

**Guidance for  
Clean Water State Revolving Fund  
Regionalization Incentive Grant**



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**Financial Assistance Center  
Water Protection Program  
Division of Environmental Quality**

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## **Guidance for Clean Water State Revolving Fund Regionalization Incentive Grant**

### **Purpose:**

This guidance document provides the Missouri Department of Natural Resources' Financial Assistance Center (FAC) with a uniform and consistent approach to soliciting, evaluating, and awarding a Clean Water State Revolving Fund (CWSRF) Regionalization Incentive Grant.

### **Authority:**

The Department of Natural Resources competitively solicits and prioritizes use of CWSRF on an annual basis. The Clean Water Act allows the state to provide a portion of CWSRF as financial assistance in the form of additional subsidization (i.e., grants, principal forgiveness, or negative interest loans).

The Department currently offers "affordability grants," in conjunction with loan funding, to assist eligible applicants who would otherwise have difficulty financing projects to improve their own wastewater treatment system without additional subsidization per Federal Water Pollution Control Act (FWPCA) Section 603(i)2. Grant eligibility is determined based on the Clean Water SRF Grant Eligibility Evaluation form, and grant funds are allocated to projects on the annual CWSRF Intended Use Plan (IUP)'s fundable list if funds are available. The policy is available at <https://dnr.mo.gov/env/wpp/srf/docs/cwsrf-grant-eligibility-procedure.pdf>.

In addition to the affordability grant, the Department has the opportunity to offer grants for other purposes through the CWSRF. The Water Resources and Development Act of 2014 included an amendment to the FWPCA Section 603(i)(1)(B) that allows the CWSRF program to provide a certain percentage of its total capitalization grant award as additional subsidization to a municipality to implement a process, material, technique, or technology to encourage sustainable project planning, design, and construction. The Department intends to utilize this authority to offer the CWSRF Regionalization Incentive Grant.

The Department determines the amount of capitalization grant that will be allocated to additional subsidization each year based on federal appropriation and Missouri's CWSRF program needs. The annual additional subsidization amount is documented in the CWSRF IUP, and approved by the Clean Water Commission. Each year, the Department's first priority for available CWSRF additional subsidization will be to provide grants based on affordability to municipalities repairing, replacing, or improving their own wastewater and storm water infrastructure. These projects will be assigned grant funds through the CWSRF IUP each year. After the Department assigns funding to all grant-eligible projects, if a remaining balance of additional subsidization is available, the Department will solicit and accept applications for CWSRF regionalization incentive grants. The Department will accept applications only during the application solicitation period, and will competitively score applications (see "Prioritization Process" section of this document).

**Intent:**

The Department encourages regionalization where practical, especially projects involving small entities with affordability challenges. This funding opportunity is intended to provide municipalities with an incentive to construct connections for small, struggling facilities. The entities responsible for these small facilities often lack the financial and technical resources to upgrade their wastewater treatment facilities to meet more stringent limits and operate their facilities appropriately. These facilities typically serve such a small number of connections that the cost to comply with permit conditions is a significant financial challenge for the users.

The primary focus of the grant is on reducing the number of small facilities that are currently under or likely to come under enforcement action with the Department, and incentivizing projects that would not be completed without this funding. Grant results will include a reduction in the number of point sources releasing pollutants to the State's waterways, increased operating efficiency, and stimulation of opportunities for economic development.

**Definitions:**

- **Applicant** – The applicant is the municipality proposing to build a connection or connections for the purpose of receiving wastewater from another facility or facilities.
- **Connecting entity** – An existing wastewater treatment facility that is permitted or should be permitted by the Department, and for whom the applicant proposes to provide with wastewater treatment after construction of a conveyance for effluent.
- **Municipality** – 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.”
  - (i) This definition includes a special district created under State law such as a water district, sewer district, sanitary district, utility district, drainage district or similar entity, or an integrated waste management facility, as defined in section 201(e) of the Act, which has as one of its principal responsibilities the treatment, transport, or disposal of domestic wastewater in a particular geographic area.
  - (ii) This definition excludes the following:
    - Any revenue producing entity which has as its principal responsibility, an activity other than providing wastewater treatment services to the general public, such as an airport, turnpike, port facility or other municipal utility.
- **Permitted wastewater treatment facility** – A domestic wastewater treatment facility that is required to have a Missouri State Operating Permit issued by the Department.

- **Private wastewater treatment facility** – A private facility is a facility owned by a Homeowner’s Association (HOA), an individual, a mobile home park, etc. and that does not generate profits for the owner. Facilities owned or operated by a for-profit utility company regulated by the Public Service Commission are excluded from this definition.

**Eligibility:**

All municipalities (see “Definitions” section of this document) in Missouri are eligible to apply for this grant. The applicant is the municipality proposing to build the connection for the purpose of receiving wastewater from another facility, and will be the recipient of all grant funds. Facilities to be eliminated by the proposed connection cannot apply as the applicant.

**Eligible Costs:**

This grant will fund 100 percent of all eligible costs. Examples of eligible costs include planning, designing, and constructing the sewer connection, applicant’s legal costs associated with negotiation and execution of a service agreement, and land acquisition or easements acquired according to the Uniform Relocation Assistance and Real Property Acquisition Act of 1970. The costs of decommissioning is eligible when the facility to be decommissioned is a publicly owned facility, as there are federal limitations on these funds (Title 40 CFR §35.3125(c)). See 10 CSR 20-4.040(21)B for specific cost eligibility information.

Connection fees charged by the applicant to the connecting entity are not an eligible cost. The applicant is encouraged to waive such fees since the grant provides 100 percent of construction costs.

Per FWPCA Section 602(b)(13), in order to be funded through the CWSRF, projects must be cost effective. The Department will compare the cost for the construction of the proposed connection with the estimated cost to repair, replace or upgrade the wastewater treatment facility that is to be eliminated. The applicant’s Facility Plan should estimate the cost to repair, replace or upgrade the wastewater treatment facility that is being connected if it is a publicly owned facility. Estimated cost for privately owned facilities may be provided by consultation with FAC engineering staff. Any connection project with a total estimated cost that is 10 percent or greater than the cost to upgrade the facility will be deemed ineligible.

Per FWPCA Section 204(a), projects will only be deemed eligible if the size and capacity of such works relate directly to the needs to be served by such works, including sufficient reserve capacity. Projects designed for potential development are not eligible.

**Application Procedure:**

The Department will accept applications annually during a 3 month application window preceded by a public announcement, based on available funds. Applications will be for funds to:

1. Develop a facility plan (if one has not already been completed); and

2. Design and construction of the infrastructure connection that will convey wastewater effluent from the connecting entity's facility to the applicant's wastewater treatment plant.

The application requires signatures from both the applicant and the owner(s) of the wastewater facility(s) to be connected by the regionalization grant; this ensures both parties have a mutual interest in the regional connection prior to the commitment of funds.

### **Application Processing:**

Applications received by the Department by the established deadline will be date stamped and logged. The CWSRF Regionalization Incentive Grant Coordinator will make an initial review of all the applications for completeness, eligibility, and for distance of the sewer connection. Applications must be complete in order to be included for prioritization.

The maximum distance that will be considered for proposed projects is 5 miles from the applicant's collection system to the facility to be connected. Applications for connections greater than 5 miles may be evaluated on a case-by-case basis at the Department's discretion.

The CWSRF Regionalization Incentive Grant Coordinator will convene an internal review panel to review, score, and prioritize the applications.

### **Prioritization Process:**

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.

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 1:** The applicant is a municipality. The entity (or entities) the applicant proposes to connect is a private, municipal, or school wastewater treatment facility, which is outside of the applicant's service area, and is under enforcement with the Department or the U.S. Environmental Protection Agency. Applicants for Category 1 projects may submit an application without a facility plan and be awarded an engineering grant for the development of a facility plan.

**Category 2:** The applicant is a municipality. The entity (or entities) the applicant proposes to connect is a municipal or school wastewater treatment facility, which is outside of the applicant's service area, is not under enforcement and has 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 be awarded an engineering grant for the development of a facility plan.

**Category 3:** The applicant is a municipality. The entity (or entities) the applicant proposes to connect is a private wastewater treatment facility, which is outside the applicant's service area, is not under enforcement and has 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 be awarded an engineering grant for the development of a facility plan.

**Category 4:** A municipality that has been designated as the continuing authority per 10 CSR 20-6.010 (2)(B)1-3, that is proposing to connect a private or public facility(s) within its political boundary and/or designated service area, *and* for which the estimated project cost will increase the wastewater treatment user charge for the entire municipality to more than 2 percent of Median Household Income (MHI). In order to be evaluated, applicants for Category 4 projects must submit a complete facility plan with estimated project costs and proposed user rates.

Second, the Department will prioritize projects within each category based on the priority points for the facility to be connected (See Attachment 1, CWSRF Regionalization Incentive Grant Application Prioritization Scoring). The Department will assign priority points to each application based on the receiving stream characteristics, need for regionalization, readiness to proceed, financial need, and prior lending history with the Department.

- The Department will award receiving stream points based on the “Beneficial Uses”, “Sensitive Waters” and “Targeted Waterbodies” of the receiving stream(s) of the facility(s) to be eliminated. If the project eliminates multiple permitted facilities that discharge to different water bodies, the receiving stream with the highest point total will be used.
- The Department will award points based on the need for regionalization for each wastewater treatment facility(s) to be eliminated by the proposed project in the following categories: “under Department enforcement”, “not under Department enforcement but has current Schedule of Compliance to meet more stringent permit limits” and “not under Department enforcement”. Facilities designated “not under Department enforcement” include facilities that are operating in compliance with their permit and facilities in noncompliance but that do not have Schedules of Compliances in their permits.
- Grant funds are intended for elimination of facilities with a Missouri State Operating Permit, not on-site facility(s) permitted under the authority of the Department of Health and Senior Services. Thus, on-site facility(s) may be connected to the applicant's facility but these connection(s) must be made using another funding source.
- The Department may award additional points for readiness to proceed if the applicant submits an application accompanied by a facility plan and/or executed negotiated service agreement(s) for all the facility or facilities listed in the application. The service agreement must include the Department's “Minimum Service Agreement Requirements” (see below) to be eligible for the service agreement points.

- The Department will award priority points based on the financial need of the connecting entity<sup>1</sup>, primarily utilizing its average MHI in relation to the State's MHI. If multiple connecting entities are being connected, the MHI will be determined by using the average of all the connecting facilities' MHIs, weighted by the current number of connections. FAC staff will utilize publicly available American Community Survey (ACS) data gathered by the U.S. Census Bureau because it is the most comprehensive source, is periodically updated, and is publicly available on the Census Bureau website ([www.census.gov/programs-surveys/acs/](http://www.census.gov/programs-surveys/acs/)). When census information specific to the applicant is not available (e.g. sewer districts, private facilities, etc.) and a survey has not been conducted, staff will reference the county's ACS data. Although county data does not offer an exact representation of the service area, it is the most readily available data to the FAC. If the applicant believes that the ACS data does not accurately reflect the demographics of the area, the applicant may submit an income survey conducted using a Department-directed methodology (available upon request). If provided, the income value from the survey will replace the census MHI in the Department's evaluation.
- The Department will award additional priority points to applicants who have had a prior SRF loan or has a current SRF loan.

When completed, the point values will be totaled to provide the applicant's priority score.

#### **Federal and state requirements:**

A number of federal and state laws and executive orders apply to projects receiving federal financial assistance through the CWSRF. Federal requirements that may apply to all recipients include the Davis Bacon Act, American Iron & Steel, 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. Applicants assigned grant funds will receive instructions from the Department for all CWSRF requirements that must be met in order to receive funding.

Applicants and connecting entities must also comply with any applicable state laws, such as the hearing and public notice procedures for establishing user charges in accordance with Section 250.233 RSMo.

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<sup>1</sup> The Department may request additional documentation about the financial situation of the facility or facilities to be connected in order to fully and accurately assess financial need.

**Grant Assignment/Intended Use Plan Listing:**

The Department will list applicant projects in priority order within each category, and will allocate grant funds to qualifying applicants, starting with applicants with Category 1 projects with projects assigned the highest priority point totals. The Department will allocate funds in descending order through the grant priority list until all annually available grant funds have been allocated or until all eligible applicants have grant funds allocated to them, whichever comes first. However, if the available funds are less than the eligible project cost for any given project, the Department will bypass the project and allocate funds to the next project for which funds are sufficient. The number of applicant(s) selected each application cycle will vary based on available funds. The Department also reserves the right to use its discretion to bypass higher scoring applications with lower scoring applications if necessary to protect human health and the environment.

The Department will provide written notification that the grant funds are committed to the project when the IUP or IUP amendment committing funds is placed on public notice. Upon notification of the assignment of funds, applicants must meet the following schedule in order to utilize allocated grant funds:

- Applicants assigned grant funds for a facility plan will have 1 year from the date the project is listed in the IUP to procure engineering services and develop a facility plan. Upon submittal of a complete and approvable facility plan, pending sufficient available additional subsidization funds, the project will be moved to either the contingency or the fundable list of the IUP.
- Applicants assigned grant funds for a construction project will have 2 years from the date the project is listed on the IUP to navigate the CWSRF project approval process (environmental review, design, bidding, submittal of compliance forms, etc.), receive the grant award and begin construction of the selected alternative. Construction grant funds must be spent within 3 years of award.
  - Projects will be placed on the Fundable List when the applicant has an accepted facility plan and a signed service agreement(s) with the connecting entity(s).
  - Projects will be placed on the Contingency List when the applicant has an accepted facility plan but has not entered into formal service agreement(s) with the connecting entity(s). The applicant will have 1 year listed on the Contingency List to reach an agreement. If after 1 year, a formal agreement(s) cannot be reached by the applicant and all connecting entity(s), the project will be removed from funding consideration.

**CWSRF Grant-Funded Facility Plans:**

Upon completion of the facility plan, the grant recipient or grant recipient's engineer will submit the report to the Department. The Department will review and comment on the facility plan. Once all comments are addressed, the engineer must submit a completed Cost and Effectiveness form (see <https://dnr.mo.gov/forms/780-2660-f.pdf>). The Department will review the proposed project's cost and effectiveness and will either:

1. Concur that the connection alternative project is the most cost effective and provide the applicant with directions for seeking environmental clearance letters; or
2. Not concur that the project is the most cost effective, and notify the applicant that that the Department cannot fund the construction of the project. The applicant may then either choose to self-fund the project and proceed without the grant funds.

Failure to make timely progress may result in project bypass and/or loss of grant funding. In this event, the applicant will need to re-compete for grant funds by re-applying during the next application cycle. The Department may remove projects from a funding list on the IUP at the request of the applicant, if the Department finds that the proposed project is ineligible for CWSRF assistance, or if the Department determines that the project is not making timely progress.

**Minimum Service Agreement Requirements:**

1. User rates and fees (wholesale or per connection)
  - a. Negotiated and agreed upon user rates
  - b. Negotiated and agreed upon fees (if applicable)
  - c. User rates must be fair and equitable
    - i. Should be proportional and based on actual use
  - d. Clause explaining when rates and fees may be renegotiated, and explain the basis for rate and fee (if applicable) increases
  - e. Explain how rates and fees (if applicable) will be invoiced and collected
  - f. Describe any penalties for unpaid rates and fees (if applicable)
2. Operation and maintenance responsibilities will be clearly established
3. The agreement duration must be at least 20 years
4. The municipality and connecting entity(s) must agree to one of the following scenarios:
  - a. Scenario 1
    - i. Municipality agrees to:
      1. Operate and maintain its portion of the collection facility
      2. Provide service for the duration of the agreement. This may require ordinance changes.
    - ii. Connecting entity(s) agrees to:
      1. Operate and maintain its portion of the collection facility
      2. Connect and remain connected for the duration of the agreement. Also, the connecting entity must ensure that any new development in the entity's control will be required to connect (i.e. if currently undeveloped lots in a Home Owners Association's (HOA) subdivision are later developed, the HOA must require these

homes to connect, rather than build their own individual or shared treatment system. This may require HOA covenant changes.

- b. Scenario 2
  - i. Municipality agrees to:
    1. Own the collection system, and operate and maintain the entity's collection system
    2. Provide service for the duration of the agreement. This may require ordinance changes.
  - ii. Connecting entity(s) agrees to:
    1. Transfer ownership and easements related to the collection facility to the municipality
5. Right to access/easements
6. (Private facilities only) Certify that responsibility for cost to decommission or properly close wastewater treatment facilities will be addressed by connecting entity.

#### **Additional Items to consider when Negotiating Service Agreement**

1. Availability for future connections
  - a. Capacity to connect
  - b. Process and schedule to connect
  - c. Cost to connect
    - i. Tap on fees (if applicable)
    - ii. Change in wholesale rate (if applicable)
2. Basic communication requirements (i.e. provide examples of topics to cover)
3. Compliance and reporting responsibilities and requirements
  - a. Which entity is responsible for reporting Sanitary Sewer Overflows
4. Rates and fees
  - a. Notice period prior to rate change
  - b. Negotiation/mediation procedures in the event disagreements cannot be resolved by the involved parties.
5. Waste loadings
  - a. Permissible versus prohibited wastes
  - b. Pretreatment
6. Annexation
7. Infiltration and Inflow
8. Capital costs
9. Requirement that HOA is maintained for the duration of the agreement

**Facility Plan Requirements:**

1. Must be prepared in accordance with 10 CSR 20-8.110, Chapter 8 Minimum Design Standards.
2. Must assess and verify applicant's Wastewater Treatment Facility (WWTF) has capability to accept the wastewater from the facility(s) to be connected, even given reasonable anticipated growth.
3. Discuss the existing infrastructure within facility(s) to be connected.
4. Discuss any easement(s) and/or land acquisition(s) that are anticipated as part of the proposed regionalization project.
5. Discuss the project including a base project and alternate project(s) (connecting additional facilities) if applicable, and the cost benefit of the connection.
6. Project costs
  - a. Costs of any easement(s) and/or land acquisition(s)
  - b. Cost comparison of alternatives (including operation and maintenance and estimated present worth):
    - i. Upgrading the facility proposed to be connected
    - ii. Land application
    - iii. Regionalization
  - c. Costs associated with closure or alternative use of facility's existing WWTF
  - d. Total project cost
    - For projects proposing to connect multiple facilities, the facility plan must be presented as a base project (minimum desired project) with additional add-on projects due to the uncertainty of available funds. The facility plan should include the cost of the base project and the cost of adding each additional facility to the base project.
  - e. Costs associated with operation and maintenance of the proposed collection line and any additional costs associated with the flow at the plant
7. Discuss Cost and Effectiveness Analysis
  - a. If the most direct route is not taken to construct the connection to the facility, provide an explanation of why the most direct route is not the most cost effective.
  - b. Cost and Effectiveness Certification Form
8. Project Schedule
9. A Plan of Study per 10 CSR 20-4.040(27)

**Attachment 1**

**CWSRF Regionalization Incentive Grant Application Prioritization Scoring  
(to be completed by Department staff)**

Applicant: \_\_\_\_\_ DUNS #: \_\_\_\_\_

Received Date: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Description: \_\_\_\_\_

**Is the facility (or facilities) to be connected within 5 miles of grant applicant’s collection facility?**

Yes  No

**Is the proposed project primarily for existing development and not primarily for future development?**

Yes  No

Required Information to be submitted with application:

Project Summary includes:

- Need for the project
- Maps or drawings showing the location

Authorized Rep. Ordinance/Resolution:

**Priority Determination**

**Categories**

**Category 1:** The applicant is a municipality. The entity (or entities) the applicant proposes to connect is a private, municipal, or school wastewater treatment facility, which is outside of the applicant’s service area, and is under enforcement with the Department or the U.S. Environmental Protection Agency. Applicants for Category 1 projects may submit an application without a facility plan and be awarded an engineering grant for the development of a facility plan.

**Category 2:** The applicant is a municipality. The entity (or entities) the applicant proposes to connect is a municipal or school wastewater treatment facility, which is outside of the applicant’s service area, is not under enforcement and has 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 be awarded an engineering grant for the development of a facility plan.

**Category 3:** The applicant is a municipality. The entity (or entities) the applicant proposes to connect is a private wastewater treatment facility, which is outside of the applicant’s service area, is not under enforcement and has 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 be awarded an engineering grant for the development of a facility plan.

**Category 4:** A municipality that has been designated as the continuing authority per 10 CSR 20-6.010 (2)(B)1-3, that is proposing to connect a private or public facility(s) within its political boundary and/or designated service area, *and* for which the estimated project cost will increase the wastewater treatment user charge for the

entire municipality to more than 2 percent of Median Household Income (MHI). In order to be evaluated, applicants for Category 4 projects must submit a complete facility plan with estimated project costs and proposed user rates.

No. of facility(s) to be eliminated in each Category: 1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_

**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.)

- Beneficial Uses** of the water body receiving discharge from existing Wastewater Treatment Facility(s) (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. \_\_\_\_\_

- 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. \_\_\_\_\_

- 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 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 facilities)**

Each WWTFs eliminated not under Department Enforcement = 5 pts.

No. Eliminated \_\_\_\_\_ X 5 pts. = \_\_\_\_\_

Each WWTFs eliminated which has a Schedule of Compliance in the permit to meet more stringent limits and not currently under Department Enforcement = 10 pts.

No. Eliminated \_\_\_\_\_ X 10 pts. = \_\_\_\_\_

Each WWTFs eliminated that is under enforcement with the Department = 20 pts.

No. Eliminated \_\_\_\_\_ X 20 pts. = \_\_\_\_\_

**5. Readiness to Proceed**

Municipality has an executed negotiated agreement for service meeting Department minimum requirements with residents of the facility(s) to be eliminated = 25 pts.

(All facility(s) to be connected must have an agreement to award points.) \_\_\_\_\_

Facility plan has already been developed for the facility(s) proposed to be Eliminated, and is less than 5 years old = 25 pts.

(Must be submitted with application to award points) \_\_\_\_\_

**6. Financial Need** of the facility(s) being connected determined by the facility's(s') MHI compared to the state's MHI determined by American Community Survey data. If multiple facilities are being connected, the MHI will be determined by using the weighted average of all the facilities' MHI in respect to the facilities current number of connections.

Average MHI >100% State's MHI = 0 pts. \_\_\_\_\_

Average MHI 75% to 100% State's MHI = 10 pts. \_\_\_\_\_

Average MHI 50% to <75% State's MHI = 25 pts. \_\_\_\_\_

Average MHI <50% State's MHI = 50 pts. \_\_\_\_\_

**7. Additional Priority Points**

Applicant has/had a State Revolving Fund Loan = 10 pts \_\_\_\_\_

**Total Points:**

Tie Breaker(s): In the event that there is a tie in priority points within a category, the Department will use the following tie breakers starting with No. 1 below. If tie breaker No. 1 does not break the tie, the Department will move down the list of other tie breakers (as necessary) until the tie is broken.

1. Number of connecting entities whose discharges will be eliminated = \_\_\_\_\_
  
2. Total number of connections of all connecting entities = \_\_\_\_\_
  
3. Total flow that will be diverted to the applicant's treatment works = \_\_\_\_\_  
(Flow will be based on the connecting facility(s) permitted flow(s). The flow from all unpermitted facility(s) will be considered as 0.)