

**Missouri Clean Water Commission
Meeting**

October 9, 2019

**Department of Natural Resources
Elm Street Conference Center
1730 East Elm Street
Jefferson City, MO**



Notice of Open Meeting

Missouri Clean Water Commission

To review minutes from previous meetings and learn about agenda items, please refer to the Department website at <https://dnr.mo.gov/env/wpp/cwc/index.html>

AGENDA

Department of Natural Resources
Elm Street Office Building
Roaring River/Bennett Springs Conference Rooms
1730 East Elm St.
Jefferson City, Missouri 65102
October 9, 2019
10:00 a.m.

- A. Call to Order** Ashley McCarty
- B. Approval of Minutes** Ashley McCarty
(Approval Needed)
1. July 22, 2019, Open Session Minutes
- Recommended Action:** The Department recommends the Commission approve the minutes from the July 22, 2019, open meeting.
- C. DNR Reports and Updates**
(Information Only)
- Director's Update Chris Wieberg
- D. Public Hearing**
1. 10 CSR 20-6.020 – Public Participation, Hearings, and Notice To Governmental Agencies Michael Abbott

Recommended Action: Hearing only

E. Recommended for Adoption and Actions to be voted on
(Approval Needed)

1. 2020 Clean Water State Revolving Fund Intended Use Plan Approval Hannah Humphrey

Recommended Action: The Department recommends the Commission adopt the Fiscal Year 2020 Clean Water State Revolving Fund Intended Use plan as proposed.

F. New Business
(Information Only)

1. Update on EPA approval of the 2018 Water Quality Standards John Hoke
2. Update on the 2019/2020 Water Quality Standards Triennial Review Angela Falls
3. Update on the Regionalization Incentive Grant Hannah Humphrey

G. Appeals and Variance Requests

1. Approval of the Joplin Water Quality Standards Variance for Zinc Angela Falls

Recommended Action: The Department recommends the Commission approve the Joplin Water Quality Variance for Zinc as proposed.

H. Open Comment Session
(Information Only)

This segment of the meeting affords the public an opportunity to comment on any other issues pertinent to the Clean Water Commission.

I. Future Meeting Dates
(Information Only)

January 9, 2020, Lewis and Clark State Office Building

April 2, 2020, Lewis and Clark State Office Building

July 8, 2020, Lewis and Clark State Office Building

October 7, 2020, Lewis and Clark State Office Building

J. Closed Session

This portion of the meeting may be closed if such action is approved by a majority vote of the Clean Water Commission members who constitute a quorum, pursuant to Section 610.021, RSMo.

K. Meeting Adjournment Commission Chair
(Approval Needed)

People requiring special services at the meeting can make arrangements by calling 1-800-361-4827 or 573-751-6721. Hearing- and speech-impaired individuals may contact the department through Relay Missouri, 1-800-735-2966.

For more information contact:

Ms. Krista Welschmeyer, Commission Secretary, Missouri Clean Water Commission
Water Protection Program, P.O. Box 176, Jefferson City, MO 65102

Phone: 573-751-6721

Fax: 573-526-1146

E-mail: krista.welschmeyer@dnr.mo.gov

Tab A

Missouri Clean Water Commission
Department of Natural Resources
Elm Street Office Building
Roaring River/Bennett Springs Conference Rooms
1730 East Elm St.
Jefferson City, Missouri 65102

October 9, 2019

Call to Order

Issue:

The Missouri Clean Water Commission will be called to order.

Recommended Action:

None

List of Attachments:

None

Tab B

Missouri Clean Water Commission
Department of Natural Resources
Elm Street Office Building
Roaring River/Bennett Springs Conference Rooms
1730 East Elm St.
Jefferson City, Missouri 65102

July 22, 2019

Approval of Minutes

Issue:

The Missouri Clean Water Commission will review the minutes from the past Clean Water Commission meetings.

Recommended Action:

The Department recommends that the Missouri Clean Water Commission vote to approve past meeting minutes.

Tab B1



**MINUTES OF THE
MISSOURI CLEAN WATER COMMISSION MEETING
Elm Street Conference Center
1730 East Elm Street
Jefferson City, Missouri
July 22, 2019**

Present at the Elm Street Conference Center

Ashley McCarty, Chair, Missouri Clean Water Commission
Patricia Thomas, Vice-Chair, Missouri Clean Water Commission
Stan Coday, Missouri Clean Water Commission
Tim Duggan, Legal Counsel, Missouri Clean Water Commission
John Reece, Missouri Clean Water Commission
Allen Rowland, Missouri Clean Water Commission
Krista Welschmeyer, Secretary, Missouri Clean Water Commission
Chris Wieberg, Director of Staff, Missouri Clean Water Commission

Michael Abbott, Missouri Department of Natural Resources, Jefferson City, Missouri
Kurt Boeckmann, Missouri Department of Natural Resources, Jefferson City, Missouri
Andy Bowman, Missouri Rural Water Association, Ashland, Missouri
Robert Brundage, Newman, Comley, and Ruth, Jefferson City, Missouri
David Carani, HDR, St. Louis, Missouri
Joe Clayton, Missouri Department of Natural Resources, Jefferson City, Missouri
Mary Culler, Stream Teams United, Shelbyville, Missouri
Jane Davis, Missouri Department of Natural Resources, Jefferson City, Missouri
Angela Falls, Missouri Department of Natural Resources, Jefferson City, Missouri
Chuck Gross, Duckett Creek Sewer District, O'Fallon, Missouri
Bob Hembrock, Northeast Public Sewer District, Fenton, Missouri
David Hertzberg, City of Joplin, Joplin, Missouri
John Hoke, Missouri Department of Natural Resources, Jefferson City, Missouri
Ramona Huckstep, Missouri Municipal League, Jefferson City, MO
Hannah Humphrey, Missouri Department of Natural Resources, Jefferson City, Missouri
Joe Hunt, Missouri Department of Natural Resources, Jefferson City, Missouri
Errin Kemper, City of Springfield, Springfield, Missouri
Refaat Mefrakis, Missouri Department of Natural Resources, Jefferson City, Missouri
Dave Michaelson, Missouri Department of Natural Resources, Jefferson City, Missouri
Lynn Milberg, Missouri Department of Natural Resources, Jefferson City, Missouri
Jan Millington, City of Springfield, Springfield, Missouri
David P. Nelson, Kansas City Water, Kansas City, Missouri

Randy Norden, Missouri Rural Water Association, Ashland, Missouri
Chris Parker, City of Joplin, Joplin, Missouri
Kevin Perry, Regulatory Environmental Group for Missouri, Jefferson City, Missouri
Jason Peterein, Metropolitan Sewer District, St. Louis, Missouri
Joel Reschly, Missouri Department of Natural Resources, Jefferson City, Missouri
Justin Sherwood, Missouri Department of Natural Resources, Jefferson City, Missouri
Trent Stober, HDR, Columbia, Missouri
Gary Webber, Missouri Rural Water Association, Ashland, Missouri

CALL TO ORDER

Chair McCarty called the meeting of the Missouri Clean Water Commission (CWC) to order on July 22, 2019, at 10:03 a.m., at the Elm Street Conference Center, 1730 East Elm Street, Jefferson City, MO.

Chair McCarty introduced the Commissioners, Staff Director, Legal Counsel, and the Commission Secretary.

Approval of Minutes

Approval of the April 29, 2019, Open Session Minutes **Agenda Item B-1**

Commissioner Reece made a motion to approve the minutes as amended. Commissioner Rowland seconded the motion. The motion passed with a roll call vote:

Commissioner Coday:	Yes
Commissioner Reece:	Yes
Commissioner Rowland:	Yes
Vice Chair Thomas:	Yes
Chair McCarty:	Yes

DNR Reports and Updates

Director's Update **Agenda Item C**

Chris Wieberg, Director, Water Protection Program, reported the following to the Commission:

- Missouri Water Resources Plan Meeting; provided an update on the meeting that he attended and where work is on the plan. Plan to have it finalized in November of 2019. Chair McCarty asked for a copy of the presentation to be sent to the Commission members. The next meeting is scheduled for November 6, 2019, and Commission members are welcome to attend.
- Regionalization/Consolidation Grant Opportunities; public notice period ended in early July, currently public comments are being incorporated, hope to have the

revised Intended Use Plan before the Commission in April of 2020. This is a pilot project in this area so the Department is learning a lot as we move through the process because we don't have any guidance on how to proceed forward. The Department anticipates having to make adjustments as we move forward. The Department will also be designing and publishing a fact sheet regarding opportunities. The Department is also developing a Map Viewer.

- Nutrient Trading and the Nutrient Trading Clearinghouse; provided an updated on the approval, progress of work and the set-up of a clearinghouse. Department has an upcoming meeting that will be used to map out the process of how we would implement the program. Stakeholder engagement will follow the mapping process.
- Water Quality Standards; package was submitted in April 2018 and the Department is waiting on a response from EPA. Hoping to receive a response by late August.
- Permits Reports; 564 permit renewals, permits backlog has been reduced to less than 200 as compared to the backlog of almost 2,000 in February of 2017. Permits has been working very hard to reduce the backlog, the goal is to reach a backlog of zero by the end of the year.

Recommended for Adoption and Actions to be Voted On

**Adoption of Amendment to the 1978 St. Louis, Missouri Water Quality Management 208 Plan
Agenda Item E1**

Refaat Mefrakis, Missouri Department of Natural Resources, Engineering Section, presented a proposed amendment to the St. Louis Water Quality Management 208 Plan. Amendment was initially presented to the Commission in April 2019. The plan was put out for public comment and no comments were received.

Commissioner Reece commented that Metropolitan Sewer District report was very well written and that they Department and MSD should be recognized for their hard work.

Commissioner Reece made a motion to approve the amendment as proposed. Commissioner Rowland seconded the motion. The motion passed with a roll call vote:

Commissioner Reece:	Yes
Commissioner Rowland:	Yes
Commissioner Coday:	Yes
Vice-Chair Thomas:	Yes
Chair McCarty:	Yes

**Approval of Amendment to the 2020 Listing Methodology Document
Agenda Item E2**

John Hoke, Missouri Department of Natural Resources, Watershed Protection Section, presented an amendment to the 2020 Listing Methodology Document (LMD). The LMD is a document that the Department uses to assess impaired waters in the state. It is revised every two years. The document

was put on public notice and comments were received. The comments received from the public and changes made to the LMD were included in the Commission packet.

Commissioner Reece asked if the new document had been submitted to EPA. John Hoke answered that yes, it has been submitted, but it has not been approved yet.

Errin Kempker, City of Springfield, Missouri, stated that the city submitted comments regarding the importance of the LMD for the City of Springfield. The city thinks the changes add a lot of transparency to the LMD. The do not feel that the proposed changes will have any negative impacts on water quality. Commissioner Reece asked Errin what changes they would like to see in the future. Errin responded that he was not prepared to answer with the exact details at this time.

Mary Cullers, Executive Director of Stream Teams United, provided comments on the LMD. When the initial document was approved by the Commission in July of 2018 it was understood that the document would be amended to include Nutrient Criteria for Missouri lakes. She stated that she has read the document as it stands today vs. what was approved by the Commission in July of 2018. Stream Teams United submitted comments objecting to the removal of Step 10 and the insertion of Step 7, this comment was not addressed in the final draft.

Ms. Culler stated that in the Department's response to their comment, and the 7 other commenters, related to comments about the changes to page 32 and 33, the Department states that "the Department maintains the policy decision to modify the 13-step process". This response indicates that the Department is creating policy within the assessment document. She does not believe that an assessment document is the appropriate place to create policy. The result is a dilution of the accuracy of the assessment.

John Hoke responded that Step 10 talked about land use in the original document and was moved to Step 7 in the revised document, and addresses the issue of land use sooner. This allows the Department to look at a more refined area. The Department does check for stressors in the assessment process and will not compare to a stream in the same area if the use is not similar.

Robert Brundage, Newman, Comley & Ruth, testified at an earlier Commission meeting about his concerns about the 13-step process. Step 10 has now been moved to Step 7 with a slight revision of the language. The purpose of this change is to try and look at and choose candidate reference streams that have similar land use. This changes also increases the transparency of the entire process and is a big improvement.

Trent Stober, HDR, attending in support of the City of Springfield and Metropolitan Sewer District, stated that this is the tenth version of this document that started with 18 pages and has evolved into over 110 pages. It offers opportunity for continuous improvement and evaluation.

Commissioner McCarty asked if the Department had criteria for the next tier of streams.

Chris Wieberg responded that we do not have a regulatory comparison to compare to when it comes to biology, and that is what started this discussion. Chris also provided an update on how the table was created and the process that was involved in getting there. Checks and balances in place to evaluate streams.

Commissioner Coday made a motion to approve the amendment as proposed. Commissioner Reece seconded the motion. The motion was passed with a roll call vote.

Commissioner Rowland: Yes
Commissioner Coday: Yes
Commissioner Reece: Yes
Vice-Chair Thomas: Yes
Chair McCarty: Yes

Commissioner Reece asked if this would now go out for public comment, or if this was the end of the process. John Hoke explained that this is the last step of this list, and that the next revision would be the 2020 list, which the Department hopes to have before the Commission at the April 2020 meeting.

Appeals and Variance Requests

City of Joplin Water Quality Variance (informational purposes only)
Agenda Item G1

Angela Falls, Missouri Department of Natural Resources, Watershed Protection Section, gave an update on the Water Quality Variance request that the Department is currently working on with the City of Joplin, Missouri.

The variance request will go out for a 30-day public comment period following the Commission meeting. Once that closes any comments will be reviewed and responded to. The Department hopes to have the variance ready to present to the Commission at the October 2019 meeting for approval.

Joplin has asked for a variance in the zinc requirements as stated to protect aquatic life. They are having difficulty staying within the allowable limits due to historical mining in the area, and the use of tailings in their sewer lines. The City of Joplin has also developed a zinc reduction plan.

Commissioner Reece commented that although the City of Joplin is not completely in compliance, he has watched the city do a lot of clean-up through EPA funding in that area and commends the City of Joplin for their continued efforts in the process.

David Hertzberg, Public Works Director for the City of Joplin, thanked the Department for all its help with the variance over the past several years.

Chair McCarty asked what the future steps would be. Chris explained that this is the first of many variances that would be coming before the Commission and also gave a quick outline of the variance request process.

Open Comment Session

Tim Duggan, Missouri Attorney General's Office, gave a brief update to the Commission regarding House Bill 1317 challenges, which outlines how Commission members are selected. Mr. Duggan also provided an update on the Hickory Neighbors United case, which is currently before the Missouri Supreme Court.

Randy Norden, Missouri Rural Water Association, invited the members of the Commission and all those in attendance to join the tour of several local wastewater facilities following adjournment of the Commission meeting. Part of the tour will include a short video presentation prepared by Missouri Rural Water Association that highlights their "Fix This First" initiative.

Future Meeting Dates

Missouri Clean Water Commission Meetings

Agenda Item I

- October 9, 2019, Elm Street Conference Center
- January 9, 2020, Lewis and Clark State Office Building
- April 2, 2020, Lewis and Clark State Office Building
- July 8, 2020, Lewis and Clark State Office Building
- October 7, 2020, Lewis and Clark State Office Building

Closed Session

There was no closed session during this Clean Water Commission meeting.

Meeting Adjournment

Chair McCarty adjourned the open meeting. At 11:44 a.m.

For more information contact:

Ms. Krista Welschmeyer, Commission Secretary, Missouri Clean Water Commission
Water Protection Program, P.O. Box 176, Jefferson City, MO 65102

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Fax: 573-526-1146

E-mail: krista.welschmeyer@dnr.mo.gov

Respectfully Submitted,

Chris Wieberg
Director of Staff

Tab C

Missouri Clean Water Commission Meeting
Elm Street Conference Center
Bennett Springs / Roaring River Conference Room
East Elm Street
Jefferson City, Missouri

October 9, 2019

Director's Update

Issue:

Routine update to the Commission

Recommended Action:

Information only.

Tab D

Missouri Clean Water Commission Meeting
Elm Street Conference Center
Bennett Springs / Roaring River Conference Room
East Elm Street
Jefferson City, Missouri

October 9, 2019

Public Hearing

Issue:

This portion of the meeting allows for information to be presented to the Commission.

Recommended Action:

Information Only

List of Attachments:

None

Tab D1

Missouri Clean Water Commission
Department of Natural Resources
Elm Street Office Building
Roaring River/Bennett Springs Conference Rooms
1730 East Elm St.
Jefferson City, Missouri 65102

October 9, 2019

Proposed Amendment to 10 CSR 20-6.020 Public Participation, Hearings, and Notice to Governmental Agencies

Issue: Language included in 10 CSR 20-6.020 regarding time limits for appeals of conditions in issued permits is not consistent with statute.

The Department public noticed the rule amendment September 2, 2019 through November 12, 2019. The rule amendment was also published in the *Missouri Register* September 2, 2019. A public hearing is being held on October 9, 2019 at the Clean Water Commission meeting. The Department will respond to public comment after the public hearing and the end of the public notice period.

Recommended Action: Information only. This public hearing provides the Department the opportunity to hear from the public regarding this rule amendment. Public comments will be addressed at the end of the public notice period.

Attachment

**Title 10—DEPARTMENT OF NATURAL RESOURCES
Division 20—Clean Water Commission
Chapter 6—Permits**

PROPOSED AMENDMENT

10 CSR 20-6.020 Public Participation, Hearings, and Notice to Governmental Agencies.

The department is amending this rule by deleting section (6)(C).

PURPOSE: This amendment deletes language related to time limits for appeals of conditions in issued permits. The current rule language is not consistent with sections 640.250.2 and 644.051.6 RSMo.

(6) Time Limits for Appeals of Conditions in Issued Permits.

[(C) Three (3) days shall be added to the prescribed thirty (30)-day period for appeals of conditions in issued permits when the service of notice is accomplished by mail.]

[(D)](C) The appeals referenced previously in subsection (6)(A) of this rule may be made by the applicant, permittee, or any other person with an interest which is or may be adversely affected. The appeal shall be filed with the Administrative Hearing Commission, 131 W. High St., PO Box 1557, Jefferson City, MO 65101 and shall be received by the Administrative Hearing Commission prior to expiration of the thirty-(30)-[] day appeal period as computed in subsection (5)(A). The appeal shall be a contested case and shall be conducted under section 644.066, RSMo.

*AUTHORITY: section 644.026, RSMo 2016. Original rule filed June 19, 1974, effective June 29, 1974. For intervening history, please consult the **Code of State Regulations**. Amended: Filed July 30, 2019.*

PUBLIC COST: The proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS:

Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Natural Resources, Division of Environmental Quality, Water Protection Program, Attn: Michael Abbott, PO Box 176, Jefferson City, MO 65102. Comments may also be sent with name and address through e-mail to michael.abbott@dnr.mo.gov or online <https://dnr.mo.gov/proposed-rules/welcome.action#OPEN>. To be considered, comments must be received no later than November 12, 2019. The public hearing is scheduled at a meeting of the Clean Water Commission, to be held at 10 a.m. on October 9, 2019, at the Lewis and Clark State Office Building, LaCharrette/Nightingale Conference Rooms, 1101 Riverside Drive, Jefferson City, MO 65101.

Table

Elm Street Conference Center
Bennett Springs / Roaring River Conference Room
1730 East Elm Street
Jefferson City, Missouri

October 9, 2019

Recommended for Adoption and Actions to Be Voted On

Issue:

This portion of the meeting allows for the Commission to review and vote on specific actions.

Recommended Action:

It is recommended that the Commission review and vote on the actions presented

List of Attachments:

None

Tab E1

**Missouri Clean Water Commission Meeting
Lewis and Clark State Office Building
LaCharrette/Nightingale Creek Conference Rooms
1101 Riverside Drive
Jefferson City, Missouri
Clean Water Commission Meeting**

October 9, 2019

Fiscal Year 2020 Clean Water State Revolving Fund Intended Use Plan

Issue: Fiscal Year 2020 Clean Water State Revolving Fund Intended Use Plan, Project Priority List, and Priority Point Criteria Recommendation.

Background: The Draft Fiscal Year 2020 Clean Water State Revolving Fund Intended Use Plan, Project Priority List, and Priority Point Criteria (IUP) was placed on public notice July 22, 2019. A public hearing was held on August 21, 2019, and the comment period subsequently closed on August 28, 2019.

Comments were received from the Missouri Public Utility Alliance and Mr. Douglas Garrett. A copy of the comments and the staff responses are attached.

A copy of the final IUP is attached. A full color version will be available at <http://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm> after it is adopted by the commission.

Available funds have been allocated, to the extent we receive applications, as shown below. After all applications within a given group are satisfied, any remaining funds from a specific group have been distributed as necessary to fund other projects that are ready to proceed in other categories:

- 40% allocated to Small and Non-Metropolitan Areas and Districts – service population less than 75,000;
- 30% allocated to Large Metropolitan Areas and Districts – service population 75,000 or more;
- 15% allocated to address combined sewer overflow projects; and
- 15% allocated to Department initiatives.

In an effort to expedite projects for the timely and expeditious use of funds, progress in submitting required documents and securing of appropriate debt instruments was considered when drafting the project lists. Projects with complete facility plans and debt instruments secured were placed on the fundable lists. As progress is attained, a project may move from one list to another throughout the fiscal year.

The subsidized interest rate offered to our borrowers remains 30% of market, index rate. Loans also include a loan administration fee of 0.5% of the outstanding loan balance assessed on an annual basis. Approximately \$511 million is available for new projects in FY2020. This includes an anticipated FY19 Clean Water State Revolving Fund EPA capitalization grant in the amount

of \$44,047,000. The Department's 20% match requirement will be met with proceeds from the Environmental Improvement and Energy Resources Authority bond series 2018A. The IUP indicates \$492,143,311 is available for loans and \$18,649,526 is available for grants based additional subsidization spending planned at this time.

This IUP describes the department's policy on affordability grants provided to small communities in conjunction with Clean Water State Revolving Fund loans. New this year is a reference to regionalization incentive grants to be provided to municipalities and districts for connecting nearby, struggling wastewater systems.

The final IUP presented for the Commission's approval has been updated since the draft IUP was placed on public notice. The following are the changes subsequent to the draft:

- The Jasper project was moved from the Planning List to the Fundable List on page 14. The project has met the readiness to proceed criteria. The Jasper project is also eligible to receive a Clean Water State Revolving Fund (CWSRF) grant. Therefore, the loan amount decreased from \$750,000 to \$375,000 and grant funds have been allocated in the amount of \$375,000.
- Four projects were moved from the Sources and Uses of Funds table on page 9 to the FY 20 IUP Fundable List starting on page 13, because they were not expected to have entered into a binding commitment by this meeting, and they have reapplied for placement on the FY 2020 IUP. These projects include:
 - Weston
 - Lathrop
 - Troy
 - MSD I/I Phase 5
- Amounts were changed for the following projects:
 - The Weston project, moved from the Sources and Uses of Funds table on page 9 to the FY 20 IUP Fundable List on page 13, was adjusted to reflect the appropriate loan amount. The loan and total amount increased from \$3,500,000 to \$3,533,430 because bids have been opened and project costs are slightly higher than the original estimate.
 - The Gravois Arm Sewer District Phase 5 project on the FY 2020 Fundable List on page 13 was adjusted to reflect the appropriate loan and additional subsidization amounts for eligible costs because ineligible costs were identified and deducted from the total project costs. The loan decreased from \$1,637,975 to \$1,495,475 and the additional subsidization amount decreased from \$1,637,975 to \$1,495,475.
 - The Rocky Mount Sewer District project on the FY 2020 Fundable List on page 13 was adjusted to reflect the appropriate funding amounts for eligible costs due to an internal error in application processing. Also, ineligible costs were identified and deducted from the total project costs. The IUP amount requested decreased from \$4,593,200 to \$2,937,000; the loan amount decreased from \$2,296,600 to \$1,254,750; and the additional subsidization amount decreased from \$2,296,600 to \$1,254,750.
 - The Miller project on the FY 2020 Fundable List on page 14 was adjusted to reflect the appropriate funding amounts because we received a new application with a different scope of work for the project. The IUP Amount Requested increased from

- \$2,768,839 to \$3,268,839; the loan amount increased from \$1,384,420 to \$1,634,420; and the additional subsidization increased from \$1,384,419 to \$1,634,419.
- The Carthage project on the Sources and Uses of Funds table on page 9 was adjusted to reflect the appropriate funding amounts because bids have been opened and project costs are slightly higher than originally estimated. The loan and total amounts increased from \$4,000,000 to \$4,501,000.
 - The Drexel project on the Sources and Uses of Funds table on page 9 was adjusted to reflect the appropriate funding amounts because bids have been opened and project costs are much higher than originally estimated. The total amount for the Drexel project increased from \$1,567,826, to \$3,324,000; the loan amount increased from \$783,913 to \$1,662,000; and the grant amount increased from \$783,913 to \$1,662,000.
 - The MSD Deer Creek Sanitary Relief project on the Sources and Uses of Funds table on page 9 was adjusted to reflect the appropriate funding amounts because bids have been opened and project costs are lower than originally estimated. The loan and total amounts decreased from \$29,000,000 to \$23,952,000.

The changes above result in an increase of the amount available for loans from \$419 million to \$492 million (page 9, Loan Funds Available for FFY 2020 CW IUP Projects) and a decrease in amount available for additional subsidization from \$19,527,613 to \$18,649,526 (page 9, Additional Subsidization Available for FFY 2020 CWSRF IUP Projects).

Recommended Action: Staff recommends the adoption of the Fiscal Year 2020 Clean Water State Revolving Fund Intended Use Plan, Priority List, and Priority Point Criteria as submitted.

Suggested Motion: I move that the Clean Water Commission approve the Fiscal Year 2020, Clean Water State Revolving Fund Intended Use Plan, Priority List, and Priority Point Criteria as presented today with an effective date of October 9, 2019.

Attachments:

FY 2020 Clean Water State Revolving Fund Intended Use Plan, Priority List, Priority Point Criteria

Comments from Missouri Public Utility Alliance dated August 28, 2019

Department's response to Missouri Public Utility Alliance dated September 4, 2019

Comments from Mr. Douglas Garrett dated August 16, 2019

Department's response to Mr. Garrett dated September 4, 2019

CLEAN WATER

State Revolving Fund

Intended Use Plan and Project Priority List for Fiscal Year 2020

Oct. 1, 2019 through Sept. 30, 2020

Proposed – October 9, 2019



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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.

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, and federal capitalization grants and state match. Project Lists are in Appendix 1.

Eligible project types

The CWSRF Program dollars typically helped 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.

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. 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. 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.

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.

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**

Estimated Sources as of December 31, 2018		
Anticipated Capitalization Grants for Clean Water State Revolving Fund	\$ 88,611,267	\$ 690,687,630
Cash Balance *	\$ 303,760,136	
Anticipated Loan Repayments and Investment Earnings Net of Bond Payments (1/1/19 - 9/30/21)	\$ 298,316,227	
Total Estimated Sources		
Estimated Uses		
Undisbursed Amounts Committed to Existing Projects	\$ 118,488,309	\$ 690,687,630
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	
Total Estimated Uses		

* 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.

** See Appendix Four for more information.

Loan and Grant Commitments 1/1/19 through 9/30/19	Loan	Grant	Total
Belle - Funded 1/17/19	\$ 284,000	\$ 284,000	\$ 568,000
MPUA - Funded 1/23/19	\$ -	\$ 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
Total Commitments 1/1/19 through 9/30/19	\$ 52,478,000	\$ 3,106,000	\$ 55,584,000

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.

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
Total Projects				\$ 553,482,098

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
Total Allocation of Available Funds		\$ 492,143,311	\$ 18,649,526	\$ 510,792,837

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

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

(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**

Priority Points	Applicant	Project #	Description/ Needs Category	Service Area	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	NPDES #	Est. Financing Schedule
<i>Note: An explanation of the abbreviations and codes appears at the end of the project lists.</i>									
FUNDABLE LIST									
(Debt instrument secured and facility plan submitted; fundable if funds become available)									
TOTAL AVAILABLE FUNDS						\$ 492,143,311	\$ 18,649,526		
Small and Non-Metropolitan Areas and Districts (Service area population of fewer than 75,000 people)									
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 (Bollu 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

Priority Points Carryover	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	NPDES #	Est. Financing Schedule
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
Small and Non-Metropolitan Areas and Districts Total				\$ 113,674,323	\$ 102,989,430	\$ 9,972,393	\$ 8,677,133		
Balance									
Large Metropolitan Areas and Districts (Service area population of 75,000 or more people)									
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
Large Metropolitan Areas and Districts Total				\$ 402,400,000	\$ 388,653,881	\$ -	\$ -		
Balance									
Combined Sewer Overflow									
Balance									
Combined Sewer Overflow Total				\$ -	\$ 0	\$ -	\$ -		
Balance									
Combined Sewer Overflow Total				\$ -	\$ 0	\$ -	\$ -		
Balance									
Combined Sewer Overflow Total				\$ -	\$ 0	\$ -	\$ -		

Carryover	Priority Points	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	NPDES #	Est. Financing Schedule
Department Initiatives										
	N/A	Missouri Agriculture & Small Business Development	C295212-10	NPS; VIIB	N/A	\$ 500,000	\$ 500,000	\$ -	N/A	20-2
		Department Initiatives Total				\$ 500,000	\$ 500,000	\$ -		
		Balance				\$ 0	\$ 0	\$ -		
		Total Fundable List Projects				\$ 516,574,323	\$ 492,143,311	\$ 9,972,393		
		Balance of Fundable List					\$ -	\$ 8,677,133		
FUNDABLE CONTINGENCY LIST (Debt instrument secured and facility plan submitted; fundable if funds become available)										
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	\$ -		
		Total Fundable Contingency Projects				\$ -	\$ 13,746,119	\$ -		
CONTINGENCY LIST (Either debt instrument or facility plan has not been submitted)										
95		Jefferson County Public Sewer District	C295844-01	Coll; IVA	170	\$ 3,751,075	\$ -	\$ -	MO-0131024	20-1
		Total Contingency Projects				\$ 3,751,075	\$ -	\$ -		
PLANNING LIST Note: Information will be added to the shaded columns when the project moves to the fundable or contingency list. (Debt instrument and facility plan not yet secured/submitted)										
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		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	
Total Planning List Projects						\$ 33,156,700	\$ -	\$ -		
Needs Category										
I Secondary Treatment										
II Advanced Treatment										
IIIA I/I correction										
IIIB Sewer replacement or rehabilitation										
IVA New Collection										
IVB New Interceptors										
V CSO										
VIIB NPS: Animal										
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.

Source And Distribution Of			
Loan Administration Fees¹			
As of Dec. 31, 2018			
Income	Program Earned During Grant Period	Program Income Earned After Grant Perio	Non-Program Income
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
Expenditures Thru 12/31/18			
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 ²	(\$43,098)	(\$176,937)	(\$15,869)
FY 19 ITSD Transfers ^{2&3}	(\$30,350)	(\$124,599)	(\$11,175)
FY 19 HB 13 Transfers ²	(\$899)	(\$3,689)	(\$331)
Subtotal	(\$431,593)	(\$3,229,755)	(\$1,214,383)
Income Less Expenditures	\$467,802	\$16,676,168	\$15,961,076
Projected			
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
Projected Expenditures			
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 ²	(\$24,715)	(\$82,787)	(\$83,779)
FY 19 ITSD Transfers ^{2&3}	(\$14,348)	(\$46,595)	(\$54,507)
FY 19 HB 13 Transfers ²	(\$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 ³	\$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

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 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 *.

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 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 2 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. You can reach the Department's Financial Assistance Center at 573-751-1192 or 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. 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.

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.

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 2 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.

Coordination

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. Both the application and the process are available online at 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.

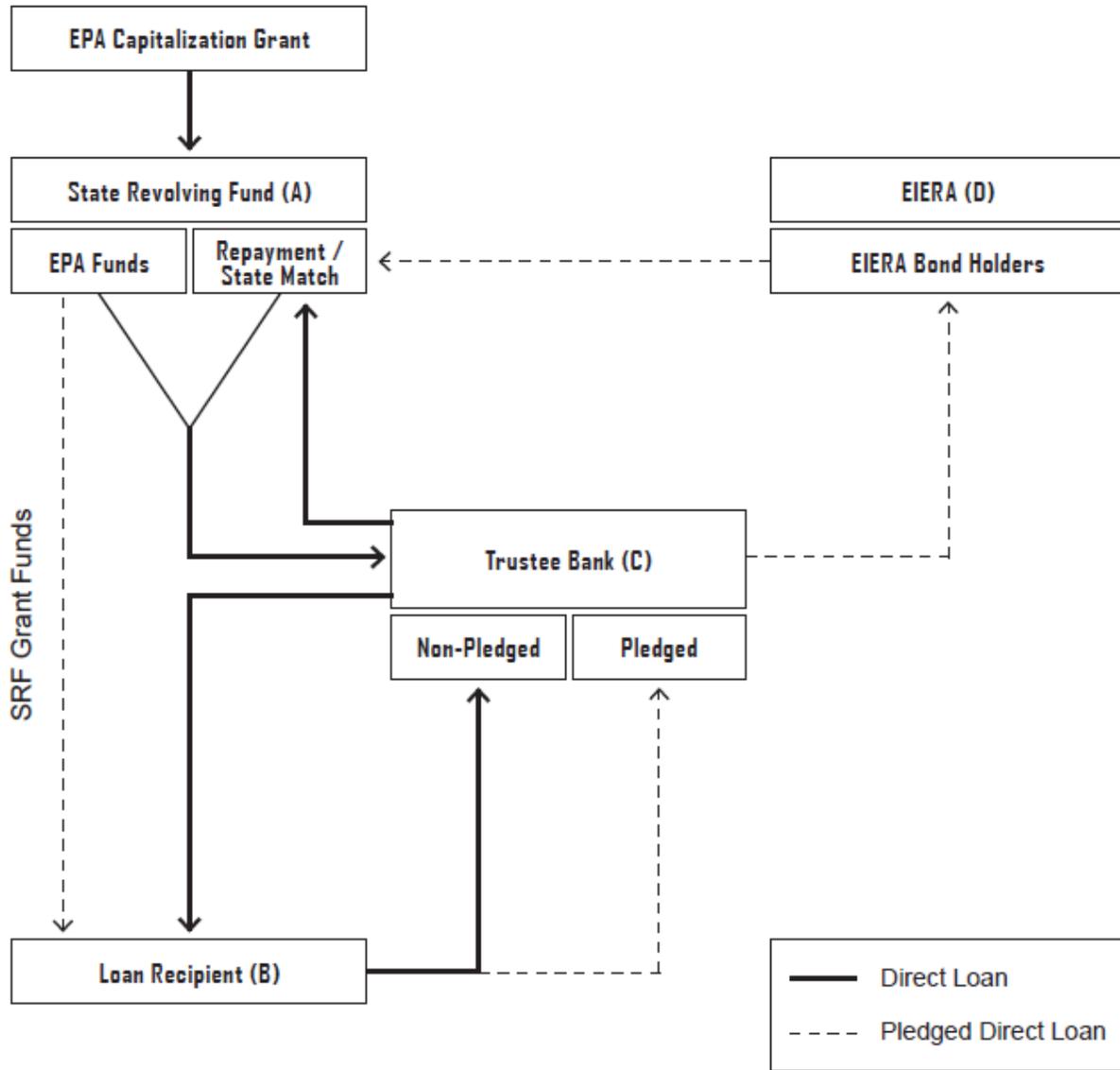
The cash flow model diagram on the following page illustrates the SRF flow of funds. Construction loan repayments must begin within 1 year after the first operational contract is substantially completed; that is, the facilities are placed into operation. The loan repayment schedules will generally consist 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 the 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.

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
Green Project Reserve				
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.

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 or 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 2 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 6 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.

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 2 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, 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 systems operation and maintenance for the past 5 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 5 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.

VI. 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 • dnr.mo.gov



Serving Municipal Utilities

August 28, 2019

VIA EMAIL: fac@dnr.mo.gov

Missouri Department of Natural Resources
Water Protection Program, Financial Assistance Center
ATTN: Sharon Davenport
P.O. Box 175
Jefferson City, MO 65102-0176

RE: Intended Use Plan Comments

Dear Ms. Davenport:

The Missouri Public Utility Alliance (MPUA) appreciates the opportunity to comment on the proposed Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP) for fiscal year 2020. Our comments follow:

- 1) Funding Allocations (pages 12-16) – MPUA commends the Department of Natural Resources (Department) for receiving applications that meet the readiness to proceed criteria to allocate all available loan funds. In part, MPUA believes the reduction of the administrative fee in 2017 has helped drive the demand by applicants. As drafted, the IUP proposes to allocate \$343 million out of the \$439 million to large metropolitan applicants.

MPUA is concerned that showing all funds allocated will dampen desire of small and mid-sized borrowers to submit new applications. MPUA requests that the Department and Clean Water Commission (Commission) consider leaving some loan funds unallocated from the small and non-metropolitan allocation (perhaps \$10,000,000 to \$20,000,000), instead of transferring the full \$80 million to the large metropolitan applicants. The availability of unallocated funds will show new applicants that funds are still available and also encourage the applicants on the planning list, totaling \$33 million (page 16), to timely progress their projects forward. To support this approach the Department could evaluate if any projects are candidates to be funded in phases to meet the SRF requirement of drawing down funds within 36 months of loan closing.

- 2) Additional Subsidization (pages 6, 20, 24) – MPUA encourages the Department to increase the amount of grant funding available to recipients under the 2019 federal capitalization grant.

The President and Congress continue to prioritize infrastructure investments by providing significant capitalization grant funding for the CWSRF program and by authorizing states to award up to 40% as additional subsidization. In addition to the \$4,404,700 additional subsidization required to be given out, the Department and Commission have the option of reserving an additional \$13,314,100 for grants to recipients. The Department is proposing to only use \$2 million in optional grant funds.

- a) MPUA requests the Department and the Commission state in the IUP how much additional subsidization is being reserved for Affordability Grants and how much is reserved for Regionalization Incentive Grants (see page 6).
 - b) MPUA requests that the Department hold a stakeholder meeting by November 2019 to discuss expanding grant funding to other eligible uses in 2021, including projects to encourage sustainable project planning, design and construction (e.g. technical/planning assistance to POTWs, water re-use in areas most impacted by droughts, etc.); address affordability issues in communities serving a population over 10,000; mitigate stormwater runoff; and address water- and energy-efficiency goals. A meeting is needed in the near-term to develop proposals for the 2021 IUP application deadline of January 15, 2020.
 - c) MPUA requests that the optional grant funding be increased to at least \$6,500,000 for the 2019 capitalization grant. This additional grant funding could be used to address projects that will benefit the environment and make projects more affordable for Missourians.
- 3) Continuing State Grants (page 18) – MPUA supports the Department’s decision to continue funding for the Rural Sewer Grant Program and the Small Community Engineering Assistance Program. These monies have been successfully utilized by MPUA members and other small cities throughout the state.

Thank you for your consideration of these comments. If you have questions regarding these comments, please contact me at 573-445-3279 or ecrawford@mpua.org.

Sincerely,



Eric Crawford,
Director – Financial Services and Project Development

cc: Lacey Hirschvogel, MPUA



Missouri Department of dnr.mo.gov

NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

September 11, 2019

Mr. Eric Crawford, Director
Financial Services and Project Development
Missouri Public Utility Alliance
1808 I-70 Drive SW
Columbia, MO 65203

RE: Clean Water State Revolving Fund, Intended Use Plan Comments
Response to Comments

Dear Mr. Crawford:

Thank you for your letter dated August 28, 2019, to the Missouri Department of Natural Resources providing comments on the Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP) placed on public notice. Please find specific responses to your comments below.

1. **Comment:** Funding Allocations (pages 12-16) – MPUA commends the Department of Natural Resources (Department) for receiving applications that meet the readiness to proceed criteria to allocate all available loan funds. In part, MPUA believes the reduction of the administrative fee in 2017 has helped drive the demand by applicants. As drafted, the IUP proposes to allocate \$343 million out of the \$439 million to large metropolitan applicants.

MPUA is concerned that showing all funds allocated will dampen desire of small and midsized borrowers to submit new applications. MPUA requests that the Department and Clean Water Commission (Commission) consider leaving some loan funds unallocated from the small and non-metropolitan allocation (perhaps \$10,000,000 to \$20,000,000), instead of transferring the full \$80 million to the large metropolitan applicants. The availability on unallocated funds will show new applicants that funds are still available and also encourage the applicants on the planning list, totaling \$33 million (page 16), to timely progress their projects forward. To support this approach the Department could evaluate if any projects are candidates to be funded in phases to meet the SRF requirement of drawing down funds within 24-36 months of loan closing.

Response: The project type allocations by percentage (Small Metropolitan Areas and Districts at 40%, Large Metropolitan Areas and Districts at 30%, combined sewer overflow projects at 15% and Department initiatives at 15%) serve as a framework that helps the Department provide equitable consideration of all projects. However, the



Department's goal is to fully allocate all available funds each year in order to maximize the use of the fund. Thus, after all fundable projects within each category are allocated funds, remaining amounts are transferred to categories for which funds are not sufficient. This approach maximizes the availability of funding to meet ready-to-proceed, documented infrastructure needs. Our project coordinators communicate directly and often with borrowers so they understand that planning and contingency projects that make good progress will be moved to the fundable list.

As the Department transitions to a cash flow management strategy, there will be additional flexibility to address the needs of any project that can meet the readiness to proceed criteria, whether it is small, medium, or large. The cash flow model forecasts available funds in the next several funding cycles and allows the Department to commit funds based on current funds, anticipated repayments and estimated disbursements for all projects during the life of construction. This accounts for the lag between IUP listing and drawdown of loan funds over a 24-36 month period after the binding commitment. This strategy allows successful SRF programs to utilize all available funds to benefit borrowers and realize the full potential of the revolving fund to help communities.

The Department does not believe that seeing all funds allocated will serve as a disincentive to small communities. In fact, full allocation should demonstrate the program's success. Further, should new applications that meet readiness to proceed be received through the year, through cash flow management, we are able to allocate additional fundable projects within the FY20 IUP. Communities are invited to apply at any time in the "Clean Water Revolving Fund Loan Application Instructions," see page 19.

Further, the IUP will no longer be our primary outreach tool when we publish the new "Community Guide to Using the SRF" later this year. This guide will encourage communities to apply at any time and talk with our staff about funding availability. The Department also anticipates that the assistance grant awarded to the Missouri Public Utility Alliance – Resource Services Corporation will help to promote the CWSRF to their assistance recipients, and that assistance provided will help small to medium-sized communities develop projects ready to apply for CWSRF financial assistance.

Comment 2: Additional Subsidization (pages 6, 20, 24) – MPUA encourages the Department to increase the amount of grant funding available to recipients under the 2019 federal capitalization grant. The President and Congress continue to prioritize infrastructure investments by providing significant capitalization grant funding for the CWSRF program and by authorizing states to award up to 40% as additional subsidization. In addition to the \$4,404,700 additional subsidization required to be given

out, the Department and Commission have the option of reserving an additional \$13,314,100 for grants to recipients. The Department is proposing to only use \$2 million in optional grant funds.

- a) MPUA requests the Department and the Commission state in the IUP how much additional subsidization is being reserved for Affordability Grants and how much is reserved for Regionalization Incentive Grants (see page 6).
- b) MPUA requests that the Department hold a stakeholder meeting by November 2019 to discuss expanding grant funding to other eligible uses in 2021, including projects to encourage sustainable project planning, design and construction (e.g. technical/planning assistance to POTWs, water re-use in areas most impacted by droughts, etc.); address affordability issues in communities serving a population over 10,000; mitigate stormwater runoff; and address water- and energy-efficiency goals. A meeting is needed in the near term to develop proposals for the 2021 IUP application deadline of January 15, 2020.
- c) MPUA requests that the optional grant funding be increased to at least \$6,500,000 for the 2019 capitalization grant. This additional grant funding could be used to address projects that will benefit the environment and make projects more affordable for Missourians.

Response to Comment 2: The additional subsidization allocated by the Department in the FY20 draft was \$19,527,613 (page 13) from capitalization grants from FF 2016, 2017, 2018, and 2019. After changes to the Loan and Grant Commitments 1/1/19 through 9/30/19 that increased the amount of additional subsidization that will be used before 9/30/19 (page 9), the amount available in the final IUP will be \$18,649,526. This represents a backlog of unmet additional subsidization minimum requirements from 3 fiscal years prior to the current year.

In 2018, the Department revised its affordability grant policy such that more communities are eligible for grant funds and grant funds are now committed “up front” in the IUP rather than further in the process. This increased certainty has attracted more small communities to apply for CWSRF funding, and grants are committed to ten eligible communities in this IUP. Uncommitted additional subsidization remains available in the amount of \$8,677,133. Thus, at this time increasing the optional additional subsidization amount is unnecessary.

The Department is willing to consider increasing the amount of additional subsidization offered for projects in the future based on demonstrated need and demand, and after an assessment of the impact on the sustainability of the fund. However, the Department’s

Mr. Eric Crawford, Director
September 11, 2019
Page 4

top priority is to maintain the fund into perpetuity for the benefit of future borrowers by continuing to make projects affordable to ratepayers across the state through subsidized, low-interest loans.

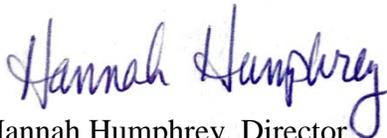
- a) The Department intends to propose an additional subsidization amount commitment for regionalization incentive grants to the Clean Water Commission through an IUP Amendment after reviewing and scoring all applications.
 - b) The Department will host a stakeholder meeting in 2019 to solicit input on CWSRF grant eligibility and infrastructure needs. The Department welcomes input on expansion of the CWSRF program, and will strive to design opportunities for any “new” eligibility such that there is a methodical prioritization process for assigning funds that is competitive and transparent.
 - c) Again, the Department is willing to consider increasing the amount of additional subsidization offered for projects in the future based on demonstrated need and demand, and after an assessment of the impact on the sustainability of the fund.
- 3. Comment:** Continuing State Grants (page 18) – MPUA supports the Department’s decision to continue funding for the Rural Sewer Grant Program and the Small Community Engineering Assistance Program. These monies have been successfully utilized by MPUA members and other small cities throughout the state.

Response: Thank you for this comment.

We appreciate you having taken the time to review the IUP and help us improve its quality. If you have any questions regarding the Department’s responses, please feel free to contact me at 573-751-1080 or Department of Natural Resources, Water Protection Program, P.O. Box 176, Jefferson City, MO 65102-0176. Thank you.

Sincerely,

WATER PROTECTION PROGRAM



Hannah Humphrey, Director
Financial Assistance Center

HH/cs

Douglas A. Garrett
141 N. Moonglow Ln.
Columbia, MO 65201-7079

August 16, 2019

Ms. Sharon Davenport
Department of Natural Resources, Water Protection Program
P.O. Box 176
Jefferson City, MO 65102-0176

RE: Fiscal Year 2020 Intended Use Plan Comments

Dear Ms. Davenport:

I appreciated the opportunity to review the draft Fiscal Year 2020 Clean Water State Revolving Fund Intended Use Plan and Priority List. I offer the following comments for your consideration.

- On page 5, Fundable Projects List section there appears to be a typo in the first subsection. “The Fundable Project List includes *of* four types of projects:” I suggest the word “of” be removed.
- On page 16, Planning List, why is the project description/needs category and NPDES number blank. Should not this information be included in the application materials to enable the priority point determination to be made? This information would also assist the reader in determining what is be planned for the community.
- On page 28, I suggest that the second paragraph be amended to state which fiscal year the proposed point criteria will be used for evaluating applications.
- On page 28, Section I Priority Points, it is stated that nonpoint source projects must be consistent with the NPS Management Plan. I suggest including a statement as to where this publication may be found.
- On page 33, Phased/Segmented Projects, how many phases, or segments, of a project are allowed? How is this determination made? I suggest this section be clarified accordingly.

Thank you for the opportunity to review the draft plan. Should you have any questions regarding my comments, please feel free to contact me at: durwood50mo@hotmail.com.

Sincerely,

Doug

Douglas A. Garrett



Missouri Department of dnr.mo.gov

NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

September 11, 2019

Mr. Douglas A. Garrett
141 N. Moonglow Lane
Columbia, MO 65201-7079

RE: Clean Water State Revolving Fund, Intended Use Plan Comments
Response to Comments

Dear Mr. Garrett:

Thank you for your letter dated August 16, 2019, to the Missouri Department of Natural Resources providing comments on the Clean Water State Revolving Fund (CWSRF) Intended Use Plan placed on public notice. Please find specific responses to your comments below.

1. **Comment:** On page 5, Fundable Projects List section there appears to be a typo in the first subsection. "The Fundable Project List includes *of* four types of projects:" I suggest the word "of" be removed.

Response: Thank you for your comment. The IUP version to be submitted to the Clean Water Commission (Commission) for adoption on October 9, 2019, will have the word "of" removed.

2. **Comment:** On page 16, Planning List, why is the project description/needs category and NPDES number blank. Should not this information be included in the application materials to enable the priority point determination to be made? This information would also assist the reader in determining what is to be planned for the community.

Response: Thank you for your comment. The table contained a note: "Information will be added to the shaded columns when the project moves to the fundable or contingency list." However, we have reviewed your comment and agree that it could be beneficial for the reader. The IUP version to be submitted to the Clean Water Commission (Commission) for adoption on October 9, 2019, will include the suggested information in the appropriate columns.

3. **Comment:** On page 28, I suggest that the second paragraph be amended to state which fiscal year the proposed point criteria will be used for evaluating applications.

Response: Thank you for your comment. The Department agrees that the fiscal year should be added for clarification; however, we think it would be better placed in the first paragraph. The IUP version to be submitted to the Clean Water Commission (Commission) for adoption on October 9, 2019, will have the fiscal year 2021 added to the first paragraph.



Mr. Douglas A. Garrett
September 11, 2019
Page 2

4. **Comment:** On page 28, Section I Priority Points, it is stated that nonpoint source projects must be consistent with the NPS Management Plan. I suggest including a statement as to where the publication may be found.

Response: Thank you for your comment. The IUP version to be submitted to the Clean Water Commission (Commission) for adoption on October 9, 2019, will have a link to where the publication can be found.

5. **Comment:** On page 33, Phased/Segmented Projects, how many phases, or segments, of a project are allowed? How is this determination made? I suggest this section be clarified accordingly.

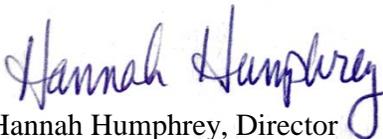
Response: Thank you for your comment. The IUP version to be submitted to the Clean Water Commission (Commission) for adoption on October 9, 2019, will have the paragraph revised for clarification. It will read as follows:

“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.”

We appreciate you having taken the time to review the IUP and help us improve its quality. If you have any questions regarding the Department’s responses, please feel free to contact me at 573-751-1080 or Department of Natural Resources, Water Protection Program, P.O. Box 176, Jefferson City, MO 65102-0176. Thank you.

Sincerely,

WATER PROTECTION PROGRAM



Hannah Humphrey, Director
Financial Assistance Center

HH/cs

Tab F

Missouri Clean Water Commission
Department of Natural Resources
Elm Street Office Building
Roaring River/Bennett Springs Conference Rooms
1730 East Elm St.
Jefferson City, Missouri 65102

October 9, 2019

New Business

Issue:

Any new business can be presented to the Commission.

Recommended Action:

None

List of Attachments:

None

Tab

F1

Missouri Clean Water Commission Meeting
Elm Street Conference Center
Bennett Springs / Roaring River Conference Rooms
Jefferson City, MO 65101
October 9, 2019

Update on EPA approval of the 2018 Water Quality Standards

Issue: The Department will provide an update on the status of the 2018 Water Quality Standards (10 CSR 20-7.031) submittal.

Background: The Missouri Department of Natural Resources submitted new and revised water quality standards (WQS) to the U.S. Environmental Protection Agency (EPA) for approval on April 13, 2018. The WQS regulation (10 CSR 20-7.031) contained new numeric nutrient criteria for lakes as well as revisions to numeric and general criteria, definitions, and references to Commission approved implementation documents.

EPA approved the numeric nutrient criteria for lakes section of the rule on December 14, 2018. Where sufficient data are available, lakes meeting the requirements of the rule and listing methodology are currently being assessed during the 2020 assessment cycle.

EPA approved other substantive revisions of the rule on July 30, 2018, including numeric chronic criteria for cadmium, general criteria provisions, most definitions, and the Antidegradation Implementation Procedure (AIP) referenced in rule.

At the time of this briefing, EPA continues to review the remaining substantive revisions of the rule in conjunction with additional clarifying information submitted by the Department. These revisions include the definition of “Waters of the State”, pH criteria (chronic), Biocriteria Reference Location – Table I, WQS Variances – Table J, Section 304(a) criteria for the protection of aquatic life, Bear Creek-City of Kirksville Variance, and the Multiple Discharger Variance Framework.

Recommended Action: None; information only

Suggested Motion Language: None; information only

List of Attachments: None

Tab

F2

Missouri Clean Water Commission
Department of Natural Resources
Elm Street Office Building
Roaring River/Bennett Springs Conference Rooms
1730 East Elm St.
Jefferson City, Missouri 65102

October 9, 2019

Update on the 2019/2020 Water Quality Standards Triennial Review

Background: Section 303(c)(1) of the Clean Water Act and the U.S. Environmental Protection Agency's (EPA) implementing regulations at 40 CFR 131.20 require that states, from time to time, but at least once every three years, hold public hearings to review applicable water quality standards (WQS) and, as appropriate, modify and adopt water quality standards. The Water Protection Program started the triennial review process in early 2019 by soliciting stakeholders for their input on water quality standards items that are in need of revision. The Program received approval from the Director's Office to begin the rulemaking process on July 1, 2019 and has initiated a series of WQS Workgroup meetings to be held July through September.

The following is a list of WQS Topics that are being evaluated for inclusion in the 2020 rulemaking.

Revisions to Aluminum Water Quality Criteria:

Missouri's aluminum criteria is currently hardness-based. This revision would require the use of a new EPA calculator that incorporates hardness, pH, and dissolved organic carbon in the criteria calculation. The resulting criteria would be less stringent in most cases than the current criteria, while remaining protective of water quality.

Revisions to Cadmium Water Quality Criteria:

Associated Industries of Missouri has petitioned for changes to the acute cadmium water quality criterion. This revision is in response to the petition filed in 2012, but was deferred with petitioners consent until this rulemaking. The Department must consider this petition pursuant to 536.041 RSMo.

Site-Specific Dissolved Oxygen Water Quality Criteria for Sni-a-Bar Creek.

This revision is at the request of the City of Blue Springs. The incorporation of site-specific dissolved oxygen criteria into the water quality standards will provide relief from more stringent permit requirements for the City of Blue Springs and reflect the highest attainable water quality conditions.

Discharger-Specific Water Quality Standards Variances

The following municipalities will submit water quality standards variance requests to be included in this rulemaking: Bolivar, Joplin, and Salem. The incorporation of variances into the water quality standards will provide relief from permit requirements for these municipalities.

Revision to the Flow Condition for the Chloride plus Sulfate Water Quality Criterion:

The chloride plus sulfate criterion is currently dependent on the low flow volume of the water body. This revision will remove that condition and apply a single criterion to water bodies of all flow volumes. This flow dependency requirement has long caused difficulty pertaining to permit implementation, without any substantiated environmental benefit, and led to a commitment by the Department to remedy the issue during this rulemaking.

Revision to Allowable Procedures for the Development of Site-Specific Copper Criteria

Rule language will be clarified as it pertains to the references to EPA's *Streamlined Water-Effects Ratio Procedure for Discharges of Copper* and the *Aquatic Life Ambient Freshwater Quality Criteria – Copper 2007 Revision* procedures.

Revisions to the Missouri Use Designation Dataset (MUDD)

The MUDD currently contains a statewide generic water body identification number (WBID) for approximately 90,000 miles of stream (WBID 3960) and 26,000 acres of lake (WBID 7630). In order to simplify working with these WBIDs, the statewide WBID will be renumbered by 8-digit hydrologic code. Other revisions to the MUDD will include a reevaluation of drinking water and industrial uses statewide to ensure accurate designations for these uses are reflected in rule. Revisions to water body-specific designated uses as a result of use attainability analyses (UAAs) and presumed use reviews will also be made.

Corrections to Rule Text, Tables, and Documents Incorporated by Reference

Minor corrections need to be made to rule text, such as:

- Adding back in “as amenable to chlorination” to the cyanide criteria listing and “un-ionized” to the hydrogen sulfide criteria listing;
- Restoring a table for reference stream locations that was erroneously truncated during the last rulemaking;
- Clarifying language in the Multiple Discharger Variance Framework;
- Edits to the Antidegradation Implementation Plan; and
- Other edits to typographical errors will likely be needed after review.

Timeline: WQS Workgroup meetings continue until September 24, 2019. Following that meeting, the proposed rule language and Regulatory Impact Report will be sent to the Director's Office for approval to be published in the Missouri Register for public comment. The tentative date for publication for public comment is April 1, 2020.

Recommended Action: Information Only

Tab

F3

**Missouri Clean Water Commission Meeting
Lewis and Clark State Office Building
LaCharette/Nightingale Creek Conference Rooms
1101 Riverside Drive
Jefferson City, Missouri
Clean Water Commission Meeting**

October 9, 2019

Clean Water State Revolving Fund (CWSRF) Regionalization Incentive Grant

Issue: The Department intends to offer CWSRF Regionalization Incentive Grants to municipalities proposing to build a connection to receive wastewater from another facility.

Background: The Clean Water Act allows the state to provide CWSRF additional subsidization in the form of grants, principal forgiveness or negative interest loans; the minimum and maximum percentage from each federal capitalization grant is determined annually by federal appropriation. The Department currently offers “affordability grants,” in conjunction with loans, for wastewater treatment system projects undertaken by eligible applicants who would otherwise have difficulty financing projects without additional subsidization. The policy is available at <https://dnr.mo.gov/env/wpp/srf/docs/cwsrf-grant-eligibility-procedure.pdf>.

The Water Resources and Development Act of 2014 included an amendment that allows the Department to provide additional subsidization to a municipality for sustainable project planning, design, and construction. The Department’s first priority for annually available CWSRF additional subsidization is to provide grants based on affordability to municipalities repairing, replacing or improving their own wastewater and storm water infrastructure. If additional subsidization funds remain available after all eligible applicants have been assigned for affordability grant, the Department will focus remaining funds on incentivizing connections that reduce the number of small, struggling facilities through regionalization.

The Department offered a Regionalization incentive grant procedure for public comment from June 28, 2019, to July 10, 2019, and hosted a public meeting to discuss the procedure with stakeholders on July 10, 2019. The procedure has been revised based on stakeholder feedback and is expected to be finalized in October 2019.

Regionalization incentive grant applications will be competitively scored during a periodic application cycle. The primary focus of the grant will be on reducing the number of small facilities that are currently under or likely to come under enforcement action with the Department. The entities responsible for these facilities often lack the financial and technical resources to upgrade their wastewater treatment facilities to meet more stringent limits. These facilities typically serve such a small number of connections that the costs to comply with permit conditions are financially challenging for the users, and thus are difficult compliance situations for permittees to overcome. Grant results will include a reduction in the number of point sources releasing to the State’s waterways, increasing efficiency in operation, and stimulating opportunities for economic development.

This grant will fund 100 percent of all eligible costs, including planning, designing, and constructing the sewer connection, applicant legal costs associated with negotiation and execution of a service agreement, and land acquisition or easements.

The Department will evaluate projects based on characteristics of the wastewater treatment facilities being connected. The Department will prioritize applications using a 2-step process that assigns a category and a priority point score to each eligible project. First, the Department's top priority will be assigned to projects which eliminate Category 1 facilities. High priority will be assigned to projects which eliminate Category 2 facilities. Moderate priority will be assigned to projects which eliminate Category 3 facilities. Low priority will be assigned to projects which eliminate Category 4 facilities.

Category One: The applicant is a municipality. The entity or entities the applicant proposes to connect are a private, municipal, or school wastewater treatment facility, outside the applicant's service area, that is under enforcement with the Missouri Department of Natural Resources or the U.S. Environmental Protection Agency.

Category Two: The applicant is a municipality. The entity or entities the applicant proposes to connect are a municipal or school wastewater treatment facility, outside the applicant's service area, that is not under enforcement and have a Schedule of Compliance in their permit to upgrade for more stringent limits.

Category Three: The applicant is a municipality. The entity or entities the applicant proposes to connect are a private wastewater treatment facility, outside the applicant's service area, that is not under enforcement and have a Schedule of Compliance in their permit to upgrade for more stringent limits.

Category Four: A municipality which has been designated as the continuing authority per 10 CSR 20-6.010 (2) that is proposing to connect a private or public facility(ies) within their political boundary and/or designated service area, *and* the estimated project cost will increase the wastewater treatment user charge for the municipality to more than 2 percent of Median Household Income (MHI).

Second, the Department will prioritize projects within each category based on the priority point system, including receiving stream characteristics, need for regionalization, readiness to proceed, financial need, and prior lending history with the Department.

After scoring, the Department will propose a CWSRF IUP Amendment to the Clean Water Commission that allocates grant funds to qualifying applicants. The number of applicant(s) selected each application cycle will vary based on available funds.

The Department anticipates holding an annual application cycle from October through December 2019, and proposing an IUP Amendment that commits funds to regionalization grants at a spring 2020 Clean Water Commission meeting.

Recommended Action: Information Only.



Clean Water SRF Regionalization Incentive Grant

Hannah Humphrey

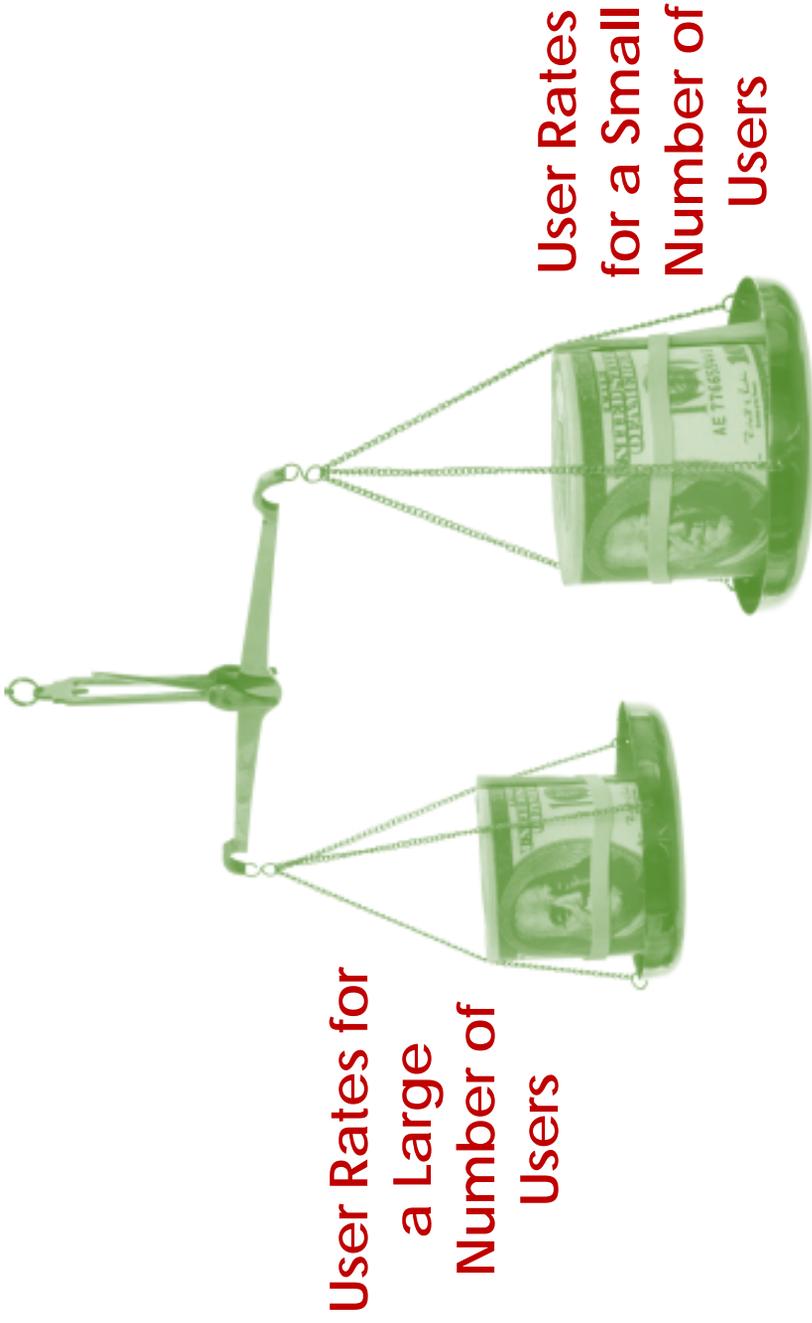
Financial Assistance Center

Oct. 9, 2019



Benefits of Regionalization/Consolidation

- Easier to meet and sustain regulatory standards
- Spreads capital and operational costs among more users



Clean Water State Revolving Fund Changes

- Department continues to make CWSRF Affordability Grant with SRF loan the highest priority for CWSRF additional subsidization dollars

- Will soon also offer Regionalization Incentive Grant:

Grant for municipalities* connecting small public or private systems that are permitted or should be permitted



*A municipality as defined by 40 CFR 35.2005(27) is a “city, town, borough, county, parish, district, association, or other public body (including an intermunicipal agency of two or more of the foregoing entities) created under State law, or an Indian tribe or an authorized Indian tribal organization, having jurisdiction over disposal of sewage, industrial wastes, or other waste, or a designated and approved management agency under section 208 of the Act.”

Wastewater Regionalization Incentive Grant

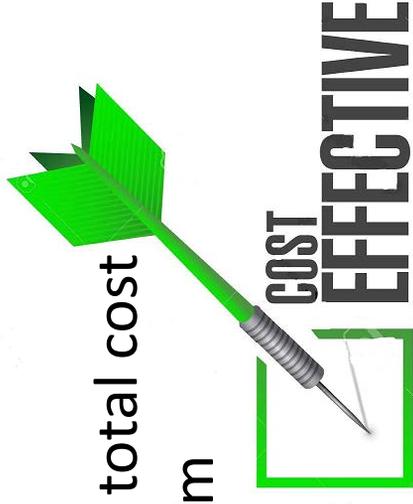
Intended to incentivize interconnection where it would otherwise not be likely

- Annual application cycle with competitive scoring - highest priority given to projects struggling systems in Enforcement
- First application cycle to Fall/Winter2019
- Covers 100% of costs



Wastewater Regionalization Incentive Grant

- Eligible costs - legal, planning, designing, and constructing the sewer connection, associated land acquisition or easements, and closure cost of the decommissioned system(s) if it is a public system. Clean Water SRF cannot fund work on private property or private systems.
- Projects will not be eligible for funding if the total cost associated with connecting the smaller system is greater than the cost to repair, replace or upgrade the wastewater treatment facility.





Wastewater Regionalization Incentive Grant

Tiered prioritization

Step 1. A category is assigned

Priority Determination Categories

Category One: The applicant is a municipality. The entity or entities the applicant proposes to connect is a Private, Municipal, or School wastewater treatment system, outside the applicant's service area, that is under enforcement with the Missouri Department of Natural Resources or the U.S. Environmental Protection Agency. Applicants for Category 1 projects may submit an application without a facility plan, and may be awarded an engineering grant for the development of a facility plan.

Category Two: The applicant is a municipality. The entity or entities the applicant proposes to connect is Municipal or School wastewater treatment system, outside the applicant's service area, that is not under enforcement and have a Schedule of Compliance in their permit to upgrade for more stringent limits. Applicants for Category 2 projects may submit an application without a facility plan, and may be awarded an engineering grant for the development of a facility plan.

Category Three: The applicant is a municipality. The entity or entities the applicant proposes to connect is a Private wastewater treatment system, outside the applicant's service area, that is not under enforcement and have a Schedule of Compliance in their permit to upgrade for more stringent limits. Applicants for Category 3 projects may submit an application without a facility plan, and may be awarded an engineering grant for the development of a facility plan.

Category Four: The applicant is a municipality which has been designated as the continuing authority per 10 CSR 20-6.010 (2) that is proposing to connect a private or public system(s) within their political boundary and/or designated service area, and the estimated project cost will increase the wastewater treatment user charge for the municipality to more than 2 percent of MHI. In order to be evaluated, applicants for Category 4 projects must submit a complete facility plan with reasonable estimated project costs and proposed user rates to demonstrate the project's potential impact on user rates.

*A private system is a system owned by a Homeowner's Association, an individual, a mobile home park, etc. It does not include systems owned and operated by any for-profit utility company.

No. of system(s) to be eliminated in each Category: 1 _____ 2 _____ 3 _____ 4 _____

Step 2. Points are assigned

Description (For items 1-3, if the project eliminates multiple permitted WWTFs which discharge to different water bodies, then the highest point total of the multiple water bodies will be used.)

1. **Beneficial Uses** of the water body receiving discharge from existing Wastewater Treatment Facility(ies) (WWTFs) to be eliminated by the proposed project. WWTFs could be permitted or unpermitted. (The value is calculated by adding the total values expressed under this part.)

	Points
Whole Body Contact Recreation= 15 pts.	_____
Drinking Water Supply = 15 pts.	_____
Cold Water Habitat = 10 pts.	_____
Secondary Contact Recreation = 10 pts.	_____
Cool Water Habitat = 10 pts.	_____
Protection of Warm Water Habitat and Human Health Protection = 10 pts.	_____
Each additional beneficial use not listed above and identified in rule 10 CSR 20-7.031 = 5 pts. each.	_____

2. **Sensitive Waters:** Proposed project will eliminate existing WWTF(s) which directly discharge to certain sensitive waters will be assigned additional priority points.

Losing Streams = 15 pts.	_____
Outstanding National Resource Waters = 15 pts.	_____
Outstanding State Resource Waters = 15 pts.	_____
Lakes or Metropolitan No-discharge Streams = 10 pts.	_____

3. **Targeted Waterbodies:** 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. (No more than fifteen (15) points shall be awarded.)

TMDL has been promulgated for receiving stream and removal of point source project addresses impact = 15 pts.	_____
Receiving stream is listed on the most recent 303(d) list and removal of point source project addresses impact but a TMDL has not been promulgated = 10 pts.	_____

4. **Need for Regionalization** (exclude all Dept. Health and Senior Services permitted systems)

Each WWTFs eliminated, not under Development/Enforcement = 5 pts.



Wastewater Regionalization Incentive Grant

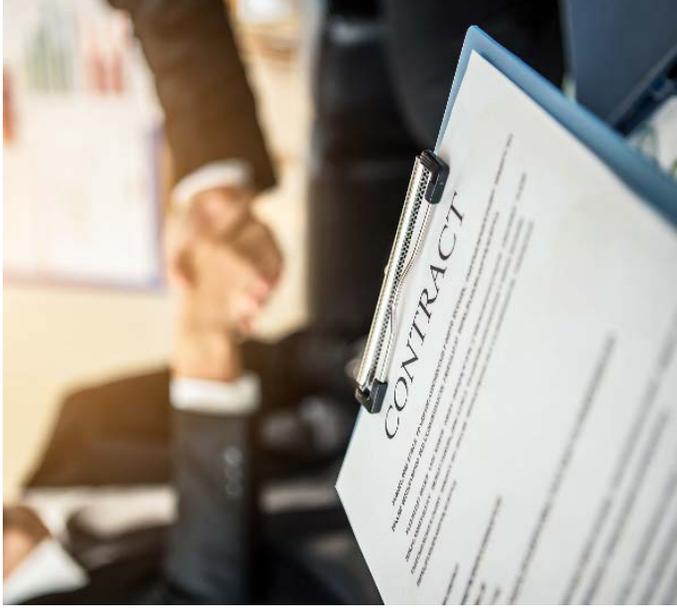
Example Prioritization

Priority Ranking	Category	Points	Grant Purpose	Funding
CATEGORY 1				
1	Ozark Town	160 points	Construction	\$1,450,000
2	Plains City	145 points	Construction	\$1,450,000
3	Ozarkville	105 points	Facility Plan	\$50,000
CATEGORY 2				
4	Plainville	165 points	Facility Plan	\$50,000
5	Ozark City	155 points	Construction	\$2,000,000
6	Hill Village	150 points		Not funded
CATEGORY 3				
7	Plains Town	165 points		Not funded
8	Hilltown	160 points		Not funded
CATEGORY 4				
9	Plains District	160 points		Not funded

Wastewater Regionalization Incentive Grant

Service Agreement Requirements

- Agreement duration must be at least 20 years
- User rates and fees (Wholesale or Per Connection)
 - Negotiated and agreed upon user rates
 - Negotiated and agreed upon fees (if applicable)
- Clause for renegotiating rates and fees
- Collection system operation and maintenance responsibilities
- Right to access





MISSOURI
DEPARTMENT OF
NATURAL RESOURCES



Questions

Tab G

Missouri Clean Water Commission
Department of Natural Resources
Elm Street Office Building
Roaring River/Bennett Springs Conference Rooms
1730 East Elm St.
Jefferson City, Missouri 65102

October 9, 2019

Appeals and Variances

Issue:

This portion of the meeting allows for information to be presented to the Commission. The Commission can review and vote on specific actions as necessary.

Recommended Action:

Information only.

Tab

G1

Missouri Clean Water Commission Meeting
Elm Street Conference Center
Bennett Springs / Roaring River Conference Rooms
Jefferson City, MO 65101
October 9, 2019

**City of Joplin Variance Request CWC-V-1-19
Joplin Turkey Creek Wastewater Treatment Plant**

Issue: The City of Joplin submitted a variance application on June 3, 2019 requesting a water quality standards (WQS) variance from the total recoverable zinc numeric water quality criteria for the Turkey Creek Wastewater Treatment Plant (TCWWTP) Missouri State Operating Permit #MO-0103349. The Department seeks the Clean Water Commission's decision on approval of this variance.

Background: A WQS variance is a tool that may be used to improve water quality over time. Variances establish time-limited criteria that provide dischargers the time and flexibility to make incremental water quality improvements reflecting the best that can be achieved in that given time period. There are seven factors that can be used when considering a WQS variance. The City of Joplin is requesting a variance based on the following factor: Human caused conditions or sources of pollution prevent the attainment of the use and cannot be remedied or would cause more environmental damage to correct than to leave in place.

The City of Joplin is seeking a WQS variance from the total recoverable zinc criteria for the protection of aquatic life use. TCWWTP's permit includes water quality-based effluent limits for zinc that have been difficult for the facility to consistently meet due to the ubiquitous presence of zinc throughout the Joplin area from past mining practices. In addition to direct contamination of soil, groundwater, and surface water by mine wastes, the City of Joplin historically used mine tailings, or "chat", as bedding and backfill for sewer lines. The widespread contamination caused by historic mining activities and associated mine waste disposal within the Tri-State Mining District, and specifically within the Turkey Creek watershed and City of Joplin, is used as justification in the discharger-specific variance.

The City of Joplin has requested a five-year term for this variance. During this term, permit limits that would typically be based on the zinc water quality criteria would be replaced with limits based on the "highest attainable condition" (HAC) of the facility. The City of Joplin will also develop and implement a Pollutant Minimization Program (PMP), which is a structured set of activities to improve processes and pollution controls that will prevent and reduce pollutant loadings. The HAC and PMP will ensure that implementation of the variance will not result in the lowering of existing water quality. The Department presented the variance and supporting information to the Commission at its July 22, 2019 meeting, along with a recommendation for approval at a future meeting following public notice.

The variance documents and supporting information were placed on 30 day public notice August 12, 2019. The variance documents, and any comments received during the public notice, are included in the supplemental Commission packet.

The Department is recommending the Commission approve the variance. Once a WQS variance is approved, it must be incorporated into state regulation, which will include a second public notice period and CWC approval as a part of the rulemaking package.

Recommended Action: The Department recommends the Commission approve the Joplin Water Quality Standards Variance for Zinc as proposed.

Suggested Motion Language: The Department suggests the Commission motion to approve the City of Joplin Variance CWC-V-1-19 as proposed.

List of Attachments: Final City of Joplin Variance CWC-V-1-19 (blue packet)

Tab H

Missouri Clean Water Commission
Department of Natural Resources
Elm Street Office Building
Roaring River/Bennett Springs Conference Rooms
1730 East Elm St.
Jefferson City, Missouri 65102

October 9, 2019

Open Comment Session

Issue:

This standing item provides an opportunity for comments on any issue pertinent to the Commission's role and responsibilities. The Commission encourages any and all interested persons to express their comments and concerns.

General Public

Recommended Action:

Information only.

Tab i

Missouri Clean Water Commission
Department of Natural Resources
Elm Street Office Building
Roaring River/Bennett Springs Conference Rooms
1730 East Elm St.
Jefferson City, Missouri 65102

October 9, 2019

Future Meeting Dates

Information:

Missouri Clean Water Commission Meeting dates and locations:

January 9, 2020

Lewis and Clark State Office Building
1101 Riverside Drive
LaCharrette / Nightingale Conference Rooms
Jefferson City, MO 65101

April 2, 2020

Lewis and Clark State Office Building
1101 Riverside Drive
LaCharrette / Nightingale Conference Rooms
Jefferson City, MO 65101

July 8, 2020

Lewis and Clark State Office Building
1101 Riverside Drive
LaCharrette / Nightingale Conference Rooms
Jefferson City, MO 65101

October 7, 2020

Lewis and Clark State Office Building
1101 Riverside Drive
LaCharrette / Nightingale Conference Rooms
Jefferson City, MO 65101

Recommended Action:

Information only.

