SAFE, ABUNDANT WATER IS A PRIORITY FOR OKLAHOMA’S FUTURE

Oklahoma Water Resources Board
Fiscal and Organization Strategy

Natural Resources and Regulatory Services
Joint Budget Hearing
January 24, 2019

Julie Cunningham
Executive Director
OWRB Water History

• 1957: Board was created during worst drought in history and water pollution crisis due to population expansion
• 1955: joint house resolution established legislator and citizen committee to identify local water concerns
• Recommendations called for a new authority to administer water rights, negotiate federal policies, and develop State’s water resources
• Over 61 years, the OWRB has focused on fair water appropriation, water infrastructure financing, long-range water planning, and robust technical data collection to inform state and local policy and planning
Oklahoma Water Resources Board

To protect and enhance the quality of life for Oklahomans by managing and improving the state’s water resources to ensure clean and reliable water supplies, a strong economy, and a safe and healthy environment.

Governor-appointed
Board of Directors
9-member

Executive Director

Administrative Services
Financial Assistance
Water Quality & Monitoring
Planning & Management
Financial Assistance Division

Assist communities and rural water districts in financing water and wastewater infrastructure improvements.

• $4.1+ billion over 2,193 loans and grants.

OWRB Loan and Grant Programs

• Clean Water State Revolving Fund Loans
• DW State Revolving Fund Loans (w/ ODEQ)
• State Revenue Bond Loan Program Loans
• REAP Grants
• Emergency Grants

Funding Sources—
• Federal dollars
• Debt Issuance
• Loan Repayments
• Interest on Bond Loan Program Reserve
• General appropriations***
Water Quality Division

- Beneficial Use Monitoring Program, created in 1998, is the state's comprehensive water quality monitoring effort.

Conducts long-term water quality and quantity monitoring of the state’s surface and groundwater resources and promulgates Water Quality Standards.

Funding Sources—
- State Appropriations
- Federal Appropriations
- Contracts with local government and state agencies

OWRB Water Quality Programs
- Water Quality Standards
- Lake & Stream Monitoring Programs
- Groundwater Monitoring Program
- Water System Asset Mapping
- Special Studies
Planning & Management Division

Responsibility is on water quantity—water planning, equitable & reasonable use, storage, hazard mitigation

- Approx. 13,149 groundwater and surface water permits in OK.
- Over 4,700 dams

OWRB P&M Programs

- Water Rights Allocation and Administration
- Oklahoma Comprehensive Water Plan
- Water Planning Assistance
- Dam Safety
- Floodplain Management
- Water Well Drillers/Pump Installers
- Hydrologic Studies

Funding Sources—
- Federal dollars
- State Appropriations
- Gross Production Tax
- Fee revenue
Meeting Oklahoma’s future water supply challenges...

- Economic development
- Population growth
- Future water needs
- Competing water interests
- Infrastructure needs and costs
- Vulnerability to drought/flooding
- Water for Tourism, Recreation, and Wildlife
Oklahoma Comprehensive Water Plan

- 50-year plan characterizing water supplies, demands, options and public policy to meet the needs of all Oklahomans
- 5-year public input and technical studies process with numerous stakeholders and partners
  - Overarching State Water Policy Recommendations
  - Wealth of technical data, information and many technical studies through numerous workgroups
  - 13 Watershed Planning Region Reports
OCWP Priority Recommendations

- Infrastructure Financing
- Conservation, Efficiency, Reuse
- Water Monitoring
- Supply Reliability
- Fish & Recreation Flows
- Excess/Surplus
- State/Tribal Resolution
- Regional Planning
OCWP Priority Recommendation

Infrastructure Financing

• Address projected $82+ billion water/wastewater infrastructure need by 2060 - new and rehabilitation

• OWRB’s 5 grant & AAA-rated loan capacity to satisfy 60% and specifically address small and medium communities.

• In 2012, SQ 764 established Water Infrastructure Credit Enhancement Reserve Fund to provide additional leveraging capacity to fund more projects!
OCWP Priority Recommendation

Infrastructure Financing

- Anticipated $502.6 million funding demand over next five years
- New flexibility in local reserve requirements led to eight bond issues of over $219 million assistance to municipalities
- Annual Audits: Financial, single, and program evaluation audits are performed by outside, independent accounting firms, and EPA and OWRB Audit Committee reviews
OCWP Priority Recommendation

Water Supply Reliability/Availability

• Recommendation called for ensuring water availability for future growth through **fair and sustainable water allocation**
  – aquifer yield studies- statutorily mandated
  – stream water allocation models
  – Analysis of new water management approaches

• Work in progress with a target 2022 completion, pending continued funding

• 2012 Gross Production Tax funding to sunset in 2019
OCWP Priority Recommendation

Water Quality/Quantity Monitoring Network

• Better data for improved decision-making
• Restored funding for statewide water quality & quantity monitoring program (“BUMP”)
• Created first comprehensive groundwater monitoring program (“GMAP”)
• 2012 Legislation increased general revenue appropriation by $1.0 million annually
OCWP Priority Recommendation

Conservation/Reuse/Efficiency

• OCWP recommended voluntary programs/policies, financial incentives and education.

• Water for 2060 Act adopted statewide water neutral use goal through conservation, efficiency, and developing new sources.

• Advisory Council recommendations to Governor/Legislature but no funding.
  – Education and outreach campaigns
  – Recognition programs
  – Incentive programs
  – Best practices guides/online info. portal
OCWP Priority Recommendation

Conservation/Reuse/Efficiency

Ongoing collaboration with Legislature, communities, consulting engineers, oil and gas industry, ORWA, OML, ODEQ, OCC, ODAFF, many others

• Developing Marginal Water Sources
  - Oil and Gas Produced Water Working Group (2016)
  - Brackish Water Development (2018 HB 3405)
  - Potable Water Reuse

• Maximizing Water Storage: Aquifer Storage and Recovery Framework (2016 SB1219)
Fiscal Year Budgeted Funds

FY2019 OWRB Budgeted Funding Sources In Millions

- Federal Funding: $6.4 million (36%)
- Gross Production Tax: $2.1 million (12%)
- State Appropriations: $4.2 million (24%)
- Fee and Contractual Revenue: $5.0 million (28%)

FY2019 Budgeted Expenditure in Millions

- Salary and Benefit: $9.4 million (52%)
- General Operations: $4.2 million (24%)
- Professional Services: $4.2 million (24%)
OWRB Infrastructure Loan and Grant Funding

Cumulative Investments by State/OWRB Federal/OWRB Bonds

- Cumulative State Appropriated Funds
- Cumulative OWRB Funds
- Cumulative Federal Funds

Fiscal Year


Millions

0 500 1,000 1,500 2,000 2,500 3,000
Modernization and Efficiency Priorities

• Minimize equipment and office space requirements
• Automate permit application processes online and refine/enhance databases and workflow tools
• Employ Technologies to minimize travel-related fieldwork costs, improve safety and information and products to the public
• Consolidate projects between agency divisions and programs
• Leverage federal, Tribal, local, and private funding partnerships
• Establish strategy for filling staff positions and replacing aging equipment
• Ensure contracts from service providers are competitive
Fiscal Year 2019 Budget Request

Gross Production Tax Allocation Extension—$2.6 million annually

- GPT funded the 2012 Update of the Oklahoma Comprehensive Water Planning (audited total: $9.3 million)
- Legislature extended funding for Implementation through 2019
- Request: Extend GPT funding through 2023
- Priorities—
  - Complete remaining groundwater basin allocation studies
  - Continue implementation of Water for 2060—“marginal” water development, incentives for system/agri. water loss reduction and mapping, etc.
  - Begin OCWP 2025 Update scoping
  - Leverage Federal, Tribal, and Local Dollars
Oklahoma is a National Leader in Water Resources Management

• 4th highest # of dams—provide capacity to store ~4.9 trillion gallons in times of drought and flooding
• 1st NRCS flood control dam in nation (1948); Today 2,107 dams provide $81 million estimated benefit
• McClellan-Kerr Arkansas River Navigation System one of largest inland ports in the U.S. In 2016 shipped 5.9 m tons valuing $2 billion
• 2012 Oklahoma Comprehensive Water Plan nationally recognized for robust Public Policy Input Process and technical studies
• 2012 Water for 2060 Act set Oklahoma as 1st to adopt water-neutral use goal through conservation, efficiency, and new sources
Oklahoma is a National Leader in Water Resources Management

- Infrastructure financing programs surpassed $4.1 billion, with 2,202 low-interest loans and grants to communities and rural water systems.
- State Revolving Fund Loans reached $3.4 to $1 Return on Federal Investment (30% above national average).
- Home to world-renowned Oklahoma Mesonet network of 110 automated environmental monitoring stations and most to the most comprehensive water monitoring network in the region.
Thank You!

Julie Cunningham — Executive Director
Oklahoma Water Resources Board
3800 North Classen Boulevard
Oklahoma City, OK  73118
405.530.8800 • www.owrb.ok.gov