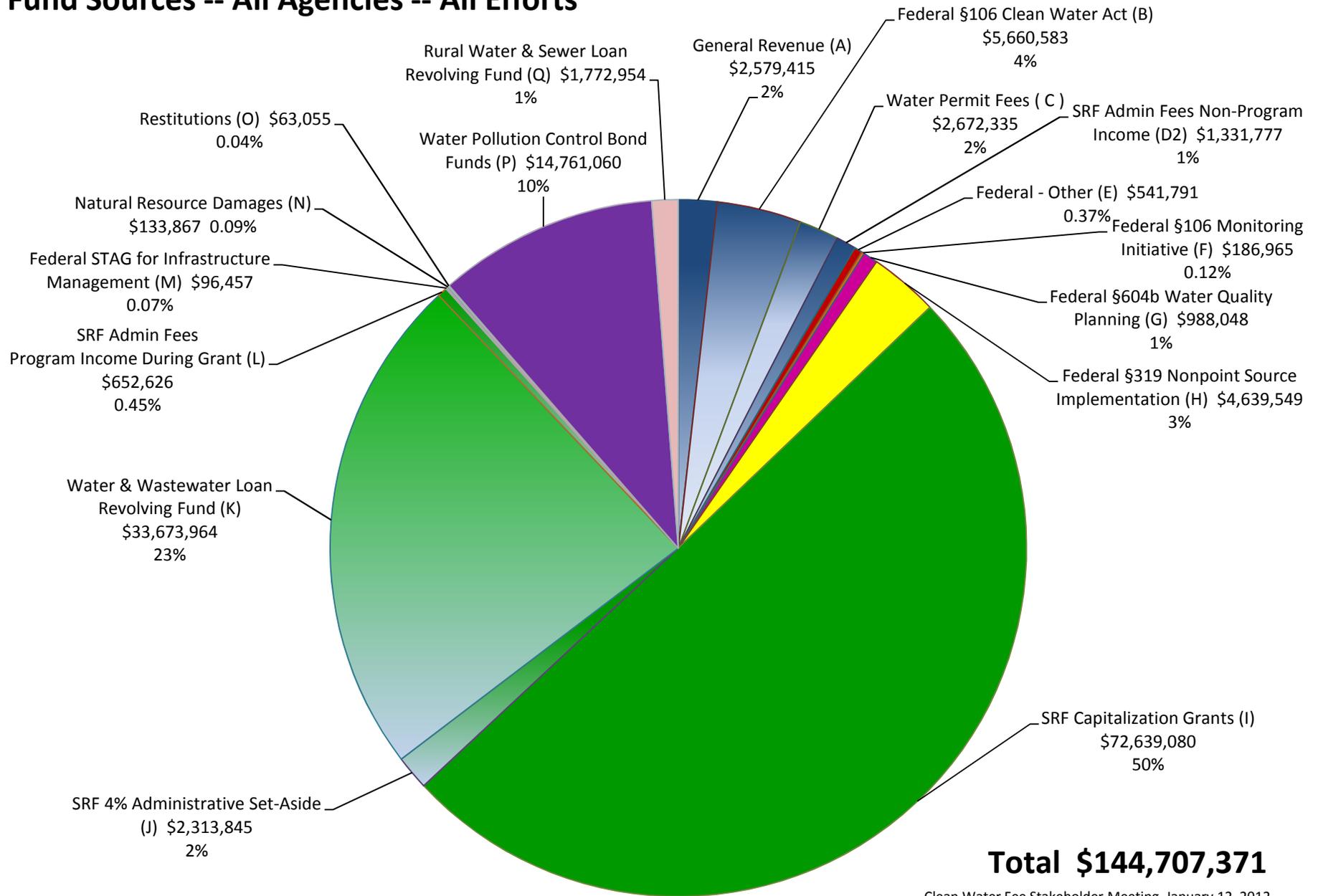


# Clean Water Funding

## FY 2011 Operating and Pass Through Expenditures by Fund Source

### All Fund Sources -- All Agencies -- All Efforts

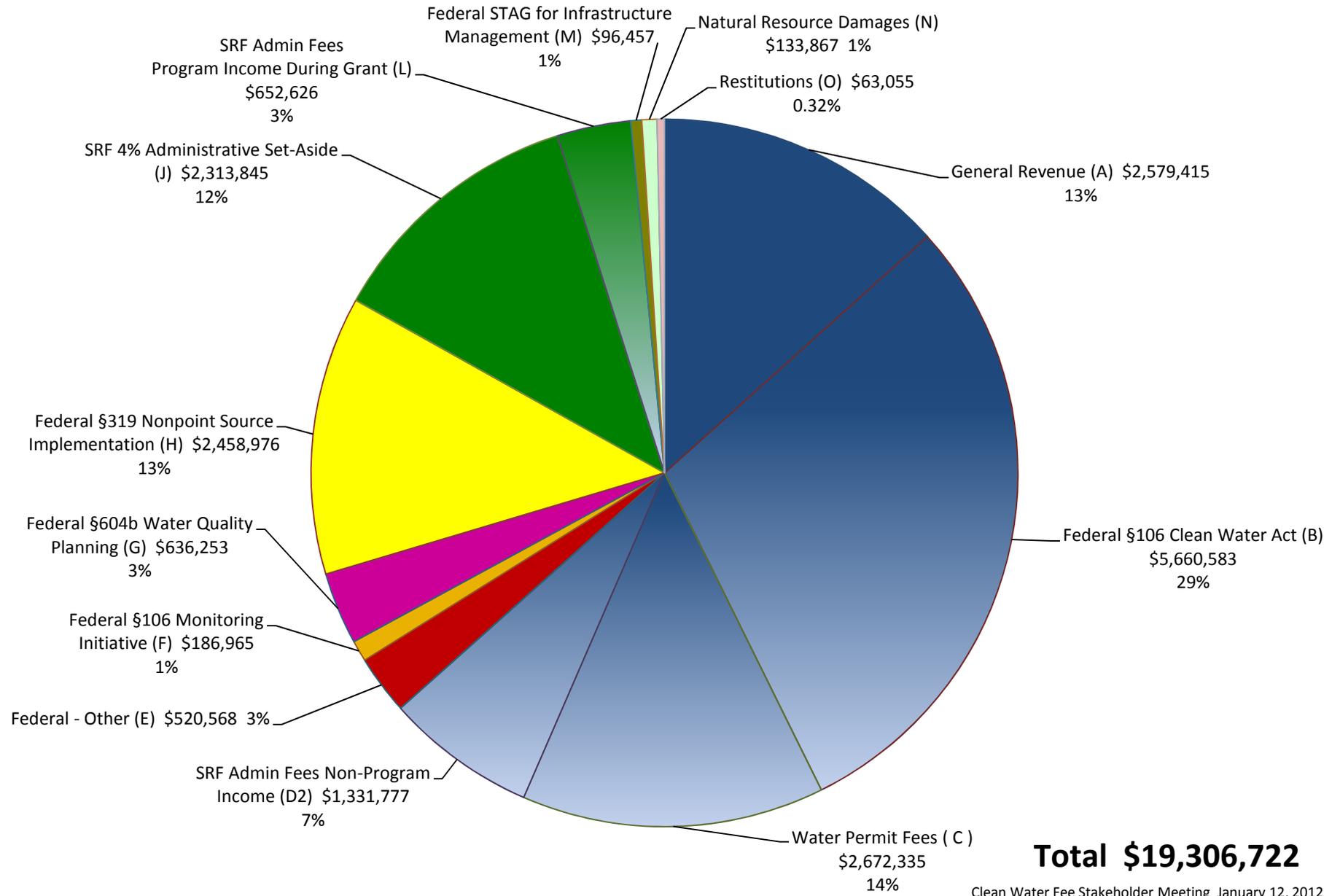


**Total \$144,707,371**

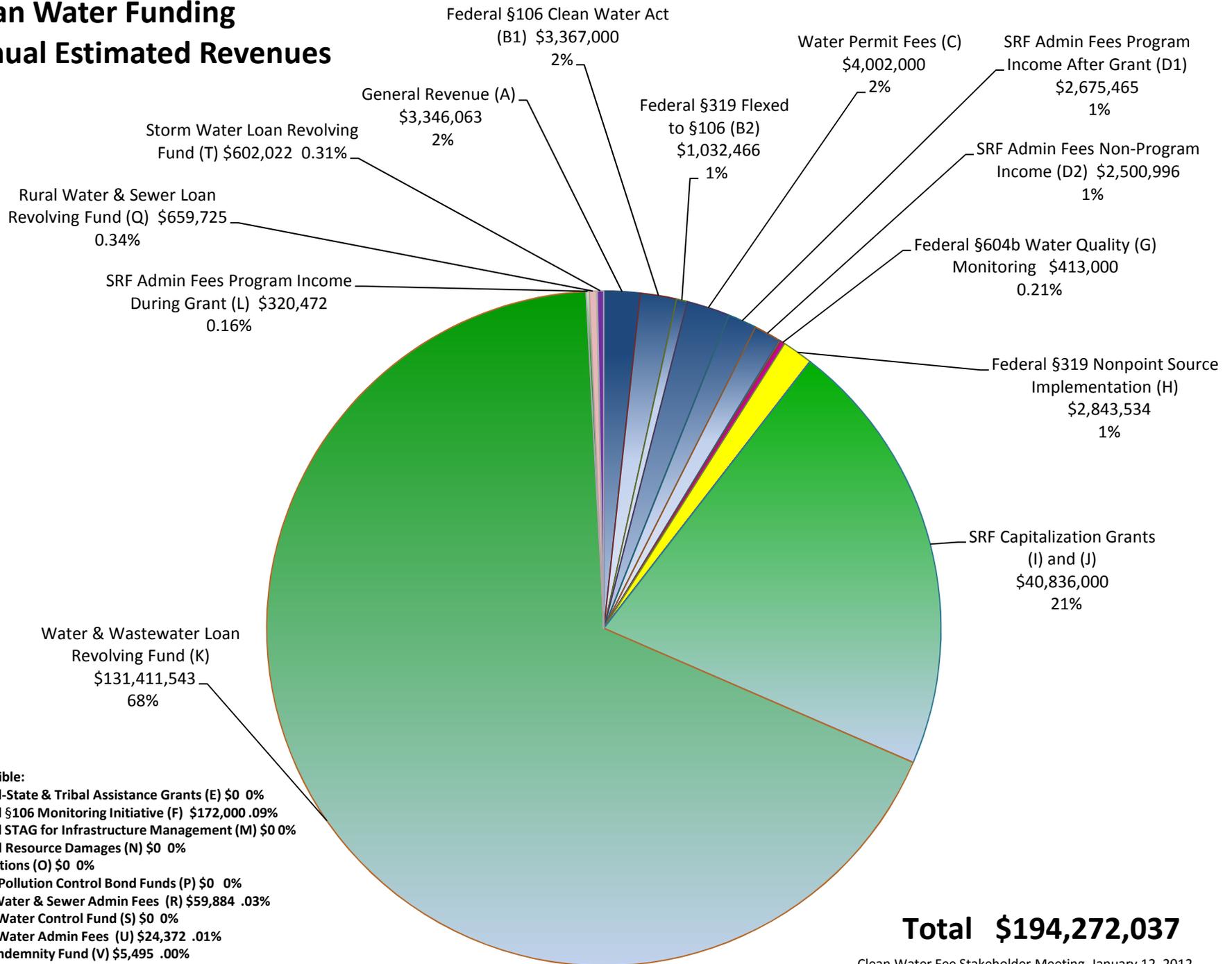
# Clean Water Funding

## FY 2011 Operating Expenditures by Fund Source (excludes Pass Through)

### All Fund Sources -- All Agencies



# Clean Water Funding Annual Estimated Revenues



**Not visible:**  
 Federal-State & Tribal Assistance Grants (E) \$0 0%  
 Federal \$106 Monitoring Initiative (F) \$172,000 .09%  
 Federal STAG for Infrastructure Management (M) \$0 0%  
 Natural Resource Damages (N) \$0 0%  
 Restitutions (O) \$0 0%  
 Water Pollution Control Bond Funds (P) \$0 0%  
 Rural Water & Sewer Admin Fees (R) \$59,884 .03%  
 Storm Water Control Fund (S) \$0 0%  
 Storm Water Admin Fees (U) \$24,372 .01%  
 CAFO Indemnity Fund (V) \$5,495 .00%

**Total \$194,272,037**

# General Revenue

# A

- Who Pays?
  - Generated primarily through state income tax and state sales tax.
- Allowable Use of Funds:
  - To support core water pollution control efforts
- How Funds Are Used:
  - To support core water pollution control activities that include NPDES permit issuance, management & oversight, operator certification, compliance/enforcement, inspections, water quality standards development, development of impaired waters (303d) list, TMDL development and implementation.
- Special Considerations:
  - General Revenue can be used for any purpose as appropriated by the General Assembly. GR is budgeted to the department in a manner that it can be used where needed to address department core activities and funding priorities and shortfalls. GR to support water pollution control activities may fluctuate based on department/division priority and need.
  - Many factors throughout the year can result in the actual amount to be less than original GR appropriations.
  - Since FY 2001 the department's general revenue funding has decreased from \$25.9m to \$9m in FY 2012, nearly a 65% reduction. A portion of these reductions has been related to water quality and water quantity efforts.
  - FY2009 – GR budget expansion of \$1.2 million was appropriated for water pollution efforts due to projected fee shortfalls.

# Federal - §106 Clean Water Act Funds

- Fund Source Definition:
  - Grant provided by US EPA for continuing environmental program authorized under section 106 of the federal Clean Water Act, through an established allotment formula. The allotment ratio for each state is based on six components selected to reflect the extent of the water pollution problem in that state.
- Who Pays?
  - Federal appropriations by Congress
- State Match Required?
  - State match is required for §106 funds; Missouri must sustain level of effort at least equal to expenditures during federal FY 1971 of \$600,173
- Allowable Use of Funds:
  - To assist in administration of the prevention, reduction, and elimination of water pollution, including programs for the protection and implementation of ground-water protection strategies.
- How Funds Are Used:
  - To support core water pollution control activities that include NPDES permit issuance, management & oversight, operator certification, compliance/enforcement, inspections, water quality standards development, development of impaired waters (303d) list, TMDL development and implementation.
- Special Considerations:
  - The department has received indications that environmental funds for water would be targeted for reduction during the FFY2012 budget process.
  - At this time, EPA has not finalized FFY2012 funding allocations.

# Federal - §319 Funds Flexed to §106 Funds

# B<sub>2</sub>

- Fund Definition:
  - Grant provided by US EPA for continuing environmental program authorized under section 319 of the federal Clean Water Act. EPA uses an allocation formula to determine the amount of funding for each state. Allocations are made in two portions – Incremental funds and Base funds.
- Who Pays?
  - Federal appropriation by Congress
- State Match Required?
  - State match of 40% is required for §319 grant funds; flexing these funds to another program does not eliminate or reduce the match requirement. The department provides this match for the §319 program implementation work and for the portion of this grant that is re-directed to core water pollution control work with state-funded core water pollution control efforts.
- Allowable Use of Funds:
  - By flexing these funds out of the §319 program the allowable use changes to provide funds to assist in core water pollution control activities. Core water pollution control activities include administration of the prevention, reduction, and elimination of water pollution, including programs for the implementation of ground-water protection strategies.
- How Funds Are Used:
  - To support core water pollution control activities that include NPDES permit issuance, management & oversight, operator certification, compliance/enforcement, inspections, water quality standards development, development of impaired waters (303d) list, TMDL development and implementation.
- Special Considerations:
  - State funding shortfalls led to initial request to flex funds in FY2009 to fund core water pollution control efforts. Flexing of funds from one environmental program to another within the Performance Partnership Grant (PPG) is allowed; however there must not be a negative impact on the program from which the funds are flexed. The department's Soil & Water Conservation Program, through its cost-share program to landowners, addresses agricultural nonpoint source pollution; the department has committed to provide at least an equivalent level of nonpoint source funding to address agricultural nonpoint source pollution in targeted impaired watersheds.
  - The department must request approval to flex these funds each year and approval must be granted by both EPA Region 7 and EPA Headquarters; in the past it has taken nearly the full fiscal year to get approval from EPA.
  - Base funds in the NPS program are the most flexible 'pot' of §319 money; the amount flexed to §106 work is taken from Base funds.
  - Congress reduced the §319 budget from \$200m in FFY2010 down to \$175m in FFY2011. In July 2011, the department received word that the House EPA budget bill reduced §319 budget down to \$150m for FFY2012; for Missouri, this represents a 26% reduction in NPS program funding in 2 years.
  - Relying on the flex of these §319 funds for core water work is not a sustainable solution as EPA has indicated they are hesitant to continue to support §319 flex request. In fact, they were reluctant to do so this year, but we have discussed the fact that we are under a statutory mandate to work with our stakeholders on a new fee structure and will need the continued flexibility until we have sustainable funding in place.

# Natural Resources Protection Fund

## Water Permit Fees



- Who Pays?
  - Fees paid by applicants for permits to construct wastewater treatment facilities; annual fees paid by holders of Missouri State Operating Permits; certification exam fees paid by operators of specific wastewater treatment plants/facilities.
- Allowable Use of Funds:
  - Fees are to be used solely for the administration of sections 644.006 to 644.141 of the Revised Statutes of Missouri
- How Are Funds Used:
  - To support core water pollution control activities that include NPDES permit issuance, management & oversight, operator certification, compliance/enforcement, inspections, water quality standards development, development of impaired waters (303d) list, TMDL development and implementation.
- Special Considerations:
  - Permit fees were established in 1990; current fee structure was authorized in 2000 in Senate Bill 741. There are no provisions for any inflationary adjustments. Current sunset of the fee is September 1, 2013; extending or adjusting the fees requires legislative action.

# SRF Loan Administration Fees

## Program Income Earned After the Capitalization Grant Period

- Fund Definition:
  - SRF loan administration fees are the fees paid by recipients of SRF loans for the construction of wastewater infrastructure. The federal capitalization grant funds awarded to the state that originally funded these loans are typically open for not more than five years. The loan admin fees are paid throughout the life of the loan and the timing of these payments places them into one of two categories – (1) Program Income Earned During the Capitalization Grant Period or (2) Program Income Earned After the Capitalization Grant Period. Pages 61039 through 61044 of Volume 70, No. 202 of the Federal Register, dated October 20, 2005, defines After the [federal capitalization] grant period as “fees earned after grant period on CWSRF loans made with funds directly made available by capitalization grants.” These loan administration fees are paid to the department twice each year, typically in January and July, AFTER the federal grant from which these projects were originally funded has closed.
- Who Pays?
  - Loan administration fees are paid by recipients of SRF loans – for loans made since June 2009, the fee is 1% of the outstanding loan balance each year. There is no fee on SRF grants.
- Allowable Use of Funds:
  - Fees received under this classification may be used for a broad range of water quality-related purposes. Missouri has obtained approval from EPA by amending Missouri’s operating agreement [for the SRF program] to use Program Income Earned After the Grant Period for water-quality related purposes. The state may also use for grants and loans for planning, designing, and building water quality projects.
- How Funds Are Used:
  - These funds have not been utilized prior to state fiscal year 2012; however, as outlined in the 2012 Intended Use Plan, Program Income Earned After the Grant Period will be utilized in 2012 for administration of the SRF program, abatement of water quality emergencies, board training and operator certification, contractual water quality monitoring, small community technical assistance program and state parks wastewater infrastructure.
- Special Considerations:
  - Original intent of SRF loan admin fees was to continue to fund SRF-related activities, including management and oversight of the SRF program after cessation of the capitalization grant.
  - These funds will be needed to fund oversight and management of the SRF program if the Clean Water SRF capitalization grants are discontinued.
  - The department has a plan for the use of these funds that include funding for 40% state construction grants, on-site loan programs to be administered by eligible entities, and small systems technical assistance.
  - Funds used to provide core water pollution control activities of permitting, inspections, enforcement, water quality monitoring - in addition to funding administration and management of the SRF program - are not available for SRF related projects.

# SRF Loan Administration Fees

## Non-Program Income

D<sub>2</sub>

- What is the Definition of These Funds?
  - SRF loan administration fees are the fees paid by recipients of SRF loans for the construction of wastewater infrastructure. Repayment of loan principle and interest is deposited into the state's Water and Wastewater Loan Revolving Fund and these funds are state funds. Administration fees paid on loans made from this state fund are Non-Program Income. Pages 61039 through 61044 of Volume 70, No. 202 of the Federal Register, dated October 20, 2005, defines Other Than Program Income (Non-Program Income) as "fees earned on CWSRF loans made with funds not directly made available by capitalization grants" (re-paid loan funds). These loan administration fees are paid twice each year, typically in January and July.
- Who Pays?
  - Loan administration fees are paid by recipients of SRF loans – for loans made since June 2009, the fee is 1% of the outstanding loan balance each year. There is no fee on SRF grants.
- Allowable Use of Funds:
  - Fees received under this classification may be used for a broad range of water quality-related purposes. Missouri has obtained approval from EPA by amending Missouri's operating agreement [for the SRF program] to use Non-Program Income for water-quality related purposes. The state may also use for grants and loans for planning, designing, and building water quality projects.
- How Funds Are Used:
  - To support core water pollution control activities that include NPDES permit issuance, management & oversight, operator certification, compliance/enforcement, inspections, water quality standards development, development of impaired waters (303d) list, TMDL development and implementation.
- Special Considerations:
  - Original intent of SRF loan admin fees was to continue to fund SRF-related activities, including management and oversight of the SRF program after cessation of the capitalization grant.
  - These funds will be needed to fund oversight and management of the SRF program if the Clean Water SRF capitalization grants are discontinued.
  - The department has a plan for the use of these funds that include funding for 40% state construction grants, on-site loan programs to be administered by eligible entities, and small systems technical assistance. The sunset of the water permit fee in FY2011, and the subsequent shortage of available funds for core water pollution control efforts, resulted in the department's need to use these funds for the continuation of core water pollution control activities (permitting, compliance, inspections, enforcement) for Missouri.
  - Funds used to provide core water pollution control activities of permitting, inspections, enforcement, water quality monitoring - in addition to funding administration and management of the SRF program - are not available for SRF related projects.

# Federal – State & Tribal Assistance Grants

- Fund Definition:
  - Competitive grants offered by US EPA for purposes defined by EPA.
- Who Pays?
  - Federal appropriation by Congress
- Is State Match Required?
  - Varies - state match is not always required for these funds.
- Allowable Use of Funds:
  - Announcements of these available STAG opportunities will contain the intended purpose of the grants and provide specific outline as to what funds can be used for.
- How Funds Are Used:
  - Two small STAG grants remained open at the beginning of FY2012:
    - Grant to develop training materials for MS4 communities
    - Grant to develop training materials, and present training for SSOs
- Special Considerations:
  - These grants are typically small in comparison to grants for our continuing environmental programs.
  - These grants usually complement existing activities and are used to help subsidize the costs of our efforts; the amount of the grants typically do not provide sufficient funds to cover all costs for the projects.

# Federal - §106 Monitoring Initiative Funds

- Fund Definition:
  - Grant provided by US EPA for continuing environmental program - this allotment of funds was 'added' in FFY 2005 to provide additional federal funds for water quality monitoring
- Who Pays?
  - Federal appropriation by Congress for water quality monitoring
- Is State Match Required?
  - No additional state match is required for these targeted funds.
- Allowable Use of Funds:
  - To increase efforts for water quality monitoring by adding new sites and new studies.
- How Funds Are Used:
  - Water quality monitoring or studies on 'new' sites; continued monitoring of sites added to fixed station network after FFY2005.
- Special Considerations:
  - Added 6 sites to the fixed station ambient water quality monitoring network where data is collected quarterly to show the health of the water in a fixed location over a long period of time.
  - Conduct special short-term studies on new sites each fiscal year (number varies based on cost for each site)
  - The department has received indications that environmental funds for water would be targeted for reduction during the FFY2012 budget process.
  - At this time, EPA has not finalized FFY2012 funding allocations.

# Federal – §604(b) Water Quality Planning Funds

- Fund Definition:
  - Grant provided by US EPA for continuing environmental program.
- Who Pays?
  - Federal appropriation by Congress - Missouri's annual allotment of funds is 1% of its CWSRF allotment.
- Is State Match Required?
  - No state match is required for these funds.
- Allowable Use of Funds:
  - §604(b) funds are to carry out planning under §205(j) and §303(e) of the Clean Water Act. States are encouraged, through a federal guidance document, to direct grant resources to priority activities in watersheds. 40% of these funds must be offered as pass-through funds for water quality planning to regional planning organizations in the state. There are 19 of these in Missouri.
- How Funds Are Used:
  - When passed through to regional planning organizations, these funds are used for water quality planning. When used by the department these funds are for the development and revision of water quality standards, development of the impaired waters list and TMDL's, water quality monitoring and studies.
- Special Considerations:
  - Fluctuations in annual allotments are tied directly to the CWSRF allotments.
  - Prior to 2009, the annual allotment for these funds had decreased to less than \$200,000 per year; since ARRA, and the increase of funding for the CWSRF, these funds have increased to more than \$400,000 per year.
  - All of the §604(b) funds awarded under ARRA were passed through to regional planning organizations and contractual water quality studies. These pass-through funds account for a large portion of the FY2011 expenditures.
  - FFY2012 budget is anticipated to reflect a decrease in the CWSRF federal program which will result in a decrease in these funds as they are tied directly to the CWSRF. At this time, there is not a budget estimate available.

# Federal – §319 Nonpoint Source (NPS) Implementation Funds

- Fund Definition:
  - Grant provided by US EPA for continuing environmental program authorized under section 319 of the federal Clean Water Act. EPA uses an allocation formula to determine the amount of funding for each state. Federal allocations are made in two portions – Incremental funds and Base funds.
- Who Pays?
  - Federal appropriation by Congress
- Is State Match Required?
  - State match of 40% is required for §319 grant funds. The department provides this match for the §319 program implementation work, and for the portion of this grant that is re-directed to core water pollution control work, with state-funded core water pollution control efforts. Project recipients provide the required 40% match for their projects through local funds or qualifying in-kind activities.
- Allowable Use of Funds:
  - Development and implementation of watershed management plans with the emphasis on impaired watersheds.
- How Funds Are Used:
  - Implementation and oversight of nonpoint source management program; NPS project management to address and reduce nonpoint source pollution on a watershed basis; development of watershed management plans, water quality monitoring to assess protection and restoration.
- Special Considerations:
  - Due to the very nature of nonpoint source pollution, it is difficult to measure progress. For this reason, Congress has recently targeted NPS funding for heavy budget reductions.
  - Congress reduced the §319 budget from \$200m in FFY2010 down to \$175m in FFY2011. In July 2011, the department received word that the House EPA budget bill reduced §319 budget down to \$150m for FFY2012; for Missouri, this represents a 26% reduction in NPS program funding in 2 years.
  - Because the federal budget was not finalized until May 2011 the full reduction was applied to the pass-through funds available from this grant.
  - For FY2012, the department has planned for this anticipated reduction by reducing NPS program staff resources in addition to reductions in pass-through funds.

# Capitalization Grants for Clean Water State Revolving Fund (CWSRF)



- Fund Definition:
  - Grant provided by US EPA for continuing environmental program – Missouri’s allotment of funds is based on a percentage originally established in 1972 by Congress and published in the federal Clean Water Act. This percentage has been amended a couple of times and, currently, Missouri is allotted 2.77% of the annual federal appropriation available to states.
- Who Pays?
  - Federal appropriation by Congress
- Is State Match Required?
  - State match of 20% is required for these federal funds.
- Allowable Use of Funds:
  - Provide financial assistance for a wide variety of water quality projects including traditional municipal wastewater treatment projects, and all types of nonpoint source, watershed protection or restoration.
  - Clean Water SRF 4% Administration set-aside is allowed to fund the department’s loan & grant administration and oversight activities.
- How Funds Are Used:
  - Provide financial assistance for traditional municipal wastewater treatment projects.
  - Clean Water SRF 4% Administration set-aside funds may only be expended for management of the Clean Water SRF program and for management of projects receiving financial assistance through the SRF.
- Special Considerations:
  - The 2008 Clean Water Needs Survey Report to Congress estimated Missouri’s wastewater infrastructure need at \$5.75 billion. This number is now thought to be much higher, although the department has not formally updated this estimate. This need does not include needs of small communities that didn’t participate in the survey and undocumented needs in metro areas.
  - The 4% Administration set-aside is optional. If not budgeted for SRF Administration, these funds would be budgeted for projects. In fact, the department had shifted to using SRF Admin Fees to fund this work in state fiscal year 2002. We shifted back to taking the 4% Set-Aside when we received the ARRA dollars in 2009 and were experiencing shortfalls in SRF Admin Program Income fees.
  - These federal grants had declined prior to ARRA in 2009 to less than \$20m; the annual capitalization grants increased somewhat in 2010 and to nearly \$40m in FFY2011; however FFY2012 budget is anticipated to reflect a decrease in this federal program. At this time, there is not a budget estimate available.

# Water & Wastewater Loan Revolving Fund

- Fund Definition:
  - Principal and interest payments on loans awarded for water and wastewater infrastructure are deposited and interest is earned on the cash balance in this fund. These repaid funds are available to award for additional loans for the construction of water and wastewater infrastructure.
- Who Pays?
  - Recipients of loans under the SRF program.
- Allowable Use of Funds:
  - For providing SRF loans on a revolving basis indefinitely. These funds can be used for low-interest loans for the construction of water and wastewater infrastructure regardless of federal capitalization grant awards.
- How Funds Are Used:
  - Providing SRF loans for the construction of water and wastewater infrastructure.
- Special Considerations:
  - The 2008 Clean Water Needs Survey Report to Congress estimated Missouri's wastewater infrastructure need at \$5.75 billion. This number is now thought to be much higher, although the department has not formally updated this estimate. This need does not include needs of small communities that didn't participate in the survey and undocumented needs in metro areas.
  - Since 2004, interest earnings on this fund have been used to pay the SRF-related portion of water pollution control bond debt service.



# SRF Loan Administration Fees

## Program Income Earned During the Capitalization Grant Period

- Fund Definition:
  - SRF loan administration fees are the fees paid by recipients of SRF loans for the construction of wastewater infrastructure. The federal capitalization grant funds awarded to the state that originally funded these loans are typically open for not more than five years. The loan admin fees are paid throughout the life of the loan and the timing of these payments places them into one of two categories – (1) Program Income Earned During the Capitalization Grant Period or (2) Program Income Earned After the Capitalization Grant Period. Pages 61039 through 61044 of Volume 70, No. 202 of the Federal Register, dated October 20, 2005, defines “During the [federal capitalization] grant period” as “fees earned during grant period on CWSRF loans made with funds directly made available by capitalization grants.” These loan administration fees are paid twice each year, typically in January and July, while the capitalization grant from which the loan originated is open.
- Who Pays?
  - Loan administration fees are paid by recipients of SRF loans – for loans made since June 2009, the fee is 1% of the outstanding loan balance each year. There is no fee on SRF grants.
- Allowable Use of Funds:
  - Program Income Earned During the Grant Period may only be used for eligible Clean Water SRF activities, as defined in the Federal Clean Water Act, and Clean Water SRF program administration.
- How Funds Are Used:
  - Program Income Earned During the Grant Period is only expended for administration and management of the Clean Water SRF program and for management of projects receiving financial assistance through the SRF.
- Special Considerations:
  - Original intent of SRF loan admin fees was to continue to fund SRF-related activities, including management and oversight of the SRF program after cessation of the capitalization grant.
  - These funds will be needed to fund oversight and management of the SRF program if the Clean Water SRF capitalization grants are discontinued.



# Federal - State & Tribal Assistance Grant for Infrastructure Management

- Who Pays?
  - Federal grant to cover the costs of Missouri providing management and oversight of infrastructure projects funded directly by EPA to a community.
- Is State Match Required?
  - No state match is required for these federal funds.
- Allowable Use of Funds:
  - Oversight, management, inspection of infrastructure projects funded directly by EPA to a community.
- How Funds Are Used:
  - Oversight, management, inspection of infrastructure projects funded directly by EPA to a community.
- Special Considerations:
  - No funds are included for this activity in the 2012 federal budget.
  - In previous years, an amendment to the original grant award added approximately \$95,000 dollars to continue this effort.

# Natural Resource Damages

- Who Pays?
  - Revenues are paid by parties as a result of court ordered settlements, administrative orders on consent, or settlement agreements resulting from environmental violations.
- Allowable Use of Funds:
  - These funds shall be used solely for the following purposes: (1) to pay for restoration or rehabilitation of the injured or destroyed natural resources; (2) to pay for the development of or restoration of a natural resource similar to that which was damaged or destroyed; (3) to provide funds for the department for reasonable costs incurred in obtaining an assessment of such injury, destruction, or loss of natural resources, including expenses.
- How Funds Are Used:
  - For damages related to water, these funds have been used to address damages caused by specific events.

# Restitutions

- Who Pays?
  - Revenues are paid by parties as a result of court ordered settlements, administrative orders on consent, or settlement agreements resulting from environmental violations.
- Allowable Use of Funds:
  - Allowable uses may be specified by the court ordered settlement. If not, these funds may be used to support water quality activities such as monitoring or studies.
- How Funds Are Used:
  - These funds have been used to support water quality activities such as monitoring or studies, or for the purchase of equipment to conduct these activities.

# Water Pollution Control Bond Funds

- Fund Definition:
  - Bond sale proceeds authorized under Article III, Section 37(e) and (g) of the Missouri Constitution
- Who Pays?
  - Bond sale proceeds, repayment of unspent grant funds, and interest earnings.
- Allowable Use of Funds:
  - Financing construction of rural water and sewage treatment facilities by any county, municipality, sewer district, or any combination of the same.
- How Funds Are Used:
  - Rural water and sewer grants issued to eligible entities for construction of facilities.
- Special Considerations:
  - The 2008 Clean Water Needs Survey Report to Congress estimated Missouri's wastewater infrastructure need at \$5.75 billion. This number is now thought to be much higher, although the department has not formally updated this estimate. This need does not include needs of small communities that didn't participate in the survey and undocumented needs in metro areas.
  - General obligation bonds were last sold for these purposes in November, 2007.
  - The full amount of a grant is paid out upon award of the grant. If all of a community's grant funds are not expended, that community must repay the unspent portion of the grant.
  - No bond sales are anticipated prior to 2014.
  - The only funds remaining available for these state grant and loans are any unused funds returned by the original grant recipient.
  - Payment of the debt service on bonds sold under Sections 37(e) and (g) is funded by general revenue, except for the SRF-related portion of debt for bonds sold under Section 37(e) that has been paid using interest earned on the cash balance of the Water and Wastewater Loan Revolving Fund since 2004.



# Rural Water and Sewer Loan Revolving Fund

- Fund Definition:
  - Principal and interest payments on loans awarded for rural water and sewer projects are deposited and interest is earned on the cash balance in this fund. These repaid funds are available to award for additional projects.
- Who Pays?
  - Recipients of loans for rural water and sewer projects.
- Allowable Use of Funds:
  - Used for the financing and constructing of rural water and sewer improvements by any county, municipality sewer district, water district, or any combination of the same.
- How Funds Are Used:
  - Provided financing for construction of sewage treatment facilities.
- Special Considerations:
  - The 2008 Clean Water Needs Survey Report to Congress estimated Missouri's wastewater infrastructure need at \$5.75 billion. This number is now thought to be much higher, although the department has not formally updated this estimate. This need does not include needs of small communities that didn't participate in the survey and undocumented needs in metro areas.
  - These funds are eligible to be used as both grants and loans. Grants are not repaid reducing the amount of available funding.
  - Due to limited resources, only Small Borrower Loans are being awarded from the fund.

# Rural Water & Sewer Loan Administration Fees

- What is the Definition of These Funds?
  - Rural Water & Sewer loan administration fees are the fees paid by recipients of loans for the construction of rural water and sewer projects. These loan administration fees are paid twice each year, typically in March and August.
- Who Pays?
  - Loan administration fees are paid by recipients of Rural Water & Sewer loans – for loans made since June 2009, the fee is 1% of the outstanding loan balance each year. There is no fee on Rural Water & Sewer grants.
- Allowable Use of Funds:
  - Fees are to be used for administration and oversight of Rural Water & Sewer projects.
- How Funds Are Used:
  - Partial funding of administration and oversight of rural water and sewer projects.
- Special Considerations:
  - Original intent of these loan admin fees was to fund project-related activities, including management and oversight of this financial assistance program.

# Storm Water Control Fund

- Fund Definition :
  - Bond sale proceeds authorized under Article III, Section 37(h) of the Missouri Constitution.
- Who Pays?
  - Bond sale proceeds and interest earnings.
- Allowable Use of Funds:
  - Providing grants or loans for storm water control plans, studies, and projects in counties of the first classification and any city not within a county.
- How Funds Are Used:
  - Grants or loans issued to eligible communities for storm water control plans.
- Special Considerations:
  - The 2008 Clean Water Needs Survey Report to Congress estimated Missouri's wastewater infrastructure need at \$5.75 billion. This number is now thought to be much higher, although the department has not formally updated this estimate. This need does not include needs of small communities that didn't participate in the survey and undocumented needs in metro areas.
  - Bond sales that were held in November 2007 did not include bonds for this purpose.
  - There have been no bond sales for this purpose since August 2002.
  - No bond sales are anticipated prior to 2014.
  - There is a complex statutory allocation formula for these funds among all of the eligible entities.
  - Payment of the debt service on these bonds sold under Section 37(h) is funded through General Revenue.

# Storm Water Loan Revolving Fund

- Fund Definition:
  - Principal and interest payments on loans awarded for storm water projects are deposited and interest is earned on the cash balance in this fund. These repaid funds are available to award for additional projects.
- Who Pays?
  - Recipients of loans for storm water projects.
- Allowable Use of Funds:
  - Providing grants or loans for use in this state for storm water control plans, studies, and projects in counties of the first classification and any city not within a county.
- How Funds Are Used:
  - Grants and loans issued to eligible communities for storm water control plans.
- Special Considerations:
  - The 2008 Clean Water Needs Survey Report to Congress estimated Missouri's wastewater infrastructure need at \$5.75 billion. This number is now thought to be much higher, although the department has not formally updated this estimate. This need does not include needs of small communities that didn't participate in the survey and undocumented needs in metro areas.
  - No funds have been issued for storm water projects since 2008.



# Storm Water Loan Administration Fees

- What is the Definition of These Funds?
  - Storm Water loan administration fees are the fees paid by recipients of loans for the construction of storm water projects. These loan administration fees are paid twice each year, typically in March and August.
- Who Pays?
  - Loan administration fees are paid by recipients of storm water loans. There is no fee on storm water grants.
- Allowable Use of Funds:
  - Fees are to be used for administration and oversight of storm water projects.
- How Funds Are Used:
  - Partial funding of administration and oversight of storm water projects.
- Special Considerations:
  - Original intent of these loan admin fees was to fund project-related activities, including management and oversight of this financial assistance program.

# Concentrated Animal Feeding Operation (CAFO) Indemnity Fund



- **Fund Definition:**
  - Fund established for the purpose of closing certain CAFOs that have been placed in control of state or local government.
- **Who Pays?**
  - Owners or operators of each class IA concentrated animal feeding operation utilizing flush systems (there are 15 such operations) must remit a fee of ten cents per animal unit permitted beginning on the first anniversary of issuance of permit to operate such facility and for nine years thereafter on the same date.
- **Allowable Use of Funds:**
  - To close class IA, IB, and IC and class II concentrated animal feeding operations as defined in the department's rules, that have been placed in the control of the government due to bankruptcy, failure to pay property taxes, or abandonment, and as defined in 640.745 of the Revised Statutes of Missouri.
- **How Funds Are Used:**
  - There have been no closures utilizing these funds.
  - No funds have been returned as none of the CAFOs that have paid into this fund have ceased operations.
- **Special Considerations:**
  - 640.747 RSMo requires that these funds paid in be returned to the operation when the operation has been successfully closed by the owner or operator.
  - All facilities required to pay into this fund have completed their payments.
  - Interest earned on this fund is retained in the fund and will be utilized for the purpose of financing any closure that may occur.