



## Priority Points System & General SRF Regulation Stakeholders Meeting Summary August 14, 2007

- Priority Point System

No additional comments on the stakeholder draft were received. Staff will proceed with briefing the Clean Water Commission on the development of the new priority point system at their September 12, 2007 meeting. The September meeting will be held at the Holiday Inn Poplar Bluff, beginning at 9:00 AM. Staff anticipate formally requesting the commission to approve moving forward with the rule making process at the November 7, 2007 commission meeting.

- SRF General Assistance Regulation

Stakeholders suggested that the definitions for Alternative and Innovative technologies be removed. Stakeholders believed that these should be addressed in the wastewater design guide (10 CSR 20-8, Design Guides). The SRF General Assistance Regulation should encourage the use of Alternative and Innovative Technologies and reference any such requirements that may be contained in the wastewater design guide.

Stakeholders also discussed the removal of the definition for Excessive Inflow/Infiltration. Inflow/infiltration must be eliminated and/or treated.

The requirements for project selection need to be reviewed and clarified. The regulations should be structured in such a way as to allow for the submittal of applications via the internet. The SRF application should be revised to include the information necessary to establish priority for funding and determine an applicant's financial capability.

10 CSR 20-4.040(7)(B) requires a loan recipient to obtain prior approval before transferring ownership of facilities, equipment or real property, where the value is in excess of \$5,000. It was recommended that this amount be increased.

One stakeholder questioned the use of SRF funding as a match for funding received from other sources. Specifically, 10 CSR 20-4.040(7)(C) states that the SRF cannot be used as a match for those projects receiving funding under Title II of the Federal Clean Water Act. Staff agreed that this section should be amended to allow for the use of SRF funds as a match unless it is prohibited by other federal or state law.

Staff recommended the removal of the requirement for a One Year Certification (10 CSR 20-4.040(7)(D)). The stakeholders believed that this requirement should be revised, not eliminated. Stakeholders felt that in certain situations the department should require a One-Year Certification to ensure that the facility improvements funded through the SRF would perform as anticipated.

Staff recommended that the equivalency requirements (10 CSR 20-4.040(7)(F) and (9)(B)) be removed from the regulation and placed in the Intended Use Plan. The following is an excerpt from the Initial Guidance for State Revolving Funds, dated January 28, 1988.

“Section 602(b)(6) attaches sixteen specific statutory requirements to section 212 publicly-owned treatment works projects constructed "in whole or in part before FY 1995 with funds directly made available" by Federal capitalization grants. When a capitalization grant is used directly to fund an SRF reserve account to secure a State bond issue (leveraging), these requirements attach to section 212 projects funded up to an amount equivalent to the capitalization grant only ("equivalency

funds"), and not to other types of projects for which the Act authorizes funding, nor to section 212 projects funded with other monies in the fund in excess of the grant amount. Projects cited by the State to satisfy this "equivalency requirement" are termed "equivalency projects".

Staff believe there is a potential for equivalency requirements to be re-imposed upon reauthorization of the Federal Clean Water Act. To address any future equivalency requirements, it has been suggested that the regulations reference "equivalency" and include any future equivalency requirements in the annual Intended Use Plan.

A recommendation was made to revise the section relating to value engineering (10 CSR 20-4.040 (9)(B)(5)). The regulation should encourage value engineering where appropriate.

The small purchase provisions of 10 CSR 20-4.040(19)(A) need to be revised. Federal procurement regulations allow for small purchases in amounts up to \$100,000.

Next meetings:

September 20, 2007

1:00 – 3:00 PM

Lewis & Clark State Office Building

Gasconade Camp Conference Room

October 25, 2007

9:30 – 11:30 AM

Lewis & Clark State Office Building

Gasconade Camp Conference Room