

Oklahoma Department of Environmental Quality
Intended Use Plan for the 2009 Capitalization Grant

DWSRF

Drinking Water State Revolving Fund 2009



09



Effective 7/1/2008 through 6/30/2009

9/11/08

Front page: Osage County RWD#15's New 250,000 gallon elevated storage tank.

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I. INTRODUCTION

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

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

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

As required by the SDWA, the State of Oklahoma, through the Department of Environmental Quality (DEQ) is required to prepare this annual Intended Use Plan (IUP) in order to identify the set-aside programs and DWSRF loan projects that will utilize the funds available to the DWSRF. This IUP is prepared for State Fiscal Year 2009 (FY 09) 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 FY 09, beginning July 1, 2008 and ending June 30, 2009. The capitalization grants and state matching funds to fund these activities are from prior fiscal years and the Federal Fiscal Year

2009 (FFY 09) appropriation. The FFY 09 begins October 1, 2008 and ends September 30, 2009.

To ensure that the public has an opportunity to review DEQ's proposed plans for the DWSRF, a draft IUP was made available before the IUP public meeting held on May 28, 2008. To ensure that interested parties were made aware of the public meeting date, DEQ posted notice on the DEQ web-site and distributed announcements to a mailing list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial consultants, and interested citizens. The public comment period remained open until June 27, 2008.

As a result of federal appropriations to the State, the DEQ has received federal capitalization grants totaling \$151,003,000 from FY 97 through FY 08. DEQ will apply for approximately \$13,151,000 from the FFY 09 appropriation. This IUP considers the total of repayments and interest earnings, state match, capitalization grants less set-asides, and leveraged revenue bond funds, to be available for project loans and obligation to state match notes. These federal and state funds will be utilized by the DEQ in accordance with the purpose 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.

Since it is possible that federal funds for loans from the 2009 capitalization grant and the state matching funds will not be available to obligate until FY 10, applications from projects on the fundable portion of the DWSRF Project Priority List will be processed in the order they are received. Funds that we expect to be available during FY 09 will be reserved for the highest priority systems on the fundable portion of the project priority list. Any projects that are not funded during FY 09 may be considered for funding during FY 10.

TABLE 1

Sources and Uses

Source of Funds	
Beginning Balance (FY 2008 Carryover)	\$ (44,706,550.00)
Fiscal Year 2009 (Projected)	
Federal Grant	\$ 13,151,000.00
State Match	\$ 2,630,200.00
Federal Grants not drawn FY 06, 07, 08	\$ 30,572,377.00
Revenue Bond Issuance	\$ 248,532,259.00
Principal Repayments	\$ 9,215,478.00
Interest Earnings on Loans	\$ 5,769,020.00
Interest Earnings on Account	\$ 605,387.00
Interest Earnings on DW Bond Funds	\$ 4,506,961.00
Transfer funds from CWSRF	\$ 4,384,248.00
Sub Total	\$ 319,336,930.00
Total Sources of Funds	\$ 274,660,380.00

¹Based on the updated state allotment published in the Federal Register on June 24, 2005, and an estimate of the President's proposed FY 09 budget.

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TABLE 1 continued...

Use of Funds	
Expected DWSRF Loan Commitments for FY 2009	
Small System Binding Commitments	\$ 48,304,500.00
Large System Binding Commitments	\$ 138,971,000.00
Sub Total	\$ 187,275,500.00
DWSRF Set-Aside Programs for FY 2009	
Administration	\$ 526,040.00
Small System Technical Assistance	\$ 263,020.00
Program Management	\$ 1,315,100.00
Local Assistance - Wellhead Protection	\$ 931,006.00
- Capacity Development	\$ 399,654.00
Sub Total	\$ 3,434,820.00
Cash Loans	
Reimburse Cash Loans	\$ 40,000,000.00
Sub Total	\$ 40,000,000.00
Revenue Bond Issuance	
Series 2003 Revenue Bond Debt Service (2009 projected)	\$ 8,596,330.00
Series 2004 Revenue Bond Debt Service (2009 projected)	\$ 4,957,435.00
Leveraged Bond Reserve Capitalization FY 2009	\$ 30,000,000.00
Sub Total	\$ 43,553,765.00
Total Uses of Funds	\$ 274,264,085.00
DWSRF Fund Balance	\$ 396,295.00

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 2009 capitalization grant for set-asides as follows: 4 percent for Administration; 2 percent for Small System Technical Assistance; 10 percent for Program Management; 10.1 percent for Local Assistance and other State Programs of which DEQ

expects to use 7.1 percent for wellhead protection activities and 3 percent for capacity development. DEQ will provide work plans for each set-aside to EPA describing how the specified 2009 capitalization grant funds are to be expended during State FY 10.

DEQ has submitted work plans to EPA describing how the specified 2008 capitalization grant set-asides will be expended during FY 09. Table 2 shows DWSRF Set-aside activities for FY 09.

TABLE 2

DWSRF Set-aside Activities

Set-aside category	Total amount reserved from 2008 grant	Reclaimed credit from old grants	Cumulative amount specified in work plans	Amount of current grant reserved for future use	Total available credit ¹
Administration	\$ 526,040	\$ -	\$ 526,040	\$ -	\$ 1,189,545
Tech. Asst.	\$ 263,020	\$ -	\$ 263,020	\$ -	\$ 699,362
St. Prg. Mgt.	\$ 1,315,100	\$ -	\$ 1,315,100	\$ -	\$ 4,284,956
Local Assist.	\$ 1,330,660	N/A	\$ 1,330,660	N/A	\$ -
Total	\$ 3,434,820	\$ -	\$ 3,434,820	\$ -	\$ 6,173,863

Table 2. A description of the reserved amounts, specified amounts, and available credit for DWSRF set-aside activities.

Note 1: Total available credit includes credit from previous grants and credit from the transfer of unexpended funds from the 1997-2008 grants.

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; biennial 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 percent of the 2008 capitalization grant for administrative support of the DWSRF. DEQ and OWRB will use an estimated amount of \$526,040 from set-aside funds for FY 09 DWSRF administration. This set-aside is to fund activities that implement, administer, and operate the DWSRF program during State FY 09.

In addition to set-aside funds, at the end of FY 09, it is projected that approximately \$1,802,580 is available in the DWSRF Administrative Fee Account, which is maintained outside of the DWSRF loan account. Table 4 shows accumulated amounts of available funds from FY 1997 through FY 2008 and the projected amount for FY 09. DEQ and OWRB can utilize these funds to administer the DWSRF program.

Funds available for administration of the DWSRF program during State FY 09 include the administrative set-aside funds (4 percent) from the 2008 capitalization grant and the funds available in the DWSRF Administrative Fee Account.

DEQ expects to reserve an amount equal to 4 percent of the 2009 capitalization grant funds for administrative support of the DWSRF. During State FY 09 DEQ and OWRB will use an estimated amount of \$526,040 from set-aside funds reserved for DWSRF administration. This set-aside will be used to fund activities that implement, administer, and operate the DWSRF program during State FY 10.

Funds available for administration of the DWSRF program during State FY 10 include unexpended administrative set-aside funds from previous years and funds available in the DWSRF Administrative Account.

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, through a contract with the Oklahoma Rural Water Association (ORWA) and other various contracts will accomplish this technical assistance.

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

Funds available for the Small System Technical Assistance Program during State FY 09 include the 2 percent set-aside funds from the 2008 capitalization grant.

DEQ expects to reserve 2 percent of the 2009 federal capitalization grant to fund small system technical assistance activities. Funds in the amount of approximately \$263,020 will be specified to conduct these activities during state FY 10.

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.

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Lawton - New 10 MGD Water Treatment Plant.

TABLE 3

Program Management State Match

FFY	State General Revenue	PWS Fees	Operator Certification	Federal Grant	Total PWSS Funds	Total State Match	25% State Match	Amount Overmatch
FY 93	\$859,000	\$1,054,041	\$135,000	\$827,700	\$2,875,741	\$2,048,041	\$275,900	\$1,772,141
FY 08	\$1,368,151	\$2,314,113	\$623,000	\$1,138,650	\$5,443,914	\$4,305,264	\$379,550	\$3,925,714
				FY 1993	FY 2008			
PWSS grant				\$827,700	\$1,138,650			
PWSS State Match				\$275,900	\$379,550			
PWSS State Overmatch				\$1,772,141	\$3,925,714			
Current Year SPM Set-aside					\$1,315,100			
Current Year Credit			\$5,973,755	\$7,851,428	\$1,315,100			

DWSRF set-aside funds cannot be used to reduce the existing state funds supporting the program. EPA allows the use of the FY 93 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. Therefore, the amount available for the match is \$3,925,714 from the current year plus an equal amount from FY 93 (if available) totaling \$7,851,428. Since the DEQ is only requesting \$1,315,100, the match is easily met.

DEQ will reserve 10 percent of the 2009 capitalization grant for the State Program Management Set-aside. DEQ may reclaim the unspecified funds from future capitalization grants if additional funds are needed for State Program Management responsibilities.

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 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, the DEQ plans on updating each report on an annual basis to ensure that the analyses remain as current as possible. Currently, DEQ field staff provides the interface with local teams to re-evaluate the reports and data on an annual basis. We have already completed our first update.

Funds available for the Local Assistance and other State Programs during FY 09 are unexpended funds reserved from the previous capitalization grants and 10.1 percent of the 2008 capitalization grant.

DEQ will reserve and specify 10.1 percent of the 2009 capitalization grant for the Local Assistance and other State Programs set-aside. DEQ expects to use 7.1 percent of these funds for local assistance and wellhead protection activities and 3 percent for capacity development during FY 10.

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; and
- c. Assist systems most in need, on a per household basis.

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 Prior-

ity 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:

- a. Projects of eligible applicants that request financial assistance are ranked according to the Project Priority System and placed on the Project Priority List;

- b. The financial assistance needed for each drinking water project that is ready to proceed is determined;
- c. Sources of unobligated funds available to the DWSRF that are necessary to provide the requested financial assistance are identified;
- d. The highest priority projects that will be ready to proceed during FY 09 are placed on the FY 09 Funding List, included as Appendix B;
- e. Bypass letters are issued to applicants which have projects not ready to proceed according to the Priority Ranking System procedures; and
- f. The consistency with the funds available and the financial assistance requested is determined.

Information pertinent to each DWSRF project is included on the 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

- a. **Logan County RWD #2:** An engineering report, environmental information document, and plans and specifications are being prepared.
- b. **Henryetta MA:** An engineering report, environmental information document, and plans and specifications are being prepared.
- c. **Creek County RWD #7 (II):** An engineering report, environmental information document, and plans and specifications are under review.
- d. **Duncan PUA (III):** An engineering report, environmental information document, and plans and specifications are under review.
- e. **Canadian County RWD #1:** An engineering report, environmental information document, and plans and specifications are being prepared.
- f. **Wagoner County RWD #5 (II):** An engineering report, environmental information document, and plans and specifications are being prepared.
- g. **Hughes County RWD #5 (II):** An engineering report, environmental information document, and plans and specifications are being prepared.
- h. **Osage County RWD #21:** An engineering report, environmental information document, and plans and specifications are being prepared.

- i. **Guymon UA:** An engineering report and environmental information document have been submitted for review. Plans and specifications are being prepared.
- j. **Mooreland PWA (II):** An engineering report has been submitted for review. The environmental information document and plans and specifications are being prepared.
- k. **Guthrie PWA (II):** An engineering report, environmental information document, and plans and specifications are being prepared.
- l. **Healdton MA:** An engineering report, environmental information document, and plans and specifications are being prepared.
- m. **Cache PWA:** An engineering report is being reviewed and the categorical exclusion has been published for public comment. The plans and specifications are being prepared.
- n. **Frederick PWA:** An engineering report, environmental information document, and plans and specifications are being prepared.
- o. **Duke MA:** An engineering report, environmental information document, and plans and specifications are being prepared.
- p. **Stillwater UA (II):** An engineering report, environmental information document, and plans and specifications are being prepared.
- q. **Muskogee MA:** An engineering report, environmental information document, and plans and specifications are being prepared.
- r. **Tahlequah PWA:** An engineering report, environmental information document, and plans and specifications are being prepared.
- s. **Cole PWA:** An engineering report, environmental information document, and plans and specifications are being prepared.
- t. **Broken Arrow MA (II):** An engineering report, environmental information document, and plans and specifications are being prepared.

continued on next page...



Broken Bow - Sedimentation basins and filter building.

- u. **Cashion PWA:** An engineering report, environmental information document, and plans and specifications are being prepared.
- v. **Washington County RWD #3:** An engineering report, environmental information document, and plans and specifications are being prepared.
- w. **Rogers County RWD #2:** An engineering report, environmental information document, and plans and specifications are being prepared.
- x. **Central Oklahoma Master Conservancy District (COMCD):** An engineering report, environmental information document, and plans and specifications are being prepared.
- y. **Bixby PWA:** An engineering report, environmental information document, and plans and specifications are being prepared.

- z. **Lincoln County RWD & SD #4:** An engineering report, environmental information document, and plans and specifications are being prepared.

4. SRF Available Fund

For FY 09 there is expected to be a total of \$187,671,795 available to fund Project Priority List projects. Total funds used and budgeted for set-aside programs are shown in **Table 2**. The total funds available for the DWSRF loan program are derived from past capitalization grants and state matching funds, 2009 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, as shown in **Table 1**.

III. DWSRF GOAL STATEMENTS

A. Short-term Goals

1. Provide loans to the twenty-six (26) water systems listed on the Fundable Portion of the FY 09 Project Priority List. (Target Completion: June 2009)
2. Apply for 2009 capitalization grant. (Target Completion: April 2009)
3. Complete set-aside work plans specifying funds from the 2009 capitalization grant. (Target Completion: Within 90 days of grant award)
4. Use set-aside funds to update source water assessments. (Target Completion: June 2009)
5. Continue to refine the Capacity Development Program.
6. Use set-aside funds to implement Capacity Development Strategy. (Target Completion: June 2009)
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 2009)
8. Issue DWSRF Revenue Bonds in an estimated amount of \$248,532,259 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 loans to the twenty-six (26) water systems listed on the Fundable Portion of the SFY 2009 Project Priority List (PPL). See page 9 of the

IUP for the status of each of these projects, and page 21, Appendix B, for a list of projects on the PPL.

b. Output 2 — Enter into binding commitments with seventeen (17) small systems and nine (9) large systems during SFY 2009. See page 21, Appendix B, for a list of these systems and their population.

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 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 administration fee is paid semi-annually as funds are drawn. Once construction is completed principal, interest, and administration fee are paid semi-annually until loan is paid.

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 55 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 \$249,000 or less the fee is \$100. If the application is for \$250,000 to \$999,000 the fee is \$250. If the application is for \$1,000,000 or more the fee is \$500. Administrative fees collected are deposited into the Drinking Water Treatment Loan Administration Fund as shown in Table 4. This fund is a statutory account outside the DWSRF and fees deposited into this fund will be used to offset the future DWSRF administrative expenses of DEQ and OWRB. It is projected that the Drinking Water



Skiatook - Excavation and forming of walls for process building.

Treatment Loan Administrative Fund will contain approximately \$1,802,580 as of June 30, 2009.

TABLE 4

Drinking Water Treatment Loan Administration Fund

	FY1997-2008	FY 2009	Total
Revenue			
Application Fee	\$31,200	\$3,000	\$34,200
Administration Fee on Loans (0.5%)	\$2,631,205	\$723,861	\$3,355,066
Interest Earnings on Account	\$74,361	\$40,102	\$114,463
Subtotal	\$2,736,766	\$766,963	\$3,503,729
Expenses			
Administrative Costs	\$(1,276,149)	\$(425,000)	\$(1,701,149)
Total	\$1,460,617	\$341,963	\$1,802,580

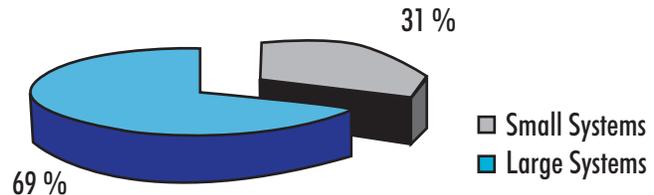
C. Binding Commitments

It is anticipated that the DEQ will enter into binding commitments with seventeen (17) small systems and nine (9) large systems during FY 09. Prior to FY 09, 31 percent of Oklahoma's DWSRF loans were made to small systems; therefore, DEQ exceeded the 15 percent requirement for DWSRF loan funds to small systems. This is presented in Exhibit 1.

EXHIBIT 1

Exhibit 1. DWSRF loan funds committed prior to state fiscal year 2009

Exhibit 1. DWSRF loan funds committed prior to state fiscal year 2009.

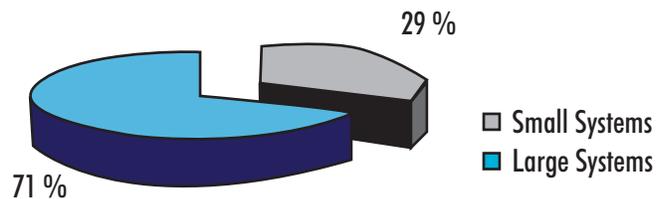


Including FY 09, DEQ expects 29 percent of all DWSRF loan funds committed since inception of Oklahoma's DWSRF program to be for small systems. This is presented in Exhibit 2.

EXHIBIT 2

Exhibit 2. DWSRF loan funds committed including projects proposed to be funded in state fiscal year 2009

Exhibit 2. DWSRF loan funds committed including projects proposed to be funded in FY 09.



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.

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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 a Biennial 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 Biennial 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 Monies

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

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 A.
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 1997 through 2009 capitalization grants is included as Appendix C.
8. Develop an outlay schedule to pay project costs as incurred.

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

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

Set-aside funds are used for the administration of the DWSRF program, to provide small system technical assistance, to manage the State program, 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, trihalomethane and haloacetic acid, rather than spending funds on costly



Coweta - New Chemical building, disinfection basin, and (2) 0.5 MG Clearwells.

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. Based on the budgets and past history of the program, DEQ determined that 26.1 percent of the FY 2009 grant for set-asides was needed to fund the programs for FY 2010. DEQ will provide work plans for each set-aside to EPA describing how the specified 2009 capitalization grant funds are to be expended during FY 2010.

B. Funds Available for DWSRF Projects

As shown in Table 1, a total of \$187,671,795 will potentially be available during FY 09 for project loans. 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) plans to issue bonds in the fall of 2008 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 \$248,532,259 (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 FY 2006, 2007, 2008 and 2009 capitalization grants. The Revenue Bonds may be issued in a single series, or multiple, smaller series as funds are required for eligible project costs. The first series of Revenue Bonds are projected for issuance in the fall of 2008.

D. Description of Financial Status of DWSRF

During FY 2009, the funds expected to be available to the DWSRF include past capitalization grants and state matches, FY 2009 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.

E. Development of Payment Schedule

The total amount of loan funds and spending limits are identified in the grant payment schedule included as Appendix C. This chart shows the federal payment schedules for loan funds since the beginning of the program and the expected payment schedule for 2009 capitalization grants. These amounts are 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

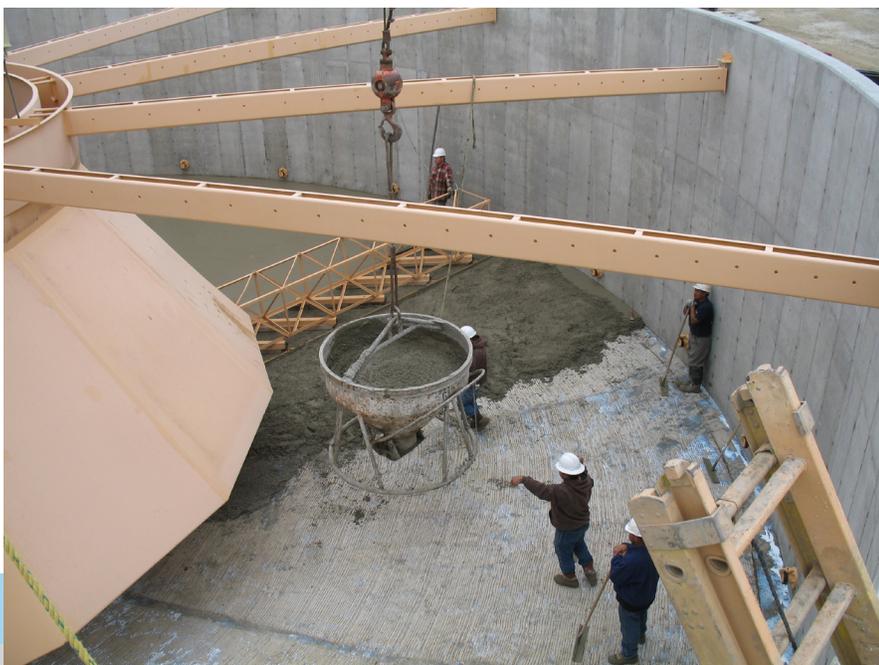
that serve populations less than 10,000.

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) utilizing a grant specific ratio. A proportionate amount of state match will be expended concurrently or prior to the draw upon Capitalization Grant funds.

To the extent Capitalization Grant funds are to be disbursed to fund the reserve fund requirement of any DWSRF bond issues, those funds will be drawn upon and transferred to the reserve fund only at such times as equivalent eligible expenditures have been incurred by loan recipients. Funds will be drawn no faster than a grant specific ratio where a proportionate amount

of state match funds have been expended concurrently or prior to the draw upon Capitalization Grant funds. It is expected that the 2009 Capitalization Grant will be entirely utilized to meet the reserve fund requirement for the Series 2008 Bond Issue. It is also expected that the 2009 State Match will be substantially expended prior to draw of the 2009 Capitalization Grant funds. Therefore, at such time as a loan recipient expends leveraged bond proceeds for eligible project costs, an equal amount of capitalization grant funds will be drawn into the bond issue reserve fund, until such time as the reserve requirement is satisfied.

The DWSRF has historically used the Group of Projects Method or the All Projects Method, as described in EPA Publication 832-B98-003, "Guide to Using EPA's Automated Clearing House (ACH)." However, on future bond issues the DWSRF will designate at that time whether to utilize the Group of Projects method or the All Projects Method.



Ardmore - Grouting new west clarifier.

F. Development of the DWSRF Payment Schedule

Oklahoma's projected grant payment schedule is based on the time of the capitalization grant award, the scheduled dates for binding commitments, projected construction schedules for projects pursuant to the All Projects

Method or Group of Projects Method 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 Annotated Code Title 82 Section 1085.72 and Article 10 Paragraph 39 of the Constitution of Oklahoma, the definition of eligible entity is limited to

mean "any city, town, county or the State of Oklahoma, and any rural 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 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. During FY 2009 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 [FY 2009] 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."

Prior to any actual transfer of funds, the Intended Use Plan and capitalization grant agreement will be amended; an Attorney General's opinion certifying that State law permits the State to transfer funds will be submitted; and transfers will be made by the Governor, in accordance with Section 302 of the Safe Drinking Water Act. Currently, the Safe Drinking Water Act requires states to request transfer authority on a



Wagoner County RWD#7 - Membrane Plant.

year-to-year basis, limiting the ability to transfer funds in future years. Funds will not be transferred between programs during FY 2009 or in future years unless a permanent extension of transfer authority is granted.

VIII. PUBLIC REVIEW AND COMMENT

A public meeting was conducted in compliance with the Oklahoma State Administrative Procedures Act and DWSRF regulations, on May 28, 2008. To ensure that interested parties were made aware of the public meeting date DEQ posted notice on the DEQ web-site and distributed announcements to a mailing list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial

consultants, and interested citizens. The agenda was posted at the meeting site. A copy of this public notice is included as Appendix D. The public meeting was held to review this IUP, the Project Priority System, and the Funding and Contingency Project Priority List. A comment period followed the public meeting until June 25, 2008.

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 (SDWIS). These values may be increased quarterly in the event that there are repeated violations.

Contaminant	Severity (points per violation)
Antimony	10
Arsenic	10
Asbestos	10
Barium	2
Beryllium	10
Bromate	10
Cadmium	10
Chlorates	10
Chlorine Dioxide	10
Chromium	10
Copper > 1.3	5
Fecal Coliform	20
Fluoride > 4	5
Gross Alpha Radioactivity	5
Gross Beta Radioactivity	5
Lead	30
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
Uranium	10
Volatile Organic Contaminants	10

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

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

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

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

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

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

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

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

FY 2009 PROJECT PRIORITY LIST

PRIORITY POINTS	SYSTEM	LOAN AMOUNT	CUMULATIVE AMOUNT	POPULATION	PROJECT DESCRIPTION	Anticipated Binding Commitment Date
Funding List						
370	Logan Co. RWD #2	\$ 657,500.00	\$ 657,500.00	1,285	Construction of new water wells, additional water storage, and water distribution improvements.	1/1/2009
308	Henryetta MA	\$ 8,800,000.00	\$ 9,457,500.00	8,248	Improvements to the distribution system, rehabilitation of the existing water treatment plant, and a new intake structure and raw water line.	2/1/2009
297	Creek Co. RWD #7 (II)	\$ 3,321,000.00	\$ 12,778,500.00	2,100	Modify the existing water treatment plant in order to comply with Stage 1 Disinfection-By-Product rules and total organic removal requirements. Replace an existing 6-inch treated water line that runs from the water treatment plant to town.	9/1/2008
258	Duncan PUA (III)	\$ 5,000,000.00	\$ 17,778,500.00	29,700	Construction of a water storage facility.	9/1/2008
225	Canadian Co. RWD #1	\$ 2,000,000.00	\$ 19,778,500.00	650	Construction of a water treatment facility including possible improvements to the water transmission, distribution, storage, and pumping systems.	6/1/2009
168	Wagoner Co. RWD #5 (II)	\$ 1,495,000.00	\$ 21,273,500.00	4,251	Construction of a new Intake Structure and approximately 12,800 lineal feet of 18-inch raw water line.	1/1/2009
120	Hughes Co. RWD #5	\$ 525,000.00	\$ 21,798,500.00	1,447	Drill a new well and construct 5.5 miles of new water lines.	6/1/2009
80	Osage Co. RWD #21	\$ 1,366,000.00	\$ 23,164,500.00	1,575	Construction of a water treatment plant and appurtenances.	1/1/2009
70	Guymon UA	\$ 4,970,000.00	\$ 28,134,500.00	10,472	One new booster pump station, 1MG ground storage tank, four new wells, 17,252 L.F. of 16" and 24,590 L.F. of 12" water line.	7/1/2008
70	Mooreland PWA (II)	\$ 1,500,000.00	\$ 29,634,500.00	1,226	Construct an Ion Exchange System.	10/1/2008
66	Guthrie PWA (II)	\$ 16,000,000.00	\$ 43,634,500.00	9,925	Construction of a 6 MGD water treatment facility, retrofit the raw water intake structures at water supply lakes, a new raw water main, and to the extent funds will allow, construct water distribution systems replacement.	10/1/2008
61	Healdton MA	\$ 4,110,000.00	\$ 49,744,500.00	2,786	New water treatment plant.	1/1/2009
54	Cache PWA	\$ 2,000,000.00	\$ 51,744,500.00	2,371	Construction of 2 new water wells, additional water storage, water distribution improvements, and telemetry.	10/1/2008
44	Frederick PWA	\$ 4,100,000.00	\$ 55,844,500.00	4,915	Replace obsolete and worn out equipment and meet new surface water treatment standards.	6/1/2009
43	Duke MA	\$ 200,000.00	\$ 56,044,500.00	318	Construction of wells and storage facilities.	9/1/2008
40	Stillwater UA (II)	\$ 20,000,000.00	\$ 76,044,500.00	40,800	Construction of a new 20 mgd pump station, and 10 miles of 30-inch raw water line from Lake McMurry and Lake Carl Blackwell to the water treatment plant.	6/1/2009

APPENDIX B continued...

FY 2009 PROJECT PRIORITY LIST

38	Muskogee MA	\$ 30,410,000.00	\$ 106,454,500.00	45,044	Renovate and expand the water treatment plant to address capacity and treatment issues.	9/1/2008
38	Tahlequah PWA	\$ 13,500,000.00	\$ 119,954,500.00	18,431	Construct a new water treatment plant, and 53,000 L.F. of 20" treated water transmission line.	6/1/2009
32	Cole PWA	\$ 100,000.00	\$ 120,054,500.00	473	Construct a two mile water line extension.	11/1/2008
30	Broken Arrow MA (II)	\$ 48,000,000.00	\$ 168,054,500.00	81,730	Construction of a phased upgrade and expansion of the Verdigris River Water Treatment Plant to provide 30 MGD of treated water.	5/1/2009
28	Cashion PWA	\$ 700,000.00	\$ 168,754,500.00	635	Construct a water storage tank and pump station.	11/1/2008
26	Washington Co. RWD #3	\$ 11,785,000.00	\$ 180,539,500.00	14,137	Development of a new raw water supply and pump station, raw water conveyance system and WTP expansion.	3/1/2009
26	Rogers Co. RWD #2	\$ 530,000.00	\$ 181,069,500.00	2,750	Install a two-mile long twelve (12") main distribution water line through the district.	6/1/2009
18	Central Oklahoma Master Conservancy District (COMCD)	\$ 2,306,000.00	\$ 183,375,500.00	168,592	Replacing electrical power, pumps and motors with higher efficiency technology.	1/1/2009
16	Bixby	\$ 3,000,000.00	\$ 186,375,500.00	20,475	Construct 2.3 miles of water main, including an Arkansas River crossing. west of Mingo Road.	6/1/2009
9	Lincoln Co. RW & SD #4	\$ 900,000.00	\$ 187,275,500.00	2,250	Construction of a Reverse Osmosis Water Treatment Plant.	4/1/2009
2010						
148	Bixby PWA	\$ 7,700,000.00	\$ 7,700,000.00	20,475	Water plant upgrade and replacement of water main from WTP to 171st St.	7/1/2009
55	Ponca City UA (I)	\$ 10,000,000.00	\$ 17,700,000.00	29,273	Construction of raw water line and pump station.	1/1/2010
40	Stillwater UA (II)	\$ 81,200,000.00	\$ 98,900,000.00	40,800	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.	12/1/2009
34	Ponca City UA (II)	\$ 11,000,000.00	\$ 109,900,000.00	29,273	Plant modifications and distribution improvements.	1/1/2010
28	Geary UA	\$ 2,236,602.00	\$ 112,136,602.00	1,258	Construct a 12" water distribution line.	9/1/2009
2011						
20	Collinsville MA	\$ 2,300,000.00	\$ 2,300,000.00	4,740	Upgrade the existing Water Treatment Plant by adding a new treatment train.	10/1/2010
2012						
2013						
67	Grove MSA (II)	\$ 7,500,000.00	\$ 7,500,000.00	11,732	Expansion of existing water plant and construct a new water tower.	7/1/2012

APPENDIX C

FEDERAL PAYMENT SCHEDULE

	Cumulative Payments	FY 2009				FY 2010			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1997-2007 Grants	\$ 115,241,042								
2008 Grant	\$ 9,716,180				\$9,716,180				
2009 Grant	\$ 9,716,180					\$9,716,180			
Total Grants	\$ 134,673,402								

APPENDIX D

DEQ SCHEDULES PUBLIC MEETING ON DRINKING WATER STATE REVOLVING FUND

The Water Quality Division of the Department of Environmental Quality (DEQ) will hold a public meeting on Wednesday, May 28, 2008, at 2:00 p.m. in the DEQ Office Building, Multi-Purpose Room, at 707 N. Robinson, Oklahoma City. This meeting will be held to answer questions and receive public input on the SFY 2009 Intended Use Plan, the Priority Ranking System, and the Project Priority List for the Drinking Water State Revolving Fund. The Intended Use Plan 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. A copy may also be obtained by contacting Vicki Reed by phone at (405) 702-8100, or by E-mail at Vicki.Reed@deq.state.ok.us, or by mail at Water Quality Division, DWSRF Section, Department of Environmental Quality, P.O. Box 1677, Oklahoma City, Oklahoma 73101-1677. A copy of the draft plan may be reviewed on the eighth floor at the DEQ offices, 707 N. Robinson, Oklahoma City, OK 73101-1677.

For more information on this public meeting call Vicki Reed or Patty Thompson at (405) 702-8100.



O K L A H O M A
DEPARTMENT OF ENVIRONMENTAL QUALITY

...for a clean, attractive, prosperous Oklahoma