



NWMO Water Partnership

Minutes Finance Meeting Thursday, September 27, 1:00 pm Maryville. MO

The attendees included:

Tye Parsons, Northwest Missouri Regional Council of Governments
David Williams, DNR, NWMO Satellite office
Dick Van Vactor, Water Partnership, Worth County
William Hills, Water Partnership
Robert Stiens, Water Partnership, Nodaway County
Kyra Mills, Atchison Co. Wholesale Water Commission
Harlan Higginbotham, Water Partnership
Brock Pfof, White Cloud Engineering and Construction
Doug Schulte, Snyder and Associates
Arnie Kreek, Northwest Missouri Regional Council of Governments
Lance Rains, Green Hills Regional Planning Commission
Bruce Hattig, Bartlett and West
Curtis Livengood, PWSD #1 Atchison County
Jerry Dearmont, Northwest Missouri Regional Council of Governments
Joe Boland, WPP Financial Assistance Center
Jerry Smith, WPP Financial Assistance Center
Breck Summerford, WPP, Public Drinking Water Branch
Steve McIntosh, WRP
Joy Reven, WPP, Financial Assistance Center

At that meeting, representatives from the Water Partnership inquired about a funding package that includes new water treatment facility and transmission lines in Atchison County. The proposed project included a water plant estimated to cost \$6.5 M to \$7M and a water line that would cost \$6.5M to \$7M.

FAC staff was only responding to what was presented to them at the meeting and not necessarily recommending this as a financial strategy for the county.

Atchison County has a population of 6,430. The low population and high costs are a dilemma.

The water plant is estimated to be \$6.5M to \$7M. The distribution system is estimated to be \$6.5M to \$7M

Under the scenario presented, Atchison Co. PWSD#1 would construct and own the distribution line. The six entities would be charged a \$1M impact (connection fee). Atchison Co PWSD #1 would take the impact fees and use them to build the distribution line. Each of the entities would apply for a rural water grant for up to 50% of the impact/connection fee. If fully awarded to all six entities - the rural water grants to Atchison County amount could reach almost \$3,000,000 from the proposed \$50M Clean Water Initiative bonds. Of the \$50M bond sale, \$12M has been internally allocated to drinking water projects. By awarding the rural water grants up to \$3M, the department will be committing approximately 25% of the state's drinking water allocation to this one county of the state.

FAC is able to accept rural water grant applications (with a 50% grant match requirement). The maximum rural water grant amount is \$500,000 per application. The applicant must have enough connections to justify this amount. No grant can exceed more than \$1,400 per connection. The attendees indicated that there would be enough connections to apply for the full \$500,000 at four of the entities. Craig would be limited since they reported 132 connections. Craig's grant is limited to \$1400 times 132, which is \$184,800. The group reported that Atchison Co PWSD #1 would have 347 connections. This would equal \$485,800.

The group reported that the initial applicants would be:

- Rockport
- Fairfax
- Tarkio
- Craig
- Atchison County #1
- Nodaway County #1

Under the scenario presented the water plant would be owned and operated by the Atchison County Wholesale Water Commission. Wholesale water commissions, like all grant applicants, are limited by the statutory requirement that the grant be based on the number of connections. The wholesale water district would only have 6 connections. At \$1,400 per connection, the grant amount would be \$8,400. For this reason, FAC suggested that the district consider a low interest loan from the drinking water SRF to fund the water plant.

Applicants must have their matching funds in place before they can be considered for a rural water grant. The group reported that the six entities would have difficulty securing a match to the rural water grant. Most indicated that they would need to vote bonds and match the grant with a loan. One entity will approach DED Community Development Block Grants for a grant to match the rural water grant. When we discussed the timeframe for applying, they were encouraged to apply now so that DNR has an indication of the need. The applications would be held until the applicants have secured their primary source of funds.

FAC will not be able to reserve cash if these applicants run into problems getting their primary source of funds. The bonds that fund these grants must be expended within 3 years of the bond sale.

FAC is very committed to helping finance safe and adequate drinking water. Drinking water SRF loans are available if applicants have voted bonds.

For additional grants/allocations - local leaders may want to contact their legislators to lobby for federal money or direct state appropriations.