

MINUTES
OF THE
ENVIRONMENTAL PROTECTION COMMISSION
MEETING
SEPTEMBER 15, 2015

MARSHALL COUNTY CONSERVATION BOARD
GRIMES FARM & CONSERVATION CENTER
2349 233RD ST
MARSHALLTOWN, IOWA



Chuck Gipp, Director

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MEETING MINUTES

CALL TO ORDER

The meeting of the Environmental Protection Commission was called to order by Vice Chairperson Chad Ingels at 10:00 a.m. on September 15, 2015 at the Marshall County Conservation Board office in Marshalltown, Iowa.

COMMISSIONERS PRESENT

Nancy Couser
Cindy Greiman, Secretary
LaQuanda Hoskins
Chad Ingels, Vice Chair
Ralph Lents
Bob Sinclair
Gene Ver Steeg

COMMISSIONERS ABSENT

Mary Boote, Chair
Joe Riding

ADOPTION OF AGENDA

Motion was made by Bob Sinclair to approve the agenda as presented. Seconded by Gene Ver Steeg. Motion carried unanimously.

APPROVED AS PRESENTED

APPROVAL OF MINUTES

Motion was made by Cindy Greiman to approve the August 18, 2015 EPC meeting minutes. Seconded by LaQuanda Hoskins. Motion carried unanimously.

APPROVED AS PRESENTED

MARSHAL COUNTY CONSERVATION BOARD WELCOME

Mike Stegman, Director of Marshall County Conservation Board, welcomed the Commissioners, DNR, and guests to the Nature Center. He shared with the group the history of the facility and grounds and described other resources in the county.

MONTHLY REPORTS

- Bill Ehm shared with the Commission NRCS's awarding Conservation Innovation Grants to Dubuque and Storm Lake for a water quality trading study.

The following monthly reports have been posted on the DNR website under the appropriate meeting month:

<http://www.iowadnr.gov/InsideDNR/BoardsCommissions.aspx>

- | | |
|------------------------------|--------------------------------------|
| 1. Rulemaking Status Report | 4. Administrative Penalty Report |
| 2. Variance Report | 5. Attorney General Referrals Report |
| 3. Enforcement Status Report | 6. Contested Case Status Report |

INFORMATION

PUBLIC COMMENT

Cherie Mortice – ICCI

Cherie Mortice shared with the Commission her enjoyable drive to Marshall County. The issue with our water is not a city verses rural issue. We all want the same thing, clean water. This alleged conflict has been perpetrated by politics and corporate Ag. Outside corporate interests control large portions of our land and water resources. Iowa has become their dumping ground. The real pressure is corporate Ag coming in, extracting quick profit, and leaving the negative environmental impacts for the residents to deal with. This does not serve Iowa well. Corporate Ag lacks a real commitment to the neighborhoods and residents of Iowa. The people, both country and city folk, want the same thing, clean water.

Sharon Donovan – ICCI

Sharon Donovan believes we need to do something about the plastic water bottles. If the water was clean, people wouldn't have to buy water bottles. Iowa was the first state in the nation to pass the Ag Gag law. The intent of the bill is to skirt the CAFO industry from scrutiny. Iowa has a problem from toxic CAFOs. She offered a suggestion to select 3 or 4 repeat bad polluters and issue Clean Water Act permits to them. The example will alert all CAFO owners that the Commission has gotten serious and the Commission expects CAFOs to live up to the letter of the law. By letting CAFOs slide, the Commission encourages bad management and illegal behavior. By doing nothing gives a silent nod of acceptance. When Commissioners accepted the honor to serve on the Commission, they agreed to protect the environment. Iowa is 49th in the nation for water quality.

Larry Ginter – ICCI

Larry Ginter shared with the Commission he is a retired farmer. A recent newspaper article described the water crises around the world. The United Nations has a 15 year plan to divert the crisis. In June 2015, twenty one of the thirty seven world's largest aquifers have passed their sustainability tipping point. Iowa produces 20 million hogs to sell to foreign markets. Iowa has lost topsoil and has increased its impaired waterways. He asked if it is rational for EPC to allow proliferation of CAFOs and for the Governor to blame Bill Stowe. He issued a warning to the EPC, Farm Bureau, Governor, and DNR that playing Russian roulette with the water supply is a bad idea. The DNR has not issued a NPDES permit to a hog facility.

Shari Hawk – ICCI

Shari Hawk felt it is redundant for her to come back to the EPC again to restate the obvious regarding Iowa's condition of its waterways. If only 3% of the grade schoolers could read, they would be in trouble. But when only 3% of Iowa farmers are using cover crops to protect the water we are supposed to cheer? She asked what is there to cheer about with the worsening of our waterways. Increased algae blooms and nitrates in the river make it so one can't play in the river or fish. If DNR has met the work plan goals and the waters are still polluted, then there is something wrong with the goals. Polluters are allowed to pollute without any consequences. The AFO data base is not transparent and accessible by the public who are not tech savvy. We are moving backwards instead of forwards but the DNR and EPA are saying we have accomplished our goals. No additional confinements should be built or enlarged until the issues are resolved.

Marian Kock – ICCI

Marian Kock represented we all need clean water. She commended the reuse of the water bottles during the state fair but asked why people need water bottles in the first place? She believes 10 years ago everyone used to drink out of the tap. She asked for tougher fines for those polluting the waters. Tougher fines are relative. If she received a \$10,000 fine, she would be devastated but a factory farm considers \$10,000 as just doing business. She believes the fines need to be increased and be significant for corporate Ag. Money speaks loudly. The DNR says that most facilities do not have run-off issues; but of the 99 recent run-off events, why only 25 referrals?

Carrie Fisher – ICCI

Carrie Fisher commented on the beautiful game fish on display here today but one manure release would kill all the fish. She would like to teach young people that tap water is safe to drink and you don't need a water bottle. She considered it interesting for the Des Moines Water Works to partner with the DNR on a water bottle refill station at the state fair but at the same time there is a lawsuit. Her waste is treated under the Clean Water Act but factory farm manure is not treated the same way. She asked why teach the kids to wash their car in the yard or reuse a bottle when the bigger problem isn't solved? She provided a handout indicating ICCI's steps to improve Iowa's water.

Adam Mason – ICCI

Adam Mason shared with Commissioners what they can do. He asked Commissioners to push the DNR to move forward and perform onsite inspections to find problems and then fix the problems. Stronger inspections will cut down on the number of manure spills and fish kills. The Governor is requesting a status quo budget to be presented next year. He encouraged the Commissioners to be bold and push for the resources you believe are needed to get the job done. A permit for factory farms is vital. The best way to make this rule stronger is use it for the sites with repeated manure spills. It won't be popular but it will be popular with ICCI and they have the EPC's back.

Written Comments Submitted

- None

END OF PUBLIC COMMENT**DIRECTORS REMARKS**

- Director Gipp did not provide a presentation.

INFORMATION

CLEAN WATER AND DRINKING WATER STATE REVOLVING LOAN FUND – FY 2016 INTENDED USE PLANS, SECOND QUARTER UPDATES

Patti Cale-Finnegan, SRF Coordinator, of the Water Quality Bureau presented the following item.

Commission approval was requested for the second quarter updates to the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUPs) for FY 2016 (July 1, 2015 – June 30, 2016). The CWSRF finances publicly owned wastewater and sewer facilities, storm water management for water quality, and nonpoint source control practices to keep pollution out of Iowa's water. The DWSRF covers water system projects, including source water, treatment, storage, and distribution and transmission, as well as consolidation and connections.

The Iowa SRF is operated through a coordinated partnership between the Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA). DNR administers the environmental and permitting aspects of the programs, with IFA providing financial assistance including loan approval and disbursements. Other important partners include the U.S. Environmental Protection Agency (EPA), the Iowa Department of Agriculture and Land Stewardship, Soil and Water Conservation Districts, county sanitarians, participating lenders, and others.

The FY 2016 IUPs include plans of action for the SRF programs, including goals and objectives, an analysis of current and projected financial capability, financial management strategies, the project priority lists, discussion of set-aside programs and efforts, and planned uses for administrative accounts.

The CWSRF update includes several provisions in response to new requirements passed by Congress through amendments to the Clean Water Act (CWA). These include:

- Selection of one group of loans to be reported under the Funding Accountability and Transparency Act (FFATA), showing how the annual federal capitalization grant funds have been used. SRF staff must ensure that these reported loans meet all of the federal requirements for the program and will likely use loans by large borrowers in order not to burden smaller communities with additional requirements.
- Implementation of cost and effectiveness analysis. SRF staff must require borrowers after October 1, 2015 to submit a certification indicating that they have evaluated such areas as life cycle costs, water and energy efficiency, and replacement costs in their facility planning and design.
- Adoption of disadvantaged community criteria. The State of Iowa has already adopted methodology to determine disadvantaged status, and the CWSRF program uses it for setting the interest rate on extended term (between 20 and 30 year) loans. Iowa's methodology includes all the factors required except population trends. Points for increasing and declining populations have been added to the system for determining the SRF interest rate only.

The IUPs are developed and updated quarterly, in June, September, December, and March or more often as needed. Each draft IUP and update is released for public comment, and then presented for approval to the Commission. A public meeting was held August 6, 2015 to receive comments on the proposed IUP updates. No oral comments were provided at the hearing. The written comment period closed on August 13, 2015 and no written comments were received.

The Sources and Uses tables for both CWSRF and DWSRF show that funds are available or obtainable to provide anticipated disbursements. Iowa continues to be able to fund all projects that are eligible for SRF assistance.

Motion was made by Ralph Lents to approve the agenda item as presented. Seconded by Nancy Couser. Motion carried unanimously

APPROVED AS PRESENTED

ECOS INNOVATION AWARD

Bill Ehm shared with the Commission that Iowa's State Revolving Fund program received an Innovative Award from the Environmental Council of the States.

WATER SUPPLY: WATER USE & ALLOCATION ANNUAL PERMIT FEE

Jon Tack, Bureau Chief, of the Water Quality Bureau presented the following item.

The Commission was asked to approve the Water Use and Allocation Program annual permit fee of \$99.00 per permit for SFY 2016.

Background

Water use permits are required of any person or entity using 25,000 gallons of water in a single day during the year, and are issued for a period of up to 10 years. Previously, appropriations from the General Fund were used to fund the water allocation and use permits program. During the 2008 legislative session, the legislature authorized the department to collect up to an additional \$500,000 in fees each fiscal year. Iowa Code §455B.265(6) requires the fees to be based on the Department's "reasonable cost of reviewing applications, issuing permits, ensuring compliance with the terms of the permits, and resolving water interference complaints." There are two types of fees in the Water Use and Allocation Program: an application fee and an annual permit fee. This request is for the determination of the annual fee for SFY 2016.

The annual fee rule, adopted in 2009, is summarized below (IAC 567-50.4(2) "b"):

- Each year, the Commission is asked to set the annual fee based on the budgeted expenses for that year minus the amount of any unused funds from the previous year and any general fund appropriations.
- The department reviews the annual permit fee each year and adjusts the fee as necessary to cover all reasonable costs required to develop and administer the water use permitting program.
- The annual fee is based on the number of active permits.
- Each permit holder pays the same annual fee.
- The fee is not prorated and is nonrefundable.
- The department requests Commission approval of the amount of the annual fee no later than September 30 of each year.
- The department provides an annual fee notice to each permittee at least 60 days prior to the fee due date.
- The annual fee due date is December 1st; 60 days prior is October 1st.

There is no annual fee required for either a water storage permit (permitted for the life of the structure) or a minor nonrecurring water use registration (one-year permit duration).

The annual permit fee was \$135.00 in the first two years, \$95.00 in SFY 2012, and \$66.00 in SFY 2013 and SFY 2014, and \$99.00 in SFY 2015.

SFY 2016 Budget

The worksheet included with this agenda brief illustrates the actual expenditures in SFY 2009 – 2015 and the budgeted amounts for SFY 2015 and SFY 2016. The final accounting figures for SFY 2015 are not expected to change. In addition to accomplishing the normal work activities of the program, the budget in 2016 includes the following:

- Completion of Phase 2 of the Water Use Program's computer database, including deployment in early SFY 2016; and

- Added 0.5 FTE to the program for modeling and technical assistance functions previously provided by the Iowa Geological Survey.

Fee Analysis

The second phase of computer programming required to complete the database functions was primarily conducted in SFY 2015. The business analysis and contract part of the project was completed in SFY 2014. The deployment of the new database occurred in early SFY 2016. At the Water Use Stakeholder meeting on July 30, 2015, the program’s activities and budget were reviewed. A \$99.00 annual water use permit fee was proposed for SFY 2016, which is the same as the SFY 2015 annual fee. The stakeholder members participating in the meeting concurred.

Based on the budget and stakeholder input, the annual water use permit fee for SFY 2016 should be \$99.00.

Motion was made by Bob Sinclair to approve the agenda item as presented. Seconded by Cindy Greiman. Motion carried unanimously

APPROVED AS PRESENTED

SOLID WASTE ALTERNATIVES PROGRAM – CONTRACT RECOMMENDATION

Tom Anderson, DNR SWAP Coordinator, of the Land Quality Bureau presented the following item.

The Department received 8 proposals requesting \$671,416 in financial assistance during the July 2015, round of funding. The review committee selected three (3) projects for funding for a total of \$76,465. One (1) proposal recommended for funding is greater than \$25,000 awarding a total of \$36,750 in a combination of a forgivable and zero percent loans.

The review committee consisted of five persons representing the Land Quality Bureau (2), Iowa Society of Solid Waste Operations (1), Iowa Recycling Association (1), and the Iowa Waste Exchange (1).

The Department requested Commission approval to enter into a contract with the selected applicants. A description of the recommended project, the project type, and the amount and type of funding assistance was provided.

Motion was made by LaQuanda Hoskins to approve the agenda item as presented. Seconded by Gene Ver Steeg. Motion carried unanimously

APPROVED AS PRESENTED

CONTRACT WITH WINDSOR SOLUTIONS, INC. FOR STATE & LOCAL EMISSIONS INVENTORY SYSTEMS (SLEIS)

Jason Marcel, Supervisor, of the Emissions Inventory & Support Section of the Air Quality Bureau presented the following item.

Commission approval was requested for a one-year Information Technology service contract with Windsor Solutions, Inc. The contract is anticipated to begin on September 16, 2015 and terminate on September 16, 2016. The total amount of this contract shall not exceed \$96,360.

Funding Source:

Funding for this contract is from an EPA Exchange Network Grant.

Background:

The DNR applied for and received a federal fiscal year 2013 Exchange Network Grant to implement the State and Local Emission Inventory System (SLEIS). SLEIS is an air emissions inventory data system that several states use to collect air pollution data from facilities. The total amount awarded was \$166,360, of which \$70,000 was allocated for contracting with Windsor Solutions to install, configure, support, and license SLEIS for a one year period. The remaining funds were initially to be used to develop data migration requirements, develop a data migration mapping document, and coordinate the implementation of the SLEIS system. The DNR has completed these tasks internally and has received approval from EPA to revise the work plan to use the remaining grant funds for several SLEIS enhancements.

A list of SLEIS enhancements has been created based on DNR and industry testing and prioritized based on their ability to meet DNR and stakeholder needs with respect to reporting emissions data. EPA supports the enhancements because they will also be available to other state and local agencies using SLEIS for their air emissions inventory reporting.

Purpose:

The purpose of this contract is to implement enhancements to SLEIS that would benefit DNR staff, industry, consultants, other SLEIS-using agencies, and EPA by allowing for: 1) improved quality of required data elements; 2) a reduction in data entry time for DNR staff and stakeholders; 3) facilitation of easier searching of air pollutants and emissions data; and 4) enhancement of readability of emissions reports.

Contractor Selection Process:

The work plan for the grant that funds this project specifies Windsor Solutions as the contractor because they were the vendor that developed SLEIS under a previous EPA grant issued to a consortium of six states. The State of Iowa Technology Coordinating Committee and Office of Chief Information Officer approved initiation of this project in November 2013 and the sole source procurement for the initial project was approved by the Department of Management in April 2014.

Motion was made by Bob Sinclair to approve the agenda item as presented. Seconded by Ralph Lents. Motion carried unanimously

APPROVED AS PRESENTED

CONTRACT AMENDMENT WITH IOWA DOT FOR STREAM SIGNAGE IN WQI WATERSHEDS

Allen Bonini, Supervisor, of the Watershed Improvement Section of the Water Quality Bureau presented the following item.

Commission approval was requested for a contract amendment with the Iowa Department of Transportation (DOT). The contract amendment will begin on September 15, 2015 and terminate on September 30, 2016. The contract amendment will add \$24,691 to the original contract amount of \$13,833. The total amended contract amount is \$38,168.20.

Funding Source: This contract amendment will be funded through EPA Section 319 grant funds.

Background: In 2014, DNR executed a contract with Iowa DOT to construct and install 80 stream and creek signs at 40 creek crossings (two per crossing) on state and federal highways within nine Section 319-funded watershed project areas in Iowa. The purpose of the contract was to enhance awareness of the creeks and their watersheds among landowners and residents within the Section 319 watersheds. The amount of the original contract was \$13,833.20. This contract amendment would add an additional phase of work to the original contract by having Iowa DOT construct and install 126 stream and creek signs at 63 creek crossings (two per crossing) on state and federal highways within three watersheds of Iowa's Water Quality Initiative (WQI): the Turkey, Boone, and Floyd River watersheds. The purpose of the contract amendment is to enhance awareness of the creeks and their watersheds among landowners and residents within the three WQI watersheds.

Purpose: The parties propose to enter into this contract amendment for the purpose of installing stream signage on state and federal highways in three watersheds of Iowa's Water Quality Initiative (WQI).

Contractor Selection Process: Iowa DOT was chosen for this project because it has jurisdiction over signage on state and federal highways in Iowa.

Contract History: This contract amendment adds an additional phase of work to the original contract with the Iowa DOT to install stream and creek signage on state and federal highways within watershed project areas in Iowa.

Motion was made by Bob Sinclair to approve the agenda item as presented. Seconded by Nancy Couser. Motion carried unanimously

APPROVED AS PRESENTED

FY 17 BUDGET REQUEST

Chuck Gipp, Director, of the Department of Natural Resources presented the following item.

The Environmental Protection Commission's approval was requested for the Department's appropriation request for Fiscal Year 2017. The State Budget Director has directed all departments to submit a status quo budget. The budget is required by statute to be submitted to the Department of Management by October 1, 2015.

Motion was made by Bob Sinclair to approve the agenda item as presented. Seconded by Cindy Greiman. Motion carried unanimously

APPROVED AS PRESENTED

CONTRACT WITH THE UNITED STATES GEOLOGICAL SURVEY AT THE UNIVERSITY OF IOWA FOR STREAM GAGING AND FLOW ANALYSIS AND WATER QUALITY SUPPORT

Roger Bruner, Supervisor, of the Water Monitoring & Assessment Section of the Water Quality Bureau presented the following item.

Commission approval was requested for a one year-service contract with the United States Geological Survey (USGS) in Iowa. The contract will begin on October 1, 2015 and terminate on September 30, 2016. The total amount of this contract shall not exceed \$ 449,680.00.

Funding Source: This contract will be funded through Environment First funds through cost center HB8A under the authority of Iowa Administrative Code (IAC) 455B.103.

Background: Water quantity and quality information is of key importance to understanding ecosystem health, flood potential the level of risk to human and within and beyond the watershed. Surface-water flow information in Iowa is collected on a nearly continuous basis at 128 stream gaging stations (26 supported in this agreement and another 10 through the Flood Plains Section), and real-time water-quality sensors (8 sites supported in this agreement) across Iowa. Lastly, the ability to estimate surface-water flow at ungaged sites in Iowa is critical for estimating pollutant loading and flux, Use Attainability Assessments and is needed by State Nutrient Reduction Strategy. The data will be made available to the public and used by the Department and others to support management and planning decisions.

Purpose: The parties propose to enter into this Contract for the purpose of retaining the Contractor to provide: gage data on streams, real-time nitrate sensor operation and maintenance, selected low flow statistical analysis, and to complete work on web based stream flow estimation model for the state.

Contractor Selection Process: DNR is allowed to contract with the University of Iowa pursuant to Iowa Code section 455B.103. The United States Geological Survey in Iowa was chosen for this project because of their expertise in water resource measurement and analyses.

Contract History: Since 1973 the USGS has been cooperating with the State to monitor stream flows. Since 2000 the USGS has cooperated with the Department to collection quality information and to update stream flow statistics.

Motion was made by Ralph Lents to approve the agenda item as presented. Seconded by Bob Sinclair. Motion carried unanimously

APPROVED AS PRESENTED

GENERAL DISCUSSION

- Jerah Sheets, Board Administrator, engaged with the Commissioners regarding obtaining business cards and educational opportunities during future EPC tours and business meetings.

Vice Chairperson Ingles adjourned the Environmental Protection Commission meeting at 11:53 a.m., Tuesday, September 15, 2015.

The Peoples Demands

Tough fines and penalties for polluters

DNR needs to issue the toughest fines and penalties possible to ensure that polluters are held accountable and to serve as a deterrent from future pollution.

On-site inspections that find problems and fix problems

DNR needs to ensure they can complete quality on-site inspections of factory farms, instead of desktop surveys, that lead to CWA permits.

Transparency and accountability to the public

DNR needs to create a publicly accessible, user friendly database that offers information about the implementation of the CWA Work Plan with details about inspections, permit determinations, and violations.

Clean Water Act permits for all factory farms

DNR needs to issue Clean Water Act permits to factory farm polluters to hold them to a higher set of standards or be shutdown.

Clean Water Act Work Plan Requires

The Work Plan requires tougher enforcement, including more violations subject to fines and penalties.

DNR is required to inspect 20% of all large and some medium sized animal feeding operations annually.

All information regarding animal feeding operations shall be made publicly accessible.

The Work Plan requires timely issue of CWA (NPDES) permits that meet federal requirements to all CAFOs that DNR determines discharge to waters of the U.S. and take timely and appropriate enforcement action if necessary.

Iowa DNR 2 Year Progress Report Spin

"Since the majority of larger facilities in Iowa are confinements, with animals housed under a roof and state law requiring manure containment, most facilities we inspect do not have problems with manure runoff..."

"DNR staff completed 41 percent of required animal feeding operation inspections in its first two years of the work plan."

"So far, 3,494 desktop inspections..." (via Twitter)

"With additional funding from the state, we were able to hire new staff for this intensive effort."

"We've worked to ensure those that do have problems receive actions, some of which result in new NPDES permits."

The Facts

The fines and penalties Iowa DNR issues are not a deterrent to pollute, they are a cost of doing business for corporate ag. Since the Work Plan was signed 2 years ago, there have been 99 manure discharges and DNR has issued only 23 administrative Orders, and 1 referral to the Attorney General.

In year 1 of the Work Plan, DNR failed to complete 20% of all factory farm inspections. CCI requested that DNR hire more inspectors to make sure there is the necessary workforce to complete appropriate inspections. Instead, DNR rushed through inspections to meet their goal which resulted in more, not fewer, manure spills.

DNR has not released important information regarding inspection outcomes, permit determinations, manure spill responses, or follow-up inspections to discharging facilities.

DNR has not issued a Clean Water Act (NPDES) permit to a hog factory farm in Iowa despite at least 17 documented manure spills in 2015, 5 of which reached a Water of the State.

*EPC 9-15-15
Public Comments ICCI*

DNR ENFORCEMENT

Process and Options

ENFORCEMENT PROCESS

- DNR Legal, Program Areas, Field Offices, and the Attorney General's Office conducted a Process Improvement for the Enforcement Process.
 - From this a Streamlined Enforcement Procedure was Developed
 - All Parties involved agreed on Enforcement Priorities and established Time Frames for Enforcement Actions
 - Enforcement Coordinators were assigned for Six Main Program Areas
 - Air Quality
 - Wastewater and Flood Plains
 - Water Supply
 - Underground Storage Tanks
 - Animal Feeding Operations
 - Solid Waste

ENFORCEMENT OVERVIEW

- Field Office or Central Office Compliance Staff discovers a Violation
 - Sends a Letter Informing Company of Violation or Potential Violation
 - Reviews Enforcement Priorities and Criteria
 - If Violations meet Priorities and Criteria, Prepares a Referral Memo
 - Referral Memo is reviewed by Supervisor and Enforcement Coordinator. In most cases there is a meeting between Specialist, Supervisor, and Enforcement Coordinator

COMPLIANCE AND ENFORCEMENT PROCEDURES

- 567 IAC 17
- Available Procedures
 - Informal Meeting
 - Letter of Inquiry
 - Letter of Noncompliance
 - Notice of Violation
- Option to Respond
- Department Discretion

ENFORCEMENT OVERVIEW

- If the Group agrees on Referral, the Specialist prepares a Referral for Legal
- The Referral is sent to Legal and to the Attorney General
 - The Attorney General's Office reviews every referral the DNR submits to Legal
 - Agree with Enforcement Option
 - Disagree with Enforcement Option
 - Ask for a Case even if DNR has not recommended Attorney General Referral

CALCULATING PENALTIES

- The Referral from the environmental specialist will likely include a penalty recommendation
- 567 Iowa Administrative Code 10
 - Economic Benefit
 - Gravity
 - Culpability
 - Mitigating/Aggravating

ECONOMIC BENEFIT

- If there has been an economic benefit, rule states the “Department shall take enforcement action which includes penalties which at least offset the economic benefit.” (567 IAC 10.2(1))
- When there is not clear data available, rule allows for reasonable estimates to be made (567 IAC 10.2(1))

ECONOMIC BENEFIT

- Avoided Costs
 - Those that have been permanently avoided and will not be incurred by compliance with the enforcement action
- Delayed Costs
 - The cost of compliance that has been delayed but will have to be performed

GRAVITY

- Effects and impact of the violations on the environment (actual or threatened)
- Federal program priorities and size of facility
- Degree ambient standards were exceeded
- Repeated violation or violation of Administrative Order
- Threat to the integrity of the regulatory program
- DNR expense in detecting, documenting and responding to the violation
- Only can assess \$3,000 (for each day of violation)

CULPABILITY

- Intent or Negligence – standard of care required
- False reporting or tampering with monitoring devices
- Remedial measures or mitigation of the harm
- Only can assess \$3,000 (for each day of violation)

MITIGATING OR AGGRAVATING FACTORS

- Penalty can be increased or decreased up to \$1,000
- Actions that were not covered under Economic Benefit, Gravity of Violations, or Culpability
- This is rarely used

ENFORCEMENT OVERVIEW

- Once the Referral Document is sent to Legal, Legal Services Bureau Chief will Assign the Case to one of the Attorneys
- Attorney will then work with the Field Office or Central Office Staff as well as the Attorney General's Office in moving forward with an enforcement action

ENFORCEMENT OPTIONS

- Administrative Consent Order
- Unilateral Administrative Order
- Attorney General Referral

ADMINISTRATIVE ACTIONS

Consent Orders and Unilateral Orders

- Only for civil violations
 - Criminal Cases are handled by County Attorneys, Criminal Division of the Attorney General's Office, or EPA Criminal (Department of Justice)
 - If Injunctive Relief is Required, Involvement from Attorney General's Office is Generally Required
- Penalties cannot exceed \$10,000
- Handled by Department Attorney

ADMINISTRATIVE CONSENT ORDER

- Preferred Method of Enforcement
 - Usually is a quicker method
 - Fosters cooperation and continued compliance
 - No appeal rights
 - Agreement between alleged violator and DNR
 - Signed by both parties

ADMINISTRATIVE CONSENT ORDERS

- Tools to use in an administrative consent order
 - Compliance Schedules
 - Stipulated Penalties for Future Violations (Penalty and Stipulated Penalties cannot exceed \$10,000)
 - Supplemental Environmental Projects (SEPs)

UNILATERAL ADMINISTRATIVE ORDER

- Used now when Negotiations fail or in a Situation where it is known Negotiations will not work
- DNR issues a Unilateral Administrative Order with no Input from Alleged Violator
- This document contains Appeal Rights
- If negotiations fail on this type of Appeal, the Matter is resolved with a Contested Case Hearing

ATTORNEY GENERAL REFERRAL

- Civil Cases with Penalties in excess of \$10,000
- If Penalty does not exceed \$10,000 can be referred
 - History of recalcitrance
 - Violated past Administrative Order
 - Unwillingness to negotiate Administrative Consent Order

ATTORNEY GENERAL REFERRAL

- Other Factors to Consider
 - Multi-Media Violators
 - Possible Bankruptcy
 - Contempt of Prior Judgment
 - High Priority Violators
 - Air Quality Cases – EPA establishes Guidelines for “High Priority Violators” and if a violation is determined to be a High Priority Violation, DNR is required to initiate enforcement within a certain amount of time, if this is not done, EPA may take the case

ATTORNEY GENERAL REFERRAL

- Important to remember that compliance and enforcement may be occurring at the same time
 - Just because a company is now compliant or is coming into compliance does not negate the severity of the violations warranting referral

ATTORNEY GENERAL REFERRALS

- Options if EPC Chooses not to Refer a Case to the Attorney General's Office
 - DNR can enter into an Administrative Consent Order with the Violator
 - DNR can issue a Unilateral Administrative Order to the Violator
 - Attorney General can take the case Independently of the EPC's Decision
 - DNR can request that EPA take the Case or EPA can take the case without a request from DNR

CLOSED SESSION

- EPC May Go Into Closed Session:
 - To Discuss Strategy with Counsel
 - In Matters That Are Presently in Litigation or Where Litigation is Imminent
 - Where Its Disclosure Would Be Likely To Prejudice or Disadvantage the Position of EPC In That Litigation. Iowa Code Section 21.5(1)(c)

10,000 Bottles Diverted



Be An Environmental Superhero



It takes everyone

TIPS TO USE LESS WATER & IMPROVE WATER QUALITY

WASH YOUR CAR IN THE GRASS
Keep dirt, grease and other pollutants out of storm sewers by washing your car at a commercial car wash or on your lawn. Car washes collect the wash water for later treatment, and the ground judge filter out pollutants when you wash at home. Don't make sure your soap washes into storm sewers.

PLANT A RAIN GARDEN
Rain gardens are depressions in your yard that use deep-rooted native plants to help soak up rain as it runs off your lawn or roof. The collected water can soak into the ground, where the soil will filter out pollutants, instead of running off into the storm sewer (where that water could run into waterways or be treated). Plant the plants locally your yard and create excellent habitat for pollinators like butterflies, bees and birds.

MAKE LAUNDRY COOL
Doing laundry every seven to ten days, but you can make it cooler by using cold water to wash clothes. Most detergents do a great job of cleaning in cold water, and you save loads of energy—about 50 percent of energy used by your washing machine is from heating up water. Doing that every two weeks benefits emissions, too, which can help reduce the amount of heat being trapped in our atmosphere.

TURN OFF THE TAP
Something as simple as turning off the faucet while you brush your teeth can save up to 100 gallons of water a month! Use the same idea when washing dishes, washing your face, giving the dog a bath, or even while shampooing your hair. In the shower, that only does that every once in a while, but it saves valuable water for the most important uses.

Take it Outside
DEPARTMENT OF NATURAL RESOURCES

CONTINUED TIPS TO USE LESS WATER & IMPROVE WATER QUALITY

USE A RAIN BARREL
Collect rain that would normally just run off your roof through the gutter by catching it in a rain barrel. Rain barrels give you a readily available supply of naturally "soft" water ready to use in landscaping or vegetable gardens, saving you money and helping your plants. Plus, it helps reduce the amount of water collection head to the storm sewer.

PLANT TREES FOR SHADE
Strategically place trees in your yard to provide shade in the summer (reducing your air conditioning use) and to provide windbreaks in the winter (reducing your heating costs). Well-placed trees can reduce summer energy needs by up to 10 percent and winter energy needs by up to 15 percent in some areas and 40 percent in rural areas. Not only does this save you money, but it reduces carbon dioxide emissions, too, which can help reduce the amount of heat being trapped in our atmosphere.

FEED YOUR LAWN A HEALTHY SNACK
If you choose to fertilize your lawn, make sure to choose a phosphorus-free fertilizer. Most fertilizers have too much phosphorus, and it's harmful to the environment. Plus, that runoff finds its way into streams, rivers and lakes, if you have phosphorus-algae blooms. Consider testing your soil to see if phosphorus is truly needed before applying fertilizer. Better yet, use natural fertilizers and mulches. Your pet and kids won't accidentally ingest harmful chemicals and they won't be tracked into the house.

Take it Outside
DEPARTMENT OF NATURAL RESOURCES

Reduce, Reuse, Recycle

TIPS TO REDUCE, REUSE, RECYCLE! THE POSSIBILITIES ARE ENDLESS

COMPOST AWAY
There's money in your waste bags or services by turning your own compost pile at home, which also composting ready sources of natural fertilizer for your landscaping. Here are easy to build yourself, or look for one at a home improvement store. The cost for the compost pile has gone down. The lawn and garden, so you may add in dirt or old coffee cups. You can even compost that apple core and other food scraps, so long as you keep out ladybugs, ants, bees and other pests. Composting can reduce the amount of food going to the landfill, and our composting bins help handle pollutants out of the air, making it easier to breathe for everyone.

BUY USED
Big garage sales and consignment stores to reuse your stuff, on the basis like clothes and on the small like home decor, too. There's a lot of money, but it can also reduce the amount of resources being used to manufacture new items.

UPCYCLE
The next time you get an old item, but someone else can't use it, don't throw it away. Think about it. You can still reuse one because you'll reuse the bag. Upcycling opportunities are everywhere! There's always a way to use for something old, which helps it not being so valuable again in the landfill. It also can save you money since you may not need to buy a new one bag to hold!

Take it Outside
DEPARTMENT OF NATURAL RESOURCES

TIPS TO REDUCE, REUSE, RECYCLE CONTINUED

PASS IT ON
When you're done with that pair of pants or missing towel set, donate your gently used items to a local charity store or charity. Giving your goods a second life keeps them out of the landfill. If you're not sure where to take them, try the Iowa Goodwill at www.goodwill.com.

RECYCLE
Outdoor programs and recycling centers make recycling easy— you can even recycle all sorts of things, from old appliances to old toys. Recycling can help reduce the amount of waste going to the landfill, and our recycling bins help handle pollutants out of the air, making it easier to breathe for everyone.

REDUCE, REUSE, REFILL
Cut out the plastic water bottle habit with a sturdy reusable water bottle. It keeps more water in your pocket, plus it keeps tons of plastic bottles out of the waste stream. If you still have some plastic water bottles in the recycling bin, try reusing them to make items like planters and birdhouses, or reuse your own old projects!

Take it Outside
DEPARTMENT OF NATURAL RESOURCES



STEM Careers

AIR QUALITY SUPERHEROES
UP AND AWAY
Air quality heroes across the state work to help breathe cleaner air. On the QATAP, we monitor emissions of air pollutants and track ambient air quality, issue permits and assess permit holders' annual health. We also use computer models to help assess how businesses can continue to grow while generating air quality.

NOT ALL SUPERHEROES WEAR CAPES
A full safety harness protects firefighters and rescue workers from falling. A hard hat, gloves and goggles provide extra protection.

MORE THAN A UTILITY BILL
When we spend our money, we choose the amount of pollutants being emitted, and we choose to make sure the resources in our homes are used efficiently.

IT'S A BIRD, IT'S A PLANE, IT'S A STACK INSPECTOR!
This man's expertise is checking to see whether a large power plant or refinery stack is being inspected for air quality. Stack testing measures the amount of pollutants being emitted, and inspectors assess risk to help control air quality.

LAND QUALITY SUPERHEROES
DYNAMIC Duo
Regulation is to protect Iowa's environment happens both in the field and in the office. In our state we're collaborating with a team we made aware of data and observations collected in the field.

KNOWING IS HALF THE BATTLE
Chemical and biological in science and engineering. QATAP team members work to better understand and protect our state's valuable natural resources. Our staff also helps improve air quality planning, permitting, and air quality work in coordination with other departments. Some help us regulate and others help us monitor emissions.

GREEN'S ENVIRONMENTAL GUIDE BOOK
The Department of Natural Resources has a new book, "think green".

ALL IN A DAY'S WORK
Regulatory experts, modelers, data analysts, and scientists work together with business to improve our state's environment and address water and related regulations. In addition, we promote water protection and recycling programs and facilitate the exchange of reusable materials.

WATER QUALITY SUPERHEROES
This badge is for the frequently asked questions, which address the collection and sharing of data before water is released into the state's waterways. It's a badge that is not connected to the red badge, which is the identification without having the data.

IT'S NOT TO BE A HERO
This badge is for the frequently asked questions, which address the collection and sharing of data before water is released into the state's waterways. It's a badge that is not connected to the red badge, which is the identification without having the data.

TO FINISH AND BEYOND!
Durable data, water quality samples also look for large, public water and treatment systems that fit in the water. This information helps address the health of Iowa's water and assess water use for recreation.

WATER QUALITY HEROES
Water quality heroes across the state work to help protect our waterways. They monitor water quality, issue permits, and assess permit holders' annual health. We also use computer models to help assess how businesses can continue to grow while generating water quality.

Take it Outside Iowa Department of Natural Resources

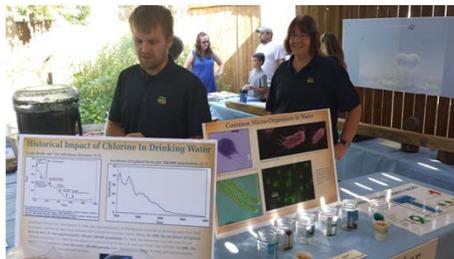
Puzzles for All Ages



Environmental Jeopardy



Water Day! Theme Day



Partnership – Water Station



Agenda

Environmental Protection Commission

September 15, 2015
Marshall County Conservation Board
Grimes Farm & Conservation Center
2349 233rd St
Marshalltown, IA 50158

Monday, September 14, 2015 – Education Tour - JBS Processing Facility

Advance registration for the Lunch & Education Tour is required for security background checks.

Please contact Jerah Sheets at Jerah.Sheets@dnr.iowa.gov or 515-313-8909 by September 10th to register.

11:30 PM – Lunch

12:30 PM – Tour Begins

6:00 PM – Mama DiGrado’s 2500 S Center Street, Marshalltown, IA

Tuesday, September 15, 2015 – EPC Business Meeting- Grimes Farm & Conservation Center

8:30 AM – New Commissioner Training – Referral Process – Ed Tormey

10:00 AM – Meeting begins

Public Participation¹ – Requests to speak during the business meeting Public Participation must be submitted to Jerah Sheets at Jerah.Sheets@dnr.iowa.gov, 502 East 9th Des Moines, IA 50319, 515-313-8909, or in-person by the start of the business meeting. Please indicate who you will be representing (yourself, an association, etc.), the agenda item of interest, and your stance of For, Opposed, or Neutral.

If you are unable to attend the business meeting, comments may be submitted via mail and email for the public record. The Commission encourages data, reports, photos, and additional information provided by noon the day before the meeting to allow ample time for review and consideration.

Agenda topics	
1	Approval of Agenda
2	Approval of Minutes
3	Monthly Reports Bill Ehm (Information)
4	Public Participation
5	Director’s Remarks Chuck Gipp (Information)
6	Clean Water and Drinking Water State Revolving Loan Fund – FY 2016 Intended Use Plans, Second Quarter Updates Patti Cale-Finnegan (Decision)
7	Water Supply: Water Use & Allocation Annual Permit Fee Jon Tack (Decision)
8	Solid Waste Alternatives Program – Contract Recommendation Tom Anderson (Decision)
9	Contract with Windsor Solutions, Inc. for State & Local Emissions Inventory Systems (SLEIS) Jason Marcel (Decision)
10	Contract Amendment with Iowa DOT for Stream Signage in WQI Watersheds Steve Hopkins (Decision)

11	FY 17 Budget Request	Chuck Gipp (Decision)
12	Contract with the United States Geological Survey at the University of Iowa for Stream gaging and flow analysis and water quality support	Roger Bruner (Decision)
13	General Discussion	
14	Items for Next Month's Meeting	
	<ul style="list-style-type: none"> • October 20, 2015 – EPC Business Meeting, Windsor Heights • November 17, 2015 – EPC Business Meeting, Windsor Heights 	

For details on the EPC meeting schedule, visit
<http://www.iowadnr.gov/InsideDNR/BoardsCommissions.aspx>

¹ Comments during the public participation period regarding proposed rules or notices of intended action are not included in the official comments for that rule package unless they are submitted as required in the Notice of Intended Action.

Any person attending the public meeting and has special requirements such as those related to mobility or hearing impairments should contact the DNR or ADA Coordinator at 515-725-8200, Relay Iowa TTY Service 800-735-7942, or Webmaster@dnr.iowa.gov, and advise of specific needs.

Monthly Variance Report
July 2015

Item No.	Facility/City	Program	DNR Reviewer	Subject	Decision	Date
1	Rail One USA	Water Supply Construction	Robert Campbell	variance from requirement that legal control of the land for a 200' radius around the well be obtained.	Approved	7/10/2015
2	Iowa DOT	Flood Plain	Kelly Stone	variance from the backwater criteria for the Q50 and Q100 for the replacement of the existing bridges.	Approved	7/20/2015
3	Kruse Dairy Farm	AFO	Paul Petitti	variance from minimum required setback for drinking water well from an open feedlot runoff control basin.	Approved	7/24/2015
4	Sparboe Farms- Coulter Pullet Farm	AFO	Cindy Garza	variance from minimum required distance from well to outside edge of poultry confinement building.	Approved	7/24/2015
5	John Deere Foundry	Air Quality	Brian Hutchins	Variance to conduct a trial of an INMOLD process.	Approved	7/6/2015
6	Grain Processing Corp	Air Quality	Dennis Thielen	Variance to operate stack without the required SO2 and Opacity CEM operating.	Approved	7/20/2015
7	Pinnacle Ethanol LLC (dba POET)	Air Quality	Reid Bermel	Variance to modify boilers without obtaining modified permits.	Approved	7/20/2015
8	Great River Regional Waste Authority	Environmental Management System	Leslie Goldsmith	Variance to substitute the EMS annual report for comprehensive plan updates.	Approved	7/7/2015
9						
10						

**DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROTECTION COMMISSION
ATTORNEY GENERAL REFERRALS
September, 2015**

Name, Location and Region Number	Program	Alleged Violation	DNR Action	New or Updated Status	Date
Feinberg, Marty; Feinberg Metals Recycling Corp. Fort Madison (6)	Solid Waste	Operation Without Permit; Illegal Disposal	Referred to Attorney General	Referred	4/14/15
Kossuth County (2) UPDATED	Animal Feeding Operation	DNR Defendent	Defense	Petition for Judicial Review State's Answer P&J Pork Motion to Intervene Order Granting Motion to Intervene Kossuth County Brief State's Brief District Court Review Without Oral Argument Ruling on Petition for Judicial Review Remanded to EPC	9/18/14 10/08/14 11/07/14 11/20/14 2/03/15 2/13/15 3/04/15 7/30/15
North Central Iowa Regional SWA Fort Dodge (2)	Solid Waste	Operating Permit Violations	Referred to Attorney General	Referred	9/17/13
Peeters Development Co., Inc.; Mt. Joy Mobile Home Park Davenport (6) UPDATED	Wastewater	Monitoring/Reporting; Compliance Schedule; Discharge Limits; Operation Violations; Certified Operator Discipline	Referred to Attorney General	Referred Petition Filed Answer Filed	3/18/14 6/18/15 7/16/15
Scallon, Jim Austinville (2) UPDATED	Solid Waste	Illegal Disposal	Referred to Attorney General	Referred Petition Filed Answer Jury Demand Resistance to Jury Demand Jury Demand Hearing Scheduled Consent Order, Judgment and Decree \$5,000/Civil Penalty and Past Due DNR Administrative Penalty	5/20/14 5/28/15 6/22/15 6/22/15 6/25/15 7/27/15 8/15/15

**DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROTECTION COMMISSION
CONTESTED CASES
September, 2015**

DATE RECEIVED	NAME OF CASE	F.O.	ACTION APPEALED	PROGRAM	ASSIGNED TO	STATUS
10/29/09	Harlan Rudd; Karen Rudd; dba Rudd Brothers Tires	6	Order/Penalty	UT	Brees	Informal negotiation. CADR was submitted, partially rejected with options. Settlement letter sent 2/24/10.
3/11/10	Bondurant, City of	5	Order/Penalty	WW	Hansen	7/2013-On hold pending further investigation. 5/15 – Letter to City Attorney regarding meeting to discuss appeal.
2/28/11	Manson, City of	3	Order/Penalty	WS	Hansen	4/1/11 – Settlement conference held with City. 6/22/11- Settlement offer received from City attorney. 6/28/11- More information requested from City attorney concerning the settlement proposal. 11/29/11- Settlement meeting with City regarding new well project. 12/2011 – City proceeding with project. 6/2012- Contractor worked on new well to remove debris in well. Test pump to be installed to do test of well capacity. 07/2012- City to abandon new well and select new site for well to increase PWS capacity. 10/2012- Water plant work to be done week of 12/10/12. 5/2013- New well project & appeal on hold, pending UDSA funding decision. 6/2/13 – USDA funding decision received. 6/26/13 – New bid date for well project. . 7/2013- Tentative schedule for new well received from City’s engineer. 8/13 – Drilling on test well begun by contractor. 9/13 – Test well not productive, new well site approved by Dept. New test well to be drilled. 10/13- Test well drilled but not successful. Test well abandoned. City Council to decide on next step. 1/24/14 – City’s engineer sent revised construction schedule for another test well and production well. 5/23/14- Test well drilled but not successful. City Council to determine next step. 6/20/14- Letter sent to City requesting plan of action and schedule by 8/30/14 for returning to compliance with order. 8/29/14 – New schedule received from City, to be incorporated into proposed consent amendment. 01/26/14- Proposed consent amendment sent to City for review. 07/15 – Discussions with City regarding project schedule.

**DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROTECTION COMMISSION
CONTESTED CASES**

September, 2015

DATE RECEIVED	NAME OF CASE	F.O.	ACTION APPEALED	PROGRAM	ASSIGNED TO	STATUS
8-27-12	Ag Processing, Inc.; Sergeant Bluff	4	Permit Conditions	AQ	Preziosi	Met with appellant 1/31/14. Met with appellant 3/12/14. Negotiations continuing. Appellant to submit further information in April. Settled in concept. Last communication with appellant on 5/22/14. Communication from appellant 7/22/14. Internal meeting 9/5/14. Letter sent to appellant 12/14 proposing terms of settlement. Met with appellant on 7/8/15.
11-21-12	Ag Processing Inc.	6	Permit Conditions	AQ	Preziosi	Continuing negotiations. Last communication with appellant on 5/20/14. Communication from appellant 7/22/14. Internal meeting 9/5/14. Letter sent to appellant 12/14 proposing terms of settlement. Meeting with appellant schedule for 8/6/15.
3-04-13	Anderson Excavating Co., Inc.	4	Order/Penalty	SW	Scott	Landfill closure remains in final stages, and discussions concerning post-closure are underway. Company has obtained adequate financial assurance as required by regulation and order. Settlement of pending AO to be addressed once closure is complete.
6-10-13	Mike Jahnke	1	Dam Application	FP	Schoenebaum	Hearing held 7/30/14. ALJ upheld the permit issued by the Department. Mr. Jahnke appealed but on 11/3/14 he asked that his appeal be put on hold until April, 2015.
10-28-13	Regional Environmental Improvement Commission/Iowa Co. SLF	6	Variance	WW	Tack	2/20/15 – Settlement reached. Awaiting execution. 8/13/15 - Appeal withdrawn.
1/16/14	Council Bluffs Water Works	4	Permit Conditions	WW	Tack	Hearing continued. Settlement discussions ongoing.
4/17/14	REIC/Iowa Co. Sanitary Landfill	6	Permit Conditions	WW	Tack	4/27/15 Consent Order signed by REIC. Awaiting receipt.
10/01/14	Amsted Rail Company, Inc. (Griffin Wheel Co.)		Permit Conditions	SW	Scott	Remain in discussions with company's counsel concerning appeal of permit conditions and issues related to closure.
11/13/14	Adam Timmerman	3	Order/Penalty	AFO	Book	Hearing has been continued. A settlement agreement has been reached and is under review by Mr. Timmerman.
1/21/15	Sidney, City of	4	Permit Conditions	WS	Hansen	Negotiating before filing. 5/15 – Letter sent to City with settlement offer.

**DEPARTMENT OF NATURAL RESOURCES
ENVIRONMENTAL PROTECTION COMMISSION
CONTESTED CASES**

September, 2015

DATE RECEIVED	NAME OF CASE	F.O.	ACTION APPEALED	PROGRAM	ASSIGNED TO	STATUS
2/05/15	Mahle Engine Components USA	4	Order/Penalty	WW	Hansen	Negotiating before filing. 5/15 – Settlement conference to be scheduled.
3/31/15	Duane Covington	5	Notice to Revoke License	WS	Hansen	Hearing continued to 9/15/15.
5/22/15	Cedar Ridge Vineyards	6	Order/Penalty	WW	Hansen	Negotiating before filing.
7/02/15	Emmetsburg, City of	3	Permit Conditions	WW	Hansen	Negotiating before filing.
7/07/15	Boone, City of	5	Permit Conditions	WS	Hansen	Negotiating before filing.
7/10/15	Barry Ewoldt	2	Notice of Verified Well Interference	WR	Crotty	Negotiating before filing.

DATE: September, 2015

TO: EPC

FROM: Ed Tormey

RE: Enforcement Report Update

The following new enforcement actions were taken during this reporting period:

Name, Location and Field Office Number	Program	Alleged Violation	Action	Date
Horras Hogs, LLC; DJB Family Farms, LLC Jefferson Co. (6)	Animal Feeding Operation	Prohibited Discharge – Confinement; WQ Violations – General Criteria; Uncertified Applicator	Consent Order \$4,000	7/29/15
Steve Boevers and Dresden, LLC Chickasaw Co. (1)	Animal Feeding Operation	Prohibited Discharge – Confinement; WQ Violations – General Criteria	Consent Order \$6,000	8/11/15
Gary Eggers Stacyville (2)	Solid Waste Wastewater	Operation Without Permit; Illegal Disposal; Prohibited Discharge; Stormwater – Operation Without Permit	Order/Penalty \$10,000	8/17/15

IOWA DEPARTMENT OF NATURAL RESOURCES
 ENVIRONMENTAL PROTECTION COMMISSION
 RULE MAKING STATUS REPORT
 September, 2015

Proposal	Stakeholder Engagement	Sent for Governor's Pre-Approval (Job Impact) Statement	Notice to EPC	Notice Published	ARRC No.	ARRC Mtg.	Hearing	Comment Period	Final Summary To EPC	Rules Adopted	Rules Published	ARRC No.	ARRC Mtg.	Rule Effective
1. Ch. 20, 21, 23, 25, 26, 27, 28, 31 and 33 – AQ 5-Year Rule Review; Rescissions and Updates														
2. Ch. 22, 23, 30 31 and 33 – AQ Program Application Fees		7/16/15												
3. Ch. 50, 52 and 53 – Water Allocation and Use – Jordan Aquifer		1/26/15 1/30/15	2/17/15	3/18/15	1914C	4/10/15	4/8, 4/9, 4/10/15	4/14/15	6/16/15	6/16/15	7/08/15	2053C	8/11/15	8/12/15
4. Ch. 60, 62, 63, 64 and 67 – for National Pollutant Discharge Elimination System (NPDES) and Iowa Operation Permits		5/28/15 3/23/15												
5. Ch. 64 – NPDES General Permit No. 2 (GP2)		10/21/14 12/12/14	1/21/15	2/18/15	1873C	3/06/15	3/18, 3/25, 3/27/15	4/01/15	6/16/15	6/16/15	7/08/15	2054C	8/11/15	8/12/15
6. Ch. 209 – Landfill Alternative Financial Assistance		4/15/15 5/28/15	8/18/15	9/16/15	2140C		10/06/05	10/06/15						

IOWA DEPARTMENT OF NATURAL RESOURCES
LEGAL SERVICES BUREAU

DATE: September 1, 2015
TO: Environmental Protection Commission
FROM: Ed Tormey
SUBJECT: Summary of Administrative Penalties

The following administrative penalties are due:

NAME/LOCATION	PROGRAM	AMOUNT	DUE DATE
Robert and Sally Shelley (Guthrie Center)	SW	1,000	3-04-91
Daryl & Karen Hollingsworth d/b/a Medora Store(Indianola)	UT	3,825	3-15-96
Greg Morton; Brenda Hornyak (Decatur Co.)	SW/AQ/WW	3,000	11-04-98
James Harter (Fairfield)	WW	1,336	8-01-01
* Floyd Kroeze (Butler Co.)	AFO	1,500	2-20-01
Midway Oil Co.; David Requet (Davenport)	UT	5,355	9-20-02
Midway Oil Co.; David Requet; John Bliss	UT	44,900	2-28-03
Green Valley Mobile Home Park (Mt. Pleasant)	WW	5,000	4-23-03
Midway Oil Company (West Branch)	UT	7,300	5-03-03
Midway Oil Company (Davenport)	UT	5,790	5-03-03
Albert Miller (Kalona)	AQ/SW	9,735	9-26-03
Mike Messerschmidt (Martinsburg)	AQ/SW	500	4-13-04
Interchange Service Co., Inc., et.al. (Onawa)	WW	6,000	5-07-04
# Dunphy Poultry (Union Co.)	AFO	1,500	6-27-04
# Cash Brewer (Cherokee Co.)	AFO/SW	10,000	8-25-04
# Doorenbos Poultry; Scott Doorenbos (Sioux Co.)	AFO	1,500	10-09-04
# Doug Sweeney (O'Brien Co.)	AFO	375	12-21-04
Harold Linnaberry (Clinton Co.)	SW	1,000	5-18-05
# Joel McNeill (Kossuth Co.)	AFO	2,460	1 21-06
Affordable Asbestos Removal, Inc. (Monticello)	AQ	7,000	4-28-06
# Troy VanBeek (Lyon Co.)	AFO	3,500	10-16-06
Larry Bergen (Worth Co.)	AQ/SW	257	11-01-06
# Joshua Van Der Weide (Lyon Co.)	AFO	3,500	2-25-08
Jon Knabel (Clinton Co.)	AQ/SW	2,000	12-16-08
# Rick Renken (LeMars)	AFO	996	7-03-09
# Brian Lill (Sioux Co.)	AFO	2,755	7-18-09
Denny Geer (New Market)	SW	9,476	10-31-09
Shrey Petroleum; Palean Oil; Profuel Three (Keokuk)	UT	10,000	3-19-10
Melvin Wellik; Wellik-DeWitt Implement (Britt)	AQ/SW	2,900	4-08-10
Alchemist USA, LLC; Ravinder Singh (Malcom)	UT	8,260	5-03-10
# LJ Unlimited, LLC (Franklin Co.)	AFO/AQ/SW	3,500	5-27-10
Bret Cassens; J & J Pit Stop (Columbus Junction)	UT	8,700	6-20-10
# Christopher P. Hardt (Kossuth Co.)	AFO	2,000	7-07-10
AKD Investments, LLC; H.M. Mart, Inc. (Blue Grass)	UT	6,900	8-06-10

#Animal Feeding Operation
BOLD Entries Have Been Referred to DRF

# Joe McNeill (Kossuth Co.)	AFO	2,460	12-23-10
Gonzalez & Sons Express, Inc. (DeSoto)	WW	8,000	4-20-11
David C. Kuhlemeier (Cerro Gordo Co.)	AQ/SW	700	6-30-11
Steve Friesth (Webster Co.)	AQ/SW	7,857	11-26-11
Josh Oetken (Worth Co.)	AQ/SW	8,220	3-11-12
Bhupinder Gangahar/Saroj Gangahar/International Business	UT	7,935	4-20-12
Finney Industrial Painting, Inc. (Fairfield)	AQ/WW	19	4-23-12
Terry Philips; TK Enterprises (Washington Co.)	AQ/WW	3,000	5-30-12
# Boerderij De Vedhoek, LLC (Butler Co.)	AFO	8,500	11-16-12
B Petro Corporation (Cedar Rapids)	UT	7,728	5-13-13
Ken Odom (Iowa Co.)	AQ/SW	5,000	4-26-13
Massey Properties, LLC; The Wharf (Dubuque)	WS	10,000	10-05-13
Robert Downing (Mahaska Co.)	AQ/SW	10,000	11-20-13
Shriners Hospital for Children, Inc. (Des Moines)	UT	8,890	12-03-13
Larry Eisenhower (Woodbury Co.)	AQ/SW	4,675	3-01-14
Randy Wise; Wise Construction (Buena Vista Co.)	AQ/SW	3,000	4-10-14
Advanced Electroforming, Inc. (Cedar Co.)	AQ	1,500	4-03-14
Western Iowa Telephone Assoc. (Lawton)	WW	4,000	5-24-14
Wendall Abkes (Parkersburg)	SW	3,000	7-30-14
Donna J. Jensen (Ringsted)	AQ/SW	3,000	10-17-14
Dennis Habben (Sioux Co.)	SW	3,000	11-01-14
Leda Properties, LTD (Dubuque)	WW	5,000	12-12-14
Annie's LLC; Togie Pub (Lime Springs)	WS	3,500	12-22-14
Joel Thys; Thys Chevrolet, Inc. (Benton Co.)	AQ/SW	10,000	1-04-15
West Central Cooperative (Halbur)	WW	4,000	1-04-15
Muscatine County Solid Waste Mgmt. Agency (Muscatine)	SW	6,000	2-11-15
# Mark Yeggy; Randalyn Yeggy (Washington Co.)	AFO	5,000	3-23-15
# Benjamin J. Waigand (Union Co.)	AFO	2,500	4-15-15
Aerial Crop Care; Tri State Agri; Hoppe Airspray (Lyon)	WW	3,500	4-23-15
# Cob Rollers Pork, LLC (Bremer Co.)	AFO	3,500	4-30-15
# Tim VanEaton (Orient)	AFO	6,000	7-21-15
# Horras Hogs, LLC; DJB Family Farms, LLC (Jefferson Co.)	AFO	4,000	8-29-15
	TOTAL	347,304	

The following penalties have been assessed but are not due at this time:

Gary Eggers (Stacyville)	SW/WW	10,000	10-17-15
	TOTAL	10,000	

The following penalties have been placed on payment plans:

* Reginald Parcel (Henry Co.)	AQ/SW	110	4-23-05
* Country Stores of Carroll, Ltd. (Carroll)	UT	1,408	6-06-05
* Douglas Bloomquist (Webster Co.)	AQ/SW	3,500	12-01-07
* Jack Knudson (Irwin)	UT	10,000	1-15-08
# Jerry Passehl (Latimer)	SW/WW/HC	2,695	7-01-09
Jerry Wernimont (Carroll)	AQ/SW	216	4-19-10
# Ernest Greiner (Keokuk Co.)	AFO	500	10-10-10
R.H. Hummer Jr., Inc.; 2161 Highway 6 Trail (Iowa Co.)	AQ/SW	3,643	9-15-13
Patrick Baker; Stockton Auto (Davenport)	AQ/SW	83	12-15-14
# Steve Grettenberg; Dragster LLC	AFO	500	11-20-14

#Animal Feeding Operation

BOLD Entries Have Been Referred to DRF

Millard Elston III; The Earthman (Jefferson Co.)	AQ/SW	1,815	2-15-13
Simon Simonson (Kossuth Co.)	SW	3,400	11-30-14
Niehouse Cleaners & Draperies, Inc. (Marshalltown)	AQ	2,500	9-15-14
# David Dahlgren (Clarion)	AFO	2,250	12-15-14
# Vicky Kolker; Adams Dairy, LLC (Clayton Co.)	AFO	272	9-15-15
# Steve Boevers and Dresden LLC (Chickasaw Co.)	AFO	4,500	2-01-16
	TOTAL	37,392	

The following administrative penalties have been appealed:

Harlan Rudd; Karen Rudd; Rudd Bros. Tires (Drakesville)	UT	10,000	
Bondurant, City of	WW	10,000	
Helen and Virgil Homer; Grandmas Snack Shop; (Aredale)	WS	8,461	
Manson, City of	WS	10,000	
Anderson Excavating Company, Inc. (Pottawattamie Co.)	SW	10,000	
# Adam Timmerman; AT Livestock Ent. South (Cherokee Co.)	AFO	4,250	
Mahle Engine Components USA, Inc. (Atlantic)	WW	10,000	
Cedar Ridge Vineyard, LLC (Swisher)	WW	1,500	
	TOTAL	64,211	

The following administrative penalties have been collected:

Brian Roorda Dairy, LLC (Sioux Co.)	AFO	5,500	
Golden Grain Energy, LLC (Mason City)	AQ	10,000	
# R.J. Hauling, Inc. (Sac Co.)	AFO	1,000	
Simon Simonson (Kossuth Co.)	SW	100	
# Steve Boevers and Dresden, LLC (Chickasaw Co.)	AFO	1,500	
Jim Scallon (Butler Co.)	SW	700	
# Vicky Kolker; Adams Dairy, LLC (Clayton Co.)	AFO	1,427	
# Winter Feedlots, Inc. (Plymouth Co.)	AFO	2,500	
Eastern Iowa Regional Utility, Fairview (Jones Co.)	WW	1,000	
Finney Industrial Painting, Inc. (Fairfield)	AQ/WW	250	
Finney Industrial Painting, Inc. (Fairfield)	AQ/WW	255	
David C. Kuhlemeier (Cerro Gordo Co.)	AQ/SW	100	
	TOTAL	24,332	

#Animal Feeding Operation

BOLD Entries Have Been Referred to DRF

**Iowa Department of Natural Resources
Environmental Protection Commission**

ITEM

6

DECISION

TOPIC

**Clean Water and Drinking Water State Revolving Loan Fund – FY 2016
Intended Use Plans, Second Quarter Updates**

Commission approval is requested for the second quarter updates to the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUPs) for FY 2016 (July 1, 2015 – June 30, 2016).

The CWSRF finances publicly owned wastewater and sewer facilities, storm water management for water quality, and nonpoint source control practices to keep pollution out of Iowa's water. The DWSRF covers water system projects, including source water, treatment, storage, and distribution and transmission, as well as consolidation and connections.

The Iowa SRF is operated through a coordinated partnership between the Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA). DNR administers the environmental and permitting aspects of the programs, with IFA providing financial assistance including loan approval and disbursements. Other important partners include the U.S. Environmental Protection Agency (EPA), the Iowa Department of Agriculture and Land Stewardship, Soil and Water Conservation Districts, county sanitarians, participating lenders, and others.

The FY 2016 IUPs include plans of action for the SRF programs, including goals and objectives, an analysis of current and projected financial capability, financial management strategies, the project priority lists, discussion of set-aside programs and efforts, and planned uses for administrative accounts.

The CWSRF update includes several provisions in response to new requirements passed by Congress through amendments to the Clean Water Act (CWA). These include:

- Selection of one group of loans to be reported under the Funding Accountability and Transparency Act (FFATA), showing how the annual federal capitalization grant funds have been used. SRF staff must ensure that these reported loans meet all of the federal requirements for the program and will likely use loans by large borrowers in order not to burden smaller communities with additional requirements.
- Implementation of cost and effectiveness analysis. SRF staff must require borrowers after October 1, 2015 to submit a certification indicating that they have evaluated such areas as life cycle costs, water and energy efficiency, and replacement costs in their facility planning and design.

- Adoption of disadvantaged community criteria. The State of Iowa has already adopted methodology to determine disadvantaged status, and the CWSRF program uses it for setting the interest rate on extended term (between 20 and 30 year) loans. Iowa's methodology includes all the factors required except population trends. Points for increasing and declining populations have been added to the system for determining the SRF interest rate only.

The IUPs are developed and updated quarterly, in June, September, December, and March or more often as needed. Each draft IUP and update is released for public comment, and then presented for approval to the Commission. A public meeting was held August 6, 2015 to receive comments on the proposed IUP updates. No oral comments were provided at the hearing. The written comment period closed on August 13, 2015 and no written comments were received.

The Sources and Uses tables for both CWSRF and DWSRF show that funds are available or obtainable to provide anticipated disbursements. Iowa continues to be able to fund all projects that are eligible for SRF assistance.

Patti Cale-Finnegan, DNR SRF Coordinator
Water Quality Bureau
August 21, 2015



INTENDED USE PLANS



**Clean Water State Revolving Fund
Drinking Water State Revolving Fund**
Fiscal Year 2016

Iowa Department of Natural Resources
Iowa Finance Authority



INTENDED USE PLANS

**Clean Water State Revolving Fund
Drinking Water State Revolving Fund
Fiscal Year 2016**

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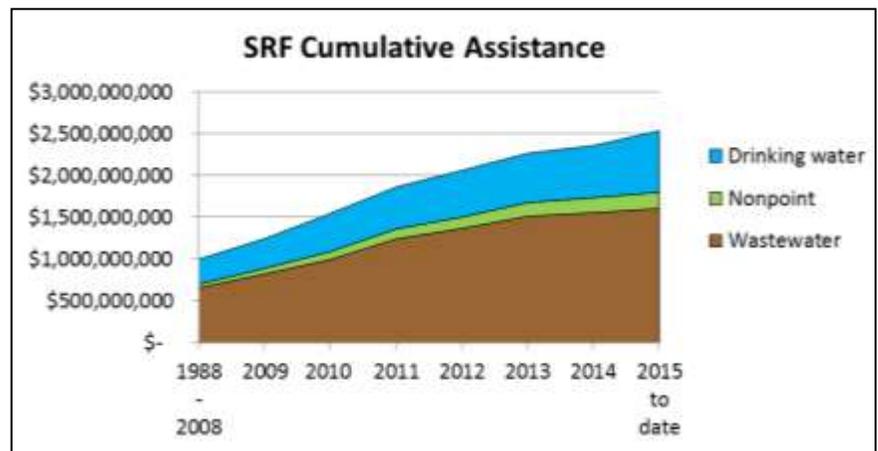


INTRODUCTION TO THE IOWA SRF

WATER – its availability, its cleanliness, its cost – is one of the primary issues facing Iowans now and into the future. The State Revolving Fund (SRF) offers a wide range of tools to help Iowans address water resources, water quality, and water affordability – to invest in Iowa’s water.

Iowa’s State Revolving Fund provides financial assistance for water and wastewater infrastructure, agricultural best management practices, and other water quality projects. To date, the SRF has financed:

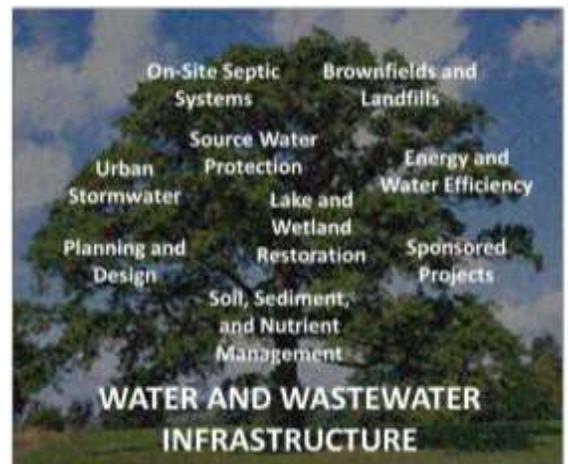
- \$1.6 billion for wastewater and sewer system upgrades;
- \$194 million to prevent nonpoint source pollution runoff; and
- \$735 million for drinking water supply and treatment.



SRF assistance recipients are cities, counties, rural water systems, sanitary districts, farmers, livestock producers, watershed organizations, and others. The SRF staff strives to provide financial tools that meet the needs of each of these groups, as well as streamlined program procedures and good customer service. With this approach, Iowa’s SRF program has become one of the most innovative and far-reaching in the United States.

Each state has an SRF. The U.S. Congress created the SRF programs in the Clean Water Act and the Safe Drinking Water Act and provides annual appropriations via the U.S. Environmental Protection Agency (EPA). Within the broad framework set by the legislation, federal regulations, and EPA guidance, states have flexibility to set their own priorities and manage their own programs.

In Iowa, that flexibility has allowed the SRF to target the specific needs of our state. For example, many states only offer loans for water and sewer infrastructure. As shown in the image, Iowa’s SRF has branched out from that core mission to addressing a wide variety of other program and financial needs.



Strong partnerships between three state agencies form the basis for the SRF programs. First, Iowa statute directs the Iowa Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA) to jointly operate the SRF. DNR handles program prioritization, project permitting, environmental review, and EPA compliance. IFA covers financial management, issues bonds, disburses loan funds, and services the loans. While each partner carries out their individual responsibilities, they coordinate on programmatic and financial strategies to make the most effective use of the funding.

Many SRF priorities could not be carried out without the involvement of a third state agency partner, the Iowa Department of Agriculture and Land Stewardship (IDALS). Working with local Soil and Water Conservation Districts, IDALS staff administer loan programs for both agricultural and urban water quality practices. They also bring in the expertise of the federal Natural Resources Conservation Service staff located in each local district office. IDALS urban conservationists and basin coordinators have also been instrumental in advancing the Water Resource Restoration Sponsored Project effort.

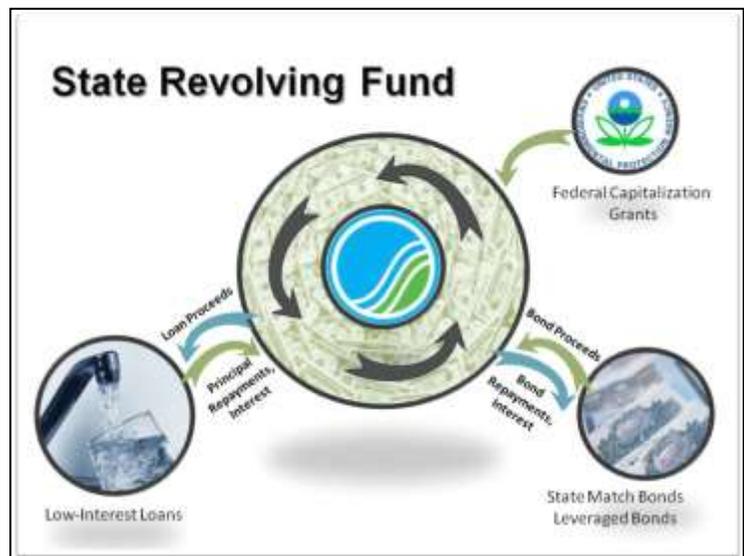
Iowa's SRF also depend on several other types of partners to implement program and financial goals, including:

- County environmental health boards and staff, who participate in a program to help homeowners replace failing onsite septic systems.
- Watershed and land trust organizations, including the Iowa Natural Heritage Foundation, county conservation boards, and watershed management authorities, which make the critical links between water quality and other benefits such as flooding prevention, wildlife habitat, and outdoor recreation.
- More than 400 lending institutions across the state, who make low-costs loans available to borrowers through a linked deposit arrangement with the SRF.

The federal legislation created the programs as revolving loan funds to provide an ongoing source of financing. Iowa's SRF draws on several sources of money to make loans. No state general funds are provided.

As shown in the diagram, the funding sources include:

- Federal capitalization grants. Annually, since the Clean Water SRF was launched in 1988 and the Drinking Water SRF started in 2000, Congress has appropriated funds.
- State match bonds. Each state is required to provide a 20% match to the federal grants. Iowa obtains these funds through bonds issued by IFA.
- Leveraged bonds. States are allowed to issue additional bonds to generate more loan funds. Not all states leverage, but in Iowa, issuing bonds has allowed the SRF to keep up with program demand and make greater gains in environmental protection and public health. For the Clean



Water SRF, an additional \$824 million in loans has been made due to leveraging, with an additional \$208 million provided through the Drinking Water SRF.

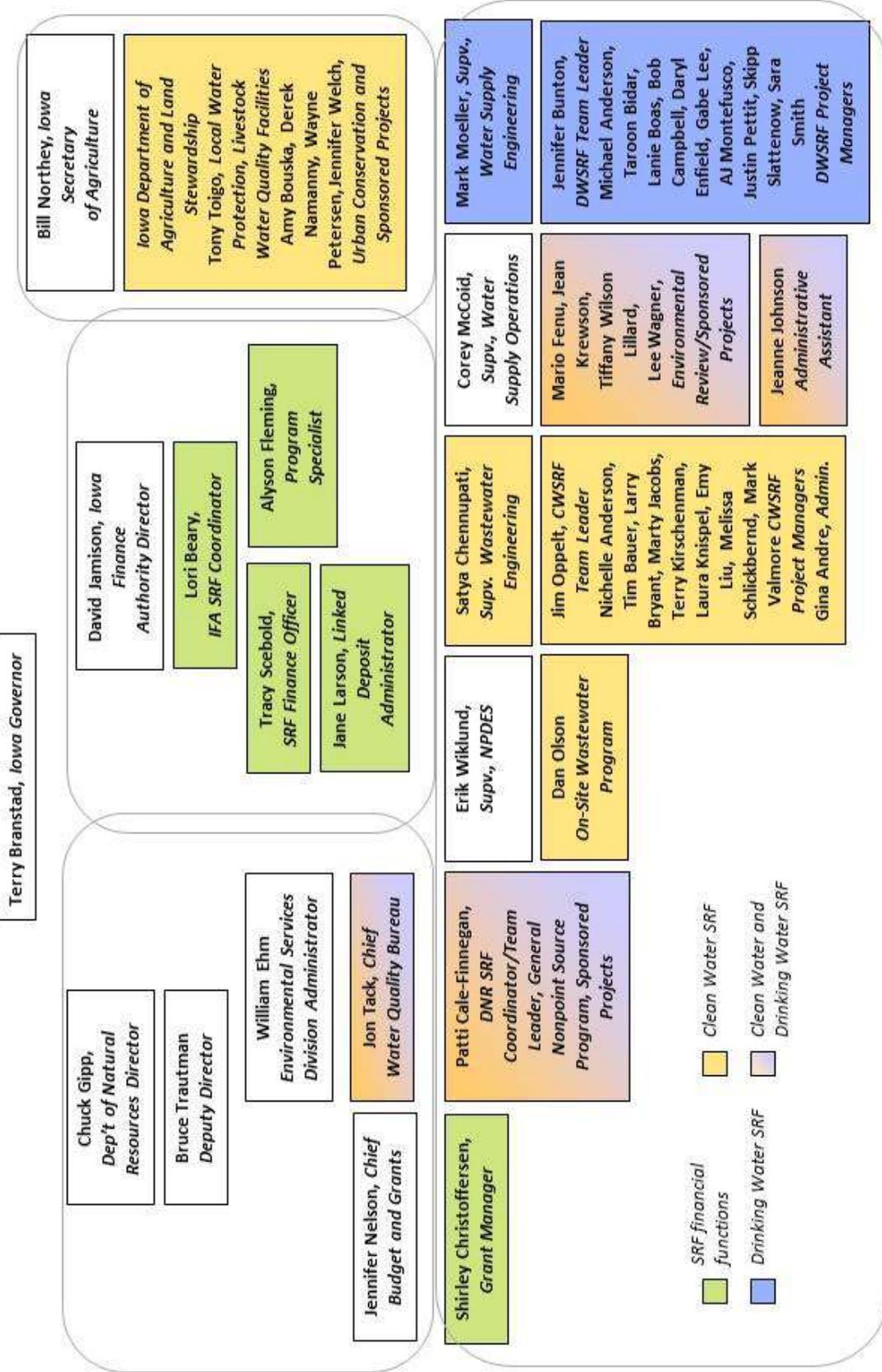
- Loan repayments and interest income. All repayments and interest must be re-deposited in the SRF loan accounts, keeping the funds revolving.

Iowa's SRF staff is committed to transparency and accountability in the programs. The primary mechanism is the publication of the Intended Use Plans (IUPs). All IUPs as well as program rules go through public review and comment and approval by the Iowa Environmental Protection Commission. The U.S. Environmental Protection Agency also oversees the operation and performance of the SRF programs, conducting an annual program review and site visit.

An independent audit, conducted by the State Auditor's Office, is completed annually. Project and program milestones and information are reported through the EPA's CWSRF and DWSRF Environmental Benefits and Project Reporting databases on a quarterly basis. An annual report is prepared and published each fall. Iowa is also in compliance with the requirements for reporting in the Federal Funding Accountability and Transparency Act (FFATA).

The Intended Use Plans (IUPs) following this introduction provide a roadmap to the policies and procedures of the SRF programs, along with the lists of projects and activities to be funded. The IUPs outline the proposed management of the Clean Water SRF and the Drinking Water SRF during State Fiscal Year 2016 (July 1, 2015 – June 30, 2016). The IUPs are developed and updated quarterly, in June, September, December, and March or more often as needed.

State Revolving Fund Organizational Structure -- Iowa





Clean Water State Revolving Fund

Intended Use Plan

Fiscal Year 2016

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Clean Water State Revolving Fund Intended Use Plan Fiscal Year 2016

I. STATE FISCAL YEAR 2016 PLAN OF ACTION

The plan is based on anticipated use of new and revolved funds available in the CWSRF for funding water quality protection needs, including both publicly owned wastewater infrastructure and nonpoint source water protection projects.

The CWSRF loan program consists of three main program areas. First, the purchase of debt obligations for wastewater and storm water projects is provided through the CWSRF to publicly owned facilities. Second, direct loans or linked deposit financing approaches address nonpoint source programs. Third, Water Resource Restoration sponsored projects address nonpoint source problems via interest rate reductions on wastewater loans.

The SFY 2016 Plan of Action covers the following areas:

- CWSRF goals and objectives;
- Current and projected financial capacity of the CWSRF;
- Financial management strategies;
- Plan for the SFY 2016 project priority list;
- Plan for nonpoint source set-asides; and
- Plan for use of administrative accounts.

CWSRF Goals and Objectives

The primary long-term goal of the Iowa CWSRF is to protect the environment and public health and welfare through a perpetual financial assistance program. The SFY 2016 short-term goals and objectives are as follows:

- Goal: Commit loan funds to as many recipients as possible in accordance with the state priority rating system, the IUP, staff resources, and available funding, in order to assist in the construction of projects with the highest water quality impacts. *Objective: During SFY 2016, quarterly updates to the IUP will be prepared to add projects and update program financial information.*
- Goal: Require applicants to engage a registered Municipal Advisor (MA). *Objective: During SFY 2016, all applicants submitting an Intended Use Plan application must demonstrate that they have hired an MA to assist with cash flows, rate setting, debt service coverage, and other financial aspects of their wastewater utility.*

- Goal: Implement the “Use of American Iron and Steel (AIS)” requirements enacted by Congress on January 17, 2014. *Objective: During SFY 2016, SRF staff will help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. SRF staff will provide information to those applicants required to comply on necessary documentation and inspection procedures.*
- Goal: Fund green projects to meet the requirements of the Green Project Reserve. *Objective: During SFY 2016, the Iowa SRF plans to fund green projects equivalent to at least 10% of the FFY 2015 capitalization grant. Iowa has already complied with the GPR requirements in the FFY 2010 – 2014 cap grants.*
- Goal: Apply additional subsidization required in FFY 2012 - 2014 capitalization grants to disadvantaged community projects and green projects. *Objective: During SFY 2016 SRF staff plans to approve plans and specifications and execute loans or loan amendments with loan forgiveness for the amounts required in the FFY 2012-2014 cap grants. Starting with the FY 2015 cap grant, additional subsidization is no longer required.*
- Goal: Promote and identify sustainable practices in projects proposed for funding. *Objective: During SFY 2016 SRF staff will provide information on the EPA’s Sustainability Policy to applicants and include sustainability features in project descriptions.*
- Goal: Continue to implement the Water Resource Restoration Sponsor Program authorized in Iowa Code 384.84. *Objective: During SFY 2016, SRF staff will receive applications twice per year for sponsored project funding. Application deadlines will be in September and March. In conjunction with DNR 319 program staff, watershed coordinators, Iowa Department of Agriculture and Land Stewardship urban conservationists, and others, SRF staff will evaluate the applications and prepare a list of proposed projects for the IUP.*
- Goal: Comply with EPA guidance on reporting under the Federal Funding Accountability and Transparency Act (FFATA). *Objective: In the SFY 2016 Annual Report, SRF staff will list loans that met the several requirements of FFATA. Loans reported for FFATA will meet equivalency requirements for the following:*
 - Section 602(b)(14) of the Clean Water Act: “A contract to be carried out using funds directly made available by a capitalization grant...for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services shall be negotiated in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of title 40, United States Code....”
 - Federal socioeconomic cross-cutters.
 - Federal environmental cross-cutters.
 - EPA signage guidance.
 - ◆○ Single audit requirements.
- Goal: Comply with the EPA Signage Guidance. *Objective: During SFY 2016 SRF staff and recipients will notify the public in the most effective ways possible about assistance agreements and benefits of the CWSRF program in order to enhance public awareness of EPA assistance agreements nationwide.*

- Goal: Comply with EPA guidance on cost and effectiveness requirements under Section 602(b)(13) of the Clean Water Act, which states: “Beginning in (federal) fiscal year 2016, the State will require as a condition of providing assistance...that the recipient of such assistance certify...that the recipient – A) has studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project...; and B) has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account – i) the cost of constructing the project or activity; ii) the cost of operating the project or activity over the life of the project or activity; and iii) the cost of replacing the project or activity.” Objective: During SFY 2016 CWSRF will require applicants to submit a self-certification form indicating compliance with this requirement.
- Goal: Update the CWSRF Operating Agreement. *Objective: During SFY 2016 SRF staff will work with EPA Region 7 to update the Clean Water SRF Operating Agreement between DNR and EPA. The agreement has not been updated since 2007.*

Additional long-term goals include:

- Goal: Work with other state and federal agencies to coordinate water quality funding. *Objective: During SFY 2016, SRF staff will meet regularly with staff from the Community Development Block Grant program, USDA Rural Development, and the Watershed Improvement Review Board. In addition, SRF staff will work with DNR staff implementing disadvantaged community rules.*
- Goal: Apply program requirements that are simple and understandable and do not add unnecessary burdens to applicants or recipients. *Objectives: During SFY 2016 SRF staff will continue to assist applicants with completing the federal cross-cutting requirements for environmental and historical review. Staff will not be responsible for Davis-Bacon compliance but will advise borrowers as needed. Borrowers will be responsible for compliance and may hire outside consultants to assist.*
- Goal: Continue the option of extended financing terms for CWSRF infrastructure projects. *Objective: During SFY 2016 this option will be offered to current and new projects on the project priority list. Applicants seeking extended financing must complete a worksheet outlining the anticipated life of the project components, which can be averaged to determine the extended term.*
- Goal: Maintain mechanisms for funding the on-going administration of the program if federal funding is reduced or eliminated. *Objective: During SFY 2016 initiation and servicing fees will be collected on CWSRF loans for deposit to administrative accounts. SRF staff will develop short and long-term plans for administrative budgets.*
- Goal: Manage the CWSRF to maximize its use and impact through sound financial management. *Objective: During SFY 2016 SRF staff and financial advisors will continue to conduct financial analysis and develop innovative approaches to financial management.*
- Goal: Implement programs that effectively address water quality needs and target appropriate audiences. *Objective: During SFY 2016 SRF staff will continue to educate users and potential users about the program offerings through presentations, displays, program materials, and the IowaSRF.com website.*

Current and Projected Financial Capacity of the CWSRF

Appendix A, the Estimated Sources and Uses table, shows that funds are available to fund current requests as of April 2015. The Iowa CWSRF program uses its equity fund to originate loans. When a sufficient number of loans have been made, the SRF program issues bonds, backed by those CWSRF loans, and uses the bond proceeds to replenish the equity fund. A bond issue was completed in SFY 2015 and state match bonds for FFY 2014 and FFY 2015 capitalization grants were issued at that time.

The leveraging capacity of the CWSRF is robust due to the maturity of the fund and the current loan portfolio. SRF staff has analyzed the future financial capacity of the CWSRF in light of the discussion over water quality standards and other future wastewater needs. Using relatively conservative assumptions, it is projected that the CWSRF could loan an average of \$300 million per year over the next 10 years, or a total of \$3 billion.

Financial Management Strategies

The CWSRF Project Priority List (attached) show total loan requests for wastewater projects. Because many of these projects are in the planning phase, they are not expected to sign a binding loan commitment during this fiscal year. The projected timing and demand for loan draws is reflected in the sources and uses table (Appendix A). Other uses for CWSRF funds in SFY 2016 include \$29.8 million for nonpoint source set-asides, and \$1.3 million for ongoing program administration.

Iowa’s cap grants and state match amounts are shown below. State match bonds are issued at the same time that leveraged bond issues are done for greater cost effectiveness. The state match for the FFY 2014 and 2015 cap grants was obtained in February 2015. Iowa will draw down the remainder of the FFY 2014 cap grant in SFY 2016. Iowa has applied for the FFY 2015 cap grant and will begin drawing on those funds when received. [These amounts reflect the August 2015 rescission of cap grant funds.](#)

FFY 2014	Cap Grant Amount	State Match Needed	Excess State Match
CWSRF state match from February 2015 bond issue		\$3,632,046	
Excess state match		\$163,154	
Total CWSRF state match available		\$3,795,200	
FFY 2014 cap grant	\$18,976,000	\$3,795,200	\$0

FFY 2015	Cap Grant Amount	State Match Needed	Excess State Match
CWSRF state match from February 2015 bond issue		\$3,795,200	
Excess state match		\$0	
Non-program income		\$5,400	
Total CWSRF state match available		\$3,800,600	
FFY 2015 cap grant	\$18,879,000	\$3,775,600	\$24,800

The cash draw procedure used is the direct loan method. State match is fully disbursed prior to drawing EPA capitalization grant funds. The EPA capitalization grant funds will be drawn at a 100% proportionality ratio.

[Iowa’s bonds are cross-collateralized across both the Clean Water and Drinking Water SRF accounts.](#)

SFY 2016 Project Priority List

The management of the CWSRF program includes a priority list of projects for loan assistance, which has been developed according to DNR rules 567 IAC 92 (455B).

With the available CWSRF funds, this IUP provides a projection of loan funding assistance for applications in priority order determined by point source rating criteria defined in 567 IAC 91 (455B). This priority list will be amended on a quarterly basis during SFY 2016. Chart 1 (attached) constitutes the project priority list.

The priority list has two major categories of projects: fundable and contingency. Fundable projects are defined as those that are following the wastewater construction permitting process and are making substantial progress toward fulfilling the permitting and SRF requirements. Contingency projects are those that have not followed the permitting process or are not moving toward funding readiness.

Due to the project workload and for planning purposes, the CWSRF staff may evaluate projects that have been on the IUP list for more than three years. A notification will be sent to the applicants that their project may be dropped if there is no progress in the six months following the notice. If a project is dropped, the applicant may reapply when the project is ready to move ahead.

For program planning purposes, the fundable projects are further identified as “R – ready for loan” (indicating that the construction permit and environmental review have been completed), and “P – in planning.”

The following categories of projects will be included for funding during SFY 2016 and are included on the CWSRF Project Priority List:

Unfunded Prior Years’ Section 212 Projects: These are loan requests remaining on the project priority list from previous years’ IUPs. It is Iowa’s intention to make CWSRF loans to these projects during SFY 2016 if they are ready for a binding loan commitment.

Segments of Previously Funded Section 212 Projects. State rules provide that subsequent segments of a project, which has previously received funding priority or assistance, be placed on the project priority list ahead of new projects. Segmented projects will be added to the SFY 2016 project priority list as received.

New Section 212 Projects. New applications for assistance during SFY 2016 will be added to the project priority list. Applications will be accepted on a continuous basis during SFY 2016 with quarterly updates completed as needed.

Supplemental Financing. Supplemental financing for projects listed in previously approved IUPs are added to the IUP as they are requested unless the additional funds will be used for improvements that would significantly change the scope of the project. Additional environmental review may be required. Supplemental loans will not be provided for changes that are ineligible for funding.

~~**Contingency Projects.** Contingency projects are those that have not followed the permitting process or are not moving toward funding readiness. Projects can be moved from contingency to active status whenever they are determined to be in sync with the permitting process or have become active. An active project can be moved to contingency status if it is determined that the project is not progressing in a timely manner.~~

Planning and Design Loans. Planning and design loans are provided at 0% interest for up to three years to cover the costs of preparing facility plans and project specifications. The loans will be rolled into CWSRF construction loans or repaid by another source of permanent financing.

Capitalization Grant Requirements. The FFY 2010 - 2015 capitalization grants include requirements for certain percentages of the funds to be allocated for green projects and for additional subsidization. These amounts reflect the August 2015 rescission of cap grant funds.

	2010	2011	2012	2013	2014	2015	Total
CW Cap Grants	\$27,528,000	\$19,985,000	\$19,128,000	\$18,069,000	\$18,976,000	\$18,879,000	\$122,565,000
CW GPR	\$ 5,515,000	\$ 3,997,000	\$ 1,912,800	\$ 1,806,900	\$ 1,897,600	\$ 1,887,900	\$17,017,200
CW Add Subs Minimum	\$ 4,129,860	\$ 1,851,928	\$ 1,063,065	\$ 851,127	\$ 1,032,630	\$0	\$ 8,928,610
CW Add Subs Maximum	\$13,766,200	\$ 6,173,093	\$ 1,594,597	\$ 1,276,691	\$ 1,548,944	\$ 5,700,900	\$30,060,425

Iowa has met the minimum requirements for additional subsidization and Green Project Reserve for the FY 2010 – 2015 cap grants. The following outlines the amounts and the projects that have been or will be counted for each cap grant. The highlighted projects met the qualifications for the Green Project Reserve. Not all GPR projects received loan forgiveness. The remaining projects met disadvantaged criteria.

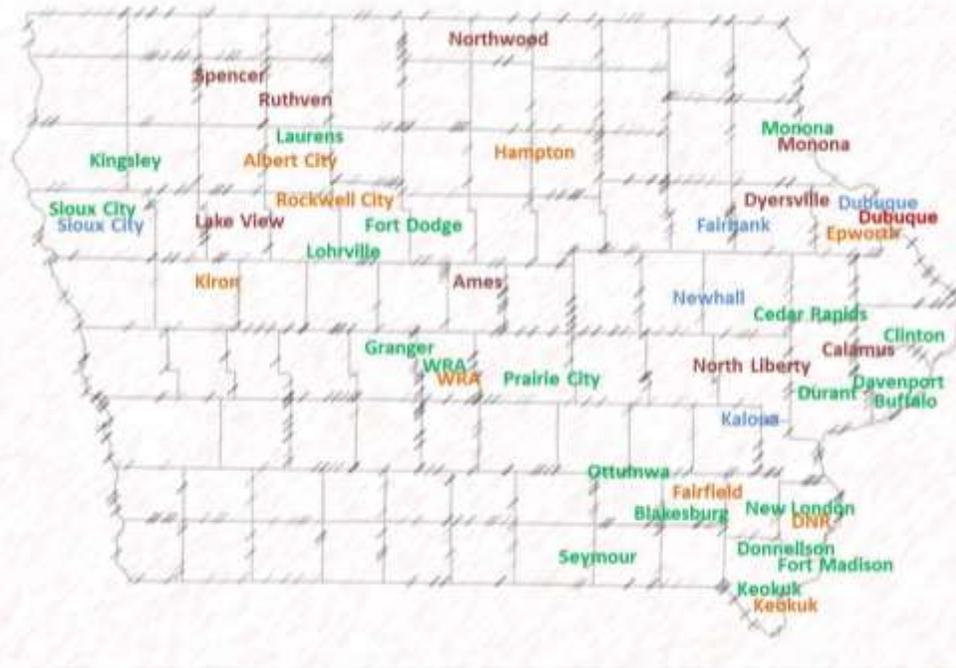
Project	Current Request	Loan Amount	Amount Green	Amount Add Subs	Grant Year Reported
Charles City		1,400,000	1,400,000	420,000	2010
Lohrville		3,724,000		1,117,200	2010
Spirit Lake		103,000	103,000	30,900	2010
Conesville		1,350,000		230,689	2010
Ocheyedan		2,065,000		227,398	2010
Terril		1,077,000		335,400	2010
Odebolt		1,599,000		319,800	2010
Odebolt		500,000		100,000	2010
McCallsburg		810,000		147,400	2010
Washington		16,316,000		1,000,000	2010
Walker		2,158,000		431,600	2010
Nonpoint Source		1,975,574	1,975,574		2010
Nonpoint Source		10,024	10,024		2010
Nonpoint Source		1,435,320	1,435,320		2010
Nonpoint Source		189,874	189,874		2010
Nonpoint Source		403,000	403,000		2010
Pisgah		650,000		195,000	2010
Meriden		329,000	64,485	12,897	2011
Dubuque (sponsored)		9,400,000	9,400,000	-	2011

Nonpoint Source		827,000	827,000		2011
Ottumwa (Richmond Ave)		4,800,000		1,440,000	2011
Coralville		1,751,000	1,751,000	525,300	2011
Albert City	2,787,264	400,000		120,000	2012
Dubuque (methane)		3,048,000	3,048,000		2012
Nonpoint Source		647,700	647,700		2012
Nonpoint Source		129,420	129,420		2012
Nonpoint Source		98,940	98,940		2012
Nonpoint Source		300,000	300,000		2013
Nonpoint Source		342,000	342,000		2013
Nonpoint Source		2,835,000	2,835,000		2013
Buffalo (sponsored)		35,000	35,000		2014
Monona (sponsored)		245,000	245,000		2014
Wastewater Reclamation Authority (sponsored)		2,200,000	2,200,000		2014
Dubuque (Upper Bee Branch)		29,541,000	29,541,000	5,908,000	2011, 2012, 2013, 2014
TOTAL	2,787,264	92,694,852	56,981,337	18,505,584	

Water Resource Restoration. In 2009, the Iowa General Assembly amended Iowa Code chapter 384.84 to add a new category of projects that can be financed with sewer revenues. This new category, called “water resource restoration” sponsored projects, includes locally directed, watershed-based projects to address nonpoint source water quality issues.

On a typical CWSRF loan, the utility borrows principal and repays principal plus interest. On a CWSRF loan with a sponsored project, the utility borrows for both the wastewater improvement project and the sponsored project. The overall interest rate on the total amount of principal borrowed is reduced so that the utility’s ratepayers do not pay any more than they would have for just the wastewater improvements. Instead, two water quality projects are accomplished for the cost of one.

The map shows the project locations for approved



Pilot Project (FY 2013)	\$ 9,400,000
Round 1 (FY 2014)	\$ 12,900,000
Round 2 (FY 2015)	\$ 5,900,000
Round 3 (FY 2015)	\$ 4,000,000
Round 4 (FY 2016)	\$ 4,200,000
Total	\$ 36,400,000

sponsored projects as of [April](#) [July](#) 2015.

The next application deadline ~~will be~~ was September 1, 2015. The same requirements ~~apply~~ applied.

- For loans up to 20 years, the interest rate on the combined infrastructure/sponsored project loan will be reduced to not lower than 0.75%. The equivalent of the amount that would be generated by a 1% interest rate (approximately \$100,000 per \$1 million borrowed) will be available for eligible sponsored project costs. Loans between 20-30 years can also be used but the dollar amount for sponsored projects will also be \$100,000 per \$1 million.
- The amount set aside for interest rate reductions for the in FY 2016 is \$10 million (on up to \$100 million worth of future CWSRF infrastructure loans). If sponsored project requests exceed that amount, DNR reserves the right to cap the dollar amount of a single project to a percentage of the total allocated.

Eligible applicants include the following:

1. Applicants submitting sponsored project applications at the same time as their wastewater infrastructure Intended Use Plan application. The wastewater IUP application must be complete and eligible to be placed on the fundable list.
2. Applicants with wastewater projects already included on the fundable list of the CWSRF Intended Use Plan which are still in the “Planning” phase.

The following will disqualify an applicant for pursuing a sponsored project:

1. The sponsored project application is submitted with an incomplete wastewater IUP application. The wastewater IUP application packet includes a checklist for determining a project’s readiness to be placed on the Intended Use Plan. Sponsored project applications submitted with incomplete wastewater IUP applications will not be considered.
2. The applicant’s wastewater project has reached the “Ready for Loan” milestones as of the sponsored project application deadline. This classification on the IUP project list indicates that construction permits have been issued, environmental review is complete, and in some cases, that the project has gone out to bid. Applicants may not delay their wastewater project construction or financing in order to apply for a sponsored project.
3. The wastewater loan has already been executed.

Detailed requirements for FY 2016 sponsored project applications are explained on Page 19.

Plan for Nonpoint Source Set-Asides

Iowa authorizing legislation and state administrative rules allow the use of CWSRF funds for nonpoint source pollution control projects. Four set-asides for nonpoint source program assistance have been established which target areas of need allowed under federal guidance and identified in the state nonpoint source water quality management plan:

- The On-Site Wastewater Systems Assistance Program (OSWAP), providing loans to homeowners to replace inadequate septic systems. New systems are certified by county sanitarians and loans are made through participating lenders through a linked deposit arrangement.
- The Local Water Protection (LWP) Program, addressing soil, sediment, and nutrient control practices on agricultural land. DNR contracts with the Iowa Department of Agriculture and Land Stewardship, which operates the program through local Soil and Water Conservation Districts. Loans are made through participating lenders through a linked deposit arrangement.
- The Livestock Water Quality Facilities (LWQ) Program, assisting livestock producers with manure management plans, structures, and equipment. Facilities with fewer than 1,000 animal unit capacity are eligible. DNR contracts with the Iowa Department of Agriculture and Land Stewardship, which operates the program through local Soil and Water Conservation Districts. Loans are made through participating lenders through a linked deposit arrangement.
- The General Nonpoint Source (GNS) Program, for a wide variety of other water quality protection efforts. Projects include habitat and wetland restoration, landfill closure, lake restoration, and watershed planning. Funding for Storm Water Best Management Practices loans are also included in this set-aside amount.

The table below outlines the current and proposed set-aside amounts planned for the four programs. These set-aside amounts may be amended based on need and the financial capacity of the CWSRF.

Program	Proposed SFY 2016 Set-Aside Amount
Onsite Wastewater Assistance Program (OSWAP)	\$1.8 million
Local Water Protection Program (LWPP)	\$8.0 million
Livestock Water Quality Facilities Program (LWQ)	\$10.0 million
General Nonpoint Source Program (GNS)	\$10.0 million
TOTAL	\$29.8 million

Individual projects under the GNS program that involve purchase of land must be approved by the Environmental Protection Commission. [The City of Storm Lake requests \\$2,824,000 for the construction of green infrastructure practices including rain gardens, bioretention, and bioswales. Land acquisition costs of approximately \\$140,000 are needed for siting of these stormwater infiltration practices.](#)

Plan for Use of Administrative Accounts

There are three distinct funding sources for CWSRF administrative expenses:

- The CWSRF administrative set-aside. Iowa intends to take or reserve 4% of the federal capitalization grant funds for program administration. The Iowa SRF program did not take any administrative set-aside

from the ARRA capitalization grant. The administrative set-aside of \$2,122,000 from the ARRA cap grant is reserved for future use. Any unused administration commitments from other capitalization grants are reserved for use in future years as necessary should capitalization grants be reduced, or actual costs increase.

- **Loan initiation fees.** A 0.5% loan origination fee will be charged on new CWSRF loans. The maximum amount to be paid will be \$100,000. Under EPA rules, because Iowa’s origination fees are financed through the loans, the proceeds are considered program income. Program income can only be used for the purposes of administering the CWSRF program or for making new loans. There is approximately \$5 million available in funds considered program income. A portion of these funds will be used in SFY 2016 for program administration, and the remainder will be reserved for future administrative expenses.
- **Loan servicing fees.** A fee of 0.25% on principal is charged on CWSRF loans. Under EPA rules, only servicing fees charged on loans made above and beyond the amount of the capitalization grant and fees collected after the capitalization grant under which the loan was made has been closed are considered non-program income. Non-program income can be used to administer the program or for other water quality purposes. The uses of non-program income are discussed below.

Program Income. CWSRF program expenses are currently approximately \$2.6 million per fiscal year. This includes the work of wastewater engineering section project managers, specialists in environmental review, nonpoint source program administrators, financial officers, loan coordinators, and program managers. It also covers expenses for financial and legal advisors.

Non-Program Income. There is approximately \$5 million available in funds considered non-program income. The DNR proposes the following uses for a portion of these funds during SFY 2016:

Purpose	Explanation	Amount
To support wastewater compliance activities	SRF non-program income will be used in place of state general fund dollars for three FTEs in the field office wastewater staff. The field offices will be doing inspections to ensure compliance with the NPDES permit, assisting permit holders with staying in compliance with their permit, investigating complaints from the public related to wastewater treatment and offering technical assistance to wastewater facility operators. Another task is working with unsewered communities to become properly sewerred.	\$328,000
To provide staffing in the Water Quality Bureau	This funding will replace state general funds for up to three environmental engineers that review construction projects in the Wastewater Engineering section, up to four permit writers in the National Pollution Discharge Elimination System (NPDES) section, half the time of a business analyst to update Bureau databases, and engineering interns.	\$885,000
	TOTAL	\$1,213,000

An estimated additional amount of \$400,000 may be needed from this account for wastewater program expenses in FY 2016.

II. INFORMATION ON THE CWSRF ACTIVITIES TO BE SUPPORTED

Allocation of Funds

Allocation of funds to eligible projects was based on a four-step process:

1. The amount of financial assistance needed for each application was estimated;
2. The sources and allowable uses of all CWSRF funds were identified; and
3. The CWSRF funds were allocated among the projects, consistent with the amount available and the financial assistance needed.
4. A designated amount was selected as reasonable and manageable for each set-aside.

Information pertinent to each CWSRF project is contained in Chart 1, pursuant to Section 606(c)(3) of the Clean Water Act.

Sources and Uses of Available CWSRF Funds

Appendix A to the Intended Use Plan illustrates potential sources and uses of funds in the CWSRF for SFY 2016. As shown, all pending loan requests and program administration needs can be funded. Projects will draw on their funding at different intervals based on their construction cycles. These differences are used to estimate cash needs throughout the year. Appendix A will be updated quarterly as needed to provide an ongoing view of the financial plan for meeting loan requests.

Section 212 Projects Program Policies

Project Scope. The scope of the project must be outlined on the Intended Use Plan application and in the facility plan. Changes to the scope are allowed prior to loan closing. Significant changes in scope may cause delays if additional work is required by the project manager or environmental review specialist. Once a loan is signed, only minor changes to the scope will be allowed and only if they do not require additional technical or environmental review.

Loan Interest Rates. The interest rates for construction loans made from the CWSRF are as follows:

Loan Term	Applicant Type	Interest Rate	Servicing Fee	Total	Additional Information
Standard (up to 20 years)	All	1.75%	.25%	2.00%	
Extended (21 to 30 years based on useful life)	Disadvantaged	1.75%	.25%	2.00%	Communities must be determined to be disadvantaged based on criteria in Iowa Code section 455B.199B, Disadvantaged Communities Variance, as amended by Senate File 407 on April 28, 2011. These criteria include income and unemployment data. SRF staff will also consider population trends, providing 1 point for communities with projected increases or decreases in

					population. Population trends are also reviewed as part of the construction permitting process as required in Iowa Administrative Code 567 Chapter 64.2(9).
Extended (21 to 30 years based on useful life)	Non-Disadvantaged	2.75%	.25%	3.00%	

Interest rate for CWSRF planning and design loans will be 0% for up to three years.

Loan Fees. A 0.5% origination fee is charged on the full loan amount for new CWSRF construction loans, with a maximum amount of \$100,000. No origination fees will be charged on planning and design loans. A .25% servicing fee will be charged on construction loans. Payment of the loan servicing fee is semi-annual with interest payments for all new SRF loans. Loan servicing fees are only charged on the principal amount disbursed during construction (not the entire original loan amount).

Financing Term. The financing term will be up to 30 years. Current and new projects on the project priority list may request an extended term. The length of the term will be based on calculation of the average useful life of the entire project, to be determined by the applicant’s consulting engineer and approved by DNR.

Maximum Financing. There is no maximum financing amount.

Project Readiness. Applicants cannot be offered assistance until they meet program requirements.

Funding Limitations. Pending loans identified in this IUP do not exceed funds obtainable for the CWSRF program. These estimates are based on the projections that, for projects that have completed program requirements and are ready for funding, only ~~40~~25% of the loan amount will be disbursed this fiscal year. For projects that are currently in the planning phase but may be ready for funding during SFY 2016, it is projected that only 25% of total funds will be disbursed this fiscal year.

Plan for Efficient and Timely Use of CWSRF Funds

The State of Iowa’s Clean Water State SRF uses federal capitalization grant funds as expeditiously as possible. Iowa has been able to use its federal capitalization grant funds in a timely way due to a robust and sustained demand for loans. A number of program features have spurred the growth in loan demand. These include:

- Improvements and streamlining in the wastewater construction permitting process, which reduced timelines for project review and approval;
- Allow applicants to pursue phased approach for projects to enable individual phased projects proceed timely to construction instead of waiting on approval on a large project;
- Planning and design loans at 0% interest for three years to provide upfront capital to get projects started and ready for construction and loan closing;
- Year-round application process with quarterly updates to the Intended Use Plan, which keeps projects in the loan pipeline on a continual basis;
- Expansion of nonpoint source and green infrastructure programs to include loans for farmers, livestock producers, watershed organizations, and others;

- Extended term financing, based on project useful life, which allows more utilities to benefit from the CWSRF;
- Environmental review services to complete assessments of impacts to natural and cultural resources, reducing costs and barriers to participating in the loan program; and
- Focus on marketing, customer and consultant education, and coordination with other funders.

Financial management also contributes to the timely use of federal funds. The Iowa CWSRF program uses its Equity Fund to originate new loans. This fund consists of principal and interest repayments. When additional funds are needed, the SRF program issues bonds, backed by those CWSRF loans, and uses the bond proceeds to replenish the equity fund.

Iowa's SRF program generally issues bonds annually. These bond issues include the state match for the next federal capitalization grants. After the bonds are issued, the state match is spent first so the cap grant can be drawn down at 100% when it is received. Several large projects are selected to receive cap grant disbursements. That allows the cap grant to be drawn down more quickly. Loan disbursements are made weekly. Iowa's CWSRF disbursements average \$6 million per month.

The practices described above are currently working well for Iowa and will be continued through FY 2016.

Water Quality Management Planning

A reserve for water quality management planning as required by Title VI of the Clean Water Act will be set aside from Iowa's Title VI allotments and granted to the state for this purpose separately from the CWSRF. This reserve does not appear in this IUP as it has been already deducted from Iowa's allotment and taken into account in projecting Iowa's available capitalization grant.

SEE Salary Funds Deducted from Cap Grant

The Iowa DNR may request U.S. EPA to deduct funds from its FFY 2016 capitalization grant which could be included in Iowa's next grant application to EPA after receiving notification of availability of the CWA Title VI Funds and evaluating the state allotment amount. These positions could be filled by EPA Region 7 and assigned to the DNR's Wastewater Engineering section to provide technical and administrative assistance to the CWSRF projects and program. The SEE enrollees could help provide staffing at Iowa DNR to maintain the CWSRF program and keep up with the increasing CWSRF project technical and administrative work load. Authorized under the Environmental Programs Assistance Act of 1984 (PL 98- 313), the SEE program is intended "to utilize the talents of older Americans in programs authorized by other provisions of law administered by the Administrator in providing technical assistance to Federal, State, and local environmental agencies for projects of pollution prevention, abatement, and control."

III. ASSURANCES AND SPECIFIC PROPOSALS

Iowa will provide the necessary assurances and certifications according to the Operating Agreement between the State of Iowa and the U.S. EPA. Iowa's Operating Agreement was amended in April 2007 and will be updated during SFY 2016.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

Section 212 Infrastructure Projects

The following approach was used to develop Iowa's proposed distribution of CWSRF funds for Section 212 infrastructure projects: (1) analysis of the priority of communities applying and financial assistance needed; (2) identification of the sources and spending limits of available funds; (3) allocation of funds among projects; (4) development of a payment schedule which will provide for making timely binding commitments to the projects selected for CWSRF assistance; and (5) development of a disbursement schedule to pay the project costs as incurred.

Allocation of Funds Among Projects. All projects listed in the CWSRF Project Priority List (attached) are eligible for assistance and may be funded from the CWSRF subject to available funds.

All projects scheduled for funding with Iowa's CWSRF will be reviewed for consistency with appropriate plans developed under sections' 205(j), 208, 303(e), 319 and 320 of the Clean Water Act, as amended. Evidence of this review and finding of consistency will be documented in each CWSRF project file. Should a project fail to meet this review criterion, it may be bypassed as allowed by State rules. The Project Priority List provides for contingency projects, which may be considered for loan assistance as bypass projects according to state rules without formal amendment of this intended use plan.

Priority of Communities and Financial Assistance Needed. Iowa law provides only for loan assistance. Additional subsidization required by the FFY 2010-2014 capitalization grants will be through forgivable loans. The state's CWSRF rules identify the priority rating system used to establish priorities for loan assistance.

Nonpoint Assistance Programs

Nonpoint source assistance includes set-asides for the Onsite Wastewater Assistance Program (OSWAP), Livestock Water Quality Facilities (LWQ), Local Water Protection (LWP) and General Nonpoint Source (GNS). These funds implement the intent of Iowa statute to use CWSRF funds to improve residential wastewater systems, to assist owners of existing animal feeding operations to meet state and federal requirements, for local water protection projects that will provide water quality improvement or protection and for general nonpoint source projects that will provide water quality improvements or water quality protection. These systems are addressed as a need by Iowa's State Water Quality Management Plan. Individual loan applicants for all set-asides are not identified in this IUP. These programs will be operated as linked deposit, loan participation, or direct loan programs.

Water Resource Restoration Sponsored Projects – FY 2016 Requirements

Sponsored project applications may be submitted by the following:

- Applicants submitting sponsored project applications at the same time as their wastewater infrastructure Intended Use Plan application. The wastewater IUP application must be complete and eligible to be placed on the fundable list. **Next deadline: March 1, 2016.**
- Applicants with wastewater projects already included on the fundable list of the CWSRF Intended Use Plan which are still in the "Planning" phase. **Next deadline: March 1, 2016.**

Potential applicants must schedule a pre-application conference call with the DNR before December 31, 2015.

Wastewater utilities are required to include local watershed organizations, Watershed Management Authorities, County Conservation Boards, and/or Soil and Water Conservation Districts in the planning and implementation of sponsored projects. These organizations provide technical assistance and expertise for water quality projects.

Wastewater utilities interested in conducting a sponsored project will use the standard CWSRF Intended Use Plan application for the infrastructure project. The separate CWSRF sponsored project application must also be completed and submitted, along with the following attachments:

- Authorizing resolution passed by the wastewater utility’s governing board for the sponsored project application;
- If there is a third-party entity involved, the 28E agreement between the utility and the qualified entity;
- ~~Letter of endorsement from the appropriate water quality organization, outlining the organization’s participation in project design, selection, and implementation (see above)~~ Identification of the water quality/conservation organization involved with project planning;
- Letters of support from ~~other~~ project partners;
- Letter from the wastewater utility’s bond counsel indicating concurrence with the sponsored project concept;
- Project conceptual plans, including:
 - Assessment of the impacted waterbody and its watershed with data that supports the identification of the water quality problems to be addressed
 - Discussion of project goals and objectives
 - Evaluation of possible water quality practices that could be implemented, considering the unique demographic, topographic, hydrologic, and institutional characteristics of the planning area
 - Description of potential practices to be implemented with the expected water quality outcomes
 - Discussion of project locations, land ownership, and any plans for acquiring properties or easements
 - Identification of any other organizations or resources to be involved in the project and their expected contributions
 - Proposed project schedule with major milestones, along with a discussion of how the sponsored project construction schedule coordinates with the infrastructure project schedule
 - Proposed evaluation procedures and measures
 - Explanation of the proposed budget, including other planned funding sources and flexibility to adjust budget according to final amount available through sponsored project mechanism

V. METHOD OF AMENDMENT OF THE INTENDED USE PLAN

This IUP will be followed by the State in administering CWSRF funds in SFY 2016. Federal and state law requires, and Iowa welcomes, opportunity for public participation in the development of the IUP. Any revisions of the goals, policies and method of distribution of funds, must be addressed by a revision of the IUP, including opportunity for public participation. Updates to the IUP to add projects to the priority list, to make program changes, or to adjust dollar amounts in set-asides, will be made quarterly as needed. Minor adjustments in funding schedules, loan amounts and use of bypass provisions including funding of projects on contingency status are allowed by the procedures of this IUP and state rules for administration of the CWSRF without public notification.

VI. PUBLIC REVIEW AND COMMENT

A public meeting to allow input to Iowa’s SFY 2016 IUP and Project Priority List was held May 7, 2015, 10:00 a.m., at the Wallace State Office Building, Conference Room 5E, 502 E. 9th Street, Des Moines. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, US EPA Region VII and other groups which might have an interest. There were no attendees at the public hearing. The public comment period was open until May 14, 2015. A written comment was received from the City of Prairie City. The summarized comment and the DNR’s response are shown below:

Prairie City Comment	Iowa Code and Iowa Administrative Code References	DNR Response
<p>DNR staff have interpreted the Iowa Code and Iowa Administrative Code to disallow sanitary sewer overflow (SSO) projects as eligible for Water Resource Restoration Sponsored Project funding. Iowa Code 455B.199 defines eligible sponsored project categories. SSO projects are not on the list of eligible projects, but the Code language states that the list is not all inclusive. SSO project also are not on the list of ineligible projects. The City of Prairie City requests the EPC to grant a variance to allow Sponsored Project funding to be used for the City’s SSO project under Iowa Administrative Code 567.92.6(6).</p>	<p>455B.199</p> <p>6. A proposed sponsor project must be compatible with the goals of the water resource restoration sponsor program, shall include the application of best management practices for the primary purpose of water quality protection and improvement, and may include but not be limited to any of the following:</p> <ul style="list-style-type: none"> a. Riparian buffer acquisition, enhancement, expansion, or restoration. b. Conservation easements. c. Riparian zone or wetland buffer extension or restoration. d. Wetland restoration in conjunction with an adjoining high-quality water resource. e. Stream bank stabilization and natural channel design techniques. f. In-stream habitat enhancements and dam removals. g. Practices related to water quality or water quality protection that are included in a field office technical guide published by the natural resources conservation service of the United States department of agriculture or are included in the Iowa stormwater management manual published by the department of natural resources. <p>7. A proposed sponsor project shall not include any of the following:</p> <ul style="list-style-type: none"> a. Passive recreation activities and trails including bike trails, playgrounds, soccer fields, picnic tables, and picnic grounds. b. Parking lots, unless a parking lot is constructed in a manner to improve water quality and construction is consistent with a field office technical guide published by the natural resources conservation service of the United States department of agriculture or the Iowa stormwater management manual published by the department of natural resources. c. Diverse habitat creation contrary to the botanical history of the area. 	<p>As the City of Prairie City states in their comment, the DNR has established the Water Resource Restoration Sponsored Project effort under the Clean Water SRF program. In November 2012, the DNR developed a draft sponsored project application to carry out the Iowa Code and Iowa Administrative Code regulations. The draft application, which included a full list of eligible projects, was published for public review and comment. Two public meetings were held in Coralville, Harlan, and Des Moines. Public comments were incorporated into the draft application which was then submitted to the EPC and approved on January 15, 2013.</p> <p>The language approved by EPC in 2013 included the list from 455B.199 and stated:</p> <p>“Eligible projects are not limited to this list, however. Other projects that meet the criteria of best management practices for the primary purpose of water quality protection and improvement may also be eligible. These include the following categories of projects that are eligible for</p>

	<p>d. Planting of nonnative plant species. e. Dredging. f. Supplemental environmental projects required as a part of a consent decree.</p> <p>567.92.6(6) 92.6(6) <i>Special considerations.</i> Exemptions to the point source rating criteria may be considered by the department, and funding variances may be granted by the commission for projects that have unique or unusual circumstances but that do not logically fit into the criteria. The commission may grant interest rate reductions or other favorable loan incentives to applicants that sponsor a project that improves the quality of the water in the watershed where a city water or wastewater facility is located.</p>	<p>the Clean Water SRF under the Section 319 (nonpoint source) Clean Water Act authority.”</p> <p>Section 319 nonpoint source projects do not include sanitary sewer overflow projects which typically involved relining or replacing sewer pipes.</p> <p>The language in 567.92.6(6) references two separate special considerations EPC can use. The first is a variance to the funding procedure for point source (Section 212 of the Clean Water Act) projects. This variance does not apply to Prairie City’s request, and is not in use in general because the CWSRF is able to fund all eligible projects, not just the ones with the highest priority ranking. The second special consideration is the ability to allow interest rate reductions for sponsored projects, which the EPC has already approved for projects meeting the sponsored project eligibility criteria.</p>
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A public meeting to allow input to Iowa’s SFY 2016 Second Quarter IUP and Project Priority List was held August 6, 2015, 10:00 a.m., at the Wallace State Office Building, Conference Room 2E, 502 E. 9th Street, Des Moines. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, US EPA Region VII and other groups which might have an interest. There were no attendees at the meeting. The public comment period was open until August 13, 2015. There were no written comments.

VII. PROJECT PRIORITY LIST

The CWSRF Project Priority List is included in a separate, sortable Excel file.

APPENDIX A

Iowa CWSRF State Fiscal Year 2016 2Q

Estimated Funding Sources and Funding Uses

As of 7/27/2015

Funding Sources

Funds Available in Equity Fund and Program Accounts	\$142,682,000	*
FFY 2014 Capitalization Grant	\$248,000	*
State Match for FFY 2014 Capitalization Grant	\$0	
FFY 2015 Capitalization Grant	\$18,124,000	
State Match for FFY 2015 Capitalization Grant	\$0	
Issuance of Leveraged Bonds (next bond issue expected SFY 2017)	\$0	
Equity Fund and Program Interest Earnings	\$446,000	
Loan Repayments	\$70,770,000	
Total Funding Sources	\$232,270,000	

Funding Uses

Undisbursed Amounts Committed to Existing Loans (35% disbursement rate)	\$35,988,000
Section 212 Project Requests (FNSI/CX issued; 25% disbursement rate)**	\$60,644,000
Section 212 Project Requests (FNSI/CX not issued; 25% disbursement rate)**	\$38,483,000
Planning & Design Requests (60% disbursement rate)	\$3,041,000
Non-Point Source Program Assistance	\$29,525,000
Principal Payments on Outstanding Bonds	\$33,980,000
Interest Payments on Outstanding Bonds	\$27,756,000
Program Administration From FFY 2014 Capitalization Grant	\$0
Program Administration From FFY 2015 Capitalization Grant	\$731,000
Program Administration From ARRA Capitalization Grant	\$2,122,000
Total Funding Uses	\$232,270,000

* Funds Available for disbursements as of 7/27/2015

** Loan disbursement rates are estimated based on previous experience with project pace. For projects that currently have not had a Finding of No Significant Impact or Categorical Exclusion issued, it is expected that up to 25% of the total project amounts may be disbursed during SFY 2016 once environmental review is completed, construction permit issued, and binding loan commitment signed. For those projects with FNSI/CX clearance, the disbursement rate is estimated at 25% of the loan request amount.

**APPENDIX B-1
PROCEDURES TO DETERMINE SECTION 212 PROJECT PRIORITY LIST**

Project rankings were determined by the following procedures:

Cost eligibility of projects was determined as per 567 IAC 92.7(6)(455B). Applications were evaluated using the priority point system in 567 IAC 91.8(455B).

The final project priority list for a fiscal year's project pool is compiled in the following manner: subsequent segments of projects funded by CWSRF loan programs of previous years will be ranked at the top; projects ranked in the current year application group will then be added.

Projects on the project priority list will be given contingency status should the total amount of needs exceed the year's CWSRF staff resources capability and loan funding or if the projects have not met the fundable criteria described in 567 IAC 92.6(2)(455B). Projects will be funded from the top down in the ranking order of the project priority list. Projects are ranked similarly in the contingency project list. The top project in the contingency list can be moved to the funding list when funds are available or it has met the fundable criteria. Funds can be made available due to a number of reasons including project bypasses, loan application withdrawal of other projects, reduction in loan amount requests, an increase in available funds, or progress in meeting program requirements.

**APPENDIX B-2
CRITERIA TO DETERMINE PROJECT PRIORITY LIST**

In April 2010 Iowa adopted revised rules for the Clean Water State Revolving Fund (CWSRF). 567 IAC 91 provides the criteria for scoring and ranking CWSRF projects. The new system uses an integrated approach which allows comparison of Section 212 POTW (publicly owned wastewater treatment works) projects as well as nonpoint source pollution control projects. The goal of the new system is gain the highest water quality benefits for the funding available.

Currently Iowa is able to fund all projects that are eligible, but the priority system will be available to use in the case that demand for CWSRF loans exceeds supply of funds.

Section 212 POTW Projects

The rating criteria consider the use classification of the receiving waters, water quality of the receiving waters, groundwater protection, project type, project purpose, and a tiebreaker; defined in 567 IAC 91.8 (455B). Priority ranking for the projects shall be based on the total points awarded for all the categories; the greater the total number of points, the higher the ranking. The ranking will be done at the time the IUP is prepared and will not be updated during the year. The tie breaker category will be used when necessary.

Nonpoint Source Set-Aside Programs

The rating criteria consider the use classification of the receiving waters, water quality of the receiving waters, groundwater protection, project type, project purpose, and a tiebreaker; defined in 567 IAC 91.8 (455B). Priority ranking for the projects is based on the total points awarded for all the categories; the greater the total number of points, the higher the ranking. The priority system for nonpoint source will not be implemented until 90 percent of a nonpoint source set-aside is allocated and no additional funds are available. If that occurs, ranking will be done at the time that a new project application is received.



Drinking Water State Revolving Fund Intended Use Plan Fiscal Year 2016

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Drinking Water State Revolving Fund Intended Use Plan Fiscal Year 2016

I. STATE FISCAL YEAR 2016 PLAN OF ACTION

The plan is based on anticipated use of new and revolved funds available in the DWSRF for construction of treatment plants or improvements to existing facilities, water storage facilities, wells, and source water protection efforts.

The SFY 2016 Plan of Action covers the following areas:

- DWSRF goals and objectives;
- Current and projected financial capacity of the DWSRF;
- Financial management strategies;
- Plan for the SFY 2016 project priority list;
- Plan for use of DWSRF set-aside funds; and
- Plan for use of administrative accounts.

DWSRF Goals and Objectives

The primary long-term goal of the Iowa DWSRF is to support the protection of public health through a perpetual program of financial assistance for the purposes of ensuring the provision of an adequate quantity of safe drinking water to consumers of public water supplies, protecting source water for drinking water systems, and ensuring the long-term viability of existing and proposed water systems.

The SFY 2016 short-term goals and objectives are as follows:

- Goal: Commit loan funds to as many recipients as possible in accordance with the state priority rating system, the IUP, staff resources, and available funding. *Objective: During SFY 2016, quarterly updates to the IUP will be prepared to add projects and update program financial information.*
- Goal: Ensure that borrowers are able to provide safe drinking water at a reasonable cost for the foreseeable future. *Objectives: During SFY 2016, viability assessments will be completed by each applicant and reviewed by SRF staff prior to signing of the loan agreement. Systems determined nonviable or systems with EPA's Enforcement Targeting Tool (ETT) scores above 11 will be provided with an enforceable compliance schedule listing all actions that must be completed to return the system to viable status. Extended term financing will be offered to disadvantaged communities. SRF staff will coordinate efforts with other funders such as the Community Development Block Grant program. We will continue to educate and inform public water supplies, engineering consultants, and financial advisors on the financing savings available by using the DWSRF.*

- Goal: Require applicants to engage a registered Municipal Advisor (MA). *Objective: During SFY 2016, all applicants submitting an Intended Use Plan application must demonstrate that they have hired an MA to assist with cash flows, rate setting, debt service coverage, and other financial aspects of their wastewater utility.*
- Goal: Implement the “Use of American Iron and Steel (AIS)” requirements enacted by Congress on January 17, 2014. *Objective: During SFY 2016, SRF staff will help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. SRF staff will provide information to those applicants required to comply on necessary documentation and inspection procedures.*
- Goal: Apply additional subsidization available in FFY 2014 - 2015 capitalization grants to disadvantaged community projects and public health projects. Identify additional projects as needed when the FFY 2015 cap grant is available. *Objective: During SFY 2016 SRF staff plans to approve plans and specifications and execute loans or loan amendments with loan forgiveness for the amounts required in the FFY 2014 - 2015 cap grants.*
- Goal: Promote and identify sustainable practices in projects proposed for funding. *Objective: During SFY 2016 SRF staff will provide information on the EPA’s Sustainability Policy to applicants and include sustainability features in project descriptions.*
- Goal: Comply with EPA guidance on reporting under the Federal Funding Accountability and Transparency Act (FFATA). *Objective: In the SFY 2016 Annual Report, SRF staff will list loans that met the several requirements of FFATA.*
- Goal: Comply with the EPA Signage Guidance. *Objective: During SFY 2016 SRF staff and recipients will notify the public in the most effective ways possible about assistance agreements and benefits of the DWSRF program in order to enhance public awareness of EPA assistance agreements nationwide.*
- Goal: Update the DWSRF Operating Agreement. *Objective: During SFY 2016 SRF staff will work with EPA Region 7 to update the Drinking Water SRF Operating Agreement between DNR and EPA. The agreement has not been updated since 2007.*

Additional long-term goals include:

- Goal: Prioritize the provision of funds, to the extent practicable, to projects that address the most serious risk to human health and are necessary to ensure compliance with the national primary drinking water standards. *Objectives: Priority will be assigned to projects that address human health risks or compliance issues by the provision of points assigned during the DWSRF scoring process as outlined in 567 IAC Chapter 44. The EPA’s Enforcement Targeting Tool (ETT) will be reviewed to determine whether additional assistance through the DWSRF program could be extended to systems with scores above 11 points related to drinking water quality through additional subsidization or other means.*
- Goal: Apply program requirements that are simple and understandable and do not add unnecessary burdens to applicants or recipients. *Objectives: During SFY 2016 SRF staff will continue to assist applicants with completing the federal cross-cutting requirements for environmental and historical review. Staff will not be responsible for Davis-Bacon compliance but will advise borrowers as needed. Borrowers will be responsible for compliance and may hire outside consultants to assist.*

- Goal: Continue the option of extended financing terms for DWSRF infrastructure projects. *Objective: During SFY 2016 this option will be offered to current and new projects on the project priority list. Applicants seeking extended financing must complete a worksheet outlining the anticipated life of the project components, which can be averaged to determine the extended term.*
- Goal: Maintain mechanisms for funding the on-going administration of the program if federal funding is reduced or eliminated. *Objective: During SFY 2016 initiation and servicing fees will be collected on DWSRF loans for deposit to administrative accounts. SRF staff will develop short and long-term plans for administrative budgets.*
- Goal: Manage the DWSRF to maximize its use and impact through sound financial management. *Objective: During SFY 2016 SRF staff and financial advisors will continue to conduct financial analysis and develop innovative approaches to financial management.*
- Goal: Implement programs that effectively address water system needs and target appropriate audiences. *Objective: During SFY 2016 SRF staff will continue to educate users and potential users about the program offerings through presentations, displays, program materials, and the IowaSRF.com website.*

Current and Projected Financial Capacity of the DWSRF

Appendix A, the Estimated Sources and Uses table, shows that available funds are sufficient to fund current requests.

SRF staff has analyzed the future financial capacity of the DWSRF. Using relatively conservative assumptions, it is projected that the DWSRF could loan an average of \$150 million per year over the next 10 years, or a total of \$1.5 billion.

Financial Management Strategies

The sources of funds for this IUP include the FFY 2014 federal capitalization grant. A bond issue was completed in SFY 2015 and state match bonds for the FFY 2014 and FFY 2015 cap grants were issued at that time.

Iowa’s cap grants and state match amounts are shown below. State match bonds are issued at the same time that leveraged bond issues are done for greater cost effectiveness. The cap grant amounts are not always known at that time, so there may be an overmatch that can be rolled into the next fiscal year’s state match.

[These amounts reflect the August 2015 rescission of cap grant funds.](#)

FFY 2014	Cap Grant Amount	State Match Needed	Excess State Match
DWSRF state match from February 2015 bond issue		\$2,464,341	
Excess state match		\$181,459	
Total DWSRF state match available		\$2,645,800	
FFY 2014 cap grant	\$13,229,000	\$2,645,800	\$0

FFY 2015	Cap Grant Amount	State Match Needed	Excess State Match
DWSRF state match from February 2015 bond issue		\$2,645,800	
Excess state match		\$0	

Total DWSRF state match available		\$2,645,800	
FFY 2015 cap grant	\$13,142,000	\$2,628,400	\$17,400

The cash draw procedure used is the direct loan method. State Match is fully disbursed prior to drawing EPA Capitalization Grant funds. The EPA Capitalization Grant funds will be drawn at a 100% proportionality ratio.

Iowa's bonds are cross-collateralized across both the Clean Water and Drinking Water SRF accounts.

SFY 2016 Project Priority List

The management of the DWSRF program, including development of a project priority list for financing assistance, was developed according to Part 567 of the Iowa Administrative Code (IAC), Chapter 44. This IUP indicates the intent to provide funds to projects ranked in priority order according to scoring criteria contained in Chapter 44 of the IAC.

In the event that projects identified for funding in the IUP do not attain readiness for a loan commitment by projected dates, these delayed projects may be bypassed. Other projects may be added to the project priority list to be funded based on the State's implementation rules for the DWSRF program (567 IAC 44). Applications that are in excess of available DWSRF assistance or that are unable to enter binding commitments within one year may be placed on Contingency status according to priority.

Projects will be funded as ranked on the project priority list. Adjustment to the list of fundable projects will be made, if necessary, to assure that at least 15% of the project funds are available to systems serving fewer than 10,000 persons as specified in Section 1452(a) (2) of the Act. Financing may be provided for up to 100% of project costs if the costs are eligible for funding based on engineering, environmental, and financial review and project readiness to proceed as described above.

The priority list has two major categories of projects: fundable and contingency. Fundable projects are defined as those are likely to be ready for a loan during the current fiscal year. Contingency projects are those that will not be ready for a loan during the current fiscal year.

Due to the project workload and for planning purposes, the DWSRF staff will evaluate projects that have been on the IUP list for more than three years. A notification will be sent to the applicants that their project may be dropped if there is no progress in the six months following the notice. If a project is dropped, the applicant may reapply when the project is ready to move ahead.

For program planning purposes, the fundable projects are further identified as "R – ready for loan" (indicating that the construction permit and environmental review have been completed), and "P – in planning."

The following categories of projects will be included for funding during SFY 2016:

Unfunded Prior Years' Projects. All projects from prior years that have not entered into a binding commitment are included in this IUP.

Segments of Previously Funded Projects. State rules provide that subsequent segments of a project which has previously received funding priority or assistance be placed on the project priority list with the original project score.

New Projects. New applications for assistance during SFY 2016 will be added to the project priority list. Applications will be accepted on a continuous basis and quarterly updates completed as needed.

Supplemental Financing. Supplemental financing for projects listed in previously approved IUPs are added to the IUP as they are requested unless the additional funds will be used for improvements that would significantly change the scope of the project. Additional environmental review may be required. Supplemental loans will not be provided for changes that would lower the original score of the project to a point where the application is no longer competitive or is ineligible for funding.

Contingency Projects. Projects on contingency status have indicated they do not expect to enter into binding commitments during SFY 2016. These projects may be moved to fundable status if their schedules indicate they will require funding during SFY 2016.

Planning and Design Loans. Requests for planning and design loans are listed on the project priority list but have not been assigned priority points.

Source Water Protection Loans. Applications from eligible public water supplies with approved SWP plans will be added when the proposed project is a component of the SWP plan.

Capitalization Grant Requirements. The FFY 2010 - 2015 capitalization grants include requirements for certain percentages of the funds to be allocated for green projects and/or for additional subsidization. These amounts reflect the August 2015 rescission of cap grant funds.

	2010	2011	2012	2013	2014	2015	TOTAL
DW Cap Grants	\$23,169,000	\$16,077,000	\$15,322,000	\$14,375,000	\$13,229,000	\$13,142,000	\$95,314,000
DW GPR	\$ 4,633,000	\$ 3,164,200	\$0	\$0	\$0	\$0	\$7,797,200
DW Add Subs Minimum	\$ 6,950,700	\$ 4,746,300	\$ 3,064,400	\$ 2,875,000	\$ 2,645,800	\$2,628,400	\$22,910,600
DW Add Subs Maximum	\$23,200,000	\$15,821,000	\$ 4,596,600	\$ 4,312,500	\$ 3,968,700	\$3,942,600	\$55,841,400

The following outlines the amounts and the projects that have been or will be counted for each cap grant. Projects are labeled as D (Disadvantaged), P (Public Health), or G (Green Project Reserve). The projects for which additional subsidization has been committed but which have not signed loan agreements as of April-July 2015 are shown in bold.

Project	D, P, or G	Current Request	Loan Amount	Amount Green	Amount Add Subs	Grant Year Reported
New Hartford	D		\$ 81,000		\$ 16,200	2010
Charlotte	PH		\$ 93,000		\$ 46,500	2010
Colfax	G		\$ 510,000	\$ 510,000	\$ 153,000	2010
Durant	G		\$ 182,000	\$ 182,000	\$ 36,400	2010
Keokuk	D		\$ 1,600,000		\$ 480,000	2010
Lidderdale	D		\$ 400,000		\$ 240,000	2010
Lyon-Sioux RWS	G		\$ 455,000	\$ 455,000	\$ 90,900	2010
Maquoketa	G		\$ 492,000	\$ 492,000	\$ 98,400	2010

Ottumwa	D		\$ 1,400,000		\$ 560,000	2010
Ottumwa	D		\$ 1,666,000		\$ 666,400	2010
Rathbun RWA	D		\$ 5,380,000		\$ 1,559,862	2010
Rolfe	D		\$ 1,122,000		\$ 561,000	2010
Union	D		\$ 658,000		\$ 197,400	2010
Wall Lake	G		\$ 132,000	\$ 132,000	\$ 26,400	2010
Lidderdale	D		\$ 1,301,000		\$ 780,600	2010
Shenandoah	G		\$ 14,057,000	\$ 5,228,000	\$ 1,050,000	2010
Humboldt	G		\$ 6,814,000	\$ 1,800,000	\$ 360,000	2010
Ottumwa	G		\$ 1,250,000	\$ 1,250,000	\$ 250,000	2011
College Springs	PH		\$ 110,000		\$ 37,661	2011
Timber Ridge Water Utility Corporation	PH		\$ 225,000		\$ 112,500	2011
Hills	PH		\$ 4,151,000		\$ 2,075,250	2011
LeMars	G		\$ 1,010,000	\$ 1,010,000	\$ 202,000	2011
Ames	G		\$ 76,325,000	\$ 30,000,000	\$ 6,599,000	2011, 2012, 2013, 2014
Churdan	PH		\$ 1,120,000		\$ 560,000	2011
Ottumwa	D	\$ 4,000,000			\$ 1,600,000	2014
Frankville (Status: in design)	PH	\$ 762,000			\$ 381,000	2014
Kelley (Status: in planning)	D	\$ 1,825,000			\$ 548,000	2014
Ralston (Status: in planning)	D	\$ 344,000			\$ 138,000	2014
Shenandoah	G	\$ 81,000		\$ 81,000	\$ 16,200	2014
TOTAL		\$ 3,012,000	\$ 120,534,000	\$ 41,140,000	\$ 19,442,673	

II. INFORMATION ON THE DWSRF ACTIVITIES TO BE SUPPORTED

Allocation of Funds

Allocation of funds to eligible projects is based on a three-step process:

1. The amount of financial assistance needed for each application is estimated;
2. The sources and spending limits for all DWSRF funds are identified; and
3. The DWSRF funds are allocated among the projects, consistent with the financial assistance needed.

Information pertinent to each DWSRF project is contained in the attached Project Priority List.

Sources and Uses of Available DWSRF Funds

Appendix A to the Intended Use Plan illustrates potential sources and uses of funds in the DWSRF for SFY 2016. As shown, all pending loan requests and program administration needs can be funded. Projects will draw on their funding at different intervals based on their construction cycles. These differences are used to estimate

cash needs throughout the year. Appendix A will be updated quarterly as needed to provide an ongoing view of the financial plan for meeting loan requests.

The Iowa DWSRF program uses its equity fund to originate loans. When the number of loans that have been made creates a need for additional funds, IFA issues bonds, backed by those DWSRF loans, and uses the bond proceeds to replenish the equity fund.

DWSRF Loan Policies

Project Scope. The scope of the project must be outlined on the Intended Use Plan application and in the preliminary engineering report. Changes to the scope are allowed prior to loan closing. Significant changes in scope may cause delays if additional work is required by the project manager or environmental review specialist. Once a loan is signed, only minor changes to the scope will be allowed and only if they do not require additional technical or environmental review.

Loan Interest Rates. The interest rate for DWSRF construction loans are shown in the table below:

Loan Term	Applicant Type	Interest Rate	Servicing Fee	Total	Additional Information
Standard (up to 20 years)	All	1.75%	.25%	2.00%	
Extended (21 to 30 years based on useful life)	Disadvantaged	1.75%	.25%	2.00%	Please see below, "Extended Financing and Disadvantaged Status," for an explanation.
Extended (21 to 30 years based on useful life)	All	2.75%	.25%	3.00%	Please see below, "Extended Financing and Disadvantaged Status," for an explanation.

Interest rates for DWSRF planning and design loans will be 0% for up to three years. Interest rates for source water protection loans, which come out of the Other Authorized Uses set-aside, will be 0% for up to 20 years.

Loan Fees. A 0.5% origination fee is charged on the full loan amount for new DWSRF construction loans and source water protection loans, with a maximum amount of \$100,000. No origination fees will be charged on planning and design loans. A .25% servicing fee will be charged on construction loans and source water protection loans. Payment of the loan servicing fee is semi-annual with interest payments for all new SRF loans. Loan servicing fees are only charged on the principal amount disbursed during construction (not the entire original loan amount).

Maximum Financing. There is no maximum financing amount.

Project Readiness. Applicants cannot be offered assistance until they meet program requirements.

Funding Limitations. All program requests for disbursements from DWSRF projects can be met. These estimates are based on the projections that, for projects that have completed program requirements and are ready for funding, only 65.50% of the loan amount will be disbursed this fiscal year. For projects that are

currently in the planning phase but may be ready for funding during SFY 2016, it is projected that only 60% of total funds will be disbursed to the project this fiscal year.

Extended Financing and Disadvantaged Status. During SFY 2015 the Iowa SRF received approval from the U.S. EPA to provide extended terms for a loan to any borrower as long as the extended term does not terminate more than 30 years after project completion and the loan term does not exceed the expected design life of the project. For borrowers designated as disadvantaged, the interest rate on extended term loans will be 1.75%. For non-disadvantaged borrowers, the interest rate will be 2.75%.

The Safe Drinking Water Act defines a disadvantaged community as the service area of a public water system that meets affordability criteria established after public review and comment. Community public water systems serving populations that contain a majority (51 percent) of Low to Moderate Income (LMI) persons will be considered disadvantaged for the purpose of receiving the 1.75% interest rate on an extended term loan. This criterion does not apply to any other DWSRF assistance such as additional subsidization. Low to moderate income is defined as 80 percent of the median household income in the county or state (whichever is higher) using the most recent federal census or income survey data. Privately owned community public water systems will be considered eligible for disadvantaged community status if an income survey indicates that the service area meets the LMI criteria. Rural water systems will be considered eligible for disadvantaged community status if an income survey indicates that the area benefiting from the improvements meets the LMI criteria. Income surveys must be done according to the protocol specified by the Community Development Block Grant program.

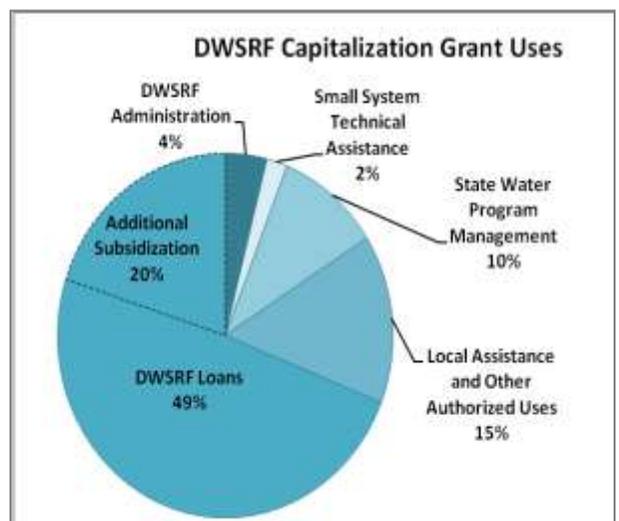
Extended term loans are limited to public water supply infrastructure improvements. Projects eligible for funding from set-asides, such as source water protection projects, are not eligible in accordance with federal program requirements.

Only those portions of a project that have a design life or life cycle of at least 30 years are eligible for repayment schedules exceeding 20 years. The department will use the table of estimated useful lives from EPA’s publication 816-R-03-016 to determine the length of the loan for eligible expenses. The consulting engineer for the project will be required to separate and itemize costs so that a weighted maturity may be calculated for loan repayment. The list of itemized costs and expected useful lives will be required prior to signing of the loan agreement.

Intended Use of Set-Asides

States are allowed to take or reserve set-aside amounts from each federal capitalization grant for a number of activities that enhance the technical, financial, and managerial capacity of public water systems and protect sources of drinking water. The use of the set-asides as well as the loan program is intended to carry out Iowa’s goal of ensuring that the drinking water received by 92% of the population served by community water systems meets all applicable health-based drinking water standards through approaches including effective treatment and source water protection.

The amounts are subject to approval by EPA of program workplans. The DNR is following the FY 2016 workplan. Iowa plans to take or reserve the allowed amount in each set-aside as shown in the chart.



DNR has two options for addressing the amounts available each year in set-asides. Set-aside funds may be reserved for future use (except for the Local Assistance and Other Authorized Uses set-aside), in which case they would be deducted from a future capitalization grant when they are ready to be taken. Funds that are taken from an available capitalization grant must be applied to planned work efforts approved by EPA.

In recent years, DNR has been using the set-asides and drawing upon reserved funds as needed to meet the needs for programs and efforts required by EPA that are critical for ensuring public health. Once the reserved amounts are expended, the amounts available for each set-aside will be limited to the percentage allowed out of each capitalization grant.

DWSRF Program Administration Set-Aside. Iowa intends to use this set-aside including loan administrative fees to pay the costs of administering the State Revolving Fund loan program. Among the uses for the set-aside are:

- Portfolio management, debt issuance, and financial, management, and legal consulting fees;
- Loan underwriting;
- Project review and prioritization;
- Project management;
- Environmental review services;
- Technical assistance to borrowers;
- Database development and implementation; and
- Program marketing and coordination.

Unused commitments are reserved for use in future years as necessary.

Small System Technical Assistance Set-Aside. Iowa intends to use DWSRF funds equivalent to 2% of the federal capitalization grant funds to provide technical assistance to public water supplies (PWSs) serving populations of less than 10,000.

Funds from this set-aside will be used this year to provide support for the operator certification program including the administration and proctoring of examinations in all six regions of the state, and to provide training for new Grade A water system operators and continuing education for existing Grade A water system operators. Grade A is the certification grade for the smallest public water supply systems, with only disinfection treatment.

Unused commitments are reserved for use in future years for DNR staff and other purposes as necessary.

State Program Support Set-Aside. The primary uses of this set-aside are to assist with the administration of the Public Water Supply Supervision program, to review engineering documents for non-DWSRF construction projects, to provide wasteload allocations at public water systems with loans, and to evaluate disinfection contact time determinations, approve corrosion control strategies, and make influenced groundwater determinations.

Other uses include:

- Updating the SDWIS database including support systems and provide compliance determinations and information technology database support;
- Adopting final federal rules and revisions to the Iowa Administrative Code.

Fifty percent of the budget amount will be funded from the capitalization grant and the remaining 50% will be funded from State sources. Unused commitments are reserved for use in future years for DNR staff and other purposes as needed.

Other Authorized Activities Set-Aside. The two primary uses of this set-aside are capacity development and source water protection (SWP).

Funds are budgeted for efforts related to developing technical, managerial, and financial capacity for Iowa's public water supplies, including:

- Completion of sanitary surveys with the eight elements and providing direct capacity development technical assistance;
- Training of inspectors in comprehensive performance evaluation protocols;
- Provision of technical assistance related to capacity development through the area wide optimization program (AWOP);
- Contracts with five counties to complete sanitary surveys and conduct annual visits at transient non-community public water supply systems;
- Provision of performance based training for the AWOP program; and
- System-specific capacity development assistance by contractor.

The SWP activities include the following:

- Coordination and administration of the Source Water Protection program;
- Contracts for services to develop SWP plans and to finalize implementation of Best Management Practices (BMPs) identified in SWP action plans;
- Water quality monitoring to evaluate impacts of BMPs;
- Groundwater site investigations;
- Development of data for Phase 1 SWP assessments for all new systems and new wells at existing public water supply systems;
- Technical assistance for well siting; and
- Maintenance of the *Source Water Mapper and Tracker* online database.

Plan for Use of Administrative Accounts

There are three distinct funding sources for DWSRF administrative expenses:

- The DWSRF administrative set-aside. Four percent of the cumulative amount of federal capitalization grants received may be used for program administration as discussed in the set-aside section above.
- Loan initiation fees. A 0.5% loan origination fee is charged on new DWSRF loans. Under EPA rules, because Iowa's origination fees are financed through the loans, the proceeds are considered program income. Program income can only be used for the purposes of administering the DWSRF program or for making new loans.
- Loan servicing fees. A fee of 0.25% on principal is charged on DWSRF loans. Under EPA rules, only servicing fees charged on loans made above and beyond the amount of the capitalization grant and fees collected after the capitalization grant under which the loan was made has been closed are considered

non-program income. Non-program income can be used to administer the program or for other safe drinking water purposes.

Program Income. As of April 2105, there was approximately \$6 million in the fee account encompassing program income. A portion of these funds will be used in SFY 2016 for program administration, and the remainder will be reserved for future administrative expenses.

Non-Program Income. As of April 2015, there was \$4.3 million available in funds considered non-program income. DWSRF non-program income may be used in SFY 2016 to provide part of the required state match for the State Program Management set-aside and for state match for the FFY 2015 capitalization grant.

Plan for Efficient and Timely Use of DWSRF Funds

In recent years, the processes of the DWSRF have been streamlined, and the marketing and education enhanced. These improvements have resulted in more efficient and timely use of the DWSRF and full utilization of available funds. In particular, Iowa applies for and draws federal capitalization grants as expeditiously as possible.

Rather than doing one annual funding solicitation, with a discrete set of projects identified for funding that year, the Iowa SRF does quarterly updates to its Intended Use Plan. This creates a continuous pipeline of projects at different stages of readiness. Communities determine when they need their funding; the program does not set deadlines on loan execution.

With a return of \$2.50 for every dollar of federal investment, Iowa's DWSRF is an efficient and effective delivery mechanism for water infrastructure funding.

DWSRF set-asides are typically fully utilized within a two-year planning and budgeting period. Iowa draws grant funds on a first-in, first-out basis in order to close out the capitalization grants. Due to increased water program budget needs, Iowa is spending reserved set-aside capacity at a faster rate than in the early years of the DWSRF program.

III. ASSURANCES AND SPECIFIC PROPOSALS

Iowa will provide the necessary assurances and certifications according to the Operating Agreement between the State of Iowa and the U.S. EPA. Iowa's Operating Agreement was amended in April 2007 and will be updated during SFY 2016.

IV. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The following approach was used to develop Iowa's proposed distribution of DWSRF funds: (1) analysis of the priority of communities applying and financial assistance needed; (2) identification of the sources and spending limits of available funds; (3) allocation of funds among projects; (4) development of a payment schedule which will provide for making timely binding commitments to the projects selected for DWSRF assistance; and (5) development of a disbursement schedule to pay the project costs as incurred.

Priority of Communities and Financial Assistance Needed

Iowa law provides only for loan assistance. Additional subsidization required by the FFY 2010-2015 capitalization grants will be through forgivable loans. The state's DWSRF rules identify the priority rating system used to establish priorities for financial assistance.

Projects are considered eligible for financial assistance for all planning and project costs providing the project is on the project list of an approved IUP.

Allocation of Funds among Projects

All projects listed in the Project Priority List are eligible for assistance and may be funded from the DWSRF subject to available funds.

All projects scheduled for funding with Iowa's DWSRF will be reviewed for consistency with the Safe Drinking Water Act, as amended. Should a project fail to meet this review criterion, it may be bypassed or deleted from the funding list. Contingency projects may be considered for assistance as bypass projects according to state rules without formal amendment of this IUP. Projects may be added to the Project Priority List in priority order as applications are received.

V. METHOD OF AMENDMENT OF THE INTENDED USE PLAN

The State will follow this IUP in administering DWSRF funds in FY 2016. Federal and state law requires, and Iowa welcomes, opportunity for public participation in the development of the IUP. Any revisions of the goals, policies and method of distribution of funds must be addressed by a revision of the IUP, including public participation. Minor adjustments in funding schedules, loan amounts, and use of bypass provisions including funding of projects on the contingency list are allowed by the procedures of this IUP and state rules for administration of the DWSRF without public notification. Adjustments to the Project Priority List to utilize actual funds available to the DWSRF for FY 2016 will be considered minor and only affected applicants will be notified. Public notice of amendments will be made if municipalities are added to or removed from the Project Priority List.

VI. PUBLIC REVIEW AND COMMENT

A public meeting to allow input to Iowa's SFY 2016 IUP and Project Priority List was held May 7, 2015, 10:00 a.m., at the Wallace State Office Building, Conference Room 5E, 502 E. 9th Street, Des Moines. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, US EPA Region VII and other groups which might have an interest. There were no attendees at the public hearing. The public comment period was open until May 14, 2015. There were no written comments.

A public meeting to allow input to Iowa's SFY 2016 Second Quarter IUP and Project Priority List was held August 6, 2015, 10:00 a.m., at the Wallace State Office Building, Conference Room 2E, 502 E. 9th Street, Des Moines. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, US EPA Region VII and other groups which might have an interest. There were no attendees at the meeting. The public comment period was open until August 13, 2015. There were no written comments.

VII. PROJECT PRIORITY LIST

The DWSRF Project Priority List is included in a separate, sortable Excel file.

APPENDIX A

**Iowa DWSRF State Fiscal Year 2016 2Q
Estimated Funding Sources and Funding Uses
As of 7/27/2015**

Funding Sources for Loans

Funds Available in Equity Fund and Program Accounts	\$76,743,000	*
FFY 2014 Capitalization Grant	\$2,485,000	*
State Match for FFY 2014 Capitalization Grant	\$0	
FFY 2015 Capitalization Grant	\$11,171,000	
State Match for FFY 2015 Capitalization Grant	\$0	
Issuance of Leveraged Bonds (next bond issue expected SFY 2017)	\$0	
Equity Fund and Program Interest Earnings	\$269,000	
Loan Repayments	\$31,645,000	
Total Funding Sources for Loans	\$122,313,000	

Funding Uses for Loans

Undisbursed Amounts Committed to Existing Loans (50% disbursement rate)	\$47,797,000
Project Requests (FNSI/CX issued; 50% disbursement rate)**	\$21,944,000
Project Requests (FNSI/CX not issued; 50% disbursement rate)**	\$28,443,000
Planning & Design Requests (50% disbursement rate)	\$684,000
Principal Payments on Outstanding Bonds	\$14,075,000
Interest Payments on Outstanding Bonds	\$9,370,000
Total Funding Uses for Loans	\$122,313,000

* Funds Available for disbursements as of 7/27/2015

*** Loan disbursement rates are estimated based on previous experience with project pace. For projects that currently have not had a Finding of No Significant Impact or Categorical Exclusion issued, it is expected that up to 50% of the total project amounts may be disbursed during SFY 2016 once environmental review is completed, construction permit issued, and binding loan commitment signed. For those projects with FNSI/CX clearance, the disbursement rate is estimated at 50% of the loan request amount.

Funding Sources for Set Asides (Includes FFY 2014 & previous Cap Grants)

Available Balance under Existing Capitalization Grants for set asides:

Administration	\$0
Small Systems Technical Assistance	\$189,000
State Program	\$1,280,000
Other Authorized Activities	\$2,544,000

Total Funding Sources for Set-Asides **\$4,013,000**

Funding Uses for Set Asides

Administration	\$0
Small Systems Technical Assistance	\$189,000
State Program	\$1,280,000
Other Authorized Activities	\$2,544,000

Total Uses for Set Asides **\$4,013,000**

APPENDIX B PROCEDURES TO DETERMINE PROJECT PRIORITY LIST

Project rankings were determined by the following procedures:

- Eligibility of applications were determined by needs criteria identified in IAC 567—44.7(8). In general, most water source, treatment and distribution system improvements are considered eligible.
- Project applications received during the FY 2016 application period were considered for funding in FY 2016; if not funded by the end of FY 2016, these projects will be moved to the FY 2017 project priority list.
- The priority ranking is a total score developed using the scoring criteria listed in IAC 567—44.7(8). Points may be gained in each of five categories: Water Quality and Human Health Risk-Related Criteria (60 point maximum), Infrastructure and Engineering-Related Improvement Criteria (35 point maximum), Affordability Criteria (10 point maximum), Special Category Improvements (15 point maximum), and IDNR Adjustment Factor for Population (10 points). The combined score provides a numerical measure to rank each project within its pool. A project with a larger number receives higher priority.
- The final project priority list for a fiscal year’s project pool is compiled in the following manner: Subsequent segments of projects funded by DWSRF loan programs of previous years will retain their original score and be added to the list of the current year’s applications.
- Loan-eligible projects submitted will be placed on the IUP each calendar quarter. If the project is anticipated to proceed during FY 2016, the project will be added to the project priority list and the list will be made available for public comment at the end of each calendar quarter in which one or more projects are added to the list.
- Projects on the project priority list will be moved to contingency status if the total amount of needs exceeds the year’s DWSRF staff resources capability and loan funding or if it is known that the project will be unable to be funded during FY 2016. Projects will be funded from the top down in the ranking order of the project priority list with consideration given to readiness to proceed. Projects are ranked similarly in the contingency project list. Projects on contingency status can be moved to the funding list when funds are available or when the project is ready to proceed. Funds can be made available due to a number of reasons including project bypasses, loan application withdrawal of other projects, reduction in loan amount requests, or an increase in available funds.

Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Needs Category	Priority Points	Quarter	Project Status	Current Requests	Loan Forgiveness	Loan Signed	Original Request	Loan Amount
De Soto	2529001	S2014-0066	1920759 01	Wastewater Treatment Facility Improvements	2016	II	232	2	P	\$ 2,887,000				
Grinnell	7930001	S2014-0189	1920762 01	Wastewater treatment facility improvements	2016	II	222	2	P	\$ 10,403,000				
Harris	7222001	S2015-0358	1920757 01	Sanitary Sewer Rehabilitation	2016	III-A	145	2	P	\$ 921,685				
Hartford	9128001	S2015-0314	1920755 01	Lift Station and Wastewater System Improvements	2016	III-A	165	2	P	\$ 281,000				
Hospers	8439001	S2014-0364	1920758 01	Wastewater treatment plant improvements	2016	II	172	2	P	\$ 2,348,685				
Keota	5440001	S2015-0069	1920761 01	Construction of Submerged Attached Growth Reactors and UV system	2016	II	142	2	P	\$ 2,988,770				
Postville	0375001	S2015-0412	1920756 01	Sanitary Sewer Rehabilitation Phase II	2016	III-A	155	2	P	\$ 1,015,000				
Rock Valley	8482001	S2015-0184	1920754 01	Wastewater treatment plant improvements	2016	I	175	2	P	\$ 1,513,000				
Sanborn	7165001	S2012-0256	1920752 01	Improvements to Wastewater treatment facility as a result of a new NPDES permit and increase loading from and industrial facility	2016	II	167	2	P	\$ 1,946,685				
Strawberry Point	2279001	S2015-0213	1920753 01	WWTP Disinfection and Ammonia Removal	2016	II	250	2	P	\$ 426,000				
Wellman	9276001	S2015-0226	1920760 01	Wastewater Disinfection Improvements	2016	II	260	2	P	\$ 836,000				
Allison			PD-CW-16-13	Construct a Closed Loop Reactor with final clarifiers, sludge pumps and ultra violet E-Coli treatment with lagoons being utilized as equalization basins.	2016	II	P&D	2	R	\$ 443,676				
Cincinnati			PD-CW-16-2	Improvements to the wastewater treatment lagoon facility to meet newly established ammonia nitrogen and E.Coli limits.	2016	II	P&D	2	R	\$ 405,000				
Dike			PD-CW-16-12	Upgrade an existing wastewater treatment facility	2016	II	P&D	2	R	\$ 200,000				
Murray			PD-CW-16-15	Construction of green infrastructure practices	2016	VII	P&D	2	R	\$ 110,000				
Osage			PD-CW-16-16	Update the Sanitary Sewer Collection System	2016	IIIA	P&D	2	R	\$ 96,500				
RUSS(Moar/Powdertown)	Unsewered		PD-CW-16-11		2016	I,IVA	P&D	2	R	\$ 100,000				
Scranton			PD-CW-16-25	Wastewater treatment	2016	I	P&D	2	R	\$ 216,000				
St Donatus			PD-CW-16-17	Relining existing two cell lagoon and construction of lift station	2016	I	P&D	2	R	\$ 81,650				
Union			PD-CW-16-14	Rehabilitation of existing sanitary sewer system and pumping facilities	2016	IIIB	P&D	2	R	\$ 130,000				
Wellman			PD-CW-16-10	Wastewater Disinfection Improvements	2016	II	P&D	2	R	\$ 166,510				
Grimes	7736001	S2012-0348	1920751 01	Water & Wastewater Improvements	2016	I, IIIA	185	1	P	\$ 4,221,000				
Lake View	8127001	S2015-0174	1920748 01	Construction of ultraviolet disinfection system	2016	II	224	1	P	\$ 482,400				

Sabula	4975001	S2015-0208	1920749 01	Collection System Improvements	2016	IIIA	157	1	P	\$ 389,940				
Underwood	7869001	S2013-0176	1920742 01	2015 Sanitary Sewer & Lift Station	2016	IVA	137	1	P	\$ 505,967				
Wastewater Reclamation Authority	7727001	S2015-0261	1920750 01 (Phase 27, Segment 1-8)	Eastside Interceptor	2016	IVB	135	1	P	\$ 68,340,000				
Wastewater Reclamation Authority (supplemental)	7727001	S2015-0186	1920657 02	WRA Southern Tier Interceptor Phase 10 Segment 22	2016	IVB	115	1	P	\$ 665,310				
Eastern Iowa Regional Utility Service System			PD-CW-16-08	Construction of wastewater system	2016	I	P&D	1	R	\$ 25,000				
Fort Atkinson	9641001	S2015-0087	PD-CW-16-02	Construct a larger lagoon to meet the new NPDES permit limits and compliance schedule	2016	I	P&D	1	R	\$ 82,000				
Harris	7222001		PD-CW-16-03	Rehabilitation of existing sanitary sewer system	2016	IIIB	P&D	1	R	\$ 192,000				
Mediapolis	2948001	S2015-0002	PD-CW-16-04	Lagoon Improvements	2016	I	P&D	1	R	\$ 110,000				
Ames	8503001	S2013-0327	1920741 01	Sanitary Sewer Rehabilitation	2015	IIIA	160	4	P	\$ 2,588,970				
Aplington	1207001	S2014-0154	1920731 01	UV disinfection, standby generator, remove sludge and replace synthetic lagoon liners and several older surface aerators and install new flow meter.	2015	II	250	4	P	\$ 844,200				
Belle Plaine	0610001	S2012-0141	1920744 01	Wastewater Disposal System Improvements	2015	II,IIIA	259	4	P	\$ 2,448,180				
Brooklyn	7909001	S2014-0047	1920735 01	Treatment Plant Upgrade	2015	II	240	4	P	\$ 4,120,500				
Duncombe	9427001	S2015-0164	1920740 01	Lift Station	2015	IIIB	165	4	P	\$ 404,990				
Edgewood	2820001	S2014-0317	1920730 01	Construction of a new lift station	2015	IIIB	147	4	P	\$ 262,000				
Fort Madison	5625001	S2013-0017	1920746 01	Replace aging equipment, repair structures, implement nutrient removal, add biosolids storage	2015	II	237	4	P	\$ 15,497,000				
Granville	8429001	S2015-0163	1920738 01	2015 Sanitary Sewer project	2015	IIIA	152	4	P	\$ 696,968				
Keokuk	5640001	S2015-0088	1920732 01	Sewer Rehabilitation - Phase 1	2015	IIIA	237	4	P	\$ 1,484,700				
Keystone	064001	S2014-0164	1920743 01	WWTF Upgrade	2015	II	247	4	P	\$ 3,239,919				
Lime Springs	4535001	S2014-0243	1920747 01	Wastewater System Improvements	2015	II	245	4	P	\$ 2,454,009				
Monona	2264001	S2014-0307	1920734 01	Sanitary Sewer Collection Systems and Lift Station Improvements	2015	IIIA	170	4	P	\$ 2,954,550				
Northwood	0032395	S2014-0292	1920733 01	Wastewater Treatment Improvements	2015	II	260	4	P	\$ 8,970,630				
Pleasantville	6377001	S2013-0174	1920737 01	WWTP Improvements	2015	II	229	4	P	\$ 4,120,500				
Readyln	0965001	S2009-0030	1920736 01	WWTF Improvements	2015	II	207	4	P	\$ 3,326,500				
Spencer	2171004	S2014-0044	1920745 01	Treatment Plant Upgrade, 4th Ave west storm sewer separation	2015	II,V	300	4	P	\$ 5,864,175				
West Liberty	7073001	S2014-0165	1920739 01	WTF Improvements - Phase 1	2015	II	260	4	P	\$ 2,605,086				
Greene	1253001	S-2015-0235	PD-CW-16-02	New Submerged Attached Growth Reactor system for their existing acrated lagoon & UV disinfection system	2015	II	P&D	4	R	\$ 124,500				
Prairie City			DROPPED	Sanitary Sewer Collection Systems Improvements	2015	IIIB	P&D	3	D					

Readyln			PD-CW-15-42	New activated sludge treatment process	2015		P&D	1	R	\$ 325,000				
Wastewater Reclamation Authority (supplemental)	7727001	S2009-0219	1920457 05 (Phase 17, multiple phases)	New Main Outfall, supplemental loan to finalize costs	2015	IVB	160	1	R	\$ 3,000,000				
Letts	5847001	S2014-0208	1920711 01	Sanitary Sewer I/I Rehabilitation	2015	IIIA	170	1	R	\$ 581,100				
Wastewater Reclamation Authority (supplemental)	7727001	S2009-0219	1920499 02 (Phase 17, Segment 7)	New Main Outfall, Phase 17 Segment 7 final costs	2015	IVB	160	1	R	\$ 10,400,000				
Fairbank	1025001	S2012-0184	1920700 01	Wastewater System Improvements	2014	II	234	4	L			7/10/15	\$ 3,114,500	\$ 4,145,000
Arlington	3307001	S2014-0186	1920694 01	Sanitary sewer rehabilitation	2014	IIIA	117	4	P	\$ 349,961				
Blakesburg	6827001	S2014-0172	1920695 01	Sanitary sewer rehabilitation	2014	IIIA	132	4	P	\$ 383,000				
Chariton	5903001	2014-0106	1920697 01	Increase capacity of 12th St Lift Station and replace NW Lift Station with new structures and equipment.	2014	IVB	135	4	P	\$ 350,000				
Keosauqua	8938001	S2013-0110	1920693 01	PER Wastewater Improvements	2014	IIIA	145	4	P	\$ 546,000				
Chariton			PD-CW-14-36	Increase capacity of 12th St Lift Station and replace NW Lift Station with new structures and equipment.	2014	IVB	P&D	4	R	\$ 137,900				
Maxwell	8557001	S2014-0169	1920698 01	Sanitary sewer rehabilitation	2014	IIIA	130	4	R	\$ 271,800				
Farley	3135001	S2013-0378	DROPPED	WWTF Disinfection	2014	II	199	3	D					
Dyersville	3130001	S2013-0345	1920689 01	WWTF Expansion Project	2014	II	172	3	P	\$ 3,030,000				
Dyersville	3130001	S2013-0342	1920690 01	SE Lift Station & Collection System Improvements	2014	IVB	127	3	P	\$ 1,476,620				
Garnavillo	2234001	S2012-0200	1920684 01	Improvements to collection system	2014	II	199	3	P	\$ 4,469,250				
Miles	4953001	S2013-0064	1920688 01	Construction of controlled discharge lagoon	2014	I	227	3	P	\$ 897,890				
Spragueville	4982001	S2013-0202	1920685 01	Septic tank/sand mound treatment system.	2014	XII	199	3	P	\$ 316,544				
Ames	8503001	S2013-0326	1920686 01	WPCF Biosolids Storage Tank	2014	II	180	3	R	\$ 1,885,400				
Coralville			PD-CW-14-31	Replace manholes, reconstruct sewer lines at Oakdale trunk sewer and replace lift station and form main for Muddy Creek	2014	IIIB	P&D	3	R	\$ 270,263				
Martensdale	9147001	S2013-0292	1920682 01	Sewer rehabilitation	2014	IIIB	150	2	P	\$ 833,800				
Dyersville			PD-CW-14-19	WWTF Expansion Project	2014	II	P&D	2	R	\$ 173,000				
Dyersville			PD-CW-14-18	New Lift Station	2014	IIIB	P&D	2	R	\$ 152,000				
Henderson	66529001	2013-0147	1920674 01	Wastewater Improvements	2013	IVA	125	4	P	\$ 100,000				
Montezuma	7950001	S2012-0172	1920670 01	Lining 7000 LF of sanitary sewers, new transmission main, constructing bio-retention swales, constructing new culverts and streets.	2013	IIIB	145	4	P	\$ 317,140				
Tama	8670002	S2013-0103	1920669 01	Sanitary Sewer System Improvements	2013	IIIA	145	4	P	\$ 677,205				
Worthington	3089001	S2011-0241	1920676 01	Disinfection Project	2013	II	242	4	P	\$ 131,250				

Granger	2537001	2012-0169	1920667 01	Wastewater treatment plant improvements	2013	II	240	4	R	\$ 2,195,000				
Nora Springs	3423001	2013-0150	1920671 01	Slip lining of sewer main, spot repairs, sewer pipe replacement, new manhole lids, castings, new manhole replacements, lining and grouting.	2013	IIIA	145	4	R	\$ 1,031,715				
Pleasantville			PD-CW-13-31		2013	I	P&D	4	R	\$ 527,500				
Wellman			PD-CW-13-32		2013	I	P&D	4	R	\$ 81,283				
Coggon	5722001	S2011-0152	1920658 01	Construction of new wastewater treatment facility to address concerns with mercury, CBOD5, ammonia-nitrogen, flooding, and disinfection	2013	II	237	3	P	\$ 3,119,536				
Mt Pleasant	4453001	S2012-0407	1920665 01	Replacement of remaining portions of Snipe Run Interceptor to transfer flows to new wastewater treatment facility	2013	IIIB	125	3	P	\$ 1,600,000				
Marengo	4843001	S2013-0052	1920661 01	Infiltration/inflow correction to address permit violations at treatment facility	2013	IIIA	162	3	R	\$ 2,179,580				
Mount Union	4455001	S2013-0118	1920664 01	Purchase of existing wastewater system currently owned and operated by Rural Utility Service Systems (RUSS)	2013	II	127	3	R	\$ 307,040				
Patterson	6151001	S2011-0078	1920659 01	Upgrade pump station capacity, reduce inflow/infiltration, install new force main with goal of reducing sewer backups	2013	IIIB	165	3	R	\$ 54,540				
Dakota City			PD-CW-13-15	Infiltration/inflow correction through sewer relining	2013	IIIA	P&D	2	R	\$ 85,000				
Sioux City	9778001	S2010-0080	1920647 02	The Iowa Department of Transportation is constructing improvements to Interstate 29, which requires Sioux City to relocate existing sanitary sewer interceptor and storm sewers.	2013	IVB	130	1	R	\$ 20,434,000				
Elkhart			DROPPED		2012		P&D	4	D					
Durant	7036001	S2008-0219	1920632 01	Improvements to WWTF incorporate expansion of the plant, an equalization basin, sludge process, UV disinfection & cascade aeration	2012	II	210	4	L			7/10/2015	\$ 6,250,000	\$ 6,250,000
Calamus	23200001	S2012-0126	1920628 01	WWTP Upgrades 2011-add 3rd lagoon cell	2012	I	149	4	P	\$ 1,360,000				
Elkhart	7730001	S2012-0137	1920634 01	Inflow and infiltration correction	2012	IIIA	129	4	P	\$ 609,030				
Clinton (Phase II, Part 2)	2326001	S2005-0016	1920629 01	US 30/67 and Camanche Avenue (Reconstruction & Sewer Separation)	2012	V	144	4	R	\$ 3,535,000				

Hamburg			PD-CW-12-29		2012	II	P&D	4	R	\$	100,000					
Kelley	8548001	S2011-0121	1920624 01	Sanitary sewer improvements	2012	IIIA	165	3	P	\$	172,000					
La Porte City	0743001	S2012-0049	1920625 01	Commercial Street Sanitary Sewer Replacement Project	2012	IIIB	150	3	P	\$	556,409					
La Porte City	0743001	S2009-0187	1920620 01	Wastewater treatment plant improvements	2012	I,II	220	2	P	\$	917,822					
Nemaha	Unsewered		PD-CW-12-04		2012	I,IIIB	P&D	2	R	\$	75,000					
RUSS (Augusta)	Unsewered		DROPPED		2012	I,IVA	P&D	1	D							
RUSS (Croton)	Unsewered		DROPPED		2012	I,IVA	P&D	1	D							
RUSS (Wever)	Unsewered		DROPPED		2012	I,IVA	P&D	1	D							
North English	4858001		PD-CW-11-36		2012	II,IIIA,IIIB	P&D	1	R	\$	140,000					
Geneva	3539000	S2010-0308	DROPPED	New collection system, sand mound treatment	2011	II	169	4	D							
Albert City	1103001	S2011-0114	1920608 01	Phase I inflow/infiltration correction; Phase II new lagoon, disinfection	2011	II,IIIA	184	4	P	\$	2,387,264	30%				
Dubuque (Revised Upper Bee Branch)	N/A	N/A	GNS10-5 (2)	Stream daylighting	2011	VII-K	162	4	R	\$	7,716,000					
Clarion	9909001	S2010-0186	1920602 01	Wastewater treatment plant upgrades	2011	II	189	3	P	\$	3,309,871					
Wyoming	5392001	S2009-0239	1920606 01	Lagoon upgrade	2011	I	97	3	P	\$	1,480,812					
Earling	8320001	S2010-0187	DROPPED	Controlled discharge lagoon	2011	II	184	2	D							
Mondamin	4349001	S2007-0165	DROPPED	Sewer rehabilitation	2011	IIIA	139	2	D							
Wastewater Reclamation Authority	7727001	S2010-0310	1920593 03 (Phase 19 Seg 1-4)	Interceptor sewer to convey wastewater from Bondurant to the Wastewater Reclamation Facility	2011	IVB	150	2	R	\$	16,545,820					
Grinnell	7930001	S2010-0229	DROPPED	Sewer rehabilitation	2011	IIIA	129	1	D							
Hampton	3544001	S2006-0242	1920530 01	New wastewater treatment plant	2011	II,IVB	160	1	L			7/17/15	\$ 7,409,158	\$ 6,500,000		
Underwood	7869001	S2008-0186	1920568 01	Sewer rehabilitation	2011	IIIA	147	1	P	\$	252,399					
Bennett	1603001	S2010-0120	1920529 01	Sewer rehabilitation, pump station upgrades	2011	IIIA	137	1	R	\$	2,270,000					
Brighton	9209001	S2009-0288	1920515 01	Sewer rehabilitation, wastewater treatment plant upgrade	2011	II,IIIB	140	1	R	\$	2,675,000					
Charles City	3405001	S2010-0232	1920551 01	Disinfection	2011	II	170	1	R	\$	2,840,120					
Lamont	1061001	S2010-0116	1920576 01	Lagoon upgrade, pump station upgrade	2011	I	140	1	R	\$	1,169,665					
Libertyville	5148001		PD-CW-10-51		2011	I,IIIA,IIIB, VI	P&D	1	R	\$	95,000					
Reasnor	5071001	S2009-0207	1920543 01	Lagoon expansion	2011	I	160	1	R	\$	737,805					
Spencer	2171004	S2010-0111	1920528 01	Combined sewer separation	2011	V	185	1	R	\$	2,300,000					
Coralville			GNS10-4	Green infrastructure practices at the Iowa River Landing	2010	VIIK	120	4	P	\$	2,950,000	30%				
Gilbertville	0733001	S2009-0110	1920548 01	New activated sludge treatment plant, disinfection	2010	II	165	4	R	\$	1,692,760					
Mingo	5052001	S2008-0304	1920510 01	Lagoon expansion	2010	I	172	3	R	\$	1,515,000					
Wheatland	2394001		PD-CW-10-10		2010	IIIA, IIIB,V	P&D	3	R	\$	67,000					
Readyln	0965001	S2009-0030	DROPPED	Disconnect residential groundwater flows to sanitary sewers	2010	IIIA	139	1	D							
Eagle Grove	9926001	S2009-0202	DROPPED	Sewer rehabilitation	2010	IIIA	129	1	D							
Everly	2115001	S2007-0141	DROPPED	Sewer rehabilitation	2007	IIIB	160	4	D							
										\$	397,339,956			\$ 16,863,658	\$ 16,985,000	

Project Status				Needs Categories										
			I	Secondary Treatment										
Dropped -- D			II	Treatment more stringent than secondary										
Ready for Loan-- R			IIIA	Infiltration/Inflow rehabilitation										
Loan Signed -- L			IIIB	Major sewer system rehabilitation										
Planning Stage -- P			IVA	New collectors and appurtenances										
			IVB	New interceptors and appurtenances										
Green Projects (*indicates that a business case is required)			V	Correction of combined sewers										
			VI	Stormwater management programs										
Add Subs			VII	Non-point source control projects; subcategories below:										
				VIIA	Agricultural cropland sources									
				VII B	Animal sources									
				VII C	Silviculture									
				VII D	Urban sources									
				VII E	Groundwater protection (unknown sources)									
				VII F	Marinas									
				VII G	Resource extraction									
				VII H	Brownfields									
				VIII I	Storage tanks									
				VII J	Landfills									
				VII K	Hydromodification									
				XII	Decentralized septic systems									

Project Name	DWSRF No.	Project Description	IUP Yr	Project Type	Priority Points	Quarter	Population	Project Status	Current Requests	Loan Forgiveness	Loan Signed	Original Request	Loan Amount
Denison	FS-24-16-DWSRF-004	Construct 3 new projection wells to enhance access to the Boyer River alluvial aquifer - Eligibility TBD	2016	TBD	TBD	2		C	\$ 1,994,000				
Farmington	FS-89-16-DWSRF-006	Replace old cast iron water main and underground storage tank with above ground tank	2016	B,C,E	40	2	664	P	\$ 312,000				
Keswick	FS-54-16-DWSRF-009	Replacement of all remaining cast iron main, add system looping and add new flushing hydrants, new isolation valves and service connections.	2016	B,C,E	40	2	246	P	\$ 411,497				
Marshalltown	FS-64-16-DWSRF-005	New GSR, HSP Station, generator, GSR Rehab and miscellaneous WTP Improvements	2016	B	15	2	27612	P	\$ 8,673,000				
Ridgeway	FS-96-16-DWSRF-007	Water main replacement project	2016	B,C,E	40	2	315	P	\$ 380,000				
State Center	FS-64-16-DWSRF-008	Replacement of existing treatment system with new reverse osmosis treatment system.	2016	B,E	25	2	1468	P	\$ 1,751,000				
Alta	PD-DW-16-19	Construction of a new well	2016	G	P&D	2	1960	R	\$ 363,480				
Eastern Iowa Regional Utility	PD-DW-16-18	Propose to buy bulk water from Bellevue and construct a water distribution system to serve unincorporated Droessler Subdivision	2016	G	P&D	2		R	\$ 54,400				
Farmington	PD-DW-16-24	Replace water main, underground storage tank	2016	G	P&D	2	664	R	\$ 100,000				
Fenton	PD-DW-16-23	Construct new water main along with replacement of existing water main	2016	G	P&D	2	281	R	\$ 85,000				
Murray	PD-DW-16-22	Improvements to existing water distribution system	2016	G	P&D	2	756	R	\$ 110,000				
Ridgeway	PD-DW-16-21	Water Main Replacement Project	2016	G	P&D	2	315	R	\$ 88,000				
Wahpeton	PD-DW-16-20	Construction of new water tower	2016	G	P&D	2	438	R	\$ 107,500				
Adel	FS-25-16-DWSRF-002	New alluvial well, raw water transmission main, water treatment plant study, replacement of 4" cast iron water main	2016			1	3682	C	\$ 2,291,400				
State Center	PD-DW-16-07	Upgrade water plant by adding a Reverse Osmosis system	2016	G	P&D	1		L			7/10/15	\$ 365,000	\$ 365,000
Farley	FS-31-16-DWSRF-001	Resolve radium issues	2016	A,E	60	1	1537	P	\$ 1,507,500				
Grimes	FS-77-16-DWSRF-003	Construction of new lime storage silo	2016	B,E	25	1	10500	P	\$ 703,500				
Emmetsburg	DROPPED	Water meter replacement	2015	B,C,E	30	4	3931	D					
Washington	DROPPED	Construct a new water tower	2015	F	10	4	7266	D					
Moville	FS-97-15-DWSRF-021	Install new watermain	2015	B,E	30	4	1618	L			7/10/15	\$ 460,414	\$ 493,000
Dakota City	FS-46-15-DWSRF-020	Construct a 2nd well	2015	B,C,E	55	4	843	P	\$ 708,525				
Guthrie Center	FS-39-15-DWSRF-018	Water main replacement and new water service connection	2015	B,C,E	40	4	1569	P	\$ 518,660				
Sabula	FS-49-15-DWSRF-019	Water main replacement on Broad street	2015	B,C,E	40	4	576	P	\$ 787,920				
Van Meter	FS-25-15-DWSRF-020	New Water Main Treatment Plant	2015	B,E	45	4	1054	P	\$ 4,608,000				

Aplington	FS-12-15-DWSRF-017	New single pedestal elevated tank solution.	2015	B,E	30	4	1158	R	\$ 1,448,909				
Mt Ayr	FS-80-15-DWSRF-013	Water main replacement and water plant demo	2015	B,C,E	40	3	1691	P	\$ 1,005,000				
Sioux Rapids	FS-11-15-DWSRF-015	Water System Improvements, new treatment plant	2015	B,E	45	3	775	P	\$ 586,000				
West Liberty	FS-70-15-DWSRF-014	Add secondary treatment	2015	B,C,E	35	3	3776	P	\$ 1,482,878				
Washington	DROPPED	Construction of a new water tower.	2015	G	P&D	2	7266	D					
Blencoe	FS-67-15-DWSRF-005	Replace influent piping, inspect and refurbish detention tank, pressure filter improvements, misc. chemical feed improvements, update building air handling equip. new main along Main and Maple St.	2015	B,E	30	2	224	P	\$ 595,161				
Coralville	FS-52-15-DWSRF-008	Water plant expansion and pumping improvements at main booster station to provide redundancy and capacity	2015	B	15	2	18907	P	\$ 4,116,580				
Little Sioux	FS-43-15-DWSRF-010	Water distribution system improvements	2015	B,C,E	40	2	170	P	\$ 186,000				
Poweshiek Water Assoc	FS-48-15-DWSRF-011	Holiday Lake Booster Pump Station	2015	B	35	2	18836	P	\$ 1,283,000				
Poweshiek Water Assoc	FS-48-15-DWSRF-012	Conway Tower to provide additional storage to the Amana Service Area	2015			2	2000	P	\$ 415,000				
Ruthven	FS-74-15-DWSRF-006	New well to replace Well #1, aeralator rehab, control panel replacement, water main replacement to improve pressure and add new valves and hydrants	2015	B,C,E	55	2	779	P	\$ 1,316,550				
Swea City	FS-55-15-DWSRF007	Replace Well #2, change out well pump in Well #3, replace aeralator, control panel and process piping	2015	B,C,E	55	2	536	P	\$ 949,725				
Maquoketa (supplemental)	FS-49-11-DWSRF-027(2)	Meter replacement with addition of radio read	2015	B,D,E	35	2		R	\$ 88,000	20%			
Moville	PD-DW-15-15	Water main replacement project	2015	G	P&D	2	1618	R	\$ 52,475				
Asbury	FS-31-15-DWSRF-001	Constructing water main looping, installing new well and elevated storage tank	2015	B,E	45	1	4545	P	\$ 3,404,700				
Dyersville	FS-31-15-DWSRF-003	Hydrous Manganese Oxide (HMO) addition.	2015	A,B,E	95	1	4058	R	\$ 1,021,080				
Ottumwa	FS-90-15-DWSRF-002	Ultra Violet Water Treatment and related facility improvements	2015	A,B	80	1	25023	R	\$ 4,500,000	40%			
Hull	FS-84-14-DWSRF-023	Improvements for increased service	2014	B,C,E	55	4	2185	C	\$ 3,839,000				
Bonaparte	FS-89-14-DWSRF-016	Complete Phases 3 & 4 as presented in 2013 update. These 2 phases will replace cast-iron water main with new main and add new hydrants	2014	B,C,E	40	4	433	L			7/31/15	\$ 304,010	\$ 302,000
Breda	FS-14-14-DWSRF-017	Construction of a new water tower.	2014	B,C,E	55	4	486	L			7/10/15	\$ 440,000	\$ 292,000

Lawler	FS-19-14-DWSRF-018	Well improvements and water main installation including well house, piping, control panel, chemical feed system, water main, valves and hydrants	2014	B,C,E	35	4	439	P	\$ 396,000				
North Liberty	FS-52-14-DWSRF-020	Design and construction of a new reverse osmosis water treatment plant	2014	B	30	4	13386	P	\$ 13,200,000				
Thurman	FS-36-14-DWSRF-021	Construction of a second well and a new filtration system	2014	B,C,E	55	4	229	P	\$ 532,169				
Keosauqua	FS-89-14-DWSRF-015	Phase 4 of improvements to city's water distribution system by replacing 2250 feet of water mains, 5 hydrants.	2014	B,C,E	40	4	1006	R	\$ 455,000				
Muscatine Power & Water	FS-70-14-DWSRF-022	Watermain replacement project	2014	B	15	4	24386	R	\$ 2,432,416				
Muscatine Power & Water	PD-DW-14-44	Water Site Source Analysis	2014	G	P&D	4	24386	R	\$ 215,915				
Council Bluffs	FS-78-14-DWSRF-009	Purchase Property adjacent to WW to protect wells from farm contamination	2014	D	15	3	63783	R	\$ 800,000				
De Soto	FS-24-14-DWSRF-011	New water treatment facility	2014	B,E	25	3	1050	P	\$ 3,295,000				
Ida Grove	FS-47-14-DWSRF-008	Add new permanent well	2014	B,E	45	3	2158	P	\$ 339,017				
Spencer	FS-21-14-DWSRF-010	Water Supply and Treatment Improvements	2014	B	35	3	11235	R	\$ 14,680,754				
Schleswig	FS-24-14-DWSRF-006	Replacement of aging water main to reduce water loss, looping	2014	B,C,E	40	2	882	P	\$ 2,338,000				
Coralville	PD-DW-14-01	Expansion of water treatment facility.	2014	G	P&D	1	18907	R	\$ 191,000				
Salix	FS-97-14-DWSRF-001	Construction of a new water tower.	2014	B,C,E	55	1	363	R	\$ 777,000				
Anita	FS-15-13-DWSRF-019	Construction of a new municipal drinking water well and water treatment plant.	2013	B,C,E	55	4	972	P	\$ 2,308,254				
Stanwood	FS-16-13-DWSRF-021	Construction of approx 2700 lineal feet of new 6 inch PVC pipe, including new valves, hydrants.	2013	B,C,E	40	4	684	P	\$ 786,841				
Tripoli	FS-09-13-DWSRF-018 (2)	New water treatment facility to replace 60 year old one.	2013	B,C,E	35	4	1313	R	\$ 500,000				
Hancock	DROPPED	Construction of a new water distribution system with new 6" PVC mains to replace asbestos cement pipe	2013	A,B,C,E	55	3	196	D					
Hawkeye	FS-33-13-DWSRF-007	New well to replace failing backup well, new wellhouse and controls, and water main replacement to eliminate 2" main	2013	B,C,E	55	2	449	P	\$ 818,000				
Sioux City	FS-97-13-DWSRF-001	I-29 Utility Relocation	2013	B	20	1	82684	R	\$ 2,541,000				
Cedar Falls Utilities	FS-07-12-DWSRF-028	Water main extension to connect homes with nitrate contaminated private wells	2012	A	35	4	39260	P	\$ 1,380,670	50%			
Shenandoah	FS-73-12-DWSRF-020	Water meter replacement	2012	B,C,D,E	45	4	5546	R	\$ 80,800	20%			
Albia	FS-68-12-DWSRF-008	Water main replacement	2012	B,C,E	40	2	3706	P	\$ 350,000				
Ryan	FS-28-12-DWSRF-005	New Silurian well with emergency power and control building	2012	B,E	45	2	410	R	\$ 128,000				
Palo	DROPPED	New water treatment plant for new municipal system	2012	A,E	55	1	899	D					
Story City	DROPPED	Water meter replacement	2011	B,E	30	4	3228	D		20%			

Ralston	FS-14-11-DWSRF-034	Redundant well, booster pump installation, treatment plant upgrades	2011	B,C,E	55	4	98	P	\$ 343,600	40%			
Frankville (Winneschiek Co BO	FS-96-11-DWSRF-012	New public water supply to replace private wells	2011	A,E	45	2	125	R	\$ 762,449	50%			
Hudson	FS-07-11-DWSRF-006	New well and distribution system to provide supply for Hudson, which is currently consecutive to Waterloo	2011	B,E	45	1	2117	D					
Kelley	FS-85-11-DWSRF-008	New well and treatment, EST, raw water main, and water main replacement	2011	B,E	45	1	300	D		30%			
New London	FS-44-11-DWSRF-001	New ground storage reservoir, high service pump, standby power, and water main replacement	2011	B,C,E	55	1	815	R	\$ 741,000				
Oto	FS-97-09-DWSRF-016	New water storage tank	2009	B,C,E	40	4	145	R	\$ 61,065				
									\$ 102,299,389			\$ 1,569,424	\$ 1,452,000
Project Status	Project Type												
Contingency -- C	A = Water Quality and Human Health Risk-Related Criteria												
Dropped -- D	B = Infrastructure and Engineering-Related Improvement												
Ready for Loan -- R	C = Affordability Criteria												
Loan Signed -- L	D = Special Category Improvements												
Planning Stage -- P	E = Project Serves Population less than 10,000												
	F = Supplemental Loan for Previously Approved Project												
Green projects (* business case required)	G = Planning and Design Loan												
Disadvantaged Communities													
Public Health Projects													

**Iowa Department of Natural Resources
Environmental Protection Commission**

ITEM

7

Decision

TOPIC

Water Supply: Water Use & Allocation Annual Permit Fee

The Commission is asked approve the Water Use and Allocation Program annual permit fee of \$99.00 per permit for SFY 2016.

Background

Water use permits are required of any person or entity using 25,000 gallons of water in a single day during the year, and are issued for a period of up to 10 years. Previously, appropriations from the General Fund were used to fund the water allocation and use permits program. During the 2008 legislative session, the legislature authorized the department to collect up to an additional \$500,000 in fees each fiscal year. Iowa Code §455B.265(6) requires the fees to be based on the Department's "reasonable cost of reviewing applications, issuing permits, ensuring compliance with the terms of the permits, and resolving water interference complaints." There are two types of fees in the Water Use and Allocation Program: an application fee and an annual permit fee. This request is for the determination of the annual fee for SFY 2016.

The annual fee rule, adopted in 2009, is summarized below (IAC 567-50.4(2) "b"):

- Each year, the Commission is asked to set the annual fee based on the budgeted expenses for that year minus the amount of any unused funds from the previous year and any general fund appropriations.
- The department reviews the annual permit fee each year and adjusts the fee as necessary to cover all reasonable costs required to develop and administer the water use permitting program.
- The annual fee is based on the number of active permits.
- Each permit holder pays the same annual fee.
- The fee is not prorated and is nonrefundable.
- The department requests Commission approval of the amount of the annual fee no later than September 30 of each year.
- The department provides an annual fee notice to each permittee at least 60 days prior to the fee due date.
- The annual fee due date is December 1st; 60 days prior is October 1st.

There is no annual fee required for either a water storage permit (permitted for the life of the structure) or a minor nonrecurring water use registration (one-year permit duration).

The annual permit fee was \$135.00 in the first two years, \$95.00 in SFY 2012, and \$66.00 in SFY 2013 and SFY 2014, and \$99.00 in SFY 2015.

SFY 2016 Budget

The worksheet included with this agenda brief illustrates the actual expenditures in SFY 2009 – 2015 and the budgeted amounts for SFY 2015 and SFY 2016. The final accounting figures for SFY 2015 are not expected to change. In addition to accomplishing the normal work activities of the program, the budget in 2016 includes the following:

- Completion of Phase 2 of the Water Use Program's computer database, including deployment in early SFY 2016; and
- Added 0.5 FTE to the program for modeling and technical assistance functions previously provided by the Iowa Geological Survey.

Fee Analysis

The second phase of computer programming required to complete the database functions was primarily conducted in SFY 2015. The business analysis and contract part of the project was completed in SFY 2014. The deployment of the new database occurred in early SFY 2016. At the Water Use Stakeholder meeting on July 30, 2015, the program's activities and budget were reviewed. A \$99.00 annual water use permit fee was proposed for SFY 2016, which is the same as the SFY 2015 annual fee. The stakeholder members participating in the meeting concurred.

Based on the budget and stakeholder input, the annual water use permit fee for SFY 2016 should be \$99.00.

Mark Moeller
Supervisor, Water Supply Engineering Section
Environmental Services Division
August 18, 2015

Water Allocation and Use (7152)	FY09 Final Expenses	FY10 Final Expenses	FY11 Final Expenses	FY12 Final Expenses	FY13 Final Expenses	FY14 Final Expenses	FY15 Budget	FY15 Actual (through 6-15)	FY16 Budget
REVENUES									
General Fund	\$346,846	\$172,321	\$190,354	\$136,814	\$148,885	\$154,268	\$219,156	\$189,105	\$192,450
Water Use Permit Fund		\$300,035	\$444,161	\$319,232	\$347,397	\$359,958	\$511,365	\$441,245	\$449,049
WU Permit Fund Carryforward*			\$200,570	\$270,992	\$247,076	\$164,822	\$200,019	\$126,748	\$0
TOTAL REVENUES	\$346,846	\$472,356	\$634,515	\$456,046	\$496,282	\$514,226	\$730,521	\$630,349	\$641,499
EXPENSES									
FTE	3.13	3.87	3.40	4.17	3.54	3.72	4.50	4.01	4.25
Personal Services	\$287,909	\$321,390	\$324,284	\$299,955	\$384,080	\$411,419	\$465,343	\$462,879	\$461,891
Permanent	0	321,390	324,284	299,955	384,080	411,419	465,343	462,879	461,891
Non-Permanent	0	0	0	0	0	0	0	0	0
Personal Travel In-State	2,067	397	28	245	0	469	500	790	500
State Vehicle	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0
Personal Travel Out-of-State	0	0	72	0	467	6,162	1,800	2,153	2,000
Office Supplies	3,840	1,906	2,251	0	1,036	3,484	650	526	750
Facility Main. Supplies	23	0	0	0	78	0	0	0	0
Equipment Maintenance	112	0	0	0	0	38	600	0	100
Prof Supplies	0	0	0	0	0	0	0	0	0
Ag Supplies	0	0	0	0	0	0	0	0	0
Other Supply	46	78	204	65	373	42	250	12	100
Print & Binding	0	308	1,288	458	843	542	800	422	800
Uniforms	0	0	0	0	0	0	50	60	100
Postage	597	240	254	240	240	120	250	0	250
Communications	690	1,137	1,218	1,309	1,365	2,953	1,800	2,177	3,000
Rentals	9,637	12,307	11,647	13,098	13,828	8,256	1,000	0	100
Utilities	0	0	0	0	0	0	0	0	0
Professional Services	0	81,454	216,399	93,570	28,890	0	0	0	0
Outside Services	0	5,442	26,875	0	6,937	0	0	54	0
Intra-State Transfers	0	0	0	0	0	0	0	0	0
Advertising & Publishing	2,208	1,401	1,110	1,863	3,746	3,350	2,700	1,139	3,300
Auditors Reimbursement	0	0	0	0	0	0	0	0	0
Reimbursement	104	96	162	303	88	98	100	285	100
ITS Reimbursement	0	126	0	0	0	1	0	114	0
IT Outside Services					0	18,000	190,000	100,350	103,000
Govt Transfers-AG Office					0	0	0	0	0
Govt Transfers-Auditor					0	0	0	0	0
Govt Trans.-Other Agency					0	0	0	0	0
Equipment Inventoriable	0	0	0	0	0	1,937	500	0	0
Equipment Non-Inv.	0	0	0	0	0	6,292	1,000	0	500
IT Hardware	0	597	0	523	2,873	0	1,500	5,774	1,000
Other Expenses	0	317	404	413	356	336	5,000	1,221	1,500
Securities	0	0	0	0	0	0	0	0	0
Licenses	0	69	0	0	0	0	2,000	0	2,000
Fees					0	0	0	0	0
Refunds					0	0	0	0	0
State Aid	0	0	0	0	0	0	0	0	0
Capitals	0	0	0	0	0	0	0	0	0
Indirects	39,616	45,091	48,318	44,003	51,083	50,728	54,678	52,393	60,508
General Fund Rescission									
TOTAL EXPENSES	\$346,846	\$472,356	\$634,514	\$456,045	\$496,282	\$514,227	\$730,521	\$630,349	\$641,499

Notes: Actual Expenditures for SFY2009 - SFY2014 are final. Projected actual & proposed budget expenditures for SFY2015 & SFY2016 are subject to change. This spreadsheet shows the actual revenue amount drawn from WU Permit Fund and General Fund, not the fund balances.

*Actual carryforward is not additive for the revenue.

**Iowa Department of Natural Resources
Environmental Protection Commission**

ITEM

8

DECISION

TOPIC: Solid Waste Alternatives Program – Contract Recommendation

The Department received 8 proposals requesting \$671,416 in financial assistance during the July 2015, round of funding. The review committee selected three (3) projects for funding for a total of \$76,465. One (1) proposal recommended for funding is greater than \$25,000 awarding a total of \$36,750 in a combination of a forgivable and zero percent loan.

The review committee consisted of five persons representing the Land Quality Bureau (2), Iowa Society of Solid Waste Operations (1), Iowa Recycling Association (1), and the Iowa Waste Exchange (1).

At this time, the Department is requesting Commission approval to enter into a contract with the selected applicants.

A description of the recommended project, the project type, and the amount and type of funding assistance is attached.

Tom Anderson, Executive Officer II
Land Quality Bureau
Environmental Services Division

Attachment

a) Proposal description

August 24, 2015

**SOLID WASTE ALTERNATIVES PROGRAM
PROPOSAL RECOMMENDATIONS**

The following provides a description of the project for which Commission approval is requested.

City of Urbana
102 Capitol Avenue
Urbana, Iowa 52345

Forgivable Loan: \$20,000
0% Loan: \$16,750
Total Award Amount: \$36,750

Cash Match: \$12,250
Total Project Cost: \$49,000

Project Title: Bio-Solids Storage

Contact: Trent Kramer

Phone: 319-443-2400

Project Type: Best Practices

Applicant: Local Government

Description: The City of Urbana is seeking to construct a concrete pad and hoop structure to store the City's bio-solids, a by-product of its wastewater treatment process. With the storage structure in place, the City will begin diverting approximately 300 tons of organic waste from the Benton County Landfill each year. The bio-solids are high in nutrient value and will be stored in preparation of contracted land application to area farm fields. Removing this organic material from the waste stream will provide beneficial nutrients to the soil and will also decrease methane generation, a result of anaerobic decomposition in the landfill.

Service Area: Primary service area is the City of Urbana, Benton County.

**Iowa Department of Natural Resources
Environmental Protection Commission**

ITEM

9

DECISION

TOPIC

**Contract with Windsor Solutions, Inc. for State & Local Emissions
Inventory Systems (SLEIS)**

Recommendation:

Commission approval is requested for a one-year Information Technology service contract with Windsor Solutions, Inc. The contract is anticipated to begin on September 16, 2015 and terminate on September 16, 2016. The total amount of this contract shall not exceed \$96,360.

Funding Source:

Funding for this contract is from an EPA Exchange Network Grant.

Background:

The DNR applied for and received a federal fiscal year 2013 Exchange Network Grant to implement the State and Local Emission Inventory System (SLEIS). SLEIS is an air emissions inventory data system that several states use to collect air pollution data from facilities. The total amount awarded was \$166,360, of which \$70,000 was allocated for contracting with Windsor Solutions to install, configure, support, and license SLEIS for a one year period. The remaining funds were initially to be used to develop data migration requirements, develop a data migration mapping document, and coordinate the implementation of the SLEIS system. The DNR has completed these tasks internally and has received approval from EPA to revise the work plan to use the remaining grant funds for several SLEIS enhancements.

A list of SLEIS enhancements has been created based on DNR and industry testing and prioritized based on their ability to meet DNR and stakeholder needs with respect to reporting emissions data. EPA supports the enhancements because they will also be available to other state and local agencies using SLEIS for their air emissions inventory reporting.

Purpose:

The purpose of this contract is to implement enhancements to SLEIS that would benefit DNR staff, industry, consultants, other SLEIS-using agencies, and EPA by allowing for: 1) improved quality of required data elements; 2) a reduction in data entry time for DNR staff and stakeholders; 3) facilitation of easier searching of air pollutants and emissions data; and 4) enhancement of readability of emissions reports.

Contractor Selection Process:

The work plan for the grant that funds this project specifies Windsor Solutions as the contractor because they were the vendor that developed SLEIS under a previous EPA grant issued to a consortium of six states. The State of Iowa Technology Coordinating Committee and Office of Chief Information Officer approved initiation of this project in November 2013 and the sole source procurement for the initial project was approved by the Department of Management in April 2014.

Scope of Work Requirements:

Enhancements to the SLEIS system will include the following:

#	<i>Enhancement Name</i>	<i>Reason For Enhancement</i>
1	Annual Throughput/Emission Factor UOM	Adding this functionality will allow facilities to use EPA-published emission factors (<i>required data element by AERR & EIS</i>) despite the units of measure being different from throughput units of measure.
2	Configurable Data Entry for Emission Factor/Emission Factor UOM	Without this enhancement, emission factor entry would not be possible for certain emission factor types. Emission factors are required data elements from the AERR.
3	Screen Format For Emissions Data	Add a tabular format to enter and display emissions data so that more data can be viewed at one time. Enhancement would significantly reduce the data entry and research time for internal & external users.
4	Emission Fee Calculations	Enhancement would allow agencies to sum and track emissions subject to fees using an automated process. Ability to avoid double counting PMHAP and VHAP.
5	Order of Pollutants	Enhancement would allow users to view pollutants in a standardized and consistent format. This would reduce the amount of data entry time and make it easier to search for pollutant-specific data.
6	Confidential Business Data	Provides agencies with the flexibility to review/approve confidentiality requests according to their own state laws/regulations.
7	SCC Data Entry	Enhancement would allow for significantly quicker data entry for experienced users that already know the complete SCC code (rather than going through the 4-step process of entering the SCC).
8	Submission Report Readability	Enhancement would make it easier for users to quickly view emissions at the emission point, emission unit, and emission process levels. Improves data quality and copy of record formatting.

Jason Marcel
Environmental Program Supervisor
Air Quality Bureau
Environmental Services Division
September 15, 2015

**Environmental Protection Commission
Iowa Department of Natural Resources**

ITEM

10

DECISION

TOPIC

Contract Amendment with Iowa DOT for Stream Signage in WQI Watersheds

Recommendations:

Commission approval is requested for a contract amendment with the Iowa Department of Transportation (DOT). The contract amendment will begin on September 15, 2015 and terminate on September 30, 2016. The contract amendment will add \$24,691 to the original contract amount of \$13,833. The total amended contract amount is \$38,168.20.

Funding Source:

This contract amendment will be funded through EPA Section 319 grant funds.

Background:

In 2014, DNR executed a contract with Iowa DOT to construct and install 80 stream and creek signs at 40 creek crossings (two per crossing) on state and federal highways within nine Section 319-funded watershed project areas in Iowa. The purpose of the contract was to enhance awareness of the creeks and their watersheds among landowners and residents within the Section 319 watersheds. The amount of the original contract was \$13,833.20. This contract amendment would add an additional phase of work to the original contract by having Iowa DOT construct and install 126 stream and creek signs at 63 creek crossings (two per crossing) on state and federal highways within three watersheds of Iowa's Water Quality Initiative (WQI): the Turkey, Boone, and Floyd River watersheds. The purpose of the contract amendment is to enhance awareness of the creeks and their watersheds among landowners and residents within the three WQI watersheds.

Purpose:

The parties propose to enter into this contract amendment for the purpose of installing stream signage on state and federal highways in three watersheds of Iowa's Water Quality Initiative (WQI).

Contractor Selection Process:

Iowa DOT was chosen for this project because it has jurisdiction over signage on state and federal highways in Iowa.

Contract History:

This contract amendment adds an additional phase of work to the original contract with the Iowa DOT to install stream and creek signage on state and federal highways within watershed project areas in Iowa.

Steve Hopkins
Nonpoint Source Coordinator, Watershed Improvement Section
Water Quality Bureau, Environmental Services Division
August 24, 2015

Attachment: Iowa DOT Contract Amendment Project Summary and Scope of Work

**Contact Amendment with Iowa DOT: Stream Signage in WQI Watersheds
Project Summary and Scope of Work**

Project Name: Iowa DOT—Stream Signage in WQI Watersheds

Original Contract Amount: \$13,833.20

Amended Contract Amount: \$24,335.00

Total Amended Amount: \$38,168.20

Amendment Time Frame: September 15, 2015 – September 30, 2016

Description: Contract Amendment for the Installation of Stream Signage on State and Federal Highways in Water Quality Initiative (WQI) Watersheds

Project Goal: To enhance awareness of the creeks and their watersheds among landowners and residents within three WQI watersheds: the Turkey, Boone, and Floyd River watersheds.

Background

In 2014, DNR executed a contract with Iowa DOT to construct and install 80 stream and creek signs at 40 creek crossings (two per crossing) on state and federal highways within nine Section 319-funded watershed project areas in Iowa. The purpose of the contract was to enhance awareness of the creeks and their watersheds among landowners and residents within the Section 319 watersheds. The amount of the original contract was \$13,833.20.

Project Summary

This contract amendment would add an additional phase of work to the original contract by contracting with Iowa DOT to construct and install 126 stream and creek signs at 63 creek crossings (two per crossing) on state and federal highways within three watersheds of Iowa’s Water Quality Initiative (WQI): the Turkey, Boone, and Floyd River watersheds. The purpose of the contract amendment is to enhance awareness of the creeks and their watersheds among landowners and residents within the three WQI watersheds. The contract amendment adds \$24,335.00 to the original contract, for a total amended amount of \$38,168.20.

Purpose

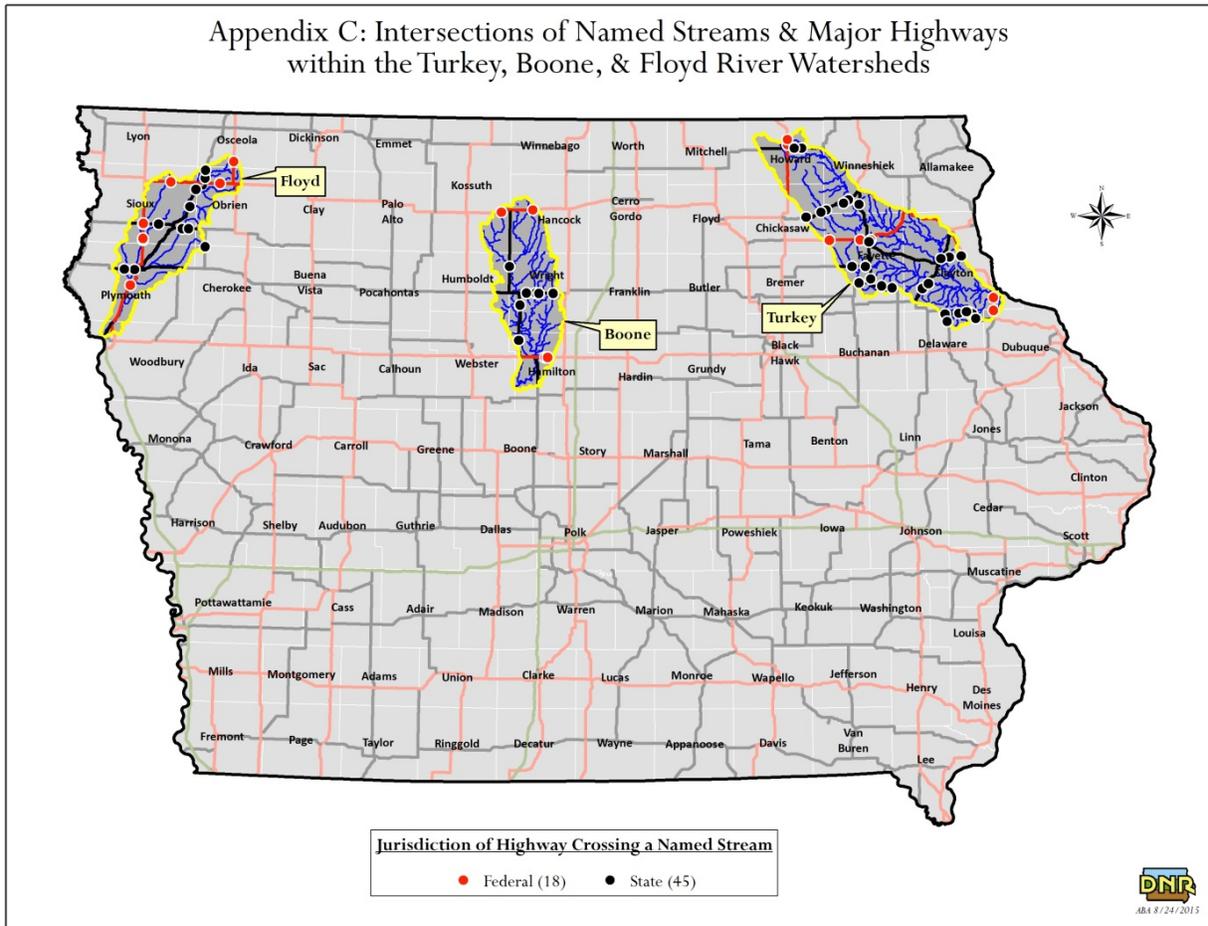
The purpose of this Contract is to provide funding from DNR to DOT for the construction and installation of 126 stream signs (2 paired signs at 63 bridge sites) to be installed at designated stream (a.k.a. “creek”) bridges in three Iowa WQI watersheds as identified on the project spreadsheet (Appendix B, provided separately) and project map (Appendix C, below) between September 15, 2015 and September 30, 2016.

Section 3 CONTRACT AMENDMENT STATEMENT OF WORK

3.1 Statement of Work. As part of this Contract Amendment, Contractor shall perform the following additional Tasks. Contractor shall complete its obligations under this Contract Amendment by the Task Milestone Dates set out below.

Obligation	Task Milestone Date
<p>Amendment Task 1: <u>Sign Construction and Installation</u> Description: DOT shall construct and install 126 signs at the designated creek bridge sites identified in Appendix B, provided separately, except for crossings which already have DOT-approved signs in place.</p> <p>DOT shall install a total of 63 creek sign pairs at 63 bridges (two signs per bridge, for a total of 126 signs), as identified in Appendix B, according to the specifications and costs listed in Appendix B, in three Water Quality Initiative (WQI) watersheds: the Turkey River watershed, the Boone River watershed, and the Floyd River watershed. The watersheds are further identified on a map, Appendix C.</p>	<p>No later than August 31, 2016</p>
<p>Amendment Task 2: <u>Periodic Updates</u> Description: The DOT Project Manager shall provide to DNR quarterly email updates documenting progress made in the previous quarter to implement the project. Updates shall include submittal of electronic photos of each sign installed, and a brief written summary of each sign installed.</p>	<p>Periodic updates shall be provided to DNR by January 15, 2016, April 15, 2016, and July 15, 2016.</p>
<p>Amendment Task 3: <u>Final Report</u> Description: The DOT Project Manager shall provide to DNR a final report, which includes a list and location of all signs installed, a map of sign locations, and photos of all signs installed. The report will itemize all project expenditures. The report will summarize if project objectives were met and, if not, why not.</p>	<p>A final report shall be due on August 31, 2016.</p>

Appendix C: Intersections of Named Streams & Major Highways within the Turkey, Boone, & Floyd River Watersheds



Iowa Department of Natural Resources
Environmental Protection Commission

ITEM

11

DECISION

TOPIC

FY 17 Budget Request

The Environmental Protection Commission's approval is requested for the Department's appropriation request for Fiscal Year 2017. The State Budget Director has directed all departments to submit a status quo budget. The budget is required by statute to be submitted to the Department of Management by October 1, 2015.

Jennifer Nelson, Chief Financial Officer
Iowa Department of Natural Resources
Budget and Finance Bureau
September 15, 2015

**DEPARTMENT OF NATURAL RESOURCES
FY 2017 BUDGET REQUEST**

APPROPRIATION NAME	FY 16 Appropriation	FY 17 Department Request
<u>GENERAL FUND</u>		
Department Operations	\$12,862,307	\$12,862,307
Floodplain Management	\$1,950,000	\$1,950,000
Forestry Health Management	\$500,000	\$500,000
Total General Fund Appropriations	\$15,312,307	\$15,312,307
<u>INFRASTRUCTURE</u>		
Lake Water Quality Improvements	\$9,600,000	\$9,600,000
Water Trails/Lowhead Dam	\$1,750,000	\$1,750,000
Park Infrastructure Improvements	\$5,000,000	\$5,000,000
Total Infrastructure Appropriations	\$16,350,000	\$16,350,000
<u>ENVIRONMENT FIRST</u>		
Resource Enhancement and Protection	\$16,000,000	\$16,000,000
Ambient Air Quality Monitoring	\$425,000	\$425,000
Water Quality Monitoring	\$2,955,000	\$2,955,000
GIS Data for Watershed Managers	\$195,000	\$195,000
Park Operations and Maintenance	\$6,135,000	\$6,335,000
Water Quantity	\$495,000	\$495,000
Animal Feeding Operations	\$1,320,000	\$1,320,000
Water Supply Appropriation	\$500,000	\$500,000
Geological and Water Survey	\$200,000	\$200,000
Keep Iowa Beautiful	\$200,000	\$0
Total Environment First Appropriations	\$28,425,000	\$28,425,000
<u>NON-GENERAL FUND</u>		
Fish and Wildlife Operations	\$42,044,773	\$42,044,773
Groundwater Fund	\$3,455,832	\$3,455,832
UST Administration Match	\$200,000	\$200,000
Snowmobile Transfer to Fish and Wildlife	\$100,000	\$100,000
Total Non-General Fund Appropriations	\$45,800,605	\$45,800,605
TOTAL	\$105,887,912	\$105,887,912

**Environmental Protection Commission
Iowa Department of Natural Resources**

ITEM

12

DECISION

TOPIC

Contract with the United States Geological Survey at the University of Iowa for Stream gaging and flow analysis and water quality support

Recommendations:

Commission approval is requested for a one year-service contract with the United States Geological Survey (USGS) in Iowa. The contract will begin on October 1, 2015 and terminate on September 30, 2016. The total amount of this contract shall not exceed \$ 449,680.00.

Funding Source:

This contract will be funded through Environment First funds through cost center HB8A under the authority of Iowa Administrative Code (IAC) 455B.103.

Background:

Water quantity and quality information is of key importance to understanding ecosystem health, flood potential the level of risk to human and within and beyond the watershed. Surface-water flow information in Iowa is collected on a nearly continuous basis at 128 stream gaging stations (26 supported in this agreement and another 10 through the Flood Plains Section), and real-time water-quality sensors (8 sites supported in this agreement) across Iowa. Lastly, the ability to estimate surface-water flow at ungaged sites in Iowa is critical for estimating pollutant loading and flux, Use Attainability Assessments and is needed by State Nutrient Reduction Strategy. The data will be made available to the public and used by the Department and others to support management and planning decisions.

Purpose:

The parties propose to enter into this Contract for the purpose of retaining the Contractor to provide: gage data on streams, real-time nitrate sensor operation and maintenance, selected low flow statistical analysis, and to complete work on web based stream flow estimation model for the state.

Contractor Selection Process:

DNR is allowed to contract with the University of Iowa pursuant to Iowa Code section 455B.103. The United States Geological Survey in Iowa was chosen for this project because of their expertise in water resource measurement and analyses.

Contract History:

Since 1973 the USGS has been cooperating with the State to monitor stream flows. Since 2000 the USGS has cooperated with the Department to collection quality information and to update stream flow statistics.

Roger Bruner, Supervisor
Water Quality Bureau, Environmental Services Division
August 18, 2015

Project	Funding DNR	Funding USGS	Total
Stream Gaging Network	\$201,810	\$76,850*	\$278,660**
Water Quality Monitoring	\$98,600	\$65,730	\$164,330
Streamest modeling	\$91,890	\$61,260	\$153,150
Spring low flow statistics	\$57,380	\$38,250	\$95,630

\$449,680

- The USGS will contribute and Additional \$56,800 through their national support program
- The additional support reflects a total combined program support of \$335,460.00

Appendix A

Stream Est

StreamEST

Precipitation-Runoff Modeling System (PRMS) streamflow modeling Complete the construction/development and calibration of Precipitation Runoff Modeling System (PRMS) models flowing to the Missouri River Basin. Publish a report of the PRMS models that drain to the Missouri River Basin. The report shall include at a minimum a detailed methodology on the implementation of the PRMS model including data sets and sources used, data quality control procedures, calibration techniques, and any modifications made to the PRMS to enhance performance of the PRMS model. Performance of the model shall be defined by standard statistical methods to compare differences in the daily mean stream flow, monthly mean stream flow and annual mean stream flow.

Web Mapping Application

Continue the construction and updating of the Web Mapping Application (WMA) to incorporate the results of the newly constructed Missouri River Basin PRMS models. The updated WMA will be an expansion on the WMA previously built in 2014/15. The WMA is for public use with both PRMS models, and statistical methods available for users to get estimates of yesterday's streamflow at locations with relation to PRMS and statistical model extents. Meet with IDNR staff to get input into the interface and updates that will be ranked and implemented. Implementation of interface updates will be based on funding available at the time.

Budget

The costs listed below are for conducting the project described above.

Salary

Project Chief/Lead Modeler	\$42,000
Staff Hydrologist/Support Modelers	\$53,000
GIS Specialist	\$6,000
Web Programmer	\$35,000

Support

Operation and Maint. Mapping Server	\$5,150
Scientific Investigations Report	\$12,000
Total	\$153,150

Cost

USGS CWP:	\$61,260
IDNR:	\$91,890
StreamEstTotal:	\$153,150

Water Quality Monitoring and Data Collection

Maintain real-time nitrate, turbidity, and temperature sensors at the sites listed below. Data shall be collected during ice-free periods and transmitted in real-time via satellite to the USGS downlink. Data shall be reviewed for quality assurance purposes and adjusted as necessary. Data previously not reviewed will also be adjusted as necessary.

To supplement monthly Iowa DNR monitoring, USGS shall collect 12 targeted samples during turbidity sensor deployment for nutrient and total solids analysis. Sample timing shall be coordinated with Iowa DNR sampling, and to emphasize high streamflow events. Sample analyses shall be performed by the Iowa State Hygienic Laboratory (SHL) using the same analytical methods as Iowa DNR samples. Analytical costs will be covered under a separate agreement between IDNR and SHL. USGS and Iowa DNR samples are needed for development of phosphorus and total suspended solids loads.

Real-Time Water Quality Sensor Sites

Site Location	USGS Number	Field Office	Sensors
Turkey River at Garber	05412500	Iowa City	Nitrate
Old Man's Creek at Sharon Center	05455100	--	DISCONTINUED
Iowa River at Wapello	05465500	Iowa City	Nitrate
North Raccoon at Sac City	05482300	Council Bluffs	Nitrate
North Raccoon at Jefferson City	05482500	Council Bluffs	Nitrate
South Raccoon River at Redfield	05484000	Council Bluffs	Nitrate, Turbidity, Temperature
Raccoon River at Van Meter	05484500	Fort Dodge	Nitrate
Little Sioux River at Spencer	06604440	--	DISCONTINUED
West Nishnabotna River at Randolph	06808500	Council Bluffs	Nitrate, Turbidity, Temperature
Nodaway River at Clarinda	06817000	Council Bluffs	Nitrate

Cost
 USGS CWP: \$65,730
 IDNR: \$98,600
 Water Quality Total: \$164,330

Spring/Fall Low-Flow Estimation for Drainage Basins in Iowa

Problem Statement

The Iowa DNR Water Resources Section is responsible for calculating waste-load allocations (WLAs) for the State. A WLA is the loading capacity or maximum quantity of pollutants each point-source discharger of waste is allowed to release into a particular waterway. WLAs are used to establish water-quality-based limits for point-source discharges. Spring (April-June) and fall (October-December) low-flow statistics for 1Q10, 7Q10, and 30Q10, are discharges that are needed to calculate WLAs for streams in Iowa. The State of Iowa needs efficient and scientifically-based techniques for estimating these low-flow statistics. The 2012 low-flow study for Iowa (Eash and Barnes, 2012) did not include the development of spring (April-June) 1Q10, 7Q10, and 30Q10, or fall (October-December) 30Q10, low-flow regression equations. Estimates of spring low-flow discharges for the 1Q10, 7Q10, and 30Q10 statistics, and of the fall low-flow discharge for the 30Q10 statistic, are needed for streamgages in Iowa for the development of regional regression equations so these statistics can be estimated for ungaged stream sites in the State. Regression equations developed for the 2012 low-flow study for Iowa (Eash and Barnes, 2012) are included in the Iowa StreamStats application (<http://water.usgs.gov/osw/streamstats/iowa.html>).

Because the fall 1Q10 and 7Q10 regression equations developed for Iowa in the 2012 low-flow study included data through the 2006 water year, an update of these equations through the 2014 water year will provide eight additional years of data to the development of new equations and will provide estimation consistency with the development of equations for the fall low-flow

discharge for the 30Q10 statistic. New equations developed for Iowa will need to be implemented in Iowa StreamStats to allow Iowa DNR and other users to obtain spring and fall low-flow estimates for ungaged stream sites in Iowa.

Objectives and Scope

The proposed study will:

Compute six selected low-flow statistics that include for the spring season (April-June) 1Q10, 7Q10, and 30Q10 discharges and for the fall season (October-December) 1Q10, 7Q10, and 30Q10 discharges for all streamgages included in the 2012 low-flow study for Iowa (Eash and Barnes, 2012), and for any additional streamgages in Iowa with at least 10 years of streamflow record that were not included in the 2012 study due to records lengths of less than 10 years. The six selected statistics will be computed for each continuous-record streamgage, including regulated streamgages, through the 2014 water year (September 30, 2014) using the longest, most-recent record length available without a significant trend similar to the method used for the 2012 low-flow study for Iowa.

Use unregulated, rural streamgages to develop regional regression equations to estimate discharges for ungaged stream sites in Iowa for the six selected low-flow statistics. The same three low-flow regions defined in the 2012 study (Eash and Barnes, 2012) will be used to develop the regression equations in the proposed study. A total of 18 regional regression equations will be developed for the proposed study.

Implement the 18 new regional regression equations developed for the six selected low-flow statistics into Iowa StreamStats upon publication of a report documenting the proposed study.

Cost

The cost estimate includes all of the above stated objectives and approach methods and the publication of a USGS scientific investigation report (SIR). The USGS estimates a 40/60 cost share for their portion of this study. The following costs, in dollars, include benefits and indirect costs.

Agency	Total
USGS CWP:	\$38,250
Iowa DNR:	<u>\$57,380</u>
LowFlow Total	\$95,630

Stream Gaging Network

A network of real-time streamgages strategically located across the state is a critical component for the Streamest project. Streamgages are located in the streams listed in Table 1 below. Data from these streamgages shall be used by USGS to calibrate models and create statistical equations for computing streamflow at ungaged locations. Since these calculations will be based on the streamflow values, the data needs to be of the highest possible quality with minimal error. The methods used to measure and compute stage and discharge values shall be quality assured using nationally accepted protocols that have been extensively researched (Rantz, 1982). Discharge measurements shall be routinely performed by USGS at these sites during a variety of flow conditions to calibrate and verify stage-discharge relationships. Discharges measurements are made by the USGS using Acoustic Doppler Current Profilers (ADCP) devices,

and follow strict protocols for quality assurance (Mueller and others, 2013). The streamflow values from these streamgages shall be collected by USGS throughout the year so that flow can be computed at unknown locations at any point within the same timeframe. These streamgages are located in several different types of landforms, hydrologic regions, and watershed sizes in order to calculate streamflow at a variety of locations throughout Iowa. Data, at these streamgages, shall be collected at approximately 15 minute intervals to obtain the best possible data set to accurately compute mean daily streamflow at each streamgage.

Data from the streamgages shall be transmitted in real-time via satellite to the USGS downlink at which time streamflow calculations shall immediately be performed and posted to the internet. This process is a necessary because previous studies have shown trends in streamflow record. These trends can be the result of changes in climate, land use, or conservation practices (Schilling and Libra, 2003). The current data shall be input by USGS into models and statistical equations to compute the flow at an ungaged location. As conditions change, it is possible that data collected in the past may not pertain to current conditions. For this reason, long record periods are still required to test for trends in streamflow in Iowa. Real-time transmission of data is critical because this will alert hydrologic technicians of any malfunctioning equipment, which then can be quickly repaired as part of the on-going operation and maintenance needed at each streamgage. Viewing the data in real-time will also provide discharge measurements throughout a wide range of stages for updating and verifying the dynamic stage-discharge rating throughout all river stages. Reliable and consistent estimates of streamflow at ungaged locations within Iowa are only possible with a highly accurate network of streamgages. Streamgage locations supported by this project are listed in table 1 and these operate for the entire year.

Table 1: Streamgage Locations

	SURFACE WATER STATIONS
05388250	Upper Iowa River nr Dorchester
05389000	Yellow River at Ion, IA
05389400	Bloody Run Creek nr Marquette
05412400	Volga River at Littleport
05416900	Maquoketa River at Manchester
05449500	Iowa River near Rowan
05458000	Little Cedar River at Ionia
05458900	West Fork Cedar River at Finchford
05462000	Shell Rock River at Shell Rock
05464220	Wolf Creek nr Dysart
05463500	Black Hawk Creek nr Hudson
05470000	South Skunk River near Ames
05471050	South Skunk River at Colfax
05471200	Indian Creek near Mingo
05472500	North Skunk River near Sigourney
05473400	Cedar Creek near Oakland Mills
05476750	Des Moines River at Humboldt
05482300	North Raccoon River near Sac City
06605000	Ocheyedan River near Spencer
06807410	West Nishnabotna River at Hancock

	SEDIMENT STATIONS
05465500	Iowa River at Wapello
05474000	Skunk River at Augusta
	LAKE STATIONS
05460000	Clear Lake at Clear Lake
05482315	Black Hawk Lake at Lake View
06604000	Spirit Lake near Orleans
06604200	West Okoboji Lake Lakeside Lab nr Milford

Cost

USGS CWP: \$ 76,850*

IDNR: \$201,810

Streamgaging Total: \$278,660

*The USGS National Streamgaging Information Program (NSIP) contributes an additional \$56,800 to the Streamgaging Network for a total USGS contribution of \$133,650. However, NSIP funds are not considered to be cooperative funding and will not be used as such in agreements or fiscal systems as part of the total agreement. For informational purposes, when both sources of USGS funding are included, the total value for the Streamgaging Network portion is \$335,460 and the total value for the agreement is \$748,570.

DRAFT