

CONSERVATION BOND

Overview: the Oklahoma Legislature authorized a 25 million dollar bond issue for conservation in the 2009 session. The legislation was signed by Governor Henry. The Oklahoma Capitol Improvement Authority is responsible for managing the bond. The conservation bond was sold in June 2009 and the 25 million dollars has been deposited in the State of Oklahoma Treasury. The bond will be repaid over 15 years with general revenue funds appropriated to the Commission. The primary purpose of the bond funding is to repair damage to the state's conservation infrastructure from flood events over the past several years.

The Conservation Commission has allocated the **25 million dollars** as follows:

Watershed Rehabilitation \$8,800,000. These funds will be used as the local sponsor match for rehabilitation projects on upstream flood control structures. The Commission is working cooperatively with NRCS and Conservation District sponsors of watershed projects to rehabilitate high hazard dams in the state. NRCS funds 65% of rehabilitation project costs with the local sponsor funding 35%. The \$8,800,000 from the conservation bond will result in over \$25 million of watershed rehabilitation construction in Oklahoma.

Watershed Operation and Maintenance \$7,100,000. These funds will be made available to Conservation Districts for use in addressing their high priority watershed operation and maintenance needs. In addition, a portion of these funds will be used as the local sponsor match for NRCS Emergency Watershed Protection (EWP) projects to repair damage to upstream flood control structures.

Kingfisher Flood Protection \$4,000,000. This is a cooperative project involving the Kingfisher County Conservation District, the Kingfisher County Commissioners, the City of Kingfisher, NRCS and the Conservation Commission to address the flooding problems that have plagued Kingfisher. NRCS will prepare a watershed plan for Kingfisher Creek looking at options for flood control/protection. The bulk of the funds will then be used for implementation of the plan.

Sugar Creek FEMA and Conservation Reserve Enhancement Program Projects \$3,000,000. The Sugar Creek Watershed in Caddo County was devastated by flooding from the inland hurricane that hit the area in August 2007. FEMA has approved a \$7,000,000 project in the watershed to repair damaged drop structures and other works of improvement that are the responsibility of the conservation district. Funds from the bond will be used to supply the conservation district's match. Bond funds will also be used as the local match for a planned Conservation Reserve Enhancement Program in the Sugar Creek and Cobb Creek Watersheds.

Conservation Cost Share \$2,100,000. These funds will be directed to conservation districts that have been in a federally declared flood disaster over the past several years. Funds will be used to provide cooperators with cost share money to repair damaged conservation practices. This cost share program will operate similarly to the locally led cost share program.

ACTION NEEDED BY THE CONSERVATION DISTRICT BOARD TO ACCESS CONSERVATION BOND FUNDS FOR PROJECTS

The Oklahoma Capitol Improvement Authority (OCIA) is administering the 25 million dollars of bond funds. The Conservation Commission has entered into an agreement with OCIA that sets out the terms and conditions of how the bond funds will be used. One of the major conditions is that all bond projects will have a 15 year life. In other words OCIA has responsibility for the projects until the bond is repaid. Because bond funds will be expended on Conservation District projects, it will be necessary for districts to enter into a bond user agreement with the Commission.

The Conservation Commission is requesting that the Conservation District board review and approve the bond user agreement (titled Intergovernmental Agreement). Once approved by the board and by the Conservation Commission bond funds can then be used in the district.

The obligations the Conservation District agrees to in the agreement are:

1. Granting the Commission the right to access the projects to inspect for compliance and maintenance for a period of 15 years or until the bond is paid off.
2. Ensure bond funds are used for a public purpose and for the purposes outlined in the bond legislation.
3. Ensure that documentation is provided to the Commission for bond expenditures in the district.