

STATE OF MISSOURI
DEPARTMENT OF NATURAL RESOURCES

Jeremiah W. (Jay) Nixon, Governor • Sara Parker Pauley, Director

www.dnr.mo.gov

September 22, 2015

Ms. Elke Boyd, P.E.
Shafer, Kline & Warren, Inc.
3200 Penn Terrace, Suite 100
Columbia, MO 65202

RE: Clean Water State Revolving Fund (SRF) Additional Subsidization Affordability Analysis, Public Notice Comments and Response

Dear Ms. Boyd:

Thank you for your email received August 4, 2015 in which you commented on the public notice of the draft Clean Water SRF Additional Subsidization Affordability Analysis.

The comments received refer to the following passage on Page No. 6 of the draft Clean Water SRF Additional Subsidization Affordability Analysis policy:

“The [Median Household Income] MHI is found using the American Community Survey conducted by the U.S. Census Bureau. In some cases, a community may believe the American Community Survey did not accurately reflect the demographics of their community. If an applicant submits a United States Department of Agriculture Rural Development [USDA-RD] or Missouri Department of Economic Development’s Community Development Block Grant [CDBG] approved income survey, the income value will replace the reported MHI in the Clean Water SRF Additional Subsidization Affordability Analysis. Currently, the department does not have a policy or procedure to determine or review and approve income surveys.”

The Department of Natural Resources will address your comments in the order presented in your email:

1. What does it take for CDBG/RD to approve an income survey?

Response:

The applicant will have to contact the respective agencies to follow their unique process to receive an approved income survey.

2. Would they have to perform it/have it performed on their behalf?

Response:

If the applicant wants to conduct an income survey, they will have to contact and work with either the USDA-RD or the CDBG to receive an approvable income survey. It is our understanding the applicant would need to use a third party to conduct the survey in accordance with the appropriate agency's requirements.

3. Could they approve someone else's?

Response:

The applicant must follow the USDA-RD or CDBG income survey procedures to receive an approval from the respective agency. At this time, the department does not have a policy or procedure to conduct income surveys.

4. Would they be willing/able for SRF applicants?

Response:

It will be dependent upon the USDA-RD and the CDBG to decide whether to expend resources to review and approve an income survey for a community which has not applied for their agency's funding.

5. Who would pay for it?

Response:

The preparation, review, and completion of an income survey is not an eligible SRF expense. In accordance with 10 CSR 20-4.040(22)(C)4., ordinary operating expenses such as the preparation of routine financial reports and studies are a noneligible cost. Therefore, the financing of an income survey would be the responsibility of the applicant.

6. Will it work out with the SRF deadlines?

Response:

In the past, the department has successfully funded projects in combination with USDA-RD and CDBG. In some of those instances, income surveys were performed and approved by those agencies. The department believes conducting an income survey will not hinder the funding process. However, it should also be noted the awarding of additional subsidization will be made at the time the applicant is ready to enter into a binding financial commitment.

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To advocate for a department income survey procedure and policy, the department encourages you to participate and comment on the proposed draft rule amendment to 10 CSR 20-4.040 SRF General Assistance Regulation. The department welcomes stakeholder input on this draft rule.

For more information on this rule and upcoming meetings, please visit dnr.mo.gov/env/wpp/cwforum/cwsrf-reg.htm.

The department appreciates your comments on the draft policy and hopes this letter adequately responds to your concerns. If you have any further questions, please contact the Department of Natural Resources, Water Protection Program, P.O. Box 176, Jefferson City, MO 65102-0176 or via email at DNR.SRFPublicNotice@dnr.mo.gov. Thank you.

Sincerely,

WATER PROTECTION PROGRAM



Emily T. Carpenter
Financial Assistance Center

ETC/cs

c: Mr. Eric Crawford, Director, Water Protection Program, Financial Assistance Center