Missouri Clean Water Commission Meeting
Department of Natural Resources
Lewis and Clark State Office Building
1101 Riverside Drive
Jefferson City, Missouri

August 3, 2016

Overview of the Clean Water State Revolving Fund Process

Issue: Staff will provide a presentation to the commission covering the major steps in the Clean Water State Revolving Fund (CWSRF) process.

Background: Over the past six years the department has averaged approximately $120 million per year disbursed to Missouri communities for investment in wastewater infrastructure. The Clean Water Commission annually approves an Intended Use Plan and periodically approves amendments to that plan.

This presentation will highlight other key steps undertaken by the department to support entering into a binding commitment with a CWSRF recipient. Major steps include:

- Application completeness and assignment of priority points;
- Public meetings for alternatives, user charge rates, and environmental review;
- Environmental review;
- Facility plan review and approval;
- Review and approval of plans and specifications;
- Bid concurrence;
- Due diligence review;
- Binding agreements;
- Pay requests and disbursement of funds;
- Construction inspections; and
- Administration – loan repayments, SRF bonds, reporting, and audits.

Recommended Action: Information only.

This is an opportunity for staff to present information to the commission and for the commission to ask questions.

Suggested Motion: None.

CLEAN WATER

State Revolving Fund

Intended Use Plan and Priority List for Fiscal Year 2017

Oct. 1, 2016 through Sept. 30, 2017

Proposed August 3, 2016

MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Director's Letter

Being passionate about the outdoors is a must for anyone who has the honor of working for the Missouri Department of Natural Resources. Whether I'm hunting turkeys, hiking the Katy Trail or paddling the Missouri River, I reflect on the beauty of our natural resources.

The Department of Natural Resources is charged with the important mission of protecting human health and the environment, including our air, land and water resources.

In Missouri, we take a holistic approach to protecting water quality. Working with citizen stakeholder groups, streamlining our permitting process and providing financial assistance to communities are just some of the tools we use to manage our watersheds.

Our Clean Water State Revolving Fund Intended Use Plan and Priority List provides an in-depth look at how we provide financial assistance through subsidized, low-interest loans to municipalities, counties and public sewer districts for wastewater infrastructure projects. Our State Revolving Fund program offers a financing strategy that provides loans at 30 percent of the market interest rate. Funding recipients also realize environmental benefits and help stimulate local economies.

Since 1989, the Clean Water State Revolving Fund has committed approximately $2.6 billion in below-market rate loans to meet Missouri's wastewater infrastructure needs, saving 561 Missouri cities, counties, sewer districts and others more than $938 million through interest savings and grants. Farmers, livestock producers, watershed organizations, cities, rural homeowners and others have benefited from 140 separate loans and grants.

During fiscal year 2017, Missouri expects to have $252 million available for new Clean Water SRF projects. Applying for a Clean Water State Revolving Fund loan doesn't need to be overwhelming. Our SRF staff is happy to lead you through the process.

If you'd like to learn more about how we can help you and your community, please contact the department's Financial Assistance Center at 573-751–1192 or fac@dnr.mo.gov.

Sincerely,

Sara Parker Pauley

Sara Parker Pauley
Director, Missouri Department of Natural Resources

MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

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Cover photo: Odessa, Mo., wastewater treatment facility by Cynthia M. Smith, Department of Natural Resources, Water Protection Program.

Clean Water State Revolving Fund helps Missouri communities

Since 1989, the Clean Water State Revolving Fund has committed approximately **$2.6 billion** in below-market rate loans and approximately **$75 million** in grants to meet Missouri's wastewater infrastructure needs, saving 561 Missouri cities, counties, sewer districts and others more than **$938 million**.

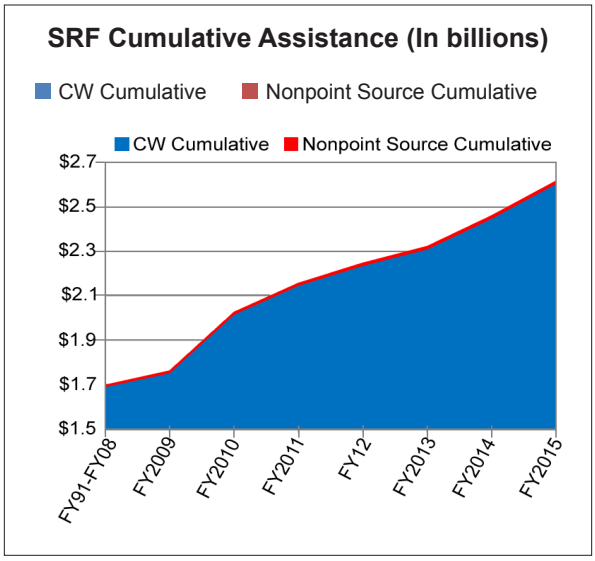
Approximately **$21.3 million** has been obligated to nonpoint source projects through the Clean Water SRF since 1989. Farmers, livestock producers, watershed organizations, cities, rural homeowners and others have benefited from these loans and grants.

Missouri communities, public sewer districts, farmers, livestock producers, watershed organizations and others have benefited from the federal and state capitalized, low-interest loan program. Projects may be new construction or the improvement or renovation of existing facilities.

In addition to providing substantial savings to communities across Missouri, Clean Water State Revolving Fund loans help to protect human health, water quality and the economic viability of our communities. The projects funded are designed to reduce or eliminate polluted wastewater discharges, rehabilitate decaying collection systems, consolidate on-site systems into new collection systems or recycle treated wastewater.

To further maintain the health of Missouri's waters, the program may also fund eligible projects to reduce polluted runoff from urban and agricultural land, including urban storm water control, agricultural best practices implementation, forest and stream bank erosion control, wetland construction and maintenance, water and wastewater efficiency, energy efficiency and innovative green projects.

Missouri's Clean Water State Revolving Fund "revolves" because loan repayments and investment earnings are continually recycled to fund new projects. In addition to the revolving nature of the fund, the ongoing commitment of federal funds and a financing strategy that provides loans at 30 percent of the market interest rate form the foundation for this successful program.



Besides financial savings, funding recipients can realize significant environmental benefits and help to stimulate local economies. Water and wastewater infrastructure are two basic building blocks of community development.

To date, we have received requests for 40 projects totaling more than **$346 million** for fiscal year 2017. For a complete listing of fiscal year 2017 projects, see the List of Fiscal Year 2017 Applicants in Appendix 2.

Missouri's Clean Water State Revolving Fund Program

The Missouri Department of Natural Resources administers the Clean Water State Revolving Fund. As a condition of a federal agreement with the U.S. Environmental Protection Agency, 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 (CWA) Section 606(c). This Clean Water SRF Intended Use Plan is the annual plan for fiscal year 2017.

Operation and management of Missouri's Clean Water SRF program is directed by regulations 10 CSR 20-4.010, 10 CSR 20-4.040 through 10 CSR 20-4.042 and 10 CSR 20-4.050: http://s1.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 Clean Water SRF program.

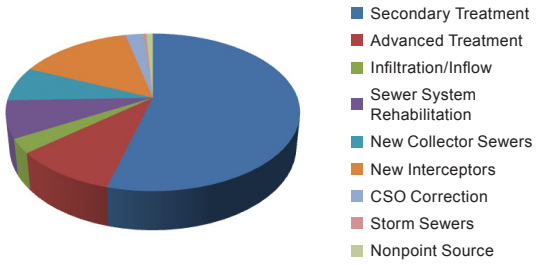
This Intended Use Plan summarizes the development and management of the Clean Water State Revolving Fund priority lists and assurances required by federal mandates. It also details the proposed distribution of Missouri's anticipated Clean Water State Revolving Fund capitalization grants, state match funds, the repayments of previously awarded loans and the interest earnings from the repayment account deposits for fiscal year 2017.

During the 2015 reporting period, the Missouri Clean Water State Revolving Fund:

- Received federal capitalization grants totaling almost $39 million
- Awarded eight direct loans totaling almost $131 million
- Awarded four grants totaling almost $10 million
- Saved Missouri communities and citizens an estimated $44 million in interest

The Clean Water State Revolving Fund loan program was established by the 1987 Clean Water Act amendments to provide a renewable financing source for statewide wastewater infrastructure and polluted runoff control needs while protecting state surface and ground waters.

CWSRF Assistance by Category
1989 through June 30, 2015



Secondary Treatment	$1,364,200,000
Advanced Treatment	$244,500,000
Infiltration/Inflow	$73,000,000
Sewer System Rehabilitation	$192,600,000
New Collector Sewers	$180,000,000
New Interceptors	$372,300,000
CSO Correction	$59,700,000
Storm Sewers	$9,500,000
Nonpoint Source	$21,342,890
Total	$2,517,142,890

SRF financing saves Odessa residents more than $5 million, helps city meet water quality standards

To remain a sustainable community, long-range perspective and sound planning are critical. A plan to meet the challenges presented by aging infrastructure became necessary for the city of Odessa, located in Lafayette County, about 45 minutes from downtown Kansas City. Failing equipment and increasingly stringent regulatory limits on wastewater effluent left Odessa city officials scrambling to figure out how to fund the upgrades needed to continue to serve the community effectively and remain in compliance with federal rules and regulations.

Because the city's needs were so vast, engineers determined that dividing the project into two phases was the best way to proceed. The first phase included replacing the northwest facility lagoon with two oxidation ditches and converting a lagoon to a peak flow equalization basin with all the necessary equipment and ultraviolet disinfection. The second phase would include replacing the west facility treatment lagoon and constructing a pump station and force main to direct the wastewater to the newly upgraded northwest facility.

The city turned to the Missouri State Revolving Fund for financing. The Department of Natural Resources provided the city with a $3 million grant and an additional $11 million in low-interest loans. Securing these low-interest loans from the department will save Odessa residents more than $5 million in interest over the course of the 20-year loans.

Types of projects eligible for funding

Traditionally, the Clean Water State Revolving Fund Program dollars have helped municipalities build or improve wastewater treatment plants. However, conservation, agricultural and urban projects can now be funded through the Clean Water State Revolving Fund. These types of projects include urban runoff, wet weather flow, storm water and 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
- Storm water

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 storm water runoff
- Riparian buffers and conservation easements
- Wellhead and source water protection measures
- Addressing water quality problems at Brownfield sites

Projects that address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities are eligible for funding under Green Project Reserve. See page 12 for more information.

How much money is available in fiscal year 2017?

During fiscal year 2017, Missouri expects to have $252 million available for new Clean Water SRF projects. This includes carry-over monies from previous years, loan repayments, interest earnings on investments of Clean Water SRF resources and federal capitalization grants and state match. Project lists are in Appendix 2, and information on the targeted funding is in Appendix 5.

Who is eligible for funding?

- Missouri cities, towns, counties, regional sewer/water districts, water authorities and instrumentalities 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.

Loan Terms

- The Clean Water SRF offers a fixed-rate loan with a typical term of 20 years.
- Interest rates are generally only 30 percent of the AAA municipal market rate.
- Annual fee of 1 percent of outstanding loan balance for administration costs.
- Short-term loans of one to three years are also available.
- Loan proceeds are to be expended within 36 months of the loan closing.

Applying for State Revolving Fund Assistance

The Missouri Department of Natural Resources solicits applications for the State Revolving Fund program each year:

- An eligible entity can submit an application at any time to the department. Applications

received postmarked by Nov. 15 will receive priority consideration for funding in the next fiscal year's Intended Use Plan.

- The application form is available at http://dnr.mo.gov/env/wpp/srf/wastewater-project-guidance.htm.
- A complete facility plan and a voted bond or other debt instrument are required for Clean Water SRF loan consideration. (A debt instrument includes general obligation and revenue bonds.)
- Potential applicants are encouraged to contact the Financial Assistance Center prior to submitting an application.

Additional information is available in Appendix 1.

For more information, please contact the department's Financial Assistance Center at 573-751-1192 or fac@dnr.mo.gov.

Our partners

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

- The Environmental Improvement and Energy Resources Authority issues bonds, manages related tax issues and monitors post-issuance compliance, while the Department of Natural Resources handles program prioritization, project management, permitting, environmental review and EPA compliance. The Missouri Clean Water Commission, the department and EIERA work together to maximize the amount of construction that can be supported by the Clean Water SRF.
- The Missouri Water and Wastewater Review Committee reviews applications for projects requesting state or federal funds to finance water or wastewater system improvements. MWWRC agencies include the Missouri Department of Economic Development Community Development Block Grant Program, the Missouri Department of Natural Resources and the U.S. Department of Agriculture, Rural Development.
- The Missouri Department of Agriculture oversees a loan program funded by the Clean Water SRF 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.

Want to save money and improve the quality of life in your community at the same time? Take advantage of our financing strategy that provides loans at 30 percent of the market interest rate. Call 573-751-1192 or email fac@dnr.mo.gov today.

Missouri's Clean Water State Revolving Fund Program Goals

Each year, the Missouri Department of Natural Resources evaluates the operations and the financial structures of the Clean Water State Revolving Fund to gauge program effectiveness and to improve program services and investment returns. We develop both long-term and short-term goals to continually improve the program:

Long-term goals:

- Promote coordination efforts both within and outside the agency for the purpose of expediting project funding. The Clean Water State Revolving Fund program staff commit to work with the U.S. Department of Agriculture Rural Development and the Department of Economic Development

Community Development Block Grant program to provide affordable financing for municipal pollution prevention and control projects.

- Pursue more holistic regional and watershed-based solutions that address both point and nonpoint source pollution problems and opportunities to use distributed wastewater treatment options where they could be applied.

Short-term goals:

- Continue the Clean Water State Revolving Fund state regulations review and revision process. The rule changes are needed to implement recent revisions in federal law.
- Target available loan funds to high priority needs in accordance with the Intended Use Plan priority list to encourage construction of the highest impact water quality improvement projects.
- Look at ways the Clean Water State Revolving Fund program can be used to encourage sustainable infrastructure and capacity development concepts with borrowers.
- Continue to identify projects that qualify for green project reserve funding, in accordance with federal guidance.

Other state grant and loan programs

Pending sufficient state revenue sources, Small Community Engineering Assistance Program grants, small borrower loans and rural sewer grants may also be available. (There are no additional funds for the 40 Percent Construction Grant Program in fiscal year 2017.)

Small Community Engineering Assistance Grants: The Small Community Engineering Assistance Program grants are available for municipalities, counties, public sewer or water districts, political subdivisions or instrumentalities of the state with a population of fewer than 10,000. The grants offer funding for wastewater engineering costs incurred in preparation of a facility plan. Communities may be eligible to receive an 80 percent grant with a 20 percent recipient match. The grant amount does not exceed $50,000.

Small Borrower Loan Program: This program is limited to communities with a population of fewer than 1,000. The loan amount is limited to $100,000. Loans can be secured by a bond issue or can be annually appropriated debt. This program was established with water pollution control bonds and continues with state direct loan repayments. This small revolving fund is state-funded exclusively and is not a part of the State Revolving Fund. The funds can be used for either drinking water or clean water needs.

Rural Sewer Grants: Public sewer districts, public water districts and communities with a population of fewer than 10,000 may be eligible for rural sewer grants. These grants cover up to 50 percent of the eligible costs of a project up to a maximum of $500,000 or $1,400 per connection, whichever is less. There are restrictions on geographic location within Missouri and the types of projects that the grants can fund.

40 Percent Construction Grant Program: The State 40 Percent Construction Grant Program provides assistance to those communities that do not qualify for a loan for the total amount of eligible project costs. There are no additional funds for the 40 Percent Construction Grant program in fiscal year 2017.

Information on Small Community Engineering Assistance Grants, rural sewer grants and 40 percent state construction grants is available at http://dnr.mo.gov/env/wpp/srf/wastewater-grants.htm. Information on small borrower loans is available at http://dnr.mo.gov/env/wpp/srf/wastewaterloans.htm.

Also, see Appendix 4.

To apply for these other state loans and grants, please contact the department's Financial Assistance Center at 573-751-1192 or fac@dnr.mo.gov.

What are the terms of the financial assistance we provide?

The Clean Water State Revolving Fund offers a fixed-rate loan with a typical term of 20 years. Short-term loans of one to three years are also available. Loan proceeds are to be expended within 36 months of the loan closing.

In accordance with state regulation 10 CSR 20-4.040, 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 a AAA-rated municipal market rate.

The Missouri Department of Natural Resources charges an annual fee of 1 percent of the outstanding loan balance. The fee is used to administer the Clean Water SRF program and to fund other water quality activities in accordance with federal regulations.

Recent revisions in federal law allow the department to consider loan terms of up to 30 years, not to exceed the useful life of the project. The department will examine this issue and develop any needed criteria and guidelines that would be used if loan terms are extended past 20 years. Additional information will be made available as the terms and conditions are finalized.

Specifically, what pieces of my project can be funded?

Eligible expenses and allowable construction costs are described in state regulations that direct operation and management of Missouri's Clean Water SRF program. 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 20-4.010, 10 CSR 20-4.040 through 10 CSR 20-4.042 and 10 CSR 20-4.050 at http://s1.sos.mo.gov/cmsimages/adrules/csr/current/10csr/10c20-4.pdf.

For more information, please contact the department's Financial Assistance Center at 573-751–1192 or fac@dnr.mo.gov.

How do we distribute Clean Water State Revolving Funds?

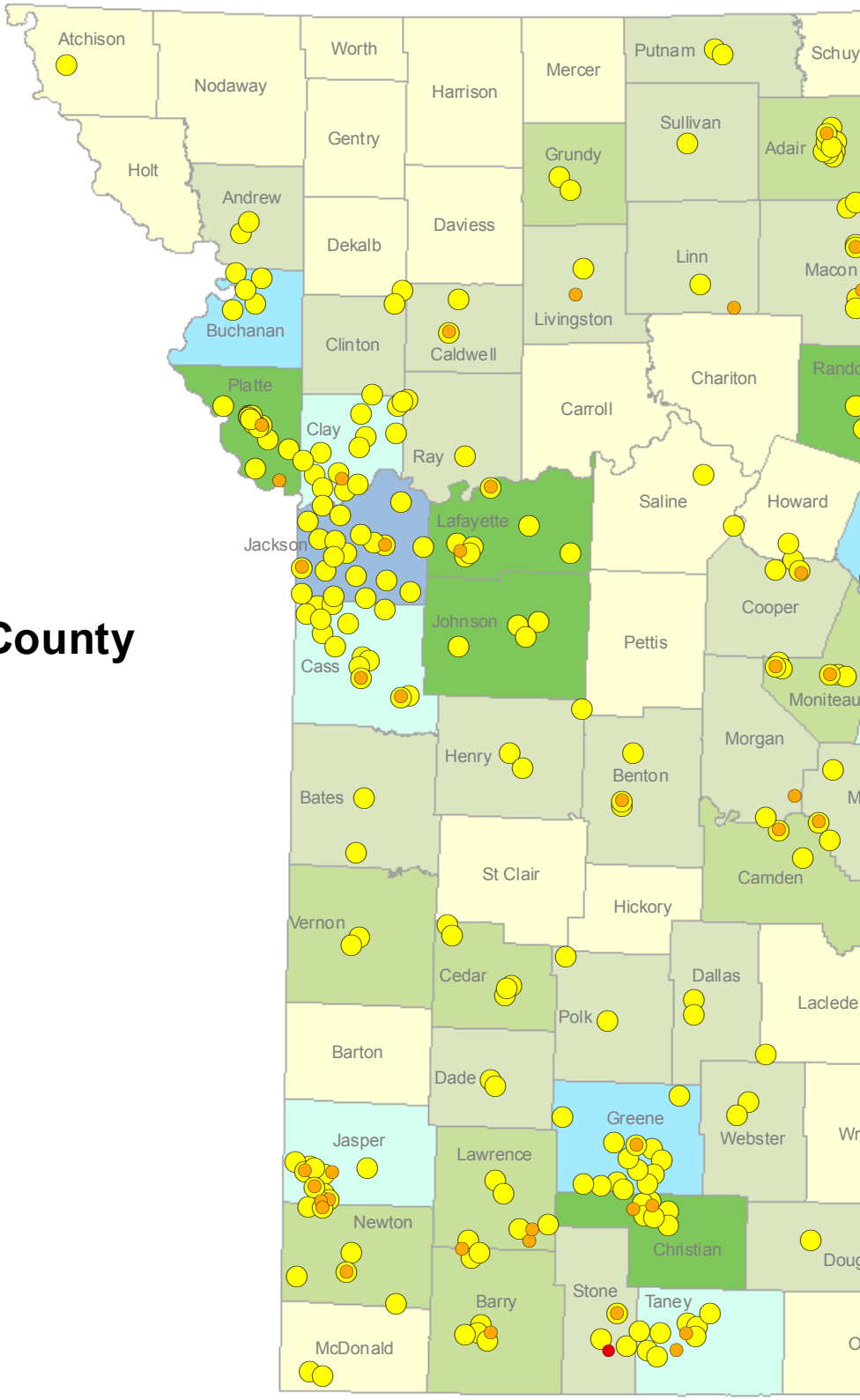
Fundable projects carried over from the previous fiscal year are allocated available funds first. The department then allocates a certain percentage of available funding for certain size communities or for high priority project types, such as Combined Sewer Overflows. Funds set aside for this reserve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

The funds are allocated as shown below:

- 40 percent to outstate Missouri (fewer than 75,000 people)
- 30 percent to large metropolitan areas and districts (75,000 or more people)
- 15 percent to address combined sewer overflow projects
- 15 percent to Green Project Reserve and department incentives

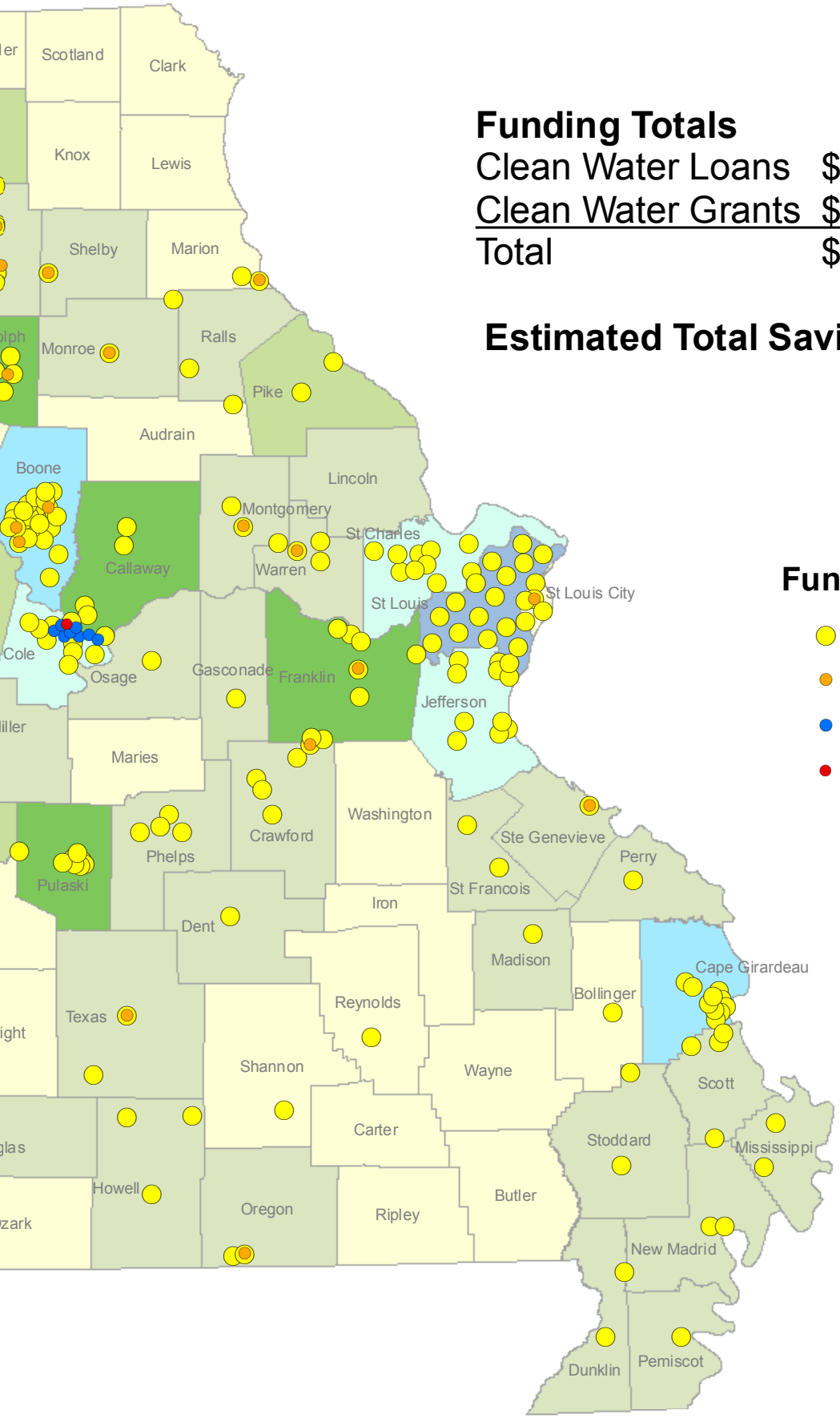
Any uncommitted funds from a specific group may be distributed to fund projects in other groups that are ready to proceed. Additional information is Appendix 2.

Clean Water SRF helps Missouri communities



Funding Totals by County

- < $1 Million
- $1-10 Million
- $10-20 Million
- $20-50 Million
- $50-100 Million
- $100-200 Million
- > $200 Million



Funding Totals

Clean Water Loans	$2.63 Billion
Clean Water Grants	$76.9 Million
Total	$2.7 Billion

Estimated Total Savings - $938 Million

Funding Type

- Loan
- Grant
- Multi-County Loan
- Multi-County Grant

Taney County's green project first of its kind in Missouri

The Missouri Ozark region is home to some of the world's most spectacular natural settings. Protecting its three pristine lakes, wildlife and the environment has been a priority for the tri-lakes community in Taney and Stone counties for decades.

After the growth and development boom in the mid-1990s, dealing with the added wastewater and managing the resulting biosolids became a challenge. It was becoming difficult to find available acreage in the region to land-apply the biosolids.

Communities in the region joined together to form the Tri-Lakes Biosolids Coalition to address long-term biosolids management needs. If the coalition could convert their Class B biosolids to a drier, garden-ready Class A biosolid, it would increase disposal and reuse options.

The coalition determined the best plan was to upgrade dewatering facilities at Hollister and Branson Compton Drive wastewater treatment plants and construct a dewatering and drying facility at Branson's Cooper Creek wastewater treatment plant. Wastewater sludge liquid is spun out in a centrifuge at the dewatering facilities, and the resulting cake-like substance is then trucked to the Cooper Creek facility where it is dried. The dryer kills remaining pathogens, making the final dirt-like product safe for food-grade gardening and land-application in public areas.

This project was environmentally innovative and the first of its kind in Missouri. It reduced the amount of Class B sludge land-applied in the tri-lakes region, and the new process requires significantly fewer truckloads to haul dry product, reducing carbon and greenhouse gas emissions.

The Missouri State Revolving Fund provided a $3 million grant for the project, which saves residents an additional $600,000 in interest payments versus a conventional loan.

Project Priority List: Ranking wastewater and nonpoint source projects

The department ranks projects for funding based on human health protection, the Federal Clean Water Act's fishable/swimmable goals, Missouri Water Quality Standards and Antidegradation Policy and Missouri's Nonpoint Source Management Program.

Proposed water quality projects receive points based on how they address watershed planning, failing onsite wastewater disposal systems, agriculture best management practices and more. A complete list and points awarded for each criterion are available at http://s1.sos.mo.gov/cmsimages/adrules/csr/current/10csr/10c20-4.pdf

Projects being funded in fiscal year 2017

The list of projects being funded in fiscal year 2017 is ranked by priority in Appendix 2 and at http://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm.

Funding process

The Missouri Department of Natural Resources will review the proposed project based on Clean Water State Revolving Fund eligibility requirements. Each project undergoes an application, technical and environmental review. If the proposed project is an eligible project, it will be added to the Clean Water State Revolving Fund Project Priority List.

The Project Priority List includes several types of projects:

- **Fundable projects** have a complete facility plan and a voted bond or other debt instrument in place. (A debt instrument includes general obligation and revenue bonds.) These projects are scheduled for financial assistance during the current fiscal year, and funds are available to be allocated to the project.
- **Contingency projects** fall into one of two categories: fundable contingency or contingency. A fundable contingency project has a complete facility plan with acceptable debt instrument bonds in place, but 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. Other contingency projects have a complete facility plan but do not have an acceptable debt instrument in place. For these projects to move forward, a voter-approved bond or other debt instrument must be secured.
- **Planning projects** have submitted an application but may not have submitted a facility plan and do not have a voted bond or authorization to incur debt. The department anticipates these projects may be eligible to receive financial assistance and works with these communities to advance the projects to meet the readiness to proceed criteria.

The Missouri Department of Natural Resources monitors project compliance and administers financial assistance for funded projects. This includes quarterly construction inspections, processing pay requests and reviewing change orders for funding eligibility.

Additional Subsidization

The department has elected to provide additional subsidization in the form of grants to communities based on affordability criteria. It has developed affordability criteria and published a policy to comply with changes made in 2014 to the Federal Clean Water Act. The policy is available at http://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm. More detail is included in Appendix 5.

Modifications to Project Priority List

After the Missouri Clean Water Commission adopts the Clean Water SRF priority lists, it may modify the lists or redistribute the available funds in accordance with 10 CSR 20-4.010:

- **Inadequate allocations:** If federal Clean Water SRF allocations are less than the allocations anticipated, or if previous allocations are reduced, it may be necessary to reduce commitments to projects on the priority list.
- **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. Additionally, 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:** A project on the fundable priority list not making progress in satisfying requirements for Clean Water SRF assistance will be removed from the fundable priority list. The project is then placed on the proper contingency or planning priority list as decided by the commission.
- **Project removal:** Projects may be removed from the priority list at the request of the applicant or a finding by the Department of Natural Resources that the project is ineligible for Clean Water SRF assistance.

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

Where the money comes from

Missouri applies to the U.S. Environmental Protection Agency annually for capitalization grants to fund its Clean Water State Revolving Fund program. To increase available funds, the state leverages its EPA capitalization grants in the municipal bond market. 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 (revolved) by the State Revolving Fund to provide for future projects.

Project lists are in Appendix 2, and information on the targeted funding is in Appendix 5.

Green Project Reserve

A portion of certain capitalization grants is to be used for projects that address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities. See Appendix 5 for additional information.

Department staff will work directly with applicants prior to funding to identify these projects. Additional information is in the Clean Water State Revolving Loan Fund Application Instructions online at http://dnr.mo.gov/pubs/pub2284.pdf.

Program commitments and state assurances

The Missouri Department of Natural Resources makes a number of program commitments and state assurances related to managing the Clean Water SRF.

See Appendix 5 for a list of these commitments and assurances.

Appendix One:

SRF Application Process and Requirements

How to complete a Clean Water SRF application

The application form, instructions and guidance documents are available at http://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm:

1. Potential applicants are encouraged to contact the Missouri Department of Natural Resources prior to submitting an application http://dnr.mo.gov/forms/780-1951-f.pdf. You can reach the department's Financial Assistance Center at 573-751–1192 or fac@dnr.mo.gov.
2. Obtain a Water Quality Review Assistance/Antidegradation Review Request http://dnr.mo.gov/forms/780-1893-f.pdf from the department before initiating facility planning activities.
3. In addition to the review request form, you may need additional attachments, available at http://dnr.mo.gov/env/wpp/permits/antideg-implementation.htm.
4. Complete a Facilities Plan Submittal Checklist http://dnr.mo.gov/forms/780-2041-f.pdf.

Two additional guidance documents will be helpful:

- Clean Water State Revolving Fund Project Facility Plan Guidance http://dnr.mo.gov/pubs/pub2418.htm
- Environmental Protection Agency 2012 Green Infrastructure Guidance http://dnr.mo.gov/env/wpp/srf/docs/2012-epa-gpr-guidance.pdf

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Facility plans without the review request form and the Facility Plan Submittal Checklist are not complete. Incomplete facility plans will delay proposed projects and, ultimately, project funding.

Clean Water SRF 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.

Applicants are also required to submit letters of approval from their state legislators when they submit their due diligence information. Find your Missouri representative and senator at http://www.senate.mo.gov/legislookup/Default.aspx.

If you have questions or need assistance, please contact the department's Financial Assistance Center at 573-751–1192 or fac@dnr.mo.gov.

Description of assistance

For projects listed in this plan, the Clean Water SRF assistance is in the form of loans with a target interest rate of 30 percent of AAA municipal market rate and an annual fee of 1 percent on the outstanding loan balance. Short-term loans are for a one- to three-year period. Long-term loans currently are fixed-rate loans typically for 20 years. Additional subsidization in the form of grants may be provided in accordance with current federal appropriations if available.

Carry-over projects

Unfunded projects that filed an original application by Nov. 15, 2014, were automatically carried into the fiscal year 2017 Intended Use Plan unless the Missouri Clean Water Commission bypassed or removed the project, or the proposed loan recipient has requested to be removed.

State regulation establishes Nov. 15 as the annual submittal deadline for applications to participate in the programs during any fiscal year. However, applications will be accepted and processed at any time. Potential applicants are strongly encouraged to contact the department prior to submitting an application; call 573-751-1192 or email fac@dnr.mo.gov.

State regulation 10 CSR 20-4.040 establishes that 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. Reapplication 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.

Carry-over projects in the fiscal year 2017 Intended Use Plan are not eligible to compete in the fiscal year 2018 Intended Use Plan unless reapplication is made by Nov. 15, 2016.

Funding List

Fundable Projects Lists identify those projects the Missouri Clean Water Commission intends to fund during a given fiscal year. Prior to completion and submittal of a facility plan, the applicant is strongly encouraged to obtain a water quality review from the department. An entity seeking to have a project placed on one of the fundable lists must have submitted a substantially complete facility plan and information indicating the public entity has an appropriate debt instrument in place. A debt instrument includes, but is not limited to, general obligation bonds and revenue bonds.

The Fundable Projects List is composed of four separate lists:

- Outstate Missouri Fundable Projects List
- Large Metropolitan Areas and Districts Fundable Projects List
- Combined Sewer Overflow Fundable Projects List
- Department Initiatives

Coordination

Except for projects funded solely through the Clean Water SRF, all applicants anticipating the use of other state or federal funds must complete a Missouri Water and Wastewater Review Committee project proposal. The applicant should contact the committee for a complete project proposal package. The Missouri Water and Wastewater Review Committee members represent the following agencies:

Denise Derks
Missouri Department of Economic Development
Community Development Block Grant Program
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Appendix Two:

Project Lists and Financial Tables

Sources and Uses of Funds

The Clean Water SRF program expects to have approximately $252 million available for financing during this fiscal year. The estimate includes carry-over monies from previous years, repayments, interest earnings on investments of Clean Water SRF 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 Intended Use Plan may be revised at any time due to changing economic conditions.

The Missouri Department of Natural Resources will use the 4 percent program administration set aside from the federal capitalization grants and fees charged to Clean Water SRF 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 Dec. 31, 2015.

Sources and Uses of Funds
Capitalization Grants and Loan Repayments
(As of Dec. 31, 2015)

Estimated Sources		
FFY 2014 CW SRF Capitalization Grant (federal portion only)	$ 38,723	
FFY 2015 CW SRF Capitalization Grant (federal portion only)	$ 38,514,577	
FFY 2016 CW SRF Capitalization Grant (not yet awarded, federal portion only)	$ 37,039,000	
Loan Repayment Fund (Balance in Fund 0602 as of 12/31/15) *	$ 229,550,550	
Balance of Fund 0649 as of 12/31/15 *	$ 1,332,336	
Projected Proceeds from Bond Refinancing (1/1/16 - 9/30/18)	$ 1,219,532	
Estimated CWSRF portion of Fund 0602 Investment Interest (1/1/16 - 9/30/18)	$ 5,419,532	
Estimated CWSRF portion of Fund 0649 Investment Interest (1/1/16 - 9/30/18)	$ 32,275	
Reserve Release (1/1/16 - 9/30/18)	$ 135,650,345	
Direct Loans - Principal and Interest Repayments (1/1/16 - 9/30/18)	$ 132,794,941	
Total Estimated Sources		**$ 581,591,811**
Estimated Uses		
Binding Loan Commitments (Balance of Reserve Payable 12/31/15)	$ -	
Base Program Funds Committed for Direct Loans as of 12/31/15	$ 201,375,943	
Base Program Funds Committed for Direct Grants as of 12/31/15	$ 5,991,935	
4% Administrative Expenses from FFY 2014 Capitalization Grant	$ 53	
4% Administrative Expenses from FFY 2015 Capitalization Grant	$ 1,313,834	
4% Administrative Expenses from FFY 2016 Capitalization Grant	$ 1,481,560	
Match Bond Debt Service (A2012 and A2010)		
Remaining Principal Due as of 12/31/15	$ 6,543,000	
Interest Due Through 9/30/2016	$ 736,525	
Additional Match Bond Debt Service Due through FY 2016 **	$ 1,429,663	
2010B and 2015A Pledge Commitments (1/1/16 - 9/30/18)	$ 22,837,700	
Anticipated Direct Loans during FY 2016 (1/1/16 - 9/30/16)	$ 87,241,077	
FFY 2014 Capitalization Grant Additional Subsidization	$ 1,140,387	
FFY 2015 Capitalization Grant Additional Subsidization	$ -	
FFY 2016 Capitalization Grant Additional Subsidization - Required	$ 3,703,900	
FFY 2016 Capitalization Grant Additional Subsidization - Optional	Up to $2,000,000 ***	
Loan Funds Available for FY 17 CW IUP Projects	$ 247,796,234	
Total Estimated Uses		**$ 581,591,811**

* This balance may change after the final SRF System accounting adjustments for 2015 are posted.

** Debt Service for the Match Bond Debt Service currently being funded from the Clean Water SRF program rather than state funds.

*** The department will utilize up to this amount. As grant funds are awarded, loan funds will be reduced accordingly. See Appendix 5 on page 34 for more information.

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Loan and Grant Commitments 1/1/16 through 9/30/16	Loan	Grant	Total
Brashear - Funded 2/25/16	486,000	484,852	970,852
St. Joseph - Blacksnake Creek Stormwater Design	10,000,000	-	10,000,000
Kirksville - WWTP - Funded 2/22/16	18,000,000	-	18,000,000
Alba - Funded 02/23/16	1,217,000	1,217,000	2,434,000
Chamois	338,974	1,016,924	1,355,898
New London	732,839	2,198,516	2,931,355
Carthage - WWTP Upgrades	6,000,000	-	6,000,000
Moscow Mills	2,252,845	-	2,252,845
Meadville	465,028	465,028	930,056
Madison	1,570,469	1,570,468	3,140,937
Upper White River Basin Foundation - Funded 4/19/16	-	1,000,000	1,000,000
East Lynne	885,900	-	885,900
Pierce City	495,688	495,687	991,375
Wellsville	500,000	1,500,000	2,000,000
Renick	296,334	296,333	592,667
MSD - MSD Public I/I Reduction Program - Phase IV	44,000,000	-	44,000,000
Total Commitments 1/1/16 - 9/30/16	**87,241,077**	**10,244,808**	**97,485,885**

Project Lists

The list of fiscal year 2017 applicants appears on the following page. The list location column indicates the section of the project lists the application appears in. The project lists follow the list of applicants.

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 toward funding, compliance with program requirements and funding availability, may impact project funding.

For more information on the Clean Water SRF Program, contact the department's Financial Assistance Center at 573-751-1192 or fac@dnr.mo.gov.

List of Fiscal Year 2017 Applicants

Note: *An explanation of the abbreviations and codes appears at the end of the list.*

APPLICANT	APPLICATION DATE	PRIORITY POINTS	SERVICE AREA POP.	LIST LOCATION
Arbyrd *	9/23/2014	85	509	C
Ashland *	9/30/2014	50	3,707	C
Aurora - Phase II *	11/18/2014	100	7,508	CONT
Belle	10/6/2014	135	1,545	OS
Boone Co. RSD (Bolli Road Coll System) *	11/17/2014	75	25	P
Boone Co. RSD (Cedar Gate)	11/12/2015	105	134	P
Boone County RSD (Lee Heights)	11/9/2015	150	67	OS
Boone County RSD (Oberlin Valley)	11/10/2015	150	250	OS
Boone Co. RSD (Phenora North Coll System) *	11/17/2014	80	162	P
Boone Co. RSD (South Route K)	11/19/2015	120	2,477	P
Camden Point	11/12/2015	90	543	P
Center *	11/17/2014	75	512	P
Center Creek Wastewater Treatment Board *	11/14/2014	85	15,268	P
Deer Run Creek Reorganized Common Sewer District	11/18/2015	125	350	CONT
Drexel	10/5/2015	100	965	P
Duckett Creek Sewer District *	5/4/2015	125	112,500	P
Duquesne *	9/29/2014	65	1,790	C
Gravois Arm Sewer District - Phase 4 *	11/14/2014	70	936	P
Kelso	11/17/2015	85	586	CONT
Lake Ozark *	9/30/2014	115	1,586	C
Lancaster	11/9/2015	90	940	P
Lathrop *	6/1/2015	80	2,086	P
Memphis	10/22/2015	90	1,030	P
Milan *	2/2/2015	70	85	C
Missouri Agriculture & Small Business Development	10/19/2015	N/A	N/A	DI
MSD - Public I/I Reduction Program - Phase 4 *	9/12/2014	185	1,300,000	C
MSD - MSD Public I/I Reduction Program - Phase 5	9/12/2014	155	1,300,000	LM
Poplar Bluff *	9/26/2014	70	17,023	P
Purdy *	11/12/2014	50	1,098	P
Russellville *	8/26/2015	20	807	P
South Dunklin County Reorganized Common Sewer District *	11/24/2014	85	241	P
Spickard	9/1/2015	85	254	CONT
Springfield	11/13/2015	175	159,498	LM
St. Joseph (Blacksnake Creek Stormwater) *	9/25/2014	130	96,789	C CSO
Sunrise Beach *	11/15/2013	85	431	P
Tipton	11/19/2015	75	3,296	P
Troy *	11/13/2015	120	10,500	P
Unionville *	9/30/2014	65	1,865	C
Weston *	11/18/2014	105	1,641	C
Windsor	11/16/2015	125	3,087	P

An * indicates the project is carried over from last year's IUP.

Abbreviations and Codes

C – Carryover List	Fund – Fundable List
Cont – Contingency List	LM – Large Metropolitan Areas & Districts
CSO – Combined Sewer Overflow	OS - Outstate
DI - Department Initiatives	P – Planning List

Fiscal Year 2017 Project Lists

Applicant	Project #	Description	Priority Points	Service Area Population	Eligible Costs	Loan Amount	NPDES #	Problem Code	Financing Schedule FY - Quarter	Needs Category	Initiation of Operations
Carryover Fundable List Available Funds						**$ 247,796,234**					
MSD - MSD Public I/I Reduction Program - Phase 4 *	C295023-39	I/I	185	1,300,000	$ 51,500,000	$ 51,500,000	Multiple	4, 5	17-4	IIIA	18-4
St. Joseph - Blacksnake Creek Stormwater Construction *	C295699-05	CSO	130	96,789	42,000,000	42,000,000	MO-0023043	5	17-2	V	20-1
Lake Ozark *	C295646-02	Coll Rehab	115	1,586	2,722,674	2,722,674	N/A	4, 5	17-1	IVB	18-1
Weston *	C295814-01	TP Impr, Coll I/I Impr	105	1,641	3,101,000	3,101,000	MO-0031585	5	17-1	I, II, IIIA, IIIB	18-1
Arbyrd *	C295811-01	TP Impr, Coll	85	509	1,534,105	1,534,105	MO-0101346	5	17-3	IVA, VII	18-1
Milan *	C295723-01	TP Rehab	70	85	354,192	354,192	MO-0119318	1, 3	17-1	IIIB	17-3
Unionville *	C295720-01	Coll Rehab	65	1,865	2,475,881	2,475,881	MO-0054569 MO-0026646	5	17-1	IIIA	17-4
Duquesne *	C295447-04	Coll	65	1,790	951,059	951,059	N/A	4	17-1	IVA, IVB	17-4
Ashland *	C295710-01	TP, Coll Impr	50	3,707	6,600,000	6,600,000	MO-0106844	5	17-3	I, II	18-3
Total Carryover Fundable Projects					**$ 111,238,911**	**$ 111,238,911**					
Balance						**$ 136,557,323**					

Notes: *An explanation of the abbreviations and codes appears at the end of the project lists.*

Allocation of Available Loan Funding

Loan Balance Forward from Fundable Carry-over Project Lists		**$ 136,557,323**
Outstate Missouri (1)	40%	$ 54,622,930
Large Metropolitan Areas and Districts (2)	30%	$ 40,967,197
Combined Sewer Overflow (CSO)	15%	$ 20,483,598
Department Initiatives	15%	$ 20,483,598

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

Financial Summary of the Fundable Projects Lists (loan funding only)

	Outstate Missouri	Large Metropolitan Areas & Districts	Combined Sewer Overflow	Department Initiatives	Total
Loan Allocation	**$ 54,622,930**	**$ 40,967,197**	**$ 20,483,598**	**$ 20,483,598**	**$ 136,557,323**
Total Projects (1)	**$ (1,938,280)**	**$ (88,760,250)**	**$ (35,300,000)**	**$ (500,000)**	**$ (126,498,530)**
Balance Before Transfers	**$ 52,684,650**	**$ (47,793,053)**	**$ (14,816,402)**	**$ 19,983,598**	**$ 10,058,793**
Transfers	$ (47,793,053)	$ 47,793,053			$ -
	$ (4,891,597)		$ 4,891,597		$ -
			$ 9,924,805	$ (9,924,805)	$ -
					$ -
Total Transfers	**$ (52,684,650)**	**$ 47,793,053**	**$ 14,816,402**	**$ (9,924,805)**	**$ -**
Balance Available (2)	**$ -**	**$ -**	**$ -**	**$ 10,058,793**	**$ 10,058,793**
Amount Forward to Project Tables (3)	**$ 1,938,280**	**$ 88,760,250**	**$ 35,300,000**	**$ 10,558,793**	**$ 136,557,323**

(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.

Fiscal Year 2017 Project Lists

Applicant	Project #	Description	Priority Points	Service Area Population	Eligible Costs	Loan Amount	NPDES #	Problem Code	Financing Schedule FY - Quarter	Needs Category	Initiation of Operations
Outstate Missouri Fundable List Available Funds						**$ 1,938,280**					
Boone County RSD (Oberlin Valley)	C295375-26	FM, PS	150	250	$ 674,741	$ 674,741	MO-0117323	5	17-4	IVB	18-4
Boone County RSD (Lee Heights)	C295375-28	FM, PS	150	67	629,968	629,968	MO-0102113	5	17-4	IVB	18-4
Belle	C295813-01	Coll Impr	135	1,545	633,571	633,571	MO-0048101	5	17-1	IVA, V	17-4
Total Outstate Missouri Fundable Projects					**$ 1,938,280**	**$ 1,938,280**					
Balance						**$ -**					
Large Metropolitan Areas & Districts Fundable List Available Funds						**$ 88,760,250**					
Springfield	C295013-02	I/I	175	159,498	$ 6,360,250	$ 6,360,250	MO-0049522 MO-0103039	4, 5	17-4	IIIA	19-2
MSD - MSD Public I/I Reduction Program - Phase 5	C295023-40	I/I	155	1,300,000	82,400,000	$ 82,400,000	Multiple	4, 5	17-4	IIIA	18-4
Total Large Metropolitan Areas & Districts Fundable Projects					**$ 88,760,250**	**$ 88,760,250**					
Balance						**$ -**					
Combined Sewer Overflow Fundable List Available Funds						**$ 35,300,000**					
St. Joseph - Blacksnake Creek Stormwater Construction *	C295699-05	CSO	130	96,789	35,300,000	$ 35,300,000					
Total Combined Sewer Overflow Fundable Projects					**$ 35,300,000**	**$ 35,300,000**					
Balance						**$ -**					

Applicant	Project #	Description	Priority Points	Service Area Population	Eligible Costs	Loan Amount	NPDES #	Problem Code	Financing Schedule FY - Quarter	Needs Category	Initiation of Operations
Department Initiatives Fundable List Available Funds						**$ 10,558,793**					
Missouri Agriculture & Small Business Development	C295212-09	NPS	N/A	N/A	$ 500,000	$ 500,000	N/A	3	17-1	VIIB	18-1
Total Department Initiatives Fundable Projects					**$ 500,000**	**$ 500,000**					
Balance						**$ 10,058,793**					
Fundable Contingency List (Complete Facility Plan Submitted and Approved Debt Instrument)											
Total Fundable Contingency Projects					**$ -**						
Contingency List (Complete Facility Plan Submitted)											
Deer Run Creek Reorganized Common Sewer District	C295815-01	TP, Coll	125	350	$ 2,542,500		MO-0041173	2,4	17-2	I, IVA	18-1
Aurora - Phase II *	C295711-02	PS, I	100	7,508	$ 1,307,050		MO-0036757	5	17-3	IVB	18-1
Kelso	C295195-02	TP	85	586	$ 1,350,000		MO-0115118	5	17-4	I	18-3
Spickard	C295823-01	TP	85	254	$ 1,453,815		MO-0113026	5	17-2	II	18-1
Total Contingency Projects					**$ 6,653,365**						
Planning List	***Note: Information will be added to the shaded columns when the project moves to the fundable or contingency list.***										
Boone Co. RSD (Bolli Road Coll System) *	C295375-25		75	25	248,808						
Boone Co. RSD (Cedar Gate)	C295375-27		105	134	842,733						

Applicant	Project #	Description	Priority Points	Service Area Population	Eligible Costs	Loan Amount	NPDES #	Problem Code	Financing Schedule FY - Quarter	Needs Category	Initiation of Operations
Boone Co. RSD (Phenora North Coll System) *	C295375-24		80	162	372,099						
Boone Co. RSD (South Route K)	C295375-21		120	2,477	5,275,628						
Camden Point	C295275-02		90	543	4,101,000						
Center *	C295817-01		75	512	2,969,262						
Center Creek Wastewater Treatment Board *	C295446-02		85	15,268	4,935,451						
Drexel	C295803-01		100	965	2,392,000						
Duckett Creek Sewer District *	C295819-01		125	112,500	10,320,000						
Gravois Arm Sewer District - Phase 4 *	C295715-01		70	936	4,742,079						
Lancaster	C295804-01		90	940	2,227,325						
Lathrop *	C295821-01		80	2,086	6,245,200						
Memphis	C295802-01		90	1,030	4,007,850						
Poplar Bluff *	C295671-01		70	17,023	18,119,172						
Purdy *	C295818-01		50	1,098	4,154,300						
Russellville *	C295718-01		20	807	2,377,620						
South Dunklin County Reorganized Common Sewer District *	C295816-01		85	241	1,315,990						
Sunrise Beach *	C295540-02		85	431	3,384,050						
Tipton	C295293-02		75	3,296	1,677,000						
Troy *	C295822-01		120	10,500	17,171,000						
Windsor	C295512-01		125	3,087	5,000,000						
Total Planning List Projects					**$ 101,878,567**						

Description Reference List		Problem Codes	Needs Codes	
Coll	Collection	1 - NPDES Permit Violation	I	Secondary Treatment
CSO	Combined Sewer Overflow	2 - Unpermitted Discharge	II	Advanced Treatment
Det	Detention	3 - Water Quality Stds. Violation	IIIA	I/I correction
Exp	Expansion	4 - Public Health Problems	IIIB	Sewer replacement or rehabilitation
FM	Force Main	5 - Future NPDES Violation Expected	IVA	New Collection
Impr	Improvements		IVB	New Interceptors
I	Interceptor		V	CSO
I/I	Inflow/Infiltration		VIIB	NPS: Animal
NPDES	National Pollution Discharge Elimination System		VIID	NPS: Urban
NPS	Non Point Source			
PS	Pump Station			
Rehab	Rehabilitation			
TP	Treatment Plant			

Notes:

Final eligible costs will be determined as documents are submitted and the project is closer to financing.

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

An * indicates the project is carried over from last year's IUP.

Carry over projects from the fiscal year 2016 list must reapply to be considered for the fiscal year 2018 list.

Distribution of Loan Administration Fees

On Oct. 20, 2005, the U.S. Environmental Protection Agency issued guidance on the administration fees charged by the state to recipients of Clean Water SRF 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 Clean Water SRF 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.

Source And Distribution Of Funds			
Loan Administration Fees[1]			
As of Dec. 31, 2015			
Income	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income
Beginning Balance as of 07/01/15	$ 1,075,912	$ 22,870,800	$ 10,613,202
FY 16 Income (thru 12/31/15)	$ 643,681	$ 1,286,224	$ 1,462,731
FY 16 Interest Earnings (thru 12/31/15)	$ 3,699	$ 56,585	$ 28,964
Subtotal	$ 1,723,292	$ 24,213,609	$ 12,104,897
Expenditures Thru 12/31/15			
FY 16 Personnel Services	$ (89,775)	$ (66,055)	$ -
FY 16 Fringe	$ (41,602)	$ (29,264)	$ -
FY 16 Expenses	$ (90,104)	$ (4,496)	$ (124,418)
FY 16 PSD Expenditures	$ -	$ (1,453,983)	$ (151,554)
FY 16 DNR Transfers[2]	$ (19,736)	$ (8,895)	$ (11,087)
FY 16 ITSD Transfers[2 & 3]	$ (24,677)	$ (11,121)	$ (13,863)
FY 16 HB 13 Transfers[2]	$ (8,703)	$ (3,922)	$ (4,889)
Subtotal	$ (274,597)	$ (1,577,736)	$ (305,811)
Income Less Expenditures	$ 1,448,695	$ 22,635,873	$ 11,799,086
Projected Income			
FY 16 Income (01/01/16 - 06/30/16)	$ 668,344	$ 1,228,474	$ 2,085,739
FY 16 Interest Income (01/01/16 - 06/30/16)	$ 6,264	$ 45,100	$ 31,782
FY 17 Income (07/01/16 - 06/30/17)	$ 1,415,893	$ 2,452,337	$ 4,911,838
FY 17 Interest Income (07/01/16 - 06/30/17)	$ 14,688	$ 35,976	$ 76,205
Subtotal	$ 2,105,189	$ 3,761,887	$ 7,105,564
Projected Expenditures			
FY 16 Personnel Services	$ (102,917)	$ (306,974)	$ -
FY 16 Fringe	$ (50,101)	$ (148,261)	$ -
FY 16 Expense & Equipment	$ (269,177)	$ (41,943)	$ (527,660)
FY 16 DNR Transfers[2]	$ (31,816)	$ (38,918)	$ (41,138)
FY 16 ITSD Transfers[2 & 3]	$ (37,457)	$ (46,507)	$ (49,082)
FY 16 HB 13 Transfers[2]	$ (15,225)	$ (18,271)	$ (19,352)
FY 16 PSD Expenditures	$ -	$ (13,734,504)	$ (5,799,153)
FY 17 Personal Service, Fringe, Expenses & Indirect	$ (1,332,309)	$ (901,599)	$ (212,419)
FY 17 State Water Plan	$ -	$ -	$ (366,150)
FY 17 ITSD Costs[3]	$ -	$ -	$ (652,078)
FY 17 Board Training & Operator Certification	$ -	$ (250,000)	$ -
FY 17 Abatement of Water Quality Emergencies	$ -	$ -	$ (250,000)
FY 17 Water Quality & Watershed Initiatives	$ -	$ (2,700,000)	$ -
FY 17 Rural Sewer Grants	$ -	$ (3,500,000)	$ -
FY 17 Fixed Station Ambient Network Contract	$ -	$ (510,145)	$ (389,855)
FY 17 Water Quality Studies	$ -	$ -	$ (200,000)
FY 17 Small Community Engineering Assistance Program	$ -	$ -	$ (1,500,000)
Subtotal	$ (1,839,002)	$ (22,197,122)	$ (10,006,887)
Total Actual and Projected	$ 1,714,882	$ 4,200,638	$ 8,897,763

[1] 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 2017 Clean Water State Revolving Fund Annual Report. FY 17 projected expenditures may include amounts carried over from prior fiscal years.

[2] 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.

[3] ITSD is the state's Information Technology Services Division.

Appendix Three:

SRF Program Administration

The Missouri Department of Natural Resources' 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 the U.S. Environmental Protection Agency. 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.

This Intended Use Plan describes the proposed use of funds reserved for financial assistance for clean water infrastructure improvements during fiscal year 2017 (Oct. 1, 2016, to Sept. 30, 2017). This Intended Use Plan shall remain effective until Sept. 30, 2017, or until such time as the fiscal year 2018 Intended Use Plan becomes effective.

Cash Flow Model

Missouri uses the cash flow model for the Clean Water SRF.

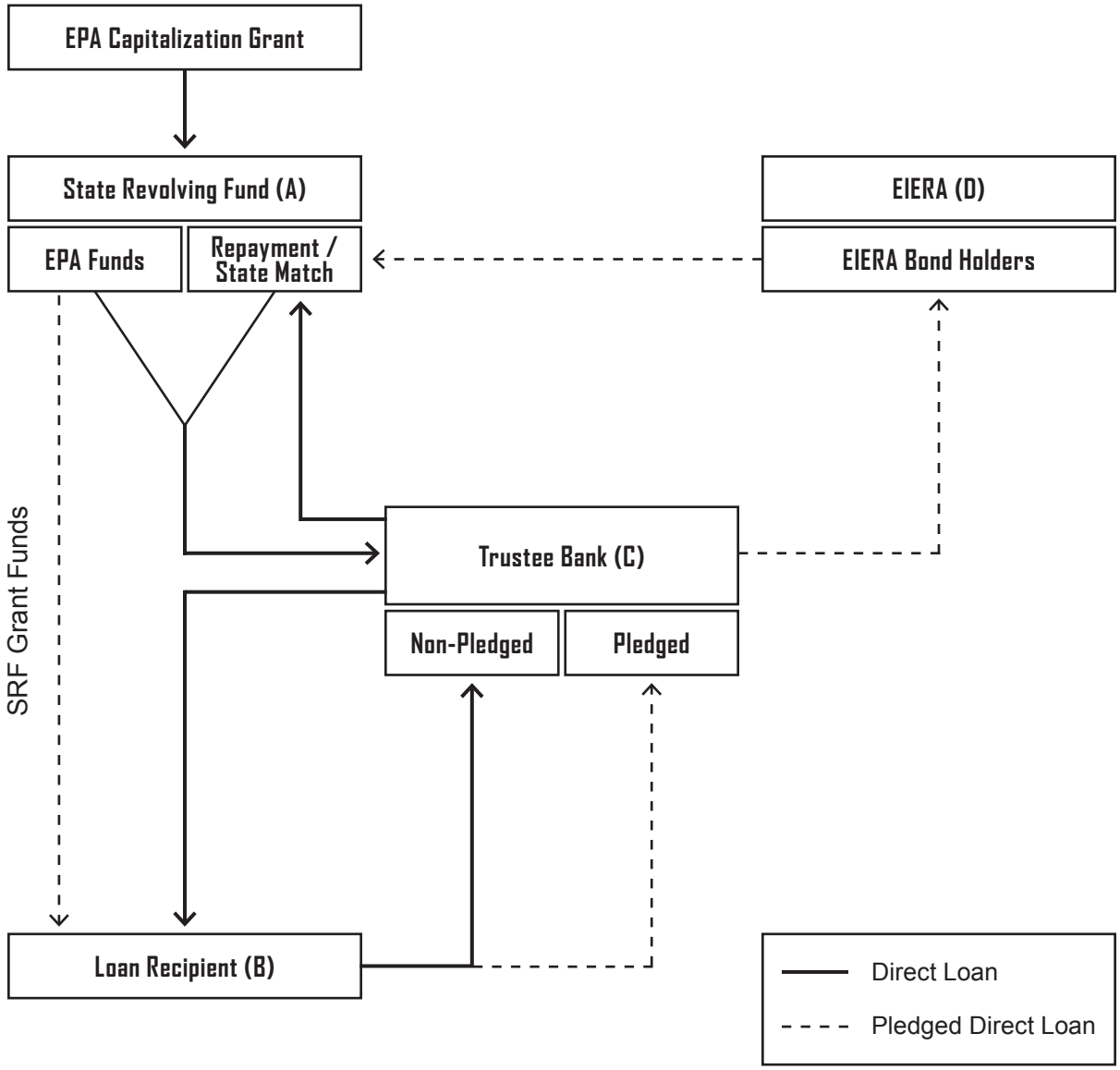
The Cash Flow Model diagram on the following page illustrates the SRF flow of funds. Construction loan repayments must begin within one year after the first operational contract is substantially completed; that is, the facilities are placed into operation. The loan repayment schedules will generally 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 Clean 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 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 Clean 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 Clean 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 Clean Water SRF program needs to replenish the repayment fund, the EIERA (D) exercises its authority to sell bonds, and the direct loans are pledged to retire the EIERA debt. The proceeds of this sale are deposited into the Clean Water SRF repayment account. The principal and interest payments on the EIERA bonds are secured through the pledge of the direct loan principal and interest payments from previous Clean Water SRF program participants. Any surplus principal and interest that is not needed for the EIERA debt service is deposited into the repayment account.

Clean Water SRF Cash Flow Model



Cross-collateralization of funds

The U.S. Departments of Veterans 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 State Revolving Fund and the Clean Water State Revolving Fund. 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.

Transfer loan funds between Drinking Water SRF and 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.

No transfers are planned for fiscal year 2017.

Current and recent transfers

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.

Repayment fund investment interest earnings to retire state debt

The debt service for all Water Pollution Control Bonds has historically been paid through the state's general revenue, with the exception of the series sold in 2002. The department obtained an agreement with the U.S. Environmental Protection Agency to repay the 2002 series using the investment interest earnings from the Clean Water SRF repayment fund.

The department renegotiated this agreement with EPA to apply Clean Water SRF investment

interest earnings to bonds issued prior to 2002, not just the 2002 series. Specifically, the Clean Water SRF operating agreement, between the department and the U.S. Environmental Protection Agency, has been amended to allow for the use of repayment fund investment interest earnings to retire the SRF's share of the Water Pollution Control Bonds used for state match. On Jan. 10, 2007, the commission amended the 2007 Clean Water SRF Intended Use Plan to allow for the use of investment interest earnings to retire the SRF's share of the Water Pollution Control Bonds issued prior to 2002 and used for state match at that time.

The department has analyzed the impact on the Clean Water SRF should the investment interest earnings be used to pay interest on the SRF's share of the Water Pollution Control Bonds. The department intends to use approximately $1.4 million during fiscal year 2017. Staff will continue to monitor the use of investment interest earnings in future years to ensure that the integrity of the Clean Water SRF fund will not be negatively affected.

Appendix Four:

Other state-funded grant and loan programs

Small Community Engineering Assistance Grants: The Small Community Engineering Assistance Program grants are available for municipalities, counties, public sewer or water districts, political subdivisions or instrumentalities of the state with a population of fewer than 10,000. The grants offer funding for wastewater engineering costs incurred in preparation of a facility plan. Communities may be eligible to receive an 80 percent grant with a 20 percent recipient match. The grant amount does not exceed $50,000.

SCEAP overview	http://dnr.mo.gov/env/wpp/srf/wastewater-grants.htm
SCEAP factsheet	http://dnr.mo.gov/pubs/pub2485.htm
SCEAP application	http://dnr.mo.gov/forms/780-2217-f.pdf

Small Borrower Loan Program: This program is limited to communities with fewer than 1,000 population. The loan amount is limited to $100,000. Loans can be secured by a bond issue or can be annually appropriated debt. This loan program was established with water pollution control bonds and continues with state direct loan repayments. This loan program is state-funded exclusively and is not a part of the State Revolving Fund. The funds can be used for either drinking water or clean water needs.

For fiscal year 2017, there is a balance of $3,337,941 available. This balance includes all repayments from clean water and drinking water loans made with state water pollution control bond funds as well as projected interest and repayments through Dec. 31, 2015. Applications are accepted throughout the year, and uncommitted funds can be accessed at any time. For more information on the Small Borrower Loan Program, visit http://dnr.mo.gov/env/wpp/srf/wastewaterloans.htm.

Once an application is received and reviewed, it is presented to the Missouri Clean Water Commission for approval.

Rural Sewer Grants: Public sewer districts, public water districts and communities of fewer than 10,000 population may be eligible for rural sewer grants. These grants cover up to 50 percent of the eligible costs of a project up to a maximum of $500,000 or $1,400 per connection, whichever is less. There are restrictions on geographic location within Missouri and the types of projects that the grants can fund. Additional information is available at http://dnr.mo.gov/env/wpp/srf/wastewater-grants.htm.

40 Percent Construction Grant Program: The Clean Water Commission developed the State 40 Percent Construction Grant Program to provide assistance to those communities that do not qualify for a loan for the total amount of eligible project costs. There are no additional funds for the 40 Percent Construction Grant program in fiscal year 2017. Information on 40 percent construction grants is available at http://dnr.mo.gov/env/wpp/srf/wastewater-grants.htm.

To apply for these other state loans and grants, please contact the department's Financial Assistance Center at 573-751-1192 or fac@dnr.mo.gov.

Appendix Five:

EPA Requirements and Assurances

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

Federal capitalization grants

The Department of Natural Resources receives federal capitalization grants from the Environmental Protection Agency. 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 difficultly financing projects without additional subsidization. Income, unemployment data, population trends and other data are used in making the determination.

Each project is evaluated prior to the loan award date. Grant funding may be awarded based on the project's affordability, the number of eligible projects and the availability of grant funding. Each grant dollar awarded is offset by a corresponding reduction in the project's loan and also reduces the overall statewide loan funds allocated to fiscal year 2017 Intended Use Plan projects by an equal amount.

Grant funds under the affordability criteria will be made to fiscal year 2017 applicants on a first ready basis when the applicant enters into a binding financial commitment. For fiscal year 2017 applicants to be eligible to receive grant funding, they must serve a population of 10,000 or less and have received a "high burden" determination through a Clean Water State Revolving Fund Additional Subsidization Affordability Analysis. Grant funds available to each eligible project will not exceed the lesser of $2 million dollars; 50 percent of the eligible project cost; or grant funds available to award under this intended use plan.

The policy, guidance and form for the Additional Subsidization Affordability Analysis are available at http://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm.

A table of the funding available for eligible fiscal year 2017 projects appears below.

Capitalization Grant Year	Amount
Federal Fiscal Year 2014	$1,140,387
Federal Fiscal Year 2015 Required Amount	$0
Federal Fiscal Year 2016 Required Amount	$3,703,900
Federal Fiscal Year 2016 Supplemental	Up to $2,000,000

The department was not required to use any of the federal fiscal year 2015 capitalization grant for additional subsidization. Each state is required to use 10 percent of the federal fiscal year 2016 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 Sources and Uses of Funds table and fundable project lists in Appendix 2 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

The department has met or exceeded the requirements from green project reserves for federal fiscal years 2010 through 2015.

A table of the eligible federal fiscal year 2017 Intended Use Plan projects appears below.

Applicant	Project #	Category	Business/ Categorical	Amount
MSD - MSD Public I/I Reduction Program - Phase 4	C295023-39	EE	B	$51,500,000
MSD - MSD Public I/I Reduction Program - Phase 5	C295023-40	EE	B	$82,400,000
St. Joseph - Blacksnake Creek Stormwater Construction	C295699-05	EE	B	$85,371,000
Lake Ozark	C295646-02	EE	B	$2,722,674

Green Project Reserve Codes	
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. Additional information regarding green infrastructure is available at http://dnr.mo.gov/env/wpp/srf/docs/2012-epa-gpr-guidance.pdf.

Administrative costs

The department intends to use 4 percent of the federal fiscal year 2016 federal capitalization grant funds for program administration.

Public review and comment

The Intended Use Plan and priority list are reviewed and adopted through a public review and 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 Clean Water SRF loans. Projects have a potential need for preparation of an environmental impact statement. A final decision regarding the need for an environmental impact statement will be made on each project during review of the facility plans. Most projects are determined to have no significant impact or can meet a categorical exclusion.

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

The Missouri Clean Water Commission assures that all Clean Water Act Clean 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 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.

Binding commitments

The department will enter into binding commitments for a minimum of 120 percent of each EPA grant payment into the Clean Water SRF within one year of the receipt of each payment.

Expenditure of funds

The department will expend all funds in the Clean Water SRF in an expeditious and timely manner.

Anticipated cash draw ratio (proportionality)

Missouri uses the cash flow model of the Clean Water SRF. 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.

Additional Recipient Requirements

- **Single Audit Act Compliance**

  Recipients of federal funds from any source(s) totaling more 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.

- **Missouri Labor Standards**

  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 by the Clean Water SRF must comply with the requirements of the Missouri Department of Labor and Industrial Relations.

The Department of Natural Resources will not supply annual wage orders (wage determinations) for the projects. It is the responsibility of each recipient to obtain the correct wage orders and maintain compliance throughout the project. For additional information, contact the Missouri Department of Labor and Industrial Relations, Division of Labor Standards, Wage and Hour Section, 3315 W. Truman Boulevard, Room 205, P.O. Box 449, Jefferson City, MO 65102-0449; 573-751-3403, or laborstandards@labor.mo.gov.

- **Davis-Bacon Act**

All SRF treatment works projects must comply with the federal Davis-Bacon Act requirements. This means all construction workers on SRF treatment works projects must be paid Davis-Bacon wages, and those wages must be verified by checking weekly payrolls. The term "treatment works," as it relates to the Davis Bacon Act requirements, has the meaning as defined in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).

Compliance terms and conditions with Davis-Bacon for all procurement contracts are found in section 513 of Title VI of the Federal Water Pollution Control Act (33 U.S.C. 1372). Anyone employed on projects funded directly or in part by the federal government must be paid prevailing wages as determined by the Secretary of Labor. The U.S. Department of Labor has additional information, including an overview and compliance assistance resources, at http://www.dol.gov/whd/govcontracts/dbra.htm.

If you have questions, please call the department's Financial Assistance Center at 573-751–1192 or fac@dnr.mo.gov.

- **Procurement of Professional Services**

In accordance with Section 602(b)(14) of the Clean Water Act, a contract for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping or architectural-related services shall be negotiated in the same manner as a contract for architectural and engineering services is negotiated under chapter 11 of title 40, United States Code, or an equivalent state qualifications-based requirement. The department has requested a review of sections 8.285 through 8.291 and 327.181 RSMo to determine if they are equivalent to the federal requirements for the procurement of architectural and engineering services. All recipients of funding through the Clean Water SRF that have new solicitations, significant contractual amendments and contract renewals initiated on or after Oct. 1, 2014, must comply with the elements of the procurement processes for architectural and engineering services as identified in 40 U.S.C. 1101 et seq., or sections 8.285 through 8.291, RSMo, or seek and receive written authorization from the department to use an alternate procurement method.

- **American Iron and Steel Products**

In accordance with Sec. 608.(a) of the Federal Water Pollution Control Act, Clean Water SRF recipients must assure that they, as well as their contractors and subcontractors, will only use iron and steel products in the project that are produced in the United States in a manner consistent with United States obligations under international agreements. The term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction

materials. The participant understands that this requirement may only be waived by the applicable federal agency in limited situations as set out in Sec. 608.(d) of the Federal Water Pollution Control Act.

- **Fiscal Sustainability Plan**

Section 603(d)(1)(E) of the Clean Water Act now requires loan recipients for projects that involve the repair, replacement, or expansion of publicly owned treatment works to develop and implement a fiscal sustainability plan or certify that they have developed and implemented such a plan. This provision applies to all loans for which the borrower submitted an application on or after Oct. 1, 2014.

The plan must include:

- an inventory of critical assets that are part of the treatment works;
- an evaluation of the condition and performance of inventoried assets or asset groupings;
- a certification that the assistance recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
- a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities.

The department is developing specific guidelines for the contents of the plan and will require loan recipients to certify that a plan has been developed and implemented.

- **Cost Effectiveness Analysis**

Section 602(b)(13) of the Clean Water Act now requires a municipality or intermunicipal, interstate or state agency receiving assistance from the Clean Water State Revolving Fund to certify that it has conducted cost and effectiveness analysis. This provision applies to all types of assistance provided to the public entities described above for which the recipient submits an application on or after Oct. 1, 2015.

The analysis must include:

- the study and evaluation of the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this title; and
- the selection, to the maximum extent practicable, of a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account—
    - the cost of constructing the project or activity;
    - the cost of operating and maintaining the project or activity over the life of the project or activity; and
    - the cost of replacing the project or activity.

For applications received on or after Oct. 1, 2015, the department will ensure that public entities described above complete a cost and effectiveness analysis that meets these requirements.

For more information

For more information, contact the Department of Natural Resources' Financial Assistance Center at 573-751-1192, fac@dnr.mo.gov or http://dnr.mo.gov/env/wpp/srf/.

MISSOURI
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