OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

Effective 7-1-2013 through 6-30-2014

DRINKING WATER STATE REVOLVING FUND STATE FISCAL YEAR 2014

2014 Intended Use Plan

DEQ OKLAHOMA

FINAL 8/20/13

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY

On the Cover: Stillwater Water Treatment PLant Improvements
Pictured: Davis Water Treatment Plant. Backhoe moving dirt

2014 IUP

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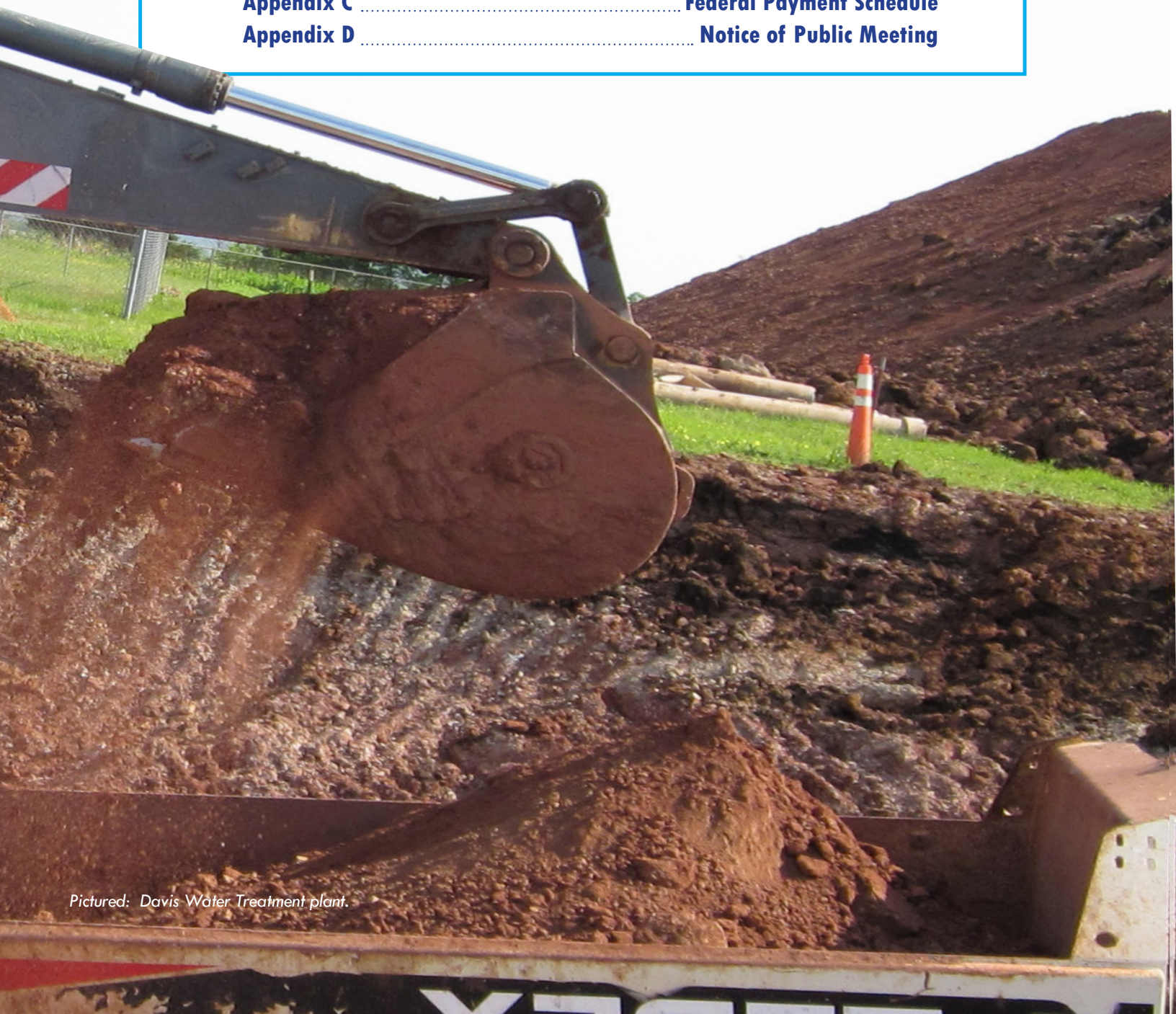

Pictured: Davis Water Treatment plant.

I. Introduction

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

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

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

As required by the SDWA, the State of Oklahoma, through the Department of Environmental Quality (DEQ) is required to prepare this annual Intended Use Plan (IUP) in order to identify the set-aside programs and DWSRF loan projects that will utilize the funds available to the DWSRF. This IUP is prepared for State Fiscal Year 2014 (SFY 2014) and identifies those sources and uses of available program funds. For the purpose of the DWSRF and this IUP, the fiscal year identified is the State Fiscal Year 2014, beginning July 1, 2013 and ending June 30, 2014. The capitalization grants and state matching funds to fund these activities are from prior fiscal years and the Federal Fiscal Year 2013 (FFY 2013) appropriation. The DEQ will apply for the FFY 2013 grant in June 2013 to ensure funding will be available on July 1st, which is the beginning date of SFY 2014.

Above: Waterline Trench & Bore-Chandler

To ensure that the public has an opportunity to review DEQ's proposed plans for the DWSRF, a draft IUP will be made available before the IUP public meeting to be held on May 24, 2013. To ensure that interested parties are made aware of the public meeting date, DEQ will post notice on the DEQ web-site and distribute announcements to a mailing list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial consultants, and interested citizens. The public comment period will remain open until June 23, 2013.

As a result of federal appropriations to the State, the DEQ has received federal capitalization grants totaling $203,869,000 from FFY 1997 thru FFY 2012. Oklahoma DEQ will apply for the FFY 2013 Capitalization Grant in the estimated amount of $11,151,000. This IUP includes the total funds received from repayments and interest earnings, state match, capitalization grants less set-asides, and leveraged revenue bond funds. These federal and state funds will be utilized by the DEQ in accordance with the purposes identified in this IUP. The state is required to provide 20 percent matching funds for each capitalization grant as the federal payments are received for DWSRF projects. Table 1 reports the sources of funds available to the DWSRF program and their intended uses.

TABLE 1 Sources and Uses

SOURCES OF FUNDS **Beginning July 1, 2013**		
Beginning Balance (SFY 2013 Carryover)		**$0.00**
State Fiscal Year 2014 (Projected)		
Federal Grant FFY 2013	$	10,463,000.00
State Match SFY 2013	$	2,092,600.00
Projected Bond Issue - SFY 2014	$	32,000,000.00
Principal Repayments	$	18,503,147.00
Release of 2003 and 2004 Bond Reserve Funds	$	3,676,055.00
Interest Earnings on Loans	$	13,676,648.00
Interest Earnings on DWSRF Funds (Account)	$	79,900.00
Interest Earnings on 2003 Bonds Reserves*	$	1,413,183.00
Interest Earnings on 2004 Bonds Reserves	$	1,171,978.00
Interest Earnings on 2013 Bonds Proceeds	$	147,000.00
Sub Total	**$**	**83,223,511.00**
Total Sources of Funds	**$**	**83,223,511.00**
USES OF FUNDS ***Expected DWSRF Loan Commitments for SFY 2014***		
Small System Binding Commitments	$	37,336,700.00
Large System Binding Commitments	$	12,100,000.00
Sub Total	**$**	**49,436,700.00**
DWSRF Set-Aside Programs for SFY 2014		
Administration	$	418,520.00
Small System Technical Assistance	$	209,260.00
Program Management	$	1,046,300.00
Local Assistance - Wellhead Protection ($523,150)	$	1,569,450.00
- Capacity Development ($1,046,300)		
Sub Total	**$**	**3,243,530.00**
Revenue Bond Issuance		
Debt Service on 2003 Bonds	$	9,984,830.00
Debt Service on 2004 Bonds	$	6,772,354.00
Debt Service on 2010 Bonds	$	6,839,331.00
Debt Service on 2011 Bonds	$	3,903,831.00
Debt Service on 2012 Bonds	$	3,503,650.00
Sub Total	**$**	**31,003,996.00**
Total Uses of Funds	**$**	**83,684,226.00**
Additional Funds Needed	**$**	**460,715.00**

*** OWRB is in the process of undertaking a refinancing of the 2003 bond for debt service savings which should take place in the spring of 2013.**

A. New 2014 Requirements

Beginning with the FFY 2010 Appropriations Bill, four (4) new requirements were mandated and fully implemented in the Oklahoma DWSRF program as follows:

1. **Green Project Reserve (GPR)**
2. **Additional Subsidies**
3. **Davis-Bacon Wage Rates**
4. **Reporting Requirements**

The Green Project Reserve mandate was removed in the FFY 2012 appropriation and the DWSRF program is no longer required to meet the 20% requirement. Beginning September 1, 2012, the DWSRF program stopped accepting new applications for green projects. The DWSRF has continued to provide subsidies for those applications that were received prior to September 1, 2012.

This subsidization requirement changed for the FFY 2012 capitalization grant to state that at least 20%, but no more than 30% of the capitalization grant must be utilized as additional subsidies. Subsidization will be given as principal forgiveness for projects that regionalize or consolidate water systems and to green projects that met the September 1, 2012, deadline and other requirements.

Furthermore, the Consolidated and Further Continuing Appropriation Act of 2013 (H.R. 933) continues the operation of the DWSRF with at least a 5% across the board sequestration cut and a 1.6% rescission. For the purposes of this IUP, the grant amount of $10,463,000.00 will be used for planning purposes for the FFY 2013 grant. It is the intent of the Oklahoma DWSRF program to consistently comply with all requirements as stipulated in each year's grant agreement for the capitalization grant. As of the writing of this document, no new additional requirements are anticipated. However, procedural changes and reporting requirements may be modified by EPA. These changes will be incorporated into the Oklahoma DWSRF program, as necessary.

Left: Tahlequah. Aerial view of WTP, Above: Filter Forms-Davis

II. LIST OF PROGRAMS

A. Set-Aside Programs

Section 1452 (g) and Section 1452 (k) of the SDWA authorizes set-asides to enable states to implement the requirements of the SDWA. The set-asides are based on a percentage of the capitalization grant as specified in the SDWA. The DEQ will reserve the following amounts in the FFY 2013 capitalization grant for set-asides as follows: 4 percent for Administration; 2 % for Small System Technical Assistance; 10 % for Program Management; 15 % for Local Assistance and other State Programs of which DEQ expects to use 5 % for wellhead protection activities and 10 % for the Capacity Development Program. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2013 capitalization grant funds are to be expended during SFY 2014. Table 2 shows DWSRF Set-Aside activities for SFY 2014.

TABLE 2 DWSRF Set-Aside Activities SFY 2014

Set-aside category	Percent of Set - Aside Program	Total amount reserved from FFY 2013 grant	Reclaimed credit from old grants	Cumulative amount to be specified in workplans
Admin.	4	$ 418,520	$ -	$ 418,520
Tech. Asst.	2	$ 209,260	$ -	$ 209,260
St. Prg. Mgt.	10	$ 1,046,300	$ -	$ 1,046,300
Local Assist.	15	$ 1,569,458	$ N/A	$ 1,569,458
Total	31	$ 3,243,530	$ -	$ 3,243,530

1. DWSRF Administration

Section 1452(g) of the SDWA authorizes states to provide funding for the DWSRF Administration as a set-aside activity. The administration of the fund will be accomplished by DEQ personnel and through an interagency agreement with the Oklahoma Water Resources Board (OWRB). Administrative tasks include portfolio management; debt issuance; DWSRF program costs; support services; and financial, management, and legal consulting fees.
Title 82 of Oklahoma Statutes, Section 1085.71 through 1085.84A establishes the DWSRF program duties of OWRB and DEQ. The interagency agreement between OWRB and DEQ specifies the responsibilities of each agency in regard to the following tasks: DWSRF capitalization grant application and management; annual joint report to the Governor and Legislature; annual report to EPA; preliminary loan applications; final loan applications; letters of binding commitment to loan applicants; bidding and contract documents; loan closings; change orders and other related construction documents; inspections of projects, books, and records; payments; loan terminations; and the return of funds.

As allowed by the SDWA, DEQ reserved and specified an amount equal to 4 % of the FFY 2013 capitalization grant for administrative support of the DWSRF. DEQ and OWRB will use an estimated amount of $418,520 from set-aside funds for SFY 2014 DWSRF administration. This set-aside is to fund activities that implement, administer, and operate the DWSRF program during SFY 2014.

In addition to set-aside funds, the Drinking Water Treatment Loan Administration Fund can be utilized by DEQ and OWRB for additional administrative expenses. This fund is a statutory account outside DWSRF and is funded through fees applied to each loan. At the end of SFY 2014, it is projected that approximately $9,616,612 will be available. Table 5 shows accumulated amounts of available funds from FFY 1997 through FFY 2013 and the projected amount for SFY 2014. Additional information concerning this fund is located in Section IV.B. of this report.

2. Small System Technical Assistance

Section 1452(g)(2)(D) of the SDWA authorizes states to provide funding for technical assistance to public water systems serving a population of 10,000 or fewer. The DEQ staff will provide technical assistance and compliance determinations for small systems to assist with compliance of the SDWA. Small water systems will be provided technical assistance to improve treatment and capacity to operate surface water systems, to improve compliance with drinking water standards, comply with monitoring and reporting requirements, to improve the

Pictured: Clearwell Slab-Davis

quality of service to customers, and the quality of water system management, and to increase the knowledge of board members in efficient water system operation.

As allowed by the SDWA, DEQ reserved and specified an amount equal to 2 % of the FFY 2013 capitalization grant to fund small system technical assistance activities for SFY 2014. DEQ will use an estimated amount of $209,260 from set-aside funds for SFY 2014.

3. State Program Management

Section 1452(g)(2) of the SDWA, authorizes states to provide funding to finance State Program Management (SPM) requirements. These requirements are to provide technical assistance to small water systems, to provide technical assistance through source water protection programs, to develop and implement the Capacity Development Strategy, to provide Long Term 1 Enhanced Surface Water Treatment Rule assistance, and to provide Disinfectant/Disinfection By-products Rule assistance. DEQ personnel will accomplish these tasks. As allowed by the SDWA, DEQ reserved and specified an amount equal to 10 % of the FFY 2013 capitalization grant for state program management. DEQ will use $1,046,300 from set-aside funds for SFY 2013 public water supply state program management.

DWSRF set-aside funds cannot be used to reduce the existing state funds supporting the program. EPA allows the use of the FFY 1993 PWS State overmatch and PWSS match for the PWSS program to be used to meet the 1:1 state match for the SPM set-aside. However, the rule requires that at least 50 percent of the funds for the match come from the current year. Table 3 shows the SFY 1993 and SFY 2013 state funds which can be utilized for the state match to the SPM set-aside. As shown, $1,772,141 is available in SFY 1993 PWSS state overmatch plus an equal amount from the current year totaling $3,544,282. The amount requested for the SPM set-aside this year is $1,046,300. Therefore, the state match can be easily met.

4. Local Assistance and Other State Programs

Section 1452(k) of the SDWA authorizes states to provide funding for Local Assistance and other State Programs. The Local Assistance and other State Programs Set-aside funds will be used to establish and implement wellhead protection programs as allowed under Section 1452(k)(1)(D) of the SDWA. The DEQ has completed over 1100 Source Water Assessment and Protection(SWAP) plans for drinking water suppliers in the State. The plans define the areas of concern around either drinking water wells and/or surface water sources, determine the potential sources of contamination within those areas, and complete a susceptibility analysis for each source and system. At this point, DEQ has completed a susceptibility analysis for each source and system. DEQ field staff provides the interface with local teams to revise and modify the SWAP reports.

As allowed by the SDWA, DEQ reserved and specified an amount equal to 15 percent of the FFY 2013 capitalization grant for Local Assistance and other State Programs. DEQ will use an estimated amount of $1,569,450 from set-aside funds for SFY 2014. DEQ expects to use 5 % of these funds for local assistance and wellhead protection activities and 10 % for capacity development.

TABLE 3 Program Management State Match

	State General Revenue	PWS Fees	Operator Certification	Federal Grant	Total PWSS Funds	Total State Match	25% State Match	Amount Overmatch
SFY 1993	$ 859,000	$ 1,054,041	$ 135,000	$ 827,700	$ 2,875,741	$ 2,048,041	$ 275,900	$ 1,772,141
SFY 2013	$ 1,715,833	$ 2,067,595	$ 968,047	$ 1,414,000	$ 6,165,475	$ 4,751,475	$ 471,333	$ 4,280,142
			FFY 1993	FFY 2013				
PWSS grant			$ 827,000	$ 1,414,000				
PWSS State Match			$ 275,900	$ 471,333				
PWSS State Overmatch			$ 1,772,141	$ 4,280,142				
Current Year SPM Set-aside				$ 1,046,300				

B. Drinking Water State Revolving Fund Projects

1. DWSRF Project Priority System

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

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

Eligible projects proposed by applicants requesting funding from the DWSRF are ranked and prioritized according to the Project Priority System procedures. The project with the most points shall be first on the Project Priority List; the project with the least points shall be last. The specific categories of source, treatment, storage, and distribution are not ranked separately. Projects will be funded in order of priority as each project meets the program requirements. A project may be bypassed if it is not on schedule. Bypassed projects will be monitored and encouraged to meet program requirements so that they may be reinstated to the fundable portion of the list.

2. Allocation of Funds

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

1. **Projects of eligible applicants that request financial assistance are ranked according to the Project Priority System and placed on the Project Priority List;**
2. **The financial assistance needed for each drinking water project that is ready to proceed is determined;**
3. **Sources of unobligated funds available to the DWSRF that are necessary to provide the requested financial assistance are identified;**
4. **The highest priority projects that will be ready to proceed during SFY 2014 are placed on the SFY 2014 Funding List, included as Appendix B;**
5. **Bypass letters can be issued to applicants which have projects not ready to proceed according to the Priority Ranking System procedures; and**
6. **The consistency with the funds available and the financial assistance requested is determined.**

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

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

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

The SFY 2014 Project Priority List (PPL) attached as Appendix B shows a total of eleven (11) projects with their assigned priority points, project name, loan amount, population, project description, and anticipated binding commitment date.

4. SRF Available Funds

For SFY 2014 there is expected to be a total of $49,436,700 available to fund Project Priority List projects, as shown in Table 1. The total funds available for the DWSRF loan program are derived from past capitalization grants and state matching funds, FFY 2013 capitalization grant and state match, transfer of funds from the Clean Water State Revolving Fund (CWSRF), investment income, interest income, and revenue bond issue funds.

C. Additional Subsidization

Capitalization Grants for the 2009 American Recovery and Reinvestment Act, FFY 2010, and FFY 2011 allotments required that the DWSRF program provide at least 30% of the capitalization grant funds as additional subsidies. DEQ targeted projects which were eligible under the Green Project Reserve or which would include the consolidation or regionalization of water systems. This requirement changed for the FFY 2012 capitalization grant to state that at least 20%, but no more than 30% of the capitalization grant must be utilized as additional subsidies. Table 4 shows the remaining uncommitted subsidy funds available for SFY 2014 projects.

Pictured: Davis Treatment Plant-Filter Station

TABLE 4 Subsidy Funds SFY 2014

FFY 2010	FFY 2011	FFY 2012 Grant	FFY 2013	Total for SFY 2014
$0	$0	$1,723,406.75	$2,230,000.00	$3,953,406.75

D. Green Project Reserve

The Green Project Reserve mandate was removed in the FFY 2012 appropriation and the DWSRF program is no longer required to meet the 20% requirement. Beginning September 1, 2012, the DWSRF program stopped accepting applications for green projects. The DWSRF will continue to provide subsidies for those applications that were received prior to September 1, 2012. Eligible projects are pursuant to the guidance provided by EPA. For green projects it is proposed that 15% of a project's cost up to $500,000 or the cost of the green component of the project, whichever is less, is available in the form of principal forgiveness as permitted under the FFY 2011 and FFY 2012 Appropriations Acts.

E. Davis-Bacon Wage Rates

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

F. Sustainability Policy

EPA finalized their Sustainability Policy on February 12, 2011. The primary direction of the policy is "…encouraging communities to develop sustainable systems that employ effective utility management practices to build and maintain the level of technical, financial and managerial capacity necessary to ensure long-term sustainability."

The Oklahoma DWSRF program maintains a strong capacity development program which includes a comprehensive review of each DWSRF applicant for technical, financial and managerial capacity. This program is the platform for a sustainability program because it already incorporates the three tiered review. Applicants are evaluated through detailed technical reviews, financial audits and managerial checklists. To qualify for a DWSRF loan, an applicant must meet a minimum debt coverage requirement of 1.25 times.

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

G. Reporting Requirements

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

Oklahoma will report quarterly in the DWSRF Project Benefits Reporting (PBR) System on the use of all DWSRF funds. This information will also be included in the Annual Report. Quarterly reporting shall include use of the funds for the GPR and Additional Subsidization, as well as information on the environmental benefits of Oklahoma DWSRF assistance agreements.

Oklahoma will report annually to the Drinking Water National Information Management System (DWNIMS). Detailed reporting will include all required information related to the DWSRF capitalization grant, set-asides, leveraged funds, project and loan costs. Oklahoma will report to the Federal Funding Accountability and Transparency Act (FFATA) database as each project loan is closed up to the amount of the capitalization grant for each year.

III. DWSRF GOAL STATEMENTS

A. Short-Term Goals

1. Provide eleven (11) loans to the eleven (11) water systems listed on the Fundable Portion of the SFY 2014 Project Priority List. (Target Completion: June 2014)
2. Apply for FFY 2014 capitalization grant. (Target Completion: April 2014)
3. Complete set-aside work plans specifying funds from the capitalization grant. (Target Completion: Within 90 days of grant award)
4. Use set-aside funds to update source water assessments. (Target Completion: June 2014)
5. Continue to refine the Capacity Development Program.
6. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2014)
7. Use set-aside funds to provide technical assistance to systems to comply with the Long Term 1 Enhanced Surface Water Treatment Rule and Disinfectant/ Disinfection By-product rule. (Target Completion: June 2014)
8. Issue DWSRF Revenue Bonds in an estimated amount of $32,000,000 to finance the additional demand for drinking water loan funds.

B. Long-Term Goals

1. Maintain the fiscal integrity of the DWSRF and assure a continuous enhancement of the loan fund for future generations.
2. Maintain the fund in perpetuity. Perpetuity consists of maintaining the principal amounts of the state matching funds and capitalization grants, less set-asides, within the DWSRF.
3. Assist the State in meeting the total drinking water funding needs by blending DWSRF capitalization grant and state match funds with leveraged DWSRF bond proceeds to provide long-term low-interest drinking water financing.
4. Obtain maximum capitalization of the fund for the State in the shortest time possible.
5. Use set-aside funds along with DWSRF loans to maximize compliance and public health protection.
6. Promote technical, managerial, and financial capability of all public water supply systems.
7. Encourage the consolidation and/or regionalization of small public water systems that lack the capability to operate and maintain systems in a cost-effective manner.

C. Environmental Results under EPA Assistance Agreements

1. In accordance with "EPA's Environmental Results under EPA Assistance Agreements, Order No. 5700.7", which became effective on January 1, 2005, DEQ herein describes the outputs to be used as a measure to comply with the new requirements.
   a. Output 1 – Provide eleven (11) loans to the eleven (11) water systems listed on the Fundable Portion of the SFY 2014 Project Priority List (PPL). See Appendix B, for a list of projects on the PPL.
   b. Output 2 – Enter into binding commitments with nine (9) small systems and two (2) large systems for a total of eleven (11) projects during SFY 2014. See Appendix B, for a list of these systems and their population.
2. Environmental benefits will result from loans made and projects completed to reduce specific contaminants, create energy savings, conserve water, increase capacity to meet current water needs, replace aging infrastructure, and comply with state and federal regulations.

IV. FINANCING PLANS

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

TABLE 5 Drinking Water Treatment Loan Administration Fund

Revenue	FY1997-2013*	FY 2014	Total
Application Fee	$ 63,650.00	$ 3,000.00	$ 66,650.00
Administration Fee on Loans (0.5%)	$ 11,565,471.92	$ 2,289,233.38	$ 13,854,705.30
Interest Earnings on Account	$ 412,245.47	$ 64,854.68	$ 477,100.15
Subtotal	$ 12,041,367.39	$ 2,357,088.66	$ 14,398,455.45
Expenses			
Administrative Costs	$ 4,081,843.04	$ 700,000	$ 4,781,843.04
TSFR to DWSRF-write off Delaware 10	$ 4,159,703.45		
Includes Projections through 6/30/2013			

Pictured: Trenching Machine, Lone Chimney

long-term DWSRF loan is a 20-year loan (30-year loan for eligible disadvantaged communities) with a fixed interest rate used for the construction of drinking water infrastructure improvements. During the construction phase, interest and the administration fee are paid semi-annually as funds are drawn. Once construction is completed principal, interest, and administration fees are paid semi-annually until loan is paid.

Beginning with the 2009 American Recovery and Reinvestment Act and the FFY 2010 Capitalization Grant, DWSRF may grant subsidies in the form of principal forgiveness to systems. Those systems which meet the criteria for consolidation, regionalization and/or green project components may be granted principal forgiveness in accordance with the DWSRF procedures for each type of project. The total amount of subsidies given will be determined by the FFY 2013 Capitalization Grant. The method the DWSRF uses to fund projects is to draw all of the state matching funds first, federal capitalization grants next (up to subsidy amount), bod funds, and then second round funds.

A. DWSRF Interest Rates

The DWSRF will provide long-term financing loans for both small and large public drinking water systems at an interest rate equal to 70% of Municipal Market Daily (MMD) AAA scale spot rates for each year through maturity plus 70 basis points, calculated ten days before loan closing, plus the administration fee.

B. Administration Fees

The OWRB charges an annual administration fee of 0.5 percent on the unpaid loan balance. Also, OWRB charges an administrative fee upon application filing. This fee is based on the size of the application. If the application is for $249,999 or less the fee is $100. If the application is for $250,000 to $999,999 the fee is $250. If the application is for $1,000,000 or more the fee is $500. Administrative fees collected are deposited into the Drinking Water Treatment Loan Administration Fund as shown in Table 5. This fund is a statutory account outside the DWSRF and fees deposited into this fund will be used to offset the future DWSRF administrative expenses of DEQ and OWRB. It is projected that the Drinking Water Treatment Loan Administrative Fund will contain approximately $9,616,612.41 as of June 30, 2014.

C. Binding Commitments

It is anticipated that the DEQ will enter into eleven (11) binding commitments with ninw (9) small systems and two (2) large systems during SFY 2014. The amount of funding for small systems is anticipated to be $37,336,700.00 which is equal to 76 percent of the amount of funding available for projects on the fundable portion of the SFY 2014 Project Priority List. This amount exceeds the requirement that at least 15 percent of loan funds be utilized for small systems. A graphical presentation of this information is presented in Exhibit 1.

SFY 2014 Proposed Loan Funds

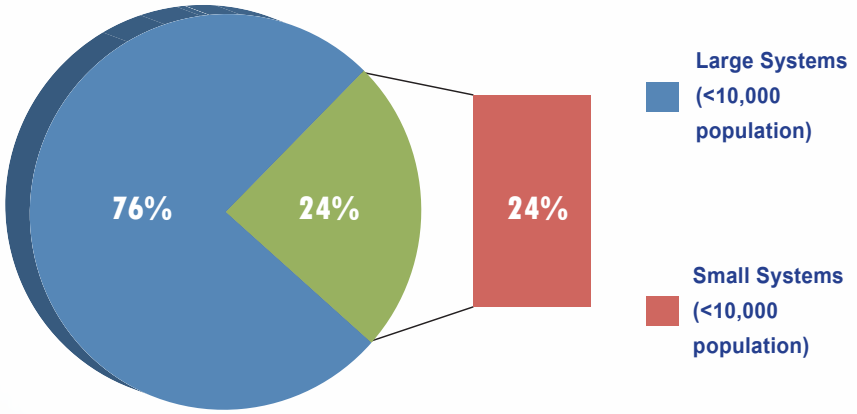

Exhibit 1- DWSRF Proposed Loans to Small Systems SFY 2014

V. ASSURANCES AND SPECIFIC PROPOSALS

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

1. **The State has the authority to establish a DWSRF project loan fund and to operate the DWSRF program in accordance with the SDWA.**
2. **The State will comply with its statutes and regulations.**
3. **The State has the technical capability to operate the program.**
4. **The State will accept capitalization grant funds in accordance with a payment schedule.**
5. **The State will deposit all capitalization grant funds in the DWSRF project fund or set-aside account.**
6. **The State will provide an amount at least equal to 20 percent of the capitalization grant (State match) in the DWSRF project fund.**
7. **The State will deposit interest earnings and repayments into the DWSRF project fund.**
8. **The State will match capitalization grant funds the State uses for 1452 (g) (2) set-asides.**

9. **The State will use Generally Accepted Accounting Principles.**
10. **The State will have the DWSRF project fund and set-aside account audited annually in accordance with General Accepted Government Auditing Standards.**
11. **The State will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments.**
12. **The State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner.**
13. **The funds will be used in accordance with the IUP.**
14. **The State will provide EPA with an Annual Report.**
15. **The State will comply with all federal cross-cutting authorities.**

The State agrees that binding commitments for DWSRF projects which receive loan funds made available from the capitalization grant will be made only after the State has conducted an environmental review according to DWSRF regulations (OAC 252:633) and a determination is executed and distributed using the EPA approved SERP. The State agrees to submit Annual Reports to the EPA on the actual use of funds and how the State has met the goals and objectives for the previous fiscal year as identified in the IUP for the previous year.

VI. CRITERIA FOR PROJECT SELECTION AND DISTRIBUTION OF FUNDS

A. Distribution of Funds

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

1. **Utilize set-asides as authorized by the SDWA.**
2. **Identify all possible public drinking water systems eligible to receive DWSRF assistance.**
3. **Identify and rank public drinking water system projects requesting financial assistance that results in compliance with SDWA requirements on the DWSRF Project Priority List.**
4. **Determine the readiness to proceed of each project ranked on the DWSRF Project Priority List.**
5. **Identify the sources and spending limits of DWSRF.**
6. **Allocate funds to projects ready to proceed according to the Project Priority System, Appendix B.**
7. **Develop a grant payment schedule that will be used to make timely binding commitments to the projects selected for DWSRF assistance. The anticipated federal DWSRF loan fund payment schedule for the FFY 1997 through FFY 2013 capitalization grants is included as Appendix D.**
8. **Develop an outlay schedule to pay project costs as incurred.**

All funds in the DWSRF will be used to provide direct construction loans, long-term small community loans, or to refinance existing debt obligations of eligible applicants, when such debt obligations were incurred, and the construction commenced after July 1, 1993, and all program requirements have been met. Provisions for project bypass, assistance deadlines, and default are addressed in the DEQ DWSRF Regulations and/or State legislation implementing the DWSRF.

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

Though using set-asides may take away from the amount of grant funds to be used for loans, the long term plan is to concomitantly implement the set-aside programs with the loan program to provide the best overall assistance to water systems. The DEQ decides each year on which programs are needed and prepares a budget for each of the programs.

Pictured: Raw Water Tank-Grand Lake PWA

Based on the budgets and past history of the program, DEQ determined that 31 percent of the FFY 2013 grant for set-asides is needed to fund the programs for SFY 2014. DEQ will provide work plans for each set-aside to EPA describing how the specified FFY 2013 capitalization grant funds are to be expended during SFY 2014.

B. Funds Available for DWSRF Projects

As discussed in Section II.B.4., a total of $49,436,700 will potentially be available during SFY 2014 to fund eleven (11) projects listed on the PPL. There is a great need for funding drinking water infrastructure and the current demand for funds by projects that are ready to proceed will justify leveraging of funds. The Oklahoma Water Resources Board (OWRB) estimates issuing $32,000,000 in bonds in June 2013 to meet needed funding for DWSRF projects.

C. DWSRF Leveraged Bond Issue

Similar to previous years, substantial demand for drinking water funds exceeds capitalization grants and state match amounts. The DEQ and the OWRB are proposing to issue DWSRF Revenue Bonds in an estimated amount of $32,000,000 (subject to change) to finance the additional demand. The Revenue Bonds will be sized based on the amount of identified need, and a portion of the proceeds may include funds for the purpose of providing the state matching funds for FFY 2013 capitalization grant. The Revenue Bonds may be issued in a single series, or multiple, smaller series as funds are required for eligible project costs. The series of Revenue Bonds will be issued as needed.

D. Description of Financial Status of DWSRF

During SFY 2014, the funds expected to be available to the DWSRF include past capitalization grants and state matches, FFY 2013 capitalization grant and state match, transfer of funds from the CWSRF, investment income, interest earnings, loan repayments, and leveraged revenue bond funds. The financial status of the DWSRF is further detailed in Table 1: DWSRF Sources and Uses.

E. Development of Federal Payment Schedule

The total amount of loan funds and spending limits are identified in the grant payment schedule included as Appendix C. This chart shows the federal payment schedule for loan funds for FFY 2013 capitalization grant. This amount is summarized by quarter and the totals are shown. All project loans scheduled for funding from the DWSRF will be reviewed for consistency with appropriate planning, design, and construction requirements. Evidence of this review and funding shall be documented in each DWSRF project file.

DEQ will use a minimum of fifteen percent (15%) of all capitalization grant amounts to provide loan assistance to small drinking water systems that serve populations less than 10,000.

To the extent Capitalization Grant funds are to be disbursed to loan recipients for direct project costs, those funds will be drawn from the EPA's Automated Clearing House (ACH). State match will be expended prior to the draw upon Capitalization Grant funds. The FFY 2013 State Match requirement will be met as part of the SFY 2013 DWSRF Bond issue.

F. Development of the DWSRF Payment Schedule

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

VII. SAFE DRINKING WATER ACT AMENDMENT OPTIONS

A. Privately Owned Drinking Water Systems

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

B. Disadvantaged Communities

The DWSRF program provides 30-year loan terms that are only available to disadvantaged communities. A "disadvantaged community" means those communities with a median household income that is less than or equal to 85% of the national median household income according to the United States Census Bureau. Further, the DWSRF project priority system provides for priority points to be given to projects that benefit disadvantaged communities.
These two provisions are aimed at assisting systems most in need.

C. Transfer of Funds

Under the SDWA, the state is allowed to transfer and/or cross-collateralize fund assets of the DWSRF program and the Clean Water State Revolving Fund (CWSRF) program. Oklahoma may take advantage of funding flexibility between the Clean Water and Drinking Water SRF programs, provided by the Environmental Protection Agency, in order to assure adequate capacity to meet all funding demands.
In accordance with the Safe Drinking Water Act-SRF funds transfer provisions (Section 302), the State hereby reserves the authority "to transfer an amount up to 33 percent of the [FFY 2013] Drinking Water SRF program capitalization grant to the Clean Water SRF program or an equivalent amount from the Clean Water SRF program to the Drinking Water SRF program." With this IUP Oklahoma requests the ability to transfer funds as necessary between the DWSRF and CWSRF during SFY 2014. The approval of the IUP will constitute the approval of the transfer request. It is understood that fund transfers between the programs during SFY 2014 or in future years may not be available for return to the SRF fund of origin if a permanent extension of transfer authority is granted.

VIII. PUBLIC REVIEW AND COMMENT

A public meeting will be conducted in compliance with the Oklahoma State Administrative Procedures Act and DWSRF regulations, on May 24, 2013. To ensure that interested parties are made aware of the public meeting date DEQ will post notice on the DEQ web-site and distribute announcements to a mailing

Pictured: Oklahoma City WUT WC-0502 Valve Vault

list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial consultants, and interested citizens. The agenda will be posted at the meeting site. A copy of this public notice is included as Appendix D.

The public meeting will be held to review this IUP, the Project Priority System, and the Funding and Contingency Project Priority List. A comment period will follow the public meeting until June 23, 2013.

IX. AMENDMENTS TO THE PLAN

Revisions to this plan determined to be insignificant and/or minor revisions required for administrative purposes, shall be made by the DEQ without notification to the public, and will be reported to EPA in the Annual Report. Any changes in the IUP shall be made in accordance with procedures provided in the DEQ DWSRF Regulations.

APPENDIX A PROJECT PRIORITY SYSTEM

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY DRINKING WATER STATE REVOLVING FUND

Statutory References:

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

PART I: DWSRF PROJECT PRIORITY SYSTEM

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

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

C. Management of the Project Priority List.

1. Tie breaking procedure. A tie breaking procedure shall be used when two or more projects have equal points under the Project Priority System and are in competition for funds. Tied projects will be ranked with the first project which has the greatest value for the ranking factor for Violations of Maximum Contaminant Levels (Primary Standards).

2. Project bypass. A project on the fundable portion of the Project Priority List may be bypassed for one year if it is not on schedule as indicated in the IUP or the project's specific consent/ administrative order. The applicant whose project is affected shall be given a written notice that the project is to be bypassed. Bypassed projects may be reinstated on the funded portion of the list if sufficient funds are available, and the applicant completes the necessary tasks to proceed. Funds which become available due to the utilization of these bypass procedures will be applied to the next ranked project on the project priority list.

3. Project Priority List update.

The priority list shall be periodically reviewed by the DEQ Water Quality Division Director and changes (i.e., loan award dates, estimated construction assistance amounts, project bypass, addition of new projects, etc.) will be made as necessary.

PART II: RANKING SYSTEM

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

P = A + B + C + D + E + F + G + H + I,

where the factors are defined as:

1. A = Violations of Maximum Contaminant Levels (Primary Standards).
2. B = Quantity Deficiencies.
3. C = Design Deficiencies.
4. D = Vulnerability to Potential Pollution.
5. E = Violation of Recommended Maximum Levels (Secondary Levels).
6. F = Consolidation.
7. G = Compliance Orders.
8. H = Source Water Protection.
9. I = Affordability.

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

B. Factors Descriptions.

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

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

Contaminant	Severity (points per violation)
Antimony	10
Arsenic	10
Asbestos	10
Barium	2
Beryllium	10
Bromate	10
Cadmium	10
Chlorates	10
Chlorine Dioxide	10
Chromium	10
Copper >1.3	5
Fecal Coliform	20
Fluoride > 4	5
Gross Alpha Radioactivity	5
Gross Beta Radioactivity	5
Lead	30
Mercury	10
Nitrate	30
Pesticides and other SOCs	10
Radium	10
Selenium	5
Thallium	10
Total Coliform (Significant Non-complier)	10
Total Haloacetic Acids	30
Total Organic Carbon	10
Total Trihalomethanes	30
Turbidity (Significant Non-complier)	10
Uraniun	10
Volatile Organic Contaminants	10

2. Quantity Deficiencies (B).

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

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

3. Design Deficiencies (C).

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

Condition	Severity
Demand exceeds design capacity	30
Groundwater under the influence of surface water	120
Improper well construction	30

Pictured: Okmulgee II Raw Water Slipline, Fusion Machine, 30 inch HDPE

Inadequate chemical feed	25
Inadequate disinfection	30
Inadequate distribution (area not served)	25
Inadequate distribution (deterioration)	25
Inadequate distribution (low pressure)	25
Inadequate filtration (surface)	30
Inadequate intake structure	25
Inadequate laboratory equipment	20
Inadequate mixing	25
Inadequate settling	25
Inadequate storage	25
Inadequate water treatment wastewater disposal	10
Lack of generator	120

4. Vulnerability to Potential Pollution (D).

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

Condition	Severity
Point source discharge in delineated area	10
Subject to agricultural chemicals	5
Subject to industrial spills	5
Subject to oil/gas/coal/ mineral operations	5
Unprotected watershed	3

5. Violation of Recommended Maximum Levels (Secondary Standards)(E).

Recommended maximum levels are set for parameters which are not harmful to health, but make the water undesirable for use. Deficiencies of more than one condition are additive. These conditions are documented in the State Environmental Laboratory data base.

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

6. Consolidation (F).

Projects which result in the consolidation, interconnection, or improvement of services for two or more water systems shall add twenty (20) for consolidation, ten (10) for interconnection, and ten (10) for improvement of services such as back-up or emergency supply. Projects may meet more than one of these conditions. The points awarded for this category are documented in the engineering report.

7. Compliance Orders (G).

Projects that will result in the compliance with a formal enforcement action will receive one hundred fifty (150) points.

8. Source water protection (H).

Water supply systems which have implemented source water protection programs such as watershed protection programs or wellhead protection programs will add one hundred (100) points to their total.

9. Affordability (I).

This element is to assist systems most in need, on a per household basis. The points awarded for this category are documented by the latest census information.

Median Household Income	Severity
less than $28,400	60
between $28,400 and $33,400	40
greater than $33,400	0

APPENDIX B
PROJECT PRIORITY LIST

PRIORITY POINTS	SYSTEM	LOAN AMOUNT	CUMULATIVE AMOUNT	POPULATION	Disadvanatged Y or N
Funding List					
700	Tecumseh UA	$4,000,000.00	$4,000,000.00	6,388	Y
625	Waurika PWA	$3,427,000.00	$7,427,000.00	7,778	Y
550	Pittsburg Co. WA (II)	$563,330.00	$7,990,330.00	6,888	Y
490	Cleveland MA	$5,500,000.00	$13,490,330.00	4,890	Y
458	Vinita UA (II)	$4,300,000.00	$17,790,330.00	12,330	Y
410	Bixby PWA (II)	$7,800,000.00	$25,590,330.00	20,475	N
390	Canute PWA	$10,000,000.00	$35,590,330.00	524	Y
375	Locust Grove PWA	$4,349,000.00	$39,939,330.00	1,950	Y
350	Longtowm RW & SD #1 (II)	$400,000.00	$40,339,330.00	5,224	Y
345	Stigler MIA	$7,926,000.00	$48,265,330.00	2,731	Y
343	Colcord PWA	$1,171,370.00	$49,436,700.00	819	Y
Contingency List					
318	Delaware Co. RWSG & SWMD #11	$3,500,000.00	$52,936,700.00	662	Y
263	Goldsby WA (I)	$2,000,000.00	$2,000,000.00	1,300	N
250	Canadian Co. RWD #1	$2,000,000.00	$2,000,000.00	750	Y
240	Delaware Co. RWD #10 (II)	$1,190,000.00	$54,126,700.00	1,400	Y

Pictured: Lone Chimney-Low Lake Intake

	PROJECT DESCRIPTION	Anticipated Binding Commitment Date	Anticipated Construction Date	Project Number
	Construct a raw waterline from Wes Watkins Reservoir to Tecumseh Lake and make upgrades to the water treatment plant.	7/1/13	9/1/13	P40-1020506-01
	Rehabilitate the existing water treatment plant and install two (2) high rate solids contact clarifiers to address TTHM issues and install a back-up generator and VFDs.	5/1/14	7/1/14	P40-1011201-01
	Improvements include: construct new chemical room and feed system; repair 60' clarifier; replace transfer pumps; and repair filter valves and controls.	11/1/13	1/1/14	P40-1020616-02
	Upgrade to water supply and treatment facilities as follows: Phase 1 - Convert to chloramines for disinfection; Phase 2 - Construct two (2) 1.2 MGD solids contact units and three (3) new filter units with a minimum filter area of approximately 125 square feet each; Phase 3 - Construct new clearwell and backwash discharge. Rehabilitate existing intake structure. Modify existing filter building to function as the new chemical feed building for the proposed plant. Possible addition of new water well(s) to add additional source water capacity; Phase IV - Demolish all old, unused structures remaining on the site.	8/1/13	10/1/13	P40-1021210-01
	Add ozone for pretreatment and primary disinfection, construct a new clearwell, and add an on-site standby power generator.	6/1/14	8/1/14	P40-1021611-02
	Water treatment upgrades at the South Water Storage Facility, Yale Booster Pump Station, and Bixhoma water transmission replacement.	7/1/13	9/1/13	P40-3007243-01
	Construction of new water wells, water line and water treatment plant.	10/1/13	12/1/13	P40-2007503-01
	Construct eight miles of 10-inch water line and a pump station to connect to Oklahoma Ordinance Works in the Mid America Industrial Park near Pryor, Oklahoma.	7/1/13	9/1/13	P40-1021668-01
	Consolidation by taking over Pittsburg Co. RWD #4 water system	10/1/13	12/1/13	P40-2007503-01
	Construction of a new 1.5 MGD water treatment plant.	3/1/14	5/1/14	P40-1020303-01
	Install approximately 26,700 l.f. of 8" PVC waterline from Flint Ridge to Colcord, and install 4 flush hydrants and 8 gate valves.	12/1/13	2/1/14	P40-2002157-01
	Regionalization of the Colcord PWA and Three Springs Farm Water System with Delaware Co. RWSG & SWMD #11, and multiple line extensions for Delaware #11 and Flint Ridge Rural Water District Water Treatment Plant upgrade.	12/1/13	2/1/14	P40-3002157-01
	Modification and expansion of the water treatment plant.	9/1/13	11/1/13	P40-2004707-01
	Construct one new Ion Exchange nitrate reduction water treatment plant, two new distribution standpipes, and install eight new well pumps.	1/1/14	3/1/14	P40-2000908-01
	Repair 75% to 85% of fused waterline joints by attaching stainless steel clamps with restraints to each joint.	3/1/14	5/1/14	P40-6002158-02

213	Ada PWA	$30,000,000.00	$32,000,000.00	27,130	Y	
195	Miami Special UA (II)	$900,000.00	$2,900,000.00	14,137	Y	
173	Goldsby WA (II)	$785,641.00	$54,912,341.00	1,300	N	
160	Guthrie PWA (III)	$355,000.00	$32,355,000.00	9,925	Y	
140	Wagoner PWA (III)	$7,750,000.00	$10,650,000.00	8,699	Y	
130	Mayes Co. RWD #6	$3,570,000.00	$58,482,341.00	3,894	Y	
125	Yukon MA	$2,000,000.00	$34,355,000.00	22,498	N	
90	Logan Co. RWD #1 (III)	$3,100,000.00	$13,750,000.00	5,060	Y	
85	Garvin Co. RWD #4	$3,404,000.00	$61,886,341.00	1,150	Y	
78	Vinita UA (III)	$5,317,000.00	$39,672,000.00	12,330	Y	
70	Stillwater UA (III)	$81,200,000.00	$94,950,000.00	40,800	Y	
60	Comanche Co. RWD #2	$2,600,000.00	$64,486,341.00	1,790	Y	
60	Eufaula PWA	$1,000,000.00	$40,672,000.00	4,617	Y	
50	McLoud PWA	$850,000.00	$95,800,000.00	2,500	Y	
25	Cashion PWA	$404,761.00	$64,891,102.00	635	N	
Future Years						
2015						
410	Norman UA (II)	$21,864,000.00	$21,864,000.00	67,454	Y	
175	Guthrie PWA (IV)	$3,800,000.00	$3,800,000.00	9,925	Y	

Pictured: Davis Water Treatment Plant- American Made Pipe

	Improvements to the municipal water supply wells; improvements to Byrd's Mill Spring; replacement of the raw water transmission line; and improvements to the water treatment plant.	4/1/14	8/1/14	P40-2006201-01
	Replacement of 3 miles of water lines, the Neosho River waterline crossing, and SCADA system.	6/1/14	8/1/14	P40-2005813-02
	Construct approximately 1,500 feet of 8" water line, and construct a new standpipe.	9/1/13	11/1/13	P40-2004707-02
	Construction of a 6" water main extending east from the main entrance of Langston University to connect to Coyle's water system. The total length of the line is approximately 7,100 L.F. A master meter station as well as a pressure reducing valve will also be installed.	8/1/13	10/1/13	P40-1020903-03
	Expansion of the Water Treatment Plant to 4.0 MGD.	7/1/13	9/1/13	P40-1021649-03
	Expansion of the sedimentation basin, install four (4) new filters, construct a new 500,000 gallon clear well, two (2) new distribution pumps, backwash pump station with a new building, construct a new plant lab and equipment and new chlorination equipment and chlorine analyzers.	6/1/13	8/1/13	P40-1021666-01
	Construct a new 1 MG water tower.	4/1/14	6/1/14	P40-2000910-01
	Construct distribution lines for water purchasing.	4/1/14	6/1/14	P40-2004207-03
	Construct 28 miles of new PVC water main (2", 6", 8"), two standpipes, and two booster stations.	8/1/13	10/1/13	P40-3002503-01
	Construct a water treatment facility which will include concrete rapid mix and flocculation basins, updated chemical feed equipment, microfiltration membranes, and a new clearwell.	6/1/14	8/1/14	P40-1021611-03
	Construction of a new 25 mgd pump station, and 37 miles of new 36-inch pipeline, which parallels the existing 36-inch line from Kaw Lake to Stillwater Water Treatment Plant.	3/1/14	5/1/14	P40-1021220-03
	Construct two new water wells, 12 miles of pump line, and a booster pump station.	8/1/13	10/1/13	P40-2001604-01
	Install Automated Meter Information (AMI) System.	7/1/13	9/1/13	P40-1020514-01
	Construct an 8" water main from the city wells to Mable Bassett Correctional Facility.	3/1/14	5/1/14	P40-2006301-01
	Construct a water storage tank and pump station.	9/1/13	11/1/13	P40-3003703-01
	Phase II will include a new ozone disinfection process/taste and odor removal system, new high pressure plane pump system with variable frequency drives, an on-site chlorine generation system, a new ammonia storage and feed system, a new backwash lagoon, scada improvements to accompany new equipment, connection to the City wastewater system for on-site domestic flows, and all necessary yard piping to accommodate the project.	7/1/14	9/1/14	P40-1020801-02
	Water distribution line improvements consisting of the replacement of certain critical mains within the city, and installation of automated water meters and an AMR system.	7/1/14	9/1/14	P40-1020903-03

APPENDIX C
FEDERAL PAYMENT SCHEDULE

	Cumulative Payments	FFY 2012				FFY 2012			
1997-2011 Grants	$151,401,352	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2012 Grant *	$7,694,190				$7,694,190				
2013 Grant *	$7,219,470								$7,219,470
Total Grants	$168,169,732								
*Estimated Grant Amount minus Set-Asides									

Pictured: Okmulgee I WTP Rehab, Rapid Mix Splitter Box

APPENDIX D
NOTICE OF PUBLIC MEETING

OKLAHOMA
DEPARTMENT OF ENVIRONMENTAL QUALITY

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

News Release

For Immediate Release: April 24, 2013
Contact: Skylar McElhaney, (405) 702-7167

DEQ SCHEDULES PUBLIC MEETING ON THE DRINKING WATER STATE REVOLVING FUND SFY 2014 INTENDED USE PLAN (IUP)

The Water Quality Division of the Department of Environmental Quality (DEQ) will hold a public meeting on Friday, May 24, 2013, at 1:30 p.m. in the DEQ Office Building, 1st Floor Multi-Purpose Room, at 707 N. Robinson, Oklahoma City. This meeting will be held to answer questions and receive public input on the SFY 2014 IUP, the Priority Ranking System, and the Project Priority List (PPL) for the Drinking Water State Revolving Fund. The IUP outlines uses for federal funds allocated to Oklahoma and lists the projects as ranked for funding by the Priority Ranking System.

The Drinking Water State Revolving Fund was made possible by the passage of the Safe Drinking Water Act Amendments of 1996. The act authorized funds to be used by states to establish a revolving loan fund to address drinking water infrastructure needs and correct other water system deficiencies that might result in violations of drinking water standards. Federal law requires the public be given the opportunity to comment on the proposed plan.

A copy of the draft plan will be available on the DEQ website at: www.deq.state.ok.us/WQDnew/dwsrf/. A copy may also be obtained by contacting Vicki Reed by phone at (405) 702-8100, or by E-mail at Vicki.Reed@deq.ok.gov, or by mail at Water Quality Division, DWSRF Section, Department of Environmental Quality, P.O. Box 1677, Oklahoma City, OK 73101-1677. A copy of the draft plan may be reviewed on the eighth floor of the DEQ offices, at 707 N. Robinson, Oklahoma City, Oklahoma. The comment period will remain open until June 23, 2013. For more information on this public meeting call Vicki Reed at: (405) 702-8100.

Pictured: Okmulgee II Raw Water Slipline, Gravity Flow and Pumped Lines Flowmeter Vault

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