

# Agenda

## Environmental Protection Commission

Tuesday, September 20, 2022

Teleconference: 631-618-4607 PIN: 484 733 354#

Video Conference: <https://meet.google.com/rzo-uidn-tvg>

502 East 9<sup>th</sup> Street, Des Moines, Iowa 50319

DNR 2 North Conf Room

**Tuesday, September 20, 2022**

**10:00 AM – EPC Business Meeting**

If you are unable to attend the business meeting, comments may be submitted to Alicia Plathe at [Alicia.Plathe@dnr.iowa.gov](mailto:Alicia.Plathe@dnr.iowa.gov) or 502 East 9th St, Des Moines IA 50319 up to 24 hours prior to the business meeting for the public record.

1	Approval of Agenda	
2	Approval of the Minutes (Packet Page 3)	
3	Monthly Reports (Packet Page 8)	Ed Tormey (Information)
4	Director's Remarks	Kayla Lyon (Information)
5	EPC Biennial Report (Packet Page 22)	Commissioner Dykshorn (Decision)
6	FY 2024 Budget Request (Packet Page 25)	Jennifer Nelson (Decision)
7	AECOM Technical Services and Atkins North America, Inc., Mapping Services (Packet Page 26)	Kathryne Clark (Decision)
8	Stantec Consulting Services, Inc., Program Management and Community Engagement and Risk Communication Floodplain Mapping Services (Packet Page 30)	Kathryne Clark (Decision)
9	Stantec Consulting Services, Inc., NFIP Training (Packet Page 36)	Ken Bouma (Decision)
10	Contract with The United States Geological Survey-Surface Water Flow and Water Quality Concentration Data Collection (Packet Page 38)	Katie Greenstein (Decision)
11	Clean Water and Drinking Water State Revolving Loan Fund-FY 2023 Intended Use Plan Second Quarter Update (Packet Page 42)	Theresa Enright (Decision)
12	Clean Water and Drinking Water State Revolving Fund-FFY 2022 Bipartisan Infrastructure Law General Supplemental Fund Intended Use Plans (Packet Page 109)	Theresa Enright (Decision)
13	Contract Amendment with University of Iowa Office of the State Archaeologist (Packet Page 129)	Karrie Darnell (Decision)
14	Contract with the Iowa Department of Agriculture and Land Stewardship, Stormwater Manual Update (Packet Page 131)	Eric Wiklund (Decision)
15	General Discussion	
	<ul style="list-style-type: none"><li>• Beverage Container Control Rules</li><li>• Tour Survey Results, CY23 Meeting Dates</li></ul>	
16	Items for Next Month's Meeting	
	<ul style="list-style-type: none"><li>• October Meeting Date Discussion</li><li>• Tuesday, November 15, 2022, Wallace Building</li></ul>	

For details on the EPC meeting schedule, visit <http://www.iowadnr.gov/About-DNR/Boards-Commissions>

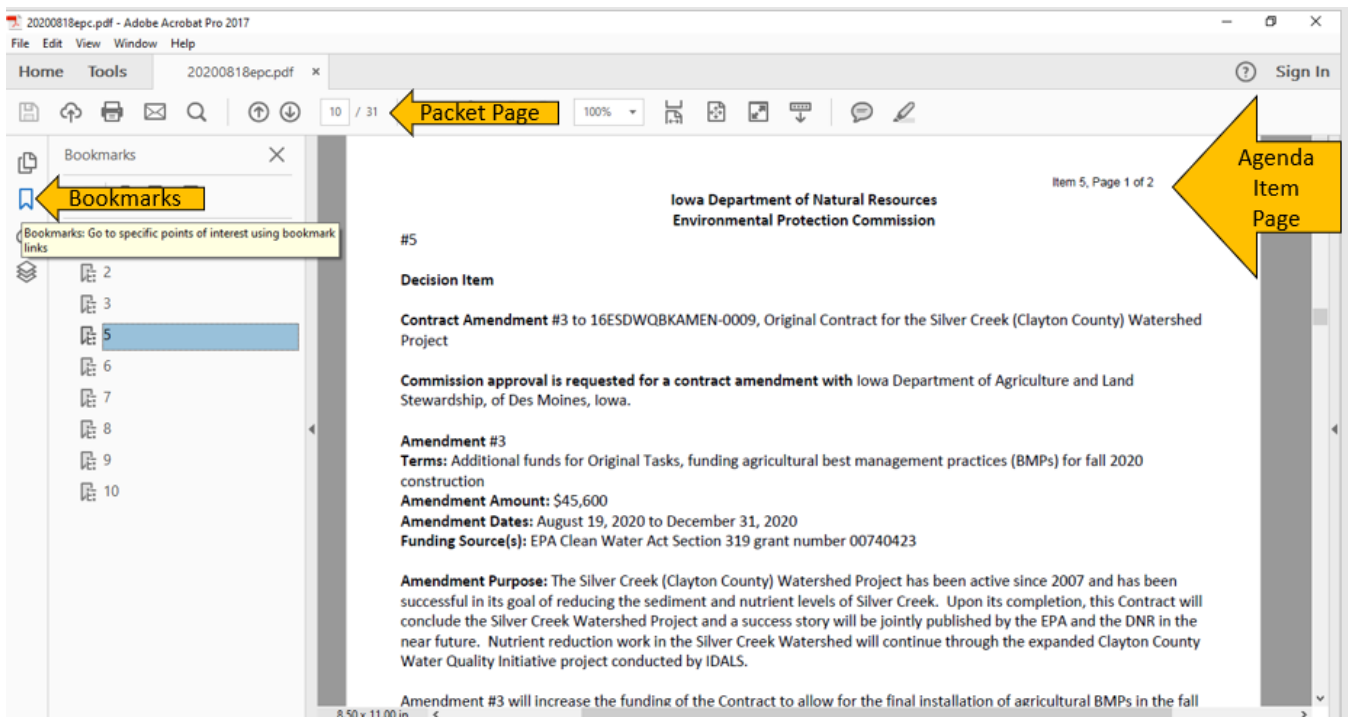
Updated 07/2022

<sup>1</sup>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 with special requirements such as those related to mobility or hearing impairments who wishes to participate in the public meeting should promptly contact the DNR or ADA Coordinator at 515-725-8200, Relay Iowa TTY Service 800-735-7942, or [Webmaster@dnr.iowa.gov](mailto:Webmaster@dnr.iowa.gov) to advise of specific needs.*

Utilize bookmarks to transition between agenda items or progress forwards and backwards in the packet page by page with the Packet Page number on the agenda.

The upper right-hand corner will indicate the Agenda Item Number and the page of the agenda item.



**MINUTES OF THE  
ENVIRONMENTAL PROTECTION COMMISSION  
MEETING**

**August 16, 2022**

**Video Teleconference  
and  
Wallace State Office Building**

**Approved by the Commission **TBD****

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Sender's Initials <u>ap</u>

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### Meeting Minutes

#### CALL TO ORDER

The meeting of the Environmental Protection Commission (Commission or EPC) was called to order by Chairperson Harold Hommes at 10:01am on August 16, 2022 via a combination of in-person and video/teleconference attendees. A verbal attendance list was conducted for Commissioners, Department of Natural Resources (DNR) staff, and members of the public.

#### COMMISSIONERS PRESENT

- Rebecca Dostal
- Stephanie Dykshorn
- Mark Stutsman
- Harold Hommes
- Patricia Foley
- Lisa Gochenour
- Brad Bleam

#### COMMISSIONERS ABSENT

- Ralph Lents
- Amy Echard

#### APPROVAL OF AGENDA

<i>Motion was made by Rebecca Dostal to approve the agenda as presented. Seconded by Lisa Gochenour.</i>
<i>Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-absent, Ralph Lents-absent, Harold Hommes, aye, Motion passes.</i>

<b>AGENDA APPROVED AS PRESENTED</b>
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#### APPROVAL OF MINUTES

<i>Motion was made by Patricia Foley to approve the July 13, 2022 EPC minutes as presented. Seconded by Mark Stutsman.</i>
<i>Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-absent, Ralph Lents-absent, Harold Hommes, aye, Motion passes.</i>

<b>APPROVED AS PRESENTED</b>
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#### MONTHLY REPORTS

- Ed Tormey notified the Commission that a comprehensive Animal Feeding Operations rule package was sent out for public comment on August 12, 2022. The DNR is seeking input on the draft rules until October 7, 2022. Mr. Tormey mentioned that the rule package includes a 5-year rule review of existing rules and primarily aims to consolidate the rules and improve their readability.
- Mr. Tormey also shared that Adam Schnieders, Executive Officer 3 for the DNR Water Quality Bureau, recently received the Environmental Statesman Award by the Association of Clean Water Administrators (ACWA). He shared that Adam was nominated by his peers. The award is the most esteemed award given by ACWA and was given to Adam for his outstanding service to the organization over a multi-year period.
- Tim Hall presented an update on Iowa’s drought conditions, including a projected outlook and some anticipated challenges the state may face during the remaining months of 2022 and into calendar year 2023.

<b>INFORMATION</b>
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**DEPUTY DIRECTOR’S REMARKS**

- Deputy Director Alex Moon updated the Commissioners on the DNR’s Iowa State Fair activities, including a report out on the 2<sup>nd</sup> annual DNR family night that was held in the DNR building on August 9<sup>th</sup>. Deputy Director Moon encouraged Commissioners to check out the DNR exhibits and programming at the Iowa State Fair.

**WATER SUPPLY-WATER USE AND ALLOCATION ANNUAL PERMIT FEE**

Carmily Stone presented a request for the Commission to approve the Water Use and Allocation Program annual permit fee of \$115.00 per permit for SFY 2023.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Brad Bleam to approve the item as presented. Seconded Stephanie Dykshorn.*

*Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-absent, Ralph Lents-absent, Harold Hommes, aye, Motion passes.*

**APPROVED AS PRESENTED**

**NOTICE OF INTENDED ACTION-CHAPTERS 60 AND 64-RENEWAL OF GENERAL PERMITS NOS. 1, 2, 3, AND 4 WITH CLEANUP AND CLARIFICATION**

Courtney Cswercko presented a request for the Commission to approve a Notice of Intended Action to amend certain wastewater rules in Chapters 60 and 64, including the National Pollutant Discharge Elimination System (NPDES) general permits adopted by reference. Chairperson Hommes congratulated staff for their good work on rule cleanup.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Mark Stutsman.*

*Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-absent, Ralph Lents-absent, Harold Hommes, aye, Motion passes.*

**APPROVED AS PRESENTED**

**FINAL RULE-CHAPTER 64-RENEWAL OF GENERAL PERMITS NOS. 5, 6, 7, 8 AND 9, WITH CLEANUP AND CLARIFICATION**

David Schelling presented a request for the Commission to adopt the amendments to Chapter 64, renewing five of the National Pollution Discharge Elimination System (NPDES) general permits.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Mark Stutsman.*

*Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-absent, Ralph Lents-absent, Harold Hommes, aye, Motion passes.*

**APPROVED AS PRESENTED**

**BLACK HAWK LAKE WATERSHED PROJECT**

Ethan Thies and Ji Yeow Law (Iowa State University) presented the results from the implementation and monitoring of Best Management Practices (BMPs) in the Black Hawk Lake Watershed. The information presented covered data collected over a decade and included details on nearly 30 BMPs.

**Public Comments – None**

**Written Comments – None**

**INFORMATION**

**GENERAL DISCUSSION**

- Iowa Citizens for Community Improvement attended the meeting and presented their water quality concerns in relationship to large Animal Feeding Operations in Iowa.
- Alicia Plathe mentioned tour opportunities for the EPC for CY2023 and that a survey would be sent to collect additional suggestions.
- Commissioner Dykshorn presented the EPC Biennial report and collected feedback from Commissioners. The report will be finalized and placed as an agenda item for the September EPC meeting.

**ADJOURN**

*The Chairperson adjourned the Environmental Protection Commission meeting at 12:00 pm on August 16, 2022.*

**ADJOURNED**

DRAFT

**IOWA DEPARTMENT OF NATURAL RESOURCES  
LEGAL SERVICES BUREAU**

**DATE:** September 2022  
**TO:** Environmental Protection Commission  
**FROM:** Tamara McIntosh  
**SUBJECT:** Attorney General Referrals (April 2022 – August 2022)

<b>Name, Location and Region Number</b>	<b>Program</b>	<b>Alleged Violation</b>	<b>DNR Action</b>	<b>Status</b>	<b>Date</b>
City of Sioux City (3)	Wastewater	Inadequate wastewater treatment	Referred to Attorney General	Referred Petition Filed Answer Filed by City <b>Trial scheduled for May 9 2023 (5 days)</b>	6/27/16 1/07/22 2/21/22 <b>4/8/22</b>
Global Fiberglass Solutions, LLC	Solid Waste	Illegal Stockpile	Referred to Attorney General	Referred	7/7/21
JDog and Justin Pollard Cambridge (5)	Solid Waste	Open Dumping; Open Burning	Referred to Attorney General	Referred Petition Filed Answer Court Ordered Stay due to Pollard filing for bankruptcy Court Granted Relief From Stay Discovery Served Motion for Partial Summary Judgment Filed Hearing on MSJ scheduled 9/7/21 Trial Scheduled for 10/6/21 Consent Decree Approved - \$19,800 penalty to be repaid over 3 years.	6/16/20 10/1/20 10/14/20 11/3/20 2/25/21 4/23/21
Steven Kerns Clearfield (4)	Animal Feeding Operation	Manure release; Composting dead animals	Referred to Attorney General	Referred Tolling Agreement through August 17, 2020 Consent Decree Approved - \$23,000 penalty and injunctive relief to be repaid over 2 years	10/15/19 9/4/20
Sierra Club (5)	Animal Feeding Operation	Petition for Judicial Review	DNR Named Respondent	Petition filed in Clayton County Motion to Dismiss Filed Petition Dismissed without Prejudice Petition Re-filed in Polk County Motion to Dismiss Filed Hearing on Motion to Dismiss Petition to Intervene by Trout Unlimited Intervenor Petition for Judicial Review (PJR) Order Granting Intervention Motion to Dismiss Intervenor PJR Hearing on Motion to Dismiss Order Denying Motion to Dismiss Sierra Club (SC) Motion to Present Additional Evidence	9/23/21 10/18/21 10/24/21 10/27/21 11/22/21 1/6/22 1/6/22 1/6/22 1/25/22 2/15/22 3/22/22 3/28/22 <b>4/4/22</b>



				DNR Answer to Intervenor PJR <b>DNR Answer to SC PJR</b> <b>Hearing on Motion to Present</b> <b>Additional Evidence</b> <b>Order allowing discovery but</b> <b>denying expert testimony</b> <b>Order setting hearing for 12/9/22</b> <b>SC Motion to Compel Deposition</b> <b>of Jared Walz</b>	<b>4/4/22</b> <b>4/7/22</b> <b>4/22/22</b> <b>4/28/22</b> <b>6/2/22</b> <b>8/19/22</b>
<b>Peters, Mercado, and TNT Disposal LLC (6)</b>	<b>Solid Waste</b>	<b>Open Dumping</b>	<b>Referred to Attorney General</b>	<b>Petition filed in Scott County</b> <b>Motion for Default Entry</b> <b>Entry of Default</b>	<b>6/15/22</b> <b>8/18/22</b> <b>8/22/22</b>

**IOWA DEPARTMENT OF NATURAL RESOURCES  
LEGAL SERVICES BUREAU**

**DATE:** September 2022  
**TO:** Environmental Protection Commission  
**FROM:** Tamara McIntosh  
**SUBJECT:** Contested Cases (April 2022 – August 2022)

Date Received	Name Of Case	Action Appealed	Program	Assigned Attorney	Status
6/10/13	Mike Jahnke	Dam Application	FP	Schoenebaum	<p>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. For various reasons has asked that the appeal be postponed. Sept. 2017 – Mr. Jahnke called and asked that his appeal be put on hold until Spring 2018. September 2018 Mr. Jahnke called and asked that the matter be postponed to Spring '19. Jan. 2019 no changes, matter was postponed to Spring 2019.</p> <p>April 2019 – no change; matter postponed to Spring 2019.</p> <p>July 2019 – No changes.</p> <p>10/25/19 – Mr Jahnke has called many times to discuss his ongoing medical problems and his families' each time he asks for the matter not to be placed on the agenda and asks for a delay. He again asked for a delay until Spring.</p> <p>1/24/20 – Mr. Jahnke called again and explain ongoing medical problems and that he cannot be present for a winter meeting and asked that the matter continue to be delayed.</p> <p>5/25/20 – No changes</p> <p>11/18/20 – no changes</p> <p>3/29/21 – no changes</p> <p>5/25/21 – no changes</p> <p>8/25/21 – no changes</p> <p>11/19/21 – no changes</p> <p>3/28/22 – No changes</p> <p><b>8/29/22 – No changes</b></p>
6/27/16	Plum River Fault Line Golf Inc.; Meadowcrest Farms, Ltd.	Order/Penalty	WS	Schoenebaum	<p>Assigned to new attorney. negotiating. August 2017 - Settlement offers mailed. April 2018 – Dept sent an updated settlement offer. 1/24/20 – No changes since July 2019 (7/19 and</p>

					<p>10/25/19)  5/25/20 – No changes  11/18/20 – No Changes (new referral forthcoming)  3/29/21 – no changes  5/25/21 – no changes  8/25/21 – no changes  11/29/21 – no changes  3/28/22 – no changes  <b>8/29/22 – no changes</b></p>
11/9/17	IA Regional Utilities Association	Permit Issuance	WW	Poppelreiter (Crotty)	<p>10/25/18 –Negotiating before setting a hearing date. A final meeting with facility’s new director is expected before the end of 2018.  01/24/19 –Negotiating before setting a hearing date. Meeting with permittee 1/24/19. Permittee must discuss options with Board. Decision from Permittee on whether to withdraw appeal or move forward with hearing is expected in Spring 2019. April 2019 – Waiting on permittee to decide whether to set a hearing or withdraw appeal. 10/25/19 – Permittee and DNR still in negotiations re: engineering proposals at the facility. No change in the appeal status. 1/24/20 – Finalizing the report on the progress they have made and will meet with DNR’s Wastewater staff in February to discuss settlement options.  5/25/20 – No Changes</p> <p>11/18/2020 - Ongoing negotiations with IRUA. No hearing set as yet. Looking into alternative solutions.</p> <p>3/25/2021 - Continuing discussions with IRUA. Both parties are interested in non-litigation solutions. No hearing set.</p> <p>5/27/21 - No Changes.  8/25/21 - No Changes  11/29/21 – No changes  3/28/22 – No Changes  <b>8/24/2022 – No Changes</b></p>

2/15/22	William and Jeff Lawler	Order	AFO	Book	<p>3/24/22 Settled, awaiting final signatures on settlement agreement.</p> <p><b>CLOSED – settlement signed 4/6/22 and penalty paid 6/24/22</b></p>
3/7/22	JR Recycling/ Jason Delaney	Order	SW	Scott	<p><b>2/16/22 – Administrative Order issued requiring compliance with tire storage and disposal regulations following many months of negotiations.</b></p> <p><b>3/7/22 – Appeal received.</b></p> <p><b>Hearing scheduled for May 18, 2022. DNR remains open to settlement negotiation prior to hearing.</b></p> <p><b>Settlement reached on May 9, 2022. Matter closed.</b></p>
11/3/21	Chamness Tech. Inc.	Order	SW	Scott	<p><b>9/13/21 – Order issued seeking revocation of composting permit following multiple years of non-compliance and settlement negotiations seeking compliance.</b></p> <p><b>11/3/2021 – Appeal Received</b></p> <p><b>Hearing set for April 19 and 20.</b></p> <p><b>Appeal withdrawn 4/14/2022. AO became effective on that date. Permit revoked. Closure plan negotiated between the parties became effective July 1, 2022 and currently in force.</b></p>

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**IOWA DEPARTMENT OF NATURAL RESOURCES  
LEGAL SERVICES BUREAU**

**DATE:** September 2022  
**TO:** Environmental Protection Commission  
**FROM:** Tamara McIntosh  
**SUBJECT:** Enforcement Report Update (March 26, 2022 – August 26, 2022)

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

Individual/Entity (County)	Program	Alleged Violation	Type of Order/Action	Penalty Amount Due	Date
Reschly Metals, Inc. and Terry Reschly	AQ/SW	Appliance De-manufacturing and Open Burning	Consent	\$1,500.00	3/25/22
Reschly Metals, Inc. and Terry Reschly	AQ/SW	N/A	Rescission of Previous Unilateral	0	3/25/22
Sunset at the Oasis, L.L.C.	WW	Construction Permit	Consent	\$7,000.00	3/28/22
NLC Energy-Riceville	WW	Prohibited Discharge	Consent	\$10,000.00	3/31/22
Milan Hageman	AFO	Prohibited Discharge	Consent	\$7,500.00	4/5/22
William and Jeff Lawler	AFO	Prohibited Discharge	Amendment	\$7,000.00	4/6/22
Ecosystems, Inc.	WW	Prohibited Discharge	Consent	\$5,500.00	4/8/22
Sitruc Pork, L.C.	AFO	Manure Management Plan	Consent	\$2,000.00	4/14/22
Brookstone Specialty Services, Incorporated	WW	Prohibited Discharge	Consent	\$10,000.00	4/15/22
Jason Wiebers	AFO	Uncertified Applicator	Consent	\$3,000.00	4/20/22
S.E. Iowa Metals Recycling, Inc. and Phil Feinberg	AQ/SW/WW	Appliance De-manufacturing, Open Burning, and Solid Waste Disposal	Unilateral	\$10,000.00	4/20/22
Van Waardhuizen Inc.	AFO	Manure Management Plan	Consent	\$2,000.00	4/20/22
Pork 360 East, Inc.	AFO	Uncertified Applicator	Consent	\$3,000.00	4/20/22
Southeast Polk Community School District	WW	Stormwater Permit	Consent	\$6,000.00	4/22/22
Jerry Everitt	AQ/SW	Improper Tire Storage and Open Burning	Consent	0	5/5/22
Dan Allen	FP	Construction Permit	Consent	\$5,500.00	5/5/22
Jason Delaney and JR Recycling, LLC	SW	N/A	Consent	\$4,000.00	5/11/22
RAM Nutrient Applications, LLC	AFO	Prohibited Discharge	Consent	0	5/12/22

David J. Muth Sr.	AFO	Manure Management Plan	Consent	\$3,000.00	5/12/22
William Kimberley Development Corporation	WW	Stormwater Permit	Consent	\$8,000.00	5/12/22
Jeff Lynch	AFO	Manure Management Plan	Amendment	\$2,000.00	5/20/22
Ray Steffens	AFO	Manure Management Plan	Unilateral	\$3,000.00	5/23/22
Jerry Everitt	AQ/SW	Improper Tire Storage and Open Burning	Amendment	0	5/23/22
Gold Bond Building Products, LLC	AQ	Construction Permit Conditions	Consent	\$10,000.00	5/24/22
City of LaPorte City	WW	Prohibited Discharge and Construction Permit	Consent	\$7,000.00	5/26/22
City of Grimes	WW	Prohibited Discharge	Consent	\$9,000.00	5/26/22
DGG Farms, LLC and DLJ Farms, LLC	AFO	Manure Management Plan	Consent	\$3,000.00	5/26/22
Rick Spees/Spees Auction and Real Estate	AQ	Open Burning	Unilateral	\$3,400.00	5/26/22
Hanson & Sons Tire, LLC and Che Hanson	SW	Improper Tire Storage	Consent	\$10,000.00	5/26/22
David Whitaker	AQ/SW	Improper Solid Waste Disposal and Open Burning	Consent	\$2,500.00	6/2/22
Opal Eggs, LP	AFO	Construction Permit	Consent	\$6,000.00	6/3/22
Parks Marina	SL	Permit	Consent	\$5,000.00	6/8/22
Wiese Industries, Inc.	AQ	Construction Permit	Consent	\$3,000.00	6/14/22
Craig Benjegerdes	AFO	Manure Management Plan	Consent	\$4,500.00	6/16/22
Wessels Oil Company, Inc.	HC/WW	Prohibited Discharge and Failure to Report	Consent	\$6,000.00	6/20/22
Benjamin Martin	WW	Prohibited Discharge	Consent	\$4,500.00	6/22/22
Thomas Feltz	SW	Improper Solid Waste Disposal	Consent	\$7,000.00	6/29/22
Terry Van Maanen	AFO	Prohibited Discharge	Consent	\$10,000.00	6/30/22
Tom Bomgaars	AFO	Manure Management Plan	Unilateral	\$3,000.00	7/1/22
Scott Ellsworth	AFO	Manure Management Plan	Unilateral	\$5,000.00	7/1/22
Meadowvale Dairy, LLC	AFO	Construction Permit	Consent	\$5,000.00	7/12/22
Roorda Dairy, LLC	AFO	Construction Permit	Consent	\$5,000.00	7/13/22
Concrete Technologies, Inc.	AQ	Fugitive Dust	Consent	\$2,500.00	7/19/22
Thomas Maxwell	AFO	Manure Management Plan	Consent	\$2,000.00	7/20/22
City of Emmetsburg	WW	Amend Completion Dates	Amendment	0	8/1/22

David Horras	AQ/SW	Open Burning and Improper Disposal of Tires	Consent	\$6,400.00	8/3/22
Newt's Cafe LLC	WS	Monitoring	Unilateral	\$1,500.00	8/3/22
Mason City Community School District	WW	Stormwater Permit	Consent	\$8,000.00	8/5/22
DRH Realty of Iowa, LLC/D.R. Horton	WW	Stormwater Permit	Consent	\$5,000.00	8/9/22
Gelita USA Inc.	WW	Amendment Completion Dates	Amendment	0	8/22/22
Southwest Iowa Renewable Energy, LLC	AQ	Construction Permit and Excess Emissions	Consent	\$10,000.00	8/22/22
Bernard Bakker	AFO	Prohibited Discharge2,00	Consent	\$10,000.00	8/22/22
<b>Grand Total</b>				<b>\$254,300.00</b>	

**IOWA DEPARTMENT OF NATURAL RESOURCES  
LEGAL SERVICES BUREAU**

**DATE:** September 2022  
**TO:** Environmental Protection Commission  
**FROM:** Tamara McIntosh  
**SUBJECT:** Summary of Administrative Penalties (March 26, 2022 – August 26, 2022)

**The following administrative penalties are being collected by DRF:**

NAME	PROGRAM	AMOUNT (remaining)
Jon Knabel	AQ/SW	\$1,037.00
Randy Wise; Wise Construction	AQ/SW	\$2,081.32
Gary Eggers	SW/WW	\$10,000.00
Dennis R. Phillips; Marty's Convenience Mart	UT	\$9,954.53
Frank Robak	UT	\$10,000.00
Randy Cates	AQ/SW	\$10,000.00
Jeff Gray dba Grayz Metal Recycling	AQ/SW	\$918.53
Jayson Schlafke	AFO	\$3,000.00
Strickler Farms, LTD	AFO	\$4,000.00
Steve Seelye	AQ	750.00
Amy Knapp	WW	\$4,500.00
Amy Knapp	WS	\$4,000.00
<b>Total</b>		<b>\$60,241.38</b>

**The following administrative penalties are DUE (and being collected by DNR):**

NAME	PROGRAM	AMOUNT (remaining)
Sport Wade, Inc.	UT	\$10,000.00
Recycling Services	WW/HC/SW	\$7,000.00
Michael Pearson	WW	\$5,000.00
Lu Jen Farms	AFO	\$5,000.00
Blue Hyll Dairy Farm, LLC	AFO	\$6,500.00
Michael Matthews	AQ	\$4,630.00
Bar K Cattle, LLC	AFO	\$5,000.00
Robert Bryant	AFO	\$2,000.00
Amritdeep Kaur – Pari, Inc.	UT	\$7,000.00
Amritdeep Kaur – Cissy's II	UT	\$8,890.00
Ronald Stratton	FP	\$5,000.00
Jaymaharaj, L.L.C. and Monaj Desai	HC	\$7,000.00
Calcium Products	WW	\$6,700.00
CJ's Construction, Inc.	WW	\$5,000.00
RAM Development	AQ	\$500.00
Tyler Investment Company, Inc.	WW	\$10,000.00
Harold Chapman	WW	\$1,350.00
North Iowa Custom Finishing, Inc.	AFO	\$4,100.00
ReNew Trient I, LLC dba NuOrganics, LLC	WW	\$8,000.00
Jason Larabee	AFO	\$7,500.00
Larrell DeJong	AFO	\$4,000.00
Rodney Ballhagen	AQ/SW	\$900.00
Wright Materials Company	AQ	\$2,500.00



Tim Peters and TNT Disposal	SW	\$10,000.00
David Omar Mercado	SW	\$10,000.00
Regancrest Holsteins, LLC	AFO	\$1,500.00
Ray Steffens	AFO	\$3,000.00
Opal Eggs	AFO	\$6,000.00
Upcountry Fab LLC/Alexander Buck	AQ/SW	\$1,530.00
Nick and Ray Ohl	AQ	\$3,000.00
Jacob Wagoner/Wagoner Construction	AQ	\$4,000.00
S.E. Iowa Metals Recycling, Inc. and Phil Feinberg	AQ/SW	\$10,000.00
Rick Spees/Spees Auction & Real Estate	AQ	\$3,400.00
Digital Print Enterprises LLC	WW	\$1,000.00
Brookstone Specialty Servicing, Inc.	WW	\$10,000.00
Benjamin Martin	WW	\$4,500.00
<b>Total</b>		<b>\$191,500.00</b>

**The following administrative penalties have been COLLECTED:**

NAME	PROGRAM	AMOUNT (Collected)
Steve Kerns	AFO (AG)	\$5,000.00
John and Cathy Tuttle	AFO	\$692.00
Reschly Metals, Inc.	SW/AQ	\$1,500.00
Freedom Junk Removal & Dumpsters LLC	SW (AG)	\$2,750.00
S&V LLC	AFO	\$937.50
Rod Ballhagen	AQ/SW	\$1,000.00
Conti-Tech USA, Inc.	WW	\$10,000.00
Pork 360 East, Inc.	AFO	\$3,000.00
Van Waardhuizen Inc.	AFO	\$2,000.00
Jason Wiebers	AFO	\$3,000.00
Sitruc Pork, L.C.	AFO	\$2,000.00
Gaylon Rozeboom	AFO	\$2,000.00
Sunset at the Oasis, L.L.C.	WW	\$7,000.00
Milan Hageman	AFO/WW	\$3,848.00
Southeast Polk Community School District	WW	\$6,000.00
Kimberley Development Corp	WW	\$8,000.00
David J. Muth, Sr.	AFO	\$3,000.00
LCNJ Farms	AFO	\$1,100.00
Jeffrey Lynch	AFO	\$2,000.00
Jarrold Ruckle	WW	\$7,500.00
Dan Allen	FP	\$5,500.00
Ecosystems, Inc.	WW	\$5,500.00
Jason Delaney	SW	\$4,000.00
DGG Pork, LLC	AFO	\$3,000.00
Jeff and William Lawler	AFO	\$7,000.00 (Administrative) \$1,138.28 (Restitution)
David Whitaker	SW/AQ	\$2,500.00
Hanson & Sons Tire & Auto Repair	SW	\$3,000.00

Parks Marina, Inc.	SL	\$5,000.00
New Organic Digestion LLC	WW	\$10,000.00
Gold Bond Building Products, LLC	AQ	\$10,000.00
City of Grimes	WW	\$9,000.00
Roorda Dairy	AFO	\$5,000.00
Wiese	AQ	\$3,000.00
Thomas Maxwell/G&T Properties	AFO	\$2,000.00
City of LaPorte City	WW	\$7,000.00
Craig Benjegerdes	AFO	\$4,500.00
Wessels Oil Co., Inc.	HC/WW	\$6,000.00
Meadowvale Dairy, LLC	AFO	\$5,000.00
Vorwerk Custom Pumping	AFO	\$1,820.00
Concrete Technologies	AQ	\$2,500.00
Rock Bottom Dairy	AFO	\$10,000 (administrative) \$8,041.07 (restitution)
Winding Meadow Dairy Inc.	AFO	\$10,000.00
DRH Inc.	WW	\$5,000.00
D&D Horras Farms	AQ/SW	\$6,400.00
Henkel Construction Company	AQ	\$8,000.00
<b>Total</b>		<b>\$222,226.85</b>





**Monthly Waiver Report  
August 2022**

Item #	DNR Reviewer	Facility/City	Program	Subject	Decision	Date	Agency
1	Rachel Quill	AVEKA Manufacturing	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.1.22	22aqw179
2	Lucas Tenborg	City of State Center	Air Quality Construction Permits	The City of State Center, requesting a three-month variance to burn Ash tree waste at the city brush site northeast of town.	Denied	8.2.22	22aqw180
3	Brian Jergenson	Sappirebrook	Wastewater Construction	Lightning strike caused a fire that burned down a swine building with approximately 800 head of market hogs. The proposed burial location is in a low risk burial advisory zone and will meet all separation distance requirements.	Approved	8.11.22	22cpw181
4	Lucas Tenborg	Equistar Chemicals L.P.	Air Quality Construction Permits	Equistar Chemicals is requesting to begin construction and operate new equipment and modify existing equipment prior to the construction permit being issues. Modifications and new construction are related to the revision of EMACT regulations.	Approved	8.12.22	22aqw182
5	Priyanka Painuly	De Soto Water Treatment Facility	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.15.22	22aqw183
6	Priyanka Painuly	De Soto Water Treatment Facility	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.15.22	22aqw184
7	Lucas Tenborg	Magellan - Bettendorf	Air Quality Construction Permits	Equistar Chemicals is requesting to begin construction and operate new equipment and modify existing equipment prior to the construction permit being issues. Modifications and new construction are related to the revision of EMACT regulations.	Approved	8.15.22	22aqw185
8	Mark Fields	Elite Octane LLC	Air Quality Construction Permits	Request to adjust fermentation scrubber rates below most recent test level. Also requested to test alternative chemical additives.	Approved	7.22.22	22aqw186
9	Mark Fields	Grain Processing Corporation	Air Quality Construction Permits	Request to operate Boilers 1-4, 6, & 7 through bypass stacks during main stack maintenance.	Approved	8.15.22	22aqw187
10	John Curtin	Kiliper Corporation	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement for a flexographic printing press.	Approved	8.16.22	22aqw188
11	Rachel Quill	Alter Metal Recycling	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.17.22	22aqw189
12	Fei Guo	Des Moines Metropolitan WRF	Wastewater Construction	The Polk County is requesting variance from the Design Standards 12.6 for the installation of 160 linear feet of 8-inch gravity sewers by horizontal directional drilling methods.	Approved	8.17.22	22cpw190
13	Nate Tatar	Pioneer Hi-Bred International, Inc. - Toledo	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.18.22	22aqw191
14	Mark Fields	ADM Clinton	Air Quality Construction Permits	Facility has requested a stack test extension to allow the Iowa DNR time to review and process a permit application for EP 272-3100 prior to the stack test due date.	Approved	8.18.22	22aqw192
15	Mark Fields	Novelis ALR Aluminium, LLC	Air Quality Construction Permits	Facility has requested 48 hours to reduce lime injection rates and engineering stack test on the CE-03 Baghouse associated with EP 3A.	Approved	8.16.22	22aqw193
16	Julie Duke	Valero Hartley Plant	Air Quality Construction Permits	Variance from the cooling tower construction permit TDS limit of 4800 ppm for planned shutdown. Facility requesting to increase allowed TDS to 9500 ppm.	Approved	8.4.22	22aqw194
17	Julie Duke	Valero Hartley Plant	Air Quality Construction Permits	Request to operate under an alternative operating scenario as the fermentation steps down for shutdown and steps up fermentation during restart. The Scenario is based on parameters during stack testing on July 2022.	Approved	8.4.22	22aqw195
18	Mark Fields	Homeland Energy Solutions	Air Quality Construction Permits	Request to adjust fermentation scrubber rates below most recent seasonal test.	Approved	8.19.22	22aqw196

To: Honorable Governor Kim Reynolds  
From: Environmental Protection Commission  
Date: Commission Approval TBD  
Subject: Fiscal Year 2021 and 2022 Report and Recommendations

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The Environmental Protection Commission (EPC) hereby submits its biennial report and recommendations to the Governor and General Assembly of Iowa pursuant to Iowa Code section 455B.105(5). This report includes actions of the EPC from July 2020 through June 2022.

### **State Revolving Fund**

During SFY 2021, the EPC approved Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF) recommendations for \$284,974,326 of new Intended Use Plan (IUP) planning and design loan project applications and construction project applications to be added to the IUP Project Priority List (PPL). The Commission also approved CWSRF recommendations for \$12,576,000 for 14 Sponsored Project applications.

DWSRF projects ranged from the City of Essex (pop. 722) planning and design loan of \$30,000 for DW system upgrades to the City of Huxley (pop. 4,244) construction loan for \$8,582,700 for a water treatment plant expansion. CWSRF projects ranged from the City of Saint Ansgar (pop. 1,160) planning and design loan of \$32,000 for UV Disinfection to the City of Ottumwa (pop. 25,529) construction loan for \$40,000,000 for a sewer separation project.

During SFY 2022, the EPC approved Drinking Water and Clean Water SRF recommendations for \$511,722,428 of new IUP planning and design project applications and construction project applications to be added to the IUP PPL. The EPC also approved CWSRF recommendations for \$9,784,000 for 12 Sponsored Project applications.

DWSRF projects ranged from the City of Hospers (pop. 718) planning and design project of \$32,000 for new water mains to the City of Orange City (pop. 6,267) construction project for \$15,821,000 for a new tank, storage and well project. CWSRF projects ranged from the City of Aurelia (pop. 968) planning and design project of \$48,000 for a sanitary sewer main and manhole installation project to the City of Clinton (pop. 24,469) construction project for \$97,526,000 for a Regional Wastewater Reclamation Facility expansion.

Two highlights of SRF approved contracts in SFY 2021 and SFY 2022 are the Rathbun Lake Project and the Terrace Hill Project:

1. Rathbun Lake included 2 contracts totaling \$568,494 and has resulted in roughly 530 dump truck loads of sediment reductions and over 15,000 pounds of nitrogen and phosphorus pollution reductions.
2. The Governor's Mansion at Terrace Hill is a collaboration project with other state agencies. Bioretention areas have been established, storm water infiltration has

increased, erosion has decreased, and functional stormwater garden features are available for all guests to see and enjoy.

### **Rulemaking**

Final rulemaking was approved for several rule packages, including:

- Changes to be consistent with the passing of Senate File 409 (appeal of administrative orders)
- Wastewater construction and operation permits to include mining and processing facility discharges and pesticide discharges
- Water quality standards (Section 401 water quality certification)
- Dam safety rules update
- Air Quality rule updates, including New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants updates
- Mercury-added switch recovery from end of life vehicles
- Public wastewater treatment and public water supply operators to add new classification grade and rule cleanup
- Waste tire management and waste tire hauler financial responsibility
- Water supply rule cleanup and modification
- Sewage sludge
- Electronic submittal provisions for air quality

One petition to the EPC requesting revision of rules relating to the siting of animal feeding operations, primarily in relationship to karst topography, was denied. However, the animal feeding operations regulations are under review by stakeholders as part of a five-year rule review project and karst topography construction standards are a particular focus of discussion.

### **Enforcement**

The EPC referred three individuals to the Attorney General's Office for egregious environmental violations regarding the disposal of solid waste, particularly used tires and wind turbine blades.

Over \$640,000 were collected in administrative penalties and over \$27,000 were collected in fish restitution during this reporting period.

### **New Commissioners and site visits**

Four individuals were newly appointed and sworn in to serve a four-year term with the EPC.

The EPC's regulatory knowledge was enhanced through several voluntary tours of regulated facilities. Tours included a livestock truck wash, a paint and manufacturing facility, Easter Lake and the multiple projects both in and around the lake, the State Hygienic Lab where the Department of Natural Resources (DNR) contracts for much of the water testing in Iowa, a zero-waste cattle farm, a fish farm, and other sites throughout the state.

The EPC continues to take steps to detect and prevent disease and toxic exposure in the environment by contracting with laboratories for diagnostic testing.

**Public Comments and citizen engagement**

Iowa citizen engagement was robust and mainly focused on topics related to water quality and animal feeding operations. Ongoing drought conditions resulted in citizens' concerns over water quantity as well as quality, and the EPC requested and received frequent updates from the DNR Hydrology Resources Coordinator.

**Conclusion**

The EPC recommends continued full funding of the DNR. Continued support of the mission and initiatives of the Environmental Services Division of the DNR is critical in order to provide protection for Iowa's air, land, and water against a host of pollutants including, but not limited to, those from animal feeding operations, household hazardous materials, PFAS, and invasive species of plant, fish, invertebrate, and microbial origin. Environmental protection initiatives as well as a responsible regulatory atmosphere are important for the citizens, businesses, and industries of Iowa.



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

**Decision Item #6****FY 2024 Budget Request**

The Environmental Protection Commission's approval is requested for the Department's FY 2024 appropriations request. Guidance received from the Department of Management indicates that the FY 2023 adopted budget will be the basis for operating appropriations for the FY 2024 requests. The budget is required by statute to be submitted to the Department of Management by October 1, 2022.

<b>APPROPRIATION NAME</b>	<b>FY 23 Appropriation</b>	<b>FY 24 Department Request</b>	<b>Increase/ (Decrease)</b>
<b><u>GENERAL FUND</u></b>			
Department Operations	\$12,093,061	\$12,093,061	\$0
State Park Operations	\$1,000,000	\$1,000,000	\$0
Floodplain Management	\$1,510,000	\$1,510,000	\$0
Forestry Health Management	\$500,000	\$500,000	\$0
<b>Total General Fund</b>	<b>\$15,103,061</b>	<b>\$15,103,061</b>	<b>\$0</b>
<b><u>ENVIRONMENT FIRST</u></b>			
Resource Enhancement and Protection	\$12,000,000	\$12,000,000	\$0
Ambient Air Quality Monitoring	\$425,000	\$425,000	\$0
Water Quality Monitoring	\$2,955,000	\$2,955,000	\$0
GIS Data for Watershed Managers	\$195,000	\$195,000	\$0
Park Operations and Maintenance	\$6,235,000	\$6,235,000	\$0
Floodplain Management	\$375,000	\$375,000	\$0
Animal Feeding Operations	\$1,320,000	\$1,320,000	\$0
Water Supply Appropriation	\$500,000	\$500,000	\$0
<b>Total Environment First Fund</b>	<b>\$24,005,000</b>	<b>\$24,005,000</b>	<b>\$0</b>
<b><u>NON-GENERAL FUND</u></b>			
Fish and Wildlife Operations	\$48,397,337	\$48,397,337	\$0
Groundwater Fund	\$3,455,832	\$3,455,832	\$0
UST Administration Match	\$200,000	\$200,000	\$0
UST Fund Technical Assistance	\$200,000	\$200,000	\$0
Snowmobile Transfer to Fish and Wildlife	\$100,000	\$100,000	\$0
<b>Total Non-General Funds</b>	<b>\$52,353,169</b>	<b>\$52,353,169</b>	<b>\$0</b>
<b><u>INFRASTRUCTURE</u></b>			
Lake Water Quality Improvements	\$9,600,000	\$9,600,000	\$0
Water Trails/Lowhead Dams	\$1,500,000	\$1,500,000	\$0
Park Infrastructure Improvements	\$5,000,000	\$5,350,000	\$350,000
Community Forestry Grant Program	\$250,000	\$250,000	\$0
Ft. Atkinson	\$350,000	\$0	(\$350,000)
On-Stream Impoundment	\$500,000	\$500,000	\$0
<b>Total Rebuild Iowa Infrastructure Fund</b>	<b>\$17,200,000</b>	<b>\$17,200,000</b>	<b>\$0</b>
<b>TOTAL DEPARTMENT REQUEST</b>	<b>\$108,661,230</b>	<b>\$108,661,230</b>	<b>\$0</b>

Jennifer Nelson, Chief Financial Officer  
September 20, 2022

Iowa Department of Natural Resources  
Environmental Protection Commission

#23ESDLQBAClar-0002  
#23ESDLQBAClar-0003

**Decision Item #7**

**Commission approval is requested for contracts with:**

AECOM Technical Services, of Kansas City, Missouri  
Atkins North America, Inc., of Alexandria, Virginia

**Contract Terms:**

**Amount:** Not to exceed \$4,948,918.

**Dates:** October 1, 2022 to September 30, 2025.

*DNR shall have the option to extend these contracts for up to six years from the beginning date of the original contract by executing a signed amendment prior to the expiration of the contract.*

**Funding Source(s):** FEMA CTP (Cooperating Technical Partner) Grant < > This will be filled in once the grant has been awarded.

**Contract Purpose:** The purpose of these contracts is to provide Floodplain Mapping Services for the development of flood risk management data, and potentially, Flood Insurance Rate Maps (FIRMs) in specified watersheds and counties in the State of Iowa. Please see Attachment A for the Statement of Work. Also, please see Attachment B, the Compensation section from the contract.

The DNR has begun mapping the entire State of Iowa using two-dimensional base level engineering (2D BLE), this will be the primary activity for floodplain mapping services while continuing to update and maintain existing mapping when appropriate. While not regulatory to begin with, the 2D BLE data will be used in subsequent years to update mapping and will require all of the services listed in the Statement of Work. The services listed in the Statement of Work will support the DNR working with the Federal Emergency Management Agency (FEMA) to create and maintain accurate up-to-date flood hazard data, the eventual development of FIRMs and Flood Insurance Studies (FISs) for counties in Iowa and selected FIRM panels for Physical Map Revisions (PMRs) primarily using 2D BLE data.

**Selection Process Summary:** The contractors listed above were chosen through the State's competitive RFP process. They were chosen for the professional services listed in Attachment A because they met the pre-qualification minimum scoring requirement of 75% of possible points.

**Contract History:**

Because these are new contracts there is no history. However, the history for the expiring contracts has been provided in Attachment C.

Kathryne Clark, GIS Section Supervisor, Land Quality Bureau  
Environmental Services Division  
September 20, 2022

**Attachment A**  
**Statement of Work**

The Contractor will provide the following floodplain mapping services:

- Project Risk Identification and Mitigation
- Perform Discovery
- Perform Community Engagement and Project Outreach
- Develop Flood Risk Products
- Independent QA/QC of Flood Risk Products
- Perform Field Survey
- Develop Topographic Data
- Prepare Base Map
- Develop Hydrologic Data
- Perform Independent QA/QC Hydrologic Data
- Develop Hydraulic Data
- Perform Independent QA/QC Hydraulic Data
- Perform Floodplain Mapping
- Perform Independent QA/QC Floodplain Mapping
- Develop FIRM Database
- Produce Preliminary Map Products
- Perform Independent QA/QC Produce Preliminary Map Products
- Distribute Preliminary Map Products
- Post-Preliminary Map Production
- Perform 2D BLE modeling according to Iowa DNR specifications
- Provide 2D BLE outreach
- Perform 2D BLE refinement
- Develop 2D BLE FP Mapping
- Develop 2D BLE Flood Risk products

**Attachment B  
Budget**

**COMPENSATION**

The source of funding for Task Orders to be performed under this Contract shall be \$4,948,918 of the FEMA Cooperating Technical Partner (CTP) Grant No. XXXXXXXX awarded to the DNR for the 36-month Period of Performance beginning on October 1, 2022. There is no guarantee as to the number of individual Task Orders that will be allotted to any prequalified Contractor. Payment shall be for satisfactory completion of the Task Orders developed in accordance with the provisions of this Contract, provided that Contractor has complied with the terms of this Contract. Payment for the work performed by Contractor according to the terms of this Contract shall be allotted in lump sum portions of \$4,948,918 with no guarantee as to the number or dollar value of individual Task Orders. This Contract will be amended as necessary to reflect the amounts of future FEMA CTP grants.

**Attachment C**  
**Existing Contracts History**

The existing contracts expire on September 30, 2022. Listed below are the dates and amounts of the expiring contracts along with the amendments to the contracts.

	Amount	Timeframe	Purpose
Original Contracts	\$4,872,624.00	2/28/2017 to 2/28/2020	Floodplain Mapping Services
Amendment #1	\$1,866,190.00	10/1/2017 to 9/30/2020	Add funding and change timeframe
Amendment #2	\$2,979,570.00	10/1/2018 to 9/30/2020	Add funding
Amendment #3	\$447,368.00	10/1/2019 to 9/30/2020	Add funding
Amendment #4	\$3,400,604.00	10/1/2020 to 9/30/2021	Add funding and time
Amendment #5	\$3,806,306.00	10/1/2021 to 9/30/2022	Add funding and time

Iowa Department of Natural Resources  
Environmental Protection Commission

#23ESDLQBAClar-0001

**Decision Item #8**

**Commission approval is requested for a contract with Stantec Consulting Services Inc., of Nashville, TN.**

**Contract Terms:**

**Amount:** Not to exceed \$420,204

**Dates:** October 1, 2022 to September 30, 2025.

*DNR shall have the option to extend this contract for up to six years from the beginning date of the original contract by executing a signed amendment prior to the expiration of this contract.*

**Funding Source(s):** FEMA CTP (Cooperating Technical Partner) Grant < > This will be filled in once the grant has been awarded.

**Contract Purpose:** This contract is for Program Management (PM) and Community Engagement & Risk Communication (CERC) Floodplain Mapping Services for DNR's Floodplain Mapping Program for the period stated above. Attachment A below is the Statement of Work from the contract. Attachment B is the Pricing table and description from the contract.

The Iowa Floodplain Mapping Program has coordinated the development of flood hazard data for new floodplain maps and the update of existing maps for the 85 Iowa counties listed in the federal Disaster Declaration of May 27, 2008. Later, two cost share agreements with the US Army Corps of Engineers provided for the development of flood hazard data for the remaining 14 non-disaster declared counties. The flood hazard data is used to assist communities in understanding flood risk, mitigating risk, and in many cases, acquiring Digital Flood Insurance Rate Maps (DFIRMS). Beginning in October of 2020, the Iowa Floodplain Mapping Program initiated the production of two-dimensional base-level engineering (2D BLE) data for the state. The 2D BLE data updates and improves upon the flood risk data created previously, and is already providing better information to communities through outreach by DNR Floodplain Mapping staff in conjunction with our Program Management and CERC consultant.

The services in this contract facilitate communication with stakeholders and assist in compliance with FEMA's complex standards and guidelines. It also provides invaluable insight into future floodplain mapping initiatives on a national scale and allows us to remain at the forefront of floodplain mapping and flood risk mitigation. These program management activities have been, and will continue to be, critical for engaging with communities (county/city officials and the public) and communicating flood risk. This has become more important than ever with the new 2D BLE data creation and distribution.

**Selection Process Summary:** Stantec was chosen through the State's competitive RFP process. It was the only vendor to submit a proposal. DNR selected Stantec for this project because it demonstrated the necessary qualifications to perform the proposed tasks. This contract is for professional services.

**Contract History:** Because this is a new contract there is no history. However, the history of the existing contract which expires on November 15, 2022 is included in Attachment C.

Kathryne Clark, GIS Section Supervisor, Land Quality Bureau  
Environmental Services Division  
September 20, 2022

## **Attachment A Scope of Work**

### **Project Management**

The Contractor will provide the following floodplain mapping services:

- State and Local Business Plans and/or Updates
- Global Program Management Activities
- Global Outreach for Mapping
- Training to State and Local Officials
- Mitigation Planning Technical Assistance
- Staffing
- Technical Pilot Projects
- Mentoring and Best Practices
- Minimal Map Printing
- Coordinated Needs Management Strategy (CNMS)
- Programmatic Quality Assurance/Quality Control (QA/QC) Plans

### **Community Outreach Mitigation Strategies Services**

- Strategic Business Plan and/or Update
- Strategic Planning for Community Engagement
- Meeting and Process Facilitation
- Mitigation Support
- Communication and Outreach to Communities
- Training and Community Capability Development
- Mitigation Planning Technical Assistance
- Staffing
- CERC Special Projects
- Mentoring

### **Services**

Contractor will provide cloud hosting of 2D BLE modeling data and 2D BLE data distribution to mapping partners and the public if requested.

**Attachment B  
Pricing**

**3.1 Fixed Fee Services**

<b>Position Description/Job Classification</b>	<b>All-inclusive Hourly Rates</b>
Administrative Assistant	\$99.00
Planner	\$123.00
GIS Analyst	\$127.00
Project Engineer	\$135.00
Application Developer	\$154.00
Senior Planner	\$169.00
Senior GIS Analyst	\$175.00
Senior Application Developer	\$182.00
Senior Project Engineer	\$184.00
Project Manager	\$190.00
Principal	\$210.00
Senior Principal	\$240.00

**3.1.1 Cloud Based Hosting**

	<b>Monthly</b>	<b>Yearly</b>
Year 1	\$ 8,500.00	\$ 102,000.00
Year 2	\$ 8,713.00	\$ 104,556.00
Year 3	\$ 8,931.00	\$ 107,172.00
Year 4	\$ 9,154.00	\$ 109,848.00
Year 5	\$ 9,383.00	\$ 112,596.00
Year 6	\$ 9,617.00	\$ 115,404.00

The above costs apply to cloud storage requirements that are under 6TBs, if the storage requirements exceed 6TBs, these costs will increase.

**3.1.2 Total Costs for Year 1**

Personnel	\$ 318,204.00
Cloud Based Hosting	\$ 102,000.00
<b>Total</b>	<b>\$ 420,204.00</b>

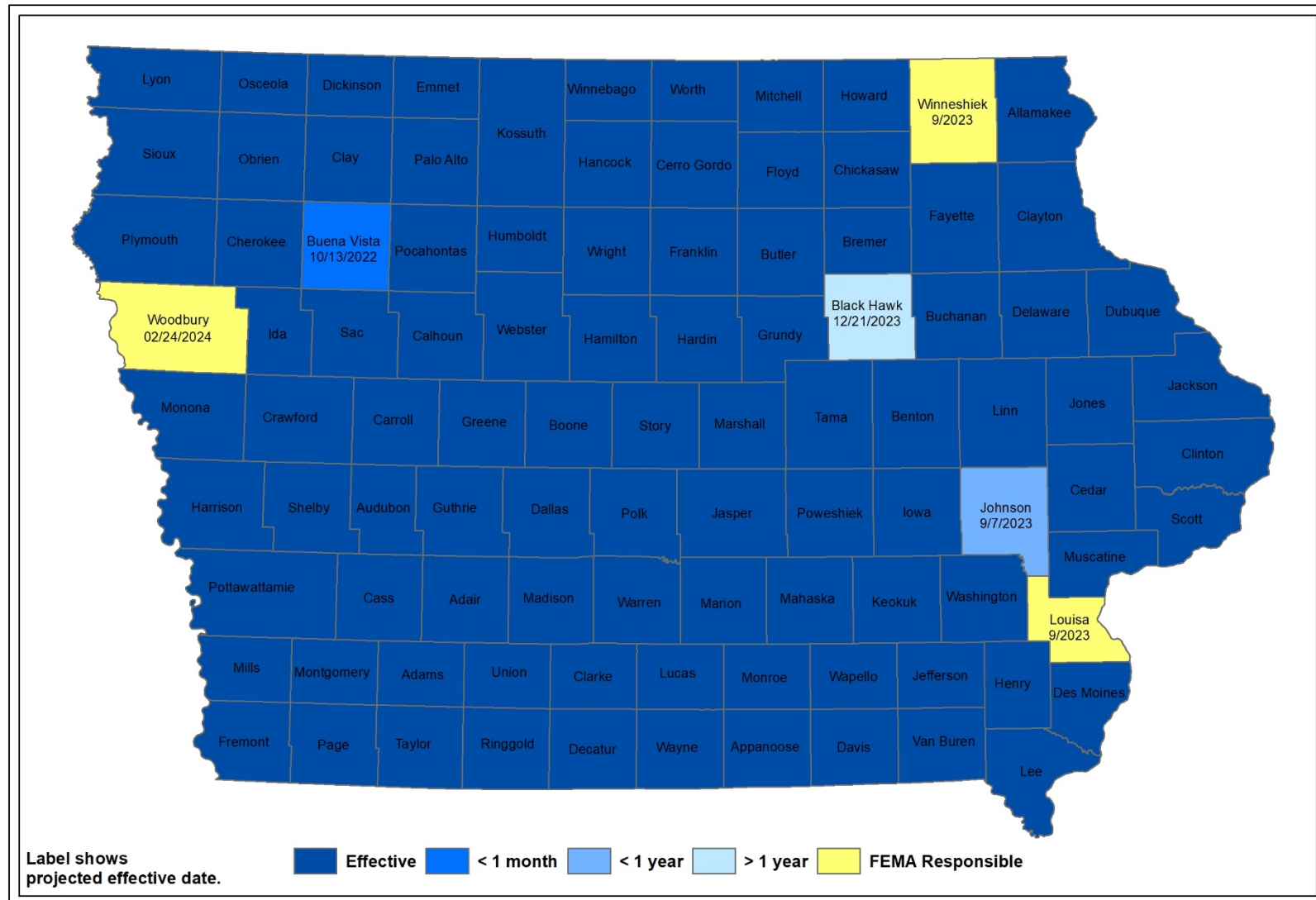


**Attachment C**  
**Existing Contract History**

The following table applies to the DNR's existing contract (expires November 15, 2022). Amendments have been required every year because of FEMA's grant funding cycle.

	<b><u>Amount</u></b>	<b><u>Timeframe</u></b>	<b><u>Purpose</u></b>
Original Contract Terms	\$132,208	11/16/2016 to 9/30/2019	Program Management & Community Engagement
Amendment #1	\$187,288	10/1/2017 to 11/16/2019	Additional funding
Amendment #2	\$185,000	10/1/2018 to 11/16/2019	Additional funding
Amendment #3	\$308,016	10/1/2019 to 11/16/2020	Additional funding and time
Amendment #4	\$255,000	10/1/2020 to 11/16/2021	Additional funding and time
Amendment #5	\$482,000	10/1/2021 to 11/15/2022	Additional funding and time
<b>Total</b>	<b>\$1,549,512</b>		

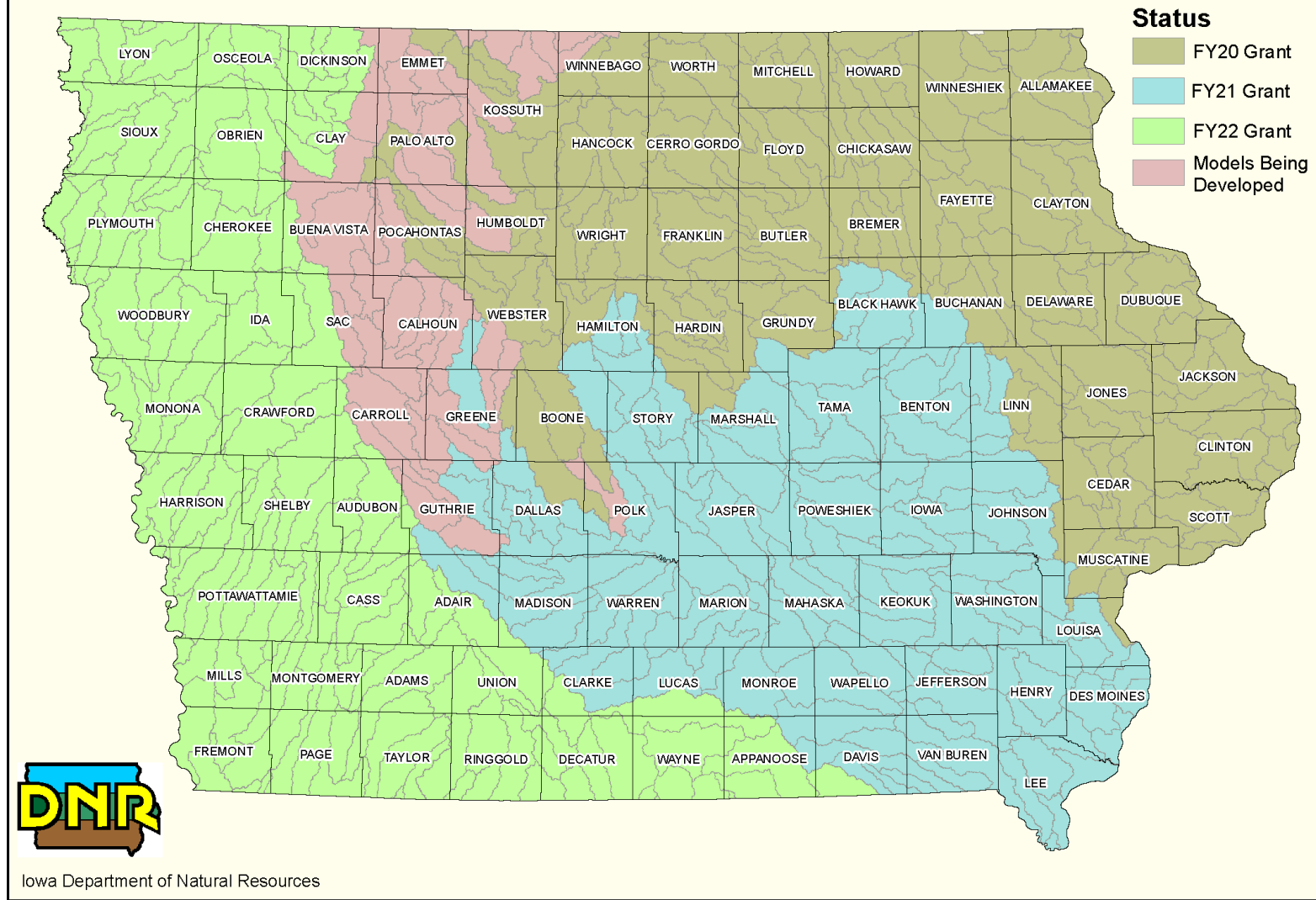
## Effective Flood Insurance Rate Map (FIRM) Progress September 2022



The map above shows progress on county-wide FIRMs. Woodbury, Winneshiek and Louisa Counties will be completed by FEMA. Black Hawk, Johnson and Buena Vista Counties will be completed by the CTP (Iowa DNR).

# Two Dimensional Base Level Engineering Progress Map

August 2022



The map above shows progress made on 2D BLE model development. Progress began when LiDAR became available for the north-central and south-central portions of the state at the beginning of the year. Models developed reflect about two months of model processing. Coordinated quality assurance and quality review procedures have been established between the contractors that ensure the alignment of models across the boundaries.

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

ITEM #9

DECISION

**NFIP Training Contract with Stantec Consulting Services Inc., Contract 23ESDLQBGART-0001****Recommendation:**

Commission approval is requested for a service contract with Stantec Consulting Services Inc.

**Contract Terms:**

**Amount:** Not to exceed \$44,847.48

**Dates:** September 21, 2022 to June 30, 2023

**Funding Source(s):** This contract will be funded through the FEMA Community Assistance Program – State Support Services Element (CAP-SSSE) Grant

**Statutory Authority:** 11 IAC 118

**Contract Background:** This year’s FEMA CAP-SSSE grant had additional discretionary funds available and the DNR proposed to FEMA to use up to \$45,750 of these discretionary funds to fill some common knowledge gaps for Iowa’s community floodplain officials. Three topics of training were proposed to FEMA and approved to be developed and contracted through our annual grant.

**Contract Purpose:**

The DNR is contracting with Stantec to develop and deliver three specific training modules and materials focusing on a target audience of local flood plain managers and officials. The modules will cover:

- Substantial damage compliance and use of the Substantial Damage Estimator software;
- Roles and responsibilities for issuing floodplain permits by Local Officials; and
- LOMAs and LOMR-Fs for local floodplain managers.

**Contractor Selection Process:**

An Informal RFP was advertised from June 19 to July 22, 2022. One responsive proposal was received. Stantec’s proposal met the requirements and was very similar to the budgeted amount. The DNR has a history of contracting with Stantec for our floodplain mapping program. Based on responsiveness to the RFP, cost proposal, and reputation; it is recommended to proceed with and contract with Stantec.

**Contract History:**

This is the first contract with Stantec for development of NFIP training materials.

**Abbreviated Scope of Work Task Descriptions:**

Task details located in Section 5 Statement of Work in contract 23ESDLQBGART-0001

- 1) **Development of training materials for a course on substantial damage compliance and use of the Substantial Damage Estimator software.**

**Description:** The Substantial Damage Estimator (SDE) Tool was developed to assist State and local officials in determining Substantial Damage in accordance with a local floodplain management ordinance meeting the requirements of the National Flood Insurance Program (NFIP). It helps communities to provide timely Substantial Damage determinations so that reconstruction can begin following a disaster. The course will ensure local officials understand and are able to use the tool. The course should be between one and two hours in length.

- 2) **Development of training materials for a course on the roles and responsibilities for issuing floodplain permits by Local Officials**

**Description:** Development of training materials for one-hour course on the floodplain permit review process and the floodplain manager's roles and responsibilities for issuing permits. Local floodplain managers are responsible for issuing floodplain permits for construction in FEMA mapped floodplains in their communities. Understanding this responsibility and the requirements for these permits is critical to properly fulfilling this duty required by the National Flood Insurance Program. The course should be between one and two hours in length.

3) **Development of training materials for a course on LOMAs and LOMR-Fs for local floodplain managers.**

**Description:** Local Floodplain managers need to understand the requirements and consequences of Letters of Map Amendment (LOMA) and Letters of Map Revision based on Fill (LOMR-F). Understanding how these are issued and how they impact local floodplain permitting is important knowledge for all floodplain managers. The course should be between one and two hours in length.

4) **Deliverance of each training in an online format.**

**Description:** This will include handling registration and deliverance of each training specified above in an online format using Zoom, WebEx or another suitable online webinar platform that provides a registration system and recording of all attendees present. The webinar will be recorded and provided to the Department for future use.

Budget Item	
Task 1: SDE Training Materials	<b>\$16,874.49</b>
Task 2: Floodplain Permits Training Materials	<b>\$9,112.40</b>
Task 3: LOMA/LOMR-F Training Materials	<b>\$11,249.76</b>
Task 4: Delivery of Training	<b>\$7,610.83</b>
Total	<b>\$44,847.48</b>

Jonathan Garton  
 Floodplain and Dam Safety Section Supervisor  
 Land Quality Bureau, Environmental Services Division

Iowa Department of Natural Resources  
Environmental Protection Commission

ITEM #10

DECISION

**Contract with THE UNITED STATES GEOLOGICAL SURVEY****Recommendation:**

Commission approval is requested for a contract with United States Geological Survey-Central Midwest Water Science Center.

**Contract Terms:**

**Amount:** Not to exceed \$311,775.00

**Dates:** October 1, 2022 to September 30, 2023.

**Funding Source(s):** Environment First Fund for Monitoring

**Statutory Authority:** Iowa Code 455B.103(3).

**Contract Background:** The DNR has entered into contracts with The United States Geological Survey (USGS) on an annual basis since 1993.

**Contract Purpose:** The parties propose to enter into this contract to retain the Contractor to assist the DNR in the collection of real-time surface water flow and water quality concentrations. See attached workplan with costs associated with each item.

**Contractor Selection Process:**

- INTERGOVERNMENTAL – This contract is authorized by 11 IAC 118.4, which states that if another governmental entity has resources available to supply a service sought by a state agency, the state agency may enter into an intergovernmental agreement with the other governmental entity and is not required to use competitive selection.

**Contract History:**

Contract #1: Timeframe: October 1, 2018 to September 30, 2019; Amount \$317,966.00; Amendment: \$9,606 was added to fund an additional task to analyze selected sediment samples for insecticides as part of TMDL work.

Contract #2: Timeframe: October 1, 2019 to September 30, 2020; Amount \$344,540.00

Contract #3: Timeframe: October 1, 2020 to September 30, 2021; Amount \$294,260.00

Contract #4: Timeframe: October 1, 2021 to September 30, 2022; Amount \$375,520 (\$79,580 was for pesticide and pharmaceutical analysis for groundwater samples); Amendment: \$30,140 was added to fund supplies for pesticides and pharmaceutical samples and lab analyses of noenicitinoids and pyrethroids.

Katie Greenstein, Supervisor, Water Quality Bureau  
Environmental Services Division  
September 20, 2022

## Appendix A

### StreamEst Mapping Application

Web Mapping Application

Operation and maintenance of server for StreamEst Application at <https://wim.usgs.gov/streamest/>

StreamEst Mapping Application Cost:

USGS CMF: \$4,000

IDNR: \$6,000

StreamEst Total: \$10,000

### Water Quality Monitoring and Data Collection

Tasks are to maintain real-time nitrate, turbidity, and temperature sensors at the sites listed in table 1. Data shall be collected during ice-free periods and transmitted in real-time via satellite to the USGS downlink for display on USGS webpages such as NWISWeb. Continuous total phosphorous will be calculated and displayed in real-time using the turbidity sensor data as a surrogate at the Turkey River at Garber (Garrett, 2021) and the West Nishnabotna River at Randolph (Garrett, 2019). All data shall be reviewed for quality-assurance purposes and adjusted as necessary. After review, data will be marked Approved in USGS databases.

**Table 1. Real-Time Water Quality Sensor/Parameter Stations**

Station Number	Station Name	Sensors/Parameters
05412500	Turkey River at Garber	Nitrate, Turbidity, Temperature
05465500	Iowa River at Wapello	Nitrate
05482300	North Raccoon at Sac City	Nitrate
05482500	North Raccoon at Jefferson	Nitrate
05484000	South Raccoon River at Redfield	Nitrate
05484500	Raccoon River at Van Meter	Nitrate
06808500	West Nishnabotna River at Randolph	Nitrate, Turbidity, Temperature
06817000	Nodaway River at Clarinda	Nitrate

Total Water-Quality Cost:

USGS CMF: \$59,240

IDNR: \$97,160

Water Quality Total: \$156,400

### Streamgage and Sediment 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 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 are collected at 15-minute intervals to obtain the best possible data set to accurately compute daily mean streamflow at each streamgage.

Data from the streamgages are transmitted in real-time via satellite to the USGS at which time streamflow calculations are immediately performed and posted to the USGS NWISWeb website. Collection of continuous streamflow data is important for many reasons, including determining trends in streamflow throughout time. This process is 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 may be input by USGS staff 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 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 allow for direct measurements of discharge throughout a wide range of stages for updating and verifying the dynamic stage-discharge rating for all river stages. Reliable and consistent estimates of streamflow at ungaged locations within Iowa are only possible with a highly accurate network of streamgage. Streamgage locations supported by this project are listed in table 2 and these operate for the entire year. Having discharge data at these sites, as well as ungaged sites computed by the Streamest methods, allows for computation of loads for water-quality constituents. The water-quality load computations using the USGS discharge data are based on discrete samples collected by the Iowa DNR and from the continuous water-quality data collected by the USGS and other agencies. Daily sediment concentrations and loads are computed and published to NWISWeb at the locations in table 3.

**Table 2. Streamgage Stations**

<b>Station Number</b>	<b>Station Name</b>	<b>Station Number</b>	<b>Station Name</b>
05388250	Upper Iowa River nr Dorchester	05464220	Wolf Creek nr Dysart
05389000	Yellow River at Ion, IA	05470000	South Skunk River near Ames
05389400	Bloody Run Creek nr Marquette	05471200	Indian Creek near Mingo
05412400	Volga River at Littleport	05472500	North Skunk River near Sigourney
05416900	Maquoketa River at Manchester	05473400	Cedar Creek near Oakland Mills
05449500	Iowa River near Rowan	05476750	Des Moines River at Humboldt
05458000	Little Cedar River at Ionia	05482300	North Raccoon River near Sac City
05458900	West Fork Cedar River at Finchford	06605000	Ocheyedan River near Spencer
05462000	Shell Rock River at Shell Rock	06807410	West Nishnabotna River at Hancock
05463500	Black Hawk Creek nr Hudson	06817300	E Nodaway Rvr at Hwy 2 nr Clarinda

**Table 3. Sediment Stations**

<b>Station Number</b>	<b>Station Name</b>
05465500	Iowa River at Wapello
05474000	Skunk River at Augusta



## Streamgaging and Sediment Network Cost

USGS CMF:	\$ 67,640*
<u>IDNR:</u>	<u>\$208,615</u>
Streamgaging Total:	\$276,255

\*The USGS Federal Priority Streamgaging Program contributes an additional \$46,080 to this program at the sites listed in Table 2 for a total USGS contribution of \$113,720 to the Streamgaging and Sediment Network.

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

**ITEM****#11****DECISION**

**TOPIC            Clean Water and Drinking Water State Revolving Loan Fund – FY 2023  
Intended Use Plan Second Quarter Update**

Commission approval is requested for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUP) Second Quarter Update for State Fiscal Year 2023 (July 1, 2022 – June 30, 2023).

The DWSRF Program provides loans to public water supply systems for treatment, storage, distribution and transmission projects. The CWSRF Program finances publicly owned wastewater and sewer facilities, storm water management projects and nonpoint source control practices for water quality.

Federal regulations require the State to prepare a plan identifying the intended uses of the funds in the SRF and describing how those uses support the goals of the SRF. These IUPs are published annually and also include project priority lists (PPL), financial management strategies, discussion of set-aside programs and efforts, and planned uses for administrative accounts. These IUPs are then updated quarterly and include an analysis of current and projected finances, new projects and changes to loan status on the PPLs, and any necessary programmatic updates.

Each draft IUP is released for public comment and review, and then presented for approval to the Commission. A public meeting was held via conference call on Aug. 11, 2022 to receive comments. There were attendees and a public comment was made for the record but no changes were implemented in this IUP update as a result of the comment. The written comment period closed on Aug. 18, 2022. There were no additional written public comments related to the IUP update but corrections and comments received by DNR, Iowa Finance Authority and U.S. Environmental Protection Agency Region 7 were incorporated into IUP update.

The base CWSRF PPL and the base DWSRF PPL will also serve as the project priority list for the Federal Fiscal Year 2022 Bipartisan Infrastructure Law (BIL) General Supplemental Funds. Annexes have been developed for both the CWSRF IUP and the DWSRF IUP to discuss the implementation of the FFY 22 BIL General Supplemental Funds. A separate briefing of those Annexes will follow. Plans for implementing PFAS/Emerging Contaminants and Lead Service Line Replacement Funds available under BIL will be incorporated in future quarterly updates to the DWSRF and CWSRF Intended Use Plans.

A summary of the new projects added to the PPLs for this second quarter update are as follows:

(9) CWSRF Planning & Design Loan applications	(totaling \$4,477,695)
(10) CWSRF IUP applications for construction projects	(totaling \$277,026,873)
(9) DWSRF Planning & Design Loan applications	(totaling \$5,217,240)
(10) DWSRF IUP applications for construction projects	(totaling \$99,217,375)

The Sources and Uses tables for both CWSRF and DWSRF show that funds are available or obtainable to provide the anticipated disbursements for these projects.

Theresa Enright, DNR SRF Coordinator  
Aug 29, 2022



# INVESTING IN IOWA'S WATER

## FY 2023 INTENDED USE PLANS

Clean Water State Revolving Fund (CWSRF)

Drinking Water State Revolving Fund (DWSRF)

**DRAFT**

Approved by the Environmental Protection Commission (EPC) on June 21, 2022.

Quarter 2 approved by the EPC on Sept 20, 2022.

# FY 2023 Intended Use Plans

## Clean Water State Revolving Fund

## Drinking Water State Revolving Fund



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## INTRODUCTION

In the last 30 years, Iowa's SRF has provided over **\$4 billion** in loans for water and wastewater infrastructure, agricultural best management practices, and other water quality projects. With the SFY 2023 Intended Use Plan (IUP) and future program plans, Iowa's SRF will continue to help Iowans protect public health and the environment through investing in Iowa's water.

- ✓ Iowa's SRF is based on federal legislation that created the programs as revolving loan funds to provide a dependable, ongoing source of financing. Several sources of money are used to make loans, including federal Capitalization Grants (CAP Grants), bonds, and loan repayments with interest. No state general funds are provided.
- ✓ Iowa's SRF programs are highly rated in financial markets, giving the programs strong leveraging capacity to keep up with demand for loans.
- ✓ Transparency and accountability are commitments the Iowa SRF staff has made to stakeholders. All program plans are issued for public review and comment, with approval quarterly by the Iowa Environmental Protection Commission. Annual reports, IUP's and application requirements are posted on both DNRs and SRF's websites. Email listservs are used to inform stakeholders of program updates.
- ✓ SRF loans can be used as stand-alone financing or in combination with a wide variety of grants, including other federal water and wastewater assistance programs, state and federal agricultural cost-share, and local sources, along with private investment.
- ✓ Cities, counties, rural water systems, sanitary districts, farmers, livestock producers, homeowners, watershed organizations and others across the state utilize existing SRF programs. Many borrowers come back to the SRF multiple times to finance their ongoing capital improvement projects.

## PROGRAM OVERVIEW

### STATE REVOLVING FUND (SRF)

The Clean Water SRF funds wastewater treatment, sewer rehabilitation, and stormwater quality improvements, as well as non-point source projects.

The Drinking Water SRF funds water treatment plants or improvements to existing facilities, water line extensions to existing unserved properties, water storage facilities, wells, and source water protection efforts.

### SRF PROGRAM ADMINISTRATION

The unique partnership between the Iowa Department of Natural Resources (DNR), the Iowa Finance Authority (IFA), and the Iowa Department of Agriculture and Land Stewardship (IDALS) is the foundation for the success of the SRF programs. These agencies work together to deliver streamlined programs and good customer service:

- DNR-Administers the environmental and permitting aspects of the program as well as regulatory compliance
- IFA-Administers the financial aspects of the program including fund management, bonding, loan approval and disbursements
- IDALS-Through a contractual agreement with DNR, IDALS administers three SRF Nonpoint Source Linked-Deposit Programs and provides technical assistance to the CWSRF Nonpoint Source Programs, including the Sponsored Project Program



Iowa's SRF also relies on partnerships with Soil and Water Conservation Districts, county environmental health agencies, watershed and land trust organizations, and lending institutions across the state to implement program and financial goals.

## INTENDED USE PLANS

The Intended Use Plans (IUPs) following this **Program Overview** will provide a roadmap to the policies and procedures of the CWSRF and DWSRF 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 programs during State Fiscal Year 2023 (July 1, 2022 - June 30, 2023) and include Project Priority Lists (PPL), program policies and goals, financial management strategies, discussion of set-aside programs and efforts, and planned uses of administrative accounts. The IUPs are developed and updated quarterly, in June, September, December, and March or more often as needed, with projects added and funding amounts adjusted as needed. While the plans of action outlined in these SFY 2023 IUPs may be amended in subsequent quarters, they are intended to lay out the general direction and goals of the Clean Water and Drinking Water SRF Programs.

The CWSRF IUP and the DWSRF IUP each have several additions that are incorporated into the IUPs. There are multiple appendices to each IUP which are contained in this Microsoft Word document. The Project Priority Lists are an attachment to each IUP and are located in a separate Microsoft Excel spreadsheet. Finally, each IUP has an annex which addresses the specific policies and implementation of the Bipartisan Infrastructure Law, and which are located in separate Word documents. These additions will be discussed in more detail further in this document.

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 and loan amounts are allowed without public notification by the procedures of this IUP and state rules for administration of these programs.

## PROJECT PRIORITY LIST

Project Priority Lists (PPL) for wastewater projects and drinking water projects are located in Attachment 1 of the Clean Water IUP and Attachment 1 of the Drinking Water IUP, respectively. These attachments are a separate Microsoft Excel spreadsheet available on [www.iowasrf.com](http://www.iowasrf.com)<sup>1</sup> <sup>2</sup>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” and “L - loan signed.”

## TYPES OF FINANCING

Construction Loans are offered with 20-year terms. An extended term loan is available up to 30 years, based on the average life of the project components. Interest rates and fees are established within the IUP.

Planning & Design (P&D) Loans are offered for up to 3 years to cover engineering and project development costs. P&D loans can be rolled into an SRF construction loan or paid off with other permanent financing.

Nonpoint Source Loans are available to public and private borrowers in the form of direct loans, loan participation or linked-deposit loans, depending on the borrower. These loans address stormwater management, inadequate septic systems, landfill closure, lake restoration, soil erosion control, brownfield cleanup, manure management and more.

## CO-FUNDING

The SRF funding can be combined with several other funding sources to make costly infrastructure projects possible. While SRF offers low loan rates and additional subsidization to eligible applicants, many of Iowa’s communities need additional help from other funding sources. Joint funding that combines SRF loan dollars and funds from other agencies is crucial to making some water and wastewater infrastructure upgrade projects more affordable for many communities. The Iowa SRF Program is committed to coordinating with other funding agencies to simplify the process of co-funding and to find an affordable solution to water and wastewater needs.

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<sup>1</sup> CWSRF Project Priority List

[https://www.iowasrf.com/program/clean\\_water\\_loan\\_program/clean-water-srf-intended-use-plan-information/](https://www.iowasrf.com/program/clean_water_loan_program/clean-water-srf-intended-use-plan-information/)

<sup>2</sup> DWSRF Project Priority List

[https://www.iowasrf.com/program/drinking\\_water\\_loan\\_program/drinking-water-intended-use-plan-iup-information/](https://www.iowasrf.com/program/drinking_water_loan_program/drinking-water-intended-use-plan-iup-information/)

## EMERGENCY FUNDING

In May of 2019, a Memorandum of Understanding (MOU) was signed regarding coordination between EPA and FEMA. The MOU established a framework for the EPA funded State Revolving Fund (SRF) programs to assist and collaborate with FEMA disaster assistance grant programs. The Iowa SRF Program will work with communities on a case-by-case basis to provide assistance addressing public health threats related to drinking water and wastewater resulting from a disaster. Some of the ways the SRF can help following a disaster include:

- Use SRF loans as match for FEMA grants. FEMA funds will generally pay for 75% for the replacement costs for public water and wastewater systems. The SRF can be used for the required 25% match.
- Use SRF funds as short-term loans to be repaid with FEMA grants. There may be times when a public facility has been approved for a FEMA grant but there is a delay in receiving the funds. In those situations, when all program requirements are met, an SRF loan could be used to finance the repairs and then be repaid with FEMA money. Emergency loans meeting these conditions may be made and then shown on the next quarterly IUP update.

## HIGHLIGHTS AND CHANGES

In the past year, many exciting opportunities have developed to advance environmental equivalency in the water sector through increased investment in water and wastewater infrastructure. Iowa is expanding and revising the SRF Program, as needed, to adapt to and take advantage of these new opportunities. Highlighted below are some of the changes Iowa is incorporating into this year's Intended Use Plans.

- ✓ Plans for implementing the **Bipartisan Infrastructure Law (BIL)** funding, also known as the **Infrastructure Investment and Jobs Act**, are not covered in this annual release of the Intended Use Plan but will be implemented through separate annexes (BIL Annexes) to the DWSRF and CWSRF Intended Use Plans. The most current information available will also be posted at <https://www.iowasrf.com/infrastructure-bill-funding-opportunities/>.
- ✓ The BIL introduced a new requirement to federally funded infrastructure programs which expands domestic procurement requirements beyond iron and steel to include construction materials and manufactured goods. This requirement is referred to as **Build America, Buy American (BABA)**. Some SRF funded projects may be subject to the requirements of BABA, including projects that co-fund with other federal programs such as Housing and Urban Development Community Development Block Grant or USDA Rural Development loans. U.S. Environmental Protection Agency has not yet released implementation procedures on BABA; further guidance on BABA will be implemented in future quarterly updates to the CWSRF and DWSRF Intended Use Plans. The most current information available will also be posted at <https://www.iowasrf.com/infrastructure-bill-funding-opportunities/>.
- ✓ The **Water Resources Restoration Sponsored Project Program** is temporarily not accepting applications during SFY 2023 (September 2022 and March 2023 application rounds).
- ✓ The **Disadvantaged Community (DAC)** definition (DWSRF Program) and the **Affordability Criteria** (CWSRF Program) are under review and will be revised through public review and comment. The SRF Programs intend to implement the DAC definition and affordability criteria the BIL Annexes to the DWSRF and CWSRF Intended Use Plans, respectively. The goal of this revision is to expand environmental equality and ensure Iowa's SRF Programs are reaching communities most in need of assistance. The new definitions will be used to determine an applicant's eligibility to receive loan forgiveness from the base DWSRF and CWSRF Loan Programs as well as BIL Loan funds. The percent of loan forgiveness offered to each eligible project will also be determined through these revised criteria. See BIL Annex A to the DWSRF IUP and CWSRF IUP, respectively.
- ✓ Beginning in SFY 2023, loan initiation fees will not be assessed on loans to Disadvantaged Communities (DAC) receiving loan forgiveness.
- ✓ For the first time in the Program's history, the U.S. EPA is allowing states to utilize funding from the Cap Grant to provide **Technical Assistance** to borrowers. EPA is also preparing Technical Assistance contracts to support states and borrowers with accessing SRF Program funds from the BIL. Future quarterly updates to the CWSRF IUPs will describe how Iowa intends to utilize these funds and the technical assistance that will be available to our borrowers. See page 19.
- ✓ Beginning in SFY 2023, borrowers will be asked to identify their Municipal Advisor for the project as part of the



IUP application.

- ✓ Beginning in SFY 2023, prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal advisor set forth in the 5-year pro-forma cash flow analysis.
- ✓ Beginning in SFY 2023, to the extent applicable, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

With the SFY 2023 Intended Use Plans and future program plans, Iowa's SRF Programs will continue to help Iowans protect public health and the environment through investing in Iowa's water.

# FY 2023 INTENDED USE PLANS

## CLEAN WATER STATE REVOLVING FUND



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## FY 2023 Intended Use Plans

### Clean Water State Revolving Fund

#### I. STATE FISCAL YEAR 2023 PLAN OF ACTION

The Clean Water SRF Program funds wastewater treatment, sewer rehabilitation, and stormwater quality improvements, as well as non-point source projects. Publicly owned wastewater treatment works, including those owned by cities, counties, sanitary districts, and utility management organizations are eligible. For non-point source projects, both public and private entities are eligible, including farmers, landowners, watershed organizations, landfills and rural homeowners.

The CWSRF loan program consists of three main program areas:

- The purchase of debt obligations for wastewater and some storm water projects for publicly owned facilities
- Direct loans, loan participation and linked deposit financing approaches addressing nonpoint source programs
- Water Resource Restoration Sponsor Program (Sponsored Projects) addressing nonpoint source problems via interest rate reductions on wastewater loans

The SFY 2023 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 2023 Project Priority List
- Plan for Nonpoint Source Assistance Programs
- Plan for use of administrative accounts

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.

#### 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.

Due to federal legislation in this past year, program updates are anticipated in SFY 2023. New goals have been established to meet those requirements and adjust programs to available staff.

The SFY 2023 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 2023, applications will be accepted quarterly and updates to the IUP will be prepared to add projects and update program financial information. Sponsored Project applications will be taken in March 2022 and added to the IUP during this fiscal year. Projects approved under the Nonpoint Source Assistance Programs will be funded on a continuous basis from the funds reserved for those programs.

- Goal: Continue to implement the Water Resource Restoration Sponsor Program authorized in Iowa Code 384.84.

Objective 1: During SFY 2023, **SRF staff will receive applications only once this year for Sponsored Project funding.** The application deadline for SFY 2023 was in March 2022, as advertised in the previous SFY 2022 Intended Use Plan. In conjunction with watershed coordinators, Iowa Department of Agriculture and Land

Stewardship urban conservationists, and others, SRF staff evaluated the applications and prepared a list of proposed projects for this IUP.

Objective 2: Systematic business assessment of the Sponsored Project Program process to identify best practices and to establish new practices that can streamline the process and shorten project completion times.

- Goal: Encourage applicants to engage a registered municipal advisor (MA).

Objective: During SFY 2023, 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. Due to current supply chain and contractor availability issues, the costs of projects have been increasing. **The CWSRF Program will encourage applicants to engage with their MA early in the project planning process to ensure that the community is taking appropriate measures to account for potential increased debt service requirements.** The CWSRF program will reimburse up to \$4,000 of the MA fee to the borrowers.

- Goal: **Implement the “Build America, Buy American (BABA)” requirements** enacted by Congress in the Bipartisan Infrastructure Law on May 14, 2022.

Objective: During SFY 2023, SRF staff will engage DNR Field Office staff to establish a BABA oversight program. SRF staff will provide information to those applicants required to comply with necessary documentation and inspection procedures. CWSRF will conduct site visits and provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance.

- Goal: Continue to implement the “Use of American Iron and Steel (AIS)” requirements enacted by Congress on January 17, 2014.

Objective: During SFY 2023, **SRF staff will re-evaluate the AIS oversight program**, retaining best practices and aligning the program with BABA requirements, as needed. SRF staff will provide information to applicants on necessary documentation and inspection procedures and will continue to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. SRF will continue to engage DNR Field Office staff to conduct site visits and provide technical assistance.

- Goal: Fund green projects to meet the requirements of the Green Project Reserve (10% of the CWSRF Cap Grant).

Objective: During SFY 2023, the CWSRF Program will **fund green projects as required in the FFY 2022 Cap Grants and revise Grant Year assignments for 2018-2021 as project costs finalize.** Iowa has already complied with the GPR requirements of previous Cap Grants.

- Goal: Continue applying additional subsidization available in the FFY 2019-FY2021 Cap Grants.

Objective: During SFY 2022 SRF staff plans to approve plans and specifications and execute loans or loan amendments with loan forgiveness to previously assigned recipients for the amounts required in the FFY 2019, FFY2020, and FFY 2021 Cap Grants in accordance with previously established criteria (see Appendix C). Iowa has complied with the additional subsidization requirements for all previous Cap Grants.

- Goal: Review and revise criteria used to identify eligible applicants for loan forgiveness.

Objective: During SYF 2023, SRF staff will revise the affordability criteria through public review and comment. The CWSRF intends to utilize the new affordability criteria to identify eligible applicants to receive

loan forgiveness from future Cap Grants. The CWSRF intends to implement the new criteria in BIL Annex A to the CWSRF IUP.

- Goal: Apply additional subsidization available in FFY 2022 Cap Grant.

Objective: During SFY 2023, SRF staff will utilize the revised affordability criteria to assign loan forgiveness for FFY 2022 Cap Grant. SRF staff will approve plans and specifications and execute loans or loan amendments with loan forgiveness for the amounts required in the FFY 2022 Cap Grant.

- Goal: Comply with grant reporting conditions.

Objective: During SFY 2023, the Iowa CWSRF Program plans to enter data into the CWSRF National Information Management System (NIMS) and the EPA reporting database for the Office of Water State Revolving Funds (OWSRF).

- Goal: Comply with EPA guidance on reporting under the Federal Funding Accountability and Transparency Act (FFATA).

Objective: In the Annual Report, SRF staff will list loans that met the several requirements of FFATA for open Cap Grants. Grants may not be closed out until equivalency amounts can be reported.

- Goal: Comply with EPA guidance on cost and effectiveness requirements under Section 602(b)(13) of the Clean Water Act.

Objective: During SFY 2023, CWSRF will require applicants to submit a self-certification form indicating compliance with this requirement.

- Goal: Promote and identify sustainable practices in projects proposed for funding.

Objective: During SFY 2023, SRF staff will provide information on the EPA's Sustainability Policy to applicants and include sustainability features in project descriptions.

- Goal: Comply with the EPA Signage Guidance.

Objective: During SFY 2023, 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. The Iowa CWSRF program sends out press releases listing all CWSRF loans that have closed and borrower contact information.

Additional long-term goals include:

- Goal: Work with other state and federal agencies to coordinate water quality funding.

Objective: During SFY 2023, SRF staff will meet regularly with staff from the Community Development Block Grant program, and the USDA Rural Development program. SRF staff will also coordinate funding with state and federal grant and loan programs designed to address both point source and nonpoint source water quality initiatives.

- Goal: Apply program requirements that are simple and understandable and do not add unnecessary burdens to applicants or recipients.

Objectives: During SFY 2023, SRF staff will continue to assist applicants with completing the federal cross-cutting requirements for environmental and historical review, and will advise borrowers as needed with Davis-Bacon compliance. 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 2023, 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 2023, 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 2023, 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 2023, SRF staff will continue to educate users and potential users about the program offerings through presentations, displays, program materials, and the IowaSRF.com website.

### SFY 2023 Project Priority List (PPL)

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). Attachment 1 constitutes the CWSRF Project Priority List. This priority list will be amended on a quarterly basis during SFY 2023.

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). More information on priority ranking is available in Appendix B.

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), “P - in planning” and “L - loan signed.”

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.

The following categories of projects will be included for funding during SFY 2023 and are included on Attachment 1:

- **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. Planning & Design Loan applications can be found on the SRF website<sup>3</sup>.
- **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 2023 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, must be placed on the Project Priority List

<sup>3</sup> [https://www.iowasrf.com/program/planning\\_design\\_loans/](https://www.iowasrf.com/program/planning_design_loans/)

ahead of new projects. Segmented projects will be added to the SFY 2023 Project Priority List as received.

- **New Section 212 Projects.** New applications for assistance during SFY 2023 will be accepted on a quarterly basis and will be added to the Project Priority List if projects are determined to be eligible for funding and the application is complete. Intended Use Plan applications can be found on the SRF website<sup>4</sup> and on the DNR Wastewater Construction Permit website<sup>5</sup>, and submitted to [srf-iup@dnr.iowa.gov](mailto:srf-iup@dnr.iowa.gov).
- **New General Nonpoint Source Projects including Source Water Protection.** New applications for assistance during SFY 2023 will be accepted on a quarterly basis and will be added to the Project Priority List if projects are determined to be eligible for funding and the application is complete. Intended Use Plan applications can be found on the SRF website under the Other Water Quality Program<sup>6</sup> tab and submitted to [srf-iup@dnr.iowa.gov](mailto:srf-iup@dnr.iowa.gov).
- **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.

### Water Resource Restoration Sponsor Program

The project category called water resource restoration or “sponsored projects” provides wastewater utilities with the opportunity to fund locally directed, watershed-based, nonpoint source projects that address water quality issues.

Iowa Code chapter 384.84 authorizes these projects to be financed with sewer revenues. On a CWSRF loan with a sponsored project, the utility borrows for both the wastewater improvement project and the sponsored project. However, 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. In this way, a utility accomplishes two water quality projects for the cost of one.

- 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 maximum amount allowed for eligible sponsored project costs is \$100,000 per \$1 million borrowed.

The amount of funds reserved in SFY 2023 for Water Resource Restoration Sponsor Program interest rate reductions is \$5 million. In order to fund all eligible applications, the DNR reserves the right to cap individual application funding awards at a percentage of the total amount allocated for Sponsored Projects. Applications for SFY 2023 were accepted until March 1, 2022. The applications proposed for funding in SFY 2023 are listed in Appendix D.

***The Sponsored Project Program is temporarily not accepting applications during SFY 2023 (September 2022 and March 2023) for program planning purposes to enhance the program.*** Application opportunities are expected to resume for communities or wastewater utilities interested in applying to the CWSRF Water Resource Restoration Sponsored Project Program. Future quarterly updates to the IUP will provide information on deadlines for pre-application conference calls and application deadlines.

Applicants that are approved for funding will be contacted after the approval of this IUP to schedule a project initiation meeting and to begin the sponsored project review and approval process. All information about the review and approval process is included in the Sponsored Project Manual<sup>7</sup> located on the SRF website. Applicants should review the manual information to become familiar with the process.

Sponsors of approved projects will be required to follow project review and implementation guidelines established in the Water Resource Restoration Sponsored **Projects Milestone Checklist** located in the Sponsored Project Manual on the SRF website.

<sup>4</sup> [www.iowasrf.com](http://www.iowasrf.com)

<sup>5</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Wastewater-Construction/Construction-Permits>

<sup>6</sup> [https://www.iowasrf.com/program/other\\_water\\_quality\\_programs/](https://www.iowasrf.com/program/other_water_quality_programs/)

<sup>7</sup> [https://www.iowasrf.com/about\\_srf/sponsored-project-manual/](https://www.iowasrf.com/about_srf/sponsored-project-manual/)

Water quality practices funded through sponsored projects must be maintained for the useful design life of the practice. Sponsored Project recipients will be required to develop and execute a maintenance plan for all practices, and agree to a Water Resource Restoration Sponsored Project Performance Agreement to ensure that the water quality practices being funded are constructed and maintained in a manner that will achieve, and continue to provide, the water quality improvement according to the approved design.

The waterbody, watershed, and water quality concern identified in the Water Resource Restoration Sponsored Project application cannot be changed after an application has been awarded funding.

**Beginning with projects awarded in SFY 2022, Sponsored Project loan amendments must be executed prior to the second principal payment on the sponsoring CWSRF loan or the Sponsored Project award may be withdrawn.**

Explanations of eligible applicants and projects, as well as specific application requirements, are outlined in the SFY 2023 Sponsored Project Application. This information is available on the Sponsored Project Home Page<sup>8</sup>.

### Plan for Nonpoint Source Assistance Programs

Iowa authorizing legislation and state administrative rules allow the use of CWSRF program funds for nonpoint source pollution control projects. Four Nonpoint Source Assistance Programs 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) provides loans to homeowners to replace inadequate septic systems. New systems must be certified by county sanitarians.
- The Local Water Protection (LWP) Program addresses 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.
- The Livestock Water Quality Facilities (LWQ) Program assists 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.
- The General Nonpoint Source (GNS) Program supports a wide variety of other water quality protection efforts. Projects include habitat and wetland restoration, landfill closure, lake restoration, and watershed planning. Funding for Stormwater Best Management Practices loans is also included in this program. Projects that involve purchase of land require separate approval by the EPC. These projects are listed in Appendix E.

Loans for these four Nonpoint Source Assistance Programs are made through participating lenders through either a linked deposit arrangement or loan participation. For linked deposits, CWSRF funds are deposited with a participating lender and are used to reduce the interest rate on the loan. For loan participants, CWSRF funds are used to purchase an existing loan from a lender.

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

Nonpoint Source Assistance Programs	Proposed SFY 2023 Amount
Onsite Wastewater Assistance Program (OSWAP)	\$1.5 million
Local Water Protection Program (LWPP)	\$3.0 million
Livestock Water Quality Facilities Program (LWQ)	\$4.0 million
General Nonpoint Source Program (GNS)*	\$10.0 million
<b>TOTAL</b>	<b>\$18.5 million</b>

*\*GNS projects that receive a direct loan are not included in this allocation and are listed individually on the CWSRF Project Priority List (Attachment 1).*

<sup>8</sup> [https://www.iowasrf.com/about\\_srf/sponsored\\_projects\\_home\\_page.cfm](https://www.iowasrf.com/about_srf/sponsored_projects_home_page.cfm)



## 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. 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. Assuming that Iowa continues receive Cap Grants, and that the CWSRF Program continues to grant 10% loan forgiveness and the current interest rates, it is projected that the CWSRF could loan an average approximately \$290 million per year over the next 10 years, or a total of \$2.9 billion. If Iowa receives no additional Cap Grants and the CWSRF Program keeps current interest rates, the CWSRF could loan an average of approximately \$230 million per year over the next 10 years. These figures would increase with an increase in interest rates.

## Financial Management Strategies

The CWSRF Project Priority List (Attachment 1) shows 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 program funds in SFY 2023 include \$18.5 million reserved for the Nonpoint Source Assistance Programs.

The cash draw procedure used is the direct loan method. The Iowa CWSRF program uses its equity fund to originate loans. When a sufficient number of loans have been made, the CWSRF program issues bonds and uses the bond proceeds to replenish the equity fund. Iowa's bonds are cross-collateralized across both the Clean Water and Drinking Water SRF accounts. When funds are needed, state match bonds are issued at the same time that leveraged bond issues are done for greater cost effectiveness. State match is fully disbursed prior to drawing Cap Grant funds. The Cap Grant funds will be drawn at a 100% proportionality ratio.

The Iowa SRF program was invited to apply for a loan through EPA's State Infrastructure Financing Authority Water Infrastructure Finance and Innovation Act (SWIFIA). SWIFIA is a loan program exclusively for state infrastructure financing authority borrowers. SWIFIA may be used for up to 49 percent of an eligible project's costs that are ready to proceed, meaning construction will commence within 18 months after the Letter of Interest is submitted to EPA. A preliminary list of mostly CWSRF projects eligible for SWIFIA funding has been identified, totaling more than \$500 million. The SRF program is in the process of working through the underwriting process; the timeline for closing the loan is yet to be determined.

The program issued bonds in May 2022, which included the required state match obligations for the FFY 2022 Cap Grants (base CWSRF program and BIL supplemental).

## Plan for Use of Administrative Accounts

There are three distinct funding sources for CWSRF administrative expenses:

- The CWSRF administrative Cap Grant set-aside. Iowa intends to take or reserve 4% of the federal Cap Grant funds for program administration.
- Loan initiation fees. A 0.5% loan origination fee will be charged on new CWSRF loans. The maximum amount charged is \$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. **Beginning in SFY 2023, loan initiation fees will not be assessed on loans to Disadvantaged Community (DAC) receiving loan forgiveness.**
- Loan servicing fees. A servicing fee of 0.25% on the outstanding principal is charged on CWSRF loans. Under EPA rules, only servicing fees received from loans made above and beyond the amount of the Cap Grant and after the Cap 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.** Program Income collected in SFY 2023 will be used for administering the CWSRF Program. Program Income is replenished throughout the fiscal year by funds received from loan initiation fees as described above.

**Non-Program Income.** A portion of these funds will be used in SFY 2023 for administering the CWSRF Program.

**Planned Expenses.** CWSRF administration expenses include the SRF include 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. These program expenses will first be paid out of Program Income and then Non-Program Income once Program Income has been fully expended.

DNR intends to use a portion of Non-Program Income funds during SFY 2023 to support staffing to the Field Services Bureau for wastewater compliance activities including inspections, investigations and technical assistance and to support staffing in the Water Quality Bureau for construction permitting, National Pollution Discharge Elimination System permitting, American Iron and Steel Site Inspections, and other programmatic staffing needs.

## 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.
3. The CWSRF funds were allocated among the projects, consistent with the amount available and the financial assistance needed.
4. A designated amount was reserved for each Nonpoint Source Assistance Program based on past funding and expected future needs.

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

### Sources and Uses of Available CWSRF Funds

In July 2021, the CWSRF Program was awarded the FFY 2021 Cap Grant in the amount of \$21,505,000. **The CWSRF Program intends to apply for the FFY 2022 Cap Grant, when available.** Appendix A to this Intended Use Plan illustrates potential sources and uses of funds in the CWSRF for SFY 2023. 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.

Iowa's SRF program issues bonds as needed. These bond issues typically include the state match for the next federal Cap Grants. See Appendix F. On May 5, 2021, IFA issued \$218,290,000 of SRF bonds; no state match funds was necessary at the time of issuance. On May 3, 2022, IFA issued SRF bonds totaling \$206.18 million (\$198.025 million tax-exempt and \$8.155 million taxable). The 2022 bonds included \$3 million of Clean Water state match and \$5.7 million of Drinking Water state match, which was deposited in the respective state match accounts. After SRF bonds are issued, the state match is spent first so the Cap Grant can be drawn down at 100% when it is received.

### Section 212 Projects Program Policies

**Project Scope.** The scope of the project must be outlined in 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 are allowed and only if the changes do not require additional technical or environmental review.

**Loan Interest Rates.** Interest rates for CWSRF planning and design loans are 0% for up to three years. The interest rates for construction loans made from the CWSRF are as follows:

Loan Term	Applicant Type	Interest Rate	Servicing Fee	Total
Standard Tax-Exempt (up to 20 years)	All	1.75%	0.25%	2.00%

Loan Term	Applicant Type	Interest Rate	Servicing Fee	Total
Extended (21 to 30 years based on useful life)	All	2.75%	0.25%	3.00%
Taxable Loans (up to 20 years)	All	2.75%	0.25%	3.00%

The SRF program continually monitors the market to ensure that our loan interest rates are appropriate relative to the program's cost of funds. Any necessary changes to loan interest rates will be communicated via future Intended Use Plans.

**Loan Fees.** A 0.5% origination fee is assessed on the full loan amount for new CWSRF construction loans, with a maximum amount of \$100,000. No origination fees are assessed on planning and design loans. A .25% loan servicing fee is assessed on construction loans. Payment of the loan servicing fee is made semi-annually with scheduled interest payments (June and December). Loan servicing fees are calculated based on the outstanding principal balance.

**Financing Term.** Loan terms can be up to 30 years. The initial determination of the length of the term is based on a calculation of the average useful life of the entire project, determined by the applicant's consulting engineer and approved by DNR. Any project may request an extended term.

**Maximum Financing.** There is no maximum financing amount.

**Project Readiness.** Applicants cannot be offered assistance until they meet program requirements. More information can be found in the Wastewater Engineering Construction Permitting Process Manual<sup>9</sup>.

**Funding Limitations.** Pending loans identified in this IUP do not exceed funds obtainable for the CWSRF program.

**Extended Financing** The Iowa CWSRF can provide extended terms of up to 30 years for any loan as long as the loan term does not exceed the expected design life of the project. 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.

**Municipal Advisor Engagement.** Beginning in SFY 2023, borrowers will be asked to identify their Municipal advisor for the project as part of the IUP application.

**Rate Ordinance.** Beginning in SFY 2023, prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal advisor set forth in the 5-year pro-forma cash flow analysis.

**Public Bidding Compliance Certification.** Beginning in SFY 2023, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

### Plan for Efficient and Timely Use of CWSRF Funds

The State of Iowa's Clean Water State SRF uses federal Cap Grant funds as expeditiously as possible. Iowa has been able to use its federal Cap 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
- Allowing 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

<sup>9</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Wastewater-Construction/Construction-Permits>

- Quarterly application process and 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
- Focus on marketing, customer and consultant education, and coordination with other funders

When Cap Grants are awarded, those funds are drawn down first based on guidance from the U.S. EPA. Loan disbursements are made weekly. Iowa's CWSRF disbursements averaged approximately \$16.7 million per month in 2020. In 2021, the program disbursed an average of approximately \$19million per month. Average disbursements for SFY 2022 will be provided in future IUP updates.

With a return of \$4.66 for every dollar of federal investment (compared to the national average of \$2.95), Iowa's CWSRF is an efficient and effective delivery mechanism for water infrastructure funding.

Due to their effectiveness, the practices described above will be continued through SFY 2023.

### **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 considered in projecting Iowa's available Cap Grant.

### **SEE Salary Funds Deducted from Capitalization Grant**

The CWSRF Program will withhold \$74,600 from FFY 2022 base CWSRF Cap Grant application for the SEE Program. These positions are 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 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.

## **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.

**Priority of Communities and Financial Assistance Needed.** Iowa law provides only for loan assistance. Additional subsidization required by federal Cap Grant conditions will be through forgivable loans. The state's CWSRF rules identify the priority rating system used to establish priorities for loan assistance.

**Capitalization Grant Requirements.** Cap Grants include requirements for minimum and maximum percentages of the funds to be allocated for additional subsidization and/or green project reserve (GPR).

**Affordability Criteria is discussed in Appendix C and BIL Annex A to the CWSRF IUP.**

**Additional Subsidization:**

Iowa applies additional subsidization in the form of loan forgiveness. Appendix C identifies the criteria used to determine projects and borrowers eligible to receive financial assistance through forgivable loans. Criteria for loan forgiveness eligibility is established with each Cap Grant. Individual projects may be capped to allow more eligible borrowers to receive subsidization. Time limits may be established for loan commitments in order to apply loan forgiveness awards from these grants. Construction must begin within 24 months of the loan forgiveness offer or the loan forgiveness offer may be withdrawn or reassigned.

**Green Project Reserve (GPR):**

All CWSRF Programs are required to use a portion of their federal grant for projects that address green infrastructure, water and energy efficiency, or other environmentally innovative activities. Iowa's Nonpoint Source Programs, including the Sponsored Project Program, finance several projects annually which meet this criterion. Specific projects identified as GPR are listed in Appendix C.

Additional subsidization and GPR has been allocated for FFY 2018-2021 Cap Grants. The specific projects that have received add subs or been counted for the GPR are listed in Appendix C.

During SFY 2023, Iowa will apply for the FFY 2022 Cap Grant. Iowa will comply with additional subsidization and/or green project allocation requirements of that grant and will identify specific recipients of those funds during this fiscal year in Appendix C.

	<b>Add Subs Req'd.</b>	<b>Add Subs Actual</b>	<b>%</b>	<b>GPR Req'd.</b>	<b>GPR Actual</b>	<b>%</b>
2018	\$ 2,172,300	\$ 2,172,300	100%	\$ 2,172,300	\$2,285,000	105%
2019	\$ 2,150,500	\$ 2,150,500	100%	\$ 2,150,500	\$2,667,000	124%
2020	\$ 2,150,800	\$ 2,150,800	100%	\$ 2,150,800	\$2,443,000	114%
2021	\$ 2,150,500	\$ 2,423,952	113%	\$ 2,150,500	\$2,150,500	100%
2022	\$3,132,000	TBD		\$1,566,000	TBD	

**Nonpoint Source Assistance Programs**

Nonpoint Source Assistance Programs include funds reserved 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 Nonpoint Source Management Plan. Individual loan applicants for all Nonpoint Source Assistance Programs operated as linked deposit and loan participation are not identified in this IUP. Only GNS projects with a direct loan will be listed on the Project Priority List.

## V. METHOD OF AMENDMENT OF THE INTENDED USE PLAN

The State will follow this IUP in administering CWSRF funds in SFY 2023. 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 and loan amounts are allowed without public notification by the procedures of this IUP and state rules for administration of the CWSRF. Adjustments to the Project Priority List to utilize actual funds available to the CWSRF for SFY 2023 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 2023 IUP and Project Priority List was held May 12, 2022, 10:00 a.m. via video conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until May 19, 2022.

A public meeting to allow input to Iowa's SFY 2023 second quarter IUP update and Project Priority List was held August 11, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until August 18, 2022.

## VII. PROJECT PRIORITY LIST

Attachment 1, the CWSRF Project Priority List, is included in a separate, sortable Excel file.

## VIII. TECHNICAL ASSISTANCE

States have the flexibility to use up to 2% of their annual CWSRF Cap Grant for the purpose of providing technical assistance to rural, small, and tribal publicly owned treatment works. The eligibilities for this funding are very broad. Iowa does not intend to duplicate the technical assistance efforts being provided by U.S. EPA and other organizations receiving U.S. EPA Technical Assistance grants; so additional planning and coordination is needed before activities are identified for this funding. The Iowa CWSRF Program intends to reserve the 2% in the application of the FY 2022 Cap Grant for use at a later date.

## APPENDIX A - CWSRF ESTIMATED FUNDING SOURCES AND FUNDING USES

<b>Beginning Cash Balance: Funds Available in Equity Fund and Program Accounts</b>	<b>\$300,390,000*</b>
Additional Sources of Funds	
<b>Federal Capitalization Grants:</b>	
FFY 2022 - Base Program	\$15,660,000
FFY 2022 - General Supplemental	\$24,088,000
Loan Repayments	\$132,367,000
Investment Earnings on Equity Fund and Program Accounts	\$14,000
	<b>\$172,129,000</b>
<b>Total Funding Sources</b>	<b>\$472,519,000</b>
<b>Uses of Funding</b>	
<b>Administration</b>	
Administrative Allowance from FFY 2022 Federal Capitalization Grants	\$1,590,000
<b>Loan Disbursements</b>	
Undisbursed Amounts Committed to Existing Loans (50% disbursement rate)	\$146,869,000**
CWSRF Project Requests (Current IUP Project List)	\$79,969,000
Planning & Design Requests (50% disbursement rate)	\$12,865,000**
Non-Point Source Program Assistance	\$18,297,000
<b>Debt Service</b>	
Principal Payments on Outstanding Revenue Bonds	\$48,670,000
Interest Payments on Outstanding Revenue Bonds	\$64,063,000
<b>Total Uses of Funding</b>	<b>\$372,323,000</b>
<b>Ending Cash Balance</b>	<b>\$100,196,000</b>
IUP Approved Projects to be Funded in Subsequent Years	\$871,724,000
<b>Ending Balance Including Projects Yet to be Funded</b>	<b>(\$771,528,000)***</b>

\*Funds Available for disbursements as of 8/3/2022

\*\*Loan disbursement rates are estimated based on previous experience with project pace.

\*\*\*Future Sources: Federal Capitalization Grants (Base & Supplemental), State Match, Bond Proceeds and/or SWIFIA Loan Draws

All amounts are rounded to the nearest \$1,000

## 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.

Iowa is currently able to fund all projects that are eligible.

## 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 to gain the highest water quality benefits for the funding available.

Iowa is currently 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 as 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 Assistance 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 as 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 Assistance Programs projects will not be implemented until 90 percent of the funds reserved for that program have been allocated and no additional funds are available. If that occurs, ranking will be done at the time that a new project application is received.

## APPENDIX C

### LOAN FORGIVENESS

#### A. Borrowers Receiving Additional Subsidization

Iowa applies additional subsidization in the form of loan forgiveness. Criteria for loan forgiveness eligibility is established with each Cap Grant (see below). Individual projects may be capped to allow more eligible borrowers to receive subsidization. Time limits may be established for loan commitments in order to apply loan forgiveness awards from these grants. Construction must begin within 24 months of the loan forgiveness offer or the loan forgiveness offer may be withdrawn or reassigned.

For FFY 2018-2021 Cap Grants, a minimum of 10% of the state's allocation of grants funds are required to be allocated as additional subsidization. Eligibility criteria is described below.

During SFY 2023, Iowa will apply for the FFY 2022 Cap Grant. A minimum of 20% of the state's allocation of grants funds are required to be allocated as additional subsidization. The CWSRF Program will comply with additional subsidization requirements of that grant and will identify recipients of those funds during this fiscal year. Eligibility criteria is described below.



### Loan Forgiveness Criteria for FFY 2018-FFY2021 Capitalization Grants

Loan forgiveness of up to 30% may be offered to eligible projects for communities who meet the affordability criteria to be designated as a **Disadvantaged Community (DAC)** in accordance with the disadvantaged community rule in Iowa Code 455B.199B (see below). Funding for individual projects is capped at \$1 million per project.

Beginning in FFY 2020, eligible projects from unsewered communities who meet the affordability criteria to be designated as a **Disadvantaged Unsewered Community (DUC)** in accordance with the disadvantaged community rule in Iowa Code 455B.199B (see below) may receive up to 50% loan forgiveness. Funding for individual projects is capped at \$1 million per project.

#### **Disadvantaged Community Affordability Criteria:**

The Iowa DNR disadvantaged community rules implement Iowa Code 455B.199B, which establishes criteria for the Iowa DNR to use when determining if ratepayers or a community will experience substantial and widespread economic and social impact and qualify as disadvantaged. For more information on how a community qualifies as a disadvantaged community, visit the Iowa DNR's Water Quality page<sup>10</sup>.

At the conclusion on SFY 2022, all of the loan forgiveness funds through Cap Grant 2021 were allocated (see below). As loans close during SFY 2023, additional loan forgiveness may become available for reallocation. The CWSRF Program may withdraw the individual project cap if additional funding becomes available. Projects that were capped will have priority for reallocated funds.

Project	SRF Project #	Loan Amount*	Amount Ad Sub**	Grant Year Reported
Calmar	CS1920823-01	\$2,977,000.00	\$872,474.26	2017
Perry	CS1920954-01	\$28,900,000.00	\$20,626.00	2017 Reallocation
Lake View	CS1920828-01	\$6,700,000.00	\$155,800.00	2017
Lave View	CS1920828-01	\$6,700,000.00	\$844,200.00	2018
St Donatus	CS1920773-01	\$300,000.00	\$90,000.00	2018
St Donatus	CS1920773-R1	\$452,927.75	\$135,878.33	2018
Perry	CS1920954-01	\$28,900,000.00	\$877,222.00	2018 Reallocation
Coralville	GNS 10-04	\$750,000.00	\$225,000.00	2018
Woodward	CS1920814-01	\$5,424,041.03	\$1,000,000.00	2019
Everly	CS1920906-01	\$3,289,000.00	\$986,700.00	2019
Charles City	CS1920876-01	\$17,575,000.00	\$163,800.00	2019
Charles City	CS1920876-01	\$17,575,000.00	\$836,200.00	2020
Dougherty	CS1920993-01	\$865,000.00	\$432,550.00	2020
Osceola	CS1920878-01	\$25,554,000.00	\$882,100.00	2020
Osceola	CS1920878-01	\$25,554,000.00	\$117,900.00	2021
New Albin	CS1920871-01	\$1,860,000.00	\$558,000.00	2021
Frederika	CS1921013-01	\$2,153,000.00	\$645,900.00	2021
Perry	CS1920954-01	\$28,900,000.00	\$102,152.00	2021
McGregor	CS1920974-01	\$4,934,000.00	\$1,000,000.00	2021

\*Until a loan is signed, this amount may reflect the IUP award amount

\*\*Capped at \$1 million (through grant year 2021)

<sup>10</sup> <https://www.iowadnr.gov/environmental-protection/water-quality/rural-community-sewers>

### Loan Forgiveness Criteria for FFY 2022 Capitalization Grant

Loan forgiveness will be offered based on affordability and project type. **During SFY 2023, the Iowa SRF Program will evaluate the affordability criteria currently used to determine disadvantaged community status for loan forgiveness purposes and will revise these criteria through public review and comment. The percent of loan forgiveness offered to each eligible project will also be determined through these revised criteria.** The DNR intends to implement the new affordability criteria for both the base CWSRF Program and the BIL CWSRF General Supplemental Fund as outlined in BIL Annex A to the CWSRF IUP. The funding for individual projects may be capped.

Loan forgiveness for FFY 2022 Capitalization Grant will be offered to the following eligible Priority Project Categories:

- Sewer Collection System Rehabilitation (includes gravity sewers, relief sewers, pumping stations, force mains, SSO correction and CSO correction)
- Lagoons Advanced Treatment (Ammonia, E.coli; includes CDL optimization, sludge removal and equipment replacement)
- Advanced Treatment WWTPs (Ammonia, E.coli, Nutrients)
- Aging Infrastructure WWTPs (included expansion of existing secondary treatment)
- Consolidation/Regionalization (includes unsewered communities)

### B. Borrowers Counted for Green Project Reserve (GPR)

For FFY 2018-2021 Cap Grants, a minimum of 10% of the grant funds are required to be used on Green Projects. At the conclusion on SFY 2022, all of the projects designated as Green Project Reserve have been identified through Cap Grant 2021 (see below).

During SFY 2023, Iowa will apply for the FFY 2022 Cap Grant. The SRF Program will comply with green project reserve allocation requirements of that grant and will identify recipients of those funds during this fiscal year.

Project	SRF Project #	Loan Amount*	Amount GPR	Grant Year Reported
Coralville	GNS 10-04	750,000.00	225,000.00	2018
Dyersville	WRR15-006	450,000.00	260,000.00	2018
Des Moines	WRR18-030	1,000,000.00	1,000,000.00	2018
Fort Dodge	WRR15-017	800,000.00	800,000.00	2018
Hampton	WRR14-004	633,300.00	421,000.00	2019
Des Moines	WR16-013	1,150,000.00	1,150,000.00	2019
Waukee	WRR16-010	920,000.00	920,000.00	2019
Des Moines	WRR18-013	750,000.00	750,000.00	2020
Clinton	WRR18-021	43,000.00	743,000.00	2020
Ogden	WRR17-009	481,000.00	481,000.00	2020
Lake View	WRR17-010	469,000.00	469,000.00	2020
Coralville	WRR16-004	2,700,000.00	2,150,500.00	2021

\*Until a loan is signed, this amount may reflect the IUP award amount

## APPENDIX D

### SFY 2023 SPONSORED PROJECT FUNDING RECOMMENDATIONS

Sponsored Project loan amendments must be executed prior to the second principal payment on the sponsoring CWSRF loan or the Sponsored Project award may be withdrawn.

Applicant	Proposed Watershed and Project Description	Proposed Partners	Date Approved
City of Maquoketa	Implement edge-of-field, in-field, and stream erosion practices in the Prairie-Union Creek Watershed to improve native mussel habitat and reduce sediment runoff into Prairie Creek, a tributary of the Maquoketa River. Potential practices include: constructed wetlands, grassed waterways, bioswales, buffer strips, conversion to native perennial vegetation, and stream bank stabilization.	Maquoketa River Watershed Management Authority; Limestone Bluffs RC&D; NRSC-Maquoketa; IDALS	6/21/2022
City of Waukee	Improve water quality in the Walnut Creek Watershed by stabilizing and restoring 6,500 LF of Little Walnut Creek, within the Little Walnut Creek Greenway, between Warrior Lane and the Clive/Urbandale corporate limits.	Polk County SWCD; Walnut Creek WMA; City of Clive	6/21/2022
City of Clinton	Implement stormwater best management practiced to improve water quality in the Mill Creek-Mississippi River Watershed. Potential projects include: a large stormwater wetland, streambank restoration, wet detention ponds, the addition of pre-treatment at an existing grass swale, and outfall fortifications.	IDALS, DNR, Clinton Community College, Clinton Parks & Rec	6/21/2022
City of Earlham	Implement stormwater best management practices to improve water quality within the city of Earlham and reduce the amount of nutrients, sediment, and bacteria that travel downstream to Bear Creek and the South Raccoon River. Potential projects include: stormwater wetlands, bioretention cells, extended detention ponds, permeable pavers, and stream restoration.	IDALS, DNR, Madison County Conservation	6/21/2022

## APPENDIX E

### GENERAL NONPOINT SOURCE ASSISTANCE PROJECTS FOR APPROVAL OF LAND PURCHASE

Iowa Code 455B.291 and 455B.295 set forth the conditions by which land acquisition is eligible under this Nonpoint Source Assistance Program.

Per Iowa Administrative Code 567 Chapter 93.7(5) Ineligible costs. Costs for the purchase of land are not eligible costs unless specifically approved by the commission.

## APPENDIX F STATE MATCH

FY20	Cap Grant Amount	State Match Needed	Excess State Match
Remaining CW State Match from Feb 2019 Bond Issue		\$4,499,000	
Excess State Match from prior years		\$0	
<b>Total CW State Match Available</b>		<b>\$4,499,000</b>	
<b>FY20 CW Cap Grant</b>	<b>\$21,508,000</b>	<b>\$4,301,600</b>	<b>\$197,400</b>
Remaining DW State Match from Feb 2019 Bond Issue		\$3,681,500	
Excess State Match from prior years		\$0	
<b>Total DW State Match Available</b>		<b>\$3,681,500</b>	
<b>FY20 DW Cap Grant</b>	<b>\$17,443,000</b>	<b>\$3,488,600</b>	<b>\$192,900</b>
FY21	Cap Grant Amount	State Match Needed	Excess State Match
CW State Match from Feb 2020 Bond Issue		\$10,000,000	
Excess State Match from prior years		\$197,400	
<b>Total CW State Match Available</b>		<b>\$10,197,400</b>	
<b>FY21 CW Cap Grant</b>	<b>\$21,505,000</b>	<b>\$4,301,000</b>	<b>\$5,896,400</b>
DW State Match from Feb 2020 Bond Issue		\$8,000,000	
Excess State Match from prior years		\$192,900	
<b>Total DW State Match Available</b>		<b>\$8,192,900</b>	
<b>FY21 DW Cap Grant</b>	<b>\$17,427,000</b>	<b>\$3,485,400</b>	<b>\$4,707,500</b>
FY22	Cap Grant Amount	State Match Needed	Excess State Match
CW State Match from 2022 Bond Issue (May 2022)		\$3,000,000	
Excess State Match from prior years		\$5,896,400	
<b>Total CW State Match Available</b>		<b>\$8,896,400</b>	
<b>FY22 CW Cap Grant (20% match)</b>	<b>\$15,660,000</b>	<b>\$3,132,000</b>	
<b>FY22 CW Supplemental (10% match)</b>	<b>\$24,088,000</b>	<b>\$2,408,800</b>	
		<b>\$5,540,800</b>	<b>\$3,355,600</b>
DW State Match from 2022 Bond Issue (May 2022)		\$5,700,000	
Excess State Match from prior years		\$4,707,500	
<b>Total DW State Match Available</b>		<b>\$10,407,500</b>	
<b>FY22 DW Cap Grant (20% match)</b>	<b>\$11,101,000</b>	<b>\$2,220,200</b>	
<b>FY22 DW Supplemental (10% match)</b>	<b>\$28,504,000</b>	<b>\$2,850,400</b>	
		<b>\$5,070,600</b>	<b>\$5,336,900</b>

# FY 2023 INTENDED USE PLANS

## DRINKING WATER STATE REVOLVING FUND



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## I. STATE FISCAL YEAR 2023 PLAN OF ACTION

The Drinking Water State Revolving Fund (DWSRF) finances water treatment plants or improvements to existing facilities, water line extensions to existing unserved properties, water storage facilities, wells, and source water protection efforts. Public and private community water systems are eligible for funding whether they are for profit or not for profit; nontransient, noncommunity public water supplies are eligible for funding if they are either publicly owned or are not for profit; and transient, noncommunity systems are eligible if they are owned by government entities.

The SFY 2023 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 2023 Project Priority List
- Plan for use of DWSRF set-aside funds
- Plan for use of administrative accounts

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.

### 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.

Due to federal legislation in this past year and program updates are anticipated in SFY 2023. New goals have been established to meet those requirements and adjust programs to available staff.

The SFY 2023 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 2023, applications will be accepted quarterly and 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 2023, viability assessments will be completed by each applicant and reviewed by SRF staff prior to the signing of a 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. Staff 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 2022, 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 water utility. The reports provided by the MAs will be used in the viability assessment review. Due to current supply chain and contractor availability issues, the costs of projects are increasing. **The**

**DWSRF Program will encourage applicants to engage with their MA early and often in the project planning process to ensure that the community is taking appropriate measures to account for potential increased debt service requirements.** The DWSRF Program will reimburse up to \$4000 of the MA fee to the borrowers.

- Goal: **Implement the “Build America, Buy American (BABA)” requirements** enacted by Congress in the Bipartisan Infrastructure Law on May 14, 2022.

Objective: During SFY 2023, SRF staff will engage DNR Field Office staff to establish a BABA oversight program. SRF staff will provide information to those applicants required to comply with necessary documentation and inspection procedures. SRF staff will conduct site visits and provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance.

- Goal: Continue to implement the “Use of American Iron and Steel (AIS)” requirements enacted by Congress on January 17, 2014.

Objective: During SFY 2023, **SRF staff will re-evaluate the AIS oversight program**, retaining best practices and aligning the program with BABA requirements, as needed. SRF staff will provide information to applicants on necessary documentation and inspection procedures and will continue to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. SRF staff will continue to engage DNR Field Office staff to conduct site visits and provide technical assistance.

- Goal: Continue applying additional subsidization available in FFY 2019-FY2021 Cap Grants to disadvantaged community projects and public health projects.

Objective: During SFY 2023, SRF staff plans to approve plans and specifications and execute loans or loan amendments with loan forgiveness for the amounts required in the FFY 2019, FFY2020, and FFY 2021 Cap Grants in accordance with previously established criteria (see Appendix C). Iowa has complied with the additional subsidization requirements for all previous Cap Grants.

- Goal: Review and revise criteria used to define disadvantaged communities and identify eligible applicants for loan forgiveness.

Objective: During SYF 2023, SRF staff will revise the affordability criteria currently used to determine disadvantaged community status through public review and comment. The SRF Programs intend to utilize the new affordability criteria to determine disadvantaged community status and to identify other eligible applicants to receive loan forgiveness from future Cap Grants. The DWSRF will implement the new criteria in future quarterly updates as BIL Annex A to the DWSRF IUP.

- Goal: Apply additional subsidization available in FFY 2022 Cap Grant

Objective: During SFY 2023, SRF staff will utilize the revised affordability criteria and disadvantaged community definition to assign loan forgiveness for FFY 2022 Cap Grant. SRF staff will approve plans and specifications and execute loans or loan amendments with loan forgiveness for the amounts required in the FFY 2022 Cap Grant.

- Goal: Promote and identify sustainable practices in projects proposed for funding.

Objective: During SFY 2023 SRF staff will provide information on the EPA’s Sustainability Policy to applicants and include sustainability features in project descriptions.

- Goal: Comply with grant reporting conditions.

Objective: During SFY 2023, the Iowa DWSRF plans to enter data into the DWSRF National Information Management System (NIMS) and the EPA reporting database for the Office of Water State Revolving Funds (OWSRF).

- Goal: Comply with EPA guidance on reporting under the Federal Funding Accountability and Transparency Act (FFATA).

Objective: In the Annual Report, SRF staff will list loans that met the several requirements of FFATA for open Cap Grants. Grants may not be closed out until equivalency amounts can be reported.

- Goal: Comply with the EPA Signage Guidance.

Objective: During SFY 2023 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. The Iowa DWSRF program sends out press releases listing all DWSRF loans that have closed and borrower contact information.

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.

- Goal: Work with other state and federal agencies to coordinate water quality funding.

Objective: During SFY 2023, SRF staff will meet regularly with staff from the Community Development Block Grant program, and USDA Rural Development. SRF staff will also coordinate funding with state and federal grant and loan programs designed to address both point source and nonpoint source water quality initiatives.

- Goal: Apply program requirements that are simple and understandable and do not add unnecessary burdens to applicants or recipients.

Objectives: During SFY 2023 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 2023 this option will be offered to all projects on the Project Priority List. Applicants seeking extended financing must complete a worksheet outlining the anticipated useful life of the project components. The average weighted useful life is used to determine the extended term of the loan.

- Goal: Maintain mechanisms for funding the on-going administration of the program if federal funding is reduced or eliminated.

Objective: During SFY 2023 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 2023 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 2023 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 of this DWSRF IUP (the Estimated Sources and Uses table) shows that available funds are sufficient to fund current loan requests. SRF staff has analyzed the future financial capacity of the DWSRF. Assuming that Iowa continues to receive Cap Grants and the full 31% set-asides, and that the DWSRF Program continues to grant 26% loan forgiveness, and the same interest rates, it is projected that the DWSRF could loan an average of approximately \$155 million per year over the next 10 years, or a total of \$1.55 billion. If Iowa does not receive any additional Cap Grants but keeps the same interest rates and the other assumptions, the DWSRF could loan an average of approximately \$130 million per year over the next 10 years. These figures would increase with an increase in interest rates.

### **Financial Management Strategies**

The DWSRF Project Priority List (Attachment 1) shows total loan requests for water supply 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 Appendix A.

The cash draw procedure used is the direct loan method. The Iowa DWSRF program uses its equity fund to originate loans. When a sufficient number of loans have been made, the SRF program issues bonds and uses the bond proceeds to replenish the equity fund. Iowa's bonds are cross-collateralized across both the Clean Water and Drinking Water SRF accounts. State match bonds are typically issued at the same time that leveraged bond issues are done for greater cost effectiveness. State match is fully disbursed prior to drawing EPA Cap Grant funds. The EPA Cap Grant funds will be drawn at a 100% proportionality ratio.

Iowa issued bonds in 2019, which included the state match for FFY 2019 and FFY 2020 Cap Grants. Bonds were issued in February 2020 which included state match for future Cap Grants so no additional state match funds were included in the May 2021 bond issue. The program issued bonds in May 2022, which included the required state match obligations for the FFY 2022 Cap Grants (base program and supplemental).

### **SFY 2022 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.

The Iowa SRF Program is able to fund all eligible projects. Projects are added to the Project Priority List to be funded based on the State's implementation rules for the DWSRF program in 567 IAC Chapter 44.

Projects will be funded as they become ready to proceed to construction. 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 Safe Drinking Water 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.

Due to the project workload and for planning purposes, the DWSRF 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” and “L - loan signed.”

The following categories of projects will be included for funding during SFY 2023:

**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 must be placed on the Project Priority List with the original project score.

**New Projects.** New applications for assistance during SFY 2023 will be added to the Project Priority List. Applications will be accepted on a continuous basis and quarterly updates completed as needed. Intended Use Plan applications can be found on the SRF website<sup>11</sup> and on the DNR Drinking Water State Revolving Loan Fund<sup>12</sup> website and submitted to [srf-iup@dnr.iowa.gov](mailto:srf-iup@dnr.iowa.gov).

**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.

**Planning and Design Loans.** Planning and design loans are provided at 0% interest for up to three years to cover the costs of preparing a preliminary engineering report and project specifications. The loans will be rolled into DWSRF construction loans or repaid by another source of permanent financing. Requests for planning and design loans are listed on the Project Priority List but have not been assigned priority points. Planning & Design Loan applications<sup>13</sup> can be found on the SRF website.

**Source Water Protection Loans.** All outstanding requests for source water protection loans have been satisfied and applications are no longer being taken. Source water loans are not eligible projects under the regular DWSRF loan program but projects that improve water quality, including water that is used as source for drinking water, are eligible for loans under the Clean Water SRF Nonpoint Source Program.

**Capitalization Grant Requirements.** Cap Grants include requirements for minimum and maximum percentages of the funds to be allocated for additional subsidization and/or green project reserve (GPR). Beginning in FFY 2019 Capitalization, the Safe Drinking Water Act (SDWA) requires an additional percentage of Cap Grant dollars to be allocated for additional subsidization to Disadvantaged Communities (DAC). Iowa will comply with these requirements.

**The Disadvantaged Community (DAC) definition is discussed in Appendix C and BIL Annex A to the DWSRF IUP.**

***Additional Subsidization:***

Iowa applies additional subsidization in the form of loan forgiveness. Appendix C identifies the criteria used to determine projects and borrowers eligible to receive financial assistance through forgivable loans. Criteria for loan forgiveness eligibility is established with each Cap Grant. Individual projects may be capped to allow more eligible borrowers to receive subsidization. Time limits may be established for loan commitments in order to apply loan forgiveness awards from these grants. Construction must begin within 24 months of the loan forgiveness offer or the loan forgiveness offer may be withdrawn or reassigned.

During SFY 2023, Iowa will continue to assign additional subsidization to projects according to available funding and designated criteria. The specific projects that have been allotted loan forgiveness are listed in Appendix C.

<sup>11</sup> <http://www.iowasrf.com/>

<sup>12</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund>

<sup>13</sup> [http://www.iowasrf.com/program/planning\\_design\\_loans/](http://www.iowasrf.com/program/planning_design_loans/)

	Add Subs Reqd.	Add Subs Actual	%	DAC Reqd.	DAC Actual	%
2018	\$ 3,519,400	\$ 3,519,400	100%	N/A	N/A	N/A
2019	\$ 3,486,400	\$ 2,833,248	81%	\$ 1,045,920	\$ 1,045,920	100%
2020	\$ 2,442,020	\$0	0%	\$ 1,046,580	\$ 1,046,580	100%
2021	\$ 2,439,780	\$0	0%	\$ 1,045,620	\$ 1,661,500	121%
2022	TBD			TBD		

## 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
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 (Attachment 1).

### Sources and Uses of Available DWSRF Funds

Iowa received \$17,427,000 for the FFY 2021 Cap Grant in November 2021. **The SRF Program intends to apply for the FFY 2022 Cap Grant.** Appendix A to this IUP illustrates potential sources and uses of funds in the DWSRF for SFY 2023. 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.

Iowa's SRF program issues bonds as needed. These bond issues typically include the state match for the next federal Cap Grants. See Appendix D. On May 5, 2021, IFA issued \$218,290,000 million of SRF bonds; no additional state match funds were necessary at the time and were not included in the 2021 bond issue. On May 3, 2022, IFA issued SRF bonds totaling \$206.18 million (\$198.025 million tax-exempt and \$8.155 million taxable). The 2022 bonds included \$3 million of Clean Water state match and \$5.7 million of Drinking Water state match, which was deposited in the respective state match accounts. After SRF bonds are issued, the state match is spent first so the Cap Grant can be drawn down at 100% when it is received.

The Iowa SRF program was invited to apply for a loan through EPA's State Infrastructure Financing Authority Water Infrastructure Finance and Innovation Act (SWIFIA) program. SWIFIA is a loan program exclusively for State infrastructure financing authority borrowers. SWIFIA may be used for up to 49 percent of an eligible project's costs that are ready to proceed, meaning construction will commence within 18 months after the Letter of Interest is submitted to EPA. A preliminary list of mostly CWSRF projects eligible for SWIFIA funding has been identified, totaling more than \$500 million. The SRF program is in the process of working through the underwriting process; the timeline for closing the loan is yet to be determined.

### 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.** Interest rates for DWSRF planning and design loans are 0% for up to three years. The interest rates for DWSRF construction loans are shown in the table below:

Loan Term	Applicant Type	Interest Rate	Servicing Fee	Total	Additional Information
Standard Tax-Exempt (up to 20 years)	All	1.75%	0.25%	2.00%	
Extended (21 to 30 years based on useful life)	All	2.75%	0.25%	3.00%	Please see below, "Extended Financing and Disadvantaged Status," for an explanation.
Taxable Loans (up to 20 years)	All	2.75%	0.25%	3.00%	

The SRF program continually monitors the market to ensure that our loan interest rates are appropriately relative to the program's cost of funds. Any necessary changes to loan interest rates will be communicated via future Intended Use Plans.

**Loan Fees.** A 0.5% origination fee is assessed 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 assessed on planning and design loans. A 0.25% loan servicing fee will be assessed on construction loans. Payment of the loan servicing fee is made semi-annually along with scheduled interest payments. Loan servicing fees are calculated based on the outstanding principal balance.

**Maximum Financing.** There is no maximum financing amount.

**Project Readiness.** Applicants cannot be offered assistance until they meet program requirements. More information can be found in the Water Supply Construction Permitting Process Manual<sup>14</sup>.

**Funding Limitations.** Pending loans identified in this IUP do not exceed funds obtainable for the DWSRF Program.

**Municipal Advisor Engagement.** Beginning in SFY 2023, borrowers will be asked to identify their Municipal advisor for the project as part of the IUP application.

**Rate Ordinance.** Beginning in SFY 2023, prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal advisor set forth in the 5-year pro-forma cash flow analysis.

**Public Bidding Compliance Certification.** Beginning in SFY 2023, to the extent applicable, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

**Extended Financing.** The Iowa DWSRF can provide extended terms of up to 30 years for any loan as long as the loan term does not exceed the expected design life of the project. 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.

**For Capitalization Grants through FFY 2021:**

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 a lower 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.

<sup>14</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund>

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. The interest rate on extended term loans will be 1.75% for borrowers who have been designated as disadvantaged using these criteria and who have received a notification letter from SRF by Sept. 20, 2022. For non-disadvantaged borrowers, the interest rate will be 2.75%.

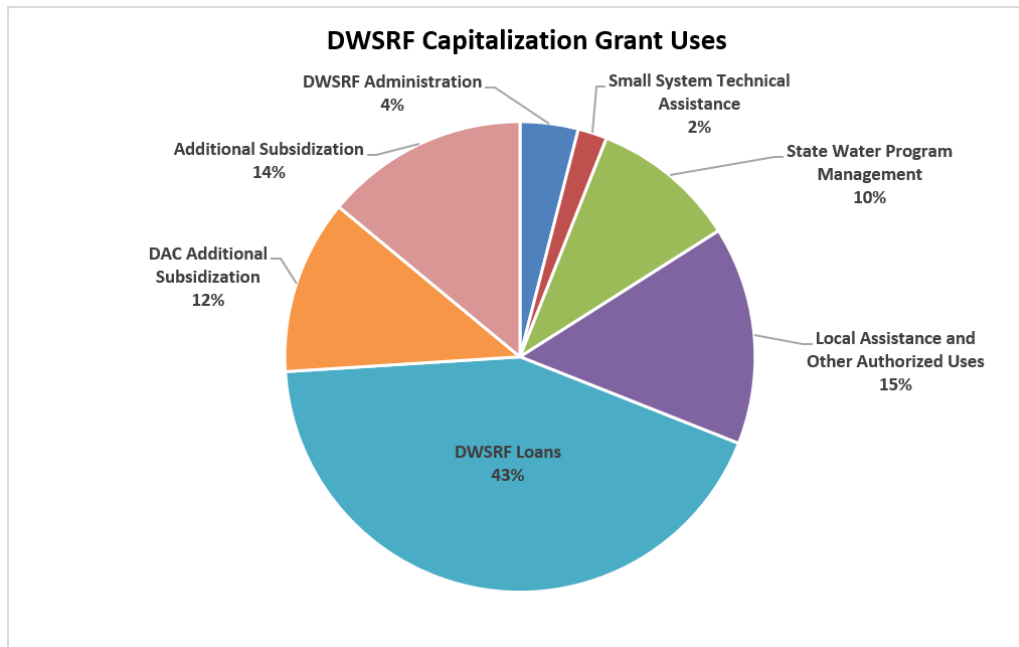
**For Capitalization Grants beginning with FFY 2022:**

During SFY 2023, the Iowa DWSRF Program will evaluate the affordability criteria currently used to determine disadvantaged community status and will revise these criteria through public review and comment. The SRF intends to implement the new affordability criteria to determine disadvantaged community status in future quarterly updates as an annex to the DWSRF Intended Use Plan.

**Intended Use of Set-Asides**

States are allowed to take or reserve set-aside amounts from each federal Cap 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 SFY 2022 workplan and will switch to the SFY 2023 workplan during the fiscal year. Iowa plans to take or reserve set-side funds from the allowed amounts 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 Cap Grant when they are ready to be taken. Funds that are taken from an available Cap Grant must be applied to planned work efforts approved by U.S. 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 Cap 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 including:

- 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
- Program marketing and coordination
- Drinking Water Infrastructure Needs Survey

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

**Small System Technical Assistance Set-Aside.** Iowa intends to use this set-aside 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. This will include the administration and proctoring of examinations in all six regions of the state, provide training for new Grade A water system operators, and provide 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. Funds are also used by the Field Office water supply staff to provide technical assistance and compliance follow-up to small system operators.

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 rules and revisions to the Iowa Administrative Code
- Field Office water supply staff conducting sanitary survey inspections at water supplies, as required by the Safe Drinking Water Act.

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
- System-specific capacity development assistance by contractor, including promotion of asset management planning

Funds are also budgeted for SWP activities including the following:

- Coordination and administration of the Source Water Protection program
- Development of SWP plans and review and assist with implementation of Best Management Practices
- 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
- 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 Cap Grant set-aside. Four percent of the cumulative amount of federal Cap 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 which is included in the loan principal. The fees are deposited outside of the fund. The maximum amount charged is \$100,000. Under EPA rules, because Iowa's origination fees are financed through the loans, the proceeds are considered Program Income. Iowa uses the initiation fee receipts for administration of the DWSRF Program. **Beginning in SFY 2023, loan initiation fees will not be assessed on loans to Disadvantaged Community (DAC) receiving loan forgiveness.**
- Loan servicing fees. An annual servicing fee of 0.25% is charged on the outstanding principal of DWSRF loans. The fees are deposited outside of the fund. Iowa uses servicing fees collected during the time the Cap Grant is open for administration of the DWSRF Program. Servicing fee receipts collected after the Cap Grant is closed are used for other purposes under SDWA 1452.

**Program Income.** A portion of these funds will be used in SFY 2023 for program administration, and the remainder will be reserved for future administrative expenses. Income is replenished throughout the fiscal year by funds received from loan initiation fees as described above.

**Non-program Income.** A portion of these funds may be used in SFY 2023 to fund some of the activities completed under the State Program Management set-aside. A portion of these funds may be used in SFY 2023 toward Drinking Water Laboratory Certification and Capacity initiatives. Income is replenished throughout the fiscal year by funds received from loan servicing fees as described above.

### **SEE Salary Funds Deducted from Capitalization Grant**

The DWSRF Program will not request U.S. EPA to deduct funds from FFY 2022 DWSRF Cap Grant for the SEE Program this fiscal year. These positions are filled by EPA Region 7 and assigned to the DNR's Water Supply engineering section to provide administrative assistance to the DWSRF projects and program. The SEE enrollees could help provide staffing at Iowa DNR to maintain the DWSRF program and keep up with the increasing DWSRF project 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."

### **Surface Water Curriculum Development Funds Deducted from the Capitalization Grant**

The Iowa DNR will continue the project of developing advanced training for operators who currently operate surface water treatment plants. The Environmental Protection Agency is offering contracting services to help facilitate advanced surface water training with Process Applications Inc. The training will consist of six modules conducted over a three year period. Each session will last one or two days and will include a mix of presentations and small group workshops.

Module topics include:

1. Regulations and implementation
2. Surface water optimization
3. Coagulation, flocculation, and sedimentation

4. Filtration and residuals handling
5. Disinfection
6. Advanced topics such as jar test calibration, manganese control, cyanotoxin control, enhanced TOC removal, and source water considerations.

### **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 Cap Grants as expeditiously as possible. When Cap Grants are awarded, those funds are drawn down first based on guidance from the U.S. EPA. Loan disbursements are made weekly. Iowa's DWSRF disbursements averaged approximately \$4.6 million per month in 2020. In SFY2021, the program disbursed an average of approximately \$6.2 million per month. Average disbursements for SFY 2022 will be provided in future IUP updates.

Rather than doing one annual funding solicitation, with a discrete set of projects identified for funding that year, the Iowa DWSRF 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 as long as projects are making progress toward a loan.

With a return of \$3.10 for every dollar of federal investment (compared to the national average of \$2.07), 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 will draw grant funds based on designated uses on a first in, first out basis in order to close out Cap Grants. Due to increased water program budget needs and reduced funding from other sources, 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 between the State of Iowa and the U.S. EPA.

## **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 Cap Grants will be through forgivable loans. The state's DWSRF rules identify the priority rating system used to establish priorities for financial assistance.

Projects can receive financial assistance for all eligible planning and project costs provided the project is on the Project Priority 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 remain on the list until the criteria is met or it may be removed from the list. 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 SFY 2023. 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 and loan amounts are allowed without public notification by the procedures of this IUP and state rules for administration of the DWSRF. Adjustments to the Project Priority List to utilize actual funds available to the DWSRF for SFY 2023 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 2023 IUP and Project Priority List was held May 12, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until May 19, 2022.

A public meeting to allow input to Iowa's SFY 2023 IUP second quarter update and Project Priority List was held August 11, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until August 18, 2022.

## **VII. PROJECT PRIORITY LIST**

Attachment 1, the DWSRF Project Priority List, is included in a separate, sortable Microsoft Excel file.

## APPENDIX A - DWSRF ESTIMATED FUNDING SOURCES AND FUNDING USES

<b>Beginning Cash Balance: Funds Available in Equity Fund and Program Accounts</b>	<b>\$179,030,000*</b>
Additional Sources of Funds	
<b>Federal Capitalization Grants:</b>	
FFY 2022 - Base Program	\$5,950,000
FFY 2022 - General Supplemental	\$28,404,000
Loan Repayments	\$51,379,000
Investment Earnings on Equity Fund and Program Accounts	\$29,000
	<b>\$85,762,000</b>
<b>Total Funding Sources</b>	<b>\$264,792,000</b>
<b>Uses of Funding</b>	
<b>Loan Disbursements</b>	
Undisbursed Amounts Committed to Existing Loans (50% disbursement rate)	\$30,749,000**
DWSRF Project Requests (Current IUP Project List)	\$28,362,000
Planning & Design Requests (50% disbursement rate)	\$3,889,000**
<b>Debt Service</b>	
Principal Payments on Outstanding Revenue Bonds	\$17,670,000
Interest Payments on Outstanding Revenue Bonds	\$10,989,000
<b>Total Uses of Funding</b>	<b>\$91,659,000</b>
<b>Ending Cash Balance</b>	<b>\$173,133,000</b>
IUP Approved Projects to be Funded in Subsequent Years	\$247,773,000
<b>Ending Balance Including Projects Yet to be Funded</b>	<b>(\$74,640,000)***</b>

\*Funds Available for disbursements as of 8/3/2022

\*\*Loan disbursement rates are estimated based on previous experience with project pace.

\*\*\*Future Sources: Federal Capitalization Grants (Base & Supplemental), State Match, Bond Proceeds and/or SWIFIA Loan Draws

All amounts are rounded to the nearest \$1,000

<b>Funding Sources for Set Asides (Includes FFY21 &amp; previous Cap Grants)</b>	
Administration	\$180,000
Small Systems Technical Assistance	\$0
State Program	\$974,000
Other Authorized Activities	\$486,000
<b>Total Funding Sources for Loans</b>	<b>\$1,640,000</b>
<b>Funding Uses for Set Asides</b>	
Administration	\$180,000
Small Systems Technical Assistance	\$0
State Program	\$974,000
Other Authorized Activities	\$486,000
<b>Total Uses for Set Asides</b>	<b>\$1,640,000</b>

## 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 SFY 2023 application period were considered for funding in SFY 2023; if not funded by the end of SFY 2023, these projects will be moved to the SFY 2024 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 Iowa DNR 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 SFY 2023, 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. 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.

## APPENDIX C

### BORROWERS RECEIVING ADDITIONAL SUBSIDIZATION OR COUNTED FOR GREEN PROJECT RESERVE

Iowa applies additional subsidization in the form of loan forgiveness. Criteria for loan forgiveness eligibility is established with each Cap Grant (see below). Individual projects may be capped to allow more eligible borrowers to receive subsidization. The cap may be removed at any time if additional funding is available. Time limits may be established for loan commitments in order to apply loan forgiveness awards from these grants. Construction must begin within 24 months of the loan forgiveness offer or the loan forgiveness offer may be withdrawn or reassigned.

For FFY 2018-2019 Cap Grants, a minimum of 20% of the state's allocation of grants funds are required to be allocated as additional subsidization. Eligibility criteria for each of these grants is described below.

For FFY 2020-2021 Cap Grants, a minimum of 14% of the state's allocation of grants funds are required to be allocated as additional subsidization and an additional 6% is required to assist Disadvantaged Communities (DAC), according to the state's definition (see below). Eligibility criteria for each of these grants is described below.

During SFY 2023, Iowa will apply for the FFY 2022 Cap Grant. A minimum of 14% of the state's allocation of grants funds are required to be allocated as additional subsidization. An additional 12% of the state's allocation of grant funds are required to be allocated as additional subsidization to Disadvantaged Communities (DAC), according to the state's definition (see below). The DWSRF Program will comply with additional subsidization requirements of that grant and will identify recipients of those funds during this fiscal year. Eligibility criteria is described below.

#### **Loan Forgiveness Criteria for FFY 2018 Capitalization Grant:**

Loan forgiveness in the DWSRF program has been provided for four categories of projects through FY 2018 Cap Grant:

- Public Health (PH)
- Green Projects (G)
- Disadvantaged Communities (D)
- Emergency Power Generation (EP)

**Loan Forgiveness Criteria for FFY 2019-FFY 2021 Capitalization Grant:**

Loan forgiveness will be offered only to the Public Health (PH) category. All projects receiving loan forgiveness from FFY 2019-2021 Cap Grants were capped at \$1 million dollars. If selected, eligible projects addressing non-compliance with drinking water regulations will receive up to 50% loan forgiveness of eligible costs. An additional 25% may be offered to those projects that choose the option of hooking onto another viable public water supply system to address their non-compliance issue:

- Public Health (PH)
- Public Health + Connection (PH/C)

During SFY 2023, the DWSRF Program may elect to remove the cap from one or both of these Public Health categories and assign additional subsidization to previously awarded projects if reallocated funds and/or unassigned loan forgiveness is available. In the SFY 2023 Q2 update, the cap was removed from Public Health + Connection category. The reallocated and remaining funds were disbursed to previously awarded but capped projects of that category.

Specific projects that have been allocated additional subsidization and/or designated as green project reserve for FFY 2018-FFY2021 are listed below. During SFY 2023, the DWSRF Program will continue to identify eligible projects and list them in this Appendix C with quarterly updates to the IUP.

Type	Project	Loan Amount**	Amount Green Project Reserve	Amount Additional Subsidization*	DAC Additional Subsidization*	Grant Year Reported
PH	Bellevue	\$2,200,000		\$1,380,596		2018
PH	Gallery Acres	\$1,334,000		\$1,000,500		2018
EP	Lyon-Sioux RWS Rock Rapids	\$113,000		\$81,699		2018
G	Cushing	\$61,100	\$18,330	\$18,330		2018
EP	Cushing	\$36,555		\$27,416		2018
PH/C	Manson	\$7,068,000		\$10,859		2018 Reallocated
G	Rathbun RWA	\$2,902,945	\$2,902,945	\$1,000,000		2018
PH/C	Dedham	\$402,000		\$309,094		2019
PH	Albion	\$693,000		\$347,500		2019
PH/C	MacBride Point	\$178,000		\$133,500		2019
PH/C	Bagley	\$804,000		\$512,791		2019
PH/C	Manson	\$7,068,000		\$1,642,293		2019
PH/C	Manson	\$7,068,000		\$90,209		2019 Reallocated
PH/C	Woodland Ridge	\$638,000		\$451,013		2019
DAC	Early	\$3,921,000			\$1,000,000	2019
DAC	Armstrong	\$1,100,000			\$45,920	2019
DAC	Armstrong	\$1,100,000			\$504,080	2020
DAC	Thor	\$408,000			\$204,000	2020
DAC	Lanesboro	\$3,557,000			\$338,500	2020

Type	Project	Loan Amount**	Amount Green Project Reserve	Amount Additional Subsidization*	DAC Additional Subsidization*	Grant Year Reported
PH/C	Manson	\$7,068,000		\$2,442,020		2020
DAC	Lanesboro	\$3,557,000			\$661,500	2021
DAC	Jamaica	\$2,769,400			\$1,000,000	2021
PH/C	Manson	\$7,068,000		\$845,619		2021

\*Cap of \$1 million (through grant year 2021)

\*\*Until a loan is signed, this amount may reflect the IUP award amount

#### **Loan Forgiveness Criteria for FFY 2022 Capitalization Grant:**

Loan forgiveness will be offered based on affordability and project type. **During SFY 2023, the Iowa DWSRF Program will evaluate the affordability criteria currently used to determine disadvantaged community status for loan forgiveness purposes and will revise these criteria through public review and comment. The percent of loan forgiveness offered to each eligible project will also be determined through these revised criteria.** The SRF Program intends to implement the new affordability criteria for both the base DWSRF Program and the BIL DWSRF General Supplemental Fund as outlined in BIL Annex A to the DWSRF IUP. The funding for individual projects may be capped.

Loan forgiveness for FFY 2022 Cap Grant will be offered to the following eligible Priority Project Categories:

- Non-Compliance Issues (e.g. SDWA compliance issues and Maximum Contaminant Levels (MCL) Violations)
- Consolidation/Regionalization
  - This priority is intended for communities who are consolidating with another system to obtain healthy drinking water or due to Technical/Managerial/Financial (TMF) issues. Systems are eligible even if there is no violation. Loan forgiveness is not being offered to systems that are buying viable systems just to franchise
- Resiliency Projects (flood/drought, redundancy and cyber security)
- New Public Water System (PWS) for communities served by private wells

The DWSRF Program intends to review each IUP application received for loan forgiveness eligibility.

#### **Disadvantaged Communities Definition.**

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 by the State in which the public water system is located. See 42 U.S.C. 300j-12 (d)(3).

#### **For Capitalization Grants through FFY 2021:**

Disadvantaged communities are areas where 51 percent of the residents are low-and moderate-income persons. These communities are identified by survey data published by Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG). 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.

#### **For FFY 2022 Capitalization Grant:**

During SFY 2023, the Iowa SRF Program will evaluate the affordability criteria currently used to determine disadvantaged community status for loan forgiveness purposes and will revise these criteria through public review and comment. The goal of this revision is to expand environmental equality and ensure SRF is reaching communities most in need of assistance. The DWSRF Program intends to implement the new affordability criteria for both the base DWSRF Program and the BIL DWSRF General Supplemental Fund as outlined in BIL Annex A to the DWSRF IUP.

## APPENDIX D STATE MATCH

FY20	Cap Grant Amount	State Match Needed	Excess State Match
Remaining CW State Match from Feb 2019 Bond Issue		\$4,499,000	
Excess State Match from prior years		\$0	
<b>Total CW State Match Available</b>		<b>\$4,499,000</b>	
<b>FY20 CW Cap Grant</b>	<b>\$21,508,000</b>	<b>\$4,301,600</b>	<b>\$197,400</b>
Remaining DW State Match from Feb 2019 Bond Issue		\$3,681,500	
Excess State Match from prior years		\$0	
<b>Total DW State Match Available</b>		<b>\$3,681,500</b>	
<b>FY20 DW Cap Grant</b>	<b>\$17,443,000</b>	<b>\$3,488,600</b>	<b>\$192,900</b>
FY21	Cap Grant Amount	State Match Needed	Excess State Match
CW State Match from Feb 2020 Bond Issue		\$10,000,000	
Excess State Match from prior years		\$197,400	
<b>Total CW State Match Available</b>		<b>\$10,197,400</b>	
<b>FY21 CW Cap Grant</b>	<b>\$21,505,000</b>	<b>\$4,301,000</b>	<b>\$5,896,400</b>
DW State Match from Feb 2020 Bond Issue		\$8,000,000	
Excess State Match from prior years		\$192,900	
<b>Total DW State Match Available</b>		<b>\$8,192,900</b>	
<b>FY21 DW Cap Grant</b>	<b>\$17,427,000</b>	<b>\$3,485,400</b>	<b>\$4,707,500</b>
FY22	Cap Grant Amount	State Match Needed	Excess State Match
CW State Match from 2022 Bond Issue (May 2022)		\$3,000,000	
Excess State Match from prior years		\$5,896,400	
<b>Total CW State Match Available</b>		<b>\$8,896,400</b>	
<b>FY22 CW Cap Grant (20% match)</b>	<b>\$15,660,000</b>	<b>\$3,132,000</b>	
<b>FY22 CW Supplemental (10% match)</b>	<b>\$24,088,000</b>	<b>\$2,408,800</b>	
		<b>\$5,540,800</b>	<b>\$3,355,600</b>
DW State Match from 2022 Bond Issue (May 2022)		\$5,700,000	
Excess State Match from prior years		\$4,707,500	
<b>Total DW State Match Available</b>		<b>\$10,407,500</b>	
<b>FY22 DW Cap Grant (20% match)</b>	<b>\$11,101,000</b>	<b>\$2,220,200</b>	
<b>FY22 DW Supplemental (10% match)</b>	<b>\$28,504,000</b>	<b>\$2,850,400</b>	
		<b>\$5,070,600</b>	<b>\$5,336,900</b>

Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP
Winfield	4493001	N/A	PD-CW-23-12	P&D for Lift Station Upgrades	2023	2	P&D	P&D	P	\$ 135,275	\$ 135,275			
Swea City	5584001	N/A	PD-CW-23-26	P&D For WWTP Improvements	2023	2	P&D	P&D	P	\$ 500,000	\$ 500,000			
Story City	8584001	N/A	PD-CW-23-11	P&D for Phases 2 and 3 WWTF Improvements	2023	2	P&D	P&D	P	\$ 732,500	\$ 732,500			
Radcliffe	4283001	N/A	PD-CW-23-13	P&D for Sewer System Rehab	2023	2	P&D	P&D	P	\$ 159,500	\$ 159,500			
Holstein	4721001	N/A	PD-CW-23-27	P&D For WWTP Improvements	2023	2	P&D	P&D	P	\$ 570,000	\$ 570,000			
Ely	5728001	N/A	PD-CW-23-16	P&D for Sanitary Mains Rehabilitation	2023	2	P&D	P&D	P	\$ 184,420	\$ 184,420			
Eagle Grove	9926001	N/A	PD-CW-23-25	P&D for Lift Station Improvements	2023	2	P&D	P&D	P	\$ 766,000	\$ 766,000			
Dubuque	3126001	N/A	PD-CW-23-15	P&D for Sanitary Sewer Improvements	2023	2	P&D	P&D	P	\$ 430,000	\$ 430,000			
Dubuque	3126001	N/A	PD-CW-23-14	P&D for Lift Station and Force Main Improvements	2023	2	P&D	P&D	P	\$ 1,000,000	\$ 1,000,000			
Cedar Rapids	5715001	S2021-0411A	CS1921069-01	WPC Solids Improvements (Contract 2)	2023	2	II	182	P	\$ 250,000,000	\$ 250,000,000			
Johnston	N/A	N/A	GNS23-02	Channel Stabilization Projects	2023	2	TBD	GNS	P	\$ 725,000	\$ 725,000			
Story City	8584001	S2018-0488A	CS1921082-01	Phase 2 and 3 WWTF Improvements	2023	2	II	265	P	\$ 10,926,873	\$ 10,926,873			
Dubuque	3126001	S2022-0402A	CS1921080-01	Eagle Street and Althausser Street Water & Sewer Replacement	2023	2	IIIA	139	P	\$ 393,000	\$ 393,000			
Clear Lake Sanitary District	1716901	W2022-0136A	CS1921079-01	Infrastructure Improvements	2023	2	II	149	P	\$ 3,446,000	\$ 3,446,000			
Farley	3135001	W2022-0268A	CS1921077-01	3rd Avenue SW Water & Sewer Improvements	2023	2	IIIA	129	P	\$ 2,528,000	\$ 2,528,000			
Ladora	484001	S20217-0239A	CS1921076-01	Wastewater Improvements Phase II - Ladora Main Lift Station Replacement 2023	2023	2	IIIB	129	P	\$ 999,000	\$ 999,000			
McGregor	2258001	S2022-0425A	CS1921075-01	WWTP Influent Screen	2023	2	I	149	P	\$ 578,000	\$ 578,000			
Akron	7509001	W2021-0303A	CS1921074-01	Wastewater Treatment Facility Improvements	2023	2	II	305	P	\$ 1,716,000	\$ 1,716,000			
Eagle Grove	9926001	W2022-0328A	CS1921072-01	Wastewater Improvements 2022	2023	2	II	174	P	\$ 5,715,000	\$ 5,715,000			
West Des Moines	N/A	N/A	GNS23-01	Blue Creek Stormwater Detention Facilities	2023	1	GNS	GNS	P	\$ 4,738,500	\$ 4,738,500			
Oakland	7856001	N/A	PD-CW-23-07	P&D for Wastewater Treatment System Upgrades	2023	1	P&D	P&D	P	\$ 355,400	\$ 355,400			
Dedham	1433001	N/A	PD-CW-23-06	P&D for Lagoon Improvements	2023	1	P&D	P&D	P	\$ 326,500	\$ 326,500			
Cass County Environmental Control Agency	58255645	N/A	PD-CW-23-05	P&D for Landfill Closure & Transfer Station Installation	2023	1	P&D	P&D	P	\$ 194,082	\$ 194,082			
Ladora	0058521	N/A	PD-CW-23-04	P&D for New Lift Station	2023	1	P&D	P&D	L	\$ 28,500	\$ 28,500	6/24/22	\$ 28,500	\$ -
Sumner	0970001	N/A	PD-CW-23-02	P&D for Wastewater System Upgrades	2023	1	P&D	P&D	L	\$ 400,000	\$ 400,000	6/24/22	\$ 400,000	\$ -
Cedar Rapids	5715001	N/A	PD-CW-23-01	P&D for Wastewater System Upgrades	2023	1	P&D	P&D	P	\$ 13,300,000	\$ 13,300,000			
Cherokee	1811002	W2021-0209A	CS1921057-01	WRF Nutrient Reduction Improvements	2023	1	II	234	P	\$ 7,088,000	\$ 7,088,000			
Coralville	5208001	W2022-0310	CS1921071-01	Central Trunk Sewer	2023	1	IVB	127	P	\$ 6,200,000	\$ 6,200,000			
Dubuque	3126001	W2022-0320A	CS1921070-01	Auburn-Custer Sanitary Sewer Reconstruction	2023	1	IIIB	139	P	\$ 439,000	\$ 439,000			
Mingo	5052001	W2021-0260A	CS1921012-01	Wastewater Treatment Plant Improvements	2023	1	II	250	P	\$ 1,685,000	\$ 1,685,000			
Ionia	1946001	W2022-0184A	CS1921068-01	Wastewater Improvements	2023	1	II	149	P	\$ 663,300	\$ 663,300			
Hospers	8439001	W2022-0263A	CS1921067-01	2nd Ave Paving & Utility Improvements	2023	1	IIIB	152	P	\$ 1,531,000	\$ 1,531,000			
Fostoria	2122001	W2022-0235A	CS1921066-01	2022 Sanitary Sewer Rehabilitation	2023	1	IIIA	160	P	\$ 756,000	\$ 756,000			
Evansdale	723001	W2018-0318A	CS1921065-01	WWTP Improvements 2021	2023	1	II	295	P	\$ 9,528,000	\$ 9,528,000			
Aurelia	1803001	W2022-0308A	CS1921064-01	Willow Street Sanitary Sewer Replacement	2023	1	IIIB	162	P	\$ 304,000	\$ 304,000			
Waukee	7727001	W2022-0164A	CS1921063-01	NE Sewer Outfall Facility	2022	4	IVB	145	P	\$ 9,289,215	\$ 9,289,215			
Johnston	7740002	W2022-0196A	CS1921062 01	NW Area Sanitary Sewer Extension	2022	4	IVA	135	P	\$ 18,199,000	\$ 17,620,735			

Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP
Dubuque	3126001	W2022-0200A	CS1921061 01	42 Inch Force Main Stabilization	2022	4	IIIB	139	P	\$ 2,076,782	\$ 2,076,782			
Sibley	7245001	W2021-0398A	CS1921060 01	Wastewater Treatment Facility Improvements	2022	4	II	174	P	\$ 3,640,110	\$ 3,640,110			
Elgin	3338001	W2022-0105A	CS1921059 01	WWTP Liner Replacement	2022	4	II	180	P	\$ 604,000	\$ 604,000			
New Hartford	1271001	W2022-0029A	CS1921058 01	Wastewater Treatment Plant Improvements	2022	4	II	245	P	\$ 319,000	\$ 319,000			
Muscatine	7048001	S2022-0036A	CS1921056 01	West Hill Area Sewer Separation Project - Phase 6A and 6B	2022	4	V	200	P	\$ 8,056,000	\$ 8,056,000			
Earlham	6115001	W2020-0448A	CS1921055 01	Earlham Lagoon Upgrades	2022	4	II	264	P	\$ 6,241,000	\$ 6,241,000			
Milo	9155001	W2021-0111A	CS1921054 01	Wastewater Treatment Facility Improvements	2022	4	II	272	P	\$ 4,192,000	\$ 4,192,000			
Winfield	4493001	W2017-0391A	CS1921053 01	Wastewater Treatment Plant Improvements	2022	4	II	222	P	\$ 1,915,530	\$ 3,090,000			
Crystal Lake	4115001	W2021-0426A	CS1921052 01	Sanitary Sewer Collection System I/I Reduction - Phase 1A	2022	4	IIIA	139	P	\$ 450,000	\$ 450,000			
Primghar	7155001	W2021-0194A	CS1921051 01	WWTF Improvements	2022	4	II	224	P	\$ 6,173,000	\$ 6,173,000			
Whittemore	5595001	W2021-0455A	CS1921050 01	Sanitary Sewer Collection System I/I Reduction - Phase 1A	2022	4	IIIA	154	P	\$ 507,000	\$ 507,000			
Defiance	8315001	N/A	PD-CW-22-47	P&D for WWTF Improvements	2022	3	P&D	P&D	P	\$ 185,000	\$ 185,000			
Dubuque	3126001	W2022-0094A	CS1921049 01	Granger Creek Sanitary Sewer Improvements	2022	3	IV-B	180	P	\$ 3,065,552	\$ 3,065,552			
Sun Valley Sanitary District	8000701	W2021-0343A	CS1921048 01	Wastewater Collection and Treatment System Improvements	2022	3	III-A	129	P	\$ 1,704,000	\$ 1,704,000			
Stockport	0061603	S2021-0167A	CS1921047 01	Sewer System Rehab	2022	3	III-A	139	P	\$ 332,000	\$ 332,000			
Riceville	6670001	W2020-0317A	CS1921046 01	WWTF Improvements	2022	3	II	219	P	\$ 2,066,280	\$ 3,412,096			
Monona	02264001	W2022-0061A	CS1921045 01	Central Service Area Wastewater Collection System Rehabilitation	2022	3	III-A	145	P	\$ 704,000	\$ 704,000			
Marshalltown	6469001	W2020-0410A	CS1921044 01	Headworks and Digester Improvements Project 2020 Sanitary Sewer Rehab - CIPP	2022	3	I, III-A	240	P	\$ 13,247,000	\$ 13,247,000			
Lake City	1345003	W2019-0385A	CS1921042 01	Phase 2 & 3 Lake City WWTF Improvements - Lift Station & Treatment Facility	2022	3	II	254	P	\$ 8,234,000	\$ 8,234,000			
Houghton	5633001	W2021-0176A	CS1921041 01	Wastewater System Improvements	2022	3	III-A	139	P	\$ 653,000	\$ 653,000			
Danbury	9729001	W2020-0188A	CS1921040 01	WWTP Improvements	2022	3	II	245	P	\$ 2,606,000	\$ 2,606,000			
Allison	1203001	S2020-0003A	CS1921039 01	WWTF Improvements	2022	3	II	249	P	\$ 2,144,000	\$ 2,144,000			
Winterset	6171001	S2020-0429A	CS1921038 01	WWTF Improvements	2022	3	II	219	P	\$ 18,898,000	\$ 18,898,000			
Lake City	1345003	N/A	PD-CW-22-24	P&D for Flow Monitoring, Lift Station and WWTF Improvements	2022	2	P&D	P&D	P	\$ 579,500	\$ 579,500			
Morning Sun	5857001	W2019-0130A	CS1921036 01	WWTP Improvements	2022	2	II	250	P	\$ 1,972,500	\$ 1,972,500			
Saint Ansgar	6673001	W2020-0420A	CS1921035 01	WWTF UV Disinfection	2022	2	II	239	P	\$ 376,000	\$ 376,000			
Clinton	2326001	W2021-0115A	CS1921021 01	RWRF ADM Plant Expansion	2022	2	II	210	P	\$ 97,526,000	\$ 97,526,000			
Ackley	4201001	W2020-0217A	CS1910863 02	Treatment Plant Upgrades Phase II (SAGR and UV)	2022	2	II	227	P	\$ 3,759,968	\$ 3,759,968			
Wheatland	2394001	W2020-0269A	CS1921022 01	Wastewater Treatment Facility Upgrades	2022	2	II	224	P	\$ 608,000	\$ 608,000			
Dubuque	3126001	W2021-0394A	CS1921034 01	Old Mill Rd. Lift Station and Force Main	2022	2	IV-B	154	P	\$ 25,467,000	\$ 25,467,000			
WRA	7727001	W2021-0366A	CS1921033 01	Southern Tier Interceptor Phase 10, Segments 23-27.	2022	2	IV-A	165	P	\$ 17,658,000	\$ 17,658,000			
WRA	7727001	W2020-0400A	CS1921032 01	WRF Phosphorus Recovery Facility	2022	2	II	205	P	\$ 30,000,000	\$ 30,000,000			
Victor	4875001	W2018-0463A	CS1921029 01	WWTP Upgrades	2022	2	II	224	P	\$ 600,000	\$ 1,261,000			
Nashua	1967001	W2021-0293A	CS1921027 01	Greeley Street Water & Sanitary Improvements	2022	2	III-B	139	P	\$ 164,000	\$ 164,000			
Moravia	467001	W2021-0155A	CS1921026 01	Sanitary Sewer Collection System Improvements	2022	2	III-A	129	P	\$ 298,000	\$ 298,000			
Lytton	9133001	W2021-0424A	CS1921025 01	Sanitary Sewer Force Main Replacement	2022	2	III-B	134	P	\$ 479,000	\$ 479,000			



Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP
Humboldt	4641001	W2021-0004A	CS1921024 01	Raw Pumping and Nutrient Removal Improvements	2022	2	II	255	P	\$ 1,724,000	\$ 1,712,000			
WRA	7727001	N/A	PD-CW-22-11	P&D for Improvements to Southern Tier, Phase 10, Segments 10-23	2022	1	P&D	P&D	P	\$ 403,000	\$ 403,000			
Jefferson	3742001	W2020-0326A	CS1921005 01	WWTP Improvements	2022	1	II	252	P	\$ 10,254,000	\$ 10,254,000			
Grandview	5842001	W2020-0414A	CS1921020 01	Wastewater Treatment Facility Improvements	2022	1	II	245	P	\$ 3,286,000	\$ 3,246,000			
Terrace Hill	3500900	S2020-0079A	CS1921019 01	New Pumping Station to Connect to City of Hampton	2022	1	IV-B	194	P	\$ 2,008,600	\$ 2,008,600			
Fort Dodge	9433003	W2021-0284A	CS1921018 01	New Lab Building and Odor Control	2022	1	II	180	P	\$ 5,025,000	\$ 5,025,000			
Fort Madison	5625001	W2021-0203A	CS1921017 01	10th Street Combined Sewer Separation	2022	1	V	224	P	\$ 4,463,000	\$ 4,463,000			
Leland	9549001	W2020-0011A	CS1921016 01	2-Cell Aerated Lagoon, SAGR & UV	2022	1	II	237	P	\$ 1,349,000	\$ 1,349,000			
Montpelier	7038901	W2021-0086A	CS1921015 01	New Outfall	2022	1	II	260	P	\$ 400,000	\$ 400,000			
Humeston	9348001	W2020-0141A	CS1921014 01	Sludge Removal, New Lagoon Aeration System, and UV to Meet New Permit Limits	2022	1	II	175	P	\$ 1,303,000	\$ 1,303,000			
Frederika	922001	W2020-0141A	CS1921013 01	I&I Repares & Adding Capacity to CDL	2022	1	I, III-A	254	P	\$ 2,153,000	\$ 2,153,000			
Monticello	5343001	W2018-0419A	CS1921009 01	New Activated Sludge Plan with Nutrient Removal	2022	1	II	260	R	\$ 14,497,000	\$ 14,497,000			
Dubuque	NA	N/A	GNS 21-02	Bee Branch Creek Restoration-Ph 4 Detention Basin improvements-new pump station system with gates, pumps and electrical	2022	1	VI	GNS	P	\$ 2,600,000	\$ 2,600,000			
Coralville	N/A	N/A	PD-CW-21-61	P&D for Clear Creek Stream Restoration	2021	4	P&D	P&D	P	\$ 694,400	\$ 694,400			
Crescent	N/A	N/A	PD-CW-21-48	P&D for Wastewater System Upgrades	2021	4	P&D	P&D	P	\$ 450,000	\$ 450,000			
Montpelier	N/A	N/A	PD-CW-21-68	P&D for Updates to Existing Wastewater Treatment Facility	2021	4	P&D	P&D	P	\$ 100,000	\$ 100,000			
Saint Ansgar	N/A	N/A	PD-CW-21-71	P&D for UV Disinfection Construction	2021	4	P&D	P&D	P	\$ 32,000	\$ 32,000			
Saint Ansgar	N/A	N/A	PD-CW-21-72	P&D for Sanitary Sewer Trunkline Construction	2021	4	P&D	P&D	P	\$ 64,400	\$ 64,400			
Lake City	1345003	W2019-0385A	CS1920986 01	Phase 1 Wastewater Treatment Facility Improvements - Flow Monitoring	2021	4	I	144	P	\$ 163,000	\$ 163,000			
Marengo	4843001	W2017-0244A	CS1921008 01	Wastewater Facility Improvements-UV and discharge to larger stream	2021	4	II	249	P	\$ 5,863,000	\$ 5,863,000			
Armstrong	3203001	S2015-0225A	CS1921007 01	Wastewater Treatment Improvements-Nitrification reactor and UV	2021	4	II	232	L	\$ 2,905,000	\$ 5,314,000	7/8/22	\$ 5,314,000	\$ -
Savage	9400900	S2016-0156A	CS1921004 01	Wastewater Treatment Improvements-SAGR and UV	2021	4	II	245	P	\$ 1,063,285	\$ 1,510,000			
St. Ansgar	6673001	W2020-0421A	CS1921003 01	Sanitary Sewer Trunkline	2021	4	IV-A	135	P	\$ 471,000	\$ 471,000			
Festina	9600302	W2018-0288A	CS1921002 01	Wastewater Treatment Facility Improvements-SAGR and UV	2021	4	II	235	P	\$ 406,000	\$ 406,000			
Lovilia	6858001	W2020-0292A	CS1921001 01	W 20th Street Lift Station upgrade	2021	4	IV-B	114	P	\$ 299,490	\$ 450,000			
Ridgeway	9680001	W2019-0244A	CS1920991 01	SAGR & UV	2021	4	II	245	P	\$ 1,087,000	\$ 1,969,000			
Maquoketa	4950001	W2020-0203A	CS1920988 01	BNR Addition to Existing Plant	2021	3	II	275	P	\$ 11,930,355	\$ 11,930,355			
Traer	8681001	W2018-0376A	CS1920999 01	Sewer Rehab, UV and Relocation of Outfall	2021	3	II, III-B	259	P	\$ 1,805,000	\$ 1,805,000			
Dougherty	1722001	S2017-0251A	CS1920993 01	Low Pressure Collection System with 3-Cell Lagoon	2021	3	I, IV-A	232	P	\$ 865,000	\$ 865,000			
West Branch	1694001	W2018-0227A	CS1920982 01	WW Tx Improvements 2021	2021	2	II	230	P	\$ 7,187,000	\$ 10,203,000	7/8/22	\$ 10,203,000	\$ -
Mount Ayr	805501	W2020-0412A	CS192084 01	WW System Improvements	2021	2	I, III-B	195	P	\$ 380,000	\$ 380,000			
Anamosa	5307001	W2020-0202A	CS1920985 01	WWTP Flow Equalization Basin	2021	2	VI	155	P	\$ 2,802,000	\$ 2,802,000			
Dyersville	313001	W2020-0384A	CS1920980 01	Westlinden Lift Station	2021	2	IV-B	150	P	\$ 2,764,000	\$ 2,764,000			

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Lovilia	6858001	N/A	PD-CW-21-04	P&D for construction of WW TX facility	2021	1	P&D	P&D	P	\$ 154,000	\$ 154,000			
Grimes	7763001	W2017-0143A	CS1920975 01	Construct Trunk Sewer, Lift Station & Force Main to Connect to DM WRA	2021	1	IV-B	227	L	\$ 22,839,000	\$ 36,573,000	5/27/22	\$ 36,573,000	\$ -
Ottumwa	58611	2019-0263A	CS1920972 01	Blake's Branch Sewer Separation Phase 8, Divisio 2, 3A, 3B, 3C, 3D	2021	1	V	205	P	\$ 40,000,000	\$ 40,000,000			
McGregor	2258001	W2020-0140A	CS1920974 01	Main Street Utility Upgrades	2021	1	III-A	162	L	\$ 4,654,000	\$ 4,934,000	4/8/22	\$ 2,101,000	\$ 2,833,000
Wayland	4490001	S2017-0271A	CS1920968 01	Sewer Rehab & Lagoon Upgrade	2021	1	III-A	154	L	\$ 1,000,000	\$ 1,000,000	9/4/20	\$ 683,000	\$ 317,000.00
Vinton	688001	W2018-0031A	CS1920969 01	WWTP Upgrades	2021	1	II	145	P	\$ 7,393,000	\$ 7,393,000			
Dickinson County	N/A	N/A	GNS 20-03	Francis Sites Wetland Project	2020	4	VI	N/A	R	\$ 500,000	\$ 500,000			
WRA	7727001	S2020-0142A	CS1920955 01	WRA Ingersoll Run Outlet Sewer in Des Moines	2020	4	V	197	P	\$ 26,934,000	\$ 26,934,000			
Oxford Junction	5361001	2020-0126A	CS1920958 01	Sanitary Sewer Rehabilitation	2020	4	III-A	155	L	\$ 1,099,000	\$ 1,460,000	3/5/2021	\$ 788,000	\$672,000.00
Oxford Junction	5361001	2020-0126A	CS1920958 01	Sanitary Sewer Rehabilitation	2020	4	III-A	155	R	\$ 938,000	\$ 938,000			
Toledo	8676001	2020-0162A	CS1920957 01	Sanitary Sewer Improvements	2020	4	III-A	154	P	\$ 633,000	\$ 633,000			
Rickardsville	3175001	2020-0158A	CS1920956 01	Sanitary Sewer Collection System Improvements 2020	2020	4	IV-A	114	P	\$ 1,032,000	\$ 1,032,000			
Nevada	8562001	W3029-0233A	1920945 01	Wastewater Treatment Facility Improvements	2020	3	I, II, IVB	234	L	\$ 48,727,000	\$ 48,727,000	1/29/21	\$ 1,360,000	\$ 27,367,000.00
Nevada	8562001	W3029-0233A	1920945 01	Wastewater Treatment Facility Improvements	2020	3	I, II, IVB	234	L			4/30/21	\$ 10,000,000	
Nevada	8562001	W3029-0233A	1920945 01	Wastewater Treatment Facility Improvements	2020	3	I, II, IVB	234	L			1/28/22	\$ 10,000,000	
Pomeroy	1363001	W2020-0084A	1920951 01	Sanitary Sewer System Improvements	2020	3	IIIA	134	P	\$ 1,980,000	\$ 1,980,000			
Runnels	7774001	S2017-0330A	1920943 01	Wastewater Treatment Facility Expansion	2020	2	I, II	282	P	\$ 1,889,000	\$ 1,889,000			
Des Moines	7727001	S2019-0198A	1920944 01	Western Ingersoll Run Sewer Separation	2020	2	V	205	L	\$ 19,139,699	\$ 19,139,699	6/25/21	\$ 15,000,000	\$ -
Des Moines	7727001	S2019-0198A	1920944 01	Western Ingersoll Run Sewer Separation	2020	2	V	205	L	\$ 7,035,000	\$ 7,035,000	7/15/22	\$ 7,035,000	\$ -
WRA	7727001	2019-0363A	1920934 01	WRA Sewer Lining	2020	2	III-B	170	L	\$ 43,441,125	\$ 43,441,125	12/20/19	\$ 12,000,000	\$ 31,441,125.00
Waterloo (Titus Lift Station and Force Main)	0790001	2019-0352A	1920935 01	New Titus lift station and force main	2020	2	IV-A	140	P	\$ 5,170,000	\$ 5,170,000			
Tipton	1689001	2019-0415A	1920939 01	Sewer Rehabilitation Phase 1 - NW Area	2020	2	III-A	127	P	\$ 419,000	\$ 419,000			
Solon	5282001	2019-0293A	1920942 01	North Trunk Sewer	2020	2	IV-B	119	R	\$ 1,247,000	\$ 1,247,000			
Glidden	1438001	2016-0396	1920929 01 (g1)	Wastewater Treatment Plant Improvements	2020	1	II	224	L	\$ 3,980,000	\$ 3,980,000	3/5/2021	\$ 2,900,000	\$ 1,080,000.00
Mt Pleasant	4453001	S2015-0081	1920919 01	abandon lagoon and pump to main plant. Eliminates a discharge. Add nutrient removal to existing plant and UV disinfection.	2019	4	I, II & IV-B	324	R	\$ 4,020,000	\$ 4,020,000			
Wastewater Reclamation Authority	7727001	S2019-0006	1920914 01	Primary and Final Clarifier rotating mechanism replacements	2019	4	I	180	L	\$ 30,486,675	\$ 30,486,675	12/18/20	\$ 11,200,000	\$ 19,286,675.00
Sumner	0970001	S2019-0180	1920916 01	Sewer relocation and new pumping sstation	2019	4	III-B & IV-B	149	P	\$ 296,000	\$ 296,000			
Bayard	3907001	S2017-0231	1920909 01	Construction of new 3 Cell controlled discharge lagoon system	2019	3	II	229	P	\$ 2,673,000	\$ 2,673,000			
Ottumwa	9083001	N/A	PD-CW-19-29	Construction of new separate sanitary sewer throughout Blake's Branch Basin	2019	2	P&D	P&D	P	\$ 3,900,000	\$ 3,900,000			
Lake Mills	9545001	S2017-0385	1920894 01	WWTF Improvements (SAGR)	2019	2	I, II	277	P	\$ 1,799,000	\$ 1,799,000			
Waterloo	0790001	S2017-0196	1920893 01	New Interceptor Sewer	2019	2	IV-B	175	P	\$ 5,771,000	\$ 5,771,000			

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Hartford	9128001	S2017-0245	1920877 01	Removal of biosolids from existing lagoons, construction of covered aerated lagoon system with polishing reactor, conversion of existing lagoon into equalization basin, instation of UV disinfection, and addition of emergency generator	2019	1	I, II	285	P	\$ 2,381,000	\$ 3,300,000			
Osceola	2038002	S2016-0112	1920878 01	Construction of new activated sludge treatment plant, addition of UV disinfection, cogeneration of power from methane digester	2019	1	I, II	277	L	\$ 25,554,000	\$ 53,000,000	8/20/21	\$ 28,000,000	\$ 25,000,000
Zwingle	4998001	N/A	PD-CW-18-42	Address permit limits on bacteria and ammonia	2018	4	II	P&D	P	\$ 125,000	\$ 125,000			
Keokuk	5604001	S2018-0212	1920872 01	Next phase of combined sewer separation under Long Term Control Plan - construct outlet to Mississippi River	2018	4	V	167	P	\$ 14,171,000	\$ 14,171,000			
Waterloo (CIPP Phase III)	0790001	S2016-0285	1920811 01 (supplemental)	Excavating and repairing pipe using traditional methods. Rehabilitate sanitary sewers and rehabilitate manholes that have deteriorated	2017	2	III-A	185	L	\$ 2,133,700	\$ 2,133,700	5/13/22	\$ 1,036,000	\$ 1,097,700
Corydon	9334004	S2014-0043	1920815 01	Wastewater Treatment Facility Improvements	2017	3	II	237	P	\$ 3,304,000	\$ 3,304,000			
Sioux City	9778001	S2016-0389	1920813 01	Improve various treatment plant equipment to renew initial capacity, improve performance, improve reliability and generate biogas.	2017	2	I,II	217	L	\$ 23,096,340	\$ 31,983,398	11/13/20	\$ 6,928,000	\$ 15,055,398.00
Sioux City	9778001	S2016-0389	1920813 01	Improve various treatment plant equipment to renew initial capacity, improve performance, improve reliability and generate biogas.	2017	2	I,II	217	L			11/13/20	\$ 10,000,000	
Algona	5502001	S2016-0239	PD-CW-17-04	Rehabilitation and reconstruction of the sanitary sewer collection system	2017	1	IIIB	P&D	P	\$ 130,000	\$ 130,000			
Oelwein	3353001	N/A	PD-CW-16-40	Installation of new sanitary sewer	2016	4	IVA	P&D	P	\$ 33,500	\$ 33,500			
Ames	8503001	S2013-0327	1920741 02	Address Infiltration and inflow into the City's sanitary sewer system utilizing a variety of rehabilitation techniques.	2016	4	IIIA	145	R	\$ 19,421,625	\$ 19,421,625			
Mapleton	6727001	S2015-0440	PD-CW-16-30	Wastewater Treatment Improvements to comply with ammonia nitrogen limits, maintain TSS limits, and meet new NPDES standards	2016	3	I	P&D	P	\$ 225,000	\$ 225,000			
Fort Atkinson	9641001	S2015-0087	1920770 01	Construct a larger Lagoon that will only discharge once a year. Also includes an ultra violet disinfection system.	2016	3	I, II	290	L	\$ 1,249,000	\$ 3,840,000	4/8/22	\$ 760,000	\$ 3,080,000
Fort Atkinson	9641001	S2015-0087	1920770 01	Construct a larger Lagoon that will only discharge once a year. Also includes an ultra violet disinfection system.	2016	3	I, II	290	L			7/22/22	\$ 3,080,000	\$ -
La Porte City	0743001	S2009-0187	1920620 01	Wastewater treatment plant improvements	2012	3	I,II	220	P	\$ 917,822	\$ 10,087,000			
										\$ 1,088,747,303	\$ 1,169,562,784		\$ 175,389,500	

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Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP
<b>Project Status</b>				<b>Project Needs Categories</b>										
Dropped -- D				I			Secondary Treatment							
Ready for Loan-- R				II			Treatment more stringent than secondary							
Loan Signed -- L				IIIA			Infiltration/Inflow rehabilitation							
Planning Stage -- P				IIIB			Major sewer system rehabilitation							
Green Projects				IVA			New collectors and appurtenances							
Add Subs				IVB			New interceptors and appurtenances							
				V			Correction of combined sewers							
				VI			Stormwater management programs							
				VII			Non-point source control projects;							
				<b>Non-point Source Project Subcategories</b>										
				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							
				VII I			Storage tanks							
				VII J			Landfills							
				VII K			Hydromodification							
				XII			Decentralized septic systems							

<b>Loan Forgiveness</b>



Loan Forgiveness
YES
YES



Loan Forgiveness
YES

Loan Forgiveness
YES

Loan Forgiveness

Loan Forgiveness

Project Name	DWSRF No.	Project Description	IUP Yr	Quarter	Project Categories	Priority Points	Population	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount
New Market	PD-DW-23-28	P&D for Construction of Water Distribution System	2023	2	P&D	P&D	385	P	\$ 275,400.00	\$ 275,400.00		
Milford Municipal Utilities	PD-DW-23-22	P&D for Construction of New Drinking Water Treatment Facility	2023	2	P&D	P&D	3629	P	\$ 2,000,000.00	\$ 2,000,000.00		
Ely	PD-DW-23-19	P&D for Water Main System Rehabilitation	2023	2	P&D	P&D	2328	P	\$ 184,420.00	\$ 184,420.00		
Ely	PD-DW-23-18	P&D for Construction of New Drinking Water Treatment Facility	2023	2	P&D	P&D	2328	P	\$ 582,420.00	\$ 582,420.00		
Des Moines	PD-DW-23-20	P&D for Pumping Station Improvements	2023	2	P&D	P&D	600000	P	\$ 1,110,000.00	\$ 1,110,000.00		
Corydon	PD-DW-23-24	P&D for Elevated Storage Tank Replacement	2023	2	P&D	P&D	1591	P	\$ 25,000.00	\$ 25,000.00		
Carter Lake	PD-DW-23-23	P&D for Water Line & Pipe Replacement	2023	2	P&D	P&D	3791	P	\$ 725,000.00	\$ 725,000.00		
Birmingham	PD-DW-23-17	P&D for Water Storage & Distribution Improvements	2023	2	P&D	P&D	425	P	\$ 80,000.00	\$ 80,000.00		
Ankeny	PD-DW-23-21	P&D for Water Distribution System Improvements	2023	2	P&D	P&D	67887	P	\$ 235,000.00	\$ 235,000.00		
Corridor Ridge HOA	FS-52-23-DWSRF-009	Water Treatment System Installation	2023	2	A, B, E	75	108	P	\$ 376,875.00	\$ 376,875.00		
Montezuma Municipal Water Works	FS-79-23-DWSRF-017	New Jordan Well Construction	2023	2	B, C, E	55	1442	P	\$ 2,734,000.00	\$ 2,734,000.00		
Carter Lake	FS-78-23-DWSRF-018	Water System Improvements	2023	2	A, B, C, E	55	3791	P	\$ 9,267,000.00	\$ 9,267,000.00		
Bondurant Municipal Water Supply	FS-77-23-DWSRF-011	Elevated Storage Tank New Construction	2023	2	B, E	45	7500	P	\$ 8,533,000.00	\$ 8,533,000.00		
Oskaloosa Municipal Water Department	FS-62-23-DWSRF-014	Transmission Main Replacement	2023	2	B, C	30	11558	P	\$ 3,852,000.00	\$ 3,852,000.00		
Algona	FS-55-23-DWSRF-016	Water System Improvements	2023	2	B, E	30	2731	P	\$ 1,597,000.00	\$ 1,597,000.00		
Milford Municipal Utilities	FS-30-23-DWSRF-010	New Water Treatment Facility Construction	2023	2	B, E	25	3629	P	\$ 21,106,500.00	\$ 21,106,500.00		
Ankeny	FS-77-23-DWSRF-015	New Transmission Main Construction	2023	2	B	20	24564	P	\$ 2,903,000.00	\$ 2,903,000.00		
Dubuque	FS-31-23-DWSRF-012	Lead Service Line Replacement	2023	2	B	20	58983	P	\$ 48,343,000.00	\$ 48,343,000.00		
Dubuque	FS-31-23-DWSRF-013	Eagle Street and Althausen Street Water & Sewer Replacement	2023	2	B	20	58983	P	\$ 505,000.00	\$ 505,000.00		
Yale	PD-DW-23-10	P&D for Construction of New Well & Backwash Holding Pond	2023	1	P&D	P&D	267	L	\$ 70,700.00	\$ 70,700.00	6/24/22	\$ 70,700.00
Madrid	PD-DW-23-09	P&D for Water Main Replacement	2023	1	P&D	P&D	2802	P	\$ 245,000.00	\$ 245,000.00		
Bondurant	PD-DW-23-08	P&D for New Water Tower	2023	1	P&D	P&D	7500	P	\$ 1,205,600.00	\$ 1,205,600.00		
Sumner	PD-DW-23-03	P&D for Water Main Installation	2023	1	P&D	P&D	2175	L	\$ 90,000.00	\$ 90,000.00	6/24/22	\$ 90,000.00
Mallard	FS-74-23-DWSRF-003	Water System Improvements - Connection Fee Only	2023	1	A, C, E	70	277	P	\$ 1,740,000.00	\$ 1,740,000.00		
Rock Rapids	FS-60-23-DWSRF-006	Lewis & Clark Service Connection Phase 3	2023	1	B, C, D, E	60	2611	P	\$ 1,507,500.00	\$ 1,507,500.00		
Remsen	FS-75-23-DWSRF-005	New R/O Treatment Plant	2023	1	B, C, E	55	1678	P	\$ 7,035,000.00	\$ 7,035,000.00		
Yale	FS-39-23-DWSRF-008	New Well	2023	1	B, C, E	40	267	P	\$ 400,000.00	\$ 400,000.00		
Aurelia	FS-18-23-DWSRF-001	Water Main Replacement	2023	1	B, C, E	40	1036	P	\$ 551,000.00	\$ 551,000.00		
Mount Vernon	FS-57-23-DWSRF-004	Water Meter Replacement	2023	1	B, E	30	4527	P	\$ 905,000.00	\$ 905,000.00		
Spillville	FS-96-23-DWSRF-007	New Booster Station and Ground Storage Reservoir	2023	1	B, E	30	385	P	\$ 1,176,000.00	\$ 1,176,000.00		
Auburn	FS-81-23-DWSRF-001	Water Treatment Plant Filter Replacement	2023	1	B, E	25	315	P	\$ 50,000.00	\$ 50,000.00		
Ankeny	PD-DW-22-57	P&D for Construction of Water Main Transmission	2022	4	P&D	P&D	N/A	P	\$ 174,600.00	\$ 174,600.00		
Birmingham	FS-89-22-DWSRF-039	New Elevated Storage Tank	2022	4	A, B, C, E	140	425	P	\$ 603,000.00	\$ 603,000.00		
Hedrick	FS-54-22-DWSRF-026	Water Distribution System Improvements	2022	4	A, B, C, D, E, F	110	764	P	\$ 682,000.00	\$ 682,000.00		
Westfield	FS-75-22-DWSRF-035	Construction of New Well and Water Treatment Plant	2022	4	A, B, C, E	100	130	P	\$ 2,185,000.00	\$ 2,185,000.00		
Dedham	FS-14-22-DWSRF-032	Water System Improvements	2022	4	A, B, C, D, E, F	60	224	P	\$ 1,000,000.00	\$ 1,000,000.00		

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Orange City	FS-84-22-DWSRF-037	Construction of New Elevated Tank, New Ground Storage, New Well and Well Pipe	2022	4	B, D, E	50	6267	P	\$ 15,821,000.00	\$ 5,278,000.00		
Protivin	FS-45-22-DWSRF-029	Water System Improvements	2022	4	B, D, E	50	269	P	\$ 304,000.00	\$ 304,000.00		
Casey	FS-39-22-DWSRF-034	Water Distribution System Improvements	2022	4	A, B, C, D, E, F	40	387	P	\$ 305,420.00	\$ 305,420.00		
Wahpeton	FS-30-22-DWSRF-031	Water System Improvements	2022	4	A, B, C, D, E, F	40	344	P	\$ 7,850,000.00	\$ 7,850,000.00		
Rockford	FS-34-22-DWSRF-027	Water System Improvements	2022	4	B, C, E	40	860	P	\$ 510,000.00	\$ 510,000.00		
West Central IA RWA	FS-14-22-DWSRF-036	Construction of New Water Treatment Plant, Booster Station and Ground Storage	2022	4	A, B, C, D, E, F	30	18838	P	\$ 12,600,000.00	\$ 12,600,000.00		
Pocahontas	FS-76-22-DWSRF-038	Water System Improvements	2022	4	B, E	25	6267	P	\$ 2,825,000.00	\$ 2,825,000.00		
Burt	FS-55-22-DWSRF-033	Water System Improvements	2022	4	B, E	25	423	P	\$ 396,000.00	\$ 396,000.00		
Ankeny	FS-77-22-DWSRF-030	Water Distribution System Improvements	2022	4	B	20	67900	P	\$ 4,809,000.00	\$ 4,809,000.00		
Manson	FS-13-22-DWSRF-023	Connection from Manson to Fort Dodge Municipal Water System	2022	3	B, E	45	1690	P	\$ 7,068,000.00	\$ 7,068,000.00		
Dubuque	FS-31-22-DWSRF-025	2022 Water System Improvements	2022	3	B	35	1830	P	\$ 15,565,000.00	\$ 15,565,000.00		
Grundy Center	FS-38-22-DWSRF-024	2022 Water Main Replacement	2022	3	B, E	30	2706	P	\$ 1,500,000.00	\$ 900,000.00		
Plover	FS-76-22-DWSRF-017	New Well for Arsenic Mitigation in Raw Water	2022	2	A,B,E	95	77	P	\$ 108,000.00	\$ 108,000.00		
Washta	FS-18-22-DWSRF-021	New Production Well No. 5	2022	2	B, C, E	55	248	P	\$ 532,000.00	\$ 532,000.00		
Titonka	FS-55-22-DWSRF-019	Water System Improvements	2022	2	B, C, E	55	486	P	\$ 539,000.00	\$ 539,000.00		
State Center	FS-64-22-DWSRF-018	Water Treatment Facility Improvements	2022	2	A,E	55	1468	P	\$ 1,933,000.00	\$ 2,768,000.00		
Guttenberg	FS-22-22-DWSRF-013	Water Supply, Distribution and Storage Facilities Improvements	2022	2	B,C,E	40	1057	P	\$ 765,000.00	\$ 765,000.00		
Charles City	FS-34-22-DWSRF-010	Water System Storage Tank	2022	2	B, C, E	35	3350	P	\$ 3,965,000.00	\$ 3,965,000.00		
Pleasantville	FS-63-22-DWSRF-020	Water System Improvements - 2021 Water Main Replacement	2022	2	B, E	30	1694	P	\$ 1,674,000.00	\$ 2,042,000.00		
Nashua	FS-19-22-DWSRF-016	Greeley Street Water & Sanitary Improvements	2022	2	B, E	30	1663	P	\$ 259,000.00	\$ 259,000.00		
Mitchellville	FS-77-22-DWSRF-015	Water Distribution System Improvements	2022	2	B,E	30	2254	P	\$ 2,230,000.00	\$ 2,230,000.00		
Lake Creek	FS-11-22-DWSRF-014	Water Distribution System Improvements	2022	2	B,E	30	150	L	\$ 604,000.00	\$ 678,000.00	7/8/22	\$ 678,000.00
Denison	FS-24-22-DWSRF-011	Water Distribution System Improvements	2022	2	B,E	30	2826	P	\$ 4,908,239.00	\$ 4,908,239.00		
Titonka	PD-DW-22-16	P&D for Existing Treatment System Improvements	2022	1	P&D	P&D	486	P	\$ 200,000.00	\$ 200,000.00		
Lanesboro	FS-14-22-DWSRF-008	Water System Improvements	2022	1	A, C, E	70	121	P	\$ 3,557,000.00	\$ 3,557,000.00		
Lost Nation	FS-23-22-DWSRF-003	Construction of New Well and Well House	2022	1	B, E	45	223	P	\$ 439,000.00	\$ 439,000.00		
Renwick	FS-46-22-DWSRF-004	Water Main Replacement	2022	1	B, C, E	40	242	P	\$ 552,000.00	\$ 552,000.00		
Volga	FS-22-22-DWSRF-005	Pump Station Installation and Water Main Replacement	2022	1	B, C, E	40	208	P	\$ 622,000.00	\$ 622,000.00		
Fontanelle	FS-01-22-DWSRF-006	Water System Improvements	2022	1	B, C, E	35	223	P	\$ 1,499,000.00	\$ 1,499,000.00		
Essex	PD-DW-21-53	P&D for Drinking Water System Upgrades	2021	4	G	P&D	798	P	\$ 30,000.00	\$ 30,000.00		
Neola	PD-DW-21-56	P&D for Water Distribution System Replacement	2021	4	G	P&D	842	P	\$ 371,094.00	\$ 371,094.00		
Fort Atkinson	FS-96-21-DWSRF-023	Water Supply Improvements	2021	4	B, C, E	55	323	P	\$ 250,000.00	\$ 324,000.00		
Guthrie Center	FS-99-21-DWSRF-022	Water Main Replacement	2021	4	B, C, E	40	1569	P	\$ 1,454,000.00	\$ 1,454,000.00		
Inwood	FS-60-21-DWSRF-024	Water Distribution System Improvements	2021	4	B, E	30	814	P	\$ 752,878.10	\$ 752,878.10		
Glidden	PD-DW-21-38	P&D for New Well & Watermain	2021	3	G	P&D	1146	P	\$ 150,000.00	\$ 150,000.00		
Elkhart	FS-77-21-DWSRF-018	Water Treatment Facility Expansion	2021	3	B, E	45	683	L	\$ 1,658,250.00	\$ 1,829,100.00	12/3/21	\$ 376,000.00

Project Name	DWSRF No.	Project Description	IUP Yr	Quarter	Project Categories	Priority Points	Population	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount
Ventura	FS-17-21-DWSRF-016	Water Treatment Plant Construction	2021	3	A, B, E	45	717	L	\$ 2,613,000.00	\$ 3,750,000.00	9/10/21	\$ 1,875,000.00
Tama	FS-82-21-DWSRF-014	Water System Improvements	2021	3	B, E	25	2877	P	\$ 1,373,000.00	\$ 1,373,000.00		
Thor	FS-46-21-DWSRF-012	2021 Municipal Water Filtration Improvements	2021	3	B, E	25	186	P	\$ 408,000.00	\$ 408,000.00		
Lisbon	FS-57-21-DWSRF-011	Water Main Improvements	2021	2	B, C, E	55	2152	P	\$ 5,972,000.00	\$ 5,972,000.00		
Dyersville	FS-31-21-DWSRF-007	6th Avenue Water Main Replacement	2021	2	B, C, E	40	4058	P	\$ 415,000.00	\$ 415,000.00		
Ames	FS-85-21-DWSRF-010	Water Treatment Plant Demolition	2021	2	B	15	58965	P	\$ 4,380,000.00	\$ 4,380,000.00		
Atkins	FS-06-21-DWSRF-001	Water Distribution Improvements	2021	1	B, C, E	40	1670	P	\$ 4,398,000.00	\$ 4,398,000.00		
Ames	FS-85-21-DWSRF-009	North River Valley Well field & Pipeline	2021	1	B	35	58965	P	\$ 4,380,000.00	\$ 6,108,000.00		
Waukee	FS-25-21-DWSRF-004	ASR Well	2021	1	B	35	17945	R	\$ 3,567,750.00	\$ 3,567,750.00		
Melvin	FS-72-20-DWSRF-033	Storage Tank Rehabilitation	2020	4	B, C, E	55	201	P	\$ 422,100.00	\$ 422,100.00		
Dayton	FS-94-20-DWSRF-031	Municipal Water Well Reconstruction and Water Main Repair	2020	4	B, C, E	55	837	P	\$ 685,000.00	\$ 685,000.00		
Westgate	FS-33-20-DWSRF-024	Connection to IRUA	2020	4	B, E	45	211	P	\$ 2,703,000.00	\$ 2,703,000.00		
Plainfield	PD-DW-20-33	Water Main Installation	2020	3	G	P&D	436	P	\$ 40,000.00	\$ 40,000.00		
MacBride Point Third Master Maintenance Association	FS-52-20-DWSRF-019	Water Supply Improvements	2020	3	A, E	60	100	P	\$ 178,000.00	\$ 178,000.00		
Eagle Grove	FS-99-20-DWSRF-018	Water Distribution System Improvements	2020	3	B, C, E	40	3583	R	\$ 503,000.00	\$ 503,000.00		
Jamaica	FS-39-20-DWSRF-017	Water System Improvements	2020	3	B, C, E	35	224	P	\$ 1,213,000.00	\$ 2,818,000.00		
Rock Valley	FS-84-20-DWSRF-010	Rock Valley Water System Phases I and II	2020	2	B, E	45	3730	P	\$ 2,009,000.00	\$ 2,009,000.00		
Somers	FS-13-19-DWSRF-028	Municipal Water Filtration Improvements	2019	4	B, C, E	35	113	P	\$ 179,000.00	\$ 355,000.00		
Albion	PD-DW-19-13	Construction of new water main connecting to Marshalltown Water Works	2019	2	G	P&D	505	P	\$ 55,000.00	\$ 55,000.00		
Bellevue	PD-DW-19-15	Construction of 2700 sf Radium Treatment Facility	2019	2	G	P&D	2191	P	\$ 285,000.00	\$ 285,000.00		
Osceola Rural Water System-North	FS-72-19-DWSRF-012	A new 1,800 gpm RO expansion including wells, water storage and pipeline	2019	2	B, E	40	4495	L	\$ 17,709,000.00	\$ 8,341,000.00	5/6/22	\$ 930,000.00
Iowa Lakes Regional Water	FS-21-18-DWSRF-019	Addition of solar panels at six booster stations and water towers to reduce operational cost and improve resiliency	2018	4	B	15	14,600	P	\$ 260,000.00	\$ 260,000.00		
Vail	PD-DW-18-30	Plan for new water source and water treatment options	2018	3	G	P&D	436	P	\$ 50,000.00	\$ 50,000.00		
Fort Dodge	FS-94-18-DWSRF-011 (supplemental)	Reduce water hardness, reducing chloride concentrations to sanitary sewer, with construction of	2018	2	A, B	80	25206	P	\$ 905,000.00	\$ 905,000.00		
Rathbun Regional Water (RRWA)	FS-04-17-DWSRF-010	Replacement of aging water meters with a new advanced/smart metering system	2017	2	C, D	15	28215	R	\$ 2,902,945.00	\$ 2,902,945.00		
Farmington	FS-89-16-DWSRF-006 (2)	Water meter replacement	2016	2	B, C, E	40	664	R	\$ 312,000.00	\$ 117,000.00		
Ruthven	FS-74-15-DWSRF-006	New well to replace Well #1, aerator rehab, control panel replacement, water main replacement to improve pressure and add new valves and hydrants	2015	2	B, C, E	55	779	P	\$ 1,316,550.00	\$ 1,435,000.00		
									\$ 281,895,241.10	\$ 267,529,541.10		\$ 4,019,700.00
<b>Project Status</b>	<b>Project Type</b>				<b>Abbreviations</b>							
Dropped -- D	A = Water Quality and Human Health Risk-Related Criteria				N/A = Not Applicable							
Ready for Loan -- R	B = Infrastructure and Engineering-Related Improvement				Not used = No loan forgiveness assistance utilized for project							
Loan Signed -- L	C = Affordability Criteria				TBD = To Be Determined							
Planning Stage -- P	D = Special Category Improvements											
	E = Project Serves Population less than 10,000											
	F = Supplemental Loan for Previously Approved Project											
	G = Planning and Design Loan											

Project Name	DWSRF No.	Project Description	IUP Yr	Quarter	Project Categories	Priority Points	Population	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount







Remaining Amount on IUP	Loan Forgiveness
\$ 1,875,000	
	YES
	YES
	YES
\$ 7,411,000	
	YES

Remaining Amount on IUP	Loan Forgiveness

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

ITEM

#12

DECISION

**TOPIC      Clean Water and Drinking Water State Revolving Fund – FFY 2022  
Bipartisan Infrastructure Law (BIL) General Supplemental Fund Intended  
Use Plans (BIL Annex A)**

Commission approval is requested for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUP) for Federal Fiscal Year (FFY) 2022 Bipartisan Infrastructure Law (BIL) General Supplemental Funds.

The Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15, 2021 and has since been referred to as the BIL. Under this law, additional funding is appropriated and awarded to State Revolving Fund (SRF) Programs annually between Federal Fiscal Year 2022-2026 to finance loans for water and wastewater infrastructure projects.

Iowa's Federal Fiscal Year 2022 BIL allocations are as follows:

2022	IA Allocation	Loan Forgiveness Available
<b>CWSRF General Supplemental Fund</b>	<b>\$24,088,000</b>	<b>\$11,803,120</b>
<b>DWSRF General Supplemental Fund</b>	<b>\$28,504,000</b>	<b>\$13,996,960</b>
CWSRF PFAS/Emerging Contaminants (EC)	\$1,265,000	\$1,265,000
DWSRF PFAS/Emerging Contaminants (EC)	\$11,969,000	\$11,969,000
DWSRF Lead Service Line Replacement (LSLR)	\$44,913,000	\$22,007,370

Each BIL appropriation has specific provisions and implementation requirements. The annex to the base CWSRF IUP (BIL Annex A) and the annex to the DWSRF IUP (BIL Annex A) **include the implementation plan for the first year's allocation of the CWSRF and DWSRF BIL General Supplemental Fund**. Plans for implementing the BIL funding for PFAS/EC and LSLR are not covered in the release of these Annexes but will be implemented in future quarterly updates to the DWSRF and CWSRF Intended Use Plans.

Each Annex addresses programmatic and financial variations from the base CWSRF and DWSRF Program IUPs that are specific to the implementation and distribution of funds from the CWSRF and DWSRF BIL General Supplemental Funds. The SRF Program will issue Annexes related to the BIL annually, and update them quarterly, in conjunction with the quarterly updates to the base CWSRF and DWSRF Program IUPs.

The second quarter update to the base CWSRF PPL and the DWSRF PPL will also serve as the project priority lists for the Bipartisan Infrastructure Law (BIL) General Supplemental Funds. The initial PPL submitted with the state's FY 2022 BIL CAP Grant application for the General Supplemental Funds consists of eligible projects that are currently listed on the base CWSRF and DWSRF Program's PPL but have not signed a loan obligation as of June 30, 2022.

The affordability criteria and disadvantaged community definitions were updated in these Annexes for the purposes of determining loan forgiveness eligibility. This eligibility criteria as well as the loan forgiveness formula are described in detail within each Annex.

Prior to drafting these Annexes, the SRF Program offered stakeholder engagement webinars, created a BIL information page on the SRF website and accepted public comments. The webinars were well attended and SRF received several comments during the comment period. Many comments were taken under consideration and incorporated into the draft plans. Each draft IUP was then released for public comment and review before seeking approval by the Commission. A public meeting was held via conference call on Aug. 11, 2022 to receive comments. There were attendees and a public comment was made for the record but no changes were implemented in the IUP as a result of the comment. The written comment period closed on Aug. 18, 2022. There were no additional written public comments related to the IUPs but corrections and comments received by DNR, Iowa Finance Authority and U.S. Environmental Protection Agency Region 7 were incorporated into each draft IUP.

The Sources and Uses tables for both BIL General Supplemental Funds are combined with the base SRF Program in the Q2 IUP update and show that funds are available or obtainable to provide the anticipated disbursements for these projects.

Theresa Enright, DNR SRF Coordinator  
August 29, 2022

-BIL ANNEX A-  
to the Clean Water State Revolving Fund (CWSRF)  
Intended Use Plan (IUP)  
**FFY 2022 Bipartisan Infrastructure Law (BIL)**  
**General Supplemental Fund**

### Introduction

The Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15, 2021 and has since been referred to as the Bipartisan Infrastructure Law (BIL). Under this law, additional funding is appropriated and awarded to State Revolving Fund (SRF) Programs annually between Federal Fiscal Year 2022-2026 to finance loans for water and wastewater infrastructure projects. Each BIL appropriation has specific provisions and implementation requirements. This annex to the base CWSRF Intended Use Plan (Annex) includes the implementation plan for the first year's allocation of the BIL CWSRF General Supplemental Fund.

Iowa's Federal Fiscal Year 2022 allocation is as follows:

2022	IA Allocation	Loan Forgiveness Available
CWSRF General Supplemental Fund	\$24,088,000	\$11,803,120

### Annex and the CWSRF Intended Use Plan (IUP)

This Annex will address programmatic and financial variations from the base CWSRF Program IUP that are specific to the implementation and distribution of funds from the BIL CWSRF General Supplemental Fund. The SRF Program will issue Annexes related to the BIL annually, and update them quarterly, in conjunction with the annual and quarterly updates to the base CWSRF Program IUP. In the event of discrepancies between this Annex and the base CWSRF Program's IUP, the terms of this Annex shall govern.

### Project Priority List (PPL)

The BIL CWSRF General Supplemental Fund Project Priority List (PPL) and the base CWSRF Program PPL will be combined into one list. The methods of managing the PPL are described in Section 1 of the base CWSRF Program IUP.

Due to BIL funding requirements, projects being funded through the BIL General Supplemental Fund must enter into a loan assistance agreement within one year of becoming eligible for the funds. The CWSRF staff may bypass projects that have not signed a loan obligation within one year. If an eligible project is bypassed, the applicant may be reconsidered when the project is ready to move ahead.

### Method of Amendment

The method of amending this Annex will follow the same process described in Section V of the base CWSRF Program IUP.

### Application Process

The initial PPL submitted with the state's FY 2022 BIL CAP Grant application will consist of eligible projects that are currently listed on the base CWSRF Program's PPL but have not signed a loan obligation as of **June 30, 2022**.

Project applications eligible for SRF funding under the BIL will follow the same quarterly IUP application cycle as the base CWSRF Program IUP. Additional application information may be required for projects applying for BIL General Supplemental Funds. The SRF Program will provide additional application materials through the DNR<sup>1</sup> and SRF websites<sup>2</sup>, as applicable.

<sup>1</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Wastewater-Construction/Construction-Permits>

<sup>2</sup> [https://www.iowasrf.com/program/clean\\_water\\_loan\\_program/clean-water-srf-intended-use-plan-information/](https://www.iowasrf.com/program/clean_water_loan_program/clean-water-srf-intended-use-plan-information/)

The base CWSRF PPL is attached to the base CWSRF IUP as a separate document. See *CWSRF IUP Attachment 1 – CWSRF PPL*.

## I. BIL General Supplemental Fund Program Overview

All CWSRF-eligible activities may be funded from the General Supplemental Fund appropriation under BIL. U.S. EPA granted states the flexibility to determine BIL priorities and select projects to receive this funding. The Iowa SRF Program will consider all eligible projects for funding under BIL General Supplemental Fund.

The SRF Program has selected Section 212 priority projects that are eligible to receive additional subsidization in the form of principal forgiveness. The BIL mandates that 49% of the BIL funds provided to the state through the CWSRF General Supplemental Fund must be provided as additional subsidization to the following recipients or project types:

1. Municipalities that meet the state’s affordability criteria.
2. Municipalities that do not meet the state’s affordability criteria but seek additional subsidization to benefit individual ratepayers in the residential user rate class.
3. Entities that implement a process, material, technique, or technology that addresses water or energy efficiency goals; mitigates stormwater runoff; or encourages sustainable project planning, design, and construction.

For FFY 2022, the Iowa SRF Program will prioritize additional subsidization to eligible projects from ***municipalities that meet the state’s affordability criteria***. The Iowa SRF Program will consider prioritizing additional subsidization to other eligible recipients and project types in future appropriation years.

### Affordability Criteria

A key priority of BIL is to ensure that disadvantaged communities benefit equitably from this investment in water infrastructure. The CWSRF Program has historically focused on metrics such as income, population, unemployment and project costs to identify borrowers that would experience a significant hardship raising the revenue necessary to finance a project. In an effort to develop a more comprehensive definition of what it means to be a disadvantaged community, the Iowa SRF Program is broadening the range of metrics by which each community is evaluated to include other social, economic, and demographic information that may indicate a lack of access to affordable clean water and safe drinking water. These metrics are discussed in the “Socioeconomic Assessment Score” section, below, and they define the affordability criteria that will be used to evaluate the disadvantaged status of a borrower.

### Loan Forgiveness

Iowa applies additional subsidization in the form of principal forgiveness of a loan. Loan forgiveness will be awarded for up to 90% of the loan amount, or \$1 million, whichever is less. Individual projects will be capped at \$1 million dollars to allow more eligible borrowers to receive subsidization. The CWSRF Program may withdraw the individual project cap if additional funding becomes available.

The total amount of loan forgiveness available for a project will be determined by adding together the loan forgiveness percentages for the priority project, the socioeconomic assessment score and the household burden indicator. The priority project and socioeconomic assessment score information will be available at the time of application. The percent of loan forgiveness for the household burden indicator can be projected using the engineers estimate. The final household burden indicator will be determined after the project has gone to bid, the actual project costs are known, and all other funding sources have been accounted for. *Projects will be funded from the top socioeconomic score down and in priority project ranking order with consideration given to readiness to proceed.*



Loan forgiveness will be applied to the portions of the project that meet priority project criteria. The final amount of loan forgiveness offered will be based on the eligible costs related to the final amount drawn on the loan. Loan forgiveness is applied as principal forgiveness on the date of the final loan disbursement.



### Priority Project Percentage

Eligibility for loan forgiveness will first be assessed based on the type of project seeking funding. If the project is one of the priority projects listed in this Annex, the borrower will then be evaluated for disadvantaged status based on the Socioeconomic Assessment Score criteria, described below.

### Socioeconomic Assessment Score

The second element of the loan forgiveness equation is an assessment of the community or service area's underlying socioeconomic and demographic condition that can determine the affordability of wastewater infrastructure projects. A Socioeconomic Assessment provides a comprehensive analysis of factors that typically determine whether a community is disadvantaged.

The disadvantaged status of a borrower *for the purpose of SRF loan forgiveness eligibility* will be determined by assessing 15 datapoints from publicly available sources produced by the U.S. Department of Commerce, Centers for Disease Control and Prevention (CDC), U.S. Department of Housing and Urban Development (HUD), Iowa Workforce Development, Iowa Department of Management, and the State Treasurer of Iowa. Data will be updated annually for each community and made available at IowaSRF.com.

The CWSRF program will use this data to determine if a borrower meets the affordability criteria for the purpose of SRF loan forgiveness eligibility.

Category/Metric	Source
<b>Income and Poverty</b>	
• Median Household Income (MHI)	American Community Survey
• % below poverty level	American Community Survey
• % Public Assistance/SNAP	American Community Survey
• % Supplemental Security Income	American Community Survey
<b>Labor Force</b>	
• Unemployment rate of primary county	Iowa Workforce Development <sup>3</sup>
• % not in labor force	American Community Survey
<b>Demographics</b>	
• Population Trend	Decennial Census
• % Over age 65	American Community Survey
• % non-white, not Hispanic (% minority)	American Community Survey
• Social Vulnerability Index	Centers for Disease Control
<b>Housing</b>	
• % Vacant Homes	American Community Survey
• % Housing Cost Burdened	HUD Comprehensive Housing Affordability Strategy (CHAS)
<b>Education</b>	
• % with high school diploma or less	American Community Survey
<b>Property Value and Debt</b>	
• Valuation per Capita	Iowa Department of Management <sup>4</sup>
• Debt per Capita	State Treasurer of Iowa <sup>5</sup>

<sup>3</sup> [Local Area Unemployment Statistics](#), rolling 12-month average unemployment rate of the primary county

<sup>4</sup> [Local Government Valuation & Finance](#), 100% Valuations as of 1/1/2020 for SFY 2021-22

<sup>5</sup> [Outstanding Obligations Report](#)

For each of the 15 metrics, applicants will be given a score indicating the relative disadvantage to the other communities in the state (see table below)<sup>6</sup>. Scores for each metric are totaled to produce an overall assessment of the applicant's underlying social, economic, and demographic profile.

Percentile Rank	Relative Disadvantage	Points
Top 1/3	Low	0
Middle 1/3	Moderate	1
Bottom 1/3	High	2

**Example:** An applicant with a poverty rate falling in the 73<sup>rd</sup> percentile (a high rate) would be one of the bottom 1/3 of communities and receive 2 points for that metric.

With 15 total metrics, equally weighted, the maximum number of points will be 30. Communities or service areas with a cumulative score of 11 and up (e.g., falling in the top 2/3 of the total possible cumulative score) indicates that the community or service area is socially, economically, and/or demographically disadvantaged relative to the other communities in the state. Conversely, applicants who score in the bottom 1/3 of total cumulative points (e.g., 10 total points or less), will not be eligible to receive principal forgiveness. The amount of principal forgiveness available to a community will be established on a point scale as detailed below and may be adjusted annually in the IUP.

Applicants with a socioeconomic score between 11-30 points will be eligible for consideration of SRF loan forgiveness and may qualify to receive loan forgiveness from the FFY 2022 BIL General CWSRF Supplemental Fund (when combined with the other elements of the loan forgiveness equation).

	Point Range	Principal Forgiveness
Low	0-10	0%
Moderate-Low	11-15	15%
Moderate	16-20	20%
Moderate-High	21-25	25%
High	26-30	30%

One of the primary benefits of the Socioeconomic Assessment is that it provides a baseline view of the amount of loan forgiveness a community or service area will be eligible to receive at the time an IUP application is submitted. Then, when the project type is taken into consideration and construction bids are received and approved, the full extent of eligible loan forgiveness can be realized.

Upon approval of this Annex by the Department's Environmental Protection Commission following a public review and comment period, the Socioeconomic Assessment Tool will be available to the public through the SRF website homepage at [www.iowaSRF.com](http://www.iowaSRF.com).

#### *Household Burden Indicator*

The third element of the loan forgiveness equation is an assessment of a community or service area's household's ability to afford the proposed project. The Household Affordability Assessment is made up of two components<sup>7</sup>:

- **Household Burden Indicator:** Total water costs for combined water and sewer service, including the project being financed by SRF, as a percent of the 20th percentile of community household income (lowest quintile income, or LQI)

<sup>6</sup> The only exception is Population Trend. No points for positive or 0% growth, 1 point for negative growth up to -10%, 2 points for more than -10% population growth.

<sup>7</sup> Credit to R Raucher, E Rothstein, and J Mastracchio's [Developing a New Framework for Household Affordability and Financial Capability Assessment in the Water Sector](#), 2019

- Poverty Prevalence Indicator:** The percentage of community households at or below 200% of the Federal Poverty Level

Using this combination of factors will further indicate both the water cost burden borne by lower-income households as well as the overall affordability challenges facing the community.

The Household Burden Indicator may be computed with assistance from the Municipal Advisor after the construction bid has been awarded and other funding sources have been deducted. The borrower begins by determining the monthly water and sewer bill for residential users, assuming 5,000 gallons of usage per month (note that it may be normal for the service area or drinking water utility to differ from that of a sewer utility). The monthly total is then annualized and divided by the upper bound of the lowest quintile income from Table B19080 of the American Community Survey. The Poverty Prevalence Indicator for the community or service area is provided in the Socioeconomic Assessment analysis.

**Assuming 5,000 gal/month**

Monthly Water/Sewer Bill	\$145
Annual Water/Sewer Bill	\$740
Lowest Quintile Income (LQI)	\$25,214
Total Water Costs as Percent of LQI	6.90%

The resulting benchmarks for the Household Burden and Poverty Prevalence Indicators are as follows. The amount of loan forgiveness attributed to the Household Affordability Assessment will correspond to the resulting category of unaffordability.

**Percent of Households Below 200% of Poverty Level**

Water Costs as a Percent of Income at Lowest Quintile	<= 20%	> 20% and <= 35%	> 35%
> 10%	Moderate-High Burden	Moderate-High Burden	High Burden
7% to 10%	Moderate-Low Burden	Moderate Burden	Moderate-High Burden
< 7%	Low Burden	Moderate-Low Burden	Moderate-High Burden

Burden	Principal Forgiveness
Low	0%
Moderate-Low	15%
Moderate	20%
Moderate-High	25%
High	30%

In the example above, a community with a Household Burden Indicator of 6.90% and Poverty Prevalence Indicator of 22%, would fall in the "Moderate-Low Burden" classification. This would correspond to an additional 15% of loan forgiveness toward their project.

Water Costs as a Percent of Income at Lowest Quintile	<= 20%	> 20% and <= 35%	> 35%
> 10%	Moderate-High Burden	Moderate-High Burden	High Burden
7% to 10%	Moderate-Low Burden	Moderate Burden	Moderate-High Burden
< 7%	Low Burden	Moderate-Low Burden	Moderate-High Burden

### Priority Projects for Loan Forgiveness

In this first year of BIL funding, the Iowa SRF Program will prioritize loan forgiveness for eligible projects that address unmet needs of our communities, that will assist communities in meeting compliance requirements and that will address health and safety issues. The following list of priority projects was developed in coordination with the regulatory authorities of the DNR and the most recent Clean Watersheds Needs Survey (CWNS) results (2012). These projects are equally weighted to receive the maximum percent of loan forgiveness available to assign to priority projects.

Priority Projects for BIL CWSRF General Supplemental Loan Forgiveness:	% Loan Forgiveness
<ul style="list-style-type: none"> <li>Sewer Collection System Rehabilitation includes gravity sewers, relief sewers, pumping stations, force mains, SSO correction and CSO correction</li> </ul>	30%
<ul style="list-style-type: none"> <li>Lagoons Advanced Treatment (Ammonia, E. coli) includes CDL optimization, sludge removal and equipment replacement</li> </ul>	30%
<ul style="list-style-type: none"> <li>Advanced Treatment WWTPs (Ammonia, E. coli, Nutrients)</li> </ul>	30%
<ul style="list-style-type: none"> <li>Aging Infrastructure WWTPs includes expansion of existing secondary treatment</li> </ul>	30%
<ul style="list-style-type: none"> <li>Consolidation/Regionalization includes unsewered communities</li> </ul>	30%

If a single SRF project includes more than one priority project type, the loan forgiveness award will be based on the primary purpose of the project. Loan forgiveness will be applied to the portions of the project that meet priority project criteria.

### Types of Financing and Interest Rates

Construction Loans are offered with 20-year terms. An extended term loan is available up to 30 years, based on the average life of the project components. The interest rates for construction loans made from the CWSRF BIL General Supplemental Fund are as follows:

Loan Term	Applicant Type	Interest Rate	Servicing Fee	Total
Standard Tax-Exempt (up to 20 years)	All	1.75%	0.25%	2.00%
Extended (21 to 30 years based on useful life)	All	2.75%	0.25%	3.00%
Taxable Loans (up to 20 years)	All	2.75%	0.25%	3.00%

The SRF program continually monitors the market to ensure that our loan interest rates are appropriate while taking the program's cost of funds into account. Any necessary changes to loan interest rates will be communicated via future IUPs.

### Fees

#### *Loan initiation fees.*

A 0.50% loan origination fee will be charged on new CWSRF loans up to a maximum fee of \$100,000. Under U.S. 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. **Loan initiation fees will not be assessed on loans to borrowers that meet the affordability criteria and receive loan forgiveness due to their score on the Socioeconomic Tool.**

#### *Loan servicing fees.*

A servicing fee of 0.25% on the outstanding principal is charged on CWSRF loans. Payment of the loan servicing fee is made semi-annually along with scheduled interest payments. Loan servicing fees are calculated based on the outstanding principal balance. Under U.S. EPA rules, only servicing fees received from loans made above and beyond the amount of the Capitalization Grant and 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 in Section I of the base CWSRF Program IUP.

### Co-Funding

The BIL General Supplemental Fund can be combined with base CWSRF loan dollars and loans and grants from other agencies. A single SRF assistance agreement will be used for projects that co-fund projects using both base CWSRF and BIL General Supplemental Funds.

See Special Conditions below for **Build America, Buy American Act (BABA)** rules as they apply to co-funded projects.

### Special Conditions

Projects identified as “equivalency projects” are those projects that receive loan disbursements directly from Iowa’s federal allocation for the BIL General Supplement Fund. Equivalency projects are required to comply with all federal law regulating the BIL General Supplemental Fund, including but not limited to BABA. The CWSRF Program will work directly with projects identified as equivalency projects to ensure a full understanding of compliance requirements.

SRF Projects that are not equivalency projects may still be subject to BABA compliance if the infrastructure project is being co-funded by another federal agency. If this occurs, the entire project will be required to comply with BABA requirements. In these cases, the SRF Program will only need to document compliance with AIS domestic provisions. The SRF Program will coordinate with the applicant and the co-funding agency to avoid duplicating efforts to document and demonstrate AIS compliance.

## II. Criteria and Method for Distribution of Funds

### Project Ranking

The project ranking criteria for BIL General Supplemental Fund will be the same as described in Appendix B of the base CWSRF Program IUP.

### Description of contingency procedures

Eligible projects on the base CWSRF PPL will be funded by BIL General CWSRF Supplemental Fund until the total amount of needs exceeds the year’s BIL General CWSRF Supplemental loan funding. Projects will be funded from the top down in the ranking order of the PPL with consideration given to readiness to proceed. A contingency status will be placed on the remaining eligible projects and they will remain on the funding PPL for the base CWSRF Program IUP. Projects on contingency status can be moved from the base CWSRF Program to the BIL General CWSRF Supplemental Fund PPL when funds are available or when the project is ready to proceed, whichever is applicable.

## III. BIL Supplemental Program Goals

The FFY 2022 BIL General Supplemental Fund short-term and long-term goals and objectives are the same as the base CWSRF Program IUP goals and objectives identified in Section I of the SFY 2023 CWSRF Program IUP, with the following additions:

- Goal: Commit FFY 2022 BIL General Supplemental loan funds to as many recipients as possible in accordance with the state priority rating system, the IUP, staff resources, and available funding.

Objective: Identify projects on the current CWSRF PPL eligible to be funded with FFY 2022 BIL General Supplemental Funds. Accept applications quarterly and add additional projects to the PPL, as applicable, until all funding is obligated.

- Goal: Identify eligible applicants for loan forgiveness.

Objective: Using the new affordability criteria (described in this Annex) and priority projects, identify projects on the current CWSRF PPL eligible to receive loan forgiveness from the FFY 2022 BIL General Supplemental Fund. Accept applications quarterly and add additional projects to the PPL, as applicable, until all loan forgiveness funding is obligated.

## IV. Assurances and Special Proposals

Iowa will provide the necessary assurances and certifications according to the Operating Agreement and between the State of Iowa and the U.S. EPA grant terms and conditions.

## V. Financial

### Summary of State's Financial Plan

See "Financial Management Strategies" located in Section 1 of the base CWSRF Program IUP.

### Sources and Uses

See "Sources and Uses of Available CWSRF Funds" located in Section II and Appendix A of the base CWSRF Program IUP.

### Planned Use of Fee Revenue

CWSRF expenses for administering the SRF include the work of wastewater engineering section project managers, administrative staff, specialists in environmental review, financial officers, loan coordinators, and program managers. It also covers expenses for financial and legal advisors. These program expenses will first be paid out of the base CWSRF Program Income and then BIL General Supplemental Program Income. They will then be paid from Non-Program Income once Program Income has been fully expended.

DNR intends to use a portion of Non-Program Income funds during SFY 2023 to support staffing to the Field Services Bureau for wastewater compliance activities including inspections, investigations and technical assistance and to support staffing in the Water Quality Bureau for construction permitting, National Pollution Discharge Elimination System permitting, AIS/BABA Site Inspections, and other programmatic staffing needs.

Estimates of Program and Non-Program Income resulting from BIL General CWSRF Supplemental Funds cannot be made at this time but will be provided in future updates to this Annex.

### Loan Policies

#### *Project Scope*

The scope of the project must be outlined on the IUP application and in the Facility Plan. Additional project information may be required at the time of application for BIL General Supplemental Funds. Changes to the scope are allowed prior to loan closing. Significant changes in scope that cause delays and/or additional work required by the project manager or environmental review specialist, may result in loss of financing through the BIL General Supplemental Fund. 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.

#### *Project Readiness*

Applicants cannot be offered SRF financial assistance until they meet program requirements. More information can be found in the [Wastewater Engineering Construction Permitting Process Manual](#)<sup>8</sup>

#### *Compliance with Public Bidding Law*

To the extent applicable, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

#### *Compliance with Civil Rights Law*

All programs, projects, and activities undertaken in the SRF programs are subject to federal anti-discrimination laws, including the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and section 13 of the Federal Water Pollution Control Amendments of 1972. These laws prohibit discrimination in any federally assisted program on the basis of race, color, national origin, sex, disability, or age. These laws apply by their own terms to the entire organization receiving federal financial assistance, not just to the project itself. Iowa is in the process of reviewing program activities to ensure compliance with federal civil rights laws.

<sup>8</sup> Wastewater Engineering Construction Permitting Process Manual

[https://www.iowadnr.gov/Portals/idnr/uploads/water/wastewater/wwmanual\\_full.pdf](https://www.iowadnr.gov/Portals/idnr/uploads/water/wastewater/wwmanual_full.pdf)

### *Utility Rate Recommendations*

Prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal Advisor set forth in the 5-year pro-forma cash flow analysis.

### *Municipal Advisor*

Borrowers will be asked to identify their Municipal Advisor for the project as part of the IUP application.

### **State Match**

See Appendix F -State Match of the base CWSRF Program IUP.

## **VI. Technical Assistance**

States have the flexibility to use up to 2% of their annual BIL General CWSRF Supplemental capitalization grant for the purpose of providing technical assistance to rural, small, and tribal publicly owned treatment works. The eligibilities for this funding are very broad. Iowa does not intend to duplicate the technical assistance efforts being provided by the U.S. EPA and other organizations receiving U.S. EPA Technical Assistance grants; so additional planning and coordination is needed before activities are identified for this funding. The Iowa SRF Program reserves the right to utilize 2% of the FY 2022 BIL General CWSRF Supplemental allocation at a later date.

## **VII. Public Review and Comment**

Stakeholder engagement webinars were hosted on June 26, 2022 to present the preliminary implementation plans for BIL General CWSRF Supplemental funds. Comments were accepted through July 8, 2022. Questions and comments from stakeholders were taken into consideration and some changes were incorporated into this Annex as described above. A new dedicated web page was developed on the Iowa SRF website titled “Bipartisan Infrastructure Law (BIL) Funding Opportunities”<sup>9</sup> to inform stakeholders of the latest BIL updates in a timely manner. A new dedicated email “[water-infrastructure@dnr.iowa.gov](mailto:water-infrastructure@dnr.iowa.gov)” was created for stakeholders to easily submit questions and comments pertaining to BIL.

A public meeting to allow input into this Annex and PPL was held August 11, 2022, 10:00am via virtual conference call. This meeting was announced in a notice provided to the public, stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until August 18, 2022.

## **VIII. Project Priority List (PPL)**

See *Attachment 1- CWSRF PPL*, to the base CWSRF Program IUP. This PPL includes projects that will be funded by the BIL General Supplemental Fund as well as the base CWSRF program. The PPL is included as a separate, sortable Excel file.

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<sup>9</sup> <https://www.iowasrf.com/infrastructure-bill-funding-opportunities/>



-BIL ANNEX A-  
to the Drinking Water State Revolving Fund (DWSRF)  
Intended Use Plan (IUP)  
**FFY 2022 Bipartisan Infrastructure Law (BIL)**  
**General Supplemental Fund**

### Introduction

The Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15, 2021 and has since been referred to as the Bipartisan Infrastructure Law (BIL). Under this law, additional funding was appropriated and awarded to State Revolving Fund (SRF) Programs annually between Federal Fiscal Years 2022-2026 to finance loans for water and wastewater infrastructure projects. Each BIL appropriation has specific provisions and implementation requirements. This annex to the base DWSRF Program's Intended Use Plan (Annex) includes the implementation plan for the first year's allocation of the BIL DWSRF General Supplemental Fund.

Iowa's Federal Fiscal Year 2022 allocation is as follows:

2022	IA Allocation	Loan Forgiveness Available
DWSRF General Supplemental Fund	\$28,504,000	\$13,996,960

### Annex to the DWSRF Program Intended Use Plan (IUP)

This Annex will address programmatic and financial variations from the base DWSRF Program IUP that are specific to the implementation and distribution of funds from the BIL DWSRF General Supplemental Fund. An IUP for the BIL DWSRF General Supplemental Fund will be issued annually and updated quarterly as an ANNEX to the base SRF Program Intended Use Plan.

### Project Priority List (PPL)

The BIL DWSRF General Supplemental Fund Project Priority List (PPL) and the base DWSRF Program PPL will be combined into one list. The methods of managing the PPL are described in Section 1 of the base DWSRF Program IUP. Due to BIL funding requirements, projects being funded through the BIL General Supplemental Fund must enter into a loan assistance agreement within one year of becoming eligible for the funds. The DWSRF staff may bypass projects that have not signed a loan obligation within one year. If an eligible project is bypassed, the applicant may be reconsidered when the project is ready to move ahead.

### Method of Amendment

The method of amending this Annex will follow the same process described in Section V of the base DWSRF Program IUP.

### Application Process

The initial PPL submitted with the state's FY 2022 BIL CAP Grant application will consist of eligible projects that are currently listed on the base DWSRF Program's PPL but have not signed a loan obligation as of **June 30, 2022**.

Project applications eligible for SRF funding under the BIL will follow the same quarterly IUP application cycle as the base DWSRF Program IUP. Additional application information may be required for projects applying for BIL General Supplemental Funds. The DWSRF Program will provide additional application materials through the DNR<sup>1</sup> and SRF websites<sup>2</sup>, as applicable.

The base DWSRF PPL is attached to the base DWSRF IUP as a separate document. See *DWSRF IUP Attachment 1 – DWSRF PPL*.

<sup>1</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund>

<sup>2</sup> [https://www.iowasrf.com/program/drinking\\_water\\_loan\\_program/drinking-water-intended-use-plan-iup-information/](https://www.iowasrf.com/program/drinking_water_loan_program/drinking-water-intended-use-plan-iup-information/)



## I. BIL General Supplemental Fund Program Overview

All DWSRF-eligible activities may be funded from the General Supplemental Fund appropriation under BIL. U.S. EPA granted states the flexibility to determine BIL priorities and select projects to receive this funding. The Iowa SRF Program will consider all eligible projects for funding under BIL General Supplemental Fund.

The BIL mandates that 49% of the BIL funds provided to the state through the DWSRF General Supplemental Fund must be provided as additional subsidization to water systems that meet the state's Disadvantaged Community (DAC) criteria as described in 1452(d) of the Safe Drinking Water Act (SDWA).

### Affordability Criteria to determine Disadvantaged Communities (DAC)

A key priority of BIL is to ensure that disadvantaged communities benefit equitably from this investment in water infrastructure. The DWSRF Program has historically focused on low-to-moderate income metrics to identify borrowers that would experience a significant hardship raising the revenue necessary to finance a drinking water project. In an effort to develop a more comprehensive definition of what it means to be a disadvantaged community, the Iowa SRF Program is broadening the range of metrics by which each community is evaluated to include other social, economic, and demographic information that may indicate a lack of access to affordable and safe drinking water. These metrics are discussed in the "Socioeconomic Assessment Score" section, below, and they define the affordability criteria that will be used to evaluate the disadvantaged status of a borrower.

### Loan Forgiveness

Iowa applies additional subsidization in the form of principal forgiveness of a loan. Loan forgiveness will be awarded for up to 90% of the loan amount, or \$2 million, whichever is less. Individual projects will be capped at \$2 million dollars to allow more eligible borrowers to receive subsidization. The DWSRF Program may withdraw the individual project cap if additional funding becomes available.

The total amount of loan forgiveness available for a project will be determined by adding together the loan forgiveness percentages for the priority project, the socioeconomic assessment score and the household burden indicator. The priority project and socioeconomic assessment score information will be available at the time of application. The percent of loan forgiveness for the household burden indicator can be projected using the engineers estimate. The final household burden indicator will be determined after the project has gone to bid, the actual project costs are known, and all other funding sources have been accounted for. *Projects will be funded from the top socioeconomic score down and in priority project ranking order with consideration given to readiness to proceed.*



Loan forgiveness will be applied to the portions of the project that meet priority project criteria. The final amount of loan forgiveness offered will be based on the eligible costs related to the final amount drawn on the loan. Loan forgiveness is applied as principal forgiveness on the date of the final loan disbursement.

### Priority Project Percentage

Eligibility for loan forgiveness will first be assessed based on the type of project seeking funding. If the project is one of the priority project types listed in this Annex, the borrower will then be evaluated for disadvantaged status based on the Socioeconomic Assessment Score criteria, described below.

### Socioeconomic Assessment Score

The second element of the loan forgiveness equation is an assessment of the community or service area's underlying socioeconomic and demographic condition that can determine the affordability of wastewater infrastructure projects. A Socioeconomic Assessment provides a comprehensive analysis of factors that typically determine whether a community is disadvantaged.

The disadvantaged status of a borrower *for the purposes of SRF loan forgiveness eligibility* will be determined by assessing 15 datapoints from publicly available sources produced by the U.S. Department of Commerce, Centers for Disease Control and Prevention (CDC), U.S. Department of Housing and Urban Development (HUD), Iowa Workforce Development, Iowa Department of Management, and the State Treasurer of Iowa. Data will be updated annually for each community and made available at IowaSRF.com.

The DWSRF Program will use this data to determine if a borrower is a Disadvantaged Community for the purpose of SRF loan forgiveness eligibility.

Category/Metric	Source
<b>Income and Poverty</b>	
• Median Household Income (MHI)	American Community Survey
• % below poverty level	American Community Survey
• % Public Assistance/SNAP	American Community Survey
• % Supplemental Security Income	American Community Survey
<b>Labor Force</b>	
• Unemployment rate of primary county	Iowa Workforce Development <sup>3</sup>
• % not in labor force	American Community Survey
<b>Demographics</b>	
• Population Trend	Decennial Census
• % Over age 65	American Community Survey
• % non-white, not Hispanic (% minority)	American Community Survey
• Social Vulnerability Index	Centers for Disease Control
<b>Housing</b>	
• % Vacant Homes	American Community Survey
• % Housing Cost Burdened	HUD Comprehensive Housing Affordability Strategy (CHAS)
<b>Education</b>	
• % with high school diploma or less	American Community Survey
<b>Property Value and Debt</b>	
• Valuation per Capita	Iowa Department of Management <sup>4</sup>
• Debt per Capita	State Treasurer of Iowa <sup>5</sup>

For each of the 15 metrics, applicants will be given a score indicating the relative disadvantage to the other communities in the state (see table below)<sup>6</sup>. Scores for each metric are totaled to produce an overall assessment of the applicant's underlying social, economic, and demographic profile.

Percentile Rank	Relative Disadvantage	Points
Top 1/3	Low	0
Middle 1/3	Moderate	1
Bottom 1/3	High	2

<sup>3</sup> [Local Area Unemployment Statistics](#), rolling 12-month average unemployment rate of the primary county

<sup>4</sup> [Local Government Valuation & Finance](#), 100% Valuations as of 1/1/2020 for SFY 2021-22

<sup>5</sup> [Outstanding Obligations Report](#)

<sup>6</sup> The only exception is Population Trend. No points for positive or 0% growth, 1 point for negative growth up to -10%, 2 points for more than -10% population growth.

**Example:** An applicant with a poverty rate falling in the 73<sup>rd</sup> percentile (a high rate) would be one of the bottom 1/3 of communities and receive 2 points for that metric.

With 15 total metrics, equally weighted, the maximum number of points will be 30. Communities or service areas with a cumulative score of 11 and up (e.g., falling in the top 2/3 of the total possible cumulative score) indicates that the community or service area is socially, economically, and/or demographically disadvantaged relative to the other communities in the state. Conversely, applicants who score in the bottom 1/3 of total cumulative points (e.g., 10 total points or less), will not be eligible to receive principal forgiveness. The amount of principal forgiveness available to a community will be established on a point scale as detailed below and may be adjusted annually in the IUP. Applicants with a socioeconomic score between 11-30 points will be eligible for consideration of SRF loan forgiveness and may qualify to receive loan forgiveness from the FFY 2022 BIL General DWSRF Supplemental Fund (when combined with the other elements of the loan forgiveness equation).

	<b>Point Range</b>	<b>Principal Forgiveness</b>
Low	0-10	0%
Moderate-Low	11-15	15%
Moderate	16-20	20%
Moderate-High	21-25	25%
High	26-30	30%

One of the primary benefits of the Socioeconomic Assessment is that it provides a baseline view of the amount of loan forgiveness a community or service area will be eligible to receive at the time an IUP application is submitted. Then, when the project type is taken into consideration and construction bids are received and approved, the full extent of eligible loan forgiveness can be realized.

Upon approval of this Annex by the Department's Environmental Protection Commission following a public review and comment period, the Socioeconomic Assessment Tool will be available to the public through the SRF website homepage at [www.iowaSRF.com](http://www.iowaSRF.com).

#### *Household Burden Indicator*

The third element of the loan forgiveness equation is an assessment of a community or service area's household's ability to afford the proposed project. The Household Affordability Assessment is made up of two components<sup>7</sup>:

- **Household Burden Indicator:** Total water costs for combined water and sewer service, including the project being financed by SRF, as a percent of the 20th percentile of community household income (lowest quintile income, or LQI)
- **Poverty Prevalence Indicator:** The percentage of community households at or below 200% of the Federal Poverty Level

Using this combination of factors will further indicate both the water cost burden borne by lower-income households as well as the overall affordability challenges facing the community.

The Household Burden Indicator may be computed with assistance from the Municipal Advisor after the construction bid has been awarded and other funding sources have been deducted. The borrower begins by determining the monthly water and sewer bill for residential users, assuming 5,000 gallons of usage per month (note that it may be normal for the service area for drinking water utility to differ from that of a sewer utility). The monthly total is then annualized and divided by the upper bound of the lowest quintile income from Table B19080 of the American Community Survey. The Poverty Prevalence Indicator for the community or service area is provided in the Socioeconomic Assessment analysis.

<sup>7</sup> Credit to R Raucher, E Rothstein, and J Mastracchio's [Developing a New Framework for Household Affordability and Financial Capability Assessment in the Water Sector](#), 2019

**Assuming 5,000 gal/month**

Monthly Water/Sewer Bill	\$145
Annual Water/Sewer Bill	\$740
Lowest Quintile Income (LQI)	\$25,214
Total Water Costs as Percent of LQI	6.90%

The resulting benchmarks for the Household Burden and Poverty Prevalence Indicators are as follows. The amount of loan forgiveness attributed to the Household Affordability Assessment will correspond to the resulting category of unaffordability.

**Percent of Households Below 200% of Poverty Level**

<b>Water Costs as a Percent of Income at Lowest Quintile</b>	<b>&lt;= 20%</b>	<b>&gt; 20% and &lt;= 35%</b>	<b>&gt; 35%</b>
> 10%	Moderate-High Burden	Moderate-High Burden	High Burden
7% to 10%	Moderate-Low Burden	Moderate Burden	Moderate-High Burden
< 7%	Low Burden	Moderate-Low Burden	Moderate-High Burden

<b>Burden</b>	<b>Principal Forgiveness</b>
Low	0%
Moderate-Low	15%
Moderate	20%
Moderate-High	25%
High	30%

In the example above, a community with a Household Burden Indicator of 6.90% and Poverty Prevalence Indicator of, say, 22%, would fall in the "Moderate-Low Burden" classification. This would correspond to an additional 15% of loan forgiveness toward their project.

<b>Water Costs as a Percent of Income at Lowest Quintile</b>	<b>&lt;= 20%</b>	<b>&gt; 20% and &lt;= 35%</b>	<b>&gt; 35%</b>
> 10%	Moderate-High Burden	Moderate-High Burden	High Burden
7% to 10%	Moderate-Low Burden	Moderate Burden	Moderate-High Burden
< 7%	Low Burden	Moderate-Low Burden	Moderate-High Burden

**Priority Projects for Loan Forgiveness**

In this first year of BIL funding, the DWSRF Program will prioritize loan forgiveness for eligible projects that address non-compliance issues or a significant deficiency identified in the sanitary survey. This includes systems with the maximum permissible level of a contaminant in their water; or systems with a defect in design, operation, or maintenance, or a failure or malfunction of the sources, treatment, storage, or distribution system that U.S. EPA determines to be causing, or has the potential for causing the introduction of contamination into the water delivered to consumers. The following list of priority projects was developed in coordination with the regulatory authorities of the DNR.

<b>Priority Projects for BIL DWSRF General Supplemental Loan Forgiveness</b>	<b>% Loan Forgiveness</b>
<ul style="list-style-type: none"> <li>Non-Compliance Issues (e.g. SDWA compliance issues and Maximum Contaminant Levels (MCL) Violations)</li> </ul>	30%
<ul style="list-style-type: none"> <li>Consolidation/Regionalization</li> </ul> <p>This priority is intended for communities who are consolidating with another</p>	20%

Priority Projects for BIL DWSRF General Supplemental Loan Forgiveness	% Loan Forgiveness
system to obtain healthy drinking water or due to Technical/Managerial/Financial (TMF) issues. Systems are eligible even if there is no violation. Loan forgiveness is not being offered to systems that are buying viable systems just to franchise	
<ul style="list-style-type: none"> <li>Resiliency Projects (flood/drought, redundancy and cyber security)</li> </ul>	20%
<ul style="list-style-type: none"> <li>New Public Water System (PWS) for communities served by private wells</li> </ul>	20%

Non-compliance projects are awarded a higher percentage of loan forgiveness than the other priority projects because providing safe drinking water to the public is the primary goal of the SDWA. If a single SRF project includes more than one priority project type, the percentage of loan forgiveness awarded will be based on the amount assigned to the highest applicable project type. Loan forgiveness will be applied to the portions of the project that meet priority project criteria.

### Types of Financing and Interest Rates

Construction Loans are offered with 20-year terms. An extended term loan is available up to 30 years, based on the average life of the project components. The interest rates for construction loans made from the DWSRF BIL General Supplemental Fund are as follows:

Loan Term	Applicant Type	Interest Rate	Servicing Fee	Total
Standard Tax-Exempt (up to 20 years)	All	1.75%	0.25%	2.00%
Extended (21 to 30 years based on useful life)	All	2.75%	0.25%	3.00%
Taxable Loans (up to 20 years)	All	2.75%	0.25%	3.00%

The SRF Program continually monitors the market to ensure that our loan interest rates are appropriate while taking the Program's cost of funds into account. Any necessary changes to loan interest rates will be communicated via future IUPs.

### Fees

#### *Loan initiation fees.*

A 0.50% loan origination fee will be charged on new DWSRF loans up to a maximum fee of \$100,000. Under U.S. 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 initiation fees will not be assessed on loans to borrowers that meet the affordability criteria and are receiving loan forgiveness due to their score on the Socioeconomic Tool.**

#### *Loan servicing fees.*

A servicing fee of 0.25% on the outstanding principal is charged on DWSRF loans. Payment of the loan servicing fee is made semi-annually along with scheduled interest payments. Loan servicing fees are calculated based on the outstanding principal balance. Under U.S. EPA rules, only servicing fees received from loans made above and beyond the amount of the Capitalization Grant and 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 DWSRF Program or for other water quality purposes. The uses of Non-Program Income are discussed in Section I of the base DWSRF Program IUP.

### Co-Funding

The BIL General Supplemental Fund can be combined with base DWSRF loan dollars and loans and grants from other agencies. A single SRF assistance agreement will be used for projects that co-fund projects using both base DWSRF and BIL General Supplemental Funds.

See Special Conditions below for **Build America, Buy American Act (BABA)** rules as they apply to co-funded projects.

## Special Conditions

Projects identified as “equivalency projects” are those projects that receive loan disbursements directly from Iowa’s federal allocation for the BIL General Supplement Fund. Equivalency projects are required to comply with all federal law regulating the BIL General Supplemental Fund, including but not limited to BABA. The DWSRF Program will work directly with projects identified as equivalency projects to ensure a full understanding of compliance requirements.

SRF Projects that are not equivalency projects may still be subject to BABA compliance if the infrastructure project is being co-funded by another federal agency. If this occurs, the entire project will be required to comply with BABA requirements. In these cases, the DWSRF Program will only need to document compliance with AIS domestic provisions. The DWSRF Program will coordinate with the SRF borrower and the co-funding agency to avoid duplicating efforts to document and demonstrate AIS compliance.

## II. Criteria and Method for Distribution of Funds

### Project Ranking

The project ranking criteria for BIL General Supplemental Fund will be the same as described in Appendix B of the base DWSRF Program IUP.

### Description of contingency procedures

Eligible projects on the base DWSRF PPL will be funded by BIL General DWSRF Supplemental Fund until the total amount of needs exceeds the year’s BIL General DWSRF Supplemental loan funding. Projects will be funded from the top down in the ranking order of the PPL with consideration given to readiness to proceed. A contingency status will be placed on the remaining eligible projects and they will remain on the funding PPL the base DWSRF Program IUP. Projects on contingency status can be moved from the base DWSRF Program to the BIL General DWSRF Supplemental Fund PPL when funds are available or when the project is ready to proceed, whichever is applicable.

## III. BIL Supplemental Program Goals

The FFY 2022 BIL General Supplemental Fund short-term and long-term goals and objectives are the same as the base DWSRF Program IUP goals and objectives identified in Section I of the SFY 2023 DWSRF Program IUP, with the following additions:

- Goal: Commit FFY 2022 BIL General Supplemental loan funds to as many recipients as possible in accordance with the state priority rating system, the IUP, staff resources, and available funding.  
  
Objective: Identify projects on the current DWSRF PPL eligible to be funded with FFY 2022 BIL General Supplemental Funds. Accept applications quarterly and add additional projects to the PPL, as applicable, until all funding is obligated.
- Goal: Identify eligible applicants for loan forgiveness.  
  
Objective: Using the new disadvantaged community criteria (described in this Annex) and priority projects, identify projects on the current DWSRF PPL eligible to receive loan forgiveness from the FFY 2022 BIL General Supplemental Fund. Accept applications quarterly and add additional projects to the PPL, as applicable, until all loan forgiveness funding is obligated.

## IV. Assurances and Special Proposals

Iowa will provide the necessary assurances and certifications according to the Operating Agreement and between the State of Iowa and the U.S. EPA grant terms and conditions.

## V. Financial

### Summary of State’s Financial Plan

See “Financial Management Strategies” located in Section 1 of the base DWSRF Program IUP.

### Sources and Uses

See “Sources and Uses of Available DWSRF Funds” located in Section II and Appendix A of the base DWSRF Program IUP.

## Planned Use of Fee Revenue

DWSRF expenses for administering the SRF include the work of drinking water engineering section project managers, administrative staff, specialists in environmental review, financial officers, loan coordinators, and program managers. It also covers expenses for financial and legal advisors. These program expenses will first be paid out of the base DWSRF Program Income and then BIL General Supplemental Program Income. They will then be paid from Non-Program Income once Program Income has been fully expended.

DNR intends to use a portion of Non-Program Income funds during SFY 2023 to support staffing to the Field Services Bureau for drinking water compliance activities including inspections, investigations and technical assistance and to support staffing in the Water Quality Bureau for construction permitting, drinking water permitting, AIS/BABA Site Inspections, and other programmatic staffing needs.

Estimates of Program Income and Non-Program Income resulting from BIL General DWSRF Supplemental Funds cannot be made at this time but will be provided in future updates to this Annex.

## Loan Policies

### *Project Scope*

The scope of the project must be outlined on the IUP application and in the preliminary engineering report. Additional project information may be required at the time of application for BIL General Supplemental Funds. Changes to the scope are allowed prior to loan closing. Significant changes in scope that cause delays and/or additional work required by the project manager or environmental review specialist, may result in loss of financing through the BIL General Supplemental Fund. 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.

### *Project Readiness*

Applicants cannot be offered SRF financial assistance until they meet DWSRF Program requirements. More information can be found in the [Water Supply Construction Manual](#).<sup>8</sup>

### *Compliance with Public Bidding Law*

To the extent applicable, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

### *Compliance with Civil Rights Law*

All programs, projects, and activities undertaken in the SRF Programs are subject to federal anti-discrimination laws, including the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and section 13 of the Federal Water Pollution Control Amendments of 1972. These laws prohibit discrimination in any federally assisted program on the basis of race, color, national origin, sex, disability, or age. These laws apply by their own terms to the entire organization receiving federal financial assistance, not just to the project itself. Iowa is in the process of reviewing program activities to ensure compliance with federal civil rights laws.

### *Utility Rate Recommendations*

Prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal Advisor set forth in the 5-year pro-forma cash flow analysis.

### *Municipal Advisor*

Borrowers will be asked to identify their Municipal Advisor for the project as part of the IUP application.

## State Match

See Appendix F -State Match of the base DWSRF Program IUP.

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<sup>8</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund>



## VI. Set-Asides

States are allowed to take or reserve set-aside amounts from the BIL General DWSRF Supplemental Fund for a number of activities that enhance the technical, financial, and managerial capacity of public water systems and protect sources of drinking water. DNR is following the SFY 2022 DWSRF workplan and will switch to the SFY 2023 workplan during the fiscal year. Since the BIL General Supplemental Funds have the same objectives and eligibilities of the base DWSRF Program, the set-aside activities for this Annex will be the same as the base DWSRF Program (see *"Intended Uses of Set-Asides"* located Section II of the base DWSRF Program IUP for additional information on planned activities). For FFY 2022, Iowa plans to take or reserve funds from the Admin, Technical Assistance, and Capacity Development set-asides.

## VII. Public Review and Comment

Stakeholder engagement webinars were hosted on June 26, 2022 to present the preliminary implementation plans for BIL General DWSRF Supplemental funds. Comments were accepted through July 8, 2022. Questions and comments from stakeholders were taken into consideration and some changes were incorporated into this Annex as described above. A new dedicated web page was developed on the Iowa SRF website titled "Bipartisan Infrastructure Law (BIL) Funding Opportunities"<sup>9</sup> to inform stakeholders of the latest BIL updates in a timely manner. A new dedicated email "[water-infrastructure@dnr.iowa.gov](mailto:water-infrastructure@dnr.iowa.gov)" was created for stakeholders to easily submit questions and comments pertaining to BIL.

A public meeting to allow input into this Annex and PPL was held August 11, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to the public, stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until August 18, 2022.

## VIII. Project Priority List (PPL)

See *Attachment 1- DWSRF PPL*, to the base DWSRF Program IUP. This PPL includes projects that will be funded by the BIL General Supplemental Fund as well as the base DWSRF Program. The PPL is included as a separate, sortable Excel file.

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<sup>9</sup> <https://www.iowasrf.com/infrastructure-bill-funding-opportunities/>



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

**#13**

**Decision Item**

**Contract Amendment with University of Iowa Office of the State Archaeologist (OSA) for the Iowa Department of Natural Resources Contract 21ESDWQBSKONR-006 (Original Contract was approved by EPC on May 13, 2021.)**

**Commission approval is requested for an amendment to a Contract with** Office of the State Archaeologist of Iowa City, Iowa.

**Amendment:** 01

**Contract Amendment Terms:** See below.

**Additional Amount:** Not to exceed \$200,000

**Amendment Dates:** October 1, 2022 – June 30, 2023

**Total Amount of Amendment and Original Contract:** Not to exceed \$850,000

**Original Contact Dates:** June 1, 2021 – June 30, 2023

**Funding Source(s):** State Revolving Fund, EPA Section 319 Grant, Lake Restoration, Conservation and Recreation Division (various). The source of funding for this Contract shall be outlined in each Work Order. The source of funding will vary among allowable funding sources depending on the bureau or program in DNR being served by the Work Order.

**Statutory Authority:** Funds are administered by DNR under authority granted by 11 Iowa Administrative Code section 118.4 (Intergovernmental Agreements) and, for EPC Work Orders, by Iowa Code section 455B.103.

**Contract Background:**

DNR is responsible for the management and development of lands and facilities under the jurisdiction of the Natural Resource Commission and the Environmental Protection Commission. This includes state parks, recreation areas and preserves; state forests; wildlife management areas; office and recreation facilities; fish hatcheries; clean water best management practices (BMPs) and demonstration practices on both public and private lands. The DNR also provides environmental and cultural review services for cities and public water supplies that finance projects through the State Revolving Fund (SRF) programs. As part of these obligations, DNR must, at times, conduct investigations into the historical and archeological resources that may be impacted by construction and development activities in these areas.

**Contract Amendment Purpose:** The purpose of the Contract Amendment is to establish additional funding for the agreement between the DNR and the University of Iowa on behalf of the Office of the State Archaeologist to complete the Original Tasks, without extending the time of performance previously allowed. As the DNR identifies a need for archeological and/or architectural history investigations for its programs, the DNR will issue a Work Order Request to the Contractor to provide services with a specific Scope of Work. Each Scope of Work will be selected from the Contractor's list of services including those represented at the following location: <https://archaeology.uiowa.edu/research-investigations>

**Selection Process Summary:**

The authority to enter into this Contract is under granted by 11 Iowa Administrative Code section 118.4 (Intergovernmental Agreements) and, for EPC Work Orders, by Iowa Code section 455B.103, which states that contracts with state universities and other public agencies for laboratory work, scientific field measurement and environmental quality evaluation services necessary to implement Iowa Code Chapter 455B are authorized under Iowa Code section 455B.103(3).

**Statement Of Work**

RESERVED (no changes to Original Contract statement of work).

Karrie Darnell, Water Quality Bureau  
Environmental Services Division  
EPC September 20, 2022

Steve Konrady, Water Quality Bureau  
Environmental Services Division  
NRC September 7, 2022

Iowa Department of Natural Resources  
Environmental Protection Commission

ITEM #14

DECISION

**Contract with IOWA DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP****Recommendation:**

Commission approval is requested for a contract with Iowa Department of Agriculture and Land Stewardship (IDALS) for creation of additional chapters in the Iowa Storm Water Management Manual (ISWMM).

**Contract Terms:**

**Amount:** Not to exceed \$57,500

**Dates:** October 1, 2022 to October 1, 2024.

**Funding Source(s):** Iowa Homeland Security and Emergency Management Grant and Storm Water fees.

**Contract Background:** This is the first contract of its kind with IDALS

**Contract Purpose:** The purpose of this contract is to add chapters to the ISWMM. IDALS will be developing the chapters through several sub-contracts. These chapters will add design criteria for storm water practices that will improve storm water management across the State.

**Contractor Selection Process:**

- INTERGOVERNMENTAL – This contract is authorized by 11 IAC 118.4, which states that if another governmental entity has resources available to supply a service sought by a state agency, the state agency may enter into an intergovernmental agreement with the other governmental entity and is not required to use competitive selection.

**Contract History:** Because this is a new contract, there is no contract history.

Eric Wiklund, Environmental Program Supervisor  
NPDES Section, Water Quality Bureau  
Environmental Services Division

## Appendix A

### Iowa Storm Water Manual Grant

Project Cost:

Federal Share:	\$37,500
State IHSEM share:	\$12,500
<u>DNR additional funds:</u>	<u>\$7,500</u>
Total:	\$57,000

The purpose of the Iowa Stormwater Management Manual (ISWMM) is to present planning and design guidelines for the management of stormwater quality and quantity in the urban environment. While this manual includes most of the commonly-used stormwater management best management practices (BMPs), it is not a comprehensive list. The material in this manual includes the hydrologic design and implementation of stormwater quality BMPs and traditional analysis and design of stormwater runoff conveyance for larger storm events to prevent flooding. Additional guidance is provided on improved site planning to reduce runoff volume through reduction of impervious area and increased emphasis on infiltration practices.

The DNR's purpose in entering into this contract is to work in cooperation with IDALS to update certain chapters of the ISWMM. IDALS's purpose in entering into this contract is to oversee the process of working with consultants to update and develop chapters of the ISWMM and lead the technical committee in the review of the updates.

#### 7.1

Task Milestone Date	Amount of Compensation Allotted to Task	Invoice Due No Later Than
<b>Task 1:</b> ISWMM chapter development and updates	Not to exceed \$53,500	8/13/2024
<b>Task 2:</b> Information and educational material development	Not to exceed \$2,000	7/31/2023
<b>Task 3:</b> ISWMM promotion	Not to exceed \$2,000	7/1/2024
<b>Total</b>	Not to exceed \$57,500	