

CLEAN WATER

State Revolving Fund

Intended Use Plan and Project Priority List for Fiscal Year 2021

Oct. 1, 2020 through Sept. 30, 2021

Proposed – August 19, 2020



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Cover photo: A custom-built Tunnel Boring Machine, 10 feet in diameter and over 260 feet in length, breaks through at a new Missouri River outfall in St. Joseph. As part of the city’s Blacksnake Creek Stormwater Separation Improvement project, the machine excavated a deep, 6,700 foot tunnel through soil and bedrock while simultaneously installing segmented concrete lining. The structure intercepts and redirects about two million gallons of water from Blacksnake Creek that currently goes to the city’s combined sewer system and sends it to the new outfall. Photo by City of St. Joseph, Missouri.

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 Federal Fiscal Year (FFY) 2021.

Missouri applies to the EPA annually for a capitalization grant to fund its SRF program. These funds, combined with the required state match and interest earnings, are 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 **\$2.9 billion** in below-market rate loans and approximately **\$91 million** in grants to meet Missouri's wastewater infrastructure needs, saving 626 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 CWSRF is managed by the Department and the Environmental Improvement and Energy Resources Authority (EIERA). The Department, with oversight from the Clean Water Commission, is responsible for programmatic functions, including processing applications, priority scoring, IUP preparation, environmental review and permitting, reporting, and financial assistance disbursement and repayment processing. EIERA issues bonds, manages related tax issues and monitors post-issuance compliance. The Department and EIERA work together to maximize the amount of construction that can be supported by the program, and reserve the right to refinance, assign, pledge, or leverage any loans originated through the CWSRF program.

The Department continually refines the CWSRF program to ensure it offers affordable financing to meet today's high priority water quality improvement needs and provides a stable source of funding for clean water infrastructure projects well into the future. 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 FFY2021.

Our partners

- The Missouri Water and Wastewater Review Committee is a group of individuals representing three agencies that provide funding to communities for water and wastewater infrastructure improvements. Agencies represented include the Department, the Missouri Department of Economic Development's Community Development Block Grant Program, and the U.S. Department of Agriculture's Rural Development. The committee convenes once a month to review proposals, engineering reports, and make recommendations to apply for funding. This collaborative effort is intended to stretch limited financial assistance dollars to support the greatest number of projects for Missouri communities.
- The Missouri Department of Agriculture oversees a loan program funded by the CWSRF for the construction of animal waste treatment facilities. The Department awards loans funds 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 2021 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:

- Provide assistance to water quality improvement actions that help fulfill the objectives of the Clean Water Act.
- Provide assistance to projects that increase the long-term sustainability of wastewater treatment systems, and incentivize projects that consolidate, interconnect or regionalize wastewater treatment.
- 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.
- Provide assistance and support for technically appropriate and financially sustainable projects.
- Manage projects and work efficiently with participants to ensure projects proceed toward a binding commitment in a timely manner.
- Maintain the long-term integrity of the revolving fund by applying prudent financial standards to assistance provided to participants.

Short-term goals:

- Utilize additional subsidization incentives and outreach to increase use of the CWSRF projects.
- Plan and implement a programmatic financing structure that offers a reliable funding mechanism for entities with significant capital spending needs.

- Have the CWSRF priority point criteria (Appendix 5) updated and approved by the Missouri Clean Water Commission at least 60 days prior to the application deadline of March 1, 2021.

Fiscal Year 2021 Clean Water State Revolving Fund Available Funding

During FFY2021, the CWSRF program expects to have approximately \$534 million available for new CWSRF projects. This includes carryover monies from previous years, loan repayments, interest earnings on investments of CWSRF resources, federal capitalization grants, and state match. Project Lists are in Appendix 1.

Eligible project types

CWSRF program dollars typically help municipalities build or improve wastewater treatment plants. However, nonpoint source 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
- Acquisition of an existing wastewater treatment plant
- Treatment plant decommissioning actions associated with plant replacement or regionalization projects
- Sewer line extensions associated with regionalization projects
- Sewer rehabilitation
- Sewer line extensions to existing unsewered properties
- Combined sewer overflow and sanitary sewer overflow corrections
- Projects for reusing or recycling wastewater
- System security, efficiency, and conservation measures

Nonpoint source projects may include the following:

- Measures to manage, reduce, treat, reuse, or recapture stormwater or subsurface drainage water
- Wetland protection and restoration measures
- Decentralized wastewater treatment systems
- Source water protection measures

State regulations describe eligible and ineligible expenses. Examples of eligible costs include engineering costs for planning and design, land if needed for the project, legal costs, and construction costs. 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 municipalities, counties, public sewer or water districts, political subdivisions or instrumentalities of the state are eligible for wastewater and nonpoint source project loans.
- Privately-owned and nonprofit facilities may be eligible to apply 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 standard interest rate that is 30 percent of the market rate. The market 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. Loan proceeds must be expended within 36 months of the loan closing.

The standard loan term is 20 years or the useful life of the project, whichever is less. 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 on a case-by-case basis. An additional 0.5 percent interest is added to the standard interest rate for a qualifying participant that opts to close a loan with extended term financing. 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.

CWSRF additional subsidization in the form of grant funding, typically in conjunction with a loan, may be available for eligible borrowers in accordance with current federal appropriations.

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. Funds set aside for these reserves 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 List:** This list includes projects that 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. These projects are scheduled for financial assistance during the current fiscal year, and available funds are allocated to listed projects.

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 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 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 List:** This list includes projects for which the Department has received an application but is awaiting an approvable facility plan and/or acceptable debt instrument. 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 IUP'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 timely progress, in order to make the committed funds available to another project that is ready to proceed. The Commission may move projects removed from the Fundable Priority List to the Contingency or Planning Priority Lists. Bypass procedures are outlined in 10 CSR 20-4.040 (29)(C).
- **Project removal:** Projects may be removed from the Project Priority List at the request of the applicant or if the Department finds 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 Department will determine the amount of capitalization grant to be allocated for additional subsidization each year based on federal appropriation and Missouri's CWSRF program needs. Only political subdivisions (including counties, incorporated cities and towns, regional water or sewer districts) may receive additional subsidization. FFY2021 additional subsidization funding allocations are described in Appendix 1.

- **CWSRF Affordability Grants** for wastewater treatment facility construction are available, in coordination with loans, to small communities who would have difficulty financing wastewater infrastructure improvements without additional subsidization. The Department will obligate affordability grant funds to applicants on the Fundable List in the order established by the Priority Point Criteria (Appendix 5) with the available additional subsidization allocation. Grant eligibility procedures and application instructions are described in Appendix 2.
- **CWSRF Regionalization Incentive Grants** are available to municipalities for development of facility plans for sewer extensions and sewer extension construction projects. The program is intended to incentivize connections that reduce the number of small, struggling facilities through regionalization. The Department evaluates projects through a competitive, annual funding cycle, and offers a funding obligation to applicants with the available additional subsidization allocation. For FFY 2021, the Department will accept applications from October 1, 2020 through December 31, 2020. For FFY 2022 and later, the Department will accept applications submitted by March 1 each year. Applications, eligibility criteria, and instructions are available at <https://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm>.

- **CWSRF Water Quality Incentive Grants (WQI)** are available to municipalities receiving a CWSRF loan to incentivize activities that have significant benefits to water quality. Eligible applicants are those that submit an application by the March 1 deadline; meet readiness-to-proceed criteria; and include a qualifying project component. The Department will obligate WQI grant funds to offset loan funding to applicants on the Fundable List in the order established by the Priority Point Criteria (Appendix 5) with available additional subsidization. Qualifying project components and the associated maximum WQI grant amounts are described in the table below.

Water Quality Incentive Grants	
Project component	Available grant funding
Cost for construction of flood mitigation infrastructure, such as holding basins, flood walls and redirection structures, used in conjunction with a flood control plan.	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for wastewater treatment plant upgrades needed to comply with new permit limits or to meet the assumptions and requirements of Total Maximum Daily Load Wasteload Allocations for a particular pollutant.	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for construction of wastewater treatment plant improvements intended to provide renewable energy generation, such as methane recovery, that reduce plant operating cost.	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for streambank stabilization in the watershed of a drinking water supply lake.	Up to \$500,000, not to exceed 50% of the total funding request
Cost for construction of measures to manage, reduce, treat, or recapture stormwater, or to construct green infrastructure in developed or urban areas to address nonpoint source pollution.	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for wastewater treatment improvements by a municipality serving citizens enrolled in a rate assistance program to facilitate a rate reduction or relief for affected low income residents, with the grant amount not to exceed the portion of the project serving enrolled citizens.	Up to \$2,000,000, not to exceed 50% of the total funding request
Cost for inflow and infiltration rehabilitation projects	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for construction of a sewer extension to serve customers in a district or city's service area that will eliminate a permitted, discharging wastewater treatment facility.	Up to \$500,000, not to exceed 50% of the project cost
Cost for construction to connect homes with failing or poorly functioning onsite wastewater systems to an existing central wastewater treatment system.	Up to \$500,000, not to exceed 50% of the project cost

The grant commitment is valid for two years, with grant funds awarded when the applicant enters into a loan agreement. Failure to make timely progress may result in bypass and the loss of the WQI grant commitment. Each applicant, whether it submits one application or multiple projects, is limited to one WQI grant per IUP cycle in order to equitably distribute grant funds

to CWSRF applicants. Applicants with projects eligible for an Affordability Grant may receive that grant as well as a WQI grant for qualifying project costs that exceed \$4,000,000 and are financed with a CWSRF loan that is at least \$2,000,000. Application instructions are described in Appendix 2.

- **Engineering Report Grants** are available for municipalities, counties, public sewer or water districts, political subdivisions, or instrumentalities of the state with a population of fewer than 10,000 for engineering costs to prepare a facility plan. These funds can pay for a facility plan for wastewater treatment and collection system improvements related to new permit requirements and/or inflow and infiltration. Eligible applicants may receive an 80 percent grant with a 20 percent recipient match, while eligible applicants qualifying as disadvantaged may receive a 90 percent grant with a 10 percent recipient match. The maximum grant amount is \$50,000. Eligible applicants can submit an Engineering Report grant application to the Department at any time. Applications are available online at <https://dnr.mo.gov/forms/780-2217-f.pdf>.

Department Initiatives

In FFY 2021, the Department will award additional subsidization in the form of a grant up to \$1,500,000 with a three-year budget period to a qualified nonprofit entity for the purpose of providing assistance to small and medium publicly-owned treatment works. The Department will award this Technical Assistance Grant (TAG) to one nonprofit corporation based on responses to a Request for Proposals. The Request for Proposals will be available after approval of this Intended Use Plan by the Clean Water Commission. Pursuant to Section 603(c)(11)e of the Water Resources Reform and Development Act, the TAG will fund assistance activities associated with planning and obtaining financing for eligible projects, and achieving compliance with the Clean Water Act.

Green Project Reserve

Federal law requires that the Department make a “good faith effort” to use a percentage of the annual CWSRF capitalization grant 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 deadline

An entity can submit a CWSRF loan application at any time to the Department. Applications received or postmarked by March 1 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 FFY2021

The list of projects being funded in FFY2021 is ranked by priority in Appendix 1.

Appendix 1: Project Priority Lists and Financial Tables

Estimated Sources and Uses of Funds

During FFY2021, the Clean Water State Revolving Fund (CWSRF) program expects to have approximately \$534 million available for loans and additional subsidization during this fiscal year. The estimate includes carryover 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 intends to use an amount from the FFY2020 federal capitalization grant equal to 1/5 of one percent of the current valuation of the fund 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, 2019.

**Clean Water State Revolving Fund
Estimated Sources and Uses of Funds
FFY 2021 Intended Use Plan**

Estimated Sources as of December 31, 2019		
Anticipated Capitalization Grants for Clean Water State Revolving Fund	\$	80,375,720
Cash Balance *	\$	386,866,829
Anticipated Loan Repayments and Investment Earnings Net of Bond Payments (1/1/19 - 9/30/21)	\$	268,314,964
State Match - FFY 2021 Capitalization Grant **	\$	2,518,538
Total Estimated Sources		\$ 738,076,051

Estimated Uses		
Undisbursed Amounts Committed to Existing Projects	\$	106,831,119
Anticipated Program Administrative Expenses from Capitalization Grants	\$	5,000,213
A2010 Match Bond Debt Service Payments due through 9/30/22	\$	2,208,912
Anticipated Direct Loans Closing between 1/1/20 and 9/30/20	\$	82,975,540
Anticipated Grants Awarded between 1/1/20 and 9/30/20	\$	7,118,986
Anticipated Additional Subsidization Available for FFY 2021 CWSRF IUP Projects	\$	17,935,840
Anticipated Loan Funds Available for FFY 2021 CWSRF IUP Projects	\$	516,005,441
Total Estimated Uses		\$ 738,076,051

* 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 State Revolving Fund. Bond proceeds 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, and will provide all but \$2,518,538 of state match for the FFY2020 capitalization grant (utilized in this FFY 2021 Intended Use Plan).

** A bond sale or a transfer of loan administration fees is expected to provide the remaining \$2,518,538 in state match needed.

Loan and Grant Commitments 1/1/20 through 9/30/20	Loan	Grant	Total
Northeast PSD - Funded 1/30/20	\$ 5,000,000	\$ -	\$ 5,000,000
Weston - Funded 1/31/20	\$ 3,618,000	\$ -	\$ 3,618,000
Troy - Funded 4/15/20	\$ 18,887,000	\$ -	\$ 18,887,000
Moberly - Funded 4/30/20	\$ -	\$ 954,208	\$ 954,208
Van Buren - Funded 4/30/20	\$ -	\$ 981,050	\$ 981,050
Linn - Funded 4/30/20	\$ -	\$ 607,570	\$ 607,570
Winfield - Funded 4/30/20	\$ -	\$ 62,500	\$ 62,500
East Prairie - Funded 4/30/20	\$ -	\$ 62,500	\$ 62,500
Holts Summit - Funded 4/30/20	\$ -	\$ 1,017,918	\$ 1,017,918
Potosi - Funded 4/30/20	\$ -	\$ 363,700	\$ 363,700
Rolla	\$ 27,240,000	\$ -	\$ 27,240,000
Lathrop	\$ 3,161,000	\$ -	\$ 3,161,000
MSD Deer Creek Pump Station	\$ 22,000,000	\$ -	\$ 22,000,000
Gravois Arm Sewer District	\$ 1,729,000	\$ 1,729,000	\$ 3,458,000
Meadville	\$ 613,365	\$ 613,365	\$ 1,226,730
Greenfield	\$ 727,175	\$ 727,175	\$ 1,454,350
Total Commitments 1/1/20 through 9/30/20	\$ 82,975,540	\$ 7,118,986	\$ 90,094,526

Project Priority Lists

A comprehensive list of FFY2021 applicants is followed by the Project Priority Lists.

Per 10 CSR 20-4.040, applications are valid for a 2-year plan cycle. Applicants that have not received their funding at the end of the 2-year plan cycle may reapply to the program, but a project's position on a fundable, contingency, or planning list may change with each subsequent application. The Department will de-obligate funding from projects that are not making adequate progress within the allotted 2-year plan cycle and reallocate funds to other projects.

Projects carried over from the 2020 IUP remain eligible for FFY2021 and retain the points they received under the criteria in effect at the time they initially applied. The Department carried unfunded projects that filed an original application by November 15, 2018, into the FFY2020 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. Carryover projects in the FFY2021 IUP must reapply by March 1, 2021, in order to compete for funding in the FFY2022 IUP.

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

Allocation of Available Loan Funds

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.

Allocation of Available Funds

Funding Category	Percent of Fundable List Allocation	Loan	Additional Subsidization	Total
Small and Non-Metropolitan Areas and Districts (1)	40%	\$ 203,369,713	\$ 10,206,799	\$ 213,576,512
Large Metropolitan Areas and Districts (2)	30%	\$ 160,182,385	\$ -	\$ 160,182,385
Combined Sewer Overflow (CSO)	15%	\$ 80,091,192	\$ -	\$ 80,091,192
Department Initiatives	15%	\$ 72,362,151	\$ 7,729,041	\$ 80,091,192
Total Allocation of Available Funds		\$ 516,005,441	\$ 17,935,840	\$ 533,941,281

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

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

Allocation of Additional Subsidization

Grant Type	Available Amount	Explanation of Additional Subsidization
Affordability Grants (AG)	\$ 8,906,799	Allocated to fundable projects on Project Priority Lists
Water Quality Incentive Grants (WQIG)	\$ 3,500,000	Allocated to fundable projects on Project Priority Lists
Regionalization Incentive Grants (RIG)	\$ 2,729,041	Reserved for FFY2021 projects selected via competitive solicitation and added to Project Priority Lists by amendment
Technical Assistance Grant (TAG)	\$ 1,500,000	Reserved for a FFY2021 award via competitive solicitation
Engineering Report Grants (ERG)	\$ 1,300,000	Reserved for FFY2021 awards made on a first come, first served basis
Total	\$ 17,935,840	

Financial Summary of the Fundable Projects

	Loans				
	Small and Non-Metropolitan Areas & Districts	Large Metropolitan Areas & Districts	Combined Sewer Overflow	Department Initiatives	Total
Allocation of Available Loan Funds	\$ 203,369,713	\$ 160,182,385	\$ 80,091,192	\$ 72,362,151	\$ 516,005,441
Total Loans on Fundable List (1)	\$ 41,723,942	\$ 393,475,000	\$ -	\$ 500,000	\$ 435,698,942
Transfers		\$ 71,862,151		\$ (71,862,151)	\$ -
		\$ 80,091,192	\$ (80,091,192)		\$ -
	\$ (81,339,272)	\$ 81,339,272			\$ -
Funding Assistance Planned (2)	\$ 122,030,441	\$ 393,475,000	\$ -	\$ 500,000	\$ 516,005,441
Balance Available after Projects Funded (3)	\$ 80,306,499	\$ -	\$ -	\$ -	\$ 80,306,499

	Additional Subsidization				
	Small and Non-Metropolitan Areas & Districts AG/ERG	Large Metropolitan Areas & Districts	Combined Sewer Overflow	Department Initiatives WQIG/RIG/TAG	Total
Allocation of Available Additional Subsidization Funds	\$ 10,206,799	\$ -	\$ -	\$ 7,729,041	\$ 17,935,840
Total Additional Subsidization on Fundable List (1)	\$ 8,906,799	\$ -	\$ -	\$ 3,500,000	\$ 12,406,799
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -
Funding Assistance Planned (2)	\$ 10,206,799	\$ -	\$ -	\$ 7,729,041	\$ 17,935,840
Balance Available after Additional Subsidization Funded (3)	\$ 1,300,000	\$ -	\$ -	\$ 4,229,041	\$ 5,529,041

(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 2021 Project Priority Lists

Carryover	Priority Points	Applicant	Project #	Description/ Needs Category	Service Area Population	IUP Amount Requested	Loan Amount	Additional Subsidization Amount	NPDES #	Est. Financing Schedule FY - Quarter
<i>Note: An explanation of the abbreviations and codes appears at the end of the project lists.</i>										
FUNDABLE LIST (Debt instrument secured and facility plan submitted; fundable if funds become available)										
TOTAL AVAILABLE FUNDS							\$ 516,005,441	\$ 17,935,840		
Small and Non-Metropolitan Areas and Districts (Service area population of fewer than 75,000 people)							\$ 122,030,441	\$ 10,206,799		
C	115	Rocky Mount Sewer District** - AG	C295838-01	Det, Coll; IVA, IVB	450	\$ 4,296,400	\$ 2,296,400	\$ 2,000,000	MO-1336719	21-3
C	110	Boone County Commission (Bolli Road Coll System)	C295299-03	Coll; IVA	37	\$ 319,900	\$ 319,900	\$ -	N/A	21-2
C	110	Skidmore - AG	C295841-01	TP Impr, TP Rhab, I/I; I, II, IIIA	276	\$ 1,178,457	\$ 589,229	\$ 589,228	MO-0022969	21-4
C	95	East Lynne - AG	C295695-01	TP Impr; I, II	303	\$ 1,315,310	\$ 657,655	\$ 657,655	MO-0099961	21-4
C	90	Boone County Commission (Phenora North Coll System)	C295299-04	Coll; IVA	102	\$ 372,099	\$ 372,099	\$ -	MO-0137294	21-2
C	90	Boone County RSD (Highfield Acres)	C295375-29	Coll; IVA	200	\$ 414,294	\$ 414,294	\$ -	MO-0053376	21-2
C	90	Miller - AG	C295726-02	TP Impr, Coll, I/I; I, II, IIIA, IIIB	725	\$ 2,108,525	\$ 1,054,263	\$ 1,054,262	MO-0041149	21-1
C	80	Jasper - AG	C295843-01	TP Impr; II	931	\$ 750,000	\$ 375,000	\$ 375,000	MO-0044202	21-1
C	80	Lockwood- AG	C295842-01	TP Impr, Coll, I/I; I, II, IIIA, IIIB	1114	\$ 2,139,310	\$ 1,069,655	\$ 1,069,655	MO-0030473	21-2
	125	Boone County RSD (Richardson Acres/Brown Station) - WQIG 7	C295375-30	Coll; IVA	259	\$ 1,593,908	\$ 1,093,908	\$ 500,000	Multiple	21-3
	120	Perryville - WQIG 2	C295832-01	TP Impr, PS; I, II	8,440	\$ 26,000,000	\$ 25,000,000	\$ 1,000,000	MO-0051144	21-1
	120	Windsor - AG	C295512-01	TP Impr, I/I; I, II, IIIA, IIIB	3,087	\$ 5,000,000	\$ 3,000,000	\$ 2,000,000	MO-0047325 MO-0047317	21-1
	105	Centralia - WQIG 2	C295860-01	Impr, Exp, TP; II, IVA	4,027	\$ 5,320,540	\$ 4,320,540	\$ 1,000,000	MO-0028789	21-4
	100	Urbana - AG	C295834-01	TP Impr, I/I; I, II, IIIA	417	\$ 1,879,478	\$ 939,739	\$ 939,739	MO-0095176	21-4
	65	Clarksville - AG	C295861-01	TP Impr; II	452	\$ 442,520	\$ 221,260	\$ 221,260	MO-0039632	22-2
Small and Non-Metropolitan Areas and Districts Total						\$ 53,130,741	\$ 41,723,942	\$ 11,406,799		
Less Water Quality Incentive Grants (shown in Department Initiatives)								\$ 2,500,000		
Balance							\$ 80,306,499	\$ 1,300,000		

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
Large Metropolitan Areas and Districts (Service area population of 75,000 or more people)							\$ 393,475,000	\$ -		
C	185	MSD Lower Meramec River System Improvements (Tunnel)	C295072-01	Coll; IVA, V	32,000	\$ 193,700,000	\$ 193,700,000	\$ -	Multiple	21-1
C	160	Springfield	C295859-01	I/I; IIIA	173,130	\$ 18,375,000	\$ 18,375,000	\$ -	MO-0049522 MO-0103039	21-1
C	155	MSD Public I/I Reduction Program - Phase 5	C295023-40	I/I; IIIA	1,300,000	\$ 41,200,000	\$ 41,200,000	\$ -	Multiple	21-2
	210	MSD Public I/I Reduction Program - Phase 6 - WQIG 6	C295023-41	I/I; IIIA	1,300,000	\$ 41,200,000	\$ 40,200,000	\$ 1,000,000	Multiple	22-2
	135	Kansas City	C295840-01	TP Impr; I	631,000	\$ 160,000,000	\$ 100,000,000	\$ -	MO-0024911	21-2
Large Metropolitan Areas and Districts Total						\$ 454,475,000	\$ 393,475,000	\$ 1,000,000		
Less Water Quality Incentive Grants (shown in Department Initiatives)							\$ -	\$ 1,000,000		
Balance							\$ -	\$ -		
Combined Sewer Overflow							\$ -	\$ -		
Combined Sewer Overflow Total						\$ -	\$ -	\$ -		
Balance						\$ -	\$ -	\$ -		
Department Initiatives							\$ 500,000	\$ 7,729,041		
C	N/A	Missouri Agriculture & Small Business Development	C295212-10	NPS; VIIB	N/A	\$ 500,000	\$ 500,000	\$ -	N/A	21-4
Department Initiatives Total						\$ 500,000	\$ 500,000	\$ -		
Less Water Quality Incentive Grants (shown in tables above)							\$ -	\$ 3,500,000		
Balance							\$ -	\$ 4,229,041		
Total Fundable List Projects						\$ 508,105,741	\$ 435,698,942	\$ 12,406,799		
Balance of Fundable List							\$ 80,306,499	\$ 5,529,041		
FUNDABLE CONTINGENCY LIST (Debt instrument secured and facility plan submitted; fundable if funds become available)										
Total Fundable Contingency Projects						\$ -	\$ -	\$ -		

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
CONTINGENCY LIST (Either debt instrument or facility plan has not been submitted)										
	135	Kansas City	C295840-01	TP Impr; I	631,000	Balance of Amount Requested from Large Metropolitan Areas Fundable List. Contingent on additional bond authorization	\$ 60,000,000	\$ -	MO-0024911	21-2
C	95	Jefferson County Public Sewer District**	C295844-01	Coll; IVA	170	\$ 3,751,075	\$ 343,312	\$ -	MO-0131024	21-1
Total Contingency Projects						\$ 3,751,075	\$ 60,343,312	\$ -		
PLANNING LIST <i>Note: Information will be added to the shaded columns when the project moves to the fundable or contingency list.</i> (Debt instrument and facility plan not yet secured/submitted)										
	125	Aurora	C295867-01	TP Impr; II	7,508	\$ 4,016,000			MO-0036757	
C	125	Jackson	C295839-01	TP Impr, Coll, I/I; I, IIIA, IIIB, IVA, IVB	14,869	\$ 8,620,000			MO-0022853	
	125	Moberly (Regional Lift Station)	C295648-03	Coll, PS, FM; IIIB, IVA	13,974	\$ 3,010,405			Multiple	
	110	Lancaster	C295804-01	TP Impr, I/I; II, IIIA	728	\$ 2,272,325			MO-0039691	
C	105	Deer Run Reorganized Common Sewer District	C295815-01	Coll, I/I; IIIA, IIIB, IVA, IVB	385	\$ 1,808,100			N/A	
	95	Center	C295866-01	TP, I/I; I, II, IIIA, IIIB	508	\$ 1,622,966			MO-0107719	
C	95	Huntsville	C295848-01	TP, Coll, I/I; II, IVA, IVB, IIIA	1,525	\$ 4,626,125			Multiple	
	95	Leeton	C295850-01	TP Impr, Coll Rehab; I, II, IIIB	568	\$ 1,847,560			MO-0116076	
	95	Moberly (Sparks Avenue)	C295648-02	Coll, PS, FM; IVA	13,974	\$ 703,420			MO-0117960	
	85	Eagleville	C295868-01	TP Impr, I/I; I, II, IIIA	316	\$ 817,100			MO-0113930	
	80	Clarksburg	C295863-01	TP, Coll; II, IIIB	338	\$ 1,149,840			MO-0109797	
	80	Iberia	C295864-01	TP, I/I, Impr; I, II, IIIA	736	\$ 4,762,520			MO-0101273	
	80	Mayview	C295849-01	TP Impr, I/I; I, II, IIIA	212	\$ 2,628,000			MO-0055131	
C	75	Peculiar	C295824-01	Coll, I/I; IIIA, IIIB	4,608	\$ 8,691,880			MO-0089443	

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
	75	Queen City	C295865-01	TP Impr; I	598	\$ 1,556,200			MO-0093785	
	60	St. James	C295869-01	TP Impr; II	5,056	\$ 2,395,000			MO-0093564	
Total Planning List Projects						\$ 50,527,441	\$ -	\$ -		

REGIONALIZATION INCENTIVE GRANT (RIG)										
FUNDABLE LIST (Design/Construction - Facility Plan and Signed Service Agreements meeting minimum requirements submitted)							\$ -	\$ -		
Total RIG Fundable List Projects						\$ -	\$ -	\$ -		
Balance of RIG Fundable List						\$ -	\$ -	\$ -		
CONTINGENCY LIST										
(Signed Service Agreements meeting minimum requirements not submitted)										
Total RIG Contingency Projects						\$ -	\$ -	\$ -		

Grant Type	Description Reference List	Needs Category
AG Affordability Grant	C Carried over from the last Intended Use Plan	I Secondary Treatment
WQIG Water Quality Incentive Grants 1 = flood mitigation 2 = permit limits 3 = streambank stabilization 4 = green infrastructure 5 = rate assistance 6 = inflow and infiltration rehabilitation 7 = sewer extension to eliminate permitted facility 8 = sewer extension to eliminate onsite facilities	Coll Collection	II Advanced Treatment
	CSO Combined Sewer Overflow	IIIA I/I correction
	Det Detention	IIIB Sewer replacement or rehabilitation
	Exp Expansion	IVA New Collection
	FM Force Main	IVB New Interceptors
	Impr Improvements	V CSO
	Int Interceptor	VIIB NPS: Animal
	I/I Inflow/Infiltration	VIID NPS: Urban
RIG Regionalization Grant	NPDES National Pollution Discharge Elimination System	
TAG Technical Assistance Grant	NPS Non Point Source	
ERG Engineering Report Grant	PS Pump Station	
	Rehab Rehabilitation	
	TP Treatment Plant	

* Applicant has a maximum bonding capacity that the loan amount cannot exceed.

** Ineligible project costs deducted off total project costs. Notes:

Final eligible costs will be determined based on submittals as 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.

Carryover projects from the fiscal year 2021 list must reapply to be considered for the fiscal year 2022 list.

Priority points for RIG projects include two numbers separated by a hyphen. The first number is the RIG category, and the second number is the priority point score calculated through the RIG procedure available at

<https://dnr.mo.gov/env/wpp/srf/documents/2019-10-31-RegionalizationGrantGuidance.pdf>.

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 Funds			
Loan Administration Fees¹			
As of Dec. 31, 2019			
Income	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income
Beginning Balance as of 07/01/19	\$100,993	\$16,839,856	\$17,345,149
FY 20 Income (thru 12/31/19)	\$136,390	\$1,206,198	\$1,471,783
FY 20 Interest Earnings (thru 12/31/19)	\$1,747	\$151,131	\$163,121
Subtotal	\$239,130	\$18,197,185	\$18,980,053
Expenditures Thru 12/31/19			
FY 20 Personnel Services	(\$7,299)	(\$955,877)	(\$97,281)
FY 20 Fringe	(\$3,837)	(\$533,950)	(\$52,492)
FY 20 Expenses	(\$43,900)	(\$1,023)	(\$21,719)
FY 20 PSD Expenditures	\$0	(\$750,172)	(\$853,455)
FY 20 DNR Transfers ²	(\$6,451)	(\$179,539)	(\$20,656)
FY 20 ITSD Transfers ^{2 & 3}	(\$5,606)	(\$156,015)	(\$17,949)
FY 20 HB 13 Transfers ²	(\$76)	(\$2,115)	(\$243)
Subtotal	(\$67,169)	(\$2,578,691)	(\$1,063,795)
Income Less Expenditures	\$171,961	\$15,618,494	\$17,916,258
Projected Income			
FY 20 Income (01/01/20 - 06/30/20)	\$209,493	\$1,138,375	\$1,907,666
FY 20 Interest Income (01/01/20 - 06/30/20)	\$0	\$122,797	\$135,208
FY 21 Income (07/01/20 - 06/30/21)	\$435,699	\$2,111,525	\$3,189,729
FY 21 Interest Income (07/01/20 - 06/30/21)	\$1,299	\$184,603	\$313,005
Subtotal	\$646,491	\$3,557,300	\$5,545,608
Projected Expenditures			
FY 20 Personnel Services	(\$70,120)	(\$955,876)	(\$123,752)
FY 20 Fringe	(\$40,052)	(\$549,823)	(\$72,812)
FY 20 Expense & Equipment	(\$167,433)	(\$1,927)	(\$496,281)
FY 20 DNR Transfers ²	(\$33,222)	(\$178,085)	(\$82,432)
FY 20 ITSD Transfers ^{2 & 3}	(\$20,578)	(\$80,009)	(\$50,087)
FY 20 HB 13 Transfers ²	(\$666)	(\$4,576)	(\$1,686)
FY 20 PSD Expenditures	\$0	(\$295,211)	(\$2,998,307)
FY 21 Personal Service, Fringe, Expenses & Indirect	(\$418,691)	(\$4,358,048)	(\$554,432)
FY 21 State Water Plan	\$0	\$0	\$0
FY21 State Match Expenditure	\$0	(\$2,000,000)	(\$517,338)
FY 21 ITSD Costs ³	\$0	\$0	(\$500,000)
FY 21 Board Training & Operator Certification*	\$0	(\$80,000)	\$0
FY 21 Abatement of Water Quality Emergencies*	\$0	\$0	\$0
FY 20 WQ & WS Init. Allocation Carried Over to FY 21	\$0	\$0	\$0
FY 21 WQ & WS Init. New Allocation for FY 21	\$0	\$0	\$0
FY 21 Water Quality & Watershed Initiatives*	\$0	\$0	\$0
FY 21 Rural Sewer Grants*	\$0	(\$713,815)	(\$1,095,941)
FY 20 Fixed Station Allocation Carried Over to FY 21	\$0	\$0	\$0
FY 21 Fixed Station New Allocation for FY 21	\$0	(\$625,926)	(\$484,919)
FY 21 Fixed Station Ambient Network Contract	\$0	(\$625,926)	(\$484,919)
FY 20 WQ Studies Allocation Carried Over to FY 21	\$0	\$0	\$0
FY 21 WQ Studies New Allocation for FY 21	\$0	(\$40,000)	(\$156,000)
FY 21 Water Quality Studies*	\$0	(\$40,000)	(\$156,000)
FY 20 SCEAP Allocation Carried Over to FY 21	\$0	\$0	\$0
FY 21 SCEAP New Allocation for FY 21	\$0	\$0	\$0
FY 21 Small Community Engineering Assistance Program*	\$0	\$0	\$0
Subtotal	(\$750,762)	(\$9,883,296)	(\$7,133,987)
Total Actual and Projected	\$67,690	\$9,292,498	\$16,327,879

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 2021 Clean Water State Revolving Fund Annual Report. FY 2021 projected expenditures may include amounts carried over from prior fiscal years. FY 2021 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 **March 1, 2021**, that meet readiness-to-proceed criteria, will receive priority for additional subsidization and loan funding for FFY 2022.
- The Department accepts applications throughout the year; project additions may be made to the IUP up to four times per year.

Per 10 CSR 20-4.040, applications are valid for a 2-year plan cycle. Applicants that have not received their funding at the end of the 2-year plan cycle may reapply to the program, but a project's position on a fundable, contingency, or planning list may change with each subsequent application. The Department may also de-obligate funding from projects that are not making adequate progress within the allotted 2-year plan cycle and reallocate funds to other projects.

How to complete a CWSRF application

1. The application form, instructions and guidance documents are available online at dnr.mo.gov/env/wpp/srf/srf-app_guid.htm. The Department encourages potential applicants to contact the Department for assistance with application submittal. You can reach the Department's Financial Assistance Center at 573-751-1192 or fac@dnr.mo.gov.
2. Applicants should submit the following with their application (along with documentation of any funding commitments from other state and/or federal agencies contributing funds to the project):
 - **A complete facility plan:** Submit a complete facility plan that meets all criteria listed in the Facilities Plan Submittal Checklist, 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, if necessary. Submittal of an incomplete facility plan will delay progress and, ultimately, project funding.
 - **An acceptable debt instrument:** Submit documentation of an acceptable debt instrument. Acceptable debt instruments for CWSRF loans are typically revenue or general obligation bonds. The Department will consider other types of debt instruments on a case-by-case basis.

A borrower may submit an application without either a Facility Plan or debt instrument. Such projects do not meet the meet readiness-to-proceed criteria (those for which the applicant has submitted a complete facility plan and documentation of an acceptable debt instrument) and may be placed on either the Contingency or Planning List for a loan only commitment. The Department will work with these applicants to assist them in achieving readiness-to-proceed status.

Professional services

Engineering Services: State statute requires that all engineering reports/facility plans and plans and specifications be signed, sealed, and dated by a Missouri professional engineer. Applicants must procure engineering services in accordance with sections 8.285 through 8.291, RSMo.

Financial Advisor: The Department strongly encourages CWSRF applicants to retain the services of a registered municipal financial advisor. Municipal financial advisors are required to be registered with the Securities Exchange Commission. Additional information is available online at <https://www.sec.gov/info/smallbus/secg/muni-advisor-reg-secg.htm>.

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 in the form of a grant, in conjunction with a loan, may be available to eligible applicants. The following two grants are available in combination with CWSRF loans. Other grants are described on pages 6-8 of this IUP.

- **CWSRF Affordability Grants** for wastewater treatment facility construction are available, in coordination with loans, to small communities who would have difficulty financing wastewater infrastructure improvements without additional subsidization. The Department will obligate affordability grant funds to applicants on the Fundable List in the order established by the Priority Point Criteria (Appendix 5) with available additional subsidization. Grant eligibility is determined based on the procedure available at <https://dnr.mo.gov/env/wpp/srf/docs/cwsrf-grant-eligibility-procedure.pdf>.
- **CWSRF Water Quality Incentive Grants (WQI)** are available to municipalities receiving a CWSRF loan to incentivize activities that have significant benefits to water quality. Eligible applicants are those that submit an application by the March 1 deadline; meet readiness-to-proceed criteria; and include a qualifying project component. The Department will obligate WQI grant funds to offset loan funding to applicants on the Fundable List in the order established by the Priority Point Criteria (Appendix 5) with available additional subsidization. Qualifying project components and the associated maximum WQI grant amounts are described in the table below.

The grant commitment is valid for two years, with grant funds awarded when the applicant enters into a loan agreement. Failure to make timely progress may result in bypass and the loss of the WQI grant commitment. Each applicant, whether it submits one application or multiple projects, is limited to one WQI grant per IUP cycle in order to equitably distribute grant funds to CWSRF applicants. Applicants with projects eligible for an Affordability Grant may receive that grant as well as a WQI grant for qualifying project costs that exceed \$4,000,000 and are financed with a CWSRF loan that is at least \$2,000,000.

Water Quality Incentive Grants	
Project component	Available grant funding
Cost for construction of flood mitigation infrastructure, such as holding basins, flood walls and redirection structures, used in conjunction with a flood control plan.	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for wastewater treatment plant upgrades needed to comply with new permit limits or to meet the assumptions and requirements of Total Maximum Daily Load Wasteload Allocations for a particular pollutant.	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for construction of wastewater treatment plant improvements intended to provide renewable energy generation, such as methane recovery, that reduce plant operating cost.	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for streambank stabilization in the watershed of a drinking water supply lake.	Up to \$500,000, not to exceed 50% of the total funding request
Cost for construction of measures to manage, reduce, treat, or recapture stormwater, or to construct green infrastructure in developed or urban areas to address nonpoint source pollution.	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for wastewater treatment improvements by a municipality serving citizens enrolled in a rate assistance program to facilitate a rate reduction or relief for affected low income residents, with the grant amount not to exceed the portion of the project serving enrolled citizens.	Up to \$2,000,000, not to exceed 50% of the total funding request
Cost for inflow and infiltration rehabilitation projects	Up to \$1,000,000, not to exceed 50% of the total funding request
Cost for construction of a sewer extension to serve customers in a district or city's service area that will eliminate a permitted, discharging wastewater treatment facility.	Up to \$500,000, not to exceed 50% of the project cost
Cost for construction to connect homes with failing or poorly functioning onsite wastewater systems to an existing central wastewater treatment system.	Up to \$500,000, not to exceed 50% of the project cost

Appendix 3: Clean Water 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 FFY2021 (Oct. 1, 2020, to Sept. 30, 2021). This IUP shall remain effective until Sept. 30, 2021, or until such time as the FFY2022 IUP becomes effective.

Cash flow model

Missouri uses the cash flow model for the CWSRF.

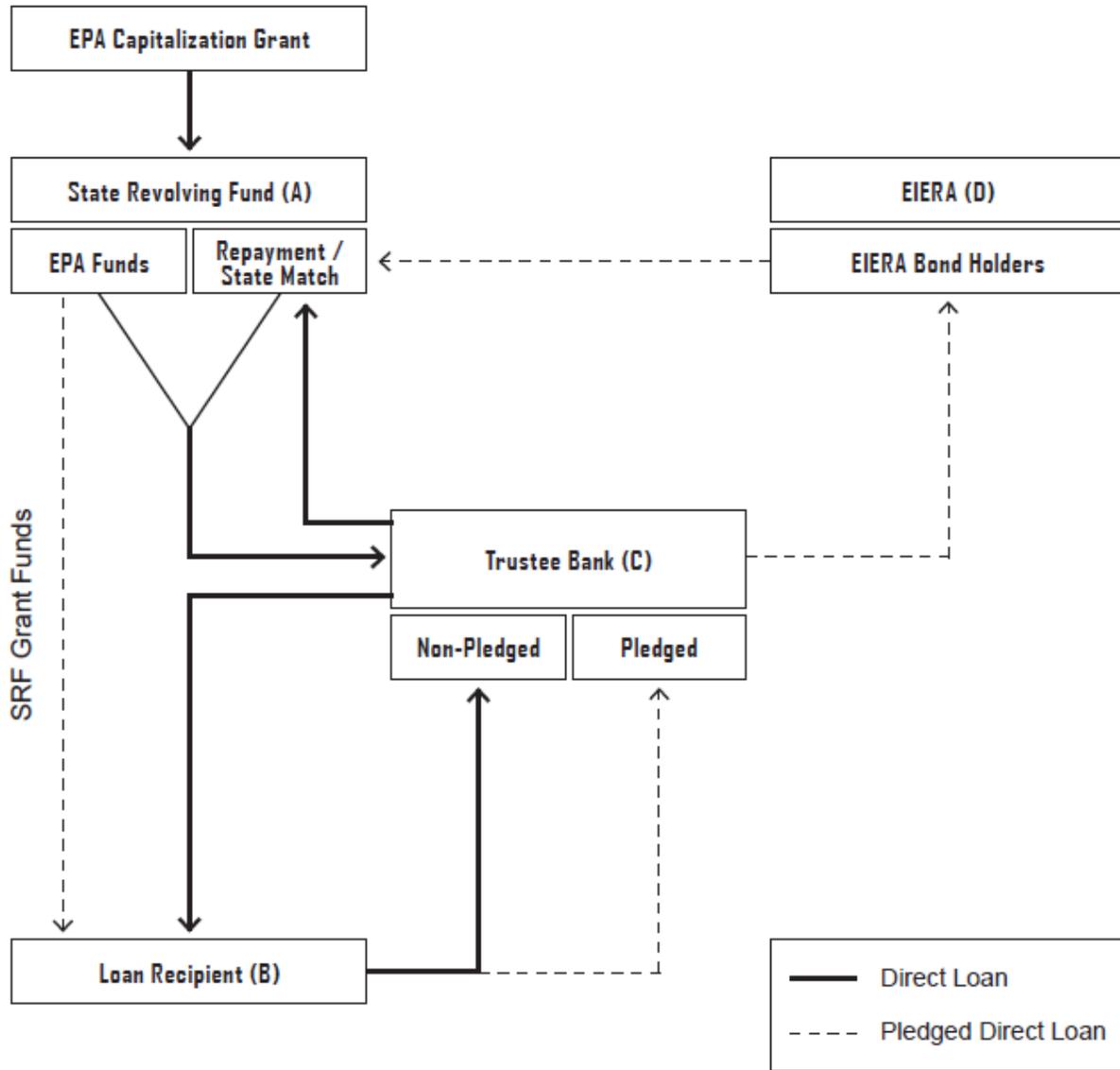
The cash flow model diagram on the following page illustrates the SRF flow of funds. Construction loan repayments must begin within one year after the first operational contract is substantially completed; that is, the facilities are placed into operation. The loan repayment schedules will generally consist of semi-annual interest payments and semi-annual or annual principal payments. The trustee bank holds the periodic participant repayments in separate recipient accounts outside the CWSRF. Interest earnings on these recipient accounts are credited to the communities' debt service account, which reduces the amount of interest to be paid by the communities.

The Department receives annual capitalization grants from EPA. There is a 20 percent state match required to receive the grants. The funds are deposited into the SRF (A) and used in accordance with applicable federal and state program requirements. State match funds are disbursed prior to using Capitalization Grant funds.

Under the cash flow model loan program, the Department purchases the debt obligations of the participants directly. As construction progresses, funds are released from the CWSRF to the recipient (B) through the trustee bank (C) so the construction costs can be paid. Recipients of a grant receive the grant funds directly from the CWSRF program. Upon completion of the project, the loan total is adjusted to reflect the final amount borrowed.

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

CWSRF Cash Flow Model



Cross-collateralization of funds

The U.S. Department of Veterans Affairs, the U.S. Department of Housing and Urban Development, and the Independent Agencies Appropriations Act, 1999 (Public Law 105-276), authorized limited cross-collateralization between the Drinking Water SRF and the CWSRF. Cross-collateralization allows states to use CWSRF funds as security for bonds issued to finance Drinking Water SRF projects and vice versa. The cross-collateralization of the two funds may enhance the lending capacity of one or both SRFs. State statute 644.122, RSMo. provides the state's legal authority to implement cross-collateralization.

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

Section 302 of the Safe Drinking Water Act Amendments of 1996 authorized the transfer of funds between the Drinking Water State Revolving Fund (DWSRF) and the CWSRF. The rules governing the transfer of funds limit the dollar amount a state can transfer to no more than 33 percent of a DWSRF capitalization grant. As funding is available and as needs arise, the Department can transfer loan funds with the approval of the Missouri Safe Drinking Water Commission, the Missouri Clean Water Commission, and EPA. Transfers between the two funds may enhance the lending capacity of one or both state revolving funds. State statute 644.122, RSMo. provides Missouri's legal authority to implement this transfer of funds.

No transfers are planned for FFY2021.

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 FFY2019.

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 FFY2021.

Appendix 4: Environmental Protection Agency Requirements and Assurances

The Department receives a federal capitalization grant annually from the EPA, and is required to provide a 20 percent state match. This appendix contains program commitments to assure the Department manages the CWSRF program in compliance with the capitalization grant agreement.

Additional subsidization

The Clean Water Act allows the state to use SRF funds to provide additional subsidization for eligible projects in the form of grants, principal forgiveness or negative interest loans. The FFY2020 capitalization grant mandates that states use at least 10 percent for additional subsidization, and may use up to 30 percent based on a formula related to the national allocation of funding. The Department is reserving the 10 percent plus an additional \$2,000,000 of the optional amount for these purposes.

The table below shows the amount of the funding currently available for FFY2021 by capitalization grant year.

Capitalization Grant Year	Amount
Federal Fiscal Year 2016 Supplemental	\$119,926
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
Federal Fiscal Year 2020 Required Amount	\$4,405,300
Federal Fiscal Year 2020 Supplemental	Up to \$2,000,000

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

Federal law requires that the Department make a “good faith effort” to use a percentage of the annual CWSRF capitalization grant for projects 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
2020	\$ 4,405,300

The Department has met or exceeded the requirements from green project reserves for FFY's 2010 through 2018.

A table of the Green Project Reserve eligible FFY2021 IUP projects appears below.

Applicant	Project #	Category	Amount
MSD - MSD Public I/I Reduction Program - Phase 6	C295023-41	EE	\$ 41,200,000
MSD - MSD Public I/I Reduction Program - Phase 5	C295023-40	EE	\$ 41,200,000
Springfield	C295859-01	EE	\$18,375,500
EE Energy 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. 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 an amount from the FFY2020 federal capitalization grant equal to 1/5 of one percent of the current valuation of the fund for program administration.

Public review and comment

Federal law requires SRF programs to prepare an annual IUP, including Project Priority List and Priority Point Criteria. The IUP describes how the Department intends to use the CWSRF funds to support the overall goals of the CWSRF program. The Department must place the draft IUP on public notice to allow for public review and comment. The Department holds a public hearing during the public comment period 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

Federal law requires SRF programs to subject projects receiving CWSRF funding to undergo a state environmental review process that conforms generally to the National Environmental Policy. The Department's environmental review process, described within regulation 10 CSR 20-4.050, fulfills this requirement. The Department will determine whether an environmental impact statement is necessary during review of the project's engineering report. Most projects are determined to have no significant impact or can meet a categorical exclusion. The Department will accept environmental determinations completed by other state and federal agencies on a case-by-case basis.

Federal project requirements

A number of 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 and Steel or AIS, Disadvantaged Business Enterprise, Environmental Review, Cost and 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 intends to 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, as required by federal law.

Expenditure of funds

The Department intends to expend all funds in the CWSRF in an expeditious and timely manner, as required by federal law.

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 FFY2022. The Priority Points Criteria forms the basis for project ranking and funding allocation.

The Department annually prepares a CWSRF IUP 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 of a tie, the projects receiving the highest number of points under Disadvantaged Community (section III.B.) will receive the higher ranking. If the projects are still tied, the applicant with the lowest Median Household Income according to the decennial census will receive the higher ranking.

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

I. Priority Points

The Department will calculate cumulative priority points for each potential project based on the following six sections. Sections 4, 5, and 6 apply only to proposed nonpoint source projects.

Proposed nonpoint source projects must be consistent with the current *Missouri Nonpoint Source Management Plan* available at dnr.mo.gov/env/swcp/nps/mgmtplan/docs/missouri-nonpoint-source-management-plan-042215-final.pdf.

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 the immediate water course into which the discharge flows. However, in those cases where the immediate receiving water is not classified in Water Quality Standards, 10 CSR 20-7.031, a downstream classified water body

will be considered to be the receiving water if the publicly-owned treatment works (POTW) discharge or nonpoint source area is within two miles of the classified waters found in the Missouri Use Designation Dataset, including 100K Extent-Remaining Lakes and 100K Extent Remaining Streams.

A. Beneficial Uses. Beneficial uses, identified in rule 10 CSR 20-7.031, of the water body receiving discharge from existing POTWs or nonpoint source areas will be improved or point source discharges 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 that 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. Fifteen points will be assigned for the beneficial use of protection of warm water habitat/human health protection.
4. Ten points will be assigned for the beneficial use of cool water habitat.
5. Ten points will be assigned for the beneficial use identified of cold water habitat.
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 that 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. Targeted Watersheds. A targeted watershed contains at least one point source that has the reasonable potential to cause or contribute to an excursion of the Lake Numeric Nutrient Criteria, and at least one point source with nutrient permit limits or subject to an Environmental Protection Agency-approved TMDL. The value is limited to a maximum of fifteen points total.

1. Fifteen points will be awarded if the watershed drains to a lake where numeric nutrient criteria are applicable and the proposed project results in nutrient reduction.
2. Ten points will be awarded where a TMDL has been approved for the watershed and the proposed project is expected to contribute to the pollutant reduction goals specified in the TMDL.

E. 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. 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.
2. Fifteen points will be assigned if the proposed project serves more than one community.
3. Ten points will be assigned for each facility being eliminated that has a history of significant noncompliance.
4. Five points will be assigned for each permitted wastewater treatment facility that will be eliminated by the proposed project.

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 an onsite wastewater disposal systems that has failed, is failing, or is not properly operating. 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.
2. Ten points will be assigned if the proposed project is for a new collection system, or the expansion of or an upgrade to an existing collection system.

E. Water Recycling. Twenty points will be assigned if the proposed project is for reusing or recycling wastewater, stormwater, or subsurface drainage water. This includes projects for the reclamation of wastewater effluent to augment a water supply or to provide an industrial water supply.

3. Sustainability.

A. Adequate User Charge. Fifteen points will be assigned if the applicant has maintained an adequate user charge schedule, that fully address all the utility's operational costs, for the existing system's operation and maintenance for the past five years.

B. Disadvantaged Community. Fifteen 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.

C. 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.

D. Inflow and Infiltration Reduction. Ten points will be assigned if the applicant has

maintained an inflow and infiltration reduction program for the past five years.

- E. Conservation.** Ten 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 inflow and infiltration) of wastewater to treatment plants.
- F. 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.
- G. 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.
- H. 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.

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

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 may 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 leaking 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 the 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. 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.

Appendix 6: Clean Water State Revolving Fund Engineering Report Grants

Applications are accepted throughout the year. The application form and instructions are available online at dnr.mo.gov/forms/780-1951-f.pdf.

Purpose

The purpose of this funding is to assist small communities with engineering costs to plan for wastewater treatment and collection systems improvements related to new permit requirements and/or inflow and infiltration. Funding comes from the CWSRF capitalization grant's additional subsidization allocation.

Eligible applicants

The grant is available for municipalities, counties, public sewer or water districts, political subdivisions or instrumentalities of the state that operate a permitted wastewater treatment facility serving a population of less than 10,000.

In order to be eligible, the applicant must: 1) complete and submit an application; 2) have no outstanding fees due to the Department; 3) not already have an engineering report for the same issues; and 4) agree to make a good faith effort to pursue recommendations contained in the approved engineering report.

Selection Process

Applications are prioritized based on a first come first serve basis as well as on the project's environmental impact.

Description

Eligible systems may receive an 80 percent grant with a 20 percent recipient match, not to exceed a maximum grant amount of \$50,000.

Eligible systems that meet the definition of a disadvantaged community may receive up to 100 percent of the costs for engineering report services, not to exceed a maximum grant amount of \$50,000. The Department defines a disadvantaged community as one that has a population of 3,300 or less, whose median household income is at or below 75 percent of the state average, and whose user rates are at or above 2 percent of the median household income.

Grant Timeframe

Once the grant is awarded, the recipient has eighteen months for the engineering report to be completed and approved by the Department. The Department will hold the final ten percent of the reimbursement costs until the report has been approved by the Department. The complete engineering report must be submitted to the Department for review and approval no later than

sixty days prior to the end of the budget period of the award. This ensures adequate time is allowed for a response to comments. No payments may be made to the recipient after the budget period has expired without an amendment to the grant.

Funding provided under this program shall only be used as reimbursement of expenses for services provided during the project's budget period. Therefore, recipients should **wait for notice from Financial Assistance Center to initiate work under this grant** in order to ensure all costs incurred are reimbursable.

Cost Eligibility

Eligible costs are those that are directly incurred in the development of the facility plan. This includes the cost of engineering services, environmental investigations, and other services incurred in preparation of the engineering report. Eligible costs:

- May include other items deemed reasonable, necessary, and allocable to the project, such as an Antidegradation Review, Inflow and Infiltration Study, Pretreatment Program, and/or Soils Report, as a part of the facility plan, if required.
- Must be reasonable and cost effective for facility plans, which make recommendations that will meet the Missouri Clean Water Law requirements.
- Must be within the Department-approved scope of the project.

Ineligible costs include, but are not limited to:

- A facility plan or engineering services completed prior to the award.
- Preparation of the engineering report grant application.
- Ordinary operating expenses of the recipient including salaries and expenses of elected and appointed officials, preparation of routine financial reports and studies, and the state operating permit fees or other such permit fees necessary for the normal operation of the constructed facility.
- Preparation of applications and permits required by federal, state, or local regulations or procedures.
- Preparation of applications for future funding for work following the engineering report.
- Administrative, engineering, and legal activities associated with the establishment of special Departments, agencies, commissions, regions, districts, or other units of government.
- Fines and penalties due to violations of, or failure to comply with, federal, state, or local laws, regulations or procedures.
- Force account labor including engineering.
- Costs outside the scope of the Department-approved project.

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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