OKLAHOMA
Water News
1st Quarter 2012

Inside

House Speaker Announces Water Policy Foundation

Citing the importance of Oklahoma's water resources as well as water's vital role in state growth, House Speaker Kris Steele announced sweeping water policy proposals this legislative session that will collectively serve as a foundation for Oklahoma's water future. The suite of House legislation aims to increase water monitoring, establish regional water planning groups, improve water infrastructure funding programs, and encourage water conservation and reuse.

House Speaker Kris Steele (right), joined by Rep. Phil Richardson, co-chairman of the Joint Water Committee, outlines his Water for 2060 Act and other proposed water legislation at the Water Appreciation Day press conference held at the State Capitol on February 13.

"Providing water for all Oklahomans is among the greatest responsibilities we have today to the citizens of tomorrow," said Speaker Steele at a press conference held in conjunction with Water Appreciation Day on February 13 at the State Capitol. "While we won't be able to solve all our water issues in just one year, pursuing these policies this session will allow us to lay a foundation to build on."

"If Oklahoma wants to be pro-growth, water policy must be a priority," Steele added. "Without water, the state can't grow, so we must do everything we can to ensure we have the water we need."

Referring to the ongoing dispute between the State and Choctaw and Chickasaw Nations concerning water rights and the impact on policy development, Steele emphasized, "We will not be deterred by litigation and will work aggressively this session to lay a foundation for Oklahoma's water future. As the elected officials of all Oklahomans, it is our duty to ensure each and every Oklahoman has the water they need."

(continued on page 3)

From the Director

The Choctaw and Chickasaw Nations sued the State of Oklahoma in August, claiming they deserved control over the water resources in 22 counties in southeastern Oklahoma. If successful, the tribes would assume responsibility for Oklahoma's most precious resource even though the state has provided more than 100 years of uninterrupted leadership experience in managing our waters and meeting our future water needs. Our laws and long legacy of water management ensure stability of water use and protection and avoid the potentially devastating economic consequences resulting from instability. The state has tried, and remains interested in, settling the dispute outside

(continued on page 2)

J. D. Strong, Executive Director Oklahoma Water Resources Board

From the Director (continued)

of court, but the tribes refuse to drop their lawsuit, thus sacrificing the security and prosperity of all Oklahomans.

The Oklahoma Water Resources Board has been serving Oklahomans as their water management authority since 1957. We take the job seriously. Our highest objective is to ensure *certainty and security* of water rights and associated uses. Consistent with this obligation, the OWRB and the state will defend our citizens against tribal claims with a general stream adjudication, which is well recognized among western states as the most effective, reliable way to resolve such disputes.

> *"Only the state possesses the authority and expertise to comprehensively manage and protect our citizens' surface and groundwater resources..."*

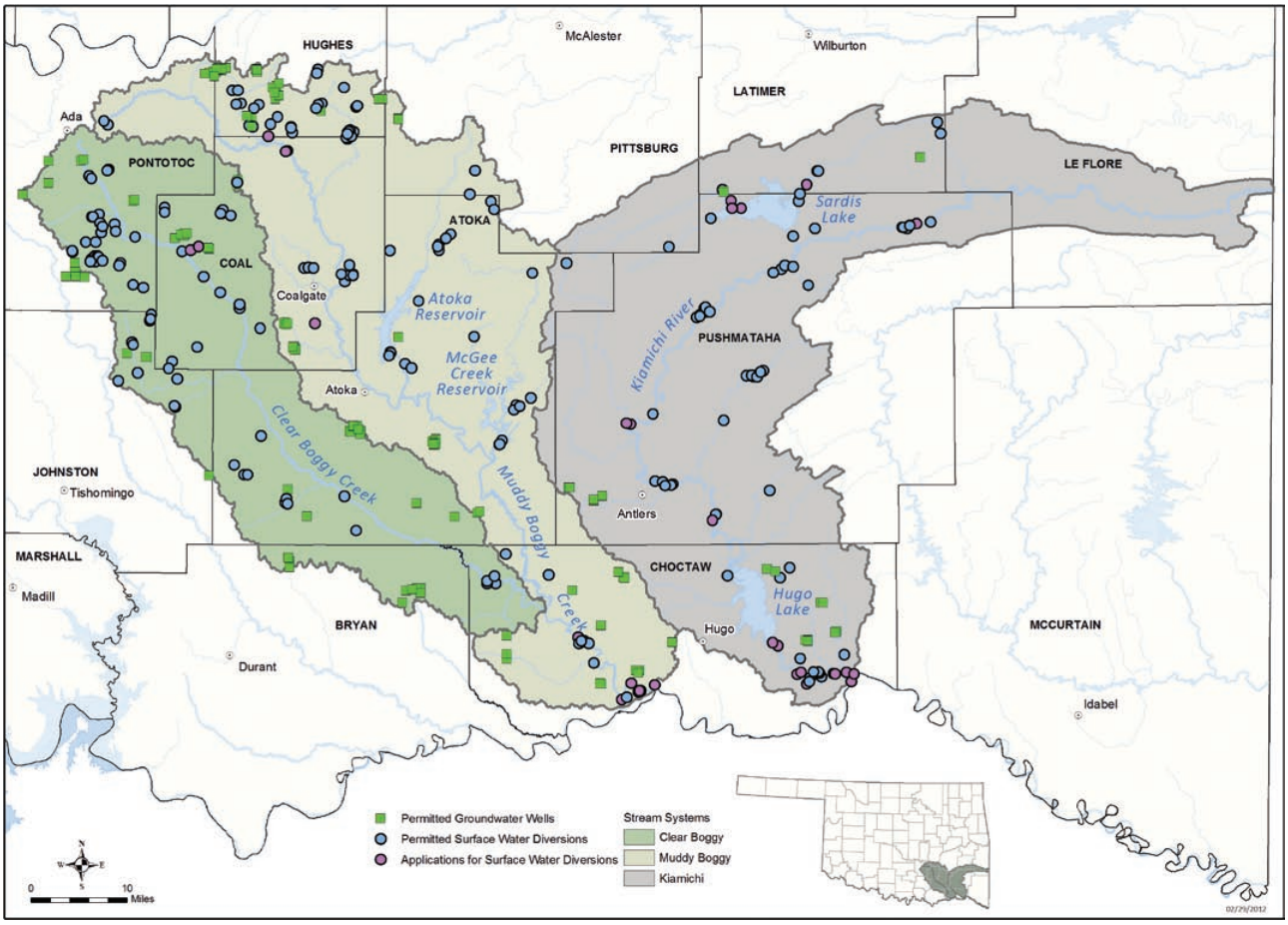
Through adjudication, which the tribes asked for more than a dozen times in their lawsuit, the Oklahoma Supreme Court will make a legal determination regarding the validity of all claims to the waters of the Kiamichi, Muddy Boggy, and Clear Boggy stream systems. The court will confirm the amount, priority, place, and purpose of each use. Despite rhetoric to the contrary, the process should be relatively uncomplicated and should not require a lawyer for those holding permits. The state already has determined the amount, priority, place, and purpose of those permit holders' uses.

While the process could be considerably more complicated for anyone claiming water rights without a permit (i.e., the tribes), there simply is no better way to afford every Oklahoman with water rights the equal and fair opportunity they deserve to protect those rights. All 18 western states have laws allowing for general stream adjudication, and 13 of those states have adjudications underway.

To confuse the matter and spread misleading information, the tribes have launched an unprecedented media campaign that questions state efforts to plan for and protect Oklahoma's water resources. The tribes portray themselves as the true stewards of the water, but that does not square with the facts. *Only* the state possesses the authority and expertise to comprehensively manage and protect our citizens' surface and groundwater resources, and *only* the state has laws dedicated to protecting and maintaining the water rights of *all* Oklahomans.

We remain committed to mediation as the most desired outcome of the tribal lawsuit against Oklahoma. However, until tribal leaders agree to drop their lawsuit, we will continue to vigorously defend and protect our state's water, all of its uses, and our citizens' rights through adjudication, litigation or any other means necessary.

This column was published as an online blog on the Oklahoma City Journal Record's "Water Wars" microsite.



Shown left are the Clear Boggy, Muddy Boggy, and Kiamichi stream systems, which are currently under general stream adjudication. Also specified are the locations of current OWRB water use permits and applications (indicated by stream water diversion points and groundwater wells) that are receiving notice of adjudication.

Water Policy Foundation (continued)

To improve Oklahoma's water planning capabilities, Rep. Phil Richardson has filed HB 2914, which would establish regional water planning groups throughout the state. Floor Leader Dale DeWitt and Reps. Ron Peters and Brian Renegar have filed similar legislation.

"Other states have these groups and have found them very valuable. With every region of Oklahoma having different water needs, regional planning groups will help policymakers take all needs into account when making water decisions," said Richardson, who is also co-chairman of the Joint Legislative Water Committee, formed last year to review the OCWP. "Several legislators are interested in these groups and I'm looking forward to working with them all to figure out the best model for Oklahoma."

Another foundational component of water planning is water monitoring, the practice of continuous data gathering to determine the quantity and quality of state surface and groundwaters. Currently, Oklahoma is not conducting as much water monitoring as experts recommend, resulting in insufficient data to inform water management decisions. DeWitt said House leaders will seek to allocate more funding for water monitoring and related activities through this year's appropriations process.

"Good water planning requires that you know what you have, but the fact is we aren't doing nearly enough water monitoring to know with certainty what we actually have," DeWitt said. On a related note, the OWRB is also seeking additional funds to supplement the agency's hydrologic and special study efforts, including much-needed updates of more than 50 groundwater basin studies.

The OCWP estimates that Oklahoma will have an estimated $82 billion in drinking water and wastewater infrastructure needs in the next 50 years, mostly in rural areas and small- to medium-sized communities that lack local funding to pay for such projects. Financing programs offered by the OWRB, Oklahoma's leading financier of water and sewer projects, are only capable of handling about 10 percent of projected future needs.

In an effort to prepare the state to address those needs, Steele is working with OWRB officials to reform the agency's infrastructure financing programs. Since 1983, the OWRB's five infrastructure loan and grant programs have helped finance 65 percent of Oklahoma's water infrastructure projects through more than $2.6 billion in loans and grants to local entities, saving those entities $917 million in debt service costs.

"These programs have done a lot already and they'll need to do more in the future as our state continues to grow. We hope to unveil a plan soon to ensure these vital funding sources continue to meet the need for years to come," Steele said. "Under the reforms we're discussing, we hope these programs could meet up to 60 percent of our future needs rather than the 10 percent the programs could meet today." One such reform is embodied in HJR 1085, introduced to create a state question that would create a reserve fund for water resource and sewage treatment projects.

Rep. Dale DeWitt responds to media questions during Speaker Steele's Water Appreciation Day press conference.

Assuming current usage factors, OCWP technical analyses determined that consumptive water use in Oklahoma will increase 33 percent by 2060. However, if the state were to adopt prescribed conservation techniques, improve the use of existing water supplies, and expand the use of alternative water supplies, the OCWP projects that Oklahoma could maintain its current consumption levels through at least another 50 years. This is the goal of Steele's Water for 2060 Act, incorporated in House Bill 3055.

Through this legislation, an existing OWRB grant program would fund pilot projects to help residents and water districts improve water conservation practices. HB 3055 also creates the Water for 2060 Advisory Council, which by 2015 would make specific recommendations to the governor and legislature on how the state can ensure it will consume no more water in 2060 than it does in 2012.

"You can't go wrong conserving a resource as valuable as water," Steele said. "The goal is to have more than enough water for Oklahoma's recreational, industrial, and consumer needs for generations to come. To reach that goal, we must emphasize conservation."

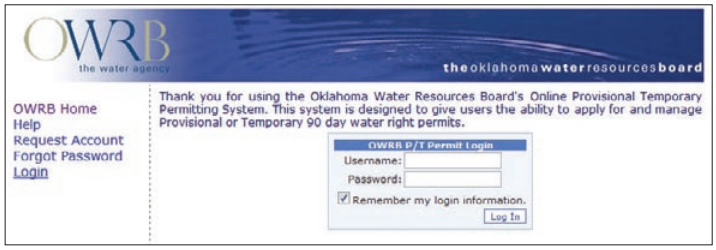
Among the other water conservation proposals this year is HB 2385, by Rep. Scott Martin, which gives homeowners more flexibility to reuse gray water, defined as water left over from domestic activities—such as laundry, dishwashing and bathing—that is safe for reuse outdoors for watering flowerbeds and lawns.

"The bill is by no means the panacea of water policy, but it's a good small step that can make a real difference one home at a time," said Martin, who is vice-chairman of the House Appropriations and Budget Committee. "A lot of folks in my district want to reuse gray water on their property, but current law can make it a hassle to do so. The bill makes some responsible reforms to existing gray water regulations so individual homeowners can reuse gray water if they choose to do so, which in turn helps the whole community."

All of the initiatives announced on Water Day are progressing steadily through the Legislature. On March 12, HB 3055, HB 2914, HJR 1085, and HB 2385 passed the House in advance of Senate consideration.

OWRB Launches Online Temporary Permit Application

In April, the OWRB will release a new program that facilitates same-day online approval of provisional temporary permits, providing enhanced convenience to Oklahoma water users, promoting the state's energy industry, and saving considerable staff time in processing potentially thousands of permit applications each year.



Provisional temporary permits, effective for a period not exceeding 90 days, are nonrenewable and usually granted by and at the discretion of the OWRB Executive Director. Unlike regular water use permits, there are no hearings or required notice to local landowners.

Online permit applicants must register for a web-based account, facilitating the storage of common user-specific data (including payment information for the required application) on the site. At that point, customers will be provided an opportunity to specify the desired source of water and area of use, submit landowner lease and/or permission to access property, and satisfy other permit requirements. If all criteria are met, permits become immediately effective.

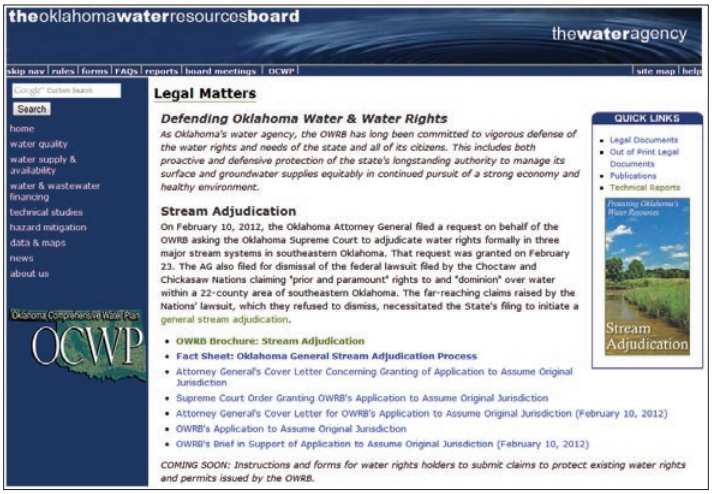
While typically authorizing usage of a relatively minimal amount of water (less than 30 acre-feet per year on average), provisional temporary permits are the most common type of permit administered by the OWRB and provide the majority of oil and gas production water permits. In 2011, the OWRB approved 1,960 total provisional temporary permits from both surface and groundwater sources statewide. Through only two months this year, staff have already processed and approved more than 400 such permits, primarily due to oil and gas production using hydraulic fracturing technology, where water and other materials are injected under pressure to augment extraction. It has been estimated that more than 90 percent of all new oil and natural gas wells in the U.S. are hydraulically fractured.

Provisional temporary permits are subject to cancellation at any time due to interference with downstream permit holders, revocation of landowner consent, or related factors. The application fee is double when obtained after water use has begun or it is discovered an application was not filed.

New Web Page Presents Water Lawsuit Information

The OWRB has developed a new web page to educate citizens on the recently initiated stream adjudication process. The page, titled "Legal Matters: Defending Oklahoma Water & Water Rights," includes a fact sheet with frequently asked questions, filings, and various other legal documents on the ongoing Choctaw/Chickasaw lawsuit, which precipitated the adjudication process. Available soon will be forms required of impacted water rights holders (copies will also be mailed).

The new page, available at www.owrb.ok.gov/util/legal.php, also includes updated information and documents associated with other agency litigation.



Drake Appointed to OWRB

Governor Mary Fallin has appointed Bob Drake (Davis), a south central Oklahoma rancher, as an At Large member of the Oklahoma Water Resources Board. He will represent rural residential water use. His term expires in May 2014.

Drake co-owned and operated his family's purebred and commercial Angus operation for almost 40 years. He has been a member of numerous state and national agricultural organizations, including the Oklahoma Cattlemen's Association since 1966, serving as President in 1995. Drake is a former officer on the Board of Directors of the Oklahoma Farm Bureau and was a founding member of the Oklahoma Agricultural/ Rural Council. He has been a member of the Department of Environmental Quality Board since 1999 and has served as Chairman of the National Grazing Lands Conservation since 1997.

Drake replaces Dr. Joe Taron, who served almost three years on the Board.

Board Approves Tentative Yield for Arbuckle-Simpson

At its March meeting, OWRB members approved the Proposed Tentative Determination of the Maximum Annual Yield (MAY) for the Arbuckle-Simpson Groundwater Basin.

Based directly upon results of the multi-year Arbuckle-Simpson study, the major provisions of the tentative MAY include a maximum annual yield of 78,404 acre-feet per year, an equal proportionate share of 0.2 acre-foot (or 2.4 inches) per acre per year, and a five-year implementation schedule.

In advance of a public hearing, scheduled for May 15 at the Murray County Exposition Center in Sulphur, the required public notice will be published in the aquifer region. The hearing, utilizing an independent hearing examiner, will provide an opportunity for landowners and concerned citizens to submit evidence opposing the proposed yield and equal proportionate share. The Board will then formally consider a proposed final order at a future monthly meeting.

Summary of Public Notice

The OWRB has issued a tentative determination of the maximum annual yield of fresh groundwater that may be used from the Arbuckle-Simpson Groundwater Basin underlying portions of Murray, Pontotoc, Johnston, Garvin, Coal, and Carter Counties.

The OWRB will hold a prehearing conference on May 9, beginning at 9:00 a.m., at the Pontotoc Technology Center, Seminar Center Auditorium, 601 West 33rd, in Ada. The purpose of the prehearing conference is to identify the interested parties, organize and expedite presentations for the hearing, establish fact stipulations, and address other appropriate matters. No presentations on the merits of the case will be allowed during the prehearing conference.

The OWRB will hold the hearing on May 15, beginning at 9:00 a.m., at the Murray County Exposition Center, 4000 West Highway 7, in Sulphur. During the hearing, the OWRB will present evidence of the hydrologic survey, findings, and determinations upon which the Tentative MAY Order is based. Any interested party will have the right to present evidence in support or opposition.

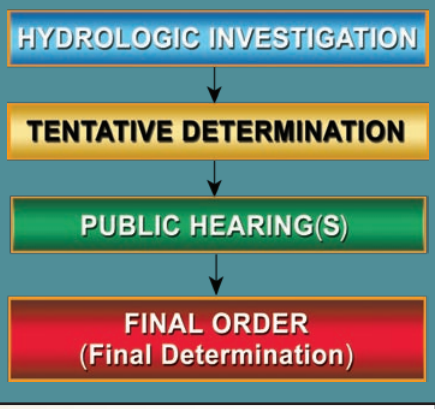
Determination of Maximum Annual Yield

Oklahoma water law states that certain factors be considered in the determination of the maximum annual yield of a major groundwater basin: total land area overlying the basin, the amount of water in storage in the basin, the rate of recharge to the basin and total discharge from the basin, transmissivity of the basin, and the possibility of pollution from natural sources. Furthermore, for a sensitive sole source groundwater basin, the maximum annual yield will ensure that the natural flow of water from springs or streams emanating from the basin will not be reduced. As of 2009, the Arbuckle-Simpson is the only sensitive sole source groundwater basin.

After a hydrologic investigation is complete, the OWRB makes a tentative determination of the maximum annual yield of the basin. Copies of the results of the investigation are made available for public review and one or more hearings are scheduled so that citizens can present evidence supporting or contradicting the evidence behind the tentative determination.

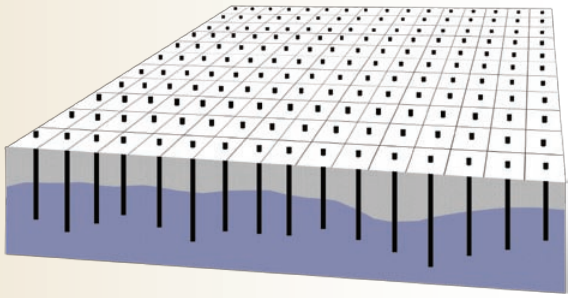
Following the hearings, the OWRB evaluates all the evidence and ascertains the factors stated by the law in the process of making the final maximum annual yield determination. The final determination is issued in a "final order" containing findings of fact and conclusions of law. Thereafter, based on the newly calculated equal proportionate share, regular permits are issued to holders of existing temporary permits and to applicants for new permits.

Maximum Annual Yield Determination Process



Equal Proportionate Share

When a maximum annual yield has been determined, the OWRB is required by law to distribute the maximum annual yield equally across the basin or subbasin. "Equal proportionate part or share" is defined as the maximum annual yield of water from a groundwater basin or subbasin that is allocated to each acre of land overlying the basin or subbasin. In other words, it is the portion of the maximum annual yield that is equal to the portion of the land overlying the fresh groundwater basin or subbasin that is owned or leased by an applicant for a regular permit.



Each groundwater user is entitled to withdraw an equal share of water proportional to the amount of land owned.

2012 Water Appreciation Day

The seventh annual Oklahoma Water Appreciation Day was held on February 13 at the State Capitol. The OWRB hosted the event, which featured 32 state and federal agency and water-related organization booths and displays, as well as an afternoon press conference by House Speaker Kris Steele on House water priorities for 2012.

Two OCWP exhibits were set up to provide information about the 13 Watershed Planning Region Reports and printed copies of the *OCWP Executive Report,* now available to the public at the OWRB main office, and demonstrations of the new OCWP web-based data viewer, which allows the public to access all pertinent OCWP data through a GIS-based mapping application. To access this application, go to www.owrb.ok.gov/ocwp and click on the "OCWP Map Viewer" button.

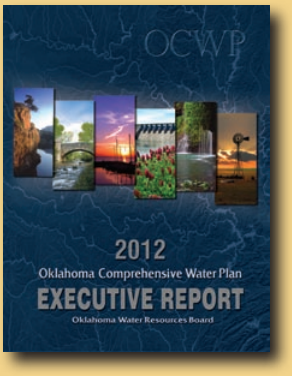
OWRB GIS Specialist Mike Sughru demonstrates features of the new OCWP web-based data viewer to (left to right) OWRB Chairman Linda Lambert, Executive Director J.D. Strong, and Board member Dr. Joe Taron.

OCWP Publications and Resources

www.owrb.ok.gov/ocwp

OCWP Executive Report

Report includes background information on water planning and management in Oklahoma, a statewide assessment of water supplies, future projections of demand, potential options to alleviate shortages, and policy recommendations. Printed copies are available at the OWRB Oklahoma City office.



Watershed Planning Region Reports

Each report is a detailed resource for local water planning that includes regional characteristics, water supply/demand analysis results, forecasted water supply shortages, potential supply solutions and alternatives, and supporting technical information.

- Beaver-Cache
- Blue-Boggy
- Central
- Eufaula
- Grand
- Lower Arkansas
- Lower Washita
- Middle Arkansas
- Panhandle
- Southeast
- Southwest
- Upper Arkansas
- West Central

OCWP Communication Portal

Created by the Oklahoma Water Resources Research Institute (OWRRI) at http://okwaterplan.info, the portal contains information from public meetings held from 2007-2011 including all public comments and meeting reports.

OCWP Web-based Data Viewer

Data viewer allows the public to access all pertinent OCWP data through a GIS-based mapping application.

OCWP Study Workgroup & Supplemental Reports

- Water Policy & Related Recommendations for OK
- Climate Issues & Recommendations
- Agricultural Water Issues & Recommendations
- Water Quality Issues & Recommendations
- Instream Flow Issues & Recommendations
- Tribal Water Issues & Recommendations
- Marginal Quality Water Issues & Recommendations
- Artificial Aquifer Recharge Issues & Recommendations
- Infrastructure Financing Needs & Opportunities
- Water Conveyance Study

Technical Background Reports

- Reservoir Viability Study
- Drinking Water Infrastructure Needs Assessment
- Water Supply Permit Availability Report
- Physical Water Supply Availability Report
- Provider Survey Summary Report
- Conjunctive Water Management in OK and Other States
- Water Demand Forecast Report
- Climate [Change] Impacts to Streamflow
- Conservation & Climate Change (Demand Addendum)
- Oklahoma Statewide Water Quality Trends Analysis
- Programmatic Workplan

Drought Update

Reservoir Storage

As of March 5, ten reservoirs (of thirty-one selected major federal reservoirs across Oklahoma, listed at right) are operating at less than full capacity, according to information from the U.S. Army Corps of Engineers (Tulsa District); twenty-two reservoirs have experienced lake level decreases since February 7.

Standardized Precipitation Index

The latest monthly Standardized Precipitation Index (see table below) indicates near long-term dryness in all but the North Central and Southeast climate divisions.

Palmer Drought Severity Index

According to the latest Palmer Drought Severity Index (see table below), only one (Southwest) of nine climate divisions in Oklahoma is currently experiencing drought conditions. However, the Northwest region is in the incipient drought category.

Storage in Selected Oklahoma Lakes & Reservoirs (March 5, 2012)

LAKE	Change in Elevation (feet) 2/7/12-3/5/12	Current Flood Control Storage (acre-feet)
North Central		
Fort Supply	0.57	778
Great Salt Plains	-1.05	3,329
Kaw	-7.14	457
Northeast		
Birch	-0.23	-7,892
Copan	0.01	5,797
Fort Gibson	-0.07	19,500
Grand	0.02	808
Hudson	-0.06	7,561
Hulah	-0.64	5,348
Keystone	-2.79	12,002
Oologah	0.50	10,726
Skiatook	-0.23	-118,518
West Central		
Canton	0.90	-60,612
Foss	-0.15	-41,851
Central		
Arcadia	-0.08	637
Heyburn	-0.38	20
Thunderbird	-0.16	-28,400
East Central		
Eufaula	-0.76	4,581
Tenkiller	-1.23	5,903
Southwest		
Fort Cobb	0.12	-11,595
Lugert-Altus	0.53	-108,670
Tom Steed	-0.24	-39,474
South Central		
Arbuckle	0.04	-7,583
McGee Creek	-0.92	1,091
Texoma	0.23	77,806
Waurika	-0.40	-56,880
Southeast		
Broken Bow	-6.16	0
Hugo	-6.73	4,658
Pine Creek	-4.83	2,428
Sardis	-0.80	3,413
Wister	-13.59	1,061

Standardized Precipitation Index (through February 2012)					Palmer Drought Severity Index
CLIMATE DIVISION	3-month	6-month	9-month	12-month	March 3, 2012
Northwest (1)	Very Wet	Near Normal	Moderately Dry	Very Dry	Incipient Drought
North Central (2)	Very Wet	Moderately Wet	Near Normal	Near Normal	Unusual Moist Spell
Northeast (3)	Near Normal	Near Normal	Moderately Dry	Near Normal	Near Normal
West Central (4)	Near Normal	Near Normal	Near Normal	Very Dry	Near Normal
Central (5)	Near Normal	Near Normal	Near Normal	Moderately Dry	Near Normal
East Central (6)	Near Normal	Near Normal	Moderately Dry	Moderately Dry	Incipient Moist Spell
Southwest (7)	Near Normal	Near Normal	Moderately Dry	Very Dry	Mild Drought
South Central (8)	Moderately Wet	Moderately Wet	Near Normal	Moderately Dry	Incipient Moist Spell
Southeast (9)	Moderately Wet	Moderately Wet	Near Normal	Near Normal	Moist Spell

For more drought information, and to obtain updated information on Oklahoma's drought and moisture conditions, go to www.owrb.ok.gov/supply/drought/drought_index.php.

Oklahoma Water News
Oklahoma Water Resources Board
3800 N. Classen Blvd.
Oklahoma City, OK 73118

www.owrb.ok.gov

Enhancing the quality of life for Oklahomans by managing, protecting, and improving the state's water resources to ensure clean, safe, and reliable water supplies, a strong economy, and a healthy environment.

1st Quarter 2012

Darla Whitley, Editor

Staff Writers:
Brian Vance & Darla Whitley

Photography:
Barry Fogerty

E-mail comments, questions, or article submissions to pubinfo@owrb.ok.gov or call us at (405) 530-8800.

The Oklahoma Water News *is published by the Oklahoma Water Resources Board as authorized by J.D. Strong, Executive Director. Eighty-eight hundred copies have been printed by University Printing Services at an approximate cost of 32 cents each. Copies have been deposited at the Publications Clearinghouse of the Oklahoma Department of Libraries.*

Financial Assistance Program Update

Loans & Grants Approved as of March 13, 2012

FAP Loans—341 for $772,265,000
The OWRB's Financial Assistance Program (FAP), created by the State Legislature in 1979, provides loans for water and wastewater system improvements in Oklahoma. The tremendous popularity of the bond loan program is due, in part, to extended payoff periods of up to 30 years at very competitive interest rates, averaging approximately 4.762 percent since 1986.

CWSRF Loans—251 for $1,053,511,629
The Clean Water State Revolving Fund (CWSRF) loan program was created in 1988 to provide a renewable financing source for communities to use for their wastewater infrastructure needs. The CWSRF program is Oklahoma's largest self-supporting wastewater financing effort, providing low-interest loans to communities in need.

DWSRF Loans—138 for $748,514,642
The Drinking Water State Revolving Fund (DWSRF) loan program is an initiative of the OWRB and Oklahoma Department of Environmental Quality to assist municipalities and rural water districts in the construction and improvement of drinking water systems. These projects are often mandated for communities to obtain compliance with increasingly stringent federal standards related to the treatment of drinking water.

REAP Grants—571 for $50,746,519
The Rural Economic Action Plan (REAP) Program was created by the State Legislature in 1996. REAP grants, used for water/wastewater system improvements, target primarily rural communities with populations of 7,000 or less, but priority is afforded to those with fewer than 1,750 inhabitants.

Emergency Grants—564 for $33,666,177
Emergency grants, limited to $100,000, are awarded to correct situations constituting a threat to life, health, or property and are an indispensable component of the agency's financial assistance strategy.

Drought Response Program Grants—2 totaling $200,000
Through the OWRB's Drought Response Program, funding is available for communities in most dire need during state drought emergencies declared by the Governor. A maximum of $300,000 is diverted from existing OWRB Emergency Grant funds to establish the Program.

Total Loans/Grants: 1,867 for $2,658,903,967
Estimated Savings: $927,048,065

Applicants eligible for water/wastewater project financial assistance vary according to the specific program's purpose and requirements, but include towns and other municipalities with proper legal authority, various districts established under Title 82 of Oklahoma Statutes (rural water, master/water conservancy, rural sewage, and irrigation districts), counties, public works authorities, and/or school districts. Applications for agency financial assistance programs are evaluated individually by agency staff. Those meeting specific program requirements are recommended by staff for approval at monthly meetings of the nine-member Water Board.

For more information, call 405-530-8800 or go to www.owrb.ok.gov/financing.