

Rule Impact Statement

Title 785. Oklahoma Water Resources Board (OWRB)

Chapter 50. Financial Assistance

Subchapter 6. Water and Sewer Program Emergency Grants Requirements and Procedures

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

Permanent Rules under OKLA. ADMIN. CODE § 785:50-6-1 through 4; 785.50-8-1 through 6

This Rule Impact Statement has been prepared pursuant to 75 O.S.Supp.2025, § 253(B).

I. Statement of need and legal basis

The proposed rule changes are intended to encourage communities to adopt a more forward-thinking and proactive approach to long-term planning and financial sustainability. These changes aim to support communities in aligning with the eligibility criteria required to access State Revolving Fund (SRF) financing in the future. While grant funding has historically been a key resource, it is not guaranteed to remain available indefinitely. As such, the Oklahoma Water Resources Board (OWRB) staff is committed to assisting communities in building the capacity to maintain and operate their water and wastewater systems without incurring unsustainable financial deficits. By implementing these rule changes, the goal is to foster resilience, improve access to critical funding mechanisms, and promote fiscal responsibility and infrastructure planning at the local level.

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

Nonmajor rules – no cost associated with the changes.

III. Description of the proposed rule(s).

The proposed changes are to accompany the statute changes regarding eligible requested amount and to be more in line with how other funding programs function. The current rules do not encourage forward thinking making it harder for some systems to access current funding programs. These changes also allow for more communities the ability to qualify for the grant programs. Nothing federal associated with these changes.

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 proposed changes will affect staff and the population of Oklahoma eligible entities who are attempting to apply for REAP and Emergency Grant financing. There will be no cost incurred by these proposed changes.

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

All communities with a population of 7,000 or less will benefit from the changes on the REAP grant and all communities of Oklahoma will benefit from the changes on the Emergency grant.

VI. Comprehensive of the rules' economic impact.

There will be no costs to the agency or state revenues associated with this proposed rule change. The benefit to the agency is that staff will be able to more easily ascertain eligibility and ranking of grant applications and provide a more rapid response to grant requests thereby providing eligible entities with the funding they need for their critical infrastructure projects.

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

There will be no cost incurred by these proposed changes.

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 probable economic impact of these proposed rule changes is that it will be more streamlined for Oklahoma eligible entities to apply for, and potentially receive, necessary grant funding and potential loan fundings, as well as the opportunity to take additional steps to elevate their ranking.

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.

These proposed rule changes will not have an adverse economic effect on small business but could provide benefit to small businesses that are located in eligible entities experiencing water and wastewater infrastructure needs. Good infrastructure is invaluable to a community and the small businesses located within it.

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.

There will be no cost impact for the proposed rules on any entity.

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.

These proposed rules changes could very significantly reduce substantial risks to the public health, safety, and environmental concerns caused by water and wastewater infrastructure disrepair. Infrastructure affected by deterioration and disrepair can present enormous public health, safety, and environmental issues when not addressed in a timely manner. Being able

to more quickly access grant funds when eligible, reduces the time necessary to obtain other funding and improve water and wastewater infrastructure.

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

The detriment of not implementing these changes would be that the communities could have a harder time accessing certain funding for the already aging infrastructure. The longer it takes to fix their infrastructure, the higher the risks to public health, safety, and environment.

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

The only alternative is to not change the rules which would result in the diminishing of improvements proposed in the rule changes, which were designed to allow communities more benefit in the long term.

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

About 8-10 hours.

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

No federal regulations associated with this grant program.

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

OWRB prepared this rule impact statement on 10/10/2025.