OKLAHOMA
Water Resources Board

Oklahoma Water Resources Board

FY 2025 Budget Hearing Presentation

Julie Cunningham | Executive Director

December 18 2023

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Executive Director

Founded in 1957, the OWRB is responsible for **managing**, **monitoring**, **planning for**, and **financing** the State's **water resource development** and **infrastructure investment**.

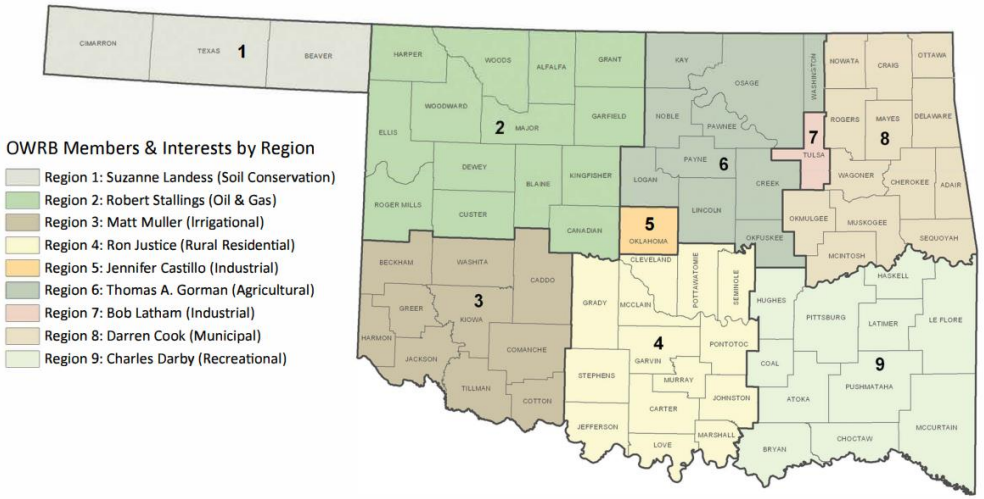
- **Water Rights Administration**— Permitting, Hydrologic Yield Studies, Water Well Drillers & Pump Installer Licensing
- **Financial Assistance**— Water and Wastewater Infrastructure Financing, Technical Assistance
- **Engineering & Planning**— Comprehensive Water Plan, Flood Plan, Dam Safety, Floodplain Management/NFIP
- **Water Assessment, Trends, and Environmental Research**— Water Quality and Quantity Network, Technical Studies, Infrastructure Evaluation

OKLAHOMA Water Resources Board

OWRB serves as the State's **water resources development and planning agency**. It defines policy and conducts State business through a **nine-member Board** appointed by the **Governor** with consent of **Senate**.

OWRB Board Representation: 7-year term; 8 water use types; 9 geographic regions

Industrial	Rural residential
Irrigation	Agriculture
Municipal	Soil conservation
Oil and gas production	Recreation



OWRB Staff: OWRB supports a professional, high-performing workforce with expertise and commitment to deliver exceptional products and services to Oklahomans. Staff consists of STEM-degreed scientists, engineers, financial loan analysts, administrative professionals, and attorneys.

Agency Vision, Mission and Core Values

Vision Advance Oklahoma's water resource development to support a secure water future, robust economy, and clean, healthy environment for all Oklahomans

Mission Manage, protect, and improve Oklahoma's water resources to meet long-term water supply, water quality, flood protection, and infrastructure needs

Core Values

- Deliver Exceptional Products, Services, and Solutions
- Empower Stakeholders
- Commit to Excellence, Integrity, and Initiative
- Invest in Our People and Culture

FY 2023 Top Accomplishments

TOP WORK PLACES 2023 THE OKLAHOMAN

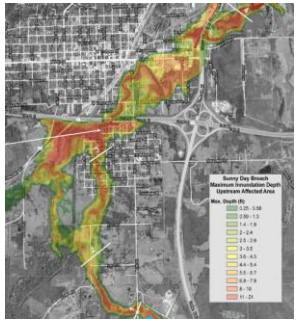
Low-cost Water Infrastructure Financing. Approved a record $738 M in 102 loans and grants; held AAA rating; top-3 State for “pace”; ROI ~4.6 X, > natl. avg; served as State model for ARPA policies/funds distribution, etc.

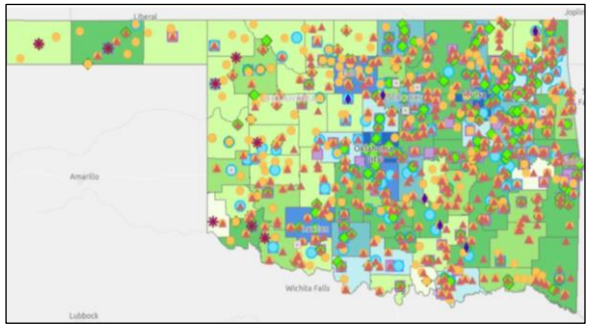
Hydrologic Groundwater Resource Studies. Published major water yield reports on Ogallala (Roger Mills Co.), Cimarron River A&T aquifers, that serve as basis for future commercial groundwater withdrawals.

Modernized Permitting Process and On-line Water Data. Streamlining processes; promulgated water well intent-to-drill system; continued building monitoring network to provide publicly-accessible, near real-time water data and information to public and local planners.

Improved Public Safety. Excel in floodplain management metrics among FEMA Region 6 states (community engagement, tech. assistance, construction standards, and training). Okla. Flood Plan Ph. I near completion.

2025 Oklahoma Comprehensive Water Plan. Continued 2025 development: long-range supply and demand forecast, water management solutions for projected hot spots, focus group engagement on irrigation, water reuse, etc.





Top Challenges

Low funding/staffing Levels to Meet Today's Critical Water Supply Challenges. Funding levels do not cover costs; continue to see increase in workload and decrease in buying power with stagnant funding levels and workforce market competition (e.e.g. 15-fold increase in complaints requiring response/investigation)

Public Water Supply Infrastructure and Drought Relief

- American Rescue Plan Act. Managing over $464 M in ~160 construction projects will require close coordination to meet December 2024 obligation deadline. Issues: materials costs, engineering, internal staff turnover/lack of qualified engineers
- Bipartisan Infrastructure Law State Match. Need ~$39 M to secure ~$318 M fed. appropriation over 3 yrs; bonding capacity and program funds, typically used, is not expected to cover. Funding ration: 8:1 (fed/state)
- Small/disadvantaged Community Grant Funds. 2023 Infrastructure Survey identified >$16 billion in project needs, mostly w/in 5 years; predominantly in small/disadvantaged communities.

2023 Flood and Drought Infrastructure /Task Force and Oklahoma Flood Plan Legislation. No funding appropriated; opportunity to tap into competitive federal STORM Act funding at 10:1 ratio

OWRB IT Plan Progress. Update of antiquated databases and online services. OMES_ISD struggles to maintain continuity in service and adequate staffing levels to support this effort in a timely manner. 3 years behind schedule

Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 29 Target
1	Implement the stakeholder-vetted policy recommendations published in the 2012 Oklahoma Comprehensive Water Plan					
1.1	**INFRASTRUCTURE FINANCING** OWRB Financing Programs: meet 60% of Oklahoma's infrastructure demand through aggressively seeking federal dollars and local, state, tribal matching funds, and maintaining a AAA bond rating to keep borrowing costs low. American Rescue Plan Act: Obligate and disburse $464 million in water, wastewater, and dam rehabilitation by December 2026.	$984 million in funding annually ARPA: $464 Million Obligated by end of FY 2024 ARPA: $464 million disbursed by end of CY 2026	57% N/A N/A	75% 45% 4%	60% 100% 30%	60% N/A 100%
1.2	**GROUNDWATER AVAILABILITY INVESTIGATIONS FOR 13 MAJOR BASINS:** Cimarron R. Alluvium and Terrace (A&T), Gerty Sand, Elk City, Salt Fork Red R. A&T, Ogallala-Roger Mills Co., Washita R. A&T Reach 3 &4, Washita River A&T Reach I, Blaine, Ada-Vamoosa, Boone/Roubidoux, Red R. Reaches I & II A&T, Salt Fork Arkansas R. A&T, Antlers, Red R. Reaches III & IV aquifers	Number completed	3	4	9	13
1.3	**Water Rights Administration** – Complete at least 6 statutorily required Maximum Annual Yield Final Orders by FY27 to ensure adequate management of the state's water resources	Percent of the six (6) finalized MAY projects	0%	33%	50%	100%
1.4	**STATEWIDE WATER MONITORING NETWORK ASSESSMENT** Assess site locations and sampling frequency to ensure data sets remain adequate to enable accurate assessment of water resources and implement changes, as needed	Assessment complete. Delayed implementation due to supply chain issues.	90%	90%	90%	100%

Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 29 Target
2	Develop and publish the 2025 Update of the Oklahoma Comprehensive Water Plan to guide water development and identify major water availability challenges and emerging policy issues					
2.1	Year 3 of 2025 Water Plan: Phase II stakeholder regional engagement meetings underway; infrastructure needs surveys completed; Secured $2.5M federal dollars (USACE). 50-year supply/demand modeling 90% complete. Model scenarios beginning; Ok. Flood Plan secured $1.3M fed funds. OFP focus on identifying and prioritizing flood infrastructure, concludes 12/23.	Percent completed	60%	60%	80%	100%
3	Modernize OWRB IT Systems, operations, and outputs to streamline and automate internal processes and improve public access to digital products and services to reduce costs and increase transparency					
3.1	Update agency's 5-year IT development plan; gain commitment from OMES_ISD on timely completion of multiple projects within agreed budgets through in-house and outside vendors. Initiate projects according to identified timelines	Percentage completed	5%	7%	7%	50%
3.2	Internally develop web-based application to improve public access to water data and information from cloud servers and provide ability for staff to upload information from the field; online loan and grant applications, informational dashboards, map products, and others	Percentage completed			90%. All water data available via web app.	100% of water data available via web app.

Projects for FY 2024-2025

Water Rights, Well Drillers, Dam Safety Databases, Online Data and Information. Launching multi-year IT plan to modernize water rights, well drillers, and dam safety databases, online permit applications, water-use reporting, well drillers reporting; modernizing OWRB website and analysis

New Financial Assistance Customer Portal. Will provide a secure site for grant and loan recipients with real-time information, forms, document exchange; Goal: eliminate risk of email phishing attacks, reduce volume of documentation requests, create efficiencies and workflows through online application process.

Oklahoma Flood and Drought Mitigation. SB 1269 directs OWRB to develop Oklahoma's first statewide flood plan that will identify mitigation projects and information gaps, raise awareness, and set state direction to reduce flood risk; new website that identifies risk and flood infrastructure needs; multi-agency/stakeholder work to develop drought and flood mitigation recommendations to Legislature as part of Oklahoma's new Flood and Drought Task Force, per HB 2293/SB 1269.

Projects for FY 2024-2025

2025 Oklahoma Comprehensive Water Plan.

- Regional engagement on key topic areas will address/resolve: infrastructure needs, supply gaps, treatment operational assistance, review of permitting & enforcement policies with public supported legislative recommendations.
- Datasets completed for 50-yr supply/demand gaps & depletions, 50-yr infrastructure needs estimates and projects database, water quality trends, extreme weather scenarios to inform lawmakers, planners, and public engagement process
- Focus Groups. short- and medium-term strategy & goals with sister agencies and other organizations in areas of source water protection, water workforce, state reuse action plan. Ok. Water Reuse Action Plan to be released December 2023 (developed by OWRB/DEQ/OU/OSU/ORWA/others)

Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2023 (Actual $ Savings)	FY 2024 (Projected $ Savings)	FY 2025 (Projected $ Savings)
State Match CWSRF	The agency was able to secure state match for CWSRF and DWSRF by issuing debt or using administrative fees, saving the need for appropriated dollars in the amount of $7,845,500. This allowed the Board to secure $59,171,000 in federal funds.	State Dollars	**$7,845,500**		
Supplier Savings – Well Drilling and Water Monitoring Programs	The agency negotiated a lower price for water-level sensors and transferred that budget to pay for other needed equipment. The savings realized was $7,474. Money was also saved by accepting a lower bid which allowed more monitoring wells to be drilled and other modifications. This was $9,000 under the planned budget. Due to more transactions and internal processes being handled digitally, the OWRB has saved over $1,000 in paper.	State Dollars	**$17,474**	**0**	**0**

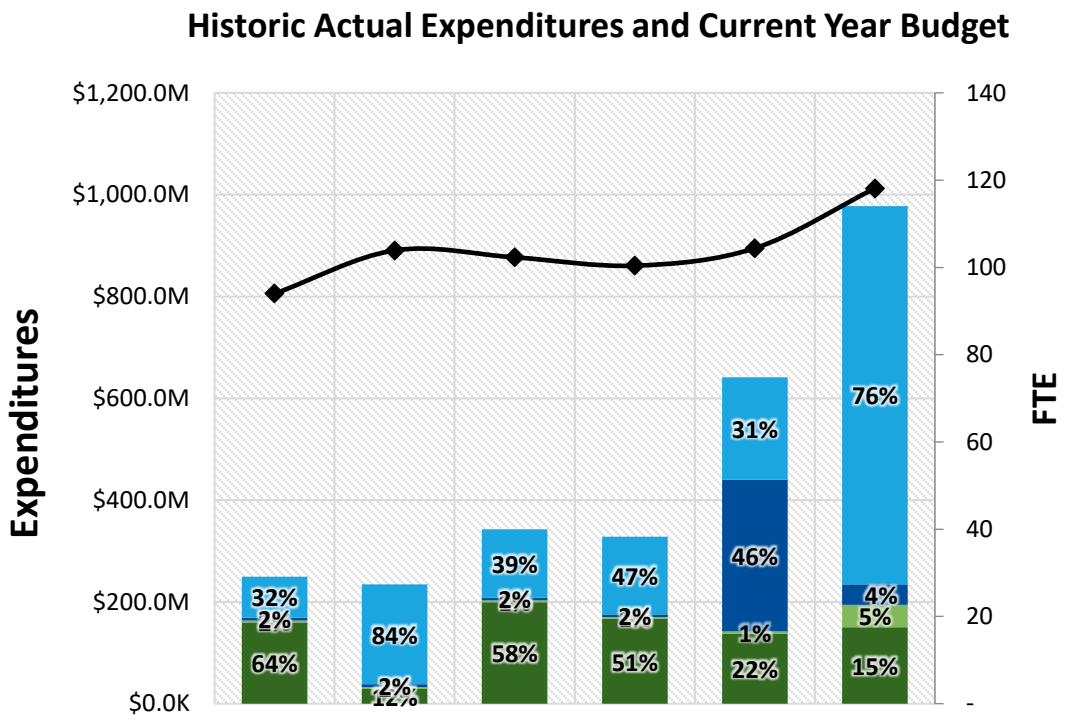
Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

Explanation of Significant Changes and Trends

For budget planning this year, the agency adopted the payroll hours calculation instead of the formal FTE head count. This count includes an average of 12 seasonal staff who are paid no benefits and can be released from service at any time.

Going forward, the agency's staff count will reflect hours worked.

The agency has added staff for ARPA grant processing and management.



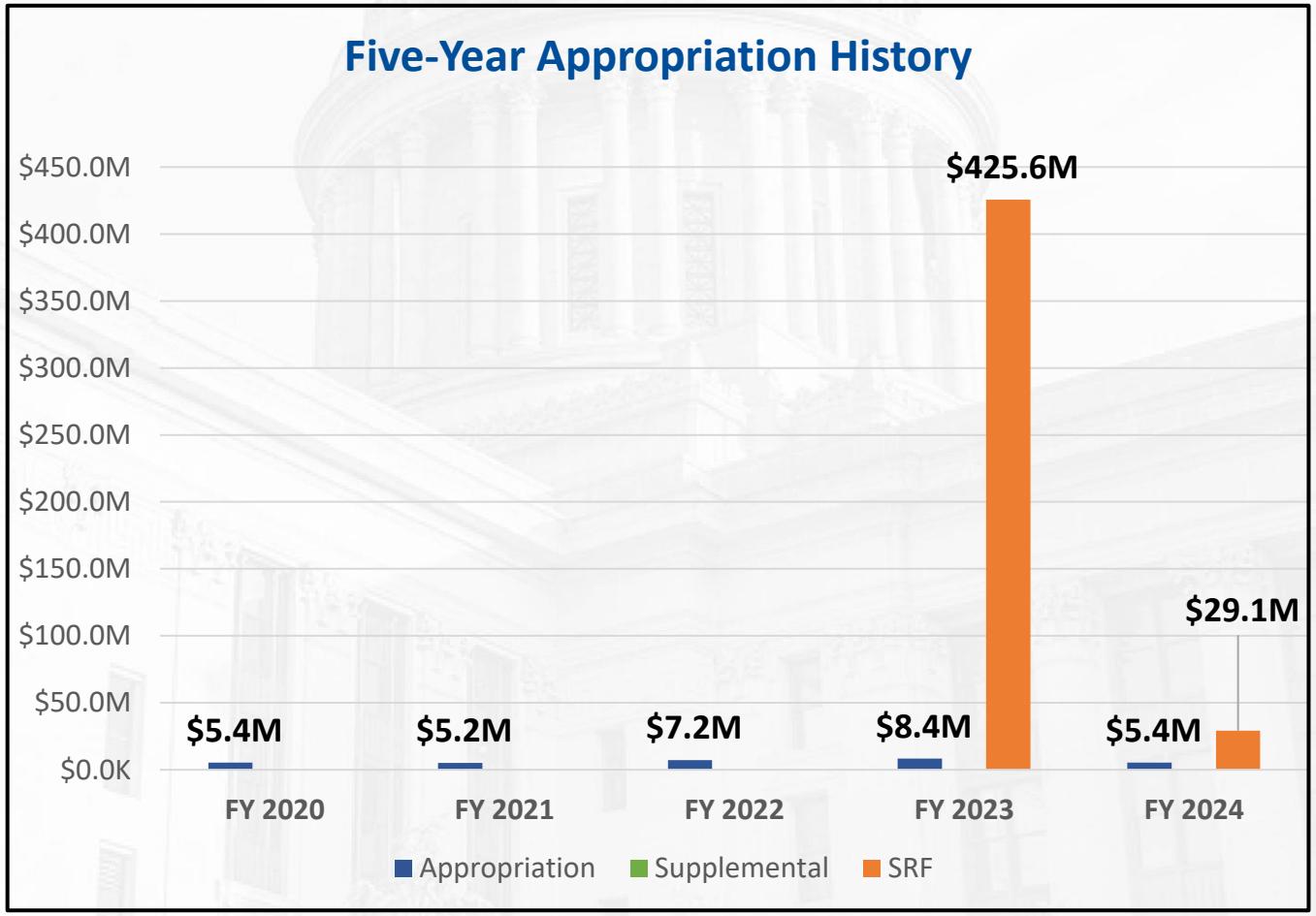
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Budget
Appropriated	$4.2M	$4.0M	$4.0M	$3.8M	$4.3M	$44.1M
Revolving	$80.6M	$196.0M	$134.5M	$153.1M	$201.6M	$743.0M
Federal	$5.3M	$5.6M	$5.2M	$5.1M	$297.7M	$40.4M
Agency Special Accounts	$159.4M	$28.7M	$199.1M	$166.4M	$138.0M	$150.1M
Total	$249.6M	$234.2M	$342.8M	$328.3M	$641.5M	$977.6M
FTE	94	104	102	100	104	118

FY 2024 Budgeted Full Time Equivalents (FTE)

	FY 2024 Budgeted FTE
Total FTE	118
Supervisor FTE	32
Supervisors to Total FTE Ratio (%)	27%

Appropriation History

Fiscal Year	Legislated Appropriation ($) *(Includes supplementals and SRF/ARPA.)*
FY 2020	5,420,553
FY 2021	5,205,323
FY 2022	7,205,323
FY 2023	434,057,336
FY 2024	34,562,379



**Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.*

Financial Resource Analysis

Carryover	FY 2020	FY 2021	FY 2022	FY 2023
Total appropriated carryover amount expended ($)	$79,873	$217,639	$284,184	$289,254

Historical Cash Balances	FY 2020	FY 2021	FY 2022	FY 2023
Year End Revolving Fund Cash Balances *(All Revolving Funds)*	$17,094,060	$17,107,482	$16,559,986	$18,208,507

Class Fund # *(Unrestricted only)*	Class Fund Name *(Unrestricted only)*	Current cash balance ($)
21500	OWRB REVOLVING FUND	$7,648,914
	Total Current Unrestricted Fund Cash balance:	$7,648,914

Fiscal Year	Agency's plan to deploy unrestricted cash (including amounts):
FY 2024	$1,250,000 – IT modernization for agency's Well Drillers programs with plan to integrate the system with the water permitting system.
FY 2025	$1,000,000 – Continuation of the FY2024 effort to modernize water rights for more online useability.
FY 2026	$500,000 – Complete water permitting upgrade and start other agency long-term IT plans such as receipting system, inventory system, and further data sharing efforts.

Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2024 Incremental Appropriation Review

Purpose of appropriation increase / decrease	*Amount of increase or decrease ($)*	*Does this need to be included in your FY 2025 appropriation? (Yes/No)*	*If yes, included in appropriation for same purpose? (Yes/No)*	*If not included for same purpose, please explain.*
FY2022- 2024				
No Adjustments	$	N/A	N/A	N/A
	$			
	$			
	$			
	$			
	$			
	$			
	$			
Total adjustment	$			

**Do not include SRF / ARPA appropriation increases.*

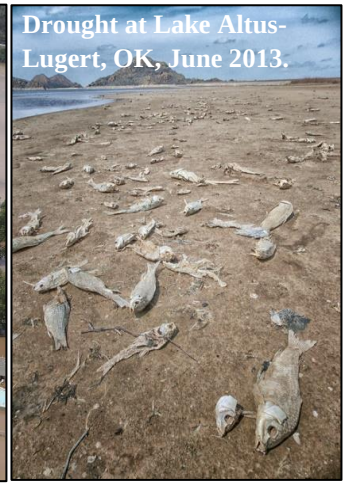
Budget & Supplemental Request Summary

Request Name		FY 2025 Appropriated Request Amount ($) *{or FY 2024 for Supplementals}*	Type of Request: Operating, One-time, or Supplemental
1	Water Supply Security: Water Rights, Well Drillers Licensing, Reservoir Evaluation, Drought/Flood Mitigation	1,230,000	Supplemental/Operating
2	Statewide Water Monitoring & Stream Gauging Networks	830,000	Operating
3	Investment in Community Water Supply Infrastructure Needs and Leverage of Federal Dollars	12,700,000	One-time, $39.3 million needed over 3 yrs; then $4 million/yr thereafter
4a/b	Capitalize Self-perpetuating Flooding and Drought Infrastructure Financial Assistance Vehicle	1,075,000	One-time, $4 million needed over 4 yrs; $75,000/yr thereafter

Hydrologic Extremes are a Major State and National Problem

- Rising costs of floods, droughts, and drought-related wildfire
- Devastating impacts on human life and health, agriculture, ecosystems, and infrastructure
- These extreme events are becoming more frequent and more severe
- Oklahoma has led the nation in drought relief payments through the USDA Livestock Forage Disaster Program, $1.4 billion 2011-2018
- Drought caused >$500 million economic losses and ~3500 jobs in SW OK in 2011-2013 alone
- Other major recent impacts include
  - 2019 Arkansas river flooding: $3 billion, 5 lives
  - Mega-fires burning >100,000 acres in 2016, 2017, 2018

Flooding in Sand Springs, OK, June 2019.


Drought at Lake Altus-Lugert, OK, June 2013.

Wildfire damages in Beaver Co., OK.

Budget Request 1

Name of Request: Water Supply Security: Water Rights, Well Drillers Licensing, Reservoir Evaluation, Drought/Flood Mitigation	
Type: Supplemental & Operating	**$ Amount Requested:** $1,230,000

Fast-track Business and Workforce Development and Build a Water Secure Future by restoring eroded funding for water supply security to water users, property owners and business investments.

- **Water Rights Administration.** Modernize under-funded water permitting and administration to accelerate availability of water for use, facilitate permit compliance, and protection of property rights and water sources.
- **Well Drillers Licensing.** Address staffing shortage for development of new driller workforce to meet demand for water wells and protect groundwater reserves
- **Drought and Flood Mitigation.** Fund HB 2293: Oklahoma Drought and Flood Plan Act of 2023 and HB 1269: Comprehensive Flood Plan (2020).
    - Quantify infrastructure needs, storage evaluation/mapping, areas vulnerable to flooding, multi-agency coordination and recommendations to legislature

Training drillers to ensure proper well construction to protect property and groundwater

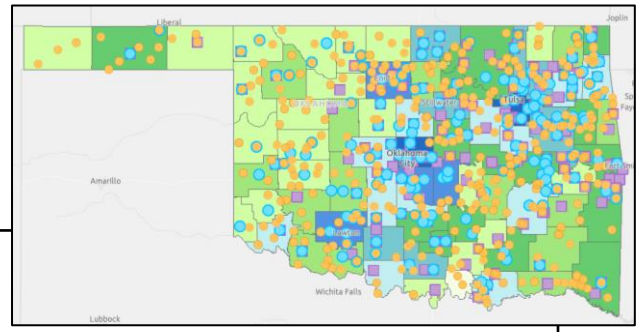
Budget Request 2

Name of Request: Statewide Water Monitoring & Stream Gauging Networks	
Type: Operating	$ Amount Requested for FY 2025: $830,000

Support data-driven local water planning and management by restoring funding for Oklahoma's critical statewide hydrologic monitoring network

- **Groundwater Monitoring and Assessment (GMAP) Network.**
  - Adjust for 10-year inflation erosion of existing critical statewide groundwater and surface water monitoring network;
  - Use additional state dollars to match approximately $400,000 federal dollars, seeking to add 80+ new continuous sites over two years
- **US Geological Survey Cooperative Stream Gauging Network -** Basis for Comprehensive Water Plan, State Flood Resiliency Plan, local water planning, emergency response.
  - Data is used for public safety, flood forecasting, multi-state water compact compliance, water rights permitting, OCWP, technical studies, etc.

Budget Request 3



Name of Request: Invest in Community Water Supply Infrastructure Needs and Leverage Federal Dollars

Type: Approx. 70% One-Time/30% Operating (100% pass through)	**$ Amount Requested for FY 2025:** $12,700,000

Successful programs have funded over $4.81 billion in low-interest loans and grants over 30 years to Oklahoma's communities and rural districts, at a savings of an estimated $1.29 billion.

- **Clean Water & Drinking Water State Revolving Funds** : $8.7 million to match $43.5 million in fed. funding (20%)
  - Self-funded programs; AAA Rated; Top 3 State for "pace" of construction project delivery; ROI: ~4.6 times; exceeds national average of ~2.7 times
  - Match for new federal dollars exceeds program assets and bonding capacity
  - Demand for construction loans remains high (over $1.5 billion over next 2 years)
  - Would allow ODEQ to access $6.7 million for small community technical assistance and other programs.
- **OWRB Rural Economic Action Grant Program** for small, disadvantaged communities; $4.0 million pass through with no admin. set-aside
  - Demand is over 10 times funds available
  - Will incentivize smart planning and wise use of the funds by prioritizing entities that train and adopt Effective Utility Management norms similar to those published by AWWA.

Budget Request 4a/4b

Name of Request: Capitalize Self-perpetuating Flooding and Drought Infrastructure Financing Vehicle	
Type: Supplemental, One-Time, and Operating	**$ Amount Requested for FY 2024:** $1,075,000

Oklahoma's flood plan has identified $450 million in flood control infrastructure need

- Capitalize new **Hazard Mitigation Financial Assistance Program** (2023 HB 1928)—loans and/or grants to public entities; administered by OEM and OWRB.
- $1 million investment could match $10 million FEMA STORM Act funding, if awarded
- FEMA STORM Act provides grants to states to establish revolving loan funds that provide hazard mitigation assistance for local governments to reduce risks from natural hazards and disasters.
- Self-perpetuating: loan repayments fund new projects, in perpetuity.

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Thank you.

Julie Cunningham | Executive Director