

## NEW ISSUE—BOOK-ENTRY ONLY

RATINGS: Fitch: AAA  
S&P: AAA  
See “RATINGS” herein

*In the opinion of Bond Counsel to the Board, interest on the Bonds will be excludable from gross income for federal income tax purposes, under statute, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under “Tax Matters” herein, including the alternative minimum tax on certain corporations. In the opinion of Bond Counsel, under existing statutes the Bonds will be exempt from income taxation by the State of Oklahoma or any county, municipality or political subdivision therein. See “TAX MATTERS” herein for a discussion of the opinion of Bond Counsel and Appendix E hereto.*



**\$160,000,000\***  
**OKLAHOMA WATER RESOURCES BOARD**  
**REVOLVING FUND REVENUE BONDS – DRINKING WATER PROGRAM**  
**SERIES 2025**  
**(2019 Master Trust)**

Dated: Date of Delivery

Due: As shown on Inside Cover Page

The above-captioned bonds (the “**Bonds**”) are limited and special revenue obligations of the Oklahoma Water Resources Board (the “**Board**”). The Bonds are issued in accordance with the terms of a Master Trust Indenture, dated as of December 1, 2019 (the “**2019 Master Trust Indenture**”), between the Board and BancFirst, as master trustee (the “**Master Trustee**”) and a Bond Indenture, dated as of June 1, 2025 (the “**Bond Indenture**”), between the Board and BancFirst, as trustee (the “**Bond Trustee**”). The Bonds constitute “**2019 Master Trust Bonds**” under the terms of the 2019 Master Trust Indenture.

The Bonds are issuable in fully registered form in the denomination of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable on April 1 and October 1 of each year commencing October 1, 2025, until maturity or prior redemption. The Bonds will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”) pursuant to its Book-Entry Only System. So long as DTC or its nominee remains the registered owner of the Bonds, the principal of and interest on the Bonds will be payable by the Bond Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. See “**Book-Entry-Only System**” in **Appendix L** hereto.

The Bonds are being issued to provide funds (i) to make loans to Oklahoma local governmental entities to finance projects eligible for financial assistance from the Drinking Water State Revolving Fund, (ii) to reimburse the Board for amounts previously advanced to make such loans, (iii) to finance certain State Matching Funds that are required as a condition of receiving federal moneys for the Drinking Water State Revolving Fund Program, (iv) to pay costs of issuance of the Bonds, and (v) to pay accrued interest, if any, on the Bonds.

The Bonds are secured by (i) loans and moneys transferred to the 2019 Master Trust Indenture pursuant to the Master Trust Agreement, dated as of October 1, 2003, between the Board and BancFirst, as master trustee, as amended by the First Amendment to Master Trust Agreement dated as of December 1, 2019 (collectively, the “**2003 Master Trust Agreement**”) to the Master Trustee as directed by an Officer’s Certificate and in accordance with the terms of the 2003 Master Trust Agreement, (ii) Pledged SRF Revenues, which are defined to exclude Administrative Fee Payments, (iii) amounts held in the funds and accounts established under the Bond Indenture (excluding moneys on deposit in the Costs of Issuance Fund and the Rebate Fund), (iv) all proceeds of the foregoing (including investment earnings thereon) held by the Bond Trustee under the Bond Indenture, and (v) amounts available under the 2019 Master Trust Indenture for that purpose, in each case subject to the uses, restrictions and priorities set forth in the Bond Indenture. See “**SECURITY AND PAYMENT FOR THE BONDS**” herein. **The Board will not issue any future obligations under the 2003 Master Trust Agreement.**

## Maturity Schedule on Inside Cover

The Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity. See “**THE BONDS — Redemption Provisions**” herein.

**The State of Oklahoma (the “State”) is not obligated to pay the principal of or interest on the Bonds. The Bonds do not constitute a debt or a pledge of the faith and credit or taxing power of the State or of any county, municipality or political subdivision of the State, and the holders or owners thereof shall have no right to have taxes levied by the State Legislature or the taxing authority of any county, municipality or political subdivision of the State for the payment of the principal thereof or interest thereon. The Board has no taxing power.**

The Bonds described above are offered for sale, when, as and if issued, and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice and subject to certification by the Attorney General of the State, and the approval of legality by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. Certain legal matters will be passed upon for the Board by its General Counsel and certain legal matters will be passed upon by Kutak Rock LLP, Denver, Colorado, as Counsel to the Underwriters. Certain matters regarding this Official Statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri, Disclosure Counsel to the Board. It is expected that the Bonds will be available for delivery to DTC in New York, New York, on or about June \_\_, 2025.

Raymond James

BOK Financial Securities, Inc.

Stifel

Official Statement dated June \_\_, 2025

\* Preliminary; subject to change.

**\$160,000,000\***  
**OKLAHOMA WATER RESOURCES BOARD**  
**REVOLVING FUND REVENUE BONDS – DRINKING WATER PROGRAM**  
**SERIES 2025**  
**(2019 Master Trust)**

**Maturities, Amounts, Interest Rates and Initial Yields**

<b>Maturity</b> <b><u>April 1</u></b>	<b><u>Amount*</u></b>	<b>Interest</b> <b><u>Rate</u></b>	<b>Initial</b> <b><u>Yield</u></b>	<b><u>Price</u></b>	<b>CUSIP<sup>±</sup></b> <b><u>Base: 67919P</u></b>
2027	\$1,130,000				
2028	2,625,000				
2029	2,930,000				
2030	2,980,000				
2031	2,800,000				
2032	3,680,000				
2033	4,040,000				
2034	4,430,000				
2035	4,625,000				
2036	4,195,000				
2037	4,400,000				
2038	4,640,000				
2039	4,830,000				
2040	4,485,000				
2041	5,180,000				
2042	6,680,000				
2043	7,630,000				
2044	5,965,000				
2045	6,265,000				
\$34,830,000*		_____ % Series 2025 Term Bond due April 1, 2050*		_____ % Yield _____	CUSIP: 67919P _____
\$41,660,000*		_____ % Series 2025 Term Bond due April 1, 2055*		_____ % Yield _____	CUSIP: 67919P _____

<sup>±</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein provided by CUSIP Global Services ("CGS"), managed on behalf of the American Bankers Association by FactSet Research System Inc. This information is not intended to create a database and does not serve in any way as a substitute for services provided by CUSIP. CUSIP numbers have been assigned by an independent company not affiliated with the Board or the Underwriters and are included solely for the convenience of the registered and beneficial owners of the applicable Bonds. None of the Board or the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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\* Preliminary; subject to change.

The Bonds are offered only by means of this Official Statement. This Official Statement does not constitute an offering of any security other than the Bonds specifically offered hereby. It does not constitute an offer to sell or a solicitation of an offer to buy the Bonds in any state or jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale, and no dealer, broker, salesman or other person has been authorized to make such unlawful offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds and, if given or made, such other information or representations must not be relied upon.

The Bonds will not be registered under the Securities Act of 1933, as amended, and the Board and the Underwriters of the Bonds do not intend to list the Bonds on any stock or other securities exchange. The Securities and Exchange Commission has not passed upon the accuracy or adequacy of this Official Statement. With respect to the various states in which the Bonds may be offered, no attorney general, state official, state agency or bureau, or other state or local governmental entity has passed upon the accuracy or adequacy of this Official Statement or passed on or endorsed the merits of this offering of Bonds.

All references made herein to the Bonds are qualified in their entirety by reference to the Bond Indenture. All references made herein to the 2019 Master Trust Indenture and the Bond Indenture are qualified in their entirety by reference to such complete documents, original counterparts of which are on file in the offices of the Board, 3800 North Classen Boulevard, Oklahoma City, Oklahoma 73118.

Any statements contained in this Official Statement, including the Appendices hereto, involving matters of opinion, estimates or projections, whether or not expressly so stated, are intended as such and not as representations of fact. Summaries of documents do not purport to be complete or definitive, and all references made to such documents are qualified in their entirety by reference to the complete document. The information contained in this Official Statement, including the cover page and Appendices hereto, has been obtained from the Board and other sources which are deemed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information and this Official Statement is not to be construed as the promise or guarantee of the Underwriters. Such information is subject to change and/or correction without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall create any implication that the information contained herein is complete or accurate in its entirety as of any date after the date hereof. This Official Statement is submitted in connection with the sale of securities as referred to herein and may not be reproduced or used in whole or in part for any other purpose. This Official Statement shall not be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds.

This Official Statement contains statements that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “intend,” “expect” and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties, including those described under “**INVESTMENT CONSIDERATIONS**” that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

**THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE BOARD FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.**

## **OKLAHOMA WATER RESOURCES BOARD**

### **Members**

Chairman ..... Jennifer Castillo  
Vice Chairman/Member ..... Thomas A. Gorman  
Secretary/Member ..... Suzanne Landess  
Member ..... Ron Justice  
Member ..... Bob Latham  
Member ..... Matt Muller  
Member ..... Robert L. Stallings, Jr.  
Member ..... Darren Cook  
Member ..... Jarred Campbell

### **Staff**

Executive Director ..... Julie Cunningham  
Chief, Financial Assistance Division ..... Lori Johnson  
General Counsel ..... Sara D. Gibson

### **BOND COUNSEL**

McCall, Parkhurst & Horton L.L.P.  
Dallas, Texas

### **FINANCIAL ADVISOR**

Hilltop Securities Inc.  
Dallas and San Antonio, Texas

### **BOND TRUSTEE AND MASTER TRUSTEE**

BancFirst  
Oklahoma City, Oklahoma

### **DISCLOSURE COUNSEL TO THE BOARD**

Gilmore & Bell, P.C.  
Kansas City, Missouri

### **COUNSEL TO THE UNDERWRITERS**

Kutak Rock LLP  
Denver, Colorado



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## OFFICIAL STATEMENT

**\$160,000,000\***

**OKLAHOMA WATER RESOURCES BOARD  
REVOLVING FUND REVENUE BONDS – DRINKING WATER PROGRAM  
SERIES 2025  
(2019 Master Trust)**

### INTRODUCTION

#### Purpose of Official Statement

This Official Statement, which includes the cover page and the Appendices attached hereto, provides information in connection with the offer and sale by the Oklahoma Water Resources Board (the “**Board**”), a body corporate and politic and an instrumentality, agency and department of the State of Oklahoma (the “**State**”), of its \$160,000,000\* Oklahoma Water Resources Board Revolving Fund Revenue Bonds – Drinking Water Program, Series 2025 (2019 Master Trust) (the “**Bonds**”). Capitalized terms used in this Official Statement and not otherwise defined herein have the meaning set forth in **Appendix A**.

#### Authority for the Bonds

The Bonds are being issued by the Board pursuant to Title 82, Oklahoma Statutes 2011, Section 1085.31 *et seq.*, as amended (the “**Act**”), and an authorizing resolution adopted by the Board on April 15, 2025 (the “**Resolution**”). The Bonds are issued as “**2019 Master Trust Bonds**” in accordance with the terms of a Master Trust Indenture, dated as of December 1, 2019 (the “**Master Trust Indenture**” or the “**2019 Master Trust Indenture**”), between the Board and BancFirst, as trustee (the “**Master Trustee**”) and a Bond Indenture, dated as of June 1, 2025 (the “**Bond Indenture**”), between the Board and BancFirst, Oklahoma City, Oklahoma, as trustee (the “**Bond Trustee**”).

#### Purpose of the Bonds

The Board was established pursuant to statute (now codified at Title 82, Oklahoma Statutes 2011, Section 1085.1, as amended). Among other statutory powers and duties of the Board, the Act authorizes the Board to carry out the purposes of the Act, including the establishment and administration of its Clean Water State Revolving Fund Loan Program (the “**Clean Water Program**” or the “**CWSRF**”) and its Drinking Water State Revolving Fund Loan Program (the “**Drinking Water Program**” or the “**DWSRF**”). Under the Act, the Board is authorized to issue obligations to finance any Water Quality Project or Drinking Water Treatment Project, each as defined in the Act. The 2019 Master Trust Indenture permits the issuance of bonds for both the Clean Water Program and the Drinking Water Program. The Bonds will be the eighth series of bonds issued by the Board under the terms of the 2019 Master Trust Indenture. See “**PLAN OF FINANCING – Outstanding 2019 Master Trust Bonds.**”

Prior to the execution and delivery of the 2019 Master Trust Indenture, the Board previously issued bonds under a Master Trust Agreement dated as of October 1, 2003, as amended by the First Amendment to Master Trust Agreement dated as of December 1, 2019 (collectively, the “**2003 Master Trust Agreement**”). The previous series of bonds issued by the Board and remaining Outstanding under the

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\* Preliminary; subject to change.

2003 Master Trust Agreement as of the date of issuance of the Bonds (collectively, the “**Outstanding 2003 Master Trust Bonds**”) are described in **Appendix G**.

The Board covenanted in the 2019 Master Trust Indenture not to issue additional bonds or other obligations under the terms of the 2003 Master Trust Agreement.

The Bonds are being issued to provide funds (i) to make loans to Oklahoma local governmental entities to finance projects eligible for financial assistance from the Drinking Water State Revolving Fund (“**Drinking Water Treatment Projects**” as defined in the Act), (ii) to reimburse the Board for amounts previously advanced to make such loans, (iii) to finance certain State Matching Funds that are required as a condition of receiving federal moneys for the Drinking Water State Revolving Fund Program, (iv) to pay costs of issuance of the Bonds, and (v) to pay accrued interest, if any, on the Bonds. See “**PLAN OF FINANCING**.”

### **Security for the Bonds**

The Bonds are issued and secured under the terms and provisions of the 2019 Master Trust Indenture and the Bond Indenture, and are not issued on a parity with the Outstanding 2003 Master Trust Bonds.

The payment of principal of and interest on the Bonds is secured solely by (i) loans and moneys transferred to the 2019 Master Trust Indenture from the 2003 Master Trustee to the Master Trustee as directed by an Officer’s Certificate and in accordance with the terms of the 2003 Master Trust Agreement, (ii) Pledged SRF Revenues, which are defined to exclude Administrative Fee Payments, (iii) amounts held in the funds and accounts established under the Bond Indenture (excluding moneys on deposit in the Costs of Issuance Fund and the Rebate Fund), (iv) all proceeds of the foregoing (including investment earnings thereon) held by the Bond Trustee under the Bond Indenture, and (v) amounts available under the 2019 Master Trust Indenture for that purpose, in each case subject to the uses, restrictions and priorities set forth in the Bond Indenture. See “**SECURITY AND PAYMENT FOR THE BONDS**” herein. Certain amounts pledged to repayment of Outstanding 2003 Master Trust Bonds, which may constitute Pledged SRF Revenues, will first be used to make payments of principal of and interest on such Outstanding 2003 Master Trust Bonds or other payments required under the 2003 Master Trust Agreement. See “**SECURITY AND PAYMENT FOR THE BONDS**,” “**FLOW OF FUNDS DIAGRAM**” and “**PROJECTED CASH FLOW AND DEBT SERVICE TABLE**.”

“**Pledged SRF Revenues**” consist of “**Pledged CWSRF Revenues**” and “**Pledged DWSRF Revenues**,” which have the following respective meanings:

- “**Pledged CWSRF Revenues**” means (i) all CWSRF Loan Payments (other than payments identified in a Loan Agreement that represent Administrative Fee Payments), (ii) all other amounts received by the Board under any Loan Agreement acquired for the Clean Water Program, (iii) all other amounts defined as a Pledged CWSRF Revenue under the terms of a Bond Indenture authorizing a Series of 2019 Master Trust Bonds, and (iv) all amounts received by the Board as income, profits or gain on investments of money held in the Clean Water Account (other than moneys received from federal capitalization grants under the Federal Clean Water Act).

- **“Pledged DWSRF Revenues”** means (i) all DWSRF Loan Payments (other than payments identified in a Loan Agreement that represent Administrative Fee Payments), (ii) all other amounts received by the Board under any Loan Agreement acquired for the Drinking Water Program, (iii) all other amounts defined as a Pledged DWSRF Revenue under the terms of a Bond Indenture authorizing a Series of 2019 Master Trust Bonds, and (iv) all amounts received by the Board as income, profits or gain on investments of money held in the Drinking Water Account (other than moneys received from federal capitalization grants under the Federal Drinking Water Act).

CWSRF Loan Payments and DWSRF Loan Payments include excess payments made in repayment of Loans made from proceeds of Outstanding 2003 Master Trust Bonds. The Board intends to transfer such excess amounts to the Master Trustee pursuant to an Officer’s Certificate as described under **“SECURITY AND PAYMENT FOR THE BONDS - General – 2003 Master Trust Agreement Moneys.”**

See **“FLOW OF FUNDS DIAGRAM”** below for a diagram demonstrating the flow of funds through the 2019 Master Trust Indenture, including amounts transferred from the 2003 Master Trust Agreement to the Master Trustee. Loans may be released or substituted as is more fully described herein. See **“SECURITY AND PAYMENT FOR THE BONDS”** herein.

The Board has never defaulted on any bonds issued under the 2003 Master Trust Agreement or the 2019 Master Trust Indenture.

### **Additional Programs of the Board**

In addition to the Loans made pursuant to either or both the Clean Water Program and the Drinking Water Program, the Board also provides long-term loans to Borrowers for water or wastewater projects (regardless of eligibility for financing under the Clean Water Program or the Drinking Water Program) through the **“Financial Assistance Program.”** Obligations issued under the Financial Assistance Program are separately secured and are not secured by Pledged SRF Revenues. See **“STATE REVOLVING FUND PROGRAMS”** and **“OTHER PROGRAMS OF THE BOARD”** herein.

From time to time, the Board may also develop additional programs to provide financial assistance to persons or entities eligible under the terms of such program. At that time, the Board may elect to issue one or more series of bonds or notes to fund such program, which bonds or notes may be secured from revenues other than those pledged to the repayment of the Bonds. The holders of the Bonds will have no rights to the proceeds from any such bonds or notes issued by the Board in connection with any such future program, or to any of the assets acquired or established therewith, or to any property pledged as security for the payment of such bonds or notes.

### **Limited, Special Obligations of the Board**

The Bonds and the premium, if any, and interest thereon shall not now and shall never constitute an indebtedness or an obligation, general or moral, or a pledge of the faith or loan of credit of the Board or the State, within the purview of any constitutional limitation or provision, and shall never constitute or give rise to a charge against the faith and credit or taxing powers, if any, of the Board or the State, but shall be special, limited obligations of the Board, payable exclusively from (i) the Trust Estate established under the 2019 Master Trust Indenture (together with outstanding 2019 Master Trust Bonds), (ii) the Trust Estate established under the Bond Indenture, and (iii) the proceeds from the sale of the Bonds and the income from the temporary investment thereof. The Board has no taxing power.

## PLAN OF FINANCING

### General

The Bonds are being issued to provide funds (i) to make loans to Oklahoma local governmental entities to finance projects eligible for financial assistance from the Drinking Water Program, (ii) to reimburse the Board for amounts previously advanced to make such loans, (iii) to finance certain State Matching Funds that are required as a condition of receiving federal moneys for the Drinking Water Program, (iv) to pay costs of issuance of the Bonds, and (v) to pay accrued interest, if any, on the Bonds.

A portion of the proceeds of the Bonds will be designated as providing State Match under the Drinking Water Program in the amount of \$5,000,000\* to match the Capitalization Grant for fiscal year 2025. Bonds in the principal amount of \$5,000,000\* are referred to herein as the **“State Match Bonds.”** The State Match Bonds, a distinction made solely for the United States Environmental Protection Agency (**“EPA”**) purposes, will not be separately identified from other Bonds in this Official Statement. Under applicable rules for the federal Drinking Water Program, principal of and interest on State Match Bonds is payable only from interest income of the Drinking Water Program (including the interest portion of DWSRF Loan Payments) and not from Drinking Water Program federal Capitalization Grants or the principal portion of Drinking Water Program loan repayments. To assist the Board in complying with these rules, the 2019 Master Trust Indenture and Bond Indenture prohibit the application of all funds and revenues other than investment income and the interest portion of Loan Payments towards payment of principal of and interest on the State Match Bonds.

The Capitalization Grant moneys to be received in respect to the Bonds will be used, together with proceeds of the Bonds, to make Loans for projects eligible for financing under the Drinking Water Program. No reserve fund will be established with respect to the Bonds.

The Bonds are issued and secured under the terms and provisions of the 2019 Master Trust Indenture and the Bond Indenture and are not issued on a parity with the Outstanding 2003 Master Trust Bonds. Through the 2019 Master Trust Indenture, the Board created a single, combined (cross-collateralized) financing program to provide funds for the Clean Water Program and the Drinking Water Program in an efficient manner through the issuance of 2019 Master Trust Bonds. The cross-collateralization of money and other assets of the Clean Water Program and the Drinking Water Program pursuant to the 2019 Master Trust Indenture provides common security for the payment of debt service on the 2019 Master Trust Bonds. See **“SECURITY AND PAYMENT FOR THE BONDS.”**

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\* Preliminary; subject to change.

## Sources and Uses of Funds

The following table sets forth the estimated application of the proceeds of the Bonds:

### Sources of Funds

Par Amount of Bonds <sup>(1)</sup>	\$160,000,000.00*
Net Original Issue Premium	
Total Sources:	

### Uses of Funds

Deposit to Loan Fund	
DWSRF Leveraged Loan Account	
DWSRF State Match Loan Account	5,000,000.00*
Issuance Costs (including Underwriters' Discount) <sup>(2)</sup>	
Total Uses:	

<sup>(1)</sup> \$5,000,000.00\* of the Bonds constitute State Match Bonds.

<sup>(2)</sup> Includes Underwriters' discount (\$ \_\_\_\_\_. \_\_) and the fees and expenses of legal and financial advisors, the Bond Trustee, the Master Trustee and other issuance costs for the Bonds, the payment of which is contingent upon the issuance of the Bonds.

## Outstanding 2019 Master Trust Bonds

The following table describes the Board's Outstanding 2019 Master Trust Bonds, all of which were issued under the 2019 Master Trust Indenture and are secured, together with the Bonds, as set forth below under "SECURITY AND PAYMENT FOR THE BONDS."

<u>Series</u>	<u>Dated Date</u>	<u>April 1 Scheduled Maturities</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding May 1, 2025</u>
2019	12/19/2019	2022-2034; 2039, 2042	\$154,420,000	\$105,375,000
2020	10/22/2020	2021 - 2040	95,000,000	80,570,000
2020A	12/17/2020	2021 - 2040	100,000,000	84,760,000
2021	12/22/2021	2022 - 2051	199,000,000	188,585,000
2023	02/23/2023	2025 - 2043	150,000,000	144,745,000
2023A	05/18/2023	2027 - 2039	175,000,000	175,000,000
2024	08/22/2024	2026-2045; 2049	<u>130,000,000</u>	<u>130,000,000</u>
			<u>\$1,003,420,000</u>	<u>\$909,035,000</u>

## Additional 2019 Master Trust Bonds

The Board may issue future 2019 Master Trust Bonds to (i) make loans to Oklahoma local governmental entities to finance projects eligible for financial assistance from the Clean Water Program or the Drinking Water Program, (ii) refund Outstanding 2019 Master Trust Bonds, or (iii) refund all or a portion of the Outstanding 2003 Master Trust Bonds and effect the transfer of Loans and related Loan Documents securing any such refunded Outstanding 2003 Master Trust Bonds to the Master Trustee, to be held as part of the Master Trust Estate established under the 2019 Master Trust Indenture, with the expectation of retiring all of the Outstanding 2003 Master Trust Bonds and having all bonds issued by the

\* Preliminary; subject to change.

Board in furtherance of the Clean Water Program and the Drinking Water Program be issued as 2019 Master Trust Bonds, secured by the 2019 Master Trust Indenture. See **“SECURITY AND PAYMENT FOR THE BONDS – Additional Bonds.”**

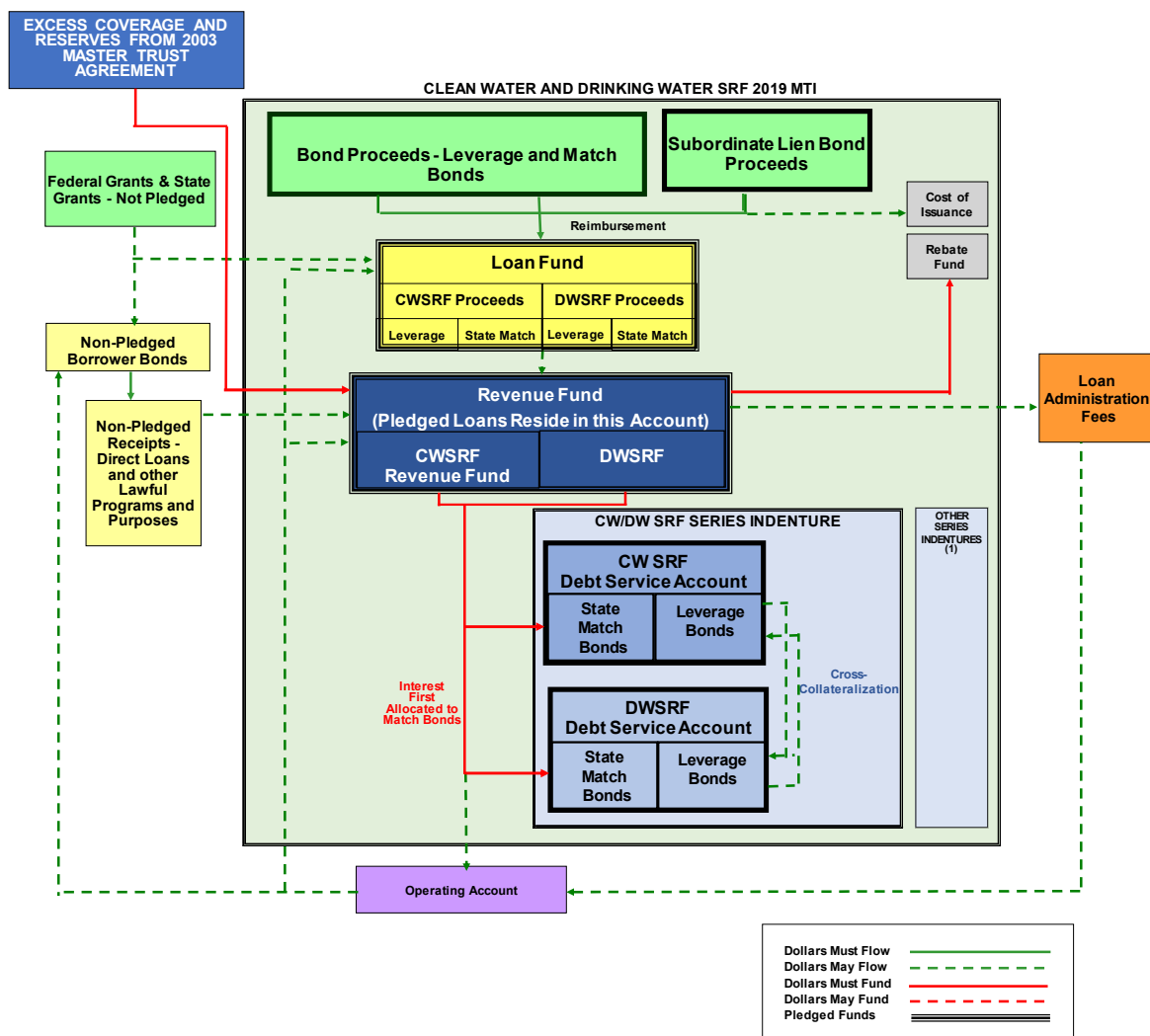
The Board expects to issue 2019 Master Trust Bonds for the Clean Water Program during its fiscal year ending June 30, 2026.

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## FLOW OF FUNDS DIAGRAM

The following diagram provides a graphic depiction of the flow of funds framework created by the 2019 Master Trust Indenture. The diagram is provided to illustrate the flow of funds prescribed by the 2019 Master Trust Indenture, including funds transferred to the Master Trustee by the 2003 Master Trustee from the 2003 Master Trust Agreement. A complete summary of the flow of funds is included in **Appendix B** and the following diagram is qualified in its entirety by reference to **Appendix B**. The Board intends to transfer payments received in repayment of loans made with proceeds of Outstanding 2003 Master Trust Bonds in excess of the amount needed to make payments on the Outstanding 2003 Master Trust Bonds, as directed in an Officer's Certificate, to the Master Trustee for deposit in accordance with the terms and provisions of the 2019 Master Trust Indenture. The Board expects to deliver such an Officer's Certificate not more often than twice in a Fiscal Year. See **"SECURITY AND PAYMENT FOR THE BONDS."**



(1) Each Clean Water and Drinking Water Series Indenture is a mirror image of the Series Indenture diagram shown.

## PROJECTED CASH FLOW AND DEBT SERVICE TABLE

The projected cash flow relating to the Bonds is dependent on the Borrowers making timely payment on their respective Loans and the availability of excess revenues to be transferred by the 2003 Master Trustee to the Master Trustee as described under **“SECURITY AND PAYMENT FOR THE BONDS – 2003 Master Trust Agreement Moneys.”** The projected cash flow and debt service table which follows presents on an annual basis the projected amounts available to pay debt service on the Bonds from (1) excess 2003 Master Trust Agreement revenues after payment of the Outstanding 2003 Master Trust Bonds and (2) CWSRF Loan Payments and DWSRF Loan Payments on Loans pledged under the 2019 Master Trust Indenture. All such revenues and debt service amounts are estimates, subject to change, and are based upon various assumptions, among others, concerning the amounts, timing, interest rates and repayment schedules for the Loans, and the timely payment by all Borrowers. Columns in such table may not sum due to rounding. See **Appendix G** for information regarding the Outstanding 2003 Master Trust Bonds.

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**PROJECTED CASH FLOW AND DEBT SERVICE TABLE\***  
(continued on next page)

**2003 Master Trust Agreement**

Fiscal Year Ending June 30	Projected Loan Repayments <sup>(1)</sup>	Debt Service Reserve Fund Income	Aggregate Revenues Available for Debt Service	Debt Service	Projected Debt Service Coverage	Projected Excess Revenues <sup>(2)</sup>	Minimum Reserve Fund Balance
2026	\$51,034,088	\$4,104,945	\$55,139,033	\$19,963,750	2.76%	\$35,175,283	
2027	52,657,492	-	52,657,492	15,317,319	3.44%	37,340,174	
2028	50,541,415	-	50,541,415	14,675,569	3.44%	35,865,846	
2029	48,697,447	-	48,697,447	14,971,319	3.25%	33,726,128	
2030	48,081,017	-	48,081,017	15,133,069	3.18%	32,947,948	
2031	47,046,793	-	47,046,793	12,690,569	3.71%	34,356,224	
2032	46,450,169	-	46,450,169	11,721,169	3.96%	34,729,001	
2033	46,040,990	-	46,040,990	11,151,319	4.13%	34,889,671	
2034	46,046,658	-	46,046,658	11,659,038	3.95%	34,387,621	
2035	45,517,966	-	45,517,966	10,888,300	4.18%	34,629,666	
2036	43,653,097	-	43,653,097	10,631,913	4.11%	33,021,185	
2037	42,813,643	-	42,813,643	10,431,713	4.10%	32,381,930	
2038	41,632,718	-	41,632,718	9,408,663	4.42%	32,224,055	
2039	40,271,634	-	40,271,634	4,672,538	8.62%	35,599,096	
2040	36,653,493	-	36,653,493	4,408,238	8.31%	32,245,256	
2041	34,545,633	-	34,545,633	4,383,288	7.88%	30,162,346	
2042	31,029,164	-	31,029,164	-	-	31,029,164	
2043	30,105,969	-	30,105,969	-	-	30,105,969	
2044	29,749,395	-	29,749,395	-	-	29,749,395	
2045	29,175,042	-	29,175,042	-	-	29,175,042	
2046	28,970,232	-	28,970,232	-	-	28,970,232	
2047	27,084,824	-	27,084,824	-	-	27,084,824	
2048	23,536,295	-	23,536,295	-	-	23,536,295	
2049	20,772,190	-	20,772,190	-	-	20,772,190	
2050	16,259,338	-	16,259,338	-	-	16,259,338	
2051	11,754,133	-	11,754,133	-	-	11,754,133	
2052	10,284,632	-	10,284,632	-	-	10,284,632	
2053	9,496,478	-	9,496,478	-	-	9,496,478	
2054	7,290,159	-	7,290,159	-	-	7,290,159	
2055	4,834,855	-	4,834,855	-	-	4,834,855	
2056	1,482,299	-	1,482,299	-	-	1,482,299	
2057	205,605	-	205,605	-	-	205,605	
Totals	\$1,003,714,863	\$4,104,945	\$1,007,819,808	\$182,107,769		\$825,712,039	

<sup>(1)</sup> Represents projected repayments on loans pledged under the 2003 Master Trust Agreement and debt service reserve fund deallocations and interest income under the 2003 Master Trust Agreement.

<sup>(2)</sup> Represents revenues available for transfer to the Master Trustee after payment of Outstanding 2003 Master Trust Bonds. See "SECURITY AND PAYMENT FOR THE BONDS – General – 2003 Master Trust Agreement Moneys."

\* Preliminary; subject to change

**PROJECTED CASH FLOW AND DEBT SERVICE TABLE\***  
(continued from preceding page)

<b>2019 Master Trust Indenture<sup>(1)</sup></b>							
Fiscal Year Ending June 30	Projected Loan Repayments	Aggregate Revenues Available for Debt Service <sup>(1)</sup>	Existing Debt Service	Projected Series 2025 New Money Debt Service	Projected Debt Service	Projected Debt Service Coverage	Projected Excess Revenues
2026	\$76,350,508	\$111,525,791	\$69,635,806	\$6,133,333	\$75,769,139	1.47%	\$35,756,652
2027	86,222,640	123,562,813	73,331,353	9,130,000	82,461,353	1.50%	41,101,460
2028	89,622,268	125,488,114	72,278,712	10,568,500	82,847,212	1.51%	42,640,903
2029	88,944,362	122,670,490	70,068,932	10,742,250	80,811,182	1.52%	41,859,309
2030	88,563,625	121,511,573	69,073,941	10,645,750	79,719,691	1.52%	41,791,882
2031	86,544,343	120,900,567	69,668,059	10,316,750	79,984,809	1.51%	40,915,758
2032	83,632,090	118,361,090	67,459,696	11,056,750	78,516,446	1.51%	39,844,644
2033	77,769,811	112,659,482	63,510,418	11,232,750	74,743,168	1.51%	37,916,314
2034	70,079,209	104,466,830	57,650,021	11,420,750	69,070,771	1.51%	35,396,058
2035	67,665,334	102,295,000	56,604,071	11,394,250	67,998,321	1.50%	34,296,678
2036	66,482,203	99,503,388	54,490,601	10,733,000	65,223,601	1.53%	34,279,787
2037	66,398,614	98,780,545	54,029,220	10,728,250	64,757,470	1.53%	34,023,075
2038	65,462,363	97,686,418	53,891,188	10,748,250	64,639,438	1.51%	33,046,980
2039	62,507,609	98,106,705	56,264,761	10,706,250	66,971,011	1.46%	31,135,695
2040	60,693,506	92,938,762	53,214,278	10,119,750	63,334,028	1.47%	29,604,734
2041	59,403,724	89,566,070	50,289,699	10,590,500	60,880,199	1.47%	28,685,871
2042	57,577,973	88,607,137	49,936,849	11,831,500	61,768,349	1.43%	26,838,789
2043	56,553,086	86,659,054	48,448,756	12,447,500	60,896,256	1.42%	25,762,798
2044	54,996,124	84,745,519	39,087,581	10,401,000	49,488,581	1.71%	35,256,937
2045	53,343,923	82,518,965	38,767,594	10,402,750	49,170,344	1.68%	33,348,621
2046	53,503,775	82,474,007	38,988,544	10,419,500	49,408,044	1.67%	33,065,964
2047	53,303,278	80,388,102	37,897,094	10,329,750	48,226,844	1.67%	32,161,258
2048	53,245,714	76,782,009	35,468,144	10,133,000	45,601,144	1.68%	31,180,865
2049	52,226,478	72,998,668	33,768,694	10,039,000	43,807,694	1.67%	29,190,974
2050	49,332,742	65,592,080	21,349,200	9,627,250	30,976,450	2.12%	34,615,630
2051	44,249,887	56,004,020	17,176,519	9,163,000	26,339,519	2.13%	29,664,501
2052	40,582,150	50,866,782	16,373,081	8,994,000	25,367,081	2.01%	25,499,700
2053	32,138,470	41,634,947	12,338,813	8,320,750	20,659,563	2.02%	20,975,385
2054	19,239,530	26,529,689	-	11,178,000	11,178,000	2.37%	15,351,689
2055	17,332,311	22,167,166	-	10,710,000	10,710,000	2.07%	11,457,166
2056	7,795,913	9,278,211	-	-	-	-	9,278,211
2057	1,667,444	1,873,049	-	-	-	-	1,873,049
Totals	\$1,843,431,005	\$2,669,143,044	\$1,381,061,623	\$310,264,083	\$1,691,325,706		\$977,817,338

<sup>(1)</sup> Consists of projected repayments on Loans pledged under the 2019 Master Trust Indenture and excess 2003 Master Trust Agreement revenues projected to be transferred to the Master Trustee as shown on the preceding page.

\* Preliminary; subject to change

## SECURITY AND PAYMENT FOR THE BONDS

### General

The Bonds are issued and secured under the terms and provisions of the 2019 Master Trust Indenture and the Bond Indenture and are not issued on a parity with the Outstanding 2003 Master Trust Bonds. Through the 2019 Master Trust Indenture, the Board created a single, combined (cross-collateralized) financing program to provide funds for the Clean Water Program and the Drinking Water Program in an efficient manner through the issuance of 2019 Master Trust Bonds. The cross-collateralization of money and other assets of the Clean Water Program and the Drinking Water Program pursuant to the 2019 Master Trust Indenture provides common security for the payment of debt service on the 2019 Master Trust Bonds. The Trust Estate established by the 2019 Master Trust Indenture secures the repayment of the Bonds and the outstanding 2019 Master Trust Bonds.

The payment of principal of and interest on the Bonds is secured solely by (i) loans and moneys transferred to the 2019 Master Trust Indenture from the 2003 Master Trustee to the Master Trustee as directed by an Officer's Certificate and in accordance with the terms of the 2003 Master Trust Agreement, (ii) Pledged SRF Revenues, which are defined to exclude Administrative Fee Payments, (iii) amounts held in the funds and accounts established under the Bond Indenture (excluding moneys on deposit in the Costs of Issuance Fund and the Rebate Fund), (iv) all proceeds of the foregoing (including investment earnings thereon) held by the Bond Trustee under the Bond Indenture, and (v) amounts available under the 2019 Master Trust Indenture for that purpose, in each case subject to the uses, restrictions and priorities set forth in the Bond Indenture. Certain amounts pledged to repayment of Outstanding 2003 Master Trust Bonds, which may constitute Pledged SRF Revenues, will first be used to make payments of principal of and interest on such Outstanding 2003 Master Trust Bonds or other payments required under the 2003 Master Trust Agreement. See **"PROJECTED CASH FLOW AND DEBT SERVICE TABLE."**

### *2019 Master Trust Indenture Moneys*

**"Pledged SRF Revenues"** consist of **"Pledged CWSRF Revenues"** and **"Pledged DWSRF Revenues,"** which have the following respective meanings:

- **"Pledged CWSRF Revenues"** means (i) all CWSRF Loan Payments (other than payments identified in a Loan Agreement that represent Administrative Fee Payments), (ii) all other amounts received by the Board under any Loan Agreement acquired for the Clean Water Program, (iii) all other amounts defined as a Pledged CWSRF Revenue under the terms of a Bond Indenture authorizing a Series of 2019 Master Trust Bonds, and (iv) all amounts received by the Board as income, profits or gain on investments of money held in the Clean Water Account (other than moneys received from federal capitalization grants under the Federal Clean Water Act).
- **"Pledged DWSRF Revenues"** means (i) all DWSRF Loan Payments (other than payments identified in a Loan Agreement that represent Administrative Fee Payments), (ii) all other amounts received by the Board under any Loan Agreement acquired for the Drinking Water Program, (iii) all other amounts defined as a Pledged DWSRF Revenue under the terms of a Bond Indenture authorizing a Series of 2019 Master Trust Bonds, and (iv) all amounts received by the Board as income, profits or gain on investments of money held in the Drinking Water Account (other than moneys received from federal capitalization grants under the Federal Drinking Water Act).

The Loans pledged under the 2019 Master Trust Indenture are described in **Appendix H**. CWSRF Loan Payments and DWSRF Loan Payments include excess payments made in repayment of Loans made from proceeds of Outstanding 2003 Master Trust Bonds not transferred to the 2019 Master Trustee. The Board intends to cause the transfer of any such excess amounts to the Master Trustee and expects that an Officer's Certificate accomplishing such transfer will be delivered no more often than once every 6 months while any 2003 Master Trust Bonds remain Outstanding. See **"2003 Master Trust Agreement Moneys"** below.

Moneys held in the CWSRF Revenue Fund may be made available to pay debt service on 2019 Master Trust Bonds issued for the Drinking Water Program. Moneys held in the DWSRF Revenue Fund may be made available to pay debt service on 2019 Master Trust Bonds, including the Bonds, issued for the Clean Water Program. See **“Cross-Collateralization”** below.

Historically, the Board has loaned funds to Borrowers at interest rates based upon the Board’s comparable market rates, less a varying subsidy of (i) up to 40% with respect to Clean Water Program funds and (ii) up to 30% with respect to Drinking Water Program funds. See **Appendix D** for a summary of certain provisions of a standard form of Loan Agreement.

### ***2003 Master Trust Agreement Moneys***

The Board intends to transfer excess moneys from the 2003 Master Trust Agreement for deposit to the credit of the CWSRF Revenue Fund or the DWSRF Revenue Fund by the Master Trustee on the dates and at the direction of the Board through delivery of an Officer’s Certificate. See **“PROJECTED CASH FLOW AND DEBT SERVICE TABLE”** above. Monies so transferred will be used to pay debt service on 2019 Master Trust Bonds, including the Bonds. See **“Cross-Collateralization”** below.

Pursuant to the 2003 Master Trust Agreement, any Loan Payments received in connection with any Loans made from proceeds of Outstanding 2003 Master Trust Bonds are used first to pay the debt service on any Outstanding 2003 Master Trust Bonds or make other payments required under the 2003 Master Trust Agreement; second, pursuant to an Officer’s Certificate, to the Master Trustee for deposit to the applicable CWSRF Revenue Fund or the DWSRF Revenue Fund; and third, to the State Treasurer for deposit into the Drinking Water Account or the Clean Water Account, as applicable, of the Water Resources Fund. The Board intends to cause the transfer of any excess amounts available under the 2003 Master Trust Agreement to the Master Trustee and expects that an Officer’s Certificate accomplishing such transfer will be delivered no more often than once every 6 months while 2003 Master Trust Bonds remain Outstanding. Since the implementation of the 2019 Master Trust Indenture and the related amendment to the 2003 Master Trust Agreement, the Board has caused the transfer of excess amounts available under the 2003 Master Trust Agreement in the amount of approximately \$19 million for CWSRF and approximately \$67 million for DWSRF. **The Board covenanted in the 2019 Master Trust Indenture to no longer issue bonds or other obligations under the terms of the 2003 Master Trust Agreement.**

## **Establishment of Funds and Accounts under the 2019 Master Trust Indenture and the Bond Indenture**

### ***2019 Master Trust Indenture***

The 2019 Master Trust Indenture establishes the following funds and accounts, each of which is held by the Master Trustee: (1) Loan Fund, containing a CWSRF Leveraged Loan Account, a CWSRF State Match Loan Account, a DWSRF Leveraged Loan Account and a DWSRF State Match Loan Account; (2) CWSRF Revenue Fund; and (3) DWSRF Revenue Fund.

The Master Trustee will promptly deposit in the CWSRF Revenue Fund all CWSRF Loan Payments and the Participant Obligations related to the CWSRF Loan Payments. In addition, the Master Trustee will promptly deposit in the CWSRF Revenue Fund any CWSRF Loan Documents substituted for Loans then on deposit in the CWSRF Revenue Fund, in accordance with the terms of the 2019 Master Trust Indenture and as directed in Written Authorization. The Master Trustee will promptly deposit in the DWSRF Revenue Fund all DWSRF Loan Payments and the Participant Obligations related to the DWSRF Loan Payments. In addition, the Master Trustee will promptly deposit in the DWSRF Revenue Fund any DWSRF Loan Documents substituted for Loans then on deposit in the DWSRF Revenue Fund, in accordance with the terms of the 2019 Master Trust Indenture and as directed in a Written Authorization. The Loans pledged under the 2019 Master Trust Indenture to effect payment of debt service on the Bonds and any additional 2019 Master Trust Bonds are described in **Appendix H**.

The Board has never defaulted on any bonds issued under the 2003 Master Trust Agreement or the 2019 Master Trust Indenture.

### ***Bond Indenture***

The Bond Indenture establishes the following funds and accounts, each of which is held by the Bond Trustee: (1) Debt Service Fund, containing a Clean Water Account and a Drinking Water Account (and within each such account a State Match Bond Subaccount and a Leveraged Bond Subaccount); (2) Costs of Issuance Fund; and (3) Rebate Fund.

*Debt Service Fund.* On or before each Payment Date, the Bond Trustee shall request in writing that the Master Trustee transfer the amounts necessary to pay the interest on the Bonds as the same becomes due and payable and to pay the principal of and premium, if any, on the Bonds as the same becomes due and payable at maturity or upon the redemption of Bonds prior to maturity. In the request, the Bond Trustee shall specify the interest and principal due on the Payment Date for the Bonds that are Clean Water Leveraged Bonds, Clean Water State Match Bonds, Drinking Water Leveraged Bonds and Drinking Water State Match Bonds.

On or before each Payment Date, the Master Trustee shall transfer the moneys requested by the Bond Trustee for payment of principal, premium, if any, and interest due on such Payment Date, to be held in trust by the Trustee for the holders of the Bonds and, except as otherwise provided herein, applied solely to pay the Bonds. On each date fixed for redemption of the Bonds and on each scheduled Payment Date on the Bonds, the Trustee shall remit to the registered owners of such Bonds an amount from the respective Account or Subaccount of the Debt Service Fund sufficient to pay the principal of and interest on the Bonds becoming due and payable on such date. Pending such application, moneys in the Debt Service Fund shall be invested pursuant to the Bond Indenture.

*No Reserve Fund.* The Bond Indenture does not establish a Reserve Fund Requirement or a Reserve Fund for the Bonds.

*Cost of Issuance Fund.* Moneys in the Costs of Issuance Fund shall be applied by the Bond Trustee to the payment of costs of issuance of the Bonds, including payment of all necessary fees, costs and expenses of the Bond Trustee and the Board relating to the Bonds, as limited by the Bond Indenture. The Bond Trustee will transfer any balance remaining in the Costs of Issuance Fund on the 180th day following the issuance of the Bonds for deposit in such funds and accounts as directed by the Board in an Officer's Certificate. The Cost of Issuance Fund does NOT secure the payment of debt service on the Bonds.

*Rebate Fund.* Pursuant to the Bond Indenture, the Bond Trustee shall deposit into the Rebate Fund the amounts required by a Written Authorization of the Board from the applicable accounts of the CWSRF or DWSRF Revenue Fund held by the Master Trustee. Amounts on deposit in the Rebate Fund may be used solely to make payments to the United States of America under section 148 of the Code and to pay or reimburse allowable costs related to the calculation of the amounts due, or if amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Bond Trustee shall transfer such excess amounts to the applicable accounts of the CWSRF or DWSRF Revenue Fund held by the Master Trustee as directed in a Written Authorization of the Board. The Rebate Fund and all amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Bondholders or any other person and shall not constitute part of the Trust Estate.

*Investments.* As directed by a Board Representative in a Written Authorization, moneys in the Costs of Issuance Fund and the Debt Service Fund shall at all times be invested by the Bond Trustee in Investment Securities, maturing at such times and in such amounts as will make cash available for the purposes of such funds and accounts as needed, subject to the restrictions, if any, set forth in the Tax Agreement. Net investment earnings shall be retained in the fund or account so invested.

## Cross-Collateralization

### ***Withdrawals from CWSRF Revenue Fund Held Under the 2019 Master Trust Indenture***

On or before the Payment Date of any debt service due and owing on a Series of 2019 Master Trust Bonds, the Master Trustee will take the following actions pertaining to the CWSRF Revenue Fund in the following order of priority, subject to the discussion below under ***“Limitations on Withdrawals”***:

(1) the Master Trustee will transfer moneys received from the 2003 Master Trust Agreement attributable to the Clean Water Program to a Bond Indenture Trustee (as defined in the 2019 Master Trust Indenture), for deposit in the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds to pay debt service coming due on a Series of 2019 Master Trust Bonds issued for the benefit of the Clean Water Program;

(2) the Master Trustee will transfer Pledged CWSRF Revenues to a Bond Indenture Trustee, for deposit in the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Clean Water Program, the amount certified by such Bond Indenture Trustee to be necessary to timely make the debt service payment due on such Payment Date on that Series of 2019 Master Trust Bonds (or portion thereof); *provided* that the Board in a Bond Indenture may direct a Bond Indenture Trustee to deposit Pledged CWSRF Revenues to the credit of accounts or subaccounts established in the Bond Indenture for the payment of debt service on the Series of 2019 Master Trust Bonds issued as Leveraged Bonds and State Match Bonds in furtherance of the Clean Water Program;

(3) after making any transfers described in subsection (2) above, the Master Trustee will transfer Pledged CWSRF Revenues to a Bond Indenture Trustee for deposit to the credit of the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Drinking Water Program, the amount certified by such Bond Indenture Trustee to be necessary to timely make the debt service payment due on such Payment Date on that Series of 2019 Master Trust Bonds (or portion thereof);

(4) the Master Trustee will transfer Pledged CWSRF Revenues to a Bond Indenture Trustee the amount certified by such Bond Indenture Trustee to be necessary to replenish any deficiency in an account in a reserve fund established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Clean Water Program;

(5) the Master Trustee will transfer Pledged CWSRF Revenues to a Bond Indenture Trustee the amount certified by such Bond Indenture Trustee to be necessary to replenish any deficiency in an account in a reserve fund established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Drinking Water Program, *provided* that the transfers made as described in paragraph (4) below under ***“Withdrawals from DWSRF Revenue Fund Held Under the 2019 Master Trust Indenture”*** were not sufficient to replenish any deficiency in such reserve fund;

(6) in accordance with a Written Authorization, the Master Trustee will transfer an amount certified by a Board Representative as constituting Pledged CWSRF Revenues to the Board to be used for any lawful purpose consistent with the Clean Water Program; and

(7) in accordance with a Written Authorization, the Master Trustee shall withdraw all remaining moneys, and transfer such moneys to the State Treasurer for deposit in the Clean Water Account of the Water Resources Fund, Account No. 472.



### ***Withdrawals from DWSRF Revenue Fund Held Under the 2019 Master Trust Indenture***

On or before the Payment Date of any debt service due and owing on a Series of 2019 Master Trust Bonds, including the Bonds, the Master Trustee will take the following actions pertaining to the DWSRF Revenue Fund in the following order of priority, subject to the discussion below under “**Limitations on Withdrawals**”:

(1) the Master Trustee will transfer moneys received from the 2003 Master Trust Agreement attributable to the Drinking Water Program to a Bond Indenture Trustee, for deposit in the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds to pay debt service coming due on a Series of 2019 Master Trust Bonds issued for the benefit of the Drinking Water Program;

(2) the Master Trustee will transfer Pledged DWSRF Revenues to a Bond Indenture Trustee, for deposit in the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Drinking Water Program, the amount certified by such Bond Indenture Trustee to be necessary to timely make the debt service payment due on such Payment Date on that Series of 2019 Master Trust Bonds (or portion thereof); *provided* that the Board in a Bond Indenture may direct a Bond Indenture Trustee to deposit Pledged DWSRF Revenues to the credit of accounts or subaccounts established in the Bond Indenture for the payment of debt service on the Series of 2019 Master Trust Bonds issued as Leveraged Bonds and State Match Bonds in furtherance of the Drinking Water Program;

(3) after making any transfers described in subsection (2) above, the Master Trustee will transfer Pledged DWSRF Revenues to a Bond Indenture Trustee, for deposit to the credit of the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Clean Water Program, the amount certified by such Bond Indenture Trustee to be necessary to timely make the debt service payment due on such Payment Date on that Series of 2019 Master Trust Bonds (or portion thereof);

(4) the Master Trustee will transfer Pledged DWSRF Revenues to a Bond Indenture Trustee the amount certified by such Bond Indenture Trustee to be necessary to replenish any deficiency in an account in a reserve fund established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Drinking Water Program;

(5) the Master Trustee will transfer Pledged DWSRF Revenues to a Bond Indenture Trustee the amount certified by such Bond Indenture Trustee to be necessary to replenish any deficiency in an account in a reserve fund established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Clean Water Program, *provided* that the transfers made as described in paragraph (4) above under “***Withdrawals from CWSRF Revenue Fund Held Under the 2019 Master Trust Indenture***” were not sufficient to replenish any deficiency in such reserve fund;

(6) in accordance with a Written Authorization, the Master Trustee will transfer an amount certified by a Board Representative as constituting Pledged DWSRF Revenues to the Board to be used for any lawful purpose consistent with the Drinking Water Program; and

(7) in accordance with a Written Authorization, the Master Trustee shall withdraw all remaining moneys, and transfer such moneys to the State Treasurer for deposit in the Drinking Water Account of the Water Resources Fund, Account No. 473.

### ***Limitations on Withdrawals***

Withdrawals from the CWSRF Revenue Fund or the DWSRF Revenue Fund are subject to the following:

(1) If, for either the Clean Water Program or the Drinking Water Program, as of any date specified in the Master Indenture, more than one Bond Indenture Trustee has certified to the Master Trustee that there are insufficient moneys on hand to pay the debt service on the applicable Series of 2019 Master Trust Bonds, then the Master Trustee shall transfer moneys to the Bond Indenture Trustees with respect to each Series of 2019 Master Trust Bonds designated in the applicable Series Certificates. If there are insufficient moneys on deposit in the CWSRF Revenue Fund or the DWSRF Revenue Fund, as the case may be, to satisfy all such requests, the Master Trustee shall transfer moneys to the Bond Indenture Trustees *pro rata* based on the amount of the respective deficiencies among such 2019 Master Trust Bonds.

(2) The Master Trustee shall not make any transfers from the CWSRF Revenue Fund to pay the debt service on any Series of 2019 Master Trust Bonds issued for or any reserve account with respect to the Drinking Water Program, unless no moneys are on deposit in the DWSRF Revenue Fund, and shall not make any transfers from the DWSRF Revenue Fund to pay the debt service on any Series of 2019 Master Trust Bonds issued for or any reserve account with respect to the Clean Water Program, unless no moneys are on deposit in the CWSRF Revenue Fund.

(3) To the extent such transfers are prohibited under the Clean Water Program and the Drinking Water Program, the Master Trustee shall not make any transfers from the CWSRF Revenue Fund to pay the debt service on or to replenish any reserve account with respect to State Match Bonds issued for the Drinking Water Program, and shall not make any transfers from the DWSRF Revenue Fund to pay the debt service on or to replenish any reserve account with respect to State Match Bonds issued for the Clean Water Program.

### **Release of Loans; Substitution of Loans; Prepayment**

*Release of Loans.* The Master Trustee, upon the receipt of a Written Authorization, may release Loans and, if held by the Master Trustee, the related Loan Agreements and Participant Obligations from the lien of the 2019 Master Trust Indenture, upon the satisfaction of the following:

(a) the delivery to the Master Trustee of a Written Authorization (A) to the effect that cash flow reports evidence the sufficiency of (1) available Pledged SRF Revenues from the remaining Loans and interest earnings on investments for each Payment Date to pay not less than **1.0** times principal and interest coming due on the 2019 Master Trust Bonds on each such debt service payment date until maturity, (2) available Pledged SRF Revenues constituting interest payments only on the remaining Loans and interest earnings on investments for each interest payment date to pay not less than **1.0** times principal and interest coming due on the portion of the 2019 Master Trust Bonds issued to finance state matching funds on each such interest payment date, (3) any and all available revenues for each debt service payment date securing all outstanding 2019 Master Trust Bonds to pay not less than **1.1** times principal and interest coming due on all 2019 Master Trust Bonds on each such debt service payment date, and (4) any and all available revenues (consisting of investment earnings and loan interest earnings securing all series indentures) for each debt service payment date securing all portions of outstanding 2019 Master Trust Bonds issued to finance state matching funds to pay not less than **1.1** times principal and interest coming due on such portions of 2019 Master Trust Bonds on each such debt service payment date (clauses (1), (2), (3), and (4) being herein referred to as the “**Coverage Requirement**”) and (B) specifying the Loans to be released; and

(b) the delivery to the Master Trustee of an amendment to the schedule of Loans held in the Loan Fund (which amendment does not require the consent of the owners of the Bonds).

*Substitution of Loans.* Upon the written direction of the Board through the delivery of an executed Written Authorization, the Master Trustee may release Loans and, if held by the Master Trustee, the related Loan Agreements and Participant Obligations and substitute one or more Loans for such Loan and related Loan Agreement and Participant Obligation upon the delivery to the Master Trustee of (i) the instruments described above under **“Release of Loans,”** *provided* that the substituted Loan or Loans shall be included in the calculation of the Coverage Requirement and (ii) confirmation from each Rating Agency then rating the 2019 Master Trust Bonds that the proposed substitution will not result in a reduction or withdrawal of the then-applicable rating on the 2019 Master Trust Bonds.

*Prepayment.* The Board shall not consent to a Prepayment of a Loan unless the Board first delivers to the Master Trustee an Officer’s Certificate to the effect that the Coverage Requirement will be satisfied after taking into account such Prepayment. If the Board cannot deliver such Officer’s Certificate, then the Board may exercise its rights described above under **“Substitution of Loans.”**

### **Limited, Special Obligations of the Board**

The Bonds and the premium, if any, and interest thereon shall not now and shall never constitute an indebtedness or an obligation, general or moral, or a pledge of the faith or loan of credit of the Board or the State, within the purview of any constitutional limitation or provision, and shall never constitute or give rise to a charge against the faith and credit or taxing powers, if any, of the Board or the State, but shall be special, limited obligations of the Board, payable exclusively from (i) the Trust Estate established under the 2019 Master Trust Indenture (together with outstanding 2019 Master Trust Bonds), (ii) the Trust Estate established under the Bond Indenture, and (iii) the proceeds from the sale of the Bonds and the income from the temporary investment thereof. The Board has no taxing power.

### **Additional Bonds**

The Bonds will be issued and additional bonds may be issued and secured in the future by the Board pursuant to the terms of the 2019 Master Trust Indenture without limitation as to amount for purposes of the Clean Water Program and the Drinking Water Program, subject to certain limitations, and any such additional bonds are and shall be secured thereunder on a parity with the Bonds except with respect to any reserve accounts. Additional 2019 Master Trust Bonds may be issued if the following conditions are satisfied: (i) the principal amount of the 2019 Master Trust Bonds then being issued, together with the 2019 Master Trust Bonds then outstanding, shall not exceed in aggregate principal amount any limitation imposed by law; and (ii) an Officer’s Certificate shall have been delivered to the Master Trustee to the effect that cash flow reports evidence the sufficiency of the available revenues under the 2019 Master Trust Indenture relating to all outstanding 2019 Master Trust Bonds, including the 2019 Master Trust Bonds then to be issued, to pay **1.1** times the highest principal and interest payment coming due on all 2019 Master Trust Bonds then outstanding and the 2019 Master Trust Bonds then to be issued on any payment date with respect to the 2019 Master Trust Bonds. The Bonds will be issued in satisfaction of the tests described above.

See **Appendix B** and **Appendix C** for a more complete description of the 2019 Master Trust Indenture and the Bond Indenture. In addition, see **“PLAN OF FINANCING – Additional 2019 Master Trust Bonds”** for a description of the Board’s current plans with regard to the issuance of additional 2019 Master Trust Bonds.

## THE BONDS

### Description of the Bonds

The following is a summary of certain provisions applicable to the Bonds. Reference is made to the Bonds themselves for the complete texts thereof and to the Bond Indenture and the discussion herein is qualified by such references.

The Bonds will be issuable as fully registered bonds without coupons in denominations of \$5,000 each or any integral multiple of \$5,000. The Bonds will mature on the dates and in the principal amounts shown on the inside cover page of this Official Statement. Interest on the Bonds shall be computed on the basis of a 360-day year, consisting of twelve 30-day months. The Bonds shall bear interest from their date of delivery, at the rates set forth on the inside cover page of this Official Statement. Interest is payable on April 1 and October 1 of each year commencing October 1, 2025, until maturity or prior redemption. Interest shall be paid to the registered owners of the Bonds as shown on the Bond Register at the close of business on the Record Date (the fifteenth day of the calendar month next preceding each interest payment date).

The Bonds are initially issuable in book-entry form (as described in **Appendix L** hereto). Initially, Cede & Co., the nominee of The Depository Trust Company (“DTC”), will be the registered owner and references herein to the Bondholders or registered owners of the Bonds mean Cede & Co. and not the beneficial owners of the Bonds. The principal of, premium, if any, and interest on the Bonds will be payable by the Bond Trustee to Cede & Co., which will make distribution of the amounts so paid to the Beneficial Owners of the Bonds. See “**Book-Entry-Only System**” in **Appendix L** hereto.

### Redemption Provisions

*Optional Redemption.* The Bonds maturing on and after April 1, 20\_\_, are subject to redemption, in whole or in part on any date, at the option of the Board, on and after April 1, 20\_\_ at the redemption price of 100% of the principal amount thereof being redeemed, plus accrued interest thereon to the date fixed for redemption. Bonds to be redeemed pursuant to the optional redemption provisions above shall be selected from the maturities and in the principal amounts as shall be determined by the Board.

*Mandatory Sinking Fund Redemption.* The Bonds scheduled to mature on April 1, 20\_\_ (the “**Term Bonds**”) are subject to scheduled mandatory redemption by the Paying Agent by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Bond	
Maturity: April 1, 20__	
Mandatory Redemption Date	
(April 1)	<u>Principal Amount</u>
20__	\$
20__	
20__	
20__*	
* Stated Maturity	

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Board, by the principal amount of any Term Bonds of the same maturity which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the Board at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent for cancellation, (2) shall have been purchased and canceled by the Paying Agent at the request of the Board at a price not exceeding the principal amount of such Term Bond plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

*Extraordinary Mandatory Redemption.* The Internal Revenue Code of 1986 (the “**Code**”) imposes certain requirements on bonds, such as the Bonds, issued by state and local governments for pooled financing programs in order for the interest to be and remain exempt from federal income taxation. One such requirement mandates the redemption of bonds in circumstances in which the bond proceeds are not used to make loans within certain prescribed time periods. In particular, the Code requires:

(a) the issuer to reasonably expect (i) to use, directly or indirectly, within the one-year period beginning on the date of issue, at least 30% of the net proceeds of the issue to make loans; and (ii) to use, directly or indirectly, within the three-year period beginning on the date of issue, at least 95% of the net proceeds of the issue; and

(b) the issuer to redeem outstanding bonds within 90 days after the end of such one-year or three-year period, as applicable, to the extent of, and in an amount equal to the unused proceeds, i.e., the difference between the amount actually used and an amount equal to such applicable percentage.

*[Remainder of Page Intentionally Left Blank.]*

The Board expects that the requirement to use (30%) of the net proceeds of the Bonds to make loans within one year of the date of issue for loans to Borrowers will be satisfied on the date of delivery of the Bonds. The Bonds shall be subject to extraordinary mandatory redemption, on any date which is not earlier than the final day of the Three-Year Computation Period (as defined below), in an amount equal to the Computation Amount, plus accrued interest to the date of such extraordinary mandatory redemption, at the redemption prices set forth below (approximately \_\_\_\_% of the amortized issue price for each maturity of the Bonds), expressed as percentages of the principal amount of each maturity of the Bonds so redeemed:

[illegible]

The foregoing notwithstanding, the Bonds shall not be subject to the Three-Year Extraordinary Mandatory Redemption if the Board obtains an opinion of nationally-recognized bond counsel to the effect that the failure by the Board to cause any such extraordinary mandatory redemption to occur will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

**“Computation Amount”** means the surplus proceeds (rounded to the next higher \$5,000 denomination) equal to ninety-five percent (95%) of the Net Proceeds less the proceeds of the Bonds directly or indirectly used to make loans to Participants as of the last day of the Three-Year Computation Period (but not less than zero).

**“Three-Year Computation Period”** means the period ending on the last day of the three-year period commencing on the date of delivery of the Bonds.

See “**Disbursement of Loan**” in **Appendix D** hereto for a summary of a provision of the Loan Agreements regarding the transfer by the Board to Borrowers of any unfunded balances of the Loans made to such Borrowers prior to the end of the Three-Year Computation Period.

For purposes of the Three-Year Extraordinary Mandatory Redemption of Bonds, the Bonds subject to such redemption shall be selected on a “Pro-Rata Basis,” *provided* that if any amount required to be redeemed remains after such selection, such remaining amount shall be applied to the redemption of \$5,000 principal amount of each maturity of Bonds in inverse order of maturity. The term “Pro-Rata Basis” means that the principal amount of Bonds of a particular maturity shall be determined by multiplying the Computation Amount by the ratio which the principal amount of Bonds of such maturity then outstanding bears to the aggregate principal amount of Bonds then outstanding and subject to redemption.

While the Board anticipates expending at least 95% of the net proceeds of the Bonds prior to the end of the Three-Year Computation Period, a failure to timely expend such amount may result in extraordinary mandatory redemption of Bonds as set forth in this section.

***Previously Issued Pooled Financing Bonds – Compliance with the Code.*** The Board previously issued revolving fund revenue bonds under the terms of both the 2003 Master Trust Agreement and the 2019 Master Trust Indenture that were subject to the extraordinary mandatory redemption required for certain pooled financing bonds under the Code as described above under “**Extraordinary Mandatory Redemption**”. The Board has met the requirements to spend at least 30% or 95% of the proceeds of any pooled financing bonds within one or three years, as the case may be, after issuance, for each series of revolving fund revenue bonds subject to such mandatory redemption, and no extraordinary mandatory redemption of the Board’s pooled financing bonds has been required.

The information regarding the historical experience of the Board should not be interpreted as predicting the fulfillment of expectations as to use of the proceeds of the Bonds. See “**PROPOSED BORROWERS – No Assurance All Proceeds Will Be Loaned.**”

***Notice of Redemption.*** Unless waived by any Bondholder of the Bonds to be redeemed, official notice of any redemption of the Bonds shall be given by the Bond Registrar on behalf of the Board by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Bondholder of the Bond or Bonds to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mail as aforesaid to any Bondholder or any defect therein as to any particular Bond shall not affect the validity of any proceedings for the redemption of any other Bonds.

Any such notice of optional redemption may be made conditional upon the receipt of moneys or other conditions. The Bond Trustee shall rescind such notice of the optional redemption of Bonds in accordance with the Bond Indenture in the event moneys available solely for such optional redemption in accordance with the requirements of the Bond Indenture and sufficient to pay the Bonds called for optional redemption and accrued interest thereon to the date fixed for redemption and the redemption premium, if any, shall not have been deposited with the Bond Trustee by the close of business of the fifth Business Day next preceding such optional redemption date.

Upon the happening of the above conditions, and notice having been given as provided in the Bond Indenture, the Bonds or the portions of the principal amount of Bonds thus called for redemption shall cease to bear interest on the specified redemption date, *provided* moneys sufficient for the payment of the redemption price are on deposit at the place of payment at the time, and shall no longer be entitled to the protection, benefit or security of the Bond Indenture and shall not be deemed to be Outstanding under the provisions of the Bond Indenture.

***Selection of Bonds to be Redeemed.*** If less than all of the Bonds of any one maturity are to be called for redemption, the Bond Trustee shall select the Bonds to be redeemed on a pro rata basis among all Bondholders of such maturity based upon the principal amount of Bonds owned by each such Holder, provided that (a) the portion of any Bond to be redeemed shall be in only whole multiples of \$5,000 and (b) so long as the only Holder of the Bonds is a Securities Depository Nominee, such selection shall be made by the Securities Depository in accordance with its operating rules and procedures, which is currently by lot. If the only Holder of the Bonds is a Securities

Depository Nominee, the Bond Trustee shall request the Securities Depository to select the amount of each direct participant's interest in the Bonds of such maturity to be redeemed on a pro rata basis based upon the principal amount of their respective interests (and to inform its direct and indirect participant to select Bonds for redemption in a like manner) but only to the extent permitted by the Securities Depository; provided, however, that neither the Board nor the Bond Trustee shall have any responsibility for ensuring that the Bonds are called for redemption in such manner.

## **Defeasance**

When all of the Bonds shall have been paid and discharged and the Board shall have paid or caused to be paid all other sums payable under the Bond Indenture by the Board, then the requirements contained in the Bond Indenture and the pledge of Security made under the Bond Indenture and all other rights granted thereby shall terminate. Bonds shall be deemed to have been paid and discharged within the meaning of the Bond Indenture if there shall have been deposited with the Bond Trustee, or other bank or trust company, having full trust powers and meeting the requirements of a successor Bond Trustee hereunder impressed with a first lien to the Bond Trustee for the benefit of the owners of the Bonds, at or prior to the maturity or redemption date of said Bonds, in trust for and irrevocably appropriated thereto, moneys and/or non-callable Defeasance Securities which, together with the interest to be earned on any such obligations, as evidenced by the written report of an independent certified public accountant, or such other evidence that is satisfactory to the Bond Trustee, will be sufficient for the payment of the principal of said Bonds, the premium thereon, if any, and interest to accrue to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments, *provided, however*, that if any such Bonds shall be redeemed prior to the maturity thereof, (1) the Board shall have elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the Board shall have given irrevocable instructions to the Bond Trustee to redeem such Bonds.

Any moneys and obligations which at any time shall be deposited with the Bond Trustee or other bank by or on behalf of the Board, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Bond Trustee or other bank or trust company in trust for the respective owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge of the Bond Indenture. All moneys deposited with the Bond Trustee or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Indenture. Bonds for the payment of which moneys and/or Defeasance Securities shall have been deposited with the Bond Trustee or such other bank or trust company (whether upon or prior to the maturity of such Bonds) shall be deemed to be paid and no longer Outstanding.

## **PROPOSED BORROWERS**

### **Loans for the Drinking Water Program**

The Bonds will provide funds for the Drinking Water Program. The Board is authorized to make Loans to eligible local governmental entities, which include the State, counties, master conservancy districts, municipalities, public trusts, rural water districts or other political subdivisions of the State or any combination thereof.

To receive a Loan for the Drinking Water Program, a Borrower must (i) be approved by the Board, (ii) enter into a Loan Agreement with the Board, (iii) have enacted an ordinance or resolution, which provides for the Loan Repayment through the issuance of a local note, and (iv) secure the Loan by at least the revenues derived from the operation and existence of the project. See **Appendix D** for a summary of certain provisions of the form of Loan Agreement.



Each Loan will be secured by the revenues of the Borrower's water and/or wastewater system, which will include at least the revenues derived from the operation and existence of the water and/or wastewater system of the Borrower, but also may include other utility system revenues, and any other revenue source, including sales tax revenue, pledged to the payment of the local Loan and accepted by the Board. See **"STATE REVOLVING FUND PROGRAMS – Local Loans Made through the Clean Water Program and Drinking Water Program"**. **Appendix H** described loans previously made by and to be reimbursed to the Board and additional Loans the Board anticipates making from the proceeds of the Bonds.

The proceeds of the Bonds will not provide any funds for the Clean Water Program.

### **No Assurance All Proceeds Will Be Loaned**

The Board reasonably expects that sufficient Borrowers will enter into Loan Agreement in amounts sufficient to utilize all proceeds of the Bonds. The Board expects a portion of the proceeds of the Bonds will be used on the date of the issuance to reimburse the Board for Loans made under the Drinking Water program in an amount greater than 30% of the net proceeds of the Bonds. The Board anticipates making additional Loans from proceeds of the Bonds as described in **Appendix H**. No assurances can be made that all proceeds of the Bonds will be loaned to Borrowers under the Drinking Water Program. In the event that 95% of the net proceeds of the Bonds are not loaned within three years of the date of issuance of the Bonds, the Bonds are subject to extraordinary mandatory redemption as described under **"THE BONDS—Redemption Provisions—Extraordinary Mandatory Redemption"**.

## **THE BOARD**

### **Authority for and Powers of the Board**

The Oklahoma Water Resources Board was established by legislative action in 1957 as a body corporate and politic and an instrumentality, agency and department of the State. Authority for the existence and powers of the Board are found at Title 82, Oklahoma Statutes 2011, Section 1085.1 *et seq.*, as amended.

The Board is authorized to provide or assist political subdivisions and municipal corporations of the State, including counties, cities and towns, rural water and sewer districts, irrigation districts, and public trusts in the acquisition, development and utilization of storage and control facilities for the waters and sewage of such governmental entities for the use and benefit of the public and for the distribution of water for beneficial purposes in or from reservoirs or other storage facilities for the general welfare and the future economic growth of the State. Specifically, the Board is empowered to provide funds to Eligible Entities to assist in the development of facilities for the treatment and distribution of water from storage or filtration and treatment plants to wholesale or retail purchasers, and any system necessary to improve or develop sewage treatment, collection or distribution capabilities or to refinance existing indebtedness originally incurred for such purpose. The Board is authorized to issue its obligations, the proceeds of which may be loaned to Eligible Entities to finance the costs of such projects.

The Board is funded by annual appropriations from the Oklahoma Legislature and other sources. The Fiscal Year 2025 operating budget for the Board is approximately \$31 million. The Board's offices are located at 3800 North Classen Boulevard, Oklahoma City, Oklahoma 73118 and its telephone number is (405) 530-8800. For further information see [www.oklahoma.gov/owrb](http://www.oklahoma.gov/owrb).

### **Organization and Membership of the Board**

The Board is composed of nine members appointed by the Governor of the State for terms of seven years each, with the advice and consent of the Senate. Beginning July 1, 2014, the membership of the Board transitioned from congressional district and at-large representation to regional representation based on nine regions of the State,

as provided in Title 82, Oklahoma Statutes 2011, Section 1085.1, as amended. At all times, at least one member of the Board shall be well versed in each of the following types of water use: recreational, industrial, irrigational, municipal, rural residential, agricultural, soil conservation work and oil and gas production. Not more than two members may be selected representing any one of the major types of water use. The Board is authorized to appoint an Executive Director who shall have had at least six years practical and administrative experience in water resources management and to delegate to such Executive Director such powers and duties that it may deem proper, with the exception of the powers of determining policy or the execution of contracts or adjudication of claims, applications or controversies, all of which powers and duties shall be exercised solely by the Board.

## Members of the Board

The members of the Board are as follows:

MEMBERS	TERM EXPIRES	OCCUPATION
Jennifer Castillo, Chairman	May 2025 <sup>(1)</sup>	Attorney
Thomas A. Gorman, Vice Chairman	May 2027	Businessman
Suzanne Landess, Secretary	May 2026	Agri-businesswoman
Robert L. Stallings, Jr.	May 2031	Businessman
Ron Justice	May 2028	Retired
Bob Latham	May 2028	Attorney/Businessman
Matt Muller	May 2025 <sup>(1)</sup>	Agri-businessman
Daren Cook	May 2029	Attorney
Jarred Campbell	May 2030	Conservation District Manager

<sup>(1)</sup> Ms. Castillo's and Mr. Muller's terms expired May 2025. In accordance with 51 O.S. Section 15, Ms. Castillo and Mr. Muller will continue to serve as a Member of the Board while waiting to be re-confirmed or a new Member is appointed to the Board. New members are expected to be appointed to the Board before the issuance of the Bonds.

## Executive Administrative Staff of the Board

**Julie Cunningham, Executive Director:** Ms. Cunningham was appointed as the Executive Director effective as of March 21, 2017. Ms. Cunningham served as Planning & Management Division Chief from 2008 to 2016 and oversaw all aspects of water rights administration, Oklahoma Comprehensive Water Plan, hydrologic studies, well drillers licensure, and Oklahoma's floodplain management and Dam Safety program. Ms. Cunningham has served the Board for more than 20 years and her previous positions include Water Quality Standards Section Head, Clean Water State Revolving Fund Manager, and Financial Assistance Division Assistant Chief. Ms. Cunningham also holds leadership positions with the Interstate Council on Water Policy, Association of Western States Engineers, and four interstate river commissions. Ms. Cunningham is an Oklahoma City native and holds a Bachelor of Science in Geography from Oklahoma State University.

**Lori Johnson, Chief, Financial Assistance Division:** Mrs. Johnson has served the Board as Assistant Chief of the Financial Assistance Division since September 2015. She transitioned to Chief of the Division on August 31, 2024 following the retirement of her predecessor, Joe S. Freeman. Mrs. Johnson has served the Board for over 18 years and her previous positions include Environmental Programs Specialist in both the Water Quality Division and the Financial Assistance Division and Project Officer in the Financial Assistance Division. She previously assisted in the oversight of the Board's Water and Wastewater Loan and grant programs. She also holds a leadership position on the Board for the Council of Infrastructure Financing Authorities (CIFA), a national not-for-profit organization for Clean and Drinking Water State Revolving Funds. Mrs. Johnson holds a Bachelor of Science in Biology from the University of Central Oklahoma.

**Sara D. Gibson, General Counsel:** Ms. Gibson received a Bachelor of Science degree in 2001 and a juris doctorate in 2004 from Oklahoma City University. Before joining the Oklahoma Water Resources Board in 2013, Ms. Gibson worked as an attorney for the Oklahoma Department of Environmental Quality and the Oklahoma Tourism and Recreation Department.

### **Summary of Activities and Programs of the Board**

In addition to its Clean Water Program, Drinking Water Program and Financial Assistance Program activities regarding the issuance of bonds and the making of loans to Borrowers from the proceeds thereof (described in **“OTHER PROGRAMS OF THE BOARD”**), the Board administers Oklahoma law regarding (a) the rights to the use of stream water and groundwater, (b) licensing of commercial water well drillers and pump installers, (c) safety of dams, (d) interstate stream compacts, (e) management of development in floodplain areas, (f) surface and groundwater monitoring, and (g) development and updating of the Oklahoma Comprehensive Water Plan. The Board also administers a grant program for funding grants to eligible public entities for emergency water and wastewater projects, and the Rural Economic Action Plan Grant Program.

These and other related programs are administered by a staff of approximately 100 full-time equivalent employees organized into the following Divisions: Financial Assistance, Engineering & Planning, Water Rights Administration, Water Assessment Trends and Environmental Research, and Administrative Services. The Board’s executive staff consists of its Executive Administration (Executive Director and Executive Secretary) and Office of General Counsel (General Counsel and Assistant General Counsels).

## **STATE REVOLVING FUND PROGRAMS**

### **Federal Statutory Framework**

***Federal Clean Water State Revolving Fund Program.*** Title VI of the federal Clean Water Act, adopted in 1987, established a clean water (wastewater) state revolving fund (the federal **“Clean Water State Revolving Fund”**) program. Under this program, each state is required to establish a revolving fund administered by the state or an instrumentality of the state in order to accept federal Capitalization Grants for eligible publicly-owned water quality projects. In order to qualify for such federal Capitalization Grants, a state must pay into the revolving fund a matching amount (**“State Match”** or **“State Matching Funds”**) equal to at least 20% of the amount of such grants (subject to certain exceptions established under the Infrastructure Investment and Jobs Act described below). The state water pollution control revolving funds are used to provide financial assistance to municipalities in connection with the construction, rehabilitation, expansion or improvement of publicly owned systems for the storage, treatment, recycling and reclamation of municipal sewage.

***Federal Safe Drinking Water State Revolving Fund Program.*** In 1996, amendments to the federal Safe Drinking Water Act established a safe drinking water revolving fund (the federal **“Safe Drinking Water State Revolving Fund”**) program. Under this program, each state is required to establish a revolving fund administered by the state or an instrumentality of the state in order to accept federal Capitalization Grants for eligible drinking water projects. In order to qualify for such federal Capitalization Grants, a state must pay into the revolving fund State Matching Funds equal to at least 20% of the amount of such grants. State drinking water revolving fund loans serve to protect the public health and to achieve compliance with the federal Safe Drinking Water Act. The state drinking water revolving funds are used to provide financial assistance to publicly owned or privately-owned water systems in connection with the planning, design, development, construction, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction or acquisition of all or a portion of a public water system.

## State Establishment of Clean Water Program and Drinking Water Program

**Clean Water Program.** Following enactment of the laws creating the federal Clean Water State Revolving Fund Program, legislation was adopted in the State establishing a complying program within the State. State law (now codified at Title 82, Oklahoma Statutes 2011, Section 1085.51 *et seq.*, as amended), established the CWSRF Account (“**CWSRF**”) within the State’s Water Resources Fund to implement Title VI of the federal Clean Water Act. This legislation designates the Board as the state instrumentality to apply for and administer federal Clean Water State Revolving Fund Capitalization Grants that are available through the federal Clean Water Act. Projects eligible to be financed through the Clean Water Program are generally limited to wastewater system improvements and refinancing debt incurred for qualified wastewater system improvements.

The CWSRF is permanent and perpetual and not subject to fiscal year limitations. The Board has been designated as the entity to make application to the EPA for Capitalization Grants to be placed in the CWSRF. The Board has entered into an Operating Agreement with the EPA relating to the implementation of the Clean Water Program and has overall responsibility for all financial and technical administration of the Clean Water Program and providing financial assistance to Eligible Entities for eligible projects.

As of May 1, 2025, the Board has approved 485 CWSRF Loans in the aggregate principal amount of \$2,911,397,059.18 and funded 475 loans in the aggregate principal amount of \$2,820,039,029.89. As of May 1, 2025, there were 260 CWSRF Loans outstanding with an aggregate principal balance of \$953,304,176.25. See **Appendix H** for a list of outstanding CWSRF Loans pledged to the 2019 Master Trust Indenture and **Appendix J** for a list of outstanding CWSRF Loans pledged to Outstanding 2003 Master Trust Bonds. See **Appendix I** for a summary of the historical funding sources for the Clean Water Program. See **Appendix K** for the most recently available audited financial statements for the Clean Water Program.

As of the date of this Official Statement, the Board has received Capitalization Grants for the Clean Water Program in the amount of \$478,034,700. The Board has made available State Match in the amount of \$85,655,410 for the Clean Water Program.

**Drinking Water Program.** Following enactment of the laws creating the federal Safe Drinking Water State Revolving Fund program, legislation was adopted in the State establishing a complying program within the State. State law (now codified at Title 82, Oklahoma Statutes 2011, Section 1085.71 *et seq.*, as amended), established the Drinking Water Treatment Revolving Loan Account (“**DWTRLA**” or “**DWSRF**”) within the State’s Water Resources Fund to implement the 1996 amendments to the federal Safe Drinking Water Act. This legislation designates the duties of the Board and The Oklahoma Department of Environmental Quality (“**DEQ**”) with respect to this program. The Board and DEQ have entered into an Inter-Agency Agreement setting forth the duties and roles of each agency with respect to the program. See “**STATE REVOLVING FUND PROGRAMS—Inter-Agency Agreement**” below. Projects which are eligible to be financed through the Drinking Water Program are generally limited to drinking water system improvements and refinancing debt incurred for qualified drinking water system improvements.

The DWSRF is permanent and perpetual and is not subject to fiscal year limitations. Unlike the Clean Water Program which is administered exclusively by the Board, the Drinking Water Program is jointly administered by the Board and DEQ.

As of May 1, 2025, the Board has approved 320 DWSRF Loans in the aggregate principal amount of \$2,483,583,159.97 and funded 313 loans in the aggregate principal amount of \$2,403,680,177.73. As of May 1, 2025, there were 213 DWSRF Loans outstanding with an aggregate principal balance of \$1,037,764,477.64. See **Appendix H** for a list of outstanding DWSRF Loans pledged to the 2019 Master Trust Indenture and **Appendix J** for a list of outstanding DWSRF Loans pledged to Outstanding 2003 Master Trust Bonds. See **Appendix I** for a summary of the historical funding sources for the Drinking Water Program. See **Appendix K** for the most recently available audited financial statements for the Drinking Water Program.

As of the date of this Official Statement, DEQ and the Board have received Capitalization Grants for the Drinking Water Program in the amount of \$576,984,624. The Board has made available State Match in the amount of \$84,026,213 for the Drinking Water Program.

### Infrastructure Investment and Jobs Act

The 2021 Infrastructure Investment and Jobs Act (the “**IIJA**”) provided the Board two new federal grants for its CWSRF and three new federal grants for its DWSRF. These grants are being provided annually over five years beginning with the federal fiscal year 2022 and are in addition to the CWSRF and DWSRF base grants. The CWSRF Supplemental Grant, the DWSRF Supplemental Grant and the DWSRF Lead Service Line Replacement Grant require that 49% of the grant amount must be provided as loan forgiveness to disadvantaged communities. The CWSRF and DWSRF Emerging Contaminants (“**EC**”) Grants are expected to target per- and polyfluoroalkyl substances (“**PFAS**”) remediation projects (but are also allowed to address other contaminants of emerging concern) and require that 100% of the grant amounts must be provided as loan forgiveness. State match on the supplemental grants under IIJA was limited to 10% for federal fiscal years ended October 30, 2022 and October 30, 2023 and 20% for federal fiscal years 2024 through 2026. IIJA funds for the CWSRF and DWSRF for federal fiscal years 2022 – 2025 are shown below.

FFY	CWSRF		IIJA Funds*			TOTAL
	Supplemental	EC	Supplemental	EC	Lead	
2022	\$14,379,000	\$ 755,000	\$25,508,000	\$ 5,733,624	\$40,192,000	\$ 86,567,624
2023	\$16,840,000	\$1,718,000	\$30,602,000	\$11,104,000	-0-	\$ 59,746,000
2024	\$18,373,000	\$1,734,000	\$33,407,000	\$11,104,000	\$32,047,000	\$ 95,823,000
2025	\$19,903,000	\$1,718,000	\$36,188,000	\$11,104,000	-	\$ 68,913,000
<b>TOTAL</b>						

\*Note: FFY 2022, 2023 and 2024 funds have been received. FFY 2025 funds have been applied for but not yet received. DWSRF Lead amount for 2025 is not yet known.

The Board currently estimates receiving grants pursuant to IIJA in the amount of \$50 million for DWSRF and \$21 million for CWSRF over the remaining federal fiscal year 2025, as shown above. The foregoing estimate is subject to change according to funding formulas contained in the IIJA.

### Federal Budget Considerations

The Fiscal Year 2026 Discretionary Budget Request released by the Office of Management and Budget on May 2, 2025, included a \$2.46 billion reduction in the EPA’s State Revolving Fund programs, a 90% decrease below current levels. Any such cuts should not impact the availability of Pledged Revenues currently projected to be available for repayment of the Bonds because of the permanent and perpetual nature of the CWSRF and DWSRF, but may materially impact the operations of the Board and the future of the CWSRF and DWSRF programs. No assurance can be given that Congress will not adopt or pass a federal budget that would result in cuts to EPA’s State Revolving Fund programs.

### Eligible Borrowers Under Clean Water Program and Drinking Water Program

Under both the Clean Water Program and the Drinking Water Program, Loans may be made only to Eligible Entities. “**Eligible Entity**” is defined under the Act as any city, town, county or the State, and any rural water or sewer district, public trust, master conservancy district, any other political subdivision or any combination thereof. The Act does not include private companies or non-profit corporations as Eligible Entities.

## **Local Loans Made Through the Clean Water Program and the Drinking Water Program**

To qualify under the Clean Water Program and/or the Drinking Water Program, an Eligible Entity (the “**Borrower**”) must enter into a Loan Agreement with the Board. See **Appendix D** for a summary of certain provisions of a standard form of Loan Agreement. Each Borrower must enact an ordinance or resolution (the “**Local Act**”) wherein such Borrower approves the execution of its obligation evidencing the loan which provides for loan repayments (the “**Loan Repayments**”) and contains covenants acceptable to the Board. Each loan must be secured at least by the revenues derived from the operation and existence of the water and/or wastewater system of the Borrower. Each loan may also be secured by other utility system revenues, which may include gas, electric, garbage, or other utility revenue, and any other revenue source, which may include sales tax revenue, pledged to the payment of the loan and accepted by the Board. Typically, loan repayments are structured to come due fourteen days prior to a scheduled payment of debt service on Outstanding 2003 Master Trust Bonds or 2019 Master Trust Bonds, and provide for repayment of principal and interest at a rate that will produce revenues approximately **1.25** times the debt service owed by the Board on the applicable Outstanding 2003 Master Trust Bonds or 2019 Master Trust Bonds related to such loan. Historically, the Board has loaned funds to Borrowers at interest rates based upon the Board’s comparable market rates, less a varying subsidy of (i) up to 40% with respect to Clean Water Program funds and (ii) up to 30% with respect to Drinking Water Program funds. See “**SECURITY AND PAYMENT FOR THE BONDS.**” See **Appendix D** for a summary of certain provisions of a standard form of Loan Agreement.

## **Board Powers and Administration of the Clean Water Program**

The Board, under the Act, has the power and duty to administer the Clean Water Program. The Board is responsible for: (i) preparing and maintaining the priority list for eligible projects; (ii) reviewing and assessing all planning documents and the cost effectiveness of a project on the priority list; (iii) determining project feasibility and whether an entity is eligible to receive CWSRF moneys; (iv) performing any required environmental review and making any required environmental determinations in accordance with EPA approved procedures; (v) providing oversight and technical assistance during the planning, design and construction phase of a project; and (vi) applying for and receiving Capitalization Grants and entering into a capitalization grant agreement with EPA.

In determining the cost effectiveness of a project, the Board requires the preparation of a cost-effective analysis of feasible alternatives capable of meeting State and federal effluent and water quality standards and public health requirements while recognizing environmental and other non-monetary considerations determined to be relevant by the Board.

In order to administer the Clean Water Program, the Board may use monies from the Capitalization Grants for the Clean Water Program, provided the amount does not exceed 4% of all EPA grant awards received by the CWSRF. Additional moneys available for Clean Water Program administration are maintained in funds held outside the CWSRF pursuant to Title 82, Oklahoma Statutes 2011, Section 1085.64, as amended, including (i) Loan application fees, (ii) program income from Administrative Fee Payments in each Loan Agreement, and (iii) interest earnings from investment made by the Office of the State Treasurer in accordance with applicable State law.

## **DEQ Powers and Administration of the Drinking Water Program**

DEQ, under the Act, has the power and duty to administer the Drinking Water Program. DEQ is responsible for: (i) preparing and maintaining the priority list for eligible projects; (ii) reviewing and assessing all planning documents and the cost effectiveness of a project on the priority list; (iii) determining project feasibility and whether an entity is eligible to receive DWSRF monies; (iv) determining which projects are referred to the Board for loans; (v) performing any required environmental review and making any required environmental determinations in accordance with EPA approved procedures; (vi) providing oversight and technical assistance during the planning, design, and construction phase of a project; (vii) applying for and receiving Capitalization Grants and entering into a capitalization grant agreement with EPA; and (viii) assessing the technical capability of an applicant to ensure compliance with the federal Safe Drinking Water Act over the long term.

In determining the cost effectiveness of a project, DEQ requires the preparation of a cost-effective analysis of feasible drinking water treatment or conveyance alternatives capable of meeting State and federal drinking water standards and public health requirements while recognizing environmental and other non-monetary considerations determined to be relevant by DEQ. For further information relating to DEQ, see “**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY.**”

In order to administer the Drinking Water Program, the Board and DEQ may use monies from the Capitalization Grants for the Drinking Water Program, provided the amount does not exceed 4% of all EPA grant awards received by the DWSRF. Additional monies available for Drinking Water Program administration are maintained in funds held outside the DWSRF pursuant to Title 82, Oklahoma Statutes 2011, Section 1085.84A, as amended, including (i) Loan application fees, (ii) program income from Administrative Fee Payments in each Loan Agreement, and (iii) interest earnings from investment made by the Office of the State Treasurer in accordance with applicable State law.

### **Inter-Agency Agreement**

The Board and DEQ have entered into an Inter-Agency Agreement relating to the administration of the Drinking Water Program. The Inter-Agency Agreement reaffirms the respective powers and duties of the Board and DEQ under the Act, and sets forth the parties’ respective obligations and responsibilities in implementing the Drinking Water Program.

Under the Inter-Agency Agreement, DEQ has the responsibility to make application for and enter into and be the recipient of the Capitalization Grants for the Drinking Water Program from EPA, is required to prepare an Intended Use Plan with the cooperation of the Board, and must submit an Operating Agreement (prepared jointly by the Board and DEQ) to the EPA. The Intended Use Plan and Operating Agreement are requirements of the EPA Capitalization Grant for the Drinking Water Program. The Board has the responsibility for reviewing preliminary loan applications for applicant’s financial, legal and managerial capabilities to ensure repayment of a Loan. DEQ reviews each project applicant for technical capabilities to ensure operation and management of the project. DEQ generally reviews priority ranking request, and compliance with applicable federal and state requirements, including project design. Loans made from funds of the Drinking Water Program require the approval of DEQ staff.

Upon DEQ and Board approval, DEQ issues a binding commitment letter of funds for the proposed project. Within one year of the approval, unless extended, the Borrower must execute a construction contract and close on the Loan. After the Loan closing, DEQ has the authority to grant final approval for the disbursement of Loan proceeds. Requests for the DWSRF disbursements and any budget revisions, are submitted to DEQ by the Borrowers based on actual project costs incurred. In the event funds furnished to a Borrower are not utilized for the approved project, the Borrower is required to return the funds plus the market rate of interest on the unused amount, to the Board for deposit in the DWSRF.

## **OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**

The Oklahoma Department of Environmental Quality was established by legislative action in 1993 as a state environmental agency. Authority for the existence and powers of DEQ are found in Title 27A, Oklahoma Statutes 2011, Section 1-1-101 *et seq.* and Section 2-3-101 *et seq.*, as amended.

DEQ’s mission is to provide environmental protection and management programs which assist the citizens of the State in sustaining a clean, sound environment and in preserving and enhancing the State’s natural surroundings.

DEQ responsibilities include pollution (including point source pollution), solid waste, hazardous materials, Superfund, water quality, hazardous waste, radioactive waste, air quality, drinking water supplies, wastewater treatment and any other program authorized by law or executive order. Within DEQ are established the following: (i) an air quality program which is responsible for air quality; (ii) water programs which are responsible for water quality, including, but not limited to point source and non-point source pollution within the jurisdiction of DEQ, public and private water supplies, public and private wastewater treatment, water protection and discharges to water of the State; (iii) waste management programs which are responsible for hazardous waste, solid waste, radiation, and municipal, industrial, commercial and other waste; and (iv) special projects and services programs which are responsible for duties related to planning, interagency coordination, technical assistance programs, laboratory services and laboratory certification, recycling, education and dissemination of information.

Among the Board's programs for which DEQ is responsible is the Drinking Water Program, which DEQ administers in cooperation with the Board. See **"STATE REVOLVING FUND PROGRAMS-DEQ Powers and Administration of the Drinking Water Program"** and **"Inter-Agency Agreement."**

The DEQ Environmental Quality Board ("**EQB**") consists of 13 members who serve as DEQ's rulemaking authority. The Governor of the State, with Senate confirmation, appoints each member to represent legislatively prescribed categories of DEQ customers. EQB members serve a five-year term. The responsibilities of EQB include the appointment of DEQ's Executive Director and the adoption of rules that determine the operation of DEQ. EQB reviews and considers rule proposals recommended by each of the eight advisory councils that comprise DEQ. Each advisory council is comprised of nine individuals. Before taking action on any rule proposal, the councils offer the opportunity for written and oral comments by individuals and entities affected by or interested in the rule. Rules adopted by EQB must be affirmatively approved by the Governor, and not disapproved by the State Legislature, before becoming effective.

DEQ is funded by appropriations annually from the State Legislature and other resources. DEQ's offices are located at 707 North Robinson, Oklahoma City, Oklahoma, and its telephone number is (405) 702-1000. For further information see [www.deq.ok.gov](http://www.deq.ok.gov).

## **OTHER PROGRAMS OF THE BOARD**

In 1975, the Oklahoma Legislature began developing the legislation to establish a comprehensive statewide vehicle for financing water and sewer system improvements. Since the funding requirements of the various Borrowers were growing as a result of federally mandated improvements and population growth and deteriorating systems required expansion and/or replacement of a number of water and sewer facilities, the Oklahoma Legislature in 1979 passed the pertinent statutes authorizing and establishing the Board as an additional funding source for the Borrowers. The people of the State and the State Legislature evidenced their desire to provide financial assistance to the State and to political subdivisions, agencies and other designated governmental entities thereof with the approval, by statewide referendum held on August 28, 1984, of State Question No. 581 and the adoption pursuant thereto of Section 39, Article X of the Oklahoma Constitution. The Board administers a Financial Assistance Program, described in detail below, and has funded over \$36 million through 612 emergency grants and over \$71 million through 797 Rural Economic Action Plan grants.

### **Financial Assistance Program**

In addition to the loans made pursuant to the Clean Water Program and the Drinking Water Program, the Board also provides loans to Borrowers through a different program known as the **"Financial Assistance Program"** or **"FAP."** Projects which are eligible to be financed through the Financial Assistance Program include water and sewage system improvements to conserve and develop surface and subsurface water resources or to control and develop sewage treatment facilities such as the construction of dams, reservoirs and other water storage projects including underground storage projects, filtration and water treatment plants, water distribution facilities, and any



system necessary to improve or develop sewage treatment, collection or distribution capabilities. Borrowers may also obtain loans through the Financial Assistance Program to refinance indebtedness originally incurred for such projects. Since its inception in 1985, the Board has made 450 loans in an aggregate amount of \$2,093,193,027.50 under the Financial Assistance Program.

Beginning in the mid-1980s and continuing through July 2015, the Board issued multiple series of bonds pursuant to a General Bond Resolution for the FAP adopted by the Board on August 1, 1986 (the “**1986 FAP Resolution**”) which funded 362 local loans to 214 eligible entities in a total aggregate principal amount of approximately \$897 million (the “**1986 Prior Program**”). In an effort to provide more flexibility and contemporary program document provisions to make the Financial Assistance Program more attractive to borrowers, the Board determined in 2016 to discontinue issuing bonds under the 1986 FAP Resolution and to issue bonds for the purpose of funding the Financial Assistance Program pursuant to a resolution adopted by the Board on November 1, 2016 (the “**2016 General Bond Resolution**”).

Bondholders will have no rights to the proceeds of any bonds or notes issued by the Board in connection with the Financial Assistance Program, to any of the assets acquired or established therewith, or to any property pledged as security for the payment of such bonds, including: (1) the principal of the reserve fund established for the State Loan Program (FAP) Revenue Bonds; (2) any pledge of the local notes and the moneys received by the Board as loan payments as defined in the loan agreements and the assignment by the Board of its right under the loan agreements in regards to the State Loan Program Revenue Bonds; or (3) any funds or accounts established by the 1986 FAP Resolution or the 2016 General Bond Resolution, as amended and supplemented, authorizing the issuance of the State Loan Program Revenue Bonds, or that will be established in connection with any future issuance of State Loan Program Revenue Bonds, and the moneys and investments therein, including any unexpended bond proceeds. As of May 1, 2025, approximately \$61,455,000 of State Loan Program Revenue Bonds are outstanding under the 1986 FAP Resolution and \$1,120,715,000 of State Loan Program Revenue Bonds are outstanding under the 2016 General Bond Resolution.

The Financial Assistance Program has complemented the Clean Water Program and the Drinking Water Program by providing an additional funding option for Borrowers’ projects. While all CWSRF and DWSRF eligible projects are also eligible for funding through the Financial Assistance Program, many other types of water and sewer related projects are eligible for funding through the Financial Assistance Program that are not eligible through the CWSRF or DWSRF. The Financial Assistance Program provides loans at prevailing market interest rates (i.e., there is no interest rate subsidy for Financial Assistance Program Borrowers). Historically, most Borrowers with CWSRF or DWSRF eligible projects have instead applied for Financial Assistance Program funding only in circumstances where the CWSRF/DWSRF requirements made utilization of the CWSRF or DWSRF impractical or undesirable.

### **The State of Oklahoma Water Infrastructure Credit Enhancement Reserve Fund**

Under provisions of a constitutional amendment authorized by the November 6, 2012, passage of State Question 764, codified at Article X, Section 39A of the Oklahoma Constitution, and a statute that became effective November 1, 2013, codified at Title 82 Oklahoma Statutes 2011, Section 1085.50, as amended, the Board is authorized to issue General Obligation Bonds referred to as Water Infrastructure Credit Enhancement Reserve Fund General Obligation Bonds (the “**WICERF Bonds**”) in an amount not to exceed \$300,000,000. WICERF Bonds can be issued by the Board in order to prevent a payment default on State Loan Program Revenue Bonds of the Board issued pursuant to the Financial Assistance Program after the depletion of other Financial Assistance Program reserve funds. **WICERF Bonds cannot be issued by the Board in order to prevent a payment default on the 2019 Master Trust Bonds or the Outstanding 2003 Master Trust Bonds.**

It is the Board’s intent and desire that no issuance of WICERF Bonds will become necessary. The Board, however, has established written standard operating procedures for action in order to implement the WICERF should that ever become necessary. As of the date of this Official Statement, the Board has never had any payment defaults

on any State Loan Program Revenue Bonds and there has never been a draw on any Financial Assistance Program reserve funds and the Board has not been required to issue any WICERF Bonds.

WICERF Bonds are specifically exempted from other legislation (Enrolled H.B. 2195) enacted during the 2013 session of the Oklahoma Legislature that provided limits on the amount of certain kinds of bonds that can be issued by the State of Oklahoma. Enrolled H.B. 2195 became effective November 1, 2013, and is codified at 62 Oklahoma Statutes 2011, Section 34.200, as amended.

## INVESTMENT CONSIDERATIONS

### Local Law Limitations

If a Borrower decides to construct additional facilities, any difficulties which such Borrower may encounter in completing, acquiring or operating such additional facilities may negatively impact the Borrower's ability to satisfy its obligations under a Loan Agreement. In addition, recent State case law indicates that Borrowers and others who hold or rely on appropriation rights to use stream water for water supply have rights which are subordinate to the rights of riparian landowners to make reasonable use of the stream water. Borrowers and other persons who hold or rely on appropriation rights to use stream water may be required to limit diversion of water or release water during periods when the source of stream water supply is insufficient to meet the needs of both the reasonable riparian uses and the appropriation. The limitation on the diversion or required release during such a period could result in a Borrower being unable to meet water demands until the water supply is replenished. A loss of revenues from the water system may also result. Acquisition of additional appropriation water rights, rights to use groundwater, riparian lands or easements thereto, and storage capacity (or any combination of such alternatives) may be necessary in order for such Borrowers to meet water demands in all periods.

### Limitation of Remedies

The remedies available to the Bond Trustee or the holders of the Bonds upon an Event of Default under the Bond Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the federal bankruptcy code and the Bond Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

In the event that a Borrower determines to use a supplemental revenue source (referred to as the “**Additional Revenues**”), in addition to pledged system revenues, as a source of funds to pay its Loan Repayments to the Board with respect to the Bonds, the ability of the Board to pay the principal of and interest on the Bonds may depend upon a number of factors:

In those cases where the Borrower is a public trust established pursuant to Title 60, Oklahoma Statutes 2011, Section 176 *et seq.*, as amended, for the benefit of a city, town or county (such city, town or county being herein referred to as the “**Beneficiary**”), the ability of a Borrower to receive Additional Revenues from such Beneficiary could be affected by (a) the failure by the governing body of the Beneficiary to renew the pledge of such Additional Revenues or to appropriate such revenues in any subsequent fiscal year, as the Oklahoma Constitution only allows a Beneficiary to pledge or appropriate such Additional Revenues on a year-to-year basis, (b) the repeal of the statutory authorization for such cities, towns, or counties to pledge and appropriate such Additional Revenues to a public trust, or (c) the action by the voters of the Beneficiary, by right of initiative, to repeal the pledge or appropriation of such revenues in any subsequent year.

In those cases where the Additional Revenues consist of sales tax revenues (the “**Sales Tax Revenues**”), the ability of a Borrower to receive or to use the Sales Tax Revenues could be affected by (a) the failure of the governing body of a Borrower or the Beneficiary of a Borrower to renew the pledge of such Sales Tax Revenues or to appropriate such revenues in any subsequent fiscal year, as the Oklahoma Constitution only allows a city, town or county to pledge or appropriate Sales Tax Revenues on a year-to-year basis, (b) the repeal of the statutory authorization for such cities, towns, or counties to pledge and appropriate such Sales Tax Revenues, or (c) the action by the voters of a Borrower or the Beneficiary of a Borrower, by right of initiative, to repeal the authorization for the levy of such Sales Tax Revenues.

Should any of the foregoing occur, or should the collection of such Additional Revenues decline due to economic conditions, the Borrower would be obligated under the Loan Agreement to increase its system rates, fees and/or charges as necessary to pay the Loan Repayments. If a Borrower failed to or was not able to increase rates by the amount required, then the ability of the Borrower to make timely Loan Payments could be impaired. This, in turn, could also impair the ability of the Board to pay the Debt Service Fund requirements on the Bonds.

### **Cybersecurity Risks**

The Board and the participants in the CWSRF and DWSRF rely on their respective information systems to provide security for processing, transmission and storage of information. It is possible that security measures will not prevent improper or unauthorized access to systems or disclosure of information resulting from cyber-attacks targeting the Board or a participant in the CWSRF and DWSRF. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the operations of the participants in the CWSRF and DWSRF and the services they provide, or the unauthorized disclosure of confidential personal, credit and other information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, a participant in the CWSRF and DWSRF may incur significant costs to remediate possible injury to the affected persons, and the participant in the CWSRF and DWSRF may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations.

### **Implications of *McGirt v. Oklahoma* Decision**

On July 9, 2020, the U.S. Supreme Court announced its decision in the case of *McGirt v. Oklahoma* (“*McGirt*”). 591 U.S. ---, 140 S. Ct. 2452, 207 L.Ed.2d 985 (2020). The Court held that for purposes of the Major Crimes Act, land reserved for the Muscogee (Creek) Nation, within the State of Oklahoma, remains a reservation for the Creek Nation. The holding of the U.S. Supreme Court is limited to the application of criminal law within the boundaries of the Creek Nation reservation, which includes portions of Creek, Hughes, Okfuskee, Okmulgee, Mayes, McIntosh, Muskogee, Rogers, Seminole, Tulsa, and Wagoner Counties. Consistent with the U.S. Supreme Court’s holding in *McGirt*, the Oklahoma Court of Criminal Appeals (“OCCA”) has recognized the reservations of several other tribes, including reservations of the Cherokee Nation, Chickasaw Nation, Choctaw Nation, Miami Tribe, Ottawa Tribe, Peoria Tribe, Quapaw Nation, Seminole Nation, and Wyandotte Nation. Several lawsuits have been filed that challenge the ability of the State of Oklahoma to assess state income taxes against tribal citizens. One case brought in federal court, *Meashintubby v. Paulk*, has been dismissed for lack of subject matter jurisdiction. *See* Order Granting Mot. Dismiss, Jan. 30, 2023, 22-cv-059-KEW (E.D. Okla. 2022) (holding Tax Injunction Act deprives the district court of subject matter jurisdiction so long as the state courts offer a “plain, speedy and efficient remedy”) (citation omitted). Another case, *Stroble v. Oklahoma Tax Commission*, is an appeal by a tax protestant that is currently before the Oklahoma Supreme Court. *See* Case No. TC-120806 (filed Oct. 28, 2022). *Stroble* is awaiting final disposition; it has been fully briefed and oral argument was held on January 17, 2024.

While the *McGirt* decision may have implications broader than the narrow holding of the Court, it is not possible to know the extent of those implications at this time. A 2020 report from the OTC indicates the *McGirt* decision could reduce the amount of individual income tax and sales and use taxes collected by the State; the extent of the reduction is unknown at this time. The OTC report can be found at the following hyperlink:

<https://oklahoma.gov/content/dam/ok/en/tax/documents/resources/reports/other/McGirt%20vs%20OK%20-%20Potential%20Impact%20Report.pdf>

The Board continues to work closely with state officials to monitor the application of the decision and any related litigation that may affect the State or the Board.

### **Potential Federal Tax Reform Impacts**

Legislative proposals to eliminate or limit the benefit of tax-exempt interest on bonds such as the Bonds have been made in the past, may currently be under consideration, and may be made again in the future. If adopted, any such proposal could alter the federal and/or state tax treatment described under the heading “TAX MATTERS” herein or could adversely affect the market value or marketability of the Bonds.

The 119th U.S. Congress will consider extending and expanding the tax cuts to corporations and individuals originally provided by the Tax Cuts and Jobs Act of 2017, which are set to expire at the end of 2025. To offset the significant cost of any such tax cuts, federal lawmakers have indicated they need to consider various spending cuts and revenue-raisers, which may include legislation that eliminates or limits the benefit of tax exempt interest on municipal bonds. No assurance can be given that Congress will not propose or pass any such legislation.

### **ABSENCE OF MATERIAL LITIGATION**

No litigation is pending (as to which the Board has received service of process) or, to the knowledge of the Board’s General Counsel, threatened which (a) seeks to restrain or enjoin the issuance or delivery of the Bonds, (b) contests or affects any authority for or the validity of the Bonds, (c) contests the power of the Board to issue the Bonds or the power of the Board to offer and sell them, (d) affects the power of the Board to make local Loans or to receive the appropriate Loan Repayments thereon, (e) affects the power of the Board to use the proceeds as reflected herein, (f) contests the existence of the Board, (g) in any manner questions the right of the Board to enter into the 2019 Master Trust Indenture, the Bond Indenture or to secure the Bonds in the manner provided in the 2019 Master Trust Indenture and the Bond Indenture, or (h) seeks to restrain or enjoin the execution and delivery of or performance under the Loans, the 2019 Master Trust Indenture or the Bond Indenture.

There are pending in various courts within the State several lawsuits in which the Board is a defendant, none of which involve the Clean Water Program, the Drinking Water Program or the issuance of the Bonds. In the opinion of the Board’s General Counsel, no litigation is pending, or to her knowledge threatened, which is likely to result, either individually or in the aggregate, in judgments against the Board which would affect materially its ability to administer the Clean Water Program or the Drinking Water Program.

### **LEGAL MATTERS**

All legal matters related to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, as Bond Counsel. Certain legal matters will be passed upon for the Board by its General Counsel and certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Denver, Colorado. Certain matters regarding this official statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri, Disclosure Counsel to the Board. The approving opinion of Bond Counsel is expected to be delivered with the Bonds in substantially the form appearing in **Appendix E**. Under the provisions of the Act, the State Attorney General is required to examine the record of proceedings relating to the issuance of the Bonds and execute and file his certificate if he finds the Bonds to have been authorized and issued in accordance with the Constitution and laws of the State. Pursuant to the Act, upon the expiration of a 30-day statutory contest period following the date of the Attorney General’s certificate, the Bonds shall be incontestable.

## TAX MATTERS

### Tax Exemption

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Board, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). In addition, in the opinion of Bond Counsel to the Board, under State statutes existing on the date of initial delivery of the Bonds, interest on the Bonds will be exempt from income taxation by the State or any county, municipality or political subdivision of the State. Except as stated above, Bond Counsel to the Board will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See **Appendix E – “PROPOSED FORM OF OPINION OF BOND COUNSEL”** hereto.

In rendering its opinion, Bond Counsel to the Board will rely upon (a) the Issuer's federal tax certificate, and (b) covenants of the Board with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the Board to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the Board is conditioned on compliance by the Board with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the Board has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the Board with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the Board that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Board as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

## **Federal Income Tax Accounting Treatment of Original Issue Discount**

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

## **Collateral Federal Income Tax Consequences**

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporations' "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount Bonds" to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

## **State, Local and Foreign Taxes**

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

## **Information Reporting and Backup Withholding**

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal

income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

### **Future and Proposed Legislation**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

## **UNDERWRITING**

The Bonds are to be purchased by Raymond James & Associates, Inc., as representative of the Underwriters identified on the cover page hereof (the **“Underwriters”**), pursuant to a Bond Purchase Agreement with the Board (the **“Bond Purchase Agreement”**). The Underwriters have agreed to purchase the Bonds at a price of \$\_\_\_\_\_ (representing the principal amount thereof less an Underwriters’ discount of \$\_\_\_\_\_, and plus net original issue premium of \$\_\_\_\_\_). The Bond Purchase Agreement provides that the Underwriters will not be obligated to purchase any of the Bonds unless all of the Bonds are available for purchase and requires the Board to indemnify the Underwriters against losses, claims, damages and liabilities arising out of any incorrect or incomplete statements or information contained in this Official Statement pertaining to the Board, the Board’s programs, the Bond Indenture and other matters. The initial public offering prices set forth on the inside cover page of this Official Statement may be changed by the Underwriters.

One of the Underwriters of the Bonds is BOK Financial Securities, Inc. (**“BOKF Securities”**). BOKF Securities and BOKF, NA, are both wholly owned subsidiaries of BOK Financial Corporation (**“BOKF”**), a bank holding company organized under the laws of the State. Thus, BOKF Securities and BOKF, NA are affiliated, but BOKF Securities is not a bank. Affiliates of BOKF Securities may provide banking services or engage in other transactions with the Board. BOKF and BOKF, NA, are not responsible for the obligations of BOKF Securities.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Board (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Board.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.



## FINANCIAL ADVISOR

Hilltop Securities Inc. (the “**Financial Advisor**”), is employed as Financial Advisor to the Board in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor, in its capacity as Financial Advisor to the Board, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Board has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Board and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

## RATINGS

The Bonds have been rated “**AAA**” by Fitch Ratings, and “**AAA**” by S&P Global Ratings, a division of S&P Global, Inc. Such ratings reflect only the views of such organizations at the time such ratings are given, and the Board and the Underwriters make no representation as to the appropriateness of such ratings. An explanation of the significance of such ratings may be obtained only from such rating agencies. The Board furnished such rating agencies with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing such rating, circumstances so warrant. Neither the Underwriters nor the Board has undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of such a rating could have an adverse effect on the market price and marketability of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

## CERTIFICATE WITH RESPECT TO OFFICIAL STATEMENT

At the time of the original delivery of and payment for the Bonds, the Board will deliver a certificate of the Chairman, Executive Director and the Board’s General Counsel addressed to the Underwriters to the effect that each has examined this Official Statement (including the Appendices) and the financial and other data concerning the Board contained herein and that, to the best of their knowledge and belief (i) this Official Statement (excluding **Appendix L**), both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (ii) between the date of this Official Statement and the date of delivery of the Bonds there has been no material change in the affairs (financial or other), financial condition or results of operations of the Board except as set forth in or contemplated by this Official Statement.

## CONTINUING DISCLOSURE

The Board and the Bond Trustee will enter into a Continuing Disclosure Agreement dated as of June 1, 2025, with respect to the Bonds (the “**Continuing Disclosure Agreement**”) to provide certain periodic information and notices of certain events to the Municipal Securities Rulemaking Board, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12) (the “**Rule**”) for the benefit of the holders and beneficial owners of the Bonds. The obligation of the Underwriters to accept and pay for the Bonds is conditioned upon delivery to the Underwriters or their agents of a certified copy of the Continuing Disclosure Agreement. The Board has agreed in the Continuing Disclosure Agreement to provide, no later than 180 days after the end of each fiscal year of the Board, beginning with the fiscal year ending June 30, 2025, (i) audited financial statements for the Board’s Clean Water Program and Drinking Water Program, each as defined in the 2019 Master Indenture, (ii) Table of Loans pledged under the 2019 Master Indenture with an outstanding principal balance as of the end of the applicable fiscal year of the Issuer, and (iii) the most recent available financial statements (which shall be audited, if audited financial statements are available) of each Participant (as defined in the 2019 Master Indenture) whose total aggregate annual debt service requirement on its Loan(s) (as defined in the 2019 Master Indenture) equals or exceeds 20% of the aggregate outstanding principal balance of all Loans pledged under the 2019 Master Indenture in such year. If the Board’s audited financial statements are not available no later than 180 days after the end of any fiscal year, the Board shall provide unaudited financial statements no later than 180 days after the end of such fiscal year. The proposed form of the Continuing Disclosure Agreement is attached hereto as **Appendix F**.

The Board’s Annual Financial Information filing with respect to bonds issued under its 2016 General Bond Resolution for its fiscal years ended June 30, 2019, and 2020, did not include a table of loans securing the bonds issued under the Board’s 1986 FAP Resolution. The table was timely posted with the Municipal Securities Rulemaking Board on EMMA, but not associated with certain of the Board’s bonds issued under its 2016 General Bond Resolution. The Board subsequently linked the table to the 2016 General Bond Resolution bonds.

The Board’s Annual Financial Information filing for the fiscal years ended June 30, 2020, 2021, 2022, and 2023 was timely filed on EMMA but not associated with all CUSIPs for certain of the Board’s bonds. The Board subsequently linked the Annual Financial Information filing for the fiscal years ended June 30, 2020, 2021, 2022 and 2023.

A notice of bond call relating to the Board’s State Loan Program Revenue Bonds, Series 2009 was not filed against all outstanding CUSIPs. The bond call was completed on October 1, 2020.

The Board has revised its Continuing Disclosure Policy and has engaged Disclosure Counsel to annually review outstanding CUSIPs to ensure that annual reports have been filed and linked to all relevant CUSIP numbers.

## MISCELLANEOUS

All quotations from and summaries and explanations of law herein do not purport to be complete and reference is made to said laws for full and complete statements of their provisions. The attached Appendices A through L are integral parts of this Official Statement and should be read in their entirety together with all of the foregoing information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion are intended merely as opinion and not as representation of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

This Official Statement, its distribution and use by the Underwriters and its execution and delivery by an authorized officer of the Board have been duly authorized and approved by the Board.

OKLAHOMA WATER RESOURCES BOARD

By: \_\_\_\_\_  
Thomas A. Gorman, Vice Chairman

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## **APPENDIX A**

### **DEFINITION OF CERTAIN TERMS**

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## APPENDIX A

### DEFINITION OF CERTAIN TERMS

This Appendix A includes definitions of certain terms used herein, in the Bond Indenture for the Bonds and the 2019 Master Trust Indenture.

“*Act*” means 82 Oklahoma Statutes 2011, Sections 1085.31 *et seq.*, as from time to time supplemented and amended, and such other statutory authority now or hereinafter in effect, pursuant to which the Board derives powers.

“*Administrative Fee Payment*” means the amount set forth in a Loan Agreement as the administrative fee payable to the Board.

“*Board*” means the Oklahoma Water Resources Board.

“*Board Representative*” means the Chairman, Vice Chairman, the Executive Director, the Secretary or any Assistant Secretary of the Board, the Chief, Financial Assistance Division, of the Board, and any other member, officer or employee of the Board authorized by resolution of the Board to perform the act or sign the document in question.

As used in the 2019 Master Trust Indenture, the term “*Bond*”, “*Bonds*”, “*2019 Master Trust Bond*” or “*2019 Master Trust Bonds*” means any bond or bonds or obligation or obligations, or all the bonds or obligations, as the case may be, of the Board in one or more series, relating to the Clean Water Program or the Drinking Water Program, or both, issued and secured pursuant to one or more Bond Indentures and further secured under the 2019 Master Trust Indenture.

As used in the Bond Indenture, the term “*Bond*” and “*Bonds*” means the Oklahoma Water Resources Board Revolving Fund Revenue Bonds – Drinking Water Program, Series 2025 (2019 Master Trust) issued pursuant to the terms of the Bond Indenture.

“*Bond Indenture*” or “*Indenture*” means, with respect to each Series of 2019 Master Trust Bonds, the bond indenture or other similar document between the Board and a Bond Indenture Trustee, pursuant to which a Series of 2019 Master Trust Bonds is issued and delivered.

“*Bond Indenture Trustee*” means, with respect to each Series of 2019 Master Trust Bonds, the trustee named under the related Bond Indenture in its capacity as such trustee.

“*Business Day*” means any day other than a Saturday, a Sunday or any other day on which banking institutions in New York, New York, or Oklahoma City, Oklahoma, are authorized or required to be closed.

“*Clean Water Account*” means the Clean Water State Revolving Fund Loan Account created under Section 1085.53 of the State Clean Water Act.

“*Clean Water Capitalization Grants*” means the federal capitalization grants awarded from time to time by the EPA pursuant to the Federal Clean Water Act for the benefit of the State.

“*Clean Water Leveraged Bonds*” means all Bonds issued for the purpose of capitalizing the Clean Water Account other than Clean Water State Match Bonds.

*“Clean Water Program”* means the Oklahoma Water Resources Board Clean Water State Revolving Fund Program, established pursuant to the Federal Clean Water Act and the State Clean Water Act.

*“Code”* means the Internal Revenue Code of 1986, as amended.

*“Computation Amount”* means the surplus proceeds (rounded to the next higher \$5,000 denomination) equal to ninety-five percent (95%) of the Net Proceeds less the proceeds of the Bonds directly or indirectly used to make loans to Participants as of the last day of the Three-Year Computation Period (but not less than zero).

*“Continuing Disclosure Agreement”* means the continuing disclosure agreement between the Board and the Trustee, regarding the Board’s continuing disclosure undertaking made in accordance with Rule 15c2-12, promulgated by the United States Securities and Exchange Commission.

*“CWSRF Leveraged Loan Account”* means the account of that name established in the Loan Fund.

*“CWSRF Loan Payment”* means any payment due and payable by a Participant in repayment of the Loan made by the Board to such Participant under the applicable Loan Agreement or Participant Obligation executed in furtherance of the Clean Water Program.

*“CWSRF Revenue Fund”* means the fund by that name established by the Master Trust Indenture.

*“Date of Delivery”* means the date of delivery of the Bonds to the initial purchasers thereof.

*“Defeasance Securities”* means United States Government or agency bills, certificates of indebtedness, notes, bonds or other obligations which are direct obligations of, or the principal of and interest on which obligations are unconditionally guaranteed by or secured by an unconditional obligation of, the United States of America.

*“Deficiency Fund”* means the fund by that name established by Section 301 of the 2003 Master Trust Agreement.

*“Drinking Water Account”* means the Drinking Water Treatment Revolving Loan Account created under Section 1085.73 of the State Drinking Water Act.

*“Drinking Water Capitalization Grants”* means the federal capitalization grants awarded from time to time by the EPA pursuant to the Federal Drinking Water Act for the benefit of the State.

*“Drinking Water Leveraged Bonds”* means all Bonds issued for the purposes of capitalizing the Drinking Water Account other than Drinking Water State Match Bonds.

*“Drinking Water Program”* means the Oklahoma Water Resources Board Drinking Water State Revolving Fund Program, established pursuant to the Federal Drinking Water Act and the State Drinking Water Act.



*“DWSRF Leveraged Loan Account”* means the account of that name established in the Loan Fund.

*“DWSRF Loan Payment”* means any payment due and payable by a Participant in repayment of the Loan made by the Board to such Participant under the applicable Loan Agreement or Participant Obligation executed in furtherance of the Drinking Water Program.

*“DWSRF Revenue Fund”* means the fund by that name established by the Master Trust Indenture.

*“EMMA”* has the meaning given said term in the Continuing Disclosure Agreement.

*“EPA”* means the United States Environmental Protection Agency or any successor entity which may succeed to the administration of the programs established pursuant to the Federal Clean Water Act or the Federal Drinking Water Act.

*“Federal Clean Water Act”* means the federal Water Quality Act of 1987, 33 U.S.C., Section 1381 *et seq.*, as supplemented and amended from time to time, or any successor provisions.

*“Federal Drinking Water Act”* means the federal Safe Drinking Water Act, 42 U.S.C., Section 300f *et seq.*, as supplemented and amended from time to time, or any successor provisions.

*“Investment Securities”* shall mean any of the following securities, if and to the extent the same are at the time legal for investment of the Board’s funds:

(1) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of interest on which are unconditionally guaranteed by the United States of America;

(2) The following bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed full faith and credit of the United States of America (stripped securities being permitted only if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the United States Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) obligations of the Federal Financing Bank; (iv) debentures of the Federal Housing Administration; (v) participation certificates of the General Services Administration; (vi) guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Association; (vii) guaranteed Title XI financing of the United States Maritime Administration; and (viii) project notes, local authority bonds, guaranteed debentures and guaranteed public housing notes and bonds of the United States Department of Housing and Urban Development;

(3) The following bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit United States government agencies (stripped securities being permitted only if they have been stripped by the agency itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association; (iv) senior debt obligations of the Tennessee Valley Authority; and (v) obligations of the Resolution Funding Corporation;

(4) Money market funds registered under the Investment Company Act of 1940, the shares of which are registered under the Securities Act of 1933, and having a rating by S&P of AAA-G, AAAm, or AAm;

(5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above and issued by commercial banks, savings and loan associations or mutual savings banks (the collateral must be held by a third party and the Bondowners must have a perfected first lien security interest in the collateral);

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation;

(7) Investment agreements with or guaranteed by banks or other financial institutions whose long-term unsecured debt or claims-paying ability is rated in one of the three highest generic rating categories by a Rating Agency at the time of investment;

(8) Commercial paper, with a maturity not greater than 270 days, and rated, at the time of purchase, "Prime-1" by Moody's, "F1" or better by Fitch or "A-1" or better by S&P;

(9) Notes or bonds issued by any state which are rated by Fitch, Moody's or S&P in one of the three highest generic rating categories assigned by such agencies at the time of the investment;

(10) Federal funds or bankers' acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "A-1/Prime-1" or "Aa3" or better by Moody's and "F1" or "A" or better by Fitch and "A-1" or "A" or better by Standard & Poor's at the time of the investment; and

(11) Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Board (buyer/lender), and the transfer of cash from the Board to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Board in exchange for the securities at a specified date, provided, however, that such repurchase agreements must satisfy the following criteria: (i) the repurchase agreement must be between the Board and a primary dealer on the Federal Reserve reporting dealer list which at the time the agreement is entered into, is rated "A" or better by Fitch, Moody's or S&P or a bank rated "A" or above by Fitch, Moody's or S&P; (ii) the repurchase agreement must include the following provisions: (w) securities which are acceptable for transfer are: (1) direct obligations of the United States of America or (2) securities if federal agencies backed by the full faith and credit of the United States of America, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, (x) the term of the repurchase agreement may be up to 30 days, (y) the collateral must be delivered to the Board, the Master Trustee (if the Master Trustee is not supplying the collateral) or third party acting as agent for the Master Trustee (if the Master Trustee is supplying the collateral) before or simultaneous with payment (perfection by possession of the certificated securities), and (z) the securities must be valued weekly, marked-to-market at current market price plus accrued interest, and the value of collateral must be equal to 104% of the amount of cash transferred by the Board, then additional cash and/or acceptable securities must be transferred (if, however, the securities used as collateral are securities of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, then the value of collateral must equal to 105%); and (iii) the Board must receive an opinion of counsel to the effect that the repurchase agreement meets guidelines under the laws of the State for legal investment of public funds.

The value of the investments shall be determined as provided in "Value" below.

"Value", as of any particular time of determination, shall mean that the value of any investments shall be calculated as follows:

(a) as to investments, the average of the bid and asked prices for such investments as determined by the Master Trustee in accordance with the normal valuation procedures of the Master Trustee;

(b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(c) as to any investment not specified above: the value thereof established by prior agreement between the Board and the Master Trustee.

In determining “Value”, the Master Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

If more than one provision of this definition of “Value” shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

“*Leveraged Bond*” means any 2019 Master Trust Bond, other than a State Match Bond, issued for the purpose of providing funds to make Loans pursuant to the Clean Water Program or the Drinking Water Program.

“*Loan*” means financial assistance in the form of a loan made to a Participant pursuant to the Loan Agreement and funded with lawfully available sources of the Board, including proceeds of SRF Bonds, in furtherance of the purposes of the Clean Water Program or the Drinking Water Program, as the case may be. The term “*Loan*” excludes any Loan released pursuant to the 2019 Master Trust Indenture and includes any Loan substituted pursuant to the 2019 Master Trust Indenture.

“*Loan Agreement*” means each Loan Agreement entered into between the Board and a Participant, evidencing a Loan.

“*Loan Fund*” means the fund by that name established by Section 301 of the 2019 Master Trust Indenture.

“*Master Trust Estate*” has the meaning given said term in the Granting Clauses to the 2019 Master Trust Indenture.

“*Master Trustee*” means BancFirst, Oklahoma City, Oklahoma, an Oklahoma banking corporation, and any successor master trustee at the time serving as Master Trustee under the Master Trust Indenture.

“*Net Proceeds*” means the amounts received from the sale of the Bonds less proceeds used to pay costs of issuance, including any underwriters’ compensation, and less proceeds used to pay interest on the Bonds during all or any portion of the Three-Year Computation Period.

“*Officer’s Certificate*” means a certificate signed by a Board Representative.

“*Outstanding*,” when used with reference to any 2019 Master Trust Bond, has the meaning ascribed by the Bond Indenture pursuant to which such 2019 Master Trust Bond was issued.

“Owner,” “Bondowner,” “Bondholder,” “holder” or “owner” means the registered owner of any 2019 Master Trust Bond as provided in the related Bond Indenture.

“Participant” means the unit of local government that is the obligor under the applicable Loan Agreement.

“Participant Obligation” means the bonds, notes or other evidences of indebtedness issued by a Participant to evidence its obligation to repay the related Loan, in addition to the related Loan Agreement, if any.

“Payment Date” means the date the interest on or the principal of a Series of 2019 Master Trust Bonds is due and owing, and also includes any date set for redemption of any of the 2019 Master Trust Bonds in accordance the provisions of a related Bond Indenture.

“Pledged CWSRF Revenues” means (i) all CWSRF Loan Payments (other than payments identified in a Loan Agreement that represent Administrative Fee Payments), (ii) all other amounts received by the Board under any Loan Agreement evidencing a Loan acquired for the Clean Water Program, (iii) all other amounts defined as a Pledged CWSRF Revenue under the terms of a Bond Indenture authorizing a Series of 2019 Master Trust Bonds, and (iv) all amounts received by the Board as income, profits or gain on investments of money held in the Clean Water Account (other than moneys received from federal capitalization grants under the Federal Clean Water Act).

“Pledged DWSRF Revenues” means (i) all DWSRF Loan Payments (other than payments identified in a Loan Agreement that represent Administrative Fee Payments), (ii) all other amounts received by the Board under any Loan Agreement acquired for the Drinking Water Program, (iii) all other amounts defined as a Pledged DWSRF Revenue under the terms of a Bond Indenture authorizing a Series of 2019 Master Trust Bonds, and (iv) all amounts received by the Board as income, profits or gain on investments of money held in the Drinking Water Account (other than moneys received from federal capitalization grants under the Federal Drinking Water Act).

“Pledged SRF Revenues” means, collectively, Pledged CWSRF Revenues and Pledged DWSRF Revenues.

“Prepayment” means any amount received by the Board from payment of principal of Loans, which amount is received prior to the scheduled payment date or dates of such Loans.

“Rating Agencies” means any two nationally recognized municipal securities rating agencies designated by the Board.

“Series Certificate” means, with respect to any Series of 2019 Master Trust Bonds, the related Officer’s Certificate delivered pursuant to the Master Trust Indenture, as such certificate may be amended from time to time.

“Series” or “series” or words of similar meaning means a series or issue of 2019 Master Trust Bonds authorized by a Bond Indenture and secured under the 2019 Master Trust Indenture.

“SRF Bonds” means, collectively, CWSRF Bonds and DWSRF Bonds.

“State” means the State of Oklahoma.

*“State Clean Water Act”* means Title 82 Oklahoma Statutes 2011, Sections 1085.51-1085.65, inclusive, as supplemented and amended.

*“State Drinking Water Act”* means Title 82 Oklahoma Statutes 2011, Sections 1085.71-1085.84A, inclusive, as supplemented and amended.

*“State Match Bond”* means any 2019 Master Trust Bond issued for the purpose of meeting any applicable state-level matching requirement pursuant to the Clean Water Program or the Drinking Water Program.

*“Supplemental Trust Indenture”* means any trust indenture supplementary to or amendatory of the 2019 Master Trust Indenture duly executed and delivered in accordance with the provisions of the 2019 Master Trust Indenture.

*“Tax Agreement”* means the Federal Tax Certificate of the Board dated as of the Date of Delivery.

*“Three-Year Computation Period”* means the period ending on the last day of the three-year period commencing on the Date of Delivery.

*“2019 Master Trust Indenture”* or *“Master Trust Indenture”* means the 2019 Master Trust Indenture, dated as of December 1, 2019, between the Board and the Master Trustee, as further amended and supplemented.

*“Water Resources Fund”* means the fund created pursuant to Section 1085.33 of the Act, as supplemented and amended.

*“Written Authorization”* means an authorization or certificate from a Board Representative, whether in the form of a written document, electronic mail, or facsimile transmission of a written document, which may or may not include a physical signature, provided in accordance with the 2019 Master Trust Indenture.

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## **APPENDIX B**

### **SUMMARY OF CERTAIN PROVISIONS OF THE 2019 MASTER TRUST INDENTURE**

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## **APPENDIX B**

### **SUMMARY OF CERTAIN PROVISIONS OF THE 2019 MASTER TRUST INDENTURE**

The following, in addition to the information provided elsewhere in the Official Statement, summarizes certain provisions of the 2019 Master Trust Indenture. Reference should be made to the 2019 Master Trust Indenture, a copy of which will be available for inspection at the corporate trust office of the Master Trustee, for a full and complete statement of its terms.

The following capitalized terms appearing in this Official Statement have the meanings set forth Appendix A, unless the context otherwise requires. A reference to any of these terms in the singular number includes the plural and vice versa.

#### **Issuance of Bonds**

Subject to determination from time to time by resolutions of the Board, the Board may issue 2019 Master Trust Bonds which shall be secured under the 2019 Master Trust Indenture solely by the assignment and pledge of the Master Trust Estate. A Series of 2019 Master Trust Bonds may be additionally secured in the manner provided in a related Bond Indenture.

#### **Conditions to Securing Bonds Under Master Trust Indenture**

In order for any Series of 2019 Master Trust Bonds to be secured by the Master Trust Indenture, prior to or simultaneously with the authentication and delivery of the Series of 2019 Master Trust Bonds, the Master Trustee shall receive the following:

(1) an original executed counterpart of the Series Certificate

(A) stating that the Series of 2019 Master Trust Bonds is entitled to the benefits of the 2019 Master Trust Indenture, and

(B) directing the Master Trustee as to the creation of any funds and accounts to be established for the Series of 2019 Master Trust Bonds which are in addition to those required under the 2019 Master Trust Indenture, and

(C) demonstrating to the effect that cash flow reports evidence the sufficiency of the available revenues under the Master Trust Indenture relating to all outstanding 2019 Master Trust Bonds, including the 2019 Master Trust Bonds then to be issued, to pay 1.1 times the highest principal and interest payment coming due on all 2019 Master Trust Bonds then outstanding and the 2019 Master Trust Bonds then to be issued on any payment date with respect to the 2019 Master Trust Bonds, and

(2) an original executed counterpart or a copy, certified by a Board Representative, of the 2019 Master Trust Indenture and the related Bond Indenture.

## **Liability Under Bonds**

The 2019 Master Trust Bonds of each Series, together with the interest thereon, shall be special, limited obligations of the Board, payable solely by the Master Trust Estate established under the 2019 Master Trust Indenture. The 2019 Master Trust Bonds and the premium, if any, and interest thereon shall not constitute an indebtedness or an obligation, general or moral, or a pledge of the faith or loan of credit of the Board, the State or any political subdivision thereof, within the purview of any constitutional limitation or provision, and shall never constitute or give rise to a charge against the faith and credit or taxing powers, if any, of the Board, the State or any political subdivision thereof, but shall be payable solely from the Master Trust Estate established by the 2019 Master Trust Indenture.

## **Bond Covenants**

2019 Master Trust Bonds secured by and entitled to the benefits of the 2019 Master Trust Indenture shall be issued only if the following conditions are satisfied: (i) the principal amount of the 2019 Master Trust Bonds then being issued, together with the 2019 Master Trust Bonds then outstanding shall not exceed in aggregate principal amount any limitation imposed by law; and (ii) an Officer's Certificate shall have been delivered to the Master Trustee to the effect that cash flow reports evidence the sufficiency of the available revenues under the 2019 Master Trust Indenture relating to all outstanding 2019 Master Trust Bonds, including the 2019 Master Trust Bonds then to be issued, to pay 1.1 times the highest principal and interest payment coming due on all 2019 Master Trust Bonds then outstanding and the 2019 Master Trust Bonds then to be issued on any payment date with respect to the 2019 Master Trust Bonds.

## **Creation and Custody of Funds and Accounts**

(a) The following Funds and Accounts are established: a Loan Fund consisting of a CWSRF Leveraged Loan Account, a CWSRF State Match Loan Account, a DWSRF Leveraged Loan Account and a DWSRF State Match Loan Account; a CWSRF Revenue Fund; and a DWSRF Revenue Fund.

(b) The Board may, by a Supplemental Trust Indenture, a Bond Indenture, a Series Certificate or other Officer's Certificate establish one or more additional funds, accounts or subaccounts under the 2019 Master Trust Indenture.

(c) Except as otherwise provided, the Loan Fund, the CWSRF Revenue Fund and the DWSRF Revenue Fund will be held by the Master Trustee for the benefit of the owners of the 2019 Master Trust Bonds. As security for payment of each Series of 2019 Master Trust Bonds, the Board pledges and assigns the Revenue Fund and all amounts from time to time on deposit therein and available for the payment of each Series of 2019 Master Trust Bonds, in the manner and to the extent provided in the 2019 Master Trust Indenture and the applicable Bond Indenture, to the Master Trustee.

(d) The CWSRF Leveraged Loan Account and the CWSRF State Match Loan Account will be deemed to be within the Clean Water Program for purposes of compliance with the Federal Clean Water Act and the Clean Water Program. The DWSRF Leveraged Loan Account and the DWSRF State Match Loan Account will be deemed to be within the Drinking Water Program for purposes of compliance with the Federal Drinking Water Act and the Drinking Water Program.

(e) The pledge and assignment effected by the 2019 Master Trust Indenture will be valid and binding from the date of execution and delivery thereof, the moneys so pledged and assigned and received by the Board or the Master Trustee will be subject to the lien of such pledge and assignment, and, such lien

will be a continuing, irrevocable and exclusive first lien and will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board irrespective of whether such parties have notice thereof.

### **Deposits to Loan Fund**

(a) The Master Trustee will promptly deposit in the CWSRF Leveraged Loan Account or the CWSRF State Match Loan Account, as the case may be, all moneys received with respect to a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Clean Water Program. Moneys in the respective Accounts will be used at the direction of the Board to acquire Loans, and upon the acquisition of a Loan, the Participant Obligation evidencing the Loan will be deposited to the credit of the CWSRF Revenue Fund.

(b) The Master Trustee will promptly deposit in the DWSRF Leveraged Loan Account or the DWSRF State Match Loan Account, as the case may be, all moneys received with respect to a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Drinking Water Program. Moneys in the respective Accounts will be used at the direction of the Board to acquire Loans, and upon the acquisition of a Loan, the Participant Obligation evidencing the Loan will be deposited to the credit of the DWSRF Revenue Fund.

### **Deposits to CWSRF Revenue Fund and DWSRF Revenue Fund**

(a) The Master Trustee will promptly deposit in the CWSRF Revenue Fund all CWSRF Loan Documents and CWSRF Loan Payments. In addition, the Master Trustee will promptly deposit in the CWSRF Revenue Fund any CWSRF Loan Documents substituted for Loans then on deposit in the CWSRF Revenue Fund, in accordance with the 2019 Master Trust Indenture and as directed in an Officer's Certificate.

(b) The Master Trustee will promptly deposit in the DWSRF Revenue Fund all DWSRF Loan Documents and DWSRF Loan Payments. In addition, the Master Trustee will promptly deposit in the DWSRF Revenue Fund any DWSRF Loan Documents substituted for Loans then on deposit in the DWSRF Revenue Fund, in accordance with the 2019 Master Trust Indenture and as directed in an Officer's Certificate.

### **Transfers from Deficiency Fund**

On the dates and at the direction of the Board through delivery of a Written Authorization, moneys transferred from the Deficiency Fund shall be deposited to the credit of the appropriate Account within the CWSRF Revenue Fund or the DWSRF Revenue Fund, as the case may be, and used in the manner as provided in the Master Trust Indenture.

### **Cross-Collateralization; Withdrawals from CWSRF Revenue Fund and DWSRF Revenue Fund**

(a) On or before each Payment Date, the Master Trustee will take the following actions pertaining to the CWSRF Revenue Fund in the following order of priority, subject to (c), (d), and (e) below:

(i) the Master Trustee will transfer moneys received from the Deficiency Fund attributable to the Clean Water Program to a Bond Indenture Trustee, for deposit in the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds to pay debt service coming due on a Series of 2019 Master Trust Bonds issued for the benefit of the Clean Water Program;

(ii) the Master Trustee will transfer Pledged CWSRF Revenues to a Bond Indenture Trustee, for deposit in the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Clean Water Program, the amount certified by such Bond Indenture Trustee to be necessary to timely make the debt service payment due on such Payment Date on that Series of 2019 Master Trust Bonds (or portion thereof); *provided*, that the Board in a Bond Indenture may direct a Bond Indenture Trustee to deposit Pledged CWSRF Revenues to the credit of accounts or subaccounts established in the Bond Indenture for the payment of debt service on the Series of 2019 Master Trust Bonds issued as Leveraged Bonds and State Match Bonds in furtherance of the Clean Water Program;

(iii) after making any transfers described in (a)(2) above, the Master Trustee will transfer Pledged CWSRF Revenues to a Bond Indenture Trustee, for deposit to the credit of the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Drinking Water Program, the amount certified by such Bond Indenture Trustee to be necessary to timely make the debt service payment due on such Payment Date on that Series of 2019 Master Trust Bonds (or portion thereof);

(iv) the Master Trustee will transfer Pledged CWSRF Revenues to a Bond Indenture Trustee the amount certified by such Bond Indenture Trustee to be necessary to replenish any deficiency in an account in a reserve fund for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Clean Water Program;

(v) the Master Trustee will transfer Pledged CWSRF Revenues to a Bond Indenture Trustee the amount certified by such Bond Indenture Trustee to be necessary to replenish any deficiency in an account in a reserve fund established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Drinking Water Program, *provided*, that the transfers made as described in (b)(4) below were not sufficient to replenish any deficiency in such reserve fund;

(vi) in accordance with a Written Authorization, the Master Trustee will transfer an amount certified by a Board Representative as constituting Pledged CWSRF Revenues to the Board to be used for any lawful purpose consistent with the Clean Water Program; and

(vii) in accordance with a Written Authorization, the Master Trustee shall withdraw all remaining moneys, and transfer such moneys to the State Treasurer for deposit in the Clean Water Account of the Water Resources Fund, Account No. 472.

(b) On or before the Payment Date of any debt service due and owing on a Series of 2019 Master Trust Bonds, the Master Trustee will take the following actions pertaining to the DWSRF Revenue Fund in the following order of priority, subject to (c), (d), and (e) hereof:

(i) the Master Trustee will transfer moneys received from the Deficiency Fund attributable to the Drinking Water Program to a Bond Indenture Trustee, for deposit in the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds to pay debt service coming due on a Series of 2019 Master Trust Bonds for the benefit of the Drinking Water Program;

(ii) the Master Trustee will transfer Pledged DWSRF Revenues to a Bond Indenture Trustee, for deposit in the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Drinking Water Program, the amount

certified by such Bond Indenture Trustee to be necessary to timely make the debt service payment due on such Payment Date on that Series of 2019 Master Trust Bonds (or portion thereof); *provided*, that the Board in a Bond Indenture may direct a Bond Indenture Trustee to deposit Pledged DWSRF Revenues to the credit of accounts or subaccounts established in the Bond Indenture for the payment of debt service on the Series of 2019 Master Trust Bonds issued as Leveraged Bonds and State Match Bonds in furtherance of the Drinking Water Program;

(iii) after making any transfers described in (b)(2) above, the Master Trustee will transfer Pledged DWSRF Revenues to a Bond Indenture Trustee, for deposit to the credit of the appropriate debt service account or subaccount established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Clean Water Program, the amount certified by such Bond Indenture Trustee to be necessary to timely make the debt service payment due on such payment date on that Series of 2019 Master Trust Bonds (or portion thereof);

(iv) the Master Trustee will transfer Pledged DWSRF Revenues to a Bond Indenture Trustee the amount certified by such Bond Indenture Trustee to be necessary to replenish any deficiency in an account in a reserve fund for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Drinking Water Program;

(v) the Master Trustee will transfer Pledged DWSRF Revenues to a Bond Indenture Trustee the amount certified by such Bond Indenture Trustee to be necessary to replenish any deficiency in an account in a reserve fund established for a Series of 2019 Master Trust Bonds (or portion thereof) issued for the Clean Water Program, *provided*, that the transfers made as described in paragraph (a)(4) above were not sufficient to replenish any deficiency in such reserve fund;

(vi) in accordance with a Written Authorization, the Master Trustee will transfer an amount certified by a Board Representative as constituting Pledged DWSRF Revenues to the Board to be used for any lawful purpose consistent with the Drinking Water Program; and

(vii) in accordance with a Written Authorization, the Master Trustee shall withdraw all remaining moneys, and transfer such moneys to the State Treasurer for deposit in the Drinking Water Account of the Water Resources Fund, Account No. 473.

(c) If, for either the Clean Water Program or the Drinking Water Program, more than one Bond Indenture Trustee has certified to the Master Trustee that there are insufficient moneys on hand to pay the debt service on the applicable Series of 2019 Master Trust Bonds, then the Master Trustee shall transfer moneys to the Bond Indenture Trustees with respect to each Series of 2019 Master Trust Bonds designated in the applicable Series Certificates. If there are insufficient moneys on deposit in the CWSRF Revenue Fund or the DWSRF Revenue Fund, as the case may be, to satisfy all such requests, the Master Trustee shall transfer moneys to the Bond Indenture Trustees pro rata based on the amount of the respective deficiencies among such 2019 Master Trust Bonds.

(d) The Master Trustee shall not make any transfers from the CWSRF Revenue Fund to pay the debt service on any Series of 2019 Master Trust Bonds issued for or any reserve account with respect to the Drinking Water Program, unless no moneys are on deposit in the DWSRF Revenue Fund, and shall not make any transfers from the DWSRF Revenue Fund to pay the debt service on any Series of 2019 Master Trust Bonds issued for or any reserve account with respect to the Clean Water Program, unless no moneys are on deposit in the CWSRF Revenue Fund.

(e) To the extent such transfers are prohibited under the Clean Water Program and the Drinking Water Program, the Master Trustee shall not make any transfers from the CWSRF Revenue Fund to pay the debt service on or to replenish any reserve account with respect to State Match Bonds issued for the Drinking Water Program, and shall not make any transfers from the DWSRF Revenue Fund to pay the debt service on or to replenish any reserve account with respect to State Match Bonds issued for the Clean Water Program.

### **Release of Loans; Substitution of Loans; Prepayment of Loans**

(a) **Release of Loans.** The Master Trustee, upon receipt of a Written Authorization, may release Loans and, if held by the Master Trustee, the related Loan Agreements and Participant Obligations from the lien of the 2019 Master Trust Indenture, upon the satisfaction of the following:

(i) the delivery to the Master Trustee of a Written Authorization (A) to the effect that cash flow reports evidence the sufficiency of (1) available Pledged SRF Revenues from the remaining Loans and interest earnings on investments for each Payment Date to pay not less than 1.0 times principal and interest coming due on the 2019 Master Trust Bonds on each such debt service payment date until maturity, (2) available Pledged SRF Revenues constituting interest payments only on the remaining Loans and interest earnings on investments for each interest payment date to pay not less than 1.0 times principal and interest coming due on the portion of the 2019 Master Trust Bonds issued to finance state matching funds on each such interest payment date, (3) any and all available revenues for each debt service payment date securing all outstanding 2019 Master Trust Bonds to pay not less than 1.1 times principal and interest coming due on all 2019 Master Trust Bonds on each such debt service payment date, and (4) any and all available revenues (consisting of investment earnings and loan interest earnings securing all series indentures) for each debt service payment date securing all portions of outstanding 2019 Master Trust Bonds issued to finance state matching funds to pay not less than 1.1 times principal and interest coming due on such portions of 2019 Master Trust Bonds on each such debt service payment date (clauses (1), (2), (3), and (4) being herein referred to as the “*Coverage Requirement*”) and (B) specifying the Loans to be released; and

(ii) the delivery to the Master Trustee of an amendment to the schedule of Loans held in the Loan Fund (which amendment does not require the consent of the owners of the Bonds).

(b) **Substitution of Loans.** Upon the written direction of the Board through the delivery of an executed Written Authorization, the Master Trustee may release Loans, if held by the Master Trustee, and the related Loan Agreements and Participant Obligations and substitute one or more Loans for such Loan and related Loan Agreement and Participant Obligation upon the delivery to the Master Trustee of (i) the instruments described in (a) above, *provided*, that the substituted Loan or Loans shall be included in the calculation of the Coverage Requirement and (ii) confirmation from each Rating Agency then rating the 2019 Master Trust Bonds that the proposed substitution will not result in a reduction or withdrawal of the then-applicable rating on the 2019 Master Trust Bonds.

(c) **Prepayment of Loans.** The Board shall not consent to a Prepayment of a Loan unless the Board first delivers to the Master Trustee a Written Authorization to the effect that the Coverage Requirement will be satisfied after taking into account such Prepayment. If the Board cannot deliver such Officer’s Certificate, then the Board may exercise its rights described in (b) above.

## **Records; Reporting Requirements**

(a) The Master Trustee will maintain financial transaction records in accordance with generally accepted accounting principles.

(b) The Master Trustee will furnish the Board with transaction reporting through the use of the Master Trustee's online portal. If the Master Trustee does not have an online portal or does not maintain its existing online portal, then it will provide a written report, at least monthly, of all transactions of each fund and account maintained under the Master Trust Indenture and a list of all custodial property, if applicable.

(c) The Master Trustee shall provide the Board with such additional information as may be reasonably requested by the Board.

## **Intervention by Master Trustee**

In any judicial proceeding to which the Board is a party and which in the opinion of the Master Trustee and its counsel has a substantial bearing on the interest of the owners of the 2019 Master Trust Bonds, the Master Trustee may, in its discretion, intervene on behalf of the owners of the Bonds and shall do so if requested in writing by the Owners of at least a majority in aggregate principal amount of all 2019 Master Trust Bonds then Outstanding, *provided* that the Master Trustee shall first have been provided indemnity as it may require against the costs, expenses and liabilities which it may incur in or by reason of such proceeding.

## **Removal of Master Trustee**

The Master Trustee may be removed at any time by the Board, by an instrument or concurrent instruments in writing delivered to the Master Trustee.

## **Effective Date for Resignation or Removal of Master Trustee**

No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee shall become effective until the successor Master Trustee has accepted its appointment under the Master Trust Indenture.

## **Representations, Warranties and Covenants of the Master Trustee**

The Master Trustee represents, warrants and covenants as follows:

(a) All federal, state and local governmental, public, and regulatory authority approvals, consents, notices, authorizations, registrations, licenses, exemptions and filings that are required to have been obtained or made by the Master Trustee with respect to the authorization, execution, delivery, and performance by, or the enforcement against or by, the Master Trustee of the 2019 Master Trust Indenture have been obtained, and are in full force and effect, and all conditions of such approvals, consents, notices, authorizations, registrations, licenses, exemptions and filings have been fully complied with.

(b) The Master Trustee has a reported capital, surplus and undivided profits of not less than \$50,000,000.

(c) In all respects in administering the trusts created by the 2019 Master Trust Indenture, the Master Trustee is in compliance with the laws of the State.

## **Events of Default**

Any one of the following shall constitute an Event of Default under the 2019 Master Trust Indenture:

- (a) Default in the payment of any interest on any 2019 Master Trust Bond when and as the same shall have become due and payable;
- (b) Default in the payment of the principal of or any redemption premium on any 2019 Master Trust Bond when and as the same shall become due, whether at the stated maturity date or the redemption or tender date thereof (pursuant to any mandatory sinking fund requirement or purchase obligation set forth in a Bond Indenture);
- (c) Default in the observance or performance of any other of the covenants, agreements or conditions on the part of the Board included in the 2019 Master Trust Indenture or any Bond Indenture or in the 2019 Master Trust Bonds and the continuance thereof for a period of thirty (30) days after written notice to the Board given by the Holders of not less than a majority in aggregate principal amount of the outstanding 2019 Master Trust Bonds; or
- (d) The occurrence of any Event of Default under a Bond Indenture.

## **Notice of Default**

The Master Trustee shall provide notice of an Event of Default pursuant to such provisions in the 2019 Master Trust Indenture.

## **Provisions and Remedies in Bond Indenture**

In addition to or in lieu of the provisions and remedies for Events of Default set forth in the 2019 Master Trust Indenture, a Bond Indenture may provide additional or different provisions and remedies for events of default in connection with the Series of 2019 Master Trust Bonds authorized thereby, to the extent that any such provisions and remedies are not inconsistent with the provisions and remedies set forth in the 2019 Master Trust Indenture.

## **Amendments Not Requiring Bondholder Consent**

The 2019 Master Trust Indenture may be amended without the consent of Bondholders by a written instrument executed by the Board and the Master Trustee, if: (i) (a) in the sole judgment of the Master Trustee, the amendment does not materially adversely affect the interests of the owners of any Series of 2019 Master Trust Bonds or (b) such amendment is necessary in the judgment of the Board to enable the efficient administration of the 2019 Master Trust Indenture or to comply with applicable Clean Water Program or Drinking Water Program requirements, and (ii) the Board and the Master Trustee receive written confirmation from each of the Rating Agencies that the amendment will not result in the downgrade, qualification or withdrawal of its credit rating on any Series of 2019 Master Trust Bonds. In exercising its judgment, the Master Trustee may rely on the opinion of such counsel as it may select.

## **Program Compliance**

It is the intent of the Board, and the Board so covenants, to comply with federal, state, and local laws and regulations, including specifically any applicable Clean Water Program and Drinking Water Program requirements. The Board further covenants to obtain the concurrence of EPA, to the extent



required, prior to the issuance of any Series of 2019 Master Trust Bonds. The Board covenants that it shall comply with all federal and state laws, rules and regulations applicable to the Clean Water Capitalization Grants and Drinking Water Capitalization Grants.

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## **APPENDIX C**

### **SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE**

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## **APPENDIX C**

### **SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE**

The following, in addition to the information provided elsewhere in the Official Statement, summarizes certain provisions of the Bond Indenture. Reference should be made to the Bond Indenture, a copy of which will be available for inspection at the corporate trust office of the Bond Trustee, for a full and complete statement of its terms.

The following capitalized terms appearing this Official Statement have the meanings set forth Appendix A, unless the context otherwise requires. A reference to any of these terms in the singular number includes the plural and vice versa.

#### **Establishment of Funds and Accounts**

The following special funds, accounts and subaccounts are created by the Board, each of which shall be held by the Trustee: the “Debt Service Fund.” consisting of a Clean Water Account (and within such Account, a State Match Bond Subaccount and a Leveraged Bond Subaccount); a Costs of Issuance Fund; and a “Rebate Fund.”

#### **Costs of Issuance Fund**

The Trustee shall deposit in the Costs of Issuance Fund from the proceeds of the Bonds the amount set forth in the Indenture. Moneys in the Costs of Issuance Fund shall be applied by the Trustee to the payment of costs of issuance of the Bonds, including payment of all necessary fees, costs and expenses of the Trustee and the Board relating to the Bonds, as limited by the Indenture. Disbursements to pay such costs shall be made by the Trustee upon a requisition signed by the Board Representative. The Trustee will transfer any balance remaining in the Costs of Issuance Fund on the one hundred eightieth day following the issuance of the Bonds to the Master Trustee for deposit in such funds or accounts as directed by the Board in an executed Written Authorization. Moneys in the Costs of Issuance Fund shall be invested pursuant to the Indenture.

#### **Debt Service Fund**

(a) There shall be deposited in the State Match Bond Subaccount of the Clean Water Account of the Debt Service Fund, in the Leveraged Bond Subaccount of the Clean Water Account of the Debt Service Fund all moneys received pursuant to “Flow of Funds” described below.

#### **Flow of Funds**

(a) On or before each Payment Date, the Trustee shall request in writing the Master Trustee transfer the amounts necessary to pay the interest on the Bonds as the same becomes due and payable and to pay the principal of and premium, if any, on the Bonds as the same becomes due and payable at maturity or upon the redemption of Bonds prior to maturity. In the request, the Trustee shall specify the interest and principal due on the Payment Date for the Bonds that are Clean Water Leveraged Bonds and Clean Water State Match Bonds, consistent with the provisions of the Indenture.

(b) On or before each Payment Date, the Master Trustee shall transfer the moneys requested by the Trustee as requested above pursuant to the provisions of the 2019 Master Trust Indenture relating to withdrawals from the CWSRF Revenue Fund, to be held in trust by the Trustee for the holders of the Bonds and, except as otherwise provided herein, applied solely to pay the Bonds. On each date fixed for redemption of the Bonds and on each scheduled Payment Date on the Bonds, the Trustee shall remit to the respective owners of such Bonds an amount from the respective Account or Subaccount of the Debt Service Fund sufficient to pay the interest on the Bonds becoming due and payable on such date. On each Payment Date of the Bonds, the Trustee shall set aside and hold in trust an amount from the respective Account or Subaccount of the Debt Service Fund, sufficient to pay the principal of the Bonds becoming due and payable on such Payment Date. Pending such application, moneys in the Debt Service Fund shall be invested pursuant to the Indenture.

### **Rebate Fund**

(a) Pursuant to the Tax Agreement, the Trustee shall deposit into the Rebate Fund the amounts required by a Written Authorization of the Board from the applicable accounts of the CWSRF Revenue Fund held by the Master Trustee. Amounts on deposit in the Rebate Fund may be used solely to make payments to the United States of America under section 148 of the Code and to pay or reimburse allowable costs related to the calculation of the amounts due, or if amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Trustee shall transfer such excess amounts to the applicable accounts of the CWSRF Revenue Fund held by the Master Trustee as directed in a Written Authorization of the Board. The Rebate Fund and all amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Bondholders or any other person and shall not constitute part of the Trust Estate.

(b) The obligation to pay arbitrage rebate to the United States of America shall survive the defeasance or payment in full of the Bonds.

### **Investments**

As directed by a Board Representative, moneys in the Costs of Issuance Fund and the Debt Service Fund may be invested by the Trustee in Investment Securities, maturing at such times and in such amounts as will make cash available for the purposes of such funds and accounts as needed, subject to the restrictions, if any, set forth in the Tax Agreement. Investment earnings shall be retained in the fund or account so invested.

### **Non-Presentation of Bonds**

Except as described in "Unclaimed Moneys" below, in the event any of the Bonds shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Bonds shall be held by the Trustee for the benefit of the owner or owners thereof, all liability of the Board to the owner or owners thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged and thereupon it shall be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the owner or owners of such Bonds, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bonds.

## **Unclaimed Moneys**

All moneys which the Trustee shall have withdrawn from the Debt Service Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured shall be held in trust for the respective owners of such Bonds, but any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the owners of such Bonds for a period of four (4) years after the date on which such Bonds shall have become due and payable shall be paid to the Board; *provided, however*, that the Trustee, before making any such payment shall send a letter to the last known address for such Bondholders that said moneys have not been claimed and that after a date named therein any unclaimed balance of said moneys then remaining will be returned to the Board and thereafter the owners of such Bonds shall look only to the Board for payment and then only to the extent of the amount so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

## **Disposition of Funds and Accounts**

After the payment in full of the principal of, premium, if any, and interest on the Bonds, or provision therefore has been made, as described under “Defeasance” below, all moneys in all funds and accounts, other than moneys so held for the defeasance of Bonds, and moneys referred to in “Unclaimed Moneys” above, shall be paid by the Trustee to the Master Trustee; *provided*, that if the 2019 Master Trust Indenture shall no longer be in effect, the Trustee shall transfer all such moneys to the State Treasurer, or as may be otherwise directed by a Board Representative, for deposit in an account of the Water Resources Fund as designated by a Board Representative.

## **Payment of Principal and Interest**

The Board covenants that it will promptly pay, solely out of the Security, the principal of, premium, if any, and interest on every Bond issued under the Indenture at the place, on the date and in the manner provided herein and in the Bonds according to the true intent and meaning thereof.

## **Performance of Covenants**

The Board will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining to the Bonds and the Indenture. The Board covenants that it is duly authorized under the Constitution and the laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute the Indenture, to pledge the Pledged SRF Revenues and other funds described in the Indenture and assigned and pledged hereby in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken; and that the Bonds, assuming the due authentication thereof by the Trustee, in the hands of the owners thereof will be valid and enforceable special, limited obligations of the Board according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights and to the exercise of judicial discretion in accordance with general principles of equity.

## **Instruments of Further Assurance**

The Board covenants, whenever and so often as reasonably required to do so by the Trustee, promptly to execute and deliver or cause to be delivered Supplemental Indentures and all such other and

further instruments, documents or assurances, and to promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the owners of the Bonds all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by the Indenture, including, without limitation, the Pledged SRF Revenues and other funds pledged by the Indenture to the payment of the principal of, premium, if any, and interest on the Bonds.

### **No Extension of Time of Payment of Interest**

In order to prevent any claims for interest after maturity, the Board will not directly or indirectly extend or assent to the extension of time of payment of any claims for interest on any of the Bonds, and will not directly or indirectly be a party to or approve any such arrangement by purchasing or funding such claims for interest or in any other manner. In case any such claims for interest shall be extended or funded in violation of the Indenture, such claims for interest shall not be entitled, in case of any default under the Indenture, to the benefit or security of the Indenture, except subject to the prior payment in full of the principal of all Bonds issued and Outstanding under the Indenture, and of all claims for interest which shall not have been so extended or funded.

### **Bond Register**

The Board shall have no responsibility with regard to the accuracy of the Bond Register. At reasonable times and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Board or by the owners (or a designated representative thereof) of at least twenty-five percent (25%) of the Bonds then Outstanding hereunder, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

### **Board's Obligation Limited**

Nothing in the Indenture is intended to require or obligate, nor shall be interpreted to require or obligate, the Board for any purpose or at any time whatsoever, to provide, apply, or expend any funds coming into the hands of the Board other than (a) the funds derived from the issuance of the Bonds under the Indenture, and (b) moneys held in the funds and accounts under the Indenture.

### **Defaults; Events of Default**

The following events constitute an "Event of Default":

(a) if default shall occur in the due and punctual payment of the principal of, premium, if any, or interest on any Bond; or

(b) if default shall be made by the Board in the observance of any of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, and such default shall have continued for a period of ninety (90) days after the Board shall have been given written notice of such default by the Trustee or by the owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding.



## **Remedies; Rights of Bondholders**

(a) Upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy by action at law or suit in equity to enforce the payment of the principal of and interest on the Bonds then Outstanding.

(b) If an Event of Default shall have occurred and be continuing the Trustee may, in its discretion, and if requested so to do by the owners of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding and indemnified as provided in the Indenture, the Trustee shall, exercise such one or more of the rights and powers conferred by the Indenture as the Trustee shall deem most expedient in the interest of the owners of the Bonds.

(c) No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the owners of the Bonds) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given to the Trustee or to the owners of the Bonds hereunder or now or hereafter existing at law or in equity.

(d) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time as often as may be deemed expedient.

## **Waivers of Events of Default**

The Trustee shall waive any Event of Default and its consequences upon the written request of the owners of a majority in aggregate principal amount of the Bonds then Outstanding; *provided*, that there shall not be waived without the consent of the owners of all the Bonds Outstanding (a) any Event of Default in the payment of the principal of any Outstanding Bonds at their maturity or upon the redemption thereof, or (b) any Event of Default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, or all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such Event of Default shall have been paid or deposited with the Trustee. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Board, the Participant, the Trustee, and the owners of the Bonds shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

## **Right of Bondholders to Direct Proceedings**

The owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or any other proceedings hereunder; *provided*, that such direction shall not be otherwise than in accordance with applicable provisions of law and of the Indenture.

## **Rights and Remedies of Bondholders**

No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for any other remedy hereunder unless a default has occurred of which the Trustee has been notified, or of which it is deemed to have notice, and unless also such default shall have become an Event of Default and the owners of at least twenty-five percent (25%) principal amount of the Bonds then Outstanding shall have made written request to the Trustee, and shall have provided it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name and unless also they have provided to the Trustee indemnity as provided in the Indenture, and unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its, his or their own name or names; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the Indenture, or for any other remedy hereunder; it being understood and intended that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the owners of all of the Bonds then Outstanding. Nothing in the Indenture contained shall, however, affect or impair the right of any owner of any Bond to enforce the payment of the principal of, premium, if any, and interest on such Bond at the time, place, from the source and in the manner herein and in such Bond expressed.

## **Application of Moneys in Event of Default**

(a) Upon an Event of Default all moneys held or received by the Trustee pursuant to the Indenture (other than moneys in the Costs of Issuance Fund, the Rebate Fund and arbitrage rebate, whether held in the Rebate Fund), pursuant to any right given or action taken under the Indenture shall, after payment of the reasonable costs and expenses, including those of the Trustee, in connection with the proceedings resulting in the collection of such moneys, shall be applied in the following order of priority, as follows:

First – To the applicable account or subaccount within the Debt Service Fund, payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds, in the order in which such installments of interest became due and payable, with interest thereon at the rate or rates specified in the respective Bonds to the extent permitted by law, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

Second – To the applicable account or subaccount within the Debt Service Fund, payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds that shall have become due and payable (other than Bonds called for redemption for the payment of which moneys or securities are held pursuant to the Indenture), in the order of their due date, with interest on such principal and premium, if any, at the rate or rates specified in the respective Bonds from the respective dates upon which they became due and payable, and, if the amount available shall not be sufficient to pay in full such principal and premium, if any, due on any particular date, together with such interest, then to the payment ratably, according to the amounts of principal and premium, if any, due on such date, to the persons entitled thereto without any discrimination or privilege;

Third – To the payment of the reasonable expenses, liabilities and advances incurred or made by the Trustee, other than those incurred in connection with the proceedings resulting on the collection of such moneys; and

Fourth – The balance to the Master Trustee for deposit to the Loan Fund.

(b) Whenever moneys are to be applied pursuant to the Indenture, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue.

(c) Whenever all of the Bonds have been paid under the Indenture, and all expenses and charges of the Trustee and the Board have been paid, any balance shall be paid to the Master Trustee for deposit in the Loan Fund or to the Board as provided in the Indenture.

### **Notice of Default**

No default specified in the Indenture shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the Board by the Trustee or by the owners of at least twenty-five percent (25%) principal amount of the Bonds then Outstanding, and the Board shall have had ninety (90) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within such period; *provided, however*, if any default specified in the Indenture shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Board within the applicable period and diligently pursued until the default is corrected.

### **Indemnity**

Before taking any action under the Indenture, other than any action outlined under the general terms and provisions of the Bonds contained in the Indenture, the payment of principal of, premium, if any, and interest on the Bonds and the declaration of default, the Trustee may, in its discretion, require that satisfactory indemnity be furnished to it by the owners of the Bonds or other parties for the reimbursement of all expenses which it may incur or advance and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

### **Successor Trustee**

Any corporation into which the Trustee may be merged or with which it may be consolidated or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation resulting from any such merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor Trustee under the Indenture and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything in the Indenture to the contrary notwithstanding; *provided*, that the representations contained in the Indenture regarding the Trustee are still true and correct after such merger, consolidation or sale.

## **Removal of Trustee**

The Trustee may be removed (i) at the option of the Board (provided no Event of Default has occurred and is continuing), or (ii) by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, in each case by an instrument or concurrent instruments in writing delivered to the Trustee and, in the event of a removal by owners of the Bonds, to the Board.

## **Effective Date for Resignation or Removal**

No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the successor Trustee has accepted its appointment under the Indenture.

## **Appointment of Successor Trustee by the Board or the Bondholders; Temporary Trustee**

In case the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under the Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Trustee may be appointed by the Board (in the case of removal by the Board), or by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their legal representatives duly authorized; *provided*, nevertheless, that in case of such vacancy the Board by an instrument executed and signed by its Chairman, Vice-Chairman or Executive Director and attested by its Secretary or any Assistant Secretary under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the owners of the Bonds in the manner above provided; and any such temporary Trustee so appointed by the Board shall immediately and without further act be superseded by the Trustee so appointed by such owners of the Bonds. Every such Trustee appointed shall be a trust company or bank organized and doing business under the laws of the United States of America or any state thereof, subject to supervision or examination by federal or state regulatory board, doing business in the State, and having, or be wholly owned by an entity having, a reported capital, surplus and undivided profits of not less than \$50,000,000, if there be such an institution willing, qualified and able to accept the trusts under this Indenture upon reasonable and customary terms. In the event that a successor Trustee has not been appointed within sixty (60) days of such resignation, removal, dissolution or notice of dissolution or liquidation, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.

## **Supplemental Indentures Not Requiring Consent of Bondholders**

The Board and the Trustee may without the consent of, or notice to, any of the owners of the Bonds, enter into an indenture or indentures supplemental to the Indenture which shall not be inconsistent with the terms and provisions of the Indenture for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the owners of the Bonds any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the owners of the Bonds or the Trustee or either of them;
- (c) to subject to the lien and pledge of the Indenture additional revenues, properties or collateral;

(d) to modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture or any indenture supplemental thereto under any Federal statute hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to the Indenture or any indenture supplemental thereto such other terms, conditions and provisions as may be permitted or required by any such Federal statute or Blue Sky Law; *provided*, that any such indenture supplemental thereto referred to in this subsection (d) shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the owners of the Bonds;

(e) to modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America;

(f) to evidence the appointment of a separate trustee or the succession of a new Trustee hereunder or a successor to the Bond Registrar;

(g) to conform the requirements of any provision of the Indenture with any subsequent amendments of section 148 of the Code or any regulation promulgated thereunder or with respect thereto;

(h) to make any change deemed necessary by the Board to maintain the exclusion of interest on the Bonds from gross income of the owners thereof for federal income tax purposes;

(i) to make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the owners of the Bonds. In exercising such judgment the Trustee may rely on the opinion of such counsel as it may reasonably select; or

(j) to amend or modify any provisions of the Indenture; *provided*, that no such amendment or modification shall be enacted unless each of the Rating Agencies shall advise the Board in writing that the rating or ratings assigned by the Rating Agency to the Board's then outstanding Bonds will not be lowered, reduced or withdrawn as a result of the amendment or modification proposed to be enacted; and *provided, further*, that the Board shall give notice in the manner described in the Indenture within sixty (60) days of the approval of such amendment or modification by the Board to the Bondholders, the Master Trustee and the Rating Agencies. Such notice shall set forth the text of the amendment or modification and state that each Rating Agency has advised the Board the rating or ratings assigned by the Rating Agency to the Board's then outstanding Bonds have not or will not be lowered, reduced, or withdrawn as a result of the amendment or modification to be enacted.

### **Supplemental Indentures Requiring Consent of Bondholders**

(a) Except for indentures supplemental to the Indenture authorized by the Indenture and subject to the further provisions as described below, and not otherwise, the owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Board and the Trustee of such other indenture or indentures supplemental thereto as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any indenture supplemental thereto. Nothing contained in the Indenture shall permit, or be construed as permitting, without the consent of the owners of all the Bonds then Outstanding (i) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of payment of

interest on, any Bonds, or (ii) the creation of any lien on the Pledged SRF Revenues and other funds pledged under the Indenture prior to or on a parity with the lien of the Indenture, or (iii) a reduction in the aforesaid aggregate principal amount of the Bonds the owners of which are required to consent to any such indenture supplemental hereto. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

(b) If at any time the Board shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes described in the Indenture, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to the Rating Agencies and to each owner of the Bonds Outstanding as shown by the Bond Register by United States mail, first class, postage prepaid or posted on EMMA, consistent with the requirements of the Continuing Disclosure Agreement. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all owners of the Bonds. If, within ninety (90) days or such longer period as shall be prescribed by the Board following the mailing of such notice, the owners of at least the majority of the aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as provided in the Indenture, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Board from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as permitted and provided by the Indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

(c) The Trustee may rely upon an opinion of counsel as conclusive evidence that any Supplemental Indenture entered into by the Board and the Trustee complies with the governing provisions of the Indenture.

## **Defeasance**

(a) When all of the Bonds shall have been paid and discharged and the Board shall have paid or caused to be paid all other sums payable under the Indenture by the Board, then the requirements contained in the Indenture and the pledge of Security made under the Indenture and all other rights granted thereby shall terminate. Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture if there shall have been deposited with the Trustee, or other bank or trust company, having full trust powers and meeting the requirements of a successor Trustee under the Indenture impressed with a first lien to the Trustee for the benefit of the owners of the Bonds, in trust for and irrevocably appropriated thereto, moneys and/or non-callable Defeasance Securities which, together with the interest to be earned on any such obligations, as evidenced by the written report of an independent certified public accountant, or such other evidence that is satisfactory to the Trustee, will be sufficient for the payment of the principal of said Bonds, the premium thereon, if any, and interest to accrue to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments, *provided, however*, that if any such Bonds shall be redeemed prior to the maturity thereof,

(1) the Board shall have elected to redeem such Bonds, and

(2) either notice of such redemption shall have been given, or the Board shall have given irrevocable instructions to the Trustee to redeem such Bonds; and

(b) an opinion of Bond Counsel addressed to the Board and the Trustee to the effect that providing for the payment of the Bonds by depositing such moneys and/or Defeasance Securities with the Trustee in accordance with the Indenture will not cause the interest on the Bonds to be included in gross income of the owners for federal income tax purposes.

(c) Any moneys and obligations which at any time shall be deposited with the Trustee or other bank by or on behalf of the Board, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Trustee or other bank or trust company in trust for the respective owners of the Bonds, and such moneys shall be irrevocably appropriated to the payment and discharge of the Indenture. All moneys deposited with the Trustee or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Indenture.

(d) Bonds for the payment of which moneys and/or Defeasance Securities shall have been deposited with the Trustee or such other bank or trust company (whether upon or prior to the maturity of such Bonds) shall be deemed to be paid and no longer Outstanding.

### **Disposition of Trust Estate**

Upon the payment or provision for payment of all Bonds as described in “Defeasance” above, the Trustee shall execute and deliver to the Board such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and, subject to the provisions of the Indenture described under “Disposition of Funds and Accounts” above, shall reconvey, release, assign and deliver the estate, right, title and interest in and to all property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of the Indenture, except amounts in the Debt Service Fund, to such person or persons as shall be directed by the Master Trustee with the written approval of the Board.

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## **APPENDIX D**

### **SUMMARY OF CERTAIN PROVISIONS OF A STANDARD FORM LOAN AGREEMENT**

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## **APPENDIX D**

### **SUMMARY OF CERTAIN PROVISIONS OF A STANDARD FORM OF THE LOAN AGREEMENT**

The following, in addition to the information provided elsewhere in the Official Statement, summarizes certain provisions of the form of the Loan Agreement to be entered into by the Oklahoma Water Resources Board (herein, "OWRB") and each eligible local governmental entity that becomes a "Borrower" under the CWSRF Program or the DWSRF Program. Reference should be made to each specific Loan Agreement, copies of which will be available for inspection at the corporate trust office of the Trustee, for a full and complete statement of its terms.

#### **Definitions**

The following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

"Accountant" shall mean an independent certified public accountant or firm of independent certified public accountants of recognized standing qualified to perform the duties required in this Loan Agreement.

"Application for Funding" shall mean the Borrower's Application for Funding No. \_\_\_\_\_ to the OWRB for a loan for the purpose of financing the Project.

"Consulting Engineer" shall mean an independent consulting engineer or firm of independent consulting engineers retained by the Borrower, designated in the Application for Funding and acceptable to the DEQ, and qualified to perform the duties required in the Loan Agreement.

"DEQ" shall mean the Oklahoma Department of Environmental Quality.

"Existing Indebtedness" shall mean any existing obligations of the Borrower payable from the Revenues pledged by the Borrower to the payment of the debt service requirements of the Loan.

"Local Act" shall mean an official action of the Borrower taken in accordance with applicable ordinances or rules of the Borrower and laws of the State.

"Local Trustee" shall mean \_\_\_\_\_, a commercial banking entity, with corporate trust powers domiciled in the State, experienced and qualified to act as a corporate trustee, selected by the Borrower, and approved by the OWRB to serve as trustee for the Borrower pursuant to the Loan Agreement.

"Mortgage" shall mean the Mortgage With Power of Sale and Security Agreement dated \_\_\_\_\_, 20\_, by the Borrower in favor of the OWRB.

"Net Revenues Available for Debt Service" shall mean the Revenues of the System less: (a) any amounts required to replenish the debt service reserve fund established in regard to any Existing Indebtedness; and (b) the Operation and Maintenance Expenses of the System [except that (1) interest on any debt payable from the Revenues of the System and any other revenue source pledged to payment of the Note, (2) depreciation and any other items not requiring the expenditure of cash, (3) any amounts expended for capital replacements, repairs, and maintenance not recurring annually (or at shorter intervals) or reserves therefor, and (4) reserves for administration, operation, and maintenance occurring in the normal course of business, shall not be included as "Operation and Maintenance Expenses" for purposes of this definition], plus any other Revenues pledged to payment of the Note.

“Note” shall mean the Series 20 Clean Water [Drinking Water] SRF Promissory Note to Oklahoma Water Resources Board to be issued by the Borrower pursuant to the Act, as amended, to evidence the Loan and which obligation will be purchased by the OWRB in accordance with the provisions of the Loan Agreement.

“Operation and Maintenance Expenses” shall mean the costs of operating and maintaining the System pursuant to generally accepted accounting principles.

“Project” shall mean the wastewater system improvements or drinking water treatment system improvements, all as described in the Application for Funding, to be constructed, modified, expanded, or refinanced by the Borrower with, among other funds, the proceeds of the Loan.

“Project Costs” shall mean in connection with the Project or any future project, together with any other proper cost items not specifically mentioned herein, all costs of acquiring, constructing, furnishing, equipping, and financing the Project as specified on Exhibit “D” attached hereto, including but not limited to: obligations incurred for labor and materials and to contractors, builders, and materialmen; restoration or relocation of property damaged or destroyed in connection with such construction; premiums on contractors’ performance, payment, and completion bonds if required; the cost of machinery, equipment, or supplies purchased by the Borrower for inclusion as part of the System; fees, compensation, and expenses of the Borrower for services rendered during said period; taxes, fees, charges, and expenses due and payable in connection with the Project, the financing thereof, or the issuance of and security for bonds or notes; premiums on insurance in connection with the Project, the financing thereof, or the issuance of and security for bonds or notes; premiums on insurance in connection with the construction of additions to the System; costs of architects’ and engineers’ services; all costs incident to and properly allocable to the acquisition, equipping, and construction of the Project and placing of the same in operation; capitalizing principal and interest requirements and any reserve funds for any bonds or notes; legal, financing, financial, administrative, accounting, printing, and recording expenses and fees; and the fees and expenses of bond counsel.

“Replacement Costs” shall mean expenditures for obtaining and installing equipment, accessories, or appurtenances during the useful life of the treatment works necessary to maintain the capacity and performance for which such works are designed and constructed, excluding capital replacements, repairs, and maintenance not recurring annually (or at shorter intervals) or reserves therefor.

“Revenues” (as used in the Loan Agreement) shall mean: (i) all rates, fees, rentals, other charges, income, and moneys properly allocable to the System in accordance with generally accepted accounting principles resulting from the ownership and/or operation of the System, excluding customer deposits and any other deposits subject to refund until such deposits have become the property of the Borrower; (ii) the proceeds of any insurance covering business interruption loss relating to the System; and (iii) any other moneys from other sources pledged by the Borrower to the payment of debt service requirements of the Note. Such Revenues derived from the System shall, unless precluded by restrictions relating to Existing Indebtedness of the Borrower, be dedicated for payment of debt service requirements of the Loan prior to payment of Operation and Maintenance Expenses of the System.

“Sales Tax Agreement” [if applicable] shall mean the\_\_\_\_\_.

“Security Agreement” shall mean the Security Agreement dated\_\_\_\_\_, 20\_, by and between the Borrower, as “Debtor,” and the OWRB, as “Secured Party.”

“System” shall mean collectively the\_\_\_\_\_now or hereafter owned or operated by the Borrower, the proceeds from the operation of which are pledged to the payment of the Note.

“Trustee Bank” shall mean\_\_\_\_\_, Oklahoma City, Oklahoma, and any successor entity meeting the qualifications prescribed in the applicable Bond Indenture and selected to perform the duties as Trustee Bank for the OWRB set out in the applicable Bond Indenture.

### **Disbursement of Loan**

The OWRB shall cause the Trustee Bank to disburse proceeds of the Loan to the Borrower only for incurred Project Costs and in accordance with [CWSRF] [DWSRF] Program procedures. The Borrower shall submit certified requests for disbursement of loan proceeds to the [OWRB] [DEQ] on ORF-271 forms. The requests shall be accompanied by such invoices or other documentation as may be required by the DEQ to demonstrate that such amounts have been incurred by or on behalf of the Borrower for the payment of Project Costs. Upon approval by the OWRB and DEQ, the OWRB shall provide for disbursement of the loan proceeds to the Borrower in an expeditious and timely manner.

Should the construction of the Project not be completed within thirty (30) days prior to third anniversary of the Issuance Date of the Bonds, any proceeds of which were used to fund all or any portion of the Loan, the OWRB shall transfer to the Borrower on or before the third anniversary of such Issuance Date from the remaining proceeds of such Bonds an amount no greater than the unfunded balance of the Loan.

### **Repayment of Loan**

According to EPA requirements for the [Clean Water] [Drinking Water] SRF Financing Program, (x) the Note must be fully amortized and repaid no later than thirty (30) years after the date construction of the Project is completed, and (y) the Borrower must commence repayment of principal no later than one (1) year after the date construction of the Project is completed. Accordingly, the parties agree that the Note shall mature on the earlier of (i) the March 15 or September 15 next preceding the date which is thirty (30) years after completion of construction of the Project as certified to the OWRB by the Borrower, or (ii)\_\_\_\_\_. The outstanding principal balance of the Note, together with all accrued, but unpaid, interest and administrative fees shall be due and payable in full on said maturity date. The Note shall contain other provisions set forth in Exhibit “B” attached hereto and made a part hereof.

The Borrower shall pay to the OWRB or the Trustee Bank (as directed by the OWRB) interest on the Loan at the rate of\_\_\_\_\_ % per annum, plus an administrative fee at the rate of 0.5% per annum, all on the outstanding balance of disbursed loan proceeds. Interest and the administrative fee shall be computed on the basis of a year of 360 days and the number of actual days elapsed. The interest and administrative fee payments shall be made on a semi-annual basis, commencing on\_\_\_\_\_ and continuing each March 15 and September 15 thereafter for the term of the Loan. The Borrower shall commence repayment of principal on the earlier of (i) the March 15 or September 15 next following the date the Project is completed, as certified to the OWRB by the Borrower, or (ii)\_\_\_\_\_ and shall continue to repay principal semiannually for the term of the Loan according to the Amortization Table to be provided by the OWRB as described herein; provided, the Borrower shall commence repaying principal to the OWRB as provided in the Preliminary Principal Payment Schedule as set forth on Schedule “A” to the Note, until such time as the OWRB provides the final Amortization Table to the Borrower and the Local Trustee as set forth below. After the Project is completed and the Borrower has certified to the OWRB that all Project Costs have been paid, then the OWRB shall produce and provide to the Borrower and the Local Trustee an Amortization Table which reflects the total amount of principal advanced under the Note less any principal payments already received, plus interest and administrative fees due and payable. [The amortization table will provide to the extent possible for the payment of level debt service payments on the Note.] The amortization table will be attached as Schedule “A” to the Note at the time it is provided by the OWRB to the Borrower and the Local Trustee, and shall replace and supersede the Preliminary Principal Payment Schedule in all respects, and will require no further action or approval by the Borrower or the

governing body of \_\_\_\_\_. In the event the Borrower defaults in the payment of any of its required payments to the OWRB or the Trustee Bank, the amount of such default shall bear interest at the rate of fourteen percent (14%) per annum, from the date of the default until the date of payment thereof. In the event any due date for payment of any installment of principal, interest, or administrative fee shall not be a regular business day, then such date for payment of principal, interest, or administrative fee shall be the immediately preceding business day.

### **Pledge of Revenues**

The Borrower, as one of the further conditions of the OWRB making the Loan and as authorized by the Local Act, hereby pledges, grants a security interest in, and dedicates the Revenues derived from the operation of the System [NOTE: also recite any additional revenues pledged, e.g. Sales tax] (said security interest in Revenues, as defined herein, being \_\_\_\_\_[on a parity/subordinate] in all respects to the security interest in said Revenues securing the Borrower's Existing Indebtedness) to the repayment of the Loan. The Loan is further secured according to the terms and conditions of the \_\_\_\_\_ [Indenture/Mortgage/Security Agreement or other additional security].

### **Application of Revenues**

[Subject to provisions of Existing Indebtedness] Revenues generated from the operation of the System will be used monthly: (i) first, to provide debt service on the Note [and, if appropriate, other indebtedness payable from such revenues on a parity with the Note], (ii) second, to pay Operation and Maintenance Expenses of the System, and (iii) third, to make payments, if required, to replenish any amount drawn from any OWRB debt service reserve fund for the benefit of the Borrower or to replenish the minimum required balance of the reserve of the Borrower relating to Note payments and other System indebtedness. So long as there shall exist any outstanding balance on the Note, the gross revenues of the System shall always be used to satisfy the requirements reflected above, and after satisfying the requirements set forth herein, such revenues may be utilized by the Borrower for any legal purpose.

### **Certain Covenants of the Borrower**

As further conditions of the OWRB making the Loan, the Borrower covenants, agrees, and represents as follows:

(A) The Borrower agrees and represents that it shall comply with all applicable requirements of Federal and State law and authority.

(B) The Borrower will expeditiously proceed with and complete the Project in accordance with Project plans and specifications approved by the [OWRB] [DEQ].

(C) The Borrower agrees to operate and maintain the System in good condition, or will cause the City to operate and maintain the System in good condition.

(D) The Borrower's schedule of rates or charges for the services of the System shall be sufficient to provide funds which, together with other revenues pledged under the Local Act, will provide Net Revenues Available for Debt Service equal to at least 125% of the maximum annual amount required for debt service on all obligations secured by a lien on the Revenues which is senior to the lien on the Revenues securing the Note or on a parity with the lien on said Revenues securing the Note (the "Rate Covenant"); provided, the schedule of rates or charges for the services of the System shall always be at least sufficient to provide moneys to pay the Operation and Maintenance Expenses of the System without consideration of any other revenue source;

(E) The Borrower shall provide the OWRB at the time of Loan closing with a certificate of an Accountant or Consulting Engineer reflecting that the Net Revenues Available for Debt Service will satisfy the Rate Covenant. Subsequent to the date of the Loan, the Borrower shall not issue any other obligations payable from the Revenues, except (i) subordinate obligations without limitation and (ii) obligations on a parity with Existing Indebtedness or obligations on a parity with the Note. Any such Additional Indebtedness shall be issued only if (x) any applicable provisions of Existing Indebtedness and (y) the borrower shall provide the OWRB with a certificate of an Accountant or Consulting Engineer reflecting that the Net Revenues Available for Debt Service will satisfy the Rate Covenant.

(F) In the event, for any reason, the Revenues as set forth in the Application for Funding shall prove to be insufficient to produce the minimum sums set forth in clause (D) above, the Borrower hereby covenants and agrees that it will upon notice by the OWRB or the Trustee Bank, to the extent or in the manner authorized by law, within thirty (30) days of receipt of such notice, adjust and increase such rates, fees, and charges or the source of additional collateral so as to provide funds sufficient to produce the minimum sums set forth in clause (D) above;

(G) The Borrower acknowledges that the OWRB may assign all or a portion of its rights under the Note and this Loan Agreement, and hereby irrevocably covenants and agrees that in the event of any default hereunder by the Borrower, upon the occurrence of such event, the Trustee Bank or the OWRB may exercise any or all of the rights and powers provided by law, including without limitation, the right to directly impose, enforce, and collect charges upon users of the System;

(H) The Borrower will not render any free services of the System except to its beneficiary. In the event the Borrower owns or leases the System, it shall, to the fullest extent permitted by law, discontinue or shut off or cause to be discontinued or shut off the services and facilities of the System to all delinquent users of services of the System and will not restore or cause to be restored such services until all delinquent charges for the services of such System have been fully paid. The Borrower will not grant any franchise to provide any services which would compete with the System, and further, to the extent authorized by the laws of the State, the Borrower shall require prospective users of the System to connect thereto;

(I) The Borrower agrees that the System may not be sold, leased, or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be at least sufficient to fully pay the Note; provided, however, the OWRB may approve the release from the lien created hereunder of any portion of the System which in its discretion is not needed to secure payment of the Note and does not adversely impact the Borrower's ability to pay same;

### **Prepayment of Loan**

It being the intent of the OWRB to ensure that sufficient moneys are available to retire a commensurate amount of the Bonds in the event of prepayment of any Note, the Borrower will not redeem the Note in part or in full without the prior written consent of the OWRB, which consent shall not be unreasonably withheld, and any such redemption authorized by the OWRB shall provide for the payment of a sum sufficient to pay the principal and interest requirements of the Loan and/or principal, interest, premium, if any, and any fees to be paid upon the redemption by the OWRB of the appropriate amount of the Bonds represented by the outstanding balance of the Loan at the time of such redemption. Nothing in this Loan Agreement shall be construed to prohibit the OWRB from refunding any of its obligations including, but not limited to the Bonds, and any such refunding need not be based upon or result in any benefit to the Borrower.

In the event that the Loan should at any time be determined to be a “private activity bond” under the Internal Revenue Code of 1986, as amended, Borrower agrees to prepay the Loan in full, in accordance with written directions of the OWRB.

### **Events of Default**

Each of the following events is hereby declared an “Event of Default”:

- (A) The interest or administrative fee on the Loan is not paid punctually when due; or
- (B) The principal of the Loan is not paid punctually when due, whether at the stated maturity thereof, or upon proceedings for redemption or prepayment thereof, or upon the maturity thereof by declaration; or
- (C) This Loan Agreement is terminated or for any reason declared invalid or unenforceable in any material respect by or against the Borrower; or
- (D) Default by the Borrower in the due and punctual performance of any other of the covenants, conditions, agreements, and provisions contained in the Note or in this Loan Agreement on the part of the Borrower to be performed, and such default shall continue for ninety (90) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Borrower by the OWRB; or
- (E) If an order, judgment, or decree shall be entered by any court of competent jurisdiction (a) appointing a receiver, trustee, or liquidator for the Borrower or the whole or any substantial part of the System, (b) approving a petition filed against the Borrower under the provisions of Chapter 9 of Title 11 of the United States Code, as amended (the “Bankruptcy Code”), (c) granting relief substantially similar to that afforded by said Chapter 9, or (d) assuming custody or control of the Borrower or of the whole or any substantial part of the System under the provisions of any law for the relief or aid of debtors and such order, judgment, or decree shall not be vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control shall not be otherwise terminated), within sixty (60) days from the date of the entry of such order, judgment, or decree; or
- (F) If the Borrower shall (a) admit in writing its inability to pay its debts generally as they become due, (b) file a petition in bankruptcy or seeking a composition of indebtedness, (c) make an assignment for the benefit of its creditors, (d) consent to the appointment of a receiver of the whole or any substantial part of the System, (e) file a petition or an answer seeking relief under any amendment to said Bankruptcy Code which shall give relief substantially the same as that afforded by said Chapter 9, or (f) consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the Borrower or of the whole or any substantial part of the System.

The word “default” where used above shall mean failure of performance when due, exclusive of any period of grace required to correct any such failure.

### **Remedies**

- (A) Upon the occurrence of an Event of Default, the OWRB, acting by and through the Attorney General of the State of Oklahoma, and the Trustee Bank shall have all the rights and remedies at law or equity as may be allowed by law, or pursuant to the provisions of this Loan Agreement, including but not limited to, suit for specific performance of any or all of the covenants of the Borrower contained in this Loan Agreement or in the Note; acceleration of the payment of principal of and interest accrued on



the Note; appointment of temporary trustees to take over, operate, and maintain the System on a profitable basis and ensure the payment of the principal of and interest and administrative fees on the Note and any other Borrower indebtedness; or suit at law or equity to enforce or enjoin the action or inaction of parties under the provisions of this Loan Agreement.

(B) The Borrower hereby acknowledges its understanding of the various provisions of this Loan Agreement vesting in the OWRB and the Trustee Bank certain powers, rights, and privileges in the event of default by the Borrower of any of its obligations or responsibilities under the terms and conditions hereof and the Borrower hereby covenants and agrees that it shall take no action of any nature whatsoever calculated to inhibit, nullify, void, or delay such action of the OWRB or the Trustee Bank in the due and prompt implementation of this Loan Agreement.

### **Discontinuance of Proceedings**

In case any proceeding taken by the OWRB or the Trustee Bank on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Borrower, the OWRB, and the Trustee Bank shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers, and duties of the OWRB and the Trustee Bank shall continue as though no proceeding had been taken.

### **Appointment of Receiver**

Upon the occurrence of an Event of Default or in the event of the appointment of a receiver for the Borrower or for any part of the System, or in the event bankruptcy proceedings are instituted by or against the Borrower, or in the event the Borrower makes an assignment of a substantial part of its assets for the benefit of its creditors, or in the event the Borrower fails to strictly and promptly comply with any of its covenants and agreements in this Loan Agreement, or to strictly and promptly perform any provisions hereof (after the OWRB or the Trustee Bank has first given ten (10) days written notice to comply therewith and upon failure of the Borrower so to comply within said ten (10) day period), or in the event the priority of the pledge and assignment of the Revenues is not at all times fully maintained upon and with respect to the System and every part thereof, or in the event the Borrower is found or adjudged not to be regularly seized of an indefeasible right in and to any part of the System which it purports herein to possess, or in the event the Borrower is found or adjudged not to have had good right and full power and authority to encumber the System or any part thereof in the manner hereby contemplated, then and in any such event, the OWRB and/or the Trustee Bank shall be entitled at its option and election and without prior notice to or demand upon the Borrower to have or cause to be appointed a receiver or temporary trustee or trustees for the Borrower to take over, operate, and maintain the System on a profitable basis and ensure the payment of the principal of and interest on the Note and any other Borrower indebtedness. Every appointment shall be in writing or shall be made pursuant to an action filed in a court of competent jurisdiction and shall specify the default or defaults existing hereunder whereby the power of appointment hereby granted is involved, and shall designate, by name, the person or persons to be such receiver or temporary trustee or trustees and the officers, servants, or employees of the Borrower so supplanted shall ipso facto cease to have any power or authority under this Loan Agreement.

The receiver or temporary trustee or trustees shall receive a reasonable fee for services rendered in an amount fixed by the OWRB, the Trustee Bank, or court to be paid from the Revenues of the System. In the event of any vacancy in the office or position of any receiver or temporary trustee or trustees, no officer, servant, or employee of the Borrower so supplanted shall be entitled to act on behalf of the Borrower under this Loan Agreement by reason thereof, but such vacancy shall continue to exist until some person be appointed as temporary receiver or trustee under this Section. Notice of the written appointment of any receiver or temporary trustee or trustees hereunder shall be sent by registered mail to

the OWRB. Upon the curing of the default or defaults pursuant to which any receiver or temporary trustee or trustees shall have been appointed, and if there shall not be then any default under any of the provisions of this Loan Agreement, the Borrower may give written notice to the OWRB, the Trustee Bank, or court of the curing of said default or defaults and the non-existence of any other defaults hereunder, and upon the delivery of said notice to the OWRB, the Trustee Bank, or court and its acquiescence therein, the receiver or temporary trustee or trustees appointed hereunder shall ipso facto cease to have any power or authority hereunder, and the Borrower shall be reinstated with all rights and powers to the same extent as though a receiver or temporary trustee or trustees had not been appointed.

During the period of continuance of any default hereunder, the receiver or temporary trustee or trustees appointed as provided herein shall take charge of the System for the purpose of collecting the Revenues thereof, for the purpose of exercising all rights and remedies conferred by this Loan Agreement, and for the purpose of doing all things necessary to assure the most remunerative use of the System. Any trustee or receiver of the System, whether appointed by the OWRB, the Trustee Bank, or court, shall be appointed and serve pursuant to this section. The rights and protection of the OWRB set out herein is essential to their security, and receivership and trusteeship procedures hereunder shall be exclusive. All Revenues shall be deposited and disposed of in accordance with the provisions of this Loan Agreement; provided, however, that the appointment of any receiver or temporary trustee or trustees pursuant to the provisions of this section shall not be construed as curing or waiving any default hereunder and, notwithstanding any such appointment of any receiver or temporary trustee or trustees, the OWRB and/or the Trustee Bank may enforce any other remedy herein provided.

#### **Other Remedies**

Upon the occurrence of an Event of Default, the OWRB and/or the Trustee Bank may, as an alternative, either after entry or without entry, pursue any available remedy by suit at law or equity to enforce the payment of the principal of and interest and administrative fees on the Note then outstanding, including, without limitation, mandamus.

#### **Remedies Not Exclusive**

No remedy by the terms of this Loan Agreement conferred upon or reserved to the OWRB and/or the Trustee Bank is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or existing at law or in equity or by statute on or after the date of execution and delivery hereof.

## **APPENDIX E**

### **PROPOSED FORM OF BOND COUNSEL OPINION**

**An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P.,  
Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.**

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## **Proposed Form of Opinion of Bond Counsel**

*An opinion in substantially the following form will be delivered by  
McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds,  
assuming no material changes in facts or law.*

### **OKLAHOMA WATER RESOURCES BOARD REVOLVING FUND REVENUE REFUNDING BONDS – DRINKING WATER PROGRAM SERIES 2025 (2019 MASTER TRUST), IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ \_\_\_\_\_**

AS BOND COUNSEL for the Oklahoma Water Resources Board, the issuer (the "Issuer") of the bonds described above (the "Bonds"), we have examined into the legality and validity of the issue of the Bonds, which bear interest from the date, mature on the dates, and are subject to redemption, all as specified on the face of the Bonds, all in accordance with the resolution of the Issuer authorizing the issuance of the Bonds (the "Authorizing Resolution").

THE BONDS are issued and are equally secured as to payment of principal and interest under a Master Trust Indenture dated as of December 1, 2019, between the Issuer and BancFirst, as Master Trustee (the "Master Trust Indenture"), and a Bond Indenture dated as of June 1, 2025, between the Issuer and BancFirst, as Trustee (the "Bond Indenture"). Terms used herein and not otherwise defined shall have the meaning given in the Master Trust Indenture and the Bond Indenture.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Oklahoma, specifically Title 82 Oklahoma Statutes 2011, Sections 1085.51-1085.84A, as amended (the "Act"), and a transcript of certified proceedings of the Issuer, and other pertinent instruments authorizing and relating to the issuance of the Bonds, including one of the executed Bonds (Bond No. R-1).

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Issuer is duly created and validly exists as a body corporate and politic and instrumentality, agency and department of the State of Oklahoma, and is vested with full right and power to adopt the Authorizing Resolution, enter into the Master Trust Indenture and the Bond Indenture and perform the agreements on its part contained therein and to issue the Bonds; the Authorizing Resolution has been duly adopted by the Issuer and the Bond Indenture has been duly executed and delivered on behalf of the Issuer; the Bond Indenture creates a valid lien on the Pledged SRF Revenues, and the moneys, securities and funds held and pledged thereunder as security for the Bonds are on a parity with other bonds issued under the Master Trust Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Bond Indenture; the Bonds have been authorized and issued in accordance with the Constitution and laws of the State of Oklahoma, specifically the Act, and constitute valid and binding special obligations of the Issuer secured by and payable solely from the Security described in the Bond Indenture; and that

the Bonds and the Bond Indenture are enforceable in accordance with their respective terms and conditions, except to the extent that the rights and remedies of the owners of the Bonds may be limited by laws now existing or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors, and certain equitable remedies, including specific performance, or legal remedies awarded, as may be subject to the exercise of judicial discretion.

IN OUR OPINION, the Bonds do not constitute a debt of the State of Oklahoma or any political subdivision thereof and neither the full faith and credit nor the taxing power of the State of Oklahoma or any political subdivision thereof is pledged, or may hereafter be pledged, to the payment of the principal of or interest on the Bonds. The Issuer has no taxing power.

IN OUR OPINION, except as discussed below, the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Issuer with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the project refinanced with the proceeds of the Bonds. We call your attention to the fact that if such representations are determined to be inaccurate or if the Issuer fails to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

IN OUR OPINION, the Bonds are not subject to income taxation by the State of Oklahoma, or by any county, municipality or political subdivision therein.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Oklahoma, and with respect to the exclusion from taxation

of the interest on the Bonds under the laws of the State of Oklahoma, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of the Issuer and the Security available for the payment of debt service on the Bonds. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Respectfully,

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## **APPENDIX F**

### **FORM OF CONTINUING DISCLOSURE UNDERTAKING**

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “*Agreement*”) dated as of June 1, 2025, by and between the Oklahoma Water Resources Board (the “*Issuer*”) and BancFirst, a State banking corporation with its principal corporate trust office located in Oklahoma City, Oklahoma, as trustee (the “*Trustee*”) under the Bond Indenture dated as of June 1, 2025 (the “*Bond Indenture*”), is executed and delivered in connection with the issuance of the Issuer’s Revolving Fund Revenue Bonds, Series 2025 – Drinking Water Program (2019 Master Trust) (the “*Bonds*”). Capitalized terms used in this Agreement not otherwise defined in the Bond Indenture shall have the respective meanings specified in Article I hereof. The parties hereby agree as follows:

### ARTICLE I

#### Definitions

**Section 101. Definitions.** The following terms used in this Agreement shall have the following respective meanings:

(A) “*2019 Master Indenture*” means the Master Trust Indenture, dated as of December 1, 2019, between the Board and BancFirst, as master trustee.

(B) “*Annual Financial Information*” means the financial information or operating data with respect to the Issuer, for each fiscal year of the Issuer, as follows:

(i) Audited Financial Statements for the Issuer’s Clean Water Program and Drinking Water Program, each as defined in the 2019 Master Indenture;

(ii) Table of Loans pledged under the 2019 Master Indenture with an outstanding principal balance as of the end of the applicable fiscal year of the Issuer; and

(iii) The most recent financial statements (which shall be audited, if audited financial statements are available) of each Participant (as defined in the 2019 Master Indenture) whose total aggregate annual debt service requirement on its Loan(s) (as defined in the 2019 Master Indenture) equals or exceeds 20% of the aggregate outstanding principal balance of all Loans pledged under the 2019 Master Indenture in such year.

(C) “*Audited Financial Statements*” means, with respect to the Issuer, the annual financial statements of the Issuer, audited by such auditor as shall then be required or permitted by State law or the Indenture. Audited Financial Statements shall be prepared in accordance with GAAP and audited in accordance with auditing standards generally accepted in the United States; provided, however, that the Issuer may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to the MSRB, and shall include a reference to the specific federal or State law or regulation describing such accounting basis.

(D) “*Business Day*” means any day other than a Saturday, a Sunday or any other day on which banking institutions in New York, New York, or Oklahoma City, Oklahoma, are authorized or required to be closed.

(E) “*Electronic Format*” means the electronic format prescribed by the MSRB for any filings required to be made and notices to be given, initially designated by the MSRB to be PDF. Beginning January 1, 2010, all PDFs must be word searchable except for non-textual elements.

(F) “*EMMA*” means the MSRB’s Electronic Municipal Market Access System. Reference is made to SEC Release No. 34-59062, December 8, 2008 (the “*Release*”) relating to the EMMA system for municipal securities disclosure effective on July 1, 2009.

(G) “*Financial Obligation*” means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule shall not constitute a Financial Obligation.

(H) “*GAAP*” means generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board.

(I) “*Listed Event*” means any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of holders of the Bonds, if material, and tender offers;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bonds;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Board;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor Trustee or change in the name of the Trustee, if material;
- (xv) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect holders of the Bonds, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

As used in clause (xii) above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if jurisdiction has been assumed by leaving the Board and official or officers of the Board in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

(J) “*Listed Event Notice*” means written or electronic notice of a Listed Event.

(K) “*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

(L) “*Official Statement*” means the “final official statement,” as defined in paragraph (f)(3) of the Rule, relating to the Bonds.

(M) “*Rule*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Agreement, including any official interpretations thereof.

(N) “*SEC*” means the United States Securities and Exchange Commission.

(O) “*State*” means the State of Oklahoma.

(P) “*Unaudited Financial Statements*” means the same as Audited Financial Statements, except that they shall not have been audited.

(Q) “*Underwriters*” means the Underwriters identified in the Official Statement.

## ARTICLE II

### The Undertaking

**Section 201. Purpose.** This Agreement shall constitute a written undertaking for the benefit of the holders of the Bonds, and is being executed and delivered solely to assist the Underwriters in complying with subsection (b)(5) of the Rule.

### Section 202. Annual Financial Information.

- (a) The Issuer shall provide Annual Financial Information with respect to each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2025, by no later than 180 days after the end of the respective fiscal year, to the MSRB in an Electronic Format accompanied by identifying information as prescribed by the MSRB; provided, however, that if Audited Financial Statements are not available by no later than 180 days after the end of any fiscal year, the Issuer shall provide Unaudited Financial Statements no later than 180 days after the end of such fiscal year.
- (b) The Issuer shall provide, in a timely manner, not in excess of ten Business Days after the occurrence of the event, notice of any failure of the Issuer to provide the Annual Financial Information by the date specified in subsection (a) above to the MSRB.

**Section 203. Audited Financial Statements.** If not provided as part of Annual Financial Information by the date required by Section 202(a) hereof, the Issuer shall provide Audited Financial Statements, when and if available, to the MSRB. If Participant financial statements provided pursuant to Section 202 are unaudited, the Issuer shall provide audited financial statements of such Participant when and if available.

### Section 204. Notices of Listed Events.

- (a) If a Listed Event occurs, the Issuer shall provide, in a timely manner not in excess of ten Business Days after the occurrence thereof, a Listed Event Notice to (i) the MSRB, and (ii) the Trustee.
- (b) The Trustee shall promptly advise the Issuer whenever, in the course of performing its duties as bond trustee with respect to the Bonds or as master trustee with respect to any 2019 Master Trust Bonds, the Trustee has actual notice of an occurrence which, if material, would require the Issuer to provide a Listed Event Notice hereunder; provided, however, that the failure of the Trustee so to advise the Issuer shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Agreement, the Bond Indenture, or the 2019 Master Indenture.

**Section 205. Additional Disclosure Obligations.** The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

## **ARTICLE III**

### **Operating Rules**

**Section 301. Reference to Other Documents.** It shall be sufficient for purposes of **Section 202** hereof if the Issuer provides Annual Financial Information by specific reference to documents previously filed with the MSRB.

**Section 302. Submission of Information.** Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

**Section 303. Listed Event Notices.** Each Listed Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Bonds.

**Section 304. Transmission of Information and Notices.** Unless otherwise required by law and, in the Issuer's sole determination, subject to technical and economic feasibility, the Issuer shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the Issuer's information and notices.

**Section 305. Fiscal Year.** Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than twelve (12) calendar months. The Issuer's current fiscal year is July 1 - June 30, and the Issuer shall promptly notify (i) the MSRB and (ii) the Trustee of each change in its fiscal year.

**Section 306. Use of EMMA.** Any filings required to be made with or notices to be given to the MSRB under this Agreement shall be effected by sending the filing or notice to EMMA at [www.emma.msrb.org](http://www.emma.msrb.org) in an Electronic Format accompanied by identifying information as prescribed by the MSRB. The Issuer agrees to comply with the Release and the provisions of EMMA in making such filings and giving such notices under this Agreement. Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer agrees to undertake such obligation in accordance with the Rule as amended.

## **ARTICLE IV**

### **Termination, Amendment and Enforcement**

**Section 401. Termination.**

- (a) The Issuer's and the Trustee's obligations under this Agreement shall terminate upon a legal defeasance pursuant to the Bond Indenture, prior redemption or payment in full of all of the Bonds.
- (b) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (1) delivers to the Trustee an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer and the Trustee, to the effect that those portions of the Rule which require the provisions of this Agreement, or any of such provisions, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) delivers copies of such opinion to the MSRB.

## **Section 402. Amendment.**

(a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have delivered to the Trustee an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Issuer shall have delivered to the Trustee an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Issuer and the Trustee to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Bond Indenture with consent of holders of the Bonds pursuant to the Bond Indenture as in effect on the date of this Agreement, and (5) the Issuer shall have delivered copies of such opinion(s) and amendment to the MSRB.

(b) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(c) If an amendment is made to the basis on which financial statements are prepared, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the Annual Financial Information

## **Section 403. Benefit; Third-Party Beneficiaries; Enforcement.**

(a) The provisions of this Agreement shall inure solely to the benefit of the holders from time to time of the Bonds, except that beneficial owners of the Bonds shall be third-party beneficiaries of this Agreement.

(b) Except as provided in this subsection (b), the provisions of this Agreement shall create no rights in any person or entity. The obligations of the Issuer to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Bonds, or by the Trustee on behalf of the holders of Outstanding Bonds, or (ii), in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the holders of Outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. The holders' and Trustee's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of the Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of the Bonds for purposes of this subsection (b).

(c) Any failure by the Issuer or the Trustee to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Bond Indenture, and the rights and remedies provided by the Bond Indenture upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State.

## ARTICLE V

### Miscellaneous

**Section 501. Duties, Immunities and Liabilities of Trustee.** The Trustee shall have only such duties under the Agreement as are specifically set forth in this Agreement, and the Issuer agrees, to the extent permitted by law, to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Trustee's negligence or willful misconduct in the performance of its duties hereunder.

**Section 502. Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

**Section 503. No Discrimination against Fossil Fuels Companies.** To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under 74 O.S. § 12005, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such statute and to the extent such statute does not contravene applicable State or federal law. As used in the foregoing verification, "boycott energy companies" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, the Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.



## APPENDIX G

### OUTSTANDING 2003 MASTER TRUST BONDS

The following table describes the Board's Outstanding 2003 Master Trust Bonds, all of which were issued as fixed-rate bonds under the 2003 Master Trust Agreement and separate bond indentures to finance or refinance projects eligible for financial assistance from the CWSRF or Drinking Water Programs, as of the date of issuance of the Bonds:

<u>Series</u>	<u>Dated Date</u>	<u>Program</u>	<u>April 1 Scheduled Maturities</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding May 1, 2025</u>
2014A	03/20/2014	CWSRF	2015-2026	\$ 55,560,000	\$ 2,650,000
2015	12/17/2015	CWSRF	2017-2035; 2040	100,620,000	23,260,000
2016	10/19/2016	DWSRF	2018-2037; 2041	90,000,000	67,915,000
2018	03/22/2018	DWSRF	2020-2038	<u>80,055,000</u>	<u>45,875,000</u>
				<u>\$361,740,000</u>	<u>\$139,700,000</u>

Each Series of the Outstanding 2003 Master Trust Bonds is secured by revenues received by the bond trustee from loans pledged to secure each such Series under the bond indenture pursuant to which such Series was issued. Each Series of the Outstanding 2003 Master Trust Bonds also is secured under the 2003 Master Trust Agreement. Revenues received by a bond trustee in excess of the amounts required to make payments of principal of and interest on each such Series of Outstanding 2003 Master Trust Bonds, including revenues from loans pledged to secure such Series of Outstanding 2003 Master Trust Bonds and interest earnings on investments will be transferred to the Master Trustee under the 2003 Master Trust Agreement. Such amounts, if any, may be available from time to time as additional security for each Series of the Outstanding 2003 Master Trust Bonds or 2019 Master Trust Bonds. See **“SECURITY AND PAYMENT FOR THE BONDS.”** The Series 2013B Bonds and the Series 2014A Bonds are also secured by reserve funds previously securing the Series 2003 Bonds and Series 2004 Bonds. As of May 1, 2025, each Series of 2003 Master Trust Bonds is rated “AAA” by Fitch Ratings, “Aaa” by Moody’s Investors Service, and “AAA” by S&P Global Ratings. The Board has never defaulted on any bonds issued under the 2003 Master Trust Agreement.

In December 2019, the 2003 Master Trust Agreement was amended to provide that upon receipt of an Officer’s Certificate delivered not more often than twice a Fiscal Year, the Master Trustee will transfer to the CWSRF Revenue Fund or the DWSRF Revenue Fund, as the case may be, any amounts directed to be transferred by an Officer’s Certificate. Since the implementation of the 2019 Master Trust Indenture and the related amendment to the 2003 Master Trust Agreement, the Board has caused the transfer of excess amounts available under the 2003 Master Trust Agreement in the amount of approximately \$19 million for CWSRF and approximately \$67 million for DWSRF. **The Board has covenanted in the 2019 Master Trust Indenture that it will no longer issue bonds or other obligations under the terms of the 2003 Master Trust Agreement.**

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## **APPENDIX H**

### **2019 MASTER TRUST INDENTURE PLEDGED LOANS**

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<b>Borrower</b>	<b>Loan Amount</b>	<b>Interest Rate</b>	<b>Current Balance 5/1/25</b>	<b>Maturity Date</b>	<b>Pledged To:</b>	<b>Pledged Revenue:</b>	
Adair Municipal Authority	\$1,400,000.00	2.21%	\$270,314.93	3/15/2030	Clean Water SRF	Revenue	1
Altus Municipal Authority	\$11,000,000.00	2.12%	\$10,513,000.00	9/15/2032	Clean Water SRF	Revenue	
Altus Municipal Authority	\$22,500,000.00	2.95%	\$6,807,243.19	9/15/2054	Clean Water SRF	Revenue	
Ardmore Public Works Authority	\$1,090,000.00	2.17%	\$212,261.12	3/15/2030	Clean Water SRF	Revenue	1
Ardmore Public Works Authority	\$8,697,000.00	1.70%	\$6,040,896.67	3/15/2035	Clean Water SRF	Revenue	1
Ardmore Public Works Authority	\$30,000,000.00	1.22%	\$5,192.35	3/15/2054	Clean Water SRF	Revenue	1
Arkoma Municipal Authority	\$500,000.00	1.71%	\$471,049.25	3/15/2052	Clean Water SRF	Revenue	
Atoka Municipal Authority	\$1,740,000.00	2.47%	\$0.00	3/15/2055	Clean Water SRF	Revenue	1
Bartlesville Municipal Authority	\$83,235,500.00	3.04%	\$0.00	3/15/2055	Drinking Water SRF	Revenue	
Bartlesville Municipal Authority	\$8,220,000.00	1.11%	\$5,098,498.81	9/15/2051	Clean Water SRF	Revenue	
Beggs Public Works Authority	\$4,220,000.00	2.72%	\$1,488,000.00	3/15/2030	Clean Water SRF	Revenue	1
Bixby Public Works Authority	\$24,000,000.00	1.92%	\$12,495,000.00	3/15/2031	Clean Water SRF	Revenue	1
Bixby Public Works Authority	\$2,860,000.00	2.20%	\$980,111.94	3/15/2032	Clean Water SRF	Revenue	1
Blackwell Municipal Authority	\$3,600,000.00	1.43%	\$1,321,030.10	9/15/2037	Clean Water SRF	Revenue	1
Bristow Municipal Authority	\$9,100,000.00	1.71%	\$8,832,403.20	3/15/2042	Clean Water SRF	Revenue	1
Bristow Municipal Authority	\$2,575,000.00	2.30%	\$1,309,815.83	3/15/2044	Clean Water SRF	Revenue	1
Broken Arrow Municipal Authority	\$16,285,000.00	1.78%	\$316,789.24	3/15/2053	Clean Water SRF	Revenue	1
Broken Arrow Municipal Authority	\$19,305,000.00	2.92%	\$0.00	3/15/2055	Clean Water SRF	Revenue	1
Broken Arrow Municipal Authority	\$19,695,000.00	1.82%	\$4,413,943.06	9/15/2050	Clean Water SRF	Revenue	1
Broken Arrow Municipal Authority	\$11,415,000.00	2.09%	\$10,205,681.68	3/15/2041	Clean Water SRF	Revenue	1
Broken Arrow Municipal Authority	\$6,700,000.00	1.46%	\$4,522,500.00	9/15/2038	Clean Water SRF	Revenue	1
Broken Arrow Municipal Authority	\$4,255,000.00	2.57%	\$4,090,000.00	9/15/2046	Clean Water SRF	Revenue	1
Calumet Public Works Authority	\$1,100,000.00	2.08%	\$0.00	9/15/2044	Clean Water SRF	Revenue	1
Canton Public Works Authority	\$370,000.00	1.98%	\$269,344.52	9/15/2038	Clean Water SRF	Revenue	
Choctaw Utilities Authority	\$9,775,000.00	2.62%	\$9,604,419.15	3/15/2043	Clean Water SRF	Revenue	1
Choctaw Utilities Authority	\$1,425,000.00	2.61%	\$1,370,000.00	3/15/2044	Clean Water SRF	Revenue	1
Coalgate Public Works Authority	\$400,000.00	1.72%	\$154,700.55	3/15/2040	Clean Water SRF	Revenue	1
Collinsville Municipal Authority	\$550,000.00	2.24%	\$111,909.43	3/15/2030	Clean Water SRF	Revenue	1

<b>Borrower</b>	<b>Loan Amount</b>	<b>Interest Rate</b>	<b>Current Balance 5/1/25</b>	<b>Maturity Date</b>	<b>Pledged To:</b>	<b>Pledged Revenue:</b>	
Coweta Public Works Authority	\$11,373,000.00	2.08%	\$6,513,439.61	3/15/2052	Clean Water SRF	Revenue	1
Coweta Public Works Authority	\$4,600,000.00	2.42%	\$20,833.33	9/15/2044	Clean Water SRF	Revenue	1
Davis Municipal Authority	\$17,250,000.00	2.82%	\$11,519,701.99	3/15/2055	Clean Water SRF	Revenue	1
Del City Municipal Services Authority	\$21,000,000.00	1.51%	\$11,174,185.85	3/15/2033	Clean Water SRF	Revenue	1
Del City Municipal Services Authority	\$1,190,000.00	2.08%	\$239,254.49	3/15/2030	Clean Water SRF	Revenue	1
Dewar Public Works Authority	\$1,637,000.00	1.15%	\$0.00	9/15/2052	Clean Water SRF	Revenue	1
Duncan Public Utilities Authority	\$11,325,000.00	2.78%	\$11,070,316.55	9/15/2050	Clean Water SRF	Revenue	1
Duncan Public Utilities Authority	\$20,446,000.00	2.16%	\$2,517,813.03	3/15/2052	Clean Water SRF	Revenue	1
Duncan Public Utilities Authority	\$8,200,000.00	1.87%	\$4,354,657.45	3/15/2052	Clean Water SRF	Revenue	1
Duncan Public Utilities Authority	\$10,250,000.00	1.49%	\$9,175,824.50	9/15/2037	Clean Water SRF	Revenue	1
Duncan Public Utilities Authority	\$4,105,000.00	3.62%	\$2,350,134.66	9/15/2054	Clean Water SRF	Revenue	1
Duncan Public Utilities Authority	\$4,800,000.00	3.12%	\$2,148,267.73	9/15/2055	Clean Water SRF	Revenue	1
Durant City Utilities Authority	\$23,000,000.00	3.07%	\$465,500.00	3/15/2056	Clean Water SRF	Revenue	1
Durant City Utilities Authority	\$4,000,000.00	1.51%	\$1,211,025.86	3/15/2040	Clean Water SRF	Revenue	1
Durant City Utilities Authority	\$12,935,000.00	1.70%	\$257,200.00	9/15/2041	Clean Water SRF	Revenue	1
East Central Oklahoma Water Authority	\$439,500.00	0.91%	\$0.00	3/15/2037	Clean Water SRF	Revenue	1
Edmond Public Works Authority	\$12,730,000.00	1.10%	\$11,274,517.10	3/15/2052	Clean Water SRF	Revenue	1
Edmond Public Works Authority	\$30,000,000.00	1.67%	\$467,425.00	9/15/2055	Clean Water SRF	Revenue	1
Elgin Public Works Authority	\$3,060,000.00	2.13%	\$991,776.17	9/15/2032	Clean Water SRF	Revenue	1
Elgin Public Works Authority	\$2,400,000.00	2.14%	\$2,047,041.10	9/15/2050	Clean Water SRF	Revenue	1
Elgin Public Works Authority	\$3,535,000.00	1.88%	\$1,103,473.06	9/15/2052	Clean Water SRF	Revenue	1
Enid Municipal Authority	\$10,431,584.09	1.03%	\$6,088,729.42	3/15/2032	Clean Water SRF	Revenue	1
Enid Municipal Authority	\$39,900,000.00	2.31%	\$8,252,666.54	3/15/2032	Clean Water SRF	Revenue	1
Eufaula Public Works Authority	\$4,035,000.00	2.06%	\$2,688,955.34	8/1/2043	Clean Water SRF	Revenue	1
Eufaula Public Works Authority	\$2,797,000.00	1.85%	\$0.00	3/15/2054	Clean Water SRF	Revenue	1
Eufaula Public Works Authority	\$675,000.00	1.64%	\$172,873.19	9/15/2030	Clean Water SRF	Revenue	1
Fairview Utilities Authority	\$1,980,000.00	2.60%	\$755,894.10	9/15/2031	Clean Water SRF	Revenue	1
Fort Gibson Utilities Authority	\$980,000.00	1.92%	\$123,201.75	3/15/2027	Clean Water SRF	Revenue	
Glenpool Utility Services Authority	\$3,740,625.00	2.16%	\$1,461,367.38	9/15/2032	Clean Water SRF	Revenue	1
Glenpool Utility Services Authority	\$35,000,000.00	2.43%	\$262,500.00	3/15/2057	Clean Water SRF	Revenue	1
Grand Lake Public Works Authority	\$992,500.00	2.25%	\$225,585.22	9/15/2030	Clean Water SRF	Revenue	

<b>Borrower</b>	<b>Loan Amount</b>	<b>Interest Rate</b>	<b>Current Balance 5/1/25</b>	<b>Maturity Date</b>	<b>Pledged To:</b>	<b>Pledged Revenue:</b>	
Grand Lake Public Works Authority	\$1,825,182.60	1.66%	\$1,060,843.07	3/15/2037	Clean Water SRF	Revenue	
Grove Municipal Services Authority	\$5,350,000.00	1.65%	\$1,668,304.69	9/15/2052	Clean Water SRF	Revenue	1
Grove Municipal Services Authority	\$810,400.00	2.37%	\$47,000.00	9/15/2045	Clean Water SRF	Revenue	1
Guthrie Public Works Authority	\$4,100,000.00	1.61%	\$3,566,196.03	9/15/2038	Clean Water SRF	Revenue	1
Guthrie Public Works Authority	\$8,000,000.00	1.44%	\$7,500,000.00	9/15/2038	Clean Water SRF	Revenue	1
Guthrie Public Works Authority	\$8,000,000.00	1.45%	\$7,500,000.00	9/15/2038	Clean Water SRF	Revenue	1
Guthrie Public Works Authority	\$4,375,000.00	2.63%	\$1,087,061.51	3/15/2032	Clean Water SRF	Revenue	1
Guymon Utilities Authority	\$1,335,000.00	2.30%	\$265,206.13	3/15/2030	Clean Water SRF	Revenue	1
Guymon Utilities Authority	\$16,400,000.00	2.60%	\$2,880,604.31	9/15/2027	Clean Water SRF	Revenue	1
Guymon Utilities Authority	\$5,000,000.00	1.52%	\$3,207,363.32	3/15/2041	Clean Water SRF	Revenue	1
Haileyville Public Works Authority	\$440,000.00	1.26%	\$0.00	3/15/2035	Clean Water SRF	Revenue	
Harrah Public Works Authority	\$1,930,000.00	2.35%	\$395,304.64	3/15/2030	Clean Water SRF	Revenue	1
Hartshorne Public Works Authority	\$580,000.00	1.16%	\$311,929.23	3/15/2035	Clean Water SRF	Revenue	
Hennessey Utilities Authority	\$1,800,000.00	1.54%	\$1,094,151.77	9/15/2033	Clean Water SRF	Revenue	1
Henryetta Municipal Authority	\$3,650,000.00	2.23%	\$737,793.18	3/15/2031	Clean Water SRF	Revenue	1
Hinton Public Works Authority	\$3,139,000.00	1.13%	\$894,831.89	9/15/2051	Clean Water SRF	Revenue	1
Inola Public Works Authority	\$2,600,000.00	1.83%	\$0.00	3/15/2051	Clean Water SRF	Revenue	1
Jay Utilities Authority	\$524,250.00	2.18%	\$81,388.40	3/15/2044	Clean Water SRF	Revenue	1
Kingfisher Public Works Authority	\$4,328,000.00	1.89%	\$3,140,855.85	9/15/2041	Clean Water SRF	Revenue	
Laverne Public Works Authority	\$1,375,000.00	1.83%	\$1,159,073.89	9/15/2049	Clean Water SRF	Revenue	
Lawton Water Authority	\$47,000,000.00	1.24%	\$45,256,205.05	3/15/2053	Clean Water SRF	Revenue	
Lawton Water Authority	\$12,705,000.00	2.52%	\$11,963,282.01	9/15/2038	Clean Water SRF	Revenue	
Lawton Water Authority	\$25,000,000.00	3.00%	\$0.00	9/15/2055	Clean Water SRF	Revenue	
Lawton Water Authority	\$30,000,000.00	2.80%	\$15,481,889.27	3/15/2055	Clean Water SRF	Revenue	
Lawton Water Authority	\$72,900,000.00	2.79%	\$53,493,027.57	3/15/2054	Clean Water SRF	Revenue	
Lexington Public Works Authority	\$3,091,500.00	2.64%	\$2,724,628.28	3/15/2046	Clean Water SRF	Revenue	
Lindsay Public Works Authority	\$2,318,530.00	0.97%	\$1,728,198.95	3/15/2038	Clean Water SRF	Revenue	1
Meeker Public Works Authority	\$1,635,000.00	1.15%	\$0.00	3/15/2052	Clean Water SRF	Revenue	1
Miami Special Utilities Authority	\$4,450,000.00	1.74%	\$1,195,844.49	3/15/2041	Clean Water SRF	Revenue	
Moore Public Works Authority	\$3,943,482.00	2.35%	\$662,745.25	9/15/2029	Clean Water SRF	Revenue	1
Moore Public Works Authority	\$42,837,500.00	2.06%	\$19,731,581.03	3/15/2033	Clean Water SRF	Revenue	1

<b>Borrower</b>	<b>Loan Amount</b>	<b>Interest Rate</b>	<b>Current Balance 5/1/25</b>	<b>Maturity Date</b>	<b>Pledged To:</b>	<b>Pledged Revenue:</b>	
Moore Public Works Authority	\$6,637,000.00	2.06%	\$3,016,410.33	3/15/2033	Clean Water SRF	Revenue	1
Muldrow Public Works Authority	\$3,705,000.00	2.39%	\$2,097,490.18	3/15/2041	Clean Water SRF	Revenue	1
Muskogee Municipal Authority	\$12,775,000.00	2.27%	\$7,560,000.00	9/15/2034	Clean Water SRF	Revenue	1
Muskogee Municipal Authority	\$1,435,000.00	2.36%	\$306,538.28	3/15/2030	Clean Water SRF	Revenue	1
Muskogee Municipal Authority	\$27,360,000.00	2.66%	\$23,054,172.79	9/15/2048	Clean Water SRF	Revenue	1
Mustang Improvement Authority	\$6,590,000.00	2.31%	\$1,218,742.45	3/15/2030	Clean Water SRF	Revenue	1
Newcastle Public Works Authority	\$51,819,143.58	2.42%	\$45,091,288.99	9/15/2050	Clean Water SRF	Revenue	1
Newcastle Public Works Authority	\$3,300,000.00	2.28%	\$2,318,297.85	3/15/2034	Clean Water SRF	Revenue	1
Newkirk Municipal Authority	\$2,100,000.00	3.09%	\$2,036,713.63	3/15/2054	Clean Water SRF	Revenue	1
Norman Utilities Authority	\$7,640,000.00	2.41%	\$1,952,628.55	3/15/2031	Clean Water SRF	Revenue	
Norman Utilities Authority	\$5,000,000.00	2.41%	\$74,500.00	9/15/2050	Clean Water SRF	Revenue	
Norman Utilities Authority	\$15,000,000.00	3.03%	\$3,725,482.10	9/15/2041	Clean Water SRF	Revenue	
Okemah Utilities Authority	\$2,565,000.00	2.22%	\$964,475.97	3/15/2032	Clean Water SRF	Revenue	1
Oklahoma City Water Utilities Trust	\$9,469,450.64	2.36%	\$2,235,605.03	3/15/2031	Clean Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$37,700,000.00	2.00%	\$21,993,137.84	9/15/2049	Clean Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$15,550,000.00	2.00%	\$13,503,084.73	9/15/2049	Clean Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$15,550,000.00	1.93%	\$12,016,282.30	3/15/2043	Clean Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$34,150,000.00	2.15%	\$29,892,374.12	9/15/2050	Clean Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$1,947,000.00	1.51%	\$521,873.81	3/15/2050	Clean Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$4,650,000.00	1.30%	\$1,646,922.52	9/15/2051	Clean Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$104,113,000.00	2.42%	\$30,776,469.91	3/15/2055	Clean Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$54,788,500.00	2.87%	\$0.00	9/15/2056	Clean Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$55,000,000.00	1.43%	\$637,506.05	9/15/2039	Clean Water SRF	Revenue	
Okmulgee Municipal Authority	\$5,100,000.00	2.04%	\$2,108,120.46	9/15/2032	Clean Water SRF	Revenue	1
Okmulgee Municipal Authority	\$650,000.00	2.36%	\$184,207.38	3/15/2031	Clean Water SRF	Revenue	1
Owasso Public Works Authority	\$3,115,000.00	2.11%	\$1,166,421.14	9/15/2032	Clean Water SRF	Revenue	2
Owasso Public Works Authority	\$4,510,000.00	2.25%	\$1,538,865.01	3/15/2031	Clean Water SRF	Revenue	2
Owasso Public Works Authority	\$10,795,000.00	2.28%	\$3,962,594.21	9/15/2031	Clean Water SRF	Revenue	2
Pauls Valley Municipal Authority	\$875,000.00	1.99%	\$786,665.00	3/15/2030	Clean Water SRF	Revenue	1
Pawnee Public Works Authority	\$1,275,000.00	2.39%	\$216,729.11	8/15/2029	Clean Water SRF	Revenue	1
Pawnee Public Works Authority	\$6,955,000.00	2.84%	\$3,754,924.96	2/15/2042	Clean Water SRF	Revenue	1



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Pawnee Public Works Authority	\$1,575,000.00	3.06%	\$1,359,789.50	3/15/2054	Clean Water SRF	Revenue	1
Perkins Public Works Authority	\$7,225,000.00	2.41%	\$1,687,343.81	9/15/2030	Clean Water SRF	Revenue	1
Piedmont Municipal Authority	\$2,515,000.00	2.18%	\$529,680.44	9/15/2030	Clean Water SRF	Revenue	1
Ponca City Utility Authority	\$575,000.00	2.09%	\$112,183.91	3/15/2030	Clean Water SRF	Revenue	
Ponca City Utility Authority	\$5,565,000.00	2.61%	\$1,463,391.48	9/15/2029	Clean Water SRF	Revenue	
Porum Public Works Authority	\$780,000.00	1.70%	\$148,440.26	3/15/2027	Clean Water SRF	Revenue	
Porum Public Works Authority	\$496,117.00	2.40%	\$81,477.00	9/15/2027	Clean Water SRF	Revenue	
Roland Utility Authority	\$740,000.00	1.13%	\$358,143.30	9/15/2035	Clean Water SRF	Revenue	1
Roland Utility Authority	\$3,855,000.00	3.23%	\$1,350,608.87	9/15/2030	Clean Water SRF	Revenue	1
Salina Public Works Authority	\$2,242,000.00	3.16%	\$0.00	9/15/2053	Clean Water SRF	Revenue	1
Sapulpa Municipal Authority	\$7,850,000.00	2.09%	\$4,908,867.01	9/15/2046	Clean Water SRF	Revenue	1
Shawnee Municipal Authority	\$13,500,000.00	1.15%	\$11,373,315.39	3/15/2053	Clean Water SRF	Revenue	
Shawnee Municipal Authority	\$37,920,000.00	2.08%	\$36,523,000.00	9/15/2051	Clean Water SRF	Revenue	
Shawnee Municipal Authority	\$5,380,000.00	1.43%	\$2,526,173.14	3/15/2035	Clean Water SRF	Revenue	
Shawnee Municipal Authority	\$65,635,000.00	2.69%	\$0.00	9/15/2055	Clean Water SRF	Revenue	
Skiatook Public Works Authority	\$12,453,000.00	2.51%	\$2,103,000.00	3/15/2038	Clean Water SRF	Revenue	1
Sperry Utility Service Authority	\$390,000.00	2.08%	\$80,232.49	3/15/2030	Clean Water SRF	Revenue	
Stillwater Utilities Authority	\$1,875,000.00	2.34%	\$409,758.48	9/15/2030	Clean Water SRF	Revenue	1
Stillwater Utilities Authority	\$10,500,000.00	2.43%	\$0.00	3/15/2054	Clean Water SRF	Revenue	1
Stroud Utilities Authority	\$660,000.00	2.62%	\$239,363.08	9/15/2031	Clean Water SRF	Revenue	1
Sulphur Municipal Authority	\$10,200,000.00	2.23%	\$2,894,256.85	3/15/2031	Clean Water SRF	Revenue	1
Tahlequah Public Works Authority	\$6,750,000.00	1.57%	\$4,978,018.62	9/15/2049	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$1,202,500.00	0.00%	\$30,062.50	9/15/2025	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$5,131,176.55	0.00%	\$394,705.87	9/15/2026	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$11,320,000.00	2.72%	\$3,670,234.67	9/15/2031	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$27,757,000.00	2.39%	\$10,703,802.04	9/15/2032	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$23,480,000.00	2.61%	\$10,058,400.99	9/15/2033	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$28,330,000.00	1.96%	\$17,290,397.01	9/15/2037	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$21,725,000.00	1.76%	\$16,193,529.06	3/15/2040	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$4,347,000.00	1.93%	\$2,012,656.24	9/15/2034	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$16,700,000.00	2.05%	\$7,988,383.30	3/15/2034	Clean Water SRF	Revenue	

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Tulsa Metropolitan Utility Authority	\$10,626,000.00	1.82%	\$4,841,139.78	9/15/2041	Clean Water SRF	Revenue	
Tulsa Metropolitan Utility Authority	\$14,350,000.00	2.03%	\$10,902,367.57	3/15/2041	Clean Water SRF	Revenue	
Tulsa's Port of Catoosa Facilities Authority	\$15,000,000.00	3.08%	\$230,500.00	3/15/2057	Clean Water SRF	Revenue	
Tuttle Public Works Authority	\$6,390,000.00	1.74%	\$6,385,000.00	9/15/2052	Clean Water SRF	Revenue	
Vian Public Works Authority	\$1,655,000.00	1.72%	\$1,179,164.22	8/15/2043	Clean Water SRF	Revenue	1
Wagoner County RWSG & SWMD #4	\$21,580,000.00	1.82%	\$19,158,753.72	9/15/2048	Clean Water SRF	Revenue	
Walters Public Works Authority	\$1,326,407.00	2.21%	\$271,514.85	9/15/2030	Clean Water SRF	Revenue	
Warr Acres Public Works Authority	\$10,210,000.00	2.56%	\$2,187,219.20	9/15/2056	Clean Water SRF	Revenue	1
Waurika Public Works Authority	\$400,000.00	1.16%	\$286,079.71	3/15/2035	Clean Water SRF	Revenue	
Weleetka Public Works Authority	\$400,000.00	2.05%	\$153,672.47	3/15/2039	Clean Water SRF	Revenue	
Yale Water and Sewage Trust	\$2,990,000.00	2.92%	\$1,855,787.83	3/15/2042	Clean Water SRF	Revenue	
Adair Municipal Authority	\$830,000.00	3.12%	\$189,746.65	9/15/2031	Drinking Water SRF	Revenue	1
Altus Municipal Authority	\$7,600,000.00	3.16%	\$0.00	3/15/2054	Drinking Water SRF	Revenue	
Altus Municipal Authority	\$20,400,000.00	2.94%	\$0.00	3/15/2056	Drinking Water SRF	Revenue	
Alva Utility Authority	\$1,565,000.00	2.78%	\$364,420.55	3/15/2038	Drinking Water SRF	Revenue	
Atoka Municipal Authority	\$4,010,000.00	2.44%	\$3,840,000.00	9/15/2051	Drinking Water SRF	Revenue	1
Atoka Municipal Authority	\$1,261,000.00	1.92%	\$1,149,000.00	9/15/2051	Drinking Water SRF	Revenue	1
Bartlesville Municipal Authority	\$3,810,000.00	1.79%	\$877,804.19	9/15/2028	Drinking Water SRF	Revenue	
Bernice Public Works Authority	\$2,250,000.00	2.76%	\$0.00	9/15/2054	Drinking Water SRF	Revenue	1
Cache Public Works Authority	\$2,000,000.00	3.50%	\$478,570.11	9/15/2039	Drinking Water SRF	Revenue	
Calera Public Works Authority	\$1,850,000.00	1.38%	\$0.00	9/15/2051	Drinking Water SRF	Revenue	
Canadian County Rural Water & Sewer District #5	\$1,161,000.00	2.47%	\$910,260.66	3/15/2049	Drinking Water SRF	Revenue	
Central Oklahoma Master Conservancy District	\$5,643,680.00	2.10%	\$4,132,080.32	9/15/2035	Drinking Water SRF	Revenue	
Checotah Public Works Authority	\$1,341,000.00	2.35%	\$234,695.00	9/15/2033	Drinking Water SRF	Revenue	1
Cherokee County Rural Water District #11	\$3,427,150.00	3.32%	\$0.00	3/15/2050	Drinking Water SRF	Revenue	
Cherokee County Rural Water District #11	\$1,575,000.00	1.88%	\$1,358,768.24	3/15/2052	Drinking Water SRF	Revenue	
Cherokee County Rural Water District #3	\$3,110,000.00	3.04%	\$2,040,000.00	9/15/2040	Drinking Water SRF	Revenue	
Collinsville Municipal Authority	\$8,291,000.00	2.20%	\$8,137,562.34	9/15/2052	Drinking Water SRF	Revenue	1
Comanche County Rural Water District #2	\$2,545,000.00	3.13%	\$1,905,750.00	9/15/2053	Drinking Water SRF	Revenue	
Comanche County Rural Water District #2	\$1,840,000.00	3.40%	\$0.00	9/15/2053	Drinking Water SRF	Revenue	
Cotton County Rural Water District #2	\$5,000,000.00	2.50%	\$4,219,571.38	9/15/2049	Drinking Water SRF	Revenue	

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Creek County Rural Water District #2	\$13,140,000.00	3.35%	\$0.00	9/15/2054	Drinking Water SRF	Revenue	
Davis Municipal Authority	\$9,995,000.00	2.72%	\$6,617,225.42	9/15/2043	Drinking Water SRF	Revenue	1
Delaware County Rural Water District #1	\$260,000.00	2.86%	\$159,168.94	3/15/2042	Drinking Water SRF	Revenue	
Edmond Public Works Authority	\$20,000,000.00	1.44%	\$18,748,230.71	3/15/2053	Drinking Water SRF	Revenue	1
Edmond Public Works Authority	\$45,000,000.00	2.40%	\$0.00	3/15/2055	Drinking Water SRF	Revenue	1
Edmond Public Works Authority	\$9,335,000.00	2.81%	\$1,299,439.64	9/15/2055	Drinking Water SRF	Revenue	1
Edmond Public Works Authority	\$40,000,000.00	1.47%	\$36,160,063.41	3/15/2052	Drinking Water SRF	Revenue	1
Edmond Public Works Authority	\$19,000,000.00	2.36%	\$15,321,634.42	9/15/2040	Drinking Water SRF	Revenue	1
Edmond Public Works Authority	\$54,000,000.00	2.77%	\$0.00	3/15/2056	Drinking Water SRF	Revenue	1
Edmond Public Works Authority	\$140,000,000.00	2.40%	\$88,031,985.30	9/15/2055	Drinking Water SRF	Revenue	1
Elgin Public Works Authority	\$1,250,000.00	1.80%	\$544,583.16	9/15/2032	Drinking Water SRF	Revenue	1
Enid Municipal Authority	\$205,000,000.00	1.34%	\$186,565,101.97	3/15/2053	Drinking Water SRF	Revenue	1
Enid Municipal Authority	\$20,000,000.00	2.49%	\$17,333,670.62	3/15/2050	Drinking Water SRF	Revenue	1
Enid Municipal Authority	\$3,594,450.00	2.65%	\$0.00	9/15/2029	Drinking Water SRF	Revenue	1
Eufaula Public Works Authority	\$1,000,000.00	3.25%	\$991,000.00	9/15/2050	Drinking Water SRF	Revenue	1
Eufaula Public Works Authority	\$6,185,000.00	2.54%	\$0.00	9/15/2050	Drinking Water SRF	Revenue	1
Foss Reservoir Master Conservancy District	\$3,600,000.00	1.71%	\$1,092,097.71	9/15/2029	Drinking Water SRF	Revenue	
Geary Utilities Authority	\$1,775,000.00	3.49%	\$1,206,724.64	9/15/2041	Drinking Water SRF	Revenue	
Grady County RWS & SWMD #6	\$11,220,000.00	1.64%	\$9,382,220.21	3/15/2043	Drinking Water SRF	Revenue	
Grand Lake Public Works Authority	\$700,000.00	2.34%	\$408,862.59	9/15/2039	Drinking Water SRF	Revenue	
Grand Lake Public Works Authority	\$5,500,000.00	2.00%	\$3,511,969.72	9/15/2043	Drinking Water SRF	Revenue	
Harrah Public Works Authority	\$490,000.00	2.55%	\$206,525.33	3/15/2032	Drinking Water SRF	Revenue	1
Healdton Municipal Authority	\$1,075,000.00	2.85%	\$382,544.47	3/15/2040	Drinking Water SRF	Revenue	3
Jay Utilities Authority	\$1,031,000.00	2.92%	\$918,370.52	3/15/2044	Drinking Water SRF	Revenue	1
Jay Utilities Authority	\$12,025,000.00	3.48%	\$0.00	9/15/2055	Drinking Water SRF	Revenue	1
Jet Utilities Authority	\$861,500.00	1.32%	\$0.00	9/15/2051	Drinking Water SRF	Revenue	
Johnston County Rural Water District #3	\$1,937,520.00	3.40%	\$0.00	9/15/2055	Drinking Water SRF	Revenue	
Laverne Public Works Authority	\$3,700,000.00	2.06%	\$2,213,415.02	9/15/2043	Drinking Water SRF	Revenue	
Lawton Water Authority	\$30,000,000.00	2.95%	\$17,035,917.96	3/15/2055	Drinking Water SRF	Revenue	
Lawton Water Authority	\$29,000,000.00	3.33%	\$9,741,687.29	9/15/2055	Drinking Water SRF	Revenue	
Lawton Water Authority	\$21,000,000.00	3.03%	\$0.00	3/15/2056	Clean Water SRF	Revenue	

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Lawton Water Authority	\$5,000,000.00	2.17%	\$0.00	3/15/2032	Drinking Water SRF	Revenue	
Lawton Water Authority	\$28,000,000.00	2.74%	\$0.00	3/15/2049	Drinking Water SRF	Revenue	
Locust Grove Public Works Authority	\$9,675,000.00	2.35%	\$0.00	3/15/2052	Drinking Water SRF	Revenue	1
Logan County RWS & SWMD #1	\$750,000.00	2.53%	\$234,504.44	9/15/2031	Drinking Water SRF	Revenue	
Logan County RWS & SWMD #1	\$1,250,000.00	1.96%	\$486,156.10	3/15/2033	Drinking Water SRF	Revenue	
Logan County RWS & SWMD #1	\$1,000,000.00	2.31%	\$751,997.77	3/15/2039	Drinking Water SRF	Revenue	
Lone Chimney Water Association	\$3,270,000.00	2.20%	\$2,430,730.18	3/15/2039	Drinking Water SRF	Revenue	
Marietta Public Works Authority	\$3,208,172.00	3.08%	\$0.00	9/15/2055	Drinking Water SRF	Revenue	
McAlester Public Works Authority	\$32,500,000.00	1.40%	\$0.00	3/15/2052	Drinking Water SRF	Revenue	1
McCurtain County Rural Water District #8	\$615,000.00	1.19%	\$0.00	3/15/2042	Drinking Water SRF	Revenue	
McCurtain County Rural Water District #8	\$7,038,410.00	3.29%	\$2,420,203.07	9/15/2040	Drinking Water SRF	Revenue	
McIntosh County RWS & SWD #2	\$490,000.00	1.09%	\$0.00	9/15/2036	Drinking Water SRF	Revenue	
McIntosh County RWSG & SWMD #9	\$695,000.00	2.83%	\$0.00	3/15/2043	Drinking Water SRF	Revenue	
Miami Special Utilities Authority	\$2,785,000.00	1.51%	\$0.00	3/15/2042	Drinking Water SRF	Revenue	
Muskogee Municipal Authority	\$17,640,000.00	3.19%	\$0.00	9/15/2048	Drinking Water SRF	Revenue	1
New Cordell Utilities Authority	\$2,250,000.00	1.73%	\$0.00	9/15/2041	Drinking Water SRF	Revenue	
Newcastle Public Works Authority	\$1,389,455.00	1.93%	\$557,135.68	3/15/2034	Drinking Water SRF	Revenue	1
Nicoma Park Development Authority	\$4,700,000.00	2.55%	\$4,370,900.00	9/15/2050	Drinking Water SRF	Revenue	1
Noble Utilities Authority	\$1,175,000.00	2.70%	\$456,056.04	9/15/2031	Drinking Water SRF	Revenue	1
Oklahoma City Water Utilities Trust	\$21,750,014.00	1.78%	\$18,589,491.43	9/15/2051	Drinking Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$20,000,000.00	2.50%	\$17,788,903.41	3/15/2050	Drinking Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$74,000,000.00	1.53%	\$66,165,715.42	9/15/2052	Drinking Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$31,645,000.00	2.40%	\$0.00	3/15/2055	Drinking Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$2,225,000.00	2.03%	\$1,287,048.18	9/15/2038	Drinking Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$75,261,000.00	2.95%	\$0.00	3/15/2057	Drinking Water SRF	Revenue	
Oklahoma City Water Utilities Trust	\$2,500,000.00	0.00%	\$0.00	3/15/2041	Drinking Water SRF	Revenue	
Okmulgee Municipal Authority	\$1,350,000.00	1.11%	\$0.00	9/15/2037	Drinking Water SRF	Revenue	1
Osage County Rural Water District #21	\$1,600,000.00	1.73%	\$786,822.76	9/15/2033	Drinking Water SRF	Revenue	
Pawnee Public Works Authority	\$2,130,000.00	2.24%	\$805,269.84	2/15/2033	Drinking Water SRF	Revenue	1
Perry Municipal Authority	\$4,000,000.00	2.95%	\$0.00	9/15/2053	Drinking Water SRF	Revenue	1
Pontotoc County Rural Water District #6	\$730,000.00	2.42%	\$0.00	9/15/2037	Drinking Water SRF	Revenue	

<b>Borrower</b>	<b>Loan Amount</b>	<b>Interest Rate</b>	<b>Current Balance 5/1/25</b>	<b>Maturity Date</b>	<b>Pledged To:</b>	<b>Pledged Revenue:</b>	
Porter Public Works Authority	\$787,480.00	1.88%	\$0.00	3/15/2053	Drinking Water SRF	Revenue	
Pushmataha County Rural Water District #2	\$1,640,322.00	2.70%	\$0.00	3/15/2045	Drinking Water SRF	Revenue	
Rogers County Rural Water District #6	\$3,000,000.00	2.70%	\$1,901,037.84	3/15/2042	Drinking Water SRF	Revenue	
Roland Utility Authority	\$2,359,000.00	2.16%	\$2,032,984.34	9/15/2048	Drinking Water SRF	Revenue	1
Salina Public Works Authority	\$3,210,000.00	2.26%	\$517,996.51	9/15/2043	Drinking Water SRF	Revenue	1
Sayre Public Works Authority	\$823,180.00	2.36%	\$725,286.97	3/15/2050	Drinking Water SRF	Revenue	
Shattuck Municipal Authority	\$1,485,000.00	2.40%	\$956,745.25	9/15/2042	Drinking Water SRF	Revenue	1
Shawnee Municipal Authority	\$1,485,000.00	2.26%	\$433,398.56	3/15/2031	Drinking Water SRF	Revenue	
Shawnee Municipal Authority	\$17,460,000.00	1.48%	\$16,084,189.40	3/15/2053	Drinking Water SRF	Revenue	
Stillwater Utilities Authority	\$37,000,000.00	2.92%	\$0.00	3/15/2056	Drinking Water SRF	Revenue	1
Stilwell Area Development Authority	\$7,975,000.00	3.30%	\$0.00	3/15/2056	Drinking Water SRF	Revenue	
Stroud Utilities Authority	\$2,360,000.00	1.80%	\$511,466.33	9/15/2028	Drinking Water SRF	Revenue	1
Tahlequah Public Works Authority	\$8,200,000.00	3.15%	\$7,779,960.72	3/15/2050	Drinking Water SRF	Revenue	
Tonkawa Municipal Authority	\$1,519,100.00	2.86%	\$471,100.00	3/15/2037	Drinking Water SRF	Revenue	1
Wagoner County Rural Water District #5	\$14,215,000.00	3.38%	\$0.00	3/15/2055	Drinking Water SRF	Revenue	
Wagoner County RWSG & SWMD #4	\$6,200,000.00	2.35%	\$1,931,818.94	9/15/2031	Drinking Water SRF	Revenue	
Wagoner Public Works Authority	\$1,200,000.00	1.67%	\$221,668.05	3/15/2028	Drinking Water SRF	Revenue	
	\$3,134,708,281.46		\$1,386,361,770.33				

All Borrowers have pledged revenues from either operations or water or sewer system and also may pledge solid waste disposal, electric, or gas system revenues or a combination thereof. The numbers in the Source of Payment column above correspond to the following sources of payment:

Revenues

(1) Revenues

Revenues plus sales tax revenues

(2) Revenues

Revenues plus sales tax plus golf course revenues

(3) Revenues

Revenues plus cable tv and internet revenues

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## **APPENDIX I**

### **CLEAN WATER AND DRINKING WATER PROGRAMS HISTORICAL FUNDING SOURCES**

**The following tables present the historical funding sources for the Clean Water Program and the Drinking Water Program**

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**Historical Funding Sources**  
**Oklahoma Drinking Water State Revolving Fund**  
**As of May 1, 2025**

<b>Fiscal Year</b>	<b>Federal Cap Grant Amount</b>	<b>State Match Amount</b>	<b>Excess Match Funds</b>	<b>Excess Match Funds Used</b>	<b>Bond Issue Proceeds</b>	<b>Notes</b>	<b>Less Set-Asides</b>	<b>Total Available For Assistance</b>
1997	\$17,561,900.00	\$3,512,380.00	\$0.00		\$0.00	(1)	\$3,803,391.00	\$17,270,889.00
1998	\$10,224,200.00	\$2,044,840.00	\$0.00		\$0.00	(2)	\$1,607,887.50	\$10,661,152.50
1999	\$10,716,000.00	\$2,143,200.00	\$0.00		\$0.00	(3)	\$1,062,602.00	\$11,796,598.00
2000	\$11,137,000.00	\$2,227,400.00	\$379,153.00		\$0.00	(4)	\$0.00	\$13,743,553.00
2001	\$11,183,000.00	\$2,236,600.00	\$7,763,400.00		\$115,327,403.16	(5)	\$1,178,566.00	\$135,331,837.16
2002	\$12,446,500.00	\$2,489,300.00	\$0.00	(\$2,489,300.00)	\$0.00	(5)	\$1,677,863.00	\$10,768,637.00
2003	\$12,371,700.00	\$2,474,340.00	\$0.00	(\$2,474,340.00)	\$0.00	(5)	\$1,847,402.00	\$10,524,298.00
2004	\$12,833,800.00	\$2,566,760.00	\$0.00	(\$2,566,760.00)	\$0.00	(5)	\$2,140,447.00	\$10,693,353.00
2005	\$12,806,700.00	\$2,561,340.00	\$0.00	(\$561,340.00)	\$85,037,325.77	(6)	\$2,623,801.00	\$97,220,224.77
2006	\$13,285,600.00	\$2,657,120.00	\$0.00		\$0.00	(7)	\$2,573,391.00	\$13,369,329.00
2007	\$13,285,600.00	\$2,657,120.00	\$2,630,200.00		\$0.00	(8)	\$2,997,171.00	\$15,575,749.00
2008	\$13,151,000.00	\$2,630,200.00	\$0.00	(\$2,630,200.00)	\$0.00	(8)	\$3,534,820.00	\$9,616,180.00
2009	\$13,151,000.00	\$2,630,200.00	\$3,372,600.00		\$87,330,039.93	(9)	\$5,383,948.79	\$101,099,891.14
ARRA	\$31,481,000.00	\$0.00	\$0.00		\$0.00		\$1,259,240.00	\$30,221,760.00
2010	\$16,863,000.00	\$3,372,600.00	\$0.00	(\$3,372,600.00)	\$59,077,414.40	(9)	\$5,188,389.02	\$70,752,025.38
2011	\$11,701,000.00	\$2,340,200.00	\$859,800.00		\$0.00	(10)	\$3,594,567.00	\$11,306,433.00
2012	\$11,151,000.00	\$2,230,200.00	\$1,918,800.00		\$56,116,770.33	(10,11)	\$2,398,132.08	\$69,018,638.25
2013	\$10,463,000.00	\$2,092,600.00	\$0.00		\$47,576,256.68	(12)	\$1,623,489.79	\$58,508,366.89
2014	\$14,226,000.00	\$2,850,200.00	\$563,613.00	(\$2,829,413.00)	\$0.00	(13)	\$3,548,267.00	\$11,262,133.00
2015	\$14,157,000.00	\$2,831,400.00	\$0.00		\$0.00	(14)	\$4,388,670.00	\$12,599,730.00
2016	\$13,393,000.00	\$2,678,600.00	\$0.00		\$66,113,442.85	(15)	\$4,151,830.00	\$78,033,212.85
2017	\$13,279,000.00	\$2,655,800.00	\$0.00		\$0.00	(16)	\$4,116,490.00	\$11,818,310.00
2018	\$15,747,000.00	\$3,149,400.00	\$0.00		\$105,645,757.30	(17)	\$4,406,502.62	\$120,135,654.68
2019	\$15,580,000.00	\$3,120,000.00	\$0.00		\$0.00	(18)	\$4,285,201.02	\$14,414,798.98
2020	\$15,610,000.00	\$3,122,000.00	\$0.00		\$0.00	(18)	\$4,839,100.00	\$13,892,900.00
2021	\$15,596,000.00	\$3,119,200.00	\$0.00		\$108,270,470.60	(19)	\$4,834,760.00	\$122,150,910.60
2022	\$9,935,000.00	\$1,987,000.00	\$0.00		\$228,543,273.00	(20)	\$3,079,850.00	\$237,385,423.00
2022 IJA Supplement	\$25,508,000.00	\$2,550,800.00	\$0.00		\$0.00	(20,21)	\$1,429,477.00	\$26,629,323.00
2022 IJA EC	\$5,733,624.00	\$0.00	\$0.00		\$0.00	N/A	\$933,624.00	\$4,800,000.00

2022 IJA LSLI/R	\$40,192,000.00	\$0.00	\$0.00		\$0.00	N/A	\$10,449,920.00	\$29,742,080.00
2023	\$7,177,000.00	\$1,435,400.00	\$0.00		\$0.00	(22)	\$2,224,870.00	\$6,387,530.00
2023 IJA Supplement	\$30,602,000.00	\$3,060,200.00	\$0.00		\$0.00	(22,23)	\$7,956,520.00	\$25,705,680.00
2023 IJA EC	\$11,104,000.00	\$0.00	\$0.00		\$0.00	N/A	\$554,988.00	\$10,549,012.00
2023 IJA LSLI/R	\$32,047,000.00	\$0.00	\$0.00		\$0.00	N/A	\$7,449,000.00	\$24,598,000.00
2024	\$6,774,000.00	\$1,354,800.00	\$0.00		\$0.00	(25)	\$2,099,940.00	\$6,028,860.00
2024 IJA Supplement	\$33,407,000.00	\$6,681,400.00	\$0.00		\$0.00	(24)	\$3,897,762.00	\$36,190,638.00
2024 IJA EC	\$11,104,000.00	\$0.00	\$0.00		\$0.00	N/A	\$606,806.00	\$10,497,194.00
Totals	\$576,984,624.00	\$83,462,600.00	\$17,487,566.00	(\$16,923,953.00)	\$959,038,154.02	\$0.00	\$119,748,685.82	\$1,500,300,305.20

Notes:

- (1) \$3,500,000 of FY 1997 state match appropriated by the legislature from the Constitutional Reserve Fund and \$12,380 transferred from OWRB grant account. - 6/12/98, S.B. 965.
- (2) \$2,000,000 of FY 1998 state match appropriated by the legislature from the Constitutional Reserve Fund and \$44,840 transferred from OWRB grant account. - 6/08/99, H.B. 156
- (3) FY 1999 State match appropriated by the legislature from the gross production tax. - 6/09/00, H.B. 2272
- (4) OWRB issued its \$4,480,000 DWSRF Revenue Notes, Series 2001 on April 11, 2001. The Series 2001 Notes were paid from investment and interest earnings on DWSRF accounts and repayments on the Guymon and Ketchum FAP Bond loans. \$2,227,400 went toward meeting the FY 2000 state match the remaining \$2,237,600 was defeased.
- (5) OWRB issued its \$122,910,000 Revolving Fund Revenue Bonds, Series 2003 (Master Trust) on October 29, 2003. The Series 2003 DWSRF Bonds provided \$10 million to meet the state match requirement for FY 2001, 2002, 2003, and 2004 and excess match funds of \$233,000. The Series 2003 DWSRF Bonds also provided \$115 million in additional funds for DWSRF loans.
- (6) OWRB issued its \$204,480,000 (\$87,000,000 portioned to the DWSRF and \$117,480,000 portioned to the CWSRF) Revolving Fund Revenue Bonds, Series 2004 on October 26, 2004. \$2,000,000 will be allocated for state match purposed for FY 2005. \$379,153 provided from excess funds from 2001 defeasance and 2003 excess state match funds of \$233,000.
- (7) Appropriation from the Water and Wastewater Infrastructure Development Fund for 2006 cap grant.
- (8) Reallocation of \$5,287,320 of bond funds from the 2003 and 2004 Bond Issues to state matching funds for 2007 and 2008 state match.
- (9) OWRB issued a \$94,460,000 2010 DWSRF Bond Issue on January 13, 2010. The bond issue provided \$6,002,800 for state match for the 2009 and 2010 cap grants.
- (10) OWRB issued a \$57,910,000 2011 DWSRF Bond Issue on April, 13, 2011. The bond issue provided \$3,200,000 for the 2011 state match leaving \$859,800 available for future match of capitalization grants.
- (11) OWRB issued a \$49,395,000 2012A DWSRF Bond Issue on June 12, 2012. The bond issue provided \$4,149,000 for the 2012 cap grant leaving \$1,918,800 available for future match of capitalization grants.
- (12) OWRB issued a \$41,410,000 2013A DWSRF Bond Issue on September 19, 2013. The bond issue provided \$2,092,600 for the 2013 cap grant.
- (13) Reallocation of \$584,400 for 2014 state match - along with previous excess match funds of 2011 and 2012 state matches.
- (14) Transferred from DW Administration Fund - may be reimbursed with bond proceeds.
- (15) OWRB issued a \$90,000,000 2016 DWSRF Bond Issue on October 19, 2016. The bond issue provided \$2,678,000 for the 2016 cap grant. It was discovered the match was short \$600 during the audit which was then transferred from the DW Administration Fund.

- (16) Transferred from DW Administration Fund - may be reimbursed with bond proceeds.
- (17) OWRB issued a \$80,055,000 2018 DWSRF Bond Issue on March 22, 2018. The bond issue provided \$2,655,800 for the 2018 cap grant. The remaining \$493,600 was provided with funds transferred from the DW Administration Fund.
- (18) A \$20,000 contract was issued through EPA and taken off the top of the 2019 cap grant amount. State match was transferred from DW Administration Fund - may be reimbursed with bond proceeds.
- (19) OWRB issued a \$95,000,000 2020 DWSRF Bond Issue on October 22, 2020. The bond issue provided \$2,567,600 for the 2021 cap grant. The remaining \$551,600 was transferred from the DW Administration Fund which may be reimbursed with bond proceeds.
- (20) OWRB issued a \$199,000,000 2021 DWSRF Bond Issue on December 22, 2021. The bond issue provided \$3,200,000 for state match. \$1,987,000 for the 2022 cap grant and \$1,213,000 for the 2022 IIJA General Supplemental.
- (21) Remainder of IIJA Supplemental match of \$1,337,800 was transferred from DW Administration Fund.
- (22) OWRB issued a \$175,000,000 2023A DWSRF Bond Issue on May 22, 2023. The bond issue provided \$4,000,000 for state match for the 2023 base cap grant and \$2,564,600 for a portion of the 2023 IIJA General Supplemental grant.
- (23) Transfer of \$495,600 from DWSRF Administration Fund for remainder of 2023 IIJA General Supplemental grant.
- (24) Transfer from the DWSRF Administration Fund of \$6,681,400.
- (25) Legislative appropriation of \$5,400,000 from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2023. \$1,354,800 will be used for the 2024 Base Grant. Remainder will be used for 2025 grants.

**Historical Funding Sources**  
**Oklahoma Clean Water State Revolving Fund**  
**As of May 1, 2025**

<b>Fiscal Year</b>	<b>Federal Cap Grant Amount</b>	<b>State Match Amount</b>	<b>Excess Match Funds</b>	<b>Bond Issue Proceeds</b>	<b>Notes</b>	<b>Less 4% Administration</b>	<b>Total Available For Assistance</b>
1988	\$9,278,000.00	\$1,855,600.00	\$0.00	\$0.00	(1)	\$371,120.00	\$10,762,480.00
1989	\$7,597,400.00	\$1,519,480.00	\$0.00	\$0.00	(2)	\$303,896.00	\$8,812,984.00
1990	\$7,862,000.00	\$1,572,400.00	\$0.00	\$0.00	(3)	\$314,480.00	\$9,119,920.00
1991	\$16,580,619.00	\$3,316,123.80	\$0.20	\$0.00	(3)	\$663,224.76	\$19,233,518.24
1992	\$15,697,737.00	\$3,139,547.40	\$0.60	\$0.00	(4)	\$627,909.48	\$18,209,375.52
1993	\$15,528,546.00	\$3,105,709.20	-\$0.20	\$0.00	(5)	\$621,141.84	\$18,013,113.16
1994	\$9,632,600.00	\$1,926,520.00	\$0.00	\$0.00	(6)	\$385,304.00	\$11,173,816.00
1995	\$9,951,183.00	\$1,990,236.60	\$0.40	\$0.00	(7)	\$398,047.32	\$11,543,372.68
1996	\$16,300,350.00	\$3,260,070.00	-\$1.00	\$0.00	(7,8)	\$652,014.00	\$18,908,405.00
1997	\$4,986,100.00	\$997,220.00	\$21,450.00	\$0.00	(8)	\$199,444.00	\$5,805,326.00
1998	\$10,879,110.00	\$2,175,822.00	\$8,644.94	\$0.00	(9)	\$435,164.40	\$12,628,412.54
1999	\$10,880,001.00	\$2,176,000.20	\$105,646.80	\$0.00	(10)	\$435,200.04	\$12,726,447.96
2000	\$10,996,702.00	\$2,199,340.40	\$82,990.54	\$0.00	(11)	\$439,868.08	\$12,839,164.86
2001	\$10,746,747.00	\$2,149,349.40	\$677.89	\$0.00	(12)	\$429,869.88	\$12,466,904.41
2002	\$10,770,705.00	\$2,154,141.00	\$0.00	\$26,000,000.00	(12,13)	\$430,828.20	\$38,494,017.80
2003	\$10,700,700.00	\$2,140,140.00	\$0.00	\$127,500,000.00	(14)	\$428,028.00	\$139,912,812.00
2004	\$10,720,400.00	\$2,144,080.00	\$0.00	\$0.00	(14)	\$428,816.00	\$12,435,664.00
2005	\$8,693,800.00	\$1,738,760.00	\$0.00	\$0.00	(14)	\$347,752.00	\$10,084,808.00
2006	\$7,046,300.00	\$1,409,260.00	\$67,760.00	\$0.00	(14)	\$281,852.00	\$8,241,468.00
2007/2008	\$14,087,400.00	\$2,817,480.00	\$0.00	\$0.00	(15)	\$563,496.00	\$16,341,384.00
ARRA	\$31,662,100.00	N/A	\$0.00	\$0.00		\$1,266,484.00	\$30,395,616.00
2009/2010	\$21,914,200.00	\$4,382,840.00	-\$20.00	\$93,534,169.20	(15,16)	\$876,568.00	\$118,954,621.20
2011	\$11,930,000.00	\$2,386,000.00	\$0.00	\$0.00	(16)	\$477,200.00	\$13,838,800.00
2012	\$11,419,000.00	\$2,283,800.00	\$0.00	\$100,000,000.00	(16,17)	\$456,760.00	\$113,246,040.00
2013	\$10,786,000.00	\$2,157,200.00	-\$67,760.00	\$0.00	(17)	\$431,440.00	\$12,444,000.00
2014	\$11,328,000.00	\$2,265,600.00	\$0.00	\$0.00	(18)	\$453,120.00	\$13,140,480.00
2015	\$11,269,000.00	\$2,253,800.00	\$0.00	\$114,245,235.87	(19)	\$450,760.00	\$127,317,275.87
2016	\$10,795,000.00	\$2,159,000.00	\$124,800.00	\$0.00	(19)	\$431,800.00	\$12,647,000.00
2017	\$10,712,000.00	\$2,142,400.00	\$0.00	\$0.00	(20)	\$428,480.00	\$12,425,920.00
2018	\$12,967,000.00	\$2,593,400.00	\$0.00	\$0.00	(21)	\$518,680.00	\$15,041,720.00
2019	\$12,837,000.00	\$2,567,400.00	\$0.00	\$0.00	(22)	\$513,480.00	\$14,890,920.00
2020	\$12,838,000.00	\$2,567,600.00	\$0.00	\$121,128,525.76	(23)	\$513,520.00	\$136,020,605.76

<b>Fiscal Year</b>	<b>Federal Cap Grant Amount</b>	<b>State Match Amount</b>	<b>Excess Match Funds</b>	<b>Bond Issue Proceeds</b>	<b>Notes</b>	<b>Less 4% Administration</b>	<b>Total Available For Assistance</b>
2021	\$12,837,000.00	\$2,567,400.00	\$0.00	\$0.00	(23)	\$513,480.00	\$14,890,920.00
2022	\$9,349,000.00	\$1,869,800.00	\$0.00	\$0.00	(24)	\$373,960.00	\$10,844,840.00
2022 IJA Supplement	\$14,379,000.00	\$1,437,900.00	\$0.00	\$171,071,209.35	(24)	\$575,160.00	\$186,312,949.35
2022 IJA EC	\$755,000.00	\$0.00	\$0.00	\$0.00		\$30,200.00	\$724,800.00
2023	\$6,061,000.00	\$1,212,200.00	\$0.00	\$0.00	(24)	\$242,440.00	\$7,030,760.00
2023 IJA Supplement	\$16,840,000.00	\$1,684,000.00	\$0.00	\$0.00	(24)	\$673,600.00	\$17,850,400.00
2023 IJA EC	\$1,718,000.00	\$0.00	\$0.00	\$0.00		\$68,720.00	\$1,649,280.00
2024	\$6,595,000.00	\$1,319,000.00	\$0.00	\$0.00	(24,25)	\$263,800.00	\$7,650,200.00
2024 IJA Supplement	\$18,373,000.00	\$3,674,600.00	\$0.00	\$0.00	(24,25)	\$734,920.00	\$21,312,680.00
2024 IJA EC	\$1,734,000.00	\$0.00	\$0.00	\$0.00		\$69,360.00	\$1,664,640.00
<b>Totals</b>	<b>\$478,034,700.00</b>	<b>\$85,311,220.00</b>	<b>\$344,190.17</b>	<b>\$753,479,140.18</b>	<b>\$0.00</b>	<b>\$19,121,388.00</b>	<b>\$1,298,047,862.35</b>

Notes:

- (1) FY 1988 state match appropriated by the legislature from the Statewide Water Development Revolving Fund. - 7/30/88, H.B. 1571
- (2) FY 1989 state match appropriated by the legislature from the Statewide Water Development Revolving Fund. - 4/26/89, S.B. 51
- (3) FYs 1990 and 1991 state matches appropriated by the legislature from the Special Cash Fund. - 3/20/91, S.B. 144
- (4) \$2,892,047 of FY 1992 state match appropriated by the legislature from the Constitutional Reserve Fund. - 5/28/93, S.B. 390; \$200,000 in state match provided by Ute settlement - State of New Mexico and \$47,501 in state match provided from OWRB grant account.
- (5) FY 1993 state match appropriated by the legislature from the Constitutional Reserve Fund. - 5/18/94, H.B. 2761
- (6) OWRB issued its \$1,955,000 SRF Program Notes, Series 1994 on October 25, 1994. The Series 1994 Notes were paid from monies in the Debt Service Reserve Fund for the Board's 1985 State Loan Program Bonds.
- (7) OWRB issued its \$4,050,000 CWSRF Revenue Notes, Series 1996 on May 22, 1996. The Series 1996 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans. \$1,990,237 went toward meeting the FY 1995 state match and \$2,018,545 toward the FY 1996 state match.
- (8) OWRB issued its \$2,275,000 CWSRF Revenue Notes, Series 1997 on June 26, 1997. The Series 1997 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans. \$1,241,524 went toward meeting the FY 1996 state match and \$1,018,670 toward the FY 1997 state match.
- (9) OWRB issued its \$2,200,000 CWSRF Revenue Notes, Series 1998 on June 25, 1998. The Series 1998 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans.
- (10) OWRB issued its \$2,300,000 CWSRF Revenue Notes, Series 1999 on February 15, 1999. The Series 1999 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans.
- (11) OWRB issued its \$2,300,000 CWSRF Revenue Notes, Series 2000 on June 22, 2000. The Series 2000 Notes were paid from investment and interest earnings on CWSRF accounts and repayments on the Guymon and Ketchum State Loan Program Bond loans.
- (12) OWRB issued its \$4,345,000 CWSRF Revenue Notes, Series 2001 on April 11, 2001. The Series 2001 Notes were paid from investment and interest earnings on CWSRF accounts. \$2,149,349.40 went toward meeting the FY 2001 state match and \$2,154,141.00 went toward meeting the FY 2002 state match.
- (13) OWRB issued a \$28,890,000 CWSRF Interim Construction Loan Revenue Bonds, Series 2001, on August 15, 2001. The Series 2001 Bonds are to be paid from principal and interest payments made on CWSRF loans made from bond proceeds.
- (14) OWRB issued a \$204,480,000 CWSRF/DWSRF Interim Construction Loan Revenue Bonds, Series 2004, on October 26, 2004. The Series 2004 Bonds are to be paid from principal and interest payments made on CWSRF loans made from bond proceeds. Match for 2003, 2004, 2005, 2006 with \$67,760 left.

- (15) Reallocation of bond funds from the 2004 Bond Issue to state matching funds - \$3,908,100 for the 2007, 2008 and 2009 cap grants.
- (16) OWRB issued a \$85,000,000 Revenue Bond Issue, Series 2011 on April 13, 2011 with \$6,492,200 for the 2010 and 2011 cap grants and a portion of the 2012 cap grant. \$814,000 for the 2012 state match will be available from the 2011 bond issue the remainder will need to come from another source.
- (17) OWRB issued a \$86,505,000 Revenue Bond Issue, Series 2012B on November 7, 2012 with \$2,047,000 for the remainder of the 2012 cap grant. The state match for the 2013 cap grant was provided with a reallocation of the 2012B bond proceeds of \$1,500,000 and excess match funds from 2006 of \$67,760 and excess match funds from 2012B Bonds of \$577,200, and \$12,240 from an appropriation from the Water Infrastructure Development Fund.
- (18) Reallocation of bond funds from the 2012B Bond Issue to state matching funds.
- (19) OWRB issued a \$100,620,000 Revenue Bond Issue, Series 2015 on December 17, 2015 providing state match in the amount of \$4,537,600 for the 2015 and 2016 cap grants. The anticipated 2017 cap grant will be matched with excess match funds and reallocated bond proceeds from the Series 2015 Bond Issue.
- (20) Reallocation of bond funds from the 2015 Bond Issue to state matching funds - approved at November 1, 2017 Board Meeting.
- (21) Reallocation of bond funds from the 2015 Bond Issue to state matching funds - approved at September 2018 Board Meeting.
- (22) Transferred from CW Administration Fund.
- (23) OWRB issued a \$100,000,000 2020A CWSRF Bond Issue on December 17, 2020. The bond issue provided \$5,067,600 for state match for the 2020 cap grant and \$2,500,000 for the 2021 cap grant and \$67,400 was transferred from the CW Administration Fund.
- (24) Transferred \$1,437,900 for the 2022 IJA Supplemental match, \$1,869,800 for the 2022 match and \$117,000 for the 2023 match from the CW Administration Fund. These funds were reimbursed in February 2023 with \$7,500,000 State Match proceeds from the 2023 CWSRF \$150,000,000 Bond Issue. Of the remaining \$4,075,300, \$1,212,200 was used for 2023 Base and \$1,684,000 for IJA Supplemental match. \$1,179,100 will be used for the 2024 Base and 2024 IJA Supp Supplemental matches along with bond proceeds..
- (25) OWRB issued a \$130,000,000 CWSRF Bond Issue on August 22, 2024. The bond issue provided \$5,000,000 for State Match proceeds for the remainder of the 2024 Base and 2024 IJA Supplemental grants. \$1,185,500 will be used for the 2025 Base grant.

## **APPENDIX J**

### **OUTSTANDING 2003 MASTER TRUST BONDS - OUTSTANDING LOANS**

**The following table presents the current loans outstanding for the Clean Water Program and the Drinking Water Program and pledged to Outstanding 2003 Master Trust Bonds**

**The loans listed below are not pledged under the 2019 Master Trust Indenture. See “SECURITY AND PAYMENT FOR THE BONDS – General - *2003 Master Trust Agreement Moneys*” in this Official Statement for a description of the transfer of excess revenues from the 2003 Master Trust Agreement to the Master Trustee.**

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<b>Loan Borrower</b>	<b>Loan Amount</b>	<b>Interest Rate</b>	<b>Current Balance 5/1/25</b>	<b>Maturity Date</b>	<b>Pledged To:</b>	<b>Pledged Revenue:</b>	
Ada Public Works Authority	\$23,290,000.00	3.02%	\$21,323,000.00	3/15/2041	DW 2016 Bond Series	Revenue	
Altus Municipal Authority	\$2,300,000.00	2.31%	\$1,282,027.15	3/15/2036	DW 2016 Bond Series	Revenue	
Alva Utility Authority	\$2,565,000.00	2.32%	\$2,178,027.93	9/15/2048	DW 2018 Bond Series	Revenue	
Antlers Public Works Authority	\$2,352,000.00	1.82%	\$1,385,044.63	9/15/2037	CW 2015 Bond Series	Revenue	1
Antlers Public Works Authority	\$3,110,000.00	2.17%	\$1,538,798.19	3/15/2033	DW 2016 Bond Series	Revenue	1
Atoka Municipal Authority	\$5,169,000.00	1.96%	\$3,591,251.47	9/15/2039	DW 2018 Bond Series	Revenue	1
Bethany Public Works Authority	\$5,140,000.00	2.60%	\$1,246,299.92	3/15/2029	CW 2014A Bond Series	Revenue	1
Bixby Public Works Authority	\$2,160,000.00	1.87%	\$455,841.25	9/15/2030	DW 2016 Bond Series	Revenue	1
Broken Arrow Municipal Authority	\$6,540,000.00	1.51%	\$3,929,296.10	9/15/2034	CW 2015 Bond Series	Revenue	1
Broken Bow Public Works Authority	\$4,550,000.00	1.76%	\$2,425,462.53	9/15/2035	CW 2015 Bond Series	Revenue	1
Bryan County RWS & SWMD #2	\$382,000.00	1.95%	\$72,848.44	9/15/2029	DW 2016 Bond Series	Revenue	
Bryan County RWS & SWMD #2	\$1,114,000.00	1.88%	\$757,802.76	9/15/2029	DW 2018 Bond Series	Revenue	
Caddo Public Works Authority	\$895,000.00	1.55%	\$194,539.99	9/15/2027	CW 2015 Bond Series	Revenue	1
Calera Public Works Authority	\$4,985,000.00	1.76%	\$2,775,099.99	8/15/2037	CW 2014A Bond Series	Revenue	
Central Oklahoma Master Conservancy District	\$1,500,000.00	1.78%	\$142,355.56	9/15/2026	DW 2013B Bond Series	Revenue	
Checotah Public Works Authority	\$5,360,000.00	3.19%	\$203,189.00	3/15/2026	DW 2016 Bond Series	Revenue	1
Cherokee Development Authority	\$2,640,000.00	2.27%	\$2,537,909.54	3/15/2046	CW 2015 Bond Series	Revenue	1
Chouteau Public Works Authority	\$3,513,000.00	1.77%	\$2,224,000.00	9/15/2036	CW 2015 Bond Series	Revenue	1
Colbert Public Utilities Authority	\$884,000.00	1.59%	\$330,721.09	9/15/2035	CW 2015 Bond Series	Revenue	
Collinsville Municipal Authority	\$1,370,000.00	2.10%	\$210,433.26	9/15/2027	CW 2014A Bond Series	Revenue	1
Comanche County Rural Water District #2	\$3,300,000.00	3.03%	\$2,213,668.67	3/15/2039	DW 2016 Bond Series	Revenue	
El Reno Municipal Authority	\$21,530,000.00	2.70%	\$21,350,000.00	9/15/2039	CW 2015 Bond Series	Revenue	1
El Reno Municipal Authority	\$2,405,000.00	1.72%	\$787,627.24	3/15/2030	DW 2016 Bond Series	Revenue	1
Enid Municipal Authority	\$8,345,000.00	1.87%	\$1,748,651.50	9/15/2030	DW 2016 Bond Series	Revenue	1
Frederick Public Works Authority	\$4,315,000.00	2.68%	\$2,886,459.97	9/15/2044	CW 2015 Bond Series	Revenue	
Frederick Public Works Authority	\$4,500,000.00	1.75%	\$1,113,547.51	3/15/2031	DW 2016 Bond Series	Revenue	
Garvin County Rural Water District #4	\$1,183,456.00	2.31%	\$904,728.98	9/15/2045	DW 2016 Bond Series	Revenue	
Goldsby Water Authority	\$5,500,000.00	1.98%	\$2,063,379.96	9/15/2038	DW 2018 Bond Series	Revenue	1
Goltry Public Works Authority	\$530,000.00	3.09%	\$22,218.69	3/15/2026	DW 2016 Bond Series	Revenue	
Grove Municipal Services Authority	\$8,765,000.00	2.25%	\$4,619,040.80	9/15/2034	DW 2016 Bond Series	Revenue	1
Harrah Public Works Authority	\$2,220,000.00	2.60%	\$3,477.50	9/15/2025	CW 2014A Bond Series	Revenue	
Henryetta Municipal Authority	\$9,500,000.00	2.57%	\$2,286,239.10	9/15/2030	DW 2016 Bond Series	Revenue	1

<b>Loan Borrower</b>	<b>Loan Amount</b>	<b>Interest Rate</b>	<b>Current Balance 5/1/25</b>	<b>Maturity Date</b>	<b>Pledged To:</b>	<b>Pledged Revenue:</b>	
Inola Public Works Authority	\$2,000,000.00	2.18%	\$646,258.38	9/15/2031	CW 2014A Bond Series	Revenue	1
Locust Grove Public Works Authority	\$3,485,000.00	2.51%	\$1,334,461.20	9/15/2036	CW 2015 Bond Series	Revenue	1
Logan County Rural Water District #2	\$920,000.00	1.65%	\$181,352.36	3/15/2030	DW 2016 Bond Series	Revenue	
Logan County RWS & SWMD #1	\$1,200,000.00	2.10%	\$671,565.77	3/15/2035	DW 2016 Bond Series	Revenue	
Lone Grove Water & Sewer Trust Authority	\$11,755,000.00	1.87%	\$7,984,239.38	3/15/2044	CW 2015 Bond Series	Revenue	1
Mayes County Rural Water District #3	\$900,000.00	1.82%	\$185,545.20	3/15/2030	DW 2016 Bond Series	Revenue	
Mayes County Rural Water District #6	\$2,590,000.00	2.82%	\$1,319,806.94	3/15/2034	DW 2016 Bond Series	Revenue	
McCloud Public Works Authority	\$5,315,000.00	2.60%	\$1,022,127.04	3/15/2028	CW 2014A Bond Series	Revenue	1
Miami Special Utilities Authority	\$1,620,000.00	3.00%	\$46,085.93	9/15/2025	DW 2013B Bond Series	Revenue	
Mooreland Public Works Authority	\$1,150,000.00	2.06%	\$325,407.70	9/15/2029	DW 2016 Bond Series	Revenue	
Muskogee Municipal Authority	\$7,300,000.00	2.40%	\$4,444,287.97	3/15/2036	CW 2015 Bond Series	Revenue	1
Newcastle Public Works Authority	\$1,946,368.44	1.81%	\$355,370.92	3/15/2030	DW 2016 Bond Series	Revenue	1
Nicoma Park Development Authority	\$4,120,000.00	2.13%	\$2,958,203.61	9/15/2045	CW 2015 Bond Series	Revenue	1
Norman Utilities Authority	\$50,300,000.00	1.75%	\$9,188,547.42	9/15/2027	CW 2015 Bond Series	Revenue	
Norman Utilities Authority	\$31,000,000.00	2.32%	\$22,870,327.59	3/15/2039	DW 2018 Bond Series	Revenue	
Oilton Public Works Authority	\$2,850,000.00	2.26%	\$1,368,356.47	9/15/2034	CW 2015 Bond Series	Revenue	1
Oklahoma City Water Utilities Trust	\$800,000.00	2.21%	\$477,006.15	3/15/2046	CW 2015 Bond Series	Revenue	
Oklahoma City Water Utilities Trust	\$57,300,000.00	2.48%	\$49,611,578.40	9/15/2049	DW 2018 Bond Series	Revenue	
Oklahoma City Water Utilities Trust	\$52,500,000.00	2.28%	\$45,034,963.02	9/15/2049	DW 2018 Bond Series	Revenue	
Oklahoma City Water Utilities Trust	\$35,838,000.00	2.43%	\$28,298,128.07	9/15/2046	DW 2016 Bond Series	Revenue	
Oklahoma City Water Utilities Trust	\$65,550,000.00	2.05%	\$52,955,229.09	9/15/2047	DW 2016 Bond Series	Revenue	
Osage County RWMD #15	\$815,000.00	2.17%	\$389,822.22	3/15/2035	DW 2016 Bond Series	Revenue	
Owasso Public Works Authority	\$3,425,000.00	1.78%	\$299,314.09	3/15/2026	CW 2015 Bond Series	Revenue	2
Panama Public Works Authority	\$1,022,000.00	1.87%	\$436,768.46	9/15/2031	CW 2015 Bond Series	Revenue	
Piedmont Municipal Authority	\$4,250,000.00	3.05%	\$286,120.19	3/15/2026	DW 2016 Bond Series	Revenue	1
Quinton Public Works Authority	\$710,000.00	2.42%	\$385,358.01	3/15/2035	CW 2015 Bond Series	Revenue	1
Quinton Public Works Authority	\$790,000.00	2.28%	\$499,930.90	3/15/2038	DW 2016 Bond Series	Revenue	1
Rogers County Rural Water District #3	\$4,500,000.00	2.17%	\$1,129,395.34	3/15/2029	DW 2016 Bond Series	Revenue	
Rogers County Rural Water District #5	\$4,700,000.00	3.19%	\$585,598.97	3/15/2027	DW 2013B Bond Series	Revenue	
Rogers County Rural Water District #7	\$759,000.00	1.67%	\$121,799.15	9/15/2028	DW 2016 Bond Series	Revenue	
Salina Public Works Authority	\$1,480,000.00	1.86%	\$912,327.05	3/15/2039	CW 2015 Bond Series	Revenue	1
Sallisaw Municipal Authority	\$5,360,000.00	1.84%	\$1,585,766.86	3/15/2030	DW 2016 Bond Series	Revenue	1

<b>Loan Borrower</b>	<b>Loan Amount</b>	<b>Interest Rate</b>	<b>Current Balance 5/1/25</b>	<b>Maturity Date</b>	<b>Pledged To:</b>	<b>Pledged Revenue:</b>	
Sand Springs Municipal Authority	\$2,314,000.00	2.60%	\$144,479.97	3/15/2026	CW 2014A Bond Series	Revenue	1
Sand Springs Municipal Authority	\$2,250,000.00	2.60%	\$72,506.07	3/15/2026	CW 2014A Bond Series	Revenue	1
Sand Springs Municipal Authority	\$5,630,000.00	1.87%	\$704,182.05	3/15/2030	DW 2016 Bond Series	Revenue	1
Skiatook Public Works Authority	\$520,000.00	2.13%	\$285,417.26	3/15/2035	CW 2015 Bond Series	Revenue	1
South Delaware County Regional Water Authority	\$3,000,000.00	2.46%	\$953,403.22	3/15/2049	DW 2018 Bond Series	Revenue	
Stillwater Utilities Authority	\$29,900,000.00	1.82%	\$21,773,492.19	9/15/2046	DW 2016 Bond Series	Revenue	1
Stillwater Utilities Authority	\$12,600,000.00	2.18%	\$5,784,062.98	9/15/2048	DW 2018 Bond Series	Revenue	1
Stillwater Utilities Authority	\$11,645,000.00	2.19%	\$3,991,112.97	3/15/2032	DW 2016 Bond Series	Revenue	1
Stroud Utilities Authority	\$1,700,000.00	2.60%	\$110,995.41	3/15/2026	CW 2014A Bond Series	Revenue	1
Sulphur Municipal Authority	\$1,750,000.00	3.05%	\$220,119.59	3/15/2027	DW 2013B Bond Series	Revenue	
Tecumseh Utility Authority	\$4,000,000.00	2.64%	\$1,867,008.25	3/15/2034	DW 2016 Bond Series	Revenue	1
Tishomingo Municipal Authority	\$1,115,000.00	2.60%	\$143,673.21	3/15/2027	CW 2014A Bond Series	Revenue	1
Tulsa Metropolitan Utility Authority	\$7,900,000.00	2.60%	\$1,216,340.16	9/15/2027	CW 2014A Bond Series	Revenue	
Tulsa Metropolitan Utility Authority	\$3,130,000.00	2.60%	\$469,677.96	9/15/2027	CW 2014A Bond Series	Revenue	
Tulsa Metropolitan Utility Authority	\$17,825,000.00	2.60%	\$4,740,787.23	9/15/2029	CW 2014A Bond Series	Revenue	
Tulsa Metropolitan Utility Authority	\$9,850,000.00	1.74%	\$5,175,353.68	3/15/2035	CW 2015 Bond Series	Revenue	
Tulsa Metropolitan Utility Authority	\$2,910,000.00	2.08%	\$1,545,068.55	9/15/2035	CW 2015 Bond Series	Revenue	
Vinita Utilities Authority	\$1,290,000.00	2.60%	\$39,642.25	3/15/2026	CW 2014A Bond Series	Revenue	
Vinita Utilities Authority	\$610,000.00	3.00%	\$16,376.44	9/15/2025	DW 2013B Bond Series	Revenue	
Wagoner County Rural Water District #5	\$4,735,000.00	3.05%	\$540,767.32	3/15/2027	DW 2016 Bond Series	Revenue	
Wagoner County Rural Water District #5	\$1,520,000.00	2.19%	\$369,189.07	3/15/2029	DW 2016 Bond Series	Revenue	
Wagoner County Rural Water District #5	\$3,245,000.00	2.69%	\$2,934,979.62	3/15/2047	DW 2018 Bond Series	Revenue	
Wagoner County Rural Water District #5	\$4,270,000.00	2.32%	\$4,133,841.30	9/15/2047	DW 2018 Bond Series	Revenue	
Wagoner County Rural Water District #7	\$1,850,000.00	2.76%	\$328,601.12	3/15/2028	DW 2013B Bond Series	Revenue	
Wagoner Public Works Authority	\$1,200,000.00	1.70%	\$279,978.07	9/15/2030	DW 2016 Bond Series	Revenue	
Wagoner Public Works Authority	\$7,710,000.00	3.12%	\$5,918,773.35	3/15/2035	DW 2016 Bond Series	Revenue	
Woodward Municipal Authority	\$1,400,000.00	2.60%	\$226,225.93	9/15/2027	CW 2014A Bond Series	Revenue	
	\$666,031,824.44		\$390,700,093.79				

All Borrowers have pledged revenues from either operations or water or sewer system and also may pledge solid waste disposal, electric, or gas system revenues or a combination thereof. The numbers in the Source of Payment column above correspond to the following sources of payment:

Revenues

(1) Revenues

(2) Revenues

(3) Revenues

Revenues plus sales tax revenues

Revenues plus sales tax plus golf course revenues

Revenues plus cable tv and internet revenues

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**APPENDIX K**

**AUDITED FINANCIAL STATEMENTS OF THE CLEAN WATER AND DRINKING WATER  
PROGRAMS**

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**OKLAHOMA DEPARTMENT OF  
ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER  
STATE REVOLVING FUND  
LOAN PROGRAM**

**FINANCIAL STATEMENTS  
AS OF  
JUNE 30, 2024 AND 2023  
AND INDEPENDENT AUDITOR'S REPORT**

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEARS ENDED June 30, 2024 and 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the  
Oklahoma Department of Environmental Quality  
Oklahoma Drinking Water State Revolving Fund Loan Program

### **Opinion**

We have audited the accompanying financial statements of the Oklahoma Department of Environmental Quality/Oklahoma Drinking Water State Revolving Fund Loan Program ("The Program") as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of June 30, 2024 and 2023, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Program, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Program's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2024, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

Oklahoma City, Oklahoma  
September 16, 2024



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **(Unaudited)**

Our discussion and analysis of the Oklahoma Drinking Water State Revolving Fund Program's (the "Program") financial performance provides an overview of the Program's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Program's financial statements, which begin on page 5. The Oklahoma Department of Environmental Quality ("ODEQ") administers the Program. ODEQ's primary activities include providing direct assistance and managing the coordination of the Program to meet the objectives of the Safe Drinking Water Act. Pursuant to an interagency agreement between ODEQ and the Oklahoma Water Resources Board (the "OWRB"), OWRB handles certain financial functions including originating, approving and servicing loans made to qualifying recipients.

#### **FINANCIAL HIGHLIGHTS**

- The Program's net position increased by over 6.5% from \$355,938,351 in FY-2023 to \$379,007,984 in FY-2024. The increase in net position is primarily attributable to an increase in federal grant revenue provided by the Infrastructure Investment and Jobs Act known as the Bipartisan Infrastructure Law (BIL).
- The Program experienced an increase of \$106,089,072 in the amount of outstanding loans. At June 30, 2024, the Program had 173 outstanding loans with a principal balance of \$914,922,956. At June 30, 2023, the Program had 160 outstanding loans with a principal balance of \$808,833,884.

#### **PROGRAM HIGHLIGHTS**

- During FY 2024, nineteen (19) construction loans, totaling approximately \$136.2 million were made to correct deficiencies and achieve compliance with the national primary drinking water regulations or otherwise further public health protection objectives of the Safe Drinking Water Act (SWDA).
- During FY 2024, we completed construction on seventeen (17) projects totaling \$74.1 million.
- During FY 2024, we made binding commitments for twenty (20) new loans, totaling approximately \$214.6 million, in drinking water construction for communities to correct problems and achieve compliance with the SWDA.

## ECONOMIC FACTORS AND NEXT YEAR'S OUTLOOK

The Oklahoma DWSRF has been extremely popular with communities that borrow from the program. The Program's financing strategy of providing long-term loans at 70% of market rate has been consistent for many years. No additional staff is planned at this time. The Program is expected to increase assets as well as operating income as more loans are approved and eligible draws are made from the federal capitalization grants and the bond issue.

## CONTACTING THE PROGRAM'S FINANCIAL MANAGEMENT

This financial report is designed to provide the DEQ's accountability of the Program. If you have questions about this report or need additional financial information, contact the Administrative Services Division of the Oklahoma Department of Environmental Quality at 707 North Robinson, Oklahoma City, OK 73101.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**STATEMENTS OF NET POSITION  
June 30, 2024 and 2023**

	<b><u>ASSETS</u></b>	<b>2024</b>	<b>2023</b>
Current Assets:			
Cash	\$	113,988,429	\$ 105,934,013
Federal letter of credit payments receivable		2,257,903	1,671,161
Accrued interest on loans receivable		5,047,163	4,528,300
Other interest receivable		397,986	357,540
Loans receivable		41,741,526	41,416,293
Total current assets		<u>163,433,007</u>	<u>153,907,307</u>
Noncurrent Assets:			
Restricted cash		7,377,758	119,803,974
Restricted investments		8,215,792	10,377,390
Loans receivable, net of current portion		873,181,430	767,417,591
Equipment, net		628,964	412,256
Total noncurrent assets		<u>889,403,944</u>	<u>898,011,211</u>
Total assets		<u>1,052,836,951</u>	<u>1,051,918,518</u>
	<b><u>LIABILITIES</u></b>		
Current Liabilities:			
Accounts payable		648,714	287,791
Due to Oklahoma Department of of Environmental Quality ("ODEQ")		2,207,186	1,753,913
Compensated absences		177,506	167,999
Interest payable		5,847,380	5,149,572
Current maturities of long-term debt		22,715,000	20,525,000
Total current liabilities		<u>31,595,786</u>	<u>27,884,275</u>
Noncurrent Liabilities:			
Compensated absences		76,073	72,000
Long-term debt, net of current maturities		581,555,000	604,270,000
Unamortized (discount)/premium		54,817,166	57,643,038
Total noncurrent liabilities		<u>636,448,239</u>	<u>661,985,038</u>
Total liabilities		<u>668,044,025</u>	<u>689,869,313</u>
	<b><u>DEFERRED INFLOW OF RESOURCES</u></b>		
Unamortized (gain/loss) on refunding		<u>5,784,942</u>	<u>6,110,854</u>
	<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt		628,964	412,256
Restricted for loans and debt service		379,230,596	356,136,636
Unrestricted net position		<u>(851,576)</u>	<u>(610,541)</u>
Total net position	\$	<u>379,007,984</u>	\$ <u>355,938,351</u>

See accompanying notes and independent auditors report.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>REVENUES</b>		
Operating revenues:		
Federal grants	\$ 6,106,349	\$ 4,432,871
Loan program income	21,072,740	16,329,141
Total operating revenue	<u>27,179,089</u>	<u>20,762,012</u>
<b>EXPENSES</b>		
Operating expenses:		
Salaries and benefits	3,034,955	2,380,977
Professional services	1,264,976	888,642
Travel	154,198	117,866
Office	93,448	136,857
Equipment	213,312	1,640
Depreciation	314,966	207,739
Indirect costs	861,463	641,918
Other expense	193,357	(11,451)
Interest expense	20,983,326	15,396,309
Bad debt expense	-	(20,383)
Debt issuance costs	-	798,915
Total operating expenses	<u>27,114,001</u>	<u>20,539,029</u>
Operating income (loss)	<u>65,088</u>	<u>222,983</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Federal grants	37,670,594	37,839,485
Federal grants-principal forgiveness	(18,727,329)	(8,648,655)
Loss on investments	397,423	(51,466)
Investment income	81,191	115,702
Interest income-invested cash balances	3,087,030	1,354,556
Net nonoperating revenues	<u>22,508,909</u>	<u>30,609,622</u>
Income (loss) before transfers	22,573,997	30,832,605
Transfers in - Drinking Water Treatment Loan Admin Fund	495,636	1,337,800
Total Transfers	495,636	1,337,800
Increase (decrease) in net position	23,069,633	32,170,405
<b>NET POSITION</b>		
Net position, beginning of year	<u>355,938,351</u>	<u>323,767,946</u>
Net position, end of year	\$ <u><u>379,007,984</u></u>	\$ <u><u>355,938,351</u></u>

See accompanying notes and independent auditors report.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Federal grant receipts	\$ 5,571,770	\$ 3,949,320
Collection of interest on loans to local governmental units	20,553,877	15,681,262
Payments to employees	(3,021,374)	(2,423,603)
Payments to suppliers	(2,018,721)	(1,525,717)
Interest paid on debt	(23,437,302)	(17,903,734)
Net cash used by operating activities	<u>(2,351,750)</u>	<u>(2,222,472)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Proceeds from bond issuance	-	174,010,978
Bond issuance cost	-	(798,915)
Principal paid on bonds	(20,525,000)	(16,410,000)
Federal grant receipts	18,943,265	29,190,830
Transfers in (out) - Oklahoma Water Resources Board	-	-
Transfers in (out) - Drinking Water Treatment Loan Administrative Fund	495,636	1,337,800
Net cash provided (used) by noncapital financing activities	<u>(1,086,099)</u>	<u>187,330,693</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of equipment	(531,675)	-
Net cash used in capital and related financing activities	<u>(531,675)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans to local governmental units	(165,682,107)	(183,967,782)
Collection of principal on loans to local governmental units	40,865,706	29,391,233
Collection of principal on loans to local governmental units from federal grant proceeds	18,727,329	8,648,655
Interest on investments	81,191	115,703
Interest on invested cash balances	3,046,584	1,144,467
Sale (Purchase) of investments	2,559,021	2,619,000
Net cash used by investing activities	<u>(100,402,276)</u>	<u>(142,048,724)</u>
Net increase (decrease in cash)	(104,371,800)	43,059,497
Cash and cash equivalents, beginning of year	225,737,987	182,678,490
Cash and cash equivalents, end of year	<u>\$ 121,366,187</u>	<u>\$ 225,737,987</u>
Reconciliation to Statement of Net Position:		
Cash	\$ 113,988,429	\$ 105,934,013
Restricted Cash	7,377,758	119,803,974
Total cash and cash equivalents	<u>\$ 121,366,187</u>	<u>\$ 225,737,987</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 65,088	\$ 222,983
Adjustment to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation	314,966	207,739
Amortization of bond premium	(2,825,872)	(2,855,150)
Deferred amount on refunding	(325,912)	(325,913)
Debt issuance cost	-	798,914
Changes in operating assets and liabilities:		
Decrease (Increase) in letter of credit payments receivable	(534,579)	(228,325)
Decrease (Increase) in interest receivable	(518,863)	(668,262)
Increase (Decrease) in accounts payable	360,923	(62,628)
Increase (Decrease) in letter of credit payments payable	(430,337)	(105,473)
Increase(Decrease) in due to/from DEQ	831,447	162,630
Increase(Decrease) in compensated absences	13,581	(42,626)
Increase(Decrease) in interest payable	697,808	673,639
Net cash provided (used) by operating activities	<u>\$ (2,351,750)</u>	<u>\$ (2,222,472)</u>

See accompanying notes and independent auditors report.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Oklahoma Drinking Water State Revolving Fund Loan Program (the "Program") was created pursuant to the Federal Safe Drinking Water Act Amendments of 1995 (the "Act"), Section 1452, to provide a perpetual fund for financing the construction of drinking water treatment facilities for municipalities and other entities. The program utilizes Federal Capitalization grants, required State matching funds, bond proceeds, interest received on loans and invested cash balances. Standard loans made by the Program must be repaid within 30 years from construction completion.

The Program consists of two program components: 1) set-aside funds and 2) loan fund. The set-aside funds are administered by the Oklahoma Department of Environmental Quality ("ODEQ"). ODEQ's primary activities include providing direct assistance and managing the coordination of the Program to meet its primary objective pursuant to the Act. The loan fund is administered by the Oklahoma Water Resources Board ("OWRB") pursuant to an interagency agreement between ODEQ and OWRB. The OWRB handles certain financial functions, including the originating, approving and servicing loans made to qualifying recipients.

Basis of Accounting and Measurement Focus

The Program prepares its financial statements in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB"). The Program is accounted for and presented similar to a special-purpose government engaged solely in business type activities.

The financial statements of the Program are prepared under the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred. The Program uses the economic resources measurement focus where all assets, liabilities, net position, revenues, expenses and transfers relating to the Program and net income and capital maintenance are measured.

Federal Letter of Credit Payments

Funding from Federal grants is provided through a Federal letter of credit ("LOC"). The Program records revenue as qualifying expenditures are made or as expenses are incurred, as appropriate. Availability of funds under the LOC is specified by the terms of the grant. The Program draws on the available funds as necessary to fund operations and selected loans.



**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Federal Grants

Federal grants are recognized as operating revenue upon payment of allowable grant expenditures eligible for reimbursement from the EPA and not covered by state matching or program income.

Cash and Cash Equivalents

The Program considers all highly liquid debt instruments purchased with an original maturity of three months or less and money market funds to be cash equivalents.

Restricted Cash

Restricted cash represents the portion of the Program's cash balance at year-end that has been obligated for known future expenditures, such as loans, which have been approved and are complete as to all application requirements. The restricted portion fluctuates as obligated funds are used or as funds are de-obligated.

Restricted Investments

Restricted investments at June 30, 2024 represents a portion of the Series 2013B Revenue Bonds as well as the residual investment amounts related to the Series 2003 Revenue Bonds remaining after the retirement of the Series 2003 Revenue bonds during FY-2016. The amount has been set-aside into a Debt Service Reserve Fund. The Debt Service Reserve fund portion of restricted investments totals \$8,215,792 and \$10,377,390 at June 30, 2024 and June 30, 2023, respectively (See Note 5).

Equipment

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The useful life of software has been estimated at 3 years. The useful life of computers has been estimated at 3 to 5 years. The useful life of equipment has been estimated at 5 years. The useful life of furniture has been estimated at 9 years. The Program's policy is to capitalize individual asset purchases in excess of \$5,000.

Debt Issuance Costs

Debt issuance costs are expensed as incurred.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Bond Issue Discount and Premium

The Program's State Revolving Fund Revenue Bonds Series 2021, Series 2020, Series 2018, and Series 2016 were initially sold at a premium of \$76,316,271. Series 2023A was initially sold at a discount of \$984,845. The bond discount/premium is being amortized over the remaining life of the bonds. Net amortization expense of \$2,855,150 and \$4,833,194 was recorded in 2023 and 2022, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

Loan Administration Fees

Loan administrative fees are assessed to each participating borrower by the OWRB at the rate of one-half of one percent per annum of the amount of each borrower's loan balance outstanding. Fees paid by the participating borrowers are remitted directly to OWRB and, therefore, are not included in the accompanying Program financial statements. These fees are deposited into the Drinking Water Loan Administration Fund, an account held outside the Program. The activity within this fund for the years ended June 30, 2024 and 2023, was as follows:

Balance, July 1, 2023	\$ 11,941,920	Balance, July 1, 2022	\$ 9,950,345
Fee income	4,405,922	Fee income	3,791,644
Interest income	367,471	Interest income	197,847
Operating expenses	(1,050,575)	Operating expenses	(660,116)
Transfers	(495,600)	Transfers	(1,337,800)
Balance, June 30, 2024	\$ 15,169,138	Balance, June 30, 2023	\$ 11,941,920

Unrestricted Net Liability

The unrestricted net liability at June 30, 2024 and 2023, is attributed to the accrual for compensated absences for financial reporting purposes in advance of reimbursement of such costs under the Program's federal funding arrangements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**

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**2. CASH DEPOSITS AND INVESTMENT RISK**

Cash of \$113,988,429 and \$105,934,013 at June 30, 2024 and 2023, respectively, was on deposit in the State Treasurer's office's internal investment pool – *OK Invest*. Restricted cash of \$7,377,758 and \$119,803,974 at June 30, 2024 and 2023, respectively, was on deposit with the Program's trustee. Amounts on deposit with the Program's trustee bank are invested in the *Federated Treasury Obligations*, *Federated Government Obligation*, *Goldman Sachs Financial Square Treasury Obligations* and the *Goldman Sachs Financial Square Federal Funds* money market mutual funds.

Custodial credit risk for deposits is the risk that in the event of a bank or other institution failure, the Program's deposits may not be returned or the Program will not be able to recover collateral securities in the possession of an outside party. The Program deposits its funds with the Office of the State Treasurer (OST). Oklahoma statutes require OST to ensure that all state funds either be insured by Federal Deposit Insurance, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The Program's deposits with the State Treasurer are pooled with the funds of other State agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the Treasurer may determine, in the State's name.

Of the \$113,988,429 and \$105,934,013 in cash and cash equivalents on deposit with the State Treasurer as of June 30, 2024 and June 30, 2023, 100% represent amounts held within OK INVEST, an internal investment pool. Agencies and funds that are considered to be part of the State's reporting entity in the State's Comprehensive Annual Financial Report are allowed to participate in OK INVEST. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the day-to-day OK INVEST management with an emphasis on safety of the capital and the probable income to be derived and meeting the State's daily cash flow requirements. Guidelines in the State Treasurer's Investment Policy address credit quality requirements, diversification percentages and the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer's website at <http://www.ok.gov/treasurer/>. An evaluation of the use and purpose of the Program's participation in the internal investment pool determined that the amounts on deposit with OK INVEST are considered demand deposits and are reported as cash equivalents.

*Investment Interest Rate Risk* – the Program does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates as it relates to funds not directly associated with bond issue proceeds.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**2. CASH DEPOSITS AND INVESTMENT RISK (Cont'd)**

*Investment Credit Risk- Non-Debt Proceeds* – for non-debt proceeds, the Program has no investment policy that limits its investment choices other than the limitation of state law imposed on the State Treasurer as follows:

- a. U.S. Treasury Bills, Notes and Bonds and U.S. Government Agency Securities with certain ratings and maturity limitations.
- b. Collateralized or insured certificates of deposit and other evidences of deposit issued by a bank, savings bank, savings and loan association or credit union located in the state.
- c. With certain ratings and maturity limitations, negotiable certificates of deposit, bankers' acceptances and commercial paper.
- d. Obligations of state and local governments, including obligations of Oklahoma state public trusts, with certain ratings and maturity limitations.
- e. Collateralized repurchase agreements tri-party repurchase agreements.
- f. Money market mutual funds and short-term bond funds regulated by the Securities and Exchange Commission (SEC) and in which investments consist of obligations of the U.S. Government and its agencies and instrumentalities and repurchase agreements collateralized by obligations of the U.S. Government and its agencies and instrumentalities.

*Investment Credit Risk - Debt Proceeds* – for debt proceeds, the bond indenture provides for restrictions on the investment choices of the Program as follows:

- a. Obligations of the United States Government, its agencies and instrumentalities.
- b. Collateralized or insured certificates of deposit and other evidences of deposit at banks, savings banks, savings and loan associations or credit unions located in the State of Oklahoma.
- c. Money market funds regulated by the Securities and Exchange Commission and which investments consist of those items specified in (a) and (b) above.
- d. Investment agreements with entities maintaining a rating in the top two categories by a nationally recognized municipal bond rating agency.

The program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**2. CASH DEPOSITS AND INVESTMENT RISK (Cont'd)**

At June 30, 2024 and 2023, the Program's investments in obligations not directly guaranteed by the U.S. Government and investments in money market mutual funds were valued according to the following hierarchy and were rated as follows:

Type	Maturities	Credit Rating	Fair Value Hierarchy	Carrying Value	
				2024	2023
OK Invest	On Demand	Not Rated	N/A	\$ 113,988,429	\$ 105,934,013
Federated Government Obligation Fund	16 days	AAAm	Level 1	6,160,605	111,688,806
Goldman Sach Fin. Sq. Treasury Oblig. Fund	16 days	AAAm	Level 1	1,217,153	8,115,168
Federal Farm Credit Bank	2022/2025	AA+	Level 2	882,440	1,933,798
Federal Loan Mortgage Corp. Int. Strips	2025	AA+	Level 2	2,815,900	2,675,694
Tennessee Valley Authority Coupon Strips	2022/2025	AA+	Level 2	4,517,452	5,767,898
				<u>\$ 129,581,979</u>	<u>\$ 236,115,377</u>
Reconciliation to Statement of Net Position					
			Cash	\$ 113,988,429	\$ 105,934,013
			Restricted Cash	7,377,758	119,803,974
			Restricted Investments	8,215,792	10,377,390
				<u>\$ 129,581,979</u>	<u>\$ 236,115,377</u>

*Concentration of Investment Credit Risk* – neither the Program nor the bond indenture place any limit on the amount the Program may invest in any one issuer. The Program has the following concentration of credit risk at June 30, 2024: 6% or \$7,377,758 is invested in government obligations money market mutual funds, 6% or \$8,215,792 is invested directly in fixed income securities, and 88% or \$113,988,429 is invested in OK Invest. A "pooled cash" concept is used by ODEQ in maintaining cash and equivalents for the Program's Set Aside accounts. Under this method, cash and equivalents are pooled and each ODEQ program has equity in the pooled amount. There were no pooled cash overdrafts included in Due to ODEQ in the current year.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**3. FEDERAL LETTERS OF CREDIT**

The Fund has access to a line of credit with the Federal government through the Environmental Protection Agency that can be accessed for various projects by the Fund. Federal letters of credit ("LOC") balances available at June 30, 2024 and 2023, are as follows:

	Year Ended June 30, 2024					
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	Totals
LOC Available for draw	\$ 15,729,106	\$ 33,467,643	\$ 6,979,404	\$ 39,788,597	\$ 348,814,834	\$ 444,779,584
Grant available in 2024	430,546	854,874	280,714	1,213,724	15,501,142	18,281,000
LOC reprogrammed	(503,252)	(1,801,323)	(373,325)	(1,070,155)	3,748,055	-
Cumulative cash draws	13,981,533	27,973,334	7,138,699	36,511,340	351,278,482	436,883,388
LOC balance available for draw at June 30, 2024	<u>\$ 1,674,867</u>	<u>\$ 4,547,860</u>	<u>\$ (251,906)</u>	<u>\$ 3,420,826</u>	<u>\$ 16,785,549</u>	<u>\$ 26,177,196</u>

	Year Ended June 30, 2023					
	Administrative	Program Management & Reserve	Small Systems	Local Assistance	Loan	Totals
LOC Available for draw	\$ 13,203,712	\$ 27,472,377	\$ 5,679,622	\$ 33,716,168	\$ 283,339,081	\$ 363,410,960
Grant available in 2023	2,525,394	5,995,266	1,299,782	6,072,429	65,475,753	81,368,624
LOC reprogrammed	-	-	-	-	-	-
Cumulative cash draws	13,458,677	27,357,410	5,727,375	33,920,011	313,605,908	394,069,381
LOC balance available for draw at June 30, 2023	<u>\$ 2,270,429</u>	<u>\$ 6,110,233</u>	<u>\$ 1,252,029</u>	<u>\$ 5,868,586</u>	<u>\$ 35,208,926</u>	<u>\$ 50,710,203</u>

Due to the fact that the grants cover a period of more than 8 quarters, not all of the balances presented above are available for immediate drawdown.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**

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**4. LOANS RECEIVABLE**

The Program originates loans with Oklahoma municipalities and other entities for financing of public water supply infrastructure construction projects such as drinking water treatment, transmission or storage projects eligible under the Safe Drinking Water Act, or the refinance of existing debt for these purposes. Effective interest rates on the outstanding loans vary from 0% to 3.50% at June 30, 2023, and from 0% to 3.50% at June 30, 2024.

At least 14% of the 2023 annual federal grant must be used for principal forgiveness for projects meeting health-based issues, regionalization, or consolidation criteria. For the period ending June 30, 2024, the Program made zero (0) loans to borrowers in this category.

At least 12% up to a maximum of 35% of the 2023 federal grant must be used for principal forgiveness for project meeting disadvantaged criteria. For the period ending June 30, 2024, the program made five (5) loans to borrowers in this category.

During FY 2024, DEQ was awarded new grants from the Bipartisan Infrastructure Law allotments. The first new grant, DWSRF General Supplemental (GS), required a 49% subsidy. For the period ending June 30, 2024, the program made 18 loans to borrowers in this category. The second new grant, Lead Service Line Inventory/Replacement (LSLI/R), required 49% subsidy and 51% loan. For the period ending June 30, 2024, the program made zero (0) loans to borrowers in this category. The third new grant, Emerging Contaminants, (EC) requires 100% principal forgiveness. For the period ending June 30, 2024, the program made one (1) loan to a borrower in this category.

As of FY24, the Fund remains in compliance with the relevant requirements for the programs outlined above.

The Program also provides for extended loan terms to borrowers meeting the “disadvantaged communities” criteria. Loan terms can be extended to up to thirty years and not to exceed the useful life of the proposed project. For the periods ending June 30, 2024 and 2023, the Program made 9 and 6 loans, respectively, under the “disadvantaged” criteria.

Loans are collateralized by various revenue sources including, but not limited to, user charges and sales taxes collected by the borrowers. Principal payments must start within one year of construction completion or at an earlier date set in the loan agreement. Loan terms are available up to a maximum of twenty years, except for loans qualifying under the “disadvantaged” criteria for which the maximum term is thirty years. During the years ended June 30, 2024 and 2023, principal payments of \$40,878,055 and \$29,391,233, respectively, had been received.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**4. LOANS RECEIVABLE (Cont'd)**

Loans receivable activity from July 1, 2023 to June 30, 2024 is as follows:

Balance, June 30, 2022	\$	662,905,990
Loan Disbursements		183,967,782
Loan Principal repayments and forgiveness		<u>(38,039,888)</u>
		145,927,894
Balance, June 30, 2023	\$	<u>808,833,884</u>
Loan Disbursements		165,682,107
Loan Principal repayments and forgiveness		<u>(59,593,035)</u>
		106,089,072
Balance, June 30, 2024	\$	<u>914,922,956</u>

**5. RESTRICTED INVESTMENTS**

A description of the restricted investments held at June 30, 2024 and 2023, is as follows:

<u>Type</u>	<u>2024</u>	<u>2023</u>
Federal Farm Credit Bank	\$ 882,440	\$ 1,933,798
Federal Loan Mortgage Corp. Int. Strips	2,815,900	2,675,694
Tennessee Valley Authority Coupon Strips	<u>4,517,452</u>	<u>5,767,898</u>
	<u>\$ 8,215,792</u>	<u>\$ 10,377,390</u>



**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

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**6. BINDING COMMITMENTS**

The OWRB, pursuant to an interagency agreement entered into between ODEQ and OWRB, approves funding of various loan applications through the Program. These binding commitments will be funded by the Program provided that a loan agreement and promissory note are executed within one year from the date of original approval unless an extension is granted by the OWRB. Binding commitments approved by the OWRB for which a loan agreement and promissory note have not been executed totaled \$1,000,000 and \$0 at June 30, 2024 and 2023, respectively.

**7. EQUIPMENT**

A summary of changes to equipment is as follows:

Year ended 2024				
	June 30, 2023	Additions	Disposals	June 30, 2024
Equipment	\$ 2,201,288	531,675	-	\$ 2,732,963
Accumulated depreciation	(1,789,032)	(314,967)	-	(2,103,999)
Net	\$ 412,256	216,708	-	\$ 628,964

Year ended 2023				
	June 30, 2022	Additions	Disposals	June 30, 2023
Equipment	\$ 2,201,288	-	-	\$ 2,201,288
Accumulated depreciation	(1,581,293)	(207,739)	-	(1,789,032)
Net	\$ 619,995	(207,739)	-	\$ 412,256

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**

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**8. LONG-TERM DEBT**

Bonds Payable

On May 18, 2023, the Program issued State Revolving Fund Revenue Bonds, Series 2023A, in the amount of \$175,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account, and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On December 22, 2021, the Program issued State Revolving Fund Revenue Bonds, Series 2021, in the amount of \$199,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On October 22, 2020, the Program issued State Revolving Fund Revenue Bonds, Series 2020 in the amount of \$95,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On December 19, 2019 the Program issued State Revolving Fund Refunding Bonds, Series 2019 in the amount of \$154,420,000. A portion of the bonds, \$28,210,000, were issued together with certain other available moneys and investments to refund the \$48,545,000 of the State Revolving Fund Revenue Bonds, Series 2011A and \$36,890,000 of the State Revolving Fund Revenue Bonds, Series 2012B, and to pay the cost of issuance of the bonds. The remaining portion of the issue was used to refund bonds in the OWRB Clean Water Loan Program.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024 and 2023**

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8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

On March 22, 2018, the Program issued State Revolving Fund Revenue Bonds, Series 2018 in the amount of \$80,055,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On October 19, 2016, the Program issued State Revolving Fund Revenue Bonds, Series 2016 in the amount of \$90,000,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their drinking water treatment systems, to reimburse the Program for amounts previously advanced to local governments, and to enable the Program to meet the State matching requirements to obtain Federal grants.

On September 19, 2013, the Program issued State Revolving Fund Revenue Bonds, Series 2013B in the amount of \$35,505,000. The bonds are secured by the loans made to the local entities by the OWRB, investment income in the Drinking Water State Revolving Fund Account and monies held in the Debt Service Reserve Fund. These bonds were issued to provide funds, together with certain other available monies and investments, to retire the Program's Series 2003 Revenue Bonds, and to fund a debt service reserve fund.

*Advanced Refunding*

The Program used \$24,581,196 of funds available in the 2013A revenue fund along with cash on hand to refund \$23,985,000 of outstanding principal of the 2013A Drinking Water State Revolving Fund bonds. The available funds were placed in escrow to refund the bonds on December 14, 2021. As a result, the 2013A Series bonds are considered defeased and the liability for the bond has been removed from the Statement of Net Position.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,792,672. This difference, reported in the accompanying financial statements as a deferred inflow, is being charged to operations through the year 2043 using the straight line method. The Board completed the advance refunding to reduce its total debt service payments over the next twenty two years by \$1,065,459 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$7,473,559 for the DW Program.

Future debt service payments required by the Program's serial bonds as of June 30, 2024, are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 22,715,000	\$ 23,366,318	\$ 46,081,318
2026	19,800,000	22,295,981	42,095,981
2027	19,160,000	21,435,333	40,595,333
2028	20,385,000	20,539,220	40,924,220
2029	20,930,000	19,626,444	40,556,444
2030-2034	106,450,000	82,749,912	189,199,912
2035-2039	113,365,000	63,604,240	176,969,240
2040-2044	108,480,000	46,677,833	155,157,833
2045-2050	130,525,000	30,241,269	160,766,269
2051-2053	42,460,000	1,821,519	44,281,519
Total	\$ 604,270,000	\$ 332,358,068	\$ 936,628,068

In addition to their normal scheduled maturity dates as shown above, the bonds may also be redeemed at the option of the Board, in whole or part, at such dates and for such prices, plus accrued interest as are set forth in the bond indenture.

In order for the interest on the Program's Series 2023A, 2021, 2020, 2018, and 2016 bonds to be tax-exempt, the Board must comply with certain provisions of the Internal Revenue Code, as amended. One provision requires that the arbitrage earnings (defined as the excess of the amount earned on all nonpurpose investments over the amount which would have been earned if the nonpurpose investments were invested at a rate equal to the note/bond yield) be rebated to the Internal Revenue Service. This rebate is payable at the end of each five years during the term of the issues. Management has estimated the arbitrage rebate liability at June 30, 2024 to be immaterial for the Series 2023A, 2021, 2020, 2018, and 2016 bonds.

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

8. LONG-TERM DEBT (Cont'd)

Bonds Payable (Cont'd)

Changes in long-term debt outstanding at June 30, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Series 2023 bonds due April 1, 2027 to April 1, 2053, interest at 4.125% to 5.00%	\$ 175,000,000	\$ -
Series 2021 bonds due April 1, 2022 to April 1, 2051, interest at 1.75% to 5.00%	196,325,000	196,590,000
Series 2020 bonds due April 1, 2021 to April 1, 2040, interest at 2.00% to 5.00%	87,895,000	91,300,000
Serial 2019 bonds due April 1, 2020 to April 1, 2042, interest at 1.73% to 3.17%	26,490,000	27,475,000
Serial 2018 bonds due April 1, 2020 to April 1, 2038, interest at 3.38% to 5.00%	52,325,000	61,375,000
Serial 2016 bonds due April 1, 2020 to April 1, 2041, interest at 4.00% to 5.00%	84,500,000	85,500,000
Serial 2013B bonds due April 1, 2020 to April 1, 2025, interest at 2.71% to 4.12%	2,260,000	3,965,000
Unamortized premium	57,643,038	61,487,210
	\$ <u>682,438,038</u>	\$ <u>527,692,210</u>
Add: Serial 2023 bonds due April 1, 2027 to April 1, 2053, interest at 4.125% to 5.00%	-	175,000,000
Less: bond discount from series 2023 issuance	-	(984,845)
Less: debt principal repayments	(20,525,000)	(16,410,000)
Less: current amortization of premium	(2,825,872)	(2,859,327)
Ending Balances:	\$ <u>659,087,166</u>	\$ <u>682,438,038</u>
Amounts due in one year	\$ <u><u>22,715,000</u></u>	\$ <u><u>20,525,000</u></u>

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2024 and 2023**

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9. COMMITMENTS AND CONTINGENCIES

The Program is exposed to various risks of loss related to torts, thefts of assets, efforts and omissions, injuries to employees while performing Program business, or acts of God. The Program maintains insurance through the State of Oklahoma Risk Management Division, which is included in the indirect costs charged to the Program. There have not been any claims against the Program since its inception in 1998.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 16, 2024, the date on which the financial statements were available to be issued.

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**OKLAHOMA DEPARTMENT OF  
ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER  
STATE REVOLVING FUND  
LOAN PROGRAM**

**SUPPLEMENTAL SCHEDULE INFORMATION**

OKLAHOMA DEPARTMENT OF ENVIROMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

SUPPLEMENTAL COMBINING STATEMENT OF NET POSITION INFORMATION - BY PROGRAM COMPONENT  
June 30, 2024

	Set Aside Funds					
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	Totals
<b>ASSETS</b>						
Current Assets:						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 113,988,429	\$ 113,988,429
Federal letter of credit payments receivable	178,022	2,255,675	-	114,413	-	2,548,110
Due from Oklahoma Department of of Environmental Quality ("ODEQ")	-	-	469,507	-	-	469,507
Accrued interest on loans receivable	-	-	-	-	5,047,163	5,047,163
Other interest receivable	-	-	-	-	397,986	397,986
Loans receivable	-	-	-	-	41,741,526	41,741,526
Total current assets	178,022	2,255,675	469,507	114,413	161,175,104	164,192,721
Noncurrent Assets:						
Restricted cash	-	-	-	-	7,377,758	7,377,758
Restricted investments	-	-	-	-	8,215,792	8,215,792
Loans receivable, net of current portion	-	-	-	-	873,181,430	873,181,430
Equipment, net	-	653,370	-	(24,406)	-	628,964
Total noncurrent assets	-	653,370	-	(24,406)	888,774,980	889,403,944
Total assets	178,022	2,909,045	469,507	90,007	1,049,950,084	1,053,596,665
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts payable	550	449,352	170,679	28,133	-	648,714
Federal letter of credit payments payable	-	-	290,207	-	-	290,207
Due to Oklahoma Department of of Environmental Quality ("ODEQ")	169,470	2,449,790	-	57,433	-	2,676,693
Compensated absences	9,175	56,617	48,155	63,559	-	177,506
Interest payable	-	-	-	-	5,847,380	5,847,380
Current maturities of long-term debt	-	-	-	-	22,715,000	22,715,000
Total current liabilities	179,195	2,955,759	509,041	149,125	28,562,380	32,355,500
Noncurrent Liabilities:						
Compensated absences	3,931	24,264	20,640	27,238	-	76,073
Long-term debt, net of current maturities	-	-	-	-	581,555,000	581,555,000
Unamortized (discount)/premium	-	-	-	-	54,817,166	54,817,166
Total noncurrent liabilities	3,931	24,264	20,640	27,238	636,372,166	636,448,239
Total liabilities	183,126	2,980,023	529,681	176,363	664,934,546	668,803,739
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unamortized (gain/loss) on refunding	-	-	-	-	5,784,942	5,784,942
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	-	653,370	-	(24,406)	-	628,964
Restricted for loans and debt service	-	-	-	-	379,230,596	379,230,596
Unrestricted net position	(5,104)	(724,348)	(60,174)	(61,950)	-	(851,576)
Total net position	\$ (5,104)	\$ (70,978)	\$ (60,174)	\$ (86,356)	\$ 379,230,596	\$ 379,007,984

See accompanying notes to the financial statements



OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

SUPPLEMENTAL COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN  
NET POSITION INFORMATION - BY PROGRAM COMPONENT  
For the Year Ended June 30, 2024

	Set Aside Funds					
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	Totals
<b>REVENUES</b>						
Operating revenues:						
Federal grants	\$ 525,677	\$ 1,828,668	\$ 974,864	\$ 2,777,140	\$ -	\$ 6,106,349
Loan program income	-	-	-	-	21,072,740	21,072,740
Total operating revenue	<u>525,677</u>	<u>1,828,668</u>	<u>974,864</u>	<u>2,777,140</u>	<u>21,072,740</u>	<u>27,179,089</u>
<b>EXPENSES</b>						
Operating expenses:						
Salaries and benefits	368,890	836,045	427,778	1,402,242	-	3,034,955
Professional services	39,375	16,658	470,199	738,744	-	1,264,976
Travel	1,667	17,580	9,694	125,257	-	154,198
Office	283	51,863	1,760	39,542	-	93,448
Equipment	-	211,806	-	1,506	-	213,312
Depreciation	-	243,129	-	71,837	-	314,966
Indirect costs	107,478	244,050	108,735	401,200	-	861,463
Other expense	-	202,601	-	(9,244)	-	193,357
Interest expense	-	-	-	-	20,983,326	20,983,326
Total operating expenses	<u>517,693</u>	<u>1,823,732</u>	<u>1,018,166</u>	<u>2,771,084</u>	<u>20,983,326</u>	<u>27,114,001</u>
Operating income (loss)	<u>7,984</u>	<u>4,936</u>	<u>(43,302)</u>	<u>6,056</u>	<u>89,414</u>	<u>65,088</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Federal grants	-	-	-	-	37,670,594	37,670,594
Federal grants-principal forgiveness	-	-	-	-	(18,727,329)	(18,727,329)
Loss on Investments	-	-	-	-	397,423	397,423
Investment income	-	-	-	-	81,191	81,191
Interest income-invested cash balances	-	-	-	-	3,087,030	3,087,030
Net nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,508,909</u>	<u>22,508,909</u>
Income (loss) before transfers	<u>7,984</u>	<u>4,936</u>	<u>(43,302)</u>	<u>6,056</u>	<u>22,598,323</u>	<u>22,573,997</u>
Transfers in - Drinking Water Treatment Loan Admin Fund	-	-	-	-	495,636	495,636
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>495,636</u>	<u>495,636</u>
Increase (decrease) in net position	<u>7,984</u>	<u>4,936</u>	<u>(43,302)</u>	<u>6,056</u>	<u>23,093,959</u>	<u>23,069,633</u>
<b>NET POSITION</b>						
Net position, beginning of year	<u>(13,088)</u>	<u>(75,914)</u>	<u>(16,872)</u>	<u>(92,412)</u>	<u>356,136,637</u>	<u>355,938,351</u>
Net position, end of year	<u>\$ (5,104)</u>	<u>\$ (70,978)</u>	<u>\$ (60,174)</u>	<u>\$ (86,356)</u>	<u>\$ 379,230,596</u>	<u>\$ 379,007,984</u>

See accompanying notes to the financial statements

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OKLAHOMA DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

STATEMENTS OF CASH FLOWS - BY PROGRAM COMPONENT  
For the Year Ended June 30, 2024

	Set Aside Funds					
	Administrative	Program Management	Small Systems	Local Assistance and Other State Programs	Loan Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Federal grant receipts	\$ 522,855	\$ 1,411,324	\$ 974,864	\$ 2,662,727	\$ -	\$ 5,571,770
Collection of interest on loans to local governmental units	-	-	-	-	20,553,877	20,553,877
Payments to employees	(376,876)	(849,001)	(384,472)	(1,411,025)	-	(3,021,374)
Payments to suppliers	(145,979)	(30,648)	(590,392)	(1,251,702)	-	(2,018,721)
Interest paid on debt	-	-	-	-	(23,437,302)	(23,437,302)
Net cash provided (used by) operating activities	-	531,675	-	-	(2,883,425)	(2,351,750)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Principal paid on bonds	-	-	-	-	(20,525,000)	(20,525,000)
Federal grant receipts	-	-	-	-	18,943,265	18,943,265
Transfers in (out) - Drinking Water Treatment Loan Administrative Fund	-	-	-	-	495,636	495,636
Net cash provided (used) by noncapital financing activities	-	-	-	-	(1,086,099)	(1,086,099)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of equipment	-	(531,675)	-	-	-	(531,675)
Net cash provided (used) in capital and related financing activities	-	(531,675)	-	-	-	(531,675)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Loans to local governmental units	-	-	-	-	(165,682,107)	(165,682,107)
Collection of principal on loans to local governmental units	-	-	-	-	40,865,706	40,865,706
Collection of principal on loans to local governmental units from federal grant proceeds	-	-	-	-	18,727,329	18,727,329
Interest on investments	-	-	-	-	81,191	81,191
Interest on invested cash balances	-	-	-	-	3,046,584	3,046,584
Sale (Purchase) of investments	-	-	-	-	2,559,021	2,559,021
Net cash provided (used) by investing activities	-	-	-	-	(100,402,276)	(100,402,276)
Net increase (decrease in cash)	-	-	-	-	(104,371,800)	(104,371,800)
Cash and cash equivalents, beginning of year	-	-	-	-	225,737,987	225,737,987
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ -	\$ 121,366,187	\$ 121,366,187
Reconciliation to Statement of Net Position:						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 113,988,429	\$ 113,988,429
Restricted Cash	-	-	-	-	7,377,758	7,377,758
Total cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 121,366,187	\$ 121,366,187
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 7,984	\$ 4,936	\$ (43,302)	\$ 6,056	\$ 89,414	\$ 65,088
Adjustment to reconcile net operating income (loss) to net cash provided by operating activities:						
Depreciation	-	243,129	-	71,837	-	314,966
Amortization of bond premium	-	-	-	-	(2,825,872)	(2,825,872)
Amortization of gain from refunding	-	-	-	-	(325,912)	(325,912)
Changes in operating assets and liabilities:						
Decrease (Increase) in letter of credit payments receivable	(2,822)	(417,344)	-	(114,413)	-	(534,579)
Decrease (Increase) in interest receivable	-	-	-	-	(518,863)	(518,863)
Increase (Decrease) in accounts payable	(61,624)	434,412	125,544	(137,409)	-	360,923
Increase (Decrease) in letter of credit payments payable	-	-	(358,938)	(71,399)	-	(430,337)
Increase(Decrease) in due to/from DEQ	64,448	279,498	233,390	254,111	-	831,447
Increase(Decrease) in compensated absences	(7,986)	(12,956)	43,306	(8,783)	-	13,581
Increase(Decrease) in interest payable	-	-	-	-	697,808	697,808
Net cash provided (used) by operating activities	\$ -	\$ 531,675	\$ -	\$ -	\$ (2,883,425)	\$ (2,351,750)

See accompanying notes to the financial statements



# **OKLAHOMA**

## **Water Resources Board**

### **OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM**

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**ANNUAL FINANCIAL STATEMENTS  
AS OF AND FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023  
AND INDEPENDENT AUDITOR'S REPORTS**

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2024 and 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the  
Oklahoma Water Resources Board  
Oklahoma Clean Water State Revolving Loan Fund Loan Account Program

### **Opinion**

We have audited the accompanying financial statements of the Oklahoma Water Resources Board Clean Water State Revolving Loan Account Program ("The Program") as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of June 30, 2024 and 2023, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Program, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for a reasonable period of time.

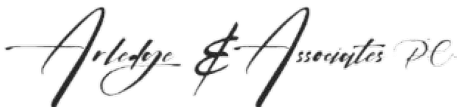
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2024, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma  
September 16, 2024



**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM**  
**ANNUAL FINANCIAL REPORT**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM  
ANNUAL FINANCIAL REPORT  
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**MANAGEMENT’S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Oklahoma Clean Water State Revolving Loan Fund Account Program's (the "Program") financial performance provides an overview of the Program's financial activities for the fiscal years ended June 30, 2024 and 2023. Please read it in conjunction with the Program's financial statements, which begin on page 11. The Oklahoma Water Resources Board (the "Board") administers the Program.

**Program Highlights**

- The Program made binding commitments for thirty-six (36) new construction, planning loans totaling approximately \$326.8 million.
- The Program funded eleven (11) projects for communities discharging to priority stream segments identified as threatened or impaired on the Impaired Waterbodies List (Section 303(d)) of Oklahoma's Integrated Water Quality Assessment Report). The total funding approved for these communities was approximately \$111.7 million.
- The Program saw twenty-five (25) projects begin construction and eleven (11) projects complete construction and initiate operations.
- The Program approved seven (7) projects to assist Oklahoma communities to attain compliance with the enforceable permit requirements of the Clean Water Act in order to protect the water quality of receiving streams and lakes.

**Financial Highlights**

- Ending Program net position increased from \$456,762,275 to \$482,160,124 between FY 2023 and FY 2024 with \$7,023,619 restricted for debt service. Ending Program net position increased from \$424,670,169 to \$456,762,275 between FY 2022 and FY 2023 with \$9,126,002 restricted for debt service.
- At June 30, 2024 the Program had 235 loans with a balance of \$830,943,070. At June 30, 2023 there were 222 outstanding loans with a principal balance of \$717,133,319. At June 30, 2022 the Program had 217 loans with a balance of \$650,524,978.

**Using This Annual Report**

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The Program is accounted for and presented similar to, but not identical to, a special-purpose government engaged solely in business-type activities.

(Unaudited. See accompanying auditor’s report.)



**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM**  
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The financial statements for the Program are presented after the Management’s Discussion and Analysis in this annual report and then followed by the footnotes in this order:

- Management’s Discussion and Analysis – that provides useful analysis that facilitates a better understanding of the Program’s financial condition and changes therein.
- Basic Financial Statements
  - Statements of Net Position
  - Statements of Revenues, Expenses and Changes in Net Position
  - Statements of Cash Flows
- Footnotes - that elaborate on the accounting principles used in the preparation of the financial statements and further explain financial statement elements.

**A Financial Analysis of the Program**

One of the most frequently asked questions about the Program’s finances is, “Has the overall financial condition improved, declined or remained steady over the past year?” The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Program as a whole and about its activities in a way that helps answer this question. The following tables present a condensed comparative presentation of net position and changes therein.

Oklahoma Water Resources Board CWSRF Loan Account Program Net Position			
	Business-Type Activities		
	June 30		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 123,096,877	\$ 222,783,655	\$ 111,241,802
Non-current assets	780,207,372	681,155,173	619,762,388
<b>Total assets</b>	<u>903,304,249</u>	<u>903,938,828</u>	<u>731,004,190</u>
Current liabilities	27,282,139	25,286,436	31,044,749
Non-current liabilities	383,992,555	410,507,154	262,392,777
<b>Total liabilities</b>	<u>411,274,694</u>	<u>435,793,590</u>	<u>293,437,526</u>
Deferred inflows	<u>9,869,431</u>	<u>11,382,963</u>	<u>12,896,495</u>
<b>Total liabilities and deferred inflows</b>	<u>421,144,125</u>	<u>447,176,553</u>	<u>306,334,021</u>
Net position			
Restricted	7,023,619	9,126,002	11,585,021
Unrestricted	475,136,505	447,636,273	413,085,148
<b>Total net position</b>	<u>\$ 482,160,124</u>	<u>\$ 456,762,275</u>	<u>\$ 424,670,169</u>

In FY 2024, the decrease in total liabilities and the decrease in deferred inflows is attributable to the decrease in outstanding debt. The increase in non-current assets is attributable to the increase in loans to local communities.

(Unaudited. See accompanying auditor’s report.)

**OKLAHOMA WATER RESOURCES BOARD**  
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In FY 2023, the increase in current assets is the result of an increase in cash and cash equivalents. The increase in non-current assets and total liabilities is the result of the issuance of the 2023 Bonds to fund new construction projects.

	<b>Business-Type Activities</b>		
	<b>Years Ended June 30,</b>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>			
Loan program income, net	\$ 14,311,325	\$ 12,636,098	\$ 12,365,647
Investment income	5,816,234	3,176,613	151,072
<b>Total revenues</b>	<u>20,127,559</u>	<u>15,812,711</u>	<u>12,516,719</u>
<b>Expenses</b>			
Interest expense	10,340,670	7,310,319	6,149,188
Other expenses	-	-	30,000
Bond issuance costs	-	900,782	-
<b>Total expenses</b>	<u>10,340,670</u>	<u>8,211,101</u>	<u>6,179,188</u>
Net Income before transfers, grants, forgiveness and contributions	9,786,889	7,601,610	6,337,531
Federal grants	23,066,203	31,898,084	10,076,067
Federal grant principal forgiveness	(7,455,243)	(7,407,588)	(1,264,036)
Transfers from other programs	-	-	67,480
<b>Increase in net position</b>	<u>25,397,849</u>	<u>32,092,106</u>	<u>15,217,042</u>
<b>Total net position - beginning</b>	456,762,275	424,670,169	409,453,127
<b>Total net position - ending</b>	<u>\$ 482,160,124</u>	<u>\$ 456,762,275</u>	<u>\$ 424,670,169</u>

OWRB provided \$7,455,243 in principal forgiveness to borrowers in FY 2024 compared to \$7,407,588 in FY 2023. In addition, the Program received \$23,066,203 in net Federal Capitalization Grants in FY 2024 compared to \$31,898,804 in FY 2023. The significant increase in federal grant revenue was provided by the Infrastructure Investment and Jobs Act known as the Bipartisan Infrastructure Law (BIL).

(Unaudited. See accompanying auditor's report.)

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM**  
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Long- Term Debt

At year-end, the Program had \$407,732,555 in long-term debt outstanding, net of unamortized premium, which represents a \$23,644,599 or 5.5% decrease from June 30, 2023. Debt increased \$140,104,377, or 48.1%, from 2022 to 2023. The Program's changes in long-term debt by type of debt are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Beginning balances:			
2014A Serial bonds due April 1, 2015 to April 1, 2026, interest at 0.188% to 3.671%	\$ 9,775,000	\$ 13,790,000	\$ 17,890,000
2015 Serial bonds due April 1, 2017 to April 1, 2040, interest at 2.00% to 5.00%	27,045,000	39,245,000	51,730,000
2019 Serial bonds due April 1, 2022 to April 1, 2033, interest at 1.73% to 2.77%	102,665,000	114,445,000	126,210,000
2020 Serial bonds due April 1, 2021 to April 1, 2040, interest at 1.73% to 2.77%	92,305,000	93,190,000	93,700,000
2023 Serial bonds due April 1, 2025 to April 1, 2043, interest at 3.625% to 5.00%	150,000,000		
Unamortized premium	49,587,154	30,602,777	32,325,124
	<u>\$ 431,377,154</u>	<u>\$ 291,272,777</u>	<u>\$ 321,855,124</u>
Add: 2020 Serial bonds due April 1, 2025 to April 1, 2043, interest at 3.625% to 5.00%	-	150,000,000	-
Add: 2020 bond premium	-	-	-
Add: 2023 bond premium	-	21,071,209	
Less: debt principal repayments	(20,870,000)	(28,880,000)	(28,860,000)
Less: current amortization of premium	(2,774,599)	(2,086,832)	(1,722,347)
Ending balances	<u>\$ 407,732,555</u>	<u>\$ 431,377,154</u>	<u>\$ 291,272,777</u>
Amounts due in one year	<u>\$ 23,740,000</u>	<u>\$ 20,870,000</u>	<u>\$ 28,880,000</u>

See Note 6 to the financial statements for more detailed information on the Program's long-term debt and changes therein.

**Economic Factors and Next Year's Outlook**

As a result of the widespread need for water pollution control financing, and efforts by the OWRB to implement a "lower than market rate" loan program, we continue to receive responses from communities across the state requesting their projects be added to the five-year CWSRF Project Priority List (PPL). With the increased funding available through the Bipartisan Infrastructure Law and additional subsidies available, there has been a significant increase in requests to be placed on the CWSRF PPL. To date, the OWRB has received 208 wastewater and water quality projects in SFY 2025 totaling over \$473.6 million.

**Contacting the Program's Financial Management**

This financial report is designed to provide the Board's accountability of the Program. If you have questions about this report or need additional financial information, contact the Financial Assistance Division of the Oklahoma Water Resources Board at 3800 N. Classen Blvd, Oklahoma City, OK 73118.

(Unaudited. See accompanying auditor's report.)

**OKLAHOMA WATER RESOURCES BOARD  
OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM  
ANNUAL FINANCIAL REPORT  
As of and for the Years Ended June 30, 2024 and 2023**

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**BASIC FINANCIAL STATEMENTS**

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Years Ended June 30, 2024 and 2023**

**Statements of Net Position – June 30, 2024 and 2023**

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>ASSETS:</b>		
Current Assets:		
Cash and cash equivalents	\$58,595,405	\$171,141,311
Loans receivable	59,879,074	47,711,819
Interest receivable:		
Loans receivable	4,485,280	3,719,820
Other interest receivable	137,118	210,705
Total current assets	<u>123,096,877</u>	<u>222,783,655</u>
Noncurrent Assets:		
Loans receivable, net of current portion	771,063,996	669,421,500
Restricted investments	7,023,619	9,126,002
Investments	2,119,757	2,607,671
Total noncurrent assets	<u>780,207,372</u>	<u>681,155,173</u>
Total assets	<u>903,304,249</u>	<u>903,938,828</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
Accrued interest payable	3,542,139	4,416,436
Current maturities of long-term debt	23,740,000	20,870,000
Total current liabilities	<u>27,282,139</u>	<u>25,286,436</u>
Noncurrent liabilities:		
Long-term debt, less current maturities and plus unamortized premium	383,992,555	410,507,154
Total noncurrent liabilities	<u>383,992,555</u>	<u>410,507,154</u>
Total liabilities	<u>411,274,694</u>	<u>435,793,590</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>		
Deferred amount on refunding	<u>9,869,431</u>	<u>11,382,963</u>
<b>NET POSITION:</b>		
Restricted for debt service	7,023,619	9,126,002
Unrestricted	475,136,505	447,636,273
Total net position	<u>\$482,160,124</u>	<u>\$456,762,275</u>

See accompanying notes to the basic financial statements.

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM**  
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**As of and for the Years Ended June 30, 2024 and 2023**

**Statements of Revenues, Expenses and Changes in Net Position – Years Ended June 30, 2024 and 2023**

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>OPERATING REVENUES:</b>		
Loan program income (	\$14,311,325	\$12,636,098
Total operating revenues	<u>14,311,325</u>	<u>12,636,098</u>
<b>OPERATING EXPENSES:</b>		
Administration expenses	-	-
Interest expense	10,340,670	7,310,319
Bond issuance costs	-	900,782
Total operating expenses	<u>10,340,670</u>	<u>8,211,101</u>
<b>OPERATING INCOME</b>	3,970,655	4,424,997
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Federal grants and contracts	23,066,203	31,898,084
Federal grant principal forgiveness	(7,455,243)	(7,407,588)
Investment Income:		
Invested cash balances	2,135,039	904,364
Short-term investments revenue	3,305,626	2,121,253
Long-term investments revenue	75,866	163,523
Gain (loss) on investments	299,703	(12,527)
Total net non-operating revenues	<u>21,427,194</u>	<u>27,667,109</u>
<b>Change in net position</b>	25,397,849	32,092,106
<b>Total net position - beginning</b>	456,762,275	424,670,169
<b>Total net position - ending</b>	<u><u>\$482,160,124</u></u>	<u><u>\$456,762,275</u></u>

See accompanying notes to the basic financial statements.

**OKLAHOMA WATER RESOURCES BOARD**  
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**Statements of Cash Flows – Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collections of interest on loans to local governmental units	\$13,545,865	\$12,528,175
Interest paid on debt	(15,503,098)	(8,658,995)
Net Cash Provided by (used in) Operating Activities	<u>(1,957,233)</u>	<u>3,869,180</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Federal grant receipts	23,066,203	31,898,084
Bond issue proceeds	-	150,000,000
Bond issuance cost	-	(900,782)
Principal paid on bonds/notes	(20,870,000)	(28,880,000)
Premium on bonds issued	-	21,071,209
Net Cash Provided by Noncapital Financing Activities	<u>2,196,203</u>	<u>173,188,511</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans to local governmental units	(167,959,179)	(118,650,850)
Collections of principal on loans to local governmental units	46,694,185	44,634,921
Interest on invested cash balances	2,135,039	904,364
Interest on short-term investments	3,283,208	2,111,120
Interest on long-term investments	471,574	26,842
Sale of long-term investments	2,590,297	2,919,528
Net Cash Provided by (used in) Investing Activities	<u>(112,784,876)</u>	<u>(68,054,075)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(112,545,906)	109,003,616
<b>Balances - beginning of the year</b>	<u>171,141,311</u>	<u>62,137,695</u>
<b>Balances - end of the year</b>	<u><u>\$58,595,405</u></u>	<u><u>\$171,141,311</u></u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>		
Operating income	\$3,970,655	\$4,424,997
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Amortization of bond issuance premiums and deferred amount on refunding	(4,288,131)	(3,600,364)
Bond issuance cost	-	900,782
Change in assets and liabilities:		
Decrease (Increase) in interest receivable	(765,460)	(107,922)
Increase (Decrease) in accrued interest payable	(874,297)	2,251,687
Net Cash Provided by (used in) Operating Activities	<u><u>(\$1,957,233)</u></u>	<u><u>\$3,869,180</u></u>
<b>Non-cash Transactions:</b>		
Federal principal forgiveness	\$7,455,243	\$7,407,588
Total Non Cash Transactions	<u><u>\$7,455,243</u></u>	<u><u>\$7,407,588</u></u>

See accompanying notes to the basic financial statements.

**OKLAHOMA WATER RESOURCES BOARD**  
**OKLAHOMA CLEAN WATER STATE REVOLVING FUND LOAN ACCOUNT PROGRAM**  
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**Footnotes to the Basic Financial Statements:**

**1. Summary of Significant Accounting Policies**

Reporting Entity

The Oklahoma Wastewater Facility Construction Revolving Loan Account Program (the "Program"), Title 82 Oklahoma Statutes, Sections 1085.51 et seq., was created pursuant to the 1987 Amendment (P.L. 100-4) to the "Federal Clean Water Act" (P.L. 92-500) set apart from all other Oklahoma Water Resources Board accounts and programs to be permanent and perpetual; not subject to fiscal year limitations. The Program was created to provide a fund for financing the construction of water quality projects for municipalities and other public entities. The Program funds loans with Federal grants, State matching funds, principal repayments, bond proceeds, and interest received on loans, and invested cash balances. State matching funds are provided through State appropriations, the issuance of revenue notes, bond proceeds, or other funds.

Administrative costs of the Oklahoma Water Resources Board ("OWRB") allocated to the Program may be reimbursed by the Program, limited to 4% of total cumulative Federal contributions or through fees assessed to each participating borrower at the rate of one-half of one percent per annum of the amount of each borrower's loan balance outstanding, and loan application fees. The fees paid by the participating borrowers are remitted directly to OWRB and, therefore, are not included in the accompanying financial statements.

The significant accounting principles and practices followed by the Program are presented below:

Basis of Accounting and Measurement Focus

The Program is accounted for and presented similar to, but not identical to, a special-purpose government engaged solely in business type activities.

The Program uses the accrual basis of accounting whereby expenses are recognized when the liability is incurred, and revenues are recognized when earned.

The Program uses the economic resources measurement focus where all assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, and transfers relating to the Program and net income and capital maintenance are measured.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB").

Federal Grant Revenue

Federal grant income represents contributions from the Environmental Protection Agency ("EPA") of the U.S. Federal Government. Funding from Federal grants, which have been awarded, is provided through a Federal letter of credit. The timing of deposits is specified by the terms of the grant. The Program draws on the available funds as necessary to fund loans. Revenues are recorded only when the required State match has been met and actual



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requests for loan draws have been received by the Program. In the unlikely circumstance of termination of the Program, all Federal and State contributions are refundable to the respective governments upon liquidation of the Program's assets.

In accordance with Capitalization Grant Conditions, the State agreed to provide additional subsidization in the form of principal forgiveness, negative interest rate loans, or grants to eligible recipients when required by EPA. The 2023 Capitalization Grant awarded in FY 2024 had a 20% required additional subsidization amount totaling \$1,212,200 which was all awarded as principal forgiveness during the fiscal year. The 2022 Capitalization Grant awarded in FY 2023 had a 20% required additional subsidization amount totaling \$1,869,800 which was all awarded as principal forgiveness during the fiscal year.

During FY 2024, additional funding was provided through the Infrastructure and Jobs Act known as the Bipartisan Infrastructure Law General Supplemental grant (BIL). The 2023 BIL General Supplemental grant required 49% to be available in the form of forgiveness of principal which totaled \$8,251,600. The 2023 BIL Emerging Contaminants grant required 100% subsidy which totaled \$1,200,000 during fiscal year 2024. The 2022 BIL General Supplemental grant required 49% to be available in the form of forgiveness of principal which totaled \$7,045,710. The 2022 BIL Emerging Contaminants Grant required a 100% subsidy with totaled \$755,000 during fiscal year 2023.

#### Bond Issue Premium

The Program's State Revolving Fund Revenue Bonds, Series 2015 were initially sold at a premium of \$14,375,840. The bond premium is being amortized over the remaining life of the bonds. Net amortization expense of \$593,052 and \$591,432 was recorded in 2024 and 2023, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

The Program's State Revolving Fund Revenue Bonds, Series 2020 were initially sold at a premium of \$21,828,220. The bond premium is being amortized over the remaining life of the bonds. Net amortization expense of \$1,134,014 and \$1,130,916 was recorded in 2024 and 2023, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

The Program's State Revolving Fund Revenue Bonds, Series 2023 were initially sold at a premium of \$21,071,209. The bond premium is being amortized over the remaining life of the bonds. Net amortization expense of \$1,047,534 and \$364,484 was recorded in 2024 and 2023, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

#### Deferred Amount on Refunding

The Program's State Revolving Fund Revenue Bonds, Series 2014A, were used to refund the 2004 Series Revenue Bonds. The refunding resulted in a deferred inflow of \$4,166,837 which is being amortized over twelve years. Net amortization of \$347,237 was recorded in both FY 2024 and 2023, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

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The Program's State Revolving Fund Revenue Bonds, Series 2019, were used to refund the 2011 and 2012 Series Revenue Bonds. The refunding resulted in a deferred inflow of \$14,524,566 which is being amortized over thirteen years. Net amortization of \$1,166,295 was recorded in FY 2024 and 2023, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net position.

Cash and Cash Equivalents

The Program considers all highly liquid debt instruments purchased with an original maturity of three months or less and money market funds to be cash equivalents.

Investments

Included in the total is \$7,023,619 and \$9,126,002 in FY 24 and FY 23, respectively, which has been deposited into a Debt Service Reserve fund, pursuant to the bond indenture (See Note 5).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through September 16, 2024, the date the financial statements were available to be issued and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

## **2. Cash Deposits and Investment Risk**

Cash of \$51,792,962 and \$88,136,611 at June 30, 2024 and 2023, respectively, was deposited in the State Treasurer's office's internal investment pool – *OK Invest*. Short-term investments of \$6,802,444 and \$83,004,700 at June 30, 2024 and 2023, respectively, were on deposit with the Program's trustee. The deposits are invested in the *Federated Hermes Government Obligation Tax Managed Fund* money market mutual funds in FY 2024 and FY 2023.

Custodial credit risk for deposits is the risk that in the event of a bank or other institution failure, the Program deposits may not be returned, or the Program will not be able to recover collateral securities in the possession of an outside party. The Program deposits its funds with the Office of the State Treasurer (OST). Oklahoma statutes require OST to ensure that all state funds either be insured by Federal Deposit Insurance, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. The Program deposits with the State Treasurer are pooled with the funds of other State

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agencies and then, in accordance with statutory limitations, placed in financial institutions or invested as the Treasurer may determine, in the State's name.

Of the \$51,792,962 and \$88,136,611 in cash and cash equivalents on deposit with the State Treasurer as of June 30, 2024 and June 30, 2023, 100% represent amounts held within OK INVEST, an internal investment pool. Agencies and funds that are considered to be part of the State's reporting entity in the State's Annual Comprehensive Financial Report are allowed to participate in OK INVEST. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the day-to-day OK INVEST management with an emphasis on safety of the capital and the probable income to be derived and meeting the State's daily cash flow requirements. Guidelines in the State Treasurer's Investment Policy address credit quality requirements, diversification percentages and the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer's website at <http://www.ok.gov/treasurer/>. An evaluation of the use and purpose of the Program's participation in the internal investment pool determined that the amounts on deposit with OK INVEST are considered demand accounts and are reported as cash equivalents.

*Investment Interest Rate Risk* – the Program does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates as it relates to funds not directly associated with bond issue proceeds.

*Investment Credit Risk-Non-Debt Proceeds* – for non-debt proceeds, the Program has no investment policy that limits its investment choices other than the limitation of state law imposed on the State Treasurer as follows:

- a. U.S. Treasury Bills, Notes and Bonds and U.S. Government Agency Securities with certain ratings and maturity limitations.
- b. Collateralized or insured certificates of deposit and other evidence of deposit issued by a bank, savings bank, savings and loan association or credit union located in the state.
- c. With certain ratings and maturity limitations, negotiable certificates of deposit, bankers' acceptances, and commercial paper.
- d. Obligations of state and local governments, including obligations of Oklahoma state public trusts, with certain ratings and maturity limitations.
- e. Collateralized repurchase agreements tri-party repurchase agreements.
- f. Money market mutual funds and short-term bond funds regulated by the SEC and in which investments consist of obligations of the U.S. Government and its agencies and instrumentalities and repurchase agreements collateralized by obligations of the U.S. Government and its agencies and instrumentalities.

*Investment Credit Risk - Debt Proceeds* – for debt proceeds, the bond indenture provides for restrictions on the investment choices of the Program as follows:

- a. Obligations of the United States Government, its agencies and instrumentalities.
- b. Collateralized or insured certificates of deposit and other evidence of deposit at banks, savings banks, savings and loan associations or credit unions located in the State of Oklahoma.

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- c. Money market funds regulated by the Securities and Exchange Commission and which investments consist of those items specified in (a) and (b) above.
- d. Investment agreements with entities maintaining a rating in the top two categories by a nationally recognized municipal bond rating agency.

The Program categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2024 and 2023, the Program's investments in obligations not directly guaranteed by the U.S. Government and investments in money market mutual funds were valued according to the following hierarchy and were rated as follows:

<u>Type</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value Hierarchy</u>	<u>Carrying Value</u>	
				<u>2024</u>	<u>2023</u>
OK Invest (State Treasurer)	on demand	Not rated	N/A	\$ 51,792,962	\$ 88,136,611
Federated Hermes Government Obligations Tax Managed Fund	16 days	AAAm	Level 1	6,802,444	83,004,700
City of Lawton Municipal Bond	10/1/2028	Not rated	Level 2	2,119,757	2,607,671
FHLB	3/10/2023	AA+	Level 2	-	-
FHLMC - IO Strip	2020-2022	AA+	Level 2	-	-
FHLMC - Freddie Mac Int Strip	3/15/2025	AA+	Level 2	1,041,035	989,216
FNMA IO Strip	1/15/2026	AA+	Level 2	128,107	122,977
AID Israel Bonds	2/15/2023	A+	Level 2	-	-
TennVal Authority IO Strip	2020-2026	AA+	Level 2	4,666,918	5,219,620
Tenn Val Authority CPN Strip	2020-2025	AA+	Level 2	1,187,558	2,794,189
Total				<u>\$ 67,738,781</u>	<u>\$ 182,874,984</u>

*Concentration of Investment Credit Risk* – neither the Program nor the bond indenture place any limit on the amount the Program may invest in any one issuer. At June 30, 2024, the Program has the following concentration of credit risk: 10.04% or \$6,802,444 is invested in Federated Treasury money market funds, 6.89% or \$4,666,918 invested in Tennessee Valley Authority IO Strips, and 1.75% or \$1,187,558 is invested in Tennessee Valley Authority CPN Strips, and 76.46% or \$51,792,962 is invested in OK Invest.

The Program has the following concentration of credit risk at June 30, 2023: 45.39% or \$83,004,700 is invested in Federated Treasury money market funds, 2.85% or \$5,219,620 invested in Tennessee Valley Authority IO Strips, and 1.53% or \$2,794,189 is invested in Tennessee Valley Authority CPN Strips, and 48.20% or \$88,136,611 is invested in OK Invest.

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**3. Federal Letter of Credit Payments**

A schedule of activity in the Federal letter of credit payments, as reflected in the accompanying statements of net position, for the years ended June 30, 2024 and 2023, is as follows:

Balance, June 30, 2022	\$ -
Federal revenue recognized	31,898,084
Federal funds withdrawn	<u>(31,898,084)</u>
Balance, June 30, 2023	\$ -
Federal revenue recognized	23,066,203
Federal funds withdrawn	<u>(23,066,203)</u>
Balance, June 30, 2024	\$ -

Of the Federal letter of credit payments withdrawn during the fiscal year ended June 30, 2024, \$15,610,960 was used to provide loans to borrowers, \$7,455,243 was used for debt forgiveness and no funds were used for administrative expenses.

Of the Federal letter of credit payments withdrawn during the fiscal year ended June 30, 2023, \$24,490,496 was used to provide loans to borrowers, \$7,407,588 was used for debt forgiveness and no funds were used for administrative expenses.

**4. Loans Receivable**

The Program originates direct loans with communities utilizing several sources of funds including existing loan principal repayments, interest earnings, federal grants, and bond funds. These loans are collateralized by various revenue sources including, but not limited to, user charges and sales taxes of the borrowers. The interest rate on these loans are made at approximately 60% of Municipal Market Daily AAA scale spot rates through maturity plus 40 to 76 basis points depending on the duration of the loan. The interest rate is calculated around 10 days prior to closing. At June 30, 2024 and 2023, there were \$830,943,070 and \$717,133,319, respectively, in loans outstanding. There were no loans approved but not closed at June 30, 2024.

Prior to FY-2007, the Board originated interim construction loans that would upon completion provide the borrowers the opportunity to refinance 40% of their outstanding interim loan balance on a long-term basis without interest. Such loans were collateralized by various revenue sources including, but not limited to, user charges and sales taxes of the borrowers. To avail themselves of this opportunity, the borrowers obtained funding for the remaining 60% of the outstanding loan from sources outside the Program. This is no longer an option for the Program. At June 30, 2024 and 2023, there were \$748,031 and \$1,343,825, respectively, in long-term interest-free loans outstanding.

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A schedule of activity of loans receivable for the years ended June 30, 2024 and 2023, is as follows:

Net Balance, June 30, 2022	\$ 650,524,978
Loan disbursements	118,650,850
Principal repayments and forgiveness	<u>(52,042,509)</u>
Net Balance, June 30, 2023	717,133,319
Loan disbursements	167,959,179
Principal repayments and forgiveness	<u>(54,149,428)</u>
Net Balance, June 30, 2024	<u><u>\$ 830,943,070</u></u>

**5. Restricted Investments**

A description of the restricted investments held at June 30, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
FHLMC - Federal Home Loan Mtg Corp Int Strip maturity March 15, 2025	\$ 1,041,035	\$ 989,216
FNMA - Federal National Mtg Assoc. maturity January 15, 2026	128,107	122,977
Tennessee Valley Authority IO Strips maturities September 15, 2022 to March 15, 2026	4,666,919	5,219,620
Tennessee Valley Authority CPN Strips maturities from March 15, 2023 to March 15, 2025	<u>1,187,558</u>	<u>2,794,189</u>
Total restricted investments	<u><u>\$ 7,023,619</u></u>	<u><u>\$ 9,126,002</u></u>

**6. Long-Term Debt**

Bonds Payable

On March 20, 2014, the Program issued State Revolving Fund Revenue Bonds, Taxable Series 2014A in the amount of \$55,560,000. These bonds were issued together with certain other available moneys and investments to refund the \$82,685,000 outstanding principal amount of the Board's Revolving Fund Revenue Bonds, Series 2004, to fund a debt service reserve fund for the bonds through the transfer of a portion of reserve funds held for the 2004 Revenue Bonds, and to pay cost of issuance of the bonds.

On December 17, 2015, the Program issued State Revolving Fund Revenue Bonds, Series 2015 in the amount of \$100,620,000. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems and to enable the Program to meet the State matching requirements in order to obtain Federal grants.

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On December 19, 2019, the Program issued State Revolving Fund Refunding Revenue Bonds, Taxable Series 2019 in the amount of \$154,420,000. A portion of the bonds, \$126,210,000, were issued together with certain other available moneys and investments to refund the \$45,860,000 of the State Revolving Fund Revenue Bonds, Series 2011A and \$76,645,00 of the State Revolving Fund Revenue Bonds, Series 2012B, and to pay cost of issuance of the bonds. The remaining portion of the issue was used to refund bonds in the OWRB Drinking Water Loan Program.

On December 17, 2020, the Program issued State Revolving Fund, Series 2020A in the amount of \$100,000,000. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems and to enable the Program to meet the State matching requirements in order to obtain Federal grants.

On February 23, 2023, the Program issued State Revolving Fund, Series 2023 in the amount of \$150,000,000. These bonds were issued to provide low interest cost financing for Oklahoma Local governmental entities for acquiring, constructing, or improving their wastewater treatment systems and to enable the Program to meet the State matching requirements in order to obtain Federal grants.

Future debt service payments required by the Program's outstanding bonds as of June 30, 2024, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 23,740,000	\$ 14,168,558	\$ 37,908,558
2026	24,445,000	13,348,650	37,793,650
2027	25,965,000	12,382,517	38,347,517
2028	24,885,000	11,423,269	36,308,269
2028	24,290,000	10,480,323	34,770,323
2030-2034	112,840,000	38,518,746	151,358,746
2035-2039	79,725,000	18,519,601	98,244,601
2040-2043	45,030,000	4,092,065	49,122,065
Total	<u>\$ 360,920,000</u>	<u>\$ 122,933,729</u>	<u>\$ 483,853,729</u>

In addition to their normal scheduled maturity dates as shown above, the bonds may also be redeemed at the option of the Board, in whole or in part, at such dates and for such prices, plus accrued interest as are set forth in the bond indenture.

In order for the interest on the Program's Series 2015, 2020 and 2023 bonds to be tax-exempt, the Board must comply with certain provisions of the Internal Revenue Code, as amended. One provision requires that the arbitrage earnings (defined as the excess of the amount earned on all nonpurpose investments over the amount which would have been earned if the nonpurpose investments were invested at a rate equal to the bond yield) be rebated to the Internal Revenue Service. This rebate is payable at the end of each five years during the term of the issue. Management of the Program believes that any arbitrage liability, which exists at June 30, 2024, is immaterial.

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Pursuant to the 2014A Bond Indenture, the Clean Water State Revolving Fund Loan Program must maintain a debt service reserve fund. At June 30, 2024, the debt service reserves totaled \$7,023,619.

Long-term debt outstanding at June 30, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Beginning balances:		
2014A Serial bonds due April 1, 2015 to April 1, 2026, interest at 0.188% to 3.671%	\$ 9,775,000	\$ 13,790,000
2015 Serial bonds due April 1, 2017 to April 1, 2040, interest at 2.00% to 5.00%	27,045,000	39,245,000
2019 Serial bonds due April 1, 2022 to April 1, 2033, interest at 1.73% to 2.77%	102,665,000	114,445,000
2020 Serial bonds due April 1, 2021 to April 1, 2040, interest at 1.73% to 2.77%	92,305,000	93,190,000
2023 Serial bonds due April 1, 2025 to April 1, 2043, interest at 3.625% to 5.00%	150,000,000	-
Unamortized premium	49,587,154	30,602,777
	<u>\$ 431,377,154</u>	<u>\$ 291,272,777</u>
Add: 2023A Serial bonds due April 1, 2025 to April 1, 2043, interest at 3.625% to 5.00%	-	150,000,000
Add: 2023 bond premium	-	21,071,209
Less: debt principal repayments	(20,870,000)	(28,880,000)
Less: current amortization of premium	(2,774,599)	(2,086,832)
Ending balances	<u>\$ 407,732,555</u>	<u>\$ 431,377,154</u>
Amounts due in one year	\$ 23,740,000	\$ 20,870,000

**Advance Refunding**

On December 19, 2019, the Board issued the \$154,420,000 Series 2019 Taxable State Revolving Fund Revenue Refunding Bonds with an interest rate of 1.73% to 2.77%. The Program used \$126,210,000 of the proceeds together with other money to advance refund the \$45,860,000 and \$76,645,000 outstanding principal amount of the State Revolving Fund Revenue Bonds, Series 2011A and 2012B, respectively, and to pay cost of issuance of the bonds. The proceeds along with other available funds were placed in escrow to refund the bonds on April 1, 2021. As a result, the 2011A and 2012B Series bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The remaining proceeds from the issue were used to refund debt in the OWRB's Drinking Water Loan Program.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$14,521,156. This difference, reported in the accompanying financial statements as a deferred inflow, is being charged to operations through the year 2033 using the straight-line method. The Board completed the advance refunding to reduce its total debt service payments over the next thirteen years by \$12,852,145 and to obtain an economic gain (the difference between the present values of the old and new debt service payments) of \$8,738,550 for the CW Program.



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**7. Binding Commitments**

During the year ended June 30, 2024, the OWRB voted to approve funding of various borrower loan applications through the Program. These binding commitments will be funded by the Program provided that a loan agreement and promissory note are executed within one year from the date of original approval unless an extension is granted by the OWRB. There were no loans that were approved but not funded at June 30, 2024.

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## APPENDIX L

### BOOK-ENTRY-ONLY SYSTEM

*The information in this Appendix L concerning The Depository Trust Company (“DTC”) and DTC’s book entry only system has been obtained from DTC, and the Board and the Underwriters take no responsibility for the accuracy thereof.*

DTC will act as securities depository for the Bonds. The Bonds have been issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC at the office of the Bond Trustee on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). Direct Participants and Indirect Participants are sometimes collectively referred to herein as “Participants” or “DTC Participants.” DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC (or the Bond Trustee on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC (or the Bond Trustee on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the

Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or the Bond Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Trustee, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

*The Board, Bond Counsel, the Bond Trustee and the Underwriters cannot and do not give any assurances that the DTC Participants will distribute to the Beneficial Owners of the Bonds: (i) payments of principal of or interest on the Bonds; (ii) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in the Bonds; or (iii) redemption or other notices sent to DTC or its nominee, as the Registered Owners of the Bonds; or that they will do so on a timely basis or that DTC or its participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

*None of the Board, Bond Counsel, the Bond Trustee or the Underwriters will have any responsibility or obligation to such DTC Participants (Direct or Indirect) or the persons for whom they act as nominees with respect to: (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by any DTC Participant of any amount due to any Beneficial Owner in respect of the principal amount of or interest on the Bonds; (iv) the delivery by any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Master Indenture to be given to Registered Owners; (v) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC as Registered Owner.*

*In reading this Official Statement, it should be understood that while the Bonds are in the Book Entry system, references in other sections of this Official Statement to Registered Owner should be read to include the Beneficial Owners of the Bonds, but: (i) all rights of ownership must be exercised through DTC and the Book Entry system; and (ii) notices that are to be given to Registered Owners by the Board or the Bond Trustee will be given only to DTC.*

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**OKLAHOMA**  
Water Resources Board