

Antidegradation Training



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Iowa Department of Natural Resources
Leading Iowans in caring for our natural resources

Affordability Analysis for Communities



1995 EPA Workbook “Interim Economic Guidance for Water Quality Standards”

Iowa Antidegradation Implementation
Procedure, dated 2/17/2010



Financial Hardship could apply
to any Project,

Not Just Antidegradation



A user rate increase as a percentage is not sufficient justification for financial hardship



When is submission of the Affordability Analysis required for Antidegradation?

- 1) Practicable
- 2) Economically Efficient
- 3) Least Degrading Alternative
- 4) Unaffordable



Submission of Affordability
Analysis is not required if it is
affordable, but Iowa's design
standards still apply



Scope of Study

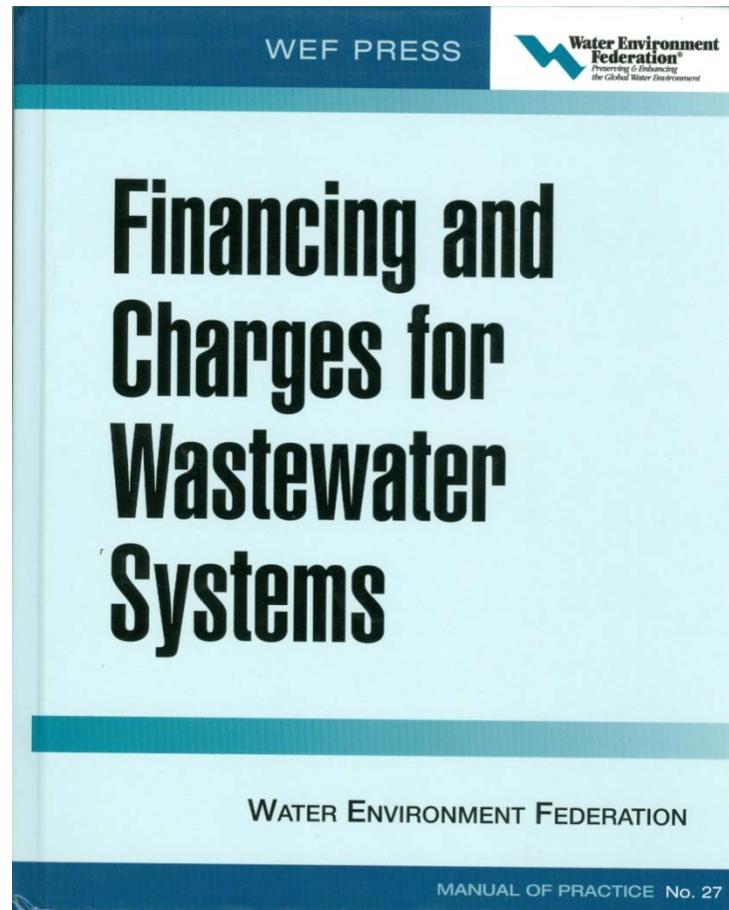
Who will the project serve?



Allocate costs among residential
and non-residential users



Manual of Practice No. 27



Roles and Responsibilities

Sometimes it gets complicated



A typical Regional Facility

States – 3

Cities – 5

Industries - 22



What are the Construction & O&M costs?

Identify the Base Year for the Estimate

Section 11.2.9.5 of Chapter 11



How will the project be financed?

- 1) Proposed Debt
- 2) Existing Debt
- 3) Annual O&M
- 4) Sources of Funding



Project Financing

Section 11.2.9.7 of Chapter 11



What are the Annual Costs per Household?

Section 11.2.9.7 “i”



Preliminary Screener

- 1) Adjust Household Income for Inflation
- 2) Compare Annual Costs to Median Household Income



Midwest Annual Average Consumer Price Index in 2009

204.1 for 2010 Census Data



Compare Annual Costs to Median Household Income

If Less than 1 percent
If Greater than 2 percent



Secondary Economic Factors Should be Considered

Eight Items Listed



How will Industries and Semi Publics Be Evaluated?



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Primary Measure

Profitability



Secondary Measures

Liquidity – Ability to Pay Short Term Bills

Solvency – Ability to Pay Fixed and Long
Term Obligations

Leverage – Ability to Borrow



Determine if the impact is both
Widespread and Substantial



If the economic impact is substantial, but not widespread, the non-residential entity could be required to implement the least degrading alternative regardless of the added cost



Web Links

<http://www.iowaworkforce.org/trends/medianaia.html>

[http://data.iowadatacenter.org/browse/decennial.html
#Income](http://data.iowadatacenter.org/browse/decennial.html#Income)

http://www.bls.gov/data/inflation_calculator.htm



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