

**AMENDMENT NO. 2
(4th Quarter Revision)
STATE FY 2010**

INTENDED USE PLAN

(July 1, 2009 through June 30, 2010)

DRINKING WATER STATE REVOLVING FUND



Prepared by

Oklahoma Department of Environmental Quality

May 28, 2010

AMENDMENT NO. 2
SFY 2010 Drinking Water State Revolving Fund (DWSRF)
INTENDED USE PLAN (IUP)

REVISIONS

As required by the SDWA, the State of Oklahoma, through the Department of Environmental Quality (DEQ) is required to prepare an annual Intended Use Plan (IUP) in order to identify the set-aside programs and DWSRF loan projects that will utilize the funds available to the DWSRF. The SFY 2010 IUP is being amended to include new requirements as set forth by the Federal Fiscal Year 2010 Appropriation Law (P.L. 111-88) affecting the Drinking Water State Revolving Fund program, as follows:

I.A. New 2010 Requirements

- a. *Green Project Reserve (GPR)* - The FFY 2010 Appropriations Bill states that “Provided, that for fiscal year 2010, to the extent there are sufficient eligible project applications, ...and not less than 20 percent of the funds made available under this title to each State for Drinking Water State Revolving Fund capitalization grants shall be used by the State for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.” This requirement continues the framework set forth under the American Recovery and Reinvestment Act of 2009 (ARRA). At this time, DEQ has not identified sufficient projects to meet the 20 percent GPR requirement. A list of tentative green projects will be provided as part of the FY 2011 IUP.

- b. *Additional Subsidies* – The FFY 2010 Appropriations Bill states that “Provided further, ...and not less than 30 percent of the funds made available under this title to each State for Drinking Water State Revolving Fund capitalization grants shall be used by the State to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these) ...”

Additional subsidies from the FFY 2010 Appropriations Bill may be provided to projects or phases of projects not funded from ARRA. The DEQ will target the additional subsidies, first to projects eligible under the Green Project Reserve and second to disadvantaged communities as defined through the 30 year financing negotiation under the Drinking Water State Revolving Fund. As funding is available, it is proposed that 15% of a project's cost up to \$500,000 or the cost of the green component of the project whichever is less will be available in the form of principal forgiveness as permitted under the FFY 2010 Appropriations Act. The remaining funds will be available in the form of a below market interest rate DWSRF loan. The DEQ will target the additional subsidies, as much as possible, to needed regionalization projects for disadvantaged communities. A “disadvantaged community” is defined at VII.B. in the FY 2010 IUP.

- c. *Davis-Bacon* – The FFY 2010 Appropriations Bill states that: “For fiscal year 2010 the requirement of section 1450(e) of the Safe Drinking Water Act [42 U.S.C. 300j-9(e)] shall apply to any construction project carried out in whole or in part with assistance made available by a drinking water treatment revolving loan fund as

authorized by section 1452 of that Act (42 U.S.C. 300j-12).”

- d. *Reporting Requirements* – The FFY 2010 Appropriations Bill placed new reporting requirements on the SRF programs. The conference report (H. Rpt. 111-316, at 166) directs EPA and the States not only to track how additional subsidies are used, but also “by what types of communities.” Oklahoma will report quarterly in the DWSRF Project Benefits Reporting (PBR) System on the use of all DWSRF funds. This information will also be included in the Annual Report. Quarterly reporting shall include use of the funds for the GPR and Additional Subsidization, as well as information on the environmental benefits of Oklahoma DWSRF assistance agreements.

VIII. Public Review and Comment:

To ensure that interested parties are made aware of the proposed IUP Amendment, DEQ will post notice on the DEQ website, issue a press release to print, television, and radio media in the State of Oklahoma, and distribute announcements to a mailing list of public water systems, state and federal agencies, environmental organizations, public health officials, consulting engineers, financial consultants, and interested citizens. The public comment period will remain open from May 28, 2010 until June 27, 2010.

ATTACHMENTS

- (1) **Announcements mailed to Interested Parties (Public Notice)**
- (2) **News Release**

REVISED

May 28, 2010

DEQ REQUESTS COMMENTS ON THE DRINKING WATER STATE REVOLVING FUND PROPOSED AMENDMENT #2 TO THE SFY 2010 INTENDED USE PLAN

The Water Quality Division of the Department of Environmental Quality (DEQ) requests comments on the Drinking Water State Revolving Fund's (DWSRF) Proposed Amendment #2 to the SFY 2010 Intended Use Plan (IUP). A public meeting on the original SFY 2010 IUP and Priority List was held Monday, June 22, 2009. The Intended use plan outlines uses of the capitalization grant from EPA and State funds and lists the projects as ranked for funding by the Priority Ranking System. DEQ proposes to add projects that have requested placement on the Project Priority List (PPL) using available funds.

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

The draft proposed amendment is available on the DEQ website at: www.deq.state.ok.us/WQDnew/dwsrf/. A copy may also be obtained by contacting Vicki Reed by phone at (405) 702-8100, or by E-mail at Vicki.Reed@deq.ok.gov, or by mail at Water Quality Division, DWSRF Section, Department of Environmental Quality, P.O. Box 1677, Oklahoma City, OK 73101-1677. A copy of the draft plan may be reviewed on the eighth floor of the DEQ offices, at 707 N. Robinson, Oklahoma City, Oklahoma. The comment period will remain open until **June 27, 2010**.

For more information on this public notice request for comments call Vicki Reed at: (405) 702-8100.



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

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

News Release

For Immediate Release: May 28, 2010
Contact: Skylar McElhaney, (405) 702-7167

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