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.

October 20 ,2026 Regular Meeting Draft Official Minutes
For consideration at the November 17, 2026, Board Meeting

CALL TO ORDER

The Regular Meeting of the Oklahoma Water Resources Board was called to order by Chairman Tom Gorman, on October 20, 2026, at 9:30 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 October 16, 2026, at 1:00 p.m., at the Oklahoma Water Resources Board's offices at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma and our website: Oklahoma Water Resources Board (835)

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

Board Members Present
Ron Justice
Russell Isaacs
Darren Cook
Heather McCall
Robert Stallings, Jr.
Bandy Silk
Tom Gorman

Board Members Absent
Bob Latham
Jarred Campbell

Staff Members Present
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
Amanda Erdman, Chief, Administrative Services Division

Others Attending
See attached list to these meeting minutes

B. Discussion, Amendments and Vote to Approve Official Minutes of October 20, 2026, Regular meeting.

Chair Gorman inquired if all members reviewed the minutes of the October 20, 2026, meeting and if there were no questions, or changes, requested a motion to approve. No comments or amendments; Mr. Silk motioned to approve, and Mr. Justice seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

C. Executive Director's Report:

Director Cunningham welcomed everyone and introduced our new Admin Chief, Amanda Erdman. Director also welcomed everyone to attend our Governor's Water Conference on December 2nd and 3rd at the Embassy Suites in Norman, Oklahoma. We will have panels for legislators, sessions on data centers, drought, water investment and other exciting topics.

*Julie turned the update to Yohanes Sugeng to give an in-depth report over drought and flooding. Audio available

upon request* Director Cunningham stressed that our reservoirs are so important to water storage for flood control, drinking water and other high-priority needs and that we will be talking to legislators about the impacts and needs of Oklahoma's Reservoirs.

On September 22nd the Emergency Drought Commission met and approved another $12 million in drought relief cost-share funding to ag. producers across the state mitigate on-farm impacts, etc. Pond cleanouts, new water wells, watering facilities, pumping plants, pipelines, pasture taps. Program has funded over 12 thousand projects for over $51 million dollars.

Director Cunningham reports that the ARPA infrastructure grants program has officially wrapped. We are now working with OMES on grant closing documents, etc. Standing up and delivering this program an enormous effort by our Financial Assistance, Engineering, and Admin. Divisions! $476 million was disbursed to fund 195 construction projects across the state.

E. **Financial Update**

Ms. Erdman provided the financial update and stated we have spent 13% of our total expenditures with 87% remaining for the fiscal year.

2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for the Rural Water District No.1, Woods County, Oklahoma. Recommended for Approval.

This is a loan request from Rural Water District No. 1, Woods County, Oklahoma in the amount of $863,761.33. The loan proceeds will be used to replace the water transmission line from Alva Utilities Authority, where they purchase their water, to the District to maintain pressure and reduce water loss. The project will be funded through the Drinking Water SRF loan program with a fixed interest rate plus an administrative fee, and a requested maturity of 30 years, which is the estimated life of the asset being funded. The loan will be secured with a lien on the revenues of the applicant's water system and will include a mortgage on the system. The District has no other outstanding debt and is a first-time borrower of the Board's. Their debt coverage ratio stands at 6.85 times. The proposed loan is expected to save the District and its ratepayers approximately $1.5 million by utilizing the DWSRF program.

Chairman Gorman asked for a motion or further discussion. Mr. Silk moved to approve, and Mr. Isaacs seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

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

This is a loan request from The Chouteau Public Works Authority in the amount of $1.2 Million. The loan proceeds will be used to replace approximately 13,000 linear feet of 6-inch water lines and approximately 870 linear feet of 8-inch water line to address aging infrastructure and significant water loss. (68% current water loss) The project will be funded through the Drinking Water SRF loan program with a fixed interest rate plus an administrative fee, and a requested maturity of 15 years. The estimated life of the assets being funded is 30 years. The loan will be secured with a lien on the revenues of the applicant's water, sewer, sanitation, and gas systems and a 1 cent sales tax and will include a mortgage on the water, sewer, and gas systems. Chouteau has one other outstanding loan with the Board with a balance of approximately $1.9 million. Their debt coverage ratio stands at 2.27 times. The proposed loan is expected to save the Authority and its ratepayers approximately $1 million by utilizing the DWSRF program.

Chairman Gorman asked for a motion or further discussion. Mr. Stallings moved to approve, and Mr. Silk seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

C. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for The Poteau Valley Improvement Authority, LeFlore County, Oklahoma. Recommended for Approval.

This is a loan request from The Poteau Valley Improvement Authority in the amount of $1.2 Million. The loan proceeds will be used to replace existing water meters with a cellular fixed base meter system to more precisely track water consumption to help reduce water loss and reduce staff time reading meters. The project will be funded through the Drinking Water SRF loan program with a fixed interest rate plus an administrative fee, and a requested maturity of 4 years. The estimated life of the assets being funded is 20 years. The loan will be secured with a lien on the revenues of the applicant's water system and will include a mortgage on the water system. PVIA has no other outstanding debt and their debt coverage ratio stands at 11.75 times. The proposed loan is expected to save the Authority and its ratepayers approximately $766,500 by utilizing the DWSRF program.

Chairman Gorman asked for a motion or further discussion. Mr. Justice moved to approve, and Mr. Isaacs seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

D. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for the Waurika Public Works Authority, Jefferson County, Oklahoma. Recommended for Approval.

This is a loan request from the Waurika Public Works Authority in the amount of $1,231,250. The loan proceeds will be used to construct a new water treatment plant at the same site of the existing plant to address violations and deficiencies with the current water treatment plant. The project will be funded through the Drinking Water SRF loan program with a fixed interest rate plus an administrative fee, and a requested maturity of 29 years, which is the estimated life of the assets being funded. The loan will be secured with a lien on the revenues of the applicant's water, sewer, and sanitation, systems and will include a mortgage on the water and sewer systems. Waurika has two other outstanding loans with the Board with a balance of approximately $650 thousand. Their debt coverage ratio stands at 4.71 times. The proposed loan is expected to save the Authority and its ratepayers approximately $2.1 million by utilizing the DWSRF program.

Chairman Gorman asked for a motion or further discussion. Mr. Stallings moved to approve, and Mr. Silk seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

E. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for the Stratford Public Works Authority, Garvin County, Oklahoma. Recommended for Approval.

This is a loan request from the Stratford Public Works Authority in an amount not to exceed $1,455,000. The loan proceeds will be used to install backup generators at all 4 well sites, upgrades to telemetry, SCADA, and controls, rehabilitate the chlorination system, and replace approximately 11,000 linear feet of waterlines to address approximately 31.54% of water loss and install 100 meter sets and 50 fire hydrants. The project will be funded through the FAP state revenue bond loan program with a fixed interest rate plus an administrative fee, and a requested maturity of 30 years, which is the average life of the assets being funded. The loan will be secured with a lien on the revenues of the applicant's water, sewer, and sanitation systems and will include a mortgage on the water and sewer systems. This is Stratford's first loan with the Board and they have no other debt. Their debt coverage ratio stands at 2.88 times. The proposed loan is expected to save the Authority and its ratepayers approximately $381,900 by utilizing the FAP Loan program.

Chairman Gorman asked for a motion or further discussion. Mr. Isaacs moved to approve, and Mr. Justice seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

F. Consideration of and Possible Action on a Proposed Order Approving Clean Water Funding Application for the Shawnee Municipal Authority, Pottawatomie County, Oklahoma. Recommended for Approval.

This is a loan request from the Shawnee Municipal Authority in the amount of $4,250,000. The loan proceeds will be used to rehabilitate the aging sanitary sewer collections system by replacing approximately 16,000 linear feet of sanitary sewer lines and 34 manholes and construct 10 new manholes. The project will be funded through the Clean Water SRF loan program with a fixed interest rate plus an administrative fee, and a requested maturity of 4 years. The average life of the assets being funded is 30 years. The loan will be secured with a lien on the revenues of the applicant's water and sewer systems and a ½ cent sales tax. Shawnee is a long-time borrower of the Board with a balance of approximately $125 million. Their debt coverage ratio stands at 2.02 times. The proposed loan is expected to save the Authority and its ratepayers approximately $1.3 million by utilizing OWRB's CWSRF program.

Chairman Gorman asked for a motion or further discussion. Mr. Silk moved to approve, and Mr. Stallings seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

G. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for the Chickasha Municipal Authority, Grady County, Oklahoma. Recommended for Approval.

This is a loan request from the Chickasha Municipal Authority in an amount not to exceed $6 Million. The loan proceeds will be used for additional funding for the $67 million loan you approved in July of 2023 for a new water treatment plant, water lines, and additional improvements to their water system to address various violations on their water treatment plant. The loan will be funded through the FAP state revenue bond loan program with a fixed interest rate plus an administrative fee, and a requested maturity of 30 years, which is the average life of the assets being funded. The loan will be secured with a lien on the revenues of the applicant's water, sewer, and sanitation systems and a 1.25 cents sales tax.

Chickasha is a current borrower of the Board's in good standing and has a current loan balance of over $64 million. Their debt coverage ratio stands at 2.34 times. The proposed loan is expected to save the Authority and its ratepayers approximately $1.6 million by utilizing the FAP Loan program.

Chairman Gorman asked for a motion or further discussion. Mr. Justice moved to approve, and Mr. Stallings seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

H. Consideration of and Possible Action on a Proposed Order Approving State Loan Program Revenue Bond Loan Funding Application for The Claremore Public Works Authority, Rogers County, Oklahoma. Recommended for Approval.

This is a loan request from The Claremore Public Works Authority in an amount not to exceed $29,600,000. The loan proceeds will be used to replace failing water and sewer lines and manholes throughout the city, improvements to their stormwater infrastructure, and planning and design for the replacement of the raw water intake at Claremore Lake and a new influent pump station and headworks facility at the wastewater treatment plant. The project will be funded through the FAP state revenue bond loan program with a fixed interest rate plus an administrative fee, and a requested maturity of 15 years. The average life of the assets being funded is approximately 38 years. The loan will be secured with a lien on the revenues of the applicant's water, sewer, and electric systems. Claremore is a current borrower of the Board's in good standing and has a current loan balance of over $26 million. Their debt coverage ratio stands at 1.93 times. The proposed loan is expected to save the Authority and its ratepayers approximately $5.6 million by utilizing the FAP Loan program.

Chairman Gorman asked for a motion or further discussion. Mr. Silk moved to approve, and Mr. Isaacs seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

I. Resolution Authorizing the Award and Disbursement of Loan Funds by the Oklahoma Water Resources Board's Water and Wastewater Infrastructure Investment Program; authorizing the Executive Director, or their Designee, to approve and close such loans; approving and authorizing staff to draft the form of promissory note and loan agreement to be executed by borrowers; establishing certain terms to be contained within the loan documents; establishing criteria for principal forgiveness of certain loans; authorizing execution by use of the chairman's facsimile signature to loan agreements and such other and further WWIP instruments, certificates and documents as may be required for the program; and containing other provisions relating thereto.

Chairman Gorman asked for a motion or further discussion. Mr. Stallings moved to approve, and Mr. Justice seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

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.

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

1. Emergency Grant Applications:

Item No.	Application No.	Entity Name	County	Amount Recommended
a.	FAP-27-0002-G	The Blair Public Works Authority	Jackson	$ 300,000.00
b.	FAP-27-0003-G	Tonkawa Municipal Authority	Kay	$ 300,000.00

1. Rural Economic Action Plan (REAP) Grant Applications:
None.
2. CWSRF Principal Forgiveness Loan Applications:
None.
3. DWSRF Principal Forgiveness Loan Applications:
None.
4. Sewer Overflow and Stormwater Reuse Municipal Grants ("OSG"):
None.
5. American Rescue Plan Act (ARPA) Grant Applications:
None.

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

1. Amendment of Contract with the ODEQ for a no-cost time extension between ODEQ & OWRB for the Boomer Lake TMDL Study.
2. Amendment to contract to include additional hours to the existing contract with Phase 2 to complete the online water use build by December.
3. Professional services to develop and deliver a two-day "Inspection and Assessment of Dams" workshop for Oklahoma registered professional engineers and dam owners in Oklahoma City in November 2026 and conduct a peer review of the Oklahoma Dam Inspection Guidelines for clarity, technical consistency, and alignment with Chapter 25 of OWRB's rules.
4. Agreement with Lynker Corporation for professional engineering services for Upper Washita River System Model Modifications Phase II.

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

1. Viridis Farms, LLC, Blaine County, 2026-504
2. Andrew Sproul and Jennifer Sproul, Major County, 2026-505
3. Noble L. Ballard and Suzanne Ballard, Jackson County, 2026-554
4. Crawford Land and Cattle, LLC, Harmon County, 2026-577

F. Consideration of and Possible Action on Applications to Amend Temporary Permits to Use Groundwater:
1. Andy and Nicole Reimer, Major County, 1979-620
2. Koch Family Land Trust, Custer County, 1995-576
3. Andy and Nicole Reimer, Major County, 2013-559

G. Consideration of and Possible Action on Applications for Regular Permits to Use Groundwater:
1. Danny Teel, Roger Mills County, 2025-654
2. Tony and Brenda Dorrell, Beckham County, 2026-522
3. Freddie Harden and Wesley Eugene Harden, Roger Mills County, 2026-555

H. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Groundwater:
1. W. J. Jacobs Water, LLC, Pontotoc County, 1984-645
2. W. J. Jacobs Water, LLC, Johnston County, 1984-647
3. W. J. Jacobs Water, LLC, Murray County, 1984-648

I. Consideration of and Possible Action on Applications to Amend Prior Right to Use Groundwater:
None.

J. Consideration of and Possible Action on Applications to for Term/Seasonal Permits to Use Stream Water:
1. Allen Contracting Inc., Oklahoma County, 2026-018

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

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: Blanchard's Legacy Water Well Service and Repair
1. Operator: Matthew Blanchard
Activities: Pump installation and plugging of certain water wells
b. Licensee: Larry Brock
2. Operator: Larry Brock
Activities: Geothermal, geotechnical, groundwater, and pump installation
c. Licensee: First Priority, INC
3. Operator: Frank Wiebe
Activities: Groundwater and pump installation

2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses:
a. Licensee: Dolese Bros Co
1. Operator: Kevin Morphis
Activities: Geotechnical
b. Licensee: Oklahoma Environmental, Inc
2. Operator: Robert Hill
Activities: Geotechnical
c. Licensee: Whiterock Resources, LLC
3. Operator: Jordan Bowen

Activities: Geotechnical
d. Licensee: Dolese Bros Co
4. Operator: Michael Telfer
Activities: Geotechnical

N. Consideration of and Possible Action on Dam and Reservoir Construction:
1. Hollow Point Ranch Dam No. 1, Choctaw County, OK30752
2. Hollow Point Ranch Dam No. 2, Choctaw County, OK30753
3. Hollow Point Ranch Dam No. 3, Choctaw County, OK30754
4. Hollow Point Ranch Dam No. 4, Choctaw County, OK30755

O. Consideration of and Possible Action on Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:
1. OTA – Rogers County – FP-2026-09
2. OTA – Cleveland County – FP-2026-12
3. OTA – Cleveland County – FP-2026-13

P. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:
1. Tristen Suter, Town of Canton, #FPA-874
2. Mark Whisenant, City of Hollis, #FPA-875
3. Daniel Klassen, Town of Lookeba, #FPA-876
4. Carrie Evenson, City of Midwest City, #FPA-877
5. Steve Soule, Town of South Coffeyville, #FPA-878

Q. Consideration of and Possible Action on a Proposed Order Cancelling Permits for failure to Timely Submit Change Of Ownership Documents and Filing Fees:

A. August 31, 2026, Hearing

1. E. L. Young & Sons Farms Inc, Caddo County, 1954-1403
2. Stratton Farms Ltd, Custer County, 1964-063
3. Juanita Jankowski, Cimarron County, 1966-227
4. Juanita Jankowski, Cimarron County, 1966-228
5. Frank L. Spann, Canadian County, 1970-193
6. Coburn Family Trust, Canadian County, 1971-374J
7. Jay Dee Wedel, Major County, 1972-042
8. Leo R. Finkenbinder, Canadian County, 1976-809
9. Breckenridge Farm LLC, Delaware County, 2005-559
10. Canyon Farm LLC, Delaware County, 2005-561
11. Jack O. and Donna K. Sheets, Pawnee County, 2009-527
12. Triple Transport Inc, Canadian County, 2018-586

Consideration of and Possible Action on Cancellation of Stream Water Permits:

B. August 31, 2026, Hearing

1. Jack Wayne Jensen, Hughes County, 1993-036

R. Consideration of and Possible Action on Stream Water Permit Excused Nonuse:
1. Waterfowler Trust, Lincoln County, 2013-013

S. Consideration of and Possible Action on an Informal Disposition Order:
1. Jack Mitchell and Karmita Jewell Warkentin, Custer County, 2007-523B

Chairman Gorman asked for a motion or further discussion. Mr. Silk moved to approve, and Mr. Stallings seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

04000 4. QUESTIONS AND DISCUSSION ABOUT AGENCY MATTERS AND OTHER ITEMS OF INTEREST

Chair Tom Gorman

A. No items

05000 5. SPECIAL CONSIDERATION **Chair Tom Gorman**

A. Consideration of and Possible Action on Application for Dam No. OK3068, Seeds Dam, Pontotoc County, Oklahoma:

1. Summary – **Mr. Yohanes Sugeng**
2. Discussion and presentation by parties
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.

Chairman Gorman asked for a motion or further discussion. Mr. Stallings moved to approve, and Mr. Justice seconded the motion. Chair Gorman called for the vote.

AYE: Stallings, Justice, Isaacs, McCall, Silk, Cook, Gorman
NAY: None
ABSTAIN: None
ABSENT: Latham, Campbell

06000 6. NEW BUSINESS **Chair Tom Gorman**

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 **Chair Tom Gorman**

The next regular meeting of the Oklahoma Water Resources Board will be held on Tuesday, November 17, 2026, at 9:30 am. In the offices of the OWRB, 3800 N. Classen Boulevard, Oklahoma City, OK 73118.

Thomas Gorman, Chairman

Robert Stallings, Jr.

Bandy Silk

Darren Cook

Ron Justice

Bob. Latham

Russell Isaacs

Jarred Campbell

ATTEST:

Heather McCall (SEAL)

1. D. FINANCIAL UPDATE

1. D.1. Monthly Budget Report

OKLAHOMA
Water Resources Board

OCT 2026 FOR FY2027
FY 2027 Expenses by Fund and Category

By Fund

Fund	General Revenue		Budgeted	Expended	Balance	Percentage Remaining	Spend
19313	1	FY2026 Carryover	0	0	0	#DIV/0!	
19521	1	FY2025-26 Carryover	179,088	0	179,088	100%	
19701	1	FY2027 Appropriation	9,830,542	2,328,211	7,502,331	76%	
19702	1	FY2027 Appropriation - SB1175	925,000	56,116	868,884	94%	
		Total General Revenue	**10,934,630**	**2,384,328**	**8,550,303**	78%	**22%**
	Revolving Funds						
21000	2	Drillers Indemnity Fund	50,000	0	50,000	100%	
21500	3	OWRB Revolving Fund	2,856,572	685,439	2,171,133	76%	
23500	4	Phase II A-S Hydro St Rev Fund	807,575	557	807,018	100%	
24000	5	Revolving Fund	1,027,000	473,030	553,970	54%	
24500	6	Drillers Regulation Fund	0	0	0		
25000	7	Water Infrastructure Dev. Fund (OCWP)	3,407,099	604,599	2,802,500	82%	
26000		Water & WW Investment Fund	1,000,000	0	1,000,000	100%	
42000	8	USGS Cooperative Agreement	300,500	0	300,500	100%	
44400	9	DW Loan Administration Fund	1,431,003	256,433	1,174,570	82%	
44500	10	CW Loan Administration Fund	2,998,053	499,216	2,498,837	83%	
72000		GWC Special Fund	185,600	0	185,600	100%	
		Total Revolving Funds	**14,063,402**	**2,519,273**	**11,544,129**	**82%**	**18%**
	Federal Funds						
40000	11	Federal Fund - General	1,252,564	263,268	989,296	79%	21%
40700	12	Federal Fund - Engineering and Planning	2,781,474	422,204	2,359,270	85%	15%
49700	13	Federal Fund - *ARPA	1,280,532	297,590	982,942	77%	23%
		Total Federal Funds	**5,314,570**	**983,062**	**4,331,508**	82%	**18%**
	Total Funding		**30,312,602**	**5,886,663**	**24,425,940**	81%	**19%**

By Category

			Budgeted	Expended	Balance	Percentage Remaining	
510000	14	Salary Expense	9,478,458	2,610,378	6,868,080	72%	28%
512000	15	Insurance	1,577,729	369,951	1,207,778	77%	23%
513000	16	FICA and Retirement	1,623,590	436,448	1,187,142	73%	27%
515000	17	Professional Services	12,612,745	1,728,365	10,884,380	86%	14%
519000	18	Flexible Benefits	18,000	4,485	13,515	75%	25%
		Total Personal Services	**25,310,522**	**5,149,627**	**20,160,895**	**80%**	**20%**
520000	19	Travel Expense	745,943	92,045	653,898	88%	12%
530000	20	Administrative Expense	1,873,005	490,494	1,382,511	74%	26%
540000	21	Furniture and Equipment Expense	1,101,587	154,497	947,089	86%	14%
550000	22	Intra Inter Agency Payments	1,281,546	0	1,281,546	100%	0%
		Total Operating Expenses	**5,002,081**	**737,036**	**4,265,045**	**85%**	**15%**
	Total Expenditures		**30,312,602**	**5,886,663**	**24,425,940**	81%	**19%**

2. FINANCIAL ASSISTANCE DIVISION

November 17, 2026

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: Perkins Public Works Authority, Payne County

Loan Application No.: ORF-26-0033-DW
Drinking Water SRF Loan ("DWSRF Loan")

Funding Requested: $465,266.44

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 twenty (20) 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 and sewer systems, a 1 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) install approximately 1,677 meters and the associated Automated Metering Infrastructure (AMI) technology throughout the system, all related appurtenances (the "Project"), and (ii) pay related costs of issuance.

Sources of Funds (Est.)		**Uses of Funds (Est.)**	
Loan Proceeds	$465,266.44	Project	$906,006.25
SUDC Grant	465,266.45	Bond Counsel	10,763.32
		Financial Advisor	10,763.32
		Local Counsel	2,500.00
		Trustee Bank	500.00
Total	$930,532.89	**Total**	$930,532.89

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF LOAN APPLICATION)
NO. ORF-26-0033-DW IN THE NAME OF)
PERKINS PUBLIC WORKS AUTHORITY)
PAYNE COUNTY, OKLAHOMA)

PROPOSED
ORDER APPROVING LOAN APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 17th day of November, 2026.

WHEREAS, Perkins Public Works Authority (the "Applicant") has made its Application for Funding No. ORF-26-0033-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-26-0033-DW in the name of Perkins 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) install approximately 1,677 meters and the associated Automated Metering Infrastructure (AMI) technology throughout the 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. 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 $465,266.44. 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

following Project completion, and the maturity of the loan shall be no later than twenty (20) 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 and sewer systems, a 1 cent sales tax 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 17th day of November, 2026 in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____
Heather McCall, Secretary

(SEAL)

Reviewed By:

Lori Johnson

Lori Johnson, Chief
Financial Assistance Division

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: Skiatook Public Works Authority, Osage County

Loan Application No.: ORF-27-0006-CW
Clean Water SRF Loan ("CWSRF Loan")

Amount Requested: $860,000.00

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 and sewer systems, a 1 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) replace water meter endpoints and associated Automated Metering Infrastructure (AMI) technology throughout the system, all related appurtenances (the "Project"), and (ii) pay related costs of issuance.

Sources of Funds (Est.)		**Uses of Funds (Est.)**	
Loan Proceeds	$860,000.00	Project	$754,500.00
		Bond Counsel	42,500.00
		Financial Advisor	42,500.00
		Local Counsel	20,000.00
		Trustee Bank	500.00
Total	$860,000.00	**Total**	$860,000.00

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF LOAN APPLICATION)
NO. ORF-27-0006-CW IN THE NAME OF)
SKIATOOK PUBLIC WORKS AUTHORITY)
OSAGE COUNTY, OKLAHOMA)

PROPOSED
ORDER APPROVING LOAN APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 17th day of November, 2026.

WHEREAS, Skiatook Public Works Authority (the "Applicant") has made its Application for Funding No. ORF-27-0006-CW (the "Application") to the Board for a loan from the Clean Water State Revolving Fund (the "CWSRF") program, pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.51 *et seq*, as amended; and

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

WHEREAS, the Board has completed its review of the Application and related information, and finds that the 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-27-0006-CW in the name of Skiatook 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) replace water meter endpoints and associated Automated Metering Infrastructure (AMI) technology throughout the 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. 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 $860,000.00. 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 following Project completion, and the maturity of the loan shall be no later than twenty (20) following the date the Project is completed.

2. The loan shall be secured with a lien on the revenues of the Applicant's water and sewer systems, a 1 cent sales tax 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 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 17th day of November, 2026, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____
Heather McCall, Secretary

(SEAL)

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-26-0042-DW
Drinking Water SRF Loan ("DWSRF Loan")

Funding Requested: $1,700,000.00

Loan Interest Rate: The DWSRF Loan shall bear no interest or administrative fees 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) identify and verify via potholing the remaining approximately 3,000 public service lines and 27,000 private service lines for lead, all related appurtenances (the "Project"), and (ii) pay related costs of issuance.

Sources of Funds (Est.)		**Uses of Funds (Est.)**	
Loan Proceeds	$1,700,000.00	Project	$1,700,000.00
Total	$1,700,000.00	**Total**	$1,700,000.00

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF LOAN APPLICATION	)
NO. ORF-26-0042-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 17th day of November, 2026.

WHEREAS, Oklahoma City Water Utilities Trust (the "Applicant") has made its Application for Funding No. ORF-26-0042-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-26-0042-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) identify and verify via potholing the remaining approximately 3,000 public service lines and 27,000 private service lines for lead, 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 $1,700,000.00. The Applicant shall pay no interest or administrative fees on the loan. Any 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.

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 17th day of November, 2026 in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____
Heather McCall, Secretary

(SEAL)

Reviewed By:

Lori Johnson

Lori Johnson, Chief
Financial Assistance Division

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: Waynoka Utilities Authority, Woods County

Loan Application No.: FAP-26-0022-L
State Loan Program Revenue Bond Loan ("FAP Loan")

Amount Requested: $4,440,000.00

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, sewer, sanitation, and electric systems, a 3 cent sales tax and may include a mortgage on the applicant's water, sewer, and electric systems and other real property.

Purpose: The applicant will utilize the loan proceeds to: (i) replace approximately 26,223 linear feet of water line throughout the system, all related appurtenances (the "Project"), (ii) satisfy the Local Reserve Requirement, if necessary; and (iii) pay related costs of issuance.

Sources of Funds (Est.)		**Uses of Funds (Est.)**	
Loan Proceeds	$4,481,209.05	Project	$4,189,022.51
		Capitalized Interest	114,000.00
		Bond Counsel	58,515.11
		Financial Advisor	55,500.00
		OWRB Costs of Issuance	35,413.87
		Local Counsel	28,007.56
		Trustee Bank	750.00
Total	$4,481,209.05	**Total**	$4,481,209.05

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF LOAN APPLICATION	)
NO. FAP-26-0022-L IN THE NAME OF	)
WAYNOKA UTILITIES AUTHORITY	)
WOODS COUNTY, OKLAHOMA	)

PROPOSED
ORDER APPROVING LOAN APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 17th day of November, 2026.

WHEREAS, Waynoka Utilities Authority (the "Applicant") has made its Application for Funding No. FAP-26-0022-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-26-0022-L in the name of Waynoka Utilities 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) replace approximately 26,223 linear feet of water line throughout the system, 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 $4,440,000.00. The Applicant shall pay interest on 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, sewer, sanitation, and electric systems, a 3 cents sales tax and may include a mortgage on the Applicant's water, sewer, and electric 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 17th day of November, 2026, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____
Heather McCall, Secretary

(SEAL)

Reviewed By:

Lori Johnson

Lori Johnson, Chief
Financial Assistance Division

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: The Chouteau Public Works Authority, Mayes County

Loan Application No.: ORF-27-0007-CW
Clean Water SRF Loan ("CWSRF Loan")

Amount Requested: $4,600,000.00

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-four (24) 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, sanitation, and gas systems, a 1 cent 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) prepare a comprehensive facility evaluation report and a sanitary sewer evaluation study, rehabilitate the wastewater treatment plant and two lift stations, all related appurtenances (the "Project"), and (ii) pay related costs of issuance.

Sources of Funds (Est.)		**Uses of Funds (Est.)**	
Loan Proceeds	$4,600,000.00	Project	$4,422,000.00
		Bond Counsel	71,500.00
		Financial Advisor	71,500.00
		Local Counsel	34,500.00
		Trustee Bank	500.00
Total	$4,600,000.00	**Total**	$4,600,000.00

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF LOAN APPLICATION	)
NO. ORF-27-0007-CW IN THE NAME OF	)
THE CHOUTEAU 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 17th day of November, 2026.

WHEREAS, The Chouteau Public Works Authority (the "Applicant") has made its Application for Funding No. ORF-27-0007-CW (the "Application") to the Board for a loan from the Clean Water State Revolving Fund (the "CWSRF") program, pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.51 *et seq*, as amended; and

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

WHEREAS, the Board has completed its review of the Application and related information, and finds that the 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-27-0007-CW in the name of The Chouteau 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) prepare a comprehensive facility evaluation report and a sanitary sewer evaluation study, rehabilitate the wastewater treatment plant and two lift 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. 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 $4,600,000.00. 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 following Project completion, and the maturity of the loan shall be no later than twenty-four (24) 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, sanitation, and gas systems, a 1 cent 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 17th day of November, 2026, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____
Heather McCall, Secretary

(SEAL)

Reviewed By:

Lori Johnson

Lori Johnson, Chief
Financial Assistance Division

LOAN APPLICATION
RECOMMENDED FOR APPROVAL

Applicant: Stillwater Utilities Authority, Payne County

Loan Application No.: FAP-27-0003-L
State Loan Program Revenue Bond Loan ("FAP Loan")

Amount Requested: $12,000,000.00

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, sewer, sanitation and electric systems, a 1 cent sales tax and may include a mortgage on the applicant's water, sewer, and electric systems and other real property.

Purpose: The applicant will utilize the loan proceeds to: (i) replace the existing standpipe with a 300,000-gallon spheroid elevated storage tank, install approximately 8,300 linear feet of water line and approximately 93 pressure-reducing valves, and demolish obsolete water and chemical storage tanks and pump stations, all related appurtenances (the "Project"), (ii) satisfy the Local Reserve Requirement, if necessary; and (iii) pay related costs of issuance.

Sources of Funds (Est.)		**Uses of Funds (Est.)**	
Loan Proceeds	$11,979,450.25	Project	$11,697,653.54
		OWRB Costs of Issuance	96,046.71
		Bond Counsel	92,500.00
		Financial Advisor	92,500.00
		Trustee Bank	750.00
Total	$11,979,450.25	**Total**	$11,979,450.25

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF LOAN APPLICATION	)
NO. FAP-27-0003-L IN THE NAME OF	)
STILLWATER UTILITIES AUTHORITY	)
PAYNE COUNTY, OKLAHOMA	)

PROPOSED
ORDER APPROVING LOAN APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 17th day of November, 2026.

WHEREAS, Stillwater Utilities Authority (the "Applicant") has made its Application for Funding No. FAP-27-0003-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-27-0003-L in the name of Stillwater Utilities 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) replace the existing standpipe with a 300,000-gallon spheroid elevated storage tank, install approximately 8,300 linear feet of water line and approximately 93 pressure-reducing valves, and demolish obsolete water and chemical storage tanks and pump stations, 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 $12,000,000.00. The Applicant shall pay interest on 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 senior lien on the revenues of the Applicant's water, sewer, sanitation, and electric systems, a 1 cent sales tax and may include a mortgage on the Applicant's water, sewer, and electric 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 17th day of November, 2026, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____
Heather McCall, Secretary

(SEAL)

Reviewed By:

Lori Johnson

_____

Lori Johnson, Chief
Financial Assistance Division

3.C. SUMMARY DISPOSITION AGENDA ITEMS

FINANCIAL ASSISTANCE DIVISION

November 17, 2026

EMERGENCY GRANT APPLICATION
RECOMMENDED FOR APPROVAL

APPLICANT: Lamont Public Works Authority **DATE RECEIVED:** 09/22/2026
COUNTY: Grant **APPLICATION NUMBER:** FAP-27-0006-G

Amount Requested: $38,365.25 **Amount Recommended:** $38,365.25

PROJECT DESCRIPTION: Lamont Public Works Authority (Authority) operates a water system. The Authority experienced a profound water production loss following a severe thunderstorm on July 4 and 5, 2026, that caused a power outage for approximately 18 hours during which the well pumps could not operate. The extended outage and subsequent restart caused existing mineral deposits and scale to settle and consolidate within the wells and pump assemblies, significantly restricting flow and triggering an abrupt decline in water production. The proposed project is to reimburse the Authority for the rehabilitation services on all three wells, including chemical treatment and removal and replacement of the pump and motor assemblies and all appurtenances necessary to complete the project. The project cost of $38,365.25 will be reimbursed by the OWRB Emergency Grant.

Priority Ranking			**Priority Points**
Emergency Ranking 1	(Maximum: 50 points)		50
RATE STUDY AND STRUCTURE		(Maximum: 10 points)	
Two Years or Less: (_) At Least Two Years – Less Than Five: (_) Over Five Years (X) ____-5____ points	(_) Flat rate -3 (_) Decreasing Block -2 (_) Uniform 0 (X) Increasing Block +2 (_) Sales tax (W/S) +1		(3)
OPERATIONAL COST RATIO Total Income Available: $ 21,540.00 Total Annual Debt Payment: $ 2,126.02 OCR: 10.00		(Maximum: 13 points)	13
LOCAL PARTICIPATION LP = $_____		(Maximum: 10 points)	0
ADJUSTED PER CAPITA INCOME Tier 2		(Maximum: 10 points)	8
AMOUNT OF GRANT REQUESTED AR = $38,365.25		(Maximum: 7 points)	6
REQUEST NUMBER 0			0
BENEFIT OF PROJECT TO OTHER SYSTEMS	**No**	(Maximum: 5 points)	0
		TOTAL PRIORITY POINTS	74

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF GRANT APPLICATION	)
NO. FAP-27-0006-G IN THE NAME OF THE	)
LAMONT PUBLIC WORKS AUTHORITY,	)
GRANT COUNTY, OKLAHOMA.	)

PROPOSED
ORDER APPROVING GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 17th day of November 2026. The Board finds that since the application for this grant has received a priority ranking of 74 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 $38,365.25 should be approved to be advanced for the following purpose and subject to the following conditions:

Purpose: The project shall consist of reimbursing the Authority for costs incurred for rehabilitating all three wells that were damaged during a severe thunderstorm, including chemical treatment and the removal and replacement of the pump and motor assemblies 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 the actual total eligible cost of the project. The amount of the grant shall not exceed $38,365.25.

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, Lamont 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 17th day of November 2026, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____
Heather McCall , Secretary

(SEAL)

Reviewed By:

Lori Johnson
_____
Lori Johnson, Chief
Financial Assistance Division

EMERGENCY GRANT APPLICATION
RECOMMENDED FOR APPROVAL

APPLICANT: Yukon Municipal Authority **DATE RECEIVED: 10/9/2026**
COUNTY: Canadian **APPLICATION NUMBER:** FAP-27-0004-G

Amount Requested: $73,180.76 **Amount Recommended:** $73,180.76

PROJECT DESCRIPTION: Yukon Municipal Authority (Authority) operates a water system. The Authority experienced a water main break following the improper reinstallation of pressure sensors by a third-party contractor hired by the City of Oklahoma City, the Authority's wholesale water supplier. This reportedly resulted in approximately 72 hours during which water pressure was not properly monitored. The Authority was not notified of the work being performed or the resulting monitoring issues until after the water main break occurred. The lack of pressure monitoring and potential pressure fluctuations are believed to have contributed to the water main break. The proposed project is to reimburse the Authority for the repair and replacement of the ruptured water line, plus all appurtenances required to complete the project. The total cost of the project is $73,180.76 which will be reimbursed by the OWRB Emergency grant in the amount of $73,180.76.

Priority Ranking			**Priority Points**
Emergency Ranking 2	(Maximum: 50 points)		40
RATE STUDY AND STRUCTURE		(Maximum: 10 points)	
Two Years or Less: (_) At Least Two Years – Less Than Five: (X) Over Five Years (_) ____0____ points		(_) Flat rate -3 (_) Decreasing Block -2 (_) Uniform 0 (X) Increasing Block +2 (X) Auto Rate Increase +2 (X) Sales tax (W/S) +1	5
OPERATIONAL COST RATIO Total Income Available: $ 11,325,839.76 Total Annual Debt Payment: $ 3,608,224.32 OCR: 3.14		(Maximum: 13 points)	13
LOCAL PARTICIPATION LP = $0.00		(Maximum: 10 points)	0
ADJUSTED PER CAPITA INCOME	Tier 4	(Maximum: 10 points)	4
AMOUNT OF GRANT REQUESTED AR = $73,180.76		(Maximum: 7 points)	5
REQUEST NUMBER 0			0
BENEFIT OF PROJECT TO OTHER SYSTEMS	**No**	(Maximum: 5 points)	0
		TOTAL PRIORITY POINTS	67

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF GRANT APPLICATION	)
NO. FAP-27-0004-G IN THE NAME OF THE	)
YUKON MUNICIPAL AUTHORITY,	)
CANADIAN COUNTY, OKLAHOMA.	)

PROPOSED
ORDER APPROVING GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 17th day of November 2026. The Board finds that since the application for this grant has received a priority ranking of 67 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 $73,180.76 should be approved to be advanced for the following purpose and subject to the following conditions:

Purpose: The project shall consist of reimbursing the Authority for costs incurred in repairing and replacing the ruptured 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.

Conditions:

1. The amount of the grant will be based on the actual total eligible cost of the project. The amount of the grant shall not exceed $73,180.76.

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, Yukon Municipal 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 17th day of November 2026, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____
Heather McCall , Secretary

(SEAL)

Reviewed By:

Lori Johnson

_____
Lori Johnson, Chief
Financial Assistance Division

EMERGENCY GRANT APPLICATION
RECOMMENDED FOR APPROVAL

APPLICANT: Duke Municipal Authority **DATE RECEIVED:** 10/14/2026
COUNTY: Jackson **APPLICATION NUMBER:** FAP-27-0005-G

Amount Requested: $300,000.00 **Amount Recommended:** $300,000.00

PROJECT DESCRIPTION: Duke Municipal Authority (Authority) operates a water system. The Authority is experiencing a loss of water supply due to drought conditions that have reportedly caused the collapse of Well No. 4, which serves the community. As a result, the water system is experiencing pressures below minimum regulatory requirements, with some customers experiencing a complete loss of water service. The proposed project is to drill a new well, plus all appurtenances required to complete the project. The estimated cost of the project is $343,319.58 which will be funded by the OWRB Emergency grant in the amount of $300,000.00 and $43,319.58 from local funds.

Priority Ranking			**Priority Points**
Emergency Ranking 1	(Maximum: 50 points)		50
RATE STUDY AND STRUCTURE		(Maximum: 10 points)	
Two Years or Less: (X) At Least Two Years – Less Than Five: (_) Over Five Years (_) ____5____ points		(_) Flat rate -3 (_) Decreasing Block -2 (_) Uniform 0 (X) Increasing Block +2 (_) Auto Rate Increase +2 (_) Sales tax (W/S) +1	7
OPERATIONAL COST RATIO Total Income Available: $ 355,480.00 Total Annual Debt Payment: $ 16,624.59 OCR: 21.00		(Maximum: 13 points)	13
LOCAL PARTICIPATION LP = $0.00		(Maximum: 10 points)	0
ADJUSTED PER CAPITA INCOME	Tier 2	(Maximum: 10 points)	8
AMOUNT OF GRANT REQUESTED AR = $300,000.00		(Maximum: 7 points)	(5)
REQUEST NUMBER 0			0
BENEFIT OF PROJECT TO OTHER SYSTEMS	**No**	(Maximum: 5 points)	0
		TOTAL PRIORITY POINTS	73

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF GRANT APPLICATION	)
NO. FAP-27-0005-G IN THE NAME OF THE	)
DUKE MUNICIPAL AUTHORITY,	)
JACKSON COUNTY, OKLAHOMA.	)

PROPOSED
ORDER APPROVING GRANT APPLICATION

This matter came on for consideration before the Oklahoma Water Resources Board on the 17th day of November 2026. The Board finds that since the application for this grant has received a priority ranking of 73 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 $300,000.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Purpose: The project shall consist of the construction of a new water well 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 the actual total eligible cost of the project. The amount of the grant shall not exceed $300,000.00.

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, Duke Municipal 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 17th day of November 2026, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____
Heather McCall , Secretary

(SEAL)

Reviewed By:

Lori Johnson
_____
Lori Johnson, Chief
Financial Assistance Division

3. SUMMARY DISPOSITION AGENDA ITEMS

D. Contracts and Agreements Recommended for Approval

November 17, 2026

AGENDA ITEM 3D(1)

MEMORANDUM AGREEMENT

WITH:	Department of Homeland Security/Federal Emergency Management Agency.
PURPOSE:	Contract between the Department of Homeland Security/Federal Emergency Management Agency for PII dataset(s) shared by FEMA and the National Flood Insurance Program.

INFORMATION SHARING ACCESS AGREEMENT (ISAA)

BETWEEN

THE DEPARTMENT OF HOMELAND SECURITY/FEDERAL EMERGENCY MANAGEMENT AGENCY (DHS/FEMA)

AND

Oklahoma Water Resources Board

1. **INTRODUCTION.** The U.S. Department of Homeland Security/Federal Emergency Management Agency (DHS/FEMA) and Oklahoma Water Resources Board (OWRB) (hereinafter referred to as "Recipient Entity"), hereinafter collectively referred as the "Parties," voluntarily enter into this Information Sharing Access Agreement (ISAA) (alternatively "Agreement") to govern the collection, use, access, disclosure, security, and retention of the Personally Identifiable Information (PII) dataset(s) described herein.

2. **PURPOSE AND BACKGROUND.** The purpose of this Agreement is to document the safeguarding requirements for PII dataset(s) shared by FEMA with Recipient Entity to perform the work included in the cooperative agreement between the Parties in support of National Flood Insurance Program (NFIP) flood mapping and related activities.

    a. The Risk Analysis Management (RAM) system is used to manage and share the mapping records for the flood mapping program.

    b. Recipient Entity is a State Agency and FEMA Region 6 Cooperative Technical Partner. Recipient Entity requires access to PII dataset(s) concerning flood mapping activities including letters of map revision, letters of map amendment, correspondence and concurrences with community officials, contact information for other professionals working on the mapping projects and related information, as documented in Appendix A, to perform the work included in the cooperative agreement between the Parties in support of National Flood Insurance Program (NFIP) flood mapping and related activities.

3. **AUTHORITIES.**
    a. National Flood Insurance Act of 1968, Pub. L. No. 90-448, Title XIII (1968) (42 U.S.C. 4001 et seq.) (NFIA);

    b. Privacy Act of 1974, as amended, 5 U.S.C. § 552a (Privacy Act);

    c. DHS/FEMA-014 Hazard Mitigation Planning and Flood Mapping Products and Services Records System of Records

i. Routine use F. To contractors and their agents, grantees, experts, consultants, and others performing or working on a contract, service, grant, cooperative agreement, or other assignment for DHS, when necessary to accomplish an agency function related to this system of records. Individuals provided information under this routine use are subject to the same Privacy Act requirements and limitations on disclosure as are applicable to DHS officers and employees.

d. The E-Government Act of 2002, Public Law 107-347, §208; DHS/FEMA/PIA-045 Hazard Mitigation Planning and Flood Mapping Products and Services Support Systems;

4. DEFINITIONS. [1]

a. BREACH (synonymous with "PRIVACY INCIDENT"): The loss of control, compromise, unauthorized disclosure, unauthorized acquisition, or any similar occurrence where (1) a person other than an authorized user accesses or potentially accesses personally identifiable information or (2) an authorized user accesses personally identifiable information for an other than authorized purposed.

b. INCIDENT (synonymous with IT SECURITY INCIDENT): An occurrence that (1) actually or imminently jeopardizes, without lawful authority, the integrity, confidentiality, or availability of information or an information system; or (2) constitutes a violation or imminent threat of violation of law, security policies, security procedures, or acceptable use policies.

c. PERSONALLY IDENTIFIABLE INFORMATION: means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other information that is linked or linkable to a specific individual.

5. RECIPIENT RESPONSIBILITIES. The Recipient Entity's responsibilities under this ISAA are as follows:

a. Maintain appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of records and to protect against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained;

b. Maintain the PII dataset(s) provided by FEMA to the Recipient Entity separately or in a manner in which it is easily segregable from the entity's other information;

i. This does not refer to individual PII data elements which the Recipient Entity independently collects, verifies, documents, or incorporates in its

[1] *See* Handbook for Safeguarding Sensitive PII, Privacy Policy Directive 047-01-007, Revision 3, December 4, 2017.

records and/or systems separately from FEMA PII datasets for programs or services not addressed in this Agreement;

c. Submit a written request to FEMA for any information request pursuant to this ISAA;

d. Each time PII is requested under this ISAA, indicate the specific purpose and use of the PII and the specific routine use under which the PII is being requested;

e. Use the PII provided pursuant to this ISAA only for the purpose(s) identified in this ISAA and consistent with the applicable Routine Use(s);

f. Restrict access to PII datasets provided by FEMA under this ISAA to authorized personnel and to entities under contract by the requestor (direct contractors) performing functions consistent with the purpose of this ISAA on behalf of Recipient Entity;

g. Retain the original dataset for only so long as necessary for the purposes of this agreement, but in any case, no longer than [Insert Applicable Retention Period].

h. Instruct all individuals with access to PII provided pursuant to this ISAA regarding the confidential nature of the information, the safeguard requirements of this Agreement, and the applicable criminal penalties and civil remedies specified in federal and state laws against unauthorized disclosure of the PII covered by this Agreement;

i. In a timely manner, take appropriate action with regard to any request made by FEMA for access, additions, changes, deletions, or corrections of PII and in a timely manner, notify FEMA of any data errors that it discovers;

j. The Recipient Entity shall ensure no Matching Program, as that term is defined in 5 U.S.C. § 552a(a)(8), will occur using the PII datasets shared under this agreement unless a separate Computer Matching Agreement is in place.

k. If at any time during the term of this ISAA any part of the PII dataset provided under this Agreement, ceases to be required by Recipient Entity for purpose(s) identified in this ISAA, or upon termination of the ISAA, whichever occurs first, within fourteen (14) days thereafter, promptly notify FEMA and securely return the PII to FEMA, or, at FEMA's written request destroy, un-install and/or remove all copies of such PII in the Recipient Entity's possession or control, and certify in writing to FEMA that such tasks have been completed.

6. FEMA RESPONSIBILITIES. FEMA's responsibilities under this ISAA are as follows:

a. Share with Recipient Entity only the PII dataset(s) documented in Appendix A to this ISAA;

b. Transmit or allow access to the information documented in Appendix A to the Recipient Entity in password protected format via encrypted email or via a FEMA-OCIO approved secure information technology (IT) portal, interface, or transfer tool;

c. Ensure that FEMA information provided to Recipient Entity is accurate, complete, and up-to-date as reasonably necessary;

d. Keep a record of the date, nature, and purpose of each disclosure of PII to Recipient Entity under this ISAA, to include the written request for information.

e. FEMA shall not take any adverse action or limit any of its Federal benefits as a result of this sharing of information.

7. THIRD PARTY ACCESS

a. **Ownership of PII Dataset(s)**. Notwithstanding any other provision of this Agreement, the PII dataset(s) obtained by Recipient Entity from FEMA shall remain under the control of FEMA, and Recipient Entity will not further disclose PII dataset(s) provided by FEMA to outside third parties without express consent from FEMA or the individuals to whom the PII pertains.
   i. This does not refer to individual PII data elements which the Recipient Entity independently collects, verifies, documents, or incorporates in its records and/or systems for programs or services not addressed in this Agreement.

b. **Open Access/Freedom of Information Requests.** The Recipient Entity shall withhold PII provided by FEMA under this agreement from any open records or Freedom of Information Act (FOIA) response to the extent allowed by law. The Recipient Entity shall provide notice of any request for and/or disclosure of PII provided by FEMA under this agreement in response to open records or FOIA requests.

c. **Consent to Third Party Access to FEMA PII:** Subject to the restrictions and limitations set forth in this ISAA, FEMA authorizes Recipient Entity to share FEMA PII with WSB (formerly Meshek and Associates, LLC) (WSB) pursuant to Agreement for Professional Engineering Services for Cooperating Technical Partner Program Assistance between the Recipient Entity and WSB dated October 24, 2023. The data will be used to perform standard services in support of the State of Oklahoma/OWRB Cooperating Technical Partners Program. WSB may not share the information with any of its subcontractors or third-party partners. WSB may only use FEMA PII for the purposes outlined in Agreement for Professional Engineering Services for Cooperating Technical Partner Program Assistance dated October 24, 2023.

d. All contractors granted access by FEMA to any FEMA PII must agree in writing with Recipient Entity to: (a) abide by the terms and conditions in this ISAA,

including without limitation, provisions relating to compliance with the protection of FEMA PII and Notice of Privacy Incident; (b) restrict use of FEMA PII only to the performance of services to Recipient Entity in connection with Recipient Entity's performance of its obligations under this ISAA, and (c) certify in writing, upon completion of the performance of services by a contractor, that the contractor has immediately un-installed, removed, and/or destroyed all copies of FEMA PII within 30 days of the contractor's performance of services to Recipient Entity.

8. PRIVACY INCIDENT PROCEDURES

a. **Notice of Privacy Incident**. If the Recipient Entity, or its contractors, suspect, discover or are notified of a suspected or confirmed Privacy Incident relating to FEMA PII, the Recipient Entity shall immediately, but in no event later than twenty-four (24) hours from suspicion, discovery or notification of the suspected or confirmed Privacy Incident, notify the FEMA Privacy Officer at (202) 212-5100 or FEMA-Privacy@fema.dhs.gov.

b. **Privacy Incident Handling**. In the event of a Privacy Incident emanating from this ISAA, FEMA will investigate the Privacy Incident pursuant to DHS standard procedures and will consult Recipient Entity to diagnose, mitigate and manage the Incident. The Recipient Entity will be responsible for carrying out all necessary measures to remedy the effects of the Privacy Incident.

c. **Remediation**. In the event of a Privacy Incident and/or IT Security Incident emanating from this ISAA, FEMA will investigate the Privacy Incident and/or IT Security Incident pursuant to DHS standard procedures and will consult with Recipient Entity in order to diagnose, mitigate, and manage the Privacy Incident and/or IT Security Incident. The Recipient Entity will be responsible for carrying out all reasonable and necessary measures to remedy the effects of a Privacy Incident/Breach, when its actions are responsible for the Privacy Incident/Breach, which may include:

   i. Notification to the affected individuals, the public, media, and/or other government entities;
   ii. Removing information from an Internet or Intranet page;
   iii. Training and awareness for staff on best practices to Safeguard PII;
   iv. Disciplinary or corrective action, including counseling for employees.
      1. NOTE: any personnel subject to corrective or disciplinary action arising out of a privacy incident must not be identified or identifiable in the Privacy Incident reporting;
   v. Revisions to policies and procedures to minimize or eliminate the use of PII when possible;
   vi. and/or Any other remediation effort(s) as agreed upon by the Parties.

d. **Penalties**. If the Recipient Entity or one of its employee/agents willfully discloses any PII to a third party not authorized to receive it, FEMA will revoke the Recipient Entity's access to FEMA PII.

9. GENERAL TERMS.

a. **Entire Agreement**. This ISAA constitutes the entire Agreement between the Parties with regard to information sharing. However, if this ISAA is used to supplement a contract between the Parties, to the extent there is any conflict between a term of this ISAA and a term in other acquisition documentation, the term of the underlying acquisition, including the Homeland Security Acquisition Regulations (HSAR) Safeguarding of Sensitive Information (MAR 2015) and Information Technology Security and Privacy Training (MAR 2015) clauses will supersede.

b. **Effective Date, Duration, and Termination.** This ISAA will become effective upon the signature of both Parties and will remain in effect for three 3 years or the lifetime of the acquisition period, whichever is shorter. However, FEMA will only provide the information identified in Appendix A for the disaster period of assistance or, if applicable, for the period of time specified in the Routine Use, whichever is longer. Either party may terminate this Agreement upon written notice to the other party.

c. **Modification.** This ISAA may be modified upon the mutual written consent of the Parties.

d. **Counterparts.** This ISAA, when executed in any number of counterparts and by different Parties on separate counterparts, each of which counterparts when so executed and delivered shall be deemed to be an original, and all of which counterparts taken together shall constitute but one and the same Agreement.

e. **Severability**. Nothing in this ISAA is intended to conflict with current law, regulation, or FEMA directives. If a term of this ISAA is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this ISAA shall remain in full force and effect.

f. **No Private Right**. This ISAA is an internal Agreement between FEMA and the Recipient Entity. It does not create nor confer any right or benefit that is substantive or procedural, enforceable by any third party against the Parties, the United States, or other officers, employees, agents, or associated personnel thereof. Nothing in this ISAA is intended to restrict the authority of either party to act as provided by law, statute, or regulation, or to restrict any party from administering or enforcing any laws within its authority or jurisdiction. Accordingly, the terms of this Agreement do not constitute or imply the grant, by the United States of America, of any other consent, accord, satisfaction, advice, or waiver of its rights, power or authority.

g. **Funding**. This ISAA is not an obligation or commitment of funds, nor a basis for transfer of funds. Each party shall bear its own costs in relation to this ISAA. Expenditures by each party will be subject to its budgetary processes and to

availability of funds pursuant to applicable laws, regulations, and policies. The Parties expressly acknowledge that this in no way implies that Congress will appropriate funds for such expenditures.

h. **Issue Resolution**. FEMA and Recipient Entity understand that during the course of this ISAA, they may have to resolve issues such as: scope, interpretation of provisions, unanticipated technical matters, and other proposed modifications. Both Parties agree to appoint their respective points of contact to work in good faith towards resolution of such issues. [See Appendix B for points of contacts.]

i. **Auditing/Reporting:** The Parties will coordinate to prepare a report/audit summarizing Recipient Entity and its contractor's (if applicable) compliance with the privacy, redress, and security requirements set forth in this Agreement, to include accounting for all disclosures of FEMA PII. FEMA shall be provided copies of Recipient Entity self-audits. As part of this responsibility, the Recipient Entity further agrees to conduct its own annual audits of compliance with the terms of this Agreement, and to provide the results of these audits to CTP Program Manager.

APPROVED BY:

DEPARTMENT OF HOMELAND SECURITY / FEDERAL EMEGENCY MANAGEMENT AGENCY

_____ _____

Roberto Ramirez Date
Risk Analysis Branch Chief
Risk analysis Branch/ Mitigation Division/ Region 6
FEMA

OWRB

_____ _____

Name: Thomas Gorman Date
Title: Chairman
Oklahoma Water Resources Board

Appendix A – DHS/FEMA-014 Hazard Mitigation Planning and Flood Mapping Products and Services Records System of Records 10/25/2017 Document Citation: 82 FR 49404, Routine use F. To contractors and their agents, grantees, experts, consultants, and others performing or working on a contract, service, grant, cooperative agreement, or other assignment for DHS, when necessary to accomplish an agency function related to this system of records. Individuals provided information under this routine use are subject to the same Privacy Act requirements and limitations on disclosure as are applicable to DHS officers and employees.

The following lists the specific data elements in the FEMA PII dataset(s) that will be shared by FEMA with the Recipient Entity. The Recipient Entity will only receive the PII data that is necessary to meet the routine use:

Information on members of the general public, including: property owners, developers, investors, and their representatives; realtors; potential or confirmed respondents to customer service surveys/focus groups;

Full Name
Addresses (mailing and property);
Email addresses;
Telephone number;
Fax number;
Information on property owners:
Fill placement and date;
Type of construction;
Elevation data;
Base Flood Elevation (BFE) data;
Legal property description;
Six-digit NFIP community number;
FEMA region number (1-10);

Information on certifiers, including but not limited to Registered Professional Engineers and Licensed Land Surveyors; state or local government officials with authority over a community's floodplain management activities; employees of FEMA mapping partners

Full name;
Position or title;
Addresses (mailing and property);
Email addresses;

Company or community name;
Organization or agency name;
Six-digit NFIP community number;
Telephone number;
Fax number;
Professional license number;
Professional license expiration date;
Signature;
Signature date;

Information on FEMA staff and stakeholders registered to use FEMA's information technology systems and collaboration sites.

Full Name
Email addresses;
Telephone number;

The following lists the specific data elements in the FEMA PII dataset(s) that will be shared by FEMA with the Recipient Entity. The Recipient Entity will only receive the PII data that is necessary to meet the routine use:

Information on members of the general public, including: property owners, developers, investors, and their representatives; realtors; potential or confirmed respondents to customer service surveys/focus groups;

Full Name
Addresses (mailing and property);
Email addresses;
Telephone number;
Fax number;
Information on property owners:
Fill placement and date;
Type of construction;
Elevation data;
Base Flood Elevation (BFE) data;
Legal property description;
Six-digit NFIP community number;
FEMA region number (1-10);

Information on certifiers, including but not limited to Registered Professional Engineers and Licensed Land Surveyors; state or local government officials with authority over a community's floodplain management activities; employees of FEMA mapping partners

Full name;
Position or title;

Addresses (mailing and property);
Email addresses;
Company or community name;
Organization or agency name;
Six-digit NFIP community number;
Telephone number;
Fax number;
Professional license number;
Professional license expiration date;
Signature;
Signature date;

Information on FEMA staff and stakeholders registered to use FEMA's information technology systems and collaboration sites.

Full Name
Email addresses;
Telephone number;

Appendix B – Administrative points of contacts for this agreement (Limit of five)

a. The FEMA point of contact is as follows:

Roberto Ramirez
Risk Analysis Acting Branch Chief
940-395-7549
roberto.ramirez@fema.dhs.gov

b. The Recipient Entity point of contact is as follows:

Name: Yohanes Sugeng
Title: Engineering and Planning Division Chief
Phone: 405-530-8800
Email Address: Yohanes.Sugeng@owrb.ok.gov

AGENDA ITEM 3D(2)

MEMORANDUM AGREEMENT

WITH:	Federal Emergency Management Agency (FEMA)
PURPOSE:	Resolution of the Board between the OWRB authorizing an Application for Funding Assistance through the Federal Emergency Management Agency Program to Rehabilitate High Hazard Potential Dams.

A RESOLUTION OF THE OKLAHOMA WATER RESOURCES BOARD AUTHORIZING AN APPLICATION FOR FUNDING ASSISTANCE THROUGH THE FEDERAL EMERGENCY MANAGEMENT AGENCY PROGRAM TO REHABILITATE HIGH HAZARD POTENTIAL DAMS

WHEREAS, the United States Department of Homeland Security, Federal Emergency Management Agency ("FEMA") has implemented the Rehabilitation of High Hazard Potential Dams (HHPD) program to provide grant funds to reduce or eliminate the risk of dams of highest consequence and increase understanding and management of risks posed by eligible dams.

WHEREAS, FEMA has solicited proposals for cost-shared financial assistance from States, Indian Tribes, and nonprofit dam owners for projects to develop.

WHEREAS, the Oklahoma Water Resources Board ("Agency") has identified itself as an eligible applicant under FEMA's HHPD Grant Program, Funding Opportunity Number: DHS-26-MT-152-00-98.

WHEREAS, the Agency is pursuing grant funding assistance under the HHPD grant program to provide technical, planning, design, pre-construction, and construction activities related to the repair, removal, or rehabilitation of eligible high hazard dams. The amount of the grant award is formula based and is calculated using the nationwide number of eligible dams and the number of states that have applied for the grant.

NOW, THEREFORE, be it resolved by the Board as follows:

1. The Board has reviewed the scope and purpose of the funding application and finds that the Project will serve the needs of the people of Oklahoma and satisfy the goals of the HHPD program, and on that basis, supports the staff submittal of the grant proposal to FEMA.

2. The Agency is acting as a pass-through entity and will work with eligible subrecipients to meet the minimum 35-percent cost share required to obtain grant funding under the HHPD Grant Program.

3. Pursuant to state policy, the Agency has sought approval from the Office of the Secretary of Energy and Environment to pursue this funding opportunity.

4. The Board hereby ratifies the action of its Chief Financial Officer or his designee of the Agency in applying for financial assistance from FEMA's HHPD Grant Program and authorizes the Chief Financial Officer or her designee to execute any related document, including a cooperative financial assistance agreement with FEMA.

5. The Chief Financial Officer and staff are directed to take all other actions necessary to secure funding for the Project under the HHPD Grant Program, including

working with FEMA to meet established deadlines for entering into a cooperative financial assistance agreement.

PASSED AND ADOPTED by the Oklahoma Water Resources Board on the ____ day of _____, 2026:

_____
Jarred Campbell, Chairman

ATTEST:

_____
, Secretary

AGENDA ITEM 3D(3)

MEMORANDUM AGREEMENT

WITH:	Federal Emergency Management Agency (FEMA)
PURPOSE:	Resolution of the Oklahoma Water Resources Board Authorizing an application for funding assistance through the Federal Emergency Management Agency National Dam Safety Program State Assistance Grant Program.

A RESOLUTION OF THE OKLAHOMA WATER RESOURCES BOARD AUTHORIZING AN APPLICATION FOR FUNDING ASSISTANCE THROUGH THE FEDERAL EMERGENCY MANAGEMENT AGENCY NATIONAL DAM SAFETY PROGRAM STATE ASSISTANCE GRANT PROGRAM

WHEREAS, the United States Department of Homeland Security, Federal Emergency Management Agency ("FEMA") has implemented the National Dam Safety Program ("NDSP") to provide grant funds to establish and maintain effective state dam safety programs.

WHEREAS, FEMA has solicited proposals for financial assistance from state dam safety programs that are authorized by state legislation and working toward meeting specific criteria and budgeting requirements.

WHEREAS, the Oklahoma Dam Safety Program understands that assistance may not be provided to a State under this program for a fiscal year unless the State maintains the aggregate expenditures of the State from all other sources for programs to ensure dam safety for the protection of human life and property at or above a level equal to the average annual level of such expenditures for the two fiscal years preceding the current fiscal year.

WHEREAS, the Oklahoma Water Resources Board ("Agency") has identified itself as an eligible applicant under FEMA's NDSP Grant Program, Funding Opportunity Number: DHS-26-MT-041-00-99.

WHEREAS, the Agency is pursuing grant funding assistance under the NDSP grant program in an amount up to $408,280.00 to provide maintenance of an effective state dam safety program intended to ensure dam safety, protect human life and property, and improve the state of the practice of dam safety and risk management.

NOW, THEREFORE, be resolved by the Board as follows:

1. The Board has reviewed the scope and purpose of the funding application and finds that the Project will serve the needs of the people of Oklahoma and satisfy the goals of the NDSP program, and on that basis, supports the staff's submittal of the grant proposal to FEMA.

2. There is no Cost Match or Cost Share requirement for this program.

3. The Board hereby ratifies the action of its Chief Financial Officer or his designee of the Agency in applying for financial assistance from FEMA's NDSP Grant Program and authorizes the Chief Financial Officer or his designee to execute any related document, including a cooperative financial assistance agreement with FEMA.

4. The Chief Financial Officer and staff are directed to take all other actions necessary to secure funding for the Project under the NDSP Grant Program, including working with FEMA to meet established deadlines for entering into a cooperative financial assistance agreement.

PASSED AND ADOPTED by the Oklahoma Water Resources Board on the ____ day of _____, 2026:

_____

Jarred Campbell, Chairman

ATTEST:

_____

, Secretary

AGENDA ITEM 3D(4)

MEMORANDUM AGREEMENT

WITH:	Oklahoma Department of Emergency Management
PURPOSE:	Agreement between the State and Local Agreement for the grant award by Federal Emergency Management Agency (FEMA) Region VI with the Oklahoma Department of Emergency Management serving as the awarding pass-through agency.
AMOUNT:	not to exceed $119,952.18
TERM:	through April 30, 2029

ANNIE MACK VEST
Executive Director

J. KEVIN STITT
Governor

STATE OF OKLAHOMA
DEPARTMENT OF EMERGENCY MANAGEMENT

September 2, 2026

Julie Cunningham
Executive Director
3800 N Classen Blvd.
Oklahoma City, OK 73118

RE: Project Approval Notice FEMA DR-4776-0013-OK Oklahoma Water Resources Board (OWRB) Drought and Flood Planning with GIS

Dear Mrs. Cunningham:

The Oklahoma Department of Emergency Management (OEM) is pleased to announce that FEMA Region VI has approved funding for the above-referenced project. The approved federal share for DR-4776-0016-OK is $300,000.00. OWRB is responsible for providing the required non-federal match of $100,000.00. With Subrecipient Management cost of $19,952.18.

State and Local Agreement

The enclosed State and Local Agreement (SLA) requires the signature of the Chief Elected Official. Please submit the signed agreement to this office no later than September 30, 2026. Please note that the OWRB is not eligible to request reimbursement of project costs until this office has received the signed SLA.

Project Schedule

All work on this project must be completed by April 30, 2029, to allow adequate time for proper closeout with OEM and FEMA. Any costs incurred prior to the date of this approval or after the POP will be disallowed.

Quarterly Reporting Requirements

As work progresses, FEMA requires electronic submission of project progression reports to this office on a quarterly basis until the project is completed and closed out. The first Quarterly Report for this project is due October 10, 2026, and must be submitted through OK EMGrants.

Each Quarterly Report shall provide a detailed summary of work completed to date and include the anticipated project completion date. This report should also communicate any significant events, delays, or anticipated challenges that may affect project progress.

As the sub-recipient you are required to maintain detailed records of man-hours, equipment-hours, supplies, materials, and other project-related expenditures on file for internal use and audit purposes.

The quarterly reporting schedule is as follows:

- 1st Quarter (October, November, December): Report due January 10
- 2nd Quarter (January, February, March): Report due April 10
- 3rd Quarter (April, May, June): Report due July 10
- 4th Quarter (July, August, September): Report due October 10

Reimbursement Requests

All reimbursement requests submitted through EMGrants must include appropriate invoices and proof of payment to substantiate the requested amount. All expenses must fall within the approved Line-Item Budget Categories and reflect the required 25% local match applicable to each reimbursement request.

As part of your first reimbursement request, please submit a copy of the OWRB procurement policy and documentation demonstrating the procurement process followed for this project. All procurement activities must comply with 2 CFR Part 200 as well as all applicable state and local requirements.

Project Closeout

Upon completion of the project, the subrecipient shall submit a letter to this office confirming that all work has been completed and requesting formal project closeout. Prior to submitting this request, the subrecipient must ensure that all documentation relating to the expenditure of both the 75% federal share and the 25% local share of funds is organized and available for review.

If you have questions regarding this project, please contact Chylar Gibson, State Hazard Mitigation Officer, at Chylar.Gibson@oem.ok.gov or 405-590-0107.

Respectfully,

Annie Mack Vest, CFM
Executive Director
Oklahoma Department of Emergency Management

Enclosures:

- State and Local Agreement (SLA)
- FEMA Project Approval Package



State – Local Agreement
DR-4776-OK

Grant Agreement

Between

STATE OF OKLAHOMA

And

Oklahoma Water Resources Board

Subrecipient

Oklahoma Department of Emergency Management

GRANT AGREEMENT

<table>
<tr><td colspan="2">1. SUBRECIPIENT NAME:
Oklahoma Water Resources Board

2. UEI: E5KGD1NYA1S5</td></tr>
<tr><td>3. PROJECT STAFF
NAME: Julie Cunningham
EMAIL: Julie.Cunningham@owrb.ok.gov</td><td>4. CONTACT
For all contact with state officials pertaining to this agreement, please email: Chylar Gibson at Chylar.gibson@oem.ok.gov</td></tr>
<tr><td colspan="2">5. OTHER KEY PERSONNEL:</td></tr>
<tr><td colspan="2">6. FEDERAL AGENCY: FEDERAL Emergency Management Agency</td></tr>
<tr><td colspan="2">7. CATALOG OF FEDERAL ASSISTANCE TITLE AND NUMBER: DR-OK-4776-13</td></tr>
<tr><td colspan="2">8. PERIOD OF PERFORMANCE: 04-30-2024 – 04-30-2029</td></tr>
<tr><td colspan="2">The following should be provided, if available:</td></tr>
<tr><td colspan="2">9. PROJECT NAME: Oklahoma Drought and Flooding Planning with GIS
10. PROJECT NUMBER: 4776-13
11. PROJECT DESCRIPTION: Planning
12. PROJECT AMOUNT: $419,952.18</td></tr>
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State of Oklahoma - Grant Agreement

Agreement Authority

On behalf of the State, Oklahoma Department of Emergency Management ("OEM") is a Pass-Through Entity as defined by 2 C.F.R. § 200.1 of a grant made available under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. No. 93-288 (1974) (codified as amended at 42 U.S.C. §§ 5121-5207) ("Stafford Act"), in accordance with applicable regulations and policies associated with the grant programs where OEM is a recipient.

This agreement applies to all OEM awards or other awarding agency financial assistance awards administered by the Oklahoma Department of Emergency Management. The Federal government, the State of Oklahoma, and OEM have the right to implement specific conditions under 2 C.F.R § 200.339.

Subrecipients are required to follow applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at Title 2, Code of Federal Regulations (C.F.R.) Part 200, and adopted by OEM at 2 C.F.R. Part 3002, as well as all other applicable Federal, state, and local laws, regulations, policies, procedures, and executive orders.

By accepting this agreement, Subrecipient and its executives, as defined in 2 C.F. R. §170.315, certify that the subrecipient's policies are in accordance with guidance applicable to Federal, state and local laws, and relevant executive guidance. This agreement, consisting of these terms and conditions and all exhibits, is between the Oklahoma Department of Emergency Management, an agency of the State of Oklahoma, hereinafter referred to as OEM, and the Subrecipient.

OEM and the Subrecipient are collectively hereinafter referred to as the Parties. All awards made under this agreement are subject to the same terms and conditions except where additional provisions may be added by OEM to assure compliance with Title 2, Code of Federal Regulations (C.F.R.) Part 200.

The Subrecipient may not assign or transfer any interest in this award without prior written consent from OEM and, if required, FEMA or other awarding agency.

Execution of the Agreement

Signature Authority

The Subrecipient's Request for Public Assistance ("RPA") has been approved, and the Parties now agree to enter into the attached Agreement. The following specific officers/officials, or their authorized designees, are required to sign this Agreement on behalf of the specified type of subrecipient. (NOTE: If this Agreement is signed by a designee, a duly authenticated delegation of authority evidencing the signer's authority to execute the Agreement for, and on behalf of, the Subrecipient must be attached to the Agreement for review by OEM).

a. Corporation:	Chair of the Board of Directors or President;
b. City:	Mayor, City Manager, or Town Administrator
c. County:	Chair of the County Commissioners
d. School Board:	Superintendent
e. Fire District:	District Chief
f. Special Districts:	Executive Director
g. Institution of Higher Education:	President of the institution
h. Charter School:	Chair of the Board of Directors
i. County Sheriff's Office:	Sheriff
j. State Agencies:	Director or Deputy Director of the agency
k. All other Subrecipients:	Chief Executive Officer of the entity

Copies of this Agreement may be obtained by anyone authorized to access OK EMGrants.

Terms and Conditions

OEM and the Subrecipient agree that the following enumerated terms and conditions shall apply to this Agreement, and each explicitly agrees to such terms and conditions:

1. The State of Oklahoma has legal authority to apply for assistance on behalf of the Subrecipient.
2. As a condition for receipt of State or Federal funds, the Subrecipient certifies that it has the legal responsibility for the repair and/or restoration of all facilities for which it is applying for assistance.
3. General
    1. The terms "recipient" and "pass-through entity" have the same meaning as "grantee," as used in governing statutes, regulations, and DHS/FEMA guidance.
    2. Throughout this document, the terms "grant" and "award" will be used interchangeably.
    3. A recipient is a non-Federal entity for administration purposes.
    4. A subrecipient is known as a "subgrantee" as used in governing statutes, regulations, and DHS/FEMA guidance. The term "subrecipient," "subgrantee," and "Applicant" are used interchangeably throughout this agreement.
    5. The grant referred to in this agreement is an award to the subrecipient passed through from OEM to Subrecipient.
    6. The "certifying official" is the mayor, judge, or executive director authorized to execute this agreement, and to submit changes of subrecipient agents. Contracted staff and/or vendors may assist the certifying official in completing related grant tasks, but may not act in lieu of the certifying official.
    7. Project and any subsequent versions for those projects accepted by Subrecipient and subsequently obligated or de-obligated by DHS/FEMA are considered subawards to this agreement.
    8. OEM may engage contractors to assist in administering subawards, both in communication with Subrecipient and the awarding agency. A subrecipient's point of contact for all awards will be the assigned regional staff. OEM may task various grant management tasks to contractors to work directly with subrecipients.
    9. Subrecipient must notify OEM of any change in Designated Subrecipient Agents or points of contact as submitted on Page 2 of this agreement, and any subsequent changes submitted by Subrecipient in OEM's EMGrants portal.
    10. In the event Subrecipient hires a consultant to assist them with managing its grants, they may not act in lieu of the designated agent or the Subrecipient's point of contact, which shall be an employee of the Subrecipient. OEM will direct all correspondence to the Subrecipient. The Subrecipient is solely responsible for sharing written communications with the consultant. The Subrecipient is the primary point of contact and must be included in all meetings and decision-making activities.
4. The Subrecipient must use grant funds solely for the purposes as stated in the approved PA project worksheets ("PW") or HMGP Subapplication or the agreed upon scope of work approved by the Federal Emergency Management Agency ("FEMA") and the State.

5. The Subrecipient shall accurately document the events and expenses incurred related to the approved scope of work. All documentation pertaining to a project shall be filed together with the corresponding project or subapplication and maintained by the Subrecipient as the permanent record of the project in accordance with all documentation retention requirements. This process must include all backup and corresponding documentation attached to the PW in each file. The Subrecipient must provide a copy of the documentation to the State within OK EMGrants for review reconciliation, and archiving. The Subrecipient may choose to upload a copy of all permanent records to OK EMGrants, but at a minimum those needed for review and reconciliation are required.

6. The Subrecipient is aware of, and shall be responsible for, the cost-sharing requirements of Federal and state assistance as stipulated in the President's Emergency Disaster Declaration. Specifically, the Federal share of assistance in most instances is limited to 75% of eligible expenditures. The Subrecipient shall provide the non-Federal share of eligible costs.

7. The declared event may include, as declared by the President, the Public Assistance Programs for Emergency Work Categories A) Debris Removal and B) Emergency Protective Measures, in addition, Permanent Work Categories may include C) Roads/Bridges D) Water Control Facilities E) Buildings and Equipment F) Utilities G) Parks, Recreational, and other facilities. Additional designations may include, but are not limited to: Direct Federal Assistance, Hazard Mitigation, and Individual Assistance and its various programs.

8. Standard of Performance

   Subrecipient must perform all activities as approved by OEM and that is required in applicable grant/funding awards. Subrecipient must perform all activities in accordance with all terms, provisions and requirements set forth in the award, including, the following exhibits:

   1. Assurances – Non-Construction Programs (Federal authority), hereinafter referred to as Exhibit A
   2. Assurances – Construction Programs (Federal authority), hereinafter referred to as Exhibit B
   3. Certifications for Grant Agreements (Federal authority), hereinafter referred to as Exhibit C
   4. Recoupment of Funds (State authority), hereinafter referred to as Exhibit D

9. Failure to Perform

   In the event Subrecipient fails to implement and complete the project(s) approved and awarded, or comply with any provision of this grant, Subrecipient is liable to OEM for an amount not to exceed the amount of this award and may be barred from receiving additional DHS/FEMA grant program funds or any other grant program funds administered by the State of Oklahoma until repayment is made and any other compliance or audit finding is satisfactorily resolved, in addition to any other remedy specified in this grant. Failure to timely implement and complete projects may reduce future funding in additional DHS/FEMA and/or other grant programs administered by OEM.

10. Funding Obligations

    OEM is not liable to Subrecipient for any costs incurred by Subrecipient that are not allowable costs authorized under the applicable award.

    1. Notwithstanding any other provision of this grant, the total of all payments and other obligations incurred by OEM under this award must not exceed the total cumulative award amounts listed on the subawards (projects and subsequent versions).

2. Subrecipient must contribute the required cost share, also known as non-Federal share or match, listed on the subaward.
3. Subrecipient must provide supporting documentation that supports the totality of funding requests in accordance with program policy.

11. The Subrecipient affirms they have not received duplicate benefits from another source for projects related to this disaster. If the Subrecipient receives duplicate benefits from another source for projects related to this disaster, the Subrecipient agrees to refund the benefits provided by the State upon request.

12. Recoupment of Funds

    Subrecipient must refund to OEM any sum of these award funds that OEM and/or DHS/FEMA determines to be an overpayment to and/or has not been spent by Subrecipient in accordance with this award. Refund payment(s) may be made from local, state, or Federal grant funds unless prohibited by Federal regulation or other provision.

    Nothing in Exhibit D – Recoupment of Federal Funds shall limit OEM's ability to implement alternative remedies for which it has authority to resolve outstanding recoupments or to limit OEM's ability to take immediate recoupment action(s) after notice of required refund has been made.

13. Uniform Administrative Requirements, Cost Principals and Audit Requirements

    Except as specifically modified by law or this grant, Subrecipient shall administer this award through compliance with the most recent version of all applicable laws and regulations, including but not limited to DHS/FEMA program legislation, Federal awarding agency regulations, and the terms and conditions of this grant. A non-exclusive list sanctioned by Federal Authority is provided below (not all may apply in every project):

    1. Robert T. Stafford Disaster Relief and Emergency Assistance Act, PL 100-707, signed into law November 23, 1988; amended the Disaster Relief Act of 1974, PL 93-288.
    2. 44 C.F.R., Emergency Management and Assistance
    3. 44 C.F.R., National Flood Insurance Program
    4. 2 C.F.R., Grants and Agreements
    5. Disaster Mitigation Act of 2000
    6. Executive Order 11988, Floodplain Management
    7. Executive Order 11990, Protection of Wetlands
    8. Executive Order 12372, Intergovernmental Review of Programs and Activities
    9. Executive Order 12549, Debarment and Suspension
    10. Executive Order 12612, Federalism
    11. Executive Order 12699, Seismic Design
    12. Executive Order 12898, Environmental Justice
    13. Coastal Barrier Resources Act, Public Law 97-348
    14. 16 U.S.C. § 470, National Historic Preservation Act
    15. 16 U.S.C. § 1531, Endangered Species Act References
    16. Solid Waste Disposal Act, Section 6002
    17. Single Audit Act, Public Law 98-502
    18. Sandy Recovery Improvement Act publications
    19. Disaster Recovery Reform Act of 2018

20. FEMA program publications, guidance, and policies

14. The Applicant must establish and maintain a proper accounting system to record expenditures of disaster assistance funds in accordance with generally accepted accounting standards. The accounting system must follow the approved practices as outlined in 2 C.F.R. part 200.

15. The Subrecipient is aware all assistance will be provided on a reimbursement basis only and must follow the reimbursement processes established by OEM/FEMA grant guidelines. Nothing in this provision is intended to abrogate the rights of OEM, FEMA, or other authorized governing authorities to exercise payment processes, methods, or alternatives available to them pursuant to applicable regulations and rules including but not limited to 2 CFR 200.305.

16. State Requirements for Grants

    Subrecipient must comply with all other Federal, state, and local laws and regulations applicable to this award including but not limited to the laws and the regulations. Subrecipient must, in addition to the assurances and certifications, comply and require each of its subcontractors employed in the completion of the project to comply with all applicable statutes, regulations, executive orders, Office of Management and Budget ("OMB") circulars, terms and conditions of this award and the approved application.

    Grant funds must not be awarded to or expended by any entity which performs political polling/lobbying. This prohibition does not apply to a poll conducted by an academic institution as part of the institution's academic mission that is not conducted for the benefit of a particular candidate or party.

    The Subrecipient certifies that it has all necessary lands, easements, rights-of-way and accesses necessary to complete the approved scope of work. The Subrecipient agrees and understands that neither the State nor FEMA will be responsible for obtaining any land, easement, right-of-way and/or access necessary to perform work on an approved project.

    The Subrecipient shall comply with provisions of the Hatch Act of 1939 limiting the political activities of public employees, as it relates to the programs funded.

17. Restrictions and General Conditions

    DHS/FEMA grant funds must only be used for the purposes set forth in this award and must be consistent with the statutory authority for the grant. Award funds must not be used for matching funds for other Federal grants/cooperative agreements unless specifically provided for by law, lobbying, or intervention in Federal regulatory or adjudicatory proceedings. In addition, Federal funds must not be used to sue the Federal government or any other government entity.

    1. Federal employees are prohibited from directly benefiting from any funds under this grant.
    2. In accordance with 2 C.F.R. § 25.300, OEM will not make a subaward unless the Subrecipient has obtained a unique entity identifier (UEI). A UEI is the identifier required for System for Award Management registration to uniquely identify entities with which the Federal government does business.
    3. Subrecipient maintains that it has registered at SAM.gov or other Federally established site for contractor registration and entered OEM-required information. Subrecipient shall keep current and then review and update the information at least annually. Subrecipient shall keep

information current in the SAM database until the later of when it submits this grant's final financial report or receives final award payment. Subrecipient agrees that it must not make any subaward agreement or contract related to this award without first obtaining the vendor or subawardee's mandatory UEI. See 2 C.F.R. Part 25, Appendix A.

4. Proof of active status shall be provided to OEM at the time of this agreement or as soon as possible. OEM will not disburse funds without proof of a registered and active UEI.
5. Subrecipient is required to be responsive to the Federal Funding Accountability and Transparency Act ("FFATA") and must report total compensation for each of the five most highly compensated executives for the preceding completed fiscal year if the following is applicable (2 C.F.R. Subtitle A; Chapter 1, Part 170, Appendix A to Part 170). See FEMA Information Bulletin 350.
    a. Subrecipient shall report whether Subrecipient received $25 million or more in Federal procurement contracts or financial assistance subject to the Transparency Act per 2 C.F.R. §170.320.
    b. Subrecipient shall report whether 80% or more of Subrecipient's annual gross revenues were from Federal procurement contracts or Federal financial assistance. If Subrecipient answers "yes" to both questions, Subrecipient shall report, along with subrecipient's UEI, the names and total compensation (see 17 C.F.R. §229.402(c)(2)) for each of subrecipient's five most highly compensated executives for the preceding completed fiscal year.
    c. Subrecipient shall report executive total compensation at SAM.gov, or other Federally established replacement site.
6. By signing this grant, Subrecipient certifies that, if required, Subrecipient has registered, entered the required information, and shall keep information in the System for Award Management ("SAM") database current, and update the information at least annually until the subrecipient submits its final financial report, or receives final payment.
7. Subrecipient agrees that it shall not make any subaward agreement or contract without express approval from OEM and first obtaining the subawardee's mandatory UEI.
8. Subrecipient must comply with Federal Executive Orders 12549 and 12689, which provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the Federal government.
9. A completed Oklahoma Office of Management and Enterprise Services ("OMES") Vendor/Payee Form from the Subrecipient must be provided to OEM, prior to receiving any funds under the provisions of this grant. (Note: If the Vendor/Payee Form has not already submitted the form to OMES)
10. Subrecipient shall maintain property/inventory records which, at minimum, shall include a description of the property purchased with grant funds, a serial number or other identification number, the source of property, who holds title, the acquisition date, the cost of the property, the percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. Subrecipient shall develop and implement a control system to prevent loss, damage, or theft of property and Subrecipient shall investigate and document any loss, damage or theft of property funded under this grant.
11. DHS/FEMA, and/or OEM through its authorized representatives, have the right at all reasonable times to make site visits to review project accomplishments and management control systems and to provide such technical assistance as may be required. If any site visit is made by DHS/FEMA or OEM on the premises of the Subrecipient or a contractor under

this grant, the Subrecipient must provide and must require its contractors to provide all reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner that will not unduly delay the work. A final physical site inspection for eligible scope of work and program compliance may be conducted after the subrecipient's Project Completion and Certification Report has been submitted.

18. Procurement / Contracting

Subrecipient shall comply with all applicable Federal, state, and local laws and requirements, including but not limited to proper competitive solicitation processes where required, for any procurement which utilizes Federal funds awarded under this award in accordance with 2 C.F.R. § 200.317-200.327 and Appendix II to Part 200 (A-C) and (E-J).

1. All contracts executed using funds awarded under this award shall contain the contract provisions listed under 2 C.F.R. 200.327 and Appendix II (A), Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. For each of the following types of procurement, activities must follow the most restrictive of Federal, state, or local procurement regulations:

    a. Micro purchase
    b. Small purchase
    c. Sealed bid
    d. Competitive proposal
    e. Non-Competitive proposal (solely when the award of a contract is unfeasible under the other methods)

3. The State must approve the use of a noncompetitive procurement method. Federal regulations allow for noncompetitive procurements under certain circumstances, including when a non-state entity determines that immediate actions required to address the public exigency, or emergency cannot be delayed by a competitive solicitation. Failure to follow eligible procurement methods will result in ineligible costs. Other types of agreements for services must have State approval prior to use or execution. A copy of the local procurement policy must be provided to the State before initial payment.
4. Contracts attributed as "cost-plus-percentage-of-cost" or "percentage-of-construction-cost" are explicitly prohibited by Federal procurement standards and are ineligible for DHS/FEMA grant.
5. Subrecipients must perform cost/price analysis for every procurement action in excess of the Simplified Acquisition Threshold.
6. Subrecipients must negotiate profit as a separate element, where required.
7. The Applicant shall not enter into contracts, grants, loans or cooperative agreements for which payment is contingent upon receipt of state or Federal funds.
8. Subrecipients must not make any award to or contract with any party which is debarred or suspended, or is otherwise excluded from participation in the Federal assistance programs (Executive Order 12549, Debarment and Suspension).
    a. Subrecipient must maintain documentation validating review of debarment list of eligible contractors. Evidence of non-debarment for vendors must be documented through SAM.gov, before the time of contract award, and submitted to OEM for

review. OEM will not reimburse any expense for a debarred vendor or a vendor or Subrecipient that does not have a valid SAM.gov registration.

9. Subrecipients must comply with rules related to underutilized businesses (small and minority businesses, women's enterprises and labor surplus firms) at 2 C.F.R §200.321.
10. Subrecipients must comply with the rules of recovered materials for procurements at 2 C.F.R §200.323.
11. Subrecipients must comply with the rules for domestic preferences for procurements at 2 C.F.R § 200.322.

10. Monitoring

Subrecipient will be monitored periodically by Federal, state, or local entities, both programmatically and financially, to ensure that project goals, objectives, performance requirements, timelines, milestone completion, budget, and other program-related criteria are met.

1. OEM, or its authorized representative, reserves the right to perform periodic desk/office-based and/or on-site monitoring of subrecipient's compliance with this award and of the adequacy and timeliness of subrecipient's performance pursuant to this award.
2. After each monitoring visit, if the monitoring visit reveals deficiencies in subrecipient's performance under this grant, a monitoring report will be provided to the subrecipient that includes requirements for the timely correction of such deficiencies by subrecipient. Failure by subrecipient to take action(s) specified in the monitoring report may be cause for suspension or termination of this award pursuant to the Changes, Amendments, Suspensions or Termination Section 15, Enforcement, of this agreement.
3. The Subrecipient shall give the appropriate State agencies, as designated by OEM, access to and the right to examine all records, documents, and papers relating to any activity undertaken for funding under this agreement.

12. Audit

Subrecipients expending $1,000,000 or more in total Federal financial assistance in a fiscal year will be required to provide an audit made in accordance with OMB Uniform Guidance, Cost Principles, Audit, and Administrative Requirements for Federal Awards, Subpart F.

1. A copy of the Single Audit must be submitted to OEM in accordance with Office of Management and Budget Super Circular. This may be provided to OEM by email at Single.Audit@oem.ok.gov or by uploading into OK EMGrants. If not required to submit a single audit, a response to the request will suffice. Failing to follow the regulation can result in significant adverse consequences including any action listing in the Enforcement, Section 15, of this agreement.

Subrecipient must give DHS/FEMA, the Comptroller General of the United States, the Oklahoma State Auditor, OEM, or any of their duly authorized representatives access to and the right to conduct a financial or compliance audit of funds received, and performances rendered under this award. Subrecipient must permit OEM or its authorized representative to audit subrecipient's records. Subrecipient must provide any documents, materials, or information necessary to facilitate such audit.

1. Subrecipient understands and agrees that it is liable to OEM for any costs disallowed pursuant to any financial or compliance audit(s) of these funds. Subrecipient further understands and agrees that reimbursement to OEM of such disallowed costs shall be paid by

Subrecipient from funds that were not provided or otherwise made available to the subrecipient pursuant to this award or any other Federal contract.

2. Subrecipient must take such action to facilitate the performance of such audit(s) conducted pursuant to this section as OEM may require of Subrecipient. Subrecipient must ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Subrecipient and the requirement to cooperate is included in any subcontract it awards.
3. Subrecipient understands that acceptance of funds under this award acts as acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. Subrecipient further agrees to cooperate fully with the State Auditor's Office's audit or investigation, including providing all records requested. Subrecipient must ensure that this clause concerning the State Auditor's Office's authority to audit funds and the requirement to cooperate fully with the State Auditor's Office is included in any subgrants or subcontracts it awards. Additionally, the State Auditor's Office shall at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of Subrecipient relating to this award.

13. Retention and Accessibility of Records

Subrecipient shall follow its own internal retention policy, or the State's retention policy, whichever is more restrictive. At a minimum, the subrecipient must maintain fiscal records and supporting documentation for all expenditures of this award's funds pursuant to the applicable OMB 2 C.F.R. Subpart D – Post Federal Award Requirements, §200.334-338, and this agreement.

1. Subrecipients will be required to keep complete records, including source documentation, of all work (i.e., receipts, checks, job orders, contracts, equipment usage documentation and payroll information) funded under this agreement for a minimum of seven (7) years after the certification date of the final expenditure report for project completion. OEM certifies the final expenditure report upon notification to the subrecipient of project closure with FEMA. Additionally, records shall be retained for seven (7) years after any real estate or equipment final disposition. During this seven-year period, all approved projects are subject to state and Federal audit/review.
2. DHS/FEMA or OEM may direct subrecipient to retain documents or to transfer certain records to DHS/FEMA custody when DHS/FEMA determines that the records possess long term retention value.

Subrecipient must give DHS/FEMA, the Comptroller General of the United States, the Oklahoma State Auditor, or any of its duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files, other papers, things, or property belonging to or in use by subrecipient pertaining to this award including records concerning the past use of DHS/FEMA funds. Such rights to access shall continue as long as the records are retained by Subrecipient.

14. Changes, Amendments, Suspensions or Termination

OEM may modify this agreement after an award has been made. Once notification has been made in writing, any subsequent request for funds indicates Subrecipient's acceptance of the changes to this subrecipient award. Any alteration, addition, or deletion to this agreement by Subrecipient is not valid.

Any alterations, additions, or deletions to this agreement that are required by changes in Federal and state laws, regulations, or policy are automatically incorporated into this agreement without written amendment to this award and shall become effective upon the date designated by such law or regulation. In the event DHS/FEMA or OEM determines that changes are necessary to this agreement after an award has been made, including changes to the period of performance of the award, or terms and conditions, the certifying official shall be notified electronically of the changes in writing. Once notification has been made, any subsequent request for refunds will indicate Subrecipient's acceptance of the changes to this award.

1. In the event Subrecipient fails to comply with any term of this grant or agreement, OEM may, upon written notification to Subrecipient, suspend this award, in whole or in part, withhold payments to Subrecipient, and prohibit Subrecipient from incurring additional obligations of this grant's funds.
2. OEM has the right to terminate this award, in whole or in part, at any time before the end of the Performance Period, if OEM determines that subrecipient has failed to comply with any terms of this grant. OEM shall provide written notice of the termination that includes:

    a. The reason(s) for such determination;
    b. The effective date of such termination; and
    c. The scope of the termination of the award.
    d. Termination of an award is final.

15. Enforcement

If Subrecipient materially fails to comply with any term of this award or agreement, whether stated in a Federal or state statute or regulation, an assurance, in a state plan or application, a notice of award, or elsewhere, OEM or DHS/FEMA may take one or more of the following actions, as appropriate in the circumstances and as allowable by the funding source:

1. Increased monitoring of projects and require additional financial and performance reports;
2. Require all payments as reimbursements rather than advance payments;
3. Temporarily withhold payments pending correction of the deficiency;
4. Disallow or deny use of funds and matching credit for all or part of the cost of the activity or action not in compliance;
5. Request DHS/FEMA to wholly or partially de-obligate funding for a project;
6. Withhold cash payments pending correction of the deficiency by subrecipient or more severe enforcement action by OEM or DHS/FEMA;
7. Withhold future awards for the grant program; and
8. Take other remedies that may be legally available

In taking an enforcement action, OEM will adhere to any administrative proceeding to which Subrecipient is entitled under any statute or regulation applicable to the action involved, and where OEM, as the recipient, is obligated to follow.

The costs to a subrecipient resulting from expenses incurred by the subrecipient during a suspension or after termination of this award are not allowable.

The enforcement remedies identified in this section, including suspension and termination, do not preclude subrecipient from being subject to "Debarment and Suspension" under Executive Order 12549. 2 C.F.R., Appendix II Part 200, (1).

16. Conflicts of Interest

The Subrecipient must maintain and provide upon request written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts and must establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.

17. Closing of this Award

The Subrecipient will submit a request for project closeout through OK EMGrants.

1. Public Assistance: Upon completion of all small projects, submit a request for small project validation through OK EMGrants. At the conclusion of each large project the Subrecipient will request a large project closeout, also utilizing OK EMGrants.

2. HMA Programs: The Subrecipient will request closeout utilizing OK EMGrants.

OEM will close each subaward after receiving all required final documentation from the subrecipient. If the close out review and reconciliation indicates that subrecipient is owed additional funds, OEM will review the project and make the final payment to subrecipient. If Subrecipient did not use all the funds received, OEM will recover the unused funds. This does not affect:

1. DHS/FEMA or OEM's right to disallow costs and recover funds on the basis of a later audit or other review;
2. Subrecipient's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
3. Records retention requirements, property management requirements, and audit requirements, as set forth herein; and
4. Any other provisions of this award that impose continuing obligations on Subrecipient or that govern the rights and limitations of the parties to this award after the expiration or termination of this award.

18. Notices

All notices and other communications pertaining to this agreement shall be delivered in electronic format pursuant to the Oklahoma Uniform Electronic Transactions Act.and shall be transmitted in OEM's EMGrants. OEM reserves the right to use other delivery avenues as needed.

19. OEM System of Record System

OEM requires the use of the state's system of record and administration tool, OK EMGrants, (OK.EMGrants.com) to manage disaster grants, its associated subgrants and subawards. Subrecipient is required to access OK EMGrants for all grant related functions as required by OEM unless written authorization from OEM is given. Requested forms and processes may be adjusted and changed to accommodate system processes and requirements.

Subrecipient agrees to monitor OK EMGrants as necessary to properly manage and complete awarded projects under this agreement. Paper forms and email requests to initiate grant management functions within OEM are not accepted.

20. Performance Period

All projects must be completed within the performance period and within the approved budget.

The Subrecipient understands and will abide by the following work completion deadlines, for Public Assistance:

a. Emergency Work (Category A & B) – Six months from the date of declaration.

b. Permanent Work (Category C – G) – Eighteen months from the date of declaration. Extensions will only be granted solely for conditions or causes which are beyond the Subrecipient's control.

For HMA Programs, the Subrecipient understands and will abide by the following work completion deadlines in accordance with the subaward.

Time extensions cannot be granted for administrative delays such as completing paperwork.

Subrecipient shall have expended all award funds and must submit final requests for reimbursements, invoices, and any supporting documentation to OEM no later than 60 calendar days after the end of the performance period. OEM is not obligated to reimburse expenses incurred after the performance period or submitted after the deadline.

From time to time, the performance period for grants may be extended by OEM. These extensions do not change the established performance periods for subrecipients to submit final requests for reimbursements, invoices, and any supporting documentation.

1. All work must be done prior to the approved project completion deadline assigned to each project.

2. Should additional time be required, a time extension request must be submitted which:

    a. Identifies the projects requiring an extension;
    b. Explains the extenuating reasons for an extension;
    a. Indicates the percentage of work that has been completed;
    b. Provides an anticipated completion date; and
    c. Provides detailed milestones documenting expected progress.

The reason for an extension must be based on extenuating circumstances, or unusual project requirements that are beyond the Subrecipient's control. All extensions will be subject to approval by the OEM Recovery and Resilience Division Director or their designee and must be requested by the Subrecipient through OK EMGrants. Failure to submit a time extension request 90 days prior to the end of the period of performance may result in denial, or reduction or withdrawal of Federal funds for approved work.

21. Cost/Scope Modification

Any change to a project's approved scope of work must be reported and approved through OEM and DHS/FEMA before starting the project. Failure to do so will jeopardize award funding.

Subrecipient shall submit requests for cost overruns to OEM for review. Any requests sent for a Public Assistance or Hazard Mitigation project will be submitted to DHS/FEMA for review and

approval. Approval of these requests is not guaranteed and is subject to funding availability. Costs incurred prior to approval of any scope or budget/cost changes may be denied.

22. Final Expenditures Report

    All required documentation in support of the large project costs for closeout will be submitted within 60 days following completion of physical work on the project. If any project requires the purchase of insurance as a condition of receiving Federal funds, a copy of the current policy must be attached to this report and the uploaded to OK EMGrants.

23. Net Small Project Overrun

    If the total actual cost of all of a subrecipient's Public Assistance small projects combined exceeds the total obligated for all small projects, the subrecipient may request additional funding through the appeal process, within 60 days of the latest work completion date of all its Small Projects, as described in the Public Assistance Program and Policy Guide applicable for that disaster. A net small project overrun appeal will require a review of all small projects and could result in a reduction of funding.

24. Appeals

    a. Public Assistance
       In the event that a subrecipient does not agree with the determinations made by DHS/FEMA, the subrecipient has the right to file an appeal. This appeal must be either electronically transmitted to OEM's Recovery and Resilience Division Director and OEM's Public Assistance Program Officer or be submitted in OK EMGrants by initiating a New Project Appeal, attaching documented justification supporting the subrecipient's position, specifying the monetary figure in dispute and the provisions in Federal law, regulation, or policy with which the subrecipient believes the initial action was inconsistent. Additionally, for disasters declared on or after January 1, 2022, subrecipients must submit appeals using DHS/FEMA's Grants Portal system, in addition to OK EMGrants. An appeal must be submitted by the subrecipient within the following time frames:

       1. Any DHS/FEMA determination – 60 days from the written notice of the determination being made.
       2. Second Appeal – 60 days from the written notice of the determination made on the previous appeal.

    Appeals should be addressed to the OEM's Recovery and Resilience Division Director and should contain additional information that the subrecipient wants to have considered, why FEMA's determination was not consistent with law, regulation, and policy, and the amount in dispute. Upon receipt of an appeal from Subrecipient, OEM will review the material submitted and forward the appeal with a written recommendation to DHS/FEMA within 60 days.

    For presidentially declared disasters on or after January 1, 2016, a subrecipient may choose to arbitrate in lieu of submitting a second appeal. The arbitration program is designed to offer an alternate second appeal process by providing final adjudication through an independent, neutral panel of arbitrators for particular PA projects involving a dispute equal to or in excess of $500,000 (or $100,000 if the Subrecipient is in a "rural area", defined as having a population of less than 200,000

living outside an urbanized area) and must be filed within 60 days of receipt of the first appeal decision. For specific information, refer to 44 C.F.R. § 206.206.

b. Hazard Mitigation
In the event that a subrecipient does not agree with the determinations made by DHS/FEMA, the subrecipient has the right to file an appeal. This appeal must be submitted in OK EMGrants by initiating a New Project Appeal, attaching documented justification supporting the subrecipient's position, specifying the monetary figure in dispute and the provisions in Federal law, regulation, or policy with which the subrecipient believes the initial action was inconsistent. In accordance with 44 C.F.R §206.440, an appeal must be submitted by the subrecipient within the following time frames:

1. Any DHS/FEMA or OEM determination – 60 days from the date of the determination of the appeal written on the DHS/FEMA letter;
2. Second Appeal – 60 days from the written notice of the determination made on the previous appeal. The decision of the Second Appeal is final and not subject to arbitration.

Appeals must be addressed to OEM's Recovery and Resilience Division Director and should contain additional information, in accordance with Hazard Mitigation Assistance ("HMA") guidance, that the subrecipient wants to have considered by DHS/FEMA. Upon receipt of an appeal from the subrecipient, OEM will forward the appeal to DHS/FEMA within 60 days.

25. Requests for Reimbursement

Payments for open projects may be requested as needed on a reimbursement basis. Additional monitoring may be required of subrecipients if funds are advanced.

Subrecipient may request payment of funds on projects by initiating a request for reimbursement (RFR) in OK EMGrants. The request must include documentation supporting the request such as invoices and proof of payment.

Public Assistance small projects will be paid upon obligation.

26. Quarterly Report Requirements

Subrecipients must submit quarterly progress reports ("QPR") for open, large projects in Public Assistance and all Hazard Mitigation Assistance Programs using OK EMGrants. QPRs are due to OEM the 10th of the month after the reporting period ends. The reporting period consists of 4 3-month periods:

a.	Quarter 1 (Q1): July – September	QPR Due: October 10
b.	Quarter 2 (Q2): October – December	QPR Due: January 10
c.	Quarter 3 (Q3): January – March	QPR Due: April 10
d.	Quarter 4 (Q4): April – June	QPR Due: July 10

Failure to submit required QPRs that demonstrate appropriate project progress for two or more quarters, or project with no Requests for Reimbursement ("RFR") submitted, can result in the withholding or de-obligation of funding for subrecipients until all QPRs are submitted to OEM.

OEM may use the data provided in QPRs when considering requests for overruns, period of performance extensions, or any other award activity. If projects are not progressing, OEM will require additional reporting or may take any other appropriate action to comply with required standards.

27. Equipment Records

    When an individual item of equipment is no longer required for Federally-funded programs or projects, Subrecipient must calculate the current fair market value of the individual item. If items have a fair market value in excess of $5,000.00, Subrecipient must make DHS/FEMA aware. For full rules and regulations regarding purchased equipment, reference 2 C.F.R. 200.313.

28. FEMA's Grants Portal and FEMA GO

    In addition to OK EMGrants, Subrecipients must utilize the required DHS/FEMA grant management systems. The FEMA Public Assistance Delivery Model, or Simplified Application process, is used to facilitate the writing of project worksheets in FEMA's Grants Portal system (Grants Portal). The subrecipient must establish and maintain an active account in the Grants Portal. It is the subrecipient's responsibility to provide and upload timely, all information requested that is needed to write accurate project worksheets. Grants Portal provides the subrecipient visibility of the entire project writing process.

    The FEMA Grant Outcomes ("FEMA GO") platform is used to facilitate the application, tracking, and management of select Hazard Mitigation Assistance Programs. The subrecipient is responsible for requesting and maintaining an active account in FEMA GO and responding timely to any information requested in order to complete the award process. The use of FEMA's Grants Portal and FEMA GO do not eliminate the requirement to use OK EMGrants.

29. Indirect Cost Rates

    The subrecipient may use the negotiated Indirect Cost Rate approved by its cognizant agency or may use the 10 percent de minimis rate of modified total direct costs ("MTDC") (as per 2 C.F.R. § 200.414) when receiving Management Costs, as allowed by the specific grant program.

30. Request for Information

    OEM and/or DHS/FEMA may request additional information from the subrecipient throughout the life cycle of this grant. This process, the Request for Information, herein referred to as RFI. DHS/FEMA RFIs may be received directly from OEM's OK EMGrants, FEMA systems (FEMA Grants Portal & FEMA GO), DHS/FEMA employees, or indirectly through OEM representatives. DHS/FEMA RFI timeframes may vary, but due dates are always communicated upon transmission of the RFI. Failure to respond to RFIs may result in award cancellation or withholding of funds.

31. The State of Oklahoma cannot lawfully agree to indemnify a private contractor. The credit of the State shall not be given, pledged, or loaned to any individual, company, corporation, or association, municipality, or political subdivision of the State pursuant to Oklahoma Constitution article 10, Section 15, OAC 260:115-7-32(k)(3)(A) and Attorney General Opinion 2012-18.

32. Subrecipient shall defend and indemnify the State and OEM, as applicable, for any and all liability, claims, damages, losses, costs, expenses, demands, suits and actions of third parties (including

without limitation reasonable attorneys' fees and costs required to establish the right to indemnification) arising out of, or resulting from any action or claim for bodily injury, death, or property damage brought against the State or OEM to the extent arising from any negligent act or omission or willful misconduct of the Subrecipient or its agents, employees, or subcontractors in the execution or performance of the Agreement.

33. In connection with indemnification obligations under the Agreement, the parties agree to furnish prompt written notice to each other of any third-party claim. OEM and the State will reasonably cooperate with Subrecipient and defense of the claim to the extent its interests are aligned with Subrecipient. Subrecipient shall use counsel reasonably experienced in the subject matter at issue and will not settle a claim without the written consent of the party being defended, which consent will not be unreasonably withheld or delayed.

34. In connection with indemnification obligations under the Agreement, when a State agency is a named defendant in any filed or threatened lawsuit, the defense of the State agency shall be coordinated by the Attorney General of Oklahoma, or the Attorney General may authorize the Subrecipient to control the defense and any related settlement negotiations; provided, however, Subrecipient shall not agree to any settlement of claims against the State without obtaining advance written concurrence from the Attorney General. If the Attorney General does not authorize sole control of the defense and settlement negotiations to Subrecipient, Subrecipient shall have authorization to equally participate in any proceeding related to the indemnity obligation under the Agreement and shall remain responsible to indemnify the State and OEM.

35. With respect to any claim or cause of action arising under or related to the Contract, neither the State nor OEM shall be liable to Subrecipient for lost profits, lost sales or business expenditures, investments, or commitments in connection with any business, loss of any goodwill, or for any other indirect, incidental, punitive, special or consequential damages, even if advised of the possibility of such damages.

36. Notwithstanding anything to the contrary in the Agreement, no provision shall limit damages, expenses, costs, actions, claims, and liabilities arising from or related to property damage, bodily injury or death caused by Subrecipient or its employees, agents or subcontractors; indemnity, security or confidentiality obligations under the Agreement; the bad faith, negligence, intentional misconduct or other acts for which applicable law does not allow exemption from liability of Subrecipient or its employees, agents or subcontractors.

37. Per Oklahoma §62 Section 34.64.H, payments disbursed from the State Treasury shall be conveyed solely through an electronic payment mechanism. The Subrecipient will verify Electronic Transfer of Funds is in place. To do so please email FinanceGroup@oem.ok.gov.

38. Any claim, dispute, or litigation relating to the Agreement, in the singular or in the aggregate, shall be governed by the laws of the State of Oklahoma without regard to application of choice of law principles. Pursuant to 74 O.S. §85.7(F), where federal granted funds are involved, applicable federal laws, rules and regulations shall govern to the extent necessary to insure benefit of such federal funds to the State. Venue for any action, claim, dispute, or litigation relating in any way to the Contract documents, shall be in Oklahoma County, Oklahoma. The State expressly declines any terms that minimize its rights under Oklahoma law, including but not limited to, Statutes of Limitations.

39. The Agreement does not create an employment relationship. Individuals providing products or performing services pursuant to the Agreement are not employees of the State or OEM and, accordingly are not eligible for any rights or benefits whatsoever accruing to such employees.

40. Subrecipient acknowledges that all State agencies, including OEM, are subject to the Oklahoma Open Records Act set forth at 51 O.S. §24A-1 et seq. Subrecipient also acknowledges that compliance with the Oklahoma Open Records Act and all opinions of the Oklahoma Attorney General concerning the Act is required. Nothing herein is intended to waive the State Purchasing Director's authority under OAC 260:115-3-9 in connection with Bid information requested to be held confidential by a Bidder. Notwithstanding the foregoing, Subrecipient Confidential Information shall not include information that: (i) is or becomes generally known or available by public disclosure, commercial use or otherwise and is not in contravention of this Agreement; (ii) is known and has been reduced to tangible form by the receiving party before the time of disclosure for the first time under this Agreement and without other obligations of confidentiality; (iii) is independently developed without the use of any of Subrecipient Confidential Information; (iv) is lawfully obtained from a third party (without any confidentiality obligation) who has the right to make such disclosure or (v) pricing provided to the State. In addition, the obligations in this section shall not apply to the extent that the applicable law or regulation requires disclosure of Subrecipient Confidential Information, provided that OEM provides reasonable written notice, pursuant to Agreement notice provisions, to the Subrecipient so that the Subrecipient may promptly seek a protective order or other appropriate remedy.

41. Failure by the State or OEM at any time to enforce a provision of, or exercise a right under, the Agreement shall not be construed as a waiver of any such provision. Such failure to enforce or exercise shall not affect the validity of any Agreement provision, or any part thereof, or the right of the State or OEM to enforce any provision of, or exercise any right under, the Agreement at any time in accordance with its terms. Likewise, a waiver of a breach of any provision of an Agreement document shall not affect or waive a subsequent breach of the same provision or a breach of any other provision in the Agreement.

42. To the extent any term or condition in the Agreement conflicts with a compulsory applicable State or United States law or regulation, such Agreement term or condition is void and unenforceable. By executing any Agreement document which contains a conflicting term or condition, no representation or warranty is made regarding the enforceability of such term or condition. Likewise, any applicable State or federal law or regulation which conflicts with the Agreement or any non-conflicting applicable State or federal law or regulation is not waived.

43. If any provision of an Agreement document, or the application of any term or condition to any party or circumstances, is held invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable and the application of such provision to other parties or circumstances shall remain valid and in full force and effect. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

44. The headings used in any Agreement document are for convenience only and do not constitute terms of the Agreement.

45. Notwithstanding any provision in the Agreement, the Agreement is entered into subject to the State's Constitution, statutes, common law, regulations, and the doctrine of sovereign immunity, none of which are waived by the State nor any other right or defense available to the State.

46. As applicable, performance under all license, subscription, service agreements, statements of work, transition plans and other similar Agreement documents entered into between the parties under the terms of the Agreement shall survive Agreement expiration. Additionally, rights and obligations under the Agreement which by their nature should survive including, without limitation, certain payment obligations invoiced prior to expiration or termination; confidentiality obligations; security incident and data breach obligations and indemnification obligations, remain in effect after expiration or termination of the Agreement.

47. The Agreement documents taken together as a whole constitute the entire agreement between the parties. No statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained in a Agreement document shall be binding or valid. The Subrecipient's representations and certifications, including any completed electronically, are incorporated by reference into the Agreement.

48. By signing this agreement, the Applicant further acknowledges that the effective date of this agreement shall be as of the date of the Federal Declaration of Disaster dated 04/30/2024.

49. I hereby appoint:

Print Name: _____ Job Title: _____

Print Name: _____ Job Title: _____

To act on behalf of my jurisdiction regarding this disaster.

GRANT ACKNOWLEDGEMENT, AGREEMENT and SIGNATURE PAGE

Subrecipient acknowledges receipt of the grant terms and conditions and is in agreement for Services between the Oklahoma Department of Emergency Management and Oklahoma Water Resources Board.

I acknowledge by my signature, I am aware should any part of this agreement not be in compliance with all regulations, funding for this and possibly future disasters, will be jeopardized.

Signed: _____ _____

LOCAL SIGNATURE AUTHORITY **TITLE**

Printed Name: _____ Phone Number: _____

STATE OF OKLAHOMA COUNTY OF _____

Signed or attested before me on _____ (date),

NOTARY PUBLIC

Notary Public Signature: _____

Printed Name: _____

My Commission Expires: _____

****

STATE USE ONLY APPROVED on this _____ Day of _____,20_____.

Signed: _____

Director Annie Mack Vest

Exhibits

Exhibit A: Assurance – Non-Construction Programs

(See Standard Form 424B)

As the duly authorized representative of subrecipient, I certify that the subrecipient:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non- Federal share of project cost) to ensure proper planning, management and completion of the project described in this grant.

2. Will give Oklahoma's Department of Emergency Management, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this grant and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C.§§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686 and 44 C.F.R. Part 19), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290dd-3 and 290ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C.§§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which agreement for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

7. Will comply or has already complied with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or Federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501- 1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for Federally-assisted construction sub-agreements.

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000.00 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190 as amended by 42 U.S.C. 4311 et seq. and Executive Order (EO) 11514) which establishes national policy goals and procedures to protect and enhance the environment, including protection against natural disasters. To comply with NEPA for DHS grant-supported activities, DHS-FEMA requires the environmental aspects to be reviewed and evaluated before final action on the application; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C.§§1451 et seq.); (f) comply with the Clean Air Act of 1977, (42 U.S.C.§§7401 et seq. and Executive Order 11738) providing for the protection of and enhancement of the quality of the nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters; (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93- 205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

14. Will comply with P.L. 93-348, 45 C.F.R. 46, and DHS Management Directive 026-044 (Directive) regarding the protection of human subjects involved in research, development, and related activities

supported by this Grant. “Research” means a systematic investigation, including research, development, testing, and evaluation designed to develop or contribute to general knowledge. See Directive for additional provisions for including humans in the womb, pregnant women, and neonates (Subpart B); prisoners (Subpart C); and children (Subpart D). See also state and local law for research using autopsy materials.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) which requires the minimum standards of care and treatment for vertebrate animals bred for commercial sale, used in research, transported commercially, or exhibited to the public according to the Guide for Care and Use of Laboratory Animals and Public Health Service Policy and Government Principals Regarding the Care and Use of Animals.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C.§§4801 et seq.), which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133 (now OMB 2 C.F.R. 200.500), "Audits of States, Local Governments, and Non-Profit Organizations."

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, grant guidance, and policies governing this Grant.

Exhibit B: Assurances – Construction Programs

(See Standard Form 424D)

As the duly authorized representative of subrecipient, I certify that subrecipient:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this Grant.

2. Will give Oklahoma's Department of Emergency Management, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to this grant and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of this Grant.

4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.

5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports, and such other information as may be required by the awarding agency or State.

6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.

8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

10. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686 and 44 C.F.R. Part 19), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29) U.S.C. §794),

which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290dd-3 and 290ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statue(s) under which agreement for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statue(s) which may apply to the agreement.

11. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

12. Will comply or has already complied with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and Federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327- 333) regarding labor standards for Federally- assisted construction sub-agreements, if applicable.

14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91- 190) as amended by 42 U.S.C. 4311 et seq. and Executive Order (EO) 11514 which establishes national policy goals and procedures to protect and enhance the environment, including protection against natural disasters; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) comply with the Clean Air Act of 1977, (42 U.S.C.§§7401 et seq. and Executive Order 11738) providing for the protection of and enhancement of the quality of the nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters; (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).

18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133 (now OMB 2 C.F.R. 200.500), "Audits of States, Local Governments, and Non-Profit Organizations."

19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, grant guidance and policies governing this grant.

Exhibit C: Certifications for Grant Agreements

The undersigned, as the authorized official, certifies the following to the best of his/her knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee or a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee or a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL Disclosure of Lobbying Activities, in accordance with its instructions.

3. The undersigned shall require that the language of this certification prohibiting lobbying be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

4. As required by Executive Order 12549, Debarment and Suspension, and implemented at 28 C.F.R. Part 67, for prospective participants in primary covered transactions, as defined at 28 C.F.R. Part 67, Section 67.510. (Federal Certification), the subrecipient certifies that it and its principals and vendors:

    a. Are not debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency. Subrecipient can access debarment information by going to www.sam.gov.
    b. Have not within a three-year period preceding this grant been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) transaction or contract under a public transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
    c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, state, or local) with commission of any of the offenses enumerated in paragraph (D)(2) of this certification;
    d. Have not within a three-year period preceding this grant had one or more public transactions (Federal, state, or local) terminated for cause or default; or
    e. Where subrecipient is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this grant. (Federal

Certification).

5. Federal funds will be used to supplement existing funds and will not replace (supplant) funds that have been appropriated for the same purpose. Subrecipient may be required to supply documentation certifying that a reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds.

6. Subrecipient will comply with 2 C.F.R. Part 180, Subpart C as a condition of receiving grant funds and subrecipient will require such compliance in any subgrants or contract at the next tier.

7. Subrecipient will comply with the Drug-free Workplace Act, in Subpart B of 2 C.F.R. Part 3001.

8. Subrecipient is not delinquent on any Federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129 and form SF-424, item number 17 for additional information and guidance.

9. Subrecipient will comply with all applicable requirements of all other Federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this grant.

10. Subrecipient understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of funds in this grant.

Exhibit D: Recoupment of Federal Funds

Procedure Summary

This procedure is to ensure responsible spending of Federal dollars, 2 C.F.R. § 200.344 and 2 C.F.R. § 200.345 require that the State of Oklahoma and the Oklahoma Department of Emergency Management ("OEM") act to identify and recover any improper payments.

This procedure applies to all OEM subrecipients that receive funds from or through OEM and explains the process by which funding to subrecipients will be recovered in the event that such funding is determined to be an overpayment or is not expended appropriately under the terms and conditions between OEM and the subrecipient and/or applicable FEMA program, statue, regulations, or guidance.

The Federal dollars described in this policy are passed through OEM, which serves as the Governor's authorized representative for certain Federal grants and awards. Any amount of debt owed to the Federal government is ultimately the responsibility of the State of Oklahoma, not specifically the responsibility of OEM.

Procedure

1. Applicability of Recoupment
    a. This procedure will be applied to subrecipients that have been determined by OEM to have received an overpayment or that OEM determines has not spent Federal funds in accordance with their grant or financial award.

2. Recipient's Responsibilities
    a. Subrecipients are required to sign the Grant Agreement prior to receipt of funds that stipulate subrecipients shall refund to OEM any sum that has been determined by OEM to be an overpayment to Subrecipient or that OEM determines has not been spent by Subrecipient in accordance with their grant or financial award.
    b. No refund payment(s) shall be made from local, state or Federal grant funds unless repayment with grant funds is specifically permitted under the applicable program.
    c. Subrecipients shall refund to OEM within thirty (30) calendar days after OEM requests such refund.

3. OEM Collection Actions
    a. Upon determination that a subrecipient has received an overpayment or has not expended funds in accordance with the grant or fiscal award, the following steps will be taken:
        i. First Formal Communication: A recoupment letter will be sent to the subrecipient's Authorized Agent(s) highlighting the amount of Federal funds owed, electronic transfer information, and the requirement to repay the amount within thirty (30) calendar days.
        ii. The communication will be sent using electronic mail to the designated agent identified in the grant/funding application, and posted in OEM's OK EMGrants, and;
    b. OEM will confirm receipt of the recoupment letter by either receiving a written confirmation from the subrecipient or making documented verbal contact with the subrecipients designated agent, mayor, or county judge as applicable.
    c. If the subrecipient fails to make repayment of the amount identified in the recoupment letter within thirty (30) business days of receipt of the letter, OEM may offset a Subrecipient's owed funds against current available funding due to the Subrecipient unless an agreement to return funding is reached with the Subrecipient as approved by OEM.

d. If the repayment is not made, OEM shall send an additional notice to the subrecipient by electronic mail and posted to the OEM OK EMGrants thirty (30) to forty-five (45) days after the first letter was sent and then confirm receipt of the recoupment letter by either receiving a written confirmation from the subrecipient or making documented verbal contact with the subrecipients designated agent, mayor, or county judge as applicable. This letter will indicate the amount of funds that have been transferred to offset the amount due and remaining balance or will confirm if offset will occur. In addition, the letter will contain information related to recoupment options that may be taken in accordance with Section 4 Delinquent Accounts.
e. If the repayment is not made after the second letter, OEM shall send a third notice to the subrecipient by electronic mail and posted to the OEM OK EMGrants thirty (30) to forty-five (45) days after the second letter was sent and then confirm receipt of the recoupment letter by either receiving a written confirmation from the subrecipient or making documented verbal contact with the subrecipients designated agent, mayor, or county judge as applicable. This letter will indicate the amount of funds that have been transferred to offset the amount due and remaining balance or will confirm if offset will occur. In addition, the letter will contain information related to recoupment options that may be taken in accordance with Section 4 Delinquent Accounts.
f. If the subrecipient fails to make repayment of the amount identified in the recoupment letter or enter an agreement to repay the funding with OEM approved by OEM within one hundred twenty (120) days from the date that the original recoupment letter was sent, OEM will take any and all authorized actions to withhold funding for other grants, including issuing a State Comptroller Warrant Hold and/or referring the matter to the attorney general. The Department shall notify the subrecipient of any such decision.

4. Delinquent Accounts
    a. Delinquency Determination
        i. If a subrecipient fails to make repayment of the amount identified in the recoupment letter or enter an agreement approved by OEM to repay the funding with OEM within 120 days from the date the original recoupment letter was sent, OEM may determine that the account is delinquent.
        ii. At OEM's sole discretion, OEM may authorize payment plans that fully reimburse the full amount owed over a 1–9-month period or prior to the end of the grant period. From time to time, variances in approved timelines may occur based on the phase of the grant process and other timelines determined by FEMA such as periods of performance and closeout liquidation periods.
        iii. Should a subrecipient enter into a payment plan and then fail to make more than one timely payment, the payment plan shall be considered invalid, and the full balance shall be due within 30 calendar days. If payment is not made within 30 days, the actions contained within this section applies.
    b. Referral to the Attorney General
        i. Once the account is determined to be delinquent, OEM may determine whether to refer the account to the Attorney General through the System Office of the General Counsel. The determination as to the manner in which to pursue the collection of the account must consider the following:
            1. The size of the debt;
            2. The existence of any security or collateral;

3. The likelihood of collection through passive means;
4. The cost to OEM or Attorney General in attempting to collect the obligation; and
5. The availability of resources within OEM or Attorney General to devote to the collection of the obligation.

c. Referral to the Attorney General
   i. Upon a determination to refer to the Attorney General, OEM shall notify the subrecipient of the delinquency status of the account, including the amount in no more than two mailed letters.
      1. The first demand letter shall be mailed USPS First Class Mail within 30 days after the debt has been determined delinquent and an Attorney General referral is desired.
      2. The second demand letter shall be mailed USPS First Class Mail between 30-60 days after the first demand letter was mailed if repayment of the amount has not occurred.
   ii. If OEM determines that it will refer the matter to the Attorney General, it shall, through the System Office of the General Counsel, notify the Attorney General around the 90th day after the first demand letter was sent.
d. The Department shall maintain copies of all communications with the subrecipients regarding the recoupment of the grant or financial award funding.

5. OEM's Ability to Remedy

Nothing in this procedure shall limit OEM's ability to implement alternative remedies for which it has authority to resolve outstanding recoupments.

Nothing in this policy shall prohibit OEM from immediately taking any recoupment action after the first thirty (30) day notice has been issued requesting repayment.

AGENDA ITEM 3D(5)

MEMORANDUM AGREEMENT

WITH:	Office of Management and Enterprise Services
PURPOSE:	Agreement between the Oklahoma Water Resources Board and the Office of Management and Enterprise Services for a Dam Application Modernization in IIS Server. The OWRB wishes to create 2 apps for deploying Dam apps in Azure.
AMOUNT:	not to exceed $49,426.44

OKLAHOMA
Office of Management & Enterprise Services

Office of Management and Enterprise Services Information Services

Statement of Work Number: SOW0006346

Project Name: OWRB: Dam Application Modernization in IIS Server

Project Number:

P-Code:

Demand Number: DMND0373512

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.)

Oklahoma Water Resources Board Dam Application Modernization in IIS Server:
OWRB wishes to create 2 apps for deploying Dam apps in Azure

This statement of work will cost recover for the resource hours needed in support of this project as well as infrastructure, *Maint-Cloud Services (billed as Actuals monthly) and monthly parts

*Maint-Cloud Services are billed as Actuals monthly as consumed

2 Environments
2 App service plans
1 Build-agent VM
2 IIS

Azure SQL

OKLAHOMA
Office of Management & Enterprise Services

Type: Single Database
Purchase Model: vCore
Service Tier: General Purpose
Compute Tier: Provisioned
Hardware Type: Standard-series (Gen 5)
Instance: 2 vCore
Disaster Recovery: Primary or Geo replica

-2 SQL licenses

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.)

This SOW is effective through FY27

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	70	$110.00	$7,700.00
796	Project-Consulting Specialist	10	$90.00	$900.00
			Total Per Hour Costs	$8,600.00

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& Enterprise Services

Monthly costs associated with project completion

Part #	Part	Quantity	Rate	Amount
441	Maint-SQL Administration	2	$244.32	$488.64
437	Maint- Storage (per GB)	10	$0.28	$2.80
436	Maint-Cloud Services*	110	$1.00	$110.00
439	Maint-IIS Administration	1	$225.00	$225.00

	Total Monthly Costs	$826.44

Total Cost	$9,426.44

IV.Assumptions: (The Project scope and estimated costs include the following assumptions.)

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

*Maint-Cloud Services are billed as consumed monthly which are recovered on the monthly App C Bill

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,

OKLAHOMA
Office of Management
& Enterprise Services

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.

OMES: Authorized Signature Printed Name Dan Cronin Title Chief Information Officer Date	AGENCY: Authorized Signature Printed Name Bob Latham Title OWRB Board Vice Chairman Date
OMES: Authorized Signature Printed Name Title Date	AGENCY: Authorized Signature Printed Name Heather McCall Title OWRB Board Secretary Date

SEAL:

AGENDA ITEM 3D(6)

MEMORANDUM AGREEMENT

WITH:	Office of the Secretary of Energy and Environment
PURPOSE:	Agreement between OWRB and the Office of the Secretary of Energy and Environment providing funding for the Water Quality Monitoring Program-Monitoring Initiative Goals.
AMOUNT:	not to exceed $439,675.00
TERM:	June 1, 2026 – May 30, 2028

AGREEMENT
Oklahoma's FY 26 Section 106 Water Quality Monitoring Program - Monitoring Initiative
CA# I-03F05901
between
OFFICE OF THE SECRETARY OF ENERGY & ENVIRONMENT
and
OKLAHOMA WATER RESOURCES BOARD

This Agreement for Oklahoma's FY 26 Section 106 Water Quality Monitoring Program - Monitoring Initiative ("Agreement"), for convenience of reference dated as of the ___ day of _____, 2026, by and between the Oklahoma Water Resources Board ("AGENCY"), an agency of the State of Oklahoma, and the OFFICE OF THE SECRETARY OF ENERGY & ENVIRONMENT ("OSEE"), an office within the Cabinet of the Governor of the State of Oklahoma.

WITNESSETH:

WHEREAS, OSEE has been given certain duties and responsibilities by law (See 27A O.S. § 1-2-101) pertaining to receipt and disbursement of certain funds for state environmental agencies and coordination of pollution control activities of state agencies; and

WHEREAS, the U. S. Environmental Protection Agency ("EPA") will make available $439,675.00 to OSEE, the prime recipient of funding, to be used for the Oklahoma Fiscal Year 2026 Water Monitoring Initiative pursuant to Assistance Program: 66.419 – Water Pollution Control State, Interstate, and Tribal Program Support and Section 106 of the Federal Water Pollution Control Act as amended (commonly known as the Clean Water Act) and a Cooperative Agreement bearing an Assistance ID No. I-03F05901 awarded on July 28, 2026 (hereinafter referred to as the "Cooperative Agreement"); and

WHEREAS, the terms of the Cooperative Agreement require OSEE to make $439,675.00 available to the AGENCY in accordance with the terms of this Agreement. By executing this Agreement and accepting grant funds, Agency is a federal subrecipient of the grant and is subject to regulations outlined in 2 C.F.R. part 200 and 2 C.F.R. part 1500.

NOW THEREFORE, in consideration of the foregoing premises, the AGENCY and OSEE mutually agree as follows:

1. **DUTIES TO BE PERFORMED BY AGENCY:**
   - **a.** AGENCY shall perform the work and deliver the products as provided in this Agreement and "Appendix" attached hereto and incorporated by reference as a part of this Agreement. The terms and conditions of the Cooperative Agreement as it may be amended, which are applicable to OSEE as the grant recipient, shall likewise be applicable to AGENCY, and AGENCY shall perform in accordance with such terms and conditions as well as in accordance with all EPA and Federal regulations applicable to Section 106 grant recipients.
   - **b.** On or before the date for such task identified in the workplan included in the Appendix hereof, AGENCY shall where required prepare and submit to OSEE and EPA for review and approval a draft Quality Assurance Project Plan ("QAPP") that

describes how AGENCY will perform the environmental measurements or data generation described in the Appendix hereof. AGENCY shall make any changes in the draft QAPP specified by OSEE and EPA and shall obtain OSEE and EPA approval of the QAPP before commencing the environmental measurements or data generation. All environmental measurements or data generation shall be performed by AGENCY in accordance with the EPA-approved QAPP.

c. AGENCY shall provide to OSEE semi-annual reports of AGENCY's performance under this Agreement The reports shall be in electronic format and shall include one printed copy thereof. Semi-annual reports shall be provided on or before January 15 and July 15 of each year.

d. AGENCY shall provide to OSEE for review and approval an electronic draft of each deliverable required by this Agreement. AGENCY shall make changes in the draft deliverable specified by OSEE before providing one (1) copy of the deliverable in final form to OSEE. After the review period, OSEE will submit the deliverable to EPA for their review and approval.

e. In accordance with 2 CFR 1500.10, the AGENCY payment of salary (excluding overhead) to individual consultants is limited to the maximum hourly rate for a level 4 of the Executive Schedule.

f. On or before sixty (60) days after the end date for such project identified in the workplan included in the Appendix hereof, AGENCY shall provide OSEE final deliverables and a financial report based upon information certified by AGENCY's financial officer.

g. AGENCY shall comply with the requirements set forth in Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. § 6962). Regulations issued under RCRA Section 6002 apply, among other things, to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines development by EPA. These guidelines are listed in 40 CFR § 247.

h. AGENCY shall fully comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532 entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons)." AGENCY is responsibility for ensuring that any transaction as described in Subpart B of 2 CFR 180 and 2 CFR Part 1532 entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. AGENCY acknowledges that failing to disclose the information as required at 2 CFR 180.335 may result in the delay or negation of this agreement.

i. The Chief Executive Officer of AGENCY shall ensure that no grant funds awarded under this agreement are used to engage in lobbying of the Federal Government or in litigation against the United States unless authorized under existing law. The AGENCY shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying. AGENCY shall include the language of this provision in award documents for all subawards exceeding $100,000 and require that subrecipients submit certification and disclosure forms accordingly.

j. AGENCY agrees to:

- **i.** Establish all subaward agreements in writing;
- **ii.** Maintain responsibility for ensuring successful completion of the approved project;

iii. Ensure that any subawards comply with the standards in Section 210(a) – (d) of OMB Circular A-133 and are not used to acquire commercial goods or services for the recipient;

iv. Ensure that any subawards are awarded to eligible subrecipients and that proposed subaward costs are necessary, reasonable and allocable;

v. Ensure that any subawards to 501(c)(4) organizations do not involve lobbying activities;

vi. Monitor the performance of the subawards and ensure that they comply with all applicable regulations, statutes, and terms and conditions which flow down in the subaward;

vii. Obtain approval from OSEE for any new subaward work that is not outlined in the approved workplan.

2. DUTIES TO BE PERFORMED BY OSEE:

a. If the Cooperative Agreement is amended during the period of this Agreement, OSEE shall provide AGENCY one (1) copy of each such amendment within thirty (30) days after such amendment becomes effective.

b. OSEE shall review all deliverables submitted by AGENCY within thirty (30) days for acceptability under the terms of the Cooperative Agreement. Upon concurrence by OSEE, OSEE shall transmit the deliverable to EPA within ten (10) days.

3. OTHER AGREEMENTS OF THE PARTIES:

a. **PAYMENT.** For and in consideration of performance by the AGENCY, OSEE will pay the AGENCY a total amount not to exceed four hundred thirty-nine thousand six hundred seventy-five dollars and no cents ($439,675.00) as such services are performed and as money is made available to OSEE by EPA. AGENCY shall submit to OSEE invoices in form and content mutually agreed upon by the parties on or before the 15th day of the month in which payment is desired. Invoices shall be submitted only for work that has already been performed and costs that have already been incurred by AGENCY. AGENCY shall submit such records or other evidence of performance as may be required by the OSEE for processing such invoices. Invoices that do not reference the correct Assistance ID Number and Project Number will be returned to AGENCY without payment. Payment will be withheld if documentation or evidence of performance is inadequate, if costs are incurred outside the scope and terms of the Cooperative Agreement, or if the terms and conditions of this Agreement or the Cooperative Agreement are not satisfied. At the discretion of OSEE, up to ten percent (10%) of the amount allocated to each workplan task subject to this Agreement may be withheld until the AGENCY completes its performance for such task and such performance is approved by the EPA project officer. Upon approval by OSEE of an invoice, OSEE shall process the invoice and pay AGENCY within thirty (30) days of receipt of funding from EPA.

i. As required by 2 CFR 200.415(b), the subrecipient must certify to the pass-through entity whenever applying for funds, requesting payment, and submitting financial reports: "I certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to violations of U.S. Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812."

b. **TERM OF AGREEMENT.** The provisions of this Agreement shall be effective for the period from **June 1, 2026 – May 30, 2028**.

c. **AMENDMENT.** Subject to and upon the mutual written consent and approval of both parties, this Agreement may be amended or modified at any time. Provided, if AGENCY desires any revision or modification of the Appendix hereof, including but not limited to the workplan or budget therein, then AGENCY shall give OSEE written notice as soon as the need is identified, and when possible, within sixty (60) days in advance of the proposed effective date thereof, and no such revision or modification shall be effective or authorized unless and until it is approved by EPA. Provided further, if AGENCY desires any extension of AGENCY's time to perform any portion of this Agreement, then AGENCY shall give OSEE written notice as soon as the need is identified, and when possible, within ninety (90) days in advance of the scheduled deadline for performance, and no extension shall be effective or authorized unless and until it is approved by EPA.

d. **CLOSEOUT OF PROJECTS**. All deliverables and final financial reports associated with the project shall be submitted by the AGENCY to OSEE on or before sixty (60) days after the end date for the Cooperative Agreement. If final deliverables are not submitted within sixty (60) days OSEE may disallow project costs directly related to the noncompliance and request reimbursement or void the agreement and seek repayment of part or all of the funds.

e. **TERMINATION.** This Agreement may be terminated upon thirty (30) days advance written notice of termination by either party to the other party.

f. **AUDITS.** Books, records, accounting procedures, or any other documents or practices of AGENCY relevant to this Agreement are subject to examination by OSEE and the State Auditor and Inspector. It is further understood and agreed that financial records, supporting documents, statistical records, and all other records pertinent to this Agreement shall be retained for a period of no less than three (3) years from the termination date of this Agreement. In accordance with 2 CFR Part 200 Subpart F, AGENCY shall obtain a single audit if it expends $1,000,000 or more a year in federal awards. The recipient shall submit a copy of the audit report to OSEE and:

i. Grants Team (6MD-RX)
U.S. Environmental Protection Agency
Region 6, WDAS
1201 Elm Street, Suite 500
Dallas, Texas 75270

g. **PROHIBITION STATEMENT.** You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not engage in severe forms of trafficking in persons during the period of time that the award is in effect; procure a commercial sex act during the period of time that the award is in effect; or use forced labor in the performance of the award or subawards under the award.

h. **DISPUTE RESOLUTION.** In the event that a dispute between the parties as to the interpretation or performance of this Agreement occurs, if the dispute cannot be resolved by mutual agreement between the parties' representatives, then the dispute shall be submitted to the Secretary of Energy & Environment and the Executive Director of the AGENCY. If the dispute is not resolved by their mutual agreement, then the aggrieved party may resort to other remedies available.

i. **AGREEMENT SUBJECT TO LAWS AND GRANT.** The parties mutually agree and

acknowledge that this Agreement is subject, in all respects, to the applicable laws of the State of Oklahoma. It is further agreed and acknowledged that payments to AGENCY by OSEE are subject to and contingent upon OSEE receiving the funds available under the Cooperative Agreement, for this purpose, and that said federal funds are the sole and exclusive funding source for payments to be made hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers on the dates indicated below.

OKLAHOMA WATER RESOURCES BOARD

_____

Chairman Date

OFFICE OF THE SECRETARY OF ENERGY & ENVIRONMENT

_____

Deputy Secretary of Environment Date

****

Appendix

Cooperative Agreement CA# I-03F05901 ..... Tab 1

Detail of Other and Individual Budget Category Lists ..... Tab 2

Contractual Detail ..... Tab 3

Workplans ..... Tab 4

Invoice Form ..... Tab 5

Performance Report Form ..... Tab 6

Applicable Regulations and OMB Circulars ..... Tab 7

EPA Form 6600-06 (Rev. 06/2008), "Certification Regarding Lobbying" ..... Tab 8

Standard Form-LLL, "Disclosure Form to Report Lobbying" ..... Tab 9

Signature: Nikki Davis

Email: nikki.davis@owrb.ok.gov

Signature: Bill Cauthron

Email: bill.cauthron@owrb.ok.gov

Signature: Jessica Billingsley

Email: jessica.billingsley@owrb.ok.gov

Signature: Maegan Filonow

Email: maegan.filonow@owrb.ok.gov

Signature:

Sara Gibson (Nov 9, 2026 08:34:16 CST)

Email: sara.gibson@owrb.ok.gov

ODEQ-OSEE-OWRB FY-26-27 106 I-03F05901 Grant (Board Agreement Checklist)

Final Audit Report 2026-11-09

Created:	2026-11-03
By:	Nikki Davis (nikki.davis@owrb.ok.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAsvkKJHQwglBflgzDhi9aeKqSOrO8SjM2

"ODEQ-OSEE-OWRB FY-26-27 106 I-03F05901 Grant (Board Agreement Checklist)" History

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Document e-signed by Sara Gibson (sara.gibson@owrb.ok.gov)
Signature Date: 2026-11-09 - 2:34:16 PM GMT - Time Source: server - Signature Appearance Selected: DRAW

Agreement completed.
2026-11-09 - 2:34:16 PM GMT

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AGENDA ITEM 3D(7)

MEMORANDUM AGREEMENT

WITH:	Office of Management and Enterprise Services
PURPOSE:	Proposal to continue to get water rights database updated and begin work to get permitting available online.
AMOUNT:	not to exceed $2,126,550.00
TERM:	January 1, 2027 through December 31, 2027

OKLAHOMA
Office of Management
& Enterprise Services

This Agreement is made effective January 1, 2027, ("Effective Date") between the State of Oklahoma by and through the Office of Management and Enterprise Services ("State"), for the benefit of Oklahoma Water Resources Board and Phase 2 Development, Inc. ("Supplier") and is a Contract Document in connection with Oklahoma Statewide Contract No. 1025 ("SW1025") between the State and Supplier. Unless otherwise indicated herein, capitalized terms used in this Agreement without definition shall have the respective meanings specified in SW1025. The term of this Agreement is from January 1, 2027 to December 31, 2027, for a total spend not to exceed $2,126,550. Supplier shall invoice agency only for hours accepted by Oklahoma Water Resources Board. The parties agree that the terms and conditions of SW1025 prevail over any conflicting terms that may exist in Attachment A.

This Agreement incorporates the following attachments:

1. **Attachment A: 2027 Durable Technology Partner Proposal**

The parties recognize that while the State of Oklahoma by and through the Office of Management and Enterprise Services is executing this contract, payment obligations rest solely with the Oklahoma Water Resources Board, and the Office of Management and Enterprise Services shall not be responsible for such. Please send invoices and billing inquiries to the following:

Oklahoma Water Resources Board
Attn: Accounts Payable
3800 N Classen Blvd, Oklahoma City, OK 73118

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SIGNATURES

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

STATE:	**SUPPLIER:**
_____	_____
Authorized Signature	**Authorized Signature**
_____	_____
Printed Name	**Printed Name**
_____	_____
Title	**Title**
_____	_____
Date	**Date**

Oklahoma Water Resources Board is additionally executing this Agreement to memorialize its involvement in negotiation of and its agreement with the terms of this Agreement.

IN WITNESS WHEREOF, This Agreement has been duly executed by the parties on the date(s) shown below.

OKLAHOMA WATER RESOURCES BOARD ("OWRB")

_____ _____

By: Thomas A. Gorman, Chairman **Date**

ATTEST:

_____ _____

Suzanne Landess, Secretary **Date**

(SEAL)

OKLAHOMA
Water Resources Board

Attachment A: 2027 Durable Technology Partner Proposal

SW1025 Water Resources Board

Phase2_

Executive Summary

The Oklahoma Water Resource Board (OWRB), through the Office of Enterprise Management Services (OMES), is seeking to continue an agency modernization project.

Engagement Overview

This Statement of Work is structured as a 1025 engagement, allowing Agency leadership to determine work/focus areas throughout the engagement, with the option to cancel at any time, provided a 30-day notice is given.

The following are key initiatives identified as new and continued scope.

- Retirement of the Oracle WR database
- Deploy-assist OWRB contractor with Water Rights & Mailouts VB.NET desktop application, the public-facing PT VB.NET application

- Internal Portal: Existing build - Polish and finish for Permit Search and Entry/Lifecycle maintenance
    - Long-Term & Short-Term (90-day PT)
    - Groundwater & Surface Water

- Public Portal: New build - Application search and application entry
    - Long-Term & Short-Term (90-day PT)
    - Groundwater & Surface Water

- Online Water Use
    - Polish and finish for AWU Public Portal (citizen entry)
    - Polish and finish for AWU Scanned Reports area
        - w/ OnBase API Integration

Team Roles

The following roles present on the Phase 2 team will be available for OWRB resource augmentation. Each role provides specific and valuable services that will result in engagement successes and allow Phase 2 to operate as an independent elite team or as complementary resources to OWRB or other vendor partners.

Account Executive & Lead Consultant (.5 FTE)
The Account Executive and Lead Consultant's roles exist within the client and vendor organization and are the key representatives for the product and goal. They are is responsible for communicating the vision and requirements to the Development Team.

The Lead Consultant takes primary responsibility for the Product Backlog, including its initial development and its ongoing revision of the product's development. He or she will also participate in meetings demonstrating progress toward the Development Team's goals.

Project Manager (.5 FTE)
The Technical Project Manager's role is to support the Lead Consultant and Product Development Team as they cooperatively plan priorities, execute, and demonstrate progress of goals. Additionally, the Technical Project Manager will ensure that the budget and timelines are accurate and communicated between the client and vendor.

Development Team (3 FTE)
The Development Team will be responsible for the actual development activities within each Sprint. The team will be cross-functional and include members who are skilled in areas such as coding, testing, UI, etc.

Architect & Senior Engineer (1 FTE)
The architect's role is to help the team execute the organization's vision and keep the team aligned toward pragmatic delivery. P2 architects are senior engineers who execute foundational delivery and help design and align board architectural principles and practices.

User Interface and User Experience Designer (As needed)
Usability is a core principle of P2 software product delivery. This role is designed to drive the core principles and practices of great usability into all user interfaces and business process designs. Their task ranges from creating meaningful user experience prototypes to ensuring usability through UAT in the final product.

Engagement Duration, Budget, and Terms

Phase 2 is offering this agreement over the duration of the 12-month contracted period, which starts January 1, 2027, and runs through December 31, 2027.

Budget Overview

Duration of Commitment: **12 months**
Budget Total: **$2,126,550**
FTE Count: **5.2**

If required and agreed upon with notice and an approved change order, Phase 2 can increase assigned team resources to fit the needs of OWRB during the course of this agreement.

Budget Detail

Team Member	Hourly Rate	Total Hours	Total Billing
Lead Consultant Carl Seyer	$240	920	$220,800
Senior Engineers Jason Ball, Daniel Heavlin, Tim Gourley, Carter Scheve	$225	7,200	$1,620,000
Project Manager Frank Gump	$225	920	$207,000
User Interface/User Experience Designer Jennifer Armstrong	$225	350	$78,750
		9,390	**$2,126,550**

Payment Terms

Phase 2 will bill monthly on net 45 terms. Phase 2 is offering this SOW as a fixed budget variable scope SW1025 agreement over the estimated 12-month time period.

Phase 2 requires a signed copy of this agreement and a purchase order. We appreciate your business and look forward to enhancing the evolving functionality of your business. If you have questions or concerns regarding this proposal, please feel free to call **Shane Kempton** at **405.595.9513** or email **shanek@phase2online.com.**

Signature:

Email: chris.neel@owrb.ok.gov

Signature: Jessica Billingsley

Email: jessica.billingsley@owrb.ok.gov

Signature: Maegan Filonow

Email: maegan.filonow@owrb.ok.gov

Signature:
Sara Gibson (Nov 6, 2026 11:41:29 CST)

Email: sara.gibson@owrb.ok.gov

3. SUMMARY DISPOSITION AGENDA ITEMS

WATER RIGHTS ADMINISTRATION DIVISION

November 17, 2026

WATER RIGHTS ADMINISTRATION DIVISION
Applications for Temporary Permits to Use Groundwater

November 17, 2026

APP. NO. & DATE FILED	NAME OF APPLICANT	NUMBER OF WELLS	COUNTY & BASIN	LAND DEDICATED	PURPOSE & AMOUNT RECOMMENDED
2026-535 3/16/2026	Tayler W. Bradford Trust	1	Woods County, Cimarron River Alluvium and Terrace	64 acres Section 18, T24N, R15WIM	Irrigation 128 a.f.
2026-541 3/20/2026	Robert Cook's Green Acre Sod Farms, Inc.	2	Wagoner County, Arkansas River Alluvium and Terrace	210 acres Section 10, T15N, R16EIM	Irrigation 70 a.f.
2026-566 5/11/2026	Lisa Sanders	4	Harmon County, Blaine	320 acres Section 6, T1N, R25WIM	Irrigation 567 a.f.
2026-569 6/2/2026	Gary N. Quinn	2	Beckham County, Blaine	143 acres Section 6, T8N, R24WIM	Irrigation 286 a.f.
2026-588 6/30/2026	Timothy C. Swart II	3	Garfield County, El Reno	160 acres Section 4, T20N, R8WIM	Irrigation 320 a.f.
2026-593 7/9/2026	Eldorado Land Company, LLC	1	Greer County, Blaine	159.67 acres Section 34, T4N, R23WIM	Recreation Fish and Wildlife 319 a.f.
2026-603 7/27/2026	The Garrison Family Trust	1	Harmon County, Blaine	160 acres Section 24, T2N, R26WIM	Irrigation and Agriculture 320 a.f.

2026-604 7/27/2026	The Garrison Family Trust	1	Harmon County, Blaine	640 acres Section 27, T1N, R24WIM	Irrigation and Agriculture 1,280 a.f.
2026-605 7/27/2026	The Garrison Family Trust	1	Harmon County, Blaine	480 acres Section 28, T1N, R24WIM	Irrigation and Agriculture 960 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Applications to Amend Temporary Permits to Use Groundwater

November 17, 2026

APP. NO. & DATE FILED	NAME OF APPLICANT	NUMBER OF WELLS	COUNTY & BASIN	LAND DEDICATED	PURPOSE & AMOUNT RECOMMENDED
1981-901B 12/19/2025	Michael Hedges	1	Dewey County, Rush Springs Sandstone	174.86 acres Section 27, T18N, R15WIM	Public Water Supply, Industrial, Commercial, Recreation, Irrigation, oil & Gas, and Agriculture 349.72 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Applications for Regular Permits to Use Groundwater

November 17, 2026

APP. NO. & DATE FILED	NAME OF APPLICANT	NUMBER OF WELLS	COUNTY & BASIN	LAND DEDICATED	PURPOSE & AMOUNT RECOMMENDED
2025-656 12/26/2025	Terra Group, LLC	3	Beckham County, North Fork of the Red River Alluvium and Terrace	880 acres Sections 28,29,30, T10N, R26WIM	Irrigation 829 a.f.
2026-550 4/6/2026	Stephanus Barry Vermaak	1	Beaver County, Ogallala (Panhandle)	160 acres Section 6, T5N, R22ECM	Irrigation 320 a.f.
2026-582 6/23/2026	Cohlmia Brothers Farm	3	Major County, North Canadian River Alluvium and Terrace (Phase 1)	160 acres Section 26, T20N, R14WIM	Irrigation 80 a.f.
2026-590 7/6/2026	Barbara Birkholz Family, LLC	4	Blaine County, North Canadian River Alluvium and Terrace (Phase 2)	315 acres Section 10, T15N; Section 28, T16N; R11WIM	Irrigation 157.5 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Applications to Amend Regular Permits to Use Groundwater

November 17, 2026

APP. NO. & DATE FILED	NAME OF APPLICANT	NUMBER OF WELLS	COUNTY & BASIN	LAND DEDICATED	PURPOSE & AMOUNT RECOMMENDED
1997-623 5/27/2026	Prestage Farms of Oklahoma	2	Texas County, Ogallala (Panhandle)	72 acres Section 34, T1N, R12ECM	Commercial Use 144 a.f.
1998-636 7/28/2026	Frank Berry & Sons, Inc.	3	Texas County, Ogallala (Panhandle)	480 acres Sections 4, 9, T1N, R11ECM	Irrigation 960 a.f.
2021-512 5/11/2025	Ronnie L. & Audrey L. Cochran	1	Cimarron County, Ogallala (Panhandle)	479.74 acres Sections 2, 3, T3N, R4ECM	Irrigation 959.48 a.f.
2022-537 7/28/2026	Frank Berry & Sons, Inc.	2	Texas County, Ogallala (Panhandle)	800 acres Sections 5, 8, T1N, R11ECM	Irrigation 1,600 a.f.
2024-549 7/20/2026	A & K Land and Cattle, LLC	2	Texas County, Ogallala (Panhandle)	640 acres Section 5, T4N, R19ECM	Irrigation 1,280 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Applications for Term/Seasonal Permits to Use Stream Water

November 17, 2026

APP. NO. & DATE FILED	NAME OF APPLICANT	POINTS OF DIVERSION	COUNTY & STREAM SYSTEM	PURPOSE & AMOUNT RECOMMENDED
2026-017 4/24/2026	Brady Stephens	One point of diversion on Verdigris River in Section 26, T27N, R16EIM	Nowata County SS 2-15-2	Recreation Fish and Wildlife 60 a.f.

WATER RIGHTS ADMINISTRATION DIVISION
Well Driller and Pump Installer Licensing

November 17, 2026

DPC NUMBER	NAME OF FIRM	CERTIFIED ACTIVITIES	OPERATORS
New Licenses, Accompanying Operator Certificates and Activities:			
	Potter Waste Water and Well Service	Pump Installation	Kayse Potter
	Cobblestone Acres	Pump installation	Tom Cavenagh
	Diamond Well Service, LLC	Pump Installation-adding To existing license	Justin Bunch
New Operators, License Name Change, and/or Activities for Existing Licenses:			
	M&W Drilling, LLC	Geotechnical and Groundwater	Patrick Dickson
	Neill Well Service, LLC	Pump Installation	Hernan Isabel

November 2026 Dam Safety Board items

N. Consideration of and Possible Action on Dams and Reservoir Construction:

1. Boecher Lake, OK00113

NID. NO. & COUNTY	NAME OF APPLICANT & NAME OF PROJECT	PLANS & SPECS SUBMITTED BY	HAZARD CLASSIFICATION	LEGAL DESCRIPTION
OK00113	Dept of Tourism and Recreation	Taylor Green, P.E.	Low	Sec. 24, T17N, R12WIM
Blaine County	Boecher Lake Dam	Freese and Nichols, Inc.		

The applicant requests approval to remove a small, low hazard potential dam from jurisdiction. The proposed work includes lowering the dam crest by 3.3-ft, constructing an overflow spillway, and removing the existing intake structure. The primary purpose of the dam and reservoir is recreation. The dam will be 16.7 feet tall, with a normal storage capacity of 3 acre-feet, and a maximum storage capacity of 48 acre-feet.

2. Lower Bayou Creek Site No. 12, OK30777

NID. NO. & COUNTY	NAME OF APPLICANT & NAME OF PROJECT	PLANS & SPECS SUBMITTED BY	HAZARD CLASSIFICATION	LEGAL DESCRIPTION
OK30777	Love County Conservation District	Monte Jones, P.E.	High	Sec. 07, T06S, R02WIM
Love County	Lower Bayou Creek Site 12 Dam	USDA-NRCS		

The applicant requests approval for the construction of a new small, high hazard potential dam. The primary purpose of the dam and reservoir is flood control. The proposed dam will be an earthen embankment constructed in two phases. The design includes a 340-foot roller-compacted concrete auxiliary spillway and a standard reinforced concrete principal spillway tower with a 42-inch conduit. The dam will be 49.8 feet tall, with a normal storage capacity of 405 acre-feet, and a maximum storage capacity of 8,477 acre-feet.

3. Stanley Draper, OK02580

NID. NO. & COUNTY	NAME OF APPLICANT & NAME OF PROJECT	PLANS & SPECS SUBMITTED BY	HAZARD CLASSIFICATION	LEGAL DESCRIPTION
OK02580	Oklahoma City Water Utilities Trust	Ryan Smith, P.E.	High	Sec. 24, T10N, R02WIM
Cleveland County	Stanley Draper	Smith Roberts Baldischwiler, LLC		

The applicant requests approval for the modification of a large, high hazard potential dam. The proposed modifications include installing a sump pit at the primary spillway outlet, a concrete flume, and riprap around the outlet. The primary purpose of the dam and reservoir is municipal water supply. The dam is 111 feet tall, with a normal storage capacity of 100,000 acre-feet and a maximum storage capacity of 148,000 acre-feet.

3.O.

ENGINEERING AND PLANNING DIVISION
Floodplain Administrator Accreditation Applications

November 1st, 2026

NUMBER	NAME OF COMMUNITY/CID	FLOODPLAIN ADMINISTRATOR
879	Town of Hydro	Adam Mortimer
880	City of Newkirk	Jane Thomas
881	Roger Mills County	Dena Rowlan
882	Town of Ryan	Christopher Cabrera
883	City of Tishomingo	Brett Crane

3.P.

ENGINEERING AND PLANNING DIVISION
Floodplain Administrator Accreditation Applications

November 1st, 2026

NUMBER	NAME OF COMMUNITY/CID	FLOODPLAIN ADMINISTRATOR
879	Town of Hydro	Adam Mortimer
880	City of Newkirk	Jane Thomas
881	Roger Mills County	Dena Rowlan
882	Town of Ryan	Christopher Cabrera
883	City of Tishomingo	Brett Crane

WATER RIGHTS ADMINISTRATION DIVISION
Cancellation of Groundwater and Stream Water Permits

November 17, 2026

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF MULTIPLE NOTICES ISSUED FOR RESPONDENTS' FAILURE TO TIMELY SUBMIT CHANGE OF OWNERSHIP DOCUMENTS AND FILING FEES RELATING TO THE SEPTEMBER 28, 2026 HEARING DATE

PROPOSED ORDER CANCELLING PERMITS FOR FAILURE TO TIMELY SUBMIT CHANGE OF OWNERSHIP ("COO") DOCUMENTS AND FILING FEES

COMES NOW, on September 28, 2026, at 9:30 a.m., the above numbered and entitled cause regarding submission of the required Change of Ownership ("COO") documents and fees 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, before the assigned Hearing Examiner, David Mueller. The State of Oklahoma, ex rel. Oklahoma Water Resources Board ("OWRB"), was represented by Andrew Price, OWRB Assistant General Counsel. Respondents in this Proposed Order are one in the same as being the persons, trusts, and/or companies determined by OWRB staff to be the latest owners of the properties dedicated to the permits and who are thus responsible to effectuate change of ownership in order to preserve the Oklahoma Water Resources Board ("OWRB") permits without cancellation. *See attached*, Exhibit "A". The following 5 Groundwater Permits with their originally named owners are listed below:

Groundwater Permits:

1. **Charles Miles Estate Beaver County 1952-076A**
2. **Aubrey Foreman Trust Cimarron County 1964-713**
3. **Aubrey Foreman Trust Cimarron County 1966-252**
4. **Alvin Paul Woodruff Washita County 1972-255**
5. **Leslie J. Lynch et. al Texas County 1978-653**

JURISDICTION AND AUTHORITY

The Oklahoma Water Resources Board ("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.

FINDINGS OF FACT

Based upon the statements in the attached Exhibit "A", the new owners of lands associated with the permits were mailed notices to legally effectuate change of ownership to transfer and thus maintain the permits. Therefore, sufficient notice was provided. The new owners have not submitted the required documentation and fees pursuant to Oklahoma Administrative Code ("OAC") 785:30-7:7 as applicable to each permit. For groundwater permits, "Transfer of groundwater rights", and OAC 785:20-9-4(f), and for stream water permits, "Assignment or transfer of appropriation permit and transfer of title of land". The original owners have been mailed notice of this proposed order. *See* Certificate of Mailing in this Order.

In the absence of the Respondents, for whom the OWRB has sufficiently shown proper service by at minimum attempting to send mailings of notice to their known addresses. Therefore, the matter is deemed confessed and 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 Respondents. The Findings of Fact and Conclusions of Law therein are fully incorporated and restated herein.

CONCLUSIONS OF LAW

Based upon applicable law, the Board draws the following Conclusions of Law:

1. OWRB has jurisdiction and authority pursuant to Oklahoma Groundwater Law, 82 O.S. §§ 1020.1 et seq. and the rules of the OWRB Oklahoma Administrative Code, Title 785.

2. Each of the persons, trusts and/or corporations known by OWRB staff to be the most recent landowners did not timely submit the required documents and fees after being notified of the requirement. Any regular, temporary, marginal water, or special permit may be cancelled by the Board upon willful failure of the applicant to submit the required documents and fees.

3. New owners of land connected with the permit are required to provide OWRB with documents and fees for transfer to be the lawful holders of the permits. Willful failure to comply may result in cancellation of the permits by the Board upon proper notice and opportunity for a hearing as provided in the Administrative Procedures Act, 75 O.S. §§ 250, 209, 3120 et seq., and relating to OAC 785:30-7:7 and OAC 785:20-9-4(f).

4. 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. OAC 785:4-7-3(d).

5. The Board adopts all the findings of fact and conclusions of law contained above, the letters of notice, and attestations provided by the Oklahoma Water Resources Board staff.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Board hereby cancels all the above permits for (1) failure to transfer in accordance with OAC 785:30-7-7 and OAC 785:20-9-4(f), as applicable, and (2) for failure to appear for the hearing pursuant to OAC 785:4-7-3(d).

IT IS SO ORDERED by the Oklahoma Water Resources Board in regular and open meeting on _____ , 2026.

OKLAHOMA WATER RESOURCES BOARD

_____
Thomas A. Gorman, Chairman

ATTEST:

_____

Heather McCall, Secretary

(SEAL)

BEFORE THE OKLAHOMA WATER RESOURCES BOARD
STATE OF OKLAHOMA

IN THE MATTER OF MULTIPLE NOTICES ISSUED FOR RESPONDENTS' FAILURE TO TIMELY SUBMIT CHANGE OF OWNERSHIP DOCUMENTS AND FILING FEES FOR NOTICES RELATING TO THE SEPTEMBER 28, 2026 HEARING DATE

AFFIDAVIT

STATE OF OKLAHOMA)
COUNTY OF OKLAHOMA) **ss**

I, _____, upon my oath or affirmation and under penalty of perjury state as follows:

1) I am an employee of the Oklahoma Water Resources Board, responsible for investigating and administering water rights change of ownership applications.

2) In the course of my duties, I regularly review existing plat maps and parcel layers available through OWRB's Geographic Information System (GIS) and compare current county ownership records with records of land ownership maintained by OWRB's water rights database.

3) When a new owner or an owner other than that identified by OWRB's water rights records appears on the most recent GIS parcel layer, as informed by county clerks' ownership records, I follow OWRB's procedures to notify the newly identified owner of the change of ownership procedure by sending a Notice of Change of Ownership.

4) If no timely response is received to the Notice of Change of Ownership, I will send a second letter via both regular and certified US Mail to the new applicant informing them that they have until the hearing date identified in the letter to complete the Change of Ownership Application, or the water rights permit may be canceled.

5) I followed the above-stated procedure for mailing notice for each of the permits identified in the case captioned above.

EXHIBIT "A"

6) As of the date of this signature below, no response was received completing the change of ownership, nor indicating an intent to complete the change of ownership, for any of the permits listed above.

Jazm Tuttle

(Signature of Affiant)

The foregoing was acknowledged before me on this 15 day of October, 2026.

ANGELA PIERSON NOTARY PUBLIC No. 24014204 EXP. 11/15/2028 IN AND FOR STATE OF OKLAHOMA SEAL

Notary Public

My commission expires: 11-15-28

EXHIBIT "A"

CERTIFICATE OF MAILING

I certify that on the 5 day of October, 2026, I mailed a true and correct copy of the above and foregoing instrument to the following Respondents (new landowners for each designated permit):

Groundwater Addresses Permit Holders:

1952-076A Charles Miles Estate 1817 Buckboard Ln Enid, OK 73703	**1964-713** Aubrey Foreman Trust HC 1 Box 48 Felt, OK 73937
1966-252 Aubrey Foreman Trust HC 1 Box 48 Felt, OK 73937	**1972-255** Alvin Paul Woodruff 307 South Wikoff Watonga, OK 73772
1978-653 Leslie J. Lynch et. al 10244 NS 121 Rd Turpin, OK 73950	

OKLAHOMA WATER RESOURCES BOARD

By: Angela Rodriguez

TITLE 785. OKLAHOMA WATER RESOURCES BOARD
CHAPTER 20. APPROPRIATION AND USE OF STREAM WATER

[OAR Docket #26-724]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 13. Interference Conditions at Bureau of Reclamation Reservoirs
785:20-13-1. Definitions [AMENDED]
785:20-13-2. Lugert-Altus Reservoir [AMENDED]
785:20-13-3. Tom Steed Reservoir [AMENDED]

SUMMARY:

The Oklahoma Water Resources Board proposes the amendments to the Oklahoma Administrative Code, Title 785, Chapter 20, to provide additional clarification to the agency and stream water permit holders within the watersheds above Lugert-Altus Reservoir and Tom Steed Reservoir with regards to adequately implementing certain drought indices used in the Bureau of Reclamation Upper Red River Basin Study Full Report (2023).

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 November 16, 2026. Written comments may also be submitted via e-mail to Angela.Rodriguez@owrb.ok.gov by November 16, 2025. Persons wishing to present oral comments to the Board may do so at the public hearing on November 17, 2026.

PUBLIC HEARING:

A public hearing will be held November 17, 2026, 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 from October 15, 2026 through November 16, 2026, in dollar amounts if possible, the increase in the level of direct costs such as fees, or 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 Angela Rodriguez at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 P.M. on November 17, 2026 or Angela.Rodriguez@owrb.ok.gov

COPIES OF PROPOSED RULES:

Copies of proposed amendments may be reviewed by appointment at the Board's office located at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, or may be obtained from Angela Rodriguez, legal Assistant, at Angela.Rodriguez@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://oklahoma.gov/owrb.

CONTACT PERSON:

For copies of any documents or to submit comments, please contact Angela Rodriguez, legal Assistant, 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, (405) 530-8801, or by email at Angela.Rodriguez@owrb.ok.gov. For questions regarding the content of the rules, please contact Sara D. Gibson, General Counsel, (405) 530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #26-724; filed 9-18-26]

TITLE 785. OKLAHOMA WATER RESOURCES BOARD
CHAPTER 30. TAKING AND USE OF GROUNDWATER

[OAR Docket #26-725]

RULEMAKING ACTION:
Notice of proposed PERMANENT rulemaking
PROPOSED RULES:
Subchapter 1. General Provisions
785:30-1-2. Definitions [AMENDED]
785:30-1-3. Violations and prohibitions [AMENDED]
Subchapter 3. Permit Application Requirements and Processing
785:30-3-6. Well spacing [AMENDED]
Subchapter 5. Groundwater Permits
785:30-5-1. Regular permit [AMENDED]
785:30-5-2. Temporary permits [AMENDED]
785:30-5-3. Special permits [AMENDED]
785:30-5-4. Provisional temporary permits [AMENDED]
785:30-5-5. Contents of permits [AMENDED]
SUMMARY:
The Oklahoma Water Resources Board (OWRB) proposes amendments to the Oklahoma Administrative Code, Title 785, Chapter 30, to conform the rules to changes to Oklahoma Statutes Title 82, address the approval of Senate Bill 1509 (2026 Regular Session), and to consolidate and reduce unnecessary language. The OWRB seeks to institute these rules changes to promote orderly groundwater development, protect property ownership rights, and reduce the potential for localized groundwater well interference.
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 November 16, 2026. Written comments may also be submitted via e-mail to Angela.Rodriguez@owrb.ok.gov by November 16, 2026 Persons wishing to present oral comments to the Board may do so at the public hearing on November 17, 2026.
PUBLIC HEARING:
A public hearing will be held November 17, 2026, 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, OK 73118.
REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:
The Board requests that any business entities affected by these proposed rules provide, within the Comment Period from October 15, 2026 through November 16, 2026, 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 Angela Rodriguez at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 P.M. on November 16, 2026 or Angela.Rodriguez@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 Angela Rodriguez, Legal Assistant, at Angela.Rodriguez@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:
For copies of any documents or to submit comments, please contact Angela Rodriguez, Legal Assistant, 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, (405) 530-8801, or by email at Angela.Rodriguez@owrb.ok.gov. For questions regarding the content of the rules, please contact Sara D. Gibson, General Counsel, (405) 530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #26-725; filed 9-18-26]

TITLE 785. OKLAHOMA WATER RESOURCES BOARD

CHAPTER 35. WELL DRILLER AND PUMP INSTALLER LICENSING

[OAR Docket #26-727]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 1. General Provisions
785:35-1-2. Definitions [AMENDED]
785:35-1-4. Violations and penalties [AMENDED]
785:35-1-5. Indemnity Fund [AMENDED]
Subchapter 3. Licensing and Certifications
785:35-3-1. Licensing procedures [AMENDED]
785:35-3-1.1. Activities authorized; electrician and plumbing license [AMENDED]
785:35-3-1.3. Supervised experience program [NEW]
785:35-3-2. Expiration and renewal of licenses and certifications [AMENDED]
Subchapter 5. General Requirements to Maintain Licenses and Operator Certifications
785:35-5-1. General requirements for licenses [AMENDED]
Subchapter 7. Minimum Standards for Construction of Wells
785:35-7-1. Minimum standards for construction of groundwater wells, fresh water observation wells, and water well test holes [AMENDED]
785:35-7-1.1. Minimum standards for construction of heat exchange wells [AMENDED]
785:35-7-2. Minimum standards for construction of monitoring wells and geotechnical borings [AMENDED]
Subchapter 11. Plugging and Capping Requirements for Wells and Test Holes
785:35-11-1. Plugging and capping requirements for groundwater wells, fresh water observation wells, heat exchange wells and water well test holes [AMENDED]
785:35-11-2. Plugging requirements for site assessment observation wells, monitoring wells and geotechnical borings [AMENDED]
Subchapter 13. Authorization to Drill Groundwater Wells
785:35-13-1. Authorization to drill groundwater wells [AMENDED]

SUMMARY:

The Oklahoma Water Resources Board proposes amendments to the Oklahoma Administrative Code, Title 785, Chapter 35, to increase the Indemnity Fund and per well expenditure cap amounts as required by Senate Bill 1314 and to modernize the standards for qualified experience required to obtain a well driller or pump installer license. These rule changes allow the Board to better meet the needs of citizens of the state with regard to the ever increasing cost of remediating the problems caused by improper drilling practices and to ensure that drillers and pump installers have the experience and base level of competency needed to construct safe, protective water wells in Oklahoma.

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 November 16, 2026. Written comments may also be submitted via e-mail to Angela.Rodriguez@owrb.ok.gov by November 16, 2026 Persons wishing to present oral comments to the Board may do so at the public hearing on November 17, 2026.

PUBLIC HEARING:

A public hearing will be held November 17, 2026, 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, OK 73118.

REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:

The Board requests that any business entities affected by these proposed rules provide, within the Comment Period from October 15, 2026 through November 16, 2026, 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 Angela Rodriguez at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 P.M. on November 16, 2026 or Angela.Rodriguez@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 Angela Rodriguez, Legal Assistant, at Angela.Rodriguez@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:

For copies of any documents or to submit comments, please contact Angela Rodriguez, Legal Assistant, 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, (405) 530-8801, or by email at Angela.Rodriguez@owrb.ok.gov. For questions regarding the content of the rules, please contact Sara D. Gibson, General Counsel, (405) 530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #26-727; filed 9-18-26]

TITLE 785. OKLAHOMA WATER RESOURCES BOARD
CHAPTER 50. FINANCIAL ASSISTANCE

[OAR Docket #26-731]

RULEMAKING ACTION:

Notice of proposed PERMANENT rulemaking

PROPOSED RULES:

Subchapter 8. Rural Economic Action Plan (REAP) Grant Program Requirements and Procedures

785:50-8-5. REAP grant priority point system [AMENDED]

Subchapter 23. WATER AND WASTEWATER INFRASTRUCTURE INVESTMENT PROGRAM REQUIREMENTS AND PROCEDURES [NEW]

785:50-23-1. General procedures [NEW]

785:50-23-2. Approval criteria [NEW]

785:50-23-3. Evaluation criteria <u>for funding loans for water and wastewater infrastructure for workforce housing development and commercial site readiness</u> [NEW]

785:50-23-4. Evaluation criteria for funding loans for environmental compliance and management programs [NEW]

785:50-23-5. Terms and conditions [NEW]

785:50-23-6. Disbursement of funds [NEW]

SUMMARY:

The proposed amendments to 785:50-8-5 are necessary to update the criteria for approval of a REAP grant and to correct errors from a previous rulemaking action. The proposed rules in Subchapter 23 are required by the provisions of SB1176 (2026) to establish a new loan program. The rules establish the requirements and procedures for the program, including general loan application procedures, evaluation criteria, and terms for infrastructure funding, commercial site readiness, workforce housing development, and private citizen environmental compliance programs.

AUTHORITY:

Oklahoma Water Resources Board; 82 O.S. §§ 1085.2, 1085.66; SB 1176 (2026)

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 November 16, 2026. Written comments may also be submitted via e-mail to Angela.Rodriguez@owrb.ok.gov by November 16, 2026. Persons wishing to present oral comments to the Board may do so at the public hearing on November 17, 2026.

PUBLIC HEARING:

A public hearing will be held November 17, 2026, 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, OK 73118.

REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:

The Board requests that any business entities affected by these proposed rules provide, within the Comment Period from October 15, 2026 through November 16, 2026, 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 Angela Rodriguez at 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118 before 5:00 P.M. on November 16, 2026 or Angela.Rodriguez@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 Angela Rodriguez, Legal Assistant, at Angela.Rodriguez@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:

For copies of any documents or to submit comments, please contact Angela Rodriguez, Legal Assistant, 3800 North Classen Blvd., Oklahoma City, Oklahoma 73118, (405) 530-8801, or by email at Angela.Rodriguez@owrb.ok.gov. For questions regarding the content of the rules, please contact Sara D. Gibson, General Counsel, (405) 530-8800, Sara.Gibson@owrb.ok.gov.

[OAR Docket #26-731; filed 9-18-26]

CHAPTER 20. APPROPRIATION AND USE OF STREAM WATER

SUBCHAPTER 13. INTERFERENCE CONDITIONS AT BUREAU OF RECLAMATION RESERVOIRS

785:20-13-1. Definitions

The following words and terms, when used in this Subchapter of this Title, shall have the following meaning, unless the context clearly indicates otherwise:

"12-month average Palmer Drought Severity Index (PDSI)" means the average value of the 12 most recent monthly PDSI values for Southwest Oklahoma Climate Division 7.

"12-month cumulative inflow" means the sum of monthly inflow.

"Conservation pool" means a lake level elevation above the National Geodetic Vertical Datum of 1929 of 1,411 feet for Tom Steed Reservoir and 1,559 feet for Lugert-Altus Reservoir.

"Monthly inflow" means, absent of stream gage data, the monthly change in lake volume calculated using lake elevation, plus the volume of evaporation, plus the volume of water used from the reservoir, plus the volume of water released downstream from the reservoir, plus (for Lugert-Altus Reservoir) the volume of seepage from the dam.

"Palmer Drought Severity Index" means a standardized index, developed and maintained by the National Oceanic and Atmospheric Administration ("NOAA"), based on a simplified soil water balance and estimates relative soil moisture conditions. The magnitude of PDSI indicates the severity of the departure from normal conditions.

"Standardized Precipitation Index (SPI)" means a suite of widely used ~~index~~ indicies, developed and maintained by National Oceanic and Atmospheric Administration ("NOAA"), to characterize meteorological drought on a range of timescales.

785:20-13-2. Lugert-Altus Reservoir

(a) The following drought conditions shall be applied to determine interference with the water rights associated with the Lugert-Altus Reservoir based on findings published in the *Bureau of Reclamation Upper Red River Basin Study Full Report* (2023):

(1) Lake level elevation is below the top of conservation pool;

(2) The 12-month cumulative inflow to the reservoir is less than 79,000 acre-feet; and

(3) The 12-month Standardized Precipitation Index (SPI-12) is less than -0.01 for the West Central Oklahoma Climate Division 4.

(b) The Board will review the conditions at least once a year in September of each year. If the drought conditions are met, Board staff will notify holders of stream water permits that are junior to Lugert-Altus Reservoir that water use must cease. Such notification will occur according to the provisions of OAC 785:20-13-4.

(c) Curtailment may be requested by the Lugert-Altus Irrigation District at any time upon reasonable belief that the conditions in this section have been met. Upon this request, Board staff will review the drought conditions and take appropriate action.

785:20-13-3. Tom Steed Reservoir

(a) The following drought conditions shall be applied to determine interference with the water rights associated with the Tom Steed Reservoir and the Bretch Diversion Dam on Elk Creek in Kiowa County based on findings published in the *Bureau of Reclamation Upper Red River Basin Study Full Report* (2023):

(1) Lake level elevation is below the top of conservation pool;

(2) The 12-month cumulative inflow to the reservoir is less than 28,600 acre-feet; and

(3) The 12-month average Palmer Drought Severity Index (PDSI) is less than -0.49 for the Southwest Oklahoma Climate Division 7.

(b) The Board will review the conditions at least once a year in September of each year. If the drought conditions are met, Board staff will notify holders of stream water permits that are junior to Tom Steed Reservoir and the Bretch Diversion Dam on Elk Creek in Kiowa County that water use must cease. Such notification will occur according to the provisions of OAC 785:20-13-4.

(c) Curtailment may be requested by the Mountain Park Conservation District at any time upon reasonable belief that the conditions in this section have been met. Upon this request, Board staff will review the drought conditions and take appropriate action.

RULE IMPACT STATEMENT

Title 785. Oklahoma Water Resources Board
Chapter 20. Appropriation and Use of Stream Water

I. Statement of need and legal basis

The Oklahoma Water Resources Board proposes the amendments to the Oklahoma Administrative Code, Title 785, Chapter 20, to provide additional clarification to the agency and stream water permit holders within the watersheds above Lugert-Altus Reservoir and Tom Steed Reservoir with regards to adequately implementing certain drought indices used in the *Bureau of Reclamation Upper Red River Basin Study Full Report* (2023).

II. Classification of the rule(s) and justification for classification.

Non-Major Rule.

The proposed rule is a Non-Major Rule. A "Nonmajor rule" means "any rule that is not a major rule." 75 O.S. § 250.3(12). A "Major rule" means "any administrative rule, whether emergency or permanent in nature, that will result in or is likely to result in One Million Dollars ($1,000,000.00) or more over the initial five-year period in implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, state or local governmental units, and individuals as a result of the proposed rule following the promulgation of such rule." 75 O.S. § 250.3(11). "Implementation and compliance costs" means the "direct costs that are readily ascertainable based upon standard business practices, including, but not limited to, fees, the cost to obtain a license or registration, the cost of equipment required to be installed or used, additional operating costs incurred, the cost of monitoring and reporting, and any other costs to comply with the requirements of the proposed rule." 75 O.S. § 250.3(8).

Justification for Classification.

The proposed rule changes are simply meant to add clarity to the agency and stream water permit holders within the watersheds above Lugert-Altus Reservoir and Tom Steed Reservoir with regards to certain drought indices used in the *Bureau of Reclamation Upper Red River Basin Study Full Report* (2023). These changes are not intended to increase costs for businesses, state or local governmental units, or individuals an as such would result in a classification as a "Non-Major Rule."

III. Description of the proposed rule(s).

The drought condition specified in OAC 785:20-13-3(a)(2), currently states that the Palmer Drought Severity Index (PDSI) would need to be less than -0.49 for the Southwest Oklahoma Climate Division 7. The proposed rule would update the condition to specifically reference the "12-month average Palmer Drought Severity Index" and a definition for 12-month average Palmer Drought Severity Index would be added.

The drought condition specified in OAC 785:20-13-2(a)(3), currently states that the Standardized Precipitation Index (SPI) is less than -0.01 for the West Central Oklahoma Climate Division 4. The proposed rule would update the condition to specifically reference the "12-month Standardized Precipitation Index (SPI-12)". The definition of Standardized Precipitation Index would further be clarified to mean a suite of indices.

These clarifications are important as the drought conditions in the rule are based on findings within the *Bureau of Reclamation Upper Red River Basin Study Full Report* (2023), which use the "12-month Standardized Precipitation Index (SPI-12)" and the "12-month average Palmer Drought Severity Index".

The proposed rules are not mandated by federal law. The proposed rules do not exceed the requirements of any applicable federal law. No federal law is directly applicable.

IV. Description of the classes of persons who most likely will be affected by the proposed rule(s), including classes that will bear the costs of the proposed rule(s), and any information on cost impacts received by the agency from any private or public entities.

The persons or entities affected by the proposed rule changes would be the stream water permit holders on Lugert-Altus Reservoir and Tom Steed Reservoir as well as the junior stream water permit holders upstream from those reservoirs.

V. Description of the classes of persons who will benefit from the proposed rule(s).

The persons or entities who would benefit from the proposed rule changes would be the stream water permit holders on Lugert-Altus Reservoir and Tom Steed Reservoir as well as the junior stream water permit holders upstream from those reservoirs.

VI. Comprehensive of the rules' economic impact.

OWRB staff administration of OAC 785:20-13 Interference Conditions at Bureau of Reclamation Reservoirs, which became effective August 11, 2024, will remain the same.

The proposed rule changes will not require an increase in the full-time employee count.

VII. Detailed explanation of methodology and assumptions used to determine the economic impact.

The proposed rule changes are simply meant to add clarity to the agency and stream water permit holders within the watersheds above Lugert-Altus Reservoir and Tom Steed Reservoir with regards to certain drought indices used in the *Bureau of Reclamation Upper Red River Basin Study Full Report* (2023). These changes are not intended to increase costs for businesses, state or local governmental units, or individuals.

VIII. **Determination of whether implementation of the proposed rule(s) will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule(s).**

The proposed rules would have a positive impact on the Lugert-Altus Irrigation District as they would reduce the risk of water supply shortages in Lugert-Altus Reservoir.

No political subdivisions on Tom Steed Reservoir or within its upstream watershed would be impacted.

IX. **Determination of whether implementation of the proposed rule(s) may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.**

The proposed rules do not have any effect on small businesses as provided by the Oklahoma Small Business Regulatory Flexibility Act.

X. **Measures taken to minimize the cost and impact of the proposed rule on business and economic development in this state, local government unites of this state, and individuals.**

The proposed rule changes have been specifically tailored to impact only the stream water permit holders on Lugert-Altus Reservoir and Tom Steed Reservoir as well as the junior stream water permit holders upstream from those reservoirs.

XI. **Determination of the effect of the proposed rule(s) on the public health, safety and environment and, if the proposed rule(s) is/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 rule will reduce the risk.**

Providing specificity to the drought metrics within OAC 785:20-13 aid in the overall application of the rules, which ultimately reduce the risk of water supply shortages in Lugert-Altus and Tom Steed reservoirs and positively affect the ability of the water management districts to deliver water for public health and safety.

XII. **Determination of any detrimental effect on the public health, safety, and environment if the proposed rule(s) is/are not implemented.**

If the proposed rules are not implemented stream water permit holders on Lugert-Altus Reservoir and Tom Steed Reservoir as well as the junior stream water permit holders upstream from those reservoirs will be left with less clarity on the specific conditions used to determine interference.

XIII. **Analysis of Alternatives to Adopting the Rule(s)**

The alternative to adopting the proposed rules is to continue operating as the Board has had in

the past. This would mean stream water permit holders on Lugert-Altus Reservoir and Tom Steed Reservoir as well as the junior stream water permit holders upstream from those reservoirs will be left with less clarity on the specific conditions used to determine interference.

XIV. Estimated Time Spent by State Employees to Develop Rule and Other Resources Used in Developing Rule

OWRB staff spent approximately 8 hours developing these rule changes and analyzing the impacts.

XV. Summary and Preliminary Comparison of Any Existing or Proposed Federal Regulations Intended to Address the Activities to be Regulated by Proposed Administrative Rules

There are no federal regulations intended to address the activities to be regulated by the proposed rules.

XVI. Date the rule impact statement was prepared and if modified, the date modified.

The Oklahoma Water Resources Board prepared this rule impact statement on August 26, 2026.

CHAPTER 30. TAKING AND USE OF GROUNDWATER

SUBCHAPTER 1. GENERAL PROVISIONS

785:30-1-2. Definitions

The following words and terms, when used in this Chapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Agricultural use" means water used for livestock, poultry, fish farms, fish hatcheries, veterinary services, feed lots, etc. (see also "Irrigation use").

"APA" means and refers to the Oklahoma Administrative Procedures Act set forth in 75 O.S., §§301 et seq., as amended.

"Application" means a formal request to the Board and the first step required by law to acquire the right to perform or engage in activities regulated by the Board.

"Artificial recharge" means any man-made process specifically designed for the primary purpose of increasing the amount of water entering into a groundwater basin or subbasin.

"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.

"Board" means the Oklahoma Water Resources Board authorized by law to make final adjudications, execute contracts, adopt rules and carry out other powers and duties set forth by law or, duties authorized by law to be delegated to the Executive Director, or any employee or agent or staff member thereof as assigned by the Executive Director.

"Commercial use" means use which includes but is not limited to water for businesses, industrial parks, laundries, cafes, motels/hotels, institutions, food processing and water used in the transportation of metal ores and non-metals by pipelines.

"Dedicated land" means the tract or tracts of land which the applicant owns, leases, or from which the applicant holds a valid right to withdraw groundwater and which is listed in the application and used to calculate the amount of groundwater requested.

"Definite stream" means a *watercourse in a definite, natural channel, with defined beds and banks, originating from a definite source or sources of supply. The stream may flow intermittently or at irregular intervals if that is characteristic of the sources of supply in the area.* [82:105.1(A)]

"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 whether or not the animals are actually owned by such natural individual or family, and for the irrigation of land not exceeding a total of three (3) acres in area for the growing of gardens, orchards, and lawns [82:1020.1(2)]. 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.

"Enhanced recovery of oil and gas" means a long-term process using fresh water to recover substantial quantities of additional oil or gas which would not be recoverable under ordinary primary methods or under short-term stimulation techniques. This definition applies to all non-primary forms of oil and gas recovery including but not limited to secondary, tertiary, or other enhanced recovery operations.

"Equal proportionate part or share" means the maximum annual yield of water from a groundwater basin or subbasin which shall be allocated to each acre of land overlying such basin or subbasin. It shall be that percentage of the maximum annual yield, determined as provided by 82 O.S., §1020.5 and 785:30-9-2 which is equal to the percentage of the land overlying the fresh groundwater basin or subbasin which is owned or leased by an applicant for a regular permit.

"Fresh water" means *water which has less than five thousand (5,000) parts per million total dissolved solids. All other water is salt water.* [82:1020.1(7)]

"Groundwater" means *fresh and marginal water under the surface of the earth regardless of the geologic structure in which it is standing or moving outside the cut bank of any definite stream.* [82:1020.1(1)]

"Groundwater basin" means *a distinct underground body of water overlain by contiguous land having substantially the same geological and hydrological characteristics and yield capabilities.* [82:1020.1(3)] The area boundaries of a major or minor basin can be determined by political boundaries, geological, hydrological, or other reasonable physical boundaries.

"Groundwater subbasin" means *a subdivision of a major or minor groundwater basin overlain by contiguous land and having substantially the same geological and hydrological characteristics and yield capabilities.* [82:1020.1(4)] Examples are a lateral or vertical subdivision of a groundwater basin delineated by either physical or political boundaries. Physical boundaries would be different in geological, hydrological or yield capabilities; bedrock; faults; low permeability zones or limits of pressure areas, etc. Political boundaries would be irrigation districts, planning districts, counties, city limits, etc.

"Industrial use" means the use of water in processes designed to convert materials of a lower order of value into forms having greater usability and commercial value.

"Irrigation use" means use of water for the production of food, fiber, crops, timber, fruits, nuts; and water applied to pastures, fields, landscaping, horticulture services, and golf courses.

"Life of a groundwater basin or subbasin" means that period of time during which at least fifty (50) percent of the total overlying land of the basin or subbasin will retain a saturated thickness allowing pumping of the maximum annual yield for a minimum twenty (20) year life of such basin or subbasin, provided that after July 1, 1994, the average saturated thickness will be calculated to be maintained at five feet (5') for alluvium and terrace aquifers and fifteen feet (15') for bedrock aquifers unless otherwise determined by the Board; provided further that after July 1, 1994, whether fifty (50) percent of the total overlying land of the basin or subbasin retains a saturated thickness allowing pumping for a minimum twenty (20) year life of the basin or subbasin need not be considered by the Board.

"Major groundwater basin"*means a distinct underground body of water overlain by contiguous land and having substantially the same geological and hydrological characteristics and from which groundwater wells yield at least fifty (50) gallons per minute on the average basinwide if from a bedrock aquifer and at least one hundred fifty (150) gallons per minute on the average basinwide if from an alluvium and terrace aquifer, or as otherwise designated by the Board.*[82:1020.1(3)]

"Marginal Water" means water which has at least five thousand (5,000) and less than ten thousand (10,000) parts per million total dissolved solids.

"Maximum annual yield" means a determination by the Board of 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.

"Mining use" means any use wherein the water is applied to mining processes including but not limited to oil and gas recovery operations, for drilling and reworking wells, and for conducting oil and gas field operations.

"Minor groundwater basin"*means a distinct underground body of water overlain by contiguous land and having substantially the same geological and hydrological characteristics and which is not a major groundwater basin.* [82:1020.1(9)]

"Municipal and rural water use" means the use of water by a municipality, rural water district, water corporation, or community for the promotion and protection of safety, health and comfort, distribution to natural persons for the maintenance of life and property, public and private business pursuits, and the furtherance of all generally recognized municipal purposes, except large recreational uses such as lakes unless in conjunction with other uses.

"Natural recharge" means all flow of water into a groundwater basin or subbasin by natural processes including percolation from irrigation.

"Notice by publication" means unless otherwise specifically provided, publication in a daily or weekly newspaper of general circulation once a week for two (2) consecutive weeks (minimum seven day interval).

"Party or interested party" means *a person or agency named and participating, or properly seeking and entitled by law to participate,* [75:250.3(7)] in hearings other than hearings on Board rules, regulations and standards.

"Permittee" means the person to whom a permit to use water has been issued by the Board or the person to whom such permit has been duly and properly transferred under Board rules.

"Person" means any individual, firm, partnership, association, corporation, business or public trust, federal agency, state agency, the State or any political subdivision thereof, municipalities, and any other duly constituted legal entity.

"Power use" means water used for power generation, including, but not limited to, fossil-fueled electric power generation.

"Prior groundwater right" means the right to use ground water established by compliance with the laws in effect prior to July 1, 1973, the effective date of the Groundwater Act, and determined pursuant to 82 O.S., §1020.14 and Subchapter 11 of this Chapter.

"Proposed well location" means a specific location shown in an application for a long-term groundwater permit where the applicant intends to complete a well, as may be shown in the application plat in distances in feet from readily identifiable objects, monuments, section lines, or by latitude/longitude coordinates.

"Public water supply" means the use of water for drinking water purposes by housing developments, trailer parks, churches, schools, etc., other than water used for "municipal and rural water use."

"Recreation, fish and wildlife use" means use which includes but is not limited to the use of water for swimming, water skiing, boating, fishing, hunting or other forms of water recreation, and water for fish and wildlife conservation.

"Salt water" means any water containing more than five thousand (5,000) parts per million total dissolved solids.

"Sensitive sole source groundwater basin or subbasin"*means a major groundwater basin or subbasin all or a portion of which has been designated as a* **"***Sole Source Aquifer***"** *by the United States Environmental Protection Agency,* and includes *any portion of an contiguous aquifer located within five (5) miles of the known areal extent of the surface outcrop of the sensitive sole source groundwater basin* [82:1020.9A].

"Special use" means and includes but is not limited to the use of groundwater for groundwater heat pump systems or artificially recharging a groundwater basin or subbasin.

"Total discharge from the basin or subbasin" means and shall include but may not be limited to the amount of fresh groundwater withdrawn and placed to beneficial use prior to July 1, 1973, which amount shall be determined from the applicable final orders of the Board determining prior groundwater rights.

"Waste by depletion" means unauthorized use of wells or groundwater; *[d]rilling a well, taking, or using fresh groundwater without a permit, except for domestic use; [t]aking more fresh groundwater than is authorized by the permit; [t]aking or using fresh groundwater in any manner so that the water is lost for beneficial use; [t]ransporting fresh groundwater from a well to the place of use in such a manner than there is an excessive loss in transit; [u]sing fresh groundwater to reach a pervious stratum and be lost into cavernous or otherwise pervious materials encountered in a well ... drilling wells and producing fresh groundwater therefrom except in accordance with the well spacing previously determined by the Board;* [82:1020.15(A)] or *[u]sing fresh groundwater for air conditioning or cooling purposes without providing facilities to aerate and reuse such water* [82:1020.15(A)].

"Waste by pollution" means *[p]ermitting 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 ...* or *[f]ailure to properly plug abandoned fresh water wells in accordance with rules of the Board and file reports thereof* [82:1020.15(A)].

"Water right" means a right to the use of stream or groundwater for beneficial purposes.

"Water supply" means a natural body of water, whether static or moving either on or under the surface of the ground, or in a man-made reservoir, available for beneficial use on a reasonably dependable basis.

"Well" means any type of excavation for the purpose of obtaining groundwater or to monitor or observe conditions under the surface of the earth but does not include oil and gas wells.

785:30-1-3. Violations and prohibitions

(a) *Any person who, after notice from the Board, violates, refuses, or neglects to comply with any provision of* [82:1020.22] 82 O.S. 1981, §§1020.1 through 1020.22, as amended or of any rule or regulation pursuant thereto *or who commits waste as defined in 82 O.S. 1981, §1020.15, shall be guilty of a misdemeanor and upon conviction shall be fined not less than Twenty-Five Dollars ($25.00) nor more than ~~Two Hundred Fifty Dollars ($250.00)~~ One Thousand Dollars ($1,000.00) for each offense.* After notice that he is in violation, any person who *continues to violate and fails to comply within a reasonable length of time is guilty of a separate offense for each day the violation continues.* [82:1020.22]

(b) ~~The Board shall not permit any fresh groundwater user to commit waste as defined by §1020.15 of Title 82 of the Oklahoma Statutes.~~ Any person who violates or refuses or neglects to comply with any provision of Sections 1020.1 through 1020.21 of this title, or any permit condition, or of any rule or regulation promulgated by the Board pursuant thereto, or commits waste as defined in Section 1020.15 of this title 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 a hearing on the proposed imposition of such penalties.

SUBCHAPTER 3. PERMIT APPLICATION REQUIREMENTS AND PROCESSING

785:30-3-6. Well spacing

(a) **Spacing requirements.**

(1) For applications that have completed public notice on or after August 1, 2027, within bedrock groundwater basins or subbasins ~~where the maximum annual yield has been determined~~, no new or proposed well(s) shall be authorized ~~by regular permit~~ to be drilled and completed within one thousand three hundred twenty feet (1320') of an authorized existing well, existing domestic well, or proposed well location ~~existing well or proposed well location~~ on lands of another, provided that the well on lands of another is capable of taking water from the same basin, and is not otherwise exempt from these well spacing provisions as provided in (a)(5) of this section.

(2) For applications that have completed public notice on or after August 1, 2027, within alluvium and terrace groundwater basins or subbasins ~~where the maximum annual yield has been determined~~, no new or proposed well(s) shall be authorized ~~by regular permit~~ to be drilled and completed within six hundred sixty feet (660') of an authorized existing well, domestic well,or proposed well location ~~existing well or proposed well location~~ on lands of another, provided that the well on lands of another is capable of taking water from the same basin, and is not otherwise exempt from these well spacing provisions as provided in (a)(5) of this section.

(3) For applications that have completed public notice before August 1, 2027, ~~For applications filed on or after October 1, 2019~~ within minor bedrock groundwater basins or subbasins, no new or proposed well(s) shall be authorized by temporary permit to be drilled and completed within one thousand three hundred twenty feet (1320') of an ~~authorized~~ existing well or proposed well location on lands of another, provided that the well on lands of another is capable of taking water from the same basin, and is not otherwise exempt from these well spacing provisions as provided in (a)(5) of this section.

(4) For applications that have completed public notice before August 1, 2027, ~~For applications filed on or after October 1, 2019~~ within minor alluvium and terrace groundwater basins or subbasins, no new or proposed well(s) shall be authorized by temporary permit to be drilled and completed within six hundred sixty feet (660') of an ~~authorized~~ existing well or proposed well location on lands of another, provided that the well on lands of another is capable of taking water from the same basin, and is not otherwise exempt from these well spacing provisions as provided in (a)(5) of this section.

(5) ~~Spacing requirements for major bedrock basins or subbasins and for major alluvium and terrace basins or subbasins may be imposed on new or proposed wells requested to be authorized by applications for temporary permits filed on or after October 1, 2019, and after the Board has conducted at least one public hearing on the spacing setback provisions at a location within or in close proximity to the major basin or subbasin pursuant to Section 1020.17 of Title 82 of the Oklahoma Statutes.~~

~~(6)~~ (5) These well spacing provisions shall not be applicable to plugged or abandoned wells, ~~or wells authorized pursuant to a provisional temporary permit if no regular, temporary, special or limited quantity permit application requesting authorization to use the same wells is filed,~~ provided further that the well spacing provisions shall not be applicable to

proposed wells on lands of another if the proposed wells on lands of another are no longer authorized pursuant to 785:30-5-5(a)(9).

(b) **Location exceptions.** A location exception shall be granted if the person requesting the exception shows and the Board determines in an individual proceeding that drilling or completing the new or proposed well at the location required to comply with the established well spacing set forth in subsection (a) of this section would be inequitable or unreasonable, and that notice, as set forth in 785:30-3-4, of the location exception request is provided.

(1) The following situations are examples to show that compliance with well spacing would be inequitable or unreasonable:

(A) No objection is received from any landowner having a well located within the established well spacing distance of the proposed well requested to be authorized.

(B) The amount or dimensions of the land dedicated to the permit precludes the drilling of a well in compliance with the spacing requirement set forth in (a) of this section.

(C) ~~The well requested to be authorized is a well which was drilled, completed and used prior to the date of the maximum annual yield determination or prior to October 1, 2019 within temporary basins and which does not meet the spacing requirements of (a) of this section.~~

~~(D)~~ (C) The applicant presents substantial, competent evidence to the Board and the Board determines that the amount of groundwater available in locations that would meet spacing requirements is insufficient for the purposes to be authorized.

(2) Criteria and conditions for location exceptions may include compliance with terms to prevent unreasonable impact on other wells within the spacing distance, including:

(A) the rate and timing of the withdrawal of groundwater;

(B) the depth of perforation of the groundwater well; and,

(C) the depth of sealing of the well.

(c) **Well spacing within a sensitive sole source groundwater basin.**

(1) Within a sensitive sole source groundwater basin where the maximum annual yield has been determined:

(A) No new or proposed well shall be drilled and completed within a one thousand three hundred twenty feet (1320') radius of a spring that flows 50 or more gallons per minute, emanates from the basin and is identified in Appendix D to this Chapter or in the National Water Information System database of the United States Geological Survey (USGS);

(B) No new or proposed well shall be drilled and completed within a two (2)-mile radius of a spring that flows 500 or more gallons per minute, emanates from the basin and is identified in Appendix D to this Chapter or in the National Water Information System database of the United States Geological Survey (USGS), unless the Board first determines that the total amount of groundwater authorized to be used from all wells within that radius is no more than 1600 acre feet per year; and

(C) No new or proposed well shall be drilled and completed within one (1) mile of a stream segment considered to be perennial in the U.S. Geological Survey's National Hydrology Dataset and with a base flow of 500 gallons per minute that emanates from the basin.

(2) Provided, an applicant may obtain an exception from the provisions of paragraph (1) of this subsection (c) if:

(A) The applicant first demonstrates to the satisfaction of the Board that the cumulative impact of pumping from the new or proposed well together with authorized pumping from existing and proposed wells will not cause a reduction of more than 25% of the base flow of the subject spring or stream; or

(B) The amount or dimensions of the land dedicated to the permit precludes the drilling of a well in compliance with the provisions of paragraph (1) of this subsection (c).

(3) Notwithstanding any other provision of this subsection (c), the Board shall not authorize any new or proposed well within a sensitive sole source groundwater basin where the maximum annual yield has been determined if the use of that well *is likely to degrade or interfere with springs or streams emanating in whole or in part from* [82:1020.9(A)(1)(d)] the basin.

SUBCHAPTER 5. GROUNDWATER PERMITS

785:30-5-1. Regular permit

(a) ~~*A regular permit is an authorization to put groundwater to beneficial use for other than domestic purposes.* [82:1020.11(A)]~~ A regular permit is an authorization to put groundwater to beneficial use for other than domestic purposes and shall be granted only after determination of the maximum annual yield for the relevant basin or subbasin.

(b) ~~*The regular permit shall be granted only after completion of the hydrologic survey and determination of the maximum annual yield for the appropriate basin or subbasin.* [82:1020.11(A)]~~ *If the lands dedicated to the application overlie two or more groundwater basins which overlie each other and both basins have had maximum annual yields determined, the amount to be authorized by the regular permit shall be calculated on the basin having the greatest maximum annual yield.* [82:1020.9]

(1) If the existing or proposed well(s) are completed in both groundwater basins or subbasins, so that the well (s) are capable of taking water from both basins or subbasins, the amount to be authorized by the regular permit shall be calculated on the basin or

subbasin having the greatest maximum annual yield.

(2) If the existing or proposed well(s) are completed in only one of the groundwater basins or subbasins, the amount of water authorized by the regular permit shall be calculated on the maximum annual yield for that basin or subbasin.

(c) ~~*A regular permit shall allocate to the applicant his proportionate part of the maximum annual yield of the basin or subbasin.* [82:1020.9]~~ If the lands dedicated to the application overlie two or more groundwater basins which overlie each other and the maximum annual yield has been determined for at least one but not all the basins or subbasins, a regular permit shall be issued. See also 785:30-5-2(b)(4)

~~(d) *His proportionate part shall be that percentage of the total annual yield of the basin or subbasin previously determined to be the maximum annual yield...which is equal to the percentage of the land overlying the fresh groundwater basin or subbasin which he owns or leases.* [82:1020.9]~~

~~(e) *The permit shall specify the location of the permitted well or wells.* [82:1020.9]~~

~~(f) *A regular permit shall not be granted for less than the remaining life of the basin or subbasin as previously determined by the Board.* [82:1020.9]~~

~~(g) *If the lands dedicated to the application overlie two or more groundwater basins* which overlie each other *and both basins have had maximum annual yields determined, the amount to be authorized by the regular permit shall be calculated on the basin having the greatest maximum annual yield.* [82:1020.9]~~

~~(1) If the existing or proposed well(s) are completed in both groundwater basins or subbasins, so that the well(s) are capable of taking water from both basins or subbasins, the amount to be authorized by the regular permit shall be calculated on the basin or subbasin having the greatest maximum annual yield.~~

~~(2) If the existing or proposed well(s) are completed in only one of the groundwater basins or subbasins, the amount of water authorized by the regular permit shall be calculated on the maximum annual yield for that basin or subbasin.~~

~~(h) If the lands dedicated to the application overlie two or more groundwater basins which overlie each other and the maximum annual yield has been determined for at least one but not all the basins or subbasins, a regular permit shall be issued. See also 785:30-5-2(b)(4).~~

785:30-5-2. Temporary permits

(a) **Temporary permit purposes; procedures for granting.** *A temporary permit is an authorization for the same purposes as a regular permit but is granted by the...Board prior to completion of the hydrologic survey and the determination of the maximum annual yield of the basin or subbasin and must be revalidated annually during its term.* [82:1020.11(B)] *The procedures provided for the granting of regular permits shall be applicable to the granting of temporary...permits except that the completion of the hydrologic survey shall not be a condition precedent.* [82:1020.10]

(b) **Amount of water allocated by temporary permit.**

(1) Except as provided in this subsection, *unless requested by a majority of the...owners of the land* [82:1020.11(B)] overlying the fresh groundwater basin or subbasin, *or by the applicant, the water allocated by a temporary permit shall not be less than two (2) acre-feet annually for each acre of land owned or leased by the applicant in the basin or subbasin.* [82:1020.11(B)]

(2) However, *if the applicant presents clear and convincing evidence that allocations in excess of two (2) acre-feet annually for each acre of land overlying the basin or subbasin will not exhaust the water thereunder in less than twenty (20) years, then the Board may issue temporary permits in such basin or subbasin in such amounts in excess of said limitation as will assure a minimum of twenty (20) year life for such basin or subbasin.* [82:1020.11(B)]

(3) Less than two (2) acre-feet per acre annually may be granted if the applicant requests a lesser amount, or if the evidence submitted shows that an amount at two acre-feet per acre would not be of beneficial use or would constitute waste.

(4) *If the lands dedicated to the application overlie two or more groundwater basins or subbasins* which overlie each other *and the maximum annual yield has been determined for at least one but not all the basins or subbasins, a temporary permit may be issued to the applicant if the applicant demonstrates by substantial competent evidence that the water to be withdrawn by the temporary permit will not be taken from a basin or subbasin for which the maximum annual yield has been determined.* [82:1020.9]

(A) If applicant intends to take water from both groundwater basins or subbasins, then a temporary permit may be issued only if the individual well(s) are or will be completed in only the basins or subbasins which have not had a maximum annual yield determined and a separate permit will be required for the withdrawal of groundwater from well(s) in each basin or subbasin for which a maximum annual yield has been determined.

(B) If existing or proposed well(s) dedicated to the application are completed in more than one groundwater basin or subbasin so that the wells are capable of taking water from both basins or subbasins, a temporary permit may not be issued.

(5) *If the land overlies two or more groundwater basins* which overlie each other *and the maximum annual yield has not been determined for any of the basins or subbasins, more than one temporary permit may be issued for the land if the applicant demonstrates by substantial competent evidence from which basin the water will be withdrawn for each of the permits.* [82:1020.9]

(c) **Annual revalidation and expiration of temporary groundwater permits.**

(1) *A temporary groundwater permit must be revalidated annually during its term.* [82:1020.11(B)]

(2) *Water use report forms will be mailed* in January *to each temporary permit holder.* [82:1020.11(B)] The water use report form shall include information about the requirement to return the completed form in a timely manner, and shall specify the date by which the form must be returned.
(3) *Timely return of the completed, signed, and dated water use report form to the Board shall automatically revalidate a temporary groundwater permit if the revalidation is not protested and if the use report does not reflect any permit-water use violations* [82:1020.11(B)]. The return of the completed, signed and dated water use report on or before the specified return date shall be considered timely and shall be considered a timely request to revalidate the temporary permit.
(4) *The temporary permit shall lapse at expiration of its term, revocation, cancellation, suspension, or upon the issuance of a regular permit, whichever shall occur first.* [82:1020.11(B)] Failure to return a completed, signed and dated water use report form by the date specified may be considered a willful failure to report annual water usage and subject to the provisions of 785:30-5-7.
(5) Revalidation protest procedures are as follows:
(A) *If* an objection against *the revalidation of a* temporary groundwater *permit is* in writing, satisfies the requirements of 785:4-5-4, and is received by the Board by February 28th of the year following the water use report year, or by a later date specified by the Board in its newsletter or on its website, then the objection shall constitute a protest against the application and *the Board* [82:1020.11(B)] will *immediately set a date for hearing and notify the applicant and protestant*(s) *of the time and place of the hearing* [82:1020.11(B)]. Objections that are not timely received or do not satisfy 785:4-5-5 will be considered only as comments in opposition to the application, but such comments will be made part of the permanent record of the proceeding. Persons who submit objections that do not qualify as protests will not be named as parties to the proceeding.
(B) *At the hearing, any interested person may appear and present evidence and argument in support of or in opposition to the protest and revalidation.* [82:1020.11(B)]
(C) *At the hearing on the revalidation protest, matters previously presented or considered and adjudicated shall not be subject to reconsideration or readjudication* [82:1020.11(B)].
(D) *The protest issues which may be entertained shall be limited to matters not previously determined,* such as (for example only) *a material or substantial change in conditions since issuance of the permit; evidence of the applicant's noncompliance with any of the terms, provisions or conditions of the permit; or subsequent violation of the Oklahoma Groundwater Law...or* these *rules and regulations* [82:1020.11(B)] related to the permit issued. Proposed findings of fact, conclusions of law and Board Order will be presented to the Board for its consideration.

~~(d)~~ **~~Requests for revalidation of certain temporary permits to be considered as applications for new permits; moratorium.~~**

~~(1) Pursuant to Title 82 of the Oklahoma Statutes, Section 1020.9A, *[a]ny revalidation of a temporary permit, in effect* on August 28, 2003, *that allows for any municipal or public water supply use of groundwater from a sensitive sole source groundwater basin outside any county that overlays in whole or in part said basin shall be considered a new permit application and subject to the provisions of* Senate Bill No. 288 of the First Regular Session of the 49th Legislature.~~
~~(2) A provision of Senate Bill No. 288 of the First Regular Session of the 49th Legislature establishes a moratorium *on the issuance of any temporary permit that would lead to any municipal or public water supply use of groundwater from a sensitive sole source groundwater basin or subbasin outside of any county that overlays in whole or in part said basin or subbasin* [82:1020.9A(B)(1)] and that *said moratorium shall be in effect until such time as the . . .Board conducts and completes a hydrological survey and approves a maximum annual yield that will ensure that any permit for the removal of water from a sensitive sole source groundwater basin or subbasin will not reduce the natural flow of water from springs or streams emanating from said basin or subbasin* [82:1020.9A(B)(2)].~~
~~(3) If the holder of a temporary permit that lists municipal use or public water supply use as an authorized purpose certifies that the groundwater will not be used outside any county that overlays in whole or in part a sensitive sole source groundwater basin or subbasin, the request to revalidate such a temporary permit shall not be considered a new permit application. The filing of such a certification shall be deemed to be a request to amend the temporary permit to add a condition to prohibit the use of the groundwater outside any county that overlays in whole or in part a sensitive sole source groundwater basin or subbasin.~~

785:30-5-3. Special permits

(a) **Special permit purpose.**

(1) *A special permit is an authorization by the Board in lieu of or in addition to a regular or temporary permit. The special permit is granted to put groundwater to a beneficial use which shall require quantities of water in excess of that allocated under a regular or temporary permit.* [82:1020.11(C)]
~~(2) *The water so authorized may be used only for the purpose designated in the permit.* [82:1020.11(C)]~~
~~(3) The applicant must establish that the lands dedicated to the special permit overlie a fresh groundwater basin, are owned or leased by the applicant, and that waste will not occur.~~

(b) **Duration of special permits.**

(1) A special *permit shall be granted for a period not to exceed six (6) months and may be renewed three (3) times upon written request of the applicant prior to the expiration of said permit and approval by the Board.* 82:1020.11(C)]
(2) *Successive special permits shall not be granted for the same purpose.* [82:1020.11(C)]

(3) A special permit *is subject to revocation or cancellation upon failure to use the water for the purpose granted.* [82:1020.11(C)]

785:30-5-4. Provisional temporary permits

(a) A provisional temporary permit *may be renewed three (3) times 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.

(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.

785:30-5-5. Contents of permits

(a) Every regular, temporary, special, marginal water, and provisional temporary permit issued by the Board shall contain substantially the following:

(1) Date of filing.

(2) The county or counties in which the well(s) is or are located.

(3) The permit number and date issued, which shall be the date the permit is approved by the Board or where appropriate, by the Executive Director.

(4) The name and address to whom issued.

(5) The amount of water in acre-feet authorized to be withdrawn annually.

(6) The purpose for which the water will be used and the legal description of the land dedicated to the permit.

(7) The legal description of the well location(s) to the nearest ten (10) acre subdivision, or by indicating "center of" when applicable for a larger tract of land.

(8) Groundwater basin(s) or formation(s) from which water is to be withdrawn.

(9) If a proposed well is not drilled and completed within one (1) year of permit issuance, groundwater will no longer be authorized to be withdrawn from that location unless a written request to extend the drilling period is approved by the Executive Director <u>prior to the expiration of the drilling period.</u>

(b) In addition to the above, the permit shall contain any additional terms, conditions, limitations, or restrictions the Board may prescribe and on which the applicant agrees or as ordered after notice and hearing.

RULE IMPACT STATEMENT

Title 785. Oklahoma Water Resources Board
Chapter 30. Taking and Use of Groundwater

I. Statement of need and legal basis

The Oklahoma Water Resources Board (OWRB) proposes amendments to the Oklahoma Administrative Code, Title 785, Chapter 30, to conform the rules to changes to Oklahoma Statutes Title 82, address the approval of Senate Bill 1509 (2026 Regular Session), and to consolidate and reduce unnecessary language. The OWRB seeks to institute these rules changes to promote orderly groundwater development, protect property ownership rights, and reduce the potential for localized groundwater well interference.

II. Classification of the rule(s) and justification for classification.

Non-Major Rule.

The proposed rule is a Non-Major Rule. A "Nonmajor rule" means "any rule that is not a major rule." 75 O.S. § 250.3(12). A "Major rule" means "any administrative rule, whether emergency or permanent in nature, that will result in or is likely to result in One Million Dollars ($1,000,000.00) or more over the initial five-year period in implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, state or local governmental units, and individuals as a result of the proposed rule following the promulgation of such rule." 75 O.S. § 250.3(11). "Implementation and compliance costs" means the "direct costs that are readily ascertainable based upon standard business practices, including, but not limited to, fees, the cost to obtain a license or registration, the cost of equipment required to be installed or used, additional operating costs incurred, the cost of monitoring and reporting, and any other costs to comply with the requirements of the proposed rule." 75 O.S. § 250.3(8).

Justification for Classification.

As outlined in detail below, the OWRB reasonably anticipates that the aggregate business costs attributable to the proposed rules are estimated at $0 and will remain below the statutory threshold for classification as a major rule during the first five years following promulgation.

III. Description of the proposed rule(s).

Title 785 Chapter 30 Subchapter 1: A definition of *proposed well location* will be added. Violations and prohibitions will be conformed to penalties outlined in §82-1020.22.

Title 785 Chapter 30 Subchapter 3: Allows the OWRB to adopt specific well spacing for each groundwater basin for the purpose of establishing a maximum annual yield.

Would impose a minimum well-to-well separation of 1,320 feet (1/4 mile) for wells subject to the applicable permit-spacing requirements in five (5) bedrock groundwater basins: Arbuckle-Timbered Hills, Blaine, Ogallala-Roger Mills, Roubidoux, and Rush Springs.

Would impose a minimum well-to-well separation of 660 feet (1/8 mile) for wells subject to the applicable permit-spacing requirements in ten (10) alluvium & terrace groundwater basins: Arkansas River, Canadian River Reach 1, Canadian River Reach 2, Cimarron River, Red River Reach 1, Red River Reach 2, Red River Reach 3, Red River Reach 4, Salt Fork of the Arkansas River, and Salt Fork of the Red River.

Title 785 Chapter 30 Subchapter 5: Removes unnecessary language and consolidates and condenses the descriptions of regular, temporary, special, and provisional temporary groundwater permits. Removes the moratorium of temporary groundwater permits for municipal or public water supply from a sensitive sole source groundwater basin.

IV. Description of the classes of persons who most likely will be affected by the proposed rule(s), including classes that will bear the costs of the proposed rule(s), and any information on cost impacts received by the agency from any private or public entities.

Persons seeking groundwater permits, amendments to groundwater permits, persons with active groundwater permits, and persons with domestic wells principally within the 15 identified groundwater basins as well as within basins without an approved maximum annual yield. These include but are not limited to agricultural producers, irrigation operators, farmers, ranchers, industrial and commercial businesses, municipalities and rural water districts, oil and gas-related users, water well drilling contractors, pump installers, surveyors, engineers, attorneys, and other professionals involved in groundwater development.

V. Description of the classes of persons who will benefit from the proposed rule(s).

Persons seeking groundwater permits, amendments to groundwater permits, persons with active groundwater permits, and persons with domestic wells principally within the 15 identified groundwater basins as well as within basins without an approved maximum annual yield. These include but are not limited to agricultural producers, irrigation operators and districts, farmers, ranchers, industrial and commercial businesses, municipalities and rural water districts, oil and gas-related users, water well drilling contractors, pump installers, surveyors, engineers, attorneys, and other professionals involved in groundwater development.

VI. Comprehensive of the rules' economic impact.

The OWRB has determined that the economic impact attributable to implementation of the proposed rules is **$0**.

VII. **Detailed explanation of methodology and assumptions used to determine the economic impact.**

These changes are not intended to increase costs for businesses, state or local governmental units, or individuals based on the following assumptions:

- No new fee, tax, assessment, or monetary charge is imposed.
- The OWRB will administer the amendments through its existing groundwater permitting program.
- Well spacing is already an established component of Oklahoma's groundwater permitting framework.
- The proposed amendments will be applied prospectively to new or proposed wells that an applicant seeks to authorize on a groundwater permit.
- Existing wells authorized on a groundwater permit are not required to be relocated, reconstructed, or abandoned.
- Applicants will select well locations that comply with the applicable spacing requirements.
- Applicants are allowed to request an exception to the well spacing rule when compliance would be inequitable or unreasonable.
- The proposed rules do not require acquisition of additional property.
- The proposed rules do not require additional personnel, equipment, monitoring, reporting, or recordkeeping.

VIII. **Determination of whether implementation of the proposed rule(s) will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule(s).**

Political subdivisions, such as irrigation districts, are included in the list of persons most likely to be affected by proposed rules and are likewise included in the OWRB's determination of no economic impact. As also stated above, the OWRB will administer the amendments through its existing groundwater permitting program, which would not require the cooperation of political subdivisions to implement.

IX. **Determination of whether implementation of the proposed rule(s) may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.**

The proposed rules would not have an adverse economic effect on small businesses as provided by the Oklahoma Small Business Regulatory Flexibility Act. The rules do not prevent persons from utilizing groundwater. Existing location-exception provisions provide a mechanism to mitigate unreasonable or inequitable impacts. The proposed rules do not impose a fee, tax, assessment, or monetary charge.

X. **Measures taken to minimize the cost and impact of the proposed rule on business and economic development in this state, local government unites of this state, and individuals.**

Measure 1. OAC 785:30-3-6 allows an exception when compliance would be inequitable or unreasonable. Examples include situations in which:

- a landowner within the spacing distance does not object;
- the size or configuration of the dedicated land prevents compliant drilling;
- the well predates the spacing requirement; or
- available groundwater at compliant locations is insufficient for the proposed use.

Measure 2. Existing wells and existing permits would not be retroactively invalidated solely because they do not satisfy the new spacing standard. The current rule is structured around new/proposed wells, which substantially reduces the economic disruption associated with a new spacing requirement.

Measure 3. The proposed rules distinguish between bedrock and alluvium & terrace systems rather than applying a single statewide distance. That approach is supported by the substantial hydrogeologic differences among Oklahoma's groundwater basins including differences in saturated thickness, transmissivity, hydraulic conductivity, recharge, and well yields.

Measure 4. The economic burden can be reduced substantially if applicants can determine before purchasing property or designing a project whether a proposed well location complies with the new rules. The OWRB already maintains groundwater well records and monitoring information, which could be used by an applicant when evaluating potential groundwater sites.

XI. **Determination of the effect of the proposed rule(s) on the public health, safety and environment and, if the proposed rule(s) is/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 rule will reduce the risk.**

The expected effect of the proposed rules on public health, safety, and environment would be positive. Approval of the rules could result in the following:

- **Reduced localized drawdown –** Multiple wells drawing from the same groundwater basin in farther proximity can produce a smaller localized decline in groundwater levels than the same total withdrawal distributed over a smaller area.
- **Increased well productivity –** Existing wells may experience a slower decline in pumping efficiency or yields.
- **Reduced pumping costs –** A slower decline in water levels allows pumps to lift water a shorter distance, decreasing energy consumption.

The proposed rules, however, do not guarantee the prevention of aquifer depletion.

XII. **Determination of any detrimental effect on the public health, safety, and**

environment if the proposed rule(s) is/are not implemented.

The principal risk if the proposed rules are not implemented is that new wells could become increasingly concentrated near existing wells, which could result in the following:

- **Increased localized drawdown –** Multiple wells drawing from the same groundwater basin in close proximity can produce a larger localized decline in groundwater levels than the same total withdrawal distributed over a broader area.
- **Reduced well productivity –** Existing wells may experience reduced pumping efficiency or declining yields.
- **Increased pumping costs –** As water levels decline, pumps may have to lift water farther, increasing energy consumption.

XIII. Analysis of Alternatives to Adopting the Rule(s)

Alternative 1: No Action. Continue operating as the OWRB has in the past. There would be no new compliance costs and would allow maximum flexibility for persons within the 15 groundwater basins specified above. However, it would not address localized well interference in basins where spacing has not been established, which creates a greater risk of concentrated pumping.

Alternative 2: Hydrologic-impact modeling for each individual well. Would require applicants to demonstrate through a site-specific hydrogeologic analysis that the proposed well will not materially affect nearby wells. This would be highly individualized and potentially the most scientifically precise approach. However, it would be the most expensive, requires substantial OWRB staff review, and could significantly slow the permitting process.

XIV. Estimated Time Spent by State Employees to Develop Rule and Other Resources Used in Developing Rule

OWRB staff spent approximately 28 hours developing these rule changes and analyzing the impacts.

XV. Summary and Preliminary Comparison of Any Existing or Proposed Federal Regulations Intended to Address the Activities to be Regulated by Proposed Administrative Rules

There are no federal regulations intended to address the activities to be regulated by the proposed rules.

XVI. Date the rule impact statement was prepared and if modified, the date modified.

The Oklahoma Water Resources Board prepared this rule impact statement on August 29, 2026.

CHAPTER 35. WELL DRILLER AND PUMP INSTALLER LICENSING

SUBCHAPTER 1. GENERAL PROVISIONS

785:35-1-2. Definitions

The following words and terms, when used in this Chapter, shall have the following meaning, unless the context clearly indicates otherwise:

"Abandoned well" means a well that has been permanently taken out of use, or is in such a state of disrepair that using it is impracticable or threatens to contaminate the groundwaters of the State.

"APA" means and refers to the Oklahoma Administrative Procedures Act set forth in 75 O.S. 1981, §§250 et seq., as amended.

"Application" means a formal request to the Board and the first step required by law to acquire the right to perform or engage in activities regulated by the Board.

"Board" means the Oklahoma Water Resources Board authorized by law to make final adjudications, execute contracts, adopt rules and carry out other powers and duties set forth by law or, for duties authorized by law to be delegated to the Executive Director, the Executive Director or any employee or agent or staff member thereof as assigned by the Executive Director.

"Beneficial use" means the use of such quantity of stream o 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 are not limited to municipal, industrial, agricultural, irrigation, recreation, fish and wildlife, ect.

"Cathodic protection" means a technique used to reduce the corrosion of a metal surface by making that surface the cathode of an electrochemical cell.

"Commercial drilling" means drilling and installation as a business, trade, or occupation for compensation. [82:1010.1]

"Commercial installation" means installation as a business, trade or occupation for compensation. [82:1020.1]

"Commercial plugging" means plugging wells or borings as a business, trade or occupation for compensation. [82:1020.1]

"Deep anode groundbed" means one or more anodes installed vertically at a depth of fifty (50) feet or more below the earth's surface in a drilled hole for the purpose of providing cathodic protection.

"Direct push geological boring" means a geological boring in which tools and sensors are pushed into the ground using static weight combined with percussion as the energy to remove soil or make a path for the tool to obtain geotechnical, soil, water, and/or vapor information.

"Direct push monitoring well" means a well installed by direct push technology and used to obtain a representative groundwater sample for determining groundwater chemistry or quality; for detecting, recovering, or remediation of actual or potential contamination; or for monitoring the unsaturated zone above a water table or confined aquifer, and includes site assessment observation wells and unsaturated zone monitoring wells.

"Drilling water" means water that is used in the drilling of a well which is of a quality suitable for drinking or is uncontaminated water with a residual chlorine content equal to or greater than one hundred (100) milligrams per liter.

"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 whether or not the animals are actually owned by such natural individual or family, and for the irrigation of land not exceeding a total of three (3) acres in area for the growing of gardens, orchards, and lawns [82:1020.1(2)]. 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.

"Firm" means an individual or any kind of legal entity, such as a sole proprietorship, partnership or corporation that holds a license to conduct any well drilling or pump installation activity.

"Fresh water" means water which has less than five thousand (5000) parts per million total dissolved solids. All other water is salt water. [82:1020.1(7)]

"Fresh water observation well" means any well used to measure the depth to the water table or parameters of fresh water aquifer performance.

"Geotechnical boring" means any excavation deeper than four feet (4'), that is drilled, augured, bored, cored, washed, driven, jetted or otherwise constructed and which is used or capable of being used to obtain soil or geological formation samples or information, or for the determination of groundwater quality or remediation.

"Geothermal well" means heat pump well.

"Groundwater" means fresh water and marginal water under the surface of the earth regardless of the geologic structure in which it is standing or moving outside the cut bank of any definite stream. [82:1020.1(1)]

"Groundwater well" means any excavation that is drilled, cored, bored, washed, driven, dug, jetted or otherwise constructed which is used or is capable of being used for the production of groundwater.

"Heat exchange well" means the same as, and includes, the terms "geothermal well", "heat pump well", and "heat sink well".

"Heat pump well" means a boring or cased hole that uses or is capable of using the thermal characteristics of the geologic formations or groundwater if encountered, and includes but is not limited to an open or closed loop groundwater heat pump system.

"Heat sink well" means a well utilized for heat exchange purposes, including but not limited to, a heat pump well and a geothermal well.

"License" means a certification issued by the Board to qualified persons making application therefor authorizing such persons to engage in weather modification and control operations or the business of drilling or plugging wells or borings and installing water well pumps.

"Marginal water" means water which has at least five thousand (5000) and less than ten thousand (10,000) parts per million total dissolved solids.

"Monitoring well" means a well used to obtain a representative groundwater sample for determining groundwater chemistry or quality; for detecting, recovering, or remediation of actual or potential contamination; or for monitoring the unsaturated zone above a water table or confined aquifer, and includes site assessment observation wells and unsaturated zone monitoring wells.

"Open-loop heat pump water supply well" means a well drilled to supply water for the purpose of heat transfer.

"Operator" means the individual person engaging in the actual operation and use of the well drilling equipment and facilities and who performs and supervises the actual on-site construction, completion and handling of wells or well test holes, and conducts tests, and obtains and records well or well test hole data.

"Piezometer" means cased holes that monitor or are capable of monitoring water pressures or soil moisture tensions, primarily located at dam sites or other man-made water retention structures.

"Pump" means mechanical equipment or device used to remove water from wells and shall include, but is not limited to pumps, seals, tanks, fittings, pipes from wells to pressure tanks, pressure switches, shut off valves for pressure tanks, related equipment and controls.

"Pump installer" means a person who is qualified to engage in the installation, removal, alteration, or repair of water well pumps and pumping equipment used in connection with a water well and breaking of the water well seal.

"Sand point well" means a groundwater well with a borehole constructed by means of driving a small diameter pipe having perforations downward into a loose sandy soil or by means of forcing uncontaminated groundwater through a small diameter pipe having perforations with sufficient pressure to displace loose sandy soil with the pipe.

"Site assessment observation well" means a well used to measure the depth to the water when used for evaluation, classification or determination of the groundwater flow direction at a site that is or might be contaminated.

"Sleeve" means well casing that is installed at the surface surrounding the production casing and used solely for the purpose of attaching a pitless adapter unit and is separate from surface casing and conductor pipe.

"Soil boring" means geotechnical boring.

"Total dissolved solids" (TDS) means a measure, in parts per million, of dissolved combined organic or inorganic substances suspended in water. Total dissolved solids is used as an aggregate indicator of water quality.

"Unsaturated zone monitoring well" means any well used for the characterization, evaluation or monitoring of the unsaturated area above the water table or zone.

"Vertical closed-loop heat pump well" means the borehole perpendicular to the natural grade of the earth surface drilled deeper than ten (10) feet into which a closed-loop pipe is placed for the purpose of heat transfer.

"Water return well" means a well constructed for the purpose of returning water that has passed through the heat pump system to the same aquifer from which the water was produced by the open-loop water supply well.

"Water well test hole" means any excavation that is drilled, cored, bored, washed, driven, dug, jetted or otherwise constructed which is used or is capable of being used to determine the location of fresh groundwater and/or the capacity of the geologic formation to yield groundwater.

"Well" means any type of excavation for the purpose of obtaining groundwater, to monitor, to remediate, or observe conditions under the surface of the earth, but does not include oil and gas wells.

"Well driller" means and refers to the individual owner-proprietor or partnership, firm or corporation engaged in the business of the commercial drilling, plugging or reconstruction and the test drilling of wells in the State of Oklahoma.

785:35-1-4. Violations and penalties

(a) **Misdemeanor violations.** Any person who, after notice from the Board violates or refuses or neglects to comply with any provision of 82 0.S. 1991, §§1020.1 through 1020.22, as amended and the rules of this Chapter, or who commits waste shall be guilty of a misdemeanor, and upon conviction shall be fined not less than Twenty-Five Dollars ($25.00) nor more than Two Hundred Fifty Dollars ($250.00) for each offense. Any person who, after notice that he is in violation thereof continues to violate any provision of this act, and fails to comply therewith within a reasonable length of time, is guilty of a separate offense for each day the violation continues.

(b) **Administrative penalties.** *The Board may, after notice and hearing, impose on any person administrative penalties of up to Five Thousand Dollars ($5000.00) and may revoke, suspend or deny renewal of any license or operator certification for each violation of the rules regarding license or certification requirements, the requirement to obtain a license or certification, or minimum construction or installation standards. Each day a violation continues shall constitute a separate violation. Such administrative penalties shall be deposited in the Well Drillers and Pump Installers Remedial Action Indemnity Fund except as otherwise provided in* 785:35-1-5(c). [82:1020.16(E)]

(1) **Notice of violation and proposed assessment.** In addition to revoking, suspending or not renewing a license or operator certification, the Board may impose administrative penalties against drillers or operators who fail, refuse or neglect to comply with rules or orders of the Board. Such administrative penalties shall be imposed only after notice and

opportunity for hearing on the proposed imposition of such penalties. The notice of the proposed assessment of administrative penalties shall inform the respondent of the provisions of the Board rules or order at issue and the proposed amount of the penalty. A letter, citation, petition, notice of violation, consent order or final order may constitute a notice of proposed assessment for purposes of initiating administrative penalty proceedings if it meets the requirements of this section.

(2) **Administrative fine schedule.** The schedule of fines in this Section is based on violation of requirements common to the rules promulgated under authority of the 82 O.S. Section 1085.2; Oklahoma Groundwater Law in 82 O.S. Section 1020.1 and following, particularly Section 1020.16 on well driller and pump installer licensing. The fine schedule for citations issued by the Board for violations of the following requirements is:

(A) Engaged in commercial activity without a license.
- (i) First - $1,000.00
- (ii) Second or subsequent - up to $5,000.00.

(B) Engaged in commercial activity without an operator's certification.
- (i) First - $1,000.00.
- (ii) Second or subsequent - up to $5,000.00.

(C) Failure to have present a certified operator at the drilling, plugging or pump installation site.
- (i) First - $1,000.00.
- (ii) Second or subsequent up to $5,000.00.

(D) Failure to have rig used in drilling or pump installation properly identified
- (i) First - $1,000.00.
- (ii) Second or subsequent up to $5,000.00.

(E) Failure to submit a multi-purpose completion report form or electronic version
- (i) First - $250.00.
- (ii) Second or subsequent $500.00.

(F) Violation of groundwater well, fresh water observation well and water well test holes minimum standard
- (i) First - $1,000.00.
- (ii) Second or subsequent up to $5,000.00.

(G) Violation of heat exchange well minimum standard
- (i) First - $1,000.00.
- (ii) Second or subsequent up to $5,000.00.

(H) Violation of monitoring well and geotechnical boring minimum standard
- (i) First - $1,000.00.
- (ii) Second or subsequent up to $5,000.00.

(I) Violation of pump installation minimum standard.
- (i) First - $1,000.00.
- (ii) Second or subsequent up to $5,000.00.

(J) Violation of minimum standard for plugging and capping wells and test holes.
- (i) First - $1,000.00.
- (ii) Second or subsequent up to $5,000.00.

(K) Violation of minimum standard for plugging site assessment observation well, monitoring well and geotechnical borings.
- (i) First - $1,000.00.
- (ii) Second or subsequent up to $5,000.00.

(3) **Administrative Citations**

(A) Issuance of a citation. A citation which is issued to a person for violation of one or more of the compliance requirements provided in Section 785:35-1-4(b)(2) shall advise the person of the hearing date at which the person may contest the issuance of the citation and/or the amount of the fine. Such hearings shall be conducted in compliance with the Oklahoma Administrative Procedures Act and the Oklahoma Open Meetings Act.

(B) Orders following hearing. A final order may uphold the citation as issued, reduce the amount of the fine or dismiss the action. A default order may be issued if the person cited has been advised in writing of the hearing date and fails to appear. The fine is due and payable immediately upon issuance of the order unless otherwise provided therein. A final order is appealable to the district court in accordance with the Oklahoma Administrative Procedures Act.

(4) **Payment of fines.** A person who is ordered to pay a fine shall submit the fine to the Oklahoma Water Resources Board, 3800 North Classen Boulevard, Oklahoma City, Oklahoma 73118. A person who decides not to contest the issuance of the citation shall submit payment of the fine to the same address on or before the hearing date indicated on the citation.

785:35-1-5. Indemnity Fund

(a) **Purpose of the Indemnity Fund.** *Monies in the Indemnity Fund shall only be expended for remedial actions necessary without notice and hearing to protect groundwater from pollution or potential pollution from wells or boreholes that do not meet the*

minimum standards for construction or that have been abandoned. [82:1020.16(B)(2)] *Expenditures from the indemnity fund...shall not exceed ~~Ten Thousand Dollars ($10,000.00)~~ Twenty-Five Thousand Dollard ($25,000.00) for each well, borehole, or pump for which action is taken.* [82:1020.16(B)(4)] Monies from the Indemnity Fund shall be expended solely for the repair or plugging of improperly constructed wells. Unless otherwise determined by the Board, a finding that a well has been improperly constructed shall be based on the rules and statutes in place at the time the well was constructed.

(b) **Reimbursement.** The establishment of the Indemnity Fund in no way relieves the driller or pump installer from liability incurred or responsibility for wells or boreholes drilled or plugged or pumps installed which are not in compliance with the Board's rules and regulations. If the Board makes an expenditure from the Indemnity Fund to remedy a deficient condition, then any driller or pump installer responsible ~~therefor~~ therefore shall, within a reasonable time specified in a written notification by the Board, reimburse the Indemnity Fund for the full amount of the expenditure. If the driller or pump installer does not make such reimbursement, then the Board shall not renew the license or certification of the driller or pump installer and may pursue other available remedies. *The Board shall seek reimbursement as recommended by the Well Drillers and Pump Installers Advisory Council for any remedial action taken or required by the Board*. Any monies received as reimbursement shall be deposited in the Well Drillers and Pump Installers Remedial Action Indemnity Fund except as otherwise provided in 785:35-1-5(c). [82:1020.16(B)(5)]

(c) **Well Drillers and Pump Installers Regulation Account.** When the Well Drillers and Pump Installers Remedial Action Indemnity Fund reaches ~~Fifty Thousand Dollars ($50,000.00)~~ One Hundred Thousand Dollard ($100,000.00), the annual fees received from well drillers and pump installers, *monies received as reimbursement, and administrative penalties recovered under* 785:35-1-4(b) [82:1020.16(C)] shall be deposited in a separate account in the *Water Resources Board Revolving Fund designated as the Well Drillers and Pump Installers Regulation Account. Monies in said account shall be used by the Board for inspections, licensing, enforcement, and education, reimbursing per diem and travel costs for members of the Well Drillers and Pump Installers Advisory Council pursuant to the State Travel Reimbursement Act, and as otherwise determined to be necessary to implement the provisions of this section* [82:1020.16(C)], including but not limited to the payment for damage or destruction of property caused by activities related to inspections and enforcement by the Board.

SUBCHAPTER 3. LICENSING AND CERTIFICATIONS

785:35-3-1. Licensing procedures

(a) **Who must file and types of certifications.**

(1) All persons engaged in the following categories of activities in this state shall make application for and obtain a license from the Board:

(A) Category 1: commercial drilling or plugging of groundwater wells including test drilling for groundwater, and commercial drilling or plugging of fresh water observation wells;

(B) Category 2: commercial drilling or plugging of monitoring wells and site assessment wells, and drilling or plugging of geotechnical borings;

(C) Category 3: commercial ~~installation of water well pumps~~ installation, removal, alteration, or repair of water well pumps or water well pumping equiptment;

(D) Category 4: commercial drilling or plugging of wells utilized for heat exchange purposes including but not limited to the following:

(i) heat exchange wells; and

(ii) geothermal wells.

(E) Category 5: commercial drilling or plugging of marginal water wells.

(F) Category 6: commercial drilling or plugging of cathjodic protection wells drilled for deep anode groundbeds.

(2) The license issued by the Board shall indicate on its face each category and specific activity or activities as described in (a)(1) of this section for which the licensee is certified to perform and conduct.

(3) Each licensed firm shall have at least one operator who may also be the licensee. Each operator shall be required to obtain a certification from the Board. An operator shall not conduct types of activities not authorized for the licensee under whom the operator works.

(4) To engage in activities for which certification is required, operators shall also have a valid license or shall be certified as an operator for a person having a valid license. An operator's certification by itself shall not constitute proper authority to engage in activities for which licensing is required.

(5) Reconditioning of wells as a trade, business or occupation for compensation shall be considered commercial drilling.

(6) No license shall be required for any person who installs vapor observation wells within the excavation of newly installed underground tank systems, provided that the bottom of the vapor observation well does not intercept the groundwater table and is above the historic high water table level in the area, and provided further that such vapor wells shall be constructed to meet or exceed the minimum standards for the construction of monitoring wells which are located in the unsaturated zone of aquifer.

(b) **Application requirements for license.**

(1) Any person who intends to conduct any of the activities listed in 785:35-3-1(a)(1) must complete and file a verified application for license and activity certification on forms provided by the Board.

(2) The license applicant shall submit the following with the application:

(A) verification of at least two (2) years qualified experience in the activity or activities for which certification under the license is sought, provided that education related to the activity may be substituted for up to one (1) year of the required qualified experience;

(i) Experience documentation submitted to the Board must include W-2's and/or check stubs verifying qualified experience.

(B) a list of all well rigs and equipment used or to be used in conducting the activities for which certification under license is sought;

(C) the license fee for each activity for which certification under the license is sought;

(D) the indemnity fund fee for each category of activity for which certification under the license is sought;

(E) the examination fee.

(F) applicants for category 5 must also ~~holds~~ hold a category 1 certification for a minimum of 2 years.

(3) Applicants who are partnerships, corporations or other entities that are not individuals shall additionally provide the following with the application:

(A) designation of one contact person who shall be an official properly authorized to act for the partnership, corporation or other entity;

(B) authorized signature of the contact person who shall execute and verify the application;

(C) a list of all persons employed who intend to become duly certified operators for the partnership, corporation or other entity.

(c) **Application requirements for operator certification.**

(1) Any individual who intends to conduct any of the activities listed in 785:35-3-1(a)(1) for any person who obtains a license pursuant to these rules must complete and file an application for an operator certification on forms supplied by the Board, provided however, one operator certification shall be issued with the license to the licensee.

(2) The applicant for an operator certification shall submit the following with the application:

(A) prior to January 1, 2030, verification of at least one (1) year of qualified experience in the activity or activities for which the operator certification is sought, provided that education related to the activity may be substituted for up to six (6) months of the required qualified experience;

(B) the operator certification fee;

(C) the examination fee.

(D) Effective January 1, 2030, verification of completion of a supervised experience program or official documentation verifying an active, valid certification designation in good standing issued by the National Ground Water Association (NGWA), provided, if NGWA certification is submitted towards operator certification:

(i) applicants for Category 1, groundwater wells, Category 2, monitoring wells and geotechnical borings, Category5, marginal qualituy groundwater wells, or Category 6, cathodic protection, must hold an active Certified Well Driller (CWD) or Master Groundwater Contractor (MGWC) designation;

(ii) applicants for Category 3, pump installation must hold an active Certified Pump Installer (CPI) or Master Groundwater Contractor (MGWC) designation;

(iii) applciatnts for Category 4, geothermal and heat exchange wells, must hold a Certified Vertical Closed Loop Driller (CVCLD) designation;

(d) **Completion of application and notification.**

(1) Any application for license or operator certification not completed within six (6) months from the date of receipt shall be cancelled and fees submitted therewith forfeited.

(2) Upon receipt of a properly completed application and all items required to be submitted, the Board shall inform said applicant of the dates, times, and places of the examination for which he is eligible.

(e) **Administration and procedures relating to examination.**

(1) Upon notification of the dates, times, and places of examinations, the applicant shall notify the Board of the date, time, and place the applicant will be present to take the Oklahoma regulations examination relating to the activities listed in 785:35-3-1(a)(1) for which the license or operator certification is sought. There shall be ~~five (5)~~ six (6) kinds of examinations:

(A) an examination relating to groundwater wells and fresh water observation wells,

(B) an examination relating to monitoring wells, site assessment observation wells, and geotechnical boring,

(C) an examination relating to pump installation activities, including but not limited to related electrical work performed from the output side of a fused disconnect or breaker box, and

(D) an examination relating to heat exchange wells.

(E) an examination relating to marginal water wells.

(F) an examination relating to cathodic protection wells.

(2) The applicant shall not be allowed to confer with any other person or refer to outside materials for answers to examination questions.

(3) After completion of the appropriate examination(s) within a reasonable time, the Board shall grade the examinations and pass upon qualifications of applicants for licensing and certification.

(4) An applicant, at any time within 30 days of the date he is notified of the results of an examination, may inspect his or her examination paper in the offices of the Board during the normal business hours for the purpose of challenging the

propriety of the questions, the method of grading, and the accuracy of grading.

(5) Any applicant who fails an examination will be promptly notified by the Board. After a minimum time period of thirty (30) days, and if a subsequent examination is scheduled between the date of notification and the six (6) months expiration period of the application, the applicant may request to take the subsequent examination but must pay the appropriate examination fee each time the applicant requests to take the examination.

(f) **Issuance of license.**

(1) Upon acceptance of the applicant's qualifications the Board will issue the license with appropriate category and activity certifications to the applicant along with the required operator certifications.

(2) No license and no operator certificate shall be issued to any person who has not been a resident of the State of Oklahoma for at least ninety (90) days prior to the date of issuance of the license, unless the reciprocity provisions for nonresidents as set forth in (B) of this paragraph apply.

(A) The applicant for a license or operator certificate as the case may be, shall submit written verification of Oklahoma residency as required in this subsection.

(B) The Board may waive the ninety (90) day residency requirement as outlined in this subsection for any nonresident of the State of Oklahoma if the nonresident's particular state, territory, or possession of the United States extends similar privileges to the persons licensed under the provisions herein. If the applicant's state of residency has a licensing requirement, then the nonresident must be licensed and in good standing in that state. ~~The license fees charged to a nonresident applicant shall be at least equal to the fees charged for similar nonresident license by the state, territory, or possession of the United States in which the applicant is a resident, but in no case shall the fee be less than four hundred dollars ($400.00).~~ Effective Januarry 1, 2030, all applicants must complete a supervised experience progran that matches the additional activities for which the license or certification is sought or submit official documentation verifying an active, valid certification in good standing issued by the NGWA appropriate for the respective license or certification.

(C) Upon issuance of the license to a firm, license ownership shall be held and owned by the firm. The Point of contact provided may request changes to the firm's information.

(g) **Changing the designation of license or moving an operator certification.**

(1) Any individual licensee may request modification of the license designation to that of a partnership, corporation or other legal entity. The Board shall approve the request and issue a modified license after the following conditions are met:

(A) the licensee holds an active valid license;

(B) the licensee gives written notice of the request to the Board;

(C) the licensee provides the name of the contact person who is an official properly authorized to act for the partnership, corporation or other entity;

(D) a list of all persons employed by the partnership, corporation or other entity who are or intend to become duly certified operators.

(E) payment of fee(s) required for change of license and any new operator certifications.

(2) An operator who has obtained a certification to drill under the license of a partnership, firm, or corporation can transfer that certification to another partnership, firm, or corporation on the following conditions provided that an operator cannot conduct activities during any period that he is not associated with a licensee, and provided further that an operator certification will not be renewed unless the operator is associated with a licensee:

(A) the transfer fee is submitted to the Board with the transfer request, and

(B) the operator associates with the new licensee within thirty (30) days, or has provided notice to the Board of his current address within thirty (30) days after leaving the previous licensee.

(h) **Adding activities to be certified under license or operator certification.**

(1) A licensee or certified operator may request to add activities to be certified under the license or operator certification.

(2) The Board shall consider approval of request after the following conditions are met:

(A) verification of at least two (2) years qualified experience in the additional activity or activities for which the license is sought, provided that education related to the activity may be substituted for up to one (1) year of the required experience; verification of at least one (1) year qualified experience in the additional activity or activities for which certification is sought, provided that education related to the activity may be substituted for up to six (6) months of the required experience;

(B) submittal of an update of the list of rigs or other equipment to be used in the additional activity or activities;

(C) submittal of the additional license or operator certification fee;

(D) submittal of the additional indemnity fund fee;

(E) submittal of the examination fee;

(F) passing the examination~~.~~:

(G) Effective january 1, 2030, completeion of a supervised experience program or verificatiopn of an active, valid certification in good standing issued by the NGWA appropriate for the additional activity or activities for which the license of certification is sought.

785:35-3-1.3. Supervised experience program

(a) A person who wishes to participate in the supervised experience program under the supervision of a licensed well driller or licensed pump installer firm must register by submitting a registration form to the Board, provide a detailed description of the training program, including the effective commencement and termination date, and provide proof that the licensed well driller or pump installer has agreed to accept the responsibility of supervising the program, which may be conducted by any certified operator employed by the licensed firm.
(b) To qualify for the supervised experience program, the person must:
(1) Participate in a supervised experience program developed by a licensed well driller or pump installer and conducted by the licensee or any certified operator employed by the licensed firm; and
(2) Submit an application on a Board-approved form.
(c) The application form for a supervised experience program registrant must include:
(1) The name, business address, and permanent mailing address of the registrant;
(2) The name and license number of the licensed well driller or pump installer firm responsible for the program, with the understanding that any certified operator employed by the licensed firm may provide training to the registrant;
(3) A detailed description of the training program including the types of wells to be drilled and/or pumps to be installed, the effective commencement and termination dates of the program, equipment used, safety training and procedures, and experience, knowledge, and qualification benchmarks while under the supervised experience program;
(4) A statement by the licensed driller and/or pump installer accepting full responsibility under this Chapter for the acts and activities of the registrant associated with the supervised experience program, regardless of which certified operator within the firm provides the training; and
(5) The signatures of the registrant and the licensed driller or pump installer and a certification of the licensee and registrant that the information provided is true and correct.
(d) Participation in the supervised experience program counts as qualified experience towards a license or operator certification.

785:35-3-2. Expiration and renewal of licenses and certifications

(a) **Expiration.** All licenses and operator certifications issued by the Board shall expire on June 30 of the first or second year following issuance of the license or ~~operators~~ operator certification. New licenses or operator certifications shall be issued for a one or two year period, so that all odd license numbers and associated ~~operators~~ operator certifications shall expire in odd numbered years and all even numbered licenses and associated operator certifications shall expire in even numbered years.
(b) **Renewal.** All licenses and certifications may be renewed for a period of two years, subject to the rules in this Chapter. On or before May 31 of the year the license or certification is to be renewed, except as specified in this subsection, each licensee and certified operator shall submit the following:

(1) A completed application for renewal on forms furnished by the Board with the affidavit executed by the listed contact person for the licensee, and
(2) The license or operator certification renewal fee as provided for in these rules, provided that renewal fees shall not be due for licenses and certifications issued after January 1 of the year in which the first renewal is due, and
(3) The indemnity fund fee for those activities for which the license or operator certification is valid, and
(4) The late fee if the renewal application is submitted after May 31.

(c) **Grace period.** Any licensee or operator who allows his or her license or certification to lapse will be given until June 30 of the year in which they are scheduled to renew their license or operator certification in which to renew his or her license or certification without an examination; provided however, a late fee shall be due after May 31 as set forth in 785:5-1-11. After the grace period, the application will be treated as a new application. Provided however, any licensee or operator fulfilling a military obligation shall be granted an indefinite grace period as determined by the Board.
(d) **Board action.** The Board may grant the renewal application or deny the application as provided in this subchapter of these rules.
(e) **Continuing education requirement.**

(1) Beginning July 1, 2004, completing annual continuing education shall be required before any license or operator certification will be renewed, unless otherwise specifically determined by the Board or as set forth in paragraph (8) of this subsection. Information concerning the continuing education attended must be submitted with the application for renewal form.
(2) All licensees and all certified operators shall be required to attend at least four (4) units of approved continuing education during each year period (from July 1 through June 30) or a total of eight (8) units for each two-year period of renewal of which one unit must be comprised of an approved Oklahoma Rules and Regulations unit.
(3) Category 5 licensees shall be required to obtain at least two (2) units, of the required eight (8) units, of specialized continuing education related to the marginal water wells for each two-year period.
(4) Continuing education shall be required during the first full year that the license or operator certification is active and during each year the license or operator certification is renewed.
(5) One unit of continuing education shall equal fifty (50) minutes of approved instruction.
(6) Approved trade shows and exhibitions attended shall be counted as one unit.
(7) Continuing education instruction relating to well drilling and plugging and pump installation which are provided by or approved by another state's well drilling program are pre-approved for the Oklahoma continuing education requirement if the other state's well drilling program offers reciprocity by accepting Oklahoma's pre-approved continuing education instruction.

(8) Other continuing education instruction and trade shows and exhibitions will be considered for approval by the Board after information concerning the continuing education or trade show and exhibition is submitted to the Board for review. Pre-approval of continuing education, trade shows and exhibitions may be requested for any licensee or certified operator.
(9) ~~Online continuing education that has been designated as pre-approved by the Board shall be accepted for no more than four (4) units of the required eight (8) units for the two-year renewal period.~~**National Certification CE Resiprocity. Submission of a current NGWA certification card or an official NGWA continuing education transcript demonstrating compliance with NGWA's annual continuing education requirements shall be accepted by the Board as prima facie evidence of meeting the eight (8) units of required continuing education under paragraph (1) of this subsection.**
(10) If a licensee or certified operator fails to attend four (4) or eight (8) units as the case may be during the renewal period, the application for renewal may be approved after payment of $250.00 in penalty and double the continuing education requirements eight (8) or sixteen (16) units as the case may be).

SUBCHAPTER 5. GENERAL REQUIREMENTS TO MAINTAIN LICENSES AND OPERATOR CERTIFICATIONS

785:35-5-1. General requirements for licenses

All licensees shall comply with the following to maintain their license:
(1) Designate in a writing filed with the Board an authorized representative of the licensee who shall be deemed and treated as responsible for the exercise, use, maintenance, modification, renewal and all other respects of, and all reports and correspondence relating to, the license. The licensee representative need not be an operator.
(2) An operator certified for the activity being conducted shall be present at the drilling, plugging or pump installation site at all times when any of the regulated activities are being conducted. The operator must have his certification in his possession anytime he is in charge of the drilling operations or pump installation activities.
(3) Each rig used in drilling or pump installation operations shall be properly identified with letters that are a minimum of two inches (2") inches in height, with the firm name and license number in a location visible to the public.
(4) Complete each well or install each pump as the case may be to meet or exceed the minimum standards adopted by the Board set forth in this Chapter, unless a variance has been requested and approved pursuant to 785:35-7-3 before construction begins.
(5) Submit a multi-purpose completion report acceptable to the Board for each new well constructed, each well plugged and each well reconditioned on the appropriate form provided by the Board within sixty (60) days following the completion of new construction, plugging, or reconditioning of the well. The report shall include all applicable information required in the form. For test holes and geotechnical borings, a multi-purpose completion report for each test hole and boring, or one multiple test hole/boring report on a form provided by the Board listing the required information for each such test hole or boring on a contiguous tract of land, must be submitted to the Board within sixty (60) days after completion and plugging of the test holes or borings. Licensees are responsible for the accuracy of information in all reports submitted by certified operators.
(6) Properly renew said license as required herein, including continuing education attendance.
(7) Post the license issued by the Board in a conspicuous place at the business address of the licensed individual, partnership, firm or corporation.
(8) Construct and complete water wells which are to be used for purposes other than domestic use only when an application has been made to the Board for a permit authorizing the location of the well(s).
(9) All contractors are required to keep the firm's contact information up to date with the Board. If the firm's contact information changes, the firm must notify the Board within 30 days with updated contact information.

SUBCHAPTER 7. MINIMUM STANDARDS FOR CONSTRUCTION OF WELLS

785:35-7-1. Minimum standards for construction of groundwater wells, fresh water observation wells, and water well test holes

(a) **General requirements.**

(1) **Minimum standards.** The minimum standards set forth in this subchapter apply to all groundwater wells, fresh water observation wells and water well test holes whether constructed by a person having a valid license or by any other person. More stringent construction standards may be required for areas of known contamination as identified in ~~Chapter 45~~ OAC 252:730, Appendix H.
(2) **Construction of wells.** Flowing and non-flowing groundwater wells, observation wells and water well test holes are to be constructed in a manner as to prevent waste and to prevent contamination of groundwater by pollution material either entering the ground around the casings or tubing, or entering the fresh groundwater from pollution sources below the ground, or by entering the fresh well water by leaking wells, casing pipe fittings, pumps, or well seals.

(3) **Proper maintenance, plugging and capping.** The well driller and/or the well owner are charged with the responsibility of taking whatever steps are reasonable in a particular situation to guard against waste and contamination of the groundwater resources, and to see that unused wells are properly capped or plugged.

(4) **Minor and small public water supply wells.** Prior to drilling a well that will be used in a minor or small public water supply system, a permit from the Oklahoma Department of Environmental Quality (ODEQ) must be obtained. Minor and small public water supply systems are defined in OAC 252:624-1-2 of the ODEQ regulations.

(b) **Minimum location standards.**

(1) Every new groundwater well, fresh water observation well and water well test hole shall be located a minimum distance from possible pollution sources as prescribed in this subsection or as otherwise authorized by a variance granted by the Executive Director. Possible pollution sources include but are not limited to existing or proposed septic tanks, sewer lines, absorption fields or beds, seepage pits, building foundations, waste pits, lagoons, oil or gas wells, and landfills. The minimum distance between the possible pollution source and the well or test hole shall be as follows, provided that other governmental agencies may require wells to be located at distances greater than the minimum distances set forth in this paragraph:

(A) 10 feet from a closed or tight sanitary sewer line, 25 feet from aerobic (above ground) sprinkler spray, and 50 feet from an aerobic sprinkler head,

(B) 300 feet from the outside perimeter of an existing or proposed waste lagoon for a feedlot or confined animal feeding operation, and

(C) 50 feet from all other pollution sources, provided however, if the well is 50 feet to 75 feet and located down-gradient or level from a possible source of pollution, a twenty foot (20') surface seal shall be installed, and

(D) 75 feet from all other pollution sources if the well is level with the pollution source and 100 feet from all other pollution sources if the well is located down-gradient from the pollution source.

(2) If not prohibited by the owner of the well or other governmental agency requirements, groundwater wells which will not be used for drinking water may be located closer to a possible pollution source than the minimum distances specified in paragraph (1) of this subsection if all of the following conditions are met:

(A) the possible pollution source is not a wastewater lagoon, and not a subsurface septic system,

(B) before the well is drilled, the well driller advises the person wanting the well drilled that the well is subject to contamination,

(C) the owner of the proposed well notifies the Board that the owner will authorize the driller to drill the well closer to the possible pollution source than the minimum location standard,

(D) the outside water-tight casing is properly cement grouted or completed with ten (10) feet bentonite in the lower one-half (1/2) portion and ten (10) feet cement grout in the upper one-half (1/2) portion at least twenty (20) feet down from the land surface or pitless adaptor connection.

(3) If a well driller or other person proposing to drill a well encounters a structure, object or other situation and is unsure whether it may be a possible source of pollution, he shall contact Board staff and obtain approval for location of the well.

(c) **Casing of groundwater and fresh water observation wells.** Except for sand point wells, requirements for casing of groundwater wells and fresh water observation wells shall be as follows:

(1) The casing shall be installed to seal off any groundwater zones containing water which does not meet the groundwater quality standards as set forth in Oklahoma's Water Quality Standards. In no case shall a well be completed in a salt or marginal water zone.

(2) New groundwater and fresh water observation wells shall have:

(A) Outside water-tight production casing cement grouted from land surface to a minimum depth of ten (10) feet below the land surface, and to such further depth as may be necessary, depending upon the character of the underground formations, to extend into an impervious stratum, where such stratum is found above the source aquifer.

(B) Casing seated at top of the first impervious stratum suitable for casing point. Where an impervious formation or tight confined bed does not occur at the well site, the casing shall be extended as far as practicable below the water table and wherever possible, at least ten (10) feet below the minimum seasonal stage of the water table.

(C) Casing joints threaded, welded, or glued with water well construction glue so as to be water-tight.

(D) Casing that extends at least twelve (12) inches above the natural ground level or at least eight (8) inches above the floor surface (for a total of 12 inches above natural ground level) for surface pad completions. In areas where known flooding occurs, the casing shall extend twenty-four (24) inches above the maximum level of such flooding.

(E) Casing meeting or exceeding the following:

(i) new or clean and sanitary used carbon or stainless steel, or

(ii) new PVC fresh water well casing which has a S.D.R. rating of twenty-six or stronger and which may be plain end with threaded connector, and with all joints made water-tight by cleaning and cementing, using manufacturer's recommended thinner and cement for use in fresh water wells, or

(iii) fiberglass or other material which meets or exceeds N.S.F. approval for casing which is specially designed for use in a water well.

(d) **Cement grouting and concreting.** Except for sand point wells, cement grouting and concreting requirements for groundwater wells and fresh water observation wells shall be as follows. These requirements must be met before the drilling rig is taken from the site.

(1) All new groundwater wells and fresh water observation wells shall be made water-tight around the outside of the production casing by cement grouting to such depths as may be necessary to exclude pollution, but in no case shall the cement grout seals be less than ten (10) continuous feet in depth, provided that five (5) feet of bentonite may be installed immediately below five (5) feet of cement grout for the total 10 feet continuous seal. If surface pipe and production casing are used, the cement grouting and/or bentonite seal shall be installed outside the surface pipe casing in all instances beginning July 1, 2005, provided the following provisions apply:

(A) a variance may be issued by the Director for an alternative completion design due to site specific conditions, and

(B) if a sleeve is used at the surface for the sole purpose of attaching a pitless adapter, the sleeve shall be installed or embedded within the surface seal, extend a minimum of eight feet (8') below ground level in the borehole, and the surface seal shall be a minimum of one and one-half inch (1½") thick.

(C) If the surface casing does not extend twelve inches (12") above natural ground level and a pitless cap or sanitary seal is not installed, then a ten foot (10') cement grout/bentonite surface seal shall be installed in the area between the surface and production casings terminating within four feet (4') of land surface.

(D) When deemed necessary to utilize conductor or surface casing to control flowing material near surface, an additional cement/bentonite seal shall originate ten feet (10') below the base of the conductor/surface casing and shall terminate ten feet (10') above the base of the conductor/surface casing between the conductor/surface casing and production casing.

(2) The cement or cement/bentonite seal shall originate at a minimum ten (10) foot depth and terminate no deeper than four feet (4') from the natural land surface for a minimum total length of ten feet (10') after all settling of the cement or bentonite/cement has occured, unless a written waiver is first obtained from the Board.

(3) The cement grout shall consist of a mix ratio of one (1) 94 pound sack of cement to a maximum of six (6) U.S. gallons of water. The cement and water must be mixed to the proper consistency as recommended by the cement manufacturer before the mixture is installed around the casing. A maximum of fifty percent (50%) aggregate by dry weight may be added to the portland cement to form the cement grout, provided the aggregate is a size that will not create a potential to cause bridging in the annular space.

(4) A maximum of twenty percent (20%) percent bentonite may be added to the slurry, which bentonite shall be prehydrated to the manufacturer's recommended consistency. Prehydration requires that the bentonite be properly mixed with the recommended amount of water before the mixture is installed.

(5) The well borehole shall be a minimum diameter of at least three (3) inches greater than the outside diameter of the well casing or production tubing adjacent to the borehole utilized in the surface seal.

(6) This annular space shall be filled with cement grout or cement/bentonite to the minimum ten (10) foot depth, or such further depth as may be necessary to exclude pollution.

(7) Where a pitless well adapter or unit is being installed, the grouting shall start below the junction of the pitless well adapter or unit where it attaches to the well casing and shall continue to at least ten (10) feet below this junction.

(8) If a high solids bentonite grout is used for the bentonite seal portion below the cement grout portion of the surface seal, the grout shall contain a minimum, twenty percent (20%) solids by dry weight.

(9) It is not an acceptable installation method to install dry cement around the casing and then add water.

(e) **Well development requirements for groundwater wells except sand point wells or fresh water observation wells.** Upon completion of the groundwater well or fresh water observation wells and before conducting the yield of drawdown tests, the well driller shall clean and develop the well to remove drill cuttings and drilling mud.

(f) **Disinfection of groundwater or fresh water observation wells.** Requirements for disinfection of groundwater or fresh water observation wells shall be as follows:

(1) All water used in the drilling of the well shall be potable water or uncontaminated chlorinated water having not less than 0.5 milligrams per liter (mg/L) chlorine.

(2) A new, repaired, or modified well shall first be thoroughly cleaned and prepared for receiving pumping equipment.

(3) Thereafter, the well and pumping equipment shall be disinfected with chlorine so applied that a concentration of at least one hundred (100) parts per million of chlorine shall be obtained in all parts of the water in the well.

(4) A minimum contact period of two (2) hours shall be provided before pumping the well to flush chlorine solution from the fresh water distribution system.

(g) **Access port or water level measuring device.** Upon completion of a new groundwater or fresh water observation well and before the well is put into service, the well driller will equip the well with either an access port that will allow for the measurement of the depth to static water surface or a static water level measuring device.

(h) **Sand point well construction requirements.** Unless otherwise approved by variance, applicable minimum standards set forth in this section and the following minimum construction requirements apply to sand point wells:

(1) The sand point well shall be drilled to a total depth of no more than thirty feet (30'); and,

(2) A pilot hole shall be constructed first, with cement installed to a depth of three feet (3') around surface casing, then the remaining bore hole can be installed then production casing installed.

785:35-7-1.1. Minimum standards for construction of heat exchange wells

(a) **General requirements.**

(1) **Applicability of minimum standards.** The minimum standards set forth herein apply to all heat exchange wells as defined in 785:35-1-2, whether constructed by a person having a valid license or by any other person. Minimum standards shall include regulation of the drilling of the borehole, installation of casing, installation of heat loop pipe, grouting of the well, and installation of the heat loop pipe up to the connection of the heat loop pipe to the facility circulation equipment.

(2) **Prohibition against other uses.** Heat exchange wells shall not be used for any purpose other than heat exchange. After completion, heat exchange wells shall not be converted to any other type of well unless written approval is obtained from the Board. The licensee shall ensure that the heat exchange well is constructed according to the rules.

(3) **Maximum protection of groundwater required.** Construction of heat exchange wells shall provide maximum protection to the groundwater from surface contaminants and movement and migration of water from one zone or aquifer to another.

(b) **Location of heat exchange wells.**

(1) A vertical heat exchange well shall be located on a site so that surface water will not pool or pond around or within ten (10) feet of the heat exchange well location.

(2) Placement of a heat exchange well must meet or exceed standards as set forth by section 785:35-7-1(b) relating to location requirements for groundwater wells except as set forth in paragraph 3 of this subsection.

(3) If not prohibited by the owner of the well or other federal or state agency requirements, heat exchange wells may be located closer to a possible source of pollution than the minimum distances specified in Section 785:35-7-1(b) if all of the following conditions are met:

(A) The possible pollution source is not a wastewater lagoon, septic tank, absorption field, or aerobic sprinkler system.

(B) The well annulus is completely sealed as described in paragraph 7 of subsection (c) of this section.

(c) **Construction standards for vertical closed-loop exchange wells.** Vertical closed-loop heat exchange wells shall be constructed in accordance with this subsection. Site specific conditions shall be assessed to determine the best method and materials to be used for grouting the well annulus to provide protection of the groundwater per paragraph 3 of subsection (a). In addition, but not as an alternative, to the requirements stated in (1) through (8) of this subsection, methods and materials for construction of heat exchange wells that meet or exceed recommendations specified in "Grouting for Vertical Geothermal Heat Pump Systems Engineering Design and Field Procedures Manual", International Ground Source Heat Pump Association, Oklahoma State University, 2015, and in "ANSI/CSA/IGSHPA C448 Series-16, Design and installation of ground source heat pump systems for commercial and residential buildings", American National Standards Institute, 2016, may be used for construction of vertical closed-loop heat exchange wells.

(1) **Casing material.** If permanent casing is needed in a vertical closed-loop heat exchange well, it must meet standards set out in Section 785:35-7-1 for steel and for plastic.

(2) **Heat exchange loop material.** The material used to construct the heat exchange loop must meet or exceed standards set forth by Clause 5.4 of ANSI/CSA/IGSHPA C448.0.

(3) **Connecting closed-loop pipe.** All pipe joints and fittings installed and buried shall meet or exceed standards set forth by Clause 5.4 of ANSI/CSA/IGSHPA C448.0. Glued or clamped joints shall not be used below ground unless the joint or connection serves as a service outlet and the joint or connection is not covered with earth material. Joints must not leak after assembly. All indoor piping and fittings should meet or exceed standards set forth by Clause 5.5 of ANSI/CSA/IGSHPA C448.0.

(4) **Heat transfer fluid.** Approved fluids for use inside the heat exchange loop include potable water, food-grade or USP-grade propylene glycol, and solutions in which remediation of leaks would occur through dissipation. A release of the fluid to the groundwater must not violate Oklahoma Water Quality Standards set forth in ~~Chapter 45, OAC 785~~Chapter 730,OAC 252.

(5) **Borehole specifications.**

(A) **Borehole diameter.** The borehole for vertical closed-loop heat exchange wells must have a sufficient diameter to accommodate the heat exchange loop u-bend assembly, tremie pipe, and placement of grout to surround all heat exchange loop pipe.

(B) **Exploratory borehole.** The first borehole drilled for the vertical closed-loop heat exchange system shall be considered an exploratory borehole. A subsequent borehole may also be considered an exploratory borehole if the well driller encounters subsurface conditions that include, but are not limited to, lost circulation conditions, hydrocarbons or hazardous gases, and changes in groundwater chemistry.

(C) **Lost circulation conditions.** If caves or large fractures are encountered in drilling the exploratory borehole or any subsequent borehole, grouting may not be possible and the Board must pre-approve completion of the vertical closed-loop heat exchange system in such conditions based on plans to bridge and seal zones of lost circulation.

(D) **Hydrocarbons and hazardous gases.** If hazardous gases or hydrocarbons are observed in drilling the exploratory borehole or any subsequent borehole, the Board must be notified immediately. Completion of the vertical closed-loop heat exchange system shall be prohibited without Board approval.

(E) **Groundwater chemistry.** Chemistry of groundwater encountered in drilling the exploratory borehole, or any subsequent borehole shall be used to inform grout selection. Instructions provided by the grout manufacturer must

be followed to provide protection of the groundwater per paragraph 3 of subsection (c) of this section. The grout manufacturer shall be consulted as required.

(6) **Grouting of vertical heat exchange wells.** Grouting and filling the annulus of a heat exchange well must be completed immediately after the well is drilled to avoid cave-in of the uncased hole.

(7) **Grouting methods and materials for vertical closed-loop heat exchange wells.** Grouting methods for vertical closed-loop heat exchange wells shall meet or exceed standards provided by Clause 5.8 of ANSI/CSA/IGSHPA C448.0 and Clause 6.3 of ANSI/CSA/IGSHPA C448.3 except where standards set forth by this Section provide exceptions. The following methods and materials are approved for grouting the annulus of vertical closed-loop heat exchange wells, provided that standards set forth by 785:35-7-1.1(c)(5)(E) shall also apply:

(A) A grout seal shall be installed from the total depth of the borehole up to the connecting trench and must be composed of one of the following materials:

(i) Portland cement;

(ii) Sand-cement mixed at a ratio of not more than 188 pounds of sand to one 94-pound sack of Portland cement and seven (7) gallons of water;

(iii) High solids bentonite grout with a minimum solids content of 20 percent by weight. Clean silica sand may be added to the slurry;

(iv) Bentonite pellets or chips; or

(v) Approved thermally enhanced grouts and non-cement grouts which meet standards set forth by Clause 5.8 of ANSI/CSA/IGSHPA C448.0 and Clause 6.3 of ANSI/CSA/IGSHPA C448.3

(B) Bentonite chip or pellet fill material installed shall be hydrated immediately after installation if installed in the unsaturated zone.

(C) When non-slurry sealing materials are used, only chipped or pelletized sodium bentonite varieties that are designed to fall through standing water are acceptable when sealing the annulus of a well that is below the water level in the saturated zone. The borehole shall be flushed clean of all drilling mud and debris left over from the drilling operation so that the bentonite products designed for this type of installation will gravity feed without obstruction. Material shall be introduced in a manner to prevent bridging of the materials in the borehole annulus. A measuring device such as a tagline shall be used to measure and document placement of the materials installed.

(D) Slurry mixes of bentonite grout or Portland cement shall be installed by pumping through a tremie pipe in a continuous operation using a positive displacement method. Polymer additives designed to retard swelling are acceptable for use with the bentonite grout or Portland cement. The tremie pipe will extend the full depth of the borehole before pumping begins. The borehole diameter shall be of adequate size to allow proper placement of materials using this method. Slurry volume used must equal the annulus volume of the borehole.

(8) **Concentric tube heat exchangers.** Concentric tube heat exchangers that meet or exceed the requirements of this Section are approved.

(d) **Construction standards for open-loop and return heat exchange wells.**

(1) Groundwater wells and water return wells used in open-loop heat exchange must meet the minimum construction standards set forth in Section 785:35-7-1 relating to groundwater.

(2) Groundwater used in the open loop heat exchange system must remain untreated and be returned to the same aquifer from which the groundwater was withdrawn.

(e) **Construction standards for horizontal closed-loop heat exchange systems.** Horizontal closed-loop heat exchange systems constructed by trenching or digging are exempt from grouting requirements, provided that no part of the horizontal loop is constructed at or below the highest anticipated groundwater level. Horizontal closed-loop heat exchange systems constructed by boring or drilling must be grouted according to standards set forth by paragraph 7 of subsection (c) of this Section. All other construction for horizontal closed-loop heat exchange systems shall meet or exceed standards set forth by subsection (c) of this Section.

785:35-7-2. Minimum standards for construction of monitoring wells and geotechnical borings

(a) **General requirements.**

(1) **Applicability of minimum standards.** The minimum standards set forth herein apply to all monitoring wells, including site assessment observation wells and unsaturated zone monitoring wells, and geotechnical borings, whether constructed by a person having a valid license or by any other person.

(2) **Construction.** Monitoring wells and geotechnical borings shall be constructed in such a manner as to prevent waste and contamination of groundwater by pollution material entering the ground around the casing or boring, by entering the wells or boring, or by entering the fresh groundwater from pollution sources below the ground.

(A) **Drilling equipment.** Drilling equipment shall be decontaminated if contamination is encountered in the well or borehole.

(B) **Drilling procedures.** Drilling procedures shall be carried out in such a manner that will prevent or minimize contamination.

(C) **Construction material.** All construction material shall be in a condition that will prevent or minimize contamination.

(3) **Proper maintenance and plugging.** The driller and the well owner are charged with the responsibility of taking whatever steps are reasonable in a particular situation to guard against waste and contamination of the groundwater resources and to see that unused wells and boring are properly plugged.

(4) **Other regulations.** These rules are minimum standards and other laws and regulations which are more stringent may be applicable.

(b) **Minimum standards for construction of monitoring wells.**

(1) **Diameter of borehole.**

(A) The diameter of boreholes for monitoring wells, with the exception of boreholes for unsaturated zone monitoring wells, shall be at least three inches greater than the nominal diameter of the well casing and screen for the entire length of the casing.

(B) The diameter of boreholes for unsaturated zone monitoring wells shall be at least one and one-half (1 1/2") inches greater than the nominal diameter of the well casing for the entire length of the casing.

(2) **Casing selection and casing joints.**

(A) All wells shall be cased. Casing material shall be selected according to groundwater geochemistry, anticipated lifetime of monitoring program, well depth, parameters to be monitored and other site specific considerations.

(B) When PVC casing is used, the casing shall meet or exceed the standard dimension ratio (SDR) of twenty-one (21).

(C) The minimum diameter for monitoring well casing shall be a nominal two (2) inches, with the exception of casing for unsaturated zone monitoring wells. The minimum diameter for unsaturated zone monitoring well casing shall be a nominal one-half inch. Methane gas probes at solid waste management sites shall be exempt from minimum casing diameter requirements.

(D) The casing shall be connected by flush threaded joints or have the ability to be connected by another mechanical method that does not introduce pollutants into the well. Glued joint casing shall not be used when monitoring organics.

(E) The casing joints shall be made water tight by a method that does not introduce pollutants into the well (e.g. wrapping the casing joint with Teflon tape or placing an o-ring or gasket in the joint).

(3) **Bottom cap required.** A bottom cap shall be installed on each monitoring well.

(4) **Screen selection and setting.**

(A) All wells shall be screened and screen material shall be selected according to groundwater geochemistry, anticipated lifetime of monitoring program, well depth, parameters to be monitored and other site specific considerations, provided that the minimum screen depth shall be two and one-half feet (2 ½') below the land surface, provided further that the minimum screen depth shall be two feet (2') below land surface for tank pit monitoring wells at tank locations regulated by the Oklahoma Corporation Commission.

(B) The well screen shall be factory wire wrapped or factory slotted. Well screens shall not be field slotted.

(C) Slot size shall be selected to prevent or minimize infiltration of the filter pack through the well screen.

(D) Screens shall be of sufficient length to detect, monitor or otherwise describe the contaminant plume according to site specific conditions (e.g. seasonal water level fluctuations). Screen length shall be determined so that commingling of fluids from separate groundwater zones does not occur.

(E) Screen joints shall be placed in the well in such a manner as not to interfere with the accurate investigation of the groundwater quality.

(5) **Filter pack selection and placement.**

(A) All wells shall be have a filter pack and aggregates used for filter pack shall consist of uncontaminated quartz sand, silica or other material that will not affect the groundwater quality.

(B) Filter pack shall be selected to prevent or minimize infiltration of the geologic formation (e.g. fines migration or sand buildup).

(C) Filter pack shall extend two (2) feet above the top of the screen unless such extension would allow vertical communication of pollution through the filter pack.

(D) Filter pack shall be placed in the annulus of the well in such a manner that bridging of the filter pack material will not occur.

(E) When water or vapor levels being monitored are encountered within five (5) feet of the land surface, the filter pack shall extend a minimum of 0.5 feet above the top of the screen.

(6) **Sealing requirements.** Requirements for proper filter pack sealing, annular sealing and surface sealing for monitoring wells shall be as follows:

(A) **Sealing material.** All sealing materials shall be compatible with ambient geological, hydrogeological and climatic conditions, as well as any man-induced conditions anticipated to occur during the life of the monitoring well. Any cement used as a sealant shall be equivalent to or have the same properties as ASTM C-150 cement types I-V (commonly known as Portland cement).

(B) **Filter pack seal.** A minimum of two (2) feet of sodium bentonite pellets, chips or granules of no less than 0.25 inches and no more than 0.75 inches in size shall be placed immediately over the filter pack in each site assessment observation well or monitoring well and properly hydrated.

(C) **Annular seal.** The annular space above the filter pack seal shall be filled with a cement grout, bentonite grout, bentonite chips or a cement/bentonite grout mixture to within two (2) feet of the surface. The cement grout shall have a mix ratio of one 94 pound sack of cement to a maximum of six U.S. gallons of water. The cement and water must be mixed to the proper consistency as recommended by the cement manufacturer before the mixture is installed around the casing. A maximum of twenty percent (20%) bentonite by dry weight may be added to the cement grout to form the cement/bentonite grout mixture. The bentonite shall be prehydrated to the manufacturer's recommended consistency. The bentonite grout shall be a high solids bentonite grout with at least twenty percent (20%) bentonite by dry weight. The bentonite shall be mixed according to the manufacturer's recommended consistency.

(D) **Surface seal.** A concrete or cement grout surface seal shall be placed around the casing immediately above the annular seal from a depth of two (2) feet to land surface.

(E) **Tremie requirements for grout.** When the placement of grout will exceed twenty (20) feet, the grout shall be placed in the annulus of the well through a tremie pipe and filled or pumped from the bottom upward.

(F) **Multiple cased or screened wells.** No adjacent or collinear casings in the same borehole shall be allowed. No multiple screened intervals in the same casing shall be allowed. Wells shall be drilled with sufficient distances between them so as to prevent the commingling of aquifer zones.

(G) **Special annular, filter pack, and surface seal conditions.** When water or vapor levels being monitored are encountered within five (5) feet of the land surface, the required depths set forth in ~~C and D~~ B and C above for the filter pack and annular seals shall be reduced to fill the annular space from the top of the filter pack materials to the bottom of the cement surface seal, provided that the minimum screen depth shall be two and one-half feet (2 ½') below the land surface, provided further that the minimum screen depth shall be two feet (2') below land surface for tank pit monitoring wells at tank locations regulated by the Oklahoma Corporation Commission. The surface seal shall extend a minimum of one (1) foot below land surface.

(7) **Surface pad requirements.**

(A) A concrete or cement surface pad shall be installed around the casing at the surface with minimum dimensions of 3 feet in diameter by 3.5 inches thick.

(B) The surface pad shall be sloped so to ~~insure~~ ensure that all surface water flows away from the well.

(C) The surface pad is not required if the well is completed in competent concrete or asphalt paving, or if the well is an unsaturated zone monitoring well or a site assessment well that is located in a proposed solid waste disposal site and neither is used for a period exceeding one (1) year.

(8) **Top cap requirements.**

(A) A threaded or flange cap or compression seal shall be installed upon completion of the well to prevent unauthorized use of the well (e.g. tampering with the well or the entrance of foreign material into the well).

(B) The cap or seal shall have the capability of being locked if the well is flush mounted and the well protector is not capable of being locked.

(9) **Monitoring well and site assessment observation well protection.** Protection shall be provided for the casing of monitoring wells or site assessment observation wells by either of the following methods:

(A) An aluminum or steel surface casing shall be set a minimum of 12 inches through the cement or concrete surface pad and shall extend a minimum of 24 inches above the pad or ground. The top of the protective casing shall be fitted with a locking cap and shall be marked to clearly identify the well as a monitoring well or site assessment observation well; or

(B) If flush mounting is required, then the well shall be completed with a well protector that is capable of supporting vehicular traffic, provided that flush mounting of the casing of monitoring wells installed at concentrated animal feeding operations after July 1, 2006, shall be prohibited. The well protector shall be raised a minimum of one-half (1/2) inch above the surface pad or paving and shall be clearly marked to identify the well as a monitoring well or site assessment observation well. The surface seal shall be sloped so that surface water flows away from the well protector and the bond between the well protector and the removable cover shall be made watertight.

(10) **Direct Push (DP) Monitoring Wells and Piezometers.**

(A) Monitoring wells and piezometers that are installed using direct push (DP) technology shall comply with the applicable standards in 785:35-7-2 for reporting, casing, screening, filter pack, filter pack placement, filter pack seal, development, decontamination, surface seal, cleaning, protection, marking, and completion.

(B) DP monitoring wells and piezometers shall be authorized as applicable at the discretion of the state or federal agency having jurisdiction over a specific site.

(C) DP monitoring wells and piezometers shall also comply with the following additional standards:

(i) DP monitoring wells and piezometers shall only be authorized for a one (1) year term; and

(ii) The outside diameter of the borehole shall be at least three inches (3") greater than the nominal diameter of the well casing and screen; and

(iii) Granular bentonite shall not be used in the sealed interval below the static water level; and

(iv) Casing diameter shall be a minimum one inch (1") and shall meet or exceed schedule 40 standards; and

(v) Wells and piezometers shall not be constructed through more than one water bearing formation and shall not be greater than 50 feet in depth unless a variance is obtained.

SUBCHAPTER 11. PLUGGING AND CAPPING REQUIREMENTS FOR WELLS AND TEST HOLES

785:35-11-1. Plugging and capping requirements for groundwater wells, fresh water observation wells, heat exchange wells and water well test holes

(a) **Temporary capping.** When a groundwater well or fresh water observation well is temporarily removed from service, the top of the well casing will be properly sealed with a pitless adapter cap, sanitary well seal, or well casing cap that cannot easily be removed. A new well shall be properly capped before the well driller leaves the drilling site.

(b) **Time for plugging or completing water well test holes.** Water well test holes shall be properly plugged as provided in this section by the well driller prior to removal of drilling equipment unless the test hole is completed as an observation well for aquifer testing, including the installation of surface casing and cement seals. In the alternative and prior to drilling equipment being removed from site, water well test holes may be temporarily cased with SDR 26 water well casing a minimum of 10 feet below ground and 12 inches above ground. Bentonite shall be installed from 10 feet to 2 feet below land surface and cement grout installed from 2 feet to land surface. The top of casing shall be properly sealed or capped. Permanent completion or plugging shall become the responsibility of the landowner and shall be completed within 60 days of drilling equipment being removed from the site. A written statement from the landowner acknowledging such responsibility shall be obtained and submitted to the Board with the multipurpose completion report. The multi-purpose completion report shall be submitted to the Board within sixty (60) days after plugging or temporary completion of each water well test hole.

(c) **Permanent abandonment.** The following plugging requirements apply if a groundwater well, fresh water observation well, heat exchange well or water well test hole is permanently abandoned, was drilled by a person not holding a valid license or operator certification from the Board, or if the Board determines that the well or test hole was not drilled or completed in compliance with the applicable minimum standards set forth in this Chapter or may otherwise allow pollution to groundwater.

(1) The well driller shall be responsible for plugging the well or test hole if the well drilling equipment is on the drilling site. If a well is abandoned after the well drilling equipment has been removed from the drilling site, the owner of the land where the well or test hole is located shall be responsible for plugging.

(2) If the well or test hole is uncontaminated and unless paragraph 3 or paragraph 5 below applies, fill such well or water well test hole with uncontaminated, compacted drill cuttings and/or uncontaminated surface clay, cement, bentonite pellets or granules, or high solids (a minimum of twenty percent (20%) solids by dry weight) bentonite grout to within fourteen (14) feet of the land surface, and a minimum of ten (10) feet of the annular space and interior of the well casing shall be filled with cement grout to at least four (4) feet below the land surface.

(3) To plug uncontaminated groundwater wells, fresh water observation wells, or heat exchange wells in the alluvium and terrace deposits of the Arkansas, Cimarron, Salt Fork of the Arkansas, North Canadian, Canadian, Washita, North Fork of the Red, Salt Fork of the Red River, Red River, and other streams or rivers authorized by the Board, fill the well with clean, uncontaminated silica sand to within sixteen (16) feet of the land surface, then two (2) feet of bentonite pellets or granules shall be placed on the uncontaminated silica sand, and finally, a minimum of ten (10) feet of cement grout shall be installed in the annular space and interior of the well casing to at least four (4) feet below the land surface.

(4) Hand dug water wells shall be filled with uncontaminated surface clay or grout to within six (6) feet of land surface. The lining of the well shall be removed from the top five (5) feet and a minimum of two (2) feet of cement grout shall be installed. The top four (4) feet shall be filled with compacted uncontaminated native soil, unless otherwise directed by the Board.

(5) If the well or water well test hole is contaminated, or if the well or test hole is located at or being plugged in conjuction with an underground tank site or within 300 feet of the outside perimeter of an existing wastewater lagoon or is located on a tract of land where a wastewater lagoon is proposed, the casing shall be removed or perforated from the bottom of the casing to twenty (20) feet below land surface. The well or test hole shall be plugged with cement grout from the bottom to within four (4) feet of the land surface. If the total depth of the well is in excess of twenty feet (20') below land surface, the cement grout shall be placed by pumping from the bottom of the hole to within four (4) feet of the land surface. If the well does not meet current minimum construction standards for grouting and sealing the annulus, the casing shall be removed from twenty (20) feet below land surface to the surface.

(6) Vertical closed loop heat exchange wells shall be plugged according to standards set forth by Clause 10.9 of ANSI/CSA/IGSHPA C448.3.

785:35-11-2. Plugging requirements for site assessment observation wells, monitoring wells and geotechnical borings

(a) **Monitoring wells, direct push monitoring wells and site assessment observation wells.** Monitoring wells, direct push monitoring wells and site assessment observation wells shall be plugged to prevent pollution of groundwater within three (3) days after completion of use or immediately if drilled by an unlicensed or uncertified person or if the Board determines that the well does not meet the minimum construction standards set forth in this Chapter. The following are minimum requirements for plugging

monitoring wells and site assessment observation wells, and the owner of such wells or other federal or state agency may specify more stringent requirements:

(1) If no contaminated soil or contaminated groundwater is present in the well, cement grout shall be placed in the well through a tremie pipe and filled or pumped from the bottom of the well to an elevation four (4) feet below the land surface. In the alternative, bentonite pellets, granules or high solids (a minimum of twenty percent (20%) solids by dry weight) bentonite grout shall be placed from the bottom of the well to an elevation fourteen (14) feet below land surface and a minimum of ten (10) feet shall be filled with cement grout to an elevation four (4) feet below land surface, unless contaminated soil or contaminated groundwater is present in the well. The remaining four (4) feet to land surface shall be backfilled with compacted uncontaminated soil. If the depth of the well is fourteen (14) feet or less, cement grout shall be placed from the bottom of well to land surface.

(2) If contaminated soil or contaminated groundwater is present or was previously present in the well and the top of the screen is less than 20 feet below land surface, overdrilling of the well is required. The casing shall be removed or drilled out and the same size auger used to drill the borehole or larger shall be used to drill out the casing and associated seals, annular space and filter pack. Cement grout shall be placed from the bottom of the well to an elevation four (4) feet below land surface effectively grouting a minimum of 95% of the original drilled borehole depth. If the total depth of the well is in excess of twenty feet (20') below land surface, the cement grout shall be placed by pumping from the bottom of the hole to within four (4) feet of the land surface. If the top of the well screen is 20 feet or more below land surface and the well meets current minimum construction standards, then the casing need not be removed and cement grout shall be placed in the well through a tremie pipe and filled or pumped from the bottom upward to within four (4) feet of land surface. The remaining four (4) feet to land surface shall be backfilled with compacted uncontaminated soil.

(b) **Geotechnical borings except direct push geotechnical borings.** Geotechnical borings shall be plugged to prevent pollution of groundwater within thirty (30) days after completion of drilling or immediately if drilled by an unlicensed or uncertified person or if the Board determines that the well does not meet the minimum construction standards set forth in this Chapter. The following are minimum requirements for plugging geotechnical borings, and the owner of the boring or other federal or state agency may specify more stringent requirements:

(1) If no contaminated soil and groundwater is encountered in the boring, uncontaminated drill cuttings, uncontaminated surface clay, cement, and/or high solids (a minimum of twenty percent (20%) solids by dry weight) bentonite grout, pellets, or granules shall be placed from the bottom of the boring to an elevation fourteen (14) feet below land surface and a minimum of ten (10) feet shall be filled with cement grout to an elevation four (4) feet below land surface. The remaining four (4) feet to land surface shall be backfilled with compacted uncontaminated soil.

(2) If contaminated soil or contaminated groundwater is encountered in the boring, or if the boring is located at an underground storage tank site, or is located within 300 feet of the outside perimeter of an existing wastewater lagoon, or is located on a tract of land where a wastewater lagoon is proposed, cement grout shall be placed from the bottom of the borehole to an elevation four (4) feet below land surface. Cement grout shall be placed in the borehole through a tremie pipe and filled or pumped from the bottom upward. The remaining four (4) feet to land surface shall be backfilled with compacted uncontaminated soil.

(3) If the boring is twenty (20) feet or less in total depth and groundwater has not been encountered, the boring shall, at a minimum, be filled with compacted uncontaminated cuttings from the bottom of the boring to land surface.

(c) **Direct push geotechnical borings.** Direct push geotechnical borings shall be plugged to prevent pollution of groundwater within thirty (30) days after completion of drilling or immediately if drilled by an unlicensed or uncertified person or if the Board determines that the well does not meet the minimum construction standards set forth in this Chapter as follows:

(1) Bentonite chips shall be placed and effectively compressed within the annulus space from the bottom of the borehole to within ~~ten (10)~~ fourteen (14) feet of the land surface.

(2) Cement grout shall be installed through a tremie pipe in the remaining annulus space from ~~ten (10)~~ fourteen (14) feet to within four (4) feet of the land surface, provided that no cement grout shall be required if the boring is less than ten feet (10') in total depth and no groundwater and no contaminated soil was encountered.

(d) **Cement grout requirements.** If cement grout is used, the grout shall have a mix ratio of one 94 pound sack of cement to a maximum of six U.S. gallons of water.

(e) **Abandonment after equipment removed.** If a site assessment observation well, monitoring well or geotechnical boring is abandoned after the drilling equipment has been removed from the site, responsibility for proper plugging within the applicable time period specified in this section shall lie with the owner of the land where the well or boring is located

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~~completed for beneficial use, geotechnical borings, 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 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~~ Submitting an application for a late authorization or 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.

RULE IMPACT STATEMENT

Title 785. Oklahoma Water Resources Board
Chapter 35. Well Driller and Pump Installer Licensing

I. Statement of need and legal basis

The Oklahoma Water Resources Board proposes amendments to the Oklahoma Administrative Code, Title 785, Chapter 35, to increase the Indemnity Fund and per well expenditure cap amounts as required by Senate Bill 1314 and to modernize the standards for qualified experience required to obtain a well driller or pump installer license. These rule changes allow the Board to better meet the needs of citizens of the state with regard to the ever increasing cost of remediating the problems caused by improper drilling practices and to ensure that drillers and pump installers have the experience and base level of competency needed to construct safe, protective water wells in Oklahoma.

II. Classification of the rule(s) and justification for classification.

Non-Major Rule.

The proposed rule is a Non-Major Rule. A "Nonmajor rule" means "any rule that is not a major rule." 75 O.S. § 250.3(12). A "Major rule" means "any administrative rule, whether emergency or permanent in nature, that will result in or is likely to result in One Million Dollars ($1,000,000.00) or more over the initial five-year period in implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, state or local governmental units, and individuals as a result of the proposed rule following the promulgation of such rule." 75 O.S. § 250.3(11). "Implementation and compliance costs" means the "direct costs that are readily ascertainable based upon standard business practices, including, but not limited to, fees, the cost to obtain a license or registration, the cost of equipment required to be installed or used, additional operating costs incurred, the cost of monitoring and reporting, and any other costs to comply with the requirements of the proposed rule." 75 O.S. § 250.3(8).

Justification for Classification.

There is no additional cost associated with raising the cap limits on the Indemnity Fund. The Indemnity Fund is funded by license fees paid by the well drillers and pump installers when they obtain or renew a license. Those fee amounts will not be increased by the proposed changes to Chapter 35.

The proposed amendments provide two options as pathways, effective January 1, 2030, for gaining the experience required to obtain a well driller or pump installer license. The options are registering for a "supervised experience program" conducted by an already licensed firm or obtaining a certification of competency provided by the National Ground Water Association (NGWA), the national trade association for the groundwater industry.

The "supervised experience program" is similar to the current licensing process. The only major difference is that those who will be seeking a licensed will need to register with the program in order to begin counting the qualified experience required by the rules. Basically, registration starts the clock so that the Board can be confident that the experience is appropriate, valid, and occurs for time period required for the driller or pump installer to learn what they need to know to drill or install pumps that meet the minimum construction standard and are constructed in a way to protect the groundwater and public health. There is no fee required to register for the "supervised experience program" and no special privileges are extended to registrants.

Although we suspect that most Oklahoma well driller and pump installer operators will obtain competency through the "supervised experience program", someone seeking a license may instead obtain an NGWA driller (CWD, Certified Well Driller) or pump installer (CPI, Certified Pump Installer) credential as proof of competency instead. The CWD requires two tests. The exam fees are $75 each. During calendar year 2025, the Board licensed 86 certified operators. Assuming the maximum impact where every operator obtains the CWD credential, the additional cost for a license would be $12,900. Assuming the same rate of new licenses yearly, after five years, the additional cost would amount to $64,500 spread across multiple drilling and pump installation firms. Additionally, education can be obtained through Oklahoma State University's partnership with the NGWA (NGWA University). Experience is not a prerequisite to sit for the written exams, but active credentialing requires verified field experience.

III. **Description of the proposed rule(s).**

There are several proposed changes to Chapter 35. First is the increase of the Indemnity Fund cap and the per well expenditure cap required by Senate Bill 1314.

Second, is the formalization of obtaining qualified experience under the "supervised experience program." This has been the way drillers and pump installers have always gained their experience; however, the changes allow the person seeking the license to confidently "start the clock" when their experience begins.

Third, an additional pathway to licensure is established via the NGWA credential. This gives the Board the ability to protect the industry, groundwater, and public health in the case of license applicants obtaining a license in Oklahoma through reciprocity with other states' well driller and pump installer license programs, since out of state applicants will likely not use Oklahoma's "supervised experience program." Additionally, 14 other states require the certification as a prerequisite for obtaining a license.

The NGWA certification and/or "supervised experience program" will improve the quality of contractor drilling wells and installing pumps in Oklahoma by ensuring that the person seeking the license has the basic level of training needed to drill wells and install pumps safely and in accordance with the standards required to protect the groundwater resources and minimize risks to public health.

Additionally, the rules for plugging direct-push geotechnical borings are amended to match the

plugging requirements for all the other types of wells or borings. This helps clarify and simplify a uniform standard.

Lastly, the rules for providing a Notice of Intent to Drill a beneficial use well, such as a well for crop irrigation, public water supply, or industrial use, are clarified so that test holes that will not be completed as the final well are exempt from notice.

The proposed rules are not mandated by federal law. The proposed rules do not exceed the requirements of any applicable federal law. No federal law is directly applicable.

IV. Description of the classes of persons who most likely will be affected by the proposed rule(s), including classes that will bear the costs of the proposed rule(s), and any information on cost impacts received by the agency from any private or public entities.

All persons applying for a well driller or pump installer license on or after January 1, 2030, will be affected by the rule changes. Additionally, well drillers who drill beneficial use wells will benefit from increased clarity and efficiency.

V. Description of the classes of persons who will benefit from the proposed rule(s).

All persons will benefit from the proposed rule amendments.

The rules will provide clarity in the licensing process and allow the Board to make better decisions regarding the qualified experience of license applications. The public will benefit from having a driller or pump installer that is adequately qualified to do the work. Drillers will be less likely to cause problems that affect the environment, groundwater quality, or public health. Drillers and pump installers will also benefit from having clear paths to licensure and increased standards and reputations for their profession.

In the event that the Indemnity Fund must be used to remediate a drilling violation, the Board will be able to afford the bids from contractors to perform that remediation given the increased fund and per well expenditure amounts. The current fund and expenditure amounts are far below what the cost of remediating some violations could be, meaning getting contractors to bid can be difficult. The increased Indemnity Fund and per well expenditure amounts are therefore also a benefit to the public and the environment.

VI. Comprehensive of the rules' economic impact.

The proposed rule changes will not require an increase in the full-time employee count. There are no fee increases associated with the proposed rules. The Board will incur no new costs. There may be a cost savings in less time by staff needed to vet qualified experience of license applicants. As stated above, applicants choosing to take the NGWA credential path will have to pay up to $150 in exam fees to NGWA.

VII. **Detailed explanation of methodology and assumptions used to determine the economic impact.**

The methodology focused on direct impacts concerning fees for those seeking a well driller or pump installer license and found negligible impacts on the state economy. The analysis was conducted under the assumption that all new license applicants would use the NGWA certification path. The figure was based on 86 new operator licenses granted in 2025 and those numbers are unusually high. Additionally, the Board expects most applicants will use the "supervised experience program" path, which will incur no new costs for the applicant and minimal staff time to log. The rule change itself does not induce market-wide behavioral changes that would significantly affect the larger economy.

As stated above, this analysis revealed a cost to potential license applicants of $12,900 per year and $64,500 over five years.

VIII. **Determination of whether implementation of the proposed rule(s) will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule(s).**

The proposed rules do not affect political subdivisions of the state and therefore will have no impact.

IX. **Determination of whether implementation of the proposed rule(s) may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.**

The proposed amendments to Chapter 35 will not have an adverse economic effect on small business, as provided by the Oklahoma Small Business Regulatory Flexibility Act. The proposed rules preserve existing industry operational practices and avoid creating disproportionate compliance or cost burdens on small drilling and pump installation firms.

At the request of the Well Drillers and Pump Installers Advisory Council, the proposed amendments to Chapter 35 explicitly confirm that while the licensed firm retains ultimate responsibility, training may be conducted by any certified operator employed by the firm. This clarification formalizes existing industry practice into the new registration framework without adding new operational constraints or supervisory mandates on small business owners.

Effective January 1, 2030, applicants for a well driller or pump installer license may establish qualified experience either through an active NGWA credential or through the in-house "supervised experience program." Because the supervised experience pathway is offered at no registration fee and builds upon standard on-the-job training, small businesses are not compelled to incur third-party national testing or membership expenses.

For well drillers and pump installers who choose to maintain NGWA credentials, the proposed amendments grant reciprocal recognition of national continuing education units, reducing redundant training costs and lost billable hours.

The proposed amendments do not increase state licensing fees, operator certification fees, or renewal rates, nor do they require capital equipment purchases.

X. **Measures taken to minimize the cost and impact of the proposed rule on business and economic development in this state, local government units of this state, and individuals.**

The proposed rule changes have been specifically tailored to impact only those currently holding a well driller or pump installer license and those seeking licensure. Further, the rules have been drafted to create better defined pathways for licensure and increase the ability of the Board to remediate drilling violations which pose a risk to the groundwater, environment, or public health, which will ultimately benefit all entities of the State.

XI. **Determination of the effect of the proposed rule(s) on the public health, safety and environment and, if the proposed rule(s) is/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 rule will reduce the risk.**

By increasing the Indemnity Fund and per well expenditure amounts, and by outlining the pathways to licensure and qualified experience, the proposed rules are very much designed to reduce the risk to groundwater quality and quantity, the environment, and public health directly and indirectly.

XII. **Determination of any detrimental effect on the public health, safety, and environment if the proposed rule(s) is/are not implemented.**

If the proposed rules are not implemented, the per-well expenditure and overall Indemnity Fund caps will remain inadequate to cover escalating contractor costs for remediating abandoned or contaminated wells. This creates a risk that substandard or improperly completed wells will go unaddressed, increasing potential contamination pathways to fresh groundwater resources and threatening public health and safety. Furthermore, failing to implement defined training oversight allows inconsistent workforce standards to persist.

XIII. **Analysis of Alternatives to Adopting the Rule(s)**

The alternative to adopting the proposed rules is to continue operating as the Board has had in the past.

The Board would miss the opportunity to introduce flexible pathways to operator certification, such as quantifying and recognizing verified in-house supervised experience alongside national credentials effective January 1, 2030. This would sustain operational bottlenecks and workforce development constraints for well driller and pump installer firms.

Operating without these updates would fail to address recommendations submitted by the Well Drillers and Pump Installers Advisory Council to strengthen and streamline licensing procedures and clarify industry compliance standards.

The status quo alternative maintains restrictive training structures and fails to adopt burden-reducing flexibilities for licensed well drillers and pump installers.

XIV. Estimated Time Spent by State Employees to Develop Rule and Other Resources Used in Developing Rule

OWRB Staff, including legal staff, spent approximately 80 hours developing these rule changes and analyzing the impacts.

XV. Summary and Preliminary Comparison of Any Existing or Proposed Federal Regulations Intended to Address the Activities to be Regulated by Proposed Administrative Rules

There are no federal regulations intended to address the activities to be regulated by the proposed rules.

XVI. Date the rule impact statement was prepared and if modified, the date modified.

The Oklahoma Water Resources Board prepared this rule impact statement on September 9, 2026.

CHAPTER 50. FINANCIAL ASSISTANCE

SUBCHAPTER 8. RURAL ECONOMIC ACTION PLAN (REAP) GRANT PROGRAM REQUIREMENTS AND PROCEDURES

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 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-pasture 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 + RS + OCR + LP+ APCI + N + AR + BP + PG + S +WA, Where:

(A) T = Total of priority points (130)
(B) P = Population (55)
(C) RS= Rates and Study (10)
(D) OCR = Operational cost ratio (13)
(E) LP = Local participation (10)
(F) APCI = Adjusted per capita income (10)
(G) N = Need (5)
(H) AR = Amount of grant requested(7)
(I) BP = Project benefit to other systems(5)
(J) PG = Previous grant assistance(0)
(K) S = Sustainability(10)
(L) WA = Workshop attended (5)

(2) **Explanation.** Each of these criteria are explained below:

(A) ~~**Population (P).** The maximum points under this criterion is fifty-five (55) points,~~**Total of priority points (T).** Total points accumulated based on the information provided for each category listed in the formula. The maximum points possible is one hundred and thirty (130) points.

(B) ~~**Rates and study (RS.)** A recent rate study will help ensure an applicant has current rates that will benefit the system in the long run. A study must be conducted frequently to stay current rates that will benefit the system in the long run. a study must be conducted frequently to stay current with aging infracture needs. The study is to be conducted independently by a third-party entity that does not stand to gain from the transaction. The maximum points possible under this criterion is ten (10) points and the minimum is negative (-8).~~**Population (P).** The maximum points under this criterion is fifty-five (55) points.

(i) ~~If a rate study has been conducted and implemented within two (2) years of the appliation date, the application receives five (5) points,~~Municipalities which have a population of less than 1,750 according

to the latest Census Population will receive 55 priority points. Rural water or sewer districts which have less than 525 non-pasture customers will receive 55 points.

(ii) ~~If a rate study was conducted and implemented more than two (2) years of the application date but less than five (5) years from the application date, the applicant receives zero (0) points.~~Municipalities which have a population of less than 3500 but more than 1750 according to the latest Census Population will receive 40 priority points. Rural water or sewer districts which have less than 1050 but more than 525 non-pasture customers will receive 40 points.

(iii) ~~If a rate study has not been conducted or implemented within 5 years of the application date, the applicant receives negative five (-5) points.~~Municipalities which have a population of less than 5250 but more than 3500 according to the latest Census Population will receive 25 priority points. Rural water or sewer districts which have less than 1575 but more than 1050 non-pasture customers will receive 25 points.

(iv) ~~Billing Rate Structure:~~Municipalities which have a population of less than 5250 but more than 3500 according to the latest Census Population will receive 25 priority points. Rural water or sewer districts which have less than 1575 but more than 1050 non-pasture customers will receive 25 points.

~~(I) The Board will deduct three (3) points from the total for any system which charges a flat-water rate or sewer rate (unmetered) without regard to the amount of water or sewer used.~~

~~(II) The Board will deduct two (2) points for a decresing block rate whihc lowers the cost per 1,000 gallons for customers using larger amounts of water.~~

~~(III) No points will be added or subtracted for systems using a fixed rate per 1,000 gallons above the minimum.~~

~~(IV) Two (2) points will be added or subtracted for systems using an increasing block rate.~~

~~(V) Entities who dedicate sales tax for water and/or sewer improvements will be awarded one (1) additional point.~~

~~(VI) Entities who have implemented an automatic rate increase will be awarded two (2) additional points.~~

(v) Municipalities which have population over 7000 and rural water or sewer districts which have over 2100 non-pasture taps will be deemed denied. The maximum points possible under this criterion is 55 points.

(C) ~~I~~**Operational Cost Ratio (OCR).** The operational cost ratio will look at the applicant's total operating revenues and compare them against the operating expenses and debt to gauge ability to finance debt based off of their most recent audit not more than two (2) fiscal years behind. An Agreed Upon Procedure not more than two (2) fiscal years behind will be accepted to be reviewed. Operating revenues shall include interest income as well as membership fees, along with all revenues listed under the revenues category. If sales tax is dedicated towards water and/or sewer improvements as indicated in the Rate Study or application,, sales tax revenue will also be included in the operating revenues. Operating expenses shall include everything in the expenses category except depreciation. Debt shall mean any outstanding obligations related to water and/or sewer infrastructure ~~and will include the amount of grant requested~~. The maximum points possible under this criterion is thirteen (13) points. ~~The formula is as follows: Operational Cost Ratio= (Operating Revenues - (Operating Expenses + Depreciation) / (Debt + Amount of grant requested). If the applicant does not have any debt, the grant amount will be taken into consideration to determine OCR.~~

(i) If the operational cost ratio is less than 1 times, the applicant receives 0 points.

(ii) If the operational cost ratio is ore than 1.0 times, the applicant receives 5 points.

(iii) If the operational cost ratio is over 1.0 times but less than 1.25 times, the applicant receives 10 points.

(iv) If the operational cost ratio is over 1.25 times, the applicant receives 13 points.

(D) **Local Participation** (LP). The local participation ranking is based on the percentage 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 be counted as local funding. The maximum points possible under this criterion is 10 points. Points awarded for participation as follows:

(i) If the percentage of project cost locally funded is less than 15%, the applicant receives 0 points.

(ii) If the percentage of project cost locally funded is 15% or more but less that 20%, the applicant receives 5 points.

(iii) If the percentage of project cost locally funded is more than 20%, the applicant receives 10 points.

(E) **Adjusted Per Capita Income (APCI).** The Adjusted Per Capita Income (APCI) is a formula that takes into account the affordability criteria of the applicant and is measured against the United States' APCI to determine tier ranking based off of what percentage applicant receives. Data from the census website is used to determine per capita income, unemployment rate, and population trend. The maximum points possible under the criterion us 10 points.

(i) The formula is as follows: APCI= Per Capita Income * Employment Rate * Population Trend

(I) Employment Rate = 1- unemployment rate.

(II) Population Trend = 10-year difference in population from most recent Census
(III) Tire Ranking = Percentage of APCI = APCI/US.APCI

(ii) Rural Water and Sewer systems are requested to contact OWRB for additional information needed to determine percentage ranking. Required data of at least two of the largest communities served by the RW&S system will be averaged to determine RW&S percentage ranking and tier determination or data presented to OWRB that more accurately reflects the entity's current or proposed service area, that will be evaluated on a case-by-case basis. If a system serves only one community, the sole community's data will be used to determine RW&S percentage ranking and tier determination.

(iii) Tier ranking:

(I) If percentage of APCI is equal to 81% or more of the U.S. APCI, applicant will be considered a Tier 4 and receives 4 points.

(II) If percentage of APCI is more than or equal to 71% but less than 81% of U.S. APCI, applicant will be considered Tier 3 and receives 6 points.

(III) If percentage of APCI is more than or equal to 56% or less than 71% of U.S. APCI, applicant will be considered a Tier 2 and receives 8 points.

(IV) If percentage of APCI is equal to 55% or less of U.S. APCI, applicant will be considered a Tier 1 and receives 10 points.

(F) **Need (N).** An applicant who is subject to an enforcement order (i.e. consent order or administrative consent order) issued by a governmental agency with environmental jurisdiction 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).** Under this criteria the maximum number of points is seven (7) and the minimum is negative seven (-7) points. Appropriations for the year will determine the highest amount allowable to be requested by the applicant. Points under this category for amount of grant requested are determined as follows:

(i) If the amount requested is $325,000 to $350,000, the applicant receives -7 points.
(ii) If the grant amount requested is $300,000 to $324,999.99, the applicant receives -6 points.
(iii) If the grant amount requested is $275,000 to $299,999.99, the applicant receives -5 points.
(iv) If the grant amount requested is $250,000 to $274,999.99, the applicant receives -4 points.
(v) If the grant amount requested is $225,000 to $249,999.99, the applicant receives -3 points.
(vi) If the grant amount requested is $200,000 to $224,999.99 the applicant receives -2 points.
(vii) If the grant amount requested is $175,000.01 to $1999,999.99, the applicant receives -1 point.
(viii) If the grant amount requested is $175,000 the applicant receives 0 points.
(ix) If the grant amount requested is $150,000 to $174,999.99, the applicant receives 1 point.
(x) If the grant amount requested is $125,000 to $149,999.99, the applicant receives 2 points.
(xi) If the grant amount requested is $100,000 to $124,999.99, the applicant receives 3 points.
(xii) If the grant amount requested is $75,000 to $99,999.9, the applicant receives 4 points.
(xiii) If the grant amount requested is $50,000 to $74,999.99, the applicant receives 5 points.
(xiv) If the grant amount requested is $25,000 to $49,999.99, the applicant receives 6 points,
(xv) If the grant amount requested is $25,999.99 and below, the applicant receives 7 points.
(xvi) Any portion of grant amount requested that is more than the allowable amount for that fiscal year will 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~~$350,000 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 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 received.
(iii) If the qualified entity has received one (1) REAP grant more than twelve (12) months in the past, the application 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 receives -10 points.
(vi) If the qualified entity has received four (4) REAP grants more than twelve (12) months in the past, application 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 receives -14 points.

(J) **Sustainability (S).** The maximum possible points under this criterion is ten (10) points. Points will be awarded for an applicant's sustainability and long range planning as follows:
(i) If an applicant has a fiscal sustainability ~~and~~or long-range plan that is in place and working to meet all the system needs, the plan will be ranked as Good and awarded 10 points.
(ii) If an applicant has a fiscal sustainability ~~and~~or long-range plan that is in place but meeting only half the system needs, the plan will be ranked as Fair and awarded 6 points.
(iii) If an applicant has a fiscal sustainability ~~and~~or long-range plan but is not in place or not working to meet the system needs, the plan will be ranked as Poor and awarded 3 points.
(iv) If an applicant does not have a fiscal sustainability ~~and~~or long-range plan in place, the application will be deemed denied.

(K) **Workshop attended (WA).** 5 points will be awarded to any applicant who attends, or has a representative attend ~~the~~a 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 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 receives 13 points.
(ii) If the mills are 90 to 94.99, the applicant receives 11 points.
(iii) If the mills are 85 to 89.99, the applicant receives 10 points.
(iv) If the mills are 80 to 84.99, the applicant receives 8 points.
(v) If the mills are 70 to 79.99, the applicant receives 6 points.
(vi) If the mills are 60 to 69.99, the applicant receives 4 points.
(vii) If the mills are 55 to 59.99, the applicant receives 2 points.
(viii) If the mills are 50 to 54.99, the applicant receives 1 point.
(ix) If the mills are 45 to 49.99, the applicant receives 0 points.
(x) If the mills are 40 to 44.99, the applicant receives -1 point.
(xi) If the mills are less than 40, the applicant 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 receives 10 points.
(II) If the percentage is 90% to 94.99%, the applicant receives 8 points.

(III) If the percentage is 80% to 89.99%, the applicant receives 7 points.
(IV) If the percentage is 75% to 79.99%, the applicant receives 6 points.
(V) If the percentage is 70% to 74.99%, the applicant receives 5 points.
(VI) If the percentage is 65% to 69.99%, the applicant receives 4 points.
(VII) If the percentage is 60% to 64.99%, the applicant receives 3 points.
(VIII) If the percentage is 55% to 59.99%, the applicant receives 2 points.
(IX) If the percentage is 50% to 54.99%, the applicant receives 1 point.
(X) If the percentage is 45% to 49.99%, the applicant receives 0 points.
(XI) If the percentage is 40% to 44.99%, the application receives -1 point.
(XII) If the percentage is 30% to 39.99%, the applicant receives -2 points.
(XIII) 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%.

SUBCHAPTER 23. WATER AND WASTEWATER INFRASTRUCTURE INVESTMENT PROGRAM REQUIREMENTS AND PROCEDURES

785:50-23-1. General procedures

(a) **General procedures.** The general procedure to be followed in the loan application, review and consideration process for loans under the Water and Wastewater Infrastructure Investment Program ("WWIIP") authorized by 82 O.S., §§ 1085.66 through 1085.67 shall be as follows:

(1) Application. To start the review process, the applicant must submit a loan application to the Board. In all instances, applications must be submitted in the form and manner to be directed by the Board.

(2) Submittal to Executive Director. Upon completion of staff review, the submitted application (with staff recommendations, if any) shall be submitted to the Executive Director, or designee, for action consistent with authorization provided by the Board.

(b) **Action on the Application.**

(1) After reviewing and considering a submitted application, and in order to provide for the expeditious approval and funding of deserving applications, the Executive Director, or designee, may proceed to take one of the following forms of action on the application:

(A) Approve the application as submitted, as authorized by Board action, and thereby authorize such further action as may be necessary to effectuate loan closing and/or the disbursement of funds.

(B) Retain the application under advisement for further consideration or continue hearing on same for later ruling and disposition, and, may withhold ruling on the application pending submission of such further or additional information as required for application consideration purposes.

(C) Reject and deny the application, in whole or in part.

(D) Place the application on the Board's agenda for an upcoming Board meeting and thereby decline to take dispositive action on the application and refer such application to the Board for action.

(2) Upon approval of an application, the Executive Director, or designee, may authorize loan closing and may affix the facsimile signature of the Chairman of the Board (consistent with authorization provided by the Board) to all necessary closing documents and instruments, 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.

(3) After approval of an application, the Executive Director, or designee, shall add the loan to a list of approved loans to be presented to the Board at an upcoming Board meeting.

785:50-23-2. Approval criteria

(a) **General approval standards and criteria.** In the review and consideration of applications for financial assistance under the WWIIP, the Board or the Executive Director, or designee, as applicable (in either case, the "Reviewer"), 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. Except for purposes of loans approved and funded under section 50-23-4 below, eligible projects shall be the projects described in 785:50-3-1 and eligible entities shall be those entities defined pursuant to Section 1085.32 of Title 82 of the Oklahoma Statutes.

(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 Reviewer shall additionally consider the project's relative benefit and priority in relation to the needs of other proposed projects and applicants.

(4) **Economic feasibility.** The Reviewer shall consider the overall apparent economic viability and feasibility of the project as a whole, including documentation that demonstrates financial capacity to repay the loan, when required, the proposed revenues from the project, and the adequacy and reliability of estimated revenues necessary for loan repayment, when required.

(5) **Project feasibility.** The Reviewer shall consider from the data submitted and otherwise available whether the proposed project appears to be feasible, and must determine as a prerequisite for approval and funding that it is cost effective.

(6) **Availability of funds.** The Reviewer shall take into consideration the current and anticipated availability of WWIIP funds needed to provide the loan 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 Reviewer.

(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 Reviewer's judgment and discretion.

(c) **Criteria for denying an application.** The Reviewer may deny an application 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 applicant's financial condition is not sound enough to assure the Reviewer 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 operations 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) The project is determined by the Reviewer to not be cost effective.

(6) Any other reason based upon applicable law, applicable goals and purposes for the Water and Wastewater Infrastructure Investment Revolving Fund, or the Reviewer's judgment and discretion.

785:50-23-3. Evaluation criteria for funding loans for water and wastewater infrastructure for workforce housing development and commercial site readiness

(a) The following evaluation and selection criteria shall be considered by the Reviewer in reviewing applications for loans for planning and design for water and wastewater infrastructure for workforce housing development:

(1) The number of housing units to be produced by the water or wastewater infrastructure project;

(2) The number of customers (taps/meters) being served by the applicant's entire system;

(3) Whether the applicant has sufficiently demonstrated that the water or wastewater infrastructure project to be funded with the loan directly supports housing;

(4) The extent that non-housing related development is benefitting from the project, either directly or indirectly;

(5) The likelihood that the housing development will actually take place if the project is completed;

(6) The cost of the project per unit of housing created; and

(7) The extent to which the project is consistent with the applicant's long-term vision for community housing.

(b) The following evaluation and selection criteria shall be considered by the Reviewer in reviewing applications for loans for commercial site readiness:

(1) Whether the project is within the existing water or wastewater service area of the applicant;

(2) The anticipated economic impact to the community of the intended commercial development; and

(3) The existence of an executed development contract or occupant lease commitment.

785:50-23-4. Evaluation criteria for funding loans for environmental compliance and management programs

(a) **Eligibility of private citizens for environmental compliance and management programs.** Unlike other loans from the WWIIP, loans for environmental compliance and management programs may be made to private citizens. Only for purposes of this subchapter 23-5, eligible entities include private citizens. The following evaluation and selection criteria shall be considered by the Reviewer in reviewing applications for loans for environmental compliance and management programs:

(1) Whether the project will adequately rehabilitate a domestic water well that is failing, including failures due to contamination and insufficient supply;

(2) Whether the project will repair or replace a septic system that is

(A) deemed to be failing by a certified septic installer or by the Department of Environmental Quality and

(B) is having a negative impact to the quality of Oklahoma surface water or Oklahoma ground water;

(3) Whether the applicant owns the home that the failing water well or septic system serves or the applicant resides in the home served by the failing water well or septic system and uses the home as their full-time permanent residence

(4) Whether the owner's annual gross income is less than the maximum established by the Board by Resolution; and

(5) Any other evaluation and selection criteria established by the Board by Resolution.

(b) **Principal forgiveness loans for qualifying homeowners.** Private citizens who meet all of the criteria in (a) above may receive 100% principal forgiveness of their WWIIP loan for environmental compliance and management programs, up to 100% of the project cost, if they also meet all of the following criteria:

(1) Provide proof of homeownership and income level.

(2) Follow all DEQ or OWRB rules as applicable in regards to type, size and location of well or septic system.

(3) Agree to provide routine maintenance as recommended for the life of the system.

(4) Provide at least two (2) estimates from DEQ certified septic installers or OWRB licensed well drillers as applicable to complete the project.

(5) Once approved, contract with a DEQ certified septic installer or OWRB licensed well driller as applicable, have all work completed, and submit invoices for payment.

785:50-23-5. Terms and conditions

(a) **Limitation.**

(1) For an approved project and loan application, the Board or the Executive Director, or designee, as appropriate, is authorized to loan and advance to the applicant sufficient funds as are necessary and approved for the project. Such funds shall be drawn by the applicant and disbursed by the Board pursuant to draw requests supported by project cost invoices submitted to the Board and approved by Board staff.

(2) No single recipient shall be awarded more than one WWIIP loan in any single fiscal year. Furthermore, no recipient shall be awarded a WWIIP loan while a previous WWIIP loan to the same applicant is less than 100% disbursed.

(b) **Evidence of indebtedness.** The WWIIP loans contemplated within this Chapter of these rules shall be provided by the Board for approved projects pursuant to such promissory notes or other appropriate form of evidence of indebtedness from the applicant as the Board may require.

(c) **Loan interest and repayment.**

(1) The loan repayment interest rate to be paid by the applicant to the Board shall be the interest rate established by the Board by Resolution and shall be payable by the applicant under such terms and conditions as the Reviewer may require.

(2) The Reviewer may, in its judgment and discretion, provide for the term, condition, manner, form and schedule of the applicant's repayment to the Board of principal and interest, however, all principal payments must begin no later than 12 months after project completion.

(d) **Security for assistance.**

(1) As security for the WWIIP loan provided by the Board to an approved applicant, applicant must provide if required by the Board a mortgage on any or all facilities of the project for which application is made.

(2) The Reviewer shall require a pledge and lien on revenues to be derived from the operation of the project, except for loans made pursuant to subchapter 23-5.

(3) For purposes of this rule, the pledge of and lien on project revenues shall be a pledge of and lien on such project revenues as is necessary to secure repayment of the loan obligation of applicant.

(4) If the specific project for which application is made and approved is not of itself a revenue producing unit, then such pledge of and lien on revenues shall be on the revenues of the revenue producing system of which the specific project is a part: and on such other additional revenue sources or systems which may be pledged by the applicant to satisfy the loan security requirements necessary to obtain the loan from the Board.

(5) The Reviewer may require additional security which the Reviewer deems necessary, which such additional security may include such pledges, liens, debt coverage ratios, revenues and/or mortgages on additional facilities or systems of and as may be tendered by the applicant.

785:50-23-6. Disbursement of funds

(a) **Conditions for disbursement.**

(1) After an application for financial assistance under the program authorized by Sections 1085.66 through 1085.67 of Title 82 of the Oklahoma Statutes has been approved by the Reviewer, the following conditions and requirements shall be met prior to the release and disbursement of any assistance funds:

(A) Unless otherwise provided and approved by the Board Staff, applicant must submit to the Board all plans, specifications and engineering reports for the project for staff approval all of which shall be complete and in sufficient detail as would be required for submission of the project to a contractor for bidding or contracting the project.

(B) The Applicant and the Executive Director or designee, and all other necessary parties, shall have caused to be executed all necessary and incidental instruments and documents for loan closing, including but not limited to all

mortgages, promissory notes, loan agreements, financing statements and pledges of project security and revenues where appropriate.

(C) If not previously provided, applicant shall provide Board with a written and verified statement setting forth information reflecting the reasonable availability of and/or a commitment from all other revenue or funding sources needed to finance and complete the project.

(D) The Applicant shall provide the Board with invoices detailing costs incurred for the project.

(2) At the time of and upon compliance with the requirements in (1) of this subsection, the Board may release, and disburse loan funds to the applicant for the approved project.

(b) **Disbursement of loan funds.**

(1) Unless otherwise provided and approved by the Board, the total amount of loan funds authorized under the program authorized by Sections 1085.66 through 1085.67 of Title 82 of the Oklahoma Statutes to the applicant shall not be released and disbursed to applicant in a total lump sum but instead shall be disbursed to applicant in partial amounts at agreed upon intervals and stages of construction, all as provided within the loan agreement.

(2) In conjunction with the rule, the Board may require the applicant to submit to the Board prior to any release or disbursement of funds such invoices, receipts, contracts, verifications, evidence of expenditure or encumbrance, construction status and progress reports or other information as the Board may require.

(3) Unless otherwise provided and approved by the Board Staff, the Board shall not approve the release nor disbursement of more than ninety-five percent (95%) of the total loan funds authorized for loan until such time as the project has been completed, inspected by the project engineer and the Board, and accepted by the applicant. Furthermore, unless otherwise provided and approved by the Board, the Board shall not release nor disburse more than ninety-five percent (95%) of the total loan funds authorized for engineering services until the project engineer has prepared and submitted three sets of as-built project plans (if different from original plans) to the applicant and one set to the Board as applicable.

Rule Impact Statement

Title 785. Oklahoma Water Resources Board
Chapter 50. Financial Assistance

I. **Statement of need and legal basis**

Pursuant to 82 O.S., §§ 1085.66, the Board is required to promulgate rules to effectuate the provisions of the legislation and criteria for a new loan program. The legislation declared this to be an emergency to take effect after the passage of SB1176 (2026). There is an immediate need for water and wastewater infrastructure improvements across the state, justifying the need for emergency rules.

II. **Classification of the rule(s) and justification for classification.**

Non-major rule. There is no cost to the state to administer the new loan program.

III. **Description of the proposed rule(s).**

The proposed rules are required by statute to establish a new loan program. The rules establish the requirements and procedures for the program, including general loan application procedures, evaluation criteria, and terms for infrastructure funding, commercial site readiness, workforce housing development, and private citizen environmental compliance programs.

IV. **Description of the classes of persons who most likely will be affected by the proposed rule(s), including classes that will bear the costs of the proposed rule(s), and any information on cost impacts received by the agency from any private or public entities.**

In general, the cost associated with administering these programs will be paid through existing administrative fees charged on the Board's existing state loan programs. Currently, the Board charges a 0.5% fee on Clean Water State Revolving Fund loans and a 0.2% fee on state program loans (FAP).

V. **Description of the classes of persons who will benefit from the proposed rule(s).**

In general, recipients of the new loan program are public entities as defined in Title 82, section 1085.32. In the case of environmental compliance and public health projects, the program allows for private citizens to receive funding under certain circumstances.

VI. **Comprehensive explanation of the rules' economic impact.**

The proposed rule change has no negative economic impact. Any administrative costs associated with the new program will be absorbed through existing Board funds. Loan recipients will pay a minimal interest rate on the new loans (less than one million dollars). This interest rate

will be lower than most municipalities are able to obtain on the general market. Thus over five years there will be no negative economic impact.

VII. **Detailed explanation of methodology and assumptions used to determine the economic impact.**

The methodology used to determine the economic impact is based on the assumption that the loans in this program are not backed by bonds that increase the cost of issuance by requiring local bond counsel. Additionally, interest rates will be dependent on fluctuations in the market.

VIII. **Determination of whether implementation of the proposed rule(s) will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule(s).**

This rule does not it require the cooperation of political subdivisions in implementing or enforcing the rule. Political subdivisions who choose to participate in the loan program will bear the cost of repayment of the loan.

IX. **Determination of whether implementation of the proposed rule(s) may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.**

This rule change will not have an adverse economic impact on small business.

X. **Measures taken to minimize the cost and impact of the proposed rule on business and economic development in this state, local government units of this state, and individuals.**

The new program is designed to cover a gap in funding for municipalities and other public entities that need to make improvements to water and wastewater infrastructure. The Board will not be charging an administrative fee on these loans and interest rates will be kept as low as necessary to maintain the revolving nature of the program.

XI. **Determination of the effect of the proposed rule(s) on the public health, safety and environment and, if the proposed rule(s) is/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 rule will reduce the risk.**

The new loan program is designed to assist public entities and private entities with water and sewer infrastructure upgrades. Upgrades to these systems reduce the risk of public health concerns and environmental concerns.

XII. **Determination of any detrimental effect on the public health, safety and environment if the proposed rule(s) is/are not implemented.**

If rules are not implemented, OWRB would not be able to administer a statutorily directed

program and entities would not be able to access low interest funding to address environmental and public health infrastructure upgrades.

XIII. **Analysis of Alternatives to Adopting the Rule(s)**

There are no alternatives to adopting these rules.

XIV. **Estimated Time Spent by State Employees to Develop Rule and Other Resources Used in Developing Rule**

OWRB staff hours, including legal staff, spent approximately 20 hours developing these proposed rules and also utilized the Financial Assistance Division's contracted attorney to develop these proposed rules. Approximately 15 hours were spent by the contracted attorney on developing these rules.

XV. **Summary and Preliminary Comparison of Any Existing or Proposed Federal Regulations Intended to Address the Activities to be Regulated by Proposed Administrative Rules**

There are no federal regulations intended to address the activities to be regulated by the proposed rules.

XVI. **Date the rule impact statement was prepared and if modified, the date modified.**

The Oklahoma Water Resources Board prepared this rule impact statement on September 3, 2026.

5. SPECIAL CONSIDERATION

WATER RIGHTS ADMINISTRATION DIVISION

November 17, 2026

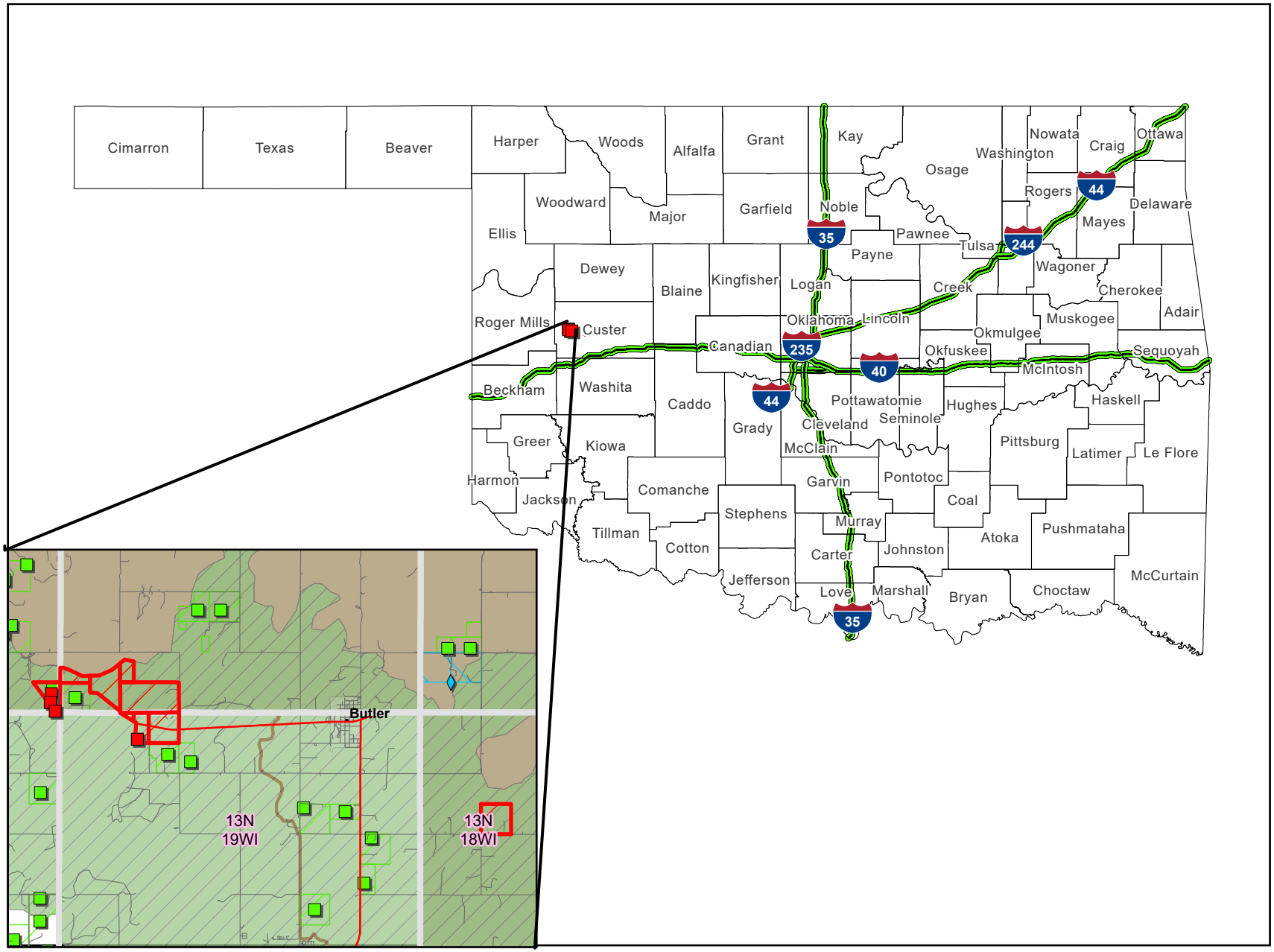
WATER RIGHTS ADMINISTRATION DIVISION
Application for a Regular Groundwater Permit

November 17, 2026

NUMBER & DATE	COUNTY	NAME OF APPLICANT	RECOMMENDATION
2025-633 10/17/2025	Custer County	Johnson Family Farms, LLC	Approval for proposed order

Johnson Family Farms, LLC of 9434 N. 2090 Road, Butler, OK 73625 has filed an application, #2025-633, with the Oklahoma Water Resources Board (Board) for a permit to use 2,105.5 acre-feet of groundwater per year. The groundwater is proposed to be used for irrigation (alfalfa, wheat, and milo) and commercial sale for oil and gas and taken from 1,052.75 acres located as follows: 160 acres in the SW of Section 8, T13N, R18WIM; 88 acres in the NW and 158.75 acres in the NE of Section 5, T13N, R19ECM; 55 acres in the S2 NW and 145 acres in the E2 of Section 31, 51 acres in the W2 NW and 320 acres in the S2 of Section 32, T14N, R19WIM; 75 acres in the SE of Section 36, T14N, R20WIM; all in Custer County. The water is to be withdrawn from four (4) wells located as follows: one (1) well in the SW SE NW of Section 5, T13N, R19WIM; one (1) well each in the SW NE SE, NW SE SE, SE SE SE of Section 36, T14N, R20WIM; all in Custer County The applicant gave proper Public Notice, the application was protested, and an administrative hearing was held on August 6, 2026. The hearing examiner recommends approval for three (3) of the four (4) wells. Applicant's three (3) wells as follows: one (1) well each in the S/W N/E S/E; N/W S/E S/E; S/E S/E S/E of Section 36, Township 14 North, Range 20 W.I.M., all in Custer County, Oklahoma, overlying the Alluvium and Terrace of the Washita Reach 1, in the amount of 2,105.5 total acre-feet of groundwater per year. The three (3) wells are designated for the beneficial purposes to irrigate alfalfa, wheat, milo and the commercial sale of groundwater for oil and gas industry uses. The portion of the Application request to permit use of the one (1) well located at S/W S/E N/W of Section 5, Township 13 North, Range 19 W.I.M., Custer County, Oklahoma, overlying the Rush Springs Formation, is denied as to this Application for the reasons set forth herein.

Groundwater Application #2025-633
Johnson Farms, LLC - Custer County



Overlay Legend

- Counties
- Interstates
- Existing Wells
- Dedicated Land

Inset Legend

- Existing Wells
- Dedicated Land
- Counties
- Townships
- State Highway
- County Roads
- Town
- Municipal Boundaries

Water Rights Points

- Groundwater,Active
- Groundwater,Pending
- Surface Water,Active

Water Rights Lands

- Groundwater,Active
- Groundwater,Pending
- Surface Water,Active

Aquifers

- Washita River, AT, Major
- Rush Springs, BR, Major
- 8-Digit HUC

Created by: DA
Date: 11/10/2026

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OKLAHOMA
Water Resources Board

BEFORE THE OKLAHOMA WATER RESOURCES
BOARD STATE OF OKLAHOMA

In the Matter of the Application of Johnson Family Farms, LLC for a Groundwater Permit in Custer County	Application No. 2025-0633

PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND BOARD ORDER ON GROUNDWATER PERMIT APPLICATION

INTRODUCTION

This matter arises out of the application of Johnson Family Farms, LLC ("Applicant") seeking a regular long-term groundwater use permit for use in Custer County, Oklahoma, with the use of four (4) groundwater wells on the designated property area of Applicant. The hearing was conducted on August 6, 2026. Attorney W. Jason Hartwig represented the Applicant, and Jerry Basey, ("Protestant") was represented by attorney Kelly Basey. Based upon the separately stated Findings of Fact and Conclusions of Law that follow, the Oklahoma Water Resources Board ("OWRB" and "Board") determines that the Application should be granted for three (3) wells, in the amount of 2,105.5 acre-feet per year, and denied for the use of one (1) well.

1. Applicant filed its Application on October 17, 2025, seeking authorization to withdraw 2,105.5 acre-feet of groundwater per year from an owned and leased area with acreage of 1,052.75, from four (4) wells located as follows: one (1) well in the S/W S/E N/W of Section 5, Township 13 North, Range 19 W.I.M.; Custer County, Oklahoma, and one (1) well each in the S/W N/E S/E; N/W S/E S/E; S/E S/E S/E of Section 36, Township 14 North, Range 20 W.I.M.; all in Custer County, Oklahoma to irrigate alfalfa, wheat and milo, and also for future oil and gas industry sale. *See* Exhibit 1.

2. Applicant submitted its deeds and groundwater lease with the Application, the validity of which was not disputed at the hearing. *See* Exhibit 2.

3. Notice of the Application was published in the Clinton Daily News on May 27, 2026, and on June 3, 2026. *See* Exhibit 7.

4. Notice of the Application was sufficiently mailed by certified U.S. mail, as confirmed by Applicant's certified and signed returned receipts, and by the Protestant's timely filed letter. *See* Exhibit 4. It was directed to 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. 2025-0633 of Applicant's intention to use groundwater. *Id*

5. The OWRB Notice of Hearing that was held on August 6, 2026, was sufficiently mailed to the Applicant, Johnson Family Farms, LLC, and to Protestant Jerry Basey. *See OWRB Exhibit 6.*

HEARING

6. The hearing was held on August 6, 2026, at approximately 9:30 a.m. in the OWRB Offices, Board Room, 2nd Floor, 3800 North Classen Boulevard, Oklahoma City, OK.

7. Applicant appeared by and through its attorney, W. Jason Hartwig.

8. Protestant appeared for the hearing by and through his attorney, Kelly Basey.

9. **OWRB exhibits** were admitted pursuant to Board Rule OAC 785:4-7-1 and OAC 785:4-7-7, being Application No. 2025-0633, (Exhibit 1); Ownership Documents, (Exhibit 2); Notice of Application, (Exhibit 3); Proof of Service, (Exhibit 4); Protest, (Exhibit 5); Notice of Hearing and mailing receipts, (Exhibit 6); Proof of Publication, (Exhibit 7); OWRB Staff Email, (Exhibit 8); Entry of Appearance by Applicant's Attorney, (Exhibit 9); Staff Memo dated August 5, 2026, (Exhibit 10); Attendance Sheet, (Exhibit 11).

10. **Protestant's admitted exhibit** was the Notice of Application (Protestant's Exhibit 1).

FINDINGS OF FACT

OWNERSHIP OF THE LAND

11. Applicant produced a warranty deed, a groundwater lease, and three (3) quit-claim deeds to its designated property, demonstrating that it has ownership and lease rights associated with the land dedicated to the permit. *See* Exhibit 2.

12. Ownership and lease rights was not disputed by Protestant at the hearing, nor is it found to be deficient or lacking. The well-spacing for placement and locations of the wells on Applicant's land was not disputed by Protestant, and his legal counsel acknowledged Mr. Basey has no well within the well-spacing distance of 660 feet of Applicant's wells for standing to object to spacing.

LAND IS LOCATED OVER A GROUNDWATER BASIN

13. Applicant Johnson Family Farms, LLC, provided sufficient proof of ownership and lease documentation meeting the legal requirement that it has dedicated land overlying a fresh groundwater basin or subbasin. *See* Exhibit 2. OWRB staff determined that the land dedicated

to this application for the three (3) approved wells overlies the Alluvium and Terrace of the Washita Reach 1 groundwater basin. *See* Exhibit 1.

BENEFICIAL USE ELEMENT AND APPLICANT'S NOTICE OF APPLICATION

14. The proposed use of groundwater is for irrigation of crops of alfalfa, wheat, and milo, and the sale of groundwater for oil and gas commercial uses, which the Board recognizes as valid beneficial uses pursuant to OAC 785:30-1-2. These uses are memorialized in Exhibit 1, Application, and Exhibit 3, the Notice of Application to Use Groundwater.

15. Protestant's counsel argued that the beneficial use should be interpreted as being confined only to the oil and gas commercial purpose, based upon the revision to application signed by Mr. Johnson, dated January 27, 2026. *See* Exhibit 1. By way of extension, counsel argued the Notice of Application was insufficient for the purpose of due process because it did not match in relation to the intended purposes. The statement authorized OWRB to revise the Application, in summary reducing the amount from 2,108 to 2,105.5 acre-feet per year, identifying the water to be sold for oil and gas to purchasers unknown for future use, and updated legal descriptions. Nothing in the revision statement affirmatively and directly withdrew the irrigation purpose. Byron Waltman, OWRB Environmental Programs Specialist, Water Rights Permitting, was called as a witness by Protestant, and testified that one could also interpret the addition to the application as a supplement.

16. Protestant demonstrated no evidence of being prejudiced as a matter of due process by Applicant's Notice of Application. Protestant's own letter itself had failed to indicate or show proof that a copy was provided to the Applicant. *See,* OAC 785:4-5-4 (c). His attorney timely appeared for the hearing, presented evidence and made legal arguments on his behalf at the hearing. The evidence does not demonstrate that the irrigation purpose was intended to be withdrawn, or effectively withdrawn, by the Applicant. Regardless, each of the proposed uses for the irrigation of alfalfa, wheat, milo, and the commercial sale of groundwater for oil and gas industry purposes, whether combined or singularly, constitute beneficial uses within the Board's rules and the Oklahoma Groundwater Law. The notice of application is found to have been sufficiently provided to the Protestant. Applicant's intent and ability to place groundwater for such beneficial uses was sufficiently established by the evidence. *See* OAC 785:30-1-2.

17. **Notice of the Application as related to the four (4) wells:** OWRB Staff conducted a pre-hearing site visit on July 15, 2026, and found that one of the wells overlies the Rush Springs Formation. *See* Exhibit 10. The basin identified in Applicant's notice identifies the groundwater basin as the Alluvium and Terrace of the Washita Reach 1 and does not include the Rush Springs Formation. *See,* Exhibit 7 and Protestant's Exhibit 1. Therefore, Applicant's Notice of

Application is found to be **insufficient** as it relates to the **one (1) well** ("Rush Springs Formation well") being located in the S/W S/E N/W of Section 5, Township 13 North, Range 19 W.I.M., Custer County, Oklahoma. The Applicant's notices are found to be **sufficient**, **valid and proper** relating to the other **three (3) wells** ("Alluvium and Terrace of the Washita Reach 1 wells") being located as follows: one (1) well each in the S/W N/E S/E; N/W S/E S/E; S/E S/E S/E of Section 36, Township 14 North, Range 20 W.I.M., all in Custer County, Oklahoma.

WASTE BY DEPLETION

18. Protestant provided no relevant evidence that the Applicant would upon being permitted for groundwater use then violate the elements of 82 O.S. § 1020.15(A) relating to waste by depletion. Protestant's speculation about *general* groundwater depletion is not one of those elements, and Oklahoma law contemplates the eventual depletion of groundwater resources as it is written. The use or nonuse by one landowner neither decreases nor increases the proportionate share of another. *See, OWRB v. Texas County Irr. And Water Resources Ass'n, Inc.*, 1984 OK 96, 711 P.2d 38.

19. OWRB finds that the evidence does not demonstrate waste by depletion will occur as specified under 82 O.S. § 1020.15 and the Board's rules.

WASTE BY POLLUTION

20. The definition of waste by pollution is extremely narrow in the context of groundwater law and OWRB's jurisdiction. Pursuant to 82 O.S. § 1020.15 A. (7), 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 this title 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. The Board finds that the evidence does not demonstrate that waste caused by pollution will occur if the permit is issued as specified in 82 O.S. § 1020.15(A) and OWRB rules.

CONCLUSIONS OF LAW

Based upon applicable law, and as applied to the above Findings of Fact and evidence in the record, the Board draws the following Conclusions of Law:

JURISDICTION AND AUTHORITY

21. The OWRB is vested with exclusive authority to determine groundwater permit applications by Oklahoma's Groundwater Law, 82 O.S. § 1020.1 et seq., and by Chapter 30 of OAC Title 785. It also is vested with authority to conduct administrative hearings under Article 7, § 1 of the Oklahoma State Constitution and by Article II of the Oklahoma Administrative Procedures Act (APA), 75 O.S. §§ 308a through 323. Hearings are conducted pursuant to Article II of the APA and Chapter 4 of Title 785 of the OAC.

22. The Board has subject matter jurisdiction to adjudicate applications for permits according to the Oklahoma Groundwater Law, and the OWRB's rules.

NOTICE OF THE APPLICATION AND HEARING

23. The Board adopts the findings of fact herein, and finds that Notification of the Application for a regular groundwater permit was sufficient and properly provided for three (3) of the four (4) wells, being: one (1) well each in the S/W N/E S/E; N/W S/E S/E; S/E S/E S/E of Section 36, Township 14 North, Range 20 W.I.M.; all in Custer County, Oklahoma as required by law and in accordance with 82 O.S. § 1020.8 and OAC 785:30-3-4. Notice of the Hearing was provided by OWRB to all interested parties in accordance with OAC 785:30-3-4.

24. The Board adopts the findings of fact herein and finds that the Notification of the Application for a regular groundwater permit was insufficient for the one (1) well located at S/W S/E N/W of Section 5, Township 13 North, Range 19 W.I.M., Custer County, Oklahoma, and not in accordance with 82 O.S. § 1020.8 and OAC 785:30-3-4.

PERSONAL JURISDICTION AND DUE PROCESS

25. The Applicant and the Protestant of record have been afforded due process of law and an adequate opportunity to be heard. All other potentially interested persons have defaulted or abandoned their interests, pursuant to OAC 785:4-7-3(c).

USE OF GROUNDWATER

26. Under 60 O.S. § 60, the owner of the surface of a given tract of land owns the fresh groundwater beneath the surface of the land. The surface owner or lessee may use such groundwater in accordance with the use regulations imposed by the Oklahoma Groundwater Law, 82 O.S. §§ 1020.1 et seq.

27. 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 if that

reduction is done in an orderly fashion according to the statutory scheme for reasonable restrictions on such use.

ELEMENTS TO BE DETERMINED

28. When a person makes an application for a groundwater permit, 82 O.S. § 1020.9 and OAC 785:30-3-5 require the Board to determine specific issues, commonly understood as the "4 Points":

> a. the lands owned or leased by the applicant overlie a fresh groundwater basin or subbasin,
>
> b. the use to which the applicant intends to put the water is a beneficial use,
>
> c. waste as specified by Section 1020.15 of this title will occur, and
>
> d. the proposed use is likely to degrade or interfere with springs or streams emanating in whole or in part from water originating from a sensitive sole source groundwater basin or subbasin as defined in Section 1020.9A of this title.[1]

29. If the Board finds for the Applicant on all the elements the Board *shall* approve the application and issue the appropriate permit, pursuant to 82 O.S. §§ 1020.9 and 1020.10.

A. LANDS OWNED OR LEASED BY APPLICANT

30. Applicant's deeds and leases for the land were not disputed at the hearing. Based on the information submitted in the Application and the evidence admitted at the hearing, the Board concludes that Applicant provided evidence of its right to take groundwater from the land identified on the application.

B. LANDS OVERLIE FRESH GROUNDWATER BASIN

31. The Applicant's dedicated land overlies the Alluvium and Terrace of the Washita Reach 1 for the three (3) approved wells. The Board has determined the equal proportionate share for the applicable groundwater aquifer is two (2) acre-feet annually.

C. BENEFICIAL USE

[1] The Board takes Judicial Notice that the Alluvium and Terrace of the Washita Reach 1, applicable to this matter, is not classified as sensitive sole source groundwater basin or subbasin.

32. The Board is required to determine whether "the use to which the applicant intends to put the water [is] a beneficial use" under 82 O.S. § 1020.9 and OAC 785:30-3-5.

33. Beneficial use is defined 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.

34. OAC 785:30-1-2 defines "Irrigation use" to mean "use of water for the production of food, fiber, crops, timber, fruits, nuts; and water applied to pastures, fields, landscaping, horticulture services, and golf courses."

35. Based upon the evidence in the record, Applicant's stated intended uses of irrigation of alfalfa, wheat, and milo, and the commercial sale of groundwater for oil and gas, all fall within the Board's definitions of beneficial uses as those terms are defined in OAC 785:30-1-2.

36. The evidence supports the lawfulness of the proposed uses.

37. The Board concludes that Applicant will place the authorized groundwater to beneficial use within the meaning of 82 O.S. § 1020.9 and OAC 785:30-1-2, and that the Application satisfies the statutory and regulatory beneficial-use element required for approval.

D. WASTE DEFINITIONS

38. The Board must determine whether Applicant will allow waste as specified by 82 O.S. § 1020.15(A) to occur. Waste definitions for groundwater are as follows:

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 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. 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 this title 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.

E. WASTE BY DEPLETION

39. The evidence presented did not establish that Applicant's proposed use would constitute waste by depletion within the meaning of 82 O.S. § 1020.15. The Board has determined the equal proportionate share for the Alluvium and Terrace of the Washita Reach 1 groundwater aquifer is two (2) acre-feet annually.

40. The evidentiary record establishes no competent evidence that Applicant will commit waste by depletion within the meaning of 82 O.S. § 1020.15 and the Board's rules, and Protestant offered no direct or relevant evidence of waste by depletion that could be defined as violative under those definitions.

41. The Board concludes that waste by depletion will not occur if the application is approved.

F. WASTE BY POLLUTION

42. The provisions of 82 O.S. § 1020.15(A)(7) provide that the Board shall not permit any groundwater user to commit waste by "permitting or causing the pollution of a freshwater 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." Subsection (10) also prohibits a user

from committing waste for “failure to properly plug abandoned water wells in accordance with rules of the Board and file reports thereof.”

43. The evidence admitted at the hearing provides no competent evidence that Applicant will commit waste by pollution within the meaning of 82 O.S. § 1020.15 and the Board’s rules. Therefore, the Board concludes that waste by pollution will not occur.

ORDER

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Application No. 2025-0633 in the name of Johnson Family Farms, LLC is hereby approved for three (3) of the four (4) requested wells, as follows:

A long-term groundwater permit shall be issued for Applicant's three (3) wells as follows: one (1) well each in the S/W N/E S/E; N/W S/E S/E; S/E S/E S/E of Section 36, Township 14 North, Range 20 W.I.M., all in Custer County, Oklahoma, overlying the Alluvium and Terrace of the Washita Reach 1, in the amount of 2,105.5 total acre-feet of groundwater per year. The three (3) wells are designated for the beneficial purposes to irrigate alfalfa, wheat, milo and the commercial sale of groundwater for oil and gas industry uses.

The portion of the Application request to permit use of the one (1) well located at S/W S/E N/W of Section 5, Township 13 North, Range 19 W.I.M., Custer County, Oklahoma, overlying the Rush Springs Formation, is denied as to this Application for the reasons set forth herein.

The permittee shall comply with all reporting and other requirements of the Oklahoma Groundwater Law and Board rules, including but not limited to annual water use reporting as set forth in 82 O.S. §1020.12 and OAC 785:30-5-9. All other terms and provisions set forth in the application and those not inconsistent with provisions of this Order shall be incorporated into and made a part of the permit.

IT IS SO ORDERED by the Oklahoma Water Resources Board in regular and open meeting this _____ day of _____, 2026.

OKLAHOMA WATER RESOURCES BOARD

_____

Thomas A. Gorman, Chairman

ATTEST:

_____

Heather McCall , Secretary

(SEAL)