



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

Intended Use Plan for Fiscal Year 2015

Approved by the Missouri Safe Drinking Water Commission - October 1, 2014



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Cover Photo: Compton Hill Water Tower by Mark Nankivil, City of St. Louis Water Division.
Used with permission.



MISSOURI DEPARTMENT OF NATURAL RESOURCES

Fiscal Year 2015

(Oct. 1, 2014 – Sept. 30, 2015)

Drinking Water State Revolving Fund Intended Use Plan

Adopted October 1, 2014

**Intended Use Plan
Fiscal Year 2015 Drinking Water State Revolving Fund
Loan Program And Set-Aside Programs
Program Application Forms And Instructions**

Table of Contents

	<u>Page</u>
Part I. The Drinking Water State Revolving Fund Program	1
I. Introduction	1
II. Goals and Objectives	2
III. Allocation of Drinking Water Capitalization Grant	3
IV. Drinking Water SRF Infrastructure Assistance Program	4
Table 1. – Fiscal Year 2015 Intended Use Plan Source and Distribution of Funds	12
V. Description of the Loan Programs	13
Table 2. – Source and Distribution of Funds – Loan Administration Fees	15
VI. Additional Recipient Provisions	16
Part II. Drinking Water SRF Set-Asides	17
Table 3. – Distribution of Set-Aside Funds	17
Attachments to Part 1. Drinking Water SRF Loan Program	21
Attachment A – Comprehensive List and Fundable Project Lists for Fiscal Year 2015	21
Comprehensive List	23
Distribution of Available Loan Funds	24
Financial Summary of the Fundable Projects List	24
Very Small Community Reserve Fundable List	25
Small Community Reserve Fundable List	26
General Community Reserve Fundable List	27
Fundable Contingency List	28
Planning List	29
Attachment B – Source and Distribution of Funds – Detail	31
Attachment C – Source and Distribution of Funds – Loan Administration Fees – Detail	33
Attachment D – Drinking Water SRF Loan Application Package for FY 2016	35
I. Missouri Drinking Water State Revolving Fund Application	
II. Drinking Water State Revolving Fund Loan Application Instructions	
III. Facility Plan Checklist	
IV. Priority Point Criteria	
V. Readiness to Proceed and Distribution of Funds Criteria	

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 2011, 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 \$8.5 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 their drinking water program and provide technical assistance to water systems.

The Missouri Department of Natural Resources' Water Protection Program is the delegated authority for the administration of the Drinking Water State Revolving Fund. Through calendar year 2013 the Department has awarded low interest loans and grants totaling approximately \$370 million to drinking water systems for infrastructure improvements.

The program is at a crossroads; the continued success of the program is dependent on how the Department will allocate funding in the future to address the drinking water infrastructure needs throughout the state. With the uncertainty of future federal funding, the allocation of available Drinking Water SRF funding will come under greater scrutiny.

Historically, the Drinking Water SRF Intended Use Plan has been prepared and, after public comment, been adopted by the commission with an effective date of July 1. This schedule allowed the program to run concurrently with the state fiscal year. However, due to the economic uncertainty of the last several years, it became evident that the financial information necessary to prepare the Intended Use Plans would not be available in time to prepare the plan as in the past. Upon careful review of federal and state processes, it was determined that preparing the Intended Use Plan on a schedule that coincides with the federal fiscal year would be beneficial to the Drinking Water SRF program and applicants.

This Intended Use Plan describes the proposed use of funds reserved for financial assistance for drinking water infrastructure improvements during fiscal year 2015 (Oct. 1, 2014 to Sept. 30, 2015).

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. SRF applications are valid for two plan cycles. Those projects not meeting program criteria within the allotted two-year cycle will have their allocated funds released and reallocated to other projects. Re-application to the program is possible at the end of the two-year cycle, but a project's position on a fundable, contingency, or planning list may change with each subsequent application.

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 has been placed on public notice in draft form at www.dnr.mo.gov/env/wpp/srf/drinkingwater-assistance.htm and a public meeting will be held 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 its 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: Encourage systems to choose projects with the most cost effective solutions.

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

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

Goal: Continue to implement and expand the Capacity Development Program.

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

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 (Feb. 15, 2015).

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

Goal: Identify sources of allowable state match for federal capitalization grants.

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 prior federal fiscal years awards, and the anticipated award of the grant for 2014.

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.

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 federal fiscal year 2014. A summary of the percentage reserved from each capitalization grant appears below.

Federal Fiscal Year	Loans & Grants	Set-Asides
2010	69%	31%
2011	69%	31%
2012	69%	31%
2013	69%	31%
2014	69%	31%

The Department reserves up to 31 percent of the grants 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

A portion of the capitalization grants since 2010 are to be used to provide additional subsidization. A summary of the amounts reserved from each capitalization grant appears below.

Federal Fiscal Year	Amount
2010	\$7,870,200
2011	\$5,461,200
2012	\$5,204,400
2013	\$4,883,100
2014	\$3,828,073

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 federal fiscal year 2014 capitalization grant requires that 20 to 30 percent of the \$17,855,000 grant shall be used to provide additional subsidies. The Department reserved \$3,828,073 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

A portion of certain capitalization grants are to be used for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. A summary of the amounts reserved from each capitalization grant appears below.

Federal Fiscal Year	Percentage	Amount
2010	20%	\$5,246,800
2011	20%	\$3,640,800
2012	Not required	\$0
2013	Not required	\$0
2014	Not required	\$0

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 Department staff work with each applicant to develop a schedule that allows the project to be financed on an agreed upon closing date.

Assistance 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.

The Cash Flow Model diagram on page 6 is provided to assist in understanding the loan program. Construction loan repayments must begin within one year after the first operational contract is substantially completed, i.e., the facilities are placed into

operation. The loan repayment schedules will generally consist of semi-annual interest payments, and semi-annual or annual principal payments. The trustee bank holds the periodic participant repayments in separate recipient accounts outside the Drinking Water SRF. Interest earnings on these recipient accounts are credited to the communities' debt service account which reduces the amount of interest to be paid by the communities.

Prior to state fiscal year 2010, the program leveraged through the use of a reserve fund model. General Obligation or Revenue bonds were 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 were used for construction.

As construction costs were incurred, federal or recycled funds were deposited into a reserve account in an amount equal to 70 percent of expenditures. 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 Drinking Water SRF program transitioned to a cash flow model loan program.

The Department receives federal Capitalization Grants from the Environmental Protection Agency. There is a 20 percent state match required to receive the grants. The 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. The department is considering the use of certain loan administration fees expenditures as well as other options, as match for federal capitalization grants.

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

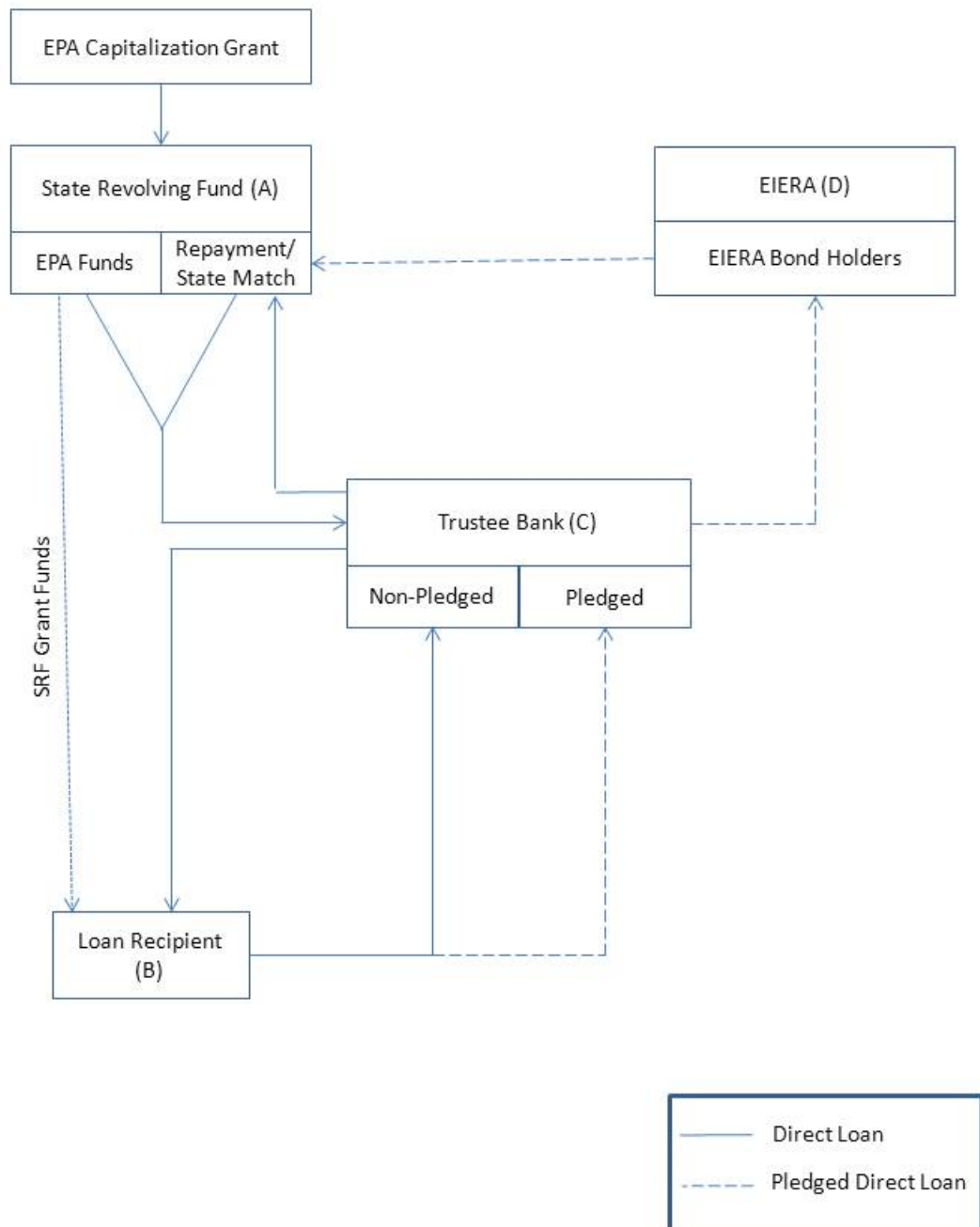
Loan recipients send their loan principal and interest payments to the trustee bank (C). At such time as the Drinking Water SRF program needs to replenish the repayment fund, the EI ERA (D) exercises their authority to sell bonds and the direct loans are pledged to retire the EI ERA debt. The proceeds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

All loan funds must be expended within 36 months of the loan closing. Loan funds may only be used for the project initially approved by the Department as evidenced by the issuance of the Finding of No Significant Impact and subsequent issuance of the construction permit.

Cash Flow Model



B. 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 recipient 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 percent Reserve Fundable List based on priority ranking;
4. Projects on the Small Community 15 percent Reserve Fundable List based on priority ranking; and
5. Projects on the General Community 65 percent Reserve Fundable List based on priority ranking.

C. 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 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.

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.

D. Solicitation of Loan Applications for Fiscal Year 2015

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 2014 Intended Use Plan, which was approved by the commission on August 20, 2013. Subsequently, the Department made the application package available to the public with an initial application receipt deadline of Feb. 15, 2014. 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 to engineering firms, in Missouri.

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.

E. 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 community 65 percent reserve. The general community 65 percent reserve is not restricted to systems of a certain population.

F. 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 2014 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.

G. 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.

H. Ranking of Loan Projects

Projects that the Department has determined 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 2014 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 make satisfactory progress).

2. Fundable Contingency List

These are eligible projects that meet the readiness to proceed criteria, but, due to priority ranking or timing, there is not sufficient 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.

I. 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 initial IUP project lists adopted by the commission, 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. through c. 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, if they are not already at the maximum amount.
- 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.

J. 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 May 1, 2015. Recovered funds will be immediately available for contingency projects in accordance with paragraph IV.I.

K. 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.

L. 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 funds between the Drinking Water State Revolving Fund and the Clean Water State Revolving Fund. The rules governing the transfer of funds limit the dollar amount a state can transfer to no more than 33 percent of a Drinking Water SRF capitalization grant.

As funding is available and as needs arise, the Department can transfer loan funds with the approval of the Missouri Safe Drinking Water Commission, the Missouri Clean Water Commission and EPA.

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

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*	\$18,500,000	(\$18,500,000)

*Federal capitalization grant portion.

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

M. Estimation of Available Drinking Water SRF Loan Funds

Since the program's authorization in 1996, the Missouri Drinking Water SRF has received over \$273 million in federal capitalization grants and over \$47 million in state match bonds. The funding has been used to make over \$304 million in loans to 116 recipients. The loans have resulted in interest savings to the communities of over \$91 million. Additional subsidization through grants has provided an additional savings to communities of over \$28 million.

The Department expects to have approximately \$39.4 million in loan funds and \$9.3 million in grant funds available in resources for financing during fiscal year 2015. The loan funds estimate includes carry-over funds from previous fiscal years, repayments, interest earnings on investments of Drinking Water SRF resources, 69 percent of the estimated federal capitalization grants for federal fiscal years 2011, 2012, 2013 and 2014, and state match. Table 1 shows the total amount of the project loan funds available for loans in this Intended Use Plan as of Dec. 31, 2013.

Table 1

Fiscal Year 2015 Intended Use Plan Sources And Distribution Of Funds ¹						
Description		Current		Anticipated		Balance
Sources:						
Capitalization Grant Funds (federal portion only)						
2010		\$ 3,853,651				
2011		\$ 16,288,816				
2012		\$ 17,338,687				
2013		\$ 16,277,000				
2014				\$ 17,855,000		
Total Capitalization Grant Funds		\$ 53,758,154		\$ 17,855,000		\$ 71,613,154
Repayment Fund (Fund 0602 & 0649) ²		\$ 23,577,170		\$ 14,441,328		\$ 38,018,498
Total Sources		\$ 77,335,324		\$ 32,296,328		\$ 109,631,652
Uses:						
Grant and Loan Commitments		\$ 27,945,866				\$ 27,945,866
Funds Committed for Set-Aside Uses		\$ 14,309,400		\$ 5,535,050		\$ 19,844,450
Anticipated Loans (Jan. 1 - Sept. 30)				\$ 11,752,586		\$ 11,752,586
Grant Funds Allocated to FY 15 DW IUP Projects				\$ 9,279,115		\$ 9,279,115
Loan Funds Allocated to FY 15 DW IUP Projects				\$ 39,443,643		\$ 39,443,643
2010B Debt Service				\$ 1,364,992		\$ 1,364,992
Independent Audit				\$ 1,000		\$ 1,000
Total Uses		\$ 42,255,266		\$ 67,376,386		\$ 109,631,652

¹ A more detailed version of this table appears on page 31.

² The Loan Repayment Fund includes the proceeds of the 2010B state match bonds.

N. Solicitation of Drinking Water SRF Applications for Fiscal Year 2016

In fiscal year 2015 the Department will solicit loan applications for loan funds available in fiscal year 2016. 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 fiscal year 2016. The package includes the application form and instructions, priority point criteria and readiness to proceed criteria. The initial application receipt deadline for fiscal year 2016 applications is **Feb. 15, 2015**. 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 fiscal year 2015 Intended Use Plan are not eligible to compete for fiscal year 2016 funding unless reapplication is made by Feb. 15, 2015.

O. Anticipated Cash Draw Ratio (Proportionality)

Missouri uses the cash flow model of the Drinking Water SRF. The federal capitalization grant is not used as security on the state match bonds. State matching funds are deposited into 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. The interest rate shall be based on the Twenty-Five Bond Revenue Index as published in *The Bond Buyer*. 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.

The department is considering the use of certain loan administration fees expenditures as match for federal capitalization grants.

Table 2.

Source And Distribution Of Funds			
Loan Administration Fees¹			
	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income
Balance as of 12/31/13	\$ 4,584,855	\$ 4,200,251	\$ 579,438
Income			
Projected (01/01/14 thru 06/30/14)	\$ 92,959	\$ 233,535	\$ 74,724
Projected (07/01/14 thru 06/30/15)	\$ 88,721	\$ 773,424	\$ 141,892
Total Projected Income	\$ 181,680	\$ 1,006,959	\$ 216,616
FY 14 Projected Expenditures (01/01/14 thru 06/30/14)			
Program Administration	\$ -	\$ -	\$ -
Program Specific Distribution (PSD)	\$ -	\$ (25,000)	\$ (25,000)
FY 15 Projected Expenditures			
Program Administration	\$ -	\$ -	\$ -
Technical Assistance Grants	\$ -	\$ (25,000)	\$ (25,000)
State Parks Drinking Water Infrastructure	\$ -	\$ (900,000)	\$ -
Total Projected Expenditures	\$ -	\$ (950,000)	\$ (50,000)
Projected Balances	\$ 4,766,535	\$ 4,257,210	\$ 746,054

¹ The distribution of loan administration fees to various department activities is subject to change throughout the fiscal year. Actual fund uses will be shown in detail in the fiscal year 2015 Drinking Water State Revolving Fund Annual Report.

VI. Additional Recipient Provisions

A. Prevailing Wage Rates:

1. 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.

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.

2. 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.

C. Single Audit Act Compliance

Recipients of federal funds from any source(s) totaling greater than \$500,000 are subject to the provisions of the federal Single Audit Act of 1984 and the Single Audit

Act Amendments of 1996. Effective December 26, 2014, the threshold increases to \$750,000.

These requirements provide the federal government with assurances that the expenditures of federal funds are for their intended purposes and that the dispersal of those funds occurs in a timely manner. Final loan and grant documents will include specific information.

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 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 federal fiscal year 2014 capitalization grant.

A. Distribution of Set-Aside Funds

The Department intends to reserve 31 percent of the federal fiscal year 2014 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%	\$714,200
Small System Technical Assistance	2%	\$357,100
Public Water System Supervision	10%	\$1,785,500
Local Assistance and Other State Programs	15%	\$2,678,250
Total	31%	\$5,535,050

The Department reserves the right to reserve the unused set-asides authority from the federal fiscal year 2014 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 may also use this set-aside 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:

- Complying with existing and near-term federal Safe Drinking Water Act requirements;
- Obtaining preliminary 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 reserve the unused 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.

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 reserve the unused 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 to acquire land or easements;
- Source water protection loans to implement local, voluntary source water protection programs;
- 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 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 intends to 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;
- 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 or disinfection by-product studies;
- 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;
- Providing vouchers to drinking water operators to defray the costs associated with taking required operator training and examination; 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
Fiscal Year 2015**



**MISSOURI
DEPARTMENT OF
NATURAL RESOURCES**

This page was intentionally left blank.

Comprehensive List

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

		Priority Points	Applicant	DWSRF #	Population Served	Loan Request
		150	Fredericktown Water Systems	DW291346-01	3,985	\$ 2,921,631
*	X	145	Hannibal	DW291017-02	17,596	\$ 12,960,000
*	X	105	Bonne Terre	DW291343-01	4,187	\$ 3,968,575
		93	Terre Du Lac Utilities Corporation	DW291352-01	2,500	\$ 1,953,300
	X	91	Sparta	DW291277-02	1,752	\$ 3,841,523
		90	Reeds Spring	DW291348-01	913	\$ 1,800,000
*		86	Tri-County Water Authority	DW291181-04	100,000	\$ 33,000,000
*		85	Campbell	DW291333-01	1,992	\$ 1,800,000
*		85	Audrain Co. PWSD #1	DW291304-02	1,700	\$ 273,784
		78	Bowling Green	DW291167-04	5,334	\$ 2,254,000
*	X	75	Belton - Phase 2	DW291314-03	24,802	\$ 4,330,540
*		75	Lilbourn	DW291342-01	1,239	\$ 2,420,000
*		69	Dexter	DW291320-01	7,545	\$ 10,100,000
		67	3.100 Louisiana, Pike County	DW291025-02	3,364	\$ 1,339,103
		65	Lathrop	DW291195-03	2,086	\$ 2,044,362
		65	Birch Tree	DW291350-01	679	\$ 2,392,100
		63	Peculiar	DW291272-03	4,608	\$ 1,341,465
		55	Sikeston	DW291037-03	17,000	\$ 12,360,000
*		55	Wayne & Butler Counties PWSD #4	DW291326-01	1,344	\$ 1,576,000
		55	Sunrise Beach - Phase 1	DW291219-02	431	\$ 920,697
		55	Sunrise Beach - Phase 2	DW291219-03	431	\$ 547,401
		50	Pierce City	DW291345-01	1,385	\$ 1,667,421
		47	Missouri City	DW291351-01	267	\$ 1,142,352
*	X	44	Jackson Co. PWSD #16	DW291319-03	4,520	\$ 1,405,500
*		36	Clarence Cannon Wholesale Water Commission – North Lake Crossing	DW291070-05	73,647	\$ 793,100
*		35	Bolivar	DW291135-03	10,325	\$ 741,600
		35	Cassville	DW291300-02	3,266	\$ 5,040,866
		35	Saline County PWSD #2	DW291349-01	1,000	\$ 600,000
		34	Brashear	DW291347-01	273	\$ 873,440
*		30	Jackson Co. PWSD #13	DW291336-01	4,800	\$ 3,000,000
*	X	29	Platte Co. PWSD #1	DW291335-01	4,800	\$ 1,800,000
*		26	Jackson	DW291192-03	13,938	\$ 11,064,400
Total Planning List Projects						\$ 132,273,160

Distribution Of Available Loan Funds

From Table 1 of Section IV, the total estimated funds available for Drinking Water SRF loans for fiscal year 2015 is \$39,443,643 and for grants is \$9,279,115. 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.

Note: If a system is utilizing an Engineering Report Services Grant from the Department, their SRF project was reduced by a like amount.

Table 4 Distribution of Available Funds

		Loan	Grant
Very Small Community	20%	\$ 7,888,729	\$ 9,279,115
Small Community	15%	\$ 5,916,546	\$ -
General Community	65%	\$ 25,638,368	\$ -
Total Available Funds		\$ 39,443,643	\$ 9,279,115

Financial Summary of the Fundable Projects List

	Loans				Grants			
	Very Small Community	Small Community	General Community	Total	Very Small Community	Small Community	General Community	Total
Allocation	\$ 7,888,729	\$ 5,916,546	\$ 25,638,368	\$ 39,443,643	\$ 9,279,115	\$ -	\$ -	\$ 9,279,115
Total Projects (1)	\$ (6,470,686)	\$ (3,839,092)	\$ (29,133,865)	\$ (39,443,643)	\$ (5,944,132)	\$ (3,334,983)	\$ -	\$ (9,279,115)
Balance Before Transfers	\$ 1,418,043	\$ 2,077,454	\$ (3,495,497)	\$ -	\$ 3,334,983	\$ (3,334,983)	\$ -	\$ -
Transfers	\$ (1,418,043)		\$ 1,418,043	\$ -	\$ (3,334,983)	\$ 3,334,983		\$ -
		\$ (2,077,454)	\$ 2,077,454	\$ -				\$ -
Total Transfers	\$ (1,418,043)	\$ (2,077,454)	\$ 3,495,497	\$ -	\$ (3,334,983)	\$ 3,334,983	\$ -	\$ -
Balance Available (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amount Forward to Project Tables (3)	\$ 6,470,686	\$ 3,839,092	\$ 29,133,865	\$ 39,443,643	\$ 5,944,132	\$ 3,334,983	\$ -	\$ 9,279,115

(1) From the Project Lists on the subsequent pages.

(2) Balance may be shifted to other categories to fund projects that are ready to proceed.

(3) Amount equals the Allocation + Total Transfers.

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

			Priority Points	Applicant	DWSRF #	Pop.	Description / Needs	Problem Code	Amount Requested	Loan	Grant	Green Amount	Financing Schedule FY - Quarter
Amount Available										\$ 6,470,686	\$ 5,944,132		
		D	90	Reeds Spring	DW291348-01	913	Dis	3	\$ 1,800,000	\$ 450,000	\$ 1,350,000	\$ 1,800,000 Business	15-4
		D	65	Birch Tree	DW291350-01	679	Dis, Stor	3	\$ 2,392,100	\$ 598,025	\$ 1,794,075	\$ 976,400 Business	15-4
		D	55	Sunrise Beach - Phase 1	DW291219-02	431	Dis	3	\$ 920,697	\$ 230,174	\$ 690,523	\$ 41,000 Business	15-4
	X		91	Sparta	DW291277-02	1,752	Well, Stor, Dis	3	\$ 3,841,523	\$ 1,920,762	\$ 1,920,761	\$ 1,691,645 Business	15-2
*			85	Audrain Co. PWSD #1	DW291304-02	1,700	Dis	3	\$ 273,784	\$ 136,892	\$ 136,892	\$ -	15-4
			65	Lathrop	DW291195-03	2,086	Dis	3	\$ 2,044,362	\$ 1,992,481	\$ 51,881	\$ 2,044,362 Business	15-4
			47	Missouri City	DW291351-01	267	Dis	3	\$ 1,142,352	\$ 1,142,352	\$ -	\$ -	15-4
Total Fundable Projects										\$ 12,414,818	\$ 6,470,686	\$ 5,944,132	\$ 6,553,407
Balance										\$ -	\$ -		
* - Carried over from the last Intended Use Plan						TP - Treatment				1 - Compliance			
X - Fundable in the last Intended Use Plan						Stor – Storage				2 - Public Health			
D - Disadvantaged						Dis – Distribution				3 - Future Regulatory Violation Expected			
						Rehab - Rehabilitation							

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

			Priority Points	Applicant	DWSRF #	Pop.	Description / Needs	Problem Code	Amount Requested	Loan	Grant	Green Amount	Financing Schedule FY - Quarter
Amount Available										\$ 3,839,092	\$ 3,334,983		
*	X		105	Bonne Terre	DW291343-01	4,187	Well, TP, Dis	1	\$ 3,968,575	\$ 1,984,288	\$ 1,984,287	\$ 3,968,575 Business	15-3
*	X		44	Jackson Co. PWSD #16	DW291319-03	4,520	Stor	3	\$ 1,405,500	\$ 702,750	\$ 702,750	\$ -	15-3
*	X		29	Platte Co. PWSD #1	DW291335-01	4,800	Dis	3	\$ 1,800,000	\$ 1,152,054	\$ 647,946	\$ 1,746,000 Business	15-4
Total Fundable Projects									\$ 7,174,075	\$ 3,839,092	\$ 3,334,983	\$ 5,714,575	
Balance										\$ -	\$ -		
* - Carried over from the last Intended Use Plan						TP - Treatment				1 - Compliance			
X - Fundable in the last Intended Use Plan						Stor – Storage				2 - Public Health			
D - Disadvantaged						Dis – Distribution				3 - Future Regulatory Violation Expected			
						Rehab - Rehabilitation							

General Community 65% Reserve Fundable List
(Not restricted by population served)

			Priority Points	Applicant	DWSRF #	Pop.	Description / Needs	Problem Code	Amount Requested	Loan	Grant	Green Amount	Financing Schedule FY - Quarter
Amount Available										\$ 29,133,865	\$ -		
*	X		145	Hannibal (1)	DW291017-02	17,596	Dis, Stor, TP	1	\$ 12,960,000	\$ 12,960,000	\$ -	\$ 7,983,760 Business	15-3
*			86	Tri-County Water Authority	DW291181-04	100,000	Well	3	\$ 11,843,325	\$ 11,843,325	\$ -	\$ -	15-3
*	X		75	Belton - Phase 2	DW291314-03	24,802	Dis	3	\$ 4,330,540	\$ 4,330,540	\$ -	\$ -	15-2
Total Fundable Projects										\$ 29,133,865	\$ 29,133,865	\$ -	\$ 7,983,760
Balance										\$ -	\$ -		
* - Carried over from the last Intended Use Plan						TP - Treatment				1 - Compliance			
X - Fundable in the last Intended Use Plan						Stor – Storage				2 - Public Health			
D - Disadvantaged						Dis – Distribution				3 - Future Regulatory Violation Expected			
						Rehab - Rehabilitation							

(1) On December 10, 2013, the Safe Drinking Water Commission approved the full funding of this project (including the portion in excess of \$10 million).

Fundable Contingency List

			Priority Points	Applicant	DWSRF #	Pop.	Description / Needs	Problem Code	Amount Requested
*			86	Tri-County Water Authority	DW291181-04	100,000	Well	3	\$ 21,156,675
			63	Peculiar	DW291272-03	4,608	Dis	3	\$ 1,341,465
*			36	Clarence Cannon Wholesale Water Auth. – Lake Crossing	DW291070-05	73,647	Dis	3	\$ 793,100
Total Fundable Contingency Projects									\$ 23,291,240

* - Carried over from the last Intended Use Plan	TP - Treatment	1 - Compliance
X - Fundable in the last Intended Use Plan	Stor – Storage	2 - Public Health
D - Disadvantaged	Dis – Distribution	3 - Future Regulatory Violation Expected
	Rehab - Rehabilitation	

Planning List

	Priority Points	Applicant	DWSRF #	Population	Description	Problem Code	Needs Category	Loan Request
	150	Fredericktown Water Systems	DW291346-01	3,985	TP, Dis, Stor	3	II, III, IV	\$ 2,921,631
	93	Terre Du Lac Utilities Corporation	DW291352-01	2,500	TP, Well, Dis, Stor	1	I, II, III, IV	\$ 1,953,300
*	85	Campbell	DW291333-01	1,992	Dis	3	III, IV	\$ 1,800,000
	78	Bowling Green	DW291167-04	5,334	TP, Dis	3	II, IV	\$ 2,254,000
*	75	Lilbourn	DW291342-01	1,239	Stor, Dis	3	II, III, IV	\$ 2,420,000
*	69	Dexter	DW291320-01	7,545	Well, TP, Stor, Dis	3	I, II, III, IV	\$ 10,100,000
	67	3.100 Louisiana, Pike County	DW291025-02	3,364	Dis, Stor	3	III, IV	\$ 1,339,103
	55	Sikeston	DW291037-03	17,000	TP	3	II	\$ 12,360,000
*	55	Wayne & Butler Counties PWSD #4	DW291326-01	1,344	Well, Dis	3	I, IV	\$ 1,576,000
	55	Sunrise Beach - Phase 2	DW291219-03	431	Dis	3	IV	\$ 547,401
	50	Pierce City	DW291345-01	1,385	Dis, Stor	3	III, IV	\$ 1,667,421
*	35	Bolivar	DW291135-03	10,325	TP, Well	3	I, II	\$ 741,600
	35	Cassville	DW291300-02	3,266	TP, Dis, Stor	3	II, III, IV	\$ 5,040,866
	35	Saline County PWSD #2	DW291349-01	1,000	Dis	3	III, IV	\$ 600,000
	34	Brashear	DW291347-01	273	Stor	3	III	\$ 873,440
*	30	Jackson Co. PWSD #13	DW291336-01	4,800	Dis	3	IV	\$ 3,000,000
*	26	Jackson	DW291192-03	13,938	Well, TP, Stor, Dis	3	I, II, III, IV	\$ 11,064,400
Total Planning List Projects								\$ 60,259,162

* Carried over from the last 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
Rehab - Rehabilitation		IV - Transmission/Distribution

This page was intentionally left blank.

**Sources and Distribution of Funds Detail
Capitalization Grants and Loan Repayments
(As of Dec. 31, 2013)**

Estimated Sources			
FFY 2010 DW SRF Capitalization Grant (federal portion only)		\$ 3,853,651	
FFY 2011 DW SRF Capitalization Grant (federal portion only)		\$ 16,288,816	
FFY 2012 DW SRF Capitalization Grant (federal portion only)		\$ 17,338,687	
FFY 2013 DW SRF Capitalization Grant (federal portion only)		\$ 16,277,000	
FFY 2014 DW SRF Capitalization Grant (federal portion only)		\$ 17,855,000	
Projected Proceeds from Bond Refinancing		\$ 1,141,383	
Loan Repayment Fund (Balance in Fund 0602 as of 12/31/13) *		\$ 22,746,726	
Balance of Fund 0649 as of 12/31/13		\$ 80,573	
Projected DWSRF portion of Fund 0602 Investment Interest (01/01/14 - 06/30/15)		\$ 126,853	
Projected DWSRF portion of Fund 0649 Investment Interest (01/01/14 - 06/30/15)		\$ 1,008	
Reserve Release (01/01/14 - 06/30/15)		\$ 8,039,633	
Direct Loans - Principal and Interest Repayments (01/01/14 - 06/30/15)		\$ 5,132,451	
State Match Subsidy Fund		\$ 749,871	
Total Estimated Sources			\$109,631,652
Estimated Uses			
Binding Loan Commitments (Balance of Reserve Payable Report 12/31/13)		\$ -	
Binding Grant and Loan Commitments (Balance of Project Payable Report 12/31/13)		\$ 27,945,866	
Grant Funds Committed from FFY 2011 Cap Grant	\$ 177,483		
Grant Funds Committed from FFY 2012 Cap Grant	\$ 5,204,400		
Grant Funds Committed from FFY 2013 Cap Grant	\$ 4,883,100		
Grant Funds Committed from FFY 2014 Cap Grant	\$ 3,828,073		
Grant Commitments 1/1/14 - 9/30/14 (Details below)	<u>\$ (4,813,941)</u>		
Grant Funds Allocated to FY 15 DWSRF IUP Projects		\$ 9,279,115	
Funds Committed to FFY 2010 DW Set-Aside Uses		\$ 83,197	
Funds Committed to FFY 2011 DW Set-Aside Uses		\$ 3,802,453	
Funds Committed to FFY 2012 DW Set-Aside Uses		\$ 5,377,880	
Funds Committed to FFY 2013 DW Set-Aside Uses		\$ 5,045,870	
Funds Committed to FFY 2014 DW Set-Aside Uses		\$ 5,535,050	
2010B Pledge Commitments		\$ 1,364,992	
Independent Audit		\$ 1,000	
Loan Commitments 1/1/14 - 9/30/14 (Details below)		\$ 11,752,586	
Loan Funds Allocated to FY 15 DWSRF IUP Projects		\$ 39,443,643	
Total Estimated Uses			\$109,631,652

* The Loan Repayment Fund includes the proceeds of the 2010B state match bonds.

Loan and Grant Commitments 1/1/14 through 9/30/14	Loan	Grant	Total
Belton - Phase I	\$ 7,039,000	\$ -	\$ 7,039,000
Auxvasse	\$ 995,081	\$ 1,110,685	\$ 2,105,766
DeKalb Co. PWSD #1	\$ 423,000	\$ 407,751	\$ 830,751
Lathrop	\$ 1,248,133	\$ 1,248,133	\$ 2,496,266
Platte Co. PWSD #3 - Phase 2	\$ 446,005	\$ 446,005	\$ 892,010
California	\$ 1,601,367	\$ 1,601,367	\$ 3,202,734
Total Commitments 1/1/14 - 9/30/14	\$ 11,752,586	\$ 4,813,941	\$ 16,566,527

This page was intentionally left blank.

Source And Distribution Of Funds			
Loan Administration Fees¹			
Fund 0568			
As of Dec. 31, 2013			
Income	Program Income Earned During Grant Period	Program Income Earned After Grant Period	Non-Program Income
Beginning Balance as of 07/01/13	\$ 4,516,123	\$ 3,751,095	\$ 514,295
FY 14 Income (thru 12/31/13)	\$ 57,174	\$ 438,755	\$ 63,709
FY 14 Interest Earnings (thru 12/31/13)	\$ 11,558	\$ 10,401	\$ 1,434
Subtotal	\$ 4,584,855	\$ 4,200,251	\$ 579,438
Expenditures Thru 12/31/13			
FY 14 Program Administration	\$ -	\$ -	\$ -
FY 14 PSD Expenditures	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -
Income Less Expenditures	\$ 4,584,855	\$ 4,200,251	\$ 579,438
Projected Income			
FY 14 Income (01/01/14 - 06/30/14)	\$ 69,125	\$ 210,579	\$ 71,398
FY 14 Interest Income (01/01/14 - 06/30/14)	\$ 23,834	\$ 22,956	\$ 3,326
FY 15 Income (07/01/14 - 06/30/15)	\$ 36,604	\$ 726,876	\$ 133,735
FY 15 Interest Income (07/01/14 - 06/30/15)	\$ 52,117	\$ 46,548	\$ 8,157
Subtotal	\$ 181,680	\$ 1,006,959	\$ 216,616
Projected Expenditures			
FY 14 Program Administration	\$ -	\$ -	\$ -
FY 14 PSD Expenditures	\$ -	\$ (25,000)	\$ (25,000)
FY 15 Program Administration	\$ -	\$ -	\$ -
FY 15 Technical Assistance Grants	\$ -	\$ (25,000)	\$ (25,000)
FY 15 State Parks Drinking Water Infrastructure	\$ -	\$ (900,000)	\$ -
Subtotal	\$ -	\$ (950,000)	\$ (50,000)
Total Actual and Projected	\$ 4,766,535	\$ 4,257,210	\$ 746,054

¹ The distribution of loan administration fees to various department activities is subject to change throughout the fiscal year. Actual fund uses will be shown in detail in the fiscal year 2015 Drinking Water State Revolving Fund Annual Report.

This page was intentionally left blank.

Drinking Water SRF Loan Application
Package
For Fiscal Year 2016
(Oct. 1, 2015 to Sept. 30, 2016)

This page was intentionally left blank.



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 Missouri Regulation 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.

1. APPLICANT INFORMATION

PUBLIC WATER SUPPLY NAME		PUBLIC WATER SUPPLY ID NO.	
PUBLIC WATER SUPPLY OWNER		DUNS NO.	
PUBLIC WATER SUPPLY CONTACT PERSON FOR THIS DRINKING WATER STATE REVOLVING FUND LOAN PROJECT		TITLE	
MAILING ADDRESS		E-MAIL ADDRESS	
CITY	STATE	ZIP CODE + FOUR	COUNTY
TELEPHONE NUMBER WITH AREA CODE Ext.		FAX NUMBER WITH AREA CODE Ext.	

2. ARCHITECTURAL AND ENGINEERING CONSULTANT INFORMATION

CONSULTING FIRM'S NAME		CONSULTANT'S NAME	
CONSULTANT MAILING ADDRESS		CONSULTANT MAILING ADDRESS	
CITY	STATE	ZIP CODE + FOUR	
CONSULTANT TELEPHONE NUMBER WITH AREA CODE Ext.		CONSULTANT FAX NUMBER WITH AREA CODE	

3. GENERAL INFORMATION

POPULATION SERVED		MEDIAN HOUSEHOLD INCOME FOR THE SERVICE AREA	
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			
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 SERVICE		WHEN WAS THE LAST TIME USER-FEES WERE REVIEWED?	
EXISTING ANNUAL DEBT SERVICE \$		WHEN WAS THE LAST TIME USER-FEES WERE INCREASED?	
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			
U.S. CONGRESSIONAL DISTRICT NUMBER	STATE SENATE DISTRICT NUMBER(S)		STATE REPRESENTATIVE DISTRICT NUMBER(S)

4. 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.

5. PROJECT DESCRIPTION

DESCRIBE THE MAJOR COMPONENTS OF THE PROJECT (ATTACH A SEPARATE SHEET, IF NECESSARY)

6. PROJECT COST INFORMATION**ESTIMATED PROJECT COST BREAKDOWN****BREAKDOWN OF STATE REVOLVING FUND ELIGIBLE
COST PER DESIGNATED CATEGORIES:**

		Treatment	\$
Administrative/Legal	\$	Transmission and Distribution	\$
Engineering Planning and Design	\$	Storage	\$
Construction Engineering Services	\$	Source	\$
Engineering Inspection	\$	Land Acquisition	\$
Construction	\$	Purchasing of Other Systems	\$
Other Costs (labs, upgrades, automation, etc.) Specify:	\$	Refinancing	\$
Interest During Construction	\$	Other Specify:	\$
Contingency (10 percent of Construction)	\$	PROJECTED REPAYMENT SOURCE	
Total Project Costs	\$	<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)	\$		
Cost of Issuance (Estimate 3% of Balance)	\$		
AMOUNT OF LOAN REQUEST (Balance plus Cost of Issuance)	\$	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:	

7. ANTICIPATED DEBT STRUCTURE/SECURITY☐ **General Obligation Bonds**☐ **Revenue Bonds**

AMOUNT OF BOND

\$

HAVE YOU PASSED BONDS FOR THIS PROJECT? (CHECK ONE)

☐ Yes – include a copy of the bond language and certified election results☐ No

8. PROJECT SCHEDULE (READINESS TO PROCEED-SEE ATTACHED READINESS TO PROCEED AND DISTRIBUTION OF FUNDS CRITERIA FACT SHEET)

MILESTONE	ANTICIPATED DATE
A. Facility plan submittal (See attached Facility Plan Submittal Checklist when submitting the facility plan)	
B. All other funding is secured (if necessary, bonds are voted)	
C. Engineering plans and specifications submittal	
D. Construction start date	

9. PRIORITY POINTS CRITERIA (SEE ATTACHED MISSOURI WATER STATE REVOLVING FUND PRIORITY POINTS CRITERIA FACT SHEET)

NOTE: Check all items listed below that apply to the project and describe in the space provided. Attach any supporting documentation (e.g., copy of the latest sanitary survey, inspection, copy of order, agreement, permit or other enforceable document, etc.) and specifically cross-reference it in the narrative description. The department will consider only supporting documentation described on the application form.

SAFE DRINKING WATER ACT COMPLIANCE (Anticipated compliance benefits of the proposed project.)

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 nonacute 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 (Anticipated public health benefits of the proposed project.)

- ☐ 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 Missouri 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 noncommunity 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.

PUBLIC WATER SYSTEM INFRASTRUCTURE IMPROVEMENTS (Anticipated infrastructure benefits of the proposed project.)

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.

ADDITIONAL PRIORITY POINT CATEGORIES

THIS PROJECT WILL (CHECK ALL THAT APPLY):

- ☐ 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).
- ☐ Project will result in interconnections with other systems affected by drought or for upgrades to existing systems to address drought related problems
- ☐ Project will result in interconnections with other systems prone to flooding or for upgrades to existing systems to address flood related problems
- ☐ Provide necessary upgrades to facilities of a primary water system to continue or expand services as a regional water supplier. Name of system(s): _____
- ☐ 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).
Name of system(s): _____
- ☐ Result in a regional management system responsible for the day-to-day operation of the water system.
Name of the system(s): _____
- ☐ Enable the public water supply to enhance the water system security.
- ☐ At least 50 percent of the applicant's governing board has received training related to the management and operation of drinking water infrastructure. Please provide documentation of the training and a list of members who received the training.
- ☐ The public water supply has completed an asset inventory.

DESCRIPTION OR ADDITIONAL COMMENTS

CERTIFICATION

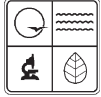
The undersigned representative certifies the information submitted in this application is true and correct to the best of his or her knowledge and that he or she is authorized to sign and submit this application. The applicant agrees, if a loan is awarded on the basis of this application, to comply with all applicable rules and regulations of the Department of Natural Resources and the terms and conditions of the loan agreement. Furthermore, the applicant meets the requirements of 10 CSR 60-3.030 Technical, Managerial, and Financial (TMF) Capacity or will meet these requirements upon completion of the project. For more information regarding TMF Capacity, please contact the department's Financial Assistance Center at 573-751-1192.

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 Instruction for For 780-1845

Water Protection Program fact sheet

8/2013

Note: Any funding assistance is subject to all State Revolving Fund requirements. Potential applicants should contact the Missouri Department of Natural Resources' Financial Assistance Center prior to completing and submitting an application. Please 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. 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 at 866-705-5711 or at fedgov.dnb.com/webform.

The contact noted on the application should be knowledgeable about the application and able to be contacted during business hours.

2. Include the engineering firm name and the name of the professional engineer working on the project.
3. 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. The information included in Section 3 of the application will be used to determine the financial capability of the applicant with respect to the proposed project. Please provide the most accurate information available. Collection delinquency rate is defined as bills that are never collected, not bills that don't get paid by the due date but are eventually collected later.

Show the revenue minus expenses including operation and maintenance, replacement and debt service for the last fiscal year. Please include the beginning and end of the fiscal year if not using the calendar year. Provide the median household income based on the most recent census. The median household income data can be found online at factfinder2.census.gov/faces/nav/jsf/pages/community_facts.xhtml.

Fill in the current rate for a 5,000 gallon user and what the estimated rate will be at project completion.

Provide the U.S. congressional district number(s), state senate and state representative district number(s) for the project area.

4. Check the appropriate box if the public water supply has a certified chief operator or an emergency operations plan.
5. Provide a brief project description.
6. Supply the cost estimates for the project. Land acquisition and easements may be eligible for a Drinking Water State Revolving Fund Loan. Please call the department's Financial Assistance Center at 573-751-1192 or 800-361-4827 for additional guidance concerning requirements needed when acquiring land and easements.

Provide a cost breakdown by category of need.

State the source of repayment for the loan and if it is in place and available at this time.

7. 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.
8. Provide a project schedule that will be used to determine the applicant's readiness to proceed. Please review the Readiness to Proceed and Distribution of Funds Criteria fact sheet.
9. 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 determine priority.

Note: Please look at the Missouri Drinking Water State Revolving Fund Priority Points Criteria fact sheet to help you to maximize the priority points received for the project. The priority ranking criteria is available at dnr.mo.gov/pubs/pub2362.pdf.

Incomplete Applications will be Returned

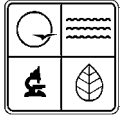
- Sign the application and attach any information that will enable the department to prioritize the drinking water needs.
- If funds from the U.S. Department of Agriculture-Rural Development or Department of Economic Development - Community Development Block Grant Program will also be sought, please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

Mail the completed application to:

Missouri Department of Natural Resources, 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 753-751-1192
FAX: 573-571-9396
www.dnr.mo.gov/env/wpp/srf/index.html



MISSOURI DEPARTMENT OF NATURAL RESOURCES
WATER PROTECTION PROGRAM, FINANCIAL ASSISTANCE CENTER
FACILITIES PLAN SUBMITTAL CHECKLIST
Drinking Water State Revolving Fund
Submit to: P.O. Box 176, Jefferson City, MO 65102-0176
ATTN: Financial Assistance Center

FOR OFFICE USE ONLY

DATE RECEIVED

This form must be submitted with the Facility Plan

1. PROJECT NAME

2. PROJECT DESCRIPTION

3. APPLICANT INFORMATION

NAME OF APPLICANT

APPLICANT MAILING ADDRESS

CITY

STATE

ZIP + FOUR

COUNTY

4. FACILITIES PLAN INFORMATION IN ACCORDANCE WITH 10 CSR 60-13.020 (2)(F) (CHECK THE BOXES OF 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.
- ☐ An assessment of the environmental conditions and impact of the proposed project on the environment (see also Section 7.)
- ☐ Detailed project budget.
- ☐ Include a project schedule (Including the following dates: Construction start, construction completion, initiation of operation, and project completion.)
- ☐ Signed, sealed, and dated by a registered professional engineer licensed in Missouri.
- ☐ Selected site location.

Note: Items 5 to 7 should not be completed until the department has reviewed items 1-4 and approved the scope of the proposed project.

5. CLEARANCE LETTERS IN ACCORDANCE WITH 10 CSR 60-13.030

- ☐ Army Corps of Engineers.
- ☐ Department of Natural Resources, Historic Preservation.
- ☐ Department of Conservation.
- ☐ United States Fish and Wildlife.
- ☐ Department of Natural Resources, Missouri Geological Survey (lagoon collapse potential and receiving stream determination.)
- ☐ Federal Assistance Clearinghouse.
- ☐ Department of Natural Resources' Division of State Parks (If infringes on federally funded parks.)

6. PUBLIC PARTICIPATION IN ACCORDANCE WITH 10 CSR 60-13.020(2)(E) and 10 CSR 13.030(5)(B)2.

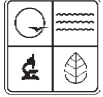
- ☐ Hold two public meetings to discuss the following: 1) the scope, need, and alternatives considered for the project; and 2) the proposed impact of the project on user rates.
- ☐ Provide a transcript, recording, or other complete record of the meetings and a list of attendees to the Department of Natural Resources.
- ☐ Hold one public hearing on the expected environmental impact as result of the proposed project if an Environmental Information Document is required.
- ☐ Provide a verbatim transcript of the hearing and a list of attendees to the Department of Natural Resources.
- ☐ Provide to the Department of Natural Resources proof that advertisement and notification of the meetings and hearing preceded the meetings and hearing by 30 days.

7. ENVIRONMENTAL INFORMATION DOCUMENT IN ACCORDANCE WITH 10 CSR 60-13.030(5)(B)1. (FOR SYSTEMS WHO DO NOT MEET THE CATERGORICAL EXCLUSION CRITERIA AND ARE NOT REQUIRED TO PREPARE AN ENVIRONMENTAL IMPACT STATEMENT)

- ☐ The purpose and need for the project.
- ☐ Information describing the environmental setting and the future of the environment without the project.
- ☐ The alternatives to the project as proposed.
- ☐ A description of the proposed 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.
- ☐ Information describing any irreversible and irretrievable commitments of resources to the proposed project.
- ☐ A description of public participation activities conducted, issues raised and changes to the project as a result of public participation.
- ☐ Documentation of coordination with appropriate governmental agencies (Include all correspondence with the agencies outlined in Section 5.)

PREPARER'S NAME AND SIGNATURE

SIGNATURE OF PREPARER	DATE
NAME AND TITLE (PLEASE PRINT OR TYPE)	TELEPHONE NUMBER WITH AREA CODE



Missouri Drinking Water State Revolving Fund Priority Points Criteria

Water Protection Program fact sheet

6/2014

General Information

The Missouri Department of Natural Resources must prepare annually a Drinking Water State Revolving Fund, or DWSRF, Intended Use Plan that includes lists of projects expected to qualify for financing within the fiscal year addressed by the plan. The priority point criteria are used to evaluate DWSRF loan applications to be addressed by the fiscal year 2016. The department must annually seek public comments on the priority point criteria proposed. The Missouri Safe Drinking Water Commission must approve the priority point criteria at least 60 days before the application deadline. A project must be listed in the plan to be eligible for funding and the projects are listed in priority order.

Projects are listed so that the most serious problems are given the highest priority. Consistent with the federal Safe Drinking Water Act, 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 points associated with persistent violations of a secondary MCL will not be assigned.

The sections on Distribution System Reliability (section III.B.) and Design Considerations (section III. F.) are limited to a maximum of 20 points each. This is done 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 are used as the baseline in developing the priority point criteria.

Projects will be ranked by the total number of points received. In the event of a tie, the projects receiving the highest number of points under Distribution System Reliability and Design Considerations (sections III.B. and III.F.) 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 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 does not guarantee all financial and project eligibility requirements have been met.

Priority Points

I. Safe Drinking Water Act Compliance

Only projects for existing eligible public water systems as defined in 10 CSR 60.13.020(1)(B) will be assigned points under this section. See the lists on pages 6 and 7, Safe Drinking Water Act Compliance Priority Points: Existing and Anticipated Regulations for further explanation of categories A through D below.

- A. Acute Risk Contaminants (such as coliform, turbidity or nitrate). 25 points will be assigned if there have been persistent violations of maximum contaminant levels or treatment performance criteria for acute risk contaminants 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 (for example, the Surface Water Treatment Rule, lead and copper, etc.).
- C. Non-Acute Risk Contaminants.
 - 1. 25 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 points will be assigned if there have been persistent violations of any secondary MCL within the past 36 calendar months.
- D. Anticipated Federal Regulations. 10 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, Safe Drinking Water Act Compliance Priority Points: Existing and Anticipated Regulations.
- E. Compliance. 15 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 department.

II. Public Health

- A. Waterborne Disease Outbreak. 25 points will be assigned if a waterborne disease outbreak declared by the Missouri Department of Health and Senior Services 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.

III. Public Water System Infrastructure Improvement

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

A. System source reliability.

1. 10 points will be assigned a project that addresses a need for new backup well or a backup interconnection with another public water system.
2. 10 points will be assigned if the system has one or more improperly constructed wells.

B. 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 III.F., 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.

1. 10 points will be assigned if the system has water loss that exceeds 10 percent of the drinking water produced by the system.
2. 10 points will be assigned if the distribution system is anticipated to exceed design capacity or useful facility life within the next five years.
3. 10 points will be assigned if the distribution system has faulty waterlines or substandard waterline materials.
4. 5 points will be assigned if the public water system requires additional system isolation and flushing measures.
5. 5 points will be assigned if the public water system requires looping of water waterlines.

C. Disinfection. 15 points will be assigned if a public water system is unable to maintain a disinfectant residual at all points in its distribution system.

D. 10 points will be assigned if a system has storage facilities in poor condition, not related to inadequate maintenance of the facilities.

E. 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.

F. 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 III.B., 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.

1. 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.
2. 20 points will be assigned if a system has suffered significant degradation of the quality of the raw water supply.
3. 20 points will be assigned if a system has suffered significant degradation of the quality of finished water in storage.

4. 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.
- G. 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.
- H. Vulnerability.
 1. 10 points will be assigned to a water system whose source is vulnerable to natural disasters (such as flood or drought) or contamination.
 2. 10 points will be assigned to a water system whose treatment plant is vulnerable to natural disasters (such as flood, earthquake, etc.) or contamination.
- I. Wellhead and Source Water Protection. 10 points will be awarded to applicants who have a department-approved wellhead or source water protection plan.

IV. 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. The median household income data can be found at the following internet address: factfinder2.census.gov/faces/nav/jsf/pages/community_facts.xhtml.
 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
 $(\$20/\$2,000) \times 100\% = 1\%$
 $1 \times 10 = 10$ points

V. Additional Priority Point Categories

- A. Natural disasters.
 1. 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 that other state or federal disaster relief is not sufficient to meet the costs of the project.

2. 20 points will be assigned for systems affected by drought for projects that will result in interconnections with other systems or for upgrades to existing systems to address drought related problems.
3. 20 points will be assigned to address systems prone to flooding that will result in interconnections with other systems or for upgrades to existing systems to address flood related problems.

B. Consolidation.

1. 20 points will be assigned if the proposed project provides necessary infrastructure upgrades to a primary water system, allowing it to continue or expand service as a regional water supplier.
2. 20 points will be assigned for consolidation of 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 newly formed regional water suppliers (generally water districts), which will allow small water systems within their boundaries to consolidate.
3. 10 points will be assigned for consolidation of public water systems where 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 V.B.4., points under these criteria will not be awarded.
4. 20 points will be assigned if the proposed project will result in a new water distribution system or existing distribution system upgrade 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 Member or City Council Member Training.

10 points will be assigned if 50 percent of the governing body has received training related to the operation and management of the water utility.

E. Asset Management.

10 Points will be assigned if the system has completed an asset inventory, including the condition and age of assets, for all critical assets in their system and has incorporated replacement schedules into annual and capital improvement budgets.

SDWA Compliance Priority Points: Existing and Anticipated Regulations

Maximum Contaminant Levels (MCL) 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, paragraphs 13, 14, and 15 of subsection (1)(A).

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

Treatment Technique Requirements

10 CSR 60-04.025 Ground Water Rule, section (4)

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

10 CSR 60-4.052 Source Water Monitoring and Enhanced Treatment Requirements, sections (1) and (2)

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).

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 (1).

New and Anticipated Federal Regulations

Revised Total Coliform Rule: The Environmental Protection Agency's final Revised Total Coliform Rule was published in the Feb. 14, 2013 Federal Register. Points will be awarded for projects that will bring systems into compliance with this new rule.

For More Information

Missouri Department of Natural Resources

Water Protection Program

Financial Assistance Center

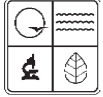
P.O. Box 176

Jefferson City, MO 65102-0176

800-361-4827 or 573-751-1192

www.dnr.mo.gov/env/wpp/index.html

This page was intentionally left blank.



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

Water Protection Program fact sheet

6/2014

General Information

In order to ensure best use of the drinking water loan funds in a reasonably expeditious manner, the Missouri Department of Natural Resources 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 criteria will be used to determine fundable status and the distribution of available and anticipated DWSRF funds.

Readiness to Proceed

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 complete facility plan must adequately address the information required by sections 1-4 of the Facilities Plan Submittal Checklist attached to the DWSRF application. See the Distribution of DWSRF Funds section below for details as to how the department proposes to list new and carry-over projects in the Drinking Water Intended Use Plan.

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 and grant funds or \$10 million, whichever is less, unless the department receives approval from the Missouri Safe Drinking Water Commission 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 projects for the purpose of committing DWSRF loan and grant funds. The department will designate DWSRF projects in the Intended Use Plan, as either fundable, fundable contingency or planning. Projects designated as fundable are those projects the department has committed to finance with available or anticipated state revolving funds under the plan. 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 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 deadline. Any initially reserved funds for small or very small water systems not committed will be transferred to the general reserves and made available for projects that meet readiness to proceed criteria and committed according to priority ranking of the projects. Any uncommitted funds available after the application 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 Intended Use Plan, unless bypassed. All carry-over applications from last year's fundable contingency list and new DWSRF applications 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 Intended Use Plan 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.

Bypass Procedures

With the commission's approval, the department may bypass any project on the fundable list that does not make satisfactory progress toward meeting requirements. Procedures for bypassing projects are contained in 10 CSR 60-13.020(3)(A).

Refinancing and Refunding Criteria for Readiness to Proceed

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

- The refinancing or refunding is necessary to meet affordability criteria after the current project financing is factored into the application's total debt service.
- 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.
- The current debt is not that of another state or federal agency.
- 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

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

www.dnr.mo.gov/env/wpp/index.html



Water Protection Program - Financial Assistance Center

PO Box 176 Jefferson City, MO 65102-0176

800-361-4827 www.dnr.mo.gov