

## **OKLAHOMA WATER RESOURCES BOARD MEETING INFORMATION**

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

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

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

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

**1.B.**

**May 17, 2022 Regular Meeting Draft Official Minutes**

**For consideration at the June 21, 2022 Board Meeting**

# OKLAHOMA WATER RESOURCES BOARD

## DRAFT MINUTES

May 17, 2022

### 1. CALL TO ORDER

The Regular Meeting of the Oklahoma Water Resources Board was called to order by Chairman Matt Muller at 9:30 a.m. on May 17, 2022 in the second-floor Board Room of the Oklahoma Water Resources Board located at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma 73118. The meeting was conducted pursuant to the Oklahoma Open Meeting Law with due and proper notice provided pursuant to Sections 303 and 311 thereof. The agenda was posted on May 13, 2022, at 9:00 a.m. at the Oklahoma Water Resources Board's office at 3800 N. Classen Boulevard, Oklahoma City, Oklahoma and provided on the agency's website.

- A. Roll Call. Chairman Matt Muller welcomed everyone to the meeting and asked for the roll call of members.

#### **Board Members Present**

Matt Muller, Chairman  
Charles Darby, Vice Chairman  
Ron Justice, Acting Secretary  
Darren Cook  
Bob Latham  
Suzanne Landess  
Robert L. Stallings, Jr.

#### **Board Members Absent**

Jennifer Castillo, Secretary  
Thomas A. Gorman

#### **Staff Members Present**

Julie Cunningham, Executive Director  
Sara Gibson, General Counsel  
Joe Freeman, Chief, Financial Assistance Division  
Bill Cauthron, Chief, Water Quality Programs Division  
Chris Neel, Chief, Water Rights Administration Division  
Cleve Pierce, Chief, Administrative Services Division

#### **Others Attending**

Marcus Burkhalter, Consolidated RWD 9, McIntosh County

Tori Wright, Oklahoma Information Fusion Center  
Ashley Chael, Oklahoma Information Fusion Center  
John Kenney, Town of Lake Aluma  
Billy Mizer  
Jeff Everett, OG&E  
Rachel Brookins, ODEQ  
Chris Garden, BOKFS  
Allison Christian, McAfee & Taft  
Bodie Bachelor, Centennial Law

- B. Discussion, Amendments and Vote to Approve Official Minutes of the April 18, 2022 Regular Meeting. Chairman Muller stated members were provided the draft minutes of the April 18, 2022 regular meeting and asked the Board's pleasure regarding the minutes. There were no comments or amendments.

Vice Chairman Darby moved to approve the minutes of the April 18, 2022, Regular Meeting and Mr. Stallings seconded. Chairman Muller called for the vote.

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

Chairman Muller states that in Ms. Castillo's absence there will need to be an acting Secretary. Mr. Justice agrees to be acting Secretary for the day and sign paperwork as needed. There were no objections to appointing Mr. Justice to this position.

C. Executive Director's Report

Ms. Julie Cunningham, Executive Director, greets the Chairman and members of the Board. She starts with an announcement of our newest Board Member, Mr. Darren Cook. Mr. Cook was appointed to the Board by the Governor and serves as the City Attorney for the City of Grove. He will be representing Region 8 which is municipal water use. Ms. Cunningham introduces Mr. Cook and he is able to greet everyone and be welcomed onto the Board.

Ms. Cunningham continues to the drought report. She states that after looking at the Mesonet, the western part of the state has been in extreme drought while the eastern and central areas have experienced flooding. It is reported that the panhandle has received 63% of normal precipitation while the east central region has received 232%. The OWRB Floodplain Management group has been an active part of the flooding disaster relief team for reporting and assessments. The burn bans have gone down from last month and there are currently 8 counties under a burn ban. The drought outlook remains the same with the central and west remaining below average for precipitation.

Ms. Cunningham states she would like to give a recap of the meeting the Audit Committee had after the April Board Meeting. Ms. Cunningham introduces Mr. Joe Freeman, Chief, Financial Assistance Division, to give a quick update on the Audit Committee meeting.

Mr. Freeman states that the Audit Committee met to discuss an item that had occurred

late last year which had never happened before. Mr. Freeman explains that in June of 2021 the OWRB received an email from the Grove Treasurer's email address requesting a change of bank accounts for depositing loan draw requests. Before it was discovered that the email address had been compromised, two draw requests were wired to a fraudulent account for \$30,000. After learning of the improper transactions there was guidance from our General Counsel, Sara Gibson, and the incident was reported to the Oklahoma City Police Department as well as the City of Grove Police Department. The money came through the Clean Water State Revolving Fund (CWSRF), which is partially funded by the Environmental Protection Agency (EPA), so it was reported to them as well. Our auditors were notified, and a claim was filed with the Office of Management of Enterprise Services (OMES) Risk Management and the FBI. To strengthen our internal controls and prevent this from occurring in the future, Mr. Freeman states that we have refined our written electronic funds transfer standard operating procedures based on guidance from our trustee bank, training through the EPA and the Spears School of Business at OSU. Following the incident, the Audit Committee was made aware, and it will be reviewed again during our annual evaluation by the EPA and our auditors when they begin their auditing process this July. Mr. Freeman asks for any question the Board might have on this incident. There were none.

Mr. Muller thanks Mr. Freeman and the Audit Committee for being responsive and on top of this situation.

Ms. Cunningham adds that there has been much more discussion about cyber security and breaching systems. After today's meeting, the Board is meeting with the Oklahoma State Bureau of Investigation (OSBI) to talk about security issues which is unrelated to the incident above but still relevant.

Ms. Cunningham proceeds to some calendar items starting with April 19<sup>th</sup>, the Oklahoma City bombing remembrance ceremony that was hosted at the OWRB to honor and remember two of our employees who lost their lives that day in 1995. There are two trees planted along with granite plaques located at the OWRB offices where every year current and past employees gather to honor and remember the impact from the Oklahoma City bombing.

April 21<sup>st</sup>, Ms. Cunningham was honored by the Oklahoma Rural Water Association as a Friend of Rural Water.

April 25<sup>th</sup>, Ms. Cunningham had a planning call with the Western States Water Council because we will be hosting the fall meeting.

April 26-27<sup>th</sup>, several OWRB staff members attended the Red River Compact Commission meeting. Ms. Cunningham explains that we are involved with four interstate compact commissions for the beneficial use of sharing water across state lines.

April 28<sup>th</sup> was the OWRB staff meeting where three long-time employees retired with a combined total of 102 years' experience.

Ms. Cunningham proceeds to her legislative update. She announces that Sine Die is May 27<sup>th</sup> and budget, and rules are the last things wrapping up. There is a budget bill with the Water Board receiving 8.45 million dollars in appropriations with 3 million set aside for the Emergency Drought Relief Fund. She states that there was a request bill that did not pass that would have generated \$240,000, so we asked our budget committee chairman to consider putting it into our general appropriations. Overall Ms. Cunningham states that OWRB is in a good standing with budget for the upcoming fiscal year.

Ms. Cunningham gives an update on all the bills that have passed in the legislature. Starting with HB 3821 from Representative Newton and Senator Jech. This would extend

funding for 5 years on gross production tax set to sunset in 2022 and that this is the primary fund for the OCWP, OCWP implement, including development of the OCWP and maximum annual yield studies. Next, is SB 1325 which transfers the authority to regulate and promulgate rules related to the Oklahoma Water Quality Standards from the Water Resources Board to the Department of Environmental Quality effective November 1, 2022. The OWRB Water Quality Standards positions were not discussed in the bill and will be open for further discussion. Several medical marijuana bills were signed into law including HB 3382 which will provide administrative penalties of up to \$5,000 per day on certain violations of water rights or privileges and increases related criminal penalties from \$250 to \$1,000 per violation.

Mr. Muller states that with the passing of SB 1325 there will be a “seismic shift” with the transfer of standards authority to DEQ. Mr. Muller states that instead of a non-biased regulatory agency setting the standards, DEQ will now have the opportunity to both set and enforce water quality standards which will be an interesting change for the State going forward.

Ms. Cunningham discusses the option to cancel the July Board Meeting and asks the Board to make note of that on their calendars.

#### D. Financial Update

1. Budget Report. Mr. Cleve Pierce, Chief, Administrative Services Division, presents the budget report for the period ending April 30, 2022. Mr. Pierce reports the agency has spent 51% of its appropriated budget, leaving 49%; has spent 53% of its revolving budget, leaving 47%; has spent 33% of its federal budget, leaving 67%. Overall, the total budget remaining is 51% with 17% of the year remaining. At this point last year, the agency had a total budget remaining of 45%. Mr. Pierce states that the agency is now in budget preparation for FY-2023. The agency has still not received a final audit report for its performance audit, but it is almost wrapped up. A final report will be presented to the Board once it is ready. Mr. Pierce thanks our Comptroller, Jessica Billingsley for taking over the budget and working closely with each division.

Mr. Muller asks for any questions for Mr. Pierce. There were none.

## 2. FINANCIAL ASSISTANCE DIVISION

A. Consideration of and Possible Action on a Proposed Order Approving Drinking Water Funding Application for Consolidated Rural Water District No. 9, McIntosh County. Recommended for Approval. Mr. Joe Freeman, Chief, Financial Assistance Division, greets the Board and states that the first item he has is a \$695,000 loan request from McIntosh County Consolidated Rural Water District #9. The district is requesting the loan to construct two chlorine booster stations and for improvements to their water storage tank. The overall goal of the project is to reduce the district’s disinfection byproduct levels. The loan will be funded through the Drinking Water State Revolving Fund (DWSRF) loan program with a fixed interest rate plus a half-point administrative fee. The loan will have a maturity not to exceed 20 years of the completion of the project and will be secured with a lien on the district’s water system revenues and mortgage. The district’s debt coverage ratio stands at 2.53 times and staff recommends approval. Representing the district is Marcus Burkhalter, the district’s manager.

Mr. Burkhalter introduces himself as the manager and operator for the Consolidated Rural Water District #9 in McIntosh County. Mr. Burkhalter explains the challenges faced by the district and the help that they have received from ODEQ already. Mr. Burkhalter thanks ODEQ and the engineers that have addressed some of the issues presented. He also thanks the Board for their guidance and support in approving funding.

Chairman Muller asked for questions or a motion. Vice Chairman Darby moved to approve the application and Mr. Stallings seconded. There were no questions or discussion and Chairman Muller called for the vote.

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

Vice Chairman Darby exits the Board Room at 10:00 a.m. and swiftly returns at 10:03 a.m. during Mr. Freeman's presentation of Item B.

B. Consideration of and Possible Action on a Proposed Resolution Expressing Official Intent to Reimburse Costs of Loans for Clean Water SRF Projects. Recommended for Approval.

Mr. Freeman continues to the next item which is a reimbursement resolution for the Clean Water State Revolving Fund loan program. The Federal Tax Act of 2005 tightened the time period in which tax-exempt bond issue proceeds must be utilized. The prior requirement to the IRS was that tax exempt bond issuers do a good faith effort to lend in excess of 90% of bond proceeds within 3 years of a bond issue closing. The subsequent rule requires that 30% must be drawn down within one year of the bond issue closing and 95% drawn within 3 years.

Mr. Freeman explains that we currently close SRF loans and then fund them with nonbond funds in the beginning, then we will close the SRF bond issue, and then reimburse ourselves with bond proceeds which allows us to be following the 30% first-year requirement on the day we close the SRF bond issue. In order to be able to do this, the IRS regulations require that we must declare our reimbursement intentions in a form such as the resolution before the Board. Exhibit A to the resolution lists Clean Water SRF loans that have been approved by the Board but have not yet closed, Clean Water SRF loans that have closed with loan funds being drawn, and loan requests that are on the Clean Water SRF priority list for funding. As is noted in the resolution and exhibit, there are \$529,752,927 in loans which may be eligible for bond issue reimbursement. Staff recommends approval.

Mr. Freeman asks if there are any questions and Mr. Muller asks if the Board understands what they are voting on. There is a need for further explanation from Mr. Freeman. Mr. Freeman continues with some examples and elaboration of the process to reimburse the costs of loans. The resolution presented to the Board is good for 18 months and lists every loan that could be reimbursed back to ourselves.

Chairman Muller asked for questions or a motion. Mr. Latham moved to approve the application and Ms. Landess seconded. There were no questions or discussion and Chairman Muller called for the vote.

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

C. Consideration of and Possible Action on a Proposed Resolution Expressing Official Intent to Reimburse Costs of Loans for Drinking Water SRF Projects. Recommended for Approval. Mr. Freeman presents a resolution just like the previous resolution but for the Drinking Water State Revolving Fund loan program. The resolution notes the same parameters but identifies the Drinking Water SRF loans which are available for possible reimbursement.

Exhibit A to this resolution lists the Drinking Water SRF borrowers who have loans approved but not closed, closed and drawing loan funds or are on the Drinking Water SRF priority list who are eligible for reimbursement. As noted in the resolution and in the exhibit, we have identified approximately \$1.4 billion in the Drinking Water loans which may be eligible for bond issue reimbursement under the IRS guidelines. Staff recommends approval.

Chairman Muller asked for questions or a motion. Mr. Stallings moved to approve the application and Mr. Latham seconded. There were no questions or discussion and Chairman Muller called for the vote.

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

### 3. SUMMARY DISPOSITION AGENDA ITEMS

All of the items listed below under this Summary Disposition Agenda are recommended for approval.

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

- A. Requests to Transfer Items from Summary Disposition Agenda to the Special Consideration Agenda and Action on Whether to Transfer Such Items. Chairman Muller asked if there were any items being requested to be removed. There were no requests to remove items to the Special Consideration Agenda.
- B. Discussion, Questions, and Responses Pertaining to Any Items Remaining on Summary Disposition Agenda and Possible Action on Items Listed Below.

Chairman Muller asks for the Board's pleasure considering the items

listed. Vice Chairman Darby moved to approve the application and Mr. Stallings seconded. There were no questions or further discussion and Chairman Muller called for the vote.

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

The following items were approved:

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

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

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
None.				

2. DWSRF Principal Forgiveness Loan Applications:

<u>Item No.</u>	<u>Application No.</u>	<u>Entity Name</u>	<u>County</u>	<u>Amount Recommended</u>
None.				

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

1. Memorandum Agreement with USGS and Arkansas-Oklahoma Arkansas River Compact Commission for water monitoring and data collection.
2. Memorandum Agreement with USGS and City of Enid for water monitoring and data collection
3. Memorandum Agreement with USGS and the City of Lawton for water monitoring and data collection.
4. Memorandum Agreement with USGS and the City of Moore for water monitoring and data collection.
5. Memorandum Agreement with USGS and the City of Norman for water monitoring and data collection.
6. Memorandum Agreement with USGS and the Central Oklahoma Master Conservancy District for water monitoring and data collection.

7. Memorandum Agreement with USGS and CP Kelco for water monitoring and data collection.
8. Memorandum Agreement with USGS and Fort Cobb Master Conservancy District for water monitoring and data collection.
9. Memorandum Agreement with USGS and Grand River Dam Authority for water monitoring and data collection.
10. Memorandum Agreement with USGS and Hardage Site Remedy Corp. for water monitoring and data collection.
11. Memorandum Agreement with USGS and Lugert-Altus Irrigation District for water monitoring and data collection.
12. Memorandum Agreement with USGS and Oklahoma Gas and Electric Company. for water monitoring and data collection.
13. Memorandum Agreement with USGS and Oklahoma Dept. of Wildlife Conservation for water monitoring and data collection.
14. Memorandum Agreement with USGS and Poteau Valley Improvement Authority for water monitoring and data collection.
15. Interagency Agreement with Grand River Dam Authority providing work and services related to the GRDA Dissolved Oxygen Monitoring Project for fiscal year 2023.
16. Agreement with the Office of Management and Enterprise Services and Softchoice Corporation to build a platform through existing Microsoft products to connect FAD's internal financial database and reporting software to EPA's environmental reporting database for CWSRF reducing manual entry and streamlining EPA reporting requirements.
17. Joint Funding Agreement with United State Geological Service for continued operation and maintenance of the Monitoring Program.
18. Resolution with US Environmental Protection Agency authorizing an application for funding assistance through their Exchange Network Grant Program to support better access to water quality.
19. Sponsored Research Agreement between OWRB and Board of Regents of the University of Oklahoma for the modernization of ArcGIS desktop extensions and geoprocessing web service by the Center for Spatial Analysis.

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

Groundwater:

None.

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

Groundwater:

None.

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

1. Bobby Lee Martin, Beckham County, 2021-536
2. Velma Louise Pearson, Woodward County, 2021-546

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

1. Lo-Buck Farms, LLC, Texas County, 2016-504

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

None.

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

None.

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

1. William & Brenda G. Howard, Pushmataha County, 2008-035
2. John Brandon, Pushmataha County, 2012-006
3. Imogene Hairell Harris 1990 Revocable Trust, Pushmataha County, 2017-045

L. Consideration of and Possible Action on Applications to Amend Regular Permits to Use Stream Water:

None.

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

1. New Licenses, Accompanying Operator Certificates and Activities:

None.

2. New Operators, Licensee Name Change, and/or Activities for Existing Licenses:

- |  |          |
|--|----------|
| A. Licensee: Associated Environmental Industries | DPC-0269 |
| 1. Operator: Darren Gilliam                      | OP-2402  |
| B. Licensee: W.E. Pender & Sons Inc.             | DPC-0737 |
| 2. Operator: Kevin Bullock                       | OP-2403  |

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

1. City of Hominy (Hominy Municipal Lake), #OK01344, Osage County
2. City of Guthrie/Guthrie PWA (Guthrie Lake Dam), #OK02123, Logan County
3. Town of Lake Aluma/John Kenney (Lake Aluma Dam), #OK02425, Oklahoma County

4. Oklahoma City Water Utilities Trust (Lake Hefner Dam), #OK02535, Oklahoma County

O. Consideration of and Possible Action on Permit Applications for Proposed Development on State Owned or Operated Property within Floodplain Areas:

None.

P. Consideration of and Possible Action on Applications for Accreditation of Floodplain Administrators:

1. Jeffery Moore, McIntosh County, #FPA-036

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

A. No Items.

**5. SPECIAL CONSIDERATION**

A. Reconsideration of and Possible Action on the Application to Amend Prior Groundwater Right No. 1968-350, Billy and Kimberly Mizer, Cimarron County, Oklahoma:

1. Summary–

Chairman Muller explains that this item was previously tabled from the April Board Meeting and is a continuation of that discussion after mediation attempts with both parties. Chairman Muller calls up Mr. Chris Neel to present on the special consideration item again.

Mr. Chris Neel, Chief, Water Rights Administration Division, greets the Chairman and Board. Mr. Neel explains that the special consideration item is an application to amend a Prior Right Permit to Use Groundwater, Permit No. 1968-350, under the name of Billy and Kimberly Mizer in Cimarron County. Mr. Neel reiterates that on April 22, 2021, Billy and Kimberly Mizer submitted an application to amend the groundwater permit in Cimarron County, OK. The existing Prior Right Permit authorizes 280-acre feet of groundwater for irrigation purposes from one well referred to as the West Well. The Applicant is requesting an additional well location and well exception referred to as the East Well, in addition to the already existing well location. The groundwater to be withdrawn is to be withdrawn from the Ogallala panhandle major groundwater basin which has a maximum annual established with an equal portion share of 2-acre feet per acre per year. The notice of application was published in the Boise City news in Cimarron County on August 25, 2021, and September 5, 2021. The Board received a protest to the application in a timely manner and a hearing was conducted on January 28, 2022.

Ronnie and Audrey Cochran protested the application and were made parties herein and claimed that the location of the East Well violates the well spacing requirements because of close proximity to their well. During the hearing, the Applicant testified to have never pumped the East Well and that it was used in the 1970's and 1980's by his uncle. The Applicant testified that they would like to use the East Well as an insurance in case something happens to the West Well, claiming that corn yield will be hurt if the crop goes without water for 7 days. The Applicant testified that they intend to only use the East Well in case the West Well fails and the Applicant is not requesting additional water.

The Protestant, Mr. Ronnie Cochran, raised a concern of depletion of his irrigation well if the

Applicant uses the East Well, which would negatively affect his well by drawing down the water table. Mr. Cochran testified the East Well is approximately 130 yards from his permitted well. In April of 2021, the Protestant, Mr. Cochran, received an additional permit that increased his water usage from 320-acre feet to 960-acre feet. The Hearing Examiner issued the Proposed Order to the April Board Meeting agenda to approve the amendment to the Application No. 1968-350, including the Well Spacing Exception in the name of Billy and Kimberly Mizer.

On April 14, 2022, OWRB received an Exception to the Hearing Examiner's Order which was provided to the Board last month. Mr. Neel explains that the Exception to the Hearing Examiner's Order states that the East Well is not necessary in order to withdraw the amount authorized by the existing permit under Chapter 30-7-4(a)(1) of the Proposed Order of these rules and that the term "necessary" is not defined in OWRB regulations. The Exception also points out that the Protestants made it clear to the Hearing Examiner during a hearing that the application should be approved, reasonable restrictions should be placed on the East Well under Chapter 30-3-6(b). After deliberation and discussion last month, the Board asked OWRB staff to do calculations on potential draw downs and serve as mediation between the Applicant and Protestant.

OWRB technical staff was able to do calculations which assisted staff in the mediation. Staff looked at potential draw down of the well over many different time intervals. The mediation was held the week before May's Board Meeting and a memorandum was prepared to recap the mediation efforts.

Staff attorney, Richard Cole, met with both the Protestant (Mr. Cochran and representatives) and the Applicant (Mr. Mizer) on May 13, 2022, regarding mediation on conditions on the Applicant's groundwater amendment. Mr. Cole drafted a memorandum to staff; based on discussions with both the Applicant and Protestant, the following conditions are recommended to be added to the amendment:

- 1) The East well be used only in the event the West well ceases to function due to unavoidable circumstances such as, but not limited to, well collapse or pump failure;
- 2) The West well and East well not be used simultaneously;
- 3) The East well not be used to supplement irrigation when the West well is not being used;
- 4) Use of the East well be limited to the duration of time needed to repair the West well or for 30 days, whichever is shorter;
- 5) Within twenty-four (24) hours, Applicants notify Board staff (email or phone) if the West well becomes unavailable for use and Applicants begin using the East well;
- 6) Following repair of Applicants' West well, Applicants provide to the Board, within fourteen (14) days of receipt, copies of applicable documentation showing completion of repairs to the West well and cessation of use of the East well.

Mr. Neel asks for any questions so far.

Mr. Latham asks if the recommendations are agreeable from both parties.

Mr. Neel answers that Mr. Cole met with both parties to discuss potential restrictions on this well and the parties were unable to come to a conclusion, so the listed recommendations were drafted from Mr. Cole.

Mr. Stallings asks about the calculations that were done by staff.

Mr. Neel states that staff used an equation to look at possible draw down from the East well based off assumptions of the aquifer's properties. This equation was used to simulate continuous pumping for multiple different time periods ranging from 21 days to 100 days

assessing the potential draw down from the use of the East well. The calculated draw down showed to be 3 feet after 21 days and up to 7 feet after 100 days based off of staff calculations.

Representing the Applicant is Mr. Mizer himself, and representing the Protestant is Allison Christian of McAfee & Taft.

2. Discussion and presentation by parties

Chairman Muller calls the Applicant, Mr. Mizer, to speak in front of the Board.

Mr. Mizer addresses the Board and gives the history of himself and his farm in Cimarron County. Mr. Mizer states that the East well is from the 1960's which was before the 1,320 foot well spacing requirement. Both the East and the West wells were drilled around the same time by Mr. Mizer's grandfather who he bought the land from. Mr. Mizer made it clear to the Board that he does not want his rights to be taken away considering he owns both wells but is only allowed to pump from the one that is permitted.

Chairman Muller calls Ms. Allison Christian to present to the Board on behalf of the Protestant.

Ms. Christian greets the Board and introduces herself as an attorney for McAfee & Taft here on behalf of Ronnie and Audrey Cochran in this matter. Ms. Christian refers to last Board Meeting where the consensus of the Board was to not approve the application without some restrictions applied. Ms. Christian states that her client is very understanding of both sides and was willing to discuss such restrictions during the mediation. Mr. Cochran has expressed concern about his water rights being infringed upon since the East well is so close to his well. She states that Mr. Cochran agrees with the recommendations presented in the memorandum except for item 4: "Use of the East well be limited to the duration of time needed to repair the West well or for 30 days, whichever is shorter". Ms. Christian states that her client would like to shorten the time period from 30 days to 21 days. She states that after 21 days there is significant draw down from the Cochran's well based off the calculations provided by the Water Board. Ms. Christian concludes her statement by stating that the ultimate issue is the distance of the East well in proximity to the Cochran's well.

Mr. Latham asks what the depth of the water column is.

Mr. Neel answers that the depth to water is about 180 feet and the depth of the well is about 250 feet which was provided by Mr. Cochran.

Mr. Muller states that given these depths, a 3-foot drop in water level would not break the suction on the pump.

Mr. Neel then provides the draw down amounts calculated in feet for multiple different time intervals of continuous pumping.

There is discussion about the potential issues of draw down to the well and the crops that could be sustained on that amount of water.

Mr. Muller states that the discussion is alluding to the fact that the farmer's in the Panhandle are doing "extraordinary things" with little amounts of water and short growing seasons.

Mr. Mizer is able to approach the Board again and ask Mr. Neel how the draw down calculations were done.

Mr. Neel responds that his staff used the Theis equation and further explained how those calculations were done.

3. Possible Executive Session

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

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

There were no requests for Executive Session.

4. Return to open meeting and possible vote or action on any matter discussed in the Executive Session, if authorized.

5. Vote on whether to approve the Proposed Order as presented or as may be amended, or vote on any other action or decision relating to the Proposed Order.

Mr. Stallings states that he would motion to accept the mediation recommendation as described in the memorandum presented to the Board.

Mr. Muller clarifies Mr. Stalling’s motion to accept the 30-day time period of use. Mr. Stallings confirms he would like no changes to the memorandum. Ms. Landess seconds the motion. Chairman Muller asks for any questions or relevant discussion. There was none and Chairman Muller proceeded to call for the vote.

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

B. Consideration of and Possible Action on items Transferred from Summary Disposition Agenda, if any.

There were no items transferred from the Summary Disposition for the Board’s consideration.

6. **NEW BUSINESS**

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

There were no New Business items for the Board’s consideration.

7. **ADJORNMENT**

There being no further business, Chairman Muller adjourned the regular meeting of the Oklahoma Water Resources Board at 10:44 a.m. on May 17, 2022.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

\_\_\_\_\_  
Charles Darby, Vice Chairman

\_\_\_\_\_  
Robert L. Cook, Sr.

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Suzanne V. Landess

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Robert L. Stallings, Jr.

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Thomas A. Gorman

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Ron Justice

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B. Latham

ATTEST:

\_\_\_\_\_  
Jennifer Castillo, Secretary  
(SEAL)

**1. D. FINANCIAL UPDATE**

1. D.1. Monthly Budget Report

**Oklahoma Water Resources Board  
FY 22 Revenues and Expenses  
through May 31, 2022**

Fund	General Revenue		Budgeted	Expended	Balance	Percentage Remaining
19111	1	FY 21 Carryover	301,257	8,195	293,062	97%
19201	1	FY 22 Appropriation	5,994,541	3,155,447	2,839,094	47%
		<b>Total General Revenue</b>	<b>6,295,798</b>	<b>3,163,642</b>	<b>3,132,156</b>	<b>50%</b>
		<b>Revolving Funds</b>		0		
21000	2	Drillers Indemnity Fund	50,000	4,530	45,470	91%
21500	3	OWRB Revolving Fund	3,379,038	2,360,478	1,018,560	30%
24000	5	Revolving Fund	807,272	645,720	161,552	20%
24500	6	Drillers Regulation Fund	20,000	0	20,000	100%
25000	7	Water Infrastructure Dev. Fund (OCW)	3,886,824	1,246,452	2,640,372	68%
42000	8	USGS Cooperative Agreement	326,300	151,635	174,665	54%
44400	9	DW Loan Administration Fund	1,129,752	429,493	700,259	62%
44500	10	CW Loan Administration Fund	2,111,441	1,223,316	888,125	42%
47200	11	CW Loan Fund	400,000	0	400,000	100%
		<b>Total Revolving Funds</b>	<b>12,110,627</b>	<b>6,061,625</b>	<b>6,049,002</b>	<b>50%</b>
		<b>Federal Funds</b>				
40000	12	Federal Fund	3,166,684	2,159,647	1,007,037	32%
		<b>Total Federal Funds</b>	<b>3,166,684</b>	<b>2,159,647</b>	<b>1,007,037</b>	<b>32%</b>
		<b>Total Funding</b>	<b>21,573,109</b>	<b>11,384,914</b>	<b>10,188,195</b>	<b>47%</b>
				0		
			<b>Budgeted</b>	<b>Expended</b>	<b>Balance</b>	<b>Percentage Remaining</b>
510000	13	Salary Expense	6,911,443	5,787,764	1,123,679	16%
512000	14	Insurance	1,231,684	1,023,383	208,301	17%
513000	15	FICA and Retirement	1,621,041	1,373,041	248,000	15%
515000	16	Professional Services	8,181,184	2,080,744	6,100,440	75%
519000	17	Flexible Benefits	16,000	8,396	7,604	48%
		<b>Total Personal Services</b>	<b>17,961,352</b>	<b>10,273,327</b>	<b>7,688,025</b>	<b>43%</b>
520000	18	Travel Expense	410,639	148,867	261,772	64%
530000	19	Administrative Expense	1,228,596	853,104	375,492	31%
540000	20	Furniture and Equipment Expense	942,190	109,616	832,574	88%
550000	21	Intra Inter Agency Payments	1,030,332	0	1,030,332	100%
		<b>Total Operating Expenses</b>	<b>3,611,757</b>	<b>1,111,587</b>	<b>2,500,170</b>	<b>69%</b>
		<b>Total Expenditures</b>	<b>21,573,109</b>	<b>11,384,914</b>	<b>10,188,195</b>	<b>47%</b>
						Percent of FY Remaining
						8%

## **2. FINANCIAL ASSISTANCE DIVISION**

June 21, 2022

OKLAHOMA WATER RESOURCES BOARD  
Emergency Grant Program  
Priority List

6/7/2022

Available Funds            \$62,190.66

Priority Ranking	Priority Points	Date Requested	Grant Number	Applicant	County	Project Type	Amount Recommended
1	73	06/10/2021	FAP-21-0010-G	Barnsdall Public Works Authority	Osage	Water	\$99,450.00
2	61	09/27/2021	FAP-22-0001-G	Woodward County Rural Water District #2	Woodward	Water	\$87,250.00

Total Requests:            \$186,700.00

+ Recommended for approval when funds available

\* Funds are available

**WATER RESOURCES FUND  
EMERGENCY GRANT ACCOUNT  
May 31, 2022**

Beginning Balance, 5/1/2022		\$ 540,599.43
<u>Income:</u>		
Interest Earnings	454.73	
Reserve Earnings		
2016 Gen Reserve		
1986 Gen Reserve		
<u>Grant Refunds:</u>		
Returned Grant Funds	Boynton	3,000.00
Returned Grant Funds	ECOWA	18,264.00
		21,718.73
Total Income		21,718.73
 <u>Grants Funded:</u>		
		-
Total Grants Funded		-
Ending Balance, 5/31/2022		562,318.16
Funds obligated for approved grants		(127.50)
Total of grants recommended for approval		
Total unobligated funds available for grants		\$ 562,190.66

June 21, 2022

**LOAN APPLICATION**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** Rural Water District No.6, Pontotoc County, Oklahoma

**Loan Application No.:** ORF-22-0028-DW  
Drinking Water SRF Loan (“DWSRF Loan”)

**Funding Requested:** \$730,000.00

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

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

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

**Purpose:** The applicant will utilize the loan proceeds to: (i) replace water meters and install pressure control valves, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Loan Proceeds	\$730,000.00	Project	\$686,000.00
		Bond Counsel	\$22,500.00
		Financial Advisor	\$15,000.00
		Local Counsel	\$6,000.00
		Trustee Bank	\$500.00
<b>Total</b>	<b>\$730,000.00</b>	<b>Total</b>	<b>\$730,000.00</b>

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

IN THE MATTER OF LOAN APPLICATION )  
NO. ORF-22-0028-DW IN THE NAME OF )  
RURAL WATER DISTRICT NO.6 )  
PONTOTOC COUNTY, OKLAHOMA )

**PROPOSED  
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of June, 2022.

WHEREAS, Pontotoc County Rural Water District No.6 (the "Applicant") has made its Application for Funding No. ORF-22-0028-DW (the "Loan Application") to the Board and to the Oklahoma Department of Environmental Quality (the "DEQ") for a loan from the Drinking Water Treatment Revolving Loan Account (the "DWSRF"), pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.71 *et seq.*, as amended; and

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

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

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

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

Application for Funding No. ORF-22-0028-DW in the name of Pontotoc County Rural Water District No.6 be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) replace water meters and install pressure control valves, all related appurtenances (the "Project"), and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. A loan shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$730,000.00. The Applicant shall pay interest on the loan at a fixed rate to be determined prior to closing plus an administrative fee at the rate of 0.5% per annum, all on the outstanding balance of disbursed loan proceeds. Interest, administrative fee, and any principal payments shall be made on a semi-annual basis. The Applicant shall commence principal repayment no later than one (1) year

**ORDER APPROVING LOAN APPLICATION  
PONTOTOC COUNTY RURAL WATER DISTRICT NO.6  
ORF-22-0028-DW**

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

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

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

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

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

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

So ordered this 21st day of June, 2022 in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

\_\_\_\_\_  
Jennifer Castillo, Secretary  
(SEAL)

Reviewed By: \_\_\_\_\_  
/s/

\_\_\_\_\_  
Joe Freeman, Chief  
Financial Assistance Division

June 21, 2022

**LOAN APPLICATION**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** Rural Water District No. 2, Comanche County, Oklahoma

**Loan Application No.:** ORF-22-0023-DW  
Drinking Water SRF Loan (“DWSRF Loan”)

**Funding Requested:** \$2,545,000.00

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

**Loan Payment Term:** Interest, administrative fee, and principal payments shall be made on a semi-annual basis. The applicant shall commence principal repayment no later than one (1) year following Project completion and the maturity of the loan shall be no later than thirty (30) years following the date the Project is completed.

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

**Purpose:** The applicant will utilize the loan proceeds to: (i) replace existing water lines, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Loan Proceeds	\$2,545,000.00	Project	\$2,444,062.50
		Bond Counsel	40,675.00
		Financial Advisor	40,675.00
		Local Counsel	19,087.50
		Trustee Bank	500.00
<b>Total</b>	<b><u>\$2,545,000.00</u></b>	<b>Total</b>	<b><u>\$2,545,000.00</u></b>

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

IN THE MATTER OF LOAN APPLICATION        )  
NO. ORF-22-0023-DW IN THE NAME OF        )  
RURAL WATER DISTRICT NO. 2                 )  
COMANCHE COUNTY, OKLAHOMA                )

**PROPOSED  
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of June, 2022.

WHEREAS, Rural Water District No. 2, Comanche County, Oklahoma (the "Applicant") has made its Application for Funding No. ORF-22-0023-DW (the "Loan Application") to the Board and to the Oklahoma Department of Environmental Quality (the "DEQ") for a loan from the Drinking Water Treatment Revolving Loan Account (the "DWSRF"), pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.71 *et seq.*, as amended; and

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

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

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

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

Application for Funding No. ORF-22-0023-DW in the name of Rural Water District No. 2, Comanche County, Oklahoma be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

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

Terms and Conditions

1. A loan shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$2,545,000.00. The Applicant shall pay interest on the loan at a fixed rate to be determined prior to closing plus an administrative fee at the rate of 0.5% per annum, all on the outstanding balance of disbursed loan proceeds. Interest, administrative fee, and any principal payments shall be made on a semi-annual basis. The Applicant shall commence principal repayment no later than one (1) year

**ORDER APPROVING LOAN APPLICATION  
RURAL WATER DISTRICT NO. 2, COMANCHE COUNTY, OKLAHOMA  
ORF-22-0023-DW**

following Project completion, and the maturity of the loan shall be no later than thirty (30) years following the date the Project is completed.

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

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

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

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

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

So ordered this 21st day of June, 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

\_\_\_\_\_  
Jennifer Castillo, Secretary

(SEAL)

Reviewed By:

\_\_\_\_\_  
/s/  
Joe Freeman, Chief  
Financial Assistance Division

**LOAN APPLICATION**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** Municipal Authority of the City of Bristow, Oklahoma, Creek County

**Loan Application No.:** ORF-21-0030-CWA  
Clean Water SRF Loan (“CWSRF Loan”)

**Amount Requested:** \$2,575,000.00

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

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

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

**Purpose:** The applicant will utilize the loan proceeds to: (i) provide additional funds needed for the wastewater treatment plant expansion for which a loan was approved on October 20, 2020, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Loan Proceeds	\$2,575,000.00	Project	\$2,518,000.00
		Bond Counsel	28,250.00
		Financial Advisor	28,250.00
		Trustee Bank	500.00
<b>Total</b>	<b><u><u>\$2,575,000.00</u></u></b>	<b>Total</b>	<b><u><u>\$2,575,000.00</u></u></b>

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

IN THE MATTER OF LOAN APPLICATION )  
NO. ORF-21-0030-CWA IN THE NAME OF )  
MUNICIPAL AUTHORITY OF THE CITY OF BRISTOW, OKLAHOMA )  
CREEK COUNTY, OKLAHOMA )

**PROPOSED  
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of June, 2022.

WHEREAS, Municipal Authority of the City of Bristow, Oklahoma (the "Applicant") has made its Application for Funding No. ORF-21-0030-CWA (the "Application") to the Board for a loan from the Clean Water State Revolving Fund (the "CWSRF") program, pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.51 *et seq*, as amended; and

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

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

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

Application for Funding No. ORF-21-0030-CWA in the name of Municipal Authority of the City of Bristow, Oklahoma be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) provide additional funds needed for the wastewater treatment plant expansion for which a loan was approved on October 20, 2020, all related appurtenances (the "Project"), and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. A loan shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$2,575,000.00. The Applicant shall pay interest on the loan at a fixed rate to be determined prior to closing plus an administrative fee at the rate of 0.5% per annum, all on the outstanding balance of disbursed loan proceeds. Interest, administrative fee, and any principal payments shall be made on a semi-annual basis. The Applicant shall commence principal repayment no later than one (1) year following Project completion, and the maturity of the loan shall be no later than twenty (20) years following the date the Project is completed.

**ORDER APPROVING LOAN APPLICATION  
MUNICIPAL AUTHORITY OF THE CITY OF BRISTOW, OKLAHOMA  
ORF-21-0030-CWA**

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

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

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

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

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

So ordered this 21st day of June, 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

\_\_\_\_\_  
Jennifer Castillo, Secretary

(SEAL)

Reviewed By:

\_\_\_\_\_  
/s/  
Joe Freeman, Chief  
Financial Assistance Division

June 21, 2022

**LOAN APPLICATION**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** The Lawton Water Authority, Comanche County

**Loan Application No.:** ORF-22-0045-DW  
Drinking Water SRF Loan (“DWSRF Loan”)

**Funding Requested:** \$5,000,000.00

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

**Loan Payment Term:** Interest, administrative fee, and principal payments shall be made on a semi-annual basis. The applicant shall commence principal repayment no later than one (1) year following Project completion and the maturity of the loan shall be no later than ten (10) years following the date the Project is completed.

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

**Purpose:** The applicant will utilize the loan proceeds to: (i) install a SCADA system for both water treatment plants and the water distribution system, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Loan Proceeds	\$5,000,000.00	Project	\$4,910,500.00
		Bond Counsel	47,000.00
		Financial Advisor	42,000.00
		Trustee Bank	500.00
<b>Total</b>	<b>\$5,000,000.00</b>	<b>Total</b>	<b>\$5,000,000.00</b>

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

IN THE MATTER OF LOAN APPLICATION        )  
NO. ORF-22-0045-DW IN THE NAME OF        )  
THE LAWTON WATER AUTHORITY                )  
COMANCHE COUNTY, OKLAHOMA                )

**PROPOSED  
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of June, 2022.

WHEREAS, The Lawton Water Authority (the "Applicant") has made its Application for Funding No. ORF-22-0045-DW (the "Loan Application") to the Board and to the Oklahoma Department of Environmental Quality (the "DEQ") for a loan from the Drinking Water Treatment Revolving Loan Account (the "DWSRF"), pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.71 *et seq*, as amended; and

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

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

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

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

Application for Funding No. ORF-22-0045-DW in the name of The Lawton Water Authority be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) install a SCADA system for both water treatment plants and the water distribution system, all related appurtenances (the "Project"), and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. A loan shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$5,000,000.00. The Applicant shall pay interest on the loan at a fixed rate to be determined prior to closing plus an administrative fee at the rate of 0.5% per annum, all on the outstanding balance of disbursed loan proceeds. Interest, administrative fee, and any principal payments shall be made on a semi-annual basis. The Applicant shall commence principal repayment no later than one (1) year

**ORDER APPROVING LOAN APPLICATION  
THE LAWTON WATER AUTHORITY  
ORF-22-0045-DW**

following Project completion, and the maturity of the loan shall be no later than ten (10) years following the date the Project is completed.

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

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

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

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

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

So ordered this 21st day of June, 2022 in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

\_\_\_\_\_  
Jennifer Castillo, Secretary

(SEAL)

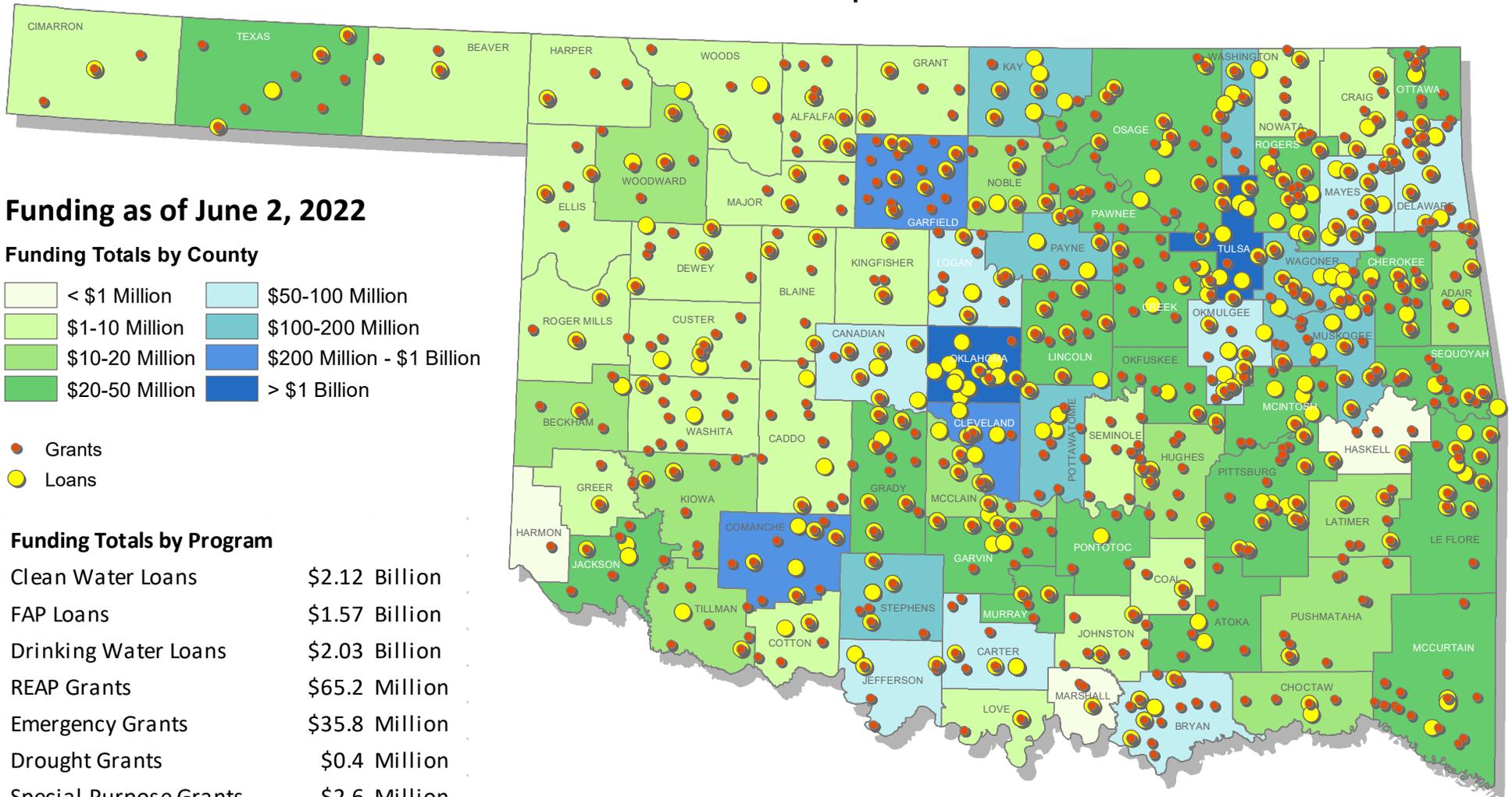
Reviewed By:

/s/

\_\_\_\_\_  
Joe Freeman, Chief  
Financial Assistance Division

# Financial Assistance Division

## Loan and Grant Recipient Status



**3.C. SUMMARY DISPOSITION AGENDA ITEMS**

FINANCIAL ASSISTANCE DIVISION

June 21, 2022

**LOAN APPLICATION**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** Chelsea Economic Development Authority, Rogers County

**Loan Application No.:** ORF-21-0010-CW  
Clean Water SRF Loan (“CWSRF Loan”)

**Amount Requested:** \$200,000.00

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

**Purpose:** The applicant will utilize the loan proceeds to: (i) complete planning and design for wastewater system improvements, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Loan Proceeds	\$200,000.00	Project	\$185,000.00
		Bond Counsel	15,000.00
<b>Total</b>	<b><u>\$200,000.00</u></b>	<b>Total</b>	<b><u>\$200,000.00</u></b>

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

IN THE MATTER OF LOAN APPLICATION )  
NO. ORF-21-0010-CW IN THE NAME OF )  
CHELSEA ECONOMIC DEVELOPMENT AUTHORITY )  
ROGERS COUNTY, OKLAHOMA )

**PROPOSED  
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of June, 2022.

WHEREAS, Chelsea Economic Development Authority (the "Applicant") has made its Application for Funding No. ORF-21-0010-CW (the "Application") to the Board for a loan from the Clean Water State Revolving Fund (the "CWSRF") program, pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.51 *et seq.*, as amended; and

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

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

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

Application for Funding No. ORF-21-0010-CW in the name of Chelsea Economic Development Authority be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The proceeds, along with other funds of the Applicant, if any, will be used to (i) complete planning and design for wastewater system improvements and all related appurtenances (the "Project") and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. Funding shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$200,000.00.

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

**ORDER APPROVING LOAN APPLICATION**  
**Chelsea Economic Development Authority**  
**ORF-21-0010-CW**

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

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

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

So ordered on this 21st day of June, 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

\_\_\_\_\_  
Jennifer Castillo, Secretary

(SEAL)

Reviewed By:

\_\_\_\_\_  
/s/  
Joe Freeman, Chief  
Financial Assistance Division

**LOAN APPLICATION**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** Newkirk Municipal Authority, Kay County

**Loan Application No.:** ORF-21-0015-CW  
Clean Water SRF Loan (“CWSRF Loan”)

**Amount Requested:** \$200,000.00

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

**Purpose:** The applicant will utilize the loan proceeds to: (i) pay for planning and design costs associated with sewer lagoon and lift station rehabilitation, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Loan Proceeds	\$200,000.00	Project	\$182,500.00
		Bond Counsel	17,500.00
<b>Total</b>	<u>\$200,000.00</u>	<b>Total</b>	<u>\$200,000.00</u>

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

IN THE MATTER OF LOAN APPLICATION        )  
NO. ORF-21-0015-CW IN THE NAME OF        )  
NEWKIRK MUNICIPAL AUTHORITY                )  
KAY COUNTY, OKLAHOMA                        )

**PROPOSED  
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of June, 2022.

WHEREAS, Newkirk Municipal Authority (the "Applicant") has made its Application for Funding No. ORF-21-0015-CW (the "Application") to the Board for a loan from the Clean Water State Revolving Fund (the "CWSRF") program, pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.51 *et seq*, as amended; and

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

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

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

Application for Funding No. ORF-21-0015-CW in the name of Newkirk Municipal Authority be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The proceeds, along with other funds of the Applicant, if any, will be used to (i) pay for planning and design costs associated with sewer lagoon and lift station rehabilitation, all related appurtenances (the "Project") and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. Funding shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$200,000.00.

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

**ORDER APPROVING LOAN APPLICATION**

**Newkirk Municipal Authority**

**ORF-21-0015-CW**

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

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

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

So ordered on this 21st day of June, 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

\_\_\_\_\_  
Jennifer Castillo, Secretary

(SEAL)

Reviewed By:

\_\_\_\_\_  
/s/  
Joe Freeman, Chief  
Financial Assistance Division

**LOAN APPLICATION**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** Hominy, Oklahoma, Public Works Authority, Osage County

**Loan Application No.:** ORF-19-0020-DW  
Drinking Water SRF Loan (“DWSRF Loan”)

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

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

**Purpose:** The applicant will utilize the loan proceeds to: (i) install an aeration system in both water storage tanks, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Loan Proceeds	\$300,000.00	Project	\$297,500.00
		Local Counsel	2,500.00
<b>Total</b>	<b><u><u>\$300,000.00</u></u></b>	<b>Total</b>	<b><u><u>\$300,000.00</u></u></b>

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

IN THE MATTER OF LOAN APPLICATION )  
NO. ORF-19-0020-DW IN THE NAME OF )  
HOMINY, OKLAHOMA, PUBLIC WORKS AUTHORITY )  
OSAGE COUNTY, OKLAHOMA )

**PROPOSED  
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of June, 2022.

WHEREAS, Hominy, Oklahoma, Public Works Authority (the "Applicant") has made its Application for Funding No. ORF-19-0020-DW (the "Loan Application") to the Board and to the Oklahoma Department of Environmental Quality (the "DEQ") for a loan from the Drinking Water Treatment Revolving Loan Account (the "DWSRF"), pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.71 *et seq.*, as amended; and

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

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

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

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

Application for Funding No. ORF-19-0020-DW in the name of Hominy, Oklahoma, Public Works Authority be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) install an aeration system in both water storage tanks, all related appurtenances (the "Project"), and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. Funding shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$300,000.00.

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

**ORDER APPROVING LOAN APPLICATION  
HOMINY, OKLAHOMA, PUBLIC WORKS AUTHORITY  
ORF-19-0020-DW**

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

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

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

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

So ordered this 21st day of June, 2022 in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

\_\_\_\_\_  
Jennifer Castillo, Secretary

(SEAL)

Reviewed By:

\_\_\_\_\_  
/s/  
Joe Freeman, Chief  
Financial Assistance Division

**LOAN APPLICATION**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** Wewoka Public Works Authority, Seminole County

**Loan Application No.:** ORF-21-0013-DW  
Drinking Water SRF Loan (“DWSRF Loan”)

**Amount Requested:** \$400,000.00

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

**Purpose:** The applicant will utilize the loan proceeds to: (i) construct a clearwell to be used upon the completion of the new water treatment plant, all related appurtenances (the “Project”), and (ii) pay related costs of issuance.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Loan Proceeds	\$400,000.00	Project	\$1,200,000.00
CBDG Grant	450,000.00		
Other Sources	350,000.00		
<b>Total</b>	<b>\$1,200,000.00</b>	<b>Total</b>	<b>\$1,200,000.00</b>

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

IN THE MATTER OF LOAN APPLICATION        )  
NO. ORF-21-0013-DW IN THE NAME OF        )  
WEWOKA PUBLIC WORKS AUTHORITY         )  
SEMINOLE COUNTY, OKLAHOMA                )

**PROPOSED  
ORDER APPROVING LOAN APPLICATION**

This matter came on for consideration before the Oklahoma Water Resources Board (the "Board") on the 21st day of June, 2022.

WHEREAS, Wewoka Public Works Authority (the "Applicant") has made its Application for Funding No. ORF-21-0013-DW (the "Loan Application") to the Board and to the Oklahoma Department of Environmental Quality (the "DEQ") for a loan from the Drinking Water Treatment Revolving Loan Account (the "DWSRF"), pursuant to Title 82 Oklahoma Statutes 2011, Sections 1085.71 *et seq.*, as amended; and

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

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

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

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

Application for Funding No. ORF-21-0013-DW in the name of Wewoka Public Works Authority be and the same is hereby approved. Subject to and contingent upon the Board's receipt of sufficient funds, a loan shall be made to the Applicant for the following purpose and subject to the following terms and conditions:

Purpose

The loan proceeds, along with other funds of the Applicant, if any, will be used to (i) construct a clearwell to be used upon the completion of the new water treatment plant, all related appurtenances (the "Project"), and (ii) pay related costs of issuance, all as more specifically set forth in the Application.

Terms and Conditions

1. Funding shall be made to the Applicant to provide funds for the Project described in the Loan Application in an aggregate principal amount not to exceed \$400,000.00.

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

**ORDER APPROVING LOAN APPLICATION  
WEWOKA PUBLIC WORKS AUTHORITY  
ORF-21-0013-DW**

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

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

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

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

So ordered this 21st day of June, 2022 in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

\_\_\_\_\_  
Jennifer Castillo, Secretary

(SEAL)

Reviewed By:

\_\_\_\_\_  
/s/  
Joe Freeman, Chief  
Financial Assistance Division

**OSG GRANT**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** Stonewall Public Works Authority, Pontotoc County

**Grant No.:** OSG-22-0006-G  
Sewer Overflow and Stormwater Reuse Municipal Grant (“OSG”)

**Amount Requested:** \$30,606.50

**Purpose:** The applicant will utilize the proceeds to fund the following project: Stonewall Public Works Authority is experiencing intermittent sewer backups and inflow and infiltration issues due to failing and collapsing sewer lines in the collection system. The proposed project is for planning and design to identify the corrective measures required to resolve the sewer issues. The estimated cost of the project is \$30,606.50.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Grant Proceeds	\$30,606.50	Engineering	\$25,500.00
		Surveying	\$3,906.50
		Other Uses	\$1,200.00
<b>Total</b>	<b>\$30,606.50</b>	<b>Total</b>	<b>\$30,606.50</b>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD  
STATE OF OKLAHOMA

IN THE MATTER OF OSG GRANT )  
NO. OSG-22-0006-G IN THE NAME OF THE )  
STONEWALL PUBLIC WORKS AUTHORITY, )  
PONTOTOC COUNTY, OKLAHOMA. )

**PROPOSED**  
ORDER APPROVING OSG GRANT

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of June 2022. The Board finds that since the CWSRF Project Priority List (PPL) request of the Stonewall Public Works Authority has met the eligibility requirements of the Sewer Overflow and Stormwater Reuse Municipal Grant (OSG) program and that subject to and contingent upon the Board’s receipt of sufficient funds, the PPL Request for an amount not to exceed \$30,606.50 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the OSG grant shall not exceed \$30,606.50.
2. OSG Grant funds shall be accounted for separately with a federally insured financial institution.
3. The project shall consist of: Stonewall Public Works Authority is experiencing intermittent sewer backups and inflow and infiltration issues due to failing and collapsing sewer lines in the collection system. The proposed project is for planning and design to identify the corrective measures required to resolve the sewer issues. The estimated cost of the project is \$30,606.50. Applicant is authorized to expend the OSG grant funds only for purposes of completing such project.
4. Furthermore, Stonewall Public Works Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies as applicable.

SO ORDERED this 21st day of June 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

Stonewall Public Works Authority  
OWRB OSG Grant No. OSG-22-0006-G

ATTEST:

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Jennifer Castillo, Secretary

(SEAL)

*/s/*

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Joe Freeman, Chief  
Financial Assistance Division

**OSG GRANT**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** The Welch Public Works Authority, Craig County

**Grant No.:** OSG-22-0003-G  
Sewer Overflow and Stormwater Reuse Municipal Grant (“OSG”)

**Amount Requested:** \$67,000.00

**Purpose:** The applicant will utilize the proceeds to fund the following project: Welch Public Works Authority’s wastewater system experiences wastewater bypasses during rain events and has significant inflow and infiltration issues. The proposed project is to perform a sanitary sewer evaluation survey and geotechnical investigation to locate the areas of issue, as well as engineering and design to correct the determined issue. The estimated cost of the project is \$67,000.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Grant Proceeds	\$67,000.00	Engineering	\$49,000.00
		Testing	\$9,500.00
		Surveying	\$8,500.00
<b>Total</b>	<b>\$67,000.00</b>	<b>Total</b>	<b>\$67,000.00</b>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD  
STATE OF OKLAHOMA

IN THE MATTER OF OSG GRANT )  
NO. OSG-22-0003-G IN THE NAME OF THE )  
THE WELCH PUBLIC WORKS AUTHORITY, )  
CRAIG COUNTY, OKLAHOMA. )

**PROPOSED**  
ORDER APPROVING OSG GRANT

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of June 2022. The Board finds that since the CWSRF Project Priority List (PPL) request of the The Welch Public Works Authority has met the eligibility requirements of the Sewer Overflow and Stormwater Reuse Municipal Grant (OSG) program and that subject to and contingent upon the Board’s receipt of sufficient funds, the PPL Request for an amount not to exceed \$67,000.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the OSG grant shall not exceed \$67,000.00.
2. OSG Grant funds shall be accounted for separately with a federally insured financial institution.
3. The project shall consist of: Welch Public Works Authority’s wastewater system experiences wastewater bypasses during rain events and has significant inflow and infiltration issues. The proposed project is to perform a sanitary sewer evaluation survey and geotechnical investigation to locate the areas of issue, as well as engineering and design to correct the determined issue. The estimated cost of the project is \$67,000.. Applicant is authorized to expend the OSG grant funds only for purposes of completing such project.
4. Furthermore, The Welch Public Works Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies as applicable.

SO ORDERED this 21st day of June 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

The Welch Public Works Authority  
OWRB OSG Grant No. OSG-22-0003-G

ATTEST:

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Jennifer Castillo, Secretary

(SEAL)

/s/

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Joe Freeman, Chief  
Financial Assistance Division

**OSG GRANT**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** The Orlando Public Works Authority, Logan County

**Grant No.:** OSG-22-0005-G  
Sewer Overflow and Stormwater Reuse Municipal Grant (“OSG”)

**Amount Requested:** \$73,512.50

**Purpose:** The applicant will utilize the proceeds to fund the following project: Orlando Public Works Authority has failing sewer lines that are allowing inflow and infiltration (I&I) into the sewer system. The I&I causes the wastewater lagoons to be overwhelmed during rain events. They are currently under consent order from the ODEQ. The proposed project is to design sewer system improvements necessary to address the I&I issues, and other expenses necessary to complete the project. The estimate cost of the project is \$73,512.50.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Grant Proceeds	\$73,512.50	Engineering	\$58,512.50
		Surveying	\$15,000.00
<b>Total</b>	<b>\$73,512.50</b>	<b>Total</b>	<b>\$73,512.50</b>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD  
STATE OF OKLAHOMA

IN THE MATTER OF OSG GRANT )  
NO. OSG-22-0005-G IN THE NAME OF THE )  
THE ORLANDO PUBLIC WORKS AUTHORITY, )  
LOGAN COUNTY, OKLAHOMA. )

**PROPOSED**  
ORDER APPROVING OSG GRANT

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of June 2022. The Board finds that since the CWSRF Project Priority List (PPL) request of the The Orlando Public Works Authority has met the eligibility requirements of the Sewer Overflow and Stormwater Reuse Municipal Grant (OSG) program and that subject to and contingent upon the Board’s receipt of sufficient funds, the PPL Request for an amount not to exceed \$73,512.50 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the OSG grant shall not exceed \$73,512.50.
2. OSG Grant funds shall be accounted for separately with a federally insured financial institution.
3. The project shall consist of: Orlando Public Works Authority has failing sewer lines that are allowing inflow and infiltration (I&I) into the sewer system. The I&I causes the wastewater lagoons to be overwhelmed during rain events. They are currently under consent order from the ODEQ. The proposed project is to design sewer system improvements necessary to address the I&I issues, and other expenses necessary to complete the project. The estimate cost of the project is \$73,512.50. Applicant is authorized to expend the OSG grant funds only for purposes of completing such project.
4. Furthermore, The Orlando Public Works Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies as applicable.

SO ORDERED this 21st day of June 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

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Jennifer Castillo, Secretary

(SEAL)

*/s/*

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Joe Freeman, Chief  
Financial Assistance Division

**OSG GRANT**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** The Konawa Public Works Authority, Seminole County

**Grant No.:** OSG-22-0004-G  
Sewer Overflow and Stormwater Reuse Municipal Grant (“OSG”)

**Amount Requested:** \$76,000.00

**Purpose:** The applicant will utilize the proceeds to fund the following project: Konawa Public Works Authority has inflow and infiltration issues which cause the collection system to exceed its capacity and overflow. The proposed project is to conduct a sewer system evaluation survey and engineering to determine the best course of correction to resolve the issues. The estimated cost of the project is \$76,000.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Grant Proceeds	\$76,000.00	Engineering	\$51,500.00
		Surveying	\$24,500.00
<b>Total</b>	<b><u><u>\$76,000.00</u></u></b>	<b>Total</b>	<b><u><u>\$76,000.00</u></u></b>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD  
STATE OF OKLAHOMA

IN THE MATTER OF OSG GRANT )  
NO. OSG-22-0004-G IN THE NAME OF THE )  
THE KONAWA PUBLIC WORKS AUTHORITY, )  
SEMINOLE COUNTY, OKLAHOMA. )

**PROPOSED**  
ORDER APPROVING OSG GRANT

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of June 2022. The Board finds that since the CWSRF Project Priority List (PPL) request of the The Konawa Public Works Authority has met the eligibility requirements of the Sewer Overflow and Stormwater Reuse Municipal Grant (OSG) program and that subject to and contingent upon the Board’s receipt of sufficient funds, the PPL Request for an amount not to exceed \$76,000.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the OSG grant shall not exceed \$76,000.00.
2. OSG Grant funds shall be accounted for separately with a federally insured financial institution.
3. The project shall consist of: Konawa Public Works Authority has inflow and infiltration issues which cause the collection system to exceed its capacity and overflow. The proposed project is to conduct a sewer system evaluation survey and engineering to determine the best course of correction to resolve the issues. The estimated cost of the project is \$76,000. Applicant is authorized to expend the OSG grant funds only for purposes of completing such project.
4. Furthermore, The Konawa Public Works Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies as applicable.

SO ORDERED this 21st day of June 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

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Jennifer Castillo, Secretary

(SEAL)

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Joe Freeman, Chief  
Financial Assistance Division

**OSG GRANT**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** Atoka Municipal Authority, Atoka County

**Grant No.:** OSG-22-0002-G  
Sewer Overflow and Stormwater Reuse Municipal Grant (“OSG”)

**Amount Requested:** \$197,681.00

**Purpose:** The applicant will utilize the proceeds to fund the following project: Atoka Municipal Authority has a sewer collection system that has been experiencing capacity issues, blockages, and issues with the collection lines that are causing sewer overflow issues. The proposed project is to conduct a sanitary sewer evaluation survey to identify the cause of the overflow issues and develop an engineering report to correct them. The estimated cost of the project is \$197,681.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Grant Proceeds	\$197,681.00	Engineering	\$33,931.00
		Testing	\$36,110.00
		Surveying	\$66,330.00
		Other Uses	\$61,310.00
<b>Total</b>	<u><u>\$197,681.00</u></u>	<b>Total</b>	<u><u>\$197,681.00</u></u>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD  
STATE OF OKLAHOMA

IN THE MATTER OF OSG GRANT )  
NO. OSG-22-0002-G IN THE NAME OF THE )  
ATOKA MUNICIPAL AUTHORITY, )  
ATOKA COUNTY, OKLAHOMA. )

**PROPOSED**  
ORDER APPROVING OSG GRANT

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of June 2022. The Board finds that since the CWSRF Project Priority List (PPL) request of the Atoka Municipal Authority has met the eligibility requirements of the Sewer Overflow and Stormwater Reuse Municipal Grant (OSG) program and that subject to and contingent upon the Board’s receipt of sufficient funds, the PPL Request for an amount not to exceed \$197,681.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the OSG grant shall not exceed \$197,681.00.
2. OSG Grant funds shall be accounted for separately with a federally insured financial institution.
3. The project shall consist of: Atoka Municipal Authority has a sewer collection system that has been experiencing capacity issues, blockages, and issues with the collection lines that are causing sewer overflow issues. The proposed project is to conduct a sanitary sewer evaluation survey to identify the cause of the overflow issues and develop an engineering report to correct them. The estimated cost of the project is \$197,681. Applicant is authorized to expend the OSG grant funds only for purposes of completing such project.
4. Furthermore, Atoka Municipal Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies as applicable.

SO ORDERED this 21st day of June 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

Atoka Municipal Authority  
OWRB OSG Grant No. OSG-22-0002-G

ATTEST:

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Jennifer Castillo, Secretary

(SEAL)

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/s/  
Joe Freeman, Chief  
Financial Assistance Division

**OSG GRANT**  
**RECOMMENDED FOR APPROVAL**

**Applicant:** The Hennessey Utilities Authority, Kingfisher County

**Grant No.:** OSG-22-0001-G  
Sewer Overflow and Stormwater Reuse Municipal Grant (“OSG”)

**Amount Requested:** \$220,000.00

**Purpose:** The applicant will utilize the proceeds to fund the following project: Hennessey Utilities Authority has a wastewater collection system that has been experiencing increased inflow and infiltration (I&I) which is increasing treatment costs and affecting the reliability of the collection system. The proposed project is to perform assessments of the system to identify areas of the collection system that are contributing to the increased I & I, and other expenses related to the completion of the project. The estimated cost of the project is \$220,000.

<b><u>Sources of Funds (Est.)</u></b>		<b><u>Uses of Funds (Est.)</u></b>	
Grant Proceeds	\$220,000.00	Engineering	\$220,000.00
<b>Total</b>	<b>\$220,000.00</b>	<b>Total</b>	<b>\$220,000.00</b>

BEFORE THE OKLAHOMA WATER RESOURCES BOARD  
STATE OF OKLAHOMA

IN THE MATTER OF OSG GRANT )  
NO. OSG-22-0001-G IN THE NAME OF THE )  
THE HENNESSEY UTILITIES AUTHORITY, )  
KINGFISHER COUNTY, OKLAHOMA. )

**PROPOSED**  
ORDER APPROVING OSG GRANT

This matter came on for consideration before the Oklahoma Water Resources Board on the 21st day of June 2022. The Board finds that since the CWSRF Project Priority List (PPL) request of the The Hennessey Utilities Authority has met the eligibility requirements of the Sewer Overflow and Stormwater Reuse Municipal Grant (OSG) program and that subject to and contingent upon the Board’s receipt of sufficient funds, the PPL Request for an amount not to exceed \$220,000.00 should be approved to be advanced for the following purpose and subject to the following conditions:

Conditions:

1. The amount of the OSG grant shall not exceed \$220,000.00.
2. OSG Grant funds shall be accounted for separately with a federally insured financial institution.
3. The project shall consist of: Hennessey Utilities Authority has a wastewater collection system that has been experiencing increased inflow and infiltration (I&I) which is increasing treatment costs and affecting the reliability of the collection system. The proposed project is to perform assessments of the system to identify areas of the collection system that are contributing to the increased I & I, and other expenses related to the completion of the project. The estimated cost of the project is \$220,000.. Applicant is authorized to expend the OSG grant funds only for purposes of completing such project.
4. Furthermore, The Hennessey Utilities Authority is required to comply with the requirements of all applicable federal and state statutory provisions and all Oklahoma Water Resources Board rules, regulations and grant policies as applicable.

SO ORDERED this 21st day of June 2022, in regular and open meeting of the Oklahoma Water Resources Board.

OKLAHOMA WATER RESOURCES BOARD

\_\_\_\_\_  
Matt Muller, Chairman

ATTEST:

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Jennifer Castillo, Secretary

(SEAL)

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Joe Freeman, Chief  
Financial Assistance Division

### **3. SUMMARY DISPOSITION AGENDA ITEMS**

#### **D. Contracts and Agreements Recommended for Approval**

June 21, 2022

**AGENDA ITEM 3D(1)**

**PROFESSIONAL SERVICES ENGAGEMENT LETTER**

**WITH:** Arledge & Associates, P.C.

**PURPOSE:** To provide auditing services related to the Board's financial assistance programs for the Oklahoma Clean Water State Revolving Fund Loan Account Program Uniform Guidance Single Audit.

**AMOUNT:** Not to exceed \$26,350.00

**TERM:** July 1, 2022 through June 30, 2023



**AUDIT ENGAGEMENT LETTER  
OKLAHOMA CLEAN WATER  
STATE REVOLVING FUND LOAN  
ACCOUNT PROGRAM  
UNIFORM GUIDANCE SINGLE AUDIT**

May 24, 2022

To the Governance and Management of the State of Oklahoma Water Resources Board

We are pleased to confirm our understanding of the services we are to provide State of Oklahoma Water Resources Board (the “Board”) for the year ended June 30, 2022. We will audit the financial statements of the Oklahoma Clean Water State Revolving Fund Loan Account Program (the “Program”) as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the Program’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Program’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management’s Discussion and Analysis.

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance, and (2) the report is an integral part of an audit performed in

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accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to Management of the Program. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

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## **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

## **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Program's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Program's major programs. The purpose of these procedures will be to express an opinion on the Program's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

## **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Program in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and

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application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the State of Oklahoma Water Resources Board; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Arledge & Associates, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Oklahoma State Auditor and Inspector or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Arledge & Associates, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Oklahoma State Auditor and Inspector. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jake Winkler, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$26,350. This fixed price includes an electronic pdf copy of the single audit report for distribution to your members and others and 1 bound copy. Additional bound copies are available for \$.50 per page. This fee includes miscellaneous charges, such as travel, meals, and copies. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

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Our fee includes Single Audit services, as described above, for one major program which is expected to comprise the following CFDA number: 66.458. Should the number of major programs identified increase and/or the mix in CFDA numbers change in such a way as to require further work, the audit will be subject to an additional price negotiation, including an Addendum to the Engagement Letter and agreed upon payment terms, before the additional services are performed.

Because our Engagement Letter provides ongoing access to the accounting and business advice you need on a fixed-price basis, you are not inhibited from seeking timely advice from us. While the fixed price entitles you to unlimited consultation with us, if your questions or issues require additional research and analysis beyond consultation, that work will be subject to an additional price negotiation before the service is to be performed, an Addendum to the Engagement Letter will be issued before delivery of the additional service is to be performed, with payment terms agreed to in advance. By virtue of signing this document, you have indicated that your reporting entity has been appropriately defined, all trial balances will be reasonably adjusted, your key accounts will be reconciled, unusual transactions, significant financial estimates and disclosures have been communicated to us prior to the date at the top of this letter. Also, you have indicated that the entity has competent personnel in key financial positions and there has been no turnover in the accounting/finance department. If we find that the facts are different for any of the preceding assumptions, we will negotiate an Addendum to the Engagement Letter and negotiate a new engagement fee before we issue our final report.

### **Cost of Consequential Damages**

Any liability of Arledge & Associates, P.C. and its personnel to the Board is limited to the amount of the annual fee the Board paid for this audit engagement as liquidated damages.

The Board agrees that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if both Arledge & Associates, P.C. and the Board agree to be bound. Arledge & Associates, P.C. and the Board will share any cost of mediation equally.

We appreciate the opportunity to be of service to the Board and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Arledge & Associates, P.C.

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RESPONSE:

This letter correctly sets forth the understanding of the Oklahoma Water Resources Board.

Management signature: \_\_\_\_\_

Title: Chairman, Oklahoma Water Resources Board

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: Chief, Financial Asst. Division

Date: \_\_\_\_\_

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## STATE OF OKLAHOMA WATER RESOURCES BOARD

### Document Request - State Revolving Fund and Bond Issue Audit June 30, 2022

1. List of members of management and the Governing Board.
2. Access to the minutes of Board meetings held during the period under audit.
3. Copies of updates to the policy and procedure manuals in use regarding loan issuance and subsequent loan monitoring procedures.
4. Copy of current chart of accounts and accounting manual (if applicable).
5. Copies of the internal financial statements for the SRF program and each of the Bond Issues as of June 30, 2022.
6. Trial balance for the SRF program and each of the Bond Issue programs as of June 30, 2022.
7. PDF copies of the general ledger for each Bond Issue and the SRF program.
8. Preparation of the worksheet that combines all of the individual Bond Issue programs' Statements of Net Assets and Statements of Revenues and Expenditures to arrive at the combined totals for each statement. These will be needed prior to the start of fieldwork.
9. Preparation of confirms for cash, investments, notes receivable, bonds payable and notes payable.
10. Copies of year-end bank/state treasurer cash and investment account reconciliations.
11. Copies of final official offering statements on FY-2022 bond issues and SRF notes payable issued along with any subsequent modifications to any existing agreements.
12. Copies of any changes to laws, regulations and compliance requirements that directly and materially affect the Board, bond issues, notes receivable, and SRF program.
13. Access to trustee agreements related to bond issues/SRF program.
14. Copies of the most recent arbitrage rebate calculations.
15. Analysis of investments held at year-end.
16. Loan receivable schedules by bond issue/SRF.
17. Schedule of loans funded during the year and also loan commitments at year-end.
18. Loans receivable past due report.
19. Bond premium/discount analysis schedule.
20. Schedule of interest receivable - notes.
21. Schedule of interest receivable - investments.

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22. Schedule of accrued interest payable.
  23. Bonds payable schedule.
  24. Schedule of interest income - investments.
  25. Schedule of interest income - notes.
  26. Schedule of other income.
  27. Schedule of bond interest expense.
  28. Schedule of administrative expenses.
  29. Analysis of Federal Letter of Credit activity during the year.
  30. Access to all other supporting documentation as necessary.
  31. Any changes in SBPA / Insurance / GIC's – need copy of new agreements (if applicable).
  32. Schedules of loans paid off as of June 30, 2022.
  33. Schedule of loans issued / closed during FY-2022.
  34. Prepare a schedule of expenditures of federal awards with federal expenditures broken out by C.F.D.A. number.

**AGENDA ITEM 3D(2)**

**PROFESSIONAL SERVICES ENGAGEMENT LETTER**

**WITH:** Arledge & Associates, P.C.

**PURPOSE:** To provide auditing services related to the Board's financial assistance programs CWSRF and DWSRF  
Loan Administrative Funds Audits

**AMOUNT:** Not to exceed \$6,900.00

**TERM:** July 1, 2022 through June 30, 2023



**AUDIT ENGAGEMENT LETTER**  
**CWSRF AND DWSRF LOAN ADMINISTRATIVE FUNDS AUDITS**

May 24, 2022

To the Governance and Management of the State of Oklahoma Water Resources Board

We are pleased to confirm our understanding of the services we are to provide State of Oklahoma Water Resources Board (the "Board") for the year ended June 30, 2022. We will audit the Administrative Funds (the "Programs") maintained and used by the Oklahoma Wastewater and Drinking Water Facility Construction Revolving Loan Account Programs as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Program's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Program's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Program and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Program's financial statements. Our report will be addressed to the Board and Management of the Program. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable

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for any other purpose. If during our audit we become aware that the Program is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

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As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Program's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Management Responsibilities**

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions,

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and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the State of Oklahoma Water Resources Board; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Arledge & Associates, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Oklahoma State Auditor and Inspector or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Arledge & Associates, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Oklahoma State Auditor and Inspector. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jake Winkler, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$6,900. This fixed-price includes an electronic pdf copy of the report for distribution to your members and others and 1 bound copy. Additional bound copies are available for \$.50 per page. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Because our Engagement Letter provides ongoing access to the accounting and business advice you need on a fixed-price basis, you are not inhibited from seeking timely advice from us. While the fixed price entitles you to unlimited consultation with us, if your questions or issues require additional research and analysis beyond consultation, that work will be subject to an additional price negotiation before the service is to be performed, an Addendum to the Engagement Letter will be issued before delivery of the additional service is to be performed, with payment terms agreed to in advance. By virtue of signing this document, you have indicated that your reporting entity has been appropriately defined, all trial balances will be reasonably adjusted, your key accounts will be reconciled, unusual

transactions, significant financial estimates and disclosures have been communicated to us prior to the date at the top of this letter. Also you have indicated that the entity has competent personnel in key financial positions and there has been no turnover in the accounting/finance department. If we find that the facts are different for any of the preceding assumptions, we will negotiate an Addendum to the Engagement Letter and negotiate a new engagement fee before we issue our final report.

**Cost of Consequential Damages**

Any liability of Arledge & Associates, P.C. and its personnel to the Board is limited to the amount of the annual fee the Board paid for this audit engagement as liquidated damages.

The Board agrees that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if both Arledge & Associates, P.C. and the Board agree to be bound. Arledge & Associates, P.C. and the Board will share any cost of mediation equally.

We appreciate the opportunity to be of service to the Board and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Arledge & Associates, P.C.

**RESPONSE:**

This letter correctly sets forth the understanding of the State of Oklahoma Water Resources Board.

Management signature: \_\_\_\_\_

Title: Chief, Financial Asst. Division

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: Chairman, Oklahoma Water Resources Board

Date: \_\_\_\_\_

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## STATE OF OKLAHOMA WATER RESOURCES BOARD

### Document Request - CWSRF AND DWSRF LOAN ADMINISTRATIVE FUNDS AUDITS June 30, 2022

1. Copies of the internal financial statements for the CWSRF and DWSRF Loan Administrative Funds as of June 30, 2022.
2. Trial balances for CWSRF and DWSRF Loan Administrative Funds as of June 30, 2022.
3. Copy of the general ledger.
4. Preparation of confirmations for all cash accounts.
5. Copies of year-end bank/state treasurer cash and investment account reconciliations.
6. Copy of the OWRB Comptroller's Excel Spreadsheet summarizing transactions for Fund 445 and Fund 444.
7. Copies of any changes to laws, regulations and compliance requirements that directly affect the Administrative Funds.
8. Analysis of investments held at year-end (if applicable).
9. Loan receivable schedules at June 30, 2022 for CWSRF and DWSRF Programs.
10. Schedule of CWSRF and DWSRF loans funded during the year and also loan commitments at year-end.
11. Loans receivable past due report for CWSRF and DWSRF Programs.
12. Copy of Excel Spreadsheet showing Application Fees Received for CW(4030), FAP(4040), and DW(4050) for the period from inception through June 30, 2022.
13. Copy of the EPA Indirect Cost Rate Agreement Letter stating the effective IDC rate for FY-2022.
14. Copy of the CWSRF and DWSRF Program Payment Receipt Ledger worksheets (an Excel document) for August and September 2022.
15. Access to all other supporting documentation as necessary.



**AGENDA ITEM 3D(3)**

**PROFESSIONAL SERVICES ENGAGEMENT LETTER**

**WITH:** Arledge & Associates, P.C.

**PURPOSE:** To provide auditing services related to the Board's financial assistance programs for FAP Administration Fund.

**AMOUNT:** Not to exceed \$5,100.00

**TERM:** July 1, 2022 through June 30, 2023



**AUDIT ENGAGEMENT LETTER  
FAP ADMINISTRATION FUND**

May 24, 2022

To the Governance and Management of the State of Oklahoma Water Resources Board

We are pleased to confirm our understanding of the services we are to provide the State of Oklahoma Water Resources Board (the “Board”) for the year ended June 30, 2022. We will audit the Financial statements of the FAP Administration Fund (the “Program”) as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the Program’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Program’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management’s Discussion and Analysis.

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Program and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Program’s financial statements. Our report will be addressed to the Board and Management of the Program. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in

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considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Program is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

## **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Program’s compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

## **Management Responsibilities**

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management’s views on our current findings, conclusions,

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and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the State of Oklahoma Water Resources Board; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Arledge & Associates P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Oklahoma State Auditor and Inspector or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Arledge & Associates, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Oklahoma State Auditor and Inspector. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jake Winkler, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$5,100. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Because our Engagement Letter provides ongoing access to the accounting and business advice you need on a fixed-price basis, you are not inhibited from seeking timely advice from us. While the fixed price entitles you to unlimited consultation with us, if your questions or issues require additional research and analysis beyond consultation, that work will be subject to an additional price negotiation before the service is to be performed, an Addendum to the Engagement Letter will be issued before delivery of the additional service is to be performed, with payment terms agreed to in advance. By virtue of signing this document, you have indicated that your reporting entity has been appropriately defined, all trial balances will be reasonably adjusted, your key accounts will be reconciled, unusual transactions, significant financial estimates and disclosures have been communicated to us prior to the date at the top of this letter. Also, you have indicated that the entity has competent personnel in key financial positions and

there has been no turnover in the accounting/finance department. If we find that the facts are different for any of the preceding assumptions, we will negotiate an Addendum to the Engagement Letter and negotiate a new engagement fee before we issue our final report.

**Cost of Consequential Damages**

Any liability of Arledge & Associates, P.C. and its personnel to the Board is limited to the amount of the annual fee the Board paid for this audit engagement as liquidated damages.

The Board agrees that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if both Arledge & Associates, P.C. and the Board agree to be bound. Arledge & Associates, P.C. and the Board will share any cost of mediation equally.

We appreciate the opportunity to be of service to the Board and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

*Arledge & Associates, P.C.*

Arledge & Associates, P.C.

**RESPONSE:**

This letter correctly sets forth the understanding of the State of Oklahoma Water Resources Board.

Management signature: \_\_\_\_\_

Title: Chief, Financial Asst. Division

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: Chairman, Oklahoma Water Resources Board

Date: \_\_\_\_\_

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## STATE OF OKLAHOMA WATER RESOURCES BOARD

### Document Request – FAP Administration Fund June 30, 2022

- 1) List of members of management and the governing Board.
- 2) Access to the minutes of Board meetings held during the period under audit.
- 3) Copies of updates to the policy and procedure manuals in use regarding loan issuance and subsequent loan monitoring procedures.
- 4) Copy of current chart of accounts and accounting manual (if applicable).
- 5) Copies of the internal financial statements for the FAP Administration Fund program as of June 30, 2022.
- 6) Trial balance for the Program as of June 30, 2022.
- 7) PDF copies of the general ledger for the program.
- 8) Preparation of confirms for cash, investments, notes receivable, bonds payable and notes payable.
- 9) Copies of year-end bank/state treasurer cash and investment account reconciliations.
- 10) Copies of any changes to laws, regulations and compliance requirements that directly and materially affect the Board or the program.
- 11) Copies of any changes to trustee bank agreements related to the program.
- 12) Schedule of investments held at year-end.
- 13) Loan receivable schedules by bond issue.
- 14) Schedule of interest receivable - investments.
- 15) Schedule of interest income - investments.
- 16) Schedule of other income.
- 17) Schedule of administrative expenses.
- 18) Access to all other supporting documentation as necessary.

**AGENDA ITEM 3D(4)**

**PROFESSIONAL SERVICES ENGAGEMENT LETTER**

**WITH:** Arledge & Associates, P.C.

**PURPOSE:** To provide auditing services related to the Board's financial assistance programs for Revenue Bond Issues Audit.

**AMOUNT:** Not to exceed \$73,300.00

**TERM:** July 1, 2022 through June 30, 2023



**AUDIT ENGAGEMENT LETTER  
REVENUE BOND ISSUES AUDIT**

May 24, 2022

To the Governance and Management of the State of Oklahoma Water Resources Board

We are pleased to confirm our understanding of the services we are to provide the State of Oklahoma Water Resources Board (the "Board") for the year ended June 30, 2022. We will audit the combined financial statements of the revenue bond issue programs of the Board as of and for the year ended June 30, 2022. Specifically, we will audit the financial statements that are comprised of the combined totals of the Board's 1986 General Bond Resolution bond issues – Series 2012A, 2012B, 2012C, 2013A, 2013B, 2014A, 2014B, 2014C, 2015A, and the General Debt Service Reserve Fund (the "Program"). Additionally, we will audit the financial statements that are comprised of the combined totals of the Board's 2016 General Bond Resolution bond issues – Series 2016A, 2017A, 2017B, 2017C, 2018A, 2018B, 2018C, 2018D, 2019A, 2019B, 2019C, 2020A, 2020B, 2020C, 2020D, 2020E, 2020F, 2021A, 2021B, 2021C, 2021D, 2022A, 2022B and the 2016 Debt Service Reserve Fund (the "Program"). Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Program's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Program's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies the Program's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Combining Statement of Net Assets
- 2) Combining Statement of Revenues, Expenses, and Changes in Net Position
- 3) Combining Statement of Cash Flows

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the

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financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Programs and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Programs' financial statements. Our report will be addressed to the Board and Management of the Programs. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Programs are subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations



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from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Programs' compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Management Responsibilities**

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate



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steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the State of Oklahoma Water Resources Board; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Arledge & Associates P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Oklahoma State Auditor and Inspector or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Arledge & Associates, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Oklahoma State Auditor and Inspector. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jake Winkler, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

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Our fee for these services will be \$73,300. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Because our Engagement Letter provides ongoing access to the accounting and business advice you need on a fixed-price basis, you are not inhibited from seeking timely advice from us. While the fixed price entitles you to unlimited consultation with us, if your questions or issues require additional research and analysis beyond consultation, that work will be subject to an additional price negotiation before the service is to be performed, an Addendum to the Engagement Letter will be issued before delivery of the additional service is to be performed, with payment terms agreed to in advance. By virtue of signing this document, you have indicated that your reporting entity has been appropriately defined, all trial balances will be reasonably adjusted, your key accounts will be reconciled, unusual transactions, significant financial estimates and disclosures have been communicated to us prior to the date at the top of this letter. Also you have indicated that the entity has competent personnel in key financial positions and there has been no turnover in the accounting/finance department. If we find that the facts are different for any of the preceding assumptions, we will negotiate an Addendum to the Engagement Letter and negotiate a new engagement fee before we issue our final report.

#### **Cost of Consequential Damages**

Any liability of Arledge & Associates, P.C. and its personnel to the Board is limited to the amount of the annual fee the Board paid for this audit engagement as liquidated damages.

The Board agrees that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if both Arledge & Associates, P.C. and the Board agree to be bound. Arledge & Associates, P.C. and the Board will share any cost of mediation equally.

We appreciate the opportunity to be of service to the Board and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Arledge & Associates, P.C.

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RESPONSE:

This letter correctly sets forth the understanding of the State of Oklahoma Water Resources Board.

Management signature: \_\_\_\_\_

Title: Chief, Financial Asst. Division

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: Chairman, Oklahoma Water Resources Board

Date: \_\_\_\_\_

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## STATE OF OKLAHOMA WATER RESOURCES BOARD

### Document Request – STATE REVOLVING FUND AND BOND ISSUE AUDITS June 30, 2022

- 1) List of members of management and the governing Board.
- 2) Access to the minutes of Board meetings held during the period under audit.
- 3) Copies of updates to the policy and procedure manuals in use regarding loan issuance and subsequent loan monitoring procedures.
- 4) Copy of current chart of accounts and accounting manual (if applicable).
- 5) Copies of the internal financial statements for the SRF program and each of the Bond Issues as of June 30, 2022.
- 6) Trial balance for the SRF program and each of the Bond Issue programs as of June 30, 2022.
- 7) PDF copies of the general ledger for each Bond Issue and the SRF program.
- 8) Preparation of the worksheet that combines all of the individual Bond Issue programs' Statements of Net Assets and Statements of Revenues and Expenditures to arrive at the combined totals for each statement. These will be needed prior to the start of fieldwork.
- 9) Preparation of confirms for cash, investments, notes receivable, bonds payable and notes payable.
- 10) Copies of year-end bank/state treasurer cash and investment account reconciliations.
- 11) Copies of final official offering statements on FY-2022 bond issues and SRF notes payable issued along with any subsequent modifications to any existing agreements.
- 12) Copies of any changes to laws, regulations and compliance requirements that directly and materially affect the Board, bond issues, notes receivable, and SRF program.
- 13) Copies of any changes to trustee bank agreements related to bond issues/SRF program.
- 14) Copies of the most recent arbitrage rebate calculations.
- 15) Schedule of investments held at year-end.
- 16) Loan receivable schedules by bond issue/SRF.
- 17) Schedule of loans funded during the year and also loan commitments at year-end.
- 18) Loans receivable past due report.
- 19) Bond premium/discount analysis schedule.
- 20) Schedule of interest receivable - notes.
- 21) Schedule of interest receivable - investments.



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- 22) Schedule of accrued interest payable.
  - 23) Bonds payable schedule.
  - 24) Schedule of interest income - investments.
  - 25) Schedule of interest income - notes.
  - 26) Schedule of other income.
  - 27) Schedule of bond interest expense.
  - 28) Schedule of administrative expenses.
  - 29) Analysis of Federal Letter of Credit activity during the year.
  - 30) Access to all other supporting documentation as necessary.
  - 31) Any changes in SBPA / Insurance / GIC's – need copy of new agreements (if applicable).
  - 32) Schedules of loans paid off as of June 30, 2022.
  - 33) Schedule of loans issued / closed during FY-2022.

**AGENDA ITEM 3D(5)**

**PROFESSIONAL SERVICES ENGAGEMENT LETTER**

**WITH:** Crawford & Associates, P.C.

**PURPOSE:** To provide auditing services related to the Board's financial assistance programs.

**AMOUNT:** Not to exceed \$75,000.00

**TERM:** July 1, 2022 through June 30, 2023

May 19, 2022

Honorable Chairman and Members of the Board  
Oklahoma Water Resources Board  
3800 N Classen Blvd.  
OKC, OK 73118

To the Honorable Chairman and Members of the Board:

Crawford & Associates, P.C. is pleased that the Oklahoma Water Resources Board (OWRB) continues to express its confidence in our firm and our state and local government expertise. We look forward to a continued long and successful relationship as an integral financial management resource to the OWRB's management and governing body.

We are prepared to provide a full range of accounting and consulting services to the OWRB contingent upon approval of your management and/or governing body. The purpose of this engagement letter is to identify the scope of available services from Crawford & Associates, the specific initial services requested at this time, and to confirm the terms, objectives, and limitations of our engagement services.

### Scope of Services

The scope of professional services that are available and can be provided to the OWRB are outlined below under the heading *Scope of Available Services*. While this listing includes a range of services available from Crawford & Associates, the specific initial services requested to be provided at the current time are separately identified under the heading *Initial Services Requested*. Any additional services that are available from Crawford & Associates beyond these initially requested services can be provided upon subsequent specific request and agreement.

#### Scope of Available Services

Preparation of Annual Financial Statements  
General Accounting and Advisory Assistance  
Budget Preparation and Amendment Assistance  
Capital Asset Records and Accounting Assistance  
Information Technology System Assistance  
Internal Control Policies and Procedures Assistance  
Labor Relations Consulting  
Laws and Regulations Compliance Assistance  
Investigation of Allegations or Concerns  
Tax and Other Regulatory Report Assistance

#### Initial Services Requested

General Accounting and Advisory Assistance:

- Monthly reconciliation of bank accounts to include data entry into MIP system
- Preparation of quarterly cash basis financial statements
- Annual preparation of accrual entries

Preparation of Annual Financial Statements

### **Services Related to the Preparation of Annual Financial Statements**

You have requested that we prepare the annual financial statements of the financial reporting entity of OWRB as of and for the year ended June 30, 2022. Such financial statements will include:

- a. Basic Financial Statements, including notes to the financial statements
- b. Required Supplementary Information
- c. Supplementary Information (to the extent management elects to include)
- d. Other Information (to the extent management elects to include)

#### *Crawford & Associates' Responsibilities*

The objective of our engagement is to prepare the annual financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

#### *Management Responsibilities*

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARSS:

- a. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements
- b. The prevention and detection of fraud
- c. To ensure that the entity complies with the laws and regulations applicable to its activities
- d. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements

e. To provide us with:

- i. Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
- ii. Additional information that may be requested for the purpose of the preparation of the financial statements, and
- iii. Unrestricted access to persons within OWRB of whom we determine necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

#### **Other Requested and Available Services**

In conjunction with the other requested and available services (other than the compilation of the annual financial statements) as identified in the Scope of Services section of this letter, Crawford & Associates will be responsible for providing such services upon request in accordance with the applicable professional standards of the AICPA. It is anticipated that most if not all of these other services will be performed in accordance with the standards applicable to consulting services as prescribed by the AICPA.

Crawford & Associates, is not obligated to, but may report or otherwise communicate to management any recommendations, it determines necessary, resulting from the professional services provided.

Management and the governing body will be responsible for establishing the scope of our other professional services to be provided and for providing the necessary resources allocated to the work; such responsibility includes determining the nature, scope, and extent of the services to be performed, providing sufficient appropriation for the estimated cost of these services, providing overall direction and oversight for each service, and reviewing and accepting the results of the work.

#### **Access to Working Papers and Reports**

Any working papers prepared by Crawford & Associates in connection with performing the compilation and other professional services are the property of Crawford & Associates. Upon request, copies of any or all working papers and reports that we consider to be nonproprietary will be provided to management. Management may make such copies available to its external auditors and to certain regulators in the exercise of their statutory oversight responsibilities. Such copies may not be made available to any other third party without the prior written consent from Crawford & Associates.

#### **Fees and Costs**

Fees and out-of-pocket expenses for this engagement will be billed as the work progresses and payable upon receipt of our invoices. Out-of-pocket expenses include such costs incurred by Crawford & Associates in providing the services including travel, lodging, telecommunications, printing, document reproduction, and the like. Our fees for these services anticipated at this time will be billed at a discounted average hourly rate of \$90, regardless of the individual performing such services, based on the actual number of hours of work, including travel time, performed by that individual.

Because Crawford & Associates has no direct control over the type and amount of services requested by the management or the governing body during the term of this engagement, nor does Crawford & Associates have direct control over the quality of your accounting system or records, potential turnover of your staff, or your staffing levels, resources, or capabilities, it is impractical for us to provide an accurate amount of hours that will be required for the services requested or a not-to-exceed limit on fees and expenses charged.

We will rely on you to provide us with a copy of approved purchase orders, containing estimated fees and expenses, monitor the cumulative fees and expenses charged, and notify us if and when the cumulative amount approaches the total appropriated level estimated. You also agree to provide sufficient appropriation for all services requested prior to the services being performed. For purposes of purchase order preparation, we estimate that the fees for the services anticipated at this time, as defined in the Scope of Services section of this letter, will approximate \$75,000, however we will only bill for actual time and material costs incurred.

The term of this engagement is a period from July 1, 2022 through June 30, 2023. Crawford & Associates may perform additional services upon receipt of a formal request from management or the governing body with terms and conditions that are acceptable to both parties.

The agreements and undertakings contained in this engagement letter, shall survive the completion or termination of this engagement.

**Acceptance**

Please indicate your acceptance of this agreement by signing in the space provided below and returning this engagement letter to us. A duplicate copy of this engagement letter is provided for your records. We look forward to continuing our professional relationship with the OWRB.

Respectfully submitted and agreed to by,



Frank Crawford  
Crawford and Associates, P.C.

**Accepted and agreed to for the OWRB:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# CRAWFORD & ASSOCIATES, P.C.

FEI Number:

Type of Firm: CPA  
 Type of Entity: Professional Corporation  
 License #: 11780  
 License Status: Active  
 Registrant Date: Jun-30-2023  
 License Effective Date: Jul-01-2022  
 License Expiry Date: Jun-30-2023  
 Public Permit Accounting No: 91385  
 Permit Since: Active  
 Permit Status: Jul-01-2021  
 Permit Effective Date: Jul-01-2022  
 Permit Expiry Date: Jun-30-2023  
 Government Audit: Yes  
 Main Business Address: 10308 Greenbriar PL  
 City: Oklahoma City  
 State: Oklahoma  
 ZIP Code: 73159-7639  
 Business Telephone Number: 4056915550  
 Business Fax: (405) 691-5646  
 Business Email: frank@crawfordcpas.com

## Conditions and Limitations

Individual registrants and public accounting firms, holding a valid permit to practice public accounting, shall be authorized to perform accounting related work for the general public. Registrants who do not hold a valid permit to practice public accounting are prohibited from engaging in the practice of public accounting. Accounting related work may include, but not be limited to the following: tax return and financial statement preparation, management advisory services, investment advisory services, and attestation and compilation services. Only individual registrants and public accounting firms holding a valid permit to practice public accounting may perform attest engagements. A person is not deemed to be practicing public accounting solely by displaying an Oklahoma CPA certificate or a PA License in an office, identifying himself or herself as a CPA or PA on letterhead or business cards, or identifying himself or herself as a CPA or PA. However, the designation of CPA or PA on such letterheads, business cards, public signs, advertisements, publications directed to clients or potential clients, or financial or tax documents of a client constitutes the practice of public accounting and requires a permit, practice privileges under Section 15.12A of this title, or an exemption from the permit and registration requirements under Section 15.15C of this title.

## Office Locations

Street Address	City	State	Telephone No.	Govt Audit	Designated Manager
10308 Greenbriar Place	Oklahoma City	Oklahoma		No	Frank Crawford



State of Oklahoma  
Oklahoma Water Resources Board

Certification for Competitive  
Bid and/or Contract  
(Non-Collusion Certification)

**NOTE:** A certification shall be included with any competitive bid and/or contract exceeding \$5,000.00 submitted to the State for goods or services.

Solicitation or Purchase Order #: \_\_\_\_\_

Supplier Legal Name: Crawford & Associates, P.C.

**SECTION I [74 O.S. § 85.22]:**

A. For purposes of competitive bid,

1. I am the duly authorized agent of the above named bidder submitting the competitive bid herewith, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to said bid;
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of such bid; and
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
  - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
  - b. to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
  - c. in any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the letting of a contract, nor
  - d. to any collusion with any state agency or political subdivision official or employee as to create a sole-source acquisition in contradiction to Section 85.45j.1. of this title.

B. I certify, if awarded the contract, whether competitively bid or not, neither the contractor nor anyone subject to the contractor's direction or control has paid, given or donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein.

**SECTION II [74 O.S. § 85.42]:**

For the purpose of a contract for services, the supplier also certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

The undersigned, duly authorized agent for the above named supplier, by signing below acknowledges this certification statement is executed for the purposes of:

the competitive bid attached herewith and contract, if awarded to said supplier;  
OR

the contract attached herewith, which was not competitively bid and awarded by the agency pursuant to applicable Oklahoma statutes.

  
\_\_\_\_\_  
Supplier Authorized Signature

5-19-22  
\_\_\_\_\_  
Certified This Date

Frank Crawford  
\_\_\_\_\_  
Printed Name

President  
\_\_\_\_\_  
Title

405-691-5550  
\_\_\_\_\_  
Phone Number

frank@crawfordcpas.com  
\_\_\_\_\_  
Email

405-691-5646  
\_\_\_\_\_  
Fax Number



State of Oklahoma  
Oklahoma Water Resources Board

Professional Services Contract  
Certification

Solicitation or Purchase Order #: \_\_\_\_\_

Supplier Legal Name: Crawford & Associate, P.C.

A. In accordance with 74 O.S. § 85.42, the supplier named herein certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

B. In accordance with 74 O.S. § 85.41, if this contract is for professional services as defined in 74 O.S. § 85.2, and if the final product is a written proposal, report, or study, the supplier named herein further certifies that (s)he has not previously provided the state agency or any other state agency with a final product that is a substantial duplication of the final product of the proposed contract.

  
Signature

5-19-22  
Date

FRANK CRAWFORD  
Printed Name

President  
Title

**AGENDA ITEM 3D(6)**

**AGREEMENT**

**WITH:** Arbitrage Compliance Specialist, Inc.

**PURPOSE:** For arbitrage services in connection with the issuance of the state government entity obligations and indebtedness for OWRB loan programs.

**AMOUNT:** Not to exceed \$32,000.00

**TERM:** July 1, 2022 through June 30, 2023

## **Agreement to Provide Services as Arbitrage Rebate Consultant**

This Agreement to Provide Services as Arbitrage Rebate Consultant (the “Agreement”) is entered into as of the 1st day of July, 2022, by and between Arbitrage Compliance Specialists, Inc.. (the “Consultant”) and the Oklahoma Water Resources Board (the “OWRB”), a body corporate and politic and an instrumentality, agency and department of the State of Oklahoma (the “State”).

WHEREAS, the OWRB has heretofore resolved to and issued its obligations of indebtedness pursuant to Title 82, Oklahoma Statutes, Section 1085.33, as amended, to meet the future water and sewer funding needs of the people of the State of Oklahoma; and

WHEREAS, the OWRB requires the services of an arbitrage rebate consultant for the purpose of complying with applicable federal laws regarding tax-exempt obligations of indebtedness; and

WHEREAS, the OWRB has requested proposals from a plurality of qualified entities providing arbitrage rebate consulting services pursuant to a Request for Proposals for Arbitrage Rebate Consultant; and

WHEREAS, the Consultant represents that it has the requisite experience and expertise required to provide such services; and

WHEREAS, the OWRB has duly selected the Consultant to provide such services to the OWRB;

NOW THEREFORE, it is hereby agreed that:

- 1. Services by the Consultant.** The Consultant shall, in consideration of the compensation to be paid to it by the OWRB pursuant to paragraph 2, below, provide the arbitrage rebate consultant services specified in Exhibit A, attached hereto and incorporated herein by this reference, as and when requested by the OWRB during the term of this Agreement.
- 2. Payment.**
  - A. Amounts to be paid. For and in consideration of the consulting services to be provided by the Consultant, the OWRB shall pay the Consultant an amount not to exceed \$32,000.00, such total amount being inclusive of all fees and expenses for all work pursuant to paragraph 1 above for the initial term of this Agreement.
  - B. Mode of payment. Payment shall be made as follows:  
The Consultant shall submit invoices upon completion of the Report for each Issue. The invoices shall detail the work performed, previous billings, billing to date, budgeted amounts, and remaining funds.
- 3. Written Records Required.** The Consultant shall be compensated pursuant to this Agreement only to the extent that it maintains reasonable records which provide evidence of the services actually performed and expenses actually incurred.
- 4. Term.** The term of this Agreement shall be from July 1, 2022 until June 30, 2023, unless sooner terminated pursuant to paragraph 6 below. PROVIDED HOWEVER, the contract may be extended beyond June 30, 2023 to allow for the timely completion of services contemplated under the Scope of Work. The OWRB shall have the exclusive option to renew this Agreement for up to three (3) subsequent one-year periods by written amendment executed by both parties.

- 5. Assignment.** This Agreement is personal in nature and may not be sold, assigned, or otherwise transferred to any other person or entity without the express written approval of the OWRB.
- 6. Termination.** This Agreement may be terminated at any time, with or without cause, by either party upon thirty (30) days' notice in writing to the non-terminating party.
- 7. Contract for Professional Services.** This agreement constitutes a contract for professional services requisite to and in connection with the issuance of State Governmental Entity obligations of indebtedness as set forth in Title 62 O.S. 2011, Section 695.7(C)(1).
- 8. Audit and Records Clause.**

  - A. As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. In accepting this Agreement with the OWRB, the Consultant agrees any pertinent State or Federal agency will have the right to examine and audit all records relevant to services provided under this Agreement.
  - B. The Consultant is required to retain all records relevant to this Agreement for the duration of the Agreement term and for a period of three years following completion and/or termination of the contract. If an audit, litigation, or other action involving such records is started before the end of the three year period, the records are required to be maintained for three years from the date that all issues arising out of the action are resolved or until the end of the three year retention period, whichever is later.
- 9. Generally Accepted Professional Practices.** The Consultant represents that the services to be furnished under this Agreement will be in accordance with generally accepted professional practices for arbitrage rebate consultants.
- 10. Key Personnel.** The personnel designated for the performance of the services under this Agreement by the Consultant in its proposal shall be the personnel assigned to the performance of this agreement. The OWRB's Division Chief of the Financial Assistance Division shall be the OWRB's principal contact for these services. Any changes in these key personnel shall be subject to the approval of the OWRB.
- 11. Independent Contractor.** The Consultant is an independent contractor, not an employee, agent, or representative of the OWRB. As such, without limiting the foregoing, neither the Consultant nor any of its employees shall be entitled to receive any of the benefits of the State personnel system, or the OWRB personnel system, or have any claim therefor whatsoever. In addition, the Consultant shall maintain worker's compensation insurance for its agents and employees in an amount acceptable to the OWRB.
- 12. Indemnification.** The Consultant hereby agrees to indemnify, hold harmless, and defend the OWRB and the State from all claims and liability arising out of the negligent, intentionally wrongful, or willful acts, errors, or omissions of the Consultant, its agents, and/or employees in performing the work required by this Agreement.
- 13. Data.** All information, data, and analyses gathered, generated, or otherwise prepared by the Consultant during the performance of this Agreement, including, but not limited to: all analyses in whatever form; published reports, articles, and documents of any nature; written, typed, and printed documents; visual aids; computer programs developed for or used in the

assignment; and all current computer input and output data; shall become the property of the OWRB and shall be delivered, appropriately indexed, to the OWRB by the Consultant upon demand at any time prior to or after the termination of this Agreement. One or more copies of all documents prepared under this Agreement may be retained by the Consultant, but shall not be used for or supplied to any third party without the written consent of the OWRB.

**14. Legal Compliance.** At all times during the performance of this Agreement, the Consultant shall strictly adhere to all applicable federal and state laws that have been or may hereafter be established.

**15. Notices.** All notices, directives, and approvals relating to this Agreement shall be in written form delivered in person or by United States mail, postage prepaid, as follows:

If to the OWRB:

Oklahoma Water Resource Board  
ATTN:Division Chief  
Financial Assistance Division  
3800 North Classen Boulevard  
Oklahoma City, Oklahoma 73118

If to the Consultant:

Arbitrage Compliance Specialists, Inc.  
Attn: Doug Pahnke  
6041 S. Syracuse Way #310 Greenwood Village, CO 80111

**16. Entire Agreement.** The terms of the OWRB's Request for Proposals distributed to a plurality of service providers on or about March 24, 2014, and the Consultant's proposal in response are hereby incorporated by reference into this agreement and shall be binding on the parties as if set forth here in their entirety. Provided, however, in case any of the terms of the OWRB's Request for Proposals or the Consultant's proposal are inconsistent with the main body of this agreement, the terms in the main body of this agreement shall control. This agreement is intended as the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever unless embodied herein in writing or specifically incorporated herein by reference. No subsequent novation, renewal, addition, deletion, or other amendment hereto, except as provided for in paragraph 13, above, shall have any force or effect unless embodied in a written contract duly executed and approved.

**17. Agreement Inconsistencies.** In the event that any provision of the Scope of Work attached hereto as Exhibit A should be in any way inconsistent or in conflict with the terms and conditions of this Agreement, then the terms and conditions of this Agreement shall control.

**18. Severability.** If any part of this Agreement, including, but not limited to, any Exhibit, provision, paragraph, clause, phrase, or words, is found to be in conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall be given full force and effect.

**19. Survival.** Any agreements and covenants herein which require performance after the term of the agreement shall survive the expiration of the term of the agreement.

**20. Choice of Law.** The laws of the State of Oklahoma shall be applied in the interpretation, execution, and enforcement of this Agreement.

**21. Disputes.** This Agreement is made and performed in Oklahoma, and the parties agree that the trial of any action arising out of any dispute hereunder shall be in the District Court of Oklahoma County in the State of Oklahoma.

**22. Specific Performance.** This is an Agreement for performance of unique professional services by the Consultant, and it may, at the option of the OWRB, be enforced by an action for specific performance.

**[Remainder of Page Left Blank Intentionally]**

IN WITNESS WHEREOF, this Agreement to Provide Services as Arbitrage Rebate Consultant is duly executed, to be effective as of the 1st day of July, 2022.

Arbitrage Compliance Specialists, Inc

\_\_\_\_\_  
Name Title Date

ATTEST:

\_\_\_\_\_  
Name Title Date

OKLAHOMA WATER RESOURCES BOARD (“OWRB”)

\_\_\_\_\_  
Chairman Date

ATTEST:

\_\_\_\_\_  
Secretary Date  
(SEAL)

STATE OF \_\_\_\_\_ )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2022, by  
\_\_\_\_\_ as \_\_\_\_\_ on behalf of the Consultant.  
(Name) (Title)

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission expires:\_\_\_\_\_

## **Exhibit A**

### **Scope of Work**

The Consultant shall perform the following services, as appropriate, for each of its outstanding tax exempt obligations:

1. Calculation of Arbitrage Rebate Liability, if any, on each series of outstanding tax-exempt obligations;
2. Timely preparation of written reports with respect to each obligation; and
3. Timely preparation of proper filing documentation with respect to each obligation;

The Consultant shall complete such respective calculations and determinations in accordance with (i) as and if applicable, the Arbitrage and Use of Proceeds Certificate delivered by the Board in conjunction with that series of obligations, and (ii) applicable provisions of the Internal Revenue Code, Treasury Regulations, or other applicable authority. The Consultant shall complete such respective calculations and determinations no later than forty (40) days after the anniversary of each series of bonds and notes and submit to the Board a written report of the calculations and determinations of the rebate amounts in order to assure compliance with the 60 (sixty) day filing deadline. The Consultant shall also prepare and provide the Board with IRS Form 8038-T, including supporting documentation, if rebate is due on or before the applicable deadline date for each series of bonds and notes, which is generally sixty (60) days after the fifth-year computation date.

The following outstanding obligations will require arbitrage calculations during the 2023 Fiscal Year (July 1, 2022 to June 30, 2023):

#### **State Loan Program Revenue Bonds**

- \$33,445,000 State Loan Program Revenue Bonds, Series 2012A
- \$8,750,000 State Loan Program Revenue Bonds, Series 2012B
- \$9,625,000 State Loan Program Revenue Bonds, Series 2012C
- \$43,290,000 State Loan Program Revenue Bonds, Series 2013A
- \$5,460,000 State Loan Program Revenue Bonds, Series 2013B
- \$10,180,000 State Loan Program Revenue Bonds, Series 2014A
- \$9,595,000 State Loan Program Revenue Bonds, Series 2014B
- \$20,000,000 State Loan Program Revenue Bonds, Series 2014C
- \$21,540,000 State Loan Program Revenue Bonds, Series 2015A

- \$16,435,000 State Loan Program Revenue Bonds, Series 2016A
- \$27,510,000 State Loan Program Revenue Bonds, Series 2017A
- \$8,310,000 State Loan Program Revenue Bonds, Series 2017B
- \$23,325,000 State Loan Program Revenue Bonds, Series 2017C
- \$6,720,000 State Loan Program Revenue Bonds, Series 2018A
- \$26,215,000 State Loan Program Revenue Bonds, Series 2018B
- \$42,960,000 State Loan Program Revenue Bonds, Series 2018C
- \$19,770,000 State Loan Program Revenue Bonds, Series 2018D
- \$48,130,000 State Loan Program Revenue Bonds, Series 2019A
- \$13,915,000 State Loan Program Revenue Bonds, Series 2019B
- \$25,635,000 State Loan Program Revenue Bonds, Series 2019C
- \$43,565,000 State Loan Program Revenue Bonds, Series 2020A
- \$7,585,000 State Loan Program Revenue Bonds, Series 2020C
- \$18,145,000 State Loan Program Revenue Bonds, Series 2020E
- \$15,845,000 State Loan Program Revenue Bonds, Series 2021A
- \$15,795,000 State Loan Program Revenue Bonds, Series 2021B
- \$21,330,000 State Loan Program Revenue Bonds, Series 2021C
- \$26,320,000 State Loan Program Revenue Bonds, Series 2021D
- \$29,260,000 State Loan Program Revenue Bonds, Series 2022A
- \$74,465,000 State Loan Program Revenue Bonds, Series 2022B

**State Revolving Fund Loan Programs**

- \$41,410,000 Drinking Water State Revolving Fund Revenue Bonds, Series 2013A
- \$100,620,000 Clean Water State Revolving Fund Revenue Bonds, Series 2015

- \$90,000,000 Drinking Water State Revolving Fund Revenue Bonds, Series 2016
- \$80,000,000 Drinking Water State Revolving Fund Revenue Bonds, Series 2018
- \$95,000,000 Drinking Water State Revolving Fund Revenue Bonds, Series 2020
- \$100,000,000 Clean Water State Revolving Fund Revenue Bonds, Series 2020A
- \$199,000,000 Drinking Water State Revolving Fund Revenue Bonds, Series 2021

**AGENDA ITEM 3D(7)**

**ADDENDUM TO ISSUER USER AGREEMENT**

**WITH:** BondLink, Inc..

**PURPOSE:** For investor support services for OWRB bone issuances

**AMOUNT:** Not to exceed \$1,200.00 (\$100.00/month)

**TERM:** July 1, 2022 through June 30, 2023

## ADDENDUM TO ISSUER USER AGREEMENT

This Addendum to the Issuer User Agreement has entered into as of this 30th day of June, 2022 (the “Addendum”) among the State of Oklahoma, acting through its State Treasurer’s Office (the “Treasurer’s Office”), BondLink, Inc. (“BondLink”) and the Oklahoma Water Resources Board (“OWRB”), supplementing that certain Issuer User Agreement dated as of November 1, 2018 (the “User Agreement”) between the Treasurer’s Office and BondLink. Capitalized terms used herein shall have the meaning ascribed thereto in the User Agreement.

WHEREAS, the Treasurer’s Office and BondLink entered into the User Agreement pursuant to which BondLink agreed to provide access to and use of its Services by the Treasurer’s Office’s Site pursuant to the terms and conditions of the User Agreement;

WHEREAS, OWRB desires to access and use the Services for its website OWRBbonds.com (the “OWRB Site”) on the same terms and conditions as set forth in the User Agreement, and the Treasurer’s Office and BondLink have agreed to supplement the User Agreement by adding OWRB as an Issuer thereunder and the OWRB Site within the definition of “Site”.

NOW THEREFORE, to the extent permitted by law, in consideration for the foregoing, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. OWRB hereby represents and warrants that it has read and understands the terms and conditions of access to and use of the Services as set forth in the User Agreement. OWRB agrees that it shall be bound by all of the terms and conditions of the User Agreement, including all applicable terms and conditions of our [Privacy Policy](#) which are incorporated therein, the restrictions on use, limitation of liability and BondLink’s disclaimer of warranty. Without limiting the foregoing, OWRB specifically grants BondLink a worldwide, royalty-free, fully-paid, non-exclusive, transferable (in connection with an assignment of the User Agreement) and sublicensable license to copy, publicly perform, publicly display, publish, distribute, and otherwise exploit Your Content as we in our sole and absolute discretion deem appropriate to operate and maintain the Services for you, (ii) modify, copy, distribute and incorporate into the Services (without attribution of any kind) any suggestions, enhancement request, recommendations, proposals, correction or other feedback or information provided by you, your Representatives relating to the Services or BondLink’s business; and (iii) use your business name(s), trademarks, service marks or logos (collectively, “Your Marks”) in connection with providing the Services and with your prior written consent, for marketing and promotional purposes in connection with BondLink’s business.

2. The parties agree that for all purposes of the User Agreement, the terms Issuer, Issuer User, you and your shall refer to both the Treasurer’s Office and OWRB and that the term Site shall refer to both the Site and OWRB Site.

3. Costs of Issuance Fees, monthly fees, and build out fees with respect to OWRB’s use of the Services shall be billed to OWRB and calculated at the same rates as set forth in the User Agreement. Cost of issuances and monthly subscription will begin when OWRB issues its first bonds under this Agreement. Initial build out fee will be invoiced in June.

4. The terms of the User Agreement remain in full force and effect and are not otherwise modified supplemented, or amended hereby, except to the extent that OWRB is hereby added as an Issuer under the User Agreement.

The parties have caused this Addendum to be executed by their respective duly authorized signing officers as of June 30, 2022.

BONDLINK, INC.

By: \_\_\_\_\_  
Title:

OKLAHOMA WATER RESOURCES BOARD

By: \_\_\_\_\_  
Title:

**AGENDA ITEM 3D(8)**

**PROFESSIONAL SERVICES CONTRACT**

**WITH:** Centennial Law Group

**PURPOSE:** For professional legal services in relation to the Board's financial assistance programs.

**AMOUNT:** Not to exceed \$17,500.00. (OWRB to pay \$350.00 per billable hour, not to exceed 50 hours.)

**TERM:** July 1, 2022 through June 30, 2023

## PROFESSIONAL SERVICES CONTRACT

This contract is made and entered into this 1<sup>st</sup> day of July, 2022, by and between the Oklahoma Water Resources Board, hereinafter referred to as "Board" and the Centennial Law Group, attorneys licensed in the State of Oklahoma, hereinafter referred to as "Centennial".

Now, therefore, in consideration of the covenants and agreements hereinafter set forth, the parties hereto mutually agree as follows:

1. Centennial will provide professional legal services as an independent contractor as set forth in the attached "Scope of Duties", and as requested by the Board or by the Chief of the Board's Financial Assistance Division in relation to the Board's Financial Assistance program.
2. Board will pay Centennial \$350.00 per billable hour and reimburse Centennial for documented expenses approved by authorized Board Staff. By the 10<sup>th</sup> of each month, Centennial will submit an invoice statement to the Board summarizing the work performed. Fees shall be due monthly within 21 days of submission of an approvable invoice. The travel portion of expenses must be consistent with the State Travel Reimbursement Act, 74 O.S. §500.1 et seq. No more than a maximum of 50 hours may be billed for the entire term of this contract.
3. Centennial agrees to make time records and expense records accessible to the Board and State Auditor and Inspector whenever the Board or State Auditor and Inspector desires to inspect such records.
4. This Contract shall become effective when all necessary signatures and approvals are obtained, and this Contract shall be in full force and effect until the earlier of i) one year from the effective date or ii) the date upon which the maximum billable hours set forth in (2) above is performed. Board and Centennial agree that this Contract may be terminated at any time by either party upon 30 days written notice. In the event of early termination initiated by the Board, Centennial will be due an equitable amount of the hourly fee for the billable hours under the Scope of Duties completed. Board and Centennial also agree that this Contract may be renewed by written agreement.
6. Books, records, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form, of Centennial relevant to this Agreement shall be subject to examination by the OWRB, the State Auditor and Inspector, and the State Purchasing Director of the State of Oklahoma. Centennial shall maintain accurate records and documentation of all expenditures of time and resources in fulfilling its obligations under this Agreement and shall retain the same for three (3) years following completion and/or termination of the Agreement. Access to such records and documentation shall be made available during reasonable business hours to any proper representative of the OWRB and State of Oklahoma for inspection, copying and audit purposes. If an audit, litigation, or other action involving such records is started before the end of the three-year period, the records are required to be maintained for three years from the date that all issues arising out of the action are resolved or until the end of the three-year retention period, whichever is later.

APPROVED:

OKLAHOMA WATER RESOURCES BOARD

Centennial Law Group

\_\_\_\_\_  
Matt Muller, Chairman      Date

\_\_\_\_\_  
Jacob A. Bachelor      Date  
Oklahoma Bar Association #19744

\_\_\_\_\_  
Jennifer Castillo, Secretary      Date

## **SCOPE OF DUTIES**

1. Consult with Board staff regarding private activity and private use, arbitrage rebate, Uniform Commercial Code issues, and other special projects as they arise;
2. Assist Board staff in drafting, editing, revising and commenting on form documents;
3. Prepare and deliver training sessions for Board Staff on the subject matter topics, as requested;
4. Attend in-person meetings and participate in telephone, conference calls, or video conferences with Board Staff regarding the subject matter topics, as needed;
5. Advise the Board on related legal issues as they arise in connection with the subject matter topics;
6. Assist Board Staff during the construction expenditures phase of loan projects by answering questions and troubleshooting problems, as needed; and
7. Other Duties as assigned by Board Staff

**AGENDA ITEM 3D(9)**

**PROFESSIONAL SERVICES CONTRACT**

**WITH:** Oklahoma Rural Water Association

**PURPOSE:** For training and education for water system board members and operators, technical assistance, and long-term planning.

**AMOUNT:** Not to exceed \$250,000.00

**TERM:** July 1, 2022 through June 30, 2023

PROPOSAL

SYSTEM OPERATOR AND BOARD MEMBER  
TRAINING AND EDUCATION PROGRAM

Submitted To:  
Oklahoma Water Resources Board  
3800 North Classen Boulevard  
Oklahoma City, Oklahoma 73118

Attention: Joe Freeman, Chief  
Financial Assistance Division

Submitted By:

Oklahoma Rural Water Association, Inc.  
1410 S.E. 15th Street  
P.O. Box 95349  
Oklahoma City, OK 73143-5349 (405) 672-8925  
FAX (405) 672-9898  
Jimmy Seago, Chief Executive Officer / [jseago@orwa.org](mailto:jseago@orwa.org)

Proposal Amount:  
\$250,000.00

Date Submitted  
June 3, 2022

## ATTACHEMENT A

### STATEMENT OF WORK

#### SYSTEM OPERATOR AND BOARD MEMBER TECHNICAL TRAINING AND EDUCATION PROGRAM

##### *I Project Description*

The Technical Assistance, Education and Training Program for Water and Wastewater Systems, Operators and Board Members is designed to assist community water and wastewater systems in developing operational and management capacity and system sustainability that will insure the continuance of adequate service delivery to their customers. Additionally, the Project will assist systems in meeting the Safe Drinking Water Act and Clean Water Act.

"Circuit Riders" and "Sustainability Specialists" will be utilized to provide on-site technical assistance, workforce apprentice mentorship/training, and conduct educational sessions for water and wastewater systems. These staff will work in coordination with other Oklahoma Rural Water Association (ORWA) staff and existing programs, as well as with State and Federal regulatory agencies to ensure that services are made available to all systems throughout the State.

##### *II Project Goals and Objectives*

###### **PROJECT GOAL:**

To assist community water and wastewater systems in developing operational and management capacity, workforce and system sustainability, improving treatment and delivery of water, improving the collection and treatment of sewage and complying with safe drinking water and clean water standards.

###### **PROJECT OBJECTIVES:**

Objectives of the Education Program are to provide technical assistance hours, board member training sessions, operator license renewal training sessions, water and/or wastewater operator certification workshops, water and/or wastewater laboratory technician certification workshops, assisting systems with long range planning, workforce and system sustainability during the contract period, and other trainings as needed and approved by the Oklahoma Water Resources Board (OWRB). These services will benefit community water and wastewater systems, consumers and the general welfare of the state in the following areas:

- Improved compliance with Safe Drinking Water and Clean Water Act regulations.
- Improved water quality monitoring and reporting.
- Improved safety records with fewer accidents.
- Improved water quality and better service for system consumers.
- Improved protection of groundwater or surface water source through proper well and dam construction, inspection, and maintenance techniques.
- Improved knowledge and proficiency of water and wastewater system managers, operators, board members and bookkeepers.

- Improved operation, maintenance and management of water and wastewater systems, including dissemination of available water conservation and drought/emergency water supply planning information as appropriate.
- More professional, efficient and economical operation of systems.
- Improved financial management.
- Improved planning for future growth and expansion.
- Better understanding of the legal requirements and regulations relating to water and wastewater systems.
- Better understanding of the duties and responsibilities of system personnel and elected officials.
- Improved working relationship between board members and employees.
- Enhanced public health and environmental protection.
- Improved opportunities for economic development.
- Better understanding of basic groundwater and surface water laws and regulations and applicable fee structures.
- An introduction for utilization of the OWRB Public Water Supply Planning Guide as it pertains to long range planning for Public Water Supplies.
- An introduction for utilization of the OWRB Public Wastewater Systems Planning Guide as it pertains to long range planning for Public Wastewater Systems.
- A sustainable workforce consisting of well-trained, professionals knowledgeable in the long-time operations and maintenance of Public Water and/or Wastewater utilities.

### *III METHODS FOR REACHING OBJECTIVES*

Objectives of the Education Program will be attained through the development of a program designed around goals of OWRB Financial Assistance Division (FAD), existing federal programs, and regulatory agency goals. Experienced, qualified personnel employed by ORWA will be assigned to the Project. They will have responsibility for fulfilling the requirements of the contract under supervision of Association management. Personnel will coordinate with the OWRB FAD, state regulatory personnel and other association programs to assure the most efficient and effective delivery of services.

### *IV TRAINING SERVICES*

Training sessions and workshops will be held throughout the state for the benefit of water districts, communities and other community water systems, which serve the public. Training will consist of board member training sessions, operator certification renewal training sessions, water and/or wastewater operator certification workshops, and water and/or wastewater laboratory technician certification workshops. Additionally, workshops on asset management, water rate analysis and an introduction to the OWRB Public Water Supply Planning Guide and the Oklahoma Drought Tool may be provided to assist systems with financial management, emergency and long-range planning.

Training will be held for various locations throughout the state to facilitate attendance and minimize expense for participants. Training and training materials will be provided at no charge for all attendees. However, attendees will be charged the regular networking fee for attending the ORWA Annual Meeting, the annual Equipment Exposition, and the annual Fall Conference that occur regularly each year.

The training schedule will be coordinated with and approved by the OWRB FAD. Input from the Oklahoma Department of Environmental Quality will be requested for operator training sessions and workshops.

Training sessions will be advertised by placing notices of the dates and training locations in Oklahoma Rural Water Association publications, the Department of Environmental Quality Training and Certification

Division newsletter, the ORWA website, the OWRB website, OWRB publications, and appropriate trade publications. A workshop notice and invitation will be made available to systems in the general location of the training session at least three weeks prior to the workshop. Current OWRB Clean Water State Revolving Fund and Drinking Water State Revolving Fund borrowers will be specifically notified of available training sessions.

#### **BOARD MEMBER TRAINING:**

Curriculum for board member training sessions will be developed in coordination with the OWRB FAD and will include financing, law and the ethics, duties and responsibilities of board members. Training will conform to the requirements of Title 82 O.S. § 1324.16, which requires training for all directors of rural water districts and non-profit rural water corporations. Workshops will be held in each of the four quadrants of the state if available. Training facilities will be utilized that are as equidistant as possible to board members residences.

An instructor currently employed by ORWA will be responsible for planning, coordinating and conducting board member training. The instructors have over 75 years of combined experience in water system management and are well informed on the legal, regulatory and financial responsibilities of decision makers and management personnel.

The convenience of board members will be a priority consideration in scheduling training sessions. Training sessions will be conducted for various locations throughout the state to minimize time and expense for attendees. Vocational-technical schools, water system offices and other public facilities will be utilized for training. Most board member training sessions will be scheduled during the evening hours to avoid interference with board members jobs or work. The instructor will cooperate as much as possible with system requests in scheduling training.

ORWA will be responsible for the development and preparation of lesson plans, manuals, and handout materials necessary for carrying out the training services. All lesson plans, hand-outs, manuals, books, guides and other material developed by ORWA are the property of ORWA for its exclusive use and shall be retained by ORWA at the end of the contract period. All handouts, manuals, books, guides, signage, and other materials shall note on the cover/heading that the training/workshop sessions are provided/sponsored by the Oklahoma Water Resources Board Financial Assistance Division.

#### **OPERATOR LICENSE RENEWAL TRAINING:**

Training sessions for operator license renewal will be held for various locations throughout the State. The instructor currently employed by ORWA has extensive training experience and a good understanding of the problems and needs associated with the operation, maintenance, financial, and legal requirements of water systems and are Department of Environmental Quality Certified instructors.

Operator license renewal training will conform to ODEQ training requirements for annual certification renewal. Renewal training sessions are intended to improve the knowledge, skills and proficiency of water system managers, operators and maintenance personnel regarding the fundamentals of system operation, compliance with drinking water and wastewater regulations, maintenance procedures, reporting requirements, certification and operator responsibilities. The curriculum will be modified as necessary to tailor instruction to the unique problems and needs of systems in the geographic area where the training session is held.

The Association will be responsible for planning, organizing, instructing, and moderating operator license renewal training. However, outside guest instructors may be used for portions of the operator renewal classes covering specific topics. Instructors selected for these training sessions will be persons knowledgeable in their subject, who possess the ability to communicate effectively with system personnel. Instructors may include, but are not limited to; agency representatives, manufacturers, distributors, engineers, attorneys, accountants, and water system managers. All signage and materials used in conjunction with the Operator License Renewal Training shall note that the training is sponsored/provided/funded by the Oklahoma Water Resources Board Financial Assistance Division.

#### **OPERATOR CERTIFICATION WORKSHOPS:**

Water and or/wastewater workshops will conform to ODEQ requirements and will include instruction on regulatory requirements, system operations and maintenance, hydraulics, math, chemistry and other pertinent topics. To the maximum extent possible, instruction will emphasize the practical application of classroom instruction in the field.

An experienced, ODEQ Certified instructor employed by ORWA will perform operator certification training. All signage and materials used in conjunction with the Operator Certification workshops shall note that the training is sponsored/provided/funded by the Oklahoma Water Resources Board Financial Assistance Division.

#### **LABORATORY CERTIFICATION WORKSHOPS:**

Water and/or wastewater laboratory technician certification workshops will be held throughout the state. Each session will conform to DEQ requirements and include instruction on the performance of laboratory testing required for laboratory certification. Instruction will include testing procedures for alkalinity, PH, dissolved solids, chlorine residual, jar testing, turbidity, calcium carbonate, BOD and suspended solids. Fifty percent of classroom time will consist of hands-on training. To the maximum extent possible, instruction will emphasize the practical application of laboratory analytical procedures in the field.

An experienced ODEQ certified instructor will perform the laboratory certification training. All signage and materials used in conjunction with the Laboratory Certification Workshops shall note that the training is sponsored/provided/funded by the Oklahoma Water Resources Board Financial Assistance Division.

#### **TECHNICAL ASSISTANCE CONTACT HOURS:**

Technical assistance (TA) contacts will be made during the contract period at a cost of \$103 per hour. The TA work activities will be provided throughout the state to rural water and/or sewer districts, and community water and wastewater systems. TA travel will be organized and coordinated to minimize expense.

The TA program will provide assistance in solving any problems a system may encounter, including but not limited to; operational, compliance and management problems. Benefits of TA contacts include correcting system deficiencies, promoting more efficient and economical system operation, enhancing long term system compliance and viability, and workforce apprenticeship mentoring assistance as needed. In addition, more state specific topics for assistance may include water rights permit compliance, fiscal sustainability response and emergency action planning, Treatment Optimization Assistance, and well maintenance and inspections. Assistance will also be rendered by telephone and correspondence, where appropriate, to expedite dissemination of information and assistance and help minimize cost of the TA

program.

TA visits will consist of requested or scheduled contacts. All requests for TA will be logged in when received. These requests may be received directly from water and wastewater systems, the OWRB, ODEQ, United States Department of Agriculture Rural Development, Secretary of Environment, ORWA, or other persons.

After logging in the request, the Circuit Rider or Sustainability Specialist will work to assist the small community personnel with recommendations to solve the problem identified in the request. After responding to a request for assistance, the Circuit Rider or Sustainability Specialist will contact other systems in the vicinity of that system to identify problems, develop and maintain working relationships, establish communication, and familiarize systems with the benefits of the TA program.

When invited, the Circuit Rider or Sustainability Specialist will attend system board meetings, pre-construction conferences, final inspections, etc. and be available to answer questions and make recommendations.

All technical training contacts will be made at no cost to the water or wastewater system receiving the service. However, the system shall be responsible for costs of all equipment and other labor or services necessary to address the problem identified through the TA contact.

Availability of the TA and Education Program will be advertised by placing notices in the OWRB and ORWA newsletters and appropriate trade publications such notices will highlight that the training is being provided by the Oklahoma Water Resources Board Financial Assistance Division. Availability of the TA service will also be advertised at ORWA training sessions and workshops. All such advertising will highlight that the training is being provided by the Oklahoma Water Resources Board Financial Assistance Division. Training sessions will also be a source of TA request from operators and board members who attend the training sessions. Instructors will follow-up on classroom instruction with contact with the systems to help resolve treatment, distribution and other operational or management problems.

#### **LONG-TERM PLANNING ASSISTANCE:**

ORWA staff will identify systems, in consultation with OWRB, which are interested in achieving long-term sustainability through long range planning, and working with these systems throughout the year, using the OWRB Water and Wastewater Planning Guides and prepared templates to complete these long range plans and any other available guide sources that are approved by the OWRB. These systems should be current or previous borrowers in the Clean or Drinking Water State Revolving Fund Programs. Long-Term Planning and Sustainability Assistance may include but not be limited to the following on and off-site assistance: Capital Improvement Planning, Asset Management, System Mapping, Assist with Writing Policies and/or Procedures, Assisting with the update of Hydraulic Analysis, Sanitary Sewer Evaluation Surveys (SSES), Smoke Testing, Safety Program creation, Optimization, Emergency Response Planning, and Workforce Retention planning through the ORWA Apprenticeship Program.

#### ***V. ASSOCIATION INFORMATION***

##### ***Oklahoma Rural Water Association, Inc.***

The Oklahoma Rural Water Association is a 501(c) 6 non-profit Corporation formed in July 1970 for the purpose of promoting the health, welfare and economic prosperity of rural Oklahoma through the delivery of adequate safe drinking water supplies and wastewater facilities. ORWA's mission is to assist small and rural water and wastewater systems in providing the public with the highest quality water and

wastewater services possible by improving the knowledge, operational skills, technical expertise, and professionalism of small system personnel and their governing board. The following statements are an expression of ORWA's philosophy:

- To provide technical assistance and training opportunities that enhance the expertise of small system personnel thereby enabling them to utilize the best available and most appropriate water treatment, storage, distribution and wastewater technology for the reliable and affordable delivery of the highest quality water and wastewater services; and
- To inform consumers and all levels of government of the challenges faced by water suppliers and wastewater system operators in order to promote cooperation among consumers, small systems and regulatory agencies.

ORWA is governed by a 16-member volunteer board of directors, which is elected annually by the membership. To ensure continuity of governance, the terms of service are staggered, with one-third of the board elected each year. The full board meets quarterly to review staff performance, set policies and establish Association goals and objectives.

In recognition of an on-going need to consider governance issues with greater frequency an Executive Committee consisting of nine (9) ORWA directors was established in the ORWA Bylaws. The Executive Board meets twice annually during the interval between full board meetings. Additional meetings are held as necessary. The Executive Committee, as provided in the Bylaws, has full authority to act for the Board of Directors when needed.

ORWA is a member of the National Rural Water Association (NRWA).

With fifty-one (51) years of experience in administering technical assistance and training programs, ORWA is uniquely qualified to provide the services required by the Education Program. In the early 70's, ORWA developed a training program to reach operators of small water systems. This successful program was used as a model by NRWA for establishing similar programs in other states. In cooperation with the Oklahoma Department of Health, ORWA initiated an operator certification training program in 1980. ORWA was one of the first states in the nation to implement a board member training program. The following training is currently provided by ORWA:

Operator Certification Training, Operator License Renewal Training, Basic Math, Boardmanship, legal requirements, fiduciary responsibilities, Sustainability, Management, Emergency Preparedness, Advanced Math, Chemistry, Bookkeeper Training, Board Member Training, Laboratory Training, Security Training

In 1977 ORWA developed and initiated the first water technical assistance program in the nation. Utilizing funding from the Oklahoma Department of Economic and Community Affairs, a technical assistance specialist was put in the field to provide on-site assistance. This program was so beneficial and successful in improving small system operations that it was used by NRWA to secure federal funding for similar programs now in operation in all the contiguous United States.

Since its incorporation, ORWA has worked in the field of small system operations and management and continually upgraded and expanded its technical assistance and training programs to better serve the needs of small systems. Over the last forty years, ORWA has utilized experienced water and wastewater circuit riders to provide vital technical assistance and training services. Our personnel utilize a peer approach to

providing services. This approach is well received by small system operators and emphasizes skill development leading to self-help. As a result, small system operators are more capable of correcting problems and preventing future problems. Operators eventually gain a higher level of technical expertise.

Over the years, ORWA's time tested technical assistance and training programs have come to be regarded as the states preeminent and essential small system support mechanism. ORWA personnel have gained the confidence of small system personnel and developed good working relationships essential to the success of the TA program. ORWA is committed to meet the growing technical assistance and training needs of Oklahoma's small water and wastewater systems.

ORWA also employs a highly capable staff that is responsible for conducting its fiscal operations. ORWA's fiscal operations conform to generally accepted accounting principles. Books are maintained utilizing automated, double entry, full accrual, fund and program accounting methods. Quarterly financial statements are prepared and distributed to the governing board. An annual audit conforming to federal A-122 and A-133 audit requirements is performed and provided to the ORWA Board and the OWRB. The ORWA Audit and Budget Committee prepares the ORWA annual budget and provides oversight over fiscal operations.

## *VII PROJECT ACCOUNTABILITY AND REPORTING*

Training sessions and workshops will be coordinated with and approved by the OWRB Financial Assistance Division (OWRB FAD). Copies of all materials used or developed for the Project, such as training session agendas, workshop notices, hand out material, booklets and educational guides will be available for OWRB approval. All training session and workshop materials shall state they are funded by the OWRB FAD.

An invoice detailing work performed and expenses during the preceding month will be submitted monthly. The report will show the number and type of training sessions, the number of attendees and the number of systems represented. The structure of the report will be coordinated with the OWRB.

Reports contemplated in this statement of work will be adjusted as required by the OWRB.

## *VIII AUDIT*

An audit will be performed within six (6) months after completion of work on books and records relating to the Project. The audit will be performed by a Certified Public Accountant and will conform with the Revised OMB Guidance. A copy of the audit will be provided to the OWRB as soon as practicable after the completion of the audit. All records relating to the Project will be retained for three years and will be available for inspection by the OWRB and the State Auditor and Inspector.

## *VIII INSURANCE*

ORWA maintains general liability, worker's compensation and directors and officer's liability insurance. Certificates of insurance will be provided as required by the OWRB.

## *IX BUDGET INFORMATION*

*ACCOUNTING:* Separate books, records and accounts will be established and maintained for the Project. Funds will be segregated in a separate account. Records and books relating to the Project will be audited by a Certified Public Accountant.

*PERSONNEL:* The Project requires the employment of personnel for providing training and education services. Resumes for persons who will supervise or perform work on the Project will be provided on request.

***THE FOLLOWING ITEMS ARE INCLUDED IN UNIT AND HOURLY COST***

*TRAVEL:* Travel expense includes mileage, lodging, per diem, tolls and other travel expenses associated with providing technical training and education services. *Also* included is travel to NRWA in-service training. Travel expenses will be documented with mileage logs and copies of receipts for lodging and tolls. Travel must be approved by OWRB.

*TRAINING MATERIALS AND EQUIPMENT:* This category includes the printing, reproduction and distribution of Project materials, such as training session notices and agendas, guides, hand-outs, and booklets and the purchase of audio/visual equipment.

*INDIRECT COSTS:* Association accounting, administrative and secretarial support, vehicles, maintenance and repairs, office space, utilities, insurance, office equipment and other such association expenses connected with carrying out the training and education will be charged as indirect expenses to the Project.

WORK ITEMS  
OWRB/ORWA TRAINING AND EDUCATION  
(July 1, 2022 - June 30, 2023)

TRAINING and EDUCATION

**UNIT PRICE**

Each board member training session

\$1,200.00 per session

Each operator license renewal education session

\$1,100.00 per session

Each operator water or wastewater certification workshop

\$3,350.00 per workshop

Each water or wastewater laboratory certification workshop

\$4,400.00 per workshop

Technical Assistance

\$103.00 per hour

Long-Term Planning Assistance

\$103.00 per hour

Workforce Apprenticeship and Mentorship Assistance

\$103.00 per hour

**Total Not to Exceed \$250,000.00**

*NOTE: No part of the funds paid pursuant to the contract can be used to pay any portion of the compensation of the ORWA executive director.*

**CONTRACT BETWEEN  
OKLAHOMA RURAL WATER ASSOCIATION AND  
OKLAHOMA WATER RESOURCES BOARD**

This CONTRACT, dated for convenience of reference as of the 1st day of July 2022, but to be effective as provided herein, by and between the Oklahoma Rural Water Association, hereinafter "ORWA", and the Oklahoma Water Resources Board, hereinafter "OWRB",

WITNESSETH:

WHEREAS, the OWRB is an agency of the State of Oklahoma charged with numerous responsibilities relating to the administration, management, development, conservation and utilization of the water resources of the state; and

WHEREAS, 82 O.S. §§ 1085.2 and 1324.16 provide in part that the OWRB is to organize and provide, in cooperation and conjunction with the ORWA, workshops to be offered for study and instruction of rural water district and nonprofit rural water corporation board members in areas of finance, law, and duties of board members; and

WHEREAS, the ORWA agrees to provide such assistance and training upon the terms specified in this Contract; and

WHEREAS, 82 O.S. §1085.2 authorizes the OWRB to make contracts necessary or convenient to the exercise of any powers conferred on the OWRB by law.

NOW THEREFORE, in consideration of the mutual covenants, agreements, terms, conditions and provisions herein set forth, the ORWA and the OWRB agree as follows:

1. **SERVICES TO BE PERFORMED BY ORWA:** ORWA shall provide training, and education for water and wastewater system operators and board members in the state in accordance with the proposal attached hereto as "Attachment A" and incorporated by reference as a part of this Contract.
2. **COMPENSATION TO ORWA:** For and in consideration of the assistance provided by the ORWA, it is agreed that the OWRB will pay the ORWA a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) as such services are performed. The OWRB shall pay the ORWA for work items completed according to the unit prices included in Attachment A hereto, upon approval and processing of monthly invoices. ORWA shall submit such records or other evidence of performance such as may be required by the OWRB for processing such invoices. The parties agree that no part of these funds – including indirect costs described in Section XI "Budget Information" of Attachment A - can or will be used to pay any portion of the compensation of the ORWA Executive Director.
3. **TERM OF CONTRACT:** The provisions of this Contract shall be in effect from and after July 1, 2022, or the date all necessary signatures and approvals are obtained, whichever is later. Once effective, it shall continue in effect through June 30, 2023.

4. AMENDMENT: The parties mutually agree that, subject to and upon the mutual written consent and approval of both parties, this Contract may be amended or modified at any time.
5. TERMINATION CLAUSE: The parties hereto mutually agree that this Contract may be terminated upon thirty (30) days advance written notice of termination by either party to the other party; provided, in the event of such termination, the OWRB agrees to pay the ORWA for such assistance and training as may have been performed by ORWA up to the time of such termination. Additionally, in the event of such termination, ORWA shall provide and submit to OWRB all of its work product, information files, records and data incidental hereto such as may be possessed by ORWA at the time of such termination and such as relate to the performance of ORWA's services hereunder. It is further understood and agreed that financial records, supporting documents, statistical records, and all other records pertinent to this Contract shall be retained for a period of no less than three (3) years from the termination date of this Contract. The parties hereto mutually agree and acknowledge that the exercise of this termination provision shall in no respect prejudice any rights, causes of action, claims for damages or performance or remedies otherwise such as may be available to either party pursuant to this Contract and the laws of the State of Oklahoma.
6. WORKERS' COMPENSATION COVERAGE: ORWA agrees, acknowledges and warrants that it currently provides for and shall continue to provide for, in full force and effect during the duration of this Contract such workers' compensation insurance and/or liability coverage otherwise as is due, sufficient and required by law (including, but not limited to 85 O.S. § 1 et seq.) and as may be necessary to meet and satisfy any and all acts incidental to the work and services to be or as may be provided and performed by ORWA hereunder. ORWA shall provide to OWRB an acceptable written certification of workers' compensation insurance coverage within ten (10) days after receipt of a written request by the OWRB.
7. AUDITS: It is further understood and agreed that books, records, documents, accounting procedures, practices or any other items of ORWA relevant to this Contract are subject to examination by the OWRB, the State Auditor and Inspector and the State Purchasing Director of the State of Oklahoma.

Approved and agreed to by and between the parties hereto on the dates shown below.

OKLAHOMA WATER RESOURCES BOARD  
3800 North Classen Boulevard  
Oklahoma City, Oklahoma 73118

OKLAHOMA RURAL WATER ASSOCIATION  
1410 S.E. 15th St.  
Oklahoma City, Oklahoma 73129  
FEI: 23-7329973

\_\_\_\_\_  
Matt Muller, Chairman      Date

JS Jun 6, 2022  
Jimmy E. Seago (Jun 6, 2022 10:43 PDT)  
Jimmy Seago, CEO      Date

ATTEST:

\_\_\_\_\_  
Active Secretary

(SEAL)

\*\*\*\*\*

STATE OF OKLAHOMA    )  
  )      ss  
COUNTY OF OKLAHOMA )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by Jimmy Seago, the duly authorized CEO on behalf of the Oklahoma Rural Water Association.

(SEAL)

\_\_\_\_\_  
Notary Public

My commission expires:

# OWRB\_ORWA Contract FY2022 Final

Final Audit Report

2022-06-06

Created:	2022-06-06
By:	Brandon Bowman (bdbowman92@gmail.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAah2UcP9bliQLf24vgGhgJob9zZLdusdm

## "OWRB\_ORWA Contract FY2022 Final" History

-  Document created by Brandon Bowman (bdbowman92@gmail.com)  
2022-06-06 - 4:11:56 PM GMT
-  Document emailed to Jimmy E. Seago (jseago@orwa.org) for signature  
2022-06-06 - 4:12:33 PM GMT
-  Email viewed by Jimmy E. Seago (jseago@orwa.org)  
2022-06-06 - 5:39:50 PM GMT
-  Document e-signed by Jimmy E. Seago (jseago@orwa.org)  
Signature Date: 2022-06-06 - 5:43:48 PM GMT - Time Source: server
-  Agreement completed.  
2022-06-06 - 5:43:48 PM GMT

**AGENDA ITEM 3D(10)**

**RESOLUTION**

**WITH:**

Federal Emergency Management Agency

**PURPOSE:**

Resolution authorizing an application for funding assistance through the Federal Emergency Management Agency Program to rehabilitate high hazard-potential dams

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

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

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

**WHEREAS,** the Oklahoma Water Resources Board (“Agency”) has identified itself as an eligible applicant under FEMA’s HHPD Grant Program, Funding Opportunity Number: DHS-21-[MT]-[041]-[00]-[01].

**WHEREAS,** the Agency is pursuing grant funding assistance under the HHPD grant program in an amount up to \$949,058.00 to provide technical, planning, design, and pre-construction activities related to the repair, removal, or rehabilitation of eligible high hazard dams.

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

1. The Board has reviewed the scope and purpose of the funding application and finds that the Project will serve the needs of the people of Oklahoma and satisfy the goals of the HHPD program, and on that basis, supports the staff’s submittal of the grant proposal to FEMA.
2. The Agency is capable of funding the minimum 35-percent cost share required to obtain grant funding under the HHPD Grant Program.
3. Pursuant to state policy, the Agency has sought and received approval from the Office of the Secretary of Energy and Environment in order to pursue this funding opportunity.
4. The Board hereby ratifies the action of its Chief Financial Officer or his designee of the Agency in applying for financial assistance from FEMA’s HHPD Grant Program and authorizes the Chief Financial Officer or his designee to execute any related document, including a cooperative financial assistance agreement with FEMA.
5. The Chief Financial Officer and staff are directed to take all other actions necessary to secure funding for the Project under the HHPD Grant Program, including working with FEMA to meet established deadlines for entering into a cooperative financial assistance agreement.

PASSED AND ADOPTED by the Oklahoma Water Resources Board on the \_\_\_<sup>th</sup> day of \_\_\_\_\_.  
2022:

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Matt Muller, Chairman

ATTEST:

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Jennifer Castillo, Secretary

**AGENDA ITEM 3D(11)**

**INTERAGENCY AGREEMENT**

**WITH:** Oklahoma Department of Environmental Quality

**PURPOSE:** For administration of the Drinking Water State Revolving Fund

**AMOUNT:** Not to exceed \$180,000.00 (to be paid by DEQ)

**TERM:** July 1, 2022 through June 30, 2023

**DRINKING WATER  
STATE REVOLVING FUND  
INTERAGENCY AGREEMENT**

**BETWEEN  
THE  
OKLAHOMA WATER RESOURCES BOARD  
AND  
THE DEPARTMENT OF  
ENVIRONMENTAL QUALITY**



**State FY 2023**  
(From July 1, 2022, Through June 30, 2023)

# **DRINKING WATER STATE REVOLVING FUND**

## **DEQ/OWRB Interagency Agreement**

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**SECTION I: INTRODUCTION AND PURPOSE**

The 1996 amendments to the Safe Drinking Water Act (P.L. 104-182)(SDWA) authorize a Drinking Water State Revolving Fund (DWSRF) program to assist public water systems to finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect public health. Section 1452 of the SDWA authorizes the Administrator of the U.S. Environmental Protection Agency (EPA) to award capitalization grants to states, which in turn can provide low cost loans and other types of assistance to eligible systems.

Title 82 of Oklahoma Statutes, Section 1085.71 et seq., establishes the DWSRF to implement portions of the federal SDWA. Sections 1085.71 through 1085.84A establish the duties of the Oklahoma Water Resources Board (OWRB) and the Department of Environmental Quality (DEQ). This Interagency Agreement shall constitute the joint operating agreement between DEQ and OWRB required by section 1085.82 and shall further clarify the duties and roles of each agency by establishing procedures to ensure compliance with state and federal laws.

**SECTION II: DWSRF CAPITALIZATION GRANT(S)**

The DWSRF Capitalization Grant Agreement between the State of Oklahoma, by and through its authorized agency and the EPA, consists of the Grant Application(s), Intended Use Plan (IUP), and Operating Agreement between DEQ and EPA.

- The DEQ has the responsibility to make application for, enter into and be recipient of the capitalization grant(s) from the EPA.
- DEQ shall prepare an IUP with the cooperation of OWRB, including amendments, for submittal to EPA. The amount of the capitalization grant to be utilized for administrative costs will be identified in the IUP. OWRB will prepare and submit to DEQ, prior to the beginning of each state fiscal year, an annual budget that reflects the anticipated administrative expenses of OWRB for the DWSRF program for the upcoming state fiscal year.
- DEQ and OWRB will jointly prepare the Operating Agreement and, as necessary, annual updates. DEQ will submit the documents to EPA.
- DEQ and OWRB jointly covenant that, to the extent the OWRB has agreed to apply any DWSRF Capitalization Grant funds in connection with the issuance of any DWSRF Revenue Bonds or other series bonds on a parity therewith (issued pursuant to a Master Trust Agreement by and between the OWRB and its Trustee Bank and dated as of October 1, 2003, as amended by the Master Trust Indenture dated December 1, 2019, and including all bond series indentures and any superseding master indenture; collectively referred to as the “DWSRF Revenue Bonds”), such funds shall be drawn as rapidly as is permissible under law, rules and regulations applicable to the DWSRF Program and the DWSRF Capitalization Grants, provided however, that this covenant is understood by DEQ and the OWRB to only apply to those portions of the Capitalization Grant funds permitted to be used to make DWSRF loans. The DEQ and the OWRB further covenant to take all actions required to comply with the terms and conditions of

the DWSRF Capitalization Grants and not omit to take any action if such omission would result in noncompliance with any term or condition of the

DWSRF Capitalization Grant Agreement(s). The agreements of DEQ and OWRB in this paragraph shall survive the expiration or other termination of this SFY 2023 Agreement and, if a new Interagency Agreement is entered into for subsequent fiscal years, identical language shall be included in each such Interagency Agreement until such time as all obligations under this paragraph are satisfied. The provisions of this paragraph are for the benefit of the Trustee Bank for the DWSRF Revenue Bonds and may be directly enforced by said Trustee Bank.

**SECTION III: ANNUAL JOINT REPORT TO THE GOVERNOR AND LEGISLATURE**

DEQ and OWRB will coordinate the preparation of an Annual Joint Report for submittal to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. Submission of the Annual Joint Report will be within 120 days of the end of each fiscal year.

**SECTION IV: ANNUAL REPORT**

DEQ and OWRB will coordinate the preparation of an annual report for submittal to EPA according to the schedule identified in the capitalization grant. The Annual Joint Report to the Governor and Legislature described in Section III herein may also be prepared by DEQ and OWRB to meet the biennial reporting requirements of EPA.

**SECTION V: LOAN APPLICATION**

OWRB will accept DWSRF loan applications from those projects identified in the fundable portion of the project priority list in the current IUP. Upon receipt of a loan application and design documents, DEQ and OWRB will review documents for completeness. If the loan application is incomplete, OWRB will notify the applicant of the deficiencies.

OWRB will review the loan application to determine whether the applicant’s financial, legal, and managerial capabilities are sufficient to ensure repayment of a loan from the DWSRF.

DEQ will review the priority ranking request, planning, design, and related application documents for compliance with the applicable requirements of Part E, Section 1452 of the SDWA, and other applicable federal and state requirements. If DEQ cannot certify planning and design documents, it will advise the applicant and OWRB of the reason(s) for rejection. If OWRB cannot approve an application for financial assistance, OWRB will notify the applicant and DEQ of the reason(s) for rejection.

DEQ will maintain the official engineering and technical project files. OWRB will maintain the official financial review files.

DEQ will review all project planning documents and make a determination of the eligibility of the scope of the project.

DEQ will review project design documents to assure uniformity with planning documents for compliance with state and federal requirements.

DEQ will provide written documentation to OWRB indicating that the project has received appropriate planning and design approvals from DEQ.

OWRB agrees that a project loan will not be approved without appropriate planning and design approvals from DEQ, except as provided for under Section VI herein.

### **SECTION VI: BINDING COMMITMENT**

Upon approval of an Engineering Report, an environmental decision, plans and specifications, and issuance of a "Permit to Construct" by DEQ, and approval of the loan application and issuance of a Board Order by OWRB, DEQ will issue a binding commitment of loan funds for the planning, design, and/or construction of the drinking water project. This binding commitment may contain those conditions deemed necessary by DEQ and OWRB. A binding commitment may be issued by DEQ prior to plans and/or specifications approval in cases where both DEQ and OWRB agree that it would be advantageous to the loan applicant and/or the DWSRF, or where DEQ and OWRB want to make a loan for planning and/or design. In the event that either DEQ or OWRB believe it would be advantageous to the loan applicant and/or the DWSRF (or in the event that either DEQ or OWRB want to make a loan for planning and/or design), each agency agrees to notify the other agency that it has determined that such a binding commitment is warranted prior to the approval of the plans and specifications. DEQ and OWRB agree that the agency receiving the notification has a duty to inform the other agency as to whether it agrees that such binding commitment is warranted within fourteen (14) days. Binding commitments will expire if the recipients have not closed on a DWSRF loan within one year of the date of the OWRB order approving the loan. However, the binding commitment may be extended if mutually agreed to by DEQ, OWRB, and the recipient.

### **SECTION VII: BIDDING AND CONTRACT DOCUMENTS**

DEQ will review project bidding documents for compliance with state and federal requirements following bid opening. Upon authorization by DEQ, each loan recipient shall execute the construction contract and submit one copy of same, with related documents, to DEQ for review and concurrence that contract award is consistent with approved bidding documents.

DEQ will maintain a copy of all approved bidding and contract documents for the term of the loan. Upon request, DEQ will provide OWRB with a copy of the bidding and contract documents approval letter(s).

For projects seeking an alternative project delivery method, DEQ will ensure the procurement process for federally funded projects is followed. DEQ will also review requests for qualifications and proposals from engineer/contractor quality based services, contracts, and sub-contractor bidding documents.

### **SECTION VIII: LOAN CLOSING**

Following approval of all bidding documents by DEQ, OWRB will coordinate, prepare for and schedule a loan closing which will include all applicable loan documents. DEQ may review preliminary loan documents and provide loan conditions that DEQ deems necessary to ensure

compliance with any local, state, or federal requirements. In addition, DEQ will, prior to loan closing, provide OWRB with the following:

- Written documentation that DEQ has completed their review of the technical documents and that the project is available for loan closing.
- A detailed project budget which limits the contingency to 5% of the contracted amounts.
- A detailed project schedule that has been coordinated with federal and/or state enforcement officials.
- Special condition(s) required by DEQ, if any.

The OWRB will maintain the loan closing documents (Transcript of Proceedings). A copy of each executed loan agreement and promissory note will be provided to DEQ.

### **SECTION IX: CHANGE ORDERS AND CONSTRUCTION RELATED DOCUMENTS**

Change orders and construction related documents will be submitted by the recipients to DEQ for review. When change orders that will not exceed the loan contingency amount are submitted, DEQ may modify the project budget and notify OWRB of the determination (approval/denial) at the same time the recipient is notified.

If a change order will exceed the loan contingency amount or the loan project period, DEQ will notify OWRB before taking any action on the change order, and both agencies will work together to reach an agreement on the appropriate action to be taken.

### **SECTION X: INSPECTION OF PROJECT, BOOKS, AND RECORDS**

At any time during normal business hours, the DEQ may inspect any and all projects, any and all incidental works, areas, facilities and premises otherwise pertaining to the project for which application is made. From the time of receipt of the pre-application, throughout all stages of construction, and at any other time while any assistance from the DWSRF Program recipient is outstanding, DEQ and the OWRB, in addition to the inspections by DEQ solely, agree that they both may inspect any and all projects, any and all incidental works, areas, facilities and premises otherwise pertaining to the project for which application is made. DEQ and OWRB further may inspect any and all books, accounts, records, contracts, or other instruments, documents, or information possessed by recipient or its contractors, agents, employees, or representatives which relate in any respect to the receipt, deposit, and/or expenditure of DWSRF assistance funds.

Upon substantial construction completion and initiation of operation of the project, DEQ will receive from the applicant a certification regarding the construction completion date and recovery of unexpended loan funds. The certification will be forwarded to OWRB at which time OWRB will de-obligate any unpaid loan proceeds. At the time specified by loan documents, OWRB shall provide a final amortization for the loan proceeds drawn.

**SECTION XI: LOAN DISBURSEMENT**

After loan closing, DEQ shall have authority to approve the disbursement of loan proceeds. OWRB shall have the authority to then release the funds.

Requests for loan disbursements and budget revisions will be submitted to DEQ from the loan recipients based upon actual project costs incurred. Both OWRB and DEQ agree to establish and maintain a loan disbursement procedure that will minimize the time a borrower has to wait on loan disbursements.

**SECTION XII: LOAN TERMINATION**

If at any time DEQ and OWRB determine that there is cause to believe the project may not be completed or undertaken according to the terms of the loan agreement and applicable statutes and rules, DEQ and OWRB will issue the recipient a letter requiring specific action to be undertaken within a specified time period to assure timely completion of the project or otherwise to assure remedy of the defect(s). Failure to complete the specific action within the specified time period may result in withholding disbursements or loan default, as provided in the loan agreement between the recipient and OWRB. However, DEQ and OWRB will work with the recipient in an effort to avoid termination of the loan commitment or loan default.

**SECTION XIII: RETURN OF FUNDS TO THE DWSRF**

DEQ agrees that financial assistance funds made available to a recipient by the DWSRF shall be utilized and expended by the recipient solely and exclusively for the payment of authorized and allowable costs and expenses of the project for which assistance was approved. In the event funds furnished to a recipient by the DWSRF are not utilized and expended by the recipient for the specified project as indicated in each loan agreement, DEQ will notify the recipient who shall return or otherwise pay to OWRB, for deposit in the DWSRF, any and all such unused funds or any amounts of funds used and expended for unauthorized purposes plus a market rate of interest on the unused or unauthorized amount.

**SECTION XIV: ADMINISTRATIVE COSTS**

Money made available as a result of the capitalization grant administrative set aside may be used for reasonable costs of administering the DWSRF Program, provided that the amount does not exceed four percent (4%) of all EPA grant awards received by the DWSRF.

Disbursement requests for incurred administrative costs from the DWSRF shall be paid 100% (no state match) from the administrative set aside. Payment of administrative funds from the capitalization grant will be in accordance with this Interagency Agreement, grant conditions, and the EPA Operating Agreement.

OWRB will maintain an administrative fund as established by 82 O.S. 2011, Section 1085.84A, the Master Trust Agreement dated October 1, 2003, the Master Trust Indenture dated December 1, 2019, and supplements thereof outside the DWSRF. Monies to be deposited into the Drinking Water Treatment Loan Administrative Fund (OWRB Account Number 444-835) include loan application fees, program income from administrative fees assessed as established in individual

loan agreements, and interest earnings from administrative fund investments. Monies in this fund will be utilized solely for the purpose of reimbursing actual and eligible expenditures by OWRB and DEQ identified in the annual Interagency Agreement for the administration of the DWSRF Program. Monies in this fund may be invested and maintained by the Office of the State Treasurer in accordance with applicable state law. OWRB will be responsible for processing requests for reimbursement from this fund and will provide an annual accounting of the administrative funds.

The division of the available funds for the administration of the program will be negotiated annually by OWRB and DEQ prior to finalizing agency fiscal budgets.

**DWSRF Administrative Set Aside**

DEQ and OWRB agree that sufficient funds will be made available to pay for program administrative costs as a result of the 4% administrative set aside from the DWSRF capitalization grants. All costs billed for SFY 2023 from the 4% administrative set aside shall not exceed the proposed DWSRF total administrative budget for each agency, as shown below.

<b>SFY 2023 Proposed DWSRF 4% Administration Budget</b>		
	<b>OWRB</b>	<b>DEQ</b>
<b>Salary</b>	\$74,043.61	\$90,746.00
<b>Indirect Costs <sup>1</sup></b>	\$50,919.79	\$35,161.00
<b>Fringe Benefits <sup>1</sup></b>	\$55,036.60	\$39,625.00
<b>Equipment/Supplies</b>	\$ 0.00	\$3,590
<b>Contractual</b>	\$ 0.00	\$38,500.00
<b>Travel/Training/Other</b>	\$ 0.00	\$9,778
<b>TOTALS</b>	<b>\$180,000.00</b>	<b>\$217,400.00</b>

**Note 1. Indirect Costs and Fringe Benefits**

**Payments to DEQ:** The rate of indirect costs and fringe benefits utilized in the above budget estimates for DEQ are from the DEQ State FY 2023 Indirect Cost Proposal that has been approved by EPA. DEQ is attaching the State FY 2023 Indirect Cost Proposal from EPA to this agreement.

**Payments to OWRB:** The rate of indirect costs utilized in the above budget estimates for OWRB is from the latest A-87 EPA/State negotiated Indirect Cost Agreement that will become effective July 1, 2022.

**Drinking Water Treatment Loan Administrative Fund (DWTLAF)**

DEQ and OWRB agree that funds in the Drinking Water Treatment Loan Administrative Fund as allowable will be available for DWSRF administrative purposes and may be utilized to pay for the following OWRB and DEQ DWSRF expenses not paid from the 4% capitalization grant set aside including as necessary, the state match for DWSRF capitalization grants:

**Proposed Budget\***

<b>Costs Classifications</b>	<b>OWRB</b>
Salary	\$308,600.00
Indirect Costs	\$212,224.22
Fringe Benefits	\$229,382.38
Equipment/Supplies/Memberships/Publications	\$102,940
Professional Services	\$299,375
Travel/Training	\$45,540.50
Trustee Fees	\$52,054.34
<b>Total from Loan Administrative Fund</b>	<b>\$1,250,116.44</b>

**SECTION XV: LOAN REPAYMENT**

Payment of principal, interest, and administrative fees on loans shall be made to OWRB as provided in the loan documents. Such repayments will be deposited in the appropriate DWSRF funds.

OWRB will be responsible for the collection of delinquent interest and principal payments, and the maintenance of the record of collection actions taken. In the event of default, OWRB will utilize all available means to remedy the default.

**SECTION XVI: INTEREST RATE DETERMINATION/FINANCING PLAN**

All loans from the DWSRF will be made at or below market interest rates, which may include interest-free loans. OWRB and DEQ will jointly agree on an annual financing plan as set forth in the Drinking Water IUP.

**SECTION XVII: ANNUAL AUDIT**

The State is required to conduct an annual independent financial audit and an annual independent compliance audit of its DWSRF program, including set-aside programs. These audits will be in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

The OWRB will maintain accounting records for the DWSRF loan account. These records will be maintained in accordance with generally accepted accounting practices.

The DEQ will contract with an independent auditor annually to perform a financial audit in accordance with generally accepted governmental auditing standards which are defined, but not limited to those contained in the U.S. General Accounting Office (GAO) publication Governmental Audit Standards, as revised. The audit report will contain an opinion on the financial statements of the DWSRF and set-aside programs. DEQ will arrange for the audit to be completed within three (3) months of the end of the State fiscal year (June 30) at which time a copy will be provided to the OWRB.

The OWRB agrees to make all DWSRF financial records available to the DEQ and/or the auditors selected by DEQ. In addition, OWRB agrees to review draft audit reports and respond to DEQ regarding any audit findings.

### **SECTION XVIII: COOPERATION AND INFORMATION EXCHANGE**

DEQ and OWRB jointly recognize that the successful implementation and management of the DWSRF Program requires close cooperation and an open exchange of information between the two agencies. In this regard, the agencies will cooperate in the development of rules and policies relating to the DWSRF Program and will freely share information concerning loan recipients and project status. The agencies will copy each other on all project related correspondence sent to applicants and loan recipients in the DWSRF Program.

DEQ and OWRB additionally recognize the fact that program development and management will require continuous communication and coordination. To this end the Director of the Water Quality Division, DEQ, or designee and the Chief of the Financial Assistance Division, OWRB, or designee are designated as the contact persons for their respective agencies.

### **SECTION XIX: FORCE MAJEURE**

DEQ and OWRB shall take reasonable efforts to minimize any delays and will perform the requirements of this Interagency Agreement within the approved schedule unless performance is prevented or delayed by events, which constitute a Force Majeure. "Force Majeure," for purposes of this Agreement, is defined as any event arising from causes beyond the reasonable control of the DEQ or OWRB or their contractors or subcontractors which delays or prevents the performance of any obligation under this Agreement, such as, without limitation, acts of God; vandalism; fire; flood; labor disputes or strikes; weather conditions which would prevent or impair construction activities; civil disorder or unrest. Force Majeure events do not include increased costs of performance of the tasks agreed to by the Parties or changed economic circumstances. DEQ or OWRB shall notify the other in writing within fifteen (15) days after DEQ or OWRB knew or should have known of a Force Majeure event that will cause a delay or anticipated delay in achieving compliance with any requirement of the Interagency Agreement.

**SECTION XX: AMENDMENTS; EFFECTIVE TERM**

This Interagency Agreement may be amended annually prior to the beginning of the state's fiscal year or at any other mutually agreeable time to incorporate program changes and annual agency program budgets.

This agreement shall be in full force and effect from July 1, 2022, to June 30, 2023.

Department of Environmental Quality

Oklahoma Water Resources Board

\_\_\_\_\_  
Catherine Sharp  
Director of Administrative Services

\_\_\_\_\_  
Matt Muller  
Chairman

ATTEST:

ATTEST:

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

**ATTACHMENTS**

- OWRB Indirect Cost Agreement
- DEQ Indirect Cost Agreement

**AGENDA ITEM 3D(12)**

**LEASE AGREEMENT**

**WITH:** Quadient Leasing USA, Inc.

**PURPOSE:** For lease of postage machine

**AMOUNT:** Not to exceed \$222.80 per month

**TERM:** Twelve (12) months with four (4) renewal periods



## Why Wait Program Agreement

The Quadient Leasing Why Wait program entitles you to upgrade your Quadient equipment up to 6 months prior to the end of the term of your Current Lease. Your new lease term will automatically commence and billing will begin after your Current Lease has reached the end of its current term. The transition from your Current Lease to the New Lease will be seamless.

By electing to participate in this program, you agree to the following:

- You agree to continue making payments on lease number N17042568 through the end of its Initial Term or, if applicable, the current Renewal Term.
- The term of the new lease, being signed concurrently with this agreement, ("New Lease") will commence when the Current Lease reaches the end of its Initial Term or, if applicable, the current Renewal Term.
- The Products that are subject to the Current Lease will be replaced with the Products identified in the New Lease for the remainder of the Current Lease's Initial Term or, if applicable, the current Renewal Term.
- If a subscription to the Impress Platform is included on the New Lease, then any associated Usage Fees will be in addition to the payments on the Current Lease and the New Lease.
- The replaced products from the Current Lease must be returned to us within thirty (30) days of the effective date of this agreement.

Company: OKLAHOMA WATER RESOURCES BOARD

Signature: \_\_\_\_\_

Name (printed): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Company: Quadient Leasing USA Inc.

Signature : \_\_\_\_\_

Name (printed): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**OKLAHOMA WATER RESOURCES BOARD**  
 3800 N CLASSEN BLVD  
 OKLAHOMA CITY, OK 73118-2862  
 405-530-8800

**NASPO - PURCHASE ORDER - LEASE**

NASPO:

To:  
 Quadient, Inc.  
 478 Wheelers Farms Road  
 Milford, CT 06461  
 800-881-6245

**SHIP TO:**

**OKLAHOMA WATER RESOURCES BOARD**  
 3800 N CLASSEN BLVD  
 OKLAHOMA CITY, OK 73118-2862  
 405-530-8800

P.O. DATE	REQUISITIONER	SHIPPED VIA	PO NUMBER	TERMS

QTY	PRODUCT ID	DESCRIPTION	UNIT PRICE	TOTAL
1	IX7	iX-7 Series Base w/ Mixed Size Feeder, Sealer, Drop Tray & Ink Cartridge	\$222.80	\$222.80 per month
1	IXWP30	IX Series 30 lb Weighing Platform		
1	IXDW30	IX Series 5/7/7PRO Base 30lb. Differential Weighing		

*PRICING BASED ON STATE OF OKLAHOMA CONTRACT SW1008N. \$222.80 PER MONTH, BILLED QUARTERLY, PRICING BASED ON 60 MONTHS. 12 MONTHS W/ 4 RENEWAL PERIODS. Lease includes Equipment, Maintenance, USPS Rate Changes, Meter Rental, Installation & Training*

SUBTOTAL	\$222.80 per month
SALES TAX	n/a
SHIPPING & HANDLING	n/a
TOTAL	\$222.80 per month

- Order is governed under the terms and conditions of the NASPO Master Price Agreement Contract Number ADSPO16-169901 Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
- Payments will be sent to:  
 Quadient Leasing USA, Inc.  
 Dept. 3682  
 PO Box 123682  
 Dallas, TX 75312-3682  
 Federal ID Number: 94-2984524
- Send all correspondence to:  
 Quadient, Inc.  
 478 Wheelers Farms Road  
 Milford, CT 06461  
 Phone 203-301-3400 Fax: 203-301-2600

\_\_\_\_\_  
 Authorized by Date

\_\_\_\_\_  
 Print Name and Title

**AGENDA ITEM 3D(13)**

**CONTRACT FOR LEGAL SERVICES**

**WITH:** Oklahoma Office of Attorney General

**PURPOSE:** For an attorney to act as Hearing Examiner  
(Jennifer Dickson)

**AMOUNT:** OWRB to pay \$71,301.72 annually with monthly  
installments of \$5,941.81

**TERM:** July 1, 2022 through June 30, 2023

**CONTRACT FOR LEGAL SERVICES  
FISCAL YEAR 2023**

**1. PARTIES:**

This Agreement is between the Attorney General's Office ("AGO") and the OKLAHOMA WATER RESOURCES BOARD ("OWRB"). The authorized signatures below bind the parties to the terms set out hereafter.

**2. AUTHORITY:**

This Agreement is authorized by virtue of 74 O.S. 2011, § 20*i*.

**3. CONTRACT DURATION:**

This Agreement commences July 1, 2022, and covers the fiscal year 2023 ending June 30, 2023.

**4. CONSIDERATION:**

The Attorney General's Office ("AGO") shall provide legal services for and on behalf of the Oklahoma Water Resources Board ("OWRB") during the contract period, in exchange for payment in the amount of \$71,301.72 annually, with monthly payments in the amount of \$5,941.81. This sum is comprised of the salary and benefits of the Assigned Attorney and non-salary costs incurred in connection with the provision of legal services pursuant to this contract. The OWRB will be billed monthly for the monthly amount set forth above. Should the OWRB desire that the Assigned Attorney have additional training, any costs associated with such training shall be paid by the OWRB. The OWRB shall reimburse the Assigned Attorney pursuant to the Travel Reimbursement Act for travel undertaken by the Assigned Attorney on behalf of the OWRB, outside the Oklahoma City metropolitan area.

The scope of legal services to be provided consists of the AGO providing an administrative hearing officer in proceedings in accordance with the Oklahoma Administrative Procedures Act. All hearings shall be conducted pursuant to Article II of the Administrative Procedures Act. The AGO shall assign an Assistant Attorney General, acceptable to OWRB, to be primarily responsible for the legal services described herein. The assigned Assistant Attorney General will be familiar with the applicable law and regulations applicable to the OWRB.

It is the duty of the OWRB to prepare all required notices, pleadings, and other documents needed to conduct the administrative hearings. The AGO is retained to conduct hearings, act as hearing examiner, and issue findings of fact and conclusions of law. Maintenance of records and files is the responsibility of the OWRB. The OWRB and AGO will jointly coordinate scheduling of hearings.

The AGO shall assign one Assistant Attorney General, who shall be referred to as the Assigned Attorney, to be primarily responsible for the legal services described herein.

It is explicitly recognized, however, that the consideration paid herein by the OWRB is in the nature of a retainer that enables the AGO to employ and ensure the availability of an Assigned Attorney equivalent to .50 FTE for the OWRB, regardless of whether the Assigned Attorney is in fact utilized. It is agreed by the parties that the AGO's obligation to provide legal services to the OWRB will be fulfilled by the availability of the Assigned Attorney, for the purposes provided for in this agreement, regardless of the number of hours actually used by the OWRB.

**5. OFFICE LOCATION:**

The Assigned Attorney will maintain an office at the AGO to facilitate the delivery of legal services.

**6. SUPERVISION:**

Supervision of the Assigned Attorney shall be the responsibility of the AGO.

**7. TERMINATION:**

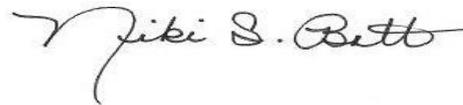
This agreement may be terminated by either party upon 60 days written notice.

**8. AGENCY DESIGNEES:**

The authorized agent and designee for the AGO is Niki Batt. The authorized agent and designee for the OWRB is Matt Muller, Chairman.

**OKLAHOMA WATER RESOURCES  
BOARD**

**OFFICE OF THE ATTORNEY GENERAL**



By: \_\_\_\_\_  
**Matt Muller**  
**Chairman**

By: \_\_\_\_\_  
**Niki Batt**  
**Deputy Attorney General**  
**Legal Counsel Unit**

DATE: \_\_\_\_\_

DATE: June 14, 2022

### **3. SUMMARY DISPOSITION AGENDA ITEMS**

**WATER RIGHTS ADMINISTRATION DIVISION**  
**AND**  
**ENGINEERING AND PLANNING DIVISION**

**June 21, 2022**

**WATER RIGHTS ADMINISTRATION DIVISION**  
**Applications for Temporary Permits to Use Groundwater**

**June 21, 2022**

<b>APP. NO. &amp; DATE FILED</b>	<b>NAME OF APPLICANT</b>	<b>NUMBER OF WELLS</b>	<b>COUNTY &amp; BASIN</b>	<b>LAND DEDICATED</b>	<b>PURPOSE &amp; AMOUNT RECOMMENDED</b>
2022-506 02/22/2022	Swan Real Estate Management LP	1	Carter County Wellington Formation	120 acres Section 28, T05S, R01WIM	Fish & Wildlife 240 a.f.

**WATER RIGHTS ADMINISTRATION DIVISION**  
**Applications for Regular Permits to Use Groundwater**

**June 21, 2022**

<b>APP. NO. &amp; DATE FILED</b>	<b>NAME OF APPLICANT</b>	<b>NUMBER OF WELLS</b>	<b>COUNTY &amp; BASIN</b>	<b>LAND DEDICATED</b>	<b>PURPOSE &amp; AMOUNT RECOMMENDED</b>
2021-549 12/15/2021	William Casey Murdock	1	Cimarron, County Ogallala Panhandle	160 acres Section 11, T01N, R03ECM	Irrigation Use 320 a.f.
2022-512 3/16/2022	Beck Family Trust	1	Garvin, County Washita River A & T (Reach 4)	195.25 acres Section 15 & 16, T03N, R01EIM	Irrigation Use 180 a.f.

**WATER RIGHTS ADMINISTRATION DIVISION**  
**Applications for Regular Permits to Use Stream Water**

**June 21, 2022**

<b>APP. NO. &amp; DATE FILED</b>	<b>NAME OF APPLICANT</b>	<b>POINTS OF DIVERSION</b>	<b>COUNTY &amp; STREAM SYSTEM</b>	<b>PURPOSE &amp; AMOUNT RECOMMENDED</b>
2021-015 12/27/2021	Gary Chad & Kimberly K. Adams	One point of diversion on the Red River Sec. 26, T7S, R19EIM	Choctaw County SS 1-5	Irrigation of 520 acres 2080 a.f.
2022-002 1/10/2022	5 MB Farms, LLC	One point of diversion on the SCS-Upper Black Bear Creek Site 62 (Lake Perry) Secs. 31, T21N, R1WIM	Noble County SS 2-11	Irrigation of 264.7 acres, Oil & Gas of 30 acres, Power Gen. of 9 acres 303.7 a.f.

**WATER RIGHTS ADMINISTRATION DIVISION  
Well Driller and Pump Installer Licensing**

**June 21, 2022**

<b>DPC NUMBER</b>	<b>NAME OF FIRM</b>	<b>CERTIFIED ACTIVITIES</b>	<b>OPERATORS</b>
<b>New Licenses, Accompanying Operator Certificates and Activities:</b>			
DPC-1014	Clear Water Drilling, LLC	Groundwater Wells	Shawn Scarberry OP-2404
<b>New Operators, License Name Change, and/or Activities for Existing Licenses:</b>			
DPC-0363	Oklahoma Environmental, Inc	Monitoring Wells	Kris Sturm OP-2405
DPC-0363	Oklahoma Environmental, Inc	Monitoring Wells	Dakota Bishop OP-2406
DPC-0669	Martins Well Service	Pump Installation	Matthew Klaus OP-2407
DPC-0363	Oklahoma Environmental, Inc	Monitoring Wells	Robert Hill, Jr OP2408
DPC-0653	METCO	Monitoring Wells	Corbin Harmening OP-2409
DPC-0997	Aimright Testing & Engineering, LLC	Monitoring Wells	Hayden Wilson OP-2410
DPC-0997	Aimright Testing & Engineering, LLC	Monitoring Wells	Jeff Coates OP-2411
DPC-0974	Schrock Well Service, LLC	Groundwater Wells & Pump Installation	Clement Schrock OP-2412
DPC-0587	J & B Pump & Supply	Pump Installation	Jeffery Norbert OP-2413
DPC-0587	J & B Pump & Supply	Pump Installation	Adolfo Diaz OP-2414

**ENGINEERING AND PLANNING DIVISION**  
**Applications to Construct, Enlarge, Repair or**  
**Alter Dam and/or Spillway**

**June 21, 2022**

<b>NID. NO. &amp; COUNTY</b>	<b>NAME OF APPLICANT &amp; NAME OF PROJECT</b>	<b>PLANS &amp; SPECS PREPARED BY</b>	<b>HAZARD CLASSIFICATION</b>	<b>LEGAL DESCRIPTION</b>
OK30538	Carel #1	Cecil R. Bearden, PE	High	Sec. 26, T11N R06WIM
Canadian County	Ronald Carel	That Dam Engineer, LLC.		

The applicant requests approval for modification of a high hazard-potential dam. Its primary purpose is industrial and mining use. The dam was first constructed without approval by the Board and was not completely designed by the listed engineer. The dam is 24 feet tall and normally impounds 60 acre-feet with a maximum impoundment capacity of 120 acre-feet.

OK30598	Swan Real Estate Management LP	J. Steven Fox, PE	Low	Sec.20, T05S R01WIM
Carter County	Bayou Ranch	Fox Engineering, Inc.		

The applicant requests approval for the construction of a new, low hazard-potential dam. The primary purpose of the dam will be fish and wildlife. The dam will be 58 feet tall. It will have a normal impoundment capacity of 204 acre-feet and a maximum impoundment capacity of 300 acre-feet.

### 3.N. (cont.)

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OK30601	Freeman Blue Bend Ranch, LLC.	Joe Howell, PE	Low	Sec. 08, T03S R07EIM
Johnston County	Freeman Blue Bend Dam	Fox Engineering, Inc.		

The applicant requests approval for the construction of a new, low hazard-potential dam. The primary purpose of the dam will be fish and wildlife. The dam will be 40 feet tall. It will have a normal impoundment capacity of 154 acre-feet and a maximum impoundment capacity of 300 acre-feet.

**PLANNING AND MANAGEMENT DIVISION**  
**Permit Applications for Proposed Development on**  
**State Owned or Operated Property with Floodplain Areas**

**June 21, 2022**

<b>Application NO.</b>	<b>NAME OF APPLICANT</b>	<b>LOCATION</b>	<b>PROJECT NARRATIVE</b>
FP-2022-02	ODOT	US 75A over Unnamed Creek, Section 5, T16N, R12EIM, 2.28 miles north of the Okmulgee County line, Creek County	Construction of Roadway & bridges. BFE: 725.29 ft

**ENGINEERING AND PLANNING DIVISION  
Floodplain Administrator Accreditation Applications**

**June 21, 2022**

NUMBER	NAME OF COMMUNITY	FLOODPLAIN ADMINISTRATOR
FPA-038	City of Chickasha, Grady County	Darren Martin
FPA-039	City of Cushing, Payne County	Terry Brannon