

# CLEAN WATER STATE REVOLVING FUND

## ANNUAL REPORT



# 2018





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## **I. Introduction**

Missourians rely on a vast network of wastewater treatment infrastructure to protect public health and keep their waterways clean and safe. Since the program's inception, the Clean Water State Revolving Fund (SRF) has been one of Missouri's primary funding sources for making investments in communities and the future of our State. The Clean Water SRF, managed by the Missouri Department of Natural Resources' Financial Assistance Center, makes low-interest loans to local communities to help them meet their wastewater needs. The Department is committed to protecting Missouri's water resources that are so important to public health and its economy.

This report details the activities undertaken to reach the goals and objectives set forth in the Intended Use Plan (IUP) developed for 2018. It also describes progress made toward long and short term program goals, the sources (e.g., federal grants) and uses (e.g. loans) of all funds, financial status of the Clean Water SRF, and compliance with federal Clean Water SRF requirements.

## **II. Executive Summary**

This report addresses operation of the Clean Water SRF program during the time period from October 1, 2017 through September 30, 2018.

The State of Missouri's Clean Water SRF program was awarded a total of \$44,495,000 in Environmental Protection Agency (EPA) capitalization grants during the reporting period and is available for use beginning October 1, 2018. Missouri made three direct loan commitments totaling \$9,935,000 and one SRF grant totaling \$777,000. The State made no leveraged loan commitments.

The Water and Wastewater Loan Revolving Fund (Fund 0602) was established to receive loan repayments, which are then used to make new loans. As of September 30, 2018, the Water and Wastewater Loan Revolving Fund had a balance of \$288,221,613. The EPA capitalization grants balance totaled \$44,790,806. Outstanding commitments were \$102,388,981 and Missouri's state match general obligation bond commitments were \$4,423,200. With these taken into consideration, the Clean Water SRF available cash as of September 30, 2018, was \$226,200,238.

The Missouri Clean Water SRF program received a total of \$1,243,877,631 in EPA capitalization grants and amendments through September 30, 2018. The Clean Water SRF program has contributed state match of \$214,651,565, which includes \$98,136,140 of state appropriations, \$15,427,980 of general obligation state match bonds, and \$100,631,600 of state match revenue bonds and \$455,845 of state match administration fees.

The State of Missouri has made 279 leveraged loan commitments totaling \$1,730,092,661; 119 direct loan commitments totaling \$1,093,915,680 (excludes 17 interim direct loans totaling \$118,654,836 that were refinanced as leveraged loans); 22 SRF grants totaling \$31,684,462; 44 American Recovery and Reinvestment Act (ARRA) grants totaling \$56,006,027; and 132

Agriculture loans totaling \$13,201,610 since the inception of the program in 1989.

Exhibit 1 lists all Clean Water SRF capitalization grant awards from program inception through this reporting period. Included in the award amounts are transfers from the Construction Grant Program to the SRF program. The amount of each Construction Grant transfer was in addition to the state’s Clean Water SRF allotment. Exhibit 2 lists the schedule of SRF capitalization grant draws and required binding commitments for the Clean Water capitalization grant awards.

The Clean Water SRF program has never had a recipient in payment default on their loan. The table below is a summary of Clean Water SRF binding commitments.

<b>Binding Commitment Summary</b>	
Cumulative Binding Commitments	Amount
Leveraged Loans	\$1,730,092,661
Direct Loans (excludes loans paid w/LL)	1,093,915,680
SRF Grants	31,684,462
ARRA Grants	56,006,027
Ag Loans	13,201,610
Cumulative Total	\$2,924,900,440

### **III. 2018 Binding Commitments**

The Department entered into three direct loan commitments totaling \$9,935,000. The Department also entered into one grant commitment totaling \$777,000. The following tables list the loan and grant commitments that closed during this reporting period.

<b>Clean Water SRF Direct Loans for 2018 Reporting Period</b>			
Recipient	Loan Amount	Closing Date	Project #
Unionville	\$ 777,000	10/23/2017	C295720-01L
Ashland	6,408,000	03/27/2018	C295710-01
Center Creek	2,750,000	09/28/2018	C295446-02
2018 Total	\$9,935,000		

<b>Clean Water SRF Grant for 2018 Reporting Period</b>			
Recipient	Grant Amount	Award Date	Project #
Unionville	\$ 777,000	10/17/2017	C295720-01G
2018 Total	\$ 777,000		

#### **IV. Cumulative Binding Commitments**

Exhibit 3 shows a summary of the cumulative leveraged loan commitments, by bond series, since inception of the program and the Metropolitan St. Louis Sewer District (MSD) loan commitments executed as short-term notes. The cumulative leveraged loan binding commitment is \$1,730,092,661.

The cumulative Clean Water SRF binding commitment (leveraged loan, direct loan, and grant commitments) total is \$2,924,900,440. Refer to Exhibit 4 for a complete listing of all binding commitments. Since the inception of the Clean Water SRF program, 613 binding commitments have been made. Of the 613 binding commitments entered into, 279 were leveraged loans, 119 were direct loans, 66 were grants and 132 were sub-recipient loan agreements through the Missouri Agricultural and Small Business Development Authority. In addition, 17 interim direct loans, which are not included in the direct loan binding commitment totals, were repaid and replaced with a leveraged loan. To date, loan recipients have repaid 105 leveraged loans and 15 direct loans.

The innovative financing provided through the SRF allows communities to save a considerable percentage of the interest cost of conventional loans. To date, Missouri's Clean Water SRF program has saved communities an estimated \$974,718,427 in interest compared to the higher interest rates of conventional financing.

Interest savings in this reporting period were approximately 70 percent. The following table is a summary of the interest savings from loans to communities by fiscal year since the inception of the Clean Water SRF program.

<b>Fiscal Year</b>	<b>Interest Savings</b>	<b>Cumulative Interest Savings</b>
1991-2013		\$765,467,103
2014	\$54,470,559	\$819,937,662
2015	\$43,998,532	\$863,936,194
2016	\$44,424,567	\$908,360,761
2017	\$62,635,174	\$970,995,935
2018	\$ 3,722,492	\$974,718,427

#### **V. Objectives and Goals of the Clean Water State Revolving Fund**

Each year the Department evaluates the operations and the financial structures of the SRF program to gauge program effectiveness. Long term objectives and goals were established with the purpose of improving the Clean Water SRF's operation and service to its clients. Short term objectives and goals were established with the purpose of improving the Clean Water SRF's immediate operations and the availability of services to its clients.

## **Long Term Objectives and Goals**

In order to meet the long term objectives of improving the Clean Water SRF's operations and service to its clients, the following goals were developed: 1) Promote coordination efforts both within and outside the agency for the purpose of expediting project funding. The Clean Water SRF program staff commit to work with the U.S. Department of Agriculture Rural Development and the Department of Economic Development Community Development Block Grant program to provide affordable financing for municipal pollution prevention and control projects. 2) Pursue more holistic regional and watershed-based solutions that address both point and nonpoint source pollution problems and opportunities to use distributed wastewater treatment options where they could be applied.

## **Short Term Objectives and Goals**

In order to meet the short term objectives of improving the immediate operations and the availability of services to its clients, the following goals were developed: 1) Continue the Clean Water SRF state regulations review and revision process. The rule changes are needed to implement recent revisions in federal law. 2) Target available loan funds to high priority needs in accordance with the Intended Use Plan priority list to encourage construction of the highest impact water quality improvement projects. 3) Develop and implement a marketing plan to increase overall demand for the Clean Water SRF program. 4) Continue to identify projects that qualify for green project reserve funding, in accordance with federal guidance.

## **VI. Progress Toward Achieving Objectives and Goals of the Clean Water State Revolving Fund**

This section of the annual report discusses the progress that has been made in meeting those long and short term objectives and goals for the period from October 1, 2017 to September 30, 2018.

### **Progress Toward Meeting Long Term Base Program Objectives and Goals**

The objectives were developed to meet the long term (three to five years) goals of improving the Clean Water SRF's operations and services to its clients:

Goal 1: Promote coordination efforts both within and outside the agency for the purpose of expediting project funding. The Clean Water SRF program staff commit to work with the U.S. Department of Agriculture Rural Development and the Department of Economic Development Community Development Block Grant program to provide the most appropriate and affordable financing for municipal pollution prevention and control projects.

The Department has collaborative working relationships with state and federal funding partners as well as stakeholders to expedite the funding of wastewater infrastructure projects. These relationships assist in maximizing the environmental benefit of the limited available funding. Department staff coordinate project applications through monthly meetings of the Missouri Water and Wastewater Committee and conduct joint outreach events.

Goal 2: Pursue more holistic regional and watershed-based solutions that address both point and nonpoint source pollution problems and opportunities to use distributed wastewater treatment options where they could be applied.

The Department continues to work with communities to evaluate potential regionalization options and continued funding for nonpoint source projects to address failing onsite systems and management practices for agriculture.

### **Progress Toward Meeting Short Term Base Program Objectives and Goals**

The objectives were developed to meet the short term (one to three years) goals of improving the Clean Water SRF's immediate operations and the availability of services to its clients:

Goal 1: Continue the Clean Water SRF state regulations review and revision process. The rule changes are needed to implement recent revisions in federal law.

The Department engaged in Missouri's Red Tape Reduction initiative, to reduce regulatory restrictions by one-third. The intent of the Red Tape review is to identify regulations, rules or processes that unnecessarily burden individuals and businesses. Amendments to the Clean Water SRF state regulations are currently being addressed through the Red Tape rulemaking process anticipated to be complete February 28, 2019.

Goal 2: Target available loan funds to high priority needs in accordance with the Intended Use Plan priority list to encourage construction of the highest impact water quality improvement projects.

Together, Missouri's priority point ranking, and the strategy to allocate a certain percentage of available funds for certain size communities or for high priority project types (such as combined sewer overflows) target funding to the most impactful projects. The combination of the two will ensure that funding is allocated to a broad spectrum of needs categories. The IUP provides additional information on the allocation of funding.

Goal 3: Develop and implement a marketing plan to increase overall demand for the Clean Water SRF program.

The Department is engaged in an ongoing effort to evaluate and streamline processes associated with the Clean Water SRF to reduce barriers and improve ease of participation. Implementation of many policy and procedure changes during federal fiscal year (FFY) 2018 improved internal efficiency, consistency, and process times and enhanced customer service.

The Department hosted eight workshops on statewide infrastructure needs and funding opportunities for drinking water systems and wastewater treatment during FFY 2018. These workshops for local leaders, planners and elected officials describe how to plan, pay for and build water infrastructure projects using financial assistance from state and federal agencies.

Goal 4: Continue to identify projects that qualify for green project reserve funding, in accordance with federal guidance.

The Department continues to identify projects that qualify for this funding and work with the recipients to guide each project to a successful implementation. The tables found under the Green Project Reserve (GPR) and Additional Subsidy sections provide details of the projects to date. As of September 30, 2018, the projects identified by the Department have met the GPR requirements for the FFY 2010 through 2017 capitalization grants.

## VII. Details of Activities

### Fund Financial Status

#### 1. Binding Commitments for the 2018 Reporting Period

Refer to Section III of this report for information regarding this reporting period’s binding commitments. Information regarding cumulative binding commitments is located in Section IV of this report.

Exhibit 2 lists the state’s obligation to make binding commitments in an amount equal to 120 percent of each quarterly capitalization grant payment and Exhibit 4 is a complete binding commitment list. The table below lists two projects which began construction during this reporting period.

<b>2018 Reporting Period Project Construction Start Dates</b>			
<b>Recipient</b>	<b>Project #</b>	<b>Construction Start Date</b>	<b>Loan &amp; Grant Amount</b>
Ashland	C295710-01	04/09/2018	\$6,408,000
Unionville	C295720-01	10/30/2017	\$1,554,000

#### 2. Source of Funds

Since inception of the program through this reporting period, Missouri has been awarded a total of \$1,243,877,631 in federal Clean Water SRF capitalization grants. Included are transfers from the EPA Construction Grants Program in the amount of \$8,938,132. Refer to Exhibit 1 for a list of the federal grant awards and transfers. Prior to state fiscal year (SFY) 2005, Missouri secured the necessary 20 percent match requirement through the sale of Water Pollution Control Bonds authorized under Article III, section 37(e) of the Missouri Constitution. In order for the SRF to contribute towards the debt service of those bonds, the state created a new SRF fund (0300) for the purpose of directly and immediately depositing state match proceeds from Water Pollution Control Bonds. Because the state match proceeds were deposited into this new SRF fund, the state was able to use interest earned from the Water and Wastewater Loan Revolving Fund to pay debt service on those bonds, creating a net savings for the State of Missouri. The amount of

earned interest transferred out of the Water and Wastewater Loan Revolving Fund in the 2018 reporting period for the state match bond debt service was \$1,234,143.

During SFY 2005, Missouri changed the way that state match was generated. Missouri currently provides state match from the proceeds of the sale of the Environmental Improvement and Energy Resources Authority (EIERA) bonds. Bonds are clearly identified as either project bonds or state match bonds.

In addition to the EPA capitalization grant and the state match, Missouri uses its repayment account (0602) to finance projects. Debt service repayments received during the reporting period totaled \$45,353,056 from reserve loans, \$44,235,319 from direct loans, and \$580,658 from the Missouri Agricultural Small Business Development Authority loans. The repayment account also received \$588,393 from leveraged bond refunding savings.

### 3. Disbursements

Each individual loan has its own loan account at the master trustee bank. Disbursements from these accounts for leveraged loan and direct loan program participants totaled \$63,708,574 for the reporting period. Disbursements to grant recipients were made directly to each participant rather than going through the loan account.

Disbursements to the loan participants from the Wastewater Loan Fund (Fund 0649) for direct loans totaled \$35,340,043, all of which came from federal capitalization grants. Disbursements from the Water and Wastewater Loan Revolving Fund (Fund 0602) for grants totaled \$3,704,033 and for direct loans totaled \$27,912,687. Loan disbursements from the Administration Fee Fund (Fund 0568) totaled \$455,844.

### 4. Revenue and Expenses

Fund revenues consisting of interest earnings on loans, investment interest, EPA grant draws, state contributions, and administration fees totaled \$81,460,862.

Fund expenses, including administrative expenditures and bond interest expense, totaled \$34,744,942.

The program reports an increase in net assets of \$46,715,920. This amount includes EPA grant revenue of \$36,611,663. Other program activity resulted in an increase in net assets of \$10,104,257. The unaudited statement of revenues, expenses, and changes in net position are reported in Exhibit 6.

### 5. Cash Draw Ratio (Proportionality)

Missouri used a cash flow model for the Clean Water SRF program during this reporting period. The federal capitalization grant was not used as security for the state match bonds. During the reporting period, the state match funds were utilized first before drawing any federal funds from the FFY 2017 capitalization grant. Once state match funds were utilized, the cash draws were

100 percent federal funds. This process followed EPA memorandum, Clarification of Cash Draw Rules for Leveraged SRF Programs (August 26, 2011).

## 6. Financial Statements

The financial statements account for all Clean Water SRF funds. The SRF accounts are the Water and Wastewater Loan Fund (Fund 0649), the Water and Wastewater Loan Revolving Fund (Fund 0602), the Administration Fee Fund (Fund 0568), the Water Pollution Control Bond and Interest Fund (Fund 0209), and the accounts held at various trustee banks. The statements include notes essential to the presentation.

Exhibits 5, 6, 7 and 8 present the unaudited financial statements for the State of Missouri Clean Water SRF. The statements present financial activity for the reporting period. Corresponding footnotes immediately follow in Exhibit 9.

## 7. Green Project Reserve (GPR)

Staff continue to discuss the GPR requirements with SRF applicants and consulting engineers to encourage the utilization of GPR components in proposed projects. The costs associated with GPR components are being applied to the oldest capitalization grant first until such time as the GPR requirement for that grant has been satisfied.

<b>Federal Fiscal Year</b>	<b>GPR Allocation</b>	<b>GPR Awarded</b>
2010	\$11,296,600	\$11,296,600
2011	\$ 8,187,200	\$ 8,187,200
2012	\$ 3,917,900	\$ 3,917,900
2013	\$ 3,700,900	\$ 3,700,900
2014	\$ 3,886,800	\$ 3,886,800
2015	\$ 3,866,900	\$ 3,866,900
2016	\$ 3,703,900	\$ 3,703,900
2017	\$ 3,675,400	\$ 3,675,400
2018	\$ 4,449,500	\$ -

The following projects were identified to have GPR project components and the associated costs were applied towards the FFY 2010 capitalization grant GPR requirement.

Project #	Recipient	Loan Date	Loan/Grant Amount	GPR Amount	Energy Efficiency	Green Infrastructure
C295548-02	Joplin	1/26/11	\$26,000,000	\$5,001,000	\$5,001,000	\$ -
C295637-01	Waynesville	3/21/11	4,750,000	720,000	720,000	-
C295560-01	Cuba	6/22/11	2,460,000	100,000	100,000	-
C295611-01	Upper White River Basin Foundation	7/19/11	1,000,000	1,000,000	-	1,000,000
C295375-14	Boone County RSD	5/09/12	1,360,000	600,000	600,000	-
C295690-01	Perry	5/10/12	292,000	220,000	220,000	-
C295531-01	Cape Girardeau	6/19/12	31,000,000	3,655,600	3,655,600	-
	Total		\$66,862,000	\$11,296,600	\$10,296,600	\$1,000,000

The following projects were identified to have GPR project components and the associated costs were applied towards the FFY 2011 capitalization grant GPR requirement.

Project #	Recipient	Loan Date	Loan/Grant Amount	GPR Amount	Energy Efficiency	Environmentally Innovative
C295531-01	Cape Girardeau	6/19/12	\$31,000,000	\$5,196,400	\$5,196,400	\$ -
C295707-01	MACOG	8/02/12	1,000,000	1,000,000	-	1,000,000
C295538-01	Taney County	10/15/13	3,000,000	1,990,800	-	1,990,800
	Total		\$35,000,000	\$8,187,200	\$5,196,400	\$2,990,800

The following projects were identified to have GPR project components and the associated costs were applied towards the FFY 2012 capitalization grant GPR requirement.

Project #	Recipient	Loan Date	Loan/Grant Amount	GPR Amount	Energy Efficiency	Environmentally Innovative
C295538-01	Taney County	10/15/13	\$ 3,000,000	\$1,009,200	\$ -	\$1,009,200
C295564-03	MSD	10/31/13	52,000,000	2,908,700	2,908,700	-
	Total		\$55,000,000	\$3,917,900	\$2,908,700	\$1,009,200

The following project was identified to have GPR project components and the associated costs were applied toward the FFY 2013 capitalization grant GPR requirement.

Project #	Recipient	Loan Date	Loan/Grant Amount	GPR Amount	Energy Efficiency	Environmentally Innovative
C295023-37	MSD	8/18/15	\$75,000,000	\$3,700,900	\$3,700,900	\$ -
	Total		\$75,000,000	\$3,700,900	\$3,700,900	\$ -

The following project was identified to have GPR project components and the associated costs were applied toward the FFY 2014 capitalization grant GPR requirement.

<b>Project #</b>	<b>Recipient</b>	<b>Loan Date</b>	<b>Loan/Grant Amount</b>	<b>GPR Amount</b>	<b>Energy Efficiency</b>	<b>Environmentally Innovative</b>
C295023-37	MSD	8/18/15	\$75,000,000	\$3,886,800	\$3,886,800	\$ -
	Total		\$75,000,000	\$3,886,800	\$3,886,800	\$ -

The following project was identified to have GPR project components and the associated costs were applied toward the FFY 2015 capitalization grant GPR requirement.

<b>Project #</b>	<b>Recipient</b>	<b>Loan Date</b>	<b>Loan/Grant Amount</b>	<b>GPR Amount</b>	<b>Energy Efficiency</b>	<b>Environmentally Innovative</b>
C295023-37	MSD	8/18/15	\$75,000,000	\$3,866,900	\$3,866,900	\$ -
	Total		\$75,000,000	\$3,866,900	\$3,866,900	\$ -

The following project was identified to have GPR project components and the associated costs were applied toward the FFY 2016 capitalization grant GPR requirement.

<b>Project #</b>	<b>Recipient</b>	<b>Loan Date</b>	<b>Loan/Grant Amount</b>	<b>GPR Amount</b>	<b>Energy Efficiency</b>	<b>Environmentally Innovative</b>
C295023-38	MSD	12/22/16	\$20,000,000	\$3,703,900	\$3,703,900	\$ -
	Total		\$20,000,000	\$3,703,900	\$3,703,900	\$ -

The following project was identified to have GPR project components and the associated costs were applied toward the FFY 2017 capitalization grant GPR requirement.

<b>Project #</b>	<b>Recipient</b>	<b>Loan Date</b>	<b>Loan/Grant Amount</b>	<b>GPR Amount</b>	<b>Energy Efficiency</b>	<b>Environmentally Innovative</b>
C295023-39	MSD	12/22/16	\$75,500,000	\$3,675,400	\$3,675,400	\$ -
	Total		\$75,500,000	\$3,675,400	\$3,675,400	\$ -

No projects were applied toward the FFY 2018 capitalization grant GPR requirement during this reporting period.

## 8. Additional Subsidy

The following table lists the additional subsidy requirement for each Clean Water capitalization grant and the progress toward meeting the requirements.

<b>Federal Fiscal Year</b>	<b>Minimum Required</b>	<b>Maximum Allowed</b>	<b>Planned Amount</b>	<b>Awarded</b>
2010	\$8,461,153	\$28,196,314	\$10,608,161	\$10,608,161
2011	3,794,767	12,645,130	12,644,571	7,150,522
2012	3,201,185	4,804,661	3,266,140	3,266,140
2013	1,743,282	2,614,923	2,614,923	2,614,923
2014	2,115,106	3,172,658	3,172,658	3,171,823
2015	-	11,600,700	Up to \$4,000,000	1,799,071
2016	3,703,900	14,815,600	Up to \$5,703,900	2,477,974
2017	3,675,400	14,701,600	5,675,400	-
2018	4,449,500	17,798,000	6,449,500	-
<b>Total</b>	<b>\$31,144,293</b>	<b>\$110,349,586</b>	<b>\$54,135,253</b>	<b>\$31,088,614</b>

The Department has entered into binding agreements for additional subsidization in amounts that exceed the minimum requirements of the FFY 2010 to 2015 capitalization grants. The following table lists the recipients who have been awarded additional subsidization as of September 30, 2018. All additional subsidization was provided in the form of grants.

Under the FFY 2018 capitalization grant, the Department elected to reserve up to \$6,449,500, to offer as additional subsidization. The FFY 2018 capitalization grant is included in the FFY 2019 Clean Water SRF Intended Use Plan and as such will be reported on in the 2019 annual report.

<b>Recipient</b>	<b>Project Complete as of Sept. 30, 2018?</b>	<b>Amount Awarded</b>	<b>Award Date</b>	<b>Project</b>
Upper White River Basin Foundation	No	\$2,000,000	07/19/2011 & 04/14/2016	NPS
MACOG	No	1,000,000	08/02/2012	NPS
Taney County	Yes	3,000,000	10/15/2013	TP Impr
Carl Junction	Yes	2,050,000	11/06/2013	TP Exp, I/I
Sunrise Beach	Yes	1,886,911	11/25/2013	Coll, TP
Joplin	Yes	2,684,054	10/27/2014	TP, I/I
Aurora	Yes	785,158	01/14/2015	TP Rehab
Rocky Mount Sewer District	Yes	2,974,042	03/25/2015	Coll, TP
Odessa	No	2,567,562	07/21/2015	TP
Monett	Yes	945,260	10/13/2015	TP, Coll
Macon	Yes	825,500	11/16/2015	TP
Windsor Place	Yes	607,758	11/23/2015	TP
Alba	No	1,217,000	12/03/2015	TP, Coll
Brashear	Yes	484,852	02/25/2016	TP
Pierce City	No	494,860	11/10/2016	TP Impr, Coll
Renick	Yes	424,755	12/12/2016	TP, Coll
Madison	No	1,570,468	12/20/2016	I/I, TP Impr, Coll
New London	No	2,315,460	12/21/2016	TP Impr, Coll
Wellsville	Yes	1,555,159	12/21/2016	TP Impr
Chamois	No	922,815	04/25/2017	TP, Coll Rehab
Unionville	No	777,000	10/17/2017	Coll Rehab
<b>Total</b>		<b>\$31,088,614</b>		

*Coll – Collection*

*NPS – Non-point Source*

*I/I – Inflow and Infiltration*

*TP – Treatment Plant*

9. Federal Funding Accountability and Transparency Act (FFATA) and Equivalency

The following table lists the grant awards reported in the FFATA Subaward Reporting System as of September 30, 2018. These awards have been designated as fulfilling FFATA and equivalency requirements.

<b><u>FFATA Subaward List</u></b>				
<b>Clean Water CAP Grant Year</b>	<b>CAP Grant Amount</b>	<b>Project Number</b>	<b>Recipient</b>	<b>FFATA Subaward Obligation</b>
FFY2010		C295548-02	Joplin	\$ 18,633,000
FFY2010		C295525-01	Little Blue Valley Sewer District	37,850,000
	\$ 56,483,000			\$ 56,483,000
FFY2011		C295531-01	Cape Girardeau	\$ 31,000,000
FFY2011		C295684-01	Northeast Public Sewer District	12,000,000
	\$ 40,836,000			\$ 43,000,000
FFY2012		C295401-06	Jefferson City	\$ 15,000,000
FFY2012		C295699-02	St. Joseph	14,660,000
FFY2012		C295564-03	MSD	13,000,000
FFY2012		C295023-37L	MSD	15,019,000
	\$ 57,679,000			\$ 57,679,000
FFY2013	\$ 37,009,000	C295564-03	MSD	\$ 39,000,000
FFY2014		C295548-03	Joplin	\$ 6,082,000
FFY2014		C295699-01	St. Joseph	28,585,000
FFY2014		C295375-10	Boone County R.S.D.	3,064,000
FFY2014		C295721-01	Windsor Place	1,546,758
	\$ 38,868,000			\$ 39,277,758
FFY2015	\$ 38,669,000	C295023-37L	MSD	\$ 38,669,000
FFY2016	\$ 37,039,000	C295023-39	MSD	\$ 37,039,000
FFY2017	\$ 36,754,000	C295023-39	MSD	\$ 36,754,000
<b>Total FFATA Reported To Date</b>				<b>\$ 347,901,758</b>

10. Subaward Reporting

The Department did not award any Clean Water SRF grants or loans that qualify for reporting under 2 CFR 200.331(d) during this reporting period.

## Operating Agreement Conditions

All current conditions and assurances agreed to in the Department and EPA's operating agreement are as stipulated in the previous year's annual report.

## Compliance with Grant Conditions

The Department continues to comply with all grant conditions. The following sections address specific compliance issues:

- **Lobbying:** Lobbying by grant recipients is restricted by Section 607(A) of P.L. 96-74 and the Anti-Lobbying Act, Section 319 of P.L. 101-121. The Department has not engaged in illegal lobbying and has not used grant funds to support lobbying.
- **Debarment:** The Department complies with the EPA's policy on debarment and suspension under assistance, loan and benefit programs. The Department has not solicited subagreements from debarred or suspended parties and has included notice of this policy in solicitations as required.
- **Disadvantaged Business Enterprises:** The Department complies with EPA's Guidance for Utilization of Small, Minority and Women's Business Enterprises. It has agreed to negotiate fair share goals. During the reporting period, the Department and all loan and grant recipients have complied with the requirements contained in 40 CFR, Part 33. The Department has submitted reports on disadvantaged business enterprise use as required based on the information received from loan and grant recipients. Minority or Women's Business Enterprises (MBE/WBE) reports were submitted to the EPA. The table below summarizes the MBE/WBE activity for Missouri's Clean Water SRF program for the reporting period.

<b>MBE/WBE Assistance Activity 2018 Reporting Period</b>		
	<b>MBE</b>	<b>WBE</b>
Construction	\$ 190,147	\$2,801,829
Equipment	-	-
Services	6,405,386	303,820
Supplies	6,097,224	4,643,918
Total	\$12,692,757	\$7,749,567
Percent	13.1%	8.0%
Goal	10.0%	5.0%

- **Reporting:** The Department submits an annual report on the State of the Clean Water SRF and environmental benefit reports. This report fulfills the requirement of the annual report. The Department has entered the environmental benefits for each loan recipient into the Clean Water Benefits Reporting System.

- Use of recycled paper: The Department submits required reports to the EPA on recycled paper. This report is printed on recycled paper.
- Indirect costs: The Department complies with the negotiated indirect cost agreement and charged indirect costs in the year expended.

## **VIII. EPA Recommendations on Performance Evaluation Report/Annual Program Review**

Staff from EPA Region VII conducted an on-site program evaluation of the FFY 2017 Clean Water SRF program June 12 through June 13, 2018, and July 10 through July 11, 2018. The final draft program evaluation report for the SRF program included the following recommendations and observations:

1. The Missouri Annual Report was received on February 6, 2018. This report is due on December 31<sup>st</sup>. Missouri is in compliance with all other rules and federal regulations.
2. MoDNR showed substantial progress in addressing past staffing deficiencies. Staff is well trained. EPA saw continue improvement in MODNR's program implementation, reporting timeliness and communications.
3. In follow-up from the previous PER recommendation, Missouri has made progress in addressing the timeliness of the audit reports. Sara Pringer has been diligent responding to audit questions. Missouri continues to receive unmodified opinions.
4. MoDNR's files were well documented and no improper payments were found during the cash draw transaction testing.
5. EPA values the continuing assistance provided by MoDNR with grant closeouts specific to the state's final disbursement of additional subsidy.
6. A highlight of the review was hearing about a key MoDNR initiative "Improve Missouri's water infrastructure through increased water infrastructure loans." As part of this effort, MoDNR is offering statewide, face-to-face financial workshops, which should increase loan demand and therefore improve the financial indicators described in Section C.7. of this report. EPA compliments MoDNR's continuing efforts to both market the SRF program and to improve SRF processes and we look forward to hearing more about these activities and any outcomes.

## **IX. Program Changes**

State regulations limit the term of Clean Water SRF loans to 20 years. On April 4, 2018, the Missouri Clean Water Commission approved a variance extension to the state regulation to allow Clean Water SRF loans to be fully amortized no later than 30 years after initiations of operation with the condition that no amortization schedule would exceed the useful life of the project. This variance is in effect until the earlier of the completion of a rulemaking process for 10 CSR 20-4.041 or October 31, 2019.

The Financial Assistance Center revised the process for determining Clean Water SRF grant eligibility based on affordability per Water Resources and Development Act Section 603(i). The new process, adopted September 10, 2018, evaluates project affordability utilizing population, unemployment rate, median household income, user rate and population trend data. Grant eligibility is to be evaluated at the time the application is submitted, and available grant funding is to be committed when an eligible project is listed in the annual Intended Use Plan. The new process is quicker, makes grant funds available to a larger percentage of projects, and increases transparency and certainty for communities by providing an early grant commitment.

## **X. Proposed Improvements**

The Department's Financial Assistance Center engages in continual marketing efforts intended to communicate the benefits of the Clean Water SRF program. The Department also continues to evaluate the program's administrative procedures to streamline processes and improve customer service.

## **XI. Programs Outside the State Revolving Fund**

No state Water Pollution Control Bonds were issued during the reporting period.

### **Forty Percent Construction Grant Program**

This program funds up to 40 percent of the eligible project costs and is generally geared to the more economically disadvantaged and smaller communities. No state funds were available for this program during the reporting period.

### **Rural Sewer Grants**

These grants can be used for two types of wastewater construction projects. One is to pay for collection systems in an unsewered area. The other is to fund the additional costs of meeting more stringent EPA or Department permit requirements for wastewater treatment. Historically, these grants were funded through the issuance of state Water Pollution Control Bonds. At the end of the reporting period, the Department has planned for up to \$9.3 million from Administration Fee Fund 0568 for Rural Sewer Grant funding. No Rural Sewer Grants were made from Administration Fee Fund 0568 prior to the 2015 reporting period. Cumulatively, the Department has awarded 18 Rural Sewer Grants totaling \$4,649,501 to be funded from Administration Fee Fund 0568. Cumulative disbursements totaled \$4,195,480 with disbursements for this reporting period totaling \$1,572,110.

## **State Direct Loans**

Eligible applicants are small communities that are currently experiencing financial difficulties or that have a small financial need. These applicants would not typically qualify for assistance through the Clean Water or Drinking Water SRF programs. Direct loans available to communities consist of small borrower loans, direct loans, and planning loans. Small borrower loans are limited to \$100,000 and are for drinking water and wastewater projects for communities of less than 1,000 in population. State direct loans may also be funded with repayments of prior direct loan proceeds.

During the reporting period, the Department made two state direct loans to Perry and Silex totaling \$460,000 and one small borrower loan to Barnett in the amount of \$19,000.

## **Stormwater Grants and Loans**

During the reporting period, the Department did not award any state-funded stormwater grants or loans.

## **Small Community Engineering Assistance Program Grants**

The Small Community Engineering Assistance Program (SCEAP) provides grants to municipalities, counties, public sewer or water districts, political subdivisions or instrumentalities of the state with a population of less than 10,000. The grants provide funding for wastewater engineering costs incurred in preparation of a facility plan or engineering report. Communities may be eligible to receive an 80 percent grant with a 20 percent recipient match, while disadvantaged communities may be eligible to receive a 90 percent grant with a 10 percent recipient match. The maximum grant amount shall not exceed \$50,000.

Through the reporting period, the Department has budgeted for up to \$6.5 million for SCEAP grants. The funds for this program are budgeted from the Administration Fee Fund 0568. Cumulatively, the Department has awarded 151 SCEAP grants totaling \$5,859,939 to be funded from Administration Fee Fund 0568. During the reporting period, the Department awarded 23 SCEAP grants totaling \$934,960.

Cumulative disbursements totaled \$4,647,099 with disbursements for this reporting period totaling \$1,503,305.

## Clean Water SRF Capitalization Grant Awards

### Exhibit 1

FFY	Grant ID	Transfers	Allotment (less 604b)	Award Amount	Cumulative
1989	00290001-89		\$ 26,147,682	\$ 26,147,682	\$ 26,147,682
1990	00290001-90		\$ 27,046,602	\$ 27,046,602	\$ 53,194,284
1991	00290001-91	\$ 400,000	\$ 56,892,500	\$ 57,292,500	\$ 110,486,784
1992	00290001-92		\$ 53,863,400	\$ 53,863,400	\$ 164,350,184
1993	00290001-93		\$ 53,282,889	\$ 53,282,889	\$ 217,633,073
1994	00290001-94		\$ 33,061,347	\$ 33,061,347	\$ 250,694,420
1995	00290001-95		\$ 34,135,876	\$ 34,135,876	\$ 284,830,296
1996	00290001-96	\$ 280,872	\$ 55,930,941	\$ 56,211,813	\$ 341,042,109
1997	00290001-97		\$ 17,277,282	\$ 17,277,282	\$ 358,319,391
1998	00290001-98		\$ 37,329,237	\$ 37,329,237	\$ 395,648,628
1999	00290001-99		\$ 37,332,405	\$ 37,332,405	\$ 432,981,033
2000	00290001-00	\$ 5,000,000	\$ 37,205,784	\$ 42,205,784	\$ 475,186,817
2001	00290001-06	\$ 2,175,236	\$ 36,875,124	\$ 39,050,360	\$ 514,237,177
2002	00290001-07		\$ 36,957,195	\$ 36,957,195	\$ 551,194,372
2003	00290001-08	\$ 82,024	\$ 36,717,021	\$ 36,799,045	\$ 587,993,417
2004	00290001-09	\$ 1,000,000	\$ 36,739,197	\$ 37,739,197	\$ 625,732,614
2005	00290001-10		\$ 29,872,359	\$ 29,872,359	\$ 655,604,973
2006	00290001-11		\$ 24,299,648	\$ 24,299,648	\$ 679,904,621
2007	00290001-12		\$ 29,670,498	\$ 29,670,498	\$ 709,575,119
2008	00290001-13		\$ 18,864,955	\$ 18,864,955	\$ 728,440,074
2009	00290001-14		\$ 18,863,757	\$ 18,863,757	\$ 747,303,831
2010	00977080-01		\$ 108,641,800	\$ 108,641,800	\$ 855,945,631
2010	00290001-15		\$ 56,483,000	\$ 56,483,000	\$ 912,428,631
2011	00290001-16		\$ 40,936,000	\$ 40,936,000	\$ 953,364,631
2012	00290001-17		\$ 57,679,000	\$ 57,679,000	\$ 1,011,043,631
2013	00290001-18		\$ 37,009,000	\$ 37,009,000	\$ 1,048,052,631
2014	00290001-19		\$ 38,868,000	\$ 38,868,000	\$ 1,086,920,631
2015	00290001-20		\$ 38,669,000	\$ 38,669,000	\$ 1,125,589,631
2016	00290001-21		\$ 37,039,000	\$ 37,039,000	\$ 1,162,628,631
2017	00290001-22		\$ 36,754,000	\$ 36,754,000	\$ 1,199,382,631
2018	00290001-23		\$ 44,495,000	\$ 44,495,000	\$ 1,243,877,631

# SRF Required Binding Commitments

Fiscal Year End 2018

Grant Name	Award Date	Grant Amount	1989-2017 Payments	2018 Q1	2018 Q2	2018 Q3	2018 Q4
1989 FFY CW STATE REVOLVING FUND	08/28/1989	26,147,682.00	26,147,682.00	0.00	0.00	0.00	0.00
1990 FFY CW STATE REVOLVING FUND	05/05/1990	27,046,602.00	27,046,602.00	0.00	0.00	0.00	0.00
1991 FFY CW STATE REVOLVING FUND	06/03/1991	57,292,500.00	57,292,500.00	0.00	0.00	0.00	0.00
1992 FFY CW STATE REVOLVING FUND	07/14/1992	53,863,400.00	53,863,400.00	0.00	0.00	0.00	0.00
1993 FFY CW STATE REVOLVING FUND	10/04/1993	53,282,889.00	53,282,889.00	0.00	0.00	0.00	0.00
1994 FFY CW STATE REVOLVING FUND	09/08/1994	33,061,347.00	33,061,347.00	0.00	0.00	0.00	0.00
1995 FFY CW STATE REVOLVING FUND	04/25/1995	34,135,875.54	34,135,875.54	0.00	0.00	0.00	0.00
1996 FFY CW STATE REVOLVING FUND	04/04/1996	56,211,813.00	56,211,813.00	0.00	0.00	0.00	0.00
1997 FFY CW STATE REVOLVING FUND	09/30/1997	17,277,282.00	17,277,282.00	0.00	0.00	0.00	0.00
1998 FFY CW STATE REVOLVING FUND	09/30/1998	37,329,237.00	37,329,237.00	0.00	0.00	0.00	0.00
1999 FFY CW STATE REVOLVING FUND	12/10/1999	37,332,405.00	37,332,405.00	0.00	0.00	0.00	0.00
2000 FFY CW STATE REVOLVING FUND	09/27/2001	42,205,784.00	42,205,784.00	0.00	0.00	0.00	0.00
2001 FFY CW STATE REVOLVING FUND	09/25/2002	39,050,360.00	39,050,360.00	0.00	0.00	0.00	0.00
2002 FFY CW STATE REVOLVING FUND	09/30/2003	36,957,195.00	36,957,195.00	0.00	0.00	0.00	0.00
2003 FFY CW STATE REVOLVING FUND	09/08/2004	36,799,045.00	36,799,045.00	0.00	0.00	0.00	0.00
2004 FFY CW STATE REVOLVING FUND	06/28/2005	37,739,197.00	37,739,197.00	0.00	0.00	0.00	0.00
2005 FFY CW STATE REVOLVING FUND	11/29/2005	29,872,359.00	29,872,359.00	0.00	0.00	0.00	0.00
2006 FFY CW STATE REVOLVING FUND	05/15/2007	24,199,648.00	24,199,648.00	0.00	0.00	0.00	0.00
2007 FFY CW STATE REVOLVING FUND	01/16/2008	29,670,498.00	29,670,498.00	0.00	0.00	0.00	0.00
2008 FFY CW STATE REVOLVING FUND	02/04/2009	18,764,955.00	18,764,955.00	0.00	0.00	0.00	0.00
ARRA CAPITALIZATION GRANT	07/20/2009	108,641,800.00	108,641,800.00	0.00	0.00	0.00	0.00
2009 FFY CW STATE REVOLVING FUND	08/16/2010	18,863,757.00	18,863,757.00	0.00	0.00	0.00	0.00
2010 FFY CW STATE REVOLVING FUND	01/14/2011	56,483,000.00	56,483,000.00	0.00	0.00	0.00	0.00
2011 FFY CW STATE REVOLVING FUND	12/07/2011	40,836,000.00	40,836,000.00	0.00	0.00	0.00	0.00
2012 FFY CW STATE REVOLVING FUND	09/27/2012	57,679,000.00	57,679,000.00	0.00	0.00	0.00	0.00
2013 FFY CW STATE REVOLVING FUND	09/26/2013	36,939,000.00	37,009,000.00	0.00	0.00	0.00	0.00
2014 FFY CW STATE REVOLVING FUND	09/03/2014	38,868,000.00	38,868,000.00	0.00	0.00	0.00	0.00
2015 FFY CW STATE REVOLVING FUND	09/14/2015	38,627,000.00	38,669,000.00	0.00	0.00	0.00	0.00
2016 FFY CW STATE REVOLVING FUND	09/29/2016	37,039,000.00	35,187,050.00	9,259,750.00	0.00	0.00	0.00
FFY2017 CW CAPITALIZATION GRANT	09/27/2017	36,754,000.00	0.00	0.00	12,251,333.00	12,251,333.00	12,251,334.00
FFY2018 CW CAPITALIZATION GRANT	08/30/2018	44,495,000.00	0.00	0.00	0.00	0.00	0.00
			<b>1,160,476,580.54</b>	<b>9,259,750.00</b>	<b>12,251,333.00</b>	<b>12,251,333.00</b>	<b>12,251,334.00</b>

**Cumulative Binding Commitment: 2,860,807,532.16**    **2,928,505,120.16**    **2,930,441,680.16**    **2,937,766,080.16**    **2,938,096,083.16**  
**Required Binding Commitment: 1,350,347,436.65**    **1,350,347,436.65**    **1,370,348,496.65**    **1,381,460,196.65**    **1,392,571,896.65**  
**Percentage: 211.86%**    **216.87%**    **213.85%**    **212.66%**    **210.98%**

Cumulative Leveraged Loan Bond Closings					
Series	Par	Series	Par	Series	Par
1990A	\$ 32,650,000	1996B	\$ 4,545,000	2001C	\$ 88,880,000
1990B	9,695,000	1996D	14,185,000	2002A	19,175,000
1991A	13,550,000	1996E	23,600,000	2002B	76,360,000
1992A	48,295,000	1997B	22,235,000	2003A	88,915,000
MSD1	68,000,000	1997C	5,730,000	2003B	28,495,000
MSD2	85,000,000	1997D	24,060,000	2003C	16,605,000
1993A	22,425,000	1997E	14,015,000	2004B	176,175,000
MSD3	50,000,000	1997F	2,500,000	2004C	30,175,000
1994A	12,215,000	1998A	16,480,000	2005A	24,955,000
1994B	43,230,000	1998B	17,080,000	2005C	55,430,000
1995A	17,450,000	1999A	45,655,000	2006A	85,505,000
1995B	18,000,000	1999B	9,550,000	2006B	19,810,000
1995C	30,000,000	2000A	32,150,000	2007A	45,625,000
1995D	11,462,661	MSD4	72,545,000	2007B	56,335,000
1995E	26,410,000	2000B	34,675,000	2008A	58,630,000
1996A	24,000,000	2001A	7,635,000		
Cumulative Leveraged Loan Binding Commitments:					\$ 1,730,092,661

**SRF Binding Commitments**  
**State Fiscal Years 1989 through 2018**

<b>Project Name</b>	<b>Project Number</b>	<b>Amount</b>	<b>Closing Date</b>
<b>Funding Type: ARRA GRANT</b>			
HOUSTON-WW SYSTEM IMPROVEMENTS	C295491-01G	\$1,750,000.00	09/28/2009
TIPTON-RENOVATION OF SAN. SEWERS FOR I&I	C295528-01G	\$1,500,000.00	10/09/2009
CALVEY CREEK S.D. - CRESTVIEW	C295524-01G	\$682,000.00	10/26/2009
NEOSHO-WW SYSTEM IMPROVEMENTS	C295549-01G	\$3,000,000.00	10/30/2009
BLUE SPRINGS	C295530-01G	\$3,000,000.00	11/10/2009
DUQUESNE	C295477-03G	\$1,481,876.00	11/10/2009
LIBERTY REHAB C295595-01	C295595-01G	\$1,473,000.00	11/16/2009
AURORA-SANITARY SEWER REHABILITATION	C295570-01G	\$281,050.00	12/10/2009
MOBERLY-ARRA & SRF, WWTP DISINF/CSO IMPR	C295648-01G	\$1,279,500.00	12/10/2009
RALLS CO. PWSO NO. 1-LAKE HANNIBAL ESTAT	C295621-01G	\$279,345.00	12/10/2009
THAYER-WW SYSTEM IMPROVEMENTS	C295561-01G	\$2,125,000.00	12/10/2009
KANSAS CITY - WSD - C295588-01	C295588-01G	\$3,000,000.00	12/15/2009
SILVER CREEK	C295529-01G	\$1,406,863.00	12/16/2009
KIRKSVILLE-C295250-8&-9,BASIN C&F, NE FM	C295250-09G	\$515,000.00	12/21/2009
ATLANTA, CITY OF	C295554-01G	\$535,200.00	12/22/2009
REEDS SPRING - WWTP EXPANSION & SEWERS	C295537-01G	\$433,650.00	12/22/2009
WEST SULLIVAN SEWER COLLECTION & WWTF	C295638-01G	\$629,589.00	12/22/2009
BOONE CO. R. S. D. C295573-01 ARRA	C295573-01G	\$924,700.00	12/23/2009
KINGSTON	C295542-01G	\$576,000.00	12/23/2009
WARSAW I/I IMPROVEMENTS, UV & STORMWATER	C295634-01G	\$2,030,300.00	12/23/2009
NIXA-WW COLLECTION SYSTEM IMPROVEMENTS	C295608-01G	\$378,761.00	12/27/2009
HARRISONVILLE - WWTP - C295365-05 - ARRA	C295365-05G	\$3,000,000.00	12/29/2009
PARKVILLE REHAB & AERATION C295645-01	C295645-01G	\$237,109.00	12/29/2009
CHILLICOTHE - C295576-01	C295576-01G	\$1,000,000.00	01/05/2010
COLUMBIA WWTP C295361-08 ARRA	C295361-08G	\$3,000,000.00	01/05/2010
JOPLIN-TURKEY CRK & SHOAL CRK WWTF'S	C295548-01G	\$3,000,000.00	01/05/2010
KIRBYVILLE COLLECTION SYSTEM	C295589-01G	\$627,819.00	01/05/2010
PENDLETON, VILLAGE OF	C295614-01G	\$306,353.00	01/06/2010
STE. GENEVIEVE - C295627-01 ARRA	C295627-01G	\$647,500.00	01/08/2010
NEW FLORENCE-WW SYSTEM IMPROVEMENTS	C295562-01G	\$928,197.00	01/09/2010
GARDEN CITY C295283-02L	C295283-02G	\$362,600.00	01/15/2010
LEXINGTON DISINFECTION C295594-01	C295594-01G	\$294,400.00	01/15/2010
PLATTE CITY INTERCEPTOR SEWER	C295559-01G	\$558,000.00	01/15/2010
SPRINGFIELD - ARRA - SPRING BR. & OZONE	C295406-04G	\$3,000,000.00	01/15/2010
CLARENCE SEWER SYSTEM REHAB	C295654-01G	\$2,846,212.00	01/16/2010
CARTERVILLE - LIFT STATION UPGRADE	C295643-01G	\$702,950.00	01/22/2010
CASSVILLE - SH SUBDIVISION	C295657-01G	\$551,098.00	01/25/2010
MSD - ARGONNE PH-I/UPPER MALINE PH-IIIIB	C295605-01G	\$3,000,000.00	01/26/2010
MARCELINE, CITY OF	C295600-01G	\$139,190.00	01/27/2010
CALIFORNIA, CITY OF- C295261-03/ RSG-396	C295261-03G	\$2,708,100.00	01/28/2010
FREMONT HILLS	C295580-01G	\$34,903.00	01/28/2010
LAKE OZARK C295646-01	C295646-01G	\$444,200.00	01/28/2010
BOONE CO COM- COUNTRY SQUIRE/BRN STATION	C295299-02G	\$180,062.00	01/29/2010
PARIS	C295552-01G	\$1,155,500.00	01/29/2010
	<b>44</b>	<b>\$56,006,027.00</b>	
<b>Funding Type: ARRA LOAN</b>			
HOUSTON-WW SYSTEM IMPROVEMENTS	C295491-01L	\$1,750,000.00	10/06/2009
TIPTON-RENOVATION OF SAN. SEWERS FOR I&I	C295528-01L	\$1,500,000.00	10/14/2009
CALVEY CREEK S.D. - CRESTVIEW	C295524-01L	\$682,000.00	10/29/2009
NEOSHO-WW SYSTEM IMPROVEMENTS	C295549-01L	\$5,488,800.00	11/10/2009
DUQUESNE	C295477-03L	\$1,481,900.00	11/16/2009
BLUE SPRINGS	C295530-01L	\$30,789,000.00	11/24/2009
RALLS CO. PWSO NO. 1-LAKE HANNIBAL ESTAT	C295621-01L	\$221,200.00	12/14/2009
THAYER-WW SYSTEM IMPROVEMENTS	C295561-01L	\$2,125,000.00	12/15/2009
KANSAS CITY - WSD - C295588-01	C295588-01L	\$16,000,000.00	12/18/2009
SILVER CREEK	C295529-01L	\$1,406,800.00	12/18/2009
ATLANTA, CITY OF	C295554-01L	\$535,200.00	12/28/2009
KINGSTON	C295542-01L	\$192,000.00	12/28/2009
BOONE CO. R. S. D. C295573-01 ARRA	C295573-01L	\$924,700.00	12/29/2009
KIRKSVILLE-C295250-8&-9,BASIN C&F, NE FM	C295250-09L	\$515,000.00	12/29/2009
REEDS SPRING - WWTP EXPANSION & SEWERS	C295537-01L	\$433,600.00	12/29/2009
WARSAW I/I IMPROVEMENTS, UV & STORMWATER	C295634-01L	\$2,030,300.00	12/29/2009
WEST SULLIVAN SEWER COLLECTION & WWTF	C295638-01L	\$209,800.00	12/29/2009
PENDLETON, VILLAGE OF	C295614-01L	\$102,100.00	01/08/2010
HARRISONVILLE - WWTP - C295365-05 - ARRA	C295365-05L	\$4,300,000.00	01/12/2010
NEW FLORENCE-WW SYSTEM IMPROVEMENTS	C295562-01L	\$928,000.00	01/12/2010
STE. GENEVIEVE - C295627-01 ARRA	C295627-01L	\$647,500.00	01/12/2010
COLUMBIA WWTP C295361-08 ARRA	C295361-08L	\$59,335,000.00	01/14/2010
SPRINGFIELD - ARRA - SPRING BR. & OZONE	C295406-04L	\$13,000,000.00	01/15/2010
CLARENCE SEWER SYSTEM REHAB	C295654-01L	\$948,700.00	01/19/2010
LEXINGTON DISINFECTION C295594-01	C295594-01L	\$294,400.00	01/20/2010
PLATTE CITY INTERCEPTOR SEWER	C295559-01L	\$558,000.00	01/20/2010
JOPLIN-TURKEY CRK & SHOAL CRK WWTF'S	C295548-01L	\$6,000,000.00	01/26/2010
MSD - ARGONNE PH-I/UPPER MALINE PH-IIIIB	C295605-01L	\$7,980,700.00	01/26/2010
GARDEN CITY C295283-02L	C295283-02L	\$362,600.00	01/27/2010
BOONE CO COM- COUNTRY SQUIRE/BRN STATION	C295299-02L	\$179,900.00	01/28/2010

**SRF Binding Commitments**  
**State Fiscal Years 1989 through 2018**

**Exhibit 4**

Project Name	Project Number	Amount	Closing Date
CALIFORNIA, CITY OF- C295261-03/ RSG-396	C295261-03L	\$2,708,000.00	01/28/2010
LAKE OZARK C295646-01	C295646-01L	\$200,000.00	01/28/2010
PARIS	C295552-01L	\$1,155,500.00	01/28/2010
	<b>33</b>	<b>\$164,985,700.00</b>	
<b>Funding Type: DIRECT FORTY % MATCH LOAN SRF</b>			
LOMA LINDA, TOWN OF	C295340-01	\$346,200.00	05/24/2001
STONE COUNTY	C295430-01	\$1,500,000.00	03/13/2003
RISCO, CITY OF	C295437-01	\$359,000.00	05/22/2003
GORDONVILLE	C295449-01	\$1,497,700.00	07/29/2009
	<b>4</b>	<b>\$3,702,900.00</b>	
<b>Funding Type: DIRECT INTERIM LOAN SRF</b>			
ROCK CREEK PUBLIC SEWER DISTRICT	C295367-01	\$8,585,000.00	05/04/1999
WELDON SPRING-SAN. SEWER COLLECTION SYS.	C295235-01	\$1,125,000.00	06/04/1999
HOLT, CITY OF	C295341-01	\$975,000.00	05/16/2000
ROCK CREEK S.D. PHASE 1,2,3 & KIMMSWIC	C295367-03	\$1,800,000.00	05/16/2000
FESTUS-INTERIM DIRECT LOAN	C295305-01	\$730,000.00	06/08/2001
HARRISONVILLE-EXTRA. BASIN&NEW PS#2	C295365-01	\$695,000.00	06/08/2001
JEFFERSON CITY WWTP & WALNUT ST. PS	C295401-01	\$10,000,000.00	06/08/2001
PLATTE COUNTY RSD #1	C295263-10	\$425,000.00	02/25/2002
LITTLE BLUE VALLEY ATHERTON WWTP	C295439-01	\$6,000,000.00	03/14/2002
HOLDEN, CITY OF	C295389-01	\$1,290,000.00	05/21/2002
MOUNTAIN VIEW - NEW WWTP	C295466-01	\$300,000.00	09/09/2002
GREENFIELD COLLECTION SYSTEM	C295425-01	\$1,100,000.00	09/11/2002
BOWLING GREEN SEWER IMPROVEMENTS	C295241-01	\$800,000.00	07/31/2003
MSD - 99066A, L. MERAMEC RIVER WWTP	C295023-09	\$69,506,836.00	01/14/2004
KANSAS CITY - WSD C295248-11 IDL & 13 SRF	C295248-11	\$10,000,000.00	03/04/2004
RAYTOWN C295506-01	C295506-01	\$1,823,000.00	10/11/2005
WARRENSBURG-PHASE 1 WW SYSTEM IMPR.	C295510-01	\$3,500,000.00	07/27/2006
	<b>17</b>	<b>\$118,654,836.00</b>	
<b>Funding Type: DIRECT INTERIM LOAN SRF (Paid off by Leveraged Loan)</b>			
ROCK CREEK PUBLIC SEWER DISTRICT	C295367-01	(\$8,585,000.00)	06/03/1999
HOLT, CITY OF	C295341-01	(\$975,000.00)	11/21/2000
JEFFERSON CITY WWTP & WALNUT ST. PS	C295401-01	(\$10,000,000.00)	11/20/2001
ROCK CREEK S.D. PHASE 1,2,3 & KIMMSWIC	C295367-03	(\$1,800,000.00)	11/20/2001
WELDON SPRING-SAN. SEWER COLLECTION SYS.	C295235-01	(\$1,125,000.00)	11/20/2001
FESTUS-INTERIM DIRECT LOAN	C295305-01	(\$730,000.00)	11/07/2002
GREENFIELD COLLECTION SYSTEM	C295425-01	(\$1,100,000.00)	11/07/2002
HARRISONVILLE-EXTRA. BASIN&NEW PS#2	C295365-01	(\$695,000.00)	11/07/2002
MOUNTAIN VIEW - NEW WWTP	C295466-01	(\$300,000.00)	11/07/2002
PLATTE COUNTY RSD #1	C295263-10	(\$425,000.00)	11/07/2002
LITTLE BLUE VALLEY ATHERTON WWTP	C295439-01	(\$6,000,000.00)	01/30/2003
BOWLING GREEN SEWER IMPROVEMENTS	C295241-01	(\$800,000.00)	11/20/2003
MSD - 99066A, L. MERAMEC RIVER WWTP	C295023-09	(\$69,506,836.00)	05/28/2004
HOLDEN, CITY OF	C295389-01	(\$1,290,000.00)	12/09/2004
KANSAS CITY - WSD C295248-11 IDL & 13 SRF	C295248-11	(\$10,000,000.00)	12/09/2004
RAYTOWN C295506-01	C295506-01	(\$1,823,000.00)	04/27/2006
WARRENSBURG-PHASE 1 WW SYSTEM IMPR.	C295510-01	(\$3,500,000.00)	05/01/2007
	<b>(17)</b>	<b>(\$118,654,836.00)</b>	
<b>Funding Type: DIRECT LOAN NPS 0602</b>			
MASBDA #1	C295212-01	\$922,818.77	09/01/1995
MASBDA #2	C295212-02	\$2,040,603.16	11/18/1997
MASBDA #3	C295212-03	\$3,167,616.83	11/02/1999
MASBDA #4	C295212-04	\$263,286.50	02/26/2003
MASBDA #5	C295212-05	\$918,297.38	09/20/2004
MASBDA #6	C295212-06	\$3,487,300.26	07/01/2006
MASBDA #7	C295212-07	\$2,359,860.95	12/03/2008
MASBDA #8	C295212-08	\$41,826.36	12/10/2010
MASBDA #9	C295212-09	\$0.00	12/18/2014
	<b>9</b>	<b>\$13,201,610.21</b>	
<b>Funding Type: DIRECT LOAN SRF</b>			
TANEY COUNTY RSD - EASTSIDE	C295219-01	\$3,038,000.00	10/29/1996
ATLANTA, CITY OF	C295273-01	\$55,000.00	04/30/1997
LINCOLN, CITY OF	C295202-01	\$695,000.00	09/18/1997
TANEYVILLE, VILLAGE OF	C295349-01	\$500,000.00	01/26/2000
RICH HILL WWTP & CS IMPROVEMENTS	C295322-01	\$900,000.00	02/06/2001
ARROW ROCK, TOWN OF	C295414-01	\$120,000.00	10/16/2001
EXETER, CITY OF	C295415-01	\$79,000.00	12/12/2001
STELLA, VILLAGE OF	C295429-01	\$135,000.00	11/18/2002
LAURIE WWTP AND COLLECTION SYSTEM	C295428-01	\$826,900.00	01/16/2003
ELLINGTON WW SYSTEM IMPROVEMENTS	C295476-01	\$825,000.00	07/28/2004
ODESSA C295451-01	C295451-02	\$1,000,000.00	07/27/2005
KIRKSVILLE-C295250-08&-09, BASIN C&F	C295250-08	\$1,500,000.00	04/29/2008
FAIR GROVE -WWTP EXPANSION	C295501-01	\$800,000.00	06/24/2008
LILBOURN-WW SYSTEM IMPR.	C295523-01	\$610,000.00	10/24/2008
FREMONT HILLS	C295471-01	\$1,500,000.00	12/23/2008
ST. MARTINS	C295420-02	\$200,000.00	07/24/2009
DUQUESNE	C295477-02	\$1,600,000.00	07/29/2009

**SRF Binding Commitments  
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**Exhibit 4**

<b>Project Name</b>	<b>Project Number</b>	<b>Amount</b>	<b>Closing Date</b>
MSD - INFLOW/INFILTRATION, LEMAY, CREVE	C295534-01	\$23,000,000.00	10/21/2009
	<b>18</b>	<b>\$37,383,900.00</b>	
<b>Funding Type: DIRECT NPS LOAN SRF w/ TRUSTEE</b>			
ST. CHARLES COUNTY GOVERNMENT	C295373-01	\$2,941,000.00	02/06/2002
MSD - OZARK & TABLEROCK	C295023-20	\$374,680.00	02/18/2004
ST. CHARLES COUNTY GOVERNMENT	C295373-02	\$272,000.00	03/11/2004
MSD - W. WATSON & NANELL LN.	C295023-21	\$535,600.00	10/29/2004
CASSVILLE - SHERWOOD FOREST NID	C295473-02	\$318,000.00	03/15/2006
BOONE CO COMM -HILL CREEK	C295299-01	\$1,700,000.00	12/19/2008
	<b>6</b>	<b>\$6,141,280.00</b>	
<b>Funding Type: LEVERAGED LOAN SRF</b>			
SPRINGFIELD - 1990A (SW WWTP)	C295013-01	\$32,650,000.00	10/24/1990
LEE'S SUMMIT	C295015-01	\$9,695,000.00	01/08/1991
BELTON WWTP, C295002-01, -02	C295002-01	\$6,825,000.00	01/13/1992
CAPE GIRARDEAU, CAPE LA CROIX PHASE IV	C295004-01	\$2,500,000.00	01/13/1992
O'FALLON	C295011-01	\$4,225,000.00	01/13/1992
ARNOLD-WW SYSTEM IMPROVEMENTS	C295097-01	\$1,270,000.00	06/16/1992
BELTON WWTP, C295002-01, -02	C295002-02	\$430,000.00	06/16/1992
BRANSON, CITY OF	C295120-01	\$2,000,000.00	06/16/1992
CABOOL, CITY OF	C295140-01	\$250,000.00	06/16/1992
CAMERON, CITY OF	C295106-01	\$1,090,000.00	06/16/1992
CHAFFEE-WW SYSTEM IMPROVEMENTS	C295123-01	\$500,000.00	06/16/1992
COLUMBIA C295005-01	C295005-01	\$870,000.00	06/16/1992
DUCKETT CREEK SD-S-150 SEWER PROJECT	C295029-01	\$1,935,000.00	06/16/1992
EL DORADO SPRINGS-WW SYSTEM IMPROVEMENTS	C295158-01	\$1,375,000.00	06/16/1992
EXCELSIOR SPRINGS, CITY OF	C295019-01	\$2,870,000.00	06/16/1992
GLADSTONE, CITY OF	C295020-01	\$490,000.00	06/16/1992
KANSAS CITY - PUBLIC WORKS DEPARTMENT	C295095-01	\$2,115,000.00	06/16/1992
KANSAS CITY - WATER PCD	C295094-01	\$1,265,000.00	06/16/1992
MONETT-WWTF TERTIARY FILTER	C295124-01	\$815,000.00	06/16/1992
MONROE CITY, CITY OF	C295105-01	\$300,000.00	06/16/1992
MOUNT VERNON, CITY OF	C295071-01	\$790,000.00	06/16/1992
NEOSHO	C295077-01	\$420,000.00	06/16/1992
NEW MADRID-WW SYSTEM IMPROVEMENTS	C295165-01	\$1,200,000.00	06/16/1992
RAYMORE, CITY OF	C295017-01	\$4,350,000.00	06/16/1992
RICHMOND, CITY OF	C295135-01	\$1,450,000.00	06/16/1992
SLATER, CITY OF	C295016-01	\$330,000.00	06/16/1992
SPRINGFIELD - SAC RIVER TRUNK SEWER	C295048-01	\$9,110,000.00	06/16/1992
ST. ROBERT, WW SYSTEM IMPROVEMENTS	C295046-01	\$4,055,000.00	06/16/1992
VANDALIA, CITY OF	C295026-01	\$215,000.00	06/16/1992
WARRENSBURG, CITY OF	C295129-01	\$6,800,000.00	06/16/1992
WASHINGTON-WW SYSTEM IMPROVEMENTS	C295066-01	\$1,300,000.00	06/16/1992
WINDSOR	C295156-01	\$700,000.00	06/16/1992
ARNOLD-WW SYSTEM IMPROVEMENTS	C295097-02	\$1,135,000.00	09/08/1993
BYRNES MILL, CITY OF	C295172-01	\$1,200,000.00	09/08/1993
CAPE GIRARDEAU, PATHOGEN REDUCTION	C295004-02	\$500,000.00	09/08/1993
HANNIBAL BOARD OF PUBLIC WORKS	C295176-01	\$3,910,000.00	09/08/1993
HOLTS SUMMIT- LOAN-01, WW SYSTEM IMPROV.	C295192-01	\$1,750,000.00	09/08/1993
KELSO, VILLAGE OF	C295195-01	\$1,002,000.00	09/08/1993
KENNETT-WW SYSTEM IMPROVEMENTS	C295177-01	\$2,620,000.00	09/08/1993
ST. JOSEPH, CITY OF	C295188-01	\$10,308,000.00	09/08/1993
BRANSON, CITY OF	C295207-01	\$3,500,000.00	08/18/1994
HOLLISTER, CITY OF	C295161-01	\$1,900,000.00	08/18/1994
PECULIAR, CITY OF	C295180-01	\$2,605,000.00	08/18/1994
PLEASANT HILL, CITY OF	C295187-01	\$3,245,000.00	08/18/1994
STOCKTON-WW SYSTEM IMPROVEMENTS	C295181-01	\$965,000.00	08/18/1994
CARL JUNCTION, CITY OF	C295217-01	\$1,300,000.00	12/01/1994
CASSVILLE - WW SYSTEM IMPROVEMENTS	C295224-01	\$1,200,000.00	12/01/1994
DUCKETT CREEK SD-WW IMPR., WWTP #2	C295220-01	\$32,753,000.00	12/01/1994
LAKE TAPAWINGO, CITY OF	C295237-01	\$1,670,000.00	12/01/1994
LAWSON, CITY OF	C295200-01	\$170,000.00	12/01/1994
NIXA-WW SYSTEM IMPROVEMENTS	C295179-01	\$1,940,000.00	12/01/1994
SAVANNAH, CITY OF	C295197-01	\$700,000.00	12/01/1994
SPRINGFIELD - DEL PRADO TRUNK SEWER	C295047-01	\$1,545,000.00	12/01/1994
WARSAW WWTP	C295225-01	\$1,952,000.00	12/01/1994
KANSAS CITY - WSD C295248-01 1995B	C295248-01	\$18,000,000.00	04/25/1995
BRANSON, CITY OF	C295207-02	\$17,450,000.00	05/02/1995
CAPE GIRARDEAU, CSO & INTERCEPTOR WORK	C295229-01	\$11,462,661.15	06/29/1995
CHARLESTON-WW SYSTEM IMPROVEMENTS	C295234-01	\$1,430,000.00	06/29/1995
CLARKTON-WW SYSTEM IMPROVEMENTS	C295174-01	\$250,000.00	06/29/1995
GLENAIRE, CITY OF	C295244-01	\$459,000.00	06/29/1995
JOPLIN, CITY OF	C295226-01	\$20,000,000.00	06/29/1995
MOBERLY, CITY OF	C295178-01	\$6,600,000.00	06/29/1995
PLATTE COUNTY RSD - HOOVER HEIGHTS	C295233-01	\$375,000.00	06/29/1995
PLATTE COUNTY RSD - PEBECK	C295213-01	\$366,000.00	06/29/1995
WILLOW SPRINGS, CITY OF	C295198-01	\$520,000.00	06/29/1995
ASHLAND, CITY OF	C295239-01	\$200,000.00	11/14/1995
LITTLE BLUE VALLEY SEWER DISTRICT	C295014-01	\$11,290,000.00	11/14/1995

**SRF Binding Commitments**  
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Project Name	Project Number	Amount	Closing Date
PERRYVILLE, CITY OF	C295253-01	\$5,000,000.00	11/14/1995
TANEY COUNTY RSD - COON CREEK	C295219-02	\$9,920,000.00	11/14/1995
CAMERON, CITY OF	C295276-01	\$2,905,000.00	04/25/1996
GREENWOOD-BIG CREEK SEWER INTERCEPTOR	C295246-01	\$650,000.00	04/25/1996
KANSAS CITY - WSD C295248-02 1996A	C295248-02	\$24,000,000.00	04/25/1996
KEARNEY, CITY OF	C295249-01	\$990,000.00	04/25/1996
ASH GROVE, CITY OF	C295238-01	\$650,000.00	06/12/1996
CAPE GIRARDEAU, CSO & INTERCEPTOR WORK	C295229-02	\$13,535,000.00	06/12/1996
BOONVILLE, CITY OF	C295280-01	\$5,746,000.00	12/19/1996
CARTHAGE WWTF EXPANSION PHASE II	C295296-01	\$6,000,000.00	12/19/1996
HOLTS SUMMIT- LOAN-02, WW SYSTEM IMPROV.	C295192-02	\$611,000.00	12/19/1996
PLATTE COUNTY RSD - RUSH CREEK	C295263-02	\$7,220,000.00	12/19/1996
ROCK PORT, CITY OF	C295291-01	\$820,000.00	12/19/1996
ROLLA - SOUTHSIDE NID	C295255-01	\$616,000.00	12/19/1996
WEST PLAINS, CITY OF	C295260-01	\$2,587,000.00	12/19/1996
KANSAS CITY - PUBLIC WORKS DEPARTMENT	C295285-01	\$5,730,000.00	04/24/1997
KANSAS CITY - WSD C295248-03 1997B	C295248-03	\$22,235,000.00	04/24/1997
BATTLEFIELD, CITY OF	C295278-01	\$224,000.00	06/05/1997
FULTON -WWTF & COLL. SYSTEM IMPR.	C295282-01	\$6,000,000.00	06/05/1997
JONESBURG NEW INTERCEPTOR & SYSTEM REHAB	C295335-01	\$386,000.00	06/05/1997
OZARK, CITY OF	C295221-01	\$3,000,000.00	06/05/1997
PLATTE COUNTY RSD - PLATTE HILLS	C295263-01	\$1,455,000.00	06/05/1997
ST. JOSEPH, CITY OF	C295188-02	\$6,515,000.00	06/05/1997
TIPTON-WW SYSTEM IMPROVEMENTS	C295293-01	\$1,500,000.00	06/05/1997
TRENTON COLLECTION UPGRADE & EXTENSION	C295294-01	\$4,980,000.00	06/05/1997
BONNE TERRE-WW IMPR., SECT.A&B	C295281-01	\$3,190,000.00	12/03/1997
CALIFORNIA, CITY OF	C295261-01	\$2,500,000.00	12/03/1997
HAMILTON, CITY OF	C295284-01	\$1,500,000.00	12/03/1997
KEARNEY, CITY OF	C295249-02	\$700,000.00	12/03/1997
KIRKSVILLE-SAN.SEWER IMPR.LOANS 01&02	C295250-01	\$1,465,000.00	12/03/1997
MARSHFIELD WWTF IMPOVEMENTS	C295286-01	\$3,500,000.00	12/03/1997
NOEL-WWTF & SAN. SEWER (I&I) IMPROV.	C295288-01	\$430,000.00	12/03/1997
SIKESTON - NW WWTF & SAN. SEWER IMPR.	C295323-01	\$3,230,000.00	12/03/1997
CALIFORNIA, CITY OF	C295261-02	\$500,000.00	04/22/1998
CUBA, CITY OF	C295303-01	\$2,000,000.00	04/22/1998
GARDEN CITY, CITY OF	C295283-01	\$675,000.00	04/22/1998
KANSAS CITY - WSD C295248-04 1998A	C295248-04	\$9,200,000.00	04/22/1998
LINCOLN COUNTY PWSO #1	C295232-01	\$2,900,000.00	04/22/1998
PLATTE COUNTY RSD - MISTY SPRINGS	C295263-03	\$1,205,000.00	04/22/1998
BOONE COUNTY RSD	C295375-01	\$595,000.00	12/02/1998
BOONVILLE, CITY OF	C295280-02	\$750,000.00	12/02/1998
CONCORDIA, CITY OF	C295363-01	\$850,000.00	12/02/1998
KIRKSVILLE-SAN.SEWER IMPR.LOANS 01&02	C295250-02	\$1,180,000.00	12/02/1998
LAKE LOTAWANA, CITY OF	C295311-01	\$7,400,000.00	12/02/1998
LONE JACK	C295314-01	\$2,087,000.00	12/02/1998
SPRINGFIELD - BIOSOLIDS IMPROVEMENTS	C295214-01	\$1,600,000.00	12/02/1998
ST. ROBERT-CEDAR LANE WW COLL. SYSTEM	C295222-01	\$290,000.00	12/02/1998
UNIONVILLE, CITY OF	C295324-01	\$528,000.00	12/02/1998
HIGGINSVILLE, CITY OF	C295308-01	\$1,800,000.00	12/02/1998
CHILLICOTHE, CITY OF	C295302-01	\$2,600,000.00	06/03/1999
CLINTON, CITY OF	C295228-01	\$6,900,000.00	06/03/1999
COLUMBIA-WETLANDS & BEARCREEK	C295361-01	\$3,730,000.00	06/03/1999
KANSAS CITY - WSD C295248-05 1999A	C295248-05	\$6,000,000.00	06/03/1999
MARSHFIELD WWTF IMPR.COL.REHAB,SCADA,TRK	C295286-02	\$2,500,000.00	06/03/1999
NEW FRANKLIN	C295316-01	\$505,000.00	06/03/1999
PECULIAR, CITY OF	C295180-02	\$2,865,000.00	06/03/1999
REPUBLIC WWTP EXPANSION	C295321-01	\$6,110,000.00	06/03/1999
ROCK CREEK PUBLIC SEWER DISTRICT	C295367-02	\$8,775,000.00	06/03/1999
SALEM-WWTP PHASE II IMPROVEMENTS	C295347-01	\$1,350,000.00	06/03/1999
ST. CLAIR, CITY OF	C295256-01	\$2,245,000.00	06/03/1999
SULLIVAN - SULLIVAN HEIGHTS SEWER	C295185-02	\$1,495,000.00	06/03/1999
UNIONVILLE REHABILITATION - REFINANCE	C295324-02	\$580,000.00	06/03/1999
COLUMBIA-WETLANDS & BEARCREEK	C295361-02	\$1,420,000.00	12/02/1999
JACKSON INTERCEPTORS & BIOSOLIDS	C295247-01	\$3,405,000.00	12/02/1999
KIRKSVILLE-SO. OUTFALL SEWER REPLACEMENT	C295250-03	\$1,790,000.00	12/02/1999
RAYMORE, CITY OF	C295374-01	\$1,800,000.00	12/02/1999
ST. ROBERT-WWTP PHASE II IMPROVEMENTS	C295348-01	\$685,000.00	12/02/1999
TIPTON-PARALLEL & N. INTERCEPTOR SEWERS	C295410-01	\$450,000.00	12/02/1999
BOONE COUNTY RSD - 02 RTE K& 03 SHAW	C295375-02	\$1,090,000.00	04/12/2000
BOURBON, CITY OF	C295240-01	\$600,000.00	04/12/2000
BUFFALO WWTP EXPANSION & CS REHAB	C295371-01	\$1,500,000.00	04/12/2000
FARMINGTON-WEST WWTP EXPANSION	C295386-01	\$4,950,000.00	04/12/2000
KANSAS CITY - WSD C295248-06 & 07 2000	C295248-06	\$13,000,000.00	04/12/2000
KIMBERLING CITY SEWER AND PHOS	C295310-01	\$5,010,000.00	04/12/2000
PLATTE CITY	C295399-01	\$1,000,000.00	04/12/2000
ROLLA - SE TP	C295391-01	\$5,000,000.00	04/12/2000
CAPE GIRARDEAU TRICK FLT, ARENA, RAMSEY	C295229-03	\$8,355,000.00	11/21/2000
COLUMBIA-COW BRANCH	C295361-03	\$2,445,000.00	11/21/2000

**SRF Binding Commitments**  
**State Fiscal Years 1989 through 2018**

**Exhibit 4**

<b>Project Name</b>	<b>Project Number</b>	<b>Amount</b>	<b>Closing Date</b>
FRANKLIN CO. PWSO #1-KRAKOW SEWER	C295325-01	\$1,700,000.00	11/21/2000
FREDERICKTOWN WWTP MODIFICATION & CS	C295306-01	\$2,400,000.00	11/21/2000
HOLT, CITY OF	C295341-02	\$1,195,000.00	11/21/2000
HUMANSVILLE LAGOON EXPANSION	C295413-01	\$525,000.00	11/21/2000
KANSAS CITY - WSD C295248-06 & 07 2000	C295248-07	\$11,750,000.00	11/21/2000
MARBLE HILL-REBUILD PS#6,CLOSE LAGOON	C295393-01	\$270,000.00	11/21/2000
PLATTE COUNTY RSD - MESA C295263-09	C295263-09	\$2,965,000.00	11/21/2000
RICHLAND	C295370-01	\$1,500,000.00	11/21/2000
SCOTT CITY WW SYSTEM IMPROVEMENTS	C295395-01	\$1,000,000.00	11/21/2000
THAYER SEWER SYSTEM IMPROVEMENTS	C295292-01	\$570,000.00	11/21/2000
ADVANCE - NEW WWTF, 3-CELL LAGOON	C295277-01	\$690,000.00	04/18/2001
CONWAY LAGOON IMPROVEMENTS	C295423-01	\$355,000.00	04/18/2001
LAPLATA, CITY OF	C295392-01	\$1,040,000.00	04/18/2001
LAWSON, CITY OF	C295396-01	\$550,000.00	04/18/2001
OSAGE BEACH-PS & F M, KK EQUAL	C295342-01	\$5,000,000.00	04/18/2001
AURORA WWTP EXPANSION	C295344-01	\$3,000,000.00	11/20/2001
BUTLER WWTP UPGRADE, C295412-01	C295412-01	\$3,000,000.00	11/20/2001
BYRNES MILL	C295433-01	\$185,000.00	11/20/2001
CLINTON, CITY OF	C295228-02	\$1,055,000.00	11/20/2001
JEFFERSON CITY WWTP & WALNUT ST. PS	C295401-03	\$24,875,000.00	11/20/2001
KANSAS CITY - WSD C295248-08 2001C	C295248-08	\$17,000,000.00	11/20/2001
KIRKSVILLE-NORTHEAST PUMP STATION	C295250-04	\$565,000.00	11/20/2001
MONTGOMERY, CITY OF	C295360-01	\$3,500,000.00	11/20/2001
NIXA - WWTP UPGRADES	C295417-01	\$7,500,000.00	11/20/2001
REPUBLIC PUMP STATION & COLLECTION	C295321-02	\$8,190,000.00	11/20/2001
ROCK CREEK S.D. PHASE 1,2,3 &KIMMSWIC	C295367-04	\$16,780,000.00	11/20/2001
ST. MARTINS SEWER EXTENSION	C295420-01	\$370,000.00	11/20/2001
STEELVILLE WWTP IMPROVEMENTS & SEWER EXT	C295394-01	\$670,000.00	11/20/2001
WARRENTON WWTF IMPROV. PHASE 1	C295421-01	\$1,150,000.00	11/20/2001
WELDON SPRING-SAN. SEWER COLLECTION SYS.	C295235-02	\$1,040,000.00	11/20/2001
BROOKFIELD COLLECTION	C295388-01	\$1,540,000.00	05/08/2002
CARL JUNCTION WWTP EXPANSION	C295217-02	\$860,000.00	05/08/2002
COLUMBIA HOMINY BRANCH - H-21	C295361-04	\$2,230,000.00	05/08/2002
DUCKETT CREEK SD-HWY DD PS/INTERC/FM	C295411-01	\$3,985,000.00	05/08/2002
JACKSON-ELWA,HWY PP,E. MAIN, GOOSE CREEK	C295247-02	\$4,245,000.00	05/08/2002
PULASKI CO. S.D. #1 - NORTH HWY Y	C295320-05	\$2,705,000.00	05/08/2002
WARRENTON-WWTF IMPROV. PHASE 2	C295421-02	\$3,610,000.00	05/08/2002
BOLIVAR-REFINANCE 1998 CITY BONDS-COLL.	C295458-01	\$1,200,000.00	11/07/2002
BOONE COUNTY RSD - 02 RTE K& 03 SHAW	C295375-03	\$360,000.00	11/07/2002
CASSVILLE, CITY OF	C295473-01	\$2,935,000.00	11/07/2002
CRYSTAL CITY WWTP	C295109-02	\$3,575,000.00	11/07/2002
EAST PRAIRIE LAGOON IMPROVEMENTS	C295455-01	\$315,000.00	11/07/2002
FESTUS WWTP	C295305-02	\$3,575,000.00	11/07/2002
GREENFIELD COLLECTION SYSTEM	C295425-02	\$1,095,000.00	11/07/2002
HARRISONVILLE-EXTRA. BASIN&NEW PS#2	C295365-02	\$4,370,000.00	11/07/2002
KANSAS CITY - WSD C295248-10 2002B	C295248-10	\$10,000,000.00	11/07/2002
KIRKSVILLE-NORTHEAST PUMP STATION	C295250-05	\$645,000.00	11/07/2002
MOUNTAIN VIEW - NEW WWTP	C295466-02	\$3,500,000.00	11/07/2002
PLATTE COUNTY RSD #1	C295263-11	\$465,000.00	11/07/2002
SPRINGFIELD - PHASE 6, SW WWTP EXPANSION	C295406-01	\$43,625,000.00	11/07/2002
SULLIVAN - HUGHES FORD ROAD SEWER	C295327-01	\$700,000.00	11/07/2002
LITTLE BLUE VALLEY ATHERTON WWTP	C295439-02	\$88,915,000.00	01/30/2003
COLUMBIA HOMINY BRANCH - H-21	C295361-05	\$3,620,000.00	04/09/2003
HARRISONVILLE-N. & S. REL.&AE&CON PS#1	C295365-03	\$3,295,000.00	04/09/2003
KIRKSVILLE-E. ANNEX-.06 & N. ANNEX-.07	C295250-06	\$1,385,000.00	04/09/2003
MARIONVILLE WWTF-OXIDATION DITCH	C295464-01	\$3,230,000.00	04/09/2003
MONETT WWTF EXPANSION	C295452-01	\$8,950,000.00	04/09/2003
OAK GROVE WWTP & CS	C295426-01	\$6,600,000.00	04/09/2003
WARDSVILLE WWTP & CS PHASE 1	C295381-01	\$1,415,000.00	04/09/2003
AVA WWTP & CS IMPROVEMENTS	C295456-01	\$3,355,000.00	11/20/2003
BOWLING GREEN SEWER IMPROVEMENTS	C295241-02	\$5,560,000.00	11/20/2003
CENTER CREEK WWTP CAPACITY INCREASE	C295446-01	\$4,000,000.00	11/20/2003
HAYTI-WW SYSTEM IMPROVEMENTS	C295454-01	\$1,700,000.00	11/20/2003
SAVANNAH WWTP	C295197-02	\$1,500,000.00	11/20/2003
WINONA CS REHAB & WWTP IMPROVEMENTS	C295468-01	\$490,000.00	11/20/2003
BOONE COUNTY R.S.D.-C295375-04	C295375-04	\$1,095,000.00	05/28/2004
COLUMBIA HOMINY BRANCH - H-21	C295361-06	\$650,000.00	05/28/2004
MOBERLY - LIFT STATION G & C.S. IMPROVE	C295178-02	\$7,150,000.00	05/28/2004
MSD - 99066A, L. MERAMEC RIVER WWTP	C295023-09A	\$49,245,000.00	05/28/2004
MSD - 99066A, L. MERAMEC RIVER WWTP	C295023-09B	\$101,180,000.00	05/28/2004
MSD - 99066A, L. MERAMEC RIVER WWTP	C295023-09C	\$10,855,000.00	05/28/2004
ODESSA C295451-01	C295451-01	\$6,000,000.00	05/28/2004
HOLDEN, CITY OF	C295389-02	\$1,345,000.00	12/09/2004
KANSAS CITY - WSD C295248-11 IDL &13 SRF	C295248-13	\$10,500,000.00	12/09/2004
PARKVILLE C295012-01	C295012-01	\$2,740,000.00	12/09/2004
TANEY CO. RSD-BEE CREEK WW COLL. SYS.	C295219-04	\$15,590,000.00	12/09/2004
HARRISONVILLE RS & REHAB-C295365-04	C295365-04	\$1,710,000.00	05/19/2005
JEFFERSON CITY - HWY 54 PS & CS REHAB	C295401-02	\$4,600,000.00	05/19/2005

**SRF Binding Commitments  
State Fiscal Years 1989 through 2018**

**Exhibit 4**

Project Name	Project Number	Amount	Closing Date
LAWSON, CITY OF C295396-02	C295396-02	\$330,000.00	05/19/2005
MSD - 99076, MO RIVER WWTP REHAB PROJECT	C295023-18	\$6,800,000.00	05/19/2005
NOEL - DEER PARK & N.NOEL SEWER EXT.	C295441-01	\$535,000.00	05/19/2005
PACIFIC WWTP IMPROVEMENTS	C295189-01	\$2,100,000.00	05/19/2005
PULASKI CO. S.D. #1-DRY CREEK SEWER	C295320-04	\$1,770,000.00	05/19/2005
SPRINGFIELD - NW WWTP EXPANSION	C295406-02	\$7,110,000.00	05/19/2005
ARNOLD - MSD CONNECTION	C295497-02	\$6,125,000.00	11/30/2005
HERCULANEUM WWTP C295490-01	C295490-01	\$6,000,000.00	11/30/2005
INDIAN POINT-JAKES CRK TRAIL WW SYSTEM	C295267-01	\$795,000.00	11/30/2005
JEFFERSON CITY - GREEN MEADOW PS & ALGOA	C295401-04	\$10,105,000.00	11/30/2005
KIRKSVILLE-E. ANNEX -.06 & N. ANNEX-.07	C295250-07	\$1,595,000.00	11/30/2005
LIBERTY C295503-01	C295503-01	\$6,180,000.00	11/30/2005
NEWBURG-WW SYSTEM IMPROVEMENTS	C295484-01	\$250,000.00	11/30/2005
OSAGE BEACH C295504-01	C295504-01	\$4,950,000.00	11/30/2005
WENTZVILLE PHASE1 WWTP C295444-01	C295444-01	\$19,430,000.00	11/30/2005
ARNOLD - MSD CONNECTION	C295497-01	\$2,875,000.00	04/27/2006
BATTLEFIELD COLL. SYS.	C295457-01	\$850,000.00	04/27/2006
ELDON WWTP & CS IMPROVEMENTS	C295422-01	\$4,600,000.00	04/27/2006
MOBERLY - CSO & LS IMPROV.(PHASE 2)	C295178-03	\$5,460,000.00	04/27/2006
MSD - 99076, MO RIVER WWTP HEADWORKS	C295023-19	\$42,715,000.00	04/27/2006
OZARK - LAMBERT LS, S.V. INT., WWTP EXP.	C295505-01	\$7,980,000.00	04/27/2006
PLATTE COUNTY WWTP& PS C295263-12	C295263-12	\$11,910,000.00	04/27/2006
RAYTOWN C295506-01	C295506-02	\$7,590,000.00	04/27/2006
SENECA - SEWER EXTENSIONS	C295210-01	\$765,000.00	04/27/2006
WARDSVILLE PHASE 2, 3, & 4 C295381-02	C295381-02	\$760,000.00	04/27/2006
BOONE COUNTY R. S. D. C295375-05	C295375-05	\$675,000.00	11/16/2006
COLUMBIA S. GRINDSTONE P1 - C295499-01	C295499-01	\$915,000.00	11/16/2006
GREENFIELD - EVANS LAGOON LIFT STATION	C295425-03	\$210,000.00	11/16/2006
MSD - CREVE COEUR CRK L-52 PUMP STATION	C295023-26	\$14,205,000.00	11/16/2006
ROLLA - SW WWTP	C295517-01	\$3,005,000.00	11/16/2006
WESTON-SEWAGE TREATMENT FAC. IMPR.	C295511-01	\$800,000.00	11/16/2006
ASHLAND	C295385-01	\$1,000,000.00	05/01/2007
LINN-C295478-01	C295478-01	\$2,000,000.00	05/01/2007
OZARK - ELK VALLEY WWTP, INTERCEPTORS	C295505-02	\$15,125,000.00	05/01/2007
RAYTOWN C295506-01	C295506-03	\$5,495,000.00	05/01/2007
SPRINGFIELD-SW WWTP FLOOD CONTROL & CRYO	C295406-03	\$7,855,000.00	05/01/2007
WARRENSBURG-PHASE 1 WW SYSTEM IMPR.	C295510-02	\$14,150,000.00	05/01/2007
BOONE COUNTY R.S.D.-C295375-06	C295375-06	\$2,710,000.00	11/15/2007
BUFFALO-WWTF IMPR. & COLL. REHAB	C295371-02	\$3,800,000.00	11/15/2007
COLUMBIA-C295499-02	C295499-02	\$1,800,000.00	11/15/2007
DEXTER-WWTF IMPR. E.&W. LAGOONS	C295500-01	\$4,500,000.00	11/15/2007
NEVADA-WWTF IMPROVEMENTS	C295010-01	\$12,000,000.00	11/15/2007
OWENSVILLE-WW SYSTEM UPGRADES	C295521-01	\$3,525,000.00	11/15/2007
TRENTON-WWTP IMPROVEMENTS	C295294-02	\$8,000,000.00	11/15/2007
WASHINGTON-WWTP EXPANSION/COLL.IMPR.	C295526-01	\$20,000,000.00	11/15/2007
JEFFERSON CITY-BASINS 16/17,RIVERSIDE PS	C295401-05	\$3,900,000.00	10/30/2008
LAPLATA, CITY OF	C295392-02	\$805,000.00	10/30/2008
MILAN WWTP - SRF AND STAG AND RSG	C295343-01	\$2,150,000.00	10/30/2008
MOBERLY-WWTF & LS IMPROV. (PHASE 3)	C295178-04	\$2,560,000.00	10/30/2008
MOUNT VERNON-WWTP & I/I IMPR.	C295071-02	\$5,715,000.00	10/30/2008
MSD-LEMAY WWTP (WET WEATHER EXPANSION)	C295023-24	\$40,000,000.00	10/30/2008
STOCKTON-NEW OXIDATION DITCH WWTF	C295509-01	\$3,500,000.00	10/30/2008
	<b>275</b>	<b>\$1,454,547,661.15</b>	
<b>Funding Type: NOTE LOAN</b>			
MSD - NOTE 1	C295023-01	\$68,000,000.00	01/09/1991
MSD - NOTE 2	C295023-02	\$85,000,000.00	02/04/1992
MSD - NOTE 3	C295023-03	\$50,000,000.00	12/09/1993
MSD - NOTE 4	C295416-01	\$72,545,000.00	06/08/2000
	<b>4</b>	<b>\$275,545,000.00</b>	
<b>Funding Type: SRF CASH FLOW DIRECT LOAN</b>			
WARRENSBURG-PHASE 1&2 WW SYSTEM IMPR.	C295510-03	\$8,548,500.00	03/31/2010
EL DORADO SPRINGS	C295545-01	\$7,646,600.00	05/25/2010
MSD - MO RIVER WWTP SEC.TRT. & DIS. (A)	C295564-01	\$37,000,000.00	12/21/2010
JOPLIN-TURKEY CRK & SHOAL CRK WWTF'S	C295548-02	\$26,000,000.00	01/26/2011
WENTZVILLE C295444-02	C295444-02	\$20,631,000.00	03/14/2011
LBVSD - MIDDLE BIG CREEK SUB-DISTRICT	C295525-01	\$37,850,000.00	03/16/2011
MACON - DISINFECTION FACILITIES	C295599-01	\$1,300,000.00	03/17/2011
WAYNESVILLE-WWTF IMPR. & COLL. REHAB	C295637-01	\$4,750,000.00	03/21/2011
BOONE CO. R. S. D. C295375-09 RTE. K WWT	C295375-09	\$438,000.00	06/14/2011
CUBA-WWTP & COLLECTION C295560-01	C295560-01	\$2,460,000.00	06/22/2011
TAOS	C295541-01	\$3,372,000.00	07/26/2011
STOCKTON-SEWER COLL SYSTEM IMPR	C295628-01	\$1,640,000.00	08/23/2011
MSD - MO RIVER WWTP SEC TRT & DIS	C295564-02	\$39,769,300.00	11/30/2011
BOONE CRSD - C295375-14 - RAY/N. GRINDST	C295375-14	\$1,360,000.00	05/09/2012
PERRY SEWER REHABILITATION	C295690-01	\$292,000.00	05/10/2012
NORTHEAST PSD OF JEFF CO - SALINE CREEK	C295684-01	\$12,000,000.00	06/05/2012
CAPE GIRARDEAU - NEW 11 MGD SBR WWTF	C295531-01	\$31,000,000.00	06/19/2012
LOUISIANA WWTP REPLACEMENT	C295686-01	\$5,980,000.00	09/12/2012

**SRF Binding Commitments  
State Fiscal Years 1989 through 2018**

<b>Project Name</b>	<b>Project Number</b>	<b>Amount</b>	<b>Closing Date</b>
JEFFERSON CITY-COLE JUNT. FM.RTE B-06	C295401-06	\$15,000,000.00	11/13/2012
ST. JOSPEH, CITY OF, WHITEHEAD CREEK CSO	C295699-02	\$14,660,000.00	03/26/2013
CAPE GIRARDEAU-NEW 11 MGD SBR WWTF	C295531-02	\$3,250,000.00	06/18/2013
CAPE GIRARDEAU-NEW 11 MGD SBR WWTF	C295531-03	\$35,750,000.00	06/18/2013
BOONE CO. RSD C295375-12 ROCKY FORK & HH	C295375-12	\$12,198,000.00	07/17/2013
CARL JUNCTION (PW)-WWTP EXPAN./I&I REHAB	C295650-01	\$2,050,000.00	10/30/2013
MSD - MO RIVER WWTP SEC. TRT. & DIS.	C295564-03	\$52,000,000.00	10/31/2013
SUNRISE BEACH	C295540-01	\$629,000.00	11/26/2013
ST. JOSEPH, CITY OF, WWTP UPGRADES	C295699-04	\$56,000,000.00	04/10/2014
ODESSA	C295675-01	\$8,000,000.00	08/26/2014
JOPLIN (PW) - SHOAL WWTF FILT./SEWER REHAB	C295548-03	\$3,282,000.00	10/27/2014
ST. JOSEPH, CITY OF, EASTSIDE WW IMPROVE	C295699-01	\$28,585,000.00	11/05/2014
KIRKVILLE-PHASE 8: CMP SEWER/BASIN F&G	C295250-10	\$1,485,000.00	12/10/2014
BOONE CO. R.S.D.-C295375-10-SUNRISE EST	C295375-10	\$3,064,000.00	04/20/2015
NEVADA WW COLLECTION IMPROVEMENTS	C295698-01	\$2,722,000.00	05/05/2015
BELTON WWTP C295712-01	C295712-01	\$13,977,000.00	06/03/2015
ODESSA	C295675-02L	\$3,000,000.00	07/29/2015
MSD I/I REHAB &MO RIVER WWTP UPGRADE	C295023-37L	\$75,000,000.00	08/18/2015
MONETT WWTF IMPROV C295452-02	C295452-02L	\$1,895,000.00	10/13/2015
LIBERTY WWTF C295702-01	C295702-01	\$79,000,000.00	11/10/2015
PULASKI CO. S.D.#1-WEEKS HOLLOW WWTF	C295320-06	\$6,894,500.00	11/12/2015
MACON-SOLIDS DEWATERING IMPR.	C295725-01L	\$826,000.00	11/16/2015
WINDSOR PLACE, THE VILLAGE OF-WWTF IMPR.	C295721-01L	\$939,000.00	11/23/2015
FULTON WWTP C295714-01	C295714-01	\$13,000,000.00	12/03/2015
KIRKSVILLE-C295250-11 WWTP EXPANSION	C295250-11	\$18,000,000.00	02/22/2016
ALBA - WW SYSTEM IMPR.	C295709-01L	\$1,217,000.00	02/23/2016
BRASHEAR C295669-01	C295669-01L	\$486,000.00	02/25/2016
ST. JOSEPH, CITY OF, BLACKSNAKE CSO	C295699-03	\$10,000,000.00	10/06/2016
PIERCE CITY C295696-01 WW IMPR.	C295696-01L	\$496,000.00	11/10/2016
RENICK	C295806-01L	\$429,000.00	12/12/2016
MADISON	C295658-01L	\$1,616,000.00	12/20/2016
NEW LONDON WWTP & I/I	C295728-01L	\$879,000.00	12/21/2016
WELLSVILLE WWTP & CS	C295807-01L	\$595,000.00	12/21/2016
MSD I/I REHAB &MO RIVER WWTP UPGRADE	C295023-38	\$20,000,000.00	12/22/2016
MSD PUBLIC I/I RED PROGRAM PHASE V	C295023-39	\$75,500,000.00	12/22/2016
CHAMMOIS	C295703-01L	\$455,000.00	04/27/2017
ST. JOSEPH	C295699-05	\$66,850,000.00	08/23/2017
UNIONVILLE	C295720-01L	\$777,000.00	10/23/2017
ASHLAND C295710-01	C295710-01	\$6,408,000.00	03/27/2018
CENTER CREEK 201WTB-WWTF IMPR.	C295446-02	\$2,750,000.00	09/28/2018
	<b>58</b>	<b>\$881,701,900.00</b>	
<b>Funding Type: SRF GRANT</b>			
UPPER WHITE RIVER BASIN FOUNDATION, INC	C295611-01	\$1,000,000.00	07/19/2011
MACOG	C295707-01	\$1,000,000.00	08/02/2012
TANEY CO. RSD-TRI-LAKES BIOSOLIDS PROJ	C295538-01	\$3,000,000.00	10/15/2013
CARL JUNCTION (PW)-WWTP EXPAN./I&I REHAB	C295650-01	\$2,050,000.00	11/06/2013
SUNRISE BEACH	C295540-01	\$1,886,911.00	11/25/2013
JOPLIN (PW)-SHOAL WWTF FILT./SEWER REHAB	C295548-03	\$2,800,000.00	10/27/2014
AURORA (PW)-WWTF SCREEN IMPR./INT. REHAB	C295711-01	\$805,829.00	01/14/2015
ROCKY MOUNT (PHASE I)	C295623-01G	\$3,000,000.00	03/25/2015
ODESSA	C295675-02G	\$3,000,000.00	07/21/2015
MONETT WWTF IMPROV C295452-02	C295452-02G	\$945,260.00	10/13/2015
MACON-SOLIDS DEWATERING IMPR.	C295725-01G	\$825,500.00	11/16/2015
WINDSOR PLACE, THE VILLAGE OF-WWTF IMPR.	C295721-01G	\$607,758.00	11/23/2015
ALBA - WW SYSTEM IMPR.	C295709-01G	\$1,217,000.00	02/23/2016
BRASHEAR C295669-01	C295669-01G	\$484,852.00	02/25/2016
UPPER WHITE RIVER BASIN FOUNDATION, INC	C295611-01A	\$1,000,000.00	04/14/2016
PIERCE CITY C295696-01 WW IMPR.	C295696-01G	\$494,860.00	11/10/2016
RENICK	C295806-01G	\$425,590.00	12/12/2016
MADISON	C295658-01G	\$1,570,468.00	12/20/2016
NEW LONDON WWTP & I/I	C295728-01G	\$2,315,460.00	12/21/2016
WELLSVILLE WWTP & CS	C295807-01G	\$1,555,159.00	12/21/2016
CHAMMOIS	C295703-01G	\$922,815.00	04/25/2017
UNIONVILLE	C295720-01G	\$777,000.00	10/17/2017
	<b>22</b>	<b>\$31,684,462.00</b>	
<b>Total Binding Commitments</b>		<b>\$2,924,900,440.36</b>	

## **XII. Management's Discussion and Analysis**

The following is the discussion and analysis of the financial activities for the Missouri Department of Natural Resources' Clean Water State Revolving Fund (SRF) for the year ended September 30, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the annual report.

### **Financial Highlights**

The assets and deferred outflows of resources of the program exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,373,887,166 (net position). Net position consists of federal capitalization grant contributions of \$1,198,674,825, state match contributions of \$100,736,278, and net income of \$74,476,063 since the inception of the program. The net position of the program is all restricted. The program's enabling legislation and related regulations require that all money in the fund may be used only for purposes of the program.

Total assets decreased by \$24,735,389 from \$1,889,294,319 on September 30, 2017, to \$1,864,558,930 on September 30, 2018. The enterprise fund assets decreased \$23,954,426 and the agency fund assets decreased \$780,963. Explanations for these changes are detailed in the Financial Analysis section.

Total liabilities decreased \$75,420,252. The majority of the decrease was from a reduction in bonds payable. Bonds payable decreased \$74,033,764 because the program has changed from primarily a leveraged loan program to a direct loan program, so no new bonds were issued during the year.

During this reporting period, the program's total net position increased \$46,715,920. Of this amount, \$36,611,663 is capital contributions from the Environmental Protection Agency, and \$10,104,257 is the current period's income.

### **Overview of the Financial Statements**

The discussion and analysis are intended to serve as an introduction to the Department's Clean Water SRF program's basic financial statements. The program's basic financial statements are comprised of two components: 1) proprietary and fiduciary fund financial statements; and 2) notes about the financial statements.

The proprietary and fiduciary fund financial statements include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; and a statement of fiduciary net position.

- The statement of net position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the program. Assets consist of cash and cash equivalents, administration fees receivable, federal capitalization grant funds receivable,

interest receivable from loans and investments, and loans receivable. Deferred outflows of resources consist of the deferred charge on refunding and the deferred outflows for pension and other post-employment benefits (OPEB). Liabilities include accounts payable, bonds payable, net pension, OPEB, and bond interest payable. Deferred inflows of resources consist of the deferred inflows for pension and OPEB. Net position includes the federal capitalization grant contributions, the state match contributions, and the excess earnings of the program's operations since inception.

- The statement of revenues, expenses and changes in net position presents information showing how the program's net position changed during the reporting period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.
- The statement of cash flows is provided to identify the sources and the uses of cash during the reporting period and to demonstrate that the program has sufficient cash to meet its obligations.
- The statement of fiduciary net position provides information about the program's agency fund. The agency fund consists of the assets and liabilities related to the loan funds that are held at trustee banks on behalf of the loan participants.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

## Financial Analysis

1. The following section displays the current and prior year financial statements of the loan fund and describes some of the major reasons for the changes.

### Loan Fund Net Position

	<b>2018</b>	<b>2017</b>	<b>Percent Change</b>
Current assets	\$ 468,488,162	\$ 400,400,401	17%
Non-current assets	1,354,336,637	1,444,071,546	-6%
Total assets	1,822,824,799	1,844,471,947	-1%
Deferred outflows	18,180,870	22,215,919	-18%
Total assets and deferred outflows	1,841,005,669	1,866,687,866	-1%
Current liabilities	74,661,232	80,402,821	-7%
Non-current liabilities	427,720,141	496,810,754	-14%
Total liabilities	502,381,373	577,213,575	-13%
Deferred inflows	39,921	19,001	110%
Total liabilities and deferred inflows	502,421,294	577,232,576	-13%
Net position	\$ 1,338,584,375	\$ 1,289,455,290	4%

The loan fund net position increased \$49,129,085 from the previous year. The major reasons for the increase:

- Loans receivable decreased by \$82,836,269.
- Cash and cash equivalents increased by \$62,633,935.
- Bonds payable decreased by \$74,033,764.

### Changes in Loan Fund Net Position

	<b>2018</b>	<b>2017</b>	<b>Percent Change</b>
Operating revenues	\$ 33,422,794	\$ 36,627,638	-9%
Operating expenses	5,096,543	8,785,387	-42%
Operating income	28,326,251	27,842,251	2%
Non-operating revenues (expenses)	20,803,221	14,643,064	42%
Increase in net position	49,129,472	42,485,315	16%
Net position, beginning of year	1,289,455,290	1,246,969,975	3%
Change in accounting principle	(387)	-	100%
Net position, end of year	<u>\$ 1,338,584,375</u>	<u>\$ 1,289,455,290</u>	4%

Non-operating revenues (expenses) of the loan fund increased 42 percent. A decrease in interest expense on bonds payable, a decrease in bond issue expense, and an increase of debt service for a total of \$4,039,862 were contributing factors for the increase.

### Loan Fund Cash Flows

	<b>2018</b>	<b>2017</b>	<b>Percent Change</b>
Cash flows from operating activities	\$ 112,028,222	\$ 52,401,844	114%
Cash flows from non-capital financing activities	(54,320,798)	(58,852,768)	-8%
Cash flows from investing activities	4,926,511	3,151,442	56%
Decrease in cash and cash equivalents	62,633,935	(3,299,482)	-1998%
Cash and cash equivalents, beginning of year	245,700,132	248,999,614	-1%
Cash and cash equivalents, end of year	<u>\$ 308,334,067</u>	<u>\$ 245,700,132</u>	25%

A number of factors caused a change in the loan fund cash flow numbers between the 2017 and the 2018 reporting period. The change was due to an increase in operating activities and a decrease in noncapital financing activities:

- Grant disbursements decreased \$3,382,386.
- Loan disbursements decreased \$64,041,906.
- Repayment received on loans decreased \$3,367,632, due to fewer loan payoffs during this reporting period.
- Other payments decreased by \$1,432,007, which is partially due to fewer loan closing costs collected during this reporting period.

2. The following section displays the current and prior year financial statements of the administration fee fund and describes some of the major reasons for the changes.

### Administration Fee Fund Net Position

	<b>2018</b>	<b>2017</b>	<b>Percent Change</b>
Current assets	\$ 37,709,849	\$ 39,999,778	-6%
Capital assets	37,616	54,965	-32%
Total assets	37,747,465	40,054,743	-6%
Deferred outflows	575,082	471,064	22%
Total assets and deferred outflows	38,322,547	40,525,807	-5%
Current liabilities	1,181,923	1,283,189	-8%
Non-current liabilities	1,745,429	1,451,250	20%
Total liabilities	2,927,352	2,734,439	7%
Deferred inflows	92,404	67,870	36%
Total liabilities and deferred inflows	3,019,756	2,802,309	8%
Net position	\$ 35,302,791	\$ 37,723,498	-6%

Net position of the administration fee fund decreased \$2,420,707. A decrease in cash of \$2,229,979 was a major reason for the change in net position. The decrease in cash was the result of administration fees received being less than administrative expenses paid.

### Changes in Administration Fee Fund Net Position

	<b>2018</b>	<b>2017</b>	<b>Percent Change</b>
Operating revenues	\$ 6,190,147	\$ 7,911,383	-22%
Operating expenses	8,666,906	10,466,149	-17%
Operating income	(2,476,759)	(2,554,766)	-3%
Non-operating revenues (expenses)	63,207	307,250	-79%
Increase (decrease) in net position	(2,413,552)	(2,247,516)	7%
Net position, beginning of year	37,723,498	39,971,014	-6%
Prior period adjustment	(7,155)	-	100%
Net position, end of year	\$ 35,302,791	\$ 37,723,498	-6%

Operating expenses decreased \$1,799,243, and operating revenues decreased \$1,721,236. Operating expenses decreased in part because of fewer grant disbursements and lower administrative expenses.

### Administration Fee Fund Cash Flows

	<b>2018</b>	<b>2017</b>	<b>Percent Change</b>
Cash flows from operating activities	\$ (2,244,428)	\$ (1,472,392)	52%
Cash flows from noncapital financing activities	(455,844)	-	100%
Cash flows from capital and related financing activities	(2,146)	(23,147)	-91%
Cash flows from investing activities	472,439	288,284	64%
Increase (decrease) in cash and cash equivalents	(2,229,979)	(1,207,255)	85%
Cash and cash equivalents, beginning of year	37,624,151	38,831,406	-3%
Cash and cash equivalents, end of year	\$ 35,394,172	\$ 37,624,151	-6%

Grant disbursements decreased by \$2,493,735 and administration fees received decreased by \$2,201,182 in this reporting period. Overall, administration fees received were less than expenses resulting in cash and cash equivalents decreasing by \$2,229,979 in this reporting period.

- The following section displays the current and prior year assets and liabilities of the agency fund.

### Agency Fund

	<b>2018</b>	<b>2017</b>	<b>Percent Change</b>
Assets	\$ 3,986,666	\$ 4,767,629	-16%
Liabilities	3,986,666	4,767,629	-16%
Net Position	\$ -	\$ -	0%

The agency fund assets and liabilities decreased 16 percent because the program is now funding new loans on a payment-by-payment basis instead of placing 100 percent of the loan funds at a trustee bank at the time of the loan closing. The remaining agency funds consist of the applicant's unspent loan funds, debt service reserve funds, as well as the rebate funds held for arbitrage payments.

**Missouri Department of Natural Resources**  
**Clean Water State Revolving Fund**  
**Statement of Net Position - Unaudited**  
**September 30, 2018**  
**Exhibit 5**

	<u>Loan Fund</u>	<u>Administration Fee Fund</u>	<u>Total Enterprise Funds</u>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 307,217,968	\$ 35,394,172	\$ 342,612,140
Restricted cash and cash equivalents	1,116,099	-	1,116,099
Restricted investments	304,500	-	304,500
<b>Receivables:</b>			
Loan interest	7,937,591	-	7,937,591
Investment interest	947,875	119,889	1,067,764
Administration fees	-	2,195,788	2,195,788
Due from EPA	51,649	-	51,649
<b>Current portion of loans receivable:</b>			
Leveraged loans	61,892,024	-	61,892,024
Reserve loans	44,700,065	-	44,700,065
Direct loans	43,801,130	-	43,801,130
Nonpoint source loans	519,261	-	519,261
<b>Total current assets</b>	<u>468,488,162</u>	<u>37,709,849</u>	<u>506,198,011</u>
<b>Non-current assets:</b>			
Restricted investments	2,158,534	-	2,158,534
<b>Loans receivable:</b>			
Leveraged loans	353,175,000	-	353,175,000
Reserve loans	245,100,375	-	245,100,375
Direct loans	752,327,721	-	752,327,721
Nonpoint source loans	1,575,007	-	1,575,007
Capital assets	-	195,364	195,364
Less accumulated depreciation	-	(157,748)	(157,748)
<b>Total non-current assets</b>	<u>1,354,336,637</u>	<u>37,616</u>	<u>1,354,374,253</u>
<b>Total assets</b>	<u>1,822,824,799</u>	<u>37,747,465</u>	<u>1,860,572,264</u>
<b>Deferred outflows:</b>			
Deferred amount due on refunding	17,512,786	-	17,512,786
Deferred outflows - pension and OPEB	668,084	575,082	1,243,166
<b>Total deferred outflows</b>	<u>18,180,870</u>	<u>575,082</u>	<u>18,755,952</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Salaries and benefits payable	50,239	123,453	173,692
Accounts payable	1,410	688,821	690,231
Bond interest payable	5,556,647	-	5,556,647
Current portion of bonds payable	68,793,424	-	68,793,424
Other payables	259,512	369,649	629,161
<b>Total current liabilities</b>	<u>74,661,232</u>	<u>1,181,923</u>	<u>75,843,155</u>
<b>Non-current liabilities:</b>			
Bonds payable	426,000,534	-	426,000,534
OPEB liability	417	7,791	8,208
Net pension liability	1,719,190	1,737,638	3,456,828
<b>Total non-current liabilities</b>	<u>427,720,141</u>	<u>1,745,429</u>	<u>429,465,570</u>
<b>Total liabilities</b>	<u>502,381,373</u>	<u>2,927,352</u>	<u>505,308,725</u>
<b>Deferred inflows:</b>			
Deferred inflows - pension and OPEB	39,921	92,404	132,325
<b>Total deferred inflows</b>	<u>39,921</u>	<u>92,404</u>	<u>132,325</u>
<b>Net position:</b>			
Invested in capital assets	-	37,616	37,616
Restricted for loans and debt service	1,338,584,375	35,265,175	1,373,849,550
<b>Total net position</b>	<u>\$ 1,338,584,375</u>	<u>\$ 35,302,791</u>	<u>\$ 1,373,887,166</u>

See accompanying notes to the financial statements.

**Missouri Department of Natural Resources**  
**Clean Water State Revolving Fund**  
**Statement of Revenues, Expenses and Changes in Net Position - Unaudited**  
**Year Ended September 30, 2018**  
**Exhibit 6**

	Loan Fund	Administration Fee Fund	Total Enterprise Funds
Operating revenues:			
Interest income on SRF loans	\$ 33,189,248	\$ -	\$ 33,189,248
Administration fees	-	6,190,147	6,190,147
Other	233,546	-	233,546
Total operating revenues	<u>33,422,794</u>	<u>6,190,147</u>	<u>39,612,941</u>
Operating expenses:			
Salaries and benefits	1,305,167	2,791,950	4,097,117
Travel	4,062	1,749	5,811
Other administrative expenses	27,533	1,811,048	1,838,581
Indirect costs	311,137	560,694	871,831
Disbursements to grant recipients	3,448,644	3,481,970	6,930,614
Depreciation expense	-	19,495	19,495
Total operating expenses	<u>5,096,543</u>	<u>8,666,906</u>	<u>13,763,449</u>
Operating income (loss)	<u>28,326,251</u>	<u>(2,476,759)</u>	<u>25,849,492</u>
Non-operating revenues (expenses):			
Environmental Protection Agency grants	36,611,663	-	36,611,663
Investment income	4,261,363	519,051	4,780,414
Interest expense on bonds payable	(20,344,093)	-	(20,344,093)
Bond issue expense	(35,500)	-	(35,500)
House Bill 1.025 - debt service	(146,056)	-	(146,056)
Transfer to Clean Water Program/State match contribution	455,844	(455,844)	-
Total non-operating revenues (expenses)	<u>20,803,221</u>	<u>63,207</u>	<u>20,866,428</u>
Increase (decrease) in net position	49,129,472	(2,413,552)	46,715,920
Net position, beginning of year as previously stated	1,289,455,290	37,723,498	1,327,178,788
Prior period adjustment	(387)	(7,155)	(7,542)
Net position, beginning of year as restated	<u>1,289,454,903</u>	<u>37,716,343</u>	<u>1,327,171,246</u>
Net position, end of year	<u>\$ 1,338,584,375</u>	<u>\$ 35,302,791</u>	<u>\$ 1,373,887,166</u>

See accompanying notes to the financial statements.

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Statement of Cash Flows - Unaudited Year  
Ended September 30, 2018  
Exhibit 7**

	Loan Fund	Administration Fee Fund	Total Enterprise Funds
Cash flows from operating activities:			
Grant disbursements	\$ (3,704,033)	\$ (3,512,315)	\$ (7,216,348)
Loan disbursements	(63,708,574)	-	(63,708,574)
Repayments received on loans	146,544,842	-	146,544,842
Interest received on loans	33,965,389	-	33,965,389
Administration fees	-	6,296,709	6,296,709
Payments to employees	(1,008,830)	(2,549,900)	(3,558,730)
Other administrative payments	(342,505)	(2,478,922)	(2,821,427)
Other	281,933	-	281,933
Net cash used by operating activities	<u>112,028,222</u>	<u>(2,244,428)</u>	<u>109,783,794</u>
Cash flows from noncapital financing activities:			
Bond principal retired	(66,739,900)	-	(66,739,900)
Interest paid on bonds	(24,421,987)	-	(24,421,987)
Environmental Protection Agency grants	36,566,801	-	36,566,801
House Bill 1.025 - debt service	(146,056)	-	(146,056)
Transfers to Clean Water Program/State match contribution	455,844	(455,844)	-
Bond issuance costs	(35,500)	-	(35,500)
Net cash used by noncapital financing activities	<u>(54,320,798)</u>	<u>(455,844)</u>	<u>(54,776,642)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	-	(2,146)	(2,146)
Cash flows from investing activities:			
Proceeds from sales and investing maturities	981,876	-	981,876
Investment income	3,944,635	472,439	4,417,074
Net cash provided by investing activities	<u>4,926,511</u>	<u>472,439</u>	<u>5,398,950</u>
Increase (decrease) in cash and cash equivalents	62,633,935	(2,229,979)	60,403,956
Cash and cash equivalents, beginning of year	<u>245,700,132</u>	<u>37,624,151</u>	<u>283,324,283</u>
Cash and cash equivalents, end of year	<u>\$ 308,334,067</u>	<u>\$ 35,394,172</u>	<u>\$ 343,728,239</u>
Cash and cash equivalents consisted of the following:			
Cash and cash equivalents	\$ 307,217,968	\$ 35,394,172	\$ 342,612,140
Restricted cash and cash equivalents	1,116,099	-	1,116,099
Total cash and cash equivalents	<u>\$ 308,334,067</u>	<u>\$ 35,394,172</u>	<u>\$ 343,728,239</u>
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 28,326,251	\$ (2,476,759)	\$ 25,849,492
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operations:			
Depreciation expense	-	19,495	19,495
(Increase) decrease in deferred outflows pension and OPEB	(1,574)	(104,018)	(105,592)
Increase (decrease) in net pension liability	226,701	286,388	513,089
Increase (decrease) in OPEB liability	30	636	666
Increase (decrease) in deferred inflows pension and OPEB	20,920	24,534	45,454
Changes in assets and liabilities:			
(Increase) decrease in loan interest receivable	776,141	-	776,141
(Increase) decrease in loans receivable	82,836,268	-	82,836,268
(Increase) decrease in other receivables	48,388	106,562	154,950
Increase (decrease) in accounts payable	(204,903)	(101,266)	(306,169)
Net cash provided (used) by operating activities	<u>\$ 112,028,222</u>	<u>\$ (2,244,428)</u>	<u>\$ 109,783,794</u>

See accompanying notes to the financial statements.

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Statement of Fiduciary Net Position - Unaudited  
September 30, 2018  
Exhibit 8**

	Agency Fund
Assets:	
Cash and cash equivalents	\$ 3,983,181
Investment interest receivable	3,485
Total assets	3,986,666
Liabilities:	
Project costs payable to communities	122,881
Interest subsidies payable to communities	695
Due to other governments	2,929,594
Other payables	787,671
Arbitrage rebate payable	145,825
Total liabilities	3,986,666
Total net position	\$ -

See accompanying notes to the financial statements.

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Notes to Financial Statements – Unaudited  
Exhibit 9**

**Note 1: Summary of Significant Accounting Policies**

**Reporting Entity**

The Department's Clean Water State Revolving Fund (SRF) program was established pursuant to Title VI of the Federal Water Quality Act of 1987. The act established the Clean Water SRF program to replace the construction grants program to provide loans at reduced interest rates to finance the construction of publicly-owned water pollution control facilities, nonpoint source pollution control projects, and estuary management plans. The Clean Water SRF program provides low-interest rate loans and grants to finance the eligible costs of qualified projects. The Clean Water SRF program provides a flexible financing source that can be used for a variety of pollution control projects, including nonpoint source pollution control projects, and developing estuary conservation and management plans. Loans typically are repaid within 20 years, and all repayments, including interest and principal, must remain in the SRF loan fund, except for qualifying expenses.

The Clean Water SRF was capitalized by the U.S. Environmental Protection Agency (EPA) through a series of grants starting in 1988. For most of the grants, states are required to provide an additional 20 percent of the federal capitalization grant as matching funds in order to receive the grant. As of September 30, 2018, Congress had authorized the EPA to award \$1,243,877,631 in capitalization grants to the State of Missouri. The state is required to contribute \$223,550,565 in matching funds.

The program is administered by the Department, the Missouri Environmental Improvement and Energy Resources Authority (EIERA), and the Missouri Clean Water Commission. The EIERA issues bonds or notes to finance qualified projects, and the Department receives the capitalization grants from the EPA. The program is comprised of four funds within the state and an agency fund that holds the construction loan funds. The state funds are:

- Water and Wastewater Loan Fund (Fund 0649) – receives the federal capitalization grant funds and uses those funds to make grants and loans and to pay some of the program's administrative expenses;
- Water and Wastewater Loan Revolving Fund (Fund 0602) – receives loan repayments and uses those funds to make new loans;
- Water Pollution Permit Fee Fund (Fund 0568) – receives the loan fees charged to borrowers and pays the administrative expenses of the program and other eligible expenses for water quality purposes. This fund is also referred to as the administration fee fund;
- Water Pollution Control Bond and Interest Fund – A2010 (Fund 0209) – holds the funds that will be used to pay debt service on the Series A2010 state match bond.

The Agency Fund accounts for the monies held at trustee banks on behalf of the loan participants. This includes the funds generated by the sale of bonds that are deposited with a

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Notes to Financial Statements – Unaudited  
Exhibit 9**

**Note 1: Summary of Significant Accounting Policies (continued)**

trustee bank in the applicant's name and are used for SRF eligible activities, their unspent loan funds, debt service reserve funds, as well as the rebate funds held for arbitrage payments.

The State of Missouri's statewide Comprehensive Annual Financial Report includes the Clean Water SRF as a special revenue fund, which uses the modified accrual basis of accounting. Due to differences in reporting methods, there may be differences between the amounts reported in these financial statements and the Comprehensive Annual Financial Report. One major difference between the amounts reported in these financial statements and the Comprehensive Annual Financial Report is that the agency fund is not included in the Comprehensive Annual Financial Report but is shown in these financial statements. Another difference is the difference in reporting period.

**Program Operations**

The program provides financing to participants using three main types of funding: leveraged and reserve loans, direct loans, and grants.

**A. Leveraged and Reserve Loans**

Prior to state fiscal year (SFY) 2010, the program's main type of financing was leveraged and reserve loans. Missouri leveraged federal and state matching funds by issuing revenue bonds to make loans to qualified communities and by using federal grant and state matching funds to create reserves for the loans. Interest earned on the reserves subsidizes loan interest rates and enhances the security of the loans, which are pledged to repay bond principal and interest. Borrowers, in essence, receive two loans from the Clean Water SRF: 1) a market-rate loan funded by the revenue bond proceeds that equals project construction costs; and 2) a zero-rate loan funded by capitalization grants and state matching funds that equals 70 percent of the project loan (50 percent prior to 1993). Bond proceeds are deposited to the construction loan funds held by the trustee bank. As communities draw on these funds to pay construction costs, the reserve accounts are funded. For loans closed in SFY 2009, the reserve accounts were funded at closing rather than as construction funds were released. Earnings in the reserve account reduce the borrower's net interest payments on the bonds, resulting in the subsidized, blended interest rate on the project loan.

Beginning with bond series 2004C, a portion of the revenue bonds sold to fund the leveraged loans are state match bonds that will be repaid with interest earnings on the loans. The state match bond proceeds are used to fund a portion of the construction loan account, while the reserve account is funded with federal grant and recycled funds.

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Notes to Financial Statements – Unaudited  
Exhibit 9**

**Note 1: Summary of Significant Accounting Policies (continued)**

**B. Direct Loans**

Direct loans that were closed prior to SFY 2010 were funded up front from recycled funds. Loan proceeds were deposited to the construction loan accounts held by the trustee bank. As construction costs were incurred, funds were released from the trustee bank to the borrower. During SFY 2010, the program changed how direct loans are funded. Instead of depositing 100 percent of the loan proceeds in a trustee bank at the time of closing, the loan is funded incrementally. Similar to a line of credit, funds are requested by the loan recipient as construction costs are incurred.

**C. Grants**

Missouri was awarded the American Recovery and Reinvestment Act (ARRA) capitalization grant during SFY 2010. The terms and conditions of the ARRA capitalization grant required that not less than 50 percent of assistance provided be in the form of additional loan subsidies, such as principal forgiveness, negative interest loans, or grants. Missouri chose to provide the required additional subsidization through grants. ARRA projects were funded through a combination of 50 percent grant and 50 percent loan with a maximum grant of \$3,000,000 per applicant. Disadvantaged communities were eligible for a 75 percent grant with a 25 percent direct loan.

Missouri has chosen to provide the additional subsidization through grants. The following table lists the ranges at which additional subsidization is required:

<b>Federal Fiscal Year</b>	<b>Clean Water Capitalization Grant</b>	<b>Fiscal Year Awarded</b>	<b>Percentage</b>	<b>Planned Amount</b>	<b>Actual Amount Awarded</b>
2010	CS290001-15	2011	Not < than 14.98%	\$10,608,161	\$10,608,161
2011	CS290001-16	2012	Not > than 30.89%	\$12,644,571	\$7,150,522
2012	CS290001-17	2013	Not > than 8.25%	\$3,266,140	\$3,266,140
2013	CS290001-18	2014	Not > than 7.07%	\$2,614,923	\$2,614,923
2014	CS290001-19	2014	Not > than 8.16%	\$3,172,658	\$3,171,823
2015	CS290001-20	2015	Not > than 30%	\$4,000,000	\$1,799,071
2016	CS290001-21	2016	10% to 40%	\$5,703,900	\$2,477,974
2017	CS290001-22	2017	10% to 40%	\$5,675,400	\$ -
2018	CS290001-23	2018	10% to 40%	\$6,449,500	\$ -

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**Note 1: Summary of Significant Accounting Policies (continued)**

**Basis of Accounting**

The financial statements include enterprise funds and a fiduciary fund. The loan and administration fee funds are presented as enterprise funds and the agency fund is presented as a fiduciary fund. All funds are maintained on the accrual basis. The enterprise funds are accounted for using the flow of economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time the liabilities are incurred. All assets, deferred outflows of resources and liabilities associated with the operations of the loan and administration fee funds are included on the statement of net position. The assets and liabilities of the agency fund are included on the statement of fiduciary net position. Fiscal year end accruals include expenditures the program was cognizant of through November 12, 2018.

Clean Water SRF reports the following major funds:

*Loan Fund.* The loan fund provides financial assistance to municipalities, counties, political subdivisions, and instrumentalities of the state, and in some cases individuals, small business owners, and others in the private sector. Funding is generated from federal capitalization grants, proceeds of revenue bonds issued to provide required state matching monies, proceeds of revenue bonds issued for the leveraged program, and recycled monies.

*Administration Fee Fund.* This fund accounts for the administration fees received on loans and the use of those fees to pay salaries and associated expenses of program personnel devoting time to the administration of the program. This fund is also available for eligible water quality purposes as defined in the Intended Use Plan (IUP).

In addition, the program reports the following fund type:

*Agency Fund.* This fund accounts for monies held on behalf of municipalities, counties, political subdivisions, and instrumentalities of the state. This includes the funds generated by the sale of bonds which are deposited with a trustee bank in the applicant's name and are used for SRF eligible activities, their unspent loan funds, debt service reserve funds, as well as the rebate funds held for arbitrage payments.

**Cash, Cash Equivalents, and Investments**

**A. Enterprise Funds**

All monies in the state funds (Funds 0209, 0568, 0602, and 0649) are required to be deposited with the Missouri State Treasurer's Office, which is responsible for maintaining these deposits in accordance with state law. The program considers all such deposits to be cash. Investment

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**Note 1: Summary of Significant Accounting Policies (continued)**

interest earnings on these deposits are received by the program periodically throughout the month. According to state law, the treasurer is responsible for maintaining the cash balances and investing excess cash of the program, as further discussed in Note 2. Consequently, management of the program does not have any control over the investment of the excess cash. The statement of cash flows considers all funds deposited with the treasurer to be cash or cash equivalents, regardless of actual maturities of the underlying investments.

Monies of the Enterprise Funds that are held at the trustee bank in the master trust bond expense fund and the main bond debt service funds are invested in money market mutual funds by the trustee bank and are considered to be cash or cash equivalents. This does not include monies held at trustee banks on behalf of the loan participants. Those monies are accounted for under the Agency Fund.

**B. Agency Fund**

The Agency Fund accounts for the monies held at trustee banks on behalf of the loan participants. This includes the funds generated by the sale of bonds that are deposited with a trustee bank in the applicant's name and are used for SRF eligible activities, their unspent loan funds, debt service reserve funds, as well as the rebate funds held for arbitrage payments. The program considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

**Operating Revenues and Expenses**

Revenues and expenses as a result of providing grants and loans to participants are considered operating revenues and expenses. Operating revenues include interest earned on loans and administration fee revenue. Operating expenses include grant payments and accruals, salaries, benefits, depreciation, and other administrative expenses. The non-operating revenues and expenses of the Clean Water SRF program are the EPA capitalization grant revenues, investment income, contributions from the State of Missouri and bond related expenses.

Administrative expenses to manage and operate the Clean Water SRF program and other water quality purposes include staff salaries of \$4,097,117.

**Administration Fees**

The program charges an administration fee to borrowers to fund administrative costs of operating the program and other water quality purposes. During the year ending September 30, 2018, \$6,296,709 was collected for administration fees from borrowers, \$472,439 of investment interest was received, and \$5,028,822 was paid for administrative expenses from the

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**Note 1: Summary of Significant Accounting Policies (continued)**

administration fee fund. The cash balance of the administration fee fund was \$35,394,172 as of September 30, 2018.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri State Employees' Retirement System (MOSERS) and additions to or deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Bonds Payable**

Revenue bonds issued prior to 2010 are special limited obligations of the EI ERA, payable from borrower loan repayments and a reserve account established for each borrower (equal to 70 percent of the outstanding bond principal), in accordance with a master trust agreement. Interest expense is reported on the accrual basis. Due to the flow-through effect of the bonds and related receivables, bond discounts, premiums, and issuance costs are not reported by the program since they represent the costs to the borrowers.

Borrowers make monthly payments to debt service repayment accounts, which also earn interest that further subsidizes the interest rates. On bond payment dates, transfers are made from the repayment accounts to the debt service funds to make the semi-annual interest payments and annual bond principal payments. Interest earnings on the construction loan accounts and reserve accounts are also transferred to the debt service funds on the bond payment dates. These interest earnings reduce the amount that is needed from the repayment accounts.

As outstanding bond principal is reduced, a proportional amount is released from the reserve account. The released amounts flow to the master trust unallocated fund, and, if there are no loan defaults, are transferred to the Water and Wastewater Loan Revolving Fund to be used to make new loans.

Bonds issued since 2010 are different than those issued before 2010. There is no longer a direct link between the bonds and the loans. Any premium or cost of issuing the bonds is no longer passed on to the loan borrower. Therefore, those amounts are reported on the program's financial statements.

State match bonds that are immediately and directly deposited inside the Clean Water SRF, and that will be repaid using Clean Water SRF interest earnings, are recorded as bonds payable. The

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**Note 1: Summary of Significant Accounting Policies (continued)**

first state match bonds that met this criteria were sold in August 2002.

State general obligation bonds sold prior to August 2002 that were used to provide state match for the Clean Water SRF program and were initially repaid with state general revenue funds rather than Clean Water SRF interest earnings. Therefore, the state general obligation bonds were recorded as contributed capital as the state funds were transferred into the Water and Wastewater Loan Fund. They were not recorded as Clean Water SRF bonds payable because the Clean Water SRF program was not obligated to repay them. During SFY 2007, the EPA approved the use of Clean Water SRF interest earnings to pay debt service on the bonds issued prior to 2002. The amount of interest earnings used to pay debt service on these bonds during 2018 was \$146,056. The obligation to repay the remainder of the bonds still rests with the state and not the Clean Water SRF program. The amount of interest earnings used to repay the bonds will be appropriated each year based on the amount of available interest and will not necessarily be for the full amount of debt service due on the bonds. As such, the bonds are not considered Clean Water SRF bonds payable and the amount paid with the Clean Water SRF interest earnings each year will be expensed.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The program has three items that qualify for reporting in this category. Those are the deferred charge on refunding and the deferred outflows for pension and OPEB reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The program has two items that qualify for reporting in this category, which are deferred inflow for pension and OPEB.

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**Note 1: Summary of Significant Accounting Policies (continued)**

**Pending Governmental Accounting Standards Board Statements**

GASB Statement No. 88

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* was issued March 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for periods beginning after June 15, 2018.

GASB Statement No. 89

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, was issued June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for periods beginning after December 15, 2019.

**Missouri Department of Natural Resources  
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**Note 1: Summary of Significant Accounting Policies (continued)**

GASB Statement No. 90

GASB Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, was issued August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this statement are effective for periods beginning after December 15, 2018.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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**Note 2: Cash, Cash Equivalents, and Investments**

**State Funds**

All cash in the state funds (Funds 0209, 0568, 0602, and 0649) is required to be deposited with the State Treasurer, who is responsible for maintaining and investing the pooled cash balances in accordance with state laws. The treasurer is required to maintain a mix of investments in order to allow funds to be withdrawn at any time to meet normal operating needs. The program's share of the investment income from the local government investment pool is based on the average daily balance for the period and is credited to the program periodically throughout the month. The treasurer has its own policies for custodial credit risk, interest rate risk, credit risk, concentration of credit risk, and foreign currency risk. Details of the investments and risks can be obtained from the state treasurer's office.

All cash and investments in the local investment pool are stated at cost, which approximates fair market value. The investments in the local government investment pool are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Trustee Bank Funds**

All cash and investments held by trustee banks are invested in accordance with the trustee investment agreement and the bond indentures. Allowable investments include:

- Federal securities
- Direct and general obligations of the State which are pledged by the full faith and credit of the State and are rated in either of the two highest rating categories
- Deposits at banks, trust companies, or savings and loan associations which are fully insured by the Federal Deposit Insurance Corporation (FDIC)
- Federal funds, unsecured certificates of deposit, time deposits, and bankers acceptances (having maturities of not more than 365 days) of any bank and which are rated in the highest short-term rating category
- Unsecured promissory notes of any bank, trust company, national banking association, or bank holding company equal in quality to such institution's outstanding unsecured long-term debt that is rated in the highest rating category
- Tax exempt permitted investments
- Any other investment agreement with a provider which is rated, or whose unsecured, long-term obligations are rated at least "Aa2" or equivalent, or with a provider whose obligations are guaranteed by a guarantor which is rated, or whose unsecured, long-term obligations are rated at least "Aa2" or equivalent
- Commercial paper issued by domestic corporations rated in the second highest short-term rating category

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**Note 2: Cash, Cash Equivalents, and Investments (continued)**

- Shares in money market mutual funds rated in the highest applicable rating category

*Custodial credit risk.* This is the risk that, in the event of the failure of the counterparty, the program will not be able to recover the value of its deposits or investments. There are no cash and cash equivalents held by the trustee banks that were exposed to custodial credit risk. Also, no cash and cash equivalents were invested in money market mutual funds.

As of September 30, 2018, the loan fund had the following investments:

Investment Type	Fair Value	Investment Maturities		
		<1 Year	1-5 Years	>5 Years
Guaranteed Investment	\$ 934,500	\$304,500	\$ 630,000	\$ -
Gov't Agency & State and Local	1,528,534	-	1,528,534	-
Total	\$2,463,034	\$304,500	\$2,158,534	\$ -

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates may adversely affect the investment's fair value. The program does not have a policy to address interest rate risk.

*Credit risk.* The trustee banks are responsible for monitoring credit risk as it relates to the types of investments that can be made in accordance with the trustee investment agreement. The program has no investment policy that further limits its investment choices.

*Concentration of credit risk.* The program places no limit on the amount that may be invested with any one issuer. The percent of total investments held by each provider during the reporting period as of September 30, 2018, were as follows:

Investment Issuer	Fair Value	Percent of Total
Trinity Plus Funding Company LLC	\$ 934,500	100%

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**Note 3: Loans Receivable**

Loans receivable consist of: leveraged loans, reserve loans, direct loans and nonpoint source loans. Leveraged loans are funded by the sale of revenue bonds, the proceeds of which are deposited to a construction loan fund. Borrowers are loaned funds from the construction loan fund to pay for construction costs incurred. The terms of the loans mirror the terms of the bonds in order to provide the funds to pay bond interest and principal according to the terms of the bonds. In conjunction with the leveraged loan that funds construction, a reserve loan is made to provide an interest subsidy to the borrower and to provide security for bond principal and interest. With direct loans, there is no bond sale directly related to the loan. The loans are funded directly from the federal capitalization grant or recycled monies. The following details the types of loans as of September 30, 2018:

<b>Loan Type</b>	<b>Loan Amount Authorized</b>	<b>Outstanding Balance</b>
Leveraged	\$1,730,092,661	\$ 415,067,024
Reserve	1,164,691,027	289,800,440
Direct	1,206,429,236	796,128,851
Nonpoint Source	19,342,890	2,094,268
Total	<u>\$4,120,555,814</u>	1,503,090,583
Less Current Maturities		150,912,480
Loans Receivable, Net of Current Portion		<u>\$1,352,178,103</u>

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**Note 3: Loans Receivable (continued)**

Loans receivable activity during the period ended September 30, 2018, is summarized as follows:

<b>Loan Type</b>	<b>Sept. 30, 2017</b>			<b>Sept. 30, 2018</b>
	<b>Balance</b>	<b>Disbursements</b>	<b>Repayments</b>	<b>Balance</b>
Leveraged	\$ 476,447,024	\$ -	\$ 61,380,000	\$ 415,067,024
Reserve	334,044,025	-	44,243,585	289,800,440
Direct	772,519,234	63,708,574	40,098,957	796,128,851
Nonpoint Source	2,916,568	-	822,300	2,094,268
<b>Total</b>	<b>\$1,585,926,851</b>	<b>\$63,708,574</b>	<b>\$146,544,842</b>	<b>\$1,503,090,583</b>

**Loan Maturities**

The scheduled principal payments in subsequent years are as follows:

<b>Year Ending Sept. 30, 2018</b>	<b>Leveraged</b>	<b>Reserve</b>	<b>Direct</b>	<b>Nonpoint Source</b>	<b>Total</b>
2019	\$ 61,892,024	\$ 44,700,065	\$ 43,801,130	\$ 519,261	\$ 150,912,480
2020	60,105,000	42,485,717	45,011,740	524,100	148,126,557
2021	56,190,000	39,232,593	47,058,351	284,974	142,765,918
2022	55,300,000	38,424,556	47,531,910	289,504	141,545,970
2023	46,170,000	31,892,021	49,719,613	98,941	127,880,575
2024-2028	128,640,000	88,269,213	259,750,127	377,488	477,036,828
2029-2033	6,770,000	4,796,275	232,489,900	-	244,056,175
2034-2038	-	-	70,656,968	-	70,656,968
2039-2043	-	-	109,112	-	109,112
<b>Total</b>	<b>\$415,067,024</b>	<b>\$289,800,440</b>	<b>\$796,128,851</b>	<b>\$2,094,268</b>	<b>\$1,503,090,583</b>

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**Note 3: Loans Receivable (continued)**

**Loans to Major Local Agencies**

As of September 30, 2018, the program had made loans to 24 agencies whose outstanding loan balances represents approximately 84 percent of the total loans receivable, as shown below:

<b>Borrower</b>	<b>Original Amount</b>	<b>Outstanding Principal Balance</b>	<b>Outstanding Reserve Balance</b>
Belton	\$21,232,000	\$12,399,407	\$ -
Blue Springs	33,789,000	16,611,200	-
Boone County RSD	25,434,400	17,495,900	1,862,621
Cape Girardeau	106,352,661	63,918,000	2,968,000
Columbia	80,015,000	48,390,700	3,315,507
Duckett Creek Sanitary District	38,673,000	1,210,000	883,610
Jefferson City	58,480,000	29,051,600	12,164,067
Joplin	61,082,000	28,911,400	-
Kansas City	161,950,000	24,357,700	10,921,597
Kirksville	30,640,000	22,013,001	1,414,870
Liberty	86,653,000	80,004,000	2,266,693
Little Blue Valley Sewer District	138,055,000	80,427,400	35,154,077
Metropolitan St. Louis Sewer District	874,705,280	351,824,707	84,090,518
Moberly	23,049,500	6,585,000	4,712,916
Odessa	21,050,000	13,121,562	1,750,772
Ozark	26,105,000	12,690,000	9,030,694
Platte County RSD	25,220,000	10,977,024	8,367,153
Rock Creek Public Sewer District	25,555,000	5,490,000	3,843,000
Springfield	119,495,000	32,520,000	17,147,760
St. Joseph	192,918,000	129,575,212	-
Taney County Regional Sewer District	31,548,000	2,900,000	2,271,653
Warrensburg	29,498,500	13,459,500	5,556,298
Washington	21,300,000	11,935,000	8,551,655
Wentzville	40,061,000	23,198,000	6,979,635
<b>Total</b>	<b>\$2,272,861,341</b>	<b>\$1,039,066,313</b>	<b>\$223,253,096</b>

**Missouri Department of Natural Resources**  
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**Note 4: Bonds Payable**

The Missouri Clean Water SRF program issues revenue bonds to finance qualified projects and uses federal capitalization grants and state matching funds to provide reserves for the bonds. The bonds are issued by the EI ERA and proceeds from the bond sales are deposited into the borrowers' accounts with the trustee banks. Bonds payable and loans receivable are recorded in the loan fund. Cash and project costs payable are recorded in the agency fund. As borrowers incur costs, funds are transferred from the construction loan fund to the borrower. At the same time, the program draws federal and state matching funds to establish the bond reserves at 70 percent of the amount released from the construction loan fund. For bond series 2008A, the reserves were fully funded on the day of bond closing. Interest earned on the construction loan fund and the reserve fund subsidizes the interest on the borrower's loan. As borrowers repay the loans, the principal and interest serve as the source of funds to pay bond principal and interest.

Beginning with Bond Series 2004C, state match revenue bonds were issued by the EI ERA in addition to leveraged bonds. Proceeds from both the state match bonds and the leveraged bonds are deposited into the borrowers' accounts at the trustee banks. The reserves for the leveraged bonds are then funded by federal capitalization grants or recycled funds.

In SFY 2011, revenue bond series 2010B was issued. In addition, in SFY 2015, state match revenue bond series 2015A was issued by EI ERA. These bond sales are different from previous bonds in that they were to provide additional funding that can be used to fund any loan being funded with recycled monies. The principal and interest repayments on the program's direct loans have been pledged to make the principal and interest repayments on the bonds.

In addition to revenue bonds, there have been three state match general obligation bond issues. The state issued series A2002 to provide state match funding. In July 2010, the state issued series A2010, which partially refunded series A2002. In September 2012, the state issued series A2012 which refunded the rest of series A2002.

As of September 30, 2018, 33 separate revenue bond series remain outstanding which have a total principal balance of \$456,580,000 and one separate general obligation bond series which has a current outstanding balance of \$4,896,000. The individual series, outstanding balances, and principal due included:

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**Note 4: Bonds Payable (continued)**

Series	Amount Issued	Outstanding Balance	Current Portion	Effective Rate to Community
Revenue Bond Series 1996D interest of 4.1% to 5.9% due semi-annually, principal due annually to January 2019.	\$14,185,000	\$45,000	\$45,000	2.35
Revenue Bond Series 1996E interest of 3.8% to 6.0% due semi-annually, principal due annually to January 2019.	23,600,000	15,000	15,000	2.30
Revenue Bond Series 1997D interest of 4.3% to 6.0% due semi-annually, principal due annually to January 2019.	24,060,000	10,000	10,000	2.04
Revenue Bond Series 1997E interest of 3.9% to 5.125% due semi-annually, principal due annually to January 2019.	14,015,000	15,000	15,000	1.83
Revenue Bond Series 1998A interest of 3.9% to 5.25% due semi-annually, principal due annually to January 2019.	16,480,000	35,000	35,000	1.83
Revenue Bond Series 1998B interest of 3.45% to 5.25% due semi-annually, principal due annually to January 2020.	17,080,000	70,000	50,000	1.81
Revenue Bond Series 1999A interest of 3.625% to 5.25% due semi-annually, principal due annually to January 2020.	45,655,000	3,615,000	2,335,000	1.77
Revenue Bond Series 1999B interest of 4.125% to 5.75% due semi-annually, principal due annually to July 2020.	9,550,000	70,000	45,000	1.98
Revenue Bond Series 2000A interest of 4.6% to 5.75% due semi-annually, principal due annually to July 2021.	32,150,000	325,000	185,000	2.82
Revenue Bond Series 2000B interest of 4.5% to 5.625% due semi-annually, principal due annually to July 2021.	34,675,000	405,000	240,000	2.32
Revenue Bond Series 2001A interest of 4.0% to 5.0% due semi-annually, principal due annually to January 2022.	7,635,000	135,000	50,000	1.84
Revenue Bond Series 2001B interest of 3.0% to 5.375% due semi-annually, principal due annually to January 2019. (Refunding Bonds)	122,060,000	910,000	910,000	n/a
Revenue Bond Series 2001C interest of 3.0% to 5.375% due semi-annually, principal due annually to July 2023.	88,880,000	1,745,000	665,000	1.96

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**Note 4: Bonds Payable (continued)**

Series	Amount Issued	Outstanding Balance	Current Portion	Effective Rate to Community
Revenue Bond Series 2002A interest of 2.0% to 5.375% due semi-annually, principal due annually to January 2023.	19,175,000	515,000	165,000	1.89
Revenue Bond Series 2002B interest of 2.0% to 5.50% due semi-annually, principal due annually to July 2023.	76,360,000	1,840,000	675,000	2.25
Revenue Bond Series 2003A interest of 2.5% to 4.0% due semi-annually, principal due annually to January 2024.	88,915,000	5,110,000	1,325,000	1.15
Revenue Bond Series 2003B interest of 2.0% to 5.125% due semi-annually, principal due annually to January 2025.	28,495,000	1,135,000	290,000	1.27
Revenue Bond Series 2003C interest of 2.0% to 4.75% due semi-annually, principal due annually to July 2025.	16,605,000	570,000	150,000	1.19
Revenue Bond Series 2004A interest of 2.0% to 5.0% due semi-annually, principal due annually to July 2021. (Refunding Bonds)	60,300,000	7,730,000	3,405,000	n/a
Revenue Bond Series 2004B interest of 2.0% to 5.0% due semi-annually, principal due annually to January 2027.	176,175,000	16,080,000	9,395,000	2.12
Revenue Bond Series 2004C interest of 3.0% to 5.25% due semi-annually, principal due annually to January 2025.	30,175,000	5,640,000	1,725,000	1.54
2004C Leveraged Portion	25,655,000	4,960,000	1,540,000	
2004C State Match Portion	4,520,000	680,000	185,000	
Revenue Bond Series 2005A interest of 3.0% to 5.0% due semi-annually, principal due annually to July 2026.	24,955,000	1,325,000	280,000	1.80
2005A Leveraged Portion	21,175,000	560,000	115,000	
2005A State Match Portion	3,780,000	765,000	165,000	
Revenue Bond Series 2005C interest of 3.0% to 5.25% due semi-annually, principal due annually to July 2027.	55,430,000	8,520,000	2,605,000	1.38
2005C Leveraged Portion	47,340,000	6,630,000	2,225,000	
2005C State Match Portion	8,090,000	1,890,000	380,000	

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**Note 4: Bonds Payable (continued)**

Series	Amount Issued	Outstanding Balance	Current Portion	Effective Rate to Community
Revenue Bond Series 2006A interest of 4.0% to 5.25% due semi-annually, principal due annually to July 2027.	85,505,000	10,505,000	4,920,000	1.38
2006A Leveraged Portion	65,825,000	5,820,000	3,950,000	
2006A State Match Portion	19,680,000	4,685,000	970,000	
Revenue Bond Series 2006B interest of 4.0% to 5.0% due semi-annually, principal due annually to July 2027.	19,810,000	1,320,000	240,000	1.58
2006B Leveraged Portion	16,975,000	470,000	90,000	
2006B State Match Portion	2,835,000	850,000	150,000	
Revenue Bond Series 2007B interest of 4.0% to 5.0% due semi-annually, principal due annually to January 2029.	56,335,000	5,205,000	785,000	1.54
2007B Leveraged Portion	48,310,000	2,190,000	345,000	
2007B State Match Portion	8,025,000	3,015,000	440,000	
Revenue Bond Series 2008A interest of 4.0% to 5.75% due semi-annually, principal due annually to January 2029.	58,630,000	8,665,000	2,920,000	1.62
2008A Leveraged Portion	50,290,000	5,365,000	2,445,000	
2008A State Match Portion	8,340,000	3,300,000	475,000	
State General Obligation Bond Series A2010, interest of 4.0% to 5.0% due semi-annually, principal due annually to January 2022. (Refunding Bonds)	9,412,000	4,896,000	886,000	n/a
Revenue Bond Series 2010A interest of 2.0% to 5.0% due semi-annually, principal due annually to January 2024. (Refunding Bonds)	169,500,000	105,975,000	15,665,000	n/a
Revenue Bond Series 2010B interest of 2.0% to 5.0% due semi-annually, principal due annually to July 2030.	53,315,000	14,340,000	2,865,000	n/a
2010B Leveraged Portion	43,175,000	9,250,000	2,175,000	
2010B State Match Portion	10,140,000	5,090,000	690,000	
Revenue Bond Series 2011A interest of 2.0% to 5.0% due semi-annually, principal due annually to January 2025. (Refunding Bonds)	96,350,000	73,895,000	2,300,000	n/a
Revenue Bond Series 2013A interest of 2.0% to 5.0% due semi-annually, principal due annually to January 2027. (Refunding Bonds)	65,905,000	58,150,000	2,300,000	n/a

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**Note 4: Bonds Payable (continued)**

Series	Amount Issued	Outstanding Balance	Current Portion	Effective Rate to Community
Revenue Bond Series 2015A Interest of 1.5% to 5.0% due semi-annually, principal due semi-annually to January 2036. (State Match only)	23,960,000	17,190,000	1,800,000	n/a
Revenue Bond Series 2015B interest of 3.0% to 5.0% due semi-annually, principal due annually to July 2030 (Refunding Bonds)	116,540,000	105,475,000	2,745,000	n/a
2015B Leveraged Portion	113,865,000	103,525,000	2,410,000	
2015B State Match Portion	2,675,000	1,950,000	335,000	
<b>Total</b>	<b>\$1,781,872,000</b>	<b>\$461,476,000</b>	<b>\$62,041,000</b>	

Series	Amount Issued	Outstanding Balance	Current Portion
Leveraged Bonds	\$1,689,827,000	\$417,165,000	\$55,565,000
State Match Bonds	92,045,000	44,311,000	6,476,000
Premium on All Bonds	-	33,317,957	6,752,424
<b>Total Revenue &amp; GO Bonds</b>	<b>\$1,781,872,000</b>	<b>\$494,793,957</b>	<b>\$68,793,424</b>

Bond activity during the twelve months ended September 30, 2018, is summarized as follows:

Series	Sept. 30, 2017			Sept. 30, 2018
	Balance	Repayments	New Issues	Balance
Leveraged Bonds	\$477,141,400	\$(59,976,400)	\$ -	\$417,165,000
State Match Bonds	51,074,500	(6,763,500)	-	44,311,000
Premium on All Bonds	40,611,822	(7,293,865)	-	33,317,957
<b>Total Revenue &amp; GO Bonds</b>	<b>\$568,827,722</b>	<b>\$(74,033,765)</b>	<b>\$ -</b>	<b>\$494,793,957</b>

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**Note 4: Bonds Payable (continued)**

The required annual payments, not including premium and deferred amounts, for all general obligation and revenue bonds for subsequent fiscal years are as follows:

Leveraged Bonds

Year Ending September 30	Principal	Interest	Total
2019	\$55,565,000	\$19,091,568	\$74,656,568
2020	54,125,000	16,323,600	70,448,600
2021	51,545,000	13,691,108	65,236,108
2022	50,490,000	11,185,685	61,675,685
2023	51,440,000	8,692,929	60,132,929
2024-2028	136,690,000	15,961,452	152,651,452
2029-2033	17,310,000	643,063	17,953,063
2034-2036	-	-	-
Leveraged Bonds Total	\$417,165,000	\$85,589,405	\$502,754,405

Match Bonds

Year Ending September 30	Principal	Interest	Total
2019	\$6,476,000	\$1,990,249	\$8,466,249
2020	6,155,500	1,684,999	7,840,499
2021	5,802,000	1,408,289	7,210,289
2022	5,420,500	1,143,068	6,563,568
2023	5,032,000	888,094	5,920,094
2024-2028	12,215,000	1,982,653	14,197,653
2029-2033	3,090,000	230,425	3,320,425
2034-2036	120,000	3,375	123,375
Match Bonds Total	\$44,311,000	\$9,331,152	\$53,642,152

**Advance Refunding**

Six separate revenue refunding bond series (Series 2001B, 2004A, 2010A, 2011A, 2013A, and 2015B) totaling \$630,655,000 and one general obligation refunding bond series (Series A2010) totaling \$9,412,000 were issued to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in irrevocable trusts for the purpose of generating resources for future debt service payments. As a result, the refunded bonds are

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**Note 4: Bonds Payable (continued)**

considered to be defeased, and the liability has been removed from the statement of net position. As of September 30, 2018, the amount of refunded bonds that had yet to be called totaled \$49,795,000.

**Note 5: Arbitrage Rebate**

In accordance with Internal Revenue Code Section 148(f) relating to arbitrage restrictions on tax-exempt bonds, an arbitrage rebate payable in the amount of \$145,825 has been recorded. This liability is cumulative for the Series 1996D, 1996E, 1997E and 1997F bonds. The portion of this pending rebate of excess investment earnings that is attributable to each series is due no later than 60 days after each installment computation date.

The next installment computation date for each series is as follows:

<b>Bond Series</b>	<b>Next Installment Computation Date</b>
1996D	01/01/2019
1996E	01/01/2019
1997E	01/01/2019
1997F	01/01/2019

**Note 6: Pension Plan**

**Plan Description**

Benefit eligible employees of the Department are provided with pensions through Missouri State Employees' Plan (MSEP) - a cost-sharing multiple-employer defined benefit pension plan administered by MOSERS. The plans are referred to as MOSERS in the notes. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related agency employees. MOSERS issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available financial report that can be obtained at [www.mosers.org](http://www.mosers.org).

**Benefits Provided**

MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on

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**Note 6: Pension Plan (continued)**

the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 28.

**Contributions**

Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0 percent of their annual pay. The Clean Water SRF program's required contribution rate for the year ended June 30, 2018, was 19.45 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the pension plan from the Clean Water SRF program were \$286,634 for the fiscal year ended June 30, 2018.

**Net Pension Liability**

At June 30, 2018, a liability was reported of \$3,456,828 for the Clean Water SRF program's proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was offset by the fiduciary net position obtained from MOSERS CAFR as of June 30, 2017, to determine the net pension liability.

The Clean Water SRF program's proportion of the net pension liability was based on the Department's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2017. At the June 30, 2017, measurement date, the Clean Water SRF program's proportion was 0.0809 percent, an increase from its proportion measured using 0.0634 percent as of June 30, 2016, measurement date.

During the MOSERS plan year ended June 30, 2017, there were no changes to MSEP 2011 benefit provisions that reduced the actuarial accrued liability. There were no other changes in benefit terms during the MOSERS plan year ended June 30, 2017, that affected the measurement of total pension liability.

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**Note 6: Pension Plan (continued)**

**Actuarial Assumptions**

The total pension liability in the June 30, 2017, actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	3.25% to 8.75% including inflation
Wage Inflation	3.0%
Investment Rate of Return	7.5%, compounded annually, net after investment expenses and including inflation

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015. In addition, the Board reaffirmed its previous decision to reduce the investment return assumption from 7.65 percent to 7.5 percent for the June 30, 2017, valuation. There were no other changes in assumptions.

**Mortality**

Mortality rates for post-retirement mortality are based on the RP-2014 Healthy Annuitant mortality table, projected to 2026 with Scale MP-2015 and scaled by 120 percent. The pre-retirement mortality table used is the RP-2014 Employee mortality table, projected to 2026 with Scale MP-2015 and scaled by 95 percent for males and 90 percent for females.

**Long-Term Investment Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in MOSERS target asset allocation as of June 30, 2017, are summarized in the following table:

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**Note 6: Pension Plan (continued)**

Asset Class	Policy Allocation	Long-term Expected Real Rate of Return*	Weighted Average Long-term Expected Real Rate of Return
Opportunistic global equity	38.0%	5.5%	2.1%
Nominal bonds	44.0%	1.0%	0.5%
Commodities	20.0%	4.5%	0.9%
Inflation-linked bonds	39.0%	0.8%	0.3%
Alternative beta	31.0%	4.5%	1.4%
<b>Total</b>	<b>172.0%</b>		<b>5.2%</b>

\*Represent best estimates of geometric rates of return for each major asset class included.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Clean Water SRF Program's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Clean Water SRF program’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Clean Water SRF program’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Clean Water SRF program’s proportionate share of the net pension liability	\$4,450,746	\$3,456,828	\$2,620,822

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**Note 6: Pension Plan (continued)**

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued MOSERS comprehensive annual financial report, which may be requested from Missouri State Employees' Retirement System, P.O. Box 209, Jefferson City, MO 65102-0209 or viewed on [www.mosers.org](http://www.mosers.org).

**Pension Expense**

For the year ended June 30, 2018, the Clean Water SRF program recognized pension expense of \$763,971.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2018, the Clean Water SRF program reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 17,237	\$ (69,159)
Changes of assumptions	305,484	(8,714)
Net difference between projected and actual earnings on pension plan investments	627,021	(52,300)
Changes in proportion and differences between Clean Water SRF program contributions and proportionate share of contributions	-	(2,134)
Clean Water SRF program contributions subsequent to the measurement date of 6-30-17	247,648	-
<b>Total</b>	<b>\$1,197,390</b>	<b>\$(132,307)</b>

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**Note 6: Pension Plan (continued)**

Clean Water SRF program reported \$247,648 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019, on the Clean Water SRF program’s financial statements. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Clean Water SRF program’s fiscal year following MOSERS’ fiscal year as follows:

Plan year ending June 30:

2019	\$267,596
2020	366,512
2021	140,324
2022	43,003
2023	-
Thereafter	-
Total	<u><u>\$817,435</u></u>

**Payables to the Pension Plan**

As of June 30, 2018, the Clean Water SRF program had payables of \$23,659 to MOSERS because of benefits accrued for the September 16, 2018, payroll that were not paid until after this reporting period, but earned during the reporting period.

**Note 7: Other Post-Employment Benefits Plan (OPEB)**

**Plan Description**

Benefit eligible employees of the Department are provided through the Missouri Consolidated Health Care Plan (MCHCP or the Plan), which is a cost sharing multiple employer, defined benefit OPEB, the State Retiree Welfare Benefit Trust (SRWBT). Employees may participate at retirement if eligible to receive a monthly retirement benefit from either the Missouri Employees’ Retirement System (MOSERS) or another retirement system whose members are grandfathered for coverage under the Plan by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended (“RSMo”) 103.003 through 103.178. MCHCP is considered a component unit of the State of Missouri reporting entity and is included in the state’s financial report. The Plan's financial statements

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**Note 7: Other Post-Employment Benefits Plan (OPEB) (continued)**

are available on MCHCP's website at [www.mchcp.org/aboutUs/annualReport.asp](http://www.mchcp.org/aboutUs/annualReport.asp).

**Benefits Provided**

The SRWBT was established and organized on June 27, 2008, pursuant to the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178 to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the state and their dependents who meet eligibility requirements except for those retired members covered by other OPEB plans of the state. MCHCP's three medical plans offer the same, basic coverage such as preventative care, freedom to choose care from a nationwide network of primary care providers, specialists, pharmacies and hospitals, usually at a lower negotiated group discount and the same covered benefits for both medical and pharmacy. Benefits are the same in all three plans, other aspects differ such as premium, deductible and out of pocket costs. Retiree benefits are the same as for active employees. As of January 1, 2017, membership information for state employees consisted of the following:

Active employees – 41,836

Participants and Spouses in Payment Status – 20,060

Participants with a deferred benefit – 73

Disabled participants - 99

Note: Membership information for Clean Water SRF program employees is not available.

**Contributions**

Contributions are established and may be amended by the MCHCP Board of Trustees with the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178. For the fiscal year ended June 30, 2017, employers were required to contribute 4.26 percent for the period July 1, 2016 through December 31, 2016, and 4.02 percent for the period January 1, 2017, through June 30, 2017, of gross active employee payroll toward their required contributions.

Contributions to the OPEB plan from the Clean Water SRF program were \$373 for the fiscal year ended June 30, 2018.

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**Note 7: Other Post-Employment Benefits Plan (OPEB) (continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2018, a liability was reported of \$8,208 for the Clean Water SRF program's proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The Clean Water SRF program's proportion of the net OPEB liability was based on the Department's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2017, the Clean Water SRF program's proportion was 0.0005 percent.

For the year ended June 30, 2018, the Clean Water SRF program recognized OPEB expense of \$684. At June 30, 2018, the Clean Water SRF program reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (18)
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(1)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1	-
Employer contributions subsequent to the measurement date	417	-
<b>Total</b>	<b>\$418</b>	<b>\$ (19)</b>

There was \$417 reported as deferred outflows of resources related to OPEB resulting from Clean Water SRF program contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future years' OPEB expense as follows:

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**Note 7: Other Post-Employment Benefits Plan (OPEB) (continued)**

Year ending June 30:	
2019	\$ (2.31)
2020	(2.31)
2021	(2.31)
2022	(2.31)
2023	(2.08)
Thereafter	(6.68)
Total	<u>\$(18.00)</u>

**Actuarial Assumptions**

Actuarial valuations for the SRWBT involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation to determine the SRWBT’s total OPEB liability is required to be performed at least every two years. The SRWBT valuation is performed annually, but should the valuation not be performed as of the fiscal year end, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the SRWBT plan’s fiscal year end. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The collective total OPEB liability for the June 30, 2018, measurement date was determined by an actuarial valuation as of January 1, 2017, with updated procedures used to roll forward the total OPEB liability to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

<b>Actuarial Assumptions</b>	
Inflation rate	3.00%
Discount rate	5.71%
Projected payroll growth rate	4.00%
Actuarial cost method	Entry age normal, level percentage of payroll
Asset valuation method	Market value

Health care cost trend rate (Medical & prescription drugs combined): Non-Medicare is 6.5 percent for fiscal year 2017; the rate decreases by 0.25 percent per year to an ultimate rate of 5.0 percent in Fiscal 2023 and later. Medicare is 7.5 percent for fiscal year 2017; the rate decreases by 0.25 percent per year to an ultimate of 5.0 percent in fiscal year 2027 and after.

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**Note 7: Other Post-Employment Benefits Plan (OPEB) (continued)**

Mortality: RP-2016 for Employees/Annuitants without collar adjustments using Scale MP-2016. The last experience study was conducted for the period July 1, 2008 through June 30, 2012. The last independent actuarial review of the reasonableness and accuracy of actuarial assumptions, actuarial cost methods, and valuations was conducted as of June 30, 2016.

**Long-Term Expected Rate of Return**

The target allocation and best estimates of arithmetic real rate of returns for each major asset class are listed below:

Asset Class	Target Allocation	Expected Real Return
Large cap stocks	20.0%	5.7%
Mid cap stocks	10.0%	6.0%
Small cap stocks	10.0%	6.0%
High-yield bonds	10.0%	2.6%
BarCap Aggregate bonds	20.0%	1.0%
Long Government/Credit	25.0%	1.4%
Cash equivalents	5.0%	0.3%

**Discount Rate**

A discount rate of 5.71 percent was used to measure the total OPEB liabilities. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and the contributions from employers will be made at statutorily required rates, actuarially determined. This discount rate was determined as a blend of the best estimate of the expected return on plan assets and, the 20 year high quality municipal bond rate as of the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal Bond Buyer 20-Bond General Obligation Index rate is utilized.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

As required by GASB Statement No. 75, the following table presents the Clean Water SRF program’s net OPEB liability, calculated using a discount rate of 5.71 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Notes to Financial Statements – Unaudited  
Exhibit 9**

**Note 7: Other Post-Employment Benefits Plan (OPEB) (continued)**

	<b>1% Decrease in Discount Rate (4.71%)</b>	<b>Current Discount Rate (5.71%)</b>	<b>1% Increase in Discount Rate (6.71%)</b>
Net OPEB Liability	\$9,694	\$8,208	\$7,032

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Net OPEB Liability	\$6,996	\$8,208	\$9,743

**Note 8: Net Position**

The net position of the program is all restricted. The program’s enabling legislation and related regulations require that all money in the fund may be used only for purposes of the program. The program is capitalized by grants from the EPA, authorized by Title VI of the Clean Water Act, and matching funds from the State of Missouri. As of September 30, 2018, the EPA has awarded capitalization grants totaling \$1,243,877,631 of which \$1,198,674,825 has been drawn. The total award amount includes \$100,000 in-kind amounts on each of the CS290001-11, CS290001-13, and CS290001-16 grants to pay for independent audits. CS290001-18 includes an in-kind amount of \$70,000 to pay for independent audits. CS290001-20 includes an in-kind amount of \$42,000 to pay for independent audits. These in-kind amounts are not available to be drawn. The following table summarizes the capitalization grants awarded, amounts drawn on each grant, and balances available:

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Notes to Financial Statements – Unaudited  
Exhibit 9**

**Note 8: Net Position (continued)**

<b>Grant ID</b>	<b>Grant Amount</b>	<b>Total Draws Sept. 30, 2017</b>	<b>2018 Draws</b>	<b>Total Draws Sept. 30, 2018</b>	<b>Available Sept. 30, 2018</b>
00290001-89	\$26,147,682	\$26,147,682	-	\$26,147,682	-
00290001-90	27,046,602	27,046,602	-	27,046,602	-
00290001-91	57,292,500	57,292,500	-	57,292,500	-
00290001-92	53,863,400	53,863,400	-	53,863,400	-
00290001-93	53,282,889	53,282,889	-	53,282,889	-
00290001-94	33,061,347	33,061,347	-	33,061,347	-
CS290001-95	34,135,876	34,135,876	-	34,135,876	-
CS290001-96	56,211,813	56,211,813	-	56,211,813	-
CS290001-97	17,277,282	17,277,282	-	17,277,282	-
CS290001-98	37,329,237	37,329,237	-	37,329,237	-
CS290001-99	37,332,405	37,332,405	-	37,332,405	-
CS290001-00	42,205,784	42,205,784	-	42,205,784	-
CS290001-06	39,050,360	39,050,360	-	39,050,360	-
CS290001-07	36,957,195	36,957,195	-	36,957,195	-
CS290001-08	36,799,045	36,799,045	-	36,799,045	-
CS290001-09	37,739,197	37,739,197	-	37,739,197	-
CS290001-10	29,872,359	29,872,359	-	29,872,359	-
CS290001-11	24,299,648	24,199,648	-	24,199,648	-
CS290001-12	29,670,498	29,670,498	-	29,670,498	-
CS290001-13	18,864,955	18,764,955	-	18,764,955	-
2W977080-01	108,641,800	108,641,800	-	108,641,800	-
CS290001-14	18,863,757	18,863,757	-	18,863,757	-
CS290001-15	56,483,000	56,483,000	-	56,483,000	-
CS290001-16	40,936,000	40,836,000	-	40,836,000	-
CS290001-17	57,679,000	57,679,000	-	57,679,000	-
CS290001-18	37,009,000	36,939,000	-	36,939,000	-
CS290001-19	38,868,000	38,868,000	-	38,868,000	-
CS290001-20	38,669,000	38,627,000	-	38,627,000	-
CS290001-21	37,039,000	36,930,393	\$108,607	37,039,000	-
CS290001-22	36,754,000	-	36,458,194	36,458,194	\$295,806
CS290001-23	44,495,000	-	-	-	44,495,000
	<b>\$1,243,877,631</b>	<b>\$1,162,108,024</b>	<b>\$36,566,801</b>	<b>\$1,198,674,825</b>	<b>\$44,790,806</b>

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Notes to Financial Statements – Unaudited  
Exhibit 9**

**Note 8: Net Position (continued)**

As of September 30, 2018, the state match provided for the capitalization grants was as follows:

	September 30, 2017	2018 Match	September 30, 2018
State Appropriations	\$ 98,136,140	\$ -	\$ 98,136,140
State Match GO Bonds	15,427,980	-	15,427,980
State Match Revenue Bonds	100,631,600	-	100,631,600
State Match Administration	0	-	455,845
Total State Match	<u>\$214,195,720</u>	<u>\$ -</u>	<u>\$214,651,565</u>

The state match bonds are being repaid with Clean Water SRF interest earnings and are not contributions to fund equity. The total state contribution to fund equity is \$100,736,278. This amount consists of the \$98,136,140 of state appropriations and \$455,845 of state match paid from the administration fee fund as listed above, plus an additional \$2,144,293 that the State of Missouri contributed to pay part of the debt service on the state match general obligation bonds.

**Note 9: Contingencies**

The program is exposed to various risks of loss related to torts, theft of assets, errors or omissions, injuries to state employees while performing program business, or acts of God. The program maintains insurance through the State of Missouri for all risks of loss, which is included in the indirect costs allocated to the program. There have not been any claims against the program since its inception in 1989.

**Note 10: Commitments**

House Bill No. 1, Section 1.020, appropriates \$1,742,287 of interest earnings on the Water and Wastewater Loan Revolving Fund to be transferred to the Water Pollution Control Bond and Interest Fund in the 2018 reporting period for the payment of a portion of the debt service due on state general obligation bonds issued prior to 2002 that provided the state match for the Clean Water SRF program. Refer to the Bonds Payable section of Note 1.

**Note 11: Subsequent Events**

On October 18, 2018, the Environmental Improvement and Energy Resources Authority issued bond series 2018A in the amount of \$31,610,000 in tax exempt revenue bonds for the Clean Water and Drinking Water SRF programs. The bond proceeds will be disbursed as state match to the Clean Water and Drinking Water capitalization grants. The proceeds will support approximately three years of capitalization grant state match requirements.

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Schedules of Required Supplementary Information - Pension  
Exhibit 10 – Unaudited**

**Schedule of Proportionate Share of the Net Pension Liability Last 10 Fiscal Years\***

	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>
Clean Water SRF proportion of the net pension liability	0.0556%	0.0629%	0.0634%	0.0809%
Clean Water SRF's proportionate share of the net pension liability	\$1,310,080	\$2,019,677	\$2,943,739	\$3,456,828
Clean Water SRF's covered-employee payroll	\$1,702,840	\$1,621,630	\$1,281,929	\$1,689,063
Clean Water SRF's proportionate share of the net pension liability as a percentage of its covered-employee payroll	76.93%	124.55%	229.63%	204.66%
Plan fiduciary net position as a percentage of the total pension liability	79.49%	72.62%	63.60%	60.41%

Figures are based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

\*This schedule is ultimately required to show information for ten years. Only the data for years currently available is displayed.

**Schedule of Agency Contributions Last 10 Fiscal Years\***

	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>
Required Contribution	\$284,034	\$275,029	\$217,415	\$286,634
Contributions in relation to the required contribution	\$284,034	\$275,029	\$217,415	\$286,634
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Clean Water SRF program's covered-employee payroll	\$1,702,840	\$1,621,630	\$1,281,929	\$1,689,063
Contributions as a percentage of covered-employee payroll	16.68%	16.96%	16.96%	16.97%

Note: This schedule is ultimately required to show information for ten years. Only the data for years currently available is displayed.

**Notes to the Schedule:**

**Changes of benefit terms:** Senate Bill 62 (SB 62), which contained changes to the benefit structure for MSEP 2011, was passed by the 2017 legislature. The provisions of the bill decreased vesting from ten to five years of service, but also included provisions that essentially offset the cost of the vesting change. As a result, SB 62 had no impact on the employer contribution rate and created a decrease to the UAAL of \$1.6 million.

**Changes of assumptions:** The board reduced the investment return assumption used in the June 30, 2017, valuation to 7.5 percent.

**Missouri Department of Natural Resources  
Clean Water State Revolving Fund  
Schedules of Required Supplementary Information - OPEB  
Exhibit 11 – Unaudited**

**Schedule of Proportionate Share of the Net OPEB Liability\***

<b>Missouri Consolidated Health Care Plan</b>	<b>2018*</b>
Clean Water SRF proportion of the collective net OPEB liability	0.0005%
Clean Water SRF's proportionate share of the collective net OPEB liability	\$8,208
Clean Water SRF's covered payroll	\$2,198
Clean Water SRF's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	373.43%
Plan fiduciary net position as a percentage of the total OPEB liability	60.41%

\*Based on the end of the preceding fiscal year.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

**Changes of benefit terms:** There was no changes in benefit terms.

**Changes of assumptions:** The discount rate went from 5.70 percent to 5.71 percent.

## Comparison of FFY 2018 IUP and Actual Loan Commitments

Applicant	Project Number	Description	Amount Requested	Status	Date	Amount	Comments
Ashland (PW)	C295710-01	TP, Coll Impr	\$6,600,000	Construction	3/27/2018	\$6,408,000	Funded and under construction
Aurora – Phase II	C295711-02	PS, I	1,307,050	Planning			Target FY 2021
Belle	C295813-01	Coll Impr	633,571	Design			Target FY 2019
Boone County RSD (Bolli Road Coll Sys)	C295375-25	Coll, PS	248,808	Planning			Target FY 2020
Boone County RSD (Cedar Gate)	C295375-27	FM, PS, TP Impr	842,733	Unfunded			Did not submit application for FY 2019 IUP
Boone County RSD (Lee Heights)	C295375-23	Coll, FM, PS	629,968	Planning			Target FY 2019
Boone County RSD (Phenora North Coll System)	C295375-24	Coll	372,099	Planning			Target FY 2020
Boone County RSD (South Route K)	C295375-21	TP Impr	5,275,628	Planning			Target FY 2019
Carthage - WWTP Upgrades (PW)	C295809-01	TP Impr	4,000,000	Design			Target FY 2019, reduced project scope prior to FY 2019 IUP
Center Creek Wastewater Treatment Board (PW)	C295446-02	TP Impr	2,750,000	Construction	9/28/2018	2,750,000	Amount amended at July CWC meeting, Funded and under construction

Applicant	Project Number	Description	Amount Requested	Status	Date	Amount	Comments
Deer Run Creek Reorganized Common Sewer District	C295815-01	TP, Coll	2,542,500	Planning			Target FY2020
Drexel	C295803-01	TP, PS, I, Det	2,067,821	Design			Target FY 2019
East Lynne	C295695-01	TP Impr	1,325,885	Planning			Target FY 2020 with potential reduced project scope
Festus	C295305-03	Coll Exp, PS, FM	1,412,140	Unfunded			Withdraw application during FY 2018
Garden City	C295829-01	TP Impr	200,000	Planning			Target FY 2020
Gravois Arm Sewer District - Phase 4	C295715-01	Coll	4,742,079	Planning			Target FY 2020
Kelso	C295195-02	TP	1,350,000	Unfunded			Withdraw application during FY 2018
Kearney				Unfunded			Withdraw application during FY 2018
Labadie Creek Watershed Sewer District of Franklin County	C295727-01	TP; Coll; Exp; II; IVA	3,000,000	Planning			Target FY 2020
Lancaster	C295804-01		2,227,325	Planning			Target FY 2020
Lathrop	C295821-01	TP Imp, I/I, Rehab	6,245,200	Design			Target FY 2019
Liberal	C295827-01		1,709,337	Planning			Target FY 2020
Meadville (PW)	C295801-01	TP Imp	2,098,080	Planning			Target FY 2020

Applicant	Project Number	Description	Amount Requested	Status	Date	Amount	Comments
Missouri Agriculture & Small Business Development	C295212-09	NPS	1,000,000	Planning			Target FY 2020
	C295810-01	PS, I	2,592,585	Design			Target FY 2019
MSD – Public I/I Reduction Program – Phase 5	C295023-40	I/I	41,200,000	Planning			Target FY 2019
	C295825-01	Det	44,000,000	Design			Target FY 2019
MSD Gravois Trunk Sanitary Storage Facility	C295824-01		8,129,713	Planning			Target FY 2020
	C295671-01	Impr, Rehab	18,119,172	Design			Moved to fundable list at April 2018 CWC meeting. Target FY 2019
Poplar Bluff							Did not submit application for FY 2019 IUP
Spickard	C295823-01	TP	1,453,815	Unfunded			Target FY 2020
	C295540-02		3,384,050	Planning			Withdrew application during FY 2018
Taney County Regional Sewer District				Unfunded			Did not submit application for FY 2019 IUP
Tipton	C295293-02		1,677,000	Unfunded			

Applicant	Project Number	Description	Amount Requested	Status	Date	Amount	Comments
Troy	C295822-01	TP, I	18,579,000	Design			Funding amount amended at July CWC, Moved to fundable list during Jan 2018 CWC, Target FY 2019
Weston	C295814-01	TP Impr, PS, Coll	4,000,000	Design			Funding amount amended at July 2017 CWC, Target FY 2019
Windsor	C295512-01	TP Impr	5,000,000	Planning			Target FY 2019

## Exhibit 13

Clean Water SRF Source and Distribution of Loan Administration Fees Fund 0568 For Reporting Period of October 1, 2017 through September 30, 2018					
FFY 2018 Reporting Period Income	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income	CW Capitalization Grant Match	Total
Income	\$ 82,269	\$ 2,708,651	\$ 3,505,789	\$ -	\$ 6,296,709
Interest Earnings	11,723	253,535	207,181	-	472,439
Total	\$ 93,992	\$ 2,962,186	\$ 3,712,970	\$ -	\$ 6,769,148
FFY 2018 Reporting Period Expenses					
Personnel Services	\$ (151,603)	\$ (1,347,308)	\$ (194,285)	\$ -	\$ (1,693,196)
Fringe	(75,017)	(687,506)	(94,181)	-	(856,704)
Equipment & Expenses	(205,571)	(3,176)	(11,086)	-	(219,833)
PSD Expenditures	-	(1,572,110)	(1,940,205)	-	(3,512,315)
Other Administrative Payments	-	(1,332,669)	(368,809)	-	(1,701,478)
Transfer to Clean Water Program	-	-	-	(455,844)	(455,844)
DNR Transfers	(50,017)	(211,202)	(33,361)	-	(294,580)
ITSD Transfers	(40,180)	(189,656)	(28,016)	-	(257,852)
HB 13 Transfers	(1,325)	(5,143)	(857)	-	(7,325)
Total	\$ (523,713)	\$ (5,348,770)	\$ (2,670,801)	\$ (455,844)	\$ (8,999,127)
Total	\$ (429,721)	\$ (2,386,584)	\$ 1,042,170	\$ (455,844)	\$ (2,229,979)

## Missouri Assistance by Summary of Uses

### All Primary and Secondary Uses - National Use Codes

Use Type	Code	Description	Millions of Dollars		
			Total	Protect	Restore
DESIGNATED	US001	Drinking Water	1,174.9	1,003.7	171.2
	US002	Aquatic Life & Wildlife	2,460.0	2,042.6	417.4
	US003	Primary Contact Recreation	1,318.5	1,190.7	127.7
	US004	Secondary Contact Recreation	396.0	366.3	29.7
	US005	Fish Consumption	1,271.2	1,000.3	270.9
	US008	Agricultural Water Supply	1,491.4	1,305.9	185.5
	US010	Aesthetic Value	8.3	5.3	3.0
	US099	Other	103.9	37.0	66.9
	US911	Industrial Water Supply/Navigation	504.8	504.8	0.0
	OD001	Drinking Water Supply (e.g., groundwater source)	82.3	82.0	0.3
	OG001	Groundwater Protection	119.5	116.4	3.1
OI001	Industrial	273.2	233.9	39.4	
OI002	Infrastructure Improvement	2,108.1	1,660.7	447.3	
OO001	Other Public Health/Pathogen Reduction	803.2	746.9	56.3	
OO002	Other	58.1	35.1	23.0	
OR001	Regionalization/Consolidation	205.3	176.4	28.9	
OS001	Security	14.2	14.2	0.0	
OW001	Water Reuse/Recycling/Conservation	148.5	147.1	1.4	
OW002	Wetland Restoration	14.2	14.2		







Water Protection Program - Financial Assistance Center

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