

# **CLEAN WATER**

## **State Revolving Fund**

### **Intended Use Plan and Project Priority List for Fiscal Year 2020**

Oct. 1, 2019 through Sept. 30, 2020

Approved by the Missouri Clean Water Commission – October 9, 2019





# Table of Contents

- Missouri Clean Water State Revolving Fund Program..... 1**
- Fiscal Year 2020 Clean Water State Revolving Fund Program Goals..... 2**
- Fiscal Year 2020 Clean Water State Revolving Fund Available Funding ..... 3**
- Appendix 1: Project Priority Lists and Financial Tables ..... 8**
- Appendix 2: Clean Water State Revolving Fund Loan Application  
Instructions ..... 19**
- Appendix 3: State Revolving Fund Program Administration..... 21**
- Appendix 4: Environmental Protection Agency Requirements and Assurances  
..... 24**
- Appendix 5: Clean Water State Revolving Fund Priority Points Criteria ..... 28**

Cover photo is City of Ashland’s future Activated Sludge Mechanical Plant,  
courtesy of Allstate Consultants

# Missouri Clean Water State Revolving Fund Program

The Missouri Department of Natural Resources administers the Clean Water State Revolving Fund (CWSRF). As a condition of a federal agreement with the U.S. Environmental Protection Agency (EPA), the Department must submit an annual plan for the use of federal funds awarded and a strategy for managing the program in accordance with the Clean Water Act Section 606. This CWSRF Intended Use Plan (IUP) is the annual plan for fiscal year 2020.

Missouri applies to the EPA annually for a capitalization grant to fund its SRF program. These funds are combined with the required state match and interest earnings and then made available to Missouri communities in the form of low-interest loans. As the loans are repaid, the money is reused, or revolved, by the program to provide for future projects.

---

*Since 1989, the CWSRF has committed over **\$2.8 billion** in below-market rate loans and approximately **\$88 million** in grants to meet Missouri's wastewater infrastructure needs, saving 613 Missouri cities, counties, sewer districts, and others more than **\$1 billion**. Approximately **\$22.5 million** has been obligated to nonpoint source projects through the CWSRF since 1989. Farmers, livestock producers, watershed organizations, cities, rural homeowners, and others have benefited from these loans and grants.*

---

The CWSRF loan program was established by the 1987 Clean Water Act amendments to provide a renewable financing source for statewide wastewater infrastructure and runoff control while protecting state surface and ground waters. Operation and management of Missouri's CWSRF program is directed by regulations 10 CSR 20-4.040, 10 CSR 20-4.041, and 10 CSR 20-4.050 [sos.mo.gov/cmsimages/adrules/csr/current/10csr/10c20-4.pdf](https://sos.mo.gov/cmsimages/adrules/csr/current/10csr/10c20-4.pdf).

The Department continues to refine and evaluate the program to ensure it provides a stable source of funding for clean water infrastructure projects well into the future. The Department reserves the right to refinance, assign, pledge or leverage any loans originated through the CWSRF program.

This IUP summarizes the development and management of the CWSRF Project Priority Lists and state assurances required by federal mandates. It also details the proposed distribution of Missouri's anticipated CWSRF capitalization grants, state match funds, the repayments of previously awarded loans and the interest earnings from the repayment account deposits for fiscal year 2020.

## Our partners

The success of Missouri's CWSRF program is enhanced by the partnerships formed to deliver the programs:

- The Environmental Improvement and Energy Resources Authority (EIERA) issues bonds, manages related tax issues and monitors post-issuance compliance, while the Department handles program prioritization, project management, permitting, environmental review, and EPA

compliance. The Missouri Clean Water Commission, the Department, and EI ERA work together to maximize the amount of construction that can be supported by the CWSRF.

- The Missouri Water and Wastewater Review Committee reviews applications for projects requesting state or federal funds to finance water or wastewater system improvements. Agencies represented on the committee include the Missouri Department of Economic Development's Community Development Block Grant Program, the Missouri Department of Natural Resources, and the U.S. Department of Agriculture's Rural Development.
- The Missouri Department of Agriculture oversees a loan program funded by the CWSRF for the construction of animal waste treatment facilities. Loans for animal waste treatment facilities are awarded to the Missouri Agriculture and Small Business Development Authority, which in turn loans the funds to livestock and dairy producers for animal waste treatment facilities. For information on the Animal Waste Treatment System Loan Program, call 573-751-2129.

## **Fiscal Year 2020 Clean Water State Revolving Fund Program Goals**

Each year, the Department evaluates the operations and the financial structures of the CWSRF to gauge program effectiveness and to improve program services and investment returns. The Department develops both long-term and short-term goals to continually improve the program.

### **Long-term goals:**

- Assist a broad range of water quality improvement actions that help fulfill the objectives of the Clean Water Act.
- Provide assistance to projects that will help address affordability and capacity issues for small systems through regionalization or consolidation.
- Provide assistance to projects which will help address the issues (e.g. harmful algal blooms) caused by excessive nutrient loading of streams, rivers, and lakes that feed into waterways.
- Provide assistance and support for technically appropriate and financially sustainable projects.
- Maintain the long-term integrity of the revolving fund by applying prudent financial standards to assistance provided to participants.

### **Short-term goals:**

- Establish a financial incentive to promote regionalization efforts.
- Promote efficiency efforts both within and outside the agency to expedite the funding of projects.
- Continue marketing and outreach to increase use of the CWSRF program.
- Manage projects and work effectively with participants to ensure projects proceed toward a binding commitment in a timely manner.
- Continue to identify projects that qualify for green project reserve funding, in accordance with federal guidance.

# Fiscal Year 2020 Clean Water State Revolving Fund Available Funding

During fiscal year 2020, the CWSRF program expects to have approximately \$511 million available for new CWSRF projects. This includes carry-over monies from previous years, loan repayments, interest earnings on investments of CWSRF resources, federal capitalization grants, and state match. Project Lists are in Appendix 1.

## Eligible project types

The CWSRF Program dollars typically help municipalities build or improve wastewater treatment plants. However, conservation, agricultural, and urban projects may also be funded through the CWSRF. These types of projects include urban runoff, wet weather flow, stormwater, sewer overflows, water reuse and conservation, and alternative treatment projects.

Wastewater projects may include the following:

- New treatment plants
- Treatment plant improvements and upgrades
- Sewer line extensions to existing unsewered properties
- Sewer rehabilitation
- Combined sewer overflow and sanitary sewer overflow corrections
- Stormwater

Nonpoint source projects may include the following:

- Wetland protection and restoration measures
- On-site sewage disposal systems where existing systems are failing
- Best management practices for agriculture and stormwater runoff
- Riparian buffers and conservation easements
- Wellhead and source water protection measures
- Addressing water quality problems at Brownfield sites

State regulations describe eligible expenses and allowable construction costs. Examples include engineering costs for planning, design and construction as well as costs to construct or rehabilitate collection and treatment structures and systems. A full list is available in 10 CSR 20-4.040 at [sos.mo.gov/cmsimages/adrules/csr/current/10csr/10c20-4.pdf](https://sos.mo.gov/cmsimages/adrules/csr/current/10csr/10c20-4.pdf).

## Eligible borrowers

- Missouri cities, towns, counties, regional sewer/water districts, water authorities, and political subdivisions of the state are eligible for wastewater and nonpoint source loans.
- Private and nonprofit facilities, citizens groups, and individuals are eligible for nonpoint source loans.
- All eligible applicants must demonstrate financial, legal, technical, and managerial capability to enter into a binding financial commitment.

## **Terms of financial assistance**

The CWSRF offers a fixed-rate loan with a target interest rate of 30 percent of the market rate. Loan proceeds are to be expended within 36 months of the loan closing.

The interest rate is based on The Bond Buyer 25-Revenue Bond Index, which provides an estimate of the yield on a 30-year revenue bond offered under current market conditions. The rate is comparable to an AAA-rated municipal market rate.

The Department charges an annual fee of 0.5 percent of the outstanding loan balance. The fee is used to administer the CWSRF program and to fund other water quality activities in accordance with federal regulations.

Long-term loans are fixed-rate loans typically for 20 years. Terms of up to 30 years, not to exceed the useful life of the project, may be available for applicants experiencing a significant financing challenge. The Department evaluates extended term financing requests based upon assessment of the applicant's financial documentation and the Project Useful Life Worksheet at [dnr.mo.gov/env/wpp/srf/docs/Copyofcwsrfusefullifecalculator.web.xlsx](http://dnr.mo.gov/env/wpp/srf/docs/Copyofcwsrfusefullifecalculator.web.xlsx). CWSRF additional subsidization in the form of grant or principal forgiveness, in conjunction with a loan, may be available for eligible borrowers.

## **Distribution of funds**

The Department allocates available funds first to fundable projects carried over from the previous fiscal year. The Department then allocates a certain percentage of available funding for certain size communities or for high priority project types, such as Combined Sewer Overflows. Funds set aside for this reserve are based on a percentage of the anticipated available funds, the number of applicants ready to proceed and Department priorities.

The funds are allocated as shown below:

- 40 percent to Small and Non-Metropolitan projects (systems serving fewer than 75,000 people)
- 30 percent to Large Metropolitan Areas and Districts (systems serving 75,000 or more people)
- 15 percent to address Combined Sewer Overflow projects
- 15 percent to Green Project Reserve and Department Initiatives

Any uncommitted funds from a specific group may be distributed to fund projects in other groups that are ready to proceed. Additional information is in Appendix 1.

## **Project prioritization**

The CWSRF Priority Points Criteria are the basis for project ranking and funding allocation. The criteria includes human health protection, compliance with the Clean Water Act, Missouri Water Quality Standards and Antidegradation Policy, and Missouri's Nonpoint Source Management Program. The complete list of each criterion and associated point values is available in Appendix 5.

## Intended Use Plan listing process

The Department reviews project applications for CWSRF eligibility and assigns priority points based on the CWSRF Priority Points Criteria to eligible projects. Next, the Department places eligible projects on the CWSRF Project Priority List and ranks projects by priority point score within each funding category.

The CWSRF Project Priority List contains the following categories:

- **Fundable Projects List:** This list identifies those projects the Missouri Clean Water Commission intends to fund during a given fiscal year. Projects on the fundable list meet the readiness to proceed criteria. Projects that meet readiness to proceed criteria are those for which the applicant has submitted a complete facility plan, and documentation that the applicant has an acceptable debt instrument and any necessary funding commitments from other state and/or federal agencies contributing funds to the project.

The Fundable Projects List includes four types of projects:

- Small and Non-Metropolitan Areas and Districts
  - Large Metropolitan Areas and Districts
  - Combined Sewer Overflow
  - Department Initiatives
- **Fundable Contingency Projects List:** This list includes projects that meet the readiness to proceed criteria, however sufficient SRF funding is unavailable, or the project is not expected to need funds in the current fiscal year. These projects may receive assistance if funds become available during the fiscal year.
  - **Contingency Projects List:** This list includes projects that have an approvable facility plan but do not have an acceptable debt instrument in place. The Department works with these communities to assist them in meeting readiness to proceed criteria. Once the criteria are met, the project may be moved to the fundable list if funds are available.
  - **Planning Projects List:** This list includes projects for which an application has been submitted, but have not submitted an approvable facility plan and do not have an acceptable debt instrument in place. The Department works with these communities to assist them in meeting readiness to proceed criteria. Once the criteria are met, the project may be moved to the fundable list if funds are available.

## Modifications to Project Priority List

After the Missouri Clean Water Commission adopts this Intended Use Plan's CWSRF Project Priority Lists, it may modify the lists or redistribute the available funds in accordance with 10 CSR 20-4.040.

- **Inadequate allocations:** If federal CWSRF allocations are less than the allocations anticipated, or if previous allocations are reduced, the Department may recommend reducing project commitments.

- **Unanticipated or uncommitted funds:** The availability of unanticipated or uncommitted funds can result in a project moving from the contingency list to the fundable list. The amount of funds allocated to projects on the fundable lists may increase, or projects that have already received assistance may receive increased assistance.
- **Bypass:** The Department may recommend the Commission remove a project on the Fundable Priority List when it is not making progress in satisfying requirements for CWSRF assistance. The Commission may move projects removed from the Fundable Priority List to the Contingency or Planning Priority Lists.
- **Project removal:** Projects may be removed from the Project Priority List at the request of the applicant or Department finding that the project is ineligible for CWSRF assistance.

Before taking action to modify the Project Priority List, the Department notifies those projects directly affected.

### **Additional subsidization**

The Clean Water Act allows the state to provide additional subsidization in the form of grants, principal forgiveness or negative interest loans. The intent of the program is to target, as much as possible, the additional subsidized monies to communities that could not otherwise afford a CWSRF loan.

- Affordability Grants can be provided in coordination with loan funds to assist eligible applicants who would otherwise have difficulty financing projects without additional subsidization. Grant eligibility is determined based on the CWSRF Grant Eligibility Evaluation form and grant funds are offered to projects on the Fundable list if funds are available. The policy is available at [dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm](http://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm). More detail is included in Appendix 4.
- The Department is targeting funding and developing a policy for Regionalization Incentive Grants, which will be available to municipalities through an annual solicitation for applications. The policy is available at [dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm](http://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm).

### **Green Project Reserve**

A portion of certain capitalization grant funds are to be used for projects that address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities. See Appendix 4 for additional information.

Department staff will work directly with applicants prior to funding to identify projects with Green Project Reserve components. Additional information is in the CWSRF Loan Application Form and Instructions online at [dnr.mo.gov/env/wpp/srf/srf-app\\_guid.htm](http://dnr.mo.gov/env/wpp/srf/srf-app_guid.htm).

### **Program commitments and state assurances**

The Department makes a number of program commitments and state assurances related to managing the CWSRF.

See Appendix 4 for a list and description of these commitments and assurances.

## **Application deadlines**

An entity can submit an application at any time to the Department. Applications received or postmarked by January 15 will receive priority consideration for funding in the next fiscal year's IUP. See Appendix 2 for more information about applying for funding.

## **Projects being funded in fiscal year 2020**

The list of projects being funded in fiscal year 2020 is ranked by priority in Appendix 1.

# Appendix 1: Project Priority Lists and Financial Tables

## Estimated Sources and Uses of Fund

During FY2020, the Clean Water State Revolving Fund (CWSRF) program expects to have approximately \$511 million available for loans and additional subsidization during this fiscal year. The estimate includes carry-over monies from previous years, repayments, interest earnings on investments of CWSRF resources, federal capitalization grants, and state match.

Funds are allocated to projects that are on a Fundable List as approved by the Clean Water Commission. The amount of funds made available through this IUP may be revised at any time due to changing economic conditions.

The Department will use four percent from the federal capitalization grant and fees charged to CWSRF recipients for program administration.

The estimated sources and anticipated uses of funds can be found in the following table. The amounts reflected are as of December 31, 2018.

**Clean Water State Revolving Fund  
Estimated Sources and Uses of Funds  
FFY 2020 Intended Use Plan**

<b>Estimated Sources as of December 31, 2018</b>		
Anticipated Capitalization Grants for Clean Water State Revolving Fund	\$ 88,611,267	
Cash Balance *	\$ 303,760,136	
Anticipated Loan Repayments and Investment Earnings Net of Bond Payments (1/1/19 - 9/30/21)	\$ 298,316,227	
<b>Total Estimated Sources</b>		<b>\$ 690,687,630</b>
<b>Estimated Uses</b>		
Undisbursed Amounts Committed to Existing Projects	\$ 118,488,309	
Anticipated Program Administrative Expenses from Capitalization Grants	\$ 3,610,947	
A2010 Match Bond Debt Service Payments due through 9/30/21	\$ 2,211,537	
Anticipated Direct Loans Closing between 1/1/19 and 9/30/19	\$ 52,478,000	
Anticipated Grants Awarded between 1/1/19 and 9/30/19	\$ 3,106,000	
Anticipated Additional Subsidization Available for FFY 2020 CWSRF IUP Projects	\$ 18,649,526	
Anticipated Loan Funds Available for FFY 2020 CWSRF IUP Projects	\$ 492,143,311	
<b>Total Estimated Uses</b>		<b>\$ 690,687,630</b>

\* On October 18, 2018, the Environmental Improvement and Energy Resources Authority issued bond series 2018A in tax exempt revenue bonds, of which \$21,590,000 was for the Clean Water program. The bond proceeds will be disbursed as state match to Clean Water capitalization grants. The proceeds will support approximately three years of state match requirements to the FFY2018, 2019 and 2020 capitalization grants. The bond proceeds were deposited into the Water & Wastewater Loan Revolving Fund for disbursement.

<b>Loan and Grant Commitments 1/1/19 through 9/30/19</b>	<b>Loan</b>	<b>Grant</b>	<b>Total</b>
Belle - Funded 1/17/19	\$ 284,000	\$ 284,000	\$ 568,000
MPUA - Funded 1/18/19	\$ -	\$ 300,000	\$ 300,000
Moscow Mills - Funded 5/16/19	\$ 860,000	\$ 860,000	\$ 1,720,000
Drexel	\$ 1,662,000	\$ 1,662,000	\$ 3,324,000
Carthage	\$ 4,501,000	\$ -	\$ 4,501,000
BCRSD Oberlin Valley/Lee Heights - Funded 5/30/19	\$ 1,219,000	\$ -	\$ 1,219,000
Poplar Bluff - Funded 7/25/19	\$ 20,000,000	\$ -	\$ 20,000,000
MSD Deer Creek Sanitary Relief	\$ 23,952,000		\$ 23,952,000
<b>Total Commitments 1/1/19 through 9/30/19</b>	<b>\$ 52,478,000</b>	<b>\$ 3,106,000</b>	<b>\$ 55,584,000</b>

## **Project Priority Lists**

The list of fiscal year 2020 applicants appears on the following page. An applicant list is followed by detailed project lists.

Per 10 CSR 20-4.040, applications are valid for a 2-year plan cycle. Those projects not meeting program criteria within the allotted 2-year plan cycle will have their allocated funds released and reallocated to other projects. Reapplication to the program is possible at the end of the 2-year plan cycle, but a project's position on a fundable, contingency, or planning list may change with each subsequent application.

Projects carried over from the 2019 IUP remain eligible for fiscal year 2020 and retain the points they received under the criteria in effect at the time they initially applied. Carry-over projects in the fiscal year 2020 IUP must reapply by January 15, 2020, in order to compete for funding in the fiscal year 2021 IUP.

Unfunded projects that filed an original application by November 15, 2017, were automatically carried into the fiscal year 2020 IUP unless the Missouri Clean Water Commission bypassed or removed the project, or the proposed loan recipient has requested to be removed. Carryover status is indicated in the table.

For more information on the CWSRF Program, contact the Department's Financial Assistance Center at 573-751-1192 or [fac@dnr.mo.gov](mailto:fac@dnr.mo.gov).

# List of Fiscal Year 2020 Applicants

	APPLICANT	PRIORITY POINTS	SERVICE AREA POP.	Financial Assistance Request
	Boone County Commission (Bolli Road Coll System)	110	37	\$ 319,900
	Boone County Commission (Phenora North Coll System)	90	102	\$ 372,099
	Boone County RSD (Highfield Acres)	90	200	\$ 414,294
	Deer Run Reorganized Common Sewer District	105	385	\$ 1,808,100
	East Lynne	95	303	\$ 1,315,310
	Gravois Arm Sewer District - Phase 5	130	300	\$ 3,275,950
C	Greenfield	95	1,500	\$ 1,454,350
	Huntsville	95	1,525	\$ 4,626,125
	Jackson	125	14,869	\$ 8,620,000
	Jasper	80	931	\$ 750,000
	Jefferson County Public Sewer District	95	170	\$ 3,751,075
C	Kansas City	135	631,000	\$ 80,000,000
C	Labadie Creek Watershed Sewer District of Franklin County	110	963	\$ 2,127,756
C	Lancaster	95	940	\$ 2,227,325
	Lathrop	125	2,086	\$ 5,745,200
	Lockwood	80	1,114	\$ 2,139,310
	Meadville	110	512	\$ 1,226,730
	Miller	90	725	\$ 3,268,839
	Missouri Agriculture & Small Business Development	N/A	N/A	\$ 500,000
C	Moberly (Regional Lift Station)	70	13,974	\$ 3,000,000
C	Moberly (Sewer Installation)	70	13,974	\$ 1,629,666
C	MSD - Deer Creek Tunnel Pump Station	140	140,000	\$ 22,000,000
	MSD - Lower Meramec River System Improvements	185	32,000	\$ 218,000,000
	MSD Public I/I Reduction Program - Phase 5	155	1,300,000	\$ 41,200,000
C	MSD Public I/I Reduction Program - Phase 6	175	1,300,000	\$ 41,200,000
C	Northeast Public Sewer District Jefferson County	140	30,166	\$ 5,000,000
	Peculiar	75	4,608	\$ 8,691,880
C	Perryville	90	8,458	\$ 27,509,650
	Rocky Mount Sewer District	115	450	\$ 2,937,000
C	Rolla	85	20,000	\$ 28,830,000
	Skidmore	110	276	\$ 1,178,457
	Troy	120	10,500	\$ 18,579,000
C	Urbana	80	417	\$ 1,250,652
	Weston	125	1,641	\$ 3,533,430
C	Windsor	100	3,087	\$ 5,000,000
<b>Total Projects</b>				<b>\$ 553,482,098</b>

C = Carried over from the last Intended Use Plan

# Allocation of Available Loan Funds

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 Clean Water Commission.
- The inclusion of a project on the fundable list is not a guarantee of funding. Other factors, such as timely progress, compliance with program requirements and funding availability, may impact project funding.
- Projects carried over from the 2019 Intended Use Plan retain the points they received under the criteria in effect at the time they initially applied. Carry-over projects in the fiscal year 2020 Intended Use Plan are not eligible to compete in the fiscal year 2021 Intended Use Plan unless reapplication was made by January 15, 2020.

## Allocation of Available Funds (Loan and Additional Subsidization)

Funding Category	Percent of Fundable List Allocation	Loan	Additional Subsidization	Total
Small and Non-Metropolitan Areas and Districts (1)	40%	\$ 185,667,609	\$ 18,649,526	\$ 204,317,135
Large Metropolitan Areas and Districts (2)	30%	\$ 153,237,850	\$ -	\$ 153,237,850
Combined Sewer Overflow (CSO)	15%	\$ 76,618,926	\$ -	\$ 76,618,926
Department Initiatives	15%	\$ 76,618,926	\$ -	\$ 76,618,926
<b>Total Allocation of Available Funds</b>		<b>\$ 492,143,311</b>	<b>\$ 18,649,526</b>	<b>\$ 510,792,837</b>

(1) Service area population of less than 75,000.

(2) Service area population of 75,000 or more.

## Financial Summary of the Fundable Projects

	Loans				
	Small and Non-Metropolitan Areas and Districts	Large Metropolitan	Combined Sewer Overflow	Department Initiatives	Total
Allocation of Available Loan Funds	\$ 185,667,609	\$ 153,237,850	\$ 76,618,926	\$ 76,618,926	\$ 492,143,311
<b>Total Loans on Fundable List (1)</b>	<b>\$ 102,989,430</b>	<b>\$ 388,653,881</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 492,143,311</b>
Transfers	\$ (82,678,179)	\$ 82,678,179			\$ -
		\$ 76,618,926	\$ (76,618,926)		\$ -
		\$ 76,118,926		\$ (76,118,926)	\$ -
<b>Funding Assistance Planned (2)</b>	<b>\$ 102,989,430</b>	<b>\$ 388,653,881</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 492,143,311</b>
<b>Balance Available after Projects Funded (3)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	Additional Subsidization				
	Small and Non-Metropolitan Areas and Districts	Large Metropolitan	Combined Sewer Overflow	Department Initiatives	Total
Allocation of Available Additional Subsidization Funds	\$ 18,649,526	\$ -	\$ -	\$ -	\$ 18,649,526
<b>Total Additional Subsidization on Fundable List (1)</b>	<b>\$ 9,972,393</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,972,393</b>
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Funding Assistance Planned (2)</b>	<b>\$ 18,649,526</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,649,526</b>
<b>Balance Available after Additional Subsidization Funded (3)</b>	<b>\$ 8,677,133</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,677,133</b>

(1) From the Project Lists on the subsequent pages.

(2) Funding Assistance Planned = Allocation + Transfers.

(3) Balances may be shifted to other categories to fund projects that are ready to proceed.

**CWSRF Fiscal Year 2020 Project  
Priority Lists**

Carryover	Priority Points	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	NPDES #	Est. Financing Schedule FY - Quarter
<i>Note: An explanation of the abbreviations and codes appears at the end of the project lists.</i>										
<b>FUNDABLE LIST</b> (Debt instrument secured and facility plan submitted; fundable if funds become available)										
<b>TOTAL AVAILABLE FUNDS</b>							<b>\$ 492,143,311</b>	<b>\$ 18,649,526</b>		
<b>Small and Non-Metropolitan Areas and Districts (Service area population of fewer than 75,000 people)</b>							<b>\$ 102,989,430</b>	<b>\$ 18,649,526</b>		
C	140	Northeast Public Sewer District Jefferson County	C295684-05	TP Impr; I	30,166	\$ 5,000,000	\$ 5,000,000	\$ -	MO-0128490	20-2
C	110	Labadie Creek Watershed Sewer District of Franklin County	C295727-01	TP, Coll, Exp; II, IVA	963	\$ 2,127,756	\$ 2,127,756	\$ -	Multiple	20-4
C	100	Windsor	C295512-01	TP Impr, I/I; I, IIIA, IIIB	3,087	\$ 5,000,000	\$ 3,000,000	\$ 2,000,000	MO-0047325 MO-0047317	20-4
C	95	Greenfield	C295831-01	Coll Impr, FM; I	1,500	\$ 1,454,350	\$ 727,175	\$ 727,175	MO-0055603 MO-0055590	20-3
C	90	Perryville	C295832-01	TP, Impr, PS; I	8,458	\$ 27,509,650	\$ 27,509,650	\$ -	MO-0051144	20-2
C	85	Rolla	C295836-01	TP, Exp; II	20,000	\$ 28,830,000	\$ 28,830,000	\$ -	MO-0047031 MO-0050652	20-1
C	80	Urbana	C295834-01	TP Impr, Coll, I/I; II, IIIA	417	\$ 1,250,652	\$ 625,326	\$ 625,326	MO-0095176	20-4
	130	Gravois Arm Sewer District - Phase 5*	C295826-01	Coll Impr; IVA	300	\$ 3,275,950	\$ 1,495,475	\$ 1,495,475	MO-0134821	20-3
	125	Lathrop	C295821-01	TP Impr, I/I, Rehab; II, IIIA, IIIB	2,086	\$ 5,745,200	\$ 5,745,200	\$ -	MO-0112704	20-1
	125	Weston	C295814-01	TP Impr, PS, Coll; I, II, IIIB	1,641	\$ 3,533,430	\$ 3,533,430	\$ -	MO-0031585	20-1
	120	Troy	C295822-01	FM, PS, Impr; I	10,500	\$ 18,579,000	\$ 18,579,000	\$ -	MO-0054623 MO-0131296	20-1
	115	Rocky Mount Sewer District*	C295838-01	Det, Coll; IVA	450	\$ 2,937,000	\$ 1,254,750	\$ 1,254,750	MO-1336719	20-4
	110	Boone County Commission (Bolli Road Coll System)	C295375-25	IVA	37	\$ 319,900	\$ 319,900	\$ -	N/A	20-3
	110	Meadville	C295801-01	TP Impr; I	512	\$ 1,226,730	\$ 613,365	\$ 613,365	MO-0041114	20-3

Carryover	Priority Points	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	NPDES #	Est. Financing Schedule FY - Quarter
	110	Skidmore	C295540-02	TP Impr, Rhab; II, IIIA	276	\$ 1,178,457	\$ 589,229	\$ 589,228	MO-0022969	20-4
	95	East Lynne	C295695-01	TP Impr; I	303	\$ 1,315,310	\$ 657,655	\$ 657,655	MO-0099961	20-3
	90	Boone County Commission (Phenora North Coll System)	C295375-24	Coll; IVA	102	\$ 372,099	\$ 372,099	\$ -	MO-0137294	20-3
	90	Miller	C295726-02	TP Impr, Coll; IIIA, II	725	\$ 3,268,839	\$ 1,634,420	\$ 1,634,419	MO-0041149	20-3
	80	Jasper	C295843-01	Impr; II	931	\$ 750,000	\$ 375,000	\$ 375,000	MO-0044202	20-4
<b>Small and Non-Metropolitan Areas and Districts Total</b>						<b>\$ 113,674,323</b>	<b>\$ 102,989,430</b>	<b>\$ 9,972,393</b>		
<b>Balance</b>							<b>\$ -</b>	<b>\$ 8,677,133</b>		
<b>Large Metropolitan Areas and Districts (Service area population of 75,000 or more people)</b>							<b>\$ 388,653,881</b>	<b>\$ -</b>		
C	175	MSD Public I/I Reduction Program - Phase 6	C295023-41	I/I; IIIA	1,300,000	\$ 41,200,000	\$ 41,200,000	\$ -	Multiple	20-3
	155	MSD Public I/I Reduction Program - Phase 5	C295023-40	I/I; IIIA	1,300,000	\$ 41,200,000	\$ 41,200,000	\$ -	Multiple	20-1
C	140	MSD Deer Creek Tunnel Pump Station	C295833-02	Coll; IVB	140,000	\$ 22,000,000	\$ 22,000,000	\$ -	MO-0025151	20-3
C	135	Kansas City	C295840-01	TP; I	631,000	\$ 80,000,000	\$ 80,000,000	\$ -	MO-0024911	20-3
	185	MSD Lower Meramec River System Improvements (Tunnel) - Balance of Amount Requested appears on Fundable Contingency List	C295072-01	Coll; IVA, V	32,000	\$ 218,000,000	\$ 204,253,881	\$ -	Multiple	20-4
<b>Large Metropolitan Areas and Districts Total</b>						<b>\$ 402,400,000</b>	<b>\$ 388,653,881</b>	<b>\$ -</b>		
<b>Balance</b>							<b>\$ -</b>	<b>\$ -</b>		
<b>Combined Sewer Overflow</b>							<b>\$ 0</b>	<b>\$ -</b>		
<b>Combined Sewer Overflow Total</b>						<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Balance</b>							<b>\$ 0</b>	<b>\$ -</b>		

Carryover	Priority Points	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	NPDES #	Est. Financing Schedule FY - Quarter
<b>Department Initiatives</b>							<b>\$ 500,000</b>	<b>\$ -</b>		
	N/A	Missouri Agriculture & Small Business Development	C295212-10	NPS; VIIB	N/A	\$ 500,000	\$ 500,000	\$ -	N/A	20-2
<b>Department Initiatives Total</b>						<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>		
<b>Balance</b>							<b>\$ 0</b>	<b>\$ -</b>		
<b>Total Fundable List Projects</b>						<b>\$ 516,574,323</b>	<b>\$ 492,143,311</b>	<b>\$ 9,972,393</b>		
<b>Balance of Fundable List</b>							<b>\$ -</b>	<b>\$ 8,677,133</b>		
<b>FUNDABLE CONTINGENCY LIST</b>										
<b>(Debt instrument secured and facility plan submitted; fundable if funds become available)</b>										
	185	MSD Lower Meramec River System Improvements (Tunnel)	C295072-01	Coll; IVA, V	32,000	Balance of Amount Requested from the Large Metropolitan Areas and Districts Fundable List	\$ 13,746,119	\$ -		
<b>Total Fundable Contingency Projects</b>						<b>\$ -</b>	<b>\$ 13,746,119</b>	<b>\$ -</b>		
<b>CONTINGENCY LIST</b>										
<b>(Either debt instrument or facility plan has not been submitted)</b>										
	95	Jefferson County Public Sewer District	C295844-01	Coll; IVA	170	\$ 3,751,075	\$ -	\$ -	MO-0131024	20-1
<b>Total Contingency Projects</b>						<b>\$ 3,751,075</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>PLANNING LIST</b> <i>Note: Information will be added to the shaded columns when the project moves to the fundable or contingency list.</i>										
<b>(Debt instrument and facility plan not yet secured/submitted)</b>										
	125	Jackson	C295839-01	TP Impr; IIIA, IIIB	14,869	\$ 8,620,000			MO-0022853	
	105	Deer Run Reorganized Common Sewer District	C295815-01	TP, Coll; IIIA, I, IVA	385	\$ 1,808,100			N/A	
	95	Huntsville	C295848-01	TP, Coll; IVA, IVB, IIIA	1,525	\$ 4,626,125			Multiple	
C	95	Lancaster	C295804-01	Coll Rehab, TP; II, IIIA	940	\$ 2,227,325			MO-0039691	

Carryover	Priority Points	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	NPDES #	Est. Financing Schedule FY - Quarter
	90	Boone County RSD (Highfield Acres)	C295375-29	Coll; IVA	200	\$ 414,294			MO-0053376	
	80	Lockwood	C295842-01	TP Impr, Coll, I/I; IIIA, IIIB	1,114	\$ 2,139,310			MO-0030473	
	75	Peculiar	C295824-01	Coll, Impr, I, I/I; IIIA, IIIB	4,608	\$ 8,691,880			MO-0089443	
C	70	Moberly (Sewer Installation)	C295648-02	Coll; IVA, IVB	13,974	\$ 1,629,666			MO-0117960	
C	70	Moberly (Regional Lift Station)	C295648-03	Coll; IVA, IVB	13,974	\$ 3,000,000			MO-0117960	
<b>Total Planning List Projects</b>						<b>\$ 33,156,700</b>	<b>\$ -</b>	<b>\$ -</b>		

Description Reference List	Needs Category
C Carried over from the last Intended Use Plan	I Secondary Treatment
Coll Collection	II Advanced Treatment
CSO Combined Sewer Overflow	IIIA I/I correction
Det Detention	IIIB Sewer replacement or rehabilitation
Exp Expansion	IVA New Collection
FM Force Main	IVB New Interceptors
Impr Improvements	V CSO
Int Interceptor	VIIB NPS: Animal
I/I Inflow/Infiltration	VIID NPS: Urban
NPDES National Pollution Discharge Elimination System	
NPS Non Point Source	
PS Pump Station	
Rehab Rehabilitation	
TP Treatment Plant	

\* Ineligible project costs deducted off total project costs.

Notes:

Final eligible costs will be determined as documents are submitted and the project progresses toward loan closing.

Financing schedule shown is for planning purposes only. Final scheduling will be determined as documents are submitted and approvals obtained.

Carry over projects from the fiscal year 2020 list must reapply to be considered for the fiscal year 2021 list.

## **Distribution of Loan Administration Fees**

The Department follows EPA's October 20, 2005 guidance on the use of administration fees charged by the state to recipients of CWSRF program assistance. Fees charged by the program are not included as principal in loans. The administration fee may be considered program income, depending upon the source of the loan and the timing of the fee receipt. As shown in the following table, 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.

Program income earned during the grant period may only be used for eligible CWSRF activities, as defined in the Clean Water Act, and program administration. Program income earned after the grant period, as well as non-program income, may be used for a broad range of water-quality related purposes. The State of Missouri has obtained approval from the EPA to use program income earned after the grant period for water-quality related purposes.

<b>Source And Distribution Of</b>			
<b>Loan Administration Fees<sup>1</sup></b>			
<b>As of Dec. 31, 2018</b>			
<b>Income</b>	<b>Program Income Earned During Grant Period</b>	<b>Program Income Earned After Grant Period</b>	<b>Non-Program Income</b>
Beginning Balance as of 07/01/18	\$814,164	\$18,433,276	\$15,518,327
FY 19 Income (thru 12/31/18)	\$79,554	\$1,332,504	\$1,527,748
FY 19 Interest Earnings (thru 12/31/18)	\$5,677	\$140,143	\$129,384
Subtotal	\$899,395	\$19,905,923	\$17,175,459
<b>Expenditures Thru 12/31/18</b>			
FY 19 Personnel Services	(\$176,584)	(\$953,175)	(\$80,304)
FY 19 Fringe	(\$89,924)	(\$515,601)	(\$39,868)
FY 19 Expenses	(\$90,738)	(\$2,333)	(\$11,766)
FY 19 PSD Expenditures	\$0	(\$1,453,421)	(\$1,055,070)
FY 19 DNR Transfers <sup>2</sup>	(\$43,098)	(\$176,937)	(\$15,869)
FY 19 ITSD Transfers <sup>2&amp;3</sup>	(\$30,350)	(\$124,599)	(\$11,175)
FY 19 HB 13 Transfers <sup>2</sup>	(\$899)	(\$3,689)	(\$331)
Subtotal	(\$431,593)	(\$3,229,755)	(\$1,214,383)
Income Less Expenditures	\$467,802	\$16,676,168	\$15,961,076
<b>Projected</b>			
FY 19 Income (01/01/19 - 06/30/19)	\$320,601	\$1,314,220	\$2,081,756
FY 19 Interest Income (01/01/19 - 06/30/19)	\$2,890	\$11,915	\$93,818
FY 20 Income (07/01/19 - 06/30/20)	\$473,163	\$2,393,891	\$3,395,331
FY 20 Interest Income (07/01/19 - 06/30/20)	\$10,608	\$130,955	\$141,608
Subtotal	\$807,262	\$3,850,981	\$5,712,513
<b>Projected Expenditures</b>			
FY 19 Personnel Services	(\$26,907)	(\$491,173)	(\$138,324)
FY 19 Fringe	(\$19,757)	(\$262,902)	(\$77,972)
FY 19 Expense & Equipment	(\$177,235)	(\$617)	(\$505,734)
FY 19 DNR Transfers <sup>2</sup>	(\$24,715)	(\$82,787)	(\$83,779)
FY 19 ITSD Transfers <sup>2 &amp; 3</sup>	(\$14,348)	(\$46,595)	(\$54,507)
FY 19 HB 13 Transfers <sup>2</sup>	(\$356)	(\$1,115)	(\$1,512)
FY 19 PSD Expenditures	\$0	(\$7,746,128)	(\$3,519,357)
FY 20 Personal Service, Fringe, Expenses & Indirect	(\$305,933)	(\$2,393,477)	(\$1,077,518)
FY 20 State Water Plan	\$0	\$0	\$0
FY 20 ITSD Costs <sup>3</sup>	\$0	\$0	(\$500,000)
FY 20 Board Training & Operator Certification*	\$0	(\$50,000)	\$0
FY 20 Abatement of Water Quality Emergencies*	\$0	\$0	(\$250,000)
FY 20 Water Quality & Watershed Initiatives*	\$0	\$0	\$0
FY 20 Rural Sewer Grants*	\$0	\$0	(\$4,500,000)
FY 20 Fixed Station Ambient Network Contract	\$0	(\$640,084)	(\$442,585)
FY 20 Water Quality Studies*	\$0	(\$60,000)	(\$100,000)
FY 20 Small Community Engineering Assistance Program*	\$0	(\$38,821)	(\$1,000,000)
Subtotal	(\$569,251)	(\$11,813,699)	(\$12,251,288)
Total Actual and Projected	\$705,813	\$8,713,450	\$9,422,301

<sup>1</sup> The distribution of loan administration fees to various department activities is subject to change throughout the Fiscal Year. Actual fund uses will be reported in the Fiscal Year 2020 Clean Water State Revolving Fund Annual Report. FY 2020 projected expenditures may include amounts carried over from prior fiscal years. FY 2020 projected expenditures do not automatically carry over from one year to the next except for those indicated with an \*.

<sup>2</sup> Similar to the inclusion of Indirect Costs in federal grants, this represents the SRF Admin Fees proportionate share of departmental administrative costs.

- DNR transfers reflect the cost of departmental staff and related expenses.
- ITSD transfers reflect the information technology related costs for those staff.
- HB 13 transfers reflect the cost of the related office space.

<sup>3</sup> ITSD is the state's Information Technology Services Division.

# Appendix 2: Clean Water State Revolving Fund Loan Application Instructions

- Clean Water State Revolving Fund (CWSRF) applications received or postmarked by **January 15, 2020** that meet readiness to proceed criteria will receive priority for additional subsidization and loan funding for FY 2021.
- Applications may be accepted at any time; project additions may be made to the Intended Use Plan up to four times per year.

Per 10 CSR 20-4.040, applications are valid for two Intended Use Plan cycles. Those projects not meeting program criteria within the allotted 2-year cycle will have their allocated funds released and reallocated to other projects. Reapplication to the program is possible at the end of the 2-year cycle, but a project's position on a fundable, contingency or planning list may change with each subsequent application.

## How to complete a CWSRF application

1. Potential applicants are encouraged to contact the Department prior to submitting an application. The application form, instructions and guidance documents are available online at [dnr.mo.gov/env/wpp/srf/srf-app\\_guid.htm](http://dnr.mo.gov/env/wpp/srf/srf-app_guid.htm). You can reach the Department's Financial Assistance Center at 573-751-1192 or [fac@dnr.mo.gov](mailto:fac@dnr.mo.gov).
2. Projects that meet readiness to proceed criteria are those for which the applicant has submitted a complete facility plan, and documentation that the applicant has an acceptable debt instrument and any necessary funding commitments from other state and/or federal agencies contributing funds to the project. Applications should be submitted with a facility plan. Please see the Facilities Plan Submittal Checklist for guidance, found here: [dnr.mo.gov/forms/780-2041-f.pdf](http://dnr.mo.gov/forms/780-2041-f.pdf). Prior to or concurrent with completion and submittal of a facility plan, the applicant should obtain a water quality/antidegradation review from the Department. Submittal of an incomplete facility plan will delay progress and, ultimately, project funding.

## Professional services

**Engineering Services:** All engineering reports/facility plans and plans and specifications must be signed, sealed, and dated by a Missouri professional engineer. The procurement of planning and design services is one of the most important steps in the design or upgrade of wastewater systems. The procurement of engineering services must be in accordance with sections 8.285 through 8.291, RSMo. If a community intends to request funding assistance, the community is encouraged to contact the funding agency to ensure they have the latest requirements.

**Financial Advisor:** CWSRF applicants are strongly encouraged to retain the services of a registered municipal financial advisor. The U.S. Securities Exchange Commission rules provide the definition of individuals who are 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. Additional information is available online at [sec.gov/municipal](http://sec.gov/municipal).

If you have questions or need assistance with a CWSRF application, please contact the Department's Financial Assistance Center at 573-751-1192 or [fac@dnr.mo.gov](mailto:fac@dnr.mo.gov).

### **Additional subsidization**

Additional subsidization or principal forgiveness in conjunction with a loan is available to eligible applicants. Each grant dollar awarded is offset by a corresponding reduction in the project's loan. Grant funds available to each eligible project will not exceed the lesser of \$2 million dollars; or 50 percent of the eligible project cost. Grant funds available to award are limited to the amount established within this Intended Use Plan.

To be considered for grant funding based on affordability, the applicant must apply by the January 15 deadline and serve a population of 10,000 or less. Projects are evaluated with the CWSRF Grant Eligibility Evaluation form; eligible projects score 195 points or higher. The criteria included in the form include population, unemployment rate, Median Household Income, user rate as a percentage of Median Household Income, poverty level, and population trend. Once deemed eligible for additional subsidization, the amount of additional subsidization will be allocated to those projects on the Fundable Priority List by priority point ranking until all available funds are committed. Grant funds will be obligated to the project on the Fundable List based on available funding for the application cycle of two IUP years, and will be awarded when the applicant enters into a binding financial commitment. Failure to make timely progress may result in bypass and the loss of the additional subsidization commitment.

The CWSRF grant policy is available at [dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm](http://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm).

### **Coordination**

Applicants anticipating the use of *other state or federal funds* must complete a Missouri Water and Wastewater Review Committee project proposal. Both the application and the process are available online at [dnr.mo.gov/env/wpp/docs/mwwrc-submission-process.pdf](http://dnr.mo.gov/env/wpp/docs/mwwrc-submission-process.pdf) or the applicant may contact the committee for a complete project proposal package. Applicants are expected to contact the funding agencies prior to submittal.

## **Appendix 3: State Revolving Fund Program Administration**

The Department's Water Protection Program is the delegated authority for the administration of federal funds made available to the state under the provisions of the Clean Water Act by EPA. The funds are for financing a variety of eligible projects and are to be used in perpetuity for low-interest loans made from the Clean Water State Revolving Fund (CWSRF).

This IUP describes the proposed use of funds reserved for financial assistance for clean water infrastructure improvements during fiscal year 2020 (Oct. 1, 2019, to Sept. 30, 2020). This IUP shall remain effective until Sept. 30, 2020, or until such time as the fiscal year 2021 IUP becomes effective.

### **Cash flow model**

Missouri uses the cash flow model for the CWSRF.

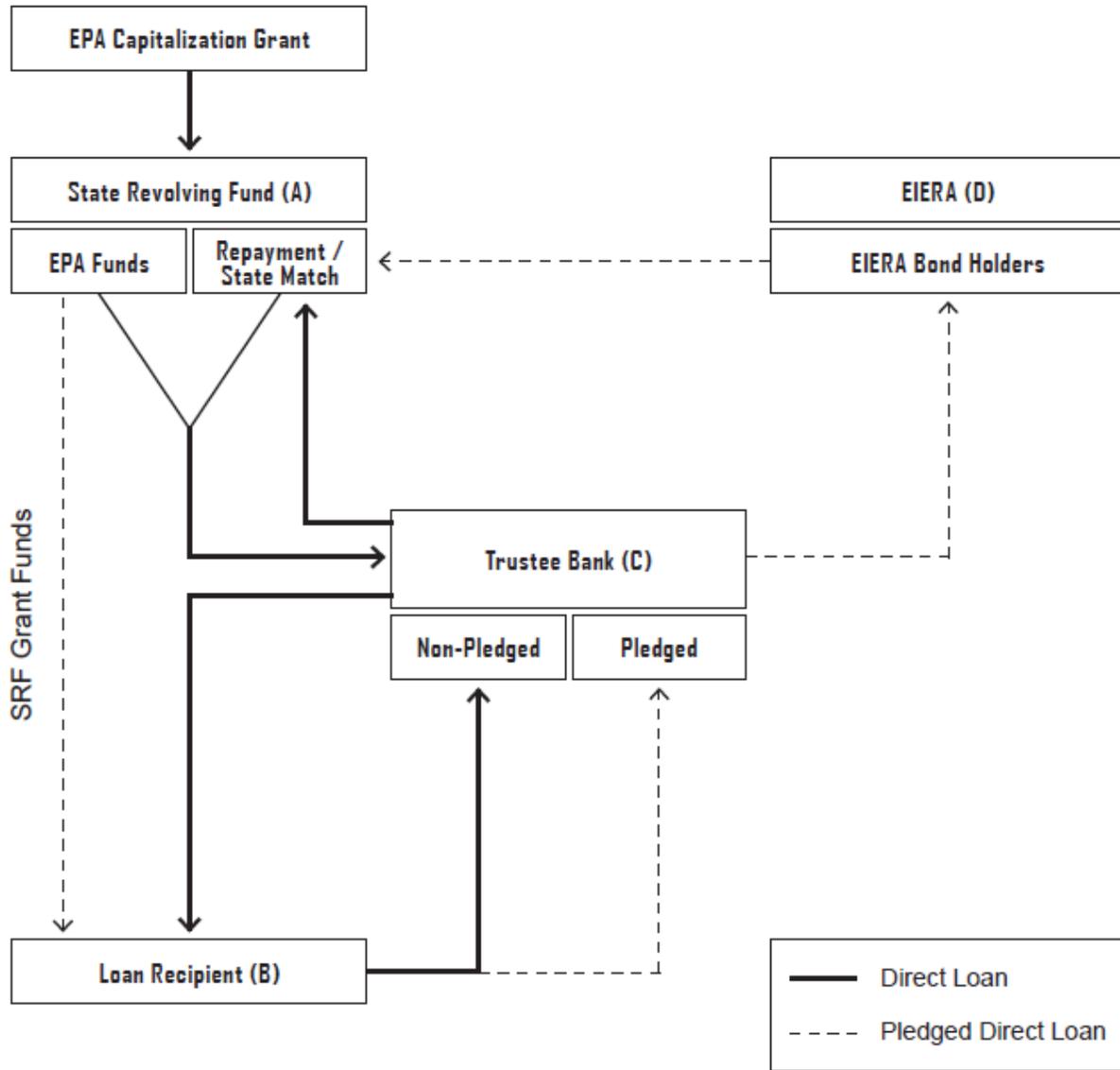
The cash flow model diagram on the following page illustrates the SRF flow of funds. Construction loan repayments must begin within one year after the first operational contract is substantially completed; that is, the facilities are placed into operation. The loan repayment schedules will generally 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 CWSRF. 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 annual capitalization grants from EPA. There is a 20 percent state match required to receive the grants. The funds are deposited into the SRF (A) and used in accordance with applicable federal and state program requirements. State match funds are disbursed prior to using Capitalization Grant funds.

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 CWSRF 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 CWSRF program. Upon completion of the project, the loan total is adjusted to reflect the final amount borrowed.

Loan recipients send their loan principal and interest payments to the trustee bank (C). When the CWSRF program needs to replenish the repayment fund, the EIARA (D) exercises its authority to sell bonds, and the direct loans are pledged to retire the EIARA debt. The proceeds of this sale are deposited into the CWSRF 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 CWSRF program participants. Any surplus principal and interest that is not needed for the EIARA debt service is deposited into the repayment account.

# CWSRF Cash Flow Model



## Cross-collateralization of funds

The U.S. Department of Veterans Affairs, the U.S. Department of Housing and Urban Development, and the Independent Agencies Appropriations Act, 1999 (Public Law 105-276), authorized limited cross-collateralization between the Drinking Water SRF and the CWSRF. Cross-collateralization allows states to use CWSRF 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.

## Transfer loan funds between Drinking Water State Revolving Fund and Clean Water State Revolving Fund

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

No transfers are planned for fiscal year 2020.

### Current and recent transfers

Fiscal Year	CWSRF	DWSRF
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.

## Repayment fund investment interest earnings to retire state debt

The debt service for the Water Pollution Control Bond series B2002 and A2005 were historically paid through the state’s general revenue, until the Department obtained an agreement with the EPA in 2007 to repay the series using the CWSRF investment interest earnings. The final payment for these series was made in fiscal year 2019.

The debt service for the Water Pollution Control Bond series A2002 continues to be paid from the CWSRF investment interest earnings. The Department intends to use approximately \$1.1 million for this purpose during fiscal year 2020.

# Appendix 4: Environmental Protection Agency Requirements and Assurances

The Missouri Department of Natural Resources makes a number of program commitments and state assurances related to managing the Clean Water State Revolving Fund (CWSRF). Each year, the Department intends to comply with each of the terms and conditions in the capitalization grant.

## Federal capitalization grants

The Department receives federal capitalization grants annually from the EPA. There is a 20 percent state match required to receive the grants. The funds are used in accordance with applicable federal and state program requirements. State match funds are disbursed prior to using capitalization grant funds.

## Additional subsidization

The Clean Water Act allows the state to provide additional subsidization in the form of a grant, principal forgiveness or negative interest loans.

The Clean Water Act, as amended, required each state to establish affordability criteria that assist in identifying applicants who would have difficulty financing projects without additional subsidization. Income, unemployment data, population trends and other data deemed relevant by the state are used in making the determination. The policy, guidance and form for the CWSRF Grant Eligibility Evaluation Based on Affordability are available at [dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm](http://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm).

A table of the funding available for eligible fiscal year 2020 projects appears below.

Capitalization Grant Year	Amount
Federal Fiscal Year 2016 Required Amount	\$1,225,926
Federal Fiscal Year 2016 Supplemental	Up to \$2,000,000
Federal Fiscal Year 2017 Required Amount	\$3,675,400
Federal Fiscal Year 2017 Supplemental	Up to \$2,000,000
Federal Fiscal Year 2018 Required Amount	\$4,449,500
Federal Fiscal Year 2018 Supplemental	Up to \$2,000,000
Federal Fiscal Year 2019 Required Amount	\$4,404,700
Federal Fiscal Year 2019 Supplemental	Up to \$2,000,000

Each state is required to use 10 percent of the federal fiscal year 2019 capitalization grant for additional subsidization. Optional funding is available in addition to the required amount. The Department is reserving up to \$2 million of the optional amount for these purposes.

The Estimated Sources and Uses of Funds table and Fundable Project Lists in Appendix 1 provide detailed information on projects that may be eligible for this funding.

## Green Project Reserve

A portion of certain capitalization grants is to be used for projects (to the extent applications are received) that address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities. A summary of the required amounts from each capitalization grant appears below.

Federal Fiscal Year	Required Amount
2010	\$ 11,296,600
2011	\$ 8,187,200
2012	\$ 3,917,900
2013	\$ 3,700,900
2014	\$ 3,886,800
2015	\$ 3,866,900
2016	\$ 3,703,900
2017	\$ 3,675,400
2018	\$ 4,449,500
2019	\$ 4,404,700

The Department has met or exceeded the requirements from green project reserves for federal fiscal years 2010 through 2017.

A table of the Green Project Reserve eligible federal fiscal year 2020 IUP projects appears below.

Applicant	Project #	Category	Business/ Categorical	Amount
MSD - MSD Public I/I Reduction Program - Phase 6	C295023-41	EE	B	\$ 41,200,000
<b>Green Project Reserve</b>				
B Business Case		EI Environmentally Innovative		
C Categorical		GI Green Infrastructure		
EE Energy Efficiency		WE Water Efficiency		

Department staff work directly with applicants prior to funding to identify projects or components of projects that address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities. It should be noted that the amount of Green Project Reserve eligible projects may change as applications are received and projects proceed into the design phase.

Additional information regarding Green Project Reserve is available at [epa.gov/cwsrf/green-project-reserve-guidance-clean-water-state-revolving-fund-cwsrf](http://epa.gov/cwsrf/green-project-reserve-guidance-clean-water-state-revolving-fund-cwsrf).

### **Administrative costs**

The Department intends to use four percent of the federal fiscal year 2019 federal capitalization grant funds for program administration.

### **Public review and comment**

The Intended Use Plan (IUP) is reviewed and adopted annually through a public review and comment process. The IUP describes how the Department intends to use the CWSRF funds to support the overall goals of the CWSRF program. The IUP, which includes the Project Priority List and Priority Point Criteria, is placed on public notice annually to allow for public review and comment. A public hearing is held to allow interested parties to hear testimony from the Department on the draft plan and provide the public an opportunity to comment. The Department considers all written and verbal comments presented during the comment period, makes appropriate modifications and provides a response to all comments. Any applicant aggrieved by his/her standing may appeal to the Clean Water Commission during the public comment process.

### **Environmental review**

The Department has adopted regulation 10 CSR 20-4.050, which provides for a state environmental review in accordance with the National Environmental Policy Act for projects receiving CWSRF loans. The Department will accept environmental reviews completed by other state or federal agencies on a case-by-case basis.

Each project has a potential need for preparation of an environmental impact statement. However, a final decision regarding the need for an environmental impact statement will be made on each project during review of the facility plan. Most projects are determined to have no significant impact or can meet the criteria for a categorical exclusion.

### **Federal project requirements**

A number of state and federal laws and executive orders apply to projects receiving federal financial assistance through the SRF program. Federal requirements that may apply to CWSRF participants include the Davis Bacon Act, American Iron & Steel or AIS, Disadvantaged Business Enterprise, Environmental Review, Cost & Effectiveness, Public Awareness, Fiscal Sustainability Plans, Single Audit, various environmental statutes, the Uniform Relocation and Real Property Acquisition Policies Act, Debarment and Suspension Executive Order 12549, restrictions on lobbying, and others. A complete listing of requirements that apply to SRF projects is available upon request from the Financial Assistance Center.

### **Binding commitments**

The Department will enter into binding commitments for a minimum of 120 percent of each EPA grant payment into the CWSRF within 1 year of the receipt of each payment.

## **Expenditure of funds**

The Department will expend all funds in the CWSRF in an expeditious and timely manner.

## **Anticipated cash draw ratio (proportionality)**

Missouri uses the cash flow model of the CWSRF. The federal capitalization grant is not used as security on the state match bonds. State match funds are disbursed prior to using capitalization grant funds.

## **For more information**

For more information, contact the Department's Financial Assistance Center at 573-751-1192, [fac@dnr.mo.gov](mailto:fac@dnr.mo.gov) or [dnr.mo.gov/env/wpp/srf/](http://dnr.mo.gov/env/wpp/srf/).

# Appendix 5: Clean Water State Revolving Fund Priority Points Criteria

## General Information

Clean Water State Revolving Fund (CWSRF) Priority Points Criteria are established to evaluate proposed CWSRF projects for fiscal year 2021. The Priority Points Criteria forms the basis for project ranking and funding allocation.

The Department annually prepares a CWSRF Intended Use Plan that includes projects expected to qualify for financing within the fiscal year addressed by the plan. Projects are listed so that those addressing the most serious problems are given the highest priority. Each project's priority score is generated from assignment of points based on the Priority Points Criteria. Projects are then ranked in priority order in each funding category. Only those proposed projects identified within the plan's project lists are eligible to receive financial assistance.

The Department will seek public comments annually on the proposed priority point criteria. The priority point criteria will then be approved by the Missouri Clean Water Commission at least 60 days before the annual application deadline.

## Assignment of Priority Points

The Department ranks eligible projects for funding based on the protection of water quality and human health. Proposed projects receive points based on how they address pollution abatement, treatment, regionalization or consolidation, nonpoint source pollution reduction and more.

Projects are ranked by the total number of points received. In the event two or more proposed projects have the same priority point total, the project with the greater service area population will be given funding priority.

Priority point assignment and listing in the Intended Use Plan does not guarantee all SRF financial and project eligibility requirements have been met.

## I. Priority Points

The Department will calculate cumulative total priority points for each potential project based on the following six sections. Sections 4, 5, and 6 apply only to proposed nonpoint source projects. Proposed nonpoint source projects must be consistent with the current *Missouri Nonpoint Source Management Plan* available at [dnr.mo.gov/env/swcp/nps/mgmtplan/docs/missouri-nonpoint-source-management-plan-042215-final.pdf](http://dnr.mo.gov/env/swcp/nps/mgmtplan/docs/missouri-nonpoint-source-management-plan-042215-final.pdf).

### 1. Water Quality

Points will be assigned if the proposed project will maintain, improve, protect, or enhance the overall water quality within the watershed. For the purpose of assigning points under factors A and B below, the receiving water is considered to be the immediate water course into which the discharge flows. However, in those cases where the immediate receiving water is not classified in Water Quality Standards, 10 CSR 20-7.031, a downstream classified water body will be considered to be the receiving water if the publicly-owned treatment works

(POTW) discharge or nonpoint source area is within two miles of the classified waters found in the Missouri Use Designation Dataset, including 100K Extent-Remaining Lakes and 100K Extent Remaining Streams.

**A. Beneficial Uses.** Beneficial uses, identified in rule 10 CSR 20-7.031, of the water body receiving discharge from existing POTWs or nonpoint source areas will be improved or eliminated by the proposed project. The beneficial use points are calculated by adding the total value from each beneficial use under this part. If the project affects multiple permitted facilities which discharge to different water bodies, the highest beneficial use point total from one of the multiple water bodies will be used.

1. Fifteen points will be assigned for the beneficial use of whole body contact recreation.
2. Fifteen points will be assigned for the beneficial use of drinking water supply.
3. Ten points will be assigned for the beneficial use of cool water habitat.
4. Ten points will be assigned for the beneficial use identified of cold water habitat.
5. Ten points will be assigned for the beneficial use of protection of warm water habitat/human health protection.
6. Ten points will be assigned for the beneficial use of protection of secondary contact recreation.
7. Five points will be assigned for each beneficial use identified in rule 10 CSR 20-7.031 and not identified in numbers 1-6 above.

**B. Sensitive Waters.** Proposed projects which will improve or eliminate existing POTWs or nonpoint source areas that directly discharge to certain sensitive waters identified in rule will be assigned additional priority points.

1. Fifteen points will be assigned for a losing stream as designated by the Missouri Geological Survey, see 10 CSR 20-7.031(1)O.
2. Fifteen points will be assigned for Outstanding National Resource Waters, see 10 CSR 20-7.031(Table D).
3. Fifteen points will be assigned for Outstanding State Resource Water, see 10 CSR 20-7.031(Table E).
4. Ten points will be assigned for lakes, see 10 CSR 20-7.031 (Table G) or for metropolitan no-discharge streams, see 10 CSR 20-7.031(Table F).

**C. Targeted Water Bodies.** A targeted water body is one in which a Total Maximum Daily Load (TMDL) has been promulgated or is listed on the most recent 303(d) list. The value is limited to a maximum of 15 points total.

1. Fifteen points will be awarded where a TMDL has been promulgated for the receiving water body and the proposed project addresses an identified problem.
2. Ten points will be awarded if the receiving water body is listed on the most recent 303(d) list and the proposed project addresses an identified problem.

**D. Regionalization or Consolidation.** Projects that involve several independent entities forming a partnership to share the responsibilities of providing wastewater treatment may be referred to as regionalization or consolidation projects.

1. Fifteen points will be assigned if the proposed project serves more than one community.
2. Five points will be assigned for each permitted wastewater treatment facility that will be eliminated by the proposed project.
3. Twenty-five points will be assigned if the entity owning the facility being eliminated would be deemed grant eligible by the methodology prescribed by the CWSRF grant eligibility evaluation based on affordability.
4. Ten points will be assigned for each facility being eliminated which has a history of significant noncompliance.

## **2. Publicly Owned Treatment Works.**

Points will be awarded if the proposed project is a POTW project that will address potential or existing water pollution problem(s).

**A. Combined/Sanitary Sewer Overflows.** Fifteen points will be assigned if the proposed project will eliminate or adequately treat combined or sanitary sewer overflows (CSOs/SSOs). Supporting documentation must be provided with the application for CSOs/SSOs points to be awarded. Supporting documentation may include copies of SSO Database records, city clean up records, or other supporting documentation.

**B. Wastewater Treatment Enhancement.** The value is derived from selecting the most appropriate description and associated value.

1. Twenty points will be assigned if the proposed project is for the conversion of a discharging wastewater treatment facility to a no-discharge wastewater treatment facility.
2. Fifteen points will be assigned if the proposed project is for the construction of a new wastewater treatment facility, an increase in capacity or an increase in the level of treatment at an existing wastewater treatment facility.
3. Ten points will be assigned if the project is for the rehabilitation or process improvement of an existing wastewater treatment facility.

## **C. Failing Onsite Wastewater Disposal System.**

1. Ten points will be assigned if the proposed project is primarily to address a documented surface water quality or public health problem attributable to failing or failed onsite wastewater disposal systems. Documentation must be provided by any local, county, or state health or environmental professional.
2. Five points will be assigned if the proposed project is primarily to address an incidental water quality or public health problem attributable to failing or failed onsite wastewater disposal systems.

#### **D. Collection System Enhancement.**

1. Fifteen points will be assigned if the proposed project is for collection system rehabilitation to reduce or eliminate inflow or infiltration (I&I).
2. Ten points will be assigned if the proposed project is for a new collection system, or the expansion of or an upgrade to an existing collection system.

**E. Water Recycling.** Twenty points will be assigned if the proposed project is for reusing or recycling wastewater, stormwater, or subsurface drainage water. This includes, as part of the reuse project, the purchase and installation of treatment equipment sufficient to meet reuse standards other than the internal reuse at the wastewater treatment facility and excludes no-discharge systems.

### **3. Sustainability and Readiness to Proceed.**

**A. Adequate User Charge.** Fifteen points will be assigned if the applicant has maintained adequate user charge rates for the existing system's operation and maintenance for the past five years.

**B. Inflow/Infiltration Reduction.** Ten points will be assigned if the applicant has maintained an inflow/infiltration (I&I) reduction program for the past five years.

**C. Conservation.** Fifteen points will be assigned if the applicant's proposed project will address the findings of an energy assessment and/or audit of the wastewater utility. These points may also be awarded if the proposed project will address water efficiency and reuse efforts to not only conserve raw water but also reduce the flow (excluding I&I) of wastewater to treatment plants.

**D. Disadvantaged Community.** Ten points will be assigned if the applicant has a population of 3,300 or less based on the most recent decennial census; the median household income is at or below 75 percent of the state average median household income using the latest decennial data as determined by the American Community Survey as conducted by the U.S. Census Bureau or by an income survey overseen by a state or federal agency; and has an average wastewater user charge for 5,000 gallons that is at least 2 percent of the median household income of the applicant.

**E. Median Household Income.** Five points will be assigned if the applicant has a median household income at or below 75 percent of the state average median household income using the latest decennial data as determined by the American Community Survey as conducted by the U.S. Census Bureau or by an income survey overseen by a state or federal agency.

**F. Readiness to Proceed.** Twenty-five points will be assigned if the applicant has submitted as part of their application, a complete facility plan and has an acceptable debt instrument per 10 CSR 20-4.040 and any necessary funding commitments from other state and/or federal agencies.

**G. Master Water Plan.** Five points will be assigned if the applicant's project is specifically identified in a master wastewater plan, capital improvement plan or an integrated plan.

**H. Board Training.** Ten points will be assigned if the applicant’s governing board has received training related to the management and operation of wastewater infrastructure. Supporting documentation must be provided with the application for board training points to be awarded.

**I. Green Infrastructure.** Fifteen points will be assigned if the proposed project incorporates green infrastructure components. Green infrastructure refers to the management of stormwater runoff at the local level through the use of natural systems, or engineered systems that mimic natural systems, to treat polluted runoff.

#### **4. Untreated/Uncontrolled Runoff**

Stormwater runoff from agricultural, suburban, and urban areas such as farms, homes, buildings, roads, or parking lots resulting in flooding of local streams, erosion of stream banks, or increased pollutant transport.

**A. Stormwater Treatment/Management Facility.** Ten points will be assigned if the proposed project is for a structural device designed to receive stormwater runoff, and detain it for a period of time in order to reduce pollutant transport and stream erosion.

**B. Best Management Practice (BMP).** Five points will be assigned if the proposed project entails conservation measures that protect water quality and make land areas more productive.

**C. Landfills.** Ten points will be assigned if the proposed project is to address water quality issues at a landfill. A landfill is any site where the disposal of non-hazardous wastes and/or sludge occurs or has occurred by placing them in or on the land, compacting, and covering with a layer of soil. Project components may include a capping system, leachate collection system, side slope seepage prevention and control system, or monitoring wells that are needed to prevent water quality degradation.

#### **5. Groundwater Pollution.**

Projects that prevent contamination of groundwater resources.

**A. Groundwater Uses.** The beneficial uses of the groundwater area being impacted by nonpoint source pollution.

1. Fifteen points will be assigned if the groundwater is a drinking water supply source; or
2. Five points will be assigned if the groundwater is used for industrial purposes, irrigation, and/or livestock/wildlife watering.

**B. Failing Onsite Wastewater Disposal System.** A failing onsite wastewater treatment system is not treating and dispersing sewage in a safe, sanitary manner.

1. Ten points will be assigned if the proposed project primarily addresses a documented groundwater impact or public health problem attributable to failing or failed onsite wastewater disposal systems. Documentation to be provided by any local, county, or state health or environmental professional.

2. Five points will be assigned if proposed project is primarily to address an incidental groundwater impact or public health problem attributable to failing or failed onsite wastewater disposal systems.

**C. Leaking Petroleum Storage Tank.** Five points will be assigned if the proposed project addresses groundwater problems caused by petroleum storage tanks.

**D. Hazardous Waste Site.** Ten points will be assigned if the proposed project addresses groundwater problems caused by a hazardous waste site that is participating in the Department's Voluntary Cleanup Program.

**E. Inadequate Landfill Leachate Collection/Treatment.** Ten points will be assigned if the proposed project addresses groundwater problems caused by inadequate landfill leachate collection and treatment.

## **6. Aquatic/Riparian Habitat.**

Aquatic/riparian habitat is a vegetated or potentially vegetated ecosystem along a water body through which energy, materials, and water pass thereby providing nutrient recycling and biological diversity. Ten points will be assigned if the primary purpose of the proposed project is to restore aquatic/riparian habitat and/or to prevent aquatic/riparian habitat degradation.

## **II. Special Priority Points.**

The Clean Water Commission (Commission) may assign special priority and override the priority points assigned to a project above and place that project on the planning, fundable or contingency priority lists in a position decided by the Commission. In order to award special priority, the Commission must determine that unique or unusual needs exist which do not logically fit into the rating system described above. In addition, the Commission may award special priority for projects impacting enterprise zones as authorized under state law.

## **III. Phased/Segmented Projects.**

Projects that are phased or segmented due to limited program funding or project complexity may receive an additional 50 points. Points may be awarded to an applicant for each in a succession of phases. However, such projects should occur directly after each subsequent phase or segment of the project was completed to be eligible for points. If the project is being phased at request of the Department due to lack of available funds or due to the applicant exceeding the Department's deadline for reaching a binding commitment, the review for eligibility of points will include an evaluation of the reason for sequencing. If the project is being phased at the request of the applicant, the review for the eligibility of points will include a review of the applicant's master plan or capital improvement plan. The plan should be submitted with the application for the first phase, and must include how subsequent phases will be implemented.

#### **IV. Debt Refinancing/Refunding.**

Five priority points will be assigned to eligible projects that include refinancing of existing debt. Projects primarily related to refinancing or refunding will not receive any other priority points.

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

#### **V. Definitions.**

##### **1. Increase capacity.**

Increasing the treatment capacity for existing treatment plants, biosolids handling facilities, decentralized treatments systems, and nonpoint source project BMPs with respect to flow or pounds.

##### **2. Increase level of treatment.**

Improving the degree of treatment. This refers to any improvement in unit processes or BMPs that improve the effluent quality or decrease the concentration of most water quality variables from runoff or other nonpoint sources. The addition of nutrient removal is considered an improvement in effluent quality.

##### **3. Rehabilitation.**

Restoring, replacing, adding or repairing parts to existing treatment plants, combined or separate sewer systems, biosolids handling facilities, individual on-site systems, and nonpoint source project BMPs with no increase in capacity or level of treatment.

##### **4. Replacement.**

An existing facility is considered obsolete and is demolished, and a new facility is constructed on the same site.

##### **5. Process improvement.**

Any improvement to a facility that does not increase the capacity, increase the level of treatment, expand the service area, or make a similar change to existing treatment plants, biosolids handling facilities, decentralized treatment systems, and nonpoint source project BMPs.







**Water Protection Program - Financial Assistance Center**

P.O. Box 176 • Jefferson City, MO 65102-0176

573-751-1192 • [fac@dnr.mo.gov](mailto:fac@dnr.mo.gov) • [dnr.mo.gov](http://dnr.mo.gov)