

SFY13 Capacity Development Program Annual Report to EPA

systems. Systems will be considered for regionalization/consolidation that:

- Have source water capacity limitations (drought);
- Are undergoing DEQ enforcement proceedings;
- Are considering giving away, selling, or abandoning the system; or
- Have expressed interest in regionalization or consolidation.

In SFY13, eighteen (18) water systems consolidated into neighboring water systems. Two examples are:

- Delaware County Rural Water District #12 is now a part of Delaware County Rural Water District #11; and
- Kingfisher County Rural Water District #4 is now part of the City of Kingfisher.

Also in SFY13, the DWSRF offered principal forgiveness for entities agreeing to regionalize or consolidate. This satisfies EPA's requirement that at least 20%, but no more than 30% of the capitalization grant must be utilized as additional subsidies. Subsidization will be given as principal forgiveness for projects that regionalize or consolidate water systems and to green projects that meet the September 1, 2012, deadline and other requirements. Two water systems were offered principal forgiveness for consolidation or regionalization:

- Noble County RWD #1 to construct new connection with a meter to Logan County Rural Water, Sewer, Gas and Solid Waste Management District No. 3.
- Mayes County RWD #6 to upgrade its treatment plant to also serve the Town of Adair and Mayes County RWD #8.

Regionalization/consolidation efforts will continue in the State, aimed at achieving the best and most reliable service at reasonable rates for the long-term benefit of the customers.

There are at least nine (9) water systems listed in the DWSRF priority list that might be eligible for consolidation/regionalization.

B. The Funding Agency Coordinating Team (FACT), hosted by the Oklahoma Rural Water Association (ORWA), is comprised of the following state and federal water and wastewater project funding agencies:

- Oklahoma Department of Environmental Quality;
- Oklahoma Department of Commerce;
- Oklahoma Water Resources Board (OWRB);
- Indian Health Service;
- U.S. Department of Agriculture – Rural Development;
- Oklahoma Association of Regional Councils;
- Community Resource Group;
- EPA; and
- Cherokee Nation.

FACT meets quarterly to discuss the status of Oklahoma communities identified in DEQ's enforcement list. Attention is given to water systems with the greatest need so funding is received as quickly as possible. Representatives of water and wastewater systems are invited to attend quarterly meetings to better determine which lending agencies best suit the systems' *financial* needs. These systems provide feedback by voluntarily completing a brief survey immediately following the FACT meeting and a follow-up survey solicited by DEQ some time prior to the next FACT meeting. All survey responses have been positive and helpful in refining the direction of subsequent FACT meetings.