

Drinking Water State Revolving Fund Loan Program and Set-Aside Programs

Intended Use Plan for Fiscal Year 2016

Approved by the Missouri Safe Drinking Water Commission - November 12, 2015





MISSOURI DEPARTMENT OF NATURAL RESOURCES

Fiscal Year 2016

(Reporting Year Oct. 1, 2015 – Sept. 30, 2016)

Drinking Water State Revolving Fund Intended Use Plan

Adopted Nov. 12, 2015

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**Intended Use Plan
Fiscal Year 2016 Drinking Water State Revolving Fund
Loan Program And Set-Aside Programs
Program Application Forms And Instructions**

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Part I. The Drinking Water State Revolving Fund Program

I. Introduction

Providing safe drinking water to people served by public water systems in Missouri is an important goal of federal, state and local officials. While Missouri drinking water is among the safest in the world, the owners and operators of Missouri drinking water systems know that they must make significant infrastructure improvements to comply with new and existing federal standards in order to continue to supply safe drinking water to their customers. In 2011, the Missouri Department of Natural Resources in cooperation with the U.S. Environmental Protection Agency conducted an assessment of Missouri's public water systems 20 year capital infrastructure needs. The assessment estimates that \$8.5 billion is needed to address Missouri's drinking water infrastructure needs over the next 20 years.

Many public water systems, particularly small water systems, have difficulty obtaining affordable financing for the current infrastructure improvements needed. Recognizing this fact, the U.S. Congress established the Drinking Water State Revolving Fund as part of the Safe Drinking Water Act Amendments of 1996. Federal appropriations for the program are used primarily to fund low interest loans to public drinking water systems for high priority infrastructure projects. States are allowed to reserve up to 31 percent of the federal appropriation to fund authorized activities that support their drinking water program and provide technical assistance to water systems.

The Missouri Department of Natural Resources' Water Protection Program is the delegated authority for the administration of the Drinking Water State Revolving Fund. Through fiscal year 2014 the Department has awarded low interest loans and grants totaling approximately \$370 million to drinking water systems for infrastructure improvements.

This Intended Use Plan describes the proposed use of funds reserved for financial assistance for drinking water infrastructure improvements during fiscal year 2016 (Oct. 1, 2015 to Sept. 30, 2016).

Operation and management of the Drinking Water SRF program is directed by state regulations 10 CSR 60-13.010 through 10 CSR 60-13.030. SRF applications are valid for two plan cycles. Those projects not meeting program criteria within the allotted two-year cycle will have their allocated funds released and reallocated to other projects. Re-application to the program is possible at the end of the two-year cycle, but a project's position on a fundable, contingency, or planning list may change with each subsequent application.

In compliance with the requirement in Safe Drinking Water Act sec. 1452(b)(1) to provide for public review and comment, the Intended Use Plan has been placed on public notice in draft form at www.dnr.mo.gov/env/wpp/srf/drinkingwater-assistance.htm and a public meeting will be held to receive comments.

II. Goals And Objectives

Each year the Department evaluates the operations and the financial structures of the Drinking Water SRF program to gauge its effectiveness. Long and short-term goals are proposed to improve program services and investment returns. An assessment of these goals is included in the programs biennial report. The following sections present the current strategies for program improvement.

A. Long-Term Goals (Three to Five Years):

Goal: Protect public health by ensuring that all Missouri citizens will have water that is always safe to drink.

Goal: Provide below-market rate financial assistance while assuring the perpetual nature of the program.

Goal: Encourage systems to choose projects with the most cost effective solutions.

Goal: Ensure the long-term sustainability of existing and proposed water systems, and encourage projects to consolidate or interconnect in a regional manner which would reduce public health risks or make more efficient use of source water capacity and treatment processes.

Goal: Protect source water for drinking water systems.

Goal: Promote coordination efforts both within and outside the agency for the purpose of expediting the funding of projects.

Goal: Continue to implement and expand the Capacity Development Program.

B. Short-Term Goals:

Goal: Maximize the use and impact of available loan funds for eligible projects in accordance with the priorities and procedures described in this plan, utilizing sound financial management.

Goal: Continue to assist water systems in meeting Safe Drinking Water Act requirements.

Goal: Have the Drinking Water SRF priority point criteria and readiness to proceed criteria updated and approved by the Missouri Safe Drinking Water Commission at least 60 days prior to the initial application receipt deadline (Feb. 15, 2016).

Goal: Identify sources of allowable state match for federal capitalization grants.

III. Allocation Of Drinking Water Capitalization Grant

This section summarizes the financial status of the previously awarded federal capitalization grants from the U.S. Environmental Protection Agency for Missouri’s Drinking Water SRF program associated with prior federal fiscal years awards, and the anticipated award of the grant for 2015.

The Safe Drinking Water Act Amendments of 1996 authorize funding for the Drinking Water SRF, and Congress appropriates this funding annually. Each state and U.S. territory is eligible for a portion of this funding. The act authorizes EPA to use a portion of the funding for health effects studies, small system technical assistance, monitoring of unregulated contaminants, and operator certification reimbursement grants. EPA allots the remaining funds appropriated for the Drinking Water SRF to each state based on the state’s proportional share of total eligible needs reported for the most recent drinking water infrastructure needs survey, which is conducted every four years.

A. Capitalization Grant Allocation for Missouri’s Drinking Water SRF Program

Federal capitalization grants will be used to fund loans, grants, and authorized set-aside activities for federal fiscal year 2015. A summary of the percentage reserved from each capitalization grant appears below.

Federal Fiscal Year	Loans & Grants	Set-Asides
2010	69%	31%
2011	69%	31%
2012	69%	31%
2013	69%	31%
2014	69%	31%
2015	69%	31%

The Department reserves up to 31 percent of the grants for authorized set-aside activities as described in Part II of this Intended Use Plan. If the Department does not utilize the full 31 percent for set-aside activities, the difference will be used for financing infrastructure projects.

B. Additional Subsidization

A portion of the capitalization grants since 2010 are to be used to provide additional subsidization. A summary of the amounts reserved from each capitalization grant appears below.

Federal Fiscal Year	Amount
2010	\$7,870,200
2011	\$5,461,200
2012	\$5,204,400
2013	\$4,883,100
2014	\$3,828,073
2015	\$3,547,600

An amendment to the Missouri safe drinking water regulations effective on Jan. 30, 2010, allows for additional subsidies in the form of principal forgiveness, negative interest loans, grants, or any combination thereof per any federal act.

The federal fiscal year 2015 capitalization grant requires that 20 to 30 percent of the \$17,738,000 grant shall be used to provide additional subsidies. The Department reserved \$3,547,600 of the grant for additional subsidies in the form of grants.

These grant funds will be committed to projects as they become fundable using the guidelines described in paragraph IV.B.

For each capitalization grant, the Department intends to continue to reserve any carry over grant funds to carry over projects unless modified as described in this plan.

IV. Drinking Water SRF Infrastructure Assistance Program

A. Loans

The Department staff work with each applicant to develop a schedule that allows the project to be financed on an agreed upon closing date.

Drinking Water SRF applicants are strongly encouraged to retain the services of a registered municipal financial advisor. The U.S. Securities Exchange Commission issued a final rule that went into effect on July 1, 2014, that provides a clear definition of individuals who would be considered municipal advisors. It also provides guidance as to the scope of services and activities they provide, and, most importantly, it requires municipal advisors, including those acting as financial advisors, to be registered with the Securities Exchange Commission.

Applicants are also required to submit letters of approval from their state legislators when they submit their due diligence information.

Assistance will be in the form of loans with a target interest rate of 30 percent of market rate. In accordance with state regulation 10 CSR 60-13.020, the interest rate shall be based on the Twenty-Five Bond Revenue Index as published in *The Bond Buyer*. The rate is comparable to a AAA-rated municipal market rate. An annual fee of 0.5 percent of the outstanding loan balance will be charged by the Department. The loan fee shall be used to administer the Drinking Water SRF program and other related activities in accordance with federal

regulations. Short-term loans will be for a one to three year period. Long-term loans will be for up to 20 years.

The maximum amount for a loan from any single Intended Use Plan shall not exceed 30 percent of the total available and anticipated loan funds or \$10 million, whichever is less, unless the Department receives approval from the Missouri Safe Drinking Water Commission.

The Cash Flow Model diagram on page 5 illustrates the SRF flow of funds. Construction loan repayments must begin within one year after the first operational contract is substantially completed, i.e., the facilities are placed into operation. The loan repayment schedules will generally consist of semi-annual interest payments, and semi-annual or annual principal payments. The trustee bank holds the periodic participant repayments in separate recipient accounts outside the Drinking Water SRF. Interest earnings on these recipient accounts are credited to the communities' debt service account which reduces the amount of interest to be paid by the communities.

The Department receives federal Capitalization Grants from the Environmental Protection Agency. There is a 20 percent state match required to receive the grants. The funds are deposited into the State Revolving Fund (A) and utilized in accordance with applicable federal and state program requirements. State match funds are disbursed prior to utilizing Capitalization Grant funds. The department is considering the use of certain loan administration fees expenditures as well as other options, as match for federal capitalization grants.

Under the cash flow model loan program, the Department purchases the debt obligations of the participants directly. As construction progresses, funds are released from the Drinking Water SRF (A) to the recipient (B) through the trustee bank (C) so the construction costs can be paid. Recipients of a grant receive the grant funds directly from the Drinking Water SRF program. Upon completion of the project, the loans are adjusted to reflect the final loan amount.

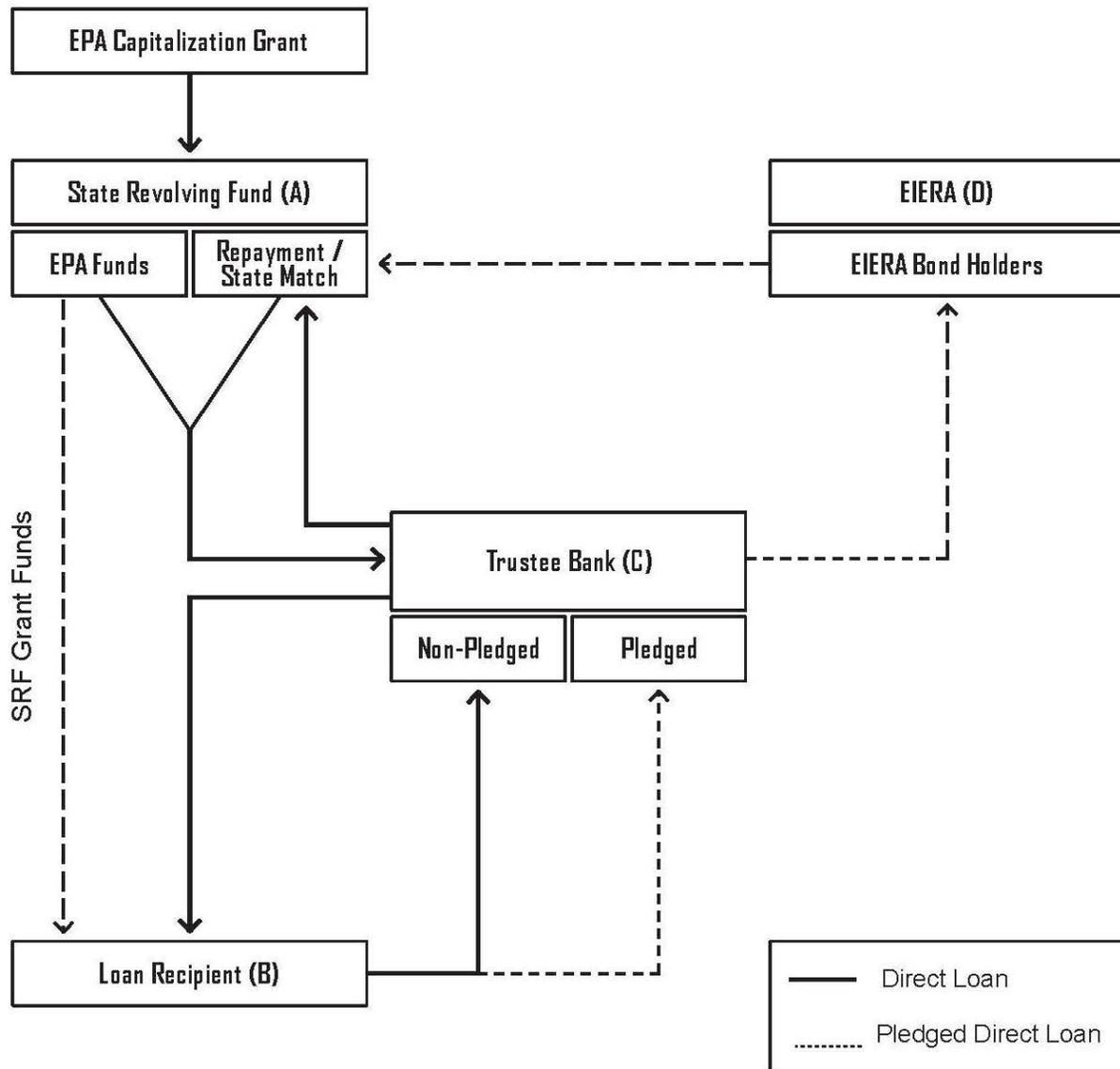
Loan recipients send their loan principal and interest payments to the trustee bank (C). At such time as the Drinking Water SRF program needs to replenish the repayment fund, the EIARA (D) exercises their authority to sell bonds and the direct loans are pledged to retire the EIARA debt. The proceeds of this sale are deposited into the Drinking Water SRF repayment account. The principal and interest payments on the EIARA bonds are secured through the pledge of the direct loan principal and interest payments from previous Drinking Water SRF program participants. Any surplus principal and interest that is not needed for the EIARA debt service is deposited into the repayment account.

The Department continues to work to refine the new program structure, and will continue to evaluate possible future program structures to ensure the program provides a stable source of funding for drinking water infrastructure projects well into the future.

The Department reserves the right to refinance, assign, pledge or leverage any loans originated through the Drinking Water SRF program.

All loan funds must be expended within 36 months of the loan closing. Loan funds may only be used for the project initially approved by the Department as evidenced by the issuance of the Finding of No Significant Impact and subsequent issuance of the construction permit.

Drinking Water SRF Cash Flow Model



B. Additional Subsidization

The Department will use the following guidance to allocate the additional subsidization for each capitalization grant requiring them.

Projects will be funded through a combination of 50 percent grant and 50 percent loan with a maximum grant of \$2 million per applicant. The Department further proposes to offer an even higher percentage grant for disadvantaged communities. Per 10 CSR 60-13.020, a disadvantaged community is any community with a population of 3,300 or less based on the most recent decennial census, whose average user rates for five thousand gallons will be at or above 2 percent of the recipient median household income and the recipient median household income is at or below 75 percent of the state average as determined by the most recent decennial census. As funding is available, projects for a disadvantaged community may be funded through a combination of 75 percent grant and 25 percent loan with a maximum grant of \$2 million per applicant.

The intent of the program is to target, as much as possible, the additional subsidized monies to communities that could not otherwise afford an SRF loan. To meet this goal, the use of grant funds will be committed to projects using the following criteria, listed in order of priority:

1. Projects serving disadvantaged communities on any fundable list based on priority ranking in the order of highest ranking to the lowest ranking;
2. Refinancing projects are not eligible for grant funding unless the community is disadvantaged;
3. Projects on the Very Small Community 20 percent Reserve Fundable List based on priority ranking;
4. Projects on the Small Community 15 percent Reserve Fundable List based on priority ranking; and
5. Projects on the General Community 65 percent Reserve Fundable List based on priority ranking.

C. Solicitation of Loan Applications for Fiscal Year 2016

The application process was open to all eligible systems. Eligible systems are defined as all community public water systems, and not for profit noncommunity public water systems not owned by the federal government. The Missouri Safe Drinking Water Regulations require the Department to have the application package for loans available to the public at least 60 days prior to the deadline for receipt of applications. The application package consists of the application form, priority point criteria and readiness to proceed criteria. The priority point criteria describe the criteria that the Department uses to prioritize loan applications. The readiness to proceed criteria describes the minimum criteria that an applicant must meet to be eligible to be placed on the fundable list. Both the priority point criteria and readiness to proceed criteria were advertised for public comments and a public meeting was held on the proposed criteria. Both criteria are contained in the 2015 Intended Use Plan, which was approved by the commission on October 1, 2014. Subsequently, the Department made the application package available to the public with an initial application receipt deadline of Feb. 15, 2015. The Department issued a notice informing the public of the availability of loan applications. Individual notifications were sent to all city water systems and water districts, as well as to engineering firms, in Missouri.

Applications were reviewed to determine if the proposed projects were eligible and if the applicant met the financial requirements of the loan program. Using the priority point criteria and readiness to proceed criteria, the Department evaluated each application to assign priority points and determine if the applicant met the readiness to proceed criteria. Applications received by the initial deadline that substantially met the readiness to proceed criteria received priority for funding over those received after the deadline.

D. Assistance to Small Communities

Missouri law requires that at least 35 percent of the monies credited to the Drinking Water SRF program shall be made available to eligible water systems serving fewer than 10,000 people. This is a higher percentage than the 15 percent minimum federal requirement for water systems serving fewer than 10,000 people. Of the 35 percent, 20 percent is for systems serving 3,300 or fewer people, and 15 percent is for systems serving from 3,301 to 9,999 people.

To demonstrate this commitment, the fundable list contained in Attachment A has three parts, the very small community 20 percent reserve, small community 15 percent reserve and the general community 65 percent reserve. The general community 65 percent reserve is not restricted to systems of a certain population.

E. Priority System

The Department prioritizes loan applications using the priority point criteria in effect at the time the application is received.

Projects carried over from the 2015 Intended Use Plan retain the points they received under the criteria in effect at the time they initially applied. The Department assigns priority points based on the overall project. The table entitled Comprehensive List in Attachment A, lists all the new and carry-over loan projects from highest to lowest priority.

F. Readiness to Proceed

In order to assure the best use of available loan funds in a reasonably expeditious manner, the Department will not commit available funds to a project until an applicant has demonstrated a substantial readiness to proceed in accordance with the readiness to proceed criteria in Attachment D. Readiness to proceed is defined as the condition when an applicant has submitted to the Department a complete facility plan for approval and has established an acceptable debt instrument for their proposed project. A debt instrument includes, but is not limited to, general obligation bonds and revenue bonds. Those projects that meet readiness to proceed will be placed on the fundable list or fundable contingency list as described in Subparagraphs IV.G.1. and 2. Projects that do not meet readiness to proceed will be placed on the Planning List as described in Subparagraph IV.G.3.

G. Ranking of Loan Projects

Projects that the Department has determined to finance with available state revolving loan funds under this Intended Use Plan are listed in Attachment A. The Department, with the approval of the Safe Drinking Water Commission, may modify or change the fundable list in order to maximize the use of uncommitted available funds or to bypass projects that do not make satisfactory progress toward meeting requirements for assistance. Only those applicants on the fundable list may receive loans under this plan (except in the case of a bypass or amendment as described elsewhere in the plan). The criteria for each list are defined as follows.

1. Fundable List

Carry-over projects from last year's Intended Use Plan and new projects received this year that meet the criteria for "readiness to proceed" will be placed on the appropriate fundable list in order of priority ranking. Projects that were on the fundable list on the 2015 Intended Use Plan will remain on the fundable list regardless of their priority ranking as carry-over projects. The Department will reserve the requested funding for these projects for the remainder of the project application period (unless the project was bypassed for failure to make satisfactory progress).

2. Fundable Contingency List

These are eligible projects that meet the readiness to proceed criteria, but, due to priority ranking or timing, there is not sufficient funding available for the projects. Projects will be ranked on the list in accordance with their priority points. If uncommitted funds become available, the Department, with Safe Drinking Water Commission approval, will move the highest-ranking project from this list to the fundable list.

3. Planning List

Eligible applications that do not meet the readiness to proceed criteria will be placed on the planning list and be ranked according to their priority points. Any application on this list that meets the readiness to proceed criteria, with the approval of the Safe Drinking Water Commission, will be moved to the fundable or fundable contingency list depending on availability of uncommitted funds and their priority points.

H. Modifications

After the Safe Drinking Water Commission adopts this Intended Use Plan, the commission may modify the lists or redistribute the available funds in accordance with the paragraphs below. The commission may only take this action after providing notice to those projects directly affected.

The commission may use any uncommitted balance to modify the funding of a project or to fund a project on the contingency list based on project priority and readiness to proceed. Phased projects that do not receive complete funding in the two-year eligibility period must submit a new application for the remainder of the project and re-compete. The Department may review substitutions or changes in scope as a new application.

The commission may bypass projects on the fundable list that do not make satisfactory progress toward meeting requirements for assistance. Rules governing bypass procedures appear in 10 CSR 60-13.020(3)(A).

To facilitate the timely and expeditious use of available funds, eligible applications that are not received in time to be placed on the initial IUP project lists adopted by the commission, will be evaluated upon receipt. By amendment, the commission may place the new projects on the appropriate project list in accordance with paragraph IV.G.

1. Inadequate Allocations

If the actual federal Drinking Water SRF allocations are less than the allocations anticipated by the commission in the development of the priority lists, or if previous allocations are reduced, the commission may find it necessary to reduce their commitments to projects on the priority lists. The commission may take formal action to reduce the number of commitments in accordance with subparagraphs a. through c. of this paragraph.

- a. The commission may reduce the funds allocated to each purpose as described in Section III.
- b. The commission may remove the lowest priority projects from the fundable priority lists, placing these projects on the fundable contingency list in a position dictated by their priority relative to other projects on the contingency fundable list.
- c. The commission may bypass projects on the fundable lists in accordance with paragraph IV.I. of this document.

2. Unanticipated and Uncommitted Funds

If unanticipated or uncommitted funds become available, the commission may take formal action to distribute them in accordance with subparagraphs a. through c. of this paragraph.

- a. The commission may use the unanticipated or uncommitted funds to move the highest priority projects from the contingency fundable list to the fundable list.
- b. The commission may use the unanticipated or uncommitted funds to increase the amount of funds allocated to the various purposes as shown in Attachment B of this document, if they are not already at the maximum amount.

- c. The commission may increase the amount of funds allocated to projects on the fundable lists or to provide increased assistance to projects which have already received assistance.

I. Bypass Procedures

The Department may bypass any project on the fundable list that does not make satisfactory progress toward meeting loan requirements. Procedures for bypassing projects are contained in 10 CSR 60-13.020(3)(A). Carry-over projects may be automatically bypassed if they do not have all documents submitted and approved on or before May 1, 2016. Recovered funds will be immediately available for contingency projects in accordance with paragraph IV.H.

J. Assistance for Disaster Relief

The Department may provide financial assistance to projects that address direct or indirect damage to a drinking water system in a declared disaster area. Funding is available under the Drinking Water SRF loan and Drinking Water State Direct Loan Program for disaster related projects. Assistance may include reducing the interest liability of the recipient. The Department may also provide these projects with advanced authority to construct in accordance with 10 CSR 60-13.030(4). These projects may be given preferential priority ranking when determining the use of uncommitted Drinking Water SRF loan funds and Drinking Water State Direct Loan funds.

K. Transfer of Funds from the Drinking Water SRF to the Clean Water SRF

Section 302 of the Safe Drinking Water Act Amendments of 1996 authorized the transfer of funds between the Drinking Water State Revolving Fund and the Clean Water State Revolving Fund. The rules governing the transfer of funds limit the dollar amount a state can transfer to no more than 33 percent of a Drinking Water SRF capitalization grant.

As funding is available and as needs arise, the Department can transfer loan funds with the approval of the Missouri Safe Drinking Water Commission, the Missouri Clean Water Commission and EPA. Transfers between the two funds may enhance the lending capacity of one or both state revolving funds. State statute 644.122 RSMO provides Missouri’s legal authority to implement this transfer of funds.

In fiscal year 2015, the department transferred \$5 million of non-federal funding from the Clean Water SRF to the Drinking Water SRF. An additional transfer of \$5 million of non-federal funding will be transferred in fiscal year 2016. The transfer is needed to fund projects that are expected to be ready to proceed in fiscal year 2016.

A listing of current and recent transfers is contained in the table below:

Fiscal Year	Clean Water SRF	Drinking Water SRF
2013	\$10,000,000	(\$10,000,000)
2013*	\$18,500,000	(\$18,500,000)
2015	(\$5,000,000)	\$5,000,000
2016	(\$5,000,000)	\$5,000,000

*Federal capitalization grant portion.

The Department, with prior approval from the Missouri Safe Drinking Water Commission, the Missouri Clean Water Commission and EPA as appropriate, reserves the right to make additional transfers in the future.

L. Estimation of Available Drinking Water SRF Loan Funds

Since the program’s authorization in 1996, the Missouri Drinking Water SRF has received over \$307 million in federal capitalization grants and over \$47 million in state match bonds. The funding has been used to make over \$334 million in loans to 122 recipients. The loans have

resulted in interest savings to the communities of over \$104 million. Additional subsidization through grants has provided an additional savings to communities of over \$32 million.

The Department expects to have approximately \$41.9 million in loan funds and \$9.3 million in grant funds available in resources for financing during fiscal year 2016. The loan funds estimate includes carry-over funds from previous fiscal years, repayments, interest earnings on investments of Drinking Water SRF resources, 69 percent of the estimated federal capitalization grants for federal fiscal years 2013, 2014 and 2015, and state match. Attachment B provides more information on the total amount of the project loan funds available for loans in this Intended Use Plan.

M. Solicitation of Drinking Water SRF Applications for Fiscal Year 2017

In fiscal year 2016 the Department will solicit loan applications for loan funds available in fiscal year 2017. The process that will be used for solicitation and review of the applications will follow the same process and procedures described in this plan. Attachment D contains the loan application package for fiscal year 2017. The package includes the application form and instructions, priority point criteria and readiness to proceed criteria. The initial application receipt deadline for fiscal year 2017 applications is **Feb. 15, 2016**. Applications received by that date, that meet readiness to proceed criteria, will receive priority for funding over those received after that date.

Carryover projects in the fiscal year 2016 Intended Use Plan are not eligible to compete for fiscal year 2017 funding unless reapplication is made by Feb. 15, 2016.

N. Anticipated Cash Draw Ratio (Proportionality)

Missouri uses the cash flow model of the Drinking Water SRF. The federal capitalization grant is not used as security on the state match bonds. State match funds are deposited prior to using capitalization grant funds for Set-Aside expenditures. State match funds are disbursed prior to using capitalization grant funds for the loan program.

V. Description Of The Loan Programs

A. Construction Loan

The borrower receives a long-term interest rate of 30 percent of the open market rate at the time of loan closing. The interest rate shall be based on the Twenty-Five Bond Revenue Index as published in *The Bond Buyer*. Construction loan repayments must begin within one year after the first operational contract is substantially completed, i.e. those facilities are placed into operation. The repayment schedules will generally consist of semi-annual interest payments, and annual principal payments. The trustee bank holds the periodic participant repayments in separate recipient accounts (repayment fund) outside the SRF.

B. Cross-Collateralization of Funds

The Departments of Veteran Affairs and Housing and Urban Development, and the Independent Agencies Appropriations Act, 1998 (Public Law 105-65) authorized limited cross-collateralization between the Drinking Water SRF and the Clean Water SRF. Cross-collateralization allows states to use Clean Water SRF funds as security for bonds issued to finance Drinking Water SRF projects and vice versa. The cross-collateralization of the two funds may enhance the lending capacity of one or both SRFs. State statute 644.122 RSMO provides the state's legal authority to implement cross-collateralization.

C. Loan Fee

The Department of Natural Resources will charge an annual loan fee that is calculated as 0.5 percent on the outstanding loan balance. The recipient will pay the loan fees to the Department.

D. Distribution of Loan Administration Fees

The fees charged by the Missouri Drinking Water SRF program are not included as principal in loans. Dependent upon the source of the loan, as well as the timing of the receipt of the administration fee, the administration fee is considered to be program income. The administration fees collected are considered as:

- Program income earned during the capitalization grant period;
- Program income earned after the capitalization grant period; or
- Non-program income.

During the grant period is defined as the time between the effective date of the grant award and the ending date of the award reflected in the final grant financial report.

Administration fees charged by the program are deposited into an account outside of the Drinking Water SRF Fund. In accordance with federal regulations, fees charged by the program may be used for program administration or other purposes in accordance with 40 CFR 31.25 (g)(2) and (3) and federal capitalization grant requirements.

The department is considering the use of certain loan administration fees expenditures as match for federal capitalization grants.

Attachment C provides more information on the total amount of administration fees available for use in this Intended Use Plan.

VI. Additional Recipient Provisions

A. Program Commitments and State Assurances

The Missouri Department of Natural Resources makes a number of program commitments and state assurances related to managing the Drinking Water SRF. Each year, the department intends to comply with each of the terms and conditions in the capitalization grant.

B. Prevailing Wage Rates:

1. Davis-Bacon Act Requirements:

The Consolidated Appropriations Act, 2012 (P.L. 112-74) requires that all agreements to provide assistance for the construction of treatment works carried out in whole or in part with assistance made available through section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)), or with such assistance made available under section 1452 of that Act (42 U.S.C. 300j-12), or both, contain a term or condition requiring the compliance with the requirements of section 513 of that Act (33 U.S.C. 1372) in all procurement contracts.

All laborers and mechanics employed by contractors and sub-contractors on projects funded directly by or assisted in whole or in part by and through the federal government pursuant to the act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C.App.) and section 3145 of title 40, United States Code.

The U.S. Department of Labor provides all pertinent information related to compliance with the Davis-Bacon Act including labor standards, prevailing wage rates and instructions for reporting.

The Department will not supply wage rates for the projects. It will be the responsibility of each recipient to obtain the correct wage rates and to maintain compliance with them throughout the project.

2. Missouri Department of Labor and Industrial Relations Requirements:

In accordance with Chapter 290 RSMo., projects receiving financial assistance for any construction project carried out in whole or in part with assistance made available through the Drinking Water SRF, must comply with the requirements of the Missouri Department of Labor and Industrial Relations.

The Department will not supply annual wage orders (wage determinations) for the projects. It will be the responsibility of each recipient to obtain the correct wage orders and to maintain compliance with them throughout the project.

C. Federal environmental cross-cutters, signage requirements and the Federal Funding Accountability and Transparency Act (FFATA)

The Missouri Safe Drinking Water Commission assures that all Drinking Water SRF requirements are met by the designated equivalency projects in prior intended use plans. This means that for each capitalization grant the department receives, it has to identify a group of projects that equals the amount of the grant and ensures those projects meet all required federal environmental cross-cutters, signage requirements, and FFATA. Cross-cutters include environmental, social and economic federal laws, executive orders and policies that apply to projects receiving federal financial assistance. Examples of the cross-cutters include compliance with the Endangered Species Act, the Civil Rights Act, the Equal Employment Opportunity Order and the Uniform Relocation Act. Signage requirements will be established by the department and may include construction signage, posters, brochures, newsletters, bill insert, press releases or other acceptable media. FFATA requires reporting on executive compensation. All projects are susceptible to equivalency requirements. A final determination is made at the time of loan closing or other binding financial agreement execution.

D. Grant Requirements

The regulations at 40 CFR Part 31 apply to grants and cooperative agreements awarded to state and local (including tribal) governments. The regulations at 40 CFR Part 30 apply to grants with nonprofit organizations and with non-governmental for-profit entities. Note that the latter grants cannot be made with Drinking Water SRF funds except to eligible public water systems.

E. Single Audit Act Compliance

Recipients of federal funds from any source(s) totaling greater than \$750,000 are subject to the provisions of the federal Single Audit Act of 1984 and the Single Audit Act Amendments of 1996.

These requirements provide the federal government with assurances that the expenditures of federal funds are for their intended purposes and that the dispersal of those funds occurs in a timely manner. Final loan and grant documents will include specific information.

Part II. Drinking Water SRF Set-Asides

Federal appropriations for the Drinking Water SRF program are used primarily to fund low interest loans to public drinking water systems for high priority infrastructure projects. However, the Safe Drinking Water Act allows states to reserve up to 31 percent of the federal capitalization grant to fund authorized activities that support public drinking water program activities. This is referred to as the set-asides.

Activities supported by the set-asides include supplemental funding to support the state primacy program, capacity development, wellhead protection, operator certification, and technical and financial assistance to public water systems. Set-aside activities are implemented and managed by the Department's Public Drinking Water Branch.

The purpose of this section of the Intended Use Plan is to indicate how the Department intends to use the set-asides that will be available from the federal fiscal year 2015 capitalization grant.

A. Distribution of Set-Aside Funds

The Department intends to reserve 31 percent of the federal fiscal year 2015 capitalization grant for set-asides and will deposit those funds in a separate account. Table 1 shows the intended distribution of these set-asides.

Table 1. Distribution of Set-Aside Funds

Set-Aside Activities	% Cap. Grant	Amount
Drinking Water SRF Administration and Technical Assistance	4%	\$671,520 *
Small System Technical Assistance	2%	\$354,760
Public Water System Supervision	10%	\$1,773,800
Local Assistance and Other State Programs	15%	\$2,660,700
Total	31%	\$5,460,780

* Reduced by \$38,000 for the independent audit.

The Department reserves the right to reserve the unused set-asides authority from the federal fiscal year 2015 capitalization grant for future set-aside expenditures.

B. Description of Set-Aside Activities

1. Drinking Water SRF Administration and Technical Assistance

This set-aside provides funding to administer the programs established under section 1452 of the federal Safe Drinking Water Act and to provide technical assistance to public water systems. A state can reserve a maximum of 4 percent of the capitalization grant for these purposes.

The Department is reserving the entire 4 percent available under this set-aside. The Department will use this funding for salaries and associated expenses of program personnel to administer the Drinking Water SRF loan program, including:

- Assistance to loan applicants and loan recipients;
- Project review and approval;
- Assistance with the needs survey, project prioritization, loan issuance, payment and accounting activities; and
- Tracking repayments and project inspections.

In addition, the Department will use the set-aside for equipment and training staff.

The Department may also use a portion of this funding to contract for assistance to help loan applicants and potential applicants with rate setting and other similar hurdles related to meeting loan eligibility criteria.

The Department may also use this set-aside for technical assistance to public water systems in the form of Engineering Report Services Grants to community water systems.

If the department does not use the entire authorized amount, it will reserve the unused balance and use it for technical assistance to small systems the following year.

2. Small Systems Technical Assistance

This set-aside is used for providing technical assistance to public water systems that serve 10,000 or fewer people. The Department intends to continue using this set-aside to assist small public water systems in:

- Complying with existing and near-term federal Safe Drinking Water Act requirements;
- Obtaining Engineering Report Services Grants and facility plans; and
- Other technical assistance activities that will improve compliance with safe drinking water requirements.

The Department will provide technical assistance using staff and contract services.

The Department is taking the full 2 percent allowed for this set-aside. If the Department does not use the entire authorized amount, it will reserve the unused balance and use it for technical assistance to small systems the following year.

3. Public Water System Supervision

This set-aside can be used for:

- Primacy program support;
- Administering or providing technical assistance through source water protection programs;
- Developing and implementing a capacity development strategy; and
- Operator certification.

The Department has used and intends to continue using this set-aside for these authorized activities.

This set-aside requires a 1:1 state match that is in addition to the state match required to receive the federal capitalization grant. The Department is meeting this additional match requirement through primacy fee funds.

Examples of the activities funded by this set-aside include:

- Primacy program activities including program administration, inspections and sanitary surveys, rule development, primacy applications, compliance and enforcement, information and data management;
- Technical assistance;
- Contracts for database system updates and maintenance;
- Research into emerging contaminants;
- Contract lab support;
- Capacity development strategy development and implementation;
- Operator certification program administration;
- Source water protection plan review and approval; and
- Administration of grant programs for well plugging and source water protection measures.

The Department intends to take the full 10 percent allowed for this set-aside. If the Department does not use the entire authorized amount of this set-aside, it will reserve the unused balance and use it for eligible activities the following year.

4. Local Assistance and Other Programs Authorized by Section 1452(k) of the Safe Drinking Water Act

The act allows states to set aside up to 15 percent of the capitalization grant for:

- Source water protection loans to acquire land or easements;
- Source water protection loans to implement local, voluntary source water protection programs;
- Assistance, including technical and financial assistance, to any public water system as part of a capacity development strategy; and
- Expenditures for the establishment and implementation of wellhead protection programs compliant with section 1428 of the act.

The Department intends to use this set-aside to provide technical and financial assistance to public water systems as part of the capacity development strategy and for wellhead protection. The Department is setting aside 15 percent of the capitalization grant for these purposes. If the department does not use the entire authorized amount, it will reserve the unused balance and use it for eligible expenses the following year or transfer funds to the loan program.

The types of activities the Department intends to fund with this set-aside include but are not limited to:

- Contracting for circuit riders to conduct leak detection surveys; provide compliance assistance, technical assistance and capacity development assistance to water systems; and operator certification and training;
- Grants to community water systems for implementation of water protection measures;
- Grants to community water systems to plug of abandoned drinking water wells that threaten aquifers;
- Grants to community water systems for Engineering Report Services and facility plans;
- Assisting systems with identifying water-bearing geologic zones that produce radionuclides to identify probable remediation measures;
- Contracting with the University of Missouri for maintaining public water system source water assessment and delineation information;
- Performing studies to assist small community water systems with disinfection by-product compliance issues;
- Education and outreach materials and training sessions on water system capacity development, source water protection, or wellhead protection issues;
- Assistance to public water systems with development of regional solutions to solve capacity issues;
- Providing vouchers to community water systems to defray the costs associated with operator training and certification;
- Contracting for training for water district board and city council members; and
- Other activities as appropriate to implement the capacity development strategy or promote wellhead protection.

**Comprehensive List and Fundable Project Lists
Drinking Water State Revolving Fund
Fiscal Year 2016**



**MISSOURI
DEPARTMENT OF
NATURAL RESOURCES**

Comprehensive List

Note: * Carried over from the last Intended Use Plan X Fundable in the last Intended Use Plan

		Priority Points	Applicant	DWSRF #	Population Served	Loan Request
*	X	150	Fredericktown Water Systems	DW291346-01	3,985	\$ 2,921,631
		104	Dexter	DW291320-01	7,545	\$ 10,100,000
*	X	99	Sparta	DW291277-02	1,752	\$ 3,841,523
*		93	Terre Du Lac Utilities Corporation	DW291352-01	2,500	\$ 1,953,300
*	X	90	Reeds Spring	DW291348-01	913	\$ 1,246,000
*		78	Bowling Green (Treatment and Distribution)	DW291167-04	5,334	\$ 2,254,000
		77	Jefferson Co. PWSD #2	DW291355-01	20,000	\$ 1,875,691
		68	Marshfield	DW291148-02	6,633	\$ 3,899,100
*		67	3.100 Louisiana, Pike County	DW291025-02	3,364	\$ 1,339,103
		67	Buchanan County PWSD #1 (Interconnection and Distribution)	DW291339-02	2,400	\$ 3,380,000
*	X	65	Lathrop (Line Replacement)	DW291195-03	2,086	\$ 2,044,362
		65	Campbell	DW291333-01	1,992	\$ 2,592,613
*	X	65	Birch Tree	DW291350-01	679	\$ 2,475,100
*	X	63	Peculiar (Peculiar Dr., Harr-Grove Rd. and Spencer Addition)	DW291272-03	4,608	\$ 1,341,465
		60	Harrisonville	DW291356-01	9,743	\$ 8,548,938
		56	Osage County PWSD #1	DW291361-01	1,200	\$ 2,000,000
*		55	Sikeston (New Treatment Plant)	DW291037-03	17,000	\$ 12,360,000
*	X	55	Sunrise Beach - Phase 1	DW291219-02	431	\$ 1,153,790
*		55	Sunrise Beach - Phase 2	DW291219-03	431	\$ 314,308
		53	DeKalb Co. PWSD #1	DW291341-02	5,000	\$ 439,926
		50	Scotland Co. Consolidated PWSD #1	DW291357-01	2,668	\$ 2,170,931
*		50	Pierce City	DW291345-01	1,385	\$ 1,667,421
		47	Knox County PWSD #1	DW291354-01	4,298	\$ 441,870
*	X	47	Missouri City	DW291351-01	267	\$ 1,142,352
		45	Clarksville	DW291358-01	480	\$ 268,300
		44	Saline County PWSD #1	DW291359-01	591	\$ 1,049,055
*	X	39	Poplar Bluff (UV, Backup Supply and Distribution)	DW291204-03	17,023	\$ 1,616,900
		38	Jackson Co. PWSD #13	DW291336-01	5,400	\$ 3,000,000
*		35	Cassville	DW291300-02	3,266	\$ 5,040,866
		35	MoArk Water Company	DW291362-01	1,350	\$ 5,982,951
*		35	Saline County PWSD #2	DW291349-01	1,000	\$ 600,000
		34	Cass County PWSD #5	DW291360-01	2,670	\$ 341,445
*	X	34	Brashear	DW291347-01	273	\$ 806,840
		32	Osage County PWSD #3	DW291216-02	1,400	\$ 633,710
Total Comprehensive List Projects						\$ 90,843,491

Allocation Of Available Loan Funds

Missouri law requires that twenty percent and fifteen percent of available funds shall be made available to water systems serving populations of 3,300 or less (designated as very small communities) and water systems serving populations of 3,301 to 9,999 (designated as small communities respectively). The remaining sixty five percent (designated for general community) is not restricted by population served.

It is important to note:

- * The fundable project lists may change significantly between the draft Intended Use Plan placed on public notice and the final version approved by the Safe Drinking Water Commission.
- * The inclusion of a project on the fundable list is not a guarantee of funding. Other factors, such as timely progress toward funding, compliance with program requirements and funding availability, may impact project funding.
- * If a system is utilizing a Contract For Engineering Services: Design and Development for Community Water Systems Grant from the Department, their SRF project was reduced by a like amount.

Distribution of Available Funds

		Loan	Grant
Very Small Community	20%	\$ 8,375,309	\$ 9,329,209
Small Community	15%	\$ 6,281,481	\$ -
General Community	65%	\$ 27,219,753	\$ -
Total Available Funds		\$ 41,876,543	\$ 9,329,209

Financial Summary of the Fundable Projects Lists

	Loans				Grants			
	Very Small Community	Small Community	General Community	Total	Very Small Community	Small Community	General Community	Total
Allocation	\$ 8,375,309	\$ 6,281,481	\$ 27,219,753	\$ 41,876,543	\$ 9,329,209	\$ -	\$ -	\$ 9,329,209
Total Projects (1)	\$ (11,046,312)	\$ (20,151,060)	\$ (3,492,591)	\$ (34,689,963)	\$ (9,329,209)	\$ -	\$ -	\$ (9,329,209)
Balance Before Transfers	\$ (2,671,003)	\$ (13,869,579)	\$ 23,727,162	\$ 7,186,580	\$ -	\$ -	\$ -	\$ -
Transfers	\$ 2,671,003		\$ (2,671,003)	\$ -				\$ -
		\$ 13,869,579	\$ (13,869,579)	\$ -				\$ -
Total Transfers	\$ 2,671,003	\$ 13,869,579	\$ (16,540,582)	\$ -	\$ -	\$ -	\$ -	\$ -
Balance Available (2)	\$ -	\$ -	\$ 7,186,580	\$ 7,186,580	\$ -	\$ -	\$ -	\$ -
Amount Forward to Project Tables (3)	\$ 11,046,312	\$ 20,151,060	\$ 10,679,171	\$ 41,876,543	\$ 9,329,209	\$ -	\$ -	\$ 9,329,209

- (1) From the Project Lists on the subsequent pages.
- (2) Balance may be shifted to other categories to fund projects that are ready to proceed.
- (3) Amount equals the Allocation + Total Transfers.

Very Small Community 20% Reserve Fundable List
(Systems that serve a population of 3,300 or fewer)

			Priority Points	Applicant	DWSRF #	Pop.	Description / Needs	Problem Code	Amount Requested	Loan	Grant	Financing Schedule FY - Quarter
Amount Available									\$ 11,046,312	\$ 9,329,209		
*	X	D	90	Reeds Spring	DW291348-01	913	Dis	3	\$ 1,246,000	\$ 311,500	\$ 934,500	16-2
		D	65	Campbell	DW291333-01	1,992	Dis	3	\$ 2,592,613	\$ 648,153	\$ 1,944,460	16-4
*	X	D	65	Birch Tree	DW291350-01	679	Dis, Stor	3	\$ 2,475,100	\$ 618,775	\$ 1,856,325	16-2
*	X	D	55	Sunrise Beach - Phase 1	DW291219-02	431	Dis	3	\$ 1,153,790	\$ 288,447	\$ 865,343	16-1
		D	45	Clarksville	DW291358-01	480	Well	3	\$ 268,300	\$ 67,075	\$ 201,225	16-4
*	X		99	Sparta	DW291277-02	1,752	Well, Stor, Dis	3	\$ 3,841,523	\$ 1,920,762	\$ 1,920,761	16-1
*	X		65	Lathrop (Line Replacement)	DW291195-03	2,086	Dis	3	\$ 2,044,362	\$ 1,022,181	\$ 1,022,181	16-4
			56	Osage County PWSD #1	DW291361-01	1,200	Dis, Stor	3	\$ 2,000,000	\$ 1,415,586	\$ 584,414	16-4
			50	Scotland Co. Consolidated PWSD #1	DW291357-01	2,668	Dis	3	\$ 2,170,931	\$ 2,170,931	\$ -	16-4
*	X		47	Missouri City	DW291351-01	267	Dis	3	\$ 1,142,352	\$ 1,142,352	\$ -	16-3
*	X		34	Brashear	DW291347-01	273	Stor	3	\$ 806,840	\$ 806,840	\$ -	16-4
			32	Osage County PWSD #3	DW291216-02	1,400	Dis, Stor	3	\$ 633,710	\$ 633,710	\$ -	16-4
Total Fundable Projects									\$ 20,375,521	\$ 11,046,312	\$ 9,329,209	
Balance									\$ -	\$ -		
* - Carried over from the last Intended Use Plan						TP - Treatment			1 - Compliance			
X - Fundable in the last Intended Use Plan						Stor - Storage			2 - Public Health			
D - Disadvantaged						Dis - Distribution			3 - Future Regulatory Violation Expected			
						Rehab - Rehabilitation						

Small Community 15% Reserve Fundable List
(Systems that serve a population of 3,301 to 9,999)

			Priority Points	Applicant	DWSRF #	Pop.	Description / Needs	Problem Code	Amount Requested	Loan	Grant	Financing Schedule FY - Quarter
Amount Available									\$ 20,151,060	\$ -		
*	X		150	Fredericktown Water Systems	DW291346-01	3,985	TP, Dis, Stor	3	\$ 2,921,631	\$ 2,921,631	\$ -	16-4
			68	Marshfield	DW291148-02	6,633	TP, Stor	3	\$ 3,899,100	\$ 3,899,100	\$ -	16-4
*	X		63	Peculiar (Peculiar Dr., Harr-Grove Rd. and Spencer Addition)	DW291272-03	4,608	Dis	3	\$ 1,341,465	\$ 1,341,465	\$ -	16-1
			60	Harrisonville	DW291356-01	9,743	TP	3	\$ 8,548,938	\$ 8,548,938	\$ -	16-3
			53	DeKalb Co. PWSD #1	DW291341-02	5,000	Dis	3	\$ 439,926	\$ 439,926	\$ -	16-4
			38	Jackson Co. PWSD #13	DW291336-01	5,400	Dis	3	\$ 3,000,000	\$ 3,000,000	\$ -	16-4
Total Fundable Projects									\$ 20,151,060	\$ 20,151,060	\$ -	
Balance									\$ -	\$ -		
* - Carried over from the last Intended Use Plan						TP - Treatment			1 - Compliance			
X - Fundable in the last Intended Use Plan						Stor – Storage			2 - Public Health			
D - Disadvantaged						Dis – Distribution			3 - Future Regulatory Violation			
						Rehab - Rehabilitation			Expected			

General Community 65% Reserve Fundable List
 (Not restricted by population served)

			Priority Points	Applicant	DWSRF #	Pop.	Description / Needs	Problem Code	Amount Requested	Loan	Grant	Financing Schedule FY - Quarter
Amount Available									\$ 10,679,171	\$ -		
			77	Jefferson Co. PWSD #2	DW291355-01	20,000	Well, Dis	3	\$ 1,875,691	\$ 1,875,691	\$ -	16-4
*	X		39	Poplar Bluff (UV, Backup Supply and Distribution)	DW291204-03	17,023	Well, Dis, TP	3	\$ 1,616,900	\$ 1,616,900	\$ -	16-2
Total Fundable Projects									\$ 3,492,591	\$ 3,492,591	\$ -	
Balance									\$ 7,186,580	\$ -		
* - Carried over from the last Intended Use Plan						TP - Treatment			1 - Compliance			
X - Fundable in the last Intended Use Plan						Stor – Storage			2 - Public Health			
D - Disadvantaged						Dis – Distribution			3 - Future Regulatory Violation			
						Rehab - Rehabilitation			Expected			

Fundable Contingency List

			Priority Points	Applicant	DWSRF #	Pop.	Description / Needs	Problem Code	Amount Requested
Total Fundable Contingency Projects									\$ -

* - Carried over from the last Intended Use Plan	TP - Treatment	1 - Compliance
X - Fundable in the last Intended Use Plan	Stor – Storage	2 - Public Health
D - Disadvantaged	Dis – Distribution	3 - Future Regulatory Violation Expected
	Rehab - Rehabilitation	

Planning List

	Priority Points	Applicant	DWSRF #	Population	Description	Problem Code	Needs Category	Loan Request
	104	Dexter	DW291320-01	7,545	Well, TP, Stor, Dis	3	I, II, III, IV	\$ 10,100,000
*	93	Terre Du Lac Utilities Corporation	DW291352-01	2,500	TP, Well, Dis, Stor	1	I, II, III, IV	\$ 1,953,300
*	78	Bowling Green (Treatment and Distribution)	DW291167-04	5,334	TP, Dis	3	II, IV	\$ 2,254,000
*	67	3.100 Louisiana, Pike County	DW291025-02	3,364	Dis, Stor	3	III, IV	\$ 1,339,103
	67	Buchanan County PWSD #1 (Interconnection and Distribution)	DW291339-02	2,400	Dis	3	I, IV	\$ 3,380,000
*	55	Sikeston (New Treatment Plant)	DW291037-03	17,000	TP	3	II	\$ 12,360,000
*	55	Sunrise Beach - Phase 2	DW291219-03	431	Dis	3	IV	\$ 314,308
*	50	Pierce City	DW291345-01	1,385	Dis, Stor	3	III, IV	\$ 1,667,421
	47	Knox County PWSD #1	DW291354-01	4,298	Dis	3	I	\$ 441,870
	44	Saline County PWSD #1	DW291359-01	591	Dis, Stor	3	III, IV	\$ 1,049,055
*	35	Cassville	DW291300-02	3,266	TP, Dis, Stor	3	II, III, IV	\$ 5,040,866
	35	MoArk Water Company	DW291362-01	1,350	Dis	3	IV	\$ 5,982,951
*	35	Saline County PWSD #2	DW291349-01	1,000	Dis	3	III, IV	\$ 600,000
	34	Cass County PWSD #5	DW291360-01	2,670	Dis	3	IV	\$ 341,445
Total Planning List Projects								\$ 46,824,319

* Carried over from the last Intended Use Plan

Abbreviations and Codes

Abbreviations	Problem Codes	Need Category Codes
TP - Treatment	1 - Compliance	I - Source
Stor – Storage	2 - Public Health	II - Treatment
Dis – Distribution	3 - Future Regulatory Violation Expected	III - Storage
Rehab - Rehabilitation		IV - Transmission/Distribution

**Sources and Distribution of Funds
Capitalization Grants and Loan Repayments
(As of Dec. 31, 2014)**

Estimated Sources			
FFY 2012 DW SRF Capitalization Grant (federal portion only)		\$	8,708,837
FFY 2013 DW SRF Capitalization Grant (federal portion only)		\$	16,277,000
FFY 2014 DW SRF Capitalization Grant (federal portion only)		\$	17,855,000
FFY 2015 DW SRF Capitalization Grant (federal portion only, not yet awarded)		\$	17,738,000
Estimated Proceeds from Bond Refinancing (1/1/15 - 9/30/17)		\$	1,615,665
Loan Repayment Fund (Balance in Fund 0602 as of 12/31/14)		\$	33,134,131
Balance of Fund 0649 as of 12/31/14		\$	81,667
Estimated DWSRF portion of Fund 0602 Investment Interest (1/1/15 - 9/30/17)		\$	340,354
Estimated DWSRF portion of Fund 0649 Investment Interest (1/1/15 - 9/30/17)		\$	2,448
Reserve Release (1/1/15 - 9/30/17)		\$	19,762,937
Direct Loans - Principal and Interest Repayments (1/1/15 - 9/30/17)		\$	13,688,759
State Match Subsidy Fund (1/1/15 - 9/30/17)		\$	1,898,856
EIERA Bond Sale - 2015A (State match funds)		\$	6,826,400
State Match - FY 2015 Capitalization Grant *		\$	3,547,600
CWSRF Fund Transfer (Fund 0602) - FY 2015		\$	5,000,000
CWSRF Fund Transfer (Fund 0602) - FY 2016		\$	5,000,000
Total Estimated Sources			\$ 151,477,654
Estimated Uses			
Binding Loan Commitments (Balance of Reserve Payable Report 12/31/14)		\$	-
Binding Grant and Loan Commitments (Balance of Project Payable Report 12/31/14)		\$	23,197,764
Grant Funds Committed from FFY 2012 Cap Grant	\$ 568,447		
Grant Funds Committed from FFY 2013 Cap Grant	\$ 4,883,100		
Grant Funds Committed from FFY 2014 Cap Grant	\$ 3,828,073		
Grant Funds Committed from FFY 2015 Cap Grant	\$ 3,547,600		
Grant Commitments 1/1/15 - 9/30/15 (Details below)	\$ (3,498,011)		
Grant Funds Allocated to FY 16 DWSRF IUP Projects		\$	9,329,209
Funds Committed to FFY 2012 DW Set-Aside Uses		\$	945,553
Funds Committed to FFY 2013 DW Set-Aside Uses		\$	5,045,870
Funds Committed to FFY 2014 DW Set-Aside Uses		\$	5,535,050
Funds Committed to FFY 2015 DW Set-Aside Uses		\$	5,460,780
2010B Pledge Commitments (1/1/15 - 9/30/17)		\$	3,269,885
2015A Pledge Commitments (1/1/15 - 9/30/17)		\$	1,160,000
State Match Subsidy Fund Reserve		\$	2,500,000
Independent Audit		\$	38,000
Loan Commitments 1/1/14 - 9/30/14 (Details below)		\$	53,119,000
Loan Funds Available for FY 16 DWSRF IUP Projects		\$	41,876,543
Total Estimated Uses			\$ 151,477,654

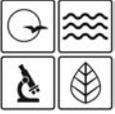
* The source of the state match has not been finalized. Match funds will be deposited before any capitalization grant funds are drawn.

Loan and Grant Commitments Before FY 16 IUP Approval	Loan	Grant	Total
Audrain Co. PWSD #1 - Funded 9/28/15	\$ 164,000	\$ 163,028	\$ 327,028
Jackson Co. PWSD #16 - Funded 9/28/15	\$ 711,000	\$ 702,750	\$ 1,413,750
Bonne Terre	\$ 1,985,000	\$ 1,984,287	\$ 3,969,287
Platte Co. PWSD #1 - Funded 10/15/15	\$ 1,149,000	\$ 647,946	\$ 1,796,946
Hannibal - Funded 10/15/15	\$ 12,960,000	\$ -	\$ 12,960,000
Tri-County Water Authority	\$ 33,432,000	\$ -	\$ 33,432,000
Belton - Phase II - Funded 9/10/15	\$ 2,718,000	\$ -	\$ 2,718,000
Total Commitments Before FY 16 IUP Approval	\$ 53,119,000	\$ 3,498,011	\$ 56,617,011

Source And Distribution Of Funds			
Loan Administration Fees¹			
Fund 0568			
As of Dec. 31, 2014			
Income	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income
Beginning Balance as of 07/01/14	\$ 4,603,561	\$ 4,482,597	\$ 651,972
FY 15 Income (thru 12/31/14)	\$ 9,358	\$ 485,374	\$ 62,341
FY 15 Interest Earnings (thru 12/31/14)	\$ 10,725	\$ 11,506	\$ 1,663
Subtotal	\$ 4,623,644	\$ 4,979,477	\$ 715,976
Expenditures Thru 12/31/14			
FY 15 Program Administration	\$ (127,368)	\$ (32,235)	\$ -
FY 15 PSD Expenditures		\$ -	\$ -
Subtotal	\$ (127,368)	\$ (32,235)	\$ -
Income Less Expenditures	\$ 4,496,276	\$ 4,947,242	\$ 715,976
Projected Income			
FY 15 Income (01/01/15 - 06/30/15)	\$ 38,475	\$ 255,722	\$ 69,875
FY 15 Interest Income (01/01/15 - 06/30/15)	\$ 26,457	\$ 22,857	\$ 4,406
FY 16 Income (07/01/15 - 06/30/16)	\$ 167,611	\$ 686,871	\$ 125,491
FY 16 Interest Income (07/01/15 - 06/30/16)	\$ 33,919	\$ 37,355	\$ 6,837
Subtotal	\$ 266,462	\$ 1,002,805	\$ 206,609
Projected Expenditures			
FY 15 Program Administration	\$ -	\$ -	\$ -
FY 15 PSD Expenditures	\$ -	\$ (925,000)	\$ (25,000)
FY 16 Program Administration	\$ (560,902)	\$ (264,483)	\$ -
FY 16 Technical Assistance Grants	\$ -	\$ (25,000)	\$ (25,000)
Subtotal	\$ (560,902)	\$ (1,214,483)	\$ (50,000)
Total Actual and Projected	\$ 4,201,836	\$ 4,735,564	\$ 872,585

¹ The distribution of loan administration fees to various department activities is subject to change throughout the fiscal year. Actual fund uses will be shown in detail in the fiscal year 2016 Drinking Water State Revolving Fund Annual Report.

Drinking Water SRF Loan Application
Package
For Fiscal Year 2017
(Oct. 1, 2016 to Sept. 30, 2017)



MISSOURI DEPARTMENT OF NATURAL RESOURCES
 WATER PROTECTION PROGRAM
DRINKING WATER STATE REVOLVING FUND LOAN APPLICATION

FOR OFFICE USE ONLY	
DATE RECEIVED	
PROJECT NUMBER	
PRIORITY POINTS	

This application is for a Drinking Water State Revolving Fund Loan described in Missouri Regulation 10 CSR 60-13.020.
Submit to: Missouri Department of Natural Resources, Financial Assistance Center, P.O. Box 176, Jefferson City, MO 65102-0176. Please type or print legibly.

1. APPLICANT INFORMATION

PUBLIC WATER SUPPLY NAME		PUBLIC WATER SUPPLY ID NO.	
PUBLIC WATER SUPPLY OWNER		DUNS NO.	
PUBLIC WATER SUPPLY CONTACT PERSON FOR THIS DRINKING WATER STATE REVOLVING FUND LOAN PROJECT			TITLE
MAILING ADDRESS		EMAIL ADDRESS	
CITY	STATE	ZIP CODE + FOUR	COUNTY
TELEPHONE NUMBER WITH AREA CODE Ext.		FAX NUMBER WITH AREA CODE Ext.	

2. ARCHITECTURAL AND ENGINEERING CONSULTANT INFORMATION

CONSULTING FIRM'S NAME		CONSULTANT'S NAME	
CONSULTANT MAILING ADDRESS		EMAIL ADDRESS	
CITY	STATE	ZIP CODE + FOUR	
CONSULTANT TELEPHONE NUMBER WITH AREA CODE Ext.		CONSULTANT FAX NUMBER WITH AREA CODE	

3. GENERAL INFORMATION

POPULATION SERVED	MEDIAN HOUSEHOLD INCOME FOR THE SERVICE AREA	
CURRENT AVERAGE MONTHLY WATER BILL FOR A TYPICAL HOUSEHOLD, PER 5,000 GALLONS		
ESTIMATED AVERAGE MONTHLY WATER BILL FOR A TYPICAL HOUSEHOLD, PER 5,000 GALLONS, FOLLOWING COMPLETION OF THIS PROJECT		
ANTICIPATED TERM OF THE LOAN (YEARS)		
EXISTING CUSTOMERS		ESTIMATED CUSTOMERS AT PROJECT COMPLETION
WHAT IS YOUR COLLECTION DELINQUENCY RATE? percent		ARE YOU CURRENTLY FUNDING DEPRECIATION? <input type="checkbox"/> Yes <input type="checkbox"/> No
OUTSTANDING DEBT SERVICE \$	ANY DEBT HELD BY USDA RURAL DEVELOPMENT? <input type="checkbox"/> Yes <input type="checkbox"/> No	WHEN WAS THE LAST TIME USER-FEES WERE REVIEWED?
EXISTING ANNUAL DEBT SERVICE \$	WHEN WAS THE LAST TIME USER-FEES WERE INCREASED?	
REVENUE LESS (MINUS) OPERATING EXPENSES FOR THE LAST FISCAL YEAR EQUALS = \$		
FROM A FINANCIAL STANDPOINT, DO YOU HAVE A COMBINED WATER AND SEWER SYSTEM? <input type="checkbox"/> Yes <input type="checkbox"/> No		
U.S. CONGRESSIONAL DISTRICT NUMBER	STATE SENATE DISTRICT NUMBER(S)	STATE REPRESENTATIVE DISTRICT NUMBER(S)

4. CERTIFIED OPERATOR AND EMERGENCY OPERATING PLAN

THE APPLICANT HAS PROVIDED:

Documentation the public water supply has a certified chief operator or expects to have prior to loan award.

Documentation the public water supply has an emergency operating plan or expects to have prior to loan award.

5. PROJECT DESCRIPTION

DESCRIBE THE MAJOR COMPONENTS OF THE PROJECT (ATTACH A SEPARATE SHEET, IF NECESSARY)

6. PROJECT COST INFORMATION

ESTIMATED PROJECT COST BREAKDOWN		BREAKDOWN OF STATE REVOLVING FUND ELIGIBLE COST PER DESIGNATED CATEGORIES:	
		Treatment	\$
Administrative/Legal	\$	Transmission and Distribution	\$
Engineering Planning and Design	\$	Storage	\$
Construction Engineering Services	\$	Source	\$
Engineering Inspection	\$	Land Acquisition	\$
Construction	\$	Purchasing of Other Systems	\$
Other Costs (labs, upgrades, automation, etc.) Specify:	\$	Refinancing	\$
Interest During Construction	\$	Other Specify:	\$
Contingency (10 percent of Construction)	\$	PROJECTED REPAYMENT SOURCE	
Total Project Costs	\$	<input type="checkbox"/> User Fees <input type="checkbox"/> General Funds <input type="checkbox"/> Sales <input type="checkbox"/> Other (Please, describe):	
Funding Sources other than the Drinking Water State Revolving Fund (specify whether loan or grant):			
•	\$		
•	\$		
BALANCE (Total project costs minus other funding sources)	\$		
Cost of Issuance (Estimate 3% of Balance)	\$		
AMOUNT OF LOAN REQUEST (Balance plus Cost of Issuance)	\$	IS THE SOURCE OF REPAYMENT IN PLACE AND AVAILABLE AT THIS TIME? (CHECK ONE) <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, specify:	

7. ANTICIPATED DEBT STRUCTURE/SECURITY

<input type="checkbox"/> General Obligation Bonds	<input type="checkbox"/> Revenue Bonds
AMOUNT OF BOND \$	HAVE YOU PASSED BONDS FOR THIS PROJECT? (CHECK ONE) <input type="checkbox"/> Yes – include a copy of the bond language and certified election results <input type="checkbox"/> No

8. PROJECT SCHEDULE (READINESS TO PROCEED-SEE ATTACHED READINESS TO PROCEED AND DISTRIBUTION OF FUNDS CRITERIA FACT SHEET)

MILESTONE	ANTICIPATED DATE
A. Facility plan submittal (See attached Facility Plan Submittal Checklist when submitting the facility plan)	
B. All other funding is secured (if necessary, bonds are voted)	
C. Engineering plans and specifications submittal	
D. Construction start date	

9. PRIORITY POINTS CRITERIA (SEE ATTACHED MISSOURI WATER STATE REVOLVING FUND PRIORITY POINTS CRITERIA FACT SHEET)

NOTE: Check all items listed below that apply to the project and describe in the space provided. Attach any supporting documentation (e.g., copy of the latest sanitary survey, inspection, copy of order, agreement, permit or other enforceable document, etc.) and specifically cross-reference it in the narrative description. The department will consider only supporting documentation described on the application form.

SAFE DRINKING WATER ACT COMPLIANCE (Anticipated compliance benefits of the proposed project.)

THIS PROJECT WILL (CHECK ALL THAT APPLY):

- Correct persistent violations of maximum contaminant levels or treatment performance criteria for acute risk contaminants (such as coliform, turbidity or nitrate) within the past 36 months.
- Correct persistent violations of treatment technique requirements.
- Correct persistent violations of maximum contaminant levels for nonacute risk primary contaminants occurring within the past 36 months.
- Correct persistent violations of maximum contaminant levels for secondary contaminants occurring within the past 36 months.
- Enable the public water supply to comply with certain anticipated federal regulations.
- Enable the public water supply to comply with an administrative order, bilateral compliance agreement, permit or other enforceable document issued by the Missouri Department of Natural Resources.

DESCRIPTION OR ADDITIONAL COMMENTS:

Empty space for description or additional comments.

PUBLIC HEALTH (Anticipated public health benefits of the proposed project.)

- Existing public water systems only: At least 51 percent of the project will address problems causing a waterborne disease outbreak attributable to the public water supply by the Missouri Department of Health and Senior Services.
- Existing public water systems only: The public water supply can document its inability consistently to maintain >35 psi as a normal working pressure in the distribution system.
- Existing public water systems only: The public water supply can document its inability consistently to maintain >20 psi at all service connections.
- Private or noncommunity wells or sources in the project service area are unable to consistently provide an adequate amount of potable water for general household purposes and at least 51 percent of the project addresses this need.

PUBLIC WATER SYSTEM INFRASTRUCTURE IMPROVEMENTS (Anticipated infrastructure benefits of the proposed project.)

THIS PROJECT WILL (CHECK ALL THAT APPLY):

- Provide a public water supply with a backup well or backup interconnection with another public water supply.
- Address problem(s) with improper well construction.
- Address unaccounted for water that exceeds 10 percent of the drinking water produced by the system, and the loss is due to leaking or broken water lines.
- Provide necessary modifications to a distribution system anticipated to exceed design capacity or useful life within the next five years.
- Address a demonstrated need to replace faulty pipes or substandard pipe materials.
- Address a demonstrated need for distribution system valves and flushing devices.
- Address a demonstrated need for looping of water mains.
- Address an inability to maintain a disinfectant residual at all points in the distribution system.
- Address water storage facilities in poor condition not related to inadequate maintenance.
- Provide the public water supply with a storage capacity equal to one day's average use or provide the public water supply with adequate standby power.
- Provide necessary modifications to a source or treatment facility anticipated to exceed design capacity or useful life within the next five years.
- Address significant degradation of the quality of raw water supply.
- Address significant degradation of the quality of finished water in storage.
- Enable the public water supply to meet existing state requirements for the treatment or storage of waste residues generated by the water treatment plant.
- Enable repair or replacement of treatment facilities for required disinfection or turbidity removal that are severely deteriorated beyond the useful life of the facility.
- The facility's source is vulnerable to natural disasters (such as flood or drought) or contamination.
- The facility's treatment plan is vulnerable to natural disasters (such as flood or drought) or contamination.
- The facility is located in a department-approved wellhead protection area.

ADDITIONAL PRIORITY POINT CATEGORIES

THIS PROJECT WILL (CHECK ALL THAT APPLY):

- At least 51 percent of the project cost is for repair or replacing an existing public water system damaged or destroyed by a natural disaster. (Note: Documentation must be submitted along with a statement that adequate state or federal disaster relief is not available).

- Project will result in interconnections with other systems affected by drought or for upgrades to existing systems to address drought related problems

- Project will result in interconnections with other systems prone to flooding or for upgrades to existing systems to address flood related problems

- Provide necessary upgrades to facilities of a primary water system to continue or expand services as a regional water supplier. Name of system(s): _____

- Result in the permanent supply interconnection of two or more existing public water systems. (This includes new water systems that allow small water systems within their boundaries to consolidate).
Name of system(s): _____

- Result in a regional management system responsible for the day-to-day operation of the water system.
Name of the system(s): _____

- Enable the public water supply to enhance the water system security.

- At least 50 percent of the applicant's governing board has received training related to the management and operation of drinking water infrastructure. Please provide documentation of the training and a list of members who received the training.

- The public water supply has completed an asset inventory.

DESCRIPTION OR ADDITIONAL COMMENTS

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CERTIFICATION

The undersigned representative certifies the information submitted in this application is true and correct to the best of his or her knowledge and that he or she is authorized to sign and submit this application. The applicant agrees, if a loan is awarded on the basis of this application, to comply with all applicable rules and regulations of the Department of Natural Resources and the terms and conditions of the loan agreement. Furthermore, the applicant meets the requirements of 10 CSR 60-3.030 Technical, Managerial, and Financial (TMF) Capacity or will meet these requirements upon completion of the project. For more information regarding TMF Capacity, please contact the department's Financial Assistance Center at 573-751-1192.

Incomplete applications will be returned.

SIGNATURE OF AUTHORIZED REPRESENTATIVE	DATE
NAME AND OFFICIAL TITLE	TELEPHONE NUMBER WITH AREA CODE Ext.

PREPARER'S NAME AND SIGNATURE (IF APPLICABLE)

SIGNATURE OF PREPARER	DATE
NAME AND TITLE	TELEPHONE NUMBER WITH AREA CODE Ext.

Drinking Water State Revolving Fund Loan Application Instruction for 780-1845

Note: Any funding assistance is subject to all State Revolving Fund requirements. Potential applicants should contact the Missouri Department of Natural Resources' Financial Assistance Center prior to completing and submitting an application. Please contact the Financial Assistance Center at 573-751-1192 or toll free at 800-361-4827.

1. Print or type the applicant information. Include a street address if available. The applicant 1. is the entity that will receive the loan funds, if awarded. Prior to receiving a loan, the entity must have a DUNS (Data Universal Numbering System) number. The DUNS number is a nine digit number established and assigned by Dun and Bradstreet Inc., or D&B, to uniquely identify business entities. A DUNS number is available from D&B by telephone at 866-705-5711 or at fedgov.dnb.com/webform. The contact noted on the application should be knowledgeable about the application and able to be contacted during business hours.
2. Include the engineering firm name and the name of the professional engineer working on the project.
3. Show the population of the entire service area. The population served by public water supply will be different from the decennial census population if the project is to serve a portion of the municipality or district. The information included in Section 3 of the application will be used to determine the financial capability of the applicant with respect to the proposed project. Please provide the most accurate information available. Collection delinquency rate is defined as bills that are never collected, not bills that don't get paid by the due date but are eventually collected later.

Show the revenue minus expenses including operation and maintenance, replacement and debt service for the last fiscal year. Please include the beginning and end of the fiscal year if not using the calendar year. Provide the median household income based on the most recent decennial census. The median household income data can be found online at factfinder2.census.gov/faces/nav/jsf/pages/community_facts.xhtml.

Fill in the current rate for a 5,000 gallon user and what the estimated rate will be at project completion.

Provide the U.S. congressional district numbers, state senate and state representative district numbers for the project area.

4. Check the appropriate box if the public water supply has a certified chief operator or an emergency operations plan.
5. Provide a brief project description.
6. Supply the cost estimates for the project. Land acquisition and easements may be eligible for a Drinking Water State Revolving Fund Loan. Please call the department's Financial Assistance Center at 573-751-1192 or 800-361-4827 for additional guidance concerning requirements needed when acquiring land and easements.

Provide a cost breakdown by category of need.

State the source of repayment for the loan and if it is in place and available at this time.

7. Provide information about existing or proposed ballot issues. If a bond or tax issue has already been voted, provide a copy of the ballot language and certified election results.
8. Provide a project schedule that will be used to determine the applicant's readiness to proceed. Please review the Readiness to Proceed and Distribution of Funds Criteria fact sheet.
9. Check all boxes that apply to the proposed project and include descriptions or additional comments as needed. Additional information from these descriptions and a preliminary engineering report will help determine priority.

Note: Please look at the Missouri Drinking Water State Revolving Fund Priority Points Criteria fact sheet to help you to maximize the priority points received for the project. The priority ranking criteria is available at dnr.mo.gov/pubs/pub2362.pdf.

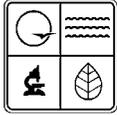
Incomplete Applications will be Returned

- Sign the application and attach any information that will enable the department to prioritize the drinking water needs.
- If funds from the U.S. Department of Agriculture-Rural Development or Department of Economic Development - Community Development Block Grant Program will also be sought, please ensure that you have included this information with this application.
- Make a copy of the completed application for you records.

Mail the completed application to: Missouri Department of Natural Resources, Financial Assistance Center
P.O. Box 176, Jefferson City, MO 65102-0176

For More Information

Missouri Department of Natural Resources
Water Protection Program
Financial Assistance Center
P.O. Box 176
Jefferson City, MO 65102-0176
800-361-4827 or 753-751-1192
FAX: 573-571-9396
www.dnr.mo.gov/env/wpp/srf/index.html



MISSOURI DEPARTMENT OF NATURAL RESOURCES
 WATER PROTECTION PROGRAM, FINANCIAL ASSISTANCE CENTER
FACILITIES PLAN SUBMITTAL CHECKLIST
Drinking Water State Revolving Fund
 Submit to: P.O. Box 176, Jefferson City, MO 65102-0176
 ATTN: Financial Assistance Center

FOR OFFICE USE ONLY
DATE RECEIVED

This form must be submitted with the Facility Plan

1. PROJECT NAME

2. PROJECT DESCRIPTION

3. APPLICANT INFORMATION

NAME OF APPLICANT

APPLICANT MAILING ADDRESS

CITY	STATE	ZIP + FOUR	COUNTY
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4. FACILITIES PLAN INFORMATION IN ACCORDANCE WITH 10 CSR 60-13.020 (2)(F) (CHECK THE BOXES OF THE ENCLOSED ITEMS)

- Be consistent with accepted engineering practice.
- Appropriate design period.
- Current and projected hydraulic loading.
- General project design criteria.
- Describe the purpose and need of the project.
- Study and evaluate the most feasible, economic, and environmentally sound alternatives.
- Current and estimated future user charge (cost per 5,000 gallons.)
- Current and future water demand.
- An assessment of the environmental conditions and impact of the proposed project on the environment (see also Section 7.)
- Detailed project budget.
- Include a project schedule (Including the following dates: Construction start, construction completion, initiation of operation, and project completion.)
- Signed, sealed, and dated by a registered professional engineer licensed in Missouri.
- Selected site location.

Note: Items 5 to 7 should not be completed until the department has reviewed items 1-4 and approved the scope of the proposed project.

5. CLEARANCE LETTERS IN ACCORDANCE WITH 10 CSR 60-13.030

- Army Corps of Engineers.
- Department of Natural Resources, Historic Preservation.
- Department of Conservation.
- United States Fish and Wildlife.
- Department of Natural Resources, Missouri Geological Survey (lagoon collapse potential and receiving stream determination.)
- Federal Assistance Clearinghouse.
- Department of Natural Resources' Division of State Parks (If infringes on federally funded parks.)

6. PUBLIC PARTICIPATION IN ACCORDANCE WITH 10 CSR 60-13.020(2)(E) and 10 CSR 13.030(5)(B)2.

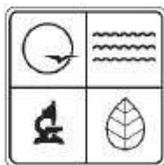
- Hold two public meetings to discuss the following: 1) the scope, need, and alternatives considered for the project; and 2) the proposed impact of the project on user rates.
- Provide a transcript, recording, or other complete record of the meetings and a list of attendees to the Department of Natural Resources.
- Hold one public hearing on the expected environmental impact as result of the proposed project if an Environmental Information Document is required.
- Provide a verbatim transcript of the hearing and a list of attendees to the Department of Natural Resources.
- Provide to the Department of Natural Resources proof that advertisement and notification of the meetings and hearing preceded the meetings and hearing by 30 days.

7. ENVIRONMENTAL INFORMATION DOCUMENT IN ACCORDANCE WITH 10 CSR 60-13.030(5)(B)1. (FOR SYSTEMS WHO DO NOT MEET THE CATERGORICAL EXCLUSION CRITERIA AND ARE NOT REQUIRED TO PREPARE AN ENVIRONMENTAL IMPACT STATEMENT)

- The purpose and need for the project.
- Information describing the environmental setting and the future of the environment without the project.
- The alternatives to the project as proposed.
- A description of the proposed project.
- The potential environmental impacts of the project as proposed including those which cannot be avoided.
- The relationship between the short-term uses of the environment and the maintenance and enhancement of Long-term productivity.
- Information describing any irreversible and irretrievable commitments of resources to the proposed project.
- A description of public participation activities conducted, issues raised and changes to the project as a result of public participation.
- Documentation of coordination with appropriate governmental agencies (Include all correspondence with the agencies outlined in Section 5.)

PREPARER'S NAME AND SIGNATURE

SIGNATURE OF PREPARER	DATE
NAME AND TITLE (PLEASE PRINT OR TYPE)	TELEPHONE NUMBER WITH AREA CODE



Missouri Department of Natural Resources

MISSOURI DRINKING WATER STATE REVOLVING FUND PRIORITY POINTS CRITERIA

Water Protection Program fact sheet

07/2015

Division of Environmental Quality Director: Leanne Tippett Mosby

PUB2362

General Information

The Missouri Department of Natural Resources must prepare annually a Drinking Water State Revolving Fund, or DWSRF, Intended Use Plan that includes lists of projects expected to qualify for financing within the fiscal year addressed by the plan. The priority point criteria are used to evaluate DWSRF loan applications to be addressed by the fiscal year 2017. The department must annually seek public comments on the priority point criteria proposed. The Missouri Safe Drinking Water Commission must approve the priority point criteria at least 60 days before the application deadline. A project must be listed in the plan to be eligible for funding and the projects are listed in priority order.

Projects are listed so that the most serious problems are given the highest priority. Consistent with the federal Safe Drinking Water Act, priorities are based primarily on protection of public health, compliance with the act and household affordability.

Assignment of Priority Points

Priority points shall be assigned only where the proposed project is intended to correct the problem associated with the points. For example, if the public water system has had persistent violations of a secondary maximum contaminant level, or MCL, but the proposed project does not address that problem, the points associated with persistent violations of a secondary MCL will not be assigned.

The sections on Distribution System Reliability (section III.B.) and Design Considerations (section III. F.) are limited to a maximum of 20 points each. This is done to ensure projects addressing MCL violations are not overwhelmed by projects addressing only design considerations or distribution system problems. The 25 points available for violations of acute risk contaminant MCLs are used as the baseline in developing the priority point criteria.

Projects will be ranked by the total number of points received. In the event of a tie, the projects receiving the highest number of points under Distribution System Reliability and Design Considerations (sections III.B. and III.F.) with the 20-point maximum limits lifted will receive the higher ranking. If the projects are still tied, the secondary tie-breaking criteria will be number of affordability points. The applicant with the highest affordability points will receive the higher ranking. If the projects are still tied, the third tier of tie-breaking criteria will be the number of people served. The system serving the larger number of people will receive the higher ranking.

Projects that involve the refinancing of existing debt will receive priority points only for affordability.

No priority points shall be assigned to a project intended to correct deficiencies resulting from inadequate operation and maintenance of the public water system.

Priority point assignment and listing in the plan does not guarantee all financial and project eligibility requirements have been met.

Priority Points

I. Safe Drinking Water Act Compliance

Only projects for existing eligible public water systems as defined in 10 CSR 60.13.020(1)(B) will be assigned points under this section. See the lists on pages 6 and 7, Safe Drinking Water Act Compliance Priority Points: Existing and Anticipated Regulations for further explanation of categories A through D below.

A. Acute Risk Contaminants (such as E coli, turbidity or nitrate). 25 points will be assigned if there have been persistent violations of MCLs or treatment performance criteria for acute risk contaminants within the past 36 calendar months.

B. Treatment Technique Requirements. 20 points will be assigned if there have been persistent violations of treatment technique requirements (for example, the Surface Water Treatment Rule, lead and copper, etc.).

C. Non-Acute Risk Contaminants

1. 25 points will be assigned if there have been persistent violations of any non-acute risk primary MCL within the past 36 calendar months.

2. 10 points will be assigned if there have been persistent violations of any secondary MCL within the past 36 calendar months.

D. Anticipated Federal Regulations. 10 points will be assigned if the proposed project will enable the public water system to comply with anticipated federal regulations identified on the attached list, Safe Drinking Water Act Compliance Priority Points: Existing and Anticipated Regulations.

E. Compliance. 15 points will be assigned if the proposed project will enable an eligible public water system to comply with an administrative order, a bilateral compliance agreement, or other enforceable document issued by the department.

II. Public Health

A. Waterborne Disease Outbreak. 25 points will be assigned if a waterborne disease outbreak declared by the Missouri Department of Health and Senior Services is attributable to an existing public water system and 51 percent or more of the cost of the proposed project addresses the problem(s) causing the waterborne disease outbreak.

B. Inadequate Water Supply

1. 10 points will be assigned if an existing public water system can document its inability to consistently maintain at least 35 pounds per square inch (psi) as a normal working pressure in the distribution system.

2. 10 points will be assigned if an existing public water system can document its inability to consistently maintain pressures of at least 20 psi at all service connections.

3. 20 points will be assigned if the private or noncommunity wells or sources in the proposed project service area are unable to consistently provide an adequate amount of potable water for general household purposes and 51 percent or more of the cost of the proposed project addresses this need. Private or noncommunity wells or sources

contaminated by commercial, industrial or mining wastes will be considered in this category.

III. Public Water System Infrastructure Improvement Note: Only projects for existing eligible public water systems will be assigned points under this subsection.

A. System source reliability

1. 10 points will be assigned to a project that addresses a need for new backup well or a backup interconnection with another public water system.
2. 10 points will be assigned if the system has one or more improperly constructed wells.

B. Distribution system reliability. (Limited to a maximum of 20 points.)

Reminder: After points have been calculated for all eligible applicants, ties will be broken by calculating total points possible under this section and section 111.F., design considerations, without the 20-point limitations. The project receiving the higher score under these two sections without the 20-point limitations will be ranked above the project receiving the lower score.

1. 10 points will be assigned if the system has water loss that exceeds 10 percent of the drinking water produced by the system.
2. 10 points will be assigned if the distribution system is anticipated to exceed design capacity or useful facility life within the next five years.
3. 10 points will be assigned if the distribution system has faulty waterlines or substandard waterline materials.
4. 5 points will be assigned if the public water system requires additional system isolation and flushing measures.
- 5 points will be assigned if the public water system requires looping of water waterlines.

C. Disinfection. 15 points will be assigned if a public water system is unable to maintain a disinfectant residual at all points in its distribution system.

D. 10 points will be assigned if a system has storage facilities in poor condition, not related to inadequate maintenance of the facilities.

E. Reliability of service. 10 points will be assigned if a system has water storage capacity that is less than one day's average use or lacks adequate standby power.

F. Design considerations. (Limited to a maximum of 20 points)

Reminder: After points have been calculated for all eligible applicants, ties will be broken by calculating total points possible under this section and section 111.B., system distribution reliability, without the 20-point limitations. The project receiving the higher score under these two sections without the 20-point limitations will be ranked above the project receiving the lower score.

1. 20 points will be assigned if the source or treatment facility is anticipated to exceed its useful life or if the demand is expected to exceed the design capacity within the next five years.

2. 20 points will be assigned if a system has suffered significant degradation of the quality of the raw water supply.
3. 20 points will be assigned if a system has suffered significant degradation of the quality of finished water in storage.
4. 10 points will be assigned if a system currently does not meet existing state requirements for the treatment or storage of waste residues generated by the water treatment plant.

G. 20 points will be assigned if the treatment facility(ies) for required disinfection or turbidity removal are severely deteriorated and beyond the facility useful life.

H. Vulnerability.

1. 10 points will be assigned to a water system whose source is vulnerable to natural disasters (such as flood or drought) or contamination.
2. 10 points will be assigned to a water system whose treatment plant is vulnerable to natural disasters (such as flood, earthquake, etc.) or contamination.

I. Wellhead and Source Water Protection. 10 points will be awarded to applicants who have a department approved wellhead or source water protection plan.

IV. Affordability Only community water system projects will be assigned points under this section.

A. Annual Median Household Income. The statewide annual median household income levels of the state must be determined from income data from the latest decennial census of the United States. The median household income data can be found at the following web address:

http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml

1. A community water system will use the annual decennial median household income for the appropriate political subdivision or subdivisions encompassing its service area.
2. A nonmunicipal community water system will use the annual decennial median household income for the smallest political subdivision encompassing the nonmunicipal community water system.

B. Assignment of Points. (Limited to a maximum of 25 points)

1. 10 points will be assigned a project if the median household income of the applicant is less than 75 percent of the state median household income as reported in the most recent decennial census.
2. From 1 to 25 points will be assigned, determined by the ratio of monthly water bill for 5,000 gallons of water to the monthly median household income for the project area to be served (expressed in percent times 10) and rounded to the nearest whole number.

For example: Monthly water bill = \$20 Annual median household income = \$24,000
 Monthly median household income = \$24,000/12 = \$2,000 (\$20/\$2,000) x 100% = 1%
 1 x 10 = 10 points

V. Additional Priority Point Categories

A. Natural disasters.

1. 10 points will be assigned if 51 percent or more of the proposed project cost is for repair or replacement of an existing public water system damaged or destroyed by a natural disaster. In order to be assigned these points, the project must be located in an area declared a federal or state natural disaster area, and a description of the public water system damaged or destroyed by the natural disaster must be submitted along with a statement that other state or federal disaster relief is not sufficient to meet the costs of the project.
2. 20 points will be assigned for systems affected by drought for projects that will result in interconnections with other systems or for upgrades to existing systems to address drought related problems.
3. 20 points will be assigned to address systems prone to flooding that will result in interconnections with other systems or for upgrades to existing systems to address flood related problems.

B. Consolidation.

1. 20 points will be assigned if the proposed project provides necessary infrastructure upgrades to a primary water system, allowing it to continue or expand service as a regional water supplier.
2. 20 points will be assigned for consolidation of public water systems, where at least one of the systems has demonstrated technical, managerial and financial capacity with respect to the National Primary Drinking Water Regulations. This would include newly formed regional water suppliers (generally water districts), which will allow small water systems within their boundaries to consolidate.
3. 10 points will be assigned for consolidation of public water systems where the proposed project will result in a regional management system responsible for the day-to-day operation of the water system, where the management system has the required technical, managerial and financial capacity to meet the National Primary Drinking Water Regulations. If the project meets the criteria for the points under item V.B.4., points under these criteria will not be awarded.
4. 20 points will be assigned if the proposed project will result in a new water distribution system or existing distribution system upgrade to meet the standards of a regional water supplier for the purpose of consolidation.

C. Security. 10 points will be assigned for eligible security measures. Eligible security measures include vulnerability assessments, emergency response plans, fencing, security cameras and lights, motion detectors, secure chemical and fuel storage, security hatches and access panels, and cross-connection control.

D. Board Member or City Council Member Training. 10 points will be assigned if 50 percent of the governing body has received training related to the operation and management of the water utility.

E. Asset Management. 10 Points will be assigned if the system has completed an asset inventory, including the condition and age of assets, for all critical assets in their system and has incorporated replacement schedules into annual and capital improvement budgets.

SDWA Compliance Priority Points: Existing and Anticipated Regulations

Maximum Contaminant Levels (MCL) and Treatment Technique Requirements. Acute Risk Contaminants

10 CSR 60-4.020 (or Missouri State Revised Total Coliform Rule in effect at the time of application) Maximum Microbiological Contaminant Levels and Monitoring Requirements, subsections (7)(A) and (7)(B).

10 CSR 60-4.030 Maximum Inorganic Chemical Contaminant Levels, Action Levels, and Monitoring Requirements, paragraphs 13, 14, and 15 of subsection (1)(A).

10 CSR 60-4.050 Maximum Turbidity Contaminant Levels and Monitoring Requirements, subsections (3)(A) and (3)(B).

Treatment Technique Requirements

10 CSR 60-04.025 Ground Water Rule, section (4)

10 CSR 60-4.050 Maximum Turbidity Contaminant Levels and Monitoring Requirements, section (3).

10 CSR 60-4.052 Source Water Monitoring and Enhanced Treatment Requirements, sections (1) and (2) 10 CSR 60-4.055 Disinfection Requirements, subsection (1)(A), section (2), section (3), section (4), section (5) and section (6).

10 CSR 60-4.090 Maximum Contaminant Level and Monitoring Requirements for Disinfection By Products, subsections (1)(D) and (4)(D).

10 CSR 60-15.010 General Requirements (lead and copper), sections (4), (5) and (6). Non-Acute Primary MCL

10 CSR 60-4.030 Maximum Inorganic Chemical Contaminant Levels, Action Levels, and Monitoring Requirements, section (1).

10 CSR 60-4.040 Maximum Synthetic Organic Chemical Contaminant Levels and Monitoring Requirements, section (1).

10 CSR 60-4.060 Maximum Radionuclide Contaminant Levels and Monitoring Requirements, subsections (1)(A)-(D).

10 CSR 60-4.090 Maximum Contaminant Level and Monitoring Requirements for Disinfection By Products, subsections (1)(A)-(C).

10 CSR 60-4.100 Maximum Volatile Organic Chemical Contaminant Levels and Monitoring Requirements, section (2).

Secondary MCL

10 CSR 60-4.070 Secondary Contaminant Levels and Monitoring Requirements, section (1).

New and Anticipated Federal Regulations

Revised Total Coliform Rule: The Environmental Protection Agency's final Revised Total Coliform Rule was published in the Feb. 14, 2013 Federal Register. It goes into effect April 1, 2016. Points will be awarded for projects that will bring systems into compliance with this new rule.

Nothing in this document may be used to implement any enforcement action or levy any penalty unless promulgated by rule under chapter 536 or authorized by statute.

For more information

Missouri Department of Natural Resources Water Protection Program

P.O. Box 176

Jefferson City, MO 65102-0176 800-361-4827 or 573-751-1300

<http://www.dnr.mo.gov/env/> "WPP"

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For more information

Missouri Department of Natural Resources

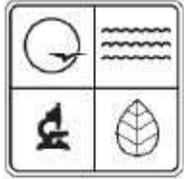
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Missouri Department of Natural Resources

MISSOURI DRINKING WATER STATE REVOLVING FUND READINESS TO PROCEED AND DISTRIBUTION OF FUNDS CRITERIA

Water Protection Program fact sheet

10/2014

Division of Environmental Quality Director: Leanne Tippet Mosby

PUB2361

General Information

In order to ensure best use of the drinking water loan funds in a reasonably expeditious manner, the Missouri Department of Natural Resources will begin recognizing the effort of Drinking Water State Revolving Fund, or DWSRF, applicants to complete their proposed project. Also, to ensure availability of DWSRF loan funds to more water systems, the department is including an annual funding limitation. Readiness to proceed criteria will be used to determine fundable status and the distribution of available and anticipated DWSRF funds.

Readiness to Proceed

Readiness to proceed criterion is defined as any project that, at a minimum, has submitted a complete facility plan and has secured voter-approved bond authorization or received an acceptable debt instrument. For the purpose of determination of readiness to proceed, a complete facility plan must adequately address the information required by sections 1-4 of the Facilities Plan Submittal Checklist attached to the DWSRF application. See the Distribution of DWSRF Funds section below for details as to how the department proposes to list new and carry-over projects in the Drinking Water Intended Use Plan.

Maximum Loan Limit

The maximum amount for a DWSRF loan from any single plan shall not exceed 30 percent of the total available and anticipated loan and grant funds or \$10 million, whichever is less, unless the department receives approval from the Missouri Safe Drinking Water Commission to exceed such limits.

Distribution of DWSRF Funds

Based on priority points and readiness to proceed, the following describes how the department intends to list the projects for the purpose of committing DWSRF loan and grant funds. The department will designate DWSRF projects in the Intended Use Plan, as either fundable, fundable contingency or planning. Projects designated as fundable are those projects the department has committed to finance with available or anticipated state revolving funds under the plan. The department's commitment to fundable projects is to reserve loan funds in the amount requested until the applicant secures the DWSRF loan or until the application period expires. Fundable contingency projects are those projects meeting readiness to proceed but not receiving funding commitments due to the lack of funds.

Projects designated as planning are those projects that have not yet met the definition of readiness to proceed criteria. The department will initially reserve 20 percent of the available or anticipated uncommitted funds for very small water systems (systems serving 3,300 or fewer people) that submit a loan application meeting the readiness to proceed criteria by the application receipt deadline. The department will reserve 15 percent for small water systems (systems serving from 3,301 to 9,999 people) that submit a loan application meeting the readiness to proceed criteria by the application deadline. Any initially reserved funds for small or very small water systems not committed will be transferred to the general reserves and made available for projects that meet readiness to proceed criteria and committed according to priority ranking of the projects. Any uncommitted funds available after the application

deadline will be committed to projects in the order the projects meet readiness to proceed. In the case where funds reserved for small or very small systems are not fully used, the department can give preference to such projects in the future.

I. Fundable List

All eligible carry-over applications from last year's fundable list will retain their same funding commitment from the prior Intended Use Plan, unless bypassed. All carry-over applications from last year's fundable contingency list and new DWSRF applications that meet the criterion for readiness to proceed will be placed on the fundable list in order of priority ranking. Those projects below the funding cutoff will be placed on the fundable contingency List. Carry-over projects will retain the points they received in the last year's Intended Use Plan unless they reapplied for consideration under the latest criteria (such projects are then deemed new applications).

II. Fundable Contingency List

These are eligible projects that meet readiness to proceed but due to priority ranking, timing, or funding limitations will not receive funding commitments. These projects will be ranked on the list in accordance with their priority points. If uncommitted funds become available, the department, with the Safe Drinking Water Commission's approval, will move the highest ranking project from the contingency list to the fundable list.

III. Planning List

These are the eligible carry-over or new projects that do not meet the readiness to proceed criterion to make the fundable or fundable contingency list. These projects will be ranked according to their priority points. Any application(s) that meets the readiness to proceed criteria, subject to the availability of funding, may be moved to the fundable or fundable contingency list and shall be incorporated into the appropriate list in priority point order.

Bypass Procedures

With the commission's approval, the department may bypass any project on the fundable list that does not make satisfactory progress toward meeting requirements. Procedures for bypassing projects are contained in 10 CSR 60-13.020(3)(A).

Refinancing and Refunding Criteria for Readiness to Proceed

Applications that involve both new project financing plus the refinancing or refunding of existing debt will only retain the new project priority points if:

- The refinancing or refunding is necessary to meet affordability criteria after the current project financing is factored into the application's total debt service.
- It is a current refinancing or refunding, OR in an advance refinancing/refunding, interest portion of the defeasance escrow attached to the SRF program shall include no more than two years of interest on the bonds to be refunded.
- The current debt is not that of another state or federal agency.
- Refinanced or refunded debt will only incorporate level or net level debt amortization structures.

Projects that only involve the refinancing of existing debt will only receive priority points for affordability.

If it is determined a refinancing or refunding project has not followed the DWSRF environmental and procurement requirements, then commitment to fund such projects will be considered on a case-by-case basis depending on availability of funds and the merits of the project as determined by the department and the Safe Drinking Water Commission.

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For more information

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Water Protection Program

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Water Protection Program - Financial Assistance Center

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