 *et seq.*, and as such entity is not a natural individual, or a family or household for household purposes, for farm and domestic animals up to the normal grazing capacity of the land not exceeding a total of three (3) acres in area for the growing of gardens, orchards, or lawns, and for such other purposes, specified by Board rules, for which de minimis amounts are used, so as to qualify under 82 O.S. §1020.1(2) for use of the

groundwater requested through the application through the Applicant's Attorney he referred to as "domestic use". However, under the provisions of Board Rules OAC 785:30-1-2, the definition of "domestic use" is modified as a use regulation imposed by the Oklahoma Groundwater Law, 82 O.S. § 1020.1, *et seq.*, in pertinent part, to provide "...and **(3) the use of water by non-household entities for drinking water purposes, restroom use, and the watering of lawns, provided that the amount of groundwater used for any such purposes does not exceed five acre-feet per year.**" (Emphasis added).

[Findings of Fact No. 8, 9, 10, 12, 13, 26, 27, 43, 44, 29, 30, 46, 32, 33, 34, 35, 39, 16, 28, 31, and 42, support Conclusion of Law No. 60]

USE OF GROUNDWATER

61. Under 60 O.S. § 60 entitled "Ownership of water--Use of running water", among other things, the owner of the surface of a given tract of land owns the fresh groundwater standing thereon or flowing over or under its surface but not forming a definite stream. That surface owner may use such groundwater in accordance with the use regulations imposed by the Oklahoma Groundwater Law, 82 O.S. § 1020.1 *et seq.*

[Findings of Fact No. 6, 7, 9, 10, 12, 13, 43, 22, 41, and 54, support Conclusion of Law No. 61]

SUBJECT MATTER JURISDICTION

62. The Board has subject matter jurisdiction to adjudicate applications for permits according to the Oklahoma Groundwater Law and the Board's rules promulgated pursuant thereto. 82 O.S. § 1020.7. *See* OWRB Exhibits 6 and 7.

[Findings of Fact No. 7, 8, 9, 10, and 11, support Conclusion of Law No. 62]

PERSONAL JURISDICTION; DUE PROCESS

63. Due and proper notice of the application and subsequent proceedings was given to all potentially interested persons as required by law, except surface estate owners (1) B&H Realty, LLC, 13929 Norris Cir, Norman, OK 73026-8545, (2) Britain, Kimmer & Janis G., 13710 E. Imhoff Rd., Norman, OK 73026-8762, (3) Delony, Stephanie, 13712 Chrystal Brook Circle, Norman, OK 73026-8510, (4) Ellefson, Logan, 13909 Norris Cir, Norman, OK 73026-8545, (5) Fenwick, Shaista, 2621 132nd Ave SE, Norman, OK 73026-8518, (6) Dixon, Tanda, 13424 Mesquite Rd., Norman, OK 73026-8765, (7) Hughes, Christina, 13912 Mesquite Rd., Norman, OK 73026, (8) Lambeth, Lorraine L., 13609 Norris Circle, Norman, OK 73026-8582, (9) Miller, Kevin, 13325 Norris Circle, Norman, OK 73026-8542, (10) Shepard, Linda, P.O. Box 391, Norman, OK 73070-0391, (11) Snow, George & Aurella L., 13780 Mesquite Rd., Norman, OK 73026-8767, (12) Tidwell, John A. & Shawna R., 2713 132nd Ave SE, Norman, OK 73026-8511, and (13) Wright, Ronald Dean and Virginia Lee, 13820 Mesquite Rd., Norman, OK 73026-8769, whose notifications sent by certified mail were "not received back" (under OAC 785:4-7-7, Judicial Notice is taken of these records on file with the OWRB); Applicant's Exhibit 19. Applicant and Protestants are interested parties to this proceeding. All other potentially interested persons have defaulted or abandoned their interests. Oklahoma Administrative Code ("OAC") 785:4-7-3.

[Finding of Fact No. 6, 7, 8, 9, 10, 11, 25, 40, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 55, and 58, support Conclusion of Law No. 63]

STATUTORY DOMESTIC USE

64. Under the provisions of 82 O.S. §1020.1(2), **“Domestic use” means the use of water by a natural individual or by a family or household for household purposes, for farm and domestic animals up to the normal grazing capacity of the land not exceeding a total of three (3) acres in area for the growing of gardens, orchards and lawns, and for such other purposes, specified by Board rules, for which de minimis amounts are used.** (Emphasis added).

[Findings of Fact No. 6, 13, 25, 26, 27, and 17, support Conclusion of Law No. 64]

THE STATUTORY TERM “DOMESTIC USE” IS STATUTORILY AUTHORIZED TO BE BOARD-MODIFIED THROUGH PERMANENT RULEMAKING, AND ITS BOARD-SPECIFIED DEFINITION OF “DOMESTIC USE” THROUGH BOARD RULE

65. Under the provisions of Board Rule OAC 175:30-1-2, a statutorily authorized and Board-specified definition of “domestic use” is found, which Board Rule OAC 785:30-1-2, extends the statutory definition of “domestic use” at 82 O.S. §1020.1(2), from the following:

‘Domestic use’ means the use of water by a natural individual or by a family or household for household purposes, for farm and domestic animals up to the natural grazing capacity of the land and for the irrigation of land not exceeding a total of three (3) acres in area for the growing of gardens, orchards and lawns, and for such other purposes, specified by Board rules, for which de minimis amounts are used. (Emphasis added).

The Board Rule OAC 785:30-1-2 mirrors the statutory language of the 82 O.S. §1020.1(2) definition of “domestic use” verbatim through the end of the phrase: “...the growing of gardens, orchards and lawns”, and, in pertinent part, adds the following new Board-specified sentence:

Domestic use also includes: (1) the use of water for agriculture purposes by natural individuals, (2) use of water for fire protection, and (3) **the use of water by non-household entities for drinking water purposes, restroom use, and the watering of lawns, provided that the amount of groundwater used for any such purposes does not exceed five acre-feet per year.** (Emphasis added).

[Findings of Fact No. 6, 13, 25, 26, 27, and 17, support Conclusion of Law No. 65]

BOARD RULE DEFINITION OF STATUTORY DEFINITION OF “DOMESTIC USE” AS BOARD-SPECIFIED

66. Under the provisions of Board Rule OAC 785:30-1-2, the statutory definition of “domestic use” at 82 O.S. §1020.1(2), is modified as a use regulation imposed by the Oklahoma Groundwater Law, 82 O.S. § 1020.1, *et seq.*, to include: “(1) the use of water for agriculture purposes by natural individuals, (2) use of water for fire protection, and (3) the use of water by non-household entities for drinking water purposes, restroom use, and the watering of lawns,

provided that the amount of groundwater used for any such purposes does not exceed five acre-feet per year.” (See Board Rule OAC 785:30-1-2 for Board Rule-specified definition of “domestic use”).

[Finding of Fact No. 6, 13, 25, 26, 27, and 27, support Conclusion of Law No. 66]

DOMESTIC USE- SPACING OF GROUNDWATER WELLS

67. Under the provisions of the Board Rule OAC 785:130-13-1, “**Any landowner has a right to take groundwater from land owned by him for domestic use as defined herein without a permit. Wells for domestic use are not subject to well-spacing rules** but are subject to sanctions against waste. [82:1020.3] If the well is located within a municipality, the landowner may be required to obtain a municipal permit.” (Emphasis added). The provisions of Board Rule OAC 785:130-13-1, by the inclusion of the phrase “domestic use”, are limited in application to the use of water by a natural individual or by a family or household for household purposes, for farm and domestic animals up to the normal grazing capacity of the land not exceeding a total of three (3) acres in area for the growing of gardens, orchards and lawns, and for such other purposes, specified by Board rules, for which de minimis amounts are used.

[Findings of Fact No. 6, 13, 25, 26, and 27, support Conclusion of Law No. 67]

ISSUES TO BE DETERMINED BY BOARD

69. When a person makes an application for a groundwater permit, 82 O.S. § 1020.9 and OAC 785:30-3-5, requires the Board to determine several specific issues. These are:

- (a) whether the applicant owns the surface of the dedicated land **or holds a valid lease** for the taking of groundwater from the land (Emphasis added);
- (b) whether the dedicated land overlies a fresh groundwater basin or subbasin;
- (c) whether the use to which the applicant intends to put the water is a beneficial use; and
- (d) that waste by depletion and waste by pollution as specified in 82 O.S. § 1020.15 will not occur.

While it is uncontested that the Applicant owns the surface of the dedicated land through a Quit Claim Deed, **the Applicant’s affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., under an invalid Lease document, is the limited liability company that is the entity that is actually to put the Applicant-requested groundwater to beneficial use**, and it is Gladiator Cannabis, LLC. which holds a Grower License from the Oklahoma Medical Marijuana Authority, that holds a Medical Marijuana Distributor registration from the Oklahoma Bureau of Narcotics and Dangerous Drugs Control, and that holds a waste treatment and disposal license to properly dispose of medical marijuana waste from the Oklahoma Department of Environmental Quality.

Generally, if the Board finds for the applicant on all these issues, the rule provides that the Board shall approve the application and issue the appropriate permit. Section 1020.9(D) of Title 82 provides further that the Board may specify conditions in the permit, including but not limited to the rate of withdrawal and the level of perforation and sealing wells.

[Findings of Fact No. 51, 52, and 53, support Conclusion of Law No. 69]

OWNERSHIP OF LAND

70. Ownership of land in the Applicant through its Quit Claim Deed was not challenged at the hearing by the pro se Protestants. Regardless, based on the information submitted in the application and the evidence admitted at the hearing, **the Board concludes that Applicant provided evidence of the Applicant’s right to take groundwater from the land identified on the application, in the form of ownership documentation listed above in Proposed Finding of Fact paragraph 17 to the Applicant, but not as to its affiliate and purported Lease Tenant, Gladiator Cannabis, LLC.** See OWRB Exhibits 1 and 2.

[Findings of Fact No. 25, 43, 29, 30, 32, 33, 35, 17, 28, 31, 41, and 42, support Conclusion of Law No. 70]]

71. The Oklahoma Supreme Court, in the case of City of Ardmore v. Excise Board of Carter County, 1932 OK 48, ¶12, 8 P. 2d 2, stated that, “It is elemental that a thing may not be done indirectly that cannot be done directly.” More recently, in the case of Reherman v. Oklahoma Water Resources Board, 1984 OK 12, ¶ 15, 679 P. 2d 1296, the Oklahoma Supreme Court stated that, “The principle that what may not be done directly should not be allowed to be done indirectly.” In this instance, the Applicant OKGA, LLC., purports to have validly leased its ten-acre tract (in two parcels) with its one (1) single existing groundwater well to its affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., which purported Lease Tenant has the required government permits secured in its own name, Gladiator Cannabis, LLC., to grow medical cannabis (marijuana) from the Oklahoma Medical Marijuana Authority and the Oklahoma Bureau of Narcotics and Dangerous Drugs Control, as well as a permit to treat and dispose of medical marijuana wastewater, from the Department of Environmental Quality, however, **the purported lease document presented in the hearing does not comply with applicable Oklahoma law for its failure, as a purported lease for more than one year, as it is not properly acknowledged and recorded in compliance with 16 O.S. §15, and its failure, as a purported lease, to include a proper legal description of the real property subject to the lease which violates the provisions of 16 O.S. §26.**

[Findings of Fact No. 29, 30, 47, 28, 49, 50, 32, 33, 34, 35, 36, 37, 38, and 39, support Conclusion of Law No. 71]

NECESSITY OF INSTRUMENT ACKNOWLEDGMENT AND RECORDING

72. According to the provisions of 16 O.S. §15, in pertinent part:

Except as hereinafter provided, no acknowledgement or recording shall be necessary to the validity of any deed, mortgage, or contract relating to real estate as

between the parties thereto; but no deed, mortgage, contract, bond, lease, or other instrument relating to real estate other than a lease for a period not exceeding one (1) year and accompanied by actual possession, shall be valid as against third persons unless acknowledged and recorded as herein provided.

[Findings of Fact No. 32, and 33, supports Conclusion of Law No. 72]

INSTRUMENT ACKNOWLEDGEMENT BEFORE RECORDING

73. According to the provisions of 16 O.S. §26:

No deed, mortgage or other instrument affecting the real estate shall be received for record or recorded unless executed and acknowledged in substantial compliance with this chapter, and the recording of any such instrument not so executed and acknowledged shall not be effective for any purpose.

[Findings of Fact No. 32, and 33, supports Conclusion of Law No. 73]

INSTRUMENTS FILED FOR RECORD AS CONSTRUCTIVE NOTICE

74. According to the provisions of 16 O.S. §16, entitled “Instruments filed for Record as Constructive Notice”:

Every conveyance of real property acknowledged or approved, certified, and recorded as prescribed by law from the time it is filed with the register of deeds for record is constructive notice of the contents thereof to subsequent purchasers, mortgagees, encumbrancers or creditors.

[Findings of Fact No. 29 supports Conclusion of Law No. 74]

GROUNDWATER BASIN

75. **It was uncontested that the dedicated land in this Application overlies the Garber-Wellington groundwater basin.** The equal proportionate share of the maximum annual yield for this basin is 2 acre-foot per acre per year. **This issue was not presented or addressed by the Applicant or the pro se Protestants at the hearing.** The Applicant’s legal counsel, Justin Williams, without citing any statute, rule, case law, or any legal authority in support of the Applicant’s bare claim, repeatedly asserted in the Hearing that the Applicant, an Oklahoma limited liability company and not a natural person, was entitled to use five (5) acre-feet of groundwater each year, the same as were the all of the Protestants, as natural individual(s) or by a family or household for household purposes, entitled to use five (5) acre-feet of groundwater each year, according to the Applicant’s legal counsel, Justin Williams.

Therefore, based on the equal proportionate share of the maximum annual yield, the Applicant, assuming all other legal requirements are factually found to exist and to be in compliance with Oklahoma law, would be entitled to a groundwater allocation of 2 acre-foot per acre per year, as provided in 82 O.S. § 1020.11(8).

[Findings of Fact No. 6, 7, and 44, support Conclusion of Law No. 75]

BENEFICIAL USE

76. This Board defines beneficial use in OAC 785:30-1-2 as follows:

“Beneficial use” means the use of such quantity of stream or groundwater when reasonable intelligence and reasonable diligence are exercised in its application for a lawful purpose and as is economically necessary for that purpose. Beneficial uses include but are not limited to municipal, industrial, agricultural, irrigation, recreation, fish and wildlife, etc.”

[Findings of Fact No. 13, 25, 26, and 27, supports Conclusion of Law No. 76]

77. **Although beneficial use was not legitimately disputed or challenged at the hearing, the evidence established that Applicant’s proposed agricultural use to grow medical cannabis (marijuana) grow, meets the definition of beneficial use in OAC 785:30-1-2.** The Protestants assert that the Applicant has the burden of proof that the use to which it intends to put the water is a beneficial use without any citation of statute, administrative rule, case law, or any other legal authority.

{Findings of Fact No. 13, 14, 15, and 16, supports Conclusion of Law No. 77}

WASTE BY DEPLETION

78. The Board must determine whether Applicant will allow waste as specified by 82 O.S. § 1020.15 to occur. Section 1020.15 is quoted as follows:

A. The Oklahoma Water Resources Board shall not permit any groundwater user to commit waste by:

1. Drilling a well, taking or using groundwater without a permit, except for domestic use;
2. Taking more groundwater than is authorized by the permit;
3. Taking or using groundwater in any manner so that the water is lost for beneficial use;
4. Transporting groundwater from a well to the place of use in such a manner that there is an excessive loss in transit;
5. Using groundwater in such an inefficient manner that excessive losses occur;
6. Allowing any groundwater to reach a pervious stratum and be lost into cavernous or otherwise pervious materials encountered in a well;
7. Permitting or causing the pollution of fresh water strata or basin through any act which will permit fresh groundwater polluted by minerals or other waste to filter or otherwise intrude into such a basin or subbasin. The Board shall be precluded from determining whether waste by pollution will occur pursuant to the provisions of this paragraph if the activity for which the applicant or water user intends to or

has used the water as specified under Section 1020.9 of [Title 82] is required to comply with rules and requirements of or is within the jurisdictional areas of environmental responsibility of the Department of Environmental Quality or the Oklahoma Department of Agriculture, Food and Forestry;

8. Drilling wells and producing groundwater therefrom except in accordance with the well spacing previously determined by the Board;

9. Using groundwater for air conditioning or cooling purposes without providing facilities to aerate and reuse such water; or

10. Failure to properly plug abandoned water wells in accordance with rules of the Board and file reports thereof.

According to OAC 785:30-1-1, paragraphs (1) through (6) and paragraphs (8) and (9) are forms of “waste by depletion” (as that term is used in the case of *Oklahoma Water Resources Board v. Texas County Irrigation and Water Resources Ass’n*, 1984 OK 96). Paragraphs (7) and (10) immediately above are forms of “waste by pollution”).

[Findings of Fact No. 51, 52, and 53, support Conclusion of Law No. 78]

79. According to the case of *Lowery v. Hodges*, 1976 OK 132, ¶18-19, 555 P. 2d 1016, to satisfy the requirements of 82 O.S. §1020.9 that the evidence in a case must show that waste will not occur,

...an applicant must show what method he intends to use for irrigating a particular area; but once that information has been furnished the Board [OWRB], it [OWRB] then has the authority to determine that waste will not occur. If the Protestants think that waste will occur, they would need to present that evidence to the Board [OWRB] for its consideration.

If the plans submitted to the Board do not on their face demonstrate such waste, and the Protestants fail to introduce evidence that waste will occur, the statute [82 O.S. §1020.9] has been satisfied and further questions concerning waste must await completion of the project.

[Findings of Fact No. 51, 52, and 53, supports Conclusion of Law No. 79]

80. The Board acknowledges Protestants’ joint written concerns about the groundwater supply in the area and that existing adjacent water wells could be adversely affected by Applicant’s withdrawal of groundwater from the same basin. **There is a basis in this case to determine that Applicant’s proposed commercial use of groundwater through its purported lease to its affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., will be and is impermissible or unlawful.** The legislative policy expressed in the Oklahoma Groundwater Law is “to utilize the groundwater resources of the state.” 82 O.S. § 1020.2(A). To implement that policy, the Oklahoma Groundwater Law authorizes the controlled reduction of a groundwater basin as long as that reduction is done in an orderly fashion according to the statutory scheme for reasonable restrictions on such use. **The surface owner or lessee under a valid lease of land overlying a fresh groundwater basin is entitled to use the groundwater beneath the surface once certain elements of the Oklahoma Groundwater Law have been met. Here the application is not in accordance with and is contrary to the law and rules, due to the invalidity of the purported lease to the Applicant’s affiliate and purported Lease Tenant, Gladiator Cannabis, LLC. and the well location violates the required well spacing distance of 1,320 feet**

between other existing wells on neighboring lands owned by others who are individuals and not commercial properties, the owners of which are protestants herein who oppose the requested well spacing exception.

[Findings of Fact No. 41, and 42, Support Conclusion of Law No. 80]

METERING OF WELLS

81. During the Hearing, several of the pro se Protestants inquired as to the possibility of keeping the Applicant's affiliate and purported Lease Tenant, Gladiator Cannabis, LLC., and/or the Applicant "honest" and ensuring that neither limited liability company uses more groundwater from its one (1) pre-existing water well than would be permitted should the Applicant's application to use up to five (5) acre-feet per year, through the Applicant's affiliate and purported Lease Tenant, Gladiator Cannabis, LLC.'s and/or the Applicant's, use of water meters. The provisions of 82 O.S. §1020.19 state as follows:

Upon request of a majority of the landowners residing within a basin or subbasin, the Board is authorized to require that water wells be metered and that such meters as the Board shall approve be utilized by the applicant and be placed under seal, subject to reading by the agents of the Board at any time. The Board may also require that the applicant report the reading of such meters at reasonable intervals.

As the groundwater basin identified in this matter is, according to the Applicant's hearing presentation, the rather large Garber-Wellington groundwater basin extending from parts of Texas north through Oklahoma and on into parts of Kansas, which is overlain by the Applicant's real property, the requirements of 82 O.S. §1020.19 as to a majority of the landowners residing within a basin or subbasin requesting that water wells be metered, the issue of such well metering was not presented or addressed by the Applicant or the pro se Protestants.

[Findings of Fact No. 35, 36, 37, and 38, support Conclusion of Law No. 81]

WELL SPACING EXCEPTION REQUESTED AND OPPOSED

82. Applicant is seeking a well spacing exception. To qualify for a spacing exception, Applicant must show that use of an existing well (previously qualifying for "domestic use" without a OWRB Permit, when utilized by different, non-commercial owners) that would satisfy the spacing requirements of OAC 785:30-3-6(a), would be inequitable or unreasonable. The well spacing for bedrock groundwater basins or subbasins is 1,320 feet. OAC 785:30-3-6(a). According to OWRB's Exhibit 1, the well spacing exception is for the one (1) single existing groundwater well in this application.

[Findings of Fact No. 44, 51, 54, and 55, support Conclusion of Law No. 82]

83. OAC 785:30-3-6(b)(1) gives the following examples of situations where enforcing the well spacing requirements would be inequitable or unreasonable. First, the Board considers whether the exception is met with protest(s). Here, the requested exception is met with multiple protests. Second, the Board takes into consideration the amount and/or dimensions of the land dedicated to the permit and whether same allows for compliance with the spacing

requirements. However, evidence did establish that the location of the former “domestic use” well proposed to be utilized for “commercial use” was based on limited available area. **Third, in situations where the well has already been drilled [such as exists in this matter], the Board considers when the well was drilled in relation to the determination of the maximum annual yield. Here, the well in question already exists and has already been drilled.** Finally, the Board looks to the remainder of the dedicated land and to the amount of groundwater available to the Applicant if a well was drilled in location(s) that would meet the spacing requirements. No evidence was offered to show that if the one (1) well was drilled elsewhere there would or would not be sufficient water to meet the Applicant’s needs.

[Findings of Fact No. 54, 55, and 56, support Conclusion of Law No. 83]

84. Because there were multiple protests filed with respect to the requested well spacing exception, requiring Applicant to satisfy the spacing requirements of Board Rule OAC 785:30-3-6(a), in light of the remainder of the evidence presented, would be equitable and reasonable.

[Findings of Fact No. 58 supports Conclusion of Law No. 84]

85. The Board concludes that the Well Exception Request should not be granted.

[Findings of Fact No. 59 supports Conclusion of Law No. 85]

86. The Board concludes that waste by depletion may occur if the application is approved due to this introduction of commercial usage of an existing well formerly utilized for domestic use only.

[Finding of Fact No. 51, and 52, support Conclusion of Law No. 86]

WASTE BY POLLUTION

87. The provisions of 82 O.S. § 1020.15(A)(7) provide the Board shall not permit any groundwater user to commit waste by “permitting or causing the pollution of a fresh water strata or basin through any act which will permit fresh groundwater polluted by minerals or other waste to filter or otherwise intrude into such a basin or subbasin.” Therefore, the Board concludes that waste by pollution will not occur.

[Findings of Fact No. 53 supports Conclusion of Law No. 87]

CLOSING THE RECORD AND SUBMISSION OF CAUSE FOR RULING

88. According to the provisions of Board Rule OAC 785:4-7-11:

After all interested parties have had an opportunity to be heard and present evidence, and after expiration of any additional time allowed, the hearing shall be deemed completed and submitted for Final Order and ruling and the hearing record shall be deemed closed unless otherwise ordered by the Hearing Examiner. The Subject matter of the hearing shall thereupon be taken under advisement for final decision and Order by the Board.

[Findings of Fact No. 6, 29, and 28, support Conclusion of Law No. 88]

CONCLUSION

89. The Board hereby orders that application no. 2022-0573 in the name of OKGA, LLC. shall be and is **hereby not approved. Based upon the disapproval of the Application by the Board, the Well Exception Request is not granted.**

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that **Application No. 2022-0573 in the name of OKGA, LLC. shall be and the same is hereby disapproved. A permit shall not be issued.**

IT IS SO ORDERED by the Oklahoma Water Resources Board in regular and open meeting this __ day of _____, 20__.

OKLAHOMA WATER RESOURCES BOARD

Chairman

ATTEST:

Secretary

(SEAL)