

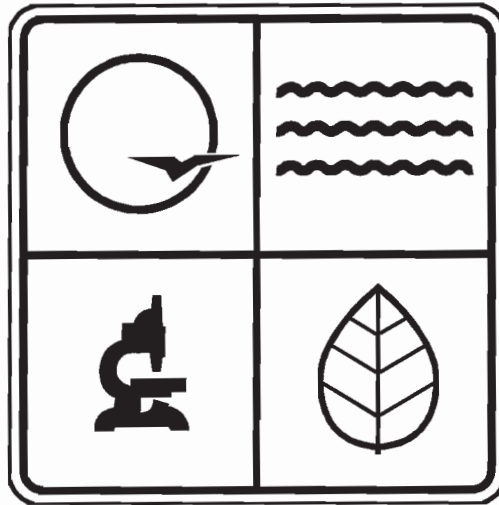
Drinking Water State Revolving Fund Loan Program and Set-Aside Programs

Intended Use Plan for State Fiscal Year 2013

Approved by the Missouri Safe Drinking Water Commission June 28, 2012



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES



Intended Use Plan

Drinking Water State Revolving Fund Loan Program And Set-Aside Programs For State Fiscal Year 2013 (July 1, 2012 to June 30, 2013)

Adopted June 28, 2012

Missouri Department of Natural Resources
Water Protection Program
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**Intended Use Plan
State Fiscal Year 2013 Drinking Water State Revolving Fund
Loan Program And Set-Aside Programs
Program Application Forms And Instructions**

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Part I. The Drinking Water State Revolving Fund Program

I. Introduction

Providing safe drinking water to people served by public water systems in Missouri is an important goal of federal, state and local officials. While Missouri drinking water is among the safest in the world, the owners and operators of Missouri drinking water systems know that they must make significant infrastructure improvements to comply with new and existing federal standards in order to continue to supply safe drinking water to their customers. In 2007, the Missouri Department of Natural Resources in cooperation with the U.S. Environmental Protection Agency conducted an assessment of Missouri's public water systems 20 year capital infrastructure needs. The assessment estimates that \$7.1 billion is needed to address Missouri's drinking water infrastructure needs over the next 20 years.

Many public water systems, particularly small water systems, have difficulty obtaining affordable financing for the current infrastructure improvements needed. Recognizing this fact, the U.S. Congress established the Drinking Water State Revolving Fund as part of the Safe Drinking Water Act Amendments of 1996. Federal appropriations for the program are used primarily to fund low interest loans to public drinking water systems for high priority infrastructure projects. States are allowed to reserve up to 31 percent of the federal appropriation to fund authorized activities that support its drinking water program.

The Missouri Department of Natural Resources' Water Protection Program is the delegated authority for the administration of the federal Drinking Water State Revolving Fund. Through calendar year 2011 the Department has awarded low interest loans and grants totaling approximately \$356 million to drinking water systems for infrastructure improvements. This Intended Use Plan describes the proposed use of funds reserved for financial assistance for drinking water infrastructure improvements during state fiscal year 2013 (July 1, 2012 to June 30, 2013).

Operation and management of the Drinking Water SRF program is directed by state regulations 10 CSR 60-13.010 through 10 CSR 60-13.030.

In compliance with the requirement in Safe Drinking Water Act sec. 1452(b)(1) to provide for public review and comment, the Intended Use Plan was placed on public notice in draft form at www.dnr.mo.gov/env/wpp/srf/drinkingwater-assistance.htm on May 21, 2012 and a public meeting was held on June 20, 2012 to receive comments.

II. Goals And Objectives

Each year the Department evaluates the operations and the financial structures of the Drinking Water SRF program to gauge it's effectiveness. Long and short-term goals are proposed to improve program services and investment returns. An assessment of these goals is included in the programs biennial report. The following sections present the current strategies for program improvement.

A. Long-Term Goals (Three to Five Years):

Goal: Protect public health by ensuring that all Missouri citizens will have water that is always safe to drink.

Goal: Provide below-market rate financial assistance while assuring the perpetual nature of the program.

Goal: Explore ways to make the program more affordable/desirable to systems.

Goal: Ensure the long-term sustainability of existing and proposed water systems.

Goal: Protect source water for drinking water systems.

Goal: Promote coordination efforts both within and outside the agency for the purpose of expediting the funding of projects.

B. Short-Term Goals:

Goal: Maximize the use and impact of available loan funds for eligible projects in accordance with the priorities and procedures described in this plan, utilizing sound financial management.

Goal: Conduct year by year financial analyses of the availability and use of funds. Evaluate the effects of different program structures on the ability to provide financial assistance now and in the future.

Goal: Continue to assist water systems in meeting Safe Drinking Water Act requirements.

Goal: Encourage projects to consolidate or interconnect in a regional manner which would reduce public health risks or make more efficient use of source water capacity and treatment processes.

Goal: Have the Drinking Water SRF priority point criteria and readiness to proceed criteria updated and approved by the Missouri Safe Drinking Water Commission at least 60 days prior to the initial application receipt deadline (Nov. 15, 2012).

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

III. Allocation Of Drinking Water Capitalization Grant

This section summarizes the financial status of the previously awarded federal capitalization grants from the U.S. Environmental Protection Agency for Missouri's Drinking Water SRF program associated with federal fiscal year 2011 and the anticipated award of the grant for 2012.

The Safe Drinking Water Act amendments of 1996 authorize funding for the Drinking Water SRF, and Congress appropriates this funding annually. Each state and U.S. territory is eligible for a portion of this funding. The act authorizes EPA to use a portion of the funding for health effects studies, small system technical assistance, monitoring of unregulated contaminants, and operator certification reimbursement grants. EPA allots the remaining funds appropriated for the Drinking Water SRF to each state based on the state's proportional share of total eligible needs reported for the most recent drinking water infrastructure needs survey, which is conducted every four years. Currently, Missouri's allotment is 1.93 percent of these funds.

A. Capitalization Grant Allocation for Missouri's Drinking Water SRF Program

Federal capitalization grants will be used to fund loans, grants, and authorized set aside activities for state fiscal year 2013. The amount of the federal fiscal year 2011

capitalization grant for Missouri is \$18,204,000. The Department reserved 69 percent (\$12,560,760) of the capitalization grant for loans and grants.

The amount of the federal fiscal year 2012 capitalization grant for Missouri is expected to be \$17,348,000. The Department will also reserve 69 percent (\$11,970,120) of the capitalization grant for loans and grants.

The Department will reserve up to 31 percent of the federal fiscal year 2011 and 2012 grants (\$5,643,240 and \$5,377,880 respectively) for authorized set-aside activities as described in Part II of this Intended Use Plan. If the Department does not utilize the full 31 percent for set-aside activities, the difference will be used for financing infrastructure projects.

B. Additional Subsidization

The previous capitalization grant (federal fiscal year 2010) required that not less than 30 percent of the \$26,234,000 capitalization grant be used to provide additional subsidies. An amendment to the Missouri safe drinking water regulations effective on Jan. 30, 2010, allows for additional subsidies in the form of principal forgiveness, negative interest loans, grants, or any combination thereof per any federal act. The Department reserved 30 percent (\$7,986,575) of the 2010 capitalization grant for additional subsidies in the form of grants. These grant funds were fully committed to fundable projects as described in the state fiscal year 2011 Intended Use Plan.

The federal fiscal year 2011 capitalization grant requires that not less than 30 percent of the \$18,204,000 grant be used to provide additional subsidies. The Department reserved 30 percent (\$5,461,200) of the grant for additional subsidies in the form of grants. These grant funds were fully committed to fundable projects as described in the state fiscal year 2012 plan.

It is anticipated that the federal fiscal year 2012 capitalization grant will require that 20 to 30 percent of the \$17,348,000 grant shall be used to provide additional subsidies. The Department reserved 30 percent (\$5,204,400) of the grant for additional subsidies in the form of grants. These grant funds will be committed to projects as they become fundable using the guidelines described in paragraph IV.B.

For each capitalization grant, the Department intends to continue to reserve any carry over grant funds to carry over projects unless modified as described in this plan.

C. Green Project Reserve

The federal fiscal year 2010 capitalization grant required that not less than 20 percent of the \$26,234,000 capitalization grant be used for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. The Department reserved Drinking Water SRF funds for loans or grants in the amount of not less than 20 percent (\$5,246,800) of the 2010 capitalization grant to fund projects or portions of projects that address these priorities.

The 2011 capitalization grant requires that at least 20 percent of the \$18,204,000 grant be used for projects or portions of projects that address green infrastructure. The Department reserved 20 percent (\$3,640,800) of the grant for these projects.

It is anticipated that the 2012 capitalization grant will not contain this requirement. However, if it does require a specific amount to be reserved for green projects, the Department will work to identify projects or portions of projects which meet the criteria. The methodology used to identify these projects is discussed further in paragraph IV.C. The Department encourages the inclusion of green components in projects.

For each capitalization grant, the Department intends to continue to reserve any carry over funds for carry over projects unless modified as described in this Intended Use Plan.

IV. Drinking Water SRF Infrastructure Assistance Program

A. Loans

The main financial assistance for drinking water infrastructure improvements will be in the form of loans with a target interest rate of 30 percent of market rate. In accordance with state regulation 10 CSR 60-13.020, the interest rate shall be based on the Twenty-Five Bond Revenue Index as published in *The Bond Buyer*. An annual fee of 0.5 percent of the outstanding loan balance will be charged by the Department. The loan fee shall be used to administer the Drinking Water SRF program and other related activities in accordance with federal regulations. Short-term loans will be for a one to three year period. Long-term loans will be for up to 20 years.

The maximum amount for a loan from any single Intended Use Plan shall not exceed 30 percent of the total available and anticipated loan funds or \$10 million, whichever is less, unless the Department receives approval from the Missouri Safe Drinking Water Commission to exceed such limits.

Construction loan repayments must begin within one year after the first operational contract is substantially completed, i.e. those facilities are placed into operation. The bond repayment schedules will generally consist of semi-annual interest payments, and annual principal payments. The trustee bank holds the periodic participant repayments in separate recipient accounts (repayment fund) outside the SRF. Interest earnings on these recipient accounts are credited to the debt service account and used when the payment is made to the Department of Natural Resources. These revolving funds can then be used again to support new construction projects.

Prior to state fiscal year 2010, the program was leveraged through the use of a reserve fund model. General Obligation or Revenue bonds are used to secure a borrower's proposed debt. The bonds were purchased and resold nationally by the Environmental Improvement and Energy Resources Authority (EI ERA). The funds generated by the sale of the bonds were deposited with a trustee bank in the applicant's name and are used for construction.

As construction costs were incurred, state and federal funds are deposited into a reserve account in an amount equal to 70 percent of cost. Interest was earned on the reserve through guaranteed investment contracts, which was then credited to the interest portion of the debt service of the bonds thereby providing the interest subsidy to the recipient. Due to recent economic conditions, guaranteed investment contracts are no longer available. During fiscal year 2011, the State Revolving Fund program transitioned to a cash flow model loan program.

The Department of Natural Resources receives federal Capitalization Grants from the Environmental Protection Agency. There is a twenty percent (20%) state match associated with these funds. These funds are deposited into the State Revolving Fund (A) and utilized in accordance with applicable federal and state program requirements. (State match funds are disbursed prior to utilizing Capitalization Grant funds).

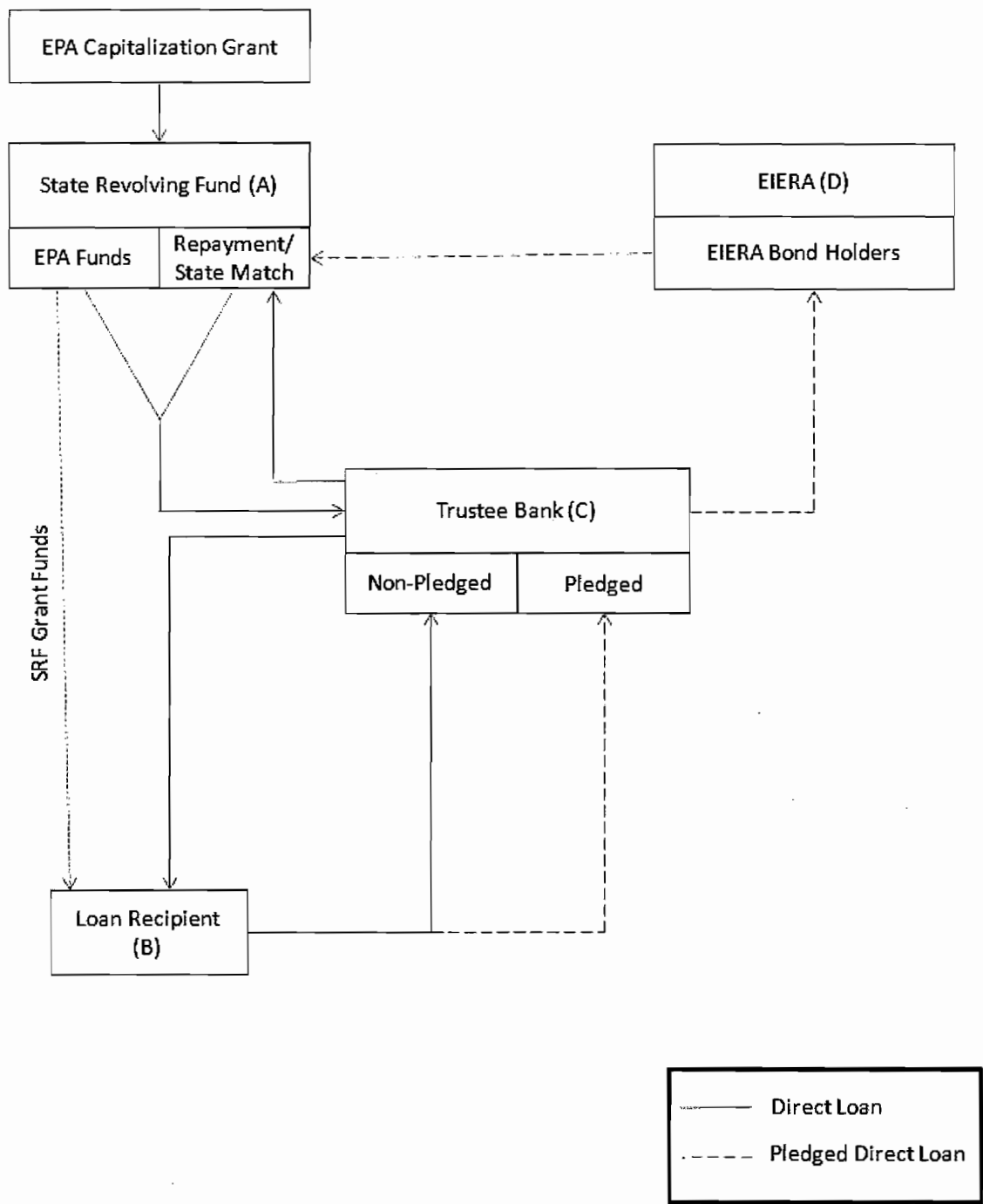
Under the cash flow model loan program, the Department of Natural Resources purchases the debt obligations of the participants directly. As construction progresses, funds are released from the State Revolving Fund (A) to the participant (B) through the trustee bank (C) so the construction costs can be paid. Recipients of an SRF Grant receive the grant funds directly from the SRF. Upon completion of the project, the loans are adjusted to reflect the final loan amount.

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

The Department continues to work with the SRF finance team to refine the new program structure, and will continue to evaluate possible future program structures to ensure the program provides a stable source of funding for drinking water infrastructure projects well into the future.

The Department reserves the right to refinance, assign, pledge or leverage any loans originated through the Drinking Water SRF Loan Program.

Cash Flow Model



B. State Match

Of the EIERA bonds sold to generate 100 percent of the project cost, an appropriate percentage is clearly identified as state match. The remaining amounts are referred to as leveraged bonds. At the time of a debt service payment, all interest earnings are first used toward the match bond debt service. Any remaining interest earnings are used to pay debt service on leveraged bonds.

C. Additional Subsidies

The Department will use the following guidance to allocate the subsidies for each capitalization grant requiring them.

Projects will be funded through a combination of 50 percent grant and 50 percent loan with a maximum grant of \$2 million per applicant. The Department further proposes to offer an even higher percentage grant for disadvantaged communities. Per 10 CSR 60-13.020, a disadvantaged community is any community with a population of less than 3,300, whose user rates will be at or above 2 percent of the state median household income and the recipient median household income is at or below 75 percent of the state average. As funding is available, projects for a disadvantaged community may be funded through a combination of 75 percent grant and 25 percent loan with a maximum grant of \$2 million per applicant.

The intent of the program is to target, as much as possible, the additional subsidized monies to communities that could not otherwise afford an SRF loan. To meet this goal, the use of grant funds will be committed to projects using the following criteria, listed in order of priority.

1. Projects serving disadvantaged communities on any fundable list based on priority ranking in the order of highest ranking to the lowest ranking;
2. Refinancing projects are not eligible for grant funding unless the community is disadvantaged.
3. Projects on the Very Small Community 20% Reserve Fundable List based on priority ranking;
4. Projects on the Small Community 15% Reserve Fundable List based on priority ranking; and
5. Projects on the General Community 65 percent Reserve Fundable List based on priority ranking.

D. Green Project Reserve

The Department will use the following green project reserve guidance for each capitalization grant requiring the reserve.

If a green project reserve is required, Department staff will work directly with applicants to identify projects or components of projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. The fundable list contained in Attachment A (Missouri Fundable Projects for DWSRF Loans for State Fiscal Year 2013) designates the amount of each carry over fundable project that meets the green project reserve criteria per EPA's guidance, as well as identifies the type of green documentation. Approved business cases for non-categorical projects will be posted to the Financial Assistance Center's web site.

During the screening of applications and engineering review process, green projects and components of projects were identified per EPA's guidance. Green documentation will be provided to EPA for approval if required.

E. Solicitation of Loan Applications for State Fiscal Year 2013

The application process was open to all eligible systems. Eligible systems are defined as all community public water systems, and not for profit noncommunity public water systems not owned by the federal government. The Missouri Safe Drinking Water Regulations require the Department to have the application package for loans available to the public at least 60 days prior to the deadline for receipt of applications. The application package consists of the application form, priority point criteria and readiness to proceed criteria. The priority point criteria describe the criteria that the Department uses to prioritize loan applications. The readiness to proceed criteria describes the minimum criteria that an applicant must meet to be eligible to be placed on the fundable list. Both the priority point criteria and readiness to proceed criteria were advertised for public comments and a public meeting was held on the proposed criteria. Both criteria are contained in the 2012 Intended Use Plan, which was approved by the commission on May 19, 2011. Subsequently, the Department made the application package available to the public with an initial application receipt deadline of Nov. 15, 2011. The Department issued a notice informing the public of the availability of loan applications. Individual notifications were sent to all city water systems and water districts, as well as engineering firms, in Missouri.

All applications were reviewed to determine if the proposed projects were eligible and if the applicant met the financial requirements of the loan program. Using the priority point criteria and readiness to proceed criteria, the Department evaluated each application to assign priority points and determine if the applicant met the readiness to proceed criteria. Applications received by the initial deadline that substantially met the readiness to proceed criteria received priority for funding over those received after the deadline.

F. Assistance to Small Communities

Missouri law requires that at least 35 percent of the monies credited to the Drinking Water SRF program shall be made available to eligible water systems serving fewer than 10,000 people. This is a higher percentage than the 15 percent minimum federal requirement for water systems serving fewer than 10,000 people. Of the 35 percent, 20 percent is for systems serving 3,300 or fewer people, and 15 percent is for systems serving from 3,301 to 9,999 people.

To demonstrate this commitment, the fundable list contained in Attachment A has three parts, the very small community 20 percent reserve, small community 15 percent reserve and the general 65 percent reserve. The general 65 percent reserve is not restricted to systems of a certain population.

G. Priority System

The Department prioritizes loan applications using the priority point criteria in effect at the time the application is received.

Projects carried over from the 2012 Intended Use Plan retain the points they received under the criteria in effect at the time they initially applied. The Department assigns priority points based on the overall project. The table entitled Comprehensive List in Attachment A, lists all the new and carry-over loan projects from highest to lowest priority.

H. Readiness to Proceed

In order to assure the best use of available loan funds in a reasonably expeditious manner, the Department will not commit available funds to a project until an applicant has demonstrated a substantial readiness to proceed in accordance with the readiness to proceed criteria in Attachment D. Readiness to proceed is defined as the condition

when an applicant has submitted to the Department a complete facility plan for approval and has established an acceptable debt instrument for their proposed project. Those projects that meet readiness to proceed will be placed on the fundable list or fundable contingency list as described in Subparagraphs IV.H.1. and 2. Projects that do not meet readiness to proceed will be placed on the Planning List as described in Subparagraph IV.H.3.

I. Ranking of Loan Projects

Projects that the department has committed to finance with available state revolving loan funds under this Intended Use Plan are listed in Attachment A. The Department, after appropriate public notice and with the approval of the Safe Drinking Water Commission, may modify or change the fundable list in order to maximize the use of uncommitted available funds or to bypass projects that do not make satisfactory progress toward meeting requirements for assistance. Only those applicants on the fundable list may receive loans under this plan (except in the case of a bypass or amendment as described elsewhere in the plan). The criteria for each list are defined as follows.

1. Fundable List

Carry-over projects from last year's Intended Use Plan and new projects received this year that meet the criteria for "readiness to proceed" will be placed on the appropriate fundable list in order of priority ranking. Projects that were on the fundable list on the 2012 Intended Use Plan will remain on the fundable list regardless of their priority ranking as carry-over projects. The Department will reserve the requested funding for these projects for the remainder of the project application period (unless the project was bypassed for failure to proceed).

2. Fundable Contingency List

These are eligible projects that meet the readiness to proceed criteria, but, due to priority ranking or timing, there is no funding available for the projects. Projects will be ranked on the list in accordance with their priority points. If uncommitted funds become available, the Department, with Safe Drinking Water Commission approval, will move the highest-ranking project from this list to the fundable list.

3. Planning List

Eligible applications that do not meet the readiness to proceed criteria will be placed on the planning list and be ranked according to their priority points. Any application on this list that meets the readiness to proceed criteria at least five working days prior to the next Safe Drinking Water Commission meeting, with the approval of the commission, will be moved to the fundable or fundable contingency list depending on availability of uncommitted funds and their priority points.

J. Modifications

After the Safe Drinking Water Commission adopts this Intended Use Plan, the commission may modify the lists or redistribute the available funds in accordance with the paragraphs below. The commission may only take this action after providing notice to those projects directly affected.

The commission may use any uncommitted balance to modify the funding of a project or to fund a project on the contingency list based on project priority and readiness to proceed. Phased projects that do not receive complete funding in the two-year eligibility

period must submit a new application for the remainder of the project and re-compete. The Department may review substitutions or changes in scope as a new application.

The commission may bypass projects on the fundable list that do not make satisfactory progress toward meeting requirements for assistance. Rules governing bypass procedures appear in 10 CSR 60-13.020(3)(A).

To facilitate the timely and expeditious use of available funds, eligible applications that are not received in time to be placed on the project lists adopted by the commission and received before Sept. 1, 2012 will be evaluated upon receipt. By amendment, the commission may place the new projects on the appropriate project list in accordance with paragraph IV.H.

1. Inadequate Allocations

If the actual federal Drinking Water SRF allocations are less than the allocations anticipated by the commission in the development of the priority lists, or if previous allocations are reduced, the commission may find it necessary to reduce their commitments to projects on the priority lists. The commission may take formal action to reduce the number of commitments in accordance with subparagraphs a through c of this paragraph.

- a. The commission may reduce the funds allocated to each purpose as described in Section III.
- b. The commission may remove the lowest priority projects from the fundable priority lists, placing these projects on the fundable contingency list in a position dictated by their priority relative to other projects on the contingency fundable list.
- c. The commission may bypass projects on the fundable lists in accordance with paragraph IV.J. of this document.

2. Unanticipated and Uncommitted Funds

If unanticipated or uncommitted funds become available, the commission may take formal action to distribute them in accordance with subparagraphs a and b of this paragraph.

- a. The commission may use the unanticipated or uncommitted funds to move the highest priority projects from the contingency fundable list to the fundable list.
- b. The commission may use the unanticipated or uncommitted funds to increase the amount of funds allocated to the various purposes as shown in Table 3 in Part II of this document.
- c. The commission may increase the amount of funds allocated to projects on the fundable lists or to provide increased assistance to projects which have already received assistance.

K. Bypass Procedures

The Department may bypass any project on the fundable list that does not make satisfactory progress toward meeting loan requirements. Procedures for bypassing

projects are contained in 10 CSR 60-13.020(3)(A). Carry-over projects may be automatically bypassed if they do not have all documents submitted and approved on or before Feb. 1, 2013. Recovered funds will be immediately available for contingency projects in accordance with paragraph IV.I.

L. Assistance for Disaster Relief

The Department may provide financial assistance to projects that address direct or indirect damage to a drinking water system in a declared disaster area. Funding is available under the Drinking Water SRF loan and Drinking Water State Direct Loan Program for disaster related projects. Assistance may include reducing the interest liability of the recipient. The Department may also provide these projects with advanced authority to construct in accordance with 10 CSR 60-13.030(4). These projects may be given preferential priority ranking when determining the use of uncommitted Drinking Water SRF loan funds and Drinking Water State Direct Loan funds.

M. Transfer of Funds from the Drinking Water SRF to the Clean Water SRF

Section 302 of the Safe Drinking Water Act Amendments of 1996 authorized the transfer of loan funds between the Drinking Water State Revolving Fund and the Clean Water State Revolving Fund. As funding is available and as needs arise, the Department can transfer loan funds with the approval of the Missouri Safe Drinking Water Commission and Missouri Clean Water Commission.

In State Fiscal Year 2013, the department intends to transfer \$10 million of non-federal funding from the Drinking Water SRF to the Clean Water SRF. This transfer is due to a high demand for clean water funding and available drinking water funding.

The department also plans to transfer up to \$18.5 million of federal capitalization grant funding from the Drinking Water SRF to the Clean Water SRF. This transfer is also due to a high demand for clean water funding and available drinking water funding.

The department further intends to transfer these funds back to the Drinking Water SRF when the demand for Drinking Water SRF funding warrants.

A listing of previous and proposed transfers is contained in the table below:

State Fiscal Year	Clean Water SRF	Drinking Water SRF
2001	(\$10,475,000)	\$10,475,000
2011	\$10,475,000	(\$10,475,000)
2013	\$10,000,000	(\$10,000,000)
2013 (Federal)	Up to \$18,500,000	Up to (\$18,500,000)

The Department, with prior approval from the Missouri Safe Drinking Water Commission and the Missouri Clean Water Commission, reserves the right to make additional transfers in the future.

N. Estimation of Available Drinking Water SRF Loan Funds

The Department expects to have approximately \$41.6 million in loan funds and \$15.9 million in grant funds available in resources for financing during state fiscal year 2013. The loan funds estimate includes carry-over funds from previous fiscal years, repayments, interest earnings on investments of Drinking Water SRF resources and 69 percent of the estimated federal capitalization grants for federal fiscal years 2011 and 2012. Table 1 shows the total amount of the project loan funds available for loans in this Intended Use Plan as of Dec. 31, 2011. The Department will reserve \$100,000 from the

federal fiscal year 2011 capitalization grant for an independent audit in cooperation with the Environmental Protection Agency.

Table 1.

State Fiscal Year 2013 Intended Use Plan Source And Distribution Of Loan And Grant Funds As of Dec. 31, 2011				
Description	Current	Anticipated	Balance	
Sources:				
Capitalization Grant Funds				
FFY 2007	\$ 6,585,433			
FFY 2008	\$ 11,926,901			
FFY 2009	\$ 13,251,787			
FFY 2009 ARRA	\$ 1,141,146			
FFY 2010	\$ 25,335,365			
FFY 2011	\$ 18,204,000			
FFY 2012		\$ 17,348,000		
Total Capitalization Grant Funds	\$ 76,444,632	\$ 17,348,000	\$ 93,792,632	
SRF Funds Available *	\$ 18,190,476	\$ 11,534,782	\$ 29,725,258	
2010A State Bond Refinancing Savings		\$ 552,661	\$ 552,661	
Total Sources	\$ 94,635,108	\$ 29,435,443	\$ 124,070,551	
Uses:				
Grant and Loan Commitments	\$ 13,609,004		\$ 13,609,004	
Funds Committed for Set-Aside Uses	\$ 15,525,129	\$ 5,377,880	\$ 20,903,009	
Loan and Grant Commitments 1/1/12 – 6/30/12	\$ 2,232,000		\$ 2,232,000	
Grant Funds Allocated to FY 13 DW IUP Projects		\$ 15,887,491	\$ 15,887,491	
Loan Funds Allocated to FY 13 DW IUP Projects		\$ 41,583,259	\$ 41,583,259	
2010B Debt Service		\$ 1,255,788	\$ 1,255,788	
Transfer of Funds to CWSRF		\$ 10,000,000	\$ 10,000,000	
Transfer of Cap Grant Funds to CWSRF – Up to		\$ 18,500,000	\$ 18,500,000	
Independent Audit	\$ 100,000		\$ 100,000	
Total Uses	\$ 31,466,133	\$ 92,604,418	\$ 124,070,551	

* Includes the 2010B State Match Bond Proceeds.

O. Solicitation of Drinking Water SRF Applications for State Fiscal Year 2014

In state fiscal year 2013 the Department will solicit loan applications for loan funds available in 2014. The process that will be used for solicitation and review of the applications will follow the same process and procedures described in this plan. Attachment D contains the loan application package for 2014. The package includes the application form and instructions, priority point criteria and readiness to proceed criteria. The initial application receipt deadline for 2014 applications is **Nov. 15, 2012**. Applications received by that date, that meet readiness to proceed criteria, will receive priority for funding over those received after that date.

Carryover projects in the state fiscal year 2013 Intended Use Plan are not eligible to compete for 2014 funding unless reapplication is made by Nov. 15, 2012.

P. Anticipated Cash Draw Ratio (Proportionality)

Missouri uses the hybrid cash flow model of the Drinking Water SRF. The federal capitalization grant is not used as security on the state match bonds. In fiscal year 2013, a cash draw ratio of 83.33 percent federal funds and 16.67 percent state match funds will be used. This process follows EPA memorandum, Clarification of Cash Draw Rules for Leveraged SRF Programs (Aug. 26, 2011). State matching funds are deposited to the Drinking Water SRF before capitalization grant funds are drawn.

V. Description Of The Loan Programs

A. Construction Loan

The borrower receives a long-term interest rate of 30 percent of the open market rate at the time of loan closing. Construction loan repayments must begin within one year after the first operational contract is substantially completed, i.e. those facilities are placed into operation. The repayment schedules will generally consist of semi-annual interest payments, and annual principal payments. The trustee bank holds the periodic participant repayments in separate recipient accounts (repayment fund) outside the SRF.

B. Cross-Collateralization of Funds

The Departments of Veteran Affairs and Housing and Urban Development, and the Independent Agencies Appropriations Act, 1998 (Public Law 105-65) authorized limited cross-collateralization between the Drinking Water SRF and the Clean Water SRF. Cross-collateralization allows states to use Clean Water SRF funds as security for bonds issued to finance Drinking Water SRF projects and vice versa. The cross-collateralization of the two funds may enhance the lending capacity of one or both SRFs by providing additional security to bondholders, which enhances bond ratings and lowers borrowing costs without increasing risks. State statute 644.122 RSMO provides the state's legal authority to implement cross-collateralization.

Since only uncommitted repayment funds will be used to remedy defaults (if any) there will be no significant impacts to the short or long-term goals of the program.

C. Loan Fee

The Department of Natural Resources will charge an annual loan fee that is calculated as 0.5 percent on the outstanding loan balance. The recipient will pay the loan fees to the Department.

D. Distribution of Loan Administration Fees

The fees charged by the Missouri Drinking Water SRF program are not included as principal in loans. Dependent upon the source of the loan, as well as the timing of the receipt of the administration fee, the administration fee is considered to be program income. As shown in the following table, the administration fees collected are considered as:

- Program income earned during the capitalization grant period;
- Program income earned after the capitalization grant period, or;
- Non-program income.

During the grant period is defined as the time between the effective date of the grant award and the ending date of the award reflected in the final grant financial report.

Administration fees charged by the program are deposited into an account outside of the Drinking Water SRF Fund. In accordance with federal regulations, fees charged by the program may be used for program administration or other purposes in accordance with 40 CFR 31.25 (g)(2) and (3) and federal capitalization grant requirements.

Table 2.

Source And Distribution Of Funds				
Loan Administration Fees				
	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income	
Balance as of 12/31/11	\$ 4,307,559	\$ 2,791,583	\$ 311,883	
Income				
Anticipated (01/01/12 thru 06/30/12)	\$ 203,579	\$ 145,822	\$ 53,596	
Anticipated (07/01/12 thru 06/30/13)	\$ 494,550	\$ 504,212	\$ 38,043	
Total Anticipated Income	\$ 698,129	\$ 650,034	\$ 91,639	
Projected Expenses (01/01/12 thru 06/30/12)				
Program Administration	\$ -	\$ -	\$ -	
Abatement of Drinking Water Emergencies	\$ -	\$ -	\$ (18,453)	
Projected Expenses for FY 13				
Program Administration	\$ -	\$ -	\$ -	
Total Anticipated Expenses	\$ -	\$ -	\$ (18,453)	
Estimated Balances	\$ 5,005,688	\$ 3,441,617	\$ 385,069	

VI. Additional Recipient Provisions

A. Prevailing Wage Rates:

Davis-Bacon Act Requirements:

The Consolidated Appropriations Act, 2012 (P.L. 112-74) requires that all agreements to provide assistance for the construction of treatment works carried out in whole or in part with assistance made available through section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)), or with such assistance made available under section 1452 of that

Act (42 U.S.C. 300j-12), or both, contain a term or condition requiring the compliance with the requirements of section 513 of that Act (33 U.S.C. 1372) in all procurement contracts. The purpose of this language is to apply the Davis-Bacon Act wage rules to all assistance agreements executed on or after December 23, 2011.

All laborers and mechanics employed by contractors and sub-contractors on projects funded directly by or assisted in whole or in part by and through the federal government pursuant to the act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C.App.) and section 3145 of title 40, United States Code.

The U.S. Department of Labor provides all pertinent information related to compliance with the Davis-Bacon Act including labor standards, prevailing wage rates and instructions for reporting.

The Department will not supply wage rates for the projects. It will be the responsibility of each recipient to obtain the correct wage rates and to maintain compliance with them throughout the project.

Missouri Department of Labor and Industrial Relations Requirements:

In accordance with Chapter 290 RSMo., projects receiving financial assistance for any construction project carried out in whole or in part with assistance made available through the Drinking Water SRF, must comply with the requirements of the Missouri Department of Labor and Industrial Relations.

The Department will not supply annual wage orders (wage determinations) for the projects. It will be the responsibility of each recipient to obtain the correct wage orders and to maintain compliance with them throughout the project.

B. Grant Requirements

The regulations at 40 CFR Part 31 apply to grants and cooperative agreements awarded to state and local (including tribal) governments. The regulations at 40 CFR Part 30 apply to grants with nonprofit organizations and with non-governmental for-profit entities. Note that the latter grants cannot be made with Drinking Water SRF funds except to eligible public water systems.

Part II. Drinking Water SRF Set-Asides

Federal appropriations for the Drinking Water SRF program are used primarily to fund low interest loans to public drinking water systems for high priority infrastructure projects. However, the Safe Drinking Water Act allows states to reserve up to 31 percent of the federal capitalization grant to fund authorized activities that support public drinking water program activities. This is referred to as the set-asides.

Activities supported by the set-asides include supplemental funding to support the state primacy program, capacity development, wellhead protection, operator certification, and providing technical and financial assistance to public water systems. Set-aside activities are implemented and managed by the Department's Public Drinking Water Branch.

The purpose of this section of the Intended Use Plan is to indicate how the Department intends to use the set-asides that will be available from the FFY 2012 capitalization grant.

A. Distribution of Set-Aside Funds

The Department intends to reserve 31 percent of the federal fiscal year 2012 capitalization grant for set-asides and will deposit those funds in a separate account. Table 3 shows the intended distribution of these set-asides.

Table 3. Distribution of Set-Aside Funds

Set-Aside Activities	% Cap. Grant	Amount
Drinking Water SRF Administration and Technical Assistance	4%	\$693,920
Small System Technical Assistance	2%	\$346,960
Public Water System Supervision State Program Management	10%	\$1,734,800
Local Assistance and Other State Programs	15%	\$2,602,200
Total	31%	\$5,377,880

The Department reserves the right to bank unused set-asides from the federal fiscal year 2012 capitalization grant for future set-aside expenditures.

B. Description of Set-Aside Activities

1. Drinking Water SRF Administration and Technical Assistance

This set-aside provides funding to administer the programs established under section 1452 of the federal Safe Drinking Water Act and to provide technical assistance to public water systems. A state can reserve a maximum of 4 percent of the capitalization grant for these purposes.

The Department is reserving the entire 4 percent available under this set-aside. The Department will use this funding for salaries and associated expenses of program personnel to administer the Drinking Water SRF loan program, including:

- Assistance to loan applicants and loan recipients,
- Project review and approval,
- Assistance with the needs survey, project prioritization, loan issuance, payment

- and accounting activities and
- Tracking repayments and project inspections.

In addition, the Department will use the set-aside for equipment and training staff.

The Department may also use a portion of this funding to contract for assistance to help loan applicants and potential applicants with rate setting and other similar hurdles related to meeting loan eligibility criteria.

The Department currently does not anticipate using this set-aside to administer the other programs established under the Drinking Water SRF or for technical assistance to public water systems.

2. Small Systems Technical Assistance

This set-aside is used for providing technical assistance to public water systems that serve 10,000 or fewer people. The Department intends to continue using this set-aside to assist small public water systems in:

- Locating and obtaining funding for infrastructure improvements,
- Complying with existing and near-term federal Safe Drinking Water Act requirements,
- Obtaining engineering reports and facility plans, and
- Other technical assistance activities that will improve compliance with safe drinking water requirements.

The Department will provide technical assistance using staff and contract services.

The Department is taking the full 2 percent allowed for this set-aside. If the Department does not use the entire authorized amount, it will bank the balance and use it for technical assistance to small systems in future years.

3. Public Water System Supervision

This set-aside can be used for:

- Primacy program support,
- Administering or providing technical assistance through source water protection programs,
- Developing and implementing a capacity development strategy, and
- Operator certification.

The Department has used and intends to continue using this set-aside for these authorized activities.

This set-aside requires a 1:1 state match that is in addition to the state match required to receive the federal capitalization grant. The Department is meeting this additional match requirement through primacy fee funds.

Examples of the activities funded by this set-aside include:

- Inspections and sanitary surveys,
- Technical assistance,
- Research into emerging contaminants,
- Contract lab support,
- Capacity development strategy development and implementation, and

- Source water protection plan review and approval.
- Providing vouchers to drinking water operators to defray the costs associated with taking required operator training and examination.

The Department intends to take the full 10 percent allowed for this set-aside. If the Department does not use the entire authorized amount of this set-aside, it will bank the balance and use it for eligible activities in future years.

4. Local Assistance and Other Programs Authorized by Section 1452(k) of the Safe Drinking Water Act

The act allows states to set aside up to 15 percent of the capitalization grant for:

- Source water protection loans;
- Assistance, including technical and financial assistance, to any public water system as part of a capacity development strategy; and
- Expenditures for the establishment and implementation of wellhead protection programs compliant with section 1428 of the act.

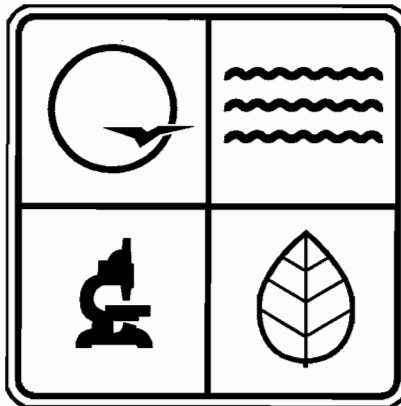
The Department intends to use this set-aside to provide technical and financial assistance to public water systems as part of the capacity development strategy and for wellhead protection. The Department is setting aside 15 percent of the federal fiscal year 2012 capitalization grant for these purposes. Excess funds that are not encumbered in a timely manner, at the sole discretion of the Department, may be transferred to the loan program.

The types of activities the Department may fund with this Set-Aside include but are not limited to:

- Assistance to public water systems for establishment and implementation of wellhead or source water protection measures;
- Plugging of abandoned drinking water wells;
- Assistance to public water systems with obtaining engineering reports and facility plans;
- Developing standard engineering drawings for non-community water systems;
- Assisting systems with determining cost-effective options for meeting maximum contaminant levels; for example, identifying water-bearing geologic zones that add radionuclides to the water and identify probable remediation measures;
- Subsurface modeling of geologic units for more refined susceptibility and sensitivity assessments of chemical and microbiological contamination;
- Updating contaminant site inventories to include new public wells and new or emerging contaminants;
- Education and outreach materials and training sessions on water system technical, managerial, or financial capacity issues or wellhead protection;
- Assistance to public water systems with development of regional solutions to solve capacity issues;
- Technical and financial assistance to public water systems to evaluate unaccounted for water loss; and
- Other activities as appropriate to implement the capacity development strategy or promote wellhead protection.

**Missouri's Comprehensive List and Fundable Project Lists for
Drinking Water State Revolving Fund Loans
for
State Fiscal Year 2013**

Proposed April 2012



**Prepared by the Missouri Department of Natural Resources,
Water Protection Program**

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Comprehensive List

Note: * Carried over from last Intended Use Plan X Fundable in the last Intended Use Plan

		Priority Points	Applicant	SRF #	Population Served	Loan Request
*		112	Barton, Dade, Cedar, Jasper Co. PWSD #1	DW291316-01	8,382	\$5,800,000
*		105	Maysville	DW291325-01	1,212	\$3,470,585
		100	Brookfield	DW291004-02	8,000	\$3,872,075
		91	Sparta	DW291277-02	1,752	\$2,519,559
	X	88	Jefferson County Water Authority	DW291310-01	14,005	\$1,502,000
		80	Bowling Green	DW291167-04	5,249	\$2,080,600
*	X	78	Cameron	DW291193-04	14,000	\$981,000
*	X	75	Jackson Co. PWSD #16	DW291319-01	4,480	\$3,000,000
	X	75	Rogersville	DW291276-01	3,047	\$1,297,908
		75	Lexington - Phase 1	DW291057-02	4,435	\$2,000,000
		75	Lexington - Phase 2	DW291057-03	4,435	\$3,352,000
	X	75	Auxvasse	DW291222-03	901	\$1,990,161
*		69	Dexter	DW291320-01	7,545	\$10,100,000
*	X	64	Linn	DW291162-04	1,430	\$2,569,968
*	X	63	Poplar Bluff	DW291204-02	16,651	\$2,975,050
*		59	Belton	DW291314-02	24,802	\$38,561,070
		59	Lathrop	DW291195-02	3,200	\$1,043,071
*	X	53	Monett	DW291327-01	8,700	\$11,825,430
*		50	Wayne & Butler Counties PWSD #4	DW291326-01	1,344	\$750,000
*		48	Tri State Utilities	DW291298-01	8,600	\$5,296,227
		44	Peculiar	DW291272-02	4,800	\$2,717,000
*	X	42	Jefferson County PWSD #12	DW291324-01	3,000	\$2,018,800
*		41	Moniteau Co. PWSD #2	DW291323-01	1,325	\$1,408,100
	X	41	Desloge	DW291258-01	5,105	\$1,564,000
	X	40	Warsaw	DW291293-01	2,075	\$1,982,750
		40	Milan	DW291206-02	2,200	\$1,028,550
*		38	Clarence Cannon Wholesale Water Commission – North Lake Crossing	DW291070-05	42,000	\$527,360
*		38	Clarence Cannon Wholesale Water Commission – Moberly Tank	DW201070-06	42,000	\$1,159,780
		37	Audrain Co. PWSD #2	DW291190-02	2,100	\$288,560
	X	36	Platte Co. PWSD #3 – Phase 2	DW291315-01	1,200	\$1,014,030
		35	California	DW291328-01	4,050	\$3,302,324
		34	St. Louis	DW291280-12	319,294	\$9,413,428
*		30	Oak Grove	DW291317-01	7,036	\$5,417,800
	X	30	Jefferson Co. PWSD #8	DW291322-01	3,500	\$669,500
*		28	Clarence Cannon Wholesale Water Commission – Holliday Booster Pump Station	DW291070-07	42,000	\$527,360
*	X	25	Jackson Co. PWSD #16 - Refinance	DW291319-02	4,480	\$4,500,000
*	X	22	Jefferson County PWSD #12 – Refinance	DW291324-02	3,000	\$365,650
*		12	Lake Ozark	DW291194-03	2,370	\$726,150
*		12	Lake Ozark - Refinance	DW291194-04	2,370	\$1,884,900
*		8	Tri State Utilities	DW291298-02	8,600	\$4,591,016
					Total	\$150,093,762

Distribution Of Available Loan Funds

From Table 1 of Section IV, the total estimated funds available for Drinking Water SRF loans for state fiscal year 2013 is \$41,583,259 and for grants is \$15,887,491. Missouri law requires that twenty percent and fifteen percent of available funds shall be made available to water systems serving populations of 3,300 or less (designated as very small communities) and water systems serving populations of 3,301 to 9,999 (designated as small communities respectively). The remaining sixty five percent (designated for general community) is not restricted by population served.

Table 4 Distribution of Available Funds

	Loan	Grant
Very small community (20%)	\$ 8,316,652	\$15,887,491
Small Community (15%)	\$ 6,237,489	\$0
General Community (65%)	\$ 27,029,118	\$0
Total Available Funds	\$ 41,583,259	\$15,887,491

Very Small Community 20% Reserve Fundable List
(Systems that serve a population of 3,300 or less)
Funds Available

Available from 20% Reserve	Loan	Grant
Transfer to 15% Reserve	\$8,316,652	\$15,887,491
Transfer to 65% Reserve	\$405,309	\$8,996,937
	\$0	\$0
Total Available From Reserves:	\$7,911,343	\$6,890,554

		Priority Points	Applicant	DWSRF#	Pop.	Description / Needs	Problem Code	Amount Requested	Loan	Grant	Green Amount
		91	Sparta	DW291277-02	1,752	Well, Stor, Dis	3	\$2,519,559	\$1,259,780	\$1,259,779	\$451,425 Categorical Case
	X	75	Rogersville	DW291276-01	3,047	Well, Dis	3	\$1,297,908	\$710,954	\$586,954	\$
	X	75	Auxvasse	DW291222-03	901	Well	3	\$1,990,161	\$995,081	\$995,080	\$0
*	X	64	Linn	DW291162-04	1,430	Source, Stor, Dis	3	\$2,569,968	\$1,380,968	\$1,189,000	\$300,000 Business Case
		59	Lathrop	DW291195-02	3,200	TP, Stor	3	\$1,043,071	\$521,536	\$521,535	\$0
*	X	42	Jefferson County PWSD #12	DW291324-01	3,000	Dis	3	\$2,018,800	\$1,009,400	\$1,009,400	\$0
	X	40	Warsaw	DW291293-01	2,075	Dis	3	\$1,982,750	\$991,375	\$991,375	\$0
	X	36	Platte Co. PWSD #3 – Phase 2	DW291315-01	1,200	Dis	3	\$1,014,030	\$676,599	\$337,431	\$0
*	X	22	Jefferson County PWSD #12 - Refinance	DW291324-02	3,000	Dis	Refinance	\$365,650	\$365,650	\$0	\$0
Total Funds Requested								\$14,801,897	\$7,911,343	\$6,890,554	\$751,425
* - Carried over from the last Intended Use Plan			X - Fundable in the last Intended Use Plan			D - Disadvantaged		G - Green Infrastructure			
TP - Treatment			Stor – Storage			Dis – Distribution		Rehab - Rehabilitation			
1 - Compliance			2 – Public Health			3 – Future Regulatory Violation Expected					

Small Community 15% Reserve Fundable List
(Systems that serve a population of 3,301 to 9,999)
Funds Available

	Loan	Grant
Available from 15% Reserve	\$6,237,489	\$0
Transfer from 20% Reserve	\$405,309	\$8,996,937
Transfer from 65% Reserve	\$7,450,544	\$0
Transfer to 65% Reserve	\$0	\$2,729,025
Total Available From Reserves:	\$14,093,342	\$6,267,912

		Priority Points	Applicant	DWSRF#	Pop.	Description / Needs	Problem Code	Amount Requested	Loan	Grant	Green Amount
* X		75	Jackson Co. PWSO #16	DW291319-01	4,480	Source	3	\$3,000,000	\$1,500,000	\$1,500,000	\$0
* X	G	53	Monett	DW291327-01	8,700	TP, Dis, Stor	3	\$11,825,430	\$9,825,430	\$2,000,000	\$0
X		41	Desloge	DW291258-01	5,105	Dis, Stor	3	\$1,564,000	\$782,000	\$782,000	\$0
		35	California	DW291328-01	4,050	TP, Stor, Dis	3	\$3,302,324	\$1,651,162	\$1,651,162	\$0
X		30	Jefferson Co. PWSO #8	DW291322-01	3,500	Well, Dis	3	\$669,500	\$334,750	\$334,750	\$0
Total Funds Requested								\$20,361,254	\$14,093,342	\$6,267,912	\$0
* - Carried over from the last Intended Use Plan				X - Fundable in the last Intended Use Plan				D - Disadvantaged			
TP - Treatment				Stor - Storage				Dis - Distribution			
1 - Compliance				2 - Public Health				3 - Future Regulatory Violation Expected			
								G - Green Infrastructure			
								Rehab - Rehabilitation			

General Community 65% Reserve Fundable List
Funds Available

Available from 65% Reserve	Loan	Grant
Transfer from 20% Reserve	\$27,029,118	\$0
Transfer from 15% Reserve	\$0	\$0
Transfer to 15% Reserve	\$0	\$2,729,025
	\$7,450,544	\$0
Total Available From Reserves:	\$19,578,574	\$2,729,025

	Priority Points	Applicant	DWSRF#	Pop.	Description / Needs	Problem Code	Amount Request	Loan	Grant	Green Amount
	100	Brookfield	DW291004-02	8,000	Source, TP	3	\$3,872,075	\$3,372,075	\$0	\$0
X	88	Jefferson Co. Water Authority	DW291310-01	14,005	TP	3	\$1,502,000	\$751,000	\$751,000	\$0
* X	78	Cameron	DW291193-01	14,000	TP	3	\$981,000	\$490,500	\$490,500	\$0
	75	Lexington – Phase 1	DW291057-02	4,435	TP, Dis, Stor	3	\$2,000,000	\$2,000,000	\$0	\$0
* X	63	Poplar Bluff	DW291204-02	16,651	Source, Stor, Dis	3	\$2,975,050	\$1,487,525	\$1,487,525	\$0
	34	St. Louis	DW291280-12	319,294	Dis	3	\$9,413,428	\$9,413,428	\$0	\$0
Total Funds Requested							\$20,743,553	\$17,514,528	\$2,729,025	\$0
Total Remaining Uncommitted Funds								\$2,064,046	\$0	\$0
* - Carried over from the last Intended Use Plan	X - Fundable in the last Intended Use Plan					D - Disadvantaged	G - Green Infrastructure			
TP -- Treatment			Stor -- Storage			Dis -- Distribution	Rehab - Rehabilitation			
1 - Compliance			2 -- Public Health			3 -- Future Regulatory Violation Expected				

Planning List

	Priority Points	Applicant	DWSRF #	Population	Description	Problem Code	Needs Category	Loan Request
*	112	Barton, Dade, Cedar, Jasper Co.s PWSD #1	DW291316-01	8,382	Stor, Dis	3	III, IV	\$5,800,000
*	105	Maysville	DW291325-01	1,212	Dis	1	IV	\$3,470,585
	80	Bowling Green	DW291167-04	5,249	TP, Dis	3	II, IV	\$2,080,600
	75	Lexington – Phase 2	DW291057-03	4,435	TP, Dis, Stor	3	II, III, IV	\$3,352,000
*	69	Dexter	DW291320-01	7,545	Well, TP, Stor, Dis	3	I, II, III, IV	\$10,100,000
*	59	Belton	DW291314-02	24,802	Source, Stor, Dis	3	I, III, IV	\$38,561,070
	50	Wayne & Butler Co. PWSD #4	DW291326-01	1,344	Dis	3	IV	\$750,000
*	48	Tri State Utilities	DW291298-01	8,600	Source, Stor, Dis	3	I, III, IV	\$5,296,227
	44	Peculiar	DW291272-02	4,800	Dis	3	IV	\$2,717,000
*	41	Moniteau Co. PWSD #2	DW291323-01	1,325	Well, Stor, Dis	3	I, III, IV	\$1,408,100
	40	Milan	DW291206-02	2,200	Dis	3	IV	\$1,028,550
*	38	Clarence Cannon Wholesale Water Auth. – Lake Crossing	DW291070-05	42,000	Dis	3	IV	\$527,360
*	38	Clarence Cannon Wholesale Water Auth. – Moberly Tank	DW291070-06	42,000	Stor	3	III	\$1,159,780
	37	Audrain Co. PWSD #2	DW291190-02	2,100	Source, Stor, Dis	3	I, III, IV	\$288,560
*	30	Oak Grove	DW291317-01	7,036	Stor, Dis	3	III, IV	\$5,417,800
*	28	Clarence Cannon Wholesale Water Auth. – Holiday Booster Pump Station	DW291070-07	42,000	Dis	3	IV	\$527,360
*	25	Jackson Co. PWSD #16 - Refinance	DW291319-02	4,480	Source	3	I	\$4,500,000
*	12	Lake Ozark	DW291194-03	2,370	Dis	3	IV	\$726,150
*	12	Lake Ozark - Refinance	DW291194-04	2,370	Refinance			\$1,884,900
*	8	Tri State Utilities	DW291298-01	8,600	Source, Stor, Dis	3	I, III, IV	\$4,591,016
							Total	\$94,187,058

* Carried over from previous Intended Use Plan

Abbreviations and Codes

Abbreviations	Problem Codes	Need Category Codes
TP - Treatment	1 - Compliance	I - Source
Stor - Storage	2 - Public Health	II - Treatment
Dis - Distribution	3 - Future Regulatory Violation Expected	III - Storage
Inter - Interconnection		IV - Transmission/Distribution

**Sources and Distribution of Funds Detail
Capitalization Grant and Loan Repayments
(As of Dec. 31, 2011)**

Estimated Sources of Funds

FFY 2007 DW SRF Capitalization Grant (federal portion only)	6,585,433	
FFY 2008 DW SRF Capitalization Grant (federal portion only)	11,926,901	
FFY 2009 DW SRF Capitalization Grant (federal portion only)	13,251,787	
FFY 2009 ARRA DW SRF Capitalization Grant (federal portion only)	1,141,146	
FFY 2010 DW SRF Capitalization Grant (federal portion only)	25,335,365	
FFY 2011 DW SRF Capitalization Grant (federal portion only)	18,204,000	
FFY 2012 DW SRF Capitalization Grant (federal portion only, not awarded yet)	17,348,000	
2010A State Bond Refinancing Savings	552,661	
Loan Repayment Fund (Balance in Fund 0602 - balance on 12/31/11) *	18,121,854	
Balance in Fund 649 as of 12/31/11	68,622	
Estimated DWSRF portion of Fund 0602 Investment Interest (01/01/12 - 06/30/13)	280,679	
Estimated DWSRF portion of Fund 0649 Investment Interest (01/01/12 - 06/30/13)	2,870	
Reserve Release (01/01/12 - 06/30/13)	8,304,107	
Direct Loans - Principal and Interest Repayments (01/01/12 - 06/30/13)	2,947,126	
Total Estimated Sources of Funds		124,070,551

Estimated Fund Commitments

Binding Loan Commitments (Balance of Reserve Payable 12/31/11)	229,119	
Binding Grant Commitments (Balance of Project Payable Report 12/31/11)	1,247,265	
Binding Loan Commitments (Balance of Project Payable Report 12/31/11)	10,977,955	
Loan Commitments 1/1/12 – 6/30/12	1,116,000	
Grant Commitments 1/1/12 – 6/30/12	1,116,000	
Grants Funds Committed from FFY 2010 Cap Grant	5,221,891	
Grants Funds Committed from FFY 2011 Cap Grant	5,461,200	
Grants Funds Committed from FFY 2012 Cap Grant (anticipated)	5,204,400	
Funds Allocated to FY 13 DWSRF IUP Projects	41,583,259	
Funds Committed for ARRA projects	1,154,665	
Funds Committed to FFY 2007 DW Set-Aside Uses	32,771	
Funds Committed to FFY 2008 DW Set-Aside Uses	323,061	
Funds Committed to FFY 2009 DW Set-Aside Uses	1,547,947	
Funds Committed to FFY 2009 ARRA DW Set-Aside Uses	225,426	
Funds Committed to FFY 2010 DW Set-Aside Uses	7,752,684	
Funds Committed to FFY 2011 DW Set-Aside Uses	5,643,240	
Funds Committed to FFY 2012 DW Set-Aside Uses (anticipated)	5,377,880	
2010B Debt Service	1,255,788	
Transfer of Funds to CWSRF	10,000,000	
Transfer of SRF Cap Grants Funds to CWSRF (anticipated amount up to)	18,500,000	
Independent Audit	100,000	
Total Estimated Fund Commitments (Uses)		124,070,551

* The loan repayment fund includes the proceeds of the 2010B state match bonds.

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Source And Distribution Of Funds			
Loan Administration Fees			
Fund 0568			
As of Dec. 31, 2011			
Income	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income
Beginning Balance as of 07/01/11	\$ 4,232,516	\$ 2,311,551	\$ 241,862
FY12 Income (thru 12/31/11)	\$ 63,545	\$ 472,713	\$ 69,206
FY12 Interest Earnings (thru 12/31/11)	\$ 11,498	\$ 7,319	\$ 815
Subtotal	\$ 4,307,559	\$ 2,791,583	\$ 311,883
Expenses thru 10/31/11			
FY12 Expense & Equipment	\$ -	\$ -	\$ -
FY12 Transfers	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -
Income Less Expenses	\$ 4,307,559	\$ 2,791,583	\$ 311,883
Estimated Income			
FY12 Income (01/01/12 - 06/30/12)	\$ 186,455	\$ 138,116	\$ 48,817
FY12 Interest Income (01/01/12 - 06/30/12)	\$ 17,124	\$ 7,706	\$ 4,779
FY13 Income (07/01/12 - 06/30/13)	\$ 463,907	\$ 482,886	\$ 35,521
FY13 Interest Income (07/01/12 - 06/30/13)	\$ 30,643	\$ 21,326	\$ 2,522
Subtotal	\$ 698,129	\$ 650,034	\$ 91,639
Estimated Expenditures			
FY12 Expense & Equipment (01/01/12 - 06/30/12)	\$ -	\$ -	\$ -
FY 12 Abatement of Drinking Water Emergencies	\$ -	\$ -	\$ (18,453)
FY12 Transfers (01/01/12 - 06/30/12)	\$ -	\$ -	\$ -
FY13 Expense & Equipment (07/01/12 - 06/30/13)	\$ -	\$ -	\$ -
FY13 Transfers (07/01/12 - 06/30/13)	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ (18,453)
Total Actual and Estimated	\$ 5,005,688	\$ 3,441,617	\$ 385,069

NOTE: The distribution of loan administration fees to various Department activities is subject to change throughout the state fiscal year. Actual fund uses will be shown in detail in the State Fiscal Year 2013-2014 Drinking Water State Revolving Fund Biennial Report.

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Drinking Water SRF Loan Application
Package
For State Fiscal Year 2014
(July 1, 2013 to June 30, 2014)

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MISSOURI DEPARTMENT OF NATURAL RESOURCES
WATER PROTECTION PROGRAM
DRINKING WATER STATE REVOLVING FUND LOAN APPLICATION

FOR OFFICE USE ONLY

DATE RECEIVED

PROJECT NUMBER

PRIORITY POINTS

This application is for a Drinking Water State Revolving Fund Loan described in 10 CSR 60-13.020.
Submit to: Missouri Department of Natural Resources, Financial Assistance Center, P.O. Box 176,
Jefferson City, MO 65102-0176. Please type or print legibly.

GENERAL INFORMATION

1. PUBLIC WATER SUPPLY NAME		PUBLIC WATER SUPPLY ID NO.	
PUBLIC WATER SUPPLY OWNER		DUNS NO.	
2. PUBLIC WATER SUPPLY CONTACT PERSON FOR THIS DRINKING WATER STATE REVOLVING FUND LOAN PROJECT		TITLE	
MAILING ADDRESS			
CITY	STATE	ZIP CODE + FOUR	COUNTY
TELEPHONE NUMBER WITH AREA CODE Ext.		FAX NUMBER WITH AREA CODE Ext.	
3. CONSULTING ENGINEER			
CONSULTANT MAILING ADDRESS			
CITY	STATE	ZIP CODE + FOUR	
CONSULTANT TELEPHONE NUMBER WITH AREA CODE Ext.		CONSULTANT FAX NUMBER WITH AREA CODE	
4. POPULATION SERVED BY PUBLIC WATER SUPPLY <input type="checkbox"/> < 501 <input type="checkbox"/> 501 to 3,300 <input type="checkbox"/> 3,301 to 10,000 <input type="checkbox"/> 10,001 to 100,000 <input type="checkbox"/> > 100,000			
5. U.S. CONGRESSIONAL DISTRICT NUMBER	STATE SENATE DISTRICT NUMBER(S)		STATE REPRESENTATIVE DISTRICT NUMBER(S)

6. CERTIFIED OPERATOR AND EMERGENCY OPERATING PLAN

THE APPLICANT HAS PROVIDED:

- ☐ Documentation the Public Water Supply has a certified chief operator or expects to have prior to loan award.
- ☐ Documentation the Public Water Supply has an emergency operating plan or expects to have prior to loan award.

PROJECT DESCRIPTION

DESCRIBE THE MAJOR COMPONENTS OF THE PROJECT INCLUDING THOSE COMPONENTS THAT MAY BE CONSIDERED AS "GREEN". (ATTACH A SEPARATE SHEET, IF NECESSARY)

7. ESTIMATED PROJECT COST INFORMATION		8. BREAKDOWN OF STATE REVOLVING FUND ELIGIBLE COST PER DESIGNATED CATEGORIES:	
Cost Estimate Dated:		I. Treatment	\$
Administrative/Legal	\$	II. Transmission and Distribution	\$
Engineering Planning and Design	\$	III. Storage	\$
Construction Engineering Services	\$	IV. Source	\$
Engineering Inspection	\$	V. Land Acquisition	\$
Construction	\$	VI. Purchasing of Other Systems	\$
Other Costs (labs, upgrades, automation, etc.) Specify:	\$	VII. Refinancing	\$
Interest During Construction	\$	VIII. Other Specify:	\$
Contingency (10 percent of Construction)	\$	9. PROJECTED REPAYMENT SOURCE	
Total Project Costs	\$0	<input type="checkbox"/> User Fees <input type="checkbox"/> General Funds <input type="checkbox"/> Sales <input type="checkbox"/> Other (Please, describe):	
Funding Sources other than the Drinking Water State Revolving Fund (specify whether loan or grant):			
•	\$		
•	\$		
BALANCE (Total project costs minus other funding sources)	\$	IS THE SOURCE OF REPAYMENT IN PLACE AND AVAILABLE AT THIS TIME? (CHECK ONE) <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, specify:	
Cost of Issuance (Estimate 3% of Balance)	\$		
AMOUNT OF LOAN REQUEST (Balance plus Cost of Issuance)	\$		
10. ANTICIPATED DEBT STRUCTURE/SECURITY			
<input type="checkbox"/> General Obligation Bonds		<input type="checkbox"/> Revenue Bonds	
AMOUNT OF BOND \$		HAVE YOU PASSED BONDS FOR THIS PROJECT? (CHECK ONE) <input type="checkbox"/> Yes <input type="checkbox"/> No	
11. FINANCIAL INFORMATION			
Anticipated term of the loan (years)			
EXISTING CUSTOMERS		ESTIMATED CUSTOMERS AT PROJECT COMPLETION	
WHAT IS YOUR COLLECTION DELINQUENCY RATE? percent		ARE YOU CURRENTLY FUNDING DEPRECIATION? <input type="checkbox"/> Yes <input type="checkbox"/> No	
OUTSTANDING DEBT AMOUNT \$		WHEN WAS THE LAST TIME USER FEES WERE REVIEWED?	
EXISTING ANNUAL DEBT SERVICE \$		WHEN WAS THE LAST TIME USER FEES WERE INCREASED?	
12. REVENUE LESS (MINUS) OPERATING EXPENSES FOR THE LAST FISCAL YEAR EQUALS = \$			
FROM A FINANCIAL STANDPOINT, DO YOU HAVE A COMBINED WATER AND SEWER SYSTEM? <input type="checkbox"/> Yes <input type="checkbox"/> No			
PROJECT SCHEDULE (READINESS TO PROCEED)			
MILESTONE		ANTICIPATED DATE	
A. Engineering Report and Facility Plan complete			
B. All other funding is secured (if necessary, bonds are voted)			
C. Engineering Plans and Specifications complete			
D. Construction start date			
E. Mandatory completion date (attach copy of compliance schedule)			

13. AFFORDABILITY (COMMUNITY WATER SYSTEMS ONLY)

Community water systems include, for example, water supply districts, cities and subdivisions. Community water systems may be publicly or privately owned.

POPULATION SERVED

FROM THE U.S. CENSUS; MEDIAN HOUSEHOLD INCOME FOR THE SERVICE AREA

\$

NUMBER OF HOUSEHOLDS

COMMUNITY(IES) BENEFITED BY PROJECT

14. CURRENT AVERAGE MONTHLY WATER BILL FOR A TYPICAL HOUSEHOLD, PER 5,000 GALLONS

\$

ESTIMATED AVERAGE MONTHLY WATER BILL FOR A TYPICAL HOUSEHOLD, PER 5,000 GALLONS, FOLLOWING COMPLETION OF THIS PROJECT

\$

15. SAFE DRINKING WATER ACT COMPLIANCE (ONLY EXISTING PUBLIC WATER SYSTEMS ARE ELIGIBLE FOR PRIORITY POINTS UNDER THIS SECTION)

Describe anticipated compliance benefits of the proposed project. The project for which funding is being requested must be limited to projects that will be bid for construction immediately following the Drinking Water Revolving Fund loan closing deadline. Check all of the items listed below that apply to this project and describe each item below. You must attach any other supporting documentation described on the application form.

THIS PROJECT WILL (CHECK ALL THAT APPLY):

- ☐ Correct persistent violations of maximum contaminant levels or treatment performance criteria for acute risk contaminants (such as coliform, turbidity or nitrate) within the past 36 months.
- ☐ Correct persistent violations of treatment technique requirements.
- ☐ Correct persistent violations of maximum contaminant levels for non-acute risk primary contaminants occurring within the past 36 months.
- ☐ Correct persistent violations of maximum contaminant levels for secondary contaminants occurring within the past 36 months.
- ☐ Enable the Public Water Supply to comply with certain anticipated federal regulations.
- ☐ Enable the Public Water Supply to comply with an administrative order, bilateral compliance agreement, permit or other enforceable document issued by the Missouri Department of Natural Resources.

DESCRIPTION OR ADDITIONAL COMMENTS:

PUBLIC HEALTH

Describe the anticipated public health benefits of the proposed project. The project for which funding is being requested must be limited to projects that will be bid for construction immediately following the Drinking Water Revolving Fund loan closing deadline. Check all items listed below that apply to the project and describe in the space provided. You must attach any other supporting documentation and specifically cross-reference it in the narrative description. The Department will consider only supporting documentation described on the application form.

- ☐ Existing public water systems only: At least 51 percent of the project will address problems causing a waterborne disease outbreak attributable to the Public Water Supply by the Department of Health and Senior Services.
- ☐ Existing public water systems only: The Public Water Supply can document its inability consistently to maintain >35 psi as a normal working pressure in the distribution system.
- ☐ Existing public water systems only: The Public Water Supply can document its inability consistently to maintain >20 psi at all service connections.
- ☐ Private or non-community wells or sources in the project service area are unable to consistently provide an adequate amount of potable water for general household purposes and at least 51 percent of the project addresses this need.

THIS PROJECT WILL (CHECK ALL THAT APPLY):

- ☐ Provide a Public Water Supply with a backup well or backup interconnection with another Public Water Supply.
- ☐ Address problem(s) with improper well construction.
- ☐ Address unaccounted for water that exceeds 10 percent of the drinking water produced by the system, and the loss is due to leaking or broken water lines.
- ☐ Provide necessary modifications to a distribution system anticipated to exceed design capacity or useful life within the next five years.
- ☐ Address a demonstrated need to replace faulty pipes or substandard pipe materials.
- ☐ Address a demonstrated need for distribution system valves and flushing devices.
- ☐ Address a demonstrated need for looping of water mains.
- ☐ Address an inability to maintain a disinfectant residual at all points in the distribution system.
- ☐ Address water storage facilities in poor condition not related to inadequate maintenance.
- ☐ Provide the Public Water Supply with a storage capacity equal to one day's average use or provide the Public Water Supply with adequate standby power.
- ☐ Provide necessary modifications to a source or treatment facility anticipated to exceed design capacity or useful life within the next five years.
- ☐ Address significant degradation of the quality of raw water supply.
- ☐ Address significant degradation of the quality of finished water in storage.
- ☐ Enable the Public Water Supply to meet existing state requirements for the treatment or storage of waste residues generated by the water treatment plant.
- ☐ Enable repair or replacement of treatment facilities for required disinfection or turbidity removal that are severely deteriorated beyond the useful life of the facility.
- ☐ The facility's source is vulnerable to natural disasters (such as flood or drought) or contamination.
- ☐ The facility's treatment plan is vulnerable to natural disasters (such as flood or drought) or contamination.
- ☐ The facility is located in a Department approved Wellhead Protection Area.
- ☐ At least 51 percent of the project cost is for repair or replacing an existing public water system damaged or destroyed by a natural disaster. (Note: Documentation must be submitted along with a statement that adequate state or federal disaster relief is not available).

THIS PROJECT WILL (CHECK ALL THAT APPLY):

- ☐ Provide necessary upgrades to facilities of a primary water system to continue or expand services as a regional water supplier.
- ☐ Result in the permanent supply interconnection of two or more existing public water systems. (This includes new water systems that allow small water systems within their boundaries to consolidate).
- ☐ Result in a regional management system responsible for the day-to-day operation of the water system.
- ☐ Enable the Public Water Supply to enhance the water system security.
- ☐ Applicants governing board has received training related to the management and operation of drinking water infrastructure.

DESCRIPTION OR ADDITIONAL COMMENTS

CERTIFICATION	
The undersigned representative certifies the information submitted in this application is true and correct to the best of his or her knowledge and that he or she is authorized to sign and submit this application. The applicant agrees, if a loan is awarded on the basis of this application, to comply with all applicable rules and regulations of the Department of Natural Resources and the terms and conditions of the loan agreement. Incomplete applications will be returned.	
SIGNATURE OF AUTHORIZED REPRESENTATIVE	DATE
NAME AND OFFICIAL TITLE	TELEPHONE NUMBER WITH AREA CODE Ext.
PREPARER'S NAME AND SIGNATURE (IF APPLICABLE)	
SIGNATURE OF PREPARER	DATE
NAME AND TITLE	TELEPHONE NUMBER WITH AREA CODE Ext.



Drinking Water State Revolving Fund Loan Application Instructions for Form 780-1845

Water Protection Program fact sheet

6/2011

Note: Any funding assistance is subject to all State Revolving Fund requirements. Potential applicants should contact the Financial Assistance Center prior to completing and submitting an application. Contact the Financial Assistance Center at 573-751-1192 or toll free at 800-361-4827.

1. Print or type the applicant information. Include a street address if available. The applicant is the entity that will receive the loan funds, if awarded. The applicant is the entity that will receive the loan funds, if awarded. Prior to receiving a loan, the entity must have a DUNS (Data Universal Numbering System) number. The DUNS number is a nine digit number established and assigned by Dun and Bradstreet Inc., or D&B, to uniquely identify business entities. A DUNS number is available from D&B by telephone (currently 866-705-5711) or on the Internet (currently at <http://fedgov.dnb.com/webform>).
2. The contact noted on the application should be knowledgeable about the application and able to be contacted during business hours.
3. Include the engineering firm name and the professional engineer working on the project.
4. Show the population of the entire service area. The "population served by public water supply" will be different from the census population if the project is to serve a portion of the municipality or district.
5. Provide the U.S. congressional district number(s), state senate and state representative district number(s) for the project area.
6. Check the appropriate box if the public water supply has a certified chief operator or an emergency operations plan. Provide a brief project description. Green project components may include the following:
 - Management of stormwater runoff at the local level through the use of natural systems, or engineered systems that mimic natural systems, to treat polluted runoff.
 - Water or energy efficiency improvements.
 - Environmentally innovative activities.
7. Supply the cost estimates for the project. Land acquisition and easements are eligible for a Drinking Water State Revolving Fund Loan. Call the Financial Assistance Center at 573-751-1192 for additional guidance concerning requirements needed when acquiring land and easements.
8. Provide a cost breakdown by category of need.
9. State the source of repayment for the loan and if it is in place and available at this time.

10. Provide information about existing or proposed ballot issues. If a bond or tax issue has already been voted, provide a copy of the ballot language and certified election results.
11. The information included in Section 11 will be used to determine the financial capability of the applicant with respect to the proposed project. Please provide the most accurate information available.
12. Show the revenue minus expenses for the last fiscal year. Include the beginning and end of the fiscal year if not using the calendar year.
13. In Section 9 "Affordability", the median household income is based on the most recent census.
14. Fill in the current rate for a 5,000 gallon user and what the estimated rate will be at project completion.
15. Check all boxes that apply to the proposed project and include descriptions or additional comments as needed. Additional information from these descriptions and a preliminary engineering report will help in determining priority.

Note: Look at the priority ranking criteria developed by the department. Doing this will help you to maximize the priority points received for the project. The priority ranking criteria is available at www.dnr.mo.gov/env/wpp/srf/index.html.

Incomplete Applications will be Returned

- Sign the application and attach any information that will enable the department to prioritize your drinking water needs.
- If you are using funds from U.S. Department of Agriculture - Rural Development or Department of Economic Development - Community Development Block Grant Program, be certain you have included this information with the application.
- Make a copy of the completed application for your records.

Mail the completed application to:
Missouri Department of Natural Resources
Water Protection Program
Financial Assistance Center
P.O. Box 176
Jefferson City, MO 65102-0176

For More Information

Missouri Department of Natural Resources
Water Protection Program
Financial Assistance Center
P.O. Box 176
Jefferson City, MO 65102-0176
800-361-4827 or 573-751-1192
FAX: 573-751-9396
www.dnr.mo.gov/env/wpp/srf/index.html



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

Drinking Water State Revolving Fund
Facility Plan Submittal Checklist
(This form must be submitted with the Facility Plan)

1.0 Applicant Information:			
Applicant Name			
Address	City	State	Zip
Contact Person		Phone ()	
Title		Phone ()	
Consulting Engineer		Phone ()	

2.0 Continuing Authority:	
Authorized Representative	
Title	Phone ()

3.0 Project Information:	
Project Name	
<input type="checkbox"/> SRF Project No.	<input type="checkbox"/> DED/CDBG
<input type="checkbox"/> SG Project No.	<input type="checkbox"/> Other Funding Sources
<input type="checkbox"/> EPA Grant No.	
<input type="checkbox"/> USDA/RD	

4.0 Facility Plan Information in accordance with 10 CSR 60-13.020 (2)(F) (Check the enclosed items.):
--

- ☐ **Be consistent with accepted engineering practice**
- ☐ **Appropriate design period**
- ☐ **Current and projected hydraulic loading**
- ☐ **General project design criteria**
- ☐ **Describe the purpose and need of the project**
- ☐ **Study and evaluate the most feasible, economic, and environmentally sound alternatives**
- ☐ **Current and estimated future user charge (cost per 5,000 gallons)**
- ☐ **Current and future water demand**
- ☐ **Detailed project budget**
- ☐ **Include a project schedule (Including the following dates: Construction start, construction completion, initiation of operation, and project completion)**
- ☐ **Sealed by registered Missouri professional engineer**
- ☐ **Selected site location**

5.0 Clearance Letters in accordance with 10CSR 60-13.030:

- ☐ Army Corps Of Engineers
- ☐ DNR Historic Preservation
- ☐ Department Of Conservation
- ☐ United States Fish and Wildlife
- ☐ DGLS (wells and storage tanks)
- ☐ A-95 Clearing House
- ☐ Division of State Parks (Infringes on federally funded parks)

6.0 Public Participation in accordance with 10CSR 60-13.020(2)(E) and 10 CSR 60-13.030 (5)(B)2.:

- ☐ Hold a public hearing to discuss the proposed project, proposed alternative, and its possible environmental impact
- ☐ Provide a transcript of the hearing and a list of attendees to the department
- ☐ Provide to the department proof that advertisement and notification of the meeting(s) proceeded the hearing by 30 days

7.0 Environmental Efforts in accordance with 10 CSR 60-13.030 (5)(B)1.:

- ☐ Information describing any irreversible and irretrievable commitment of resources to the proposed project
- ☐ Information describing the future of the environment without the project
- ☐ The potential environmental impacts of the project as proposed including those which cannot be avoided
- ☐ The relationship between the short-term uses of the environment and the Maintenance and enhancement of long-term productivity

Review will not be initiated until items in section 4.0 above are submitted. Issuance of an environmental review and final approval of the Facility Plan can not be given until all items have been submitted. Attach a schedule for submittal of any remaining information/documents.

8.0 Signature:

The undersigned official of the applicant ensures that the information contained herein and the attached documents are true, correct, and complete to the best of my knowledge and belief.

Preparer's Signature: _____

Title: _____

Date: _____



Missouri Drinking Water State Revolving Fund

Priority Points Criteria

Water Protection Program fact sheet

6/2011

General Information

The department must prepare annually a document called the Drinking Water State Revolving Fund, or DWSRF, Intended Use Plan that includes lists of proposed projects expected to qualify for financing within the fiscal year addressed by the plan. These priority point criteria will be used to evaluate the DWSRF leveraged loan application to be addressed by the state fiscal year 2011. A project must be listed in the plan to be eligible for funding. The projects must be listed in priority order.

The purpose of these priority point criteria is to list projects as to their priority order so that the most serious problems are given the highest priority. Consistent with the federal Safe Drinking Water Act, or SDWA, priorities are based primarily on protection of public health, compliance with the Act and household affordability.

Assignment of Priority Points

Priority points shall be assigned only where the proposed project is intended to correct the problem associated with the points. For example, if the public water system has had persistent violations of a secondary maximum contaminant level, or MCL, but the proposed project does not address that problem, the 10 points associated with persistent violations of a secondary MCL will not be assigned.

The sections on Distribution System Reliability (section II.C.2.) and Design Considerations (section II. C. 6.) are limited to a maximum of 20 points each. This is done in order to ensure projects addressing MCL violations are not overwhelmed by projects addressing only design considerations or distribution system problems. The 25 points available for violations of acute risk contaminant MCLs was used as the baseline in developing the priority point criteria.

Projects will be ranked by the number of points received. In the event of a tie, the project receiving the highest number of points under Distribution System Reliability and Design Considerations (sections II.C.2. and II. C. 6.) with the 20 point maximum limits lifted will receive the higher ranking. If the projects are still tied, the secondary tie-breaking criteria will be number of affordability points. The applicant with the highest affordability points will receive the higher ranking. If the projects are still tied, the third tier of tie-breaking criteria will be the number of people served. The system serving the larger number of people will receive the higher ranking.

Projects that involve the refinancing of existing debt will for the purpose of priority ranking, receive priority points only for affordability.

No priority points shall be assigned to a project intended to correct deficiencies resulting from inadequate operation and maintenance of the public water system.

Priority point assignment and listing in the plan do not guarantee all financial and project eligibility requirements have been met.

Priority Points

Safe Drinking Water Act Compliance

Only projects for existing eligible public water systems will be assigned points under this section. See the attached list, *SDWA Compliance Priority Points: Existing and Anticipated Regulations* for further explanation of categories A. through D. below.

- A. Acute Risk Contaminants: 25 points will be assigned if there have been persistent violations of maximum contaminant levels or treatment performance criteria for acute risk contaminants (such as coliform, turbidity or nitrate) within the past 36 calendar months.
- B. Treatment Technique Requirements: 20 points will be assigned if there have been persistent violations of treatment technique requirements on the attached list, *SDWA Compliance Priority Points: Existing and Anticipated Regulations* (for example, the Surface Water Treatment Rule, lead and copper, etc.).
- C. Non-Acute Risk Contaminants:
 - 1. 15 points will be assigned if there have been persistent violations of any non-acute risk primary MCL within the past 36 calendar months.
 - 2. 10 priority points will be assigned if there have been persistent violations of any secondary MCL within the past 36 calendar months.
- D. Anticipated Federal Regulations: 15 points will be assigned if the proposed project will enable the public water system to comply with anticipated federal regulations identified on the attached list, *SDWA Compliance Priority Points: Existing and Anticipated Regulations*.
- E. Compliance: 10 points will be assigned if the proposed project will enable an eligible public water system to comply with an administrative order, a bilateral compliance agreement, or other enforceable document issued by the Missouri Department of Natural Resources.

Public Health

- A. Waterborne Disease Outbreak: 25 points will be assigned if a waterborne disease outbreak as declared by the Department of Health is attributable to an existing public water system and 51 percent or more of the cost of the proposed project addresses the problem(s) causing the waterborne disease outbreak.
- B. Inadequate Water Supply:
 - 1. 10 points will be assigned if an existing public water system can document its inability to consistently maintain at least 35 psi as a normal working pressure in the distribution system.
 - 2. 10 points will be assigned if an existing public water system can document its inability to consistently maintain pressures of at least 20 psi at all service connections.
 - 3. 20 points will be assigned if the private or noncommunity wells or sources in the proposed project service area are unable to consistently provide an adequate amount of potable water for general household purposes and 51 percent or more of the cost of the proposed project addresses this need. Private or noncommunity wells or sources contaminated by commercial, industrial or mining wastes will be considered in this category.

C. Public Water System Infrastructure Improvement:

Note: Only projects for existing eligible public water systems will be assigned points under this subsection.

1. System source reliability:
 - a. 10 points will be assigned a project that addresses a need for new backup well or a backup interconnection with another public water system.
 - b. 10 points will be assigned if the system has one or more improperly constructed wells.
2. Distribution system reliability: (Limited to a maximum of 20 points.)

Reminder: After points have been calculated for all eligible applicants, ties will be broken by calculating total points possible under this section and section II.C.6., design considerations, without the 20 point limitations. The project receiving the higher score under these two sections without the 20 point limitations will be ranked above the project receiving the lower score.

- a. 10 points will be assigned if the system has unaccounted-for water that exceeds 10 percent of the drinking water produced by the system, and the water loss is due to broken or leaking waterlines.
 - b. 10 points will be assigned if the distribution system is anticipated to exceed design capacity or useful facility life within the next five years.
 - c. 10 points will be assigned if the distribution system has faulty waterlines or substandard waterline materials.
 - d. 5 points will be assigned if the public water system requires distribution system valves and flushing devices.
 - e. 5 points will be assigned if the public water system requires looping of water waterlines.
3. Disinfection: 10 points will be assigned if a public water system is unable to maintain a disinfectant residual at all points in its distribution system.
4. 10 points will be assigned if a system has storage facilities in poor condition, not related to inadequate maintenance of the facilities.
5. Reliability of service: 10 points will be assigned if a system has water storage capacity that is less than one day's average use or lacks adequate standby power.
6. Design considerations: (Limited to a maximum of 20 points)

Reminder: After points have been calculated for all eligible applicants, ties will be broken by calculating total points possible under this section and section II.C.2., system distribution reliability, without the 20 point limitations. The project receiving the higher score under these two sections without the 20 point limitations will be ranked above the project receiving the lower score.

- a. 20 points will be assigned if the source or treatment facility is anticipated to exceed its useful life or if the demand is expected to exceed the design capacity within the next five years.

- b. 20 points will be assigned if a system has suffered significant degradation of the quality of the raw water supply.
 - c. 20 points will be assigned if a system has suffered significant degradation of the quality of finished water in storage.
 - d. 10 points will be assigned if a system currently does not meet existing state requirements for the treatment or storage of waste residues generated by the water treatment plant.
7. 20 points will be assigned if the treatment facility(ies) for required disinfection or turbidity removal are severely deteriorated and beyond the facility useful life.
8. Vulnerability:
- a. 10 points will be assigned to a water system whose source is vulnerable to natural disasters (such as flood or drought) or contamination.
 - b. 10 points will be assigned to a water system whose treatment plant is vulnerable to natural disasters (such as flood, earthquake, etc.) or contamination.

D. Wellhead and Watershed Protection. 10 Points will be awarded to applicants who have a DNR-approved wellhead protection plan or watershed protection plan.

Affordability:

Only community water system projects will be assigned points under this section.

A. Annual Median Household Income. The statewide annual median household income levels of the state must be determined from income data from the latest census of the United States.

- 1. A community water system will use the annual median household income for the appropriate political subdivision or subdivisions encompassing its service area.
- 2. A nonmunicipal community water system will use the annual median household income for the smallest political subdivision encompassing the nonmunicipal community water system.

B. Assignment of Points. (Limited to a maximum of 25 points)

- 1. 10 points will be assigned a project sponsored by a community water system with an annual median household income below the annual median household income for either the metropolitan or nonmetropolitan area, as applicable.
- 2. From 1 to 25 points will be assigned, determined by the ratio of monthly water bill for 5,000 gallons of water to the monthly median household income for the project area to be served (expressed in percent times 10) and rounded to the nearest whole number.

For example: Monthly water bill = \$20

Annual median household income = \$24,000

Monthly median household income = \$24,000/12 = \$2,000

$(\$20/\$2000) \times 100\% = 1\%$

$1\% \times 10 = 10 \text{ points}$

Additional Priority Point Categories.

A. Natural disasters: 10 points will be assigned if 51 percent or more of the proposed project cost is for repair or replacement of an existing public water system damaged or destroyed by a natural disaster. In order to be assigned these points, the project must be located in an area declared a federal or state natural disaster area, and a description of the public water system damaged or destroyed by the natural disaster must be submitted along with a statement other state or federal disaster relief is not sufficient to meet the costs of the project.

B. Consolidation:

1. 20 points will be assigned a project that provides necessary upgrades to facilities of a primary water system to continue or expand services as a regional water supplier.
2. 20 points will be assigned if the proposed project will result in the permanent supply interconnection of two or more existing public water systems, where at least one of the systems has demonstrated technical, managerial and financial capacity with respect to the national primary drinking water regulations. This would include new water systems (generally water districts), which will allow small water systems within their boundaries to consolidate.
3. 10 points will be assigned for consolidation of two or more public water systems or if the proposed project will result in a regional management system responsible for the day-to-day operation of the water system, where the management system has the required technical, managerial and financial capacity to meet the national primary drinking water regulations. If the project meets the criteria for the points under item IV.B.4., points under this criteria will not be awarded.
4. 20 points will be assigned if the proposed project will result in a new water distribution system or upgrade of an existing water distribution system to meet the standards of a regional water supplier for the purpose of consolidation.

C. Security:

10 points will be assigned for eligible security measures. Eligible security measures include vulnerability assessments, emergency response plans, fencing, security cameras and lights, motion detectors, secure chemical and fuel storage, security hatches and access panels and cross-connection control.

D. Board Training:

10 points will be assigned if the governing body has received training related to the operation and management of the water utility.

SDWA Compliance Priority Points: Existing and Anticipated Regulations

Maximum Contaminant Levels and Treatment Technique Requirements.

Acute Risk Contaminants

10 CSR 60-4.020 Maximum Microbiological Contaminant Levels and Monitoring Requirements, subsections (7)(A) and (7)(B).

10 CSR 60-4.030 Maximum Inorganic Chemical Contaminant Levels, Action Levels and Monitoring Requirements, numbers 13, 14 and 15 in section (1).

10 CSR 60-4.050 Maximum Turbidity Contaminant Levels and Monitoring Requirements, subsections (2)(D) and (3)(D).

Treatment Technique Requirements

10 CSR 60-4.050 Maximum Turbidity Contaminant Levels and Monitoring Requirements, subsections (2) and (3).

10 CSR 60-4.055 Disinfection Requirements, subsection (1)(A), section (2), section (3), section (4), section (5), and section (6).

10 CSR 60-4.090 Maximum Contaminant Level and Monitoring Requirements for Disinfection By-Products, subsections (1)(D) and (4)(D).

10 CSR 60-15.010 General Requirements (lead and copper), sections (4), (5) and (6).

Non-Acute Primary MCL

10 CSR 60-4.030 Maximum Inorganic Chemical Contaminant Levels, Action Levels, and Monitoring Requirements, section (1), including the revised arsenic MCL proposed April 15, 2003.

10 CSR 60-4.040 Maximum Synthetic Organic Chemical Contaminant Levels and Monitoring Requirements, section (1).

10 CSR 60-4.060 Maximum Radionuclide Contaminant Levels and Monitoring Requirements, subsections (1)(A)-(D).

10 CSR 60-4.090 Maximum Contaminant Level and Monitoring Requirements for Disinfection By-Products, subsections (1)(A)-(C).

10 CSR 60-4.100 Maximum Volatile Organic Chemical Contaminant Levels and Monitoring Requirements, section (2).

Secondary MCL

10 CSR 60-4.070 Secondary Contaminant Levels and Monitoring Requirements, section

New and Anticipated Federal Regulations.**Radon**

In anticipation of new standards for radon, points will be awarded for projects that will bring these systems into compliance with those standards. EPA's proposed rule was published in the Nov. 2, 1999 *Federal Register* (64 FR 59246).

Groundwater Rule

EPA is developing rules to specify appropriate use of disinfection and address other components of groundwater systems. In anticipation of the Groundwater Rule, points will be awarded for projects that will bring these systems into compliance with those standards. EPA's proposed rule was published in the May 10, 2000 *Federal Register* (65 FR 30193).

Long-Term 2 Enhanced Surface Water Treatment Rule

EPA's New Long-Term 2 Enhanced Surface Water Treatment Rule was published in the Jan. 5, 2006 *Federal Register* (71 FR 653). Points will be awarded for projects that will bring affected systems into compliance with the standards.

Stage 2 Disinfectants/Disinfection By-Products Rule

EPA's Stage 2 Disinfectants/Disinfection By-Products Rule was published in the Jan. 4, 2006 *Federal Register* (71 FR 388). Points will be awarded for projects that will bring affected systems into compliance with the new standards.

For More Information

Missouri Department of Natural Resources
Water Protection Program
P.O. Box 176
Jefferson City, MO 65102-0176
800-361-4827 or 573-751-1300
www.dnr.mo.gov/env/wpp/index.html



Missouri Drinking Water State Revolving Fund Readiness to Proceed and Distribution of Funds Criteria

Water Protection Program fact sheet

6/2011

Approved by the Safe Drinking Water Commission - May 19, 2011

General Information

In order to assure best use of the drinking water loan funds in a reasonably expeditious manner, the department will begin recognizing the effort of Drinking Water State Revolving Fund, or DWSRF, applicants to complete their proposed project. Also, to ensure availability of DWSRF loan funds to more water systems, the department is including an annual funding limitation.

Readiness to Proceed

Readiness to Proceed criteria will be used to determine fundable status and the distribution of available and anticipated DWSRF funds. Readiness to proceed criterion is defined as any project that, at a minimum, has submitted a complete facility plan and has secured voter approved bond authorization or received an acceptable debt instrument. For the purpose of determination of Readiness to Proceed, a facility plan for a DWSRF project must adequately address the information required by section 1.0 of the checklist attached to the SRF application at the end of this document. See the Distribution of DWSRF Funds section for details as to how the department proposes to list new and carry-over DWSRF projects in the next intended use plan, or IUP.

Maximum Loan Limit

The maximum amount for a DWSRF loan from any single plan shall not exceed 30 percent of the total available and anticipated loan fund or \$10 million, whichever is less, unless the department receives approval from the Missouri Safe Drinking Water Commission, or SDWC, to exceed such limits.

Distribution of DWSRF Funds

Based on priority points and readiness to proceed, the following describes how the department intends to list the DWSRF projects for the purpose of committing DWSRF loan funds. The department will designate DWSRF projects in the drinking water intended use plan, or DWIUP, as either fundable, fundable contingency or planning. Projects designated as fundable are those projects that the department has committed to finance with available or anticipated state revolving funds under the DWIUP. The department's commitment to fundable projects is to reserve loan funds in the amount requested until the applicant secures the DWSRF loan or until the application period expires. Fundable contingency projects are those projects meeting readiness to proceed but not receiving funding commitments due to the lack of SRF funds. Projects designated as planning are those projects that have not yet met the definition of readiness to proceed criteria.

The department will initially reserve 20 percent of the available or anticipated uncommitted funds for very small water systems (systems serving 3,300 or fewer people) that submit a loan application meeting the readiness to proceed criteria by the application receipt deadline. The department will reserve 15 percent for small water systems (systems serving from 3,301 to 9,999 people) that submit a loan application meeting the readiness to proceed criteria by the application receipt deadline. Any initially reserved funds for small or very small water systems not committed will be transferred to the general reserves and made available to commit to projects that meet readiness to proceed criteria and committed according to priority ranking of the projects. Any uncommitted funds available after the application receipt deadline will be committed to projects in the order the projects meet readiness to proceed. In the case where funds reserved for small or very small systems are not fully used, the department can give preference to such projects in the future.

I. Fundable List

All eligible carry-over applications from last year's fundable list will retain their same funding commitment from the prior IUP, unless bypassed. All carry-over applications from last year's fundable contingency list and new DWSRF applications received this year that meet the criterion for readiness to proceed will be placed on the fundable list in order of priority ranking. Those projects below the funding cutoff will be placed on the fundable contingency List". Carry-over projects will retain the points they received in the last year's IUP unless they reapplied for consideration under the latest criteria (such projects are then deemed new applications).

II. Fundable Contingency List.

These are eligible projects that meet readiness to proceed but due to priority ranking, timing, or funding limitations will not receive funding commitments. These projects will be ranked on the list in accordance with their priority points. If uncommitted funds become available, the department, with the Safe Drinking Water Commission's approval, will move the highest-ranking project from the contingency list to the fundable list.

III. Planning List

These are the eligible carry-over or new projects that do not meet the readiness to proceed criterion to make the fundable or fundable contingency list. These projects will be ranked according to their priority points. Any application(s) that meets the readiness to proceed criteria, subject to the availability of funding, may be moved to the fundable or fundable contingency list and shall be incorporated into the appropriate list in priority point order.

By-Pass Procedures

The department may by-pass any project on the fundable list that does not make satisfactory progress toward meeting requirements. Procedures for by-passing projects are contained in 10CSR 60-13.020(3)(A).

Refinancing and Refunding Criteria for Readiness to Proceed

Projects that involve both new projects financing plus the refinancing or refunding of existing debt will only retain the new project priority points if:

- A. The refinancing or refunding is necessary to meet affordability criteria after the current project financing is factored into the applicant's total debt service.
- B. It is a current refinancing or refunding, OR in an advance refinancing/refunding, interest portion of the defeasance escrow attached to the SRF program shall include no more than two years of interest on the bonds to be refunded.

- C. The current debt is not that of another state or federal agency.
- D. Refinanced or refunded debt will only incorporate level or net level debt amortization structures.

Projects that only involve the refinancing of existing debt will only receive priority points for affordability.

If it is determined a refinancing or refunding project has not followed the DWSRF environmental and procurement requirements then commitment to fund such projects will be considered on a case-by-case basis depending on availability of funds and the merits of the project as determined by the department and the Safe Drinking Water Commission.

For More Information

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