

Agenda

Environmental Protection Commission

Tuesday, June 20, 2023

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

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

502 East 9th Street, Des Moines, Iowa 50319

DNR 2 North Conf Room

Tuesday, June 20, 2023

10:00 AM – EPC Business Meeting

If you are unable to attend the business meeting, comments may be submitted for public record to Angie Clark at Angie.Clark@dnr.iowa.gov or 502 East 9th St, Des Moines IA 50319 up to 24 hours prior to the business meeting.

1	Approval of Agenda	
2	Approval of the Minutes (Packet Page 3)	
3	Monthly Reports (Packet Page 9)	Ed Tormey (Information)
4	Director's Remarks	Kayla Lyon (Information)
5	Grant Funding for two Environmental Management System (EMS) Proposals (Packet Page 10)	Laurie Rasmus (Decision)
6	Contract with The University of Northern Iowa, Iowa Waste Reduction Center (Packet Page 12)	Bill Blum (Decision)
7	Grant Agreement Amendment with Region XII Council of Governments-Iowa Waste Exchange (Packet Page 14)	Bill Blum (Decision)
8	Clean Water and Drinking Water State Revolving Loan Fund-FY2024 Intended Use Plan (Packet Page 18)	Theresa Enright (Decision)
9	Contract with the State Hygienic Laboratory at The University of Iowa-2024 SHL Services in Support of the DNR Air Quality Bureau (Packet Page 100)	Brian Hutchins (Decision)
10	Contract with Linn County-Air Quality 28E Agreement (Packet Page 109)	Jim McGraw (Decision)
11	Contract with Polk County-Air Quality 28E Agreement (Packet Page 117)	Jim McGraw (Decision)
12	Contract with the University of Northern Iowa-Air Emissions Assistance Program (Packet Page 124)	Jim McGraw (Decision)
13	General Discussion	
14	Upcoming Meetings	
	<ul style="list-style-type: none">• Tuesday, July 18, 2023, Wallace Building• Wednesday, August 9, 2023, Wallace Building• Tuesday, September 19, 2023, Wallace Building	

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

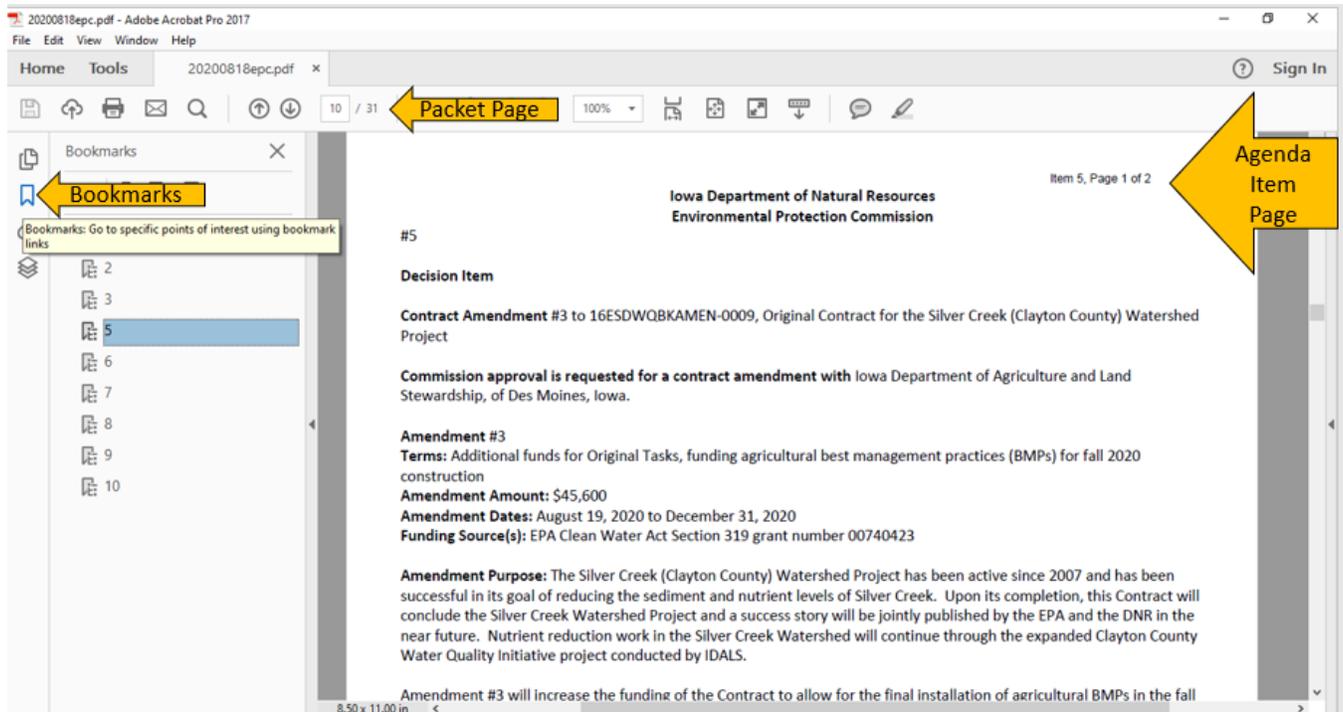
¹Comments during the public participation period regarding proposed rules or notices of intended action are not included in the official comments for that rule package unless they are submitted as required in the Notice of Intended Action.

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 to advise of specific needs.

Updated 07/2022

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**

May 16, 2023

**Video Teleconference
and
The Shores at Five Island**

Approved by the Commission **TBD**

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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 9:00am on May 16, 2023 via a combination of in-person and video/teleconference attendees.

COMMISSIONERS PRESENT

- Mark Stutsman
- Lisa Gochenour-virtual
- Harold Hommes
- Patricia Foley
- Amy Echard
- Roger Zylstra

COMMISSIONERS ABSENT

- Brad Bleam
- Rebecca Dostal

APPROVAL OF AGENDA

<i>Motion was made by Amy Echard to approve the agenda as presented. Seconded by Mark Stutsman.</i>
<i>The Chairperson asked for the Commissioners to approve the motion by saying aye. There were no nay votes. Motion passes.</i>

APPROVED AS PRESENTED

OATH OF OFFICE FOR NEW COMMISSIONER

Director Kayla Lyon swore in Roger Zylstra to the Commission. General Counsel Tamara McIntosh noted in the record that Director Lyon inadvertently stated Natural Resource Commission during the reading of the Oath of Office instead of Environmental Protection Commission.

ELECTION OF OFFICERS

CHAIR

<i>Patricia Foley nominated Harold Hommes to be Chair. Seconded by Roger Zylstra. No other nominations were provided.</i>
<i>The Chairperson asked for the Commissioners to approve the motion by saying aye. There were no nay votes. Motion passes.</i>

HAROLD HOMMES, CHAIR

VICE – CHAIR

<i>Harold Hommes nominated Amy Echard to be Vice-Chair. Seconded by Lisa Gochenour. No other nominations were provided.</i>
<i>The Chairperson asked for the Commissioners to approve the motion by saying aye. There were no nay votes. Motion passes.</i>

AMY ECHARD, VICE-CHAIR

SECRETARY

<i>Amy Echard nominated Mark Stutsman to be Secretary. Seconded by Patricia Foley. No other nominations were</i>
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provided.

The Chairperson asked for the Commissioners to approve the motion by saying aye. There were no nay votes. Motion passes.

MARK STUTSMAN, SECRETARY

APPROVAL OF MINUTES

Motion was made by Patricia Foley to approve the April 18, 2023 EPC minutes as presented. Seconded by Mark Stutsman.

The Chairperson asked for the Commissioners to approve the motion by saying aye. There were no nay votes. Motion passes.

APPROVED AS PRESENTED

MONTHLY REPORTS

- Division Administrator Ed Tormey reported that the Air Quality Bureau will be following the recommendation they presented at the March EPC meeting and will not be raising their fees for Fiscal Year 2024.
- Chairperson Hommes wanted to note that in almost every category of the Quarterly Report, the numbers went down or were almost non-existent.

INFORMATION

DIRECTOR’S REMARKS

- Director Kayla Lyon provided a summary of the legislative session and that the two budget bills were approved. For the Ag and Natural Resources budget bill, the budget that was proposed by DNR and the Governor was the budget that the Legislature passed. The general fund appropriations were approved at status quo. The Infrastructure fund was largely status quo. Things that were noted of interest in the Infrastructure bill are the Lake Restoration program, funding for State Parks infrastructure, funding for Water Trails Lowhead Dams, Derecho recovery funds to replant community trees, and infrastructure improvements for the State Fairgrounds. She stated the fairgrounds funding was a new line item that was added by the Governor at a level of \$500,000. The funds will be used for courtyard improvements, which will include stage improvements, an archery range, and a water quality demonstration, which will also utilize Clean Water Act section 319 funds. Designs for these areas are underway and will be completed for the 2024 Iowa State Fair.

INFORMATION

CONTRACT WITH THE STATE HYGIENIC LABORATORY-AMBIENT STREAM MONITORING, COLLECTION, AND ANALYSIS

Ken Krier requested Commission approval for a contract with the State Hygienic Laboratory at the University of Iowa to provide assistance to DNR in sampling and analysis of the State of Iowa’s Ambient Stream Monitoring Network.

Public Comments – None

Written Comments – None

Motion was made by Roger Zylstra to approve the item as presented. Seconded by Patricia Foley.

Mark Stutsman-aye, Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-aye, Amy Echard-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH THE STATE HYGIENIC LABORATORY-AMBIENT STREAM BIOLOGICAL MONITORING AND LABORATORY SERVICES

Ken Krier requested Commission approval for a contract with the State Hygienic Laboratory at the University of Iowa to provide sampling and analytical services for the ambient biological monitoring and assessment program. Mr. Krier responded to questions related to how the sites are selected for monitoring. He stated that they are targeted based on specific programs or impairments.

Public Comments – None

Written Comments – None

Motion was made by Amy Echard to approve the item as presented. Seconded by Patricia Foley.

Mark Stutsman-aye, Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-aye, Amy Echard-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH THE STATE HYGIENIC LABORATORY-LABORATORY CERTIFICATION

Kathy Lee requested Commission approval for a contract with the State Hygienic Laboratory (SHL) at the University of Iowa to perform the duties of the Laboratory Certification program as specified in 567 IAC Chapter 83. SHL is the state environmental and public health laboratory, and possesses the required expertise to conduct this program. In consultation with DNR, SHL will be responsible for conducting on-site audits, reviewing required documents from laboratories, preparing audit and certification documents, providing technical assistance to laboratories, conducting an annual laboratory symposium, and conducting various training courses.

Public Comments – None

Written Comments – None

Motion was made by Roger Zylstra to approve the item as presented. Seconded by Amy Echard.

Mark Stutsman-aye, Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-aye, Amy Echard-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH THE UNIVERSITY OF TEXAS AT DALLAS- E-PLAN SYSTEM ACCESS AND SUPPORT

Christina liams requested Commission approval for a contract with the University of Texas at Dallas to provide E-Plan access and support to more than 4,200 Tier II facilities in Iowa and 190 emergency planners and first responders. Ms. liams responded to questions related to what information the system hosts and who has access to the system. She stated that the information in the database is used to protect first responders. Ed Tormey gave an example of a West Texas fertilizer explosion as to why it is valuable to keep information accessible in a database.

Public Comments – None

Written Comments – None

Motion was made by Amy Echard to approve the item as presented. Seconded by Patricia Foley.

Mark Stutsman-aye, Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-aye, Amy Echard-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

DERELICT BUILDING GRANT PROGRAM-GRANT RECOMMENDATIONS

Reid Bermel presented six applications for grant funding approval through the Derelict Building Grant Program. He also provided a summary of the program and project history. The projects include building renovations, asbestos abatement inspections, a Phase 1 Environmental Assessment, and building deconstruction. Commissioners showed support for the program and discussed a desire to visit some of the completed projects.

Public Comments – None

Written Comments – None

Motion was made by Mark Stutsman to approve the 6 applications as presented. Seconded by Patricia Foley.

Mark Stutsman-aye, Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-aye, Amy Echard-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH THE UNIVERSITY OF IOWA FOR LABORATORY SERVICES IN SUPPORT OF THE LAND QUALITY BUREAU REGULATORY PROGRAMS

Amie Davidson requested Commission approval for a contract with the State Hygienic Laboratory at the University of Iowa for Contractor to provide laboratory services in support of the Land Quality Bureau’s regulatory programs. This support will include analysis of samples from various media (soil, groundwater, vapor, receptors) at sites, and summarizing and reporting of the environmental quality data. Samples may be analyzed for a variety of chemistry parameters. Ms. Davidson responded to questions related to the Facilities and Administrative Costs and contract utilization.

Public Comments – None

Written Comments – None

Motion was made by Amy Echard to approve the item as presented. Seconded by Roger Zylstra.

Mark Stutsman-aye, Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-aye, Amy Echard-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

GENERAL DISCUSSION

- Harold Hommes stated he will be absent for the June meeting so Amy Echard will be acting Chair.
- The new Executive Committee elected to keep with Executive Committee meetings at 8:15am on Fridays.
- Ed Tormey invited Commissioners to tour the Army Ammunition Plant with DNR Leadership on June 6.
- The Commissioners requested that there be tours in the fall to southeast Iowa. Mark Stutsman volunteered to host the meeting.
- Patricia Foley brought to the attention of the Commissioners the invitation to attend the May 18, 2023 Air Quality EO10 rules meeting.

ADJOURN

The Chairperson adjourned the Environmental Protection Commission meeting at 10:08 am on May 16, 2023.

ADJOURNED

**Monthly Waiver Report
May 2023**

Item #	DNR Reviewer	Facility/City	Program	Subject	Decision	Date	Agency
1	Danjin Zulic	Webster County Animal Protection	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	4.26.23	23aqw084
2	Lucas Tenborg	Equistar Chemicals	Air Quality Construction Permits	Equistar wants to install five 20,000-gallon temporary storage tanks (frac tanks) to capture wash water from the emptying, cleaning of tank F2147 (EP025-U) for later disposal at a RCRA permitted facility.	Approved	4.21.23	23aqw085
3	Karen Kuhn	Cargill Inc - Eddyville	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.2.23	23aqw086
4	Chad Billings	US Hwy 59 at East Nishnabotna River	Flood Plain Management and Dam Safety	A Q100 backwater criteria waiver/variance to Iowa Admin Code 567--72.1(2)a & 567--72.1(1)a for bridges and roadway embankments. The proposed bridge does not meet the 1.0/1.5 feet Q100 backwater requirement.	Approved	5.3.23	23fpw087
5	Julie Duke	Tyson Foods Research Farm	Air Quality Construction Permits	request from the 567 IAC 23.2(3)d Landscape waste. Specifically, to the requirement of a one-fourth mile distance from any building inhabited by other than the landowner or tenant conducting the open burning.	Approved	5.1.23	23aqw088
6	Julie Duke	MLS Landscaping and	Air Quality Construction Permits	The location does not meet the required distance of 0.25	Approved	3.23.23	23aqw089
7	Michael Hermsen	Green Plains Shenandoah,	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.4.23	23aqw090
8	Rachel Quill	Ranew's Companies	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.8.23	23aqw091
9	Brian Jergenson,	Joe Pisney Site	Animal Feeding Operation	Applicant of a proposed bedded cattle barn, with concrete	Approved	5.5.23	23cpw092
10	Nate Tatar	Midwestern Equipment LC	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.9.23	23aqw093
11	Karen Kuhn	Sauer-Danfoss	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.9.23	23aqw094
12	Lucas Tenborg	3M Knoxville	AQ	The Iowa Department of Natural Resources (DNR) received a	Approved	5.10.23	23aqw095
13	Rachel Quill	ADM Clinton Corn	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.10.23	23aqw096
14	Danjin Zulic	The Schebler Company	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.10.23	23aqw097
15	Danjin Zulic	Southern Iowa Ready Mix,	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.11.23	23aqw098
16	Danjin Zulic	Stateline Cooperative - Burt -	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.12.23	23aqw099
17	John Curtin	Sutherland Printing, Inc.	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement for an lithographic	Approved	5.16.23	23aqw100
18	Marty Jacobs	Buffalo Creek Campground	CP (Wastewater)	Linn County Conservation is requesting variance from IAC	Denied	4-21.23	23cpw101
19	Nate Tatar	PB Leiner USA	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.22.23	23aqw102
20	Matt Phoenix	Cresco Waterworks	Water Supply Construction (WC)	A variance from requirements to construct conflicting storm	Approved	5.17.23	23wcw103
21	Nicole Barbee	Davenport Water Pollution	CP (Wastewater)	Request to use directional drilling due to limited right of way	Approved	5.16.23	23cpw104
22	Michael Hermsen	SSAB Iowa, Inc - Muscatine	Air Quality Construction Permit	Waiver of Initial Stack Test Requirement.	Approved	5.15.23	23aqw105
23	Nate Tatar	Bayer Iowa Production Co,	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.23.23	23aqw106
24	Danjin Zulic	Tri-State Industries, Inc	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.24.23	23aqw107

Iowa Department of Natural Resources
Environmental Protection Commission

ITEM

#5

DECISION

Grant funding for two Environmental Management System (EMS) Proposals**Recommendation:**

DNR is seeking EPC approval for funding the two proposals in which over \$25,000 of financial assistance was requested, totaling \$133,240.25. These proposals are described in Attachment #1.

Applications:

DNR received six grant applications from EMS participants, requesting a total of \$330,353.34 in financial assistance. During the competitive review process for this round, four proposals were recommended for funding, totaling \$152,562.24 in financial assistance.

Contract Selection Process:

The EMS grant review committee was composed of the following representatives: DNR (2), Iowa Society of Solid Waste Operations, Iowa Recycling Association, the Iowa Waste Exchange and industry. Review Committee members independently evaluated each application based on its relevance to EMS program areas, its potential environmental impact and sustainability of the project. Recommendations were decided after each proposal was discussed by the five members who attended the May 3, 2023 review committee meeting.

Background and Funding Source

The Iowa Solid Waste EMS program was established pursuant to 2008 Legislation (House File 2570) as a voluntary alternative to comprehensive planning. Under the program, DNR supports designated solid waste agencies in building their own EMS and actively pursuing environmental stewardship goals beyond waste reduction. Iowa Code section 455J.7 authorizes the EPC to allocate funds to reward EMS participants for operating in an innovative, cost-effective, technologically advanced, and environmentally sensitive manner.

Laurie Rasmus, Program Planner, Financial and Business Assistance
Land Quality Bureau
Environmental Services Division

June 20, 2023

Attachment #1

Commission approval is being request for the following proposals.

Metro Waste Authority	Awarded Amount	\$79,334.00
	Cash Match:	\$635,966.00
	Total Project Cost:	\$715,300.00
Project Title:	Optical Sorter	
Description:	Grant funds were requested to purchase and install an MSS Cirrus FiberMax Optical Sorter to replace an existing screen in the old magazine/plastic film (OMP) line at the Metro Recycling Facility. The proposed equipment is expected to increase the facility's through-put and decrease contamination in marketable OMP bales by directing non-fiber recyclables on the line, such as polyethylene terephthalate (PET) containers, to the correct sorting lines. This grant project is associated with an EMS recycling services objective/target to increase PET material collection by 5,000 additional tons in FY2025 as compared to a baseline in FY2023.	

Solid Waste Management Commission of Marshall County	Requested Amount/Awarded Amount:	\$53,906.25
	Cash Match for Recommendation Level:	\$17,968.75
	Total Project Cost:	\$71,875.00
Project Title:	E-waste Recycling	
Description:	Grant funds were requested to construct a new building of at least 1,800 square feet with a concrete floor and equipped with two overhead doors in order to establish a new e-waste recycling program at the Marshall County Landfill. This grant project is associated with a household hazardous material collection EMS objective/target to recycle 100 televisions during FY2024.	

Iowa Department of Natural Resources
Environmental Protection Commission

ITEM

#6

DECISION

Contract with the UNIVERSITY OF NORTHERN IOWA, Iowa Waste Reduction Center (IWRC)**Recommendation:**

Commission approval is requested for a service contract with the University of Northern Iowa, Iowa Waste Reduction Center (IWRC), at Cedar Falls, Iowa.

Contract Terms:

Amount: Not to exceed \$30,000

Dates: July 1, 2023 to June 30, 2024.

Funding Source(s): the Groundwater Protection Fund, Solid Waste Account where monies are received from the tonnage fee levied under Iowa Code section 455B.310.

Statutory Authority: Iowa Code section 455E.11(2)(a)(2)(c)

Contract Background:

Iowa Code section 455E.11(2)(a)(2)(c) Groundwater Protection Fund, says that the DNR shall expend not more than thirty thousand dollars of the moneys appropriated under that division of the subparagraph to contract with the IWRC at the University of Northern Iowa to provide training and other technical services to the Iowa Waste Exchange program.

Contract Purpose:

The parties propose to enter into this Contract to retain the IWRC to provide technical assistance and training to the Iowa Waste Exchange program and its representatives.

Contractor Selection Process:

The selection process in this case is not competitive, because the contract with IWRC is mandated by Iowa Code section 455E.11(2)(a)(2)(c), as stated above in the Contract Background.

Contract History:

The DNR, as directed by Iowa Code section 455E.11(2)(a)(2)(c), has entered into a contract with the IWRC on an annual basis every year since 1990. The purpose of the contract with the IWRC is to provide technical assistance and training to the Iowa Waste Exchange program and its representatives. The five most recent contracts have been:

Contract #1: Timeframe: 7/2018-6/2019; Amount \$30,000

Contract #2: Timeframe: 7/2019-6/2020; Amount \$30,000

Contract #3: Timeframe: 7/2020-6/2021; Amount \$30,000

Contract #4: Timeframe: 7/2021-6/2022; Amount \$30,000

Contract #5: Timeframe: 7/2022-6/2023; Amount \$30,000

Bill Blum, Program Planner, Land Quality Bureau

Environmental Services Division

June 20, 2023

Attachment 1

STATEMENT OF WORK

The DNR's statutorily directed objective is for the Iowa Waste Reduction Center (IWRC) to provide training and other technical assistance to the Iowa Waste Exchange (IWE) program. The services included below may be amended at any time by the DNR or the IWRC upon prior approval by the DNR.

The IWRC will provide the following tangible products by the Task Milestone Dates set out in the following table:

Deliverables	Task Milestone Dates
Task 1: Assist with, and support, IWE Handbook updates as necessary, and when requested by the DNR or by IWE Resource Specialists.	On-going, over the course of the Contract
Task 2: Coordinate with the DNR and IWE Resource Specialists to provide K-12 schools with food waste audits and cafeteria waste sorts as requested. The IWRC will also coordinate with the DNR in the publishing of data and results from these joint assistance activities.	When requested
Task 3: Provide technical assistance regarding hazardous materials/hazardous waste, and complete joint IWRC/IWE visits when requested. The IWRC will also refer clients to IWE Resource Specialists for assistance when applicable.	On-going, over the course of the Contract
Task 4: IWE marketing assistance: <ul style="list-style-type: none"> • Assist with development of marketing plans and/or strategies • Collaboratively brainstorm ideas to meet IWE Resource Specialists' marketing goals • Develop contact lists for outreach • Promotion of IWE events, services, and materials through IWRC marketing outlets (website, newsletter, social media) 	On-going, over the course of the Contract
Task 5: Coordinate with the DNR and IWE Resource Specialists to assist with hosting, and support of developing, quarterly IWE meetings as requested, with IWRC training at one meeting on technical resources.	On-going, over the course of the Contract
Task 6: Provide regulatory guidance and training to IWE representatives on the management of solid and universal hazardous waste, as well as inform new IWE Resource Specialists on IWRC resources.	On-going, over the course of the Contract
Task 7: Provide training opportunities to IWE representatives to increase their professional development.	On-going, over the course of the Contract
Task 8: Submit monthly reports that have a narrative discussion of the delivery of the assistance services outlined in Tasks 1 through 7. Monthly reports will also describe any other activities relevant to the DNR and/or IWE Resource Specialists.	Within 3 weeks of the end of each month

CATEGORY	DNR FUNDS
PERSONNEL COSTS	\$27,777.78
INDIRECT COST CHARGES (8% of Personnel Costs)	\$2,222.22
TOTAL PROJECT COSTS	\$30,000.00

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

ITEM

#7

DECISION

Grant Agreement Amendment #5 to the original Grant Agreement with Region XII Council of Governments

Recommendation:

Commission approval is requested for a Grant Agreement amendment with Region XII Council of Governments, of Carroll, Iowa

Amendment Terms:

Amendment Amount: An additional \$530,000

Amendment Dates: July 1, 2023 to June 30, 2024

Funding Source: Iowa Code section 455E.11(2)(a)(2)(c), Groundwater Protection Fund, Solid Waste Account. This statute ties the amount of each year's grant award to the overall tonnage fees collected under the Groundwater Protection Act. When total tonnage fees go up, this grant award goes up; and for this Amendment, by 1.9%.

Amendment Purpose:

This Grant Agreement Amendment extends the time allowed to perform the Tasks set out in the Original Grant Agreement, provides for additional money being paid out by the DNR, and updates other provisions from Amendment #4 (see Attachment A, updated Statement of Work Table from section 5 of the original Grant Agreement).

Original Grant Agreement Purpose:

Under Iowa Code section 455E.11, the DNR is to provide competitive grants to Iowa Community Colleges and/or Councils of Governments for a by-products and waste exchange system, which, since 1990, has been the Iowa Waste Exchange (IWE). The IWE is confidential and non-regulatory. It enables recycling of used and unwanted materials by matching parties that have those materials with others who look to obtain and add value to these resources. IWE services are delivered at no cost to customers. The Financial and Business Assistance section of the Land Quality Bureau in the DNR's Environmental Services Division conducts oversight and support for the IWE.

The DNR entered into the original Grant Agreement with Region XII Council of Governments (Grantee) to fulfill the DNR's statutory duty to award grant-funding for the operation of the IWE. The Grantee is responsible for sub-contracting and supervising the work of regionally-based Resource Specialists, who provide Iowans a range of services for diverting from landfills the most tons of by-products and excess materials possible, as well as for managing and reducing waste streams, and enhancing pollution prevention. The attached Statement of Work provides the Grantee a flexible structure that identifies waste diversion initiatives and goals the DNR expects the program to achieve. This flexibility reliably produces over 100,00 tons of waste diversion annually, and about \$132 million in savings to Waste Exchange clients since 1990.

Grant Agreement Selection Process:

In 2018, a formal competitive process was undertaken to acquire professional services. A Request for Proposals (RFP) was posted on the Dept. of Administrative Services "State of Iowa Bid Opportunities" web-page, and a notification e-mail was sent to the Community Colleges and to the Iowa Association of Regional Councils of Governments. One proposal was received, and a three-person committee reviewed and evaluated it. The committee met to discuss the proposal, and achieved consensus on the selection of Region XII Council of Governments due to the quality of their proposal, their understanding of the DNR's goals for the program, and the experience of their team.

Grant Agreement History:

Original Grant Agreement Terms: Amount \$468,000; Timeframe: July 1, 2018 to June 30, 2019; Purpose: to fulfill the DNR's statutory duty to award grant-funding for the operation of the IWE.

Amendments:

Amendment-1 Terms: Amount \$416,000; Timeframe: 7/1/19 to 6/30/20; Purpose: extend time to perform the original Grant Agreement Tasks, provide additional funding, and update time-related provisions of the original Grant Agreement.
Amendment-2 Terms: Amount \$440,000; Timeframe: 7/1/20 to 6/30/21; Purpose: extend time to perform the updated Grant Agreement Tasks, provide additional funding, and update time-related provisions of Amendment-1.
Amendment-3 Terms: Amount \$480,000; Timeframe: 7/1/21 to 6/30/22; Purpose: extend time to perform the updated Grant Agreement Tasks, provide additional funding, and update time-related provisions of Amendment-2.
Amendment-4 Terms: Amount \$520,000; Timeframe: 7/1/22 to 6/30/23; Purpose: extend time to perform the updated Grant Agreement Tasks, provide additional funding, and update time-related provisions of Amendment-3.

Bill Blum, Program Planner 3, Financial & Business Assistance
Land Quality Bureau
Environmental Services Division
June 20, 2023

Attachment A

STATEMENT OF WORK

The Iowa Waste Exchange (IWE) Grantee is principally responsible for the work of regionally-based Resource Specialists who provide to businesses, schools, hospitals, government institutions, industries, and individuals a range of services for diverting by-products and excess materials from Iowa landfills, for managing and reducing waste streams, and enhancing pollution prevention.

The Grantee shall perform the following Tasks by the Task Milestone Dates set out in the following table:

Deliverables	Task Milestone Dates
<p>Task 1: Recruit and subcontract IWE Resource Specialists. Description: IWE program services should be delivered by approximately 4 to 5 Full-Time Equivalent positions operating in approximately 4 to 5 service regions to cover the entire state. IWE services are to be available statewide.</p> <ul style="list-style-type: none"> • Particular attention is to be paid to prospective Resource Specialist’s qualifications related to: technical competence, especially regarding solid waste management, high productivity, being team players, interpersonal skills, and customer focus. • All prospective Resource Specialist’s resumes and pre-interview evaluations are to be submitted to the DNR for review prior to commencing the interview process. • The DNR retains the right of final approval of all IWE Resource Specialist subcontracts. 	<p>On-going as vacancies happen</p>
<p>Task 2: Direct/oversee IWE Resource Specialists’ work, review/evaluate on-going performance. Description: Assure that IWE Resource Specialists –</p> <ul style="list-style-type: none"> • Actively search for generators and users of excess materials and by-products, and facilitate the matching and transfer of excess materials and by-products between generators and users. • Establish working relationships with generators and users of excess materials and by-products by: <ul style="list-style-type: none"> ○ Responding to written or telephone requests for information or technical assistance no more than 2 business days after receiving each request, ○ Conducting ‘walk-throughs of customer facilities to identify opportunities for improving waste management and pollution prevention, ○ Working with solid waste agencies to help them meet their waste diversion goals, and, ○ Identifying client needs and accessing the team of experts including each other, the Iowa Economic Development Authority (IEDA), the Iowa Waste Reduction Center (IWRC), and the DNR to help meet those client needs. • Focus on obtaining the greatest <u>reduction</u> in by-product generation and the landfilling of excess materials. Priorities, in no particular order, are: <ul style="list-style-type: none"> <li style="width: 50%;">•Old corrugated containers and kraft bags <li style="width: 50%;">•Mixed recyclable paper <li style="width: 50%;">•Demolition/renovation/construction debris <li style="width: 50%;">•Non-treated wood <li style="width: 50%;">•Renewable energy by-products <li style="width: 50%;">•Compostable paper <li style="width: 50%;">•Industrial by-products/materials <li style="width: 50%;">•Hazardous materials <li style="width: 50%;">•Food & food processing residuals <li style="width: 50%;">•Plastic film/wrap/bags • Continue to develop the comprehensive Schools Waste Minimization and Recycling Implementation Project. Along with the DNR, IWRC and IEDA, IWE Resource Specialists will: <ul style="list-style-type: none"> ○ Continue to survey and obtain data from as many as possible of the approximately total 1,524 public and private Iowa schools, using a variety of means, including — online correspondence, telephone calls, onsite visits, and through interested third parties (haulers/contractors), ○ Continue to establish waste reduction/sustainability contacts at the schools according to the respective IWE service areas, ○ Continue to compile and document the data, ○ Analyze and evaluate the data in order to establish school waste reduction focus areas, and, 	<p>On-going, over the course of the Grant</p>

<ul style="list-style-type: none"> ○ Based on the waste reduction focus areas, continue to plan and implement waste minimization and recycling projects and programs in Iowa's schools. ● Enter performance data and complete bi-weekly updates in the IWE database. 	
<p>Task 3. Support program communications and on-site contacts. Description: Make available to all IWE Resource Specialists:</p> <ul style="list-style-type: none"> ● A cell phone, ● Internet service, ● A secure wireless laptop computer, tablet computer or other electronic means to maintain contact with other services providers while in the field and to provide timely assistance to program customers, and, ● Compensation for in-Iowa travel. 	On-going, over the course of the Grant
<p>Task 4. Require attendance of all Resource Specialists at quarterly meetings. Description: Items covered to include:</p> <ul style="list-style-type: none"> ● Progress on quarterly objectives, ● Roundtable discussion of issues concerning excess materials and by-products matches, and, ● Professional development training. 	Within 3 weeks of the end of each fiscal quarter
<p>Task 5. Meet with the DNR to discuss contractual progress. Description: Items covered to include:</p> <ul style="list-style-type: none"> ● Resource Specialists' performance, ● Budget items, ● Progress on goals, ● Primary duties listed in this RFP and other items as needed, and, ● Coordination and tracked delivery of additional projects &/or programs as new challenges and opportunities develop. 	When requested
<p>Task 6. Track progress toward program goals. Description: These include:</p> <ul style="list-style-type: none"> ● Diverting at least 100,000 tons of materials and by-products from landfills, ● Completion of a combined minimum of 3,200 IWE client contacts, with tracking each Resource Specialist's both on-site visits to assist clients and in-house client assists, ● On-site visits are in-person site visits to, and tours of, client facilities for purposes of offering assistance. A single client can be counted for multiple on-site visits, as long as each visit counted is a legitimate, new assistance initiative. An on-site visit does not include subsequent follow-ups by telephone, e-mail or letters relating to the initial on-site visit, ● In-house assistance includes calls, e-mails and letters to clients to provide help with a specific market referral or other specific information. A client can be counted as in-house assistance multiple times for legitimate, new assistance initiatives. In-house assistance does not include subsequent assistance via telephone, e-mail or letter relating to the initial in-house assistance, and, ● Submittal to the DNR of at least one IWE success story from each of the Service Areas per year. 	On-going, over the course of the Grant
<p>Task 7. Direct the IWE Resource Specialists to use the special allocation in the Grant Award for publicity, promotion and marketing. Description: As part of general program expectations, Grantee(s) and the IWE Resource Specialists will:</p> <ul style="list-style-type: none"> ● Represent the DNR and its FABA programs in presentations on current waste management and pollution prevention programs and practices, ● Share information on excess materials and by-products uses and markets via on-site visits, e-mail, phone calls, and at quarterly IWE meetings, ● Advise clients on the services of the Iowa Waste Reduction Center, and provide referrals as appropriate, and, ● Complete other special promotion and information projects as directed or approved by the DNR. 	On-going, over the course of the Grant

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

ITEM #8

DECISION

Clean Water and Drinking Water State Revolving Loan Fund – FY 2024 Intended Use Plan

Commission approval is requested for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUP) for State Fiscal Year 2024 (July 1, 2023 – June 30, 2024).

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. The SFY 2024 DWSRF IUP contains planned uses of the DWSRF Base Program and also includes planned uses for the Bipartisan Infrastructure Law (BIL) General Supplemental (GS), PFAS/Emerging Contaminants (EC), and Lead Service Line (LSL) Replacement Funds. The SFY 2024 CWSRF IUP contains planned uses of the CWSRF Base Program and also includes planned uses for the BIL PFAS/EC Fund.

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.

Attachment 1 to the CWSRF IUP and DWSRF IUP serves as the project priority list for the SRF Base Program Funds and the BIL GS, PFAS/EC, and LSL Replacement Funds. Each draft IUP is released for public comment and review, and then presented for approval to the Commission. SRF received comments from IFA and DNR regarding necessary corrections and those were incorporated into the DWSRF plan. The written comment period closed on June 16, 2023 and no additional comments were received. A public meeting was held via conference call on June 8, 2023 to highlight changes to the plan and to receive comments. There were attendees but no public comment was made for the record.

A summary of the new projects added to the PPLs for the first quarter of SFY 2024 are as follows:

(7) CWSRF Planning & Design Loan applications	(totaling \$2,881,300)
(10) CWSRF IUP applications for construction projects	(totaling \$34,160,000)
(7) DWSRF Planning & Design Loan applications	(totaling \$14,841,400)
(11) DWSRF IUP applications for construction projects	(totaling \$242,395,000)

Funds are available or obtainable to provide the anticipated disbursements for these projects.

Theresa Enright, SRF Coordinator
Department of Natural Resources
June 19, 2023

DRAFT

FY 2024 INTENDED USE PLAN
INVESTING IN IOWA'S WATER



CLEAN WATER STATE REVOLVING FUND

Anticipated approval by the Environmental Protection Commission on June 20, 2023

DRAFT

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Introduction

Under the authority of Title VI of the Federal Water Pollution Control Act and Iowa Code Sections 455B.291-455B.299, the Clean Water State Revolving Fund (CWSRF) Program finances wastewater treatment, sewer rehabilitation, stormwater quality improvements, and nonpoint source projects.

Since 1989, Iowa's State Revolving Fund (SRF) Programs have provided over **\$4 billion** in financial assistance for water and wastewater infrastructure, agricultural best management practices, and other water quality projects. With the State Fiscal Year (SFY) 2024 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.

A. 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 SRF is incorporating into SFY 2024 IUPs.

- ✓ Plans for implementing funding for the General Supplement and PFAS/Emerging Contaminants funding awarded from the **Infrastructure Investment and Jobs Act (IIJA)**, also known as, **Bipartisan Infrastructure Law (BIL)** are included in this annual release of the IUP.
- ✓ The **Socioeconomic Assessment Tool** used to define a **Disadvantaged Community** (DWSRF Program) and **Affordability Criteria** (CWSRF Program) has been updated with current American Community Survey and state-level employment data. In addition, the assessment criteria were refined to improve desired outcomes and comply with existing federal statute.
- ✓ Additional subsidization in the form of loan principal forgiveness will only be applied to eligible construction costs of projects selected to receive additional subsidization.
- ✓ Borrowers receiving loan forgiveness will only receive one award per project.
- ✓ Program planning continues in SFY 2024 for the **Water Resources Restoration Sponsored Project Program**. Future quarterly updates to the IUP will provide information on the availability of this program.

B. SRF Program Overview

SRF PROGRAM ADMINISTRATION

The unique partnership between the Iowa Department of Natural Resources (DNR), 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, permitting, and regulatory compliance aspects of the program as well as project approval and eligibility
- IFA-Administers the financial aspects of the program including fund management, bonding, loan approval, disbursements, and servicing
- 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

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

INTENDED USE PLANS

The State of Iowa IUP for the CWSRF is prepared annually in accordance with the provisions of Clean Water Act, 40 CFR Part 35 and Iowa Code Sections 455B.291-455B.299 and 567 Iowa Administrative Code (IAC) Chapters 90-93.

The IUP is developed annually in June and updated quarterly in September, December, and March (or more often as needed). This IUP covers activities during the SFY 2024, July 1, 2023 through June 30, 2024.

The IUP identifies the intended use of funds available to the SRF, the program's goals, information on the types of activities to be supported, assurances and specific proposals on the manner by which the State intends to meet the requirements of the Operating Agreement with the U.S. Environmental Protection Agency (EPA), criteria and method for distribution of funds, and the loan rates, terms, and fees for the fiscal year; and includes a ranked listing of projects to be funded.

The IUP and Project Priority List (PPL) are submitted to the EPA as part of the application for a capitalization grant. The IUP and PPL are reviewed and approved quarterly by the Iowa Environmental Protection Commission (EPC)¹. Federal and state law requires, and Iowa welcomes, public participation in the development of the IUP.

METHOD OF AMENDMENT OF THE INTENDED USE PLAN

The Iowa SRF Program will follow this IUP in administering CWSRF funds in SFY 2024. 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 PPL to utilize actual funds available to the CWSRF for SFY 2024 will be considered minor and only affected applicants will be notified. Public notice of amendments will be made if borrowers are added to or removed from the PPL.

PUBLIC REVIEW AND COMMENT

(See Appendix I - Public Review and Comments Received)

The SRF Program accepts new IUP applications quarterly by the first business day in March, June, September, and December². The IUP and PPL are updated and available to the public for review about 60 days after the quarterly IUP application deadline. The IUP is posted on the CWSRF Program webpage of the SRF Program's website (www.iowasrf.com) and public comments are accepted for up to 30 days following the posting.

Public Hearings are scheduled on the second Thursday of the months of May, August, November and February to highlight changes from the previous quarter and to collect public comments. A final draft version of the IUP, including all comments incorporated during the comment period, will be posted as part of the EPC Meeting and Agenda on the EPC webpage on the DNR's website³.

An open forum client contact group meeting will be held on the Thursday prior to each EPC meeting to discuss agenda items. The IUP is approved quarterly by the EPC at regularly scheduled EPC meetings typically held the third Tuesday of the months of June, September, December and March. EPC meetings are open to the public, providing a final opportunity for public comment on the IUP.

All of the opportunities mentioned above are open to the public. Meetings and hearings are announced on the News page of the [SRF website](http://www.iowasrf.com) and agency-managed listservs.

¹ <https://www.iowadnr.gov/About-DNR/Boards-Commissions/Environmental-Protection-EPC>

² Clean Water Program page of <https://www.iowasrf.com>

³ <https://www.iowadnr.gov/About-DNR/Boards-Commissions/Environmental-Protection-EPC>

PROJECT PRIORITY LIST

(See Attachment 1 - CWSRF Project Priority List)

The CWSRF Program management includes a priority list of projects for loan assistance, developed according to DNR rules 567 IAC Chapter 92 (455B). Attachment 1 constitutes the CWSRF PPL and is included as a separate, sortable Excel file. This priority list will be amended quarterly during SFY 2024 and includes projects funded by both CWSRF Base and BIL Funds.

The PPL is a list of projects currently requesting funding from the SRF. This list provides the CWSRF Program with a projection of loan funding assistance needed for applications. Priority order is determined by point source rating criteria defined in 567 IAC Chapter 91 (455B). More information on priority ranking is available in Appendix C - Project Ranking Criteria. Projects are listed on the PPL in ranking order by the IUP year and quarter the application was received. Planning and Design loan applications are not ranked.

Pursuant to Section 606(c) (3) of the Clean Water Act and 40 CFR Part 35, the PPL also includes the following required items: name of the potential borrower; project description; National Pollutant Discharge Elimination System (NPDES) Permit Number (as applicable); SRF project number; projected amount of eligible assistance; and type of assistance. The PPL may also include SRF project number, project ranking, or project status.

Attachment 1 includes the following project categories for funding during SFY 2024:

- **Planning and Design Loans.** These are loan requests that cover planning and engineering costs related to the design of an eligible CWSRF project and the development of a Facility Plan.
- **New Section 212 Treatment Works Projects.** Projects are added to the PPL only after a complete IUP application is received, the project has passed a preliminary review of eligibility, and the project is scored.
- **Unfunded Prior Years' Section 212 Treatment Works Projects.** These are loan requests remaining on the PPL from previous years' IUPs. It is Iowa's intention to make CWSRF loans to these projects during SFY 2024 if they are ready for a binding loan commitment.
- **Segments of Previously Funded Section 212 Treatment Works Projects.** Subsequent segments of a project which have previously received funding priority or assistance will be placed on the PPL and may carry over their original priority point total from the previous year.
- **New General Nonpoint Source Projects including Source Water Protection.** New applications for assistance through a direct loan will be accepted on a quarterly basis and added to the PPL if projects are determined to be eligible for funding and the application is complete.
- **Supplemental Financing.** Supplemental financing provides additional funds for projects listed in previously approved IUPs. These funds will be used to cover cost overruns on previously approved scopes of work and are added to the IUP as they are requested.

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."

If a project on the approved IUP list is not going to proceed or will not be utilizing SRF funds, the applicant should notify the SRF in writing that they wish to withdraw the IUP application from the PPL. For the purpose of program planning, projects on the IUP list (or listed in Appendix H - Funding Recommendations of this IUP) for over three years will be evaluated for removal. A notification will be sent to the SRF applicant that their project may be dropped if adequate progress toward a binding loan commitment is not demonstrated within six months following the notice. If a project is withdrawn or dropped from the PPL, the applicant may reapply when the project is ready to move ahead.

Project Scope. The scope of the project must be outlined in the IUP application and in the facility plan (FP).

Scope Changes. Significant changes in scope may cause delays if additional work is required by the project manager or environmental review specialist. Changes to the scope are allowed prior to loan closing. Once a loan is signed, only minor changes to the scope are allowed and only if the changes do not require additional public bidding, technical or environmental review.

TYPES OF FINANCING

(See Appendix D - Interest Rates, Fees, and Loan Terms)

The Iowa SRF Program provides low-interest financing using one of three financing mechanisms:

- **Direct Loans** - CWSRF funds are used to purchase municipal bond debt, secured by utility system revenues or a general obligation pledge.
- **Loan Participation** - CWSRF funds are used to purchase an existing loan from a lender. These loans are not listed in the PPL but are identified in Appendix H - Funding Recommendations of the CWSRF IUP and are individually reported in the annual report.
- **Linked Deposit** - CWSRF funds are deposited with a participating lender and are used to fund the loan and reduce the interest rate. These loans are not listed in the PPL but are reported by total program usage in the annual report.

Direct Loans for **Planning & Design** are available to public and private borrowers to cover engineering and project development costs such as testing and scoping, preparing facility plans, and project specifications that are directly related to the development of an eligible SRF treatment works or General Nonpoint Source project.

Direct Loans for **Section 212 Treatment Works Projects** are available to Publicly Owned Treatment Works (POTW) to address new construction or improvements to existing wastewater treatment facilities, treatment techniques, transmission lines and collection systems.

Financing for **General Nonpoint Source Projects** is available to public and private borrowers in the form of direct loans, loan participations or linked-deposit loans, depending on the borrower and project type. These loans address stormwater quality, inadequate septic systems, landfill closure, lake restoration, soil erosion control, brownfield cleanup, manure management and more. (SFY 2024 Program Activities to be Supported)

Current interest rates and fees are established in the IUP in Appendix D - Interest Rates, Fees, and Loan Terms

Loan Forgiveness criteria is established in the IUP in Appendix B - Additional Subsidization

CO-FUNDING

While SRF offers low loan rates and additional subsidization to eligible applicants, many of Iowa's communities need additional help from other funding sources. SRF funding can be combined with several other funding sources to make costly infrastructure projects possible. Joint funding that combines SRF loan dollars and funds from other agencies is crucial to making some 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 wastewater needs.

EMERGENCY FUNDING

In May of 2019, a Memorandum of Understanding (MOU) was signed regarding coordination between EPA and the Federal Emergency Management Agency (FEMA). The MOU established a framework for the EPA funded 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 a percentage of the replacement costs for public water and wastewater systems. The SRF can be used to finance the amount not covered by FEMA.

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 may be used to finance the repairs and then be repaid with FEMA money. Emergency loans meeting these conditions may be executed and then reported in the next quarterly IUP update.

APPLICATION PROCESS

New applications for **infrastructure construction projects** will be accepted on a quarterly basis the first working day of the months of March, June, September and December.

Infrastructure Construction Projects: IUP applications can be found on the SRF website⁴, the DNRs Wastewater Construction Permit website⁵, and are submitted to srf-iup@dnr.iowa.gov.

New applications for **Planning & Design** and **General Nonpoint Source Projects** will be accepted on a quarterly basis the first working day of the months of April, July, October and January.

Planning & Design Projects: Applications are available on the SRF website⁶ and are submitted to IFAs SRF Program Staff at waterquality@iowafinance.com.

General Nonpoint Source Projects: IUP applications can be found on the SRF website⁷, and submitted to srf-iup@dnr.iowa.gov.

Linked Deposit Programs: Applications for these programs are accepted on a continuous basis. Application submission instructions vary for each program and are indicated on each program application. Lender applications can be found on the SRF website⁸.

Project applications eligible for SRF funding under the BIL General Supplemental and BIL PFAS/EC Fund will use the CWSRF IUP application and follow the same quarterly IUP application cycle as the CWSRF Base Program. Additional application information may be required for projects applying for BIL Funds. The SRF Program will provide additional application materials for BIL Funds directly to applicants, as applicable, and application materials will be available on the SRF website⁹.

C. SFY 2024 CWSRF Program Goals

SHORT TERM GOALS

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, to assist in the construction of projects with the highest water quality impacts.

Goal: Update internal tracking systems and software to assist with streamlining and improving processes necessary to co-administer the CWSRF Program.

Goal: Update marketing materials and website to better facilitate communication and outreach with customers and to provide them with streamlined resources for program information and materials.

Goal: Assign/reallocate loan forgiveness funds from previous capitalization grants.

Goal: Revise affordability criteria to expand environmental equality and ensure Iowa's SRF Programs are reaching communities most in need of assistance.

Goal: Incorporate the use of Environmental Finance Center (EFC) resources to assist the Iowa SRF Program and disadvantaged community borrowers.

⁴ Clean Water Loan Program page of <https://www.iowasrf.com/>

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

⁶ Planning & Design Loan Program page of <https://www.iowasrf.com/>

⁷ Nonpoint Source Water Quality Programs page, Programs for Communities of <https://www.iowasrf.com/>

⁸ Nonpoint Source Water Quality Programs, Programs for Landowners page of <https://www.iowasrf.com/>

⁹ Bipartisan Infrastructure Law page of <https://www.iowasrf.com/>

Goal: Continue process improvement of the state’s oversight program for American Iron and Steel (AIS) requirements and align the program with Build American, Buy America (BABA) requirements, as needed.

Goal: Complete the process improvement efforts of enhancing Iowa CWSRF’s Nonpoint Source Programs and begin outreach efforts to educate borrowers on NPS funding opportunities.

Goal: Expand marketing and outreach efforts of SRF Nonpoint source programs.

LONG TERM GOALS

Goal: Endeavor to make the SRF Program the first choice for Iowa communities to finance a water infrastructure project.

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

Goal: Maintain mechanisms for funding the ongoing administration of the program that will assist publicly owned treatment works in achieving compliance with public health objectives of the CWA.

Goal: Maintain the long-term financial integrity of the CWSRF Program by managing its assets to realize a rate of return that will sustain the CWSRF Loan Program in perpetuity.

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

Goal: Implement programs that effectively address water quality needs and target appropriate audiences.

D. SFY 2024 Program Activities to be Supported

Iowa’s CWSRF Program can fund a wide variety of water quality improvement and protection efforts. In 1987 when the program was established, there were three statutory eligibilities. The CWSRF Program eligibilities have since been expanded by the American Recovery and Reinvestment Act (ARRA) of 2009, the Water Resources Reform and Development Act (WRRDA) of 2014, and the America’s Water Infrastructure Act (AWIA) of 2018 to incorporate twelve eligibilities. These eligibilities allow Iowa SRF to fund a variety of project types. Eligible projects exist under all of the following categories: Centralized Wastewater Treatment, Energy Conservation, Water Conservation, Stormwater, Agricultural Best Management Practices, Decentralized Wastewater Treatment, Resource Extraction, Contaminated Sites, Landfills, Habitat Protection and Restoration, Estuary Protection and Restoration, Silviculture, Desalination, Groundwater Protection and Restoration, Surface Water Protection and Restoration, Planning / Assessment, and Source Water Protection.¹⁰

CWSRF BASE PROGRAM

Allotments for the Federal Fiscal Year (FFY) 2023 EPA Capitalization Grants have been determined and the Iowa SRF Program will apply for and/or receive FFY 2023 CWSRF Base Program Funding during the SFY 2024.

FFY	Funding Source	Allocation Amount*
2023	CWSRF Base Cap Grant	\$10,152,000

*This award amount is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP

¹⁰ <https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-factsheets>

POINT SOURCE ASSISTANCE-CWA 603 (C) 1 - SECTION 212

Eligible Borrowers: Any municipal, interstate, or state agency for the construction of publicly owned, centralized wastewater treatment projects.

Eligible Activities: Eligible projects address primary and secondary treatment, advanced treatment, sewer system repair and replacement, combined sewer operations (CSO) correction, resilience to extreme weather events, security and system consolidation/regionalization.¹¹

Special Conditions: Projects selected as equivalency will comply with the federal requirements described in E. Financial Administration of this IUP.

NONPOINT SOURCE (NPS) ASSISTANCE PROGRAMS

Iowa SRF is committed to funding projects that control NPS pollution. An annual budget is established for each program to ensure that funding is dedicated to these initiatives. During SFY 2024, budgets may be modified in future IUP updates, based on need.

General Nonpoint Source Practices-CWA section 603(c)2-Section 319

Eligible Borrowers: Any public, private or nonprofit entity

Eligible Activities: Eligible projects must implement NPS management programs established under Section 319 of the CWA. Initiatives of water quality improvement or of water quality protection efforts must support Iowa's State Nonpoint Source Management Plan¹² or nine-element watershed-based plan.

Nonpoint Source Assistance Programs	Proposed SFY 2024 Budget
General Nonpoint Source Projects	\$10,000,000

Projects funded as a direct loan under this program are listed in Attachment 1 - CWSRF Project Priority List. Projects funded as loan participation are listed in Appendix H - Funding Recommendations. Nonpoint Source Assistance offered as loan participation is reported by project in the annual report.

Projects that involve purchase of land require separate approval by the EPC¹³ and are listed in Appendix H - Funding Recommendations.

Linked Deposit Programs

Iowa authorizing legislation 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. Iowa SRF contracts with the Iowa Department of Agriculture and Land Stewardship to operate the Local Water Protection, Livestock Water Quality Facilities, and Stormwater Best Management Practices programs through local Soil and Water Conservation Districts.

Onsite Wastewater Systems Assistance Program (OSWAP) provides loans to homeowners to replace inadequate septic systems. New systems must be certified by county sanitarians.

Local Water Protection (LWP) Program addresses soil, sediment, and nutrient control practices on agricultural land.

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.

¹¹ https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf

¹² <https://www.iowadnr.gov/environmental-protection/water-quality/watershed-improvement/nonpoint-source-plan>

¹³ Iowa Administrative Code 567 - 93 (455B)

Stormwater Best Management Practices (SWP) offers financing for projects that address storm water quality and are designed to keep pollutants out of waterways.

Nonpoint Source Assistance Programs	Proposed SFY 2024 Budget
Stormwater Best Management Practices	\$1,000,000
Livestock Water Quality Facilities (LWQ) Program	\$5,000,000
Local Water Protection (LWP) Program	\$3,000,000
Onsite Wastewater Systems Assistance Program (OSWAP)	\$1,500,000

The Nonpoint Source Assistance Programs are operated as linked deposits. Therefore, individual loan applicants are not identified in this IUP but loans reported by program use in the annual report.

Sponsored Project Program

The CWSRF Water Resource Restoration Sponsored Project Program 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 Section 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.

The Sponsored Project Program is not accepting new applications as NPS Program planning and process improvements continue in SFY 2024.

Program resources are available for current projects on the Water Resource Restoration Sponsored Projects webpage.¹⁴

Loan Amendments. 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.

Scope Change. 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.

Maintenance. 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.

Nonpoint Source Assistance Programs	Proposed SFY 2024 Budget
Sponsored Project Program	TBD

CWSRF BIPARTISAN INFRASTRUCTURE LAW (BIL) PROGRAMS

The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), provides CWSRF programs with two additional capitalization grants annually through FFY 2026. Allotments for the FFY 2023 EPA capitalization grants have been determined and the Iowa SRF Program will apply for and/or receive FFY 2022 and 2023 BIL Funding during the SFY 2024.

Due to BIL funding requirements, projects financed with BIL PFAS/EC and General Supplemental funding must enter into a loan assistance agreement within one year of becoming eligible for the funds. CWSRF staff may bypass projects that

¹⁴ Nonpoint Source Water Quality Programs, Programs for Communities at www.iowasrf.com

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, as funding is available, or may be financed through CWSRF Base Funds.

CWSRF BIL GENERAL SUPPLEMENTAL (GS) FUNDS

Eligible borrowers and eligible activities for BIL GS Funds are the same as the CWSRF Base Program.

Special Conditions. Projects selected as equivalency will comply with the federal requirements described in E. Financial Administration of this IUP and BIL Signage requirements described in Appendix G - Federal Assurances, Certifications and Proposals.

Projects receiving additional subsidization from this fund will also comply with BIL Signage requirements described in Appendix G - Federal Assurances, Certifications and Proposals.

FFY	Funding Source	Allocation Amount*
2023	CWSRF BIL General Supplemental Grant	\$28,210,000

*This award amount is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP

BIL PFAS/EMERGING CONTAMINANTS (EC) FUND

Eligibility. Eligible borrowers and eligible activities are the same as the CWSRF Base Program. For a project or activity to be eligible under this funding source, it must be otherwise eligible under section 603(c) of the CWA and the primary purpose must be to address emerging contaminants.

As defined by EPA, emerging contaminants refer to substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment.¹⁵ The main categories of emerging contaminants include but are not limited to:

- Perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other persistent organic pollutants (POPs)
- Biological contaminants and microorganisms
- Some compounds of pharmaceuticals and personal care products (PPCPs)
- Nanomaterial

Special Conditions: Projects being funded with BIL PFAS/EC are all considered equivalency projects and will comply with the federal requirements described in Equivalency of this IUP and BIL Signage requirements described in Appendix G - Federal Assurances, Certifications and Proposals.

FFY	Funding Source	Allocation Amount*
2022	CWSRF BIL PFAS/Emerging Contaminants	\$1,265,000
2023	CWSRF BIL PFAS/Emerging Contaminants	\$2,878,000

*This award amount is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP

The Iowa CWSRF Program reserves the right to request transfer of the unobligated portions of this Cap Grant to the Drinking Water State Revolving Fund (DWSRF) BIL PFAS/EC Fund.

E. FINANCIAL ADMINISTRATION

RATES, FEES AND LOAN TERMS & CONDITIONS

(See Appendix D - Interest Rates, Fees, and Loan Terms)

¹⁵ https://www.epa.gov/system/files/documents/2022-03/combined_srf-implementation-memo_final_03.2022.pdf

PROJECT READINESS FOR LOAN APPLICATION

SRF Construction Loan Applications will not be accepted until applicants have met certain program requirements:

1. Construction Permit(s) issued by DNR Project Manager for all project phases to be funded by the SRF loan
2. Environmental Clearance issued by SRF Environmental Review Staff
3. Project Bid and Bid Documents (including signed SRF Front-End Documents) submitted to DNR
4. Opinion of legal counsel certifying compliance with Iowa public bidding laws
5. SRF Eligibility Letter issued by SRF Project Compliance Specialist
6. *Pro Forma Financial Analysis completed by a registered municipal advisor identifying all outstanding parity obligations and demonstrating system revenues can meet loan requirements*

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

AFFORDABILITY CRITERIA

(See Appendix A - Affordability Criteria)

The Clean Water Act requires Iowa to consider income, unemployment data, population trends, and other data determined to be relevant in establishing affordability criteria used to award certain additional subsidy under the SRF program. In SFY 2023, a Socioeconomic Assessment (SA) Tool was developed to include a more comprehensive range of metrics by which communities are evaluated for disadvantaged community (DAC) status.

In SFY 2024, the metrics behind the SA Tool have been refined to improve desired outcomes and comply with existing federal statute while still including social, economic and demographic information that may indicate a lack of access to affordable clean water and safe drinking water. The SA Tool and the metrics are discussed in Appendix A - Affordability Criteria, and they define the affordability criteria that will be used to evaluate the DAC status of a borrower for the purpose of SRF loan forgiveness (LF) eligibility.

ADDITIONAL SUBSIDIZATION

(See Appendix B - Additional Subsidization)

Iowa applies additional subsidization in the form of LF. Appendix B - Additional Subsidization, identifies the available funding and the criteria used to determine projects and borrowers eligible to receive additional subsidization. Criteria for additional subsidization is established for each Cap Grant.

EQUIVALENCY

An *Equivalency Project* is a treatment works project (as defined in Section 212 of the Clean Water Act) that is constructed, in whole or in part, with funds equaling the amount of a federal capitalization grant awarded to a state. The Iowa CWSRF Program must designate a project or group of projects equal to each capitalization grant amount received. This project or projects will have to comply with all federal funding requirements.

Compliance with the following requirements apply to equivalency projects:

- Disadvantaged Business Enterprise¹⁶
- Single Audit Act
- Federal Funding Accountability and Transparency Act (FFATA) reporting
- Procurement of A/E services in accordance with the federal Brooks Act (Section 602(b)(14))¹⁷
- EPA signage requirements
- Buy America Build America Act (FFY 2022 and all future capitalization grants)¹⁸
- Federal environmental and socioeconomic crosscutters¹⁹

¹⁶ <https://www.epa.gov/grants/disadvantaged-business-enterprise-program-under-epa-assistance-agreements-dbe-program>

¹⁷ <https://www.epa.gov/sites/default/files/2021-03/documents/best-practice-guide-for-procuring-services-supplies-equipment.pdf>

¹⁸ <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

¹⁹ <https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements>

See Appendix G - Federal Assurances, Certifications and Proposals for program compliance requirements.

Project Selection for Equivalency. The Iowa SRF Program intends to select projects for equivalency that will impose the least amount of administrative or financial burden on a borrower. Iowa SRF has identified a primary borrower, the *Des Moines Wastewater Reclamation Authority (WRA)*, to serve as the subawardee because they regularly borrow funds equivalent to the amount of the federal capitalization grant and they are already meeting the several requirements of FFATA and equivalency reporting. Because it is unknown which projects listed on the PPL will execute loan agreements, alternative borrowers will be identified. The final equivalency loans selected will be listed in the annual report.

CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The cash draw procedure used is the direct loan method. The Iowa CWSRF Program uses its Equity Fund to originate loans. When enough 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, in a manner consistent with state and federal laws. State match bonds are issued along with leveraged bond issues for greater cost effectiveness. State match proceeds are fully disbursed prior to drawing Cap Grant funds. The Cap Grant funds will be drawn at a 100% proportionality ratio. Iowa expects to fully disburse the loan portion of the FFY 2023 CWSRF Base Capitalization Grant, FFY 2023 BIL General Supplemental Fund and FFY 2022 BIL PFAS/EC during the program year.

Allocation of Funds Among Projects. All projects listed in the CWSRF Project Priority List (see Attachment 1) may be funded from the CWSRF subject to available funds and eligibility. All projects scheduled for funding with Iowa's CWSRF will be reviewed for consistency with appropriate plans developed under section 205(j), 208, 303(d), and 603(c) of the Clean Water Act, as amended. Evidence of this review and finding of consistency will be documented in each CWSRF project file.

The following approach was used to develop Iowa's proposed distribution of CWSRF 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 CWSRF assistance; and
5. Development of a disbursement schedule to pay the project costs as incurred.

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.

All projects listed in the CWSRF PPL may be funded from the CWSRF subject to available funds and eligibility. Information pertinent to each CWSRF project is contained in the attached PPL (Attachment 1).

Priority of Communities and Financial Assistance Needed. The state's priority rating system used to establish priorities for loan assistance are described in Appendix C - Project Ranking Criteria.

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). Iowa will identify projects meeting eligibility criteria during SFY 2024 and will report assignments of these funds in the annual report.

FUNDING SOURCES AND USES

(See Appendix E - Estimated Sources and Uses)

During SFY 2024, the Iowa SRF Program will apply for and/or receive the following capitalization grants and amounts:

FFY	Funding Source	Allocation Amount*
2022	CWSRF BIL PFAS/Emerging Contaminants	\$1,265,000
2023	CWSRF BIL PFAS/Emerging Contaminants	\$2,878,000
2023	CWSRF Base Cap Grant	\$10,152,000
2023	CWSRF BIL General Supplemental Grant	\$28,210,000
2023	CWSRF BIL PFAS/Emerging Contaminants	\$2,878,000

Appendix E - Estimated Sources and Uses illustrates potential sources and uses of funds in the CWSRF for SFY 2024. 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 E - Estimated Sources and Uses will be updated, as needed, to provide an ongoing view of the financial plan for meeting loan requests.

Other uses for CWSRF program funds in SFY 2024 include \$20.5 million reserved for the Nonpoint Source Assistance Programs.

Current and Projected Financial Capacity of the CWSRF. 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 SRF continues receiving Cap Grants and providing at least 20% of the Cap Grant as LF, it is projected that the CWSRF could loan an average of approximately \$200 million per year over the next 10 years, or a total of \$2.0 billion. These figures would increase with an increase in interest rates.

STATE MATCH

(See Appendix F - State Match)

The Iowa SRF Program issues bonds for state match.

BONDS

Iowa's SRF program issues bonds as needed. These bond issues typically include the anticipated state match for the next federal Cap Grants.

SWIFIA

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. A preliminary list of CWSRF and DWSRF 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.

TRANSFERS BETWEEN FUNDS

The Iowa CWSRF reserves the right to transfer 33% of the amount of the Drinking Water capitalization grants from the Water Pollution Control Revolving Fund to the Public Water Supply Loan Fund in the future. The transferred funds will not be federal funds and will come from either bond proceeds, investment earnings, or recycled funds. This would help the DWSRF Program to meet loan demands in the future and should not impact the ability for the CWSRF to fund demand for projects.

PLAN FOR EFFICIENT AND TIMELY USE OF CWSRF FUNDS

The Iowa CWSRF has a robust and sustained demand for loans and it uses federal cap grant funds as expeditiously as possible. After SRF bonds are issued, state match funds are used first, prior to drawing Cap Grant funds. The Cap Grant funds will be drawn at a 100% proportionality ratio. Loan disbursements requests are processed on a weekly basis. In SFY 2023, the program has disbursed an average of approximately \$21.3 million per month (10 months, through April 2023). With a return of \$4.87 for every dollar of federal investment (compared to the national average of \$3.01), Iowa's CWSRF is an efficient and effective delivery mechanism for water infrastructure funding.

OTHER PROGRAM USES

PLAN FOR USE OF ADMINISTRATIVE ACCOUNTS

There are three distinct funding sources for CWSRF administrative expenses:

CWSRF Cap Grant Administrative Set-Aside. A total of 4% of the cumulative amount of federal Cap Grants received may be used for program administration.

Loan initiation fees. A 0.5% loan origination fee will be charged on new CWSRF construction 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. Program Income can only be used for the purposes of administering the CWSRF program or for making new loans. Iowa uses the initiation fee receipts for administration of the CWSRF Program.

Loan initiation fees will not be assessed on loans to DAC receiving SRF LF.

Loan servicing fees. An annual servicing fee of 0.25% is charged on the outstanding principal of CWSRF construction loans. The fees are deposited outside of the fund. 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.

Planned Expenses. CWSRF administration expenses 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.

The CWSRF Program intends to use a portion of Non-Program Income funds during SFY 2024 to support DNR staffing to the Field Services Bureau for wastewater compliance activities including inspections, investigations and technical assistance and to support Iowa DNR staffing in the Water Quality Bureau for construction permitting, NPDES permitting, AIS/BABA Site Inspections, and other programmatic staffing needs.

PROGRAM & NON-PROGRAM INCOME USES

Program Income. Program Income collected in SFY 2024 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 2024 for administering the CWSRF Program.

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.

SENIOR ENVIRONMENTAL EMPLOYEE (SEE) SALARY FUNDS DEDUCTED FROM CAPITALIZATION GRANT

The CWSRF Program will not withhold any funding from FFY 2023 CWSRF Base 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 DNR to maintain the CWSRF program and keep up with the increasing CWSRF project technical and administrative workload. 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."

F. 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 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 reserved the right to use 2% of the FFY 2023 Cap Grant. Activities completed with these funds will be described in the annual report.

Appendix A - Affordability Criteria

The affordability criteria established in this IUP after public review and comment will be the criteria used to determine disadvantaged community (DAC) status.²⁰

For SFY 2024, applicants with a Socioeconomic Assessment (SA) score of at least 11 points meet the affordability criteria of the CWSRF Program and are identified as a “Disadvantaged Community” for the Program purposes.

REVISED AFFORDABILITY CRITERIA USED TO DETERMINE DAC STATUS

The CWSRF Program historically focused on income, unemployment data, population trends, and other data to identify borrowers that would experience a significant hardship raising the revenue necessary to finance a wastewater project. In SFY 2023, the Iowa SRF Program began using a **SA Tool** with a broad range of metrics to evaluate a community or service area’s underlying socioeconomic and demographic conditions in an effort to develop a more comprehensive definition of what it means to be a DAC. The SA Tool provides a comprehensive analysis of factors influencing whether a community is disadvantaged and can determine the affordability of wastewater infrastructure projects.

The Iowa CWSRF Program will use the results of the SA Tool, or “Socioeconomic Assessment Score,” to determine the disadvantaged status of a borrower and/or **eligibility to receive SRF loan forgiveness** (also referred to as additional subsidization) or other incentives offered by the CWSRF Program specifically for DAC.

The amount of additional subsidization available to a DAC will be established annually in the IUP.

SA TOOL

In SFY 2023, the metrics (affordability criteria) used in the SA Tool were established using EPA guidance and revised with public input. The SA Tool was revised for SFY 2024 and is part of the annual IUP public review and comment process. It will go into effect upon approval of this IUP by the EPC.

There are two versions of the SA Tool:

- **Service Area-Based** - Metrics results are for an entire community or primary county
 - Applicable to: Municipalities which serve populations within incorporated boundaries
- **Census Tract-Based** - Metrics results are for Census tracts or primary county
 - Applicable to: Homeowner’s Associations (HOA), Sanitary Districts, Rural Water Associations and SRF borrowers for BIL Lead Service Line projects. This tool will be used when the primary purpose of a consolidation/regionalization project is to expand a system’s service area.

Both versions of the SA Tool are available to the public through the [SRF website](#).

The SA Tool assesses 10 datapoints from publicly available sources produced by the Census Bureau of the U.S. Department of Commerce and Iowa Workforce Development. The SA Tool **is updated annually** with the release of new data from these sources. In SFY 2024, the SA Tool will use 2017-2021 data from the American Community Survey and up-to-date employment data from Iowa Workforce Development. Figure 1 below provides a list of the metrics used in the SA Tool.

To use the SA Tool, a borrower will select each community that makes up the utility’s service area, along with the corresponding percent of population served. For each of the metrics evaluated, applicants will be given a score indicating the relative disadvantage to the other communities in the state (see Figure 1 and Figure 2)²¹. A weighted average for each metrics will be calculated and assigned points. Scores for each metric are totaled to produce an overall assessment of the applicant’s underlying social, economic, and demographic profile.

²⁰ IAC 265 Chapter 26.7 - Disadvantaged Community Status

²¹ The only exception is Population Trend. No points for positive or 0% growth, 1 point for negative growth up to -2%, 2 points for more than -2% population growth.

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

		Points		
		0	1	2
1	Median Household Income	Top 1/3 (Highest MHI)	Middle 1/3	Bottom 1/3 (Lowest MHI)
2	Percent Below Poverty	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
3	Percent Receiving Public Assistance or Supplemental Nutrition Assistance Program (SNAP)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
4	Percent Receiving Supplemental Security Income (SSI)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
5	Unemployment Rate (County 12-mo avg.)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
6	Percent Not in Labor Force	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
7	Population Trend Between 2010 and 2020 Census	Positive population growth	Decline up to -2%	Decline of more than -2%
8	Percent with High School Diploma or less	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
9	Percent of Vacant Homes (excluding 2nd/Vacation dwellings)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
10	Percent of Cost Burdened Housing (>= 30% of income spent on owner-occupied and renter-occupied housing)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)

Figure 1

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

Figure 2

USING THE SA SCORE TO DETERMINE DAC STATUS

The following information applies to CWSRF Base and BIL Capitalization Grant Funds (General Supplemental, PFAS/EC and LSL):

- DAC status for the purposes of the CWSRF Program will be determined by completing the SA worksheet to produce a SA score.
- With 10 total metrics, equally weighted, the maximum number of points will be 20. Communities or service areas with a cumulative score of 11 and up (e.g., falling in the top 1/2 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 1/2 of total cumulative points (e.g., 10 total points or less), will not be considered disadvantaged for SRF Program purposes.

Applicants with a total SA score of at least 11 points meet the CWSRF Program’s definition of DAC

	Point Range	Disadvantaged Community
Low	0-10	No
Moderate	11-15	Yes
High	16-20	Yes

Appendix B - Additional Subsidization

Iowa applies additional subsidization in the form of loan forgiveness (LF). The final amount of LF offered will be based on the eligible construction costs related to the final amount drawn on the loan. LF is applied as principal forgiveness on the date of the final loan disbursement.

Borrowers being offered additional subsidization will be asked to accept the award by signing an offer letter of LF terms and conditions.

Time limits will be established for signing loan commitments in order to apply LF awards.

Maximum time limits may also be established for commencing construction of an eligible project. If construction has not been initiated or a loan commitment has not been signed by the date indicated in the LF terms and conditions award letter, the LF offer may be withdrawn or reassigned to meet grant timeline requirements.

Beginning in SFY 2024, projects that have previously received a Sponsored Project award are not eligible to receive LF for the same qualifying project.

Taxable portions of SRF projects are not eligible for LF.

Applicants who received a DAC determination from DNR prior to September 20, 2022 and are eligible for extended term financing (up to 30 years) at the 20-year interest rate, are not eligible for LF.

Borrowers receiving congressionally directed spending or additional subsidization awards from a previous cap grant will not be eligible to receive subsequent awards from the Iowa SRF program for the same project.

Unless otherwise allowed by the SRF Program, borrowers will only receive one LF award per project (LF awards may consist of more than one funding source).

LOAN FORGIVENESS CRITERIA

The CWSRF Program will comply with additional subsidization requirements of each Cap Grant and will identify recipients of available funds during the fiscal year. Criteria for LF eligibility is established with each Cap Grant (see below). Individual projects may be capped to allow more eligible borrowers to receive subsidization.

FFY 2022 CWSRF BASE CAPITALIZATION GRANT AND BIL GENERAL SUPPLEMENTAL FUND

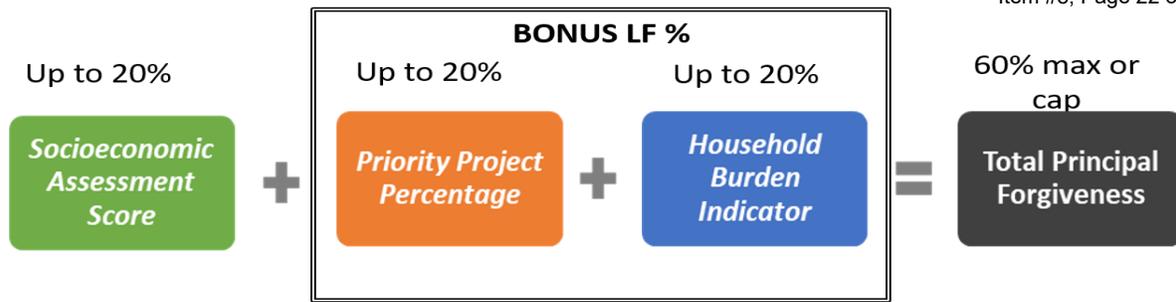
At the conclusion of SFY 2023, there was an estimated unobligated balance of LF of about \$44,000 using these criteria.

FFY 2022	LF Required	LF Obligated	LF Available to Award
CWSRF Base Cap Grant	\$3,132,000	\$3,088,280	\$43,720
CWSRF BIL General Supplemental Fund	\$11,803,120	\$11,803,120	\$0

At the conclusion of each fiscal year, unused portions of LF awards may be combined and reallocated to the next eligible borrower.

FFY 2023 CWSRF BASE CAPITALIZATION GRANT AND BIL GENERAL SUPPLEMENTAL FUND

LF of up to 20% may be offered for eligible construction costs to projects that meet the Iowa SRF's DAC affordability criteria. An additional 20% may be offered to priority projects and/or 20% offered to projects that demonstrate a household user-rate burden, for a **total of 60% LF** of construction costs.



1. Up to 20% LF awarded for Disadvantaged Status (SA score of 11 or higher);

	Point Range	Principal Forgiveness
Low	0-10	0%
Moderate	11-15	15%
High	16-20	20%

2. Up to 20% LF awarded for constructing a priority project; and/or

Priority Projects for FFY 2023 CWSRF Base and BIL General Supplemental Funds	% Loan Forgiveness
Project that Achieve Compliance (Projects that result in meeting increased effluent limits such as advanced treatments for Ammonia, E. Coli, nutrients and other limits; and Combined Sewer Operation (CSO) correction)	20%
Projects that Maintain Compliance (Sewer Collection System Rehab, I&I and Aging Infrastructure)	15%
Project that involve Consolidation/Regionalization (includes unsewered communities)	10%

3. Up to 20% LF awarded based in the Household Financial Burden Indicator (see Determining Household Financial Burden Indicator).

Burden	Principal Forgiveness
Low	0%
Moderate-Low	5%
Moderate	10%
Moderate-High	15%
High	20%

LF eligibility will be evaluated at the time of SRF loan application (see Project Readiness for Loan Application) and will be based on the current SA Tool in effect at the time the loan application is approved by the IFA.

Awards will be assigned on a first ready, first served basis to projects that have executed an SRF loan commitment until all funding is obligated. Projects will be funded from the top socioeconomic score down and in priority project ranking order with consideration given to readiness to proceed. In the event of a tie, the project with the highest priority points (based on Appendix C - Project Ranking Criteria) will receive LF.

Funding for individual projects is **capped at \$2 million per project** and LF will be applied only to eligible construction costs. The CWSRF Program reserves the right to withdraw or modify the individual project cap.

FFY 2023	LF Required	LF Obligated	LF Available to Award
CWSRF Base Cap Grant	\$2,030,400	\$0	\$2,030,400*
CWSRF BIL General Supplemental Fund	\$13,822,900	\$0	\$13,822,900*

*This award amount is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP.

At the conclusion of each fiscal year, unused portions of LF awards may be combined and reallocated to the next eligible borrower.

FFY 2022 BIL PFAS/EMERGING CONTAMINANTS FUND

LF of up to 100% may be issued to any applicant addressing PFAS or an emerging contaminant (EC) meeting the criteria described in SFY 2024 Program Activities to be Supported.

LF will be awarded on a first ready, first served basis while funds are available.

FFY 2022	LF Required	LF Obligated	LF Available to Award
CWSRF PFAS/EC	\$1,265,000*	\$1,265,000**	\$0

As of the publication of this DRAFT IUP:

*This award amount is anticipated to be received by SFY 2024 but has not been received

**Obligation pending acceptance of LF terms and conditions

FFY 2023 BIL PFAS/EMERGING CONTAMINANTS FUND

LF of up to 100% may be issued to any applicant addressing PFAS or an emerging contaminant (EC) meeting the criteria described in SFY 2024 Program Activities to be Supported.

LF will be awarded on a first ready, first served basis while funds are available.

FFY 2023	LF Required	LF Obligated	LF Available to Award
CWSRF PFAS/EC	\$2,878,000*	\$1,800,000**	\$1,078,000

As of the publication of this DRAFT IUP:

*This award amount is anticipated to be received by SFY 2024 but has not been received

**Obligation pending acceptance of LF terms and conditions

DETERMINING HOUSEHOLD FINANCIAL BURDEN INDICATOR

The Household Financial Burden Indicator is an assessment of a household's ability to afford the proposed project. The Assessment is made up of two components²²:

- **New Residential Monthly Water or Sewer Bill at 4,000 gallons/mo.:** The projected residential water or sewer bill (including the proposed project and any known LF from the other two categories) for a residential user, normalized to 4,000 gallons of usage.
- **Poverty Prevalence Indicator:** The percentage of community households at or below 200% of the Federal Poverty Level

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

The resulting Household Financial Burden Indicator matrix corresponds to the resulting category of unaffordability as shown below:

²² 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*		
		Low <= 32.0%	Mid 32.0 - 41.0%	High > 41.0%
New Monthly Sewer Bill at 4,000 gal/month	High > \$44	Moderate-High	Moderate-High	High
	Mid \$30 - \$44	Moderate-Low	Moderate	Moderate-High
	Low <= \$30	Low	Moderate-Low	Moderate-High

* Poverty Prevalence is measured by the percentage of people in the community living at or below 200% of the federal poverty level.

The amount of LF attributed to the Household Financial Burden may be different from grant to grant and will be indicated in the LF criteria for each Cap Grant.

Appendix C - Project Ranking Criteria

Projects are added to the PPL to be funded based on the rules for the CWSRF Program in 567 IAC Chapter 91. Projects will be funded as they become ready to proceed to construction.

The criteria for scoring and ranking CWSRF projects use an integrated approach which allows comparison of Section 212 POTW (publicly owned wastewater treatment works) projects as well as Nonpoint Source (NPS) pollution control projects 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 the demand for CWSRF loans exceeds supply of funds. In the event that available funds are limited, funding shall be offered to the projects with highest rank on the PPL, subject to the project's readiness to proceed, and shall proceed from the highest project downward, subject to availability of funds.

PROJECT PRIORITY LIST RANKING CRITERIA

Planning and Design projects are not ranked. Construction projects are ranked based on the DNR's scoring system, described in 567 IAC Chapter 91. 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 ranking will be done at the time the IUP is prepared and will not be updated during the year.

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 follow.

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.

PROJECT PRIORITY LIST SCORING CRITERIA

Eligible CWSRF projects (treatment works and nonpoint source projects) will be scored in accordance with the scoring system described in 567 IAC Chapter 91.

The CWSRF project scoring system assigns points to projects in each of the following scoring criteria:

- A. Use and classification of receiving waters
- B. Water quality of the receiving waters
- C. Protection of groundwater resources
- D. Project type
- E. Project Purpose

All projects will be listed in descending order on the published PPL according to the number of total priority points assigned each project. The tie breaker category (described in 567 IAC Chapter 91) will be used when necessary.

Appendix D - Interest Rates, Fees, and Loan Terms

TYPES AND TERMS OF FINANCING

PLANNING AND DESIGN LOANS

Planning and Design (P&D) Loans provide affordable financial assistance for costs incurred in the planning and design phase of SRF-eligible proposed wastewater, stormwater, or drinking water project. Eligible costs include, but are not limited to, engineering fees, archaeological surveys, environmental studies, fees related to project plan preparation and submission, and other costs related to project plan preparation.

P&D Loans have no interest or payments due for up to three years while the project is designed, no minimum or maximum loan amounts, and no initiation or servicing fees. However, borrowers will still need to engage their Bond Counsel to authorize and issue the debt. P&D Loans will be rolled into an SRF Construction Loan or may be repaid when other permanent financing is committed.

SRF CONSTRUCTION LOANS

SRF Construction Loans provide eligible entities with low-cost financing for a variety of wastewater and drinking water infrastructure projects. SRF Construction Loans are offered for up to 30 years, with below-market interest rates, low fees, and favorable terms.

Standard Term Construction Loans are offered for up to 20 years. Qualifying projects may request extended term financing for up to 30 years (not to exceed the average useful life of the project).

INTEREST RATES (EFFECTIVE THROUGH SEPTEMBER 30, 2023)

Below are the interest rates for loans that close between July 1 and September 30, 2023. In addition, a servicing fee of 0.25% will be assessed on the outstanding loan balance, paid semiannually with scheduled interest payments.

Loan Type	Applicant Type	Interest Rate	Servicing Fee	Total
Planning and Design Loan (<= 3 years)	All	0.00%	0.00%	0.00%
Standard Term Construction Loans (<= 20 years)				
Tax-Exempt	All	1.75%	0.25%	2.00%
Taxable	All	3.53%	0.25%	3.78%
Extended Term (21-30 years ²³)				
Tax-Exempt	All	2.75%	0.25%	3.00%
Taxable	All	4.53%	0.25%	4.78%

FEES

LOAN INITIATION FEES

A 0.50% loan origination fee will be charged on new SRF Construction Loans, not to exceed \$100,000. Since Iowa's loan initiation fees are capitalized, the fee income is considered program income and may only be used for the purposes of administering the SRF Program or for making new loans.

Initiation fees will not be assessed on either P&D Loans or Construction Loans to borrowers that have received a LF award (due to a SA score that meets the Program's affordability criteria as a DAC).

LOAN SERVICING FEES

An annual loan servicing fee equal to 0.25% of the outstanding loan balance is charged on SRF Construction Loans. Payment of the loan servicing fee is made semiannually 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

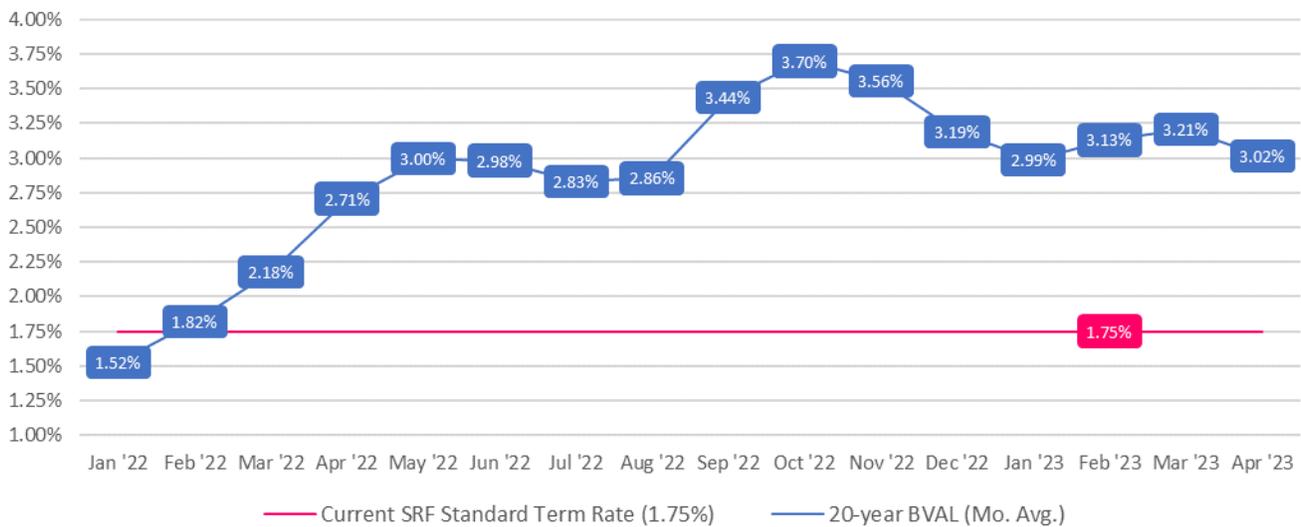
²³ Maximum loan term will be based on the project's useful life.

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 Other Program Uses in this IUP.

METHODOLOGY FOR DETERMINING PROGRAM INTEREST RATES

Clean Water and Drinking Water SRF Programs are charged with providing communities with a low-cost, long-term, perpetual funding source to construct the infrastructure and implement practices that will deliver safe drinking water to citizens and treat water pollution for a healthy environment.

To carry out this mandate, SRF Programs must remain responsive to evolving financial markets. Interest rates in both the Treasury and municipal markets have been trending higher over the past 18 months and the Program is facing substantially higher cost of funds. The graph below compares the monthly average 20-year AAA General Obligation market yield to Iowa SRF’s Standard Term Construction Loan interest rate. Since the beginning of Calendar Year 2022, the average AAA 20-year yield has nearly doubled.



IMPORTANT CHANGE TO LOAN INTEREST RATE METHODOLOGY

In response to recent market trends, and to ensure the Program can meet the future water infrastructure financing needs of future borrowers, Iowa SRF will implement a change to how interest rates for SRF Construction Loans are calculated in the second quarter of FY 2024.

Beginning October 1, 2023, Iowa’s SRF Loan Programs will utilize Base Interest Rates for Tax-Exempt and Taxable Standard Term SRF Loans (up to a 20-year term) that will be re-calculated and published on the first business day each January, April, July, and October (the “Effective Date”).

The Base Interest Rates will be calculated by taking 75 percent of the average Bloomberg BVAL General Obligation Municipal AAA 20-year yield (“BVAL”) for the most calendar month immediately preceding the Effective Date. For example, the Base Interest Rate effective October 1 will be calculated using the average 20-year BVAL yield for the month of September.

Interest rates for the taxable portions of SRF projects will be calculated by taking 75 percent of the average Bloomberg BVAL Taxable General Obligation Municipal AAA 20-year yield for the calendar month immediately preceding the Effective Date.

Upon submission of a complete Construction Loan Application, applicants will receive a financing offer from IFA including an interest rate lock for up to 90 days and a final LF offer, if applicable. Should the Program’s interest rates fall prior to signing a loan agreement, the applicant will automatically receive the more favorable rate at loan closing, given they are still within the 90-day rate lock period.

About BVAL

BVAL use real-time trades and contributed sources to signal movement in the municipal market as it is happening. Iowa SRF has chosen BVAL's AAA Municipal Curves as the benchmark indices because they are widely used, objective, transparent, and publicly available through the [Municipal Securities Rulemaking Board²⁴](#) to anyone who wishes to track the market independently.

²⁴ <https://emma.msrb.org/ToolsAndResources/BloombergYieldCurve?daily=True>

Appendix E - Estimated Sources and Uses²⁵

Clean Water SRF - State Fiscal Year 2024

SOURCES OF FUNDS

FFY 2022 Federal Capitalization Grants	
BIL Emerging Contaminants	\$1,265,000
FFY 2023 Federal Capitalization Grants	\$10,152,000
Base Program	\$28,210,000
BIL Supplemental	\$2,878,000
BIL Emerging Contaminants	\$113,000,000
Estimated Loan Repayments (P&I)	\$5,718,000
Estimated Fee Income	\$170,755,000
Funds Available in Equity and Program Accounts	\$2,166,000
Estimated Investment Earnings on Funds	
Estimated Bond Proceeds:	\$210,000,000
Leveraged/Reimbursement	\$1,500,000
State Match	\$545,644,000

TOTAL SOURCES

ANTICIPATED USES OF FUNDS

	\$5,108,000
Administration	
Project Funding	\$227,927,000
Disbursements to Existing Loan Commitments ²⁶	
Disbursements to Future Loan Commitments:	\$6,354,000
Planning & Design Requests from IUP ²⁷	\$123,719,000
Additional CWSRF Project Requests ²⁸	
Debt Service:	\$52,090,000
Principal Payments on Outstanding Revenue Bonds	\$60,056,000
Interest Payments on Outstanding Revenue Bonds	\$69,125,000
Retained Equity	\$545,644,000

TOTAL USES

\$0

NET SOURCES (USES)

²⁵ All amounts are as of May 2, 2023, and are rounded to the nearest \$1,000.

²⁶ Undisbursed CWSRF loan commitments: \$303,902,406 at 75% disbursement rate.

²⁷ Planning & Design requests per CW IUP: \$12,707,054 at 50% disbursement rate.

²⁸ Additional projects from IUP up to total budgeted disbursements for SFY 2024, plus 25% of total budgeted new loan commitments for SFY 2024.

Appendix F - State Match

Clean Water SRF FFY 2021

<u>Sources of State Match</u>	
Surplus State Match from Prior Year(s)	\$197,400
State Match Bonds Issued in Feb 2020	\$10,000,000
Total CW State Match Available	\$10,197,400
<u>Application of State Match</u>	
FFY21 Base Cap Grant	\$21,505,000
State Match Required (%)	x 20%
State Match Required (\$)	\$4,301,000
Total CW State Match Required	\$4,301,000
State Match Surplus (Deficit)	\$5,896,400
FFY 2022	
<u>Sources of State Match</u>	
Surplus State Match from Prior Year(s)	\$5,896,400
State Match Bonds Issued in May 2022	\$3,000,000
Total CW State Match Available	\$8,896,400
<u>Application of State Match</u>	
FFY22 Base Cap Grant	\$15,660,000
State Match Required (%)	x 20%
State Match Required (\$)	\$3,132,000
FFY22 Supplemental Cap Grant	\$24,088,000
State Match Required (%)	x 10%
State Match Required (\$)	\$2,408,800
Total CW State Match Required	\$5,540,800
State Match Surplus (Deficit)	\$3,355,600
FFY 2023	
<u>Sources of State Match</u>	
Surplus State Match from Prior Year(s)	\$3,355,600
State Match Bonds Issued in June 2023 ²⁹	\$1,500,000
Total CW State Match Available	\$4,855,600
<u>Application of State Match</u>	
FFY23 Base Cap Grant	\$10,152,000
State Match Required (%)	x 20%
State Match Required (\$)	\$2,030,400
FFY23 Supplemental Cap Grant	\$28,210,000
State Match Required (%)	x 10%
State Match Required (\$)	\$2,821,000
Total CW State Match Required	\$4,851,400
State Match Surplus (Deficit)	\$4,200

²⁹ Anticipated

Appendix G - Federal Assurances, Certifications and Proposals

Iowa will provide the necessary assurances and certifications according to the Operating Agreement between the State of Iowa and the EPA, the grant terms and conditions, and the proposals listed within this Appendix.

SPECIFIC PROPOSALS AND CERTIFICATIONS

PROGRAM BENEFITS REPORTING

The Iowa CWSRF Program plans to enter data into the EPA reporting database for the Office of Water State Revolving Funds (OWSRF) not less than quarterly and enter data into the National Information Management System (NIMS) annually.

SIGNAGE

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.

Projects receiving additional subsidization, or are funded as equivalency projects from Infrastructure Investment and Jobs Act (IIJA) or Bipartisan Infrastructure Law (BIL) funds will follow the OMB³⁰ and EPA Signage Guidance³¹ for those funds, as summarized below:

The BIL signage term and condition requires a physical sign displaying the official Building a Better America emblem and EPA logo be placed at construction sites for BIL-funded projects. The sign must be placed in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. This requirement applies only to the following projects:

- Construction projects identified as “equivalency projects” for BIL general supplemental capitalization grants;
- Construction projects that receive additional subsidization (grants or forgivable loans) made available by BIL general supplemental capitalization grants

COST EFFECTIVENESS ANALYSIS

To comply with EPA guidance on cost and effectiveness requirements under Section 602(b)(13) of the Clean Water Act, Iowa will require applicants to submit a self-certification form indicating compliance with this requirement.

GREEN PROJECT RESERVE

Congressional Appropriations require 10% of CWSRF Cap Grant amounts be used to fund projects that qualify under the EPA’s Green Project Reserve (GPR), if such applications are submitted. GPR projects address green infrastructure, water and energy efficiency, and/or other environmentally innovative activities. Iowa’s Nonpoint Source Programs, including the Sponsored Project Program, finance several projects annually which meet this criterion. During SFY 2024, the SRF Program will identify recipients that comply with green project reserve requirements for the FFY 2022 and FFY 2023 Cap Grant allocations. The specific projects identified as GPR will be listed in the annual report.

	Iowa Allocation	GPR Required (10%)
FFY 2022 Capitalization Grant	\$15,660,000	\$1,566,000
FFY 2022 BIL General Supp Grant	\$24,088,000	\$2,408,800
FFY 2022 BIL PFAS/EC	\$1,265,000	\$126,500
FFY 2023 Capitalization Grant	\$10,152,000	\$1,015,200
FFY 2023 BIL General Supp Grant	\$28,210,000	\$2,821,000
FFY 2023 BIL PFAS/EC	\$2,878,000	\$287,800

³⁰ Guidelines and design specifications for using the official Building A Better America emblem and corresponding logomark available at <https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-BrandGuide.pdf>

³¹ Compliance guidelines for sign specifications provided by the EPA Office of Public Affairs (OPA) are available at <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-producedepa-assistance-agreement-recipients>

ADDITIONAL SUBSIDIZATION

CWSRF Base Program funding, provided through the Consolidated Appropriations Act, includes two different additional subsidization authorities (Congressional and Clean Water Act). Additional subsidy authority also exists under the Bipartisan Infrastructure Law. Iowa has established criteria in Appendix B - Additional Subsidization to comply with these authorities and will document recipients of these funds in the annual report.

AMERICAN IRON AND STEEL

CWSRF assistance recipients are required to use iron and steel products produced in the United States for projects for constructing, altering, maintaining, or repairing public water systems³². Iowa CWSRF Program proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. All recipients will be required to sign a self-certification of compliance at completion of the project.

Forms and guidance for compliance will be provided to SRF borrowers and/or made available on the [SRF website](#).

BUILD AMERICAN, BUY AMERICA (BABA) ACT

On November 15, 2021, President Joseph R. Biden Jr. signed into law the Infrastructure Investment and Jobs Act ("IIJA"), Pub. L. No. 117-58, which includes the Build America, Buy America Act ("the Act") that strengthens the Made in America Laws.³³ Infrastructure projects funded by federal financial assistance must ensure that the ***iron, steel, manufactured products, and construction materials*** used in the project are produced in the United States.³⁴

Since not all funds available through the Iowa CWSRF Program are considered federal financial assistance, SRF will provide information to those applicants required to comply with necessary documentation and inspection procedures. Iowa proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance³⁵. All recipients will be required to sign a self-certification of compliance at completion of the project.

Forms and guidance for compliance will be provided to SRF borrowers and/or made available on the [SRF website](#).

ENVIRONMENTAL REVIEW

Projects receiving assistance from the CWSRF must conduct environmental reviews of the potential environmental and historical impacts of projects and associated activities. To reduce costs and barriers to participating in the SRF loan program, Iowa SRF Environmental Review staff will conduct NEPA-like environmental review services on behalf of CWSRF applicants in accordance with the federal assurances below.

DAVIS-BACON

The Davis Bacon Act requires that all contractors and subcontractors performing construction, alteration and repair (including painting and decorating) work under federal contracts in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage and fringe benefits for the geographic location.³⁶ Iowa proposes oversight of this requirement to be conducted by verification of bid documents and wage determinations, and will require applicants to submit a self-certification form at completion of the project indicating compliance with this requirement.

³² <https://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement>

³³ Build America, Buy America Act, P.L. 117-58, Secs 70911 - 70917

³⁴ <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

³⁵ <https://www.epa.gov/system/files/documents/2022-11/OW-BABA-Implementation-Procedures-Final-November-2022.pdf>

³⁶ <https://www.epa.gov/grants/interim-davis-bacon-act-guidance>

FEDERAL ASSURANCES

Instrumentality of the State. See language in current Operating Agreement.

Binding Commitments. The State will enter into binding commitments with recipients to provide assistance in accordance with the requirements of the Clean Water Act (CWA), in an amount equal to 120 percent of the amount of each grant payment, within one year after receipt of such grant payment.

Expeditious and Timely Expenditure. All monies in the fund will be committed and expended in an expeditious and timely manner.

State Laws and Procedures. The state will commit or expend each quarterly capitalization grant payment in accordance with laws and procedures applicable to the commitment or expenditure of revenues of the State.

State Accounting and Auditing Procedures. In carrying out the fiscal control and auditing requirements of the CWA, the state will report to EPA in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board.

Assistance Recipient Accounting and Auditing Procedures. The state will require as a condition of making a loan or providing other assistance from the fund that the recipient of such assistance provide an annual audit of project accounts in accordance with GAAP. A copy of the loan agreement can be reviewed on the [SRF website](#).

Annual Reports. As required, the state agrees to report to EPA on the actual use of funds and how the state has met the goals and objectives for the previous fiscal year as identified in that year's IUP.

Environmental Review. The State will assure compliance through the procedures described in State Rules and 40 CFR 35.3140, in effect at the time of execution of this agreement, and any future amendments which are reviewed and approved by EPA. A NEPA-like (40 CFR Part 6) review will be completed for all CWSRF Treatment works projects as defined by Section 212 of the CWA. A NEPA-like review will be conducted for any CWSRF project receiving assistance.

Types of Financial Assistance. The State certifies that only the types of assistance authorized under Section 603 of the CWA, as amended, and the State's enabling legislation, will be awarded.

PROCESS (APPLICATION/PAYMENT/DISBURSEMENT)

Application. Properly executed, completed grant applications with supporting documentation meeting 2 CFR Part 200 requirements will be submitted to the Regional Administrator at least 90 days prior to the target grant award date. The State and EPA agree to negotiate promptly, cooperatively, and in good faith to clarify or resolve questions which may arise during the 60-day application review time period.

Grant Payments. After the award of a capitalization grant, the state will begin receiving quarterly grant payments according to the schedule in the grant award. The quarterly payments, up to the full amount of the grant, must be made in no more than eight quarters following grant award or 12 quarters after funds are allotted.

Cash Draws/Disbursements. Cash draws will be made as costs are incurred. Disbursements will be made from state monies first, then federal monies.

Annual Report, Review and Audit. State will follow requirements in 40 CFR 35.3165.

Corrective Action. State will follow requirements addressed in 40 CFR 35.3170.

Disputes. Dispute provisions of 2 CFR Part 1500 Subpart E shall be used for disputes involving EPA disapproval of an application or a capitalization grant, as well as disputes arising under a capitalization grant including suspension or termination of grant assistance.

Records, Retention and Access. Records will be retained according to 2 CFR 200.333. Federal access to records will be according to 2 CFR 200.336a. The State will establish and maintain program and project files as required to:

1. Document compliance with the CWA, other federal regulations, and any general and special grant conditions;
2. Produce the required report;
3. Document technical and financial review and project decisions;
4. Support audits; and
5. Provide effective and efficient program management.

Congressional and Public Inquiries. Responses to Congressional and public inquiries will be made by State and coordinated with EPA as necessary. A copy of the inquiry and response will be sent to EPA for all Congressional inquiries. Although State will address project-level and most program inquiries. If EPA is responsible for any program inquiries, the State will provide background information in a timely manner and EPA will provide a copy of inquiry and response in a timely manner.

Appendix H - Funding Recommendations

SFY 2024 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 Applied

GENERAL NONPOINT SOURCE ASSISTANCE PROJECTS FOR APPROVAL OF LAND PURCHASE

Iowa Code Sections 455B.291 and 455B.295 set forth the conditions by which land acquisition is eligible under this Nonpoint Source Assistance Program. Per 567 IAC 93.7(5), costs for the purchase of land are not eligible costs unless specifically approved by the EPC.

Applicant	Project Description (Proposed watershed, land use, transfer of ownership)	Acres	Purchase Price

Appendix I - Public Review and Comments Received

A public meeting to allow input to Iowa's SFY 2023 IUP and PPL was held June 8, 2023, 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 June 16, 2023.

Attachment 1 - CWSRF Project Priority List

This is a separate, sortable Excel File

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source	
												Base BIL_GS	BIL PFAS/EC
Templeton	1479001	PD-CW-24-13	Sewer Lining	2024	1	P&D	P	\$ 29,500				X	
Templeton	1479001	PD-CW-24-12	Waste Water Treatment Plant Upgrades	2024	1	P&D	P	\$ 29,800				X	
Gowrie Municipal Utilities	9436001	PD-CW-24-10	Improvements to Aerated Lagoon System	2024	1	P&D	P	\$ 500,000				X	
Creston	8816001	PD-CW-24-11	Addition of Rotating Algal Biofilm System	2024	1	P&D	P	\$ 670,000				X	
Burlington	TBD	PD-CW-24-05	Phase 0- Mississippi River Interceptor Master Planning	2024	1	P&D	P	\$ 1,342,000				X	
Birmingham	8909001	PD-CW-24-04	Phase 1 of Collection System Improvements	2024	1	P&D	P	\$ 85,000				X	
Goose Lake	2339001	PD-CW-24-03	Discharge Lagoon Upgrades	2024	1	P&D	P	\$ 225,000				X	
Montour	8666001	CS1921105 01	Montour Wastewater Treatment Facility 2023 Upgrades	2024	1	345	P	\$ 2,231,000				X	
Manly	9845001	CS1921043 01	WWTF Improvements	2024	1	319	P	\$ 3,512,000				X	
Holstein	4721001	CS1921104 01	Holstein Wastewater System Improvements	2024	1	314	P	\$ 6,399,000				X	
Schaller	8156001	CS1921106 01	Schaller WWTP Facility Plan	2024	1	297	P	\$ 4,417,000				X	
Oxford	5260001	CS1921101 01	Upgrade Sludge Treatment Process	2024	1	292	P	\$ 2,402,000				X	
Cincinnati	410001	CS1921099 01	Wastewater Treatment Facility Improvements	2024	1	274	P	\$ 990,000				X	
Waterloo	790001	CS1921107 01	Replace Lift Station and Force Main	2024	1	152	P	\$ 3,692,000				X	
Lime Springs	IA4535001	CS1921102 01	2024 Street & Utility Improvements Project	2024	1	129	P	\$ 5,507,000				X	
Birmingham	8909001	CS1921100 01	Proposed Sanitary Sewer Improvements - Phase 1	2024	1	129	P	\$ 417,000				X	
Swisher	5285001	CS1921103 01	2022 Sanitary Sewer Project	2024	1	119	P	\$ 4,593,000				X	
Allerton	9303002	PD-CW-23-56	Improvements to South Wastewater Treatment Plant	2023	4	P&D	P	\$ 545,000				X	
Martensdale	9147001	PD-CW-23-45	Wastewater Treatment Site Lift Station Improvements	2023	4	P&D	P	\$ 71,000				X	
Cass County Environmental Control Agency	58255645	GNS 23-03	Cass County Landfill Closure	2023	4	GNS	P	\$ 1,100,000				X	
Webster City	4063001	CS1921085 01	Wastewater Treatment Facility Improvements	2023	4	314	P	\$ 77,001,000				X	
Ida Grove	4728001	CS1921095 01	Wastewater Treatment Facility Improvements	2023	4	284	P	\$ 8,789,000				X	
Muscatine	7048001	CS1921092 01	West Hill Area Sanitary and Storm Sewer Separation Phase 6C	2023	4	240	P	\$ 6,680,000				X	
Cedar Rapids	5715001	CS1921108 01	Cedar Rapids WPCF PFAS Source and Treatability Study	2023	4	182	C	\$ 3,065,000					X
WRA	7048001	CS1921093 01	WRF Effluent Pumping Improvements	2023	4	180	P	\$ 46,080,000				X	
Waterloo	790001	CS1921096 01	Final Clarifier No. 3 Rehabilitation	2023	4	172	P	\$ 1,054,000				X	
Cumming	9123001	CS1921098 01	Sanitary Sewer Collection System Improvements	2023	4	160	P	\$ 4,226,000				X	

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source	
												Base BIL GS	BIL PFAS/EC
WRA	7048001	CS1921094 01	WRA Sewer Lining Phase 3	2023	4	160	P	\$ 16,735,000				X	
Sumner	970001	CS1921097 01	Sumner Wastewater Upgrades 2023	2023	4	139	P	\$ 3,075,000				X	
Coralville	5208001	PD-CW-23-39	P&D For New Force Main	2023	3	P&D	P	\$ 193,000				X	
Oskaloosa	6273001	CS1921088 01	Wastewater Treatment Facility Improvements	2023	3	327	P	\$ 74,420,000				X	
Treynor	7866002	CS1921091-01	Wastewater Treatment Facility Upgrades	2023	3	314	P	\$ 5,289,000				X	
Laurel	6452001	CS1921073 01	Wastewater Treatment Facility Improvements	2023	3	264	P	\$ 2,094,000				X	
Swea City	5584001	CS1921087 01	Wastewater System Improvements	2023	3	264	P	\$ 4,593,000				X	
Crescent	7822001	CS1921081 01	Wastewater Facility Improvements	2023	3	229	P	\$ 4,038,000				X	
Coralville	5208001	CS1921086 01	Oakdale Boulevard Force Main	2023	3	152	P	\$ 2,094,000				X	
Oelwein	3353001	CS1921090 01	Reed Bed Expansion and EQ Liner Replacement	2023	3	149	P	\$ 1,882,000				X	
Eagle Grove	9926001	CS1921089 01	Highway 17 Lift Station & Collection System Improvements	2023	3	129	P	\$ 525,537				X	
Ely	5728001	CS1921083 01	Sanitary Sewer Rehabilitation: Phase 1	2023	3	129	P	\$ 1,122,000				X	
Ely	5728001	PD-CW-23-16	P&D for Sanitary Mains Rehabilitation	2023	2	P&D	P	\$ 184,420				X	
Dubuque	3126001	PD-CW-23-15	P&D for Sanitary Sewer Improvements	2023	2	P&D	P	\$ 430,000				X	
Dubuque	3126001	PD-CW-23-14	P&D for Lift Station and Force Main Improvements	2023	2	P&D	P	\$ 1,000,000				X	
Johnston	N/A	GNS23-02	Channel Stabilization Projects	2023	2	GNS	P	\$ 1,300,000				X	
Akron	7509001	CS1921074 01	Wastewater Treatment Facility Improvements	2023	2	305	P	\$ 1,716,000				X	
Story City	8584001	CS1921082 01	Phase 2 and 3 WWTF Improvements	2023	2	265	P	\$ 10,926,873				X	
Cedar Rapids	5715001	CS1921069-01	WPC Solids Improvements (Contract 2)	2023	2	182	P	\$ 250,000,000				X	
Eagle Grove	9926001	CS1921072 01	Wastewater Improvements 2022	2023	2	174	R	\$ 5,715,000	5/5/23	\$ 3,798,000	\$ 1,917,000.00	X	
McGregor	2258001	CS1921075 01	WWTP Influent Screen	2023	2	149	P	\$ 578,000				X	
Dubuque	3126001	CS1921080 01	Eagle Street and Althausen Street Water & Sewer Replacement	2023	2	139	P	\$ 393,000				X	
Farley	3135001	CS1921077 01	3rd Avenue SW Water & Sewer Improvements	2023	2	129	P	\$ 2,528,000				X	
Ladora	484001	CS1921076 01	Wastewater Improvements Phase II - Ladora Main Lift Station Replacement 2023	2023	2	129	P	\$ 999,000				X	
Dedham	1433001	PD-CW-23-06	P&D for Lagoon Improvements	2023	1	P&D	P	\$ 326,500				X	
West Des Moines	N/A	GNS23-01	Blue Creek Stormwater Detention Facilities	2023	1	GNS	P	\$ 2,588,000				X	
Mingo	5052001	CS1921012 01	Wastewater Treatment Plant Improvements	2023	1	250	P	\$ 1,685,000				X	
Cherokee	1811002	CS1921057 01	WRF Nutrient Reduction Improvements	2023	1	234	P	\$ 7,088,000				X	
Aurelia	1803001	CS1921064 01	Willow Street Sanitary Sewer Replacement	2023	1	162	P	\$ 367,000				X	
Fostoria	2122001	CS1921066-01	2022 Sanitary Sewer Rehabilitation	2023	1	160	P	\$ 756,000				X	
Hospers	8439001	CS1921067 01	2nd Ave Paving & Utility Improvements	2023	1	152	R	\$ 1,531,000				X	
Ionia	1946001	CS1921068 01	Wastewater Improvements	2023	1	149	P	\$ 663,300				X	
Dubuque	3126001	CS1921070 01	Auburn-Custer Sanitary Sewer Reconstruction	2023	1	139	P	\$ 439,000				X	

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source	
												Base BIL GS	BIL PFAS/EC
Coralville	5208001	CS1921071 01	Central Trunk Sewer	2023	1	127	P	\$ 6,200,000				X	
Milo	9155001	CS1921054 01	Wastewater Treatment Facility Improvements	2022	4	272	L	\$ 4,762,000	3/31/2023	\$ 975,000	\$ 3,787,000	X	
Earlham	6115001	CS1921055 01	Earlham Lagoon Upgrades	2022	4	264	L	\$ 6,241,000	12/9/2022	\$ 2,475,000	\$ 3,766,000	X	
New Hartford	1271001	CS1921058 01	Wastewater Treatment Plant Improvements	2022	4	245	R	\$ 445,000				X	
Pringhar	7155001	CS1921051 01	WWTF Improvements	2022	4	224	P	\$ 6,173,000				X	
Winfield	4493001	CS1921053 01	Wastewater Treatment Plant Improvements	2022	4	222	P	\$ 4,923,000				X	
Muscatine	7048001	CS1921056 01	West Hill Area Sewer Separation Project - Phase 6A and 6B	2022	4	200	P	\$ 8,056,000				X	
Elgin	3338001	CS1921059 01	WWTP Liner Replacement	2022	4	180	P	\$ 604,000				X	
Sibley	7245001	CS1921060 01	Wastewater Treatment Facility Improvements	2022	4	174	P	\$ 8,210,000				X	
Whittemore	5595001	CS1921050 01	Sanitary Sewer Collection System I/I Reduction - Phase 1A	2022	4	154	R	\$ 507,000				X	
Crystal Lake	4115001	CS1921052 01	Sanitary Sewer Collection System I/I Reduction - Phase 1A	2022	4	139	P	\$ 382,000				X	
Johnston	7740002	CS1921062 01	NW Area Sanitary Sewer Extension	2022	4	135	P	\$ 17,620,735				X	
Defiance	8315001	PD-CW-22-47	P&D for WWTF Improvements	2022	3	P&D	P	\$ 185,000				X	
Lake City	1345003	CS1921042 01	Phase 2 & 3 Lake City WWTF Improvements - Lift Station & Treatment Facility	2022	3	254	P	\$ 8,234,000				X	
Allison	1203001	CS1921039 01	WWTF Improvements	2022	3	249	P	\$ 2,144,000				X	
Riceville	6670001	CS1921046 01	WWTF Improvements	2022	3	219	P	\$ 3,412,096				X	
Winterset	6171001	CS1921038 01	WWTF Improvements	2022	3	219	P	\$ 18,898,000				X	
Dubuque	3126001	CS1921049 01	Granger Creek Sanitary Sewer Improvements	2022	3	180	P	\$ 3,065,552				X	
Monona	02264001	CS1921045 01	Central Service Area Wastewater Collection System Rehabilitation	2022	3	145	P	\$ 704,000				X	
Stockport	0061603	CS1921047 01	Sewer System Rehab	2022	3	139	P	\$ 332,000				X	
Lake City	1345003	PD-CW-22-24	P&D for Flow Monitoring, Lift Station and WWTF Improvements	2022	2	P&D	P	\$ 579,500				X	
Humboldt (Supplemental Loan)	4641001	CS1921024 01	Raw Pumping and Nutrient Removal Improvements	2022	2	255	P	\$ 298,000				X	
Morning Sun	5857001	CS1921036 01	WWTP Improvements	2022	2	250	P	\$ 1,972,500				X	
Saint Ansgar	6673001	CS1921035 01	WWTF UV Disinfection	2022	2	239	P	\$ 376,000				X	
Clinton	2326001	CS1921021 01	RWRF ADM Plant Expansion	2022	2	210	P	\$ 97,526,000				X	
WRA	7727001	CS1921032 01	WRF Phosphorus Recovery Facility	2022	2	205	P	\$ 30,000,000				X	
WRA	7727001	CS1921033 01	Southern Tier Interceptor Phase 10, Segments 23-24	2022	2	165	L	\$ 14,181,000	12/16/2022	\$ 3,600,000	\$ 10,581,000	X	
Dubuque	3126001	CS1921034 01	Old Mill Rd. Lift Station and Force Main	2022	2	154	P	\$ 25,467,000				X	
Nashua	1967001	CS1921027 01	Greeley Street Water & Sanitary Improvements	2022	2	139	P	\$ 164,000				X	
Lytton	9133001	CS1921025 01	Sanitary Sewer Force Main Replacement	2022	2	134	P	\$ 479,000				X	
WRA	7727001	PD-CW-22-11	P&D for Improvements to Southern Tier, Phase 10, Segments 10-23	2022	1	P&D	P	\$ 403,000				X	
Dubuque	NA	GNS 21-02	Bee Branch Creek Restoration-Ph 4 Detention Basin improvements-new pump station system with gates, pumps and electrical	2022	1	GNS	P	\$ 2,600,000				X	

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source	
												Base BIL GS	BIL PFAS/EC
Monticello	5343001	CS1921009 01	New Activated Sludge Plan with Nutrient Removal	2022	1	260	P	\$ 14,497,000				X	
Frederika	922001	CS1921013 01	I&I Repares & Adding Capacity to CDL	2022	1	254	P	\$ 2,153,000				X	
Grandview	5842001	CS1921020 01	Wastewater Treatment Facility Improvements	2022	1	245	L	\$ 3,246,000	8/5/22	\$ 325,000	\$ 2,921,000	X	
Leland	9549001	CS1921016 01	2-Cell Aerated Lagoon, SAGR & UV	2022	1	237	P	\$ 1,349,000				X	
Fort Madison	5625001	CS1921017 01	10th Street Combined Sewer Separation	2022	1	224	P	\$ 4,463,000				X	
Terrace Hill	3500900	CS1921019 01	New Pumping Station to Connect to City of Hampton	2022	1	194	P	\$ 2,008,600				X	
Fort Dodge	9433003	CS1921018 01	New Lab Building and Odor Control	2022	1	180	P	\$ 7,320,000				X	
Humeston	9348001	CS1921014 01	Sludge Removal, New Lagoon Aeration System, and UV to Meet New Permit Limits	2022	1	175	P	\$ 1,303,000				X	
Coralville	N/A	PD-CW-21-61	P&D for Clear Creek Stream Restoration	2021	4	P&D	P	\$ 694,400				X	
Crescent	N/A	PD-CW-21-48	P&D for Wastewater System Upgrades	2021	4	P&D	P	\$ 450,000				X	
Saint Ansgar	N/A	PD-CW-21-71	P&D for UV Disinfection Construction	2021	4	P&D	P	\$ 32,000				X	
Saint Ansgar	N/A	PD-CW-21-72	P&D for Sanitary Sewer Trunline Construction	2021	4	P&D	P	\$ 64,400				X	
Marengo	4843001	CS1921008 01	Wastewater Facility Improvements-UV and discharge to larger stream	2021	4	249	P	\$ 5,863,000				X	
Savage	9400900	CS1921004 01	Wastewater Treatment Improvements-SAGR and UV	2021	4	245	P	\$ 1,510,000				X	
Ridgeway	9680001	CS1920991 01	SAGR & UV	2021	4	245	P	\$ 1,969,000				X	
Festina	9600302	CS1921002 01	Wastewater Treatment Facility Improvements-SAGR	2021	4	235	P	\$ 406,000				X	
Lake City	1345003	CS1920986 01	Phase 1 Wastewater Treatment Facility Improvements - Flow Monitoring	2021	4	144	P	\$ 163,000				X	
St. Ansgar	6673001	CS1921003 01	Sanitary Sewer Trunkline	2021	4	135	P	\$ 471,000				X	
Maquoketa	4950001	CS1920988 01	BNR Addition to Existing Plant	2021	3	275	L	\$14,384,000.00	4/14/23	\$ 10,384,000	\$ 4,000,000	X	
Traer	8681001	CS1920999 01	Sewer Rehab, UV and Relocation of Outfall	2021	3	259	L	\$ 1,805,000	12/9/22	\$ 877,000	\$ 928,000	X	
Dougherty	1722001	CS1920993 01	Low Pressure Collection System with 3-Cell Lagoon	2021	3	232	L	\$ 1,401,000	12/9/22	\$ 924,000	\$ 477,000	X	
Mount Ayr	805501	CS1920984 01	WW System Improvements	2021	2	195	P	\$ 412,000				X	
Anamosa	5307001	CS1920985 01	WWTP Flow Equalization Basin	2021	2	155	P	\$ 2,802,000				X	
Dyersville	313001	CS1920980 01	Westinden Lift Station	2021	2	150	P	\$ 2,764,000				X	
Lovilia	6858001	PD-CW-21-04	P&D for construction of WW TX facility	2021	1	P&D	P	\$ 154,000				X	
Ottumwa	58611	CS1920972 01	Blake's Branch Sewer Separation Phase 8, Divisio 2, 3A, 3B, 3C, 3D	2021	1	205	P	\$ 40,000,000				X	
McGregor	2258001	CS1920974 01	Main Street Utility Upgrades and Front Street Lift Station	2021	1	162	L	\$ 4,934,000	4/8/22	\$ 2,101,000	\$ 2,833,000	X	
Wayland	4490001	CS1920968 01	Sewer Rehab & Lagoon Upgrade	2021	1	154	L	\$ 1,000,000	9/4/20	\$ 683,000	\$ 317,000.00	X	
Vinton	688001	CS1920969 01	WWTP Upgrades	2021	1	145	P	\$ 7,393,000				X	
Dickinson County	N/A	GNS 20-03	Francis Sites Wetland Project	2020	4	N/A	R	\$ 500,000				X	
Toledo	8676001	CS1920957 01	Sanitary Sewer Improvements	2020	4	154	P	\$ 633,000				X	

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source	
												Base BIL GS	BIL PFAS/EC
Rickardsville	3175001	CS1920956 01	Sanitary Sewer Collection System Improvements 2020	2020	4	114	R	\$ 1,032,000				X	
Nevada	8562001	CS1920945 01	Wastewater Treatment Facility Improvements	2020	3	234	L	\$ 48,727,000	1/29/21	\$ 1,360,000	\$ 6,529,000.00	X	
Nevada	8562001	CS1920945 01	Wastewater Treatment Facility Improvements	2020	3	234	L		4/30/21	\$ 10,000,000		X	
Nevada	8562001	CS1920945 01	Wastewater Treatment Facility Improvements	2020	3	234	L		1/28/22	\$ 10,000,000		X	
Nevada	8562001	CS1920945 01	Wastewater Treatment Facility Improvements	2020	3	234	L		9/30/22	\$ 20,838,000		X	
Pomeroy	1363001	CS1920951 01	Sanitary Sewer System Improvements	2020	3	134	P	\$ 1,980,000				X	
Runnels	7774001	CS1920943 01	Wastewater Treatment Facility Expansion	2020	2	282	P	\$ 1,889,000				X	
WRA	7727001	CS1920934 01	WRA Sewer Lining	2020	2	170	L	\$ 43,441,125	12/20/19	\$ 12,000,000	\$ 20,441,125.00	X	
WRA	7727001	CS1920934 01	WRA Sewer Lining	2020	2	170	L		12/16/22	\$ 11,000,000		X	
Waterloo (Titus Lift Station and Force Main)	0790001	CS1920935 01	New Titus lift station and force main	2020	2	140	P	\$ 5,170,000				X	
Solon	5282001	CS1920942 01	North Trunk Sewer	2020	2	119	P	\$ 1,247,000				X	
Glidden	1438001	CS1920929 01 (g1)	Wastewater Treatment Plant Improvements	2020	1	224	L	\$ 3,980,000	3/5/2021	\$ 2,900,000	\$ 1,080,000.00	X	
WRA	7727001	CS1920914 01	Primary and Final Clarifier rotating mechanism replacements	2019	4	180	L	\$ 42,200,000	12/18/20	\$ 11,200,000	\$ 31,000,000.00	X	
Sumner	0970001	CS1920916 01	Sewer relocation and new pumping station	2019	4	149	P	\$ 998,000				X	
Ottumwa	9083001	PD-CW-19-29	Construction of new separate sanitary sewer throughout Blake's Branch Basin	2019	2	P&D	P	\$ 3,900,000				X	
Lake Mills	9545001	CS1920894 01	WWTF Improvements (SAGR)	2019	2	277	P	\$ 1,799,000				X	
Osceola	2038002	CS1920878 01	Construction of new activated sludge treatment plant, addition of UV disinfection, cogeneration of power from methane digester	2019	1	277	L	\$ 53,000,000	8/20/21	\$ 28,000,000	\$ 25,000,000	X	
Zwingle	4998001	PD-CW-18-42	Address permit limits on bacteria and ammonia	2018	4	P&D	P	\$ 125,000				X	
Sioux City	9778001	CS1920813 01	Improve various treatment plant equipment to renew initial capacity, improve performance, improve reliability and generate biogas.	2017	2	217	L	\$ 31,983,398	11/13/20	\$ 6,928,000	\$ 15,055,398.00	X	
Sioux City	9778001	CS1920813 01	Improve various treatment plant equipment to renew initial capacity, improve performance, improve reliability and generate biogas.	2017	2	217	L		11/13/20	\$ 10,000,000		X	
Algona	5502001	PD-CW-17-04	Rehabilitation and reconstruction of the sanitary sewer collection system	2017	1	P&D	P	\$ 130,000				X	
Oelwein	3353001	PD-CW-16-40	Installation of new sanitary sewer	2016	4	P&D	P	\$ 33,500				X	
Ames	8503001	CS1920741 02	Address Infiltration and inflow into the City's sanitary sewer system utilizing a variety of rehabilitation techniques.	2016	4	145	L	\$ 19,421,625	1/27/23	\$ 4,071,000	\$ 6,993,625	X	

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source	
												Base BIL GS	BIL PFAS/EC
Ames	8503001	CS1920741 02	Address Infiltration and inflow into the City's sanitary sewer system utilizing a variety of rehabilitation techniques.	2016	4	145	L		1/27/23	\$ 8,357,000		X	
Mapleton	6727001	PD-CW-16-30	Wastewater Treatment Improvements to comply with ammonia nitrogen limits, maintain TSS limits, and meet new NPDES standards	2016	3	P&D	P	\$ 225,000				X	
La Porte City	0743001	CS1920620 01	Wastewater treatment plant improvements	2012	3	220	P	\$ 10,087,000				X	
								\$ 1,265,584,360			\$ 162,796,000		

Project Status	Abbreviations
Contingent -- C	BIL GS= Bipartisan Infrastructure Law General Supplemental Fund
Dropped -- D	CWSRF No = Clean Water State Revolving Fund Project Number
Loan Signed -- L	NPDES No = National Pollutant Discharge Elimination System Permit Nounber
Planning Stage -- P	IUP YR = Intended Use Plan Year
Ready for Loan -- R	P&D = Planning and Design Loan
	PFAS/EC - PFAS Emerging Contaminates

DRAFT

FY 2024 INTENDED USE PLAN
INVESTING IN IOWA'S WATER



DRINKING WATER STATE REVOLVING FUND

Anticipated approval by the Environmental Protection Commission on June 20, 2023

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Introduction

Under the authority of Section 1452 of the Safe Drinking Water Act, the Drinking Water State Revolving Fund (DWSRF) Program 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.

Since 1989, Iowa's State Revolving Fund (SRF) Programs have provided over **\$4 billion** in financial assistance for water and wastewater infrastructure, agricultural best management practices, and other water quality projects. With the State Fiscal Year (SFY) 2024 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.

A. 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 SRF is incorporating into SFY 2024 IUPs.

- ✓ Plans for implementing funding for the General Supplemental, Lead Service Line, and PFAS/Emerging Contaminants funding awarded from the **Infrastructure Investment and Jobs Act (IIJA)**, also known as, **Bipartisan Infrastructure Law (BIL)** are included in this annual release of the IUP.
- ✓ The **Socioeconomic Assessment Tool** used to define a **Disadvantaged Community** (DWSRF Program) and **Affordability Criteria** (CWSRF Program) has been updated with current American Community Survey and state-level employment data. In addition, the assessment criteria were refined to improve desired outcomes and comply with existing federal statute.
- ✓ Additional subsidization in the form of loan principal forgiveness will only be applied to eligible construction costs of projects selected to receive additional subsidization.
- ✓ Borrowers receiving loan forgiveness will only receive one award per project.

B. SRF Program Overview

SRF PROGRAM ADMINISTRATION

The unique partnership between the Iowa Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA) 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, permitting, and regulatory compliance aspects of the program as well as project approval and eligibility
- IFA-Administers the financial aspects of the program including fund management, bonding, loan approval, disbursements, and servicing

INTENDED USE PLANS

The State of Iowa IUP for the DWSRF is prepared annually in accordance with the provisions of section 1452 of the Safe Drinking Water Act, 40 CFR Part 35 and Iowa Code Sections 455B.291-455B.299 and 567 Iowa Administrative Code (IAC) Chapter 44.

The IUP is developed annually in June and updated quarterly in September, December, and March (or more often as needed). This IUP covers activities during the SFY 2024, July 1, 2023 through June 30, 2024.

The IUP identifies the intended use of funds available to the SRF, the program's goals, information on the types of activities to be supported, assurances and specific proposals on the manner by which the State intends to meet the requirements of the Operating Agreement with the U.S. Environmental Protection Agency (EPA), criteria and method for distribution of funds, and the loan rates, terms, and fees for the fiscal year; and includes a ranked listing of projects to be funded.

The IUP and Project Priority List (PPL) are submitted to the EPA as part of the application for a capitalization grant. The IUP and PPL are reviewed and approved quarterly by the Iowa Environmental Protection Commission (EPC)¹. Federal and state law requires, and Iowa welcomes, public participation in the development of the IUP.

METHOD OF AMENDMENT OF THE INTENDED USE PLAN

The Iowa SRF Program will follow this IUP in administering DWSRF funds in SFY 2024. 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 PPL to utilize actual funds available to the DWSRF for SFY 2024 will be considered minor and only affected applicants will be notified. Public notice of amendments will be made if borrowers are added to or removed from the PPL.

PUBLIC REVIEW AND COMMENTS

(See Appendix H - Public Review and Comments Received)

The SRF Program accepts new IUP applications quarterly by the first business day in March, June, September, and December². The IUP and PPL are updated and available to the public for review about 60 days after the quarterly IUP application deadline. The IUP is posted on the DWSRF Program webpage of the SRF Program's website (www.iowasrf.com) and public comments are accepted for up to 30 days following the posting.

Public Hearings are scheduled on the second Thursday of the months of May, August, November and February to highlight changes from the previous quarter and to collect public comments. A final draft version of the IUP, including all comments incorporated during the comment period, will be posted as part of the EPC Meeting and Agenda on the EPC webpage on the DNR's website³.

An open forum client contact group meeting will be held on the Thursday prior to each EPC meeting to discuss agenda items. The IUP is approved quarterly by the EPC at regularly scheduled EPC meetings typically held the third Tuesday of the months of June, September, December and March. EPC meetings are open to the public, providing a final opportunity for public comment on the IUP.

All of the opportunities mentioned above are open to the public. Meetings and hearings are announced through Media Center webpage of the [SRF website](http://www.iowasrf.com) and agency-managed listservs.

PROJECT PRIORITY LIST (PPL)

(See Attachment 1 - DWSRF Project Priority List)

The DWSRF Program management includes a PPL for loan assistance, developed according to DNR rules 567 IAC Chapter 44 (455B). Attachment 1 - DWSRF Project Priority List, constitutes the DWSRF PPL and is included as a separate, sortable Excel file. This PPL will be amended quarterly during SFY 2024 and includes projects funded by both DWSRF Base and BIL Funds.

The PPL is a list of projects currently requesting funding from the SRF. This list provides the DWSRF Program with a projection of loan funding assistance needed for applications. Priority order is determined by point source rating criteria defined in 567 IAC Chapter 44 (455B). More information on priority ranking is available in Appendix C - Project Ranking Criteria. Projects are listed on the PPL in ranking order by the IUP year and quarter the application was received. Planning and Design loan applications are not ranked.

Pursuant to Section 1452 of the Safe Drinking Water Act and 40 CFR Part 35, the PPL also includes the following required items: name of the public water system, project description, the population of the system's service area, the priority assigned to the project, projected amount of eligible assistance, and type of assistance. The PPL may also include the SRF project number and project status.

¹ <https://www.iowadnr.gov/About-DNR/Boards-Commissions/Environmental-Protection-EPC>

² Drinking Water Program page of <https://www.iowasrf.com/>

³ <https://www.iowadnr.gov/About-DNR/Boards-Commissions/Environmental-Protection-EPC>

Attachment 1 - DWSRF Project Priority List includes the following project categories for funding during SFY 2024:

- **Planning and Design Loans.** These are loan requests that cover planning and engineering costs related to the design of an eligible DWSRF project and the development of a Preliminary Engineering Report.
- **New Infrastructure Projects.** Projects are added to the PPL only after a complete IUP application is received, the project has passed a preliminary review of eligibility, and the project is scored.
- **Unfunded Prior Years' Infrastructure Projects.** These are loan requests remaining on the PPL from previous years' IUPs. It is Iowa's intention to make DWSRF loans to these projects during SFY 2024 if they are ready for a binding loan commitment.
- **Segments of Previously Funded Infrastructure Projects.** Subsequent segments of a project which have previously received funding priority or assistance will be placed on the PPL and may carry over their original priority point total from the previous year.
- **Supplemental Financing.** Supplemental financing provides additional funds for projects listed in previously approved IUPs. These funds will be used to cover cost overruns on previously approved scopes of work and are added to the IUP as they are requested.

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." PFAS and Lead Service Line projects will be identified as "C - contingency status" until all funding criteria have been met (see SFY 2024 Program Activities to be Supported).

If a project on the approved IUP list is not going to proceed or will not be utilizing SRF funds, the applicant should notify the SRF in writing that they wish to withdraw the IUP application from the PPL. For the purpose of program planning, projects on the IUP list for over three years will be evaluated for removal. A notification will be sent to the SRF applicant that their project may be dropped if adequate progress toward a binding loan commitment is not demonstrated within six months following the notice. If a project is withdrawn or dropped from the PPL, the applicant may reapply when the project is ready to move ahead.

Project Scope. The scope of the project must be outlined in the IUP application and in the preliminary engineering report (PER).

Scope Changes. Significant changes in scope may cause delays if additional work is required by the project manager or environmental review specialist. Changes to the scope are allowed prior to loan closing. Once a loan is signed, only minor changes to the scope are allowed and only if the changes do not require additional public bidding, technical or environmental review.

TYPES OF FINANCING

(See Appendix D - Interest Rates, Fees and Loan Terms)

The Iowa SRF Program provides low-interest financing using one of three financing mechanisms:

Direct Loans - DWSRF funds are used to purchase municipal bond debt, secured by utility system revenues or a general obligation pledge.

Current interest rates and fees are established in the IUP in Appendix D - Interest Rates, Fees and Loan Terms.

Loan Forgiveness criteria is established in the IUP in Appendix B - Additional Subsidization.

CO-FUNDING

While SRF offers low loan rates and additional subsidization to eligible applicants, many of Iowa's communities need additional help from other funding sources. SRF funding can be combined with several other funding sources to make costly infrastructure projects possible. Joint funding that combines SRF loan dollars and funds from other agencies is crucial to making some drinking water 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 drinking water needs.

EMERGENCY FUNDING

In May of 2019, a Memorandum of Understanding (MOU) was signed regarding coordination between EPA and the Federal Emergency Management Agency (FEMA). The MOU established a framework for the EPA funded 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 a percentage of the replacement costs for public water and wastewater systems. The SRF can be used to finance the amount not covered by FEMA.

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 may be used to finance the repairs and then be repaid with FEMA money. Emergency loans meeting these conditions may be executed and then reported in the next quarterly IUP update.

APPLICATION PROCESS

New applications for **Planning & Design** will be accepted on a quarterly basis the first working day of the months of April, July, October and January.

Planning & Design Projects: Applications are available on the SRF website⁴ and are submitted to IFAs SRF Program Staff at waterquality@iowafinance.com.

New applications for **infrastructure construction projects** will be accepted on a quarterly basis the first working day of the months of March, June, September and December.

Infrastructure Construction Projects: IUP applications can be found on the SRF website⁵ and the DNR's Drinking Water SRF website⁶, and are submitted to srf-iup@dnr.iowa.gov.

Project applications eligible for SRF funding under the BIL General Supplemental, BIL Lead Service Line, and BIL PFAS/EC Fund will use the DWSRF IUP application and follow the same quarterly IUP application cycle as the DWSRF Base Program. Additional application information may be required for projects applying for BIL Funds. The SRF Program will provide additional application materials for BIL Funds directly to applicants, as applicable, and application materials will be available on the SRF website⁷.

C. SFY 2024 DWSRF Program Goals

SHORT TERM GOALS

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, to assist in the construction of projects with the highest water quality impacts.

Goal: Update internal tracking systems and software to assist with streamlining and improving processes necessary to co-administer the DWSRF Program.

Goal: Update marketing materials and website to better facilitate communication and outreach with customers and to provide them with streamlined resources for program information and materials.

⁴ Planning & Design Loan Program page of <https://www.iowasrf.com/>

⁵ Drinking Water Loan Program page of <https://www.iowasrf.com/>

⁶ <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund>

⁷ Bipartisan Infrastructure Law page of <https://www.iowasrf.com/>

Goal: Assign/reallocate loan forgiveness funds from previous capitalization grants.

Goal: Revise affordability criteria to expand environmental equality and ensure Iowa's SRF Programs are reaching communities most in need of assistance.

Goal: Incorporate the use of Environmental Finance Center (EFC) resources to assist the Iowa SRF Program and disadvantaged community borrowers.

Goal: Continue process improvement of the state's oversight program for American Iron and Steel (AIS) requirements and align the program with Build American, Buy America (BABA) requirements, as needed.

LONG TERM GOALS

Goal: Endeavor to make the SRF Program the first choice for Iowa communities to finance a water infrastructure project.

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

Goal: Maintain mechanisms for funding the on-going administration of the program that will assist public water systems in achieving compliance with public health objectives of the Safe Drinking Water Act (SDWA).

Goal: Maintain the long-term financial integrity of the DWSRF Program by managing its assets to realize a rate of return that will sustain the DWSRF Loan Program in perpetuity.

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

D. SFY 2024 Program Activities to be Supported

The principal objective of the DWSRF is to facilitate compliance with national primary drinking water regulations or otherwise significantly advance the public health protection objectives of the SDWA. State SRF Programs are required to give priority for the use of DWSRF project funds to:

- Address the most serious risks to human health
- Ensure compliance with the requirements of the SDWA
- Assist systems most in need on a per household basis according to state affordability criteria

States also have the option to take up to 31% of their capitalization grant for set-asides. Set-asides can fund state programs, technical assistance and training for water utilities, and other activities that support achieving the public health protection objectives of the SDWA.⁸ 2024 Set-Aside Uses provides further details on Iowa's intended use of set-aside funds during SFY 2024.

DWSRF BASE PROGRAM

Allotments for the Federal Fiscal Year (FFY) 2023 EPA Capitalization Grants (Cap Grants) have been determined and the Iowa SRF Program will apply for and/or receive FFY 2023 DWSRF Base Program Funding during the SFY 2024.

FFY	Funding Source	Allocation Amount*
2023	DWSRF Base Cap Grant	\$7,424,000

*This award amount is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP

WATER INFRASTRUCTURE PROJECTS

Eligible Borrowers: publicly and privately-owned community water systems and nonprofit non-community water systems are eligible for funding under the DWSRF program.

⁸ <https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-eligibility-handbook>

Eligible Activities: Eligible projects include the installation, upgrade, or replacement of treatment facilities, finished water storage facilities, transmission and distribution systems, and water system consolidation/regionalization.⁹ Eligibility guidelines are available in the DWSRF Eligibility Handbook.¹⁰

Special Conditions: Projects selected as equivalency will comply with the federal requirements described in E. Financial Administration of this IUP.

DWSRF BIPARTISAN INFRASTRUCTURE LAW (BIL) PROGRAMS

The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), provides DWSRF programs with three additional capitalization grants annually through FFY 2026. Allotments for the FFY 2023 EPA capitalization grants have been determined and the Iowa SRF Program will apply for and/or receive FFY 2022 and 2023 BIL Funding during the SFY 2024.

Due to BIL funding requirements, projects being financed with BIL PFAS/EC and General Supplemental funding must enter into a loan assistance agreement within one year of becoming eligible for the funds. BIL Lead Service Line Replacement projects must enter into a loan assistance agreement within 2 years of becoming eligible for the funds. . The DWSRF staff may bypass projects that have not signed a loan obligation within these time limits. If an eligible project is bypassed, the applicant may be reconsidered when the project is ready to move ahead, as funding is available, or may be financed through DWSRF Base Funds.

DWSRF BIL GENERAL SUPPLEMENTAL (GS) FUNDS

Eligible borrowers and eligible activities for BIL GS Funds are the same as the DWSRF Base Program.

Special Conditions: Projects selected as equivalency will comply with the federal requirements described in E. Financial Administration of this IUP and BIL Signage requirements described in Appendix G - Federal Assurances, Certifications and Proposals.

Projects receiving additional subsidization from this fund will also comply with BIL Signage requirements described in Appendix G - Federal Assurances, Certifications and Proposals.

FFY	Funding Source	Allocation Amount*
2023	DWSRF BIL General Supplemental Grant	\$31,656,000

*This award amount is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP

DWSRF PFAS/EMERGING CONTAMINANTS (EC) FUND

Eligible Borrowers. Both publicly and privately-owned community water systems and nonprofit non-community water systems are eligible for funding under the DWSRF program. At least 25% of the funds will be awarded to disadvantaged communities or public water systems serving fewer than 25,000 people.

Eligibility Activities. For a project or activity to be eligible under this funding source, it must be otherwise DWSRF eligible, and the primary purpose must be to address emerging contaminants in drinking water. Any contaminant on EPA's Contaminant Candidate Lists 1-5 are eligible, however, priority for funding will be given to projects addressing perfluoroalkyl and polyfluoroalkyl substances and health advisories.

Special Conditions: Projects being funded with BIL PFAS/EC are all considered equivalency projects and will comply with the federal requirements described in E. Financial Administration of this IUP and BIL Signage requirements described in Appendix G - Federal Assurances, Certifications and Proposals.

⁹ <https://www.epa.gov/dwsrf/dwsrf-program-overview-epa-816-f-18-001>

¹⁰ <https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-eligibility-handbook>

FFY	Funding Source	Allocation Amount*
2022	DWSRF BIL PFAS/Emerging Contaminants	\$11,969,000
2023	DWSRF BIL PFAS/Emerging Contaminants	\$11,487,000

*This award amount is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP

The Iowa DWSRF Program reserves the right to request transfer of the unobligated portions of this Cap Grant to the Clean Water State Revolving Fund (CWSRF) BIL PFAS/EC Fund.

DWSRF BIL LEAD SERVICE LINE (LSL) REPLACEMENT FUND

Eligible Borrowers. Both publicly and privately-owned community water supply systems and nonprofit non-community water systems are eligible for funding under the DWSRF program. Lead service lines can be system-owned or customer-owned.

BIL LSL funding will be offered to borrowers as a combination of additional subsidization (loan forgiveness) and loans. Special loan interest rates and terms may be offered for LSL projects (see Appendix D - Interest Rates, Fees and Loan Terms). Loan forgiveness eligibility for LSL projects will evaluate the disadvantaged status of individual addresses. The Service Area Based Socioeconomic Assessment Tool will be used to determine disadvantaged census tracts. Addresses must be located within a census tract that scores between 11-20 to be considered disadvantaged and to be eligible for loan forgiveness. See Appendix A - Disadvantaged Communities (DAC) and Appendix B - Additional Subsidization for more information.

Eligible Activities. For a project or activity to be eligible under this funding source, it must be otherwise DWSRF eligible, and the primary purpose must be a LSL replacement project or associated activity directly connected to the identification, planning, design, and replacement of LSLs. LSL Replacement includes:

- Either LSL or galvanized service lines that are or were ever located downstream of LSL
- The entire LSL, including private portion (but not interior plumbing)
- Standalone or connected lead goosenecks, pigtails and connectors

Application Process. In order to be listed on the Project Priority List, Intended Use Plans applications must include, at minimum:

- An overall project description, including a proposed timeline for the replacement work can reasonably be replaced in 2-3 years
- The location of LSL to be replaced, listed by specific addresses
- Budget estimate

Projects will be given a “**C-contingency**” status on the PPL until they have met all funding criteria described below.

Funding Criteria

An approved **LSL Replacement Project Plan** is required to receive BIL LSL funding. Although a Preliminary Engineering Report (PER) is acceptable, the Project Plan for LSL Replacement does not need to be covered by an engineer’s completed Iowa certification block with stamp, signature, and date. If a PER is submitted, it will need to include the same information needed in an **LSL Replacement Project Plan**.

Requirements for Project Plans for LSL Replacement can be found on the BIL Program Information page of the SRF website¹¹ or the DNR’s DWSRF webpage.¹²

After a DNR Water Supply Engineering project manager has reviewed and ensured the plan is complete, an approval letter will be issued. Funding commitments **for the BIL LSL Fund** and **loan forgiveness obligations** will be issued to applicants only after the LSL Project Plan is approved. Funds will be disbursed on a first ready, first served basis.

¹¹ <https://www.iowasrf.com>

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

Environmental Review (ER). **Construction activities cannot begin at any address until that address has received an ER clearance.** Each address on the LSL replacement project list will be cleared through the ER process. LSL projects listed on the PPL will begin working with an SRF Environmental Review Specialist to complete the ER Checklist and submit additional information and maps, as needed, per project. ER clearances may “group” like-addresses together based on historical or architectural significance and multiple ER clearances may be issued for each project application.

Special Conditions. Projects being funded with BIL LSL are all considered equivalency projects and will comply with the federal requirements described in E. Financial Administration of this IUP and BIL Signage requirements described in Appendix G - Federal Assurances, Certifications and Proposals.

Projects may be required to include specific contractual language in their bid packages regarding monitoring and construction guidelines when conducting LSL replacements on an identified historic place.

FFY	Funding Source	Allocation Amount*
2022	DWSRF BIL Lead Service Line Replacement	\$44,913,000
2023	DWSRF BIL Lead Service Line Replacement	\$29,319,000

*This award amount is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP

E. Financial Administration

RATES, FEES AND LOAN TERMS & CONDITIONS

(See Appendix D - Interest Rates, Fees and Loan Terms)

PROJECT READINESS FOR LOAN APPLICATION

SRF Construction Loan Applications will not be accepted until applicants have met certain program requirements:

1. Construction Permit(s) issued by DNR Project Manager for all project phases to be funded by the SRF loan
2. Environmental Clearance issued by SRF Environmental Review Staff
3. Project Bid and Bid Documents (including signed SRF Front-End Documents) submitted to DNR
4. Opinion of legal counsel certifying compliance with Iowa public bidding laws
5. SRF Eligibility Letter issued by SRF Project Compliance Specialist
6. Pro Forma Financial Analysis completed by a registered municipal advisor identifying all outstanding parity obligations and demonstrating system revenues can meet loan requirements

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

DISADVANTAGED COMMUNITIES

(See Appendix A - Disadvantaged Communities (DAC))

The Safe Drinking Water Act defines disadvantaged communities as the entire service area of a public water system that meets affordability criteria established by the State after public review and comment. In SFY 2023, a Socioeconomic Assessment (SA) Tool was developed to include a more comprehensive range of metrics by which communities are evaluated for disadvantaged community (DAC) status.

In SFY 2024, the metrics behind the SA Tool have been refined to improve desired outcomes and comply with existing federal statute but still include social, economic and demographic information that may indicate a lack of access to affordable clean water and safe drinking water. The SA Tool and the metrics are discussed in Appendix A - Disadvantaged Communities (DAC), and they define the affordability criteria that will be used to evaluate the DAC status of a borrower for the purpose of SRF loan forgiveness (LF) eligibility.

ADDITIONAL SUBSIDIZATION

(See Appendix B - Additional Subsidization)

Iowa applies additional subsidization in the form of LF. Appendix B - Additional Subsidization, identifies the available funding and the criteria used to determine projects and borrowers eligible to receive additional subsidization. Criteria for additional subsidization is established for each Cap Grant.

EQUIVALENCY

An *Equivalency Project* is a treatment works project that is constructed, in whole or in part, with funds equaling the amount of a federal capitalization grant awarded to a state. The Iowa DWSRF Program must designate a project or group of projects equal to each capitalization grant amount received. This project or projects will have to comply with all federal funding requirements.

Compliance with the following requirements apply to equivalency projects:

- Disadvantaged Business Enterprise¹³
- Single Audit Act
- Federal Funding Accountability and Transparency Act (FFATA) reporting
- EPA signage requirements
- Buy America Build America Act (FFY 2022 and all future capitalization grants)¹⁴
- Federal environmental and socioeconomic cross-cutters¹⁵

See Appendix G - Federal Assurances, Certifications and Proposals for program compliance requirements.

Project Selection for Equivalency. The Iowa SRF Program intends to select projects for equivalency that will impose the least amount of administrative or financial burden on a borrower. During SFY 2024, Iowa SRF will identify borrowers to serve as the subawardee(s) that already meet the several requirements of FFATA and equivalency reporting. Because it is unknown which projects listed on the PPL will execute loan agreements, no specific borrowers have been determined as of the publication of this IUP. The final equivalency loans selected will be listed in the annual report.

CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The cash draw procedure used is the direct loan method. The Iowa DWSRF Program uses its Equity Fund to originate loans. When enough loans have been made, the DWSRF 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, in a manner consistent with state and federal laws. State match bonds are issued along with leveraged bond issues for greater cost effectiveness. State match proceeds are fully disbursed prior to drawing Cap Grant funds. The Cap Grant funds will be drawn at a 100% proportionality ratio. Iowa expects to fully disburse the loan portion of the FFY2023 DWSRF Base Capitalization Grant, FFY2023 BIL General Supplemental Fund, the FFY2022 BIL LSL Fund and FFY 2022 BIL PFAS/EC during the program year.

Allocation of Funds Among Projects. All projects listed in the DWSRF PPL (see Attachment 1 - DWSRF Project Priority List) may be funded from the DWSRF subject to available funds and eligibility.

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.

¹³ <https://www.epa.gov/grants/disadvantaged-business-enterprise-program-under-epa-assistance-agreements-dbe-program>

¹⁴ <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

¹⁵ <https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements>

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 DWSRF funds were identified.
3. The DWSRF 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.

All projects listed in the DWSRF PPL may be funded from the DWSRF subject to available funds and eligibility. Information pertinent to each DWSRF project is contained in the attached PPL (see Attachment 1 - DWSRF Project Priority List).

Priority of Communities and Financial Assistance Needed. The state's priority rating system used to establish priorities for loan assistance is described in Appendix C - Project Ranking Criteria.

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). Iowa will identify projects meeting eligibility criteria during SFY 2024 and will report assignments of these funds in the annual report.

FUNDING SOURCES AND USES

(See Appendix E - Sources and Uses)

During SFY 2024, the Iowa SRF Program will apply for and/or receive the following capitalization grants and amounts:

FFY	Funding Source	Allocation Amount*
2022	DWSRF BIL PFAS/Emerging Contaminants	\$11,969,000
2022	DWSRF BIL Lead Service Line Replacement	\$44,913,000
2023	DWSRF Base Cap Grant	\$7,424,000
2023	DWSRF BIL General Supplemental Grant	\$31,656,000
2023	DWSRF BIL PFAS/Emerging Contaminants	\$11,487,000
2023	DWSRF BIL Lead Service Line Replacement	\$29,319,000

Appendix E - Sources and Uses illustrates potential sources and uses of funds in the DWSRF for SFY 2024. 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 E - Sources and Uses will be updated, as needed, to provide an ongoing view of the financial plan for meeting loan requests.

Current and Projected Financial Capacity of the DWSRF. The leveraging capacity of the DWSRF is robust due to the maturity of the fund and the current loan portfolio. SRF staff has analyzed the future financial capacity of the DWSRF considering the discussion over water quality standards and other future drinking water needs. Assuming that Iowa SRF continues receiving Cap Grants, and providing at least 26% of the Cap Grant as LF, it is estimated that the DWSRF could loan an average of approximately \$100 million per year over the next 10 years, or a total of \$1.0 billion. These figures would increase with an increase in interest rates.

STATE MATCH

(See Appendix F - State Match)

The Iowa SRF Program issues bonds for state match.

BONDS

Iowa's SRF program issues bonds as needed. These bond issues typically include the anticipated state match for the next federal Cap Grants.

SWIFIA

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. A preliminary list of CWSRF and DWSRF 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.

TRANSFERS BETWEEN FUNDS

The Iowa DWSRF reserves the right to transfer 33% of the amount of the Drinking Water capitalization grants from the Water Pollution Control Revolving Fund to the Public Water Supply Loan Fund in the future. The transferred funds will not be federal funds and will come from either bond proceeds, investment earnings, or recycled funds. This would help the DWSRF Program to meet loan demands in the future and should not impact the ability for the CWSRF to fund demand for projects.

PLAN FOR EFFICIENT AND TIMELY USE OF DWSRF FUNDS

The Iowa DWSRF has a robust and sustained demand for loans and it uses federal cap grant funds as expeditiously as possible. After SRF bonds are issued, state match funds are spent first. When Cap Grants are awarded, the state match funds are drawn down at 100% and disbursed before program funds based on guidance from the EPA. Loan disbursements requests are processed on a weekly basis. In SFY 2023, the program has disbursed an average of approximately \$5.7million per month (10 months, through April 2023). With a return of \$3.09 for every dollar of federal investment (compared to the national average of \$2.19), Iowa's DWSRF is an efficient and effective delivery mechanism for water infrastructure funding.

OTHER PROGRAM USES

PLAN FOR USE OF ADMINISTRATIVE ACCOUNTS

There are three distinct funding sources for DWSRF administrative expenses:

DWSRF Cap Grant Administrative Set-Aside. A total of 4% of the cumulative amount of federal Cap Grants received may be used for program administration. Planned expenses are discussed in F. 2024 Set-Aside Uses

Loan initiation fees. A 0.5% loan origination fee is charged on new DWSRF construction 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. Program Income can only be used for the purposes of administering the DWSRF program or for making new loans. Iowa uses the initiation fee receipts for administration of the DWSRF Program.

Loan initiation fees will not be assessed on loans to DAC receiving SRF LF.

Loan servicing fees. An annual servicing fee of 0.25% is charged on the outstanding principal of DWSRF construction loans. The fees are deposited outside of the fund. 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 purposes. Iowa uses servicing fees collected while 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 Section 1452.

PROGRAM & NON-PROGRAM INCOME USES

Program Income. A portion of these funds will be used in SFY 2024 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 2024 to fund some of the activities completed under the State Program Management set-aside. A portion of these funds may be used in SFY 2024 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.

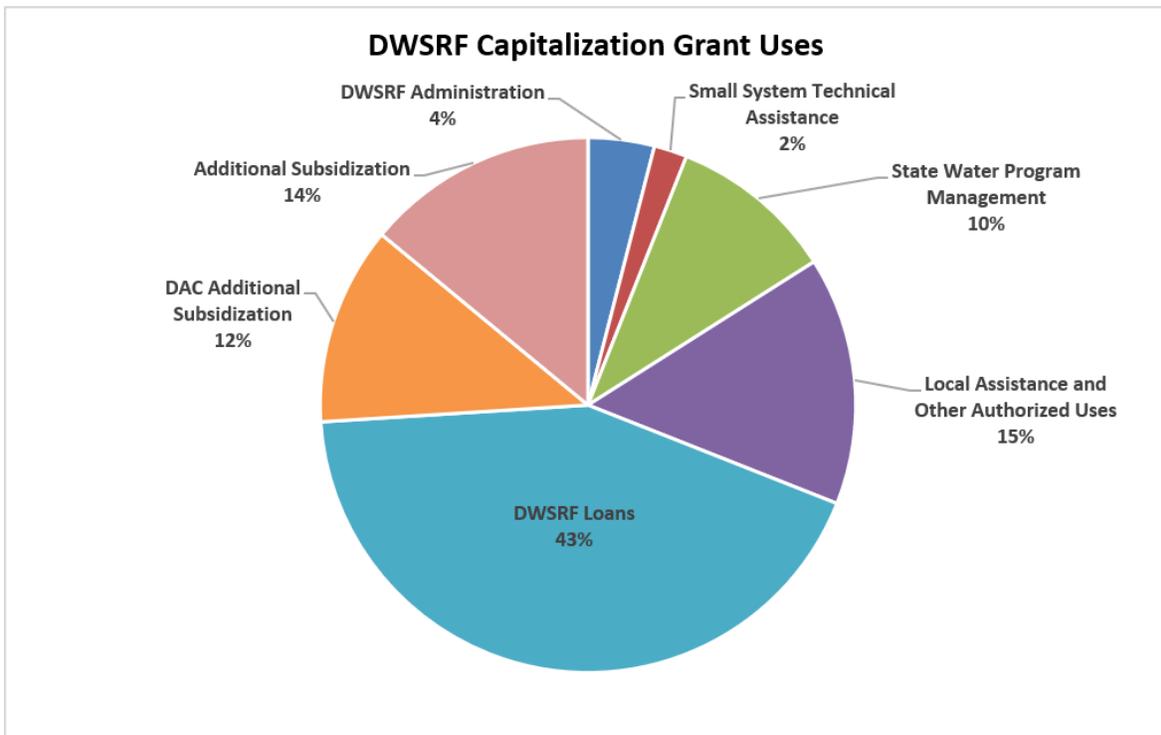
SENIOR ENVIRONMENTAL EMPLOYEE (SEE) SALARY FUNDS DEDUCTED FROM CAPITALIZATION GRANT

The DWSRF Program will not withhold any funding from FFY 2023 DWSRF Base Cap Grant application for the SEE Program but may seek to fill positions under this program during SFY 2024. These positions are filled by EPA Region 7 and assigned to the DNR’s Drinking Water Engineering section to provide technical and administrative assistance to the DWSRF projects and program. The SEE enrollees help provide staffing at DNR to maintain the DWSRF program and keep up with the increasing DWSRF 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.”

F. 2024 Set-Aside Uses

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 2023 workplan and will switch to the SFY 2024 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 EPA.

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.

PLANNED EXPENSES

Iowa intends to take the total amount authorized for each set-aside from the BIL General Supplemental Cap Grant and reserve authorized amounts from each of the DWSRF Base Program, BIL PFAS/EC Funds and BIL LSL Replacement Funds. Unused commitments are reserved for use in future years as necessary.

DWSRF Program Administration Set-Aside (4%). Iowa intends to use this set-aside including loan administrative fees to pay the costs of administering the DWSRF Base and BIL GS and PFAS/EC Funds 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
- AIS/BABA site inspections
- Database development and implementation
- Program marketing and coordination
- Drinking Water Infrastructure Needs Survey

Small System Technical Assistance Set-Aside (2%). 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 PWS, 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.

Additional tasks may be added to the SFY 2024 Set-Aside Workplan to support initiatives specific to Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and/or LSL replacements.

State Program Support Set-Aside (10%). The primary uses of this set-aside are to assist with the administration of the Public Water Supply Supervision (PWSS) program, to review engineering documents for non-DWSRF construction projects, 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 PWSs, as required by the Safe Drinking Water Act.

Additional tasks may be added to the SFY 2024 Set-Aside Workplan to support initiatives specific to PFAS/EC and/or LSL replacements.

Other Authorized Activities Set-Aside (15%). 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 PWSs, 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 noncommunity PWSs
- System-specific capacity development assistance by contractor, including promotion of asset management planning

Additional tasks may be added to the SFY 2024 Set-Aside Workplan to support initiatives specific to PFAS/EC and/or LSL replacements.

Funds are also budgeted for SWP activities including the following:

- Coordination and administration of the SWP 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 PWSs
- Technical assistance for well siting
- Maintenance of the Source Water Mapper and Tracker online database

Appendix A - Disadvantaged Communities (DAC)

The affordability criteria established in this IUP after public review and comment will be the criteria used to determine DAC status.¹⁶

For SFY 2024, applicants with a Socioeconomic Assessment (SA) score of at least 11 points meet the affordability criteria of the DWSRF Program and are identified as a “Disadvantaged Community” for the Program purposes.

REVISED AFFORDABILITY CRITERIA USED TO DETERMINE DAC STATUS

The DWSRF Program 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 SFY 2023, the Iowa SRF Program began using a **SA Tool** with a broad range of metrics to evaluate a community or service area’s underlying socioeconomic and demographic condition, in an effort to develop a more comprehensive definition of what it means to be DAC. This SA Tool provides a comprehensive analysis of factors that typically determine whether a community or service area is disadvantaged and can determine the affordability of water infrastructure projects.

The Iowa DWSRF Program will use the results of the SA Tool, or “Socioeconomic Assessment Score” to determine the disadvantaged status of a borrower and/or **eligibility to receive SRF loan forgiveness** (also referred to as additional subsidization) or other incentives offered by the DWSRF Program specifically for DAC.

The amount of additional subsidization available to a DAC will be established annually in the IUP.

SA TOOL

In SFY 2023, the metrics used in the SA Tool were established using EPA guidance and revised with public input. The SA Tool was revised for SFY 2024 and is part of the annual IUP public review and comment process. It will go into effect upon approval of this IUP by the EPC.

There are two versions of the SA Tool:

- **Service Area-Based** - Metrics results are for an entire community or primary county
 - Applicable to: Municipalities which serve populations within incorporated boundaries
- **Census Tract-Based** - Metrics results are for Census tracts or primary county
 - Applicable to: Homeowner’s Associations (HOA), Sanitary Districts, Rural Water Associations and SRF borrowers for BIL LSL projects. This tool will be used when the primary purpose of a consolidation/regionalization project is to expand a system’s service area.

Both versions of the SA Tool are available to the public through the [SRF website](#).

The SA Tool assesses 10 datapoints from publicly available sources produced by the Census Bureau of the U.S. Department of Commerce and Iowa Workforce Development. The SA Tool **is updated annually** with the release of new data from these sources. In SFY 2024, the SA Tool will use 2017-2021 data from the American Community Survey and up-to-date employment data from Iowa Workforce Development. Figure 1 below provides a list of the metrics used in the SA Tool.

To use the SA Tool, a borrower will select each community that makes up the utility’s service area, along with the corresponding percent of population served. For each of the metrics evaluated, applicants will be given a score indicating the relative disadvantage to the other communities in the state (see Figure 1 and Figure 2)¹⁷. A weighted average for each metrics will be calculated and assigned points. Scores for each metric are totaled to produce an overall assessment of the applicant’s underlying social, economic, and demographic profile.

¹⁶ 40 CFR 35.3505 Definitions and IAC 265 Chapter 26.7 - Disadvantaged Community Status

¹⁷ The only exception is Population Trend. No points for positive or 0% growth, 1 point for negative growth up to -2%, 2 points for more than -2% population growth.

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

	Points		
	0	1	2
1 Median Household Income	Top 1/3 (Highest MHI)	Middle 1/3	Bottom 1/3 (Lowest MHI)
2 Percent Below Poverty	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
3 Percent Receiving Public Assistance or Supplemental Nutrition Assistance Program (SNAP)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
4 Percent Receiving Supplemental Security Income (SSI)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
5 Unemployment Rate (County 12-mo avg.)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
6 Percent Not in Labor Force	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
7 Population Trend Between 2010 and 2020 Census	Positive population growth	Decline up to -2%	Decline of more than -2%
8 Percent with High School Diploma or less	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
9 Percent of Vacant Homes (excluding 2nd/Vacation dwellings)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
10 Percent of Cost Burdened Housing (>= 30% of income spent on owner-occupied and renter-occupied housing)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)

Figure 1

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

Figure 2

USING THE SA SCORE TO DETERMINE DAC STATUS

The following information applies to DWSRF Base and BIL Capitalization Grant Funds (General Supplemental, PFAS/EC and LSL):

- DAC status for the purposes of the DWSRF Program will be determined by completing the SA worksheet to produce a SA score.
- With 10 total metrics, equally weighted, the maximum number of points will be 20. Communities or service areas with a cumulative score of 11 and up (e.g., falling in the top 1/2 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 1/2 of total cumulative points (e.g., 10 total points or less), will not be considered disadvantaged for SRF Program purposes.

Applicants with a total SA score of at least 11 points meet the DWSRF Program’s definition of DAC.

	Point Range	Disadvantaged Community
Low	0-10	No
Moderate	11-15	Yes
High	16-20	Yes

Appendix B - Additional Subsidization

Iowa applies additional subsidization in the form of loan forgiveness (LF). The final amount of LF offered will be based on the eligible construction costs related to the final amount drawn on the loan. LF is applied as principal forgiveness on the date of the final loan disbursement.

Borrowers being offered additional subsidization will be asked to accept the award by signing an offer letter of LF terms and conditions.

Time limits may be established for signing loan commitments in order to apply LF awards.

Maximum time limits may also be established for commencing construction of an eligible project. If construction has not been initiated or a loan commitment has not been signed by the date indicated in the LF terms and conditions award letter, the LF offer may be withdrawn or reassigned to meet grant timeline requirements.

Taxable portions of SRF projects are not eligible for LF.

Applicants who received a DAC determination from DNR prior to September 20, 2022 and are eligible for extended term financing (up to 30 years) at the 20-year interest rate, are not eligible for LF.

Borrowers receiving congressionally directed spending or additional subsidization awards from a previous cap grant will not be eligible to receive subsequent awards from the Iowa SRF program for the same project.

Unless otherwise allowed by the SRF Program, borrowers will only receive one LF award per project (LF awards may consist of more than one funding source).

LOAN FORGIVENESS CRITERIA

The DWSRF Program will comply with additional subsidization requirements of each Cap Grant and will identify recipients of available funds during the fiscal year. 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.

FFY 2022 DWSRF BASE CAPITALIZATION GRANT AND BIL GENERAL SUPPLEMENTAL FUND

At the conclusion of SFY 2023, there was an estimated unobligated balance of LF over \$15 million using these criteria.

For the remainder of the unobligated FFY 2022 Base and BIL GS LF funds, the DWSRF Program, upon approval of this IUP, will conduct a “look-back” at all loans executed between July 1, 2022 and June 30, 2023. If a borrower meets the current DAC status requirements for SFY 2024, regardless of project type, the loan will be eligible for LF consideration. All qualifying project loans executed during this time period will be ranked highest to lowest by SA score and will be awarded LF in order of the date the loan was executed, until all funding is obligated. In the event of a tie, the project with the highest priority points (based on Appendix C - Project Ranking Criteria) will receive LF.

Funding for individual projects is **capped at \$2 million per project** and LF will be applied only to eligible construction costs. The DWSRF Program reserves the right to withdraw or modify the individual project cap.

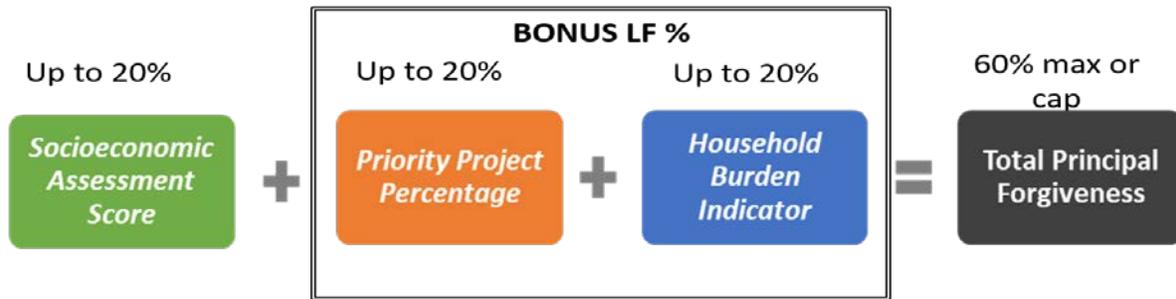
FFY 2022	LF Required	LF Obligated	LF Available to Award
DWSRF Base Cap Grant	\$2,886,260	\$1,514,400*	\$1,371,860
DWSRF BIL General Supplemental Fund	\$13,966,960	\$0	\$13,966,960

*This amount is estimated as of the publication of this DRAFT IUP.

If LF funding still remains unobligated using these modified criteria, the balance of LF will be added to the FFY 2023 LF amounts and will become available to projects that execute a loan after July 1, 2023.

FFY 2023 DWSRF BASE CAPITALIZATION GRANT AND BIL GENERAL SUPPLEMENTAL FUND

LF of up to 20% may be offered for eligible construction costs to projects that meet the Iowa SRF’s DAC. An additional 20% may be offered to priority projects and/or 20% offered to projects that demonstrate a household user-rate burden, for a **total of 60% LF** of construction costs.



1. Up to 20% LF awarded for Disadvantaged Status (SA score of 11 or higher);

	Point Range	Principal Forgiveness
Low	0-10	0%
Moderate	11-15	15%
High	16-20	20%

2. Up to 20% LF awarded for constructing a priority project; and/or

Priority Projects for FFY 2023 DWSRF Base and BIL General Supplemental Funds	% Loan Forgiveness
Non-Compliance Issues (SDWA, Maximum Contaminant Levels (MCL) Violations, Identified Significant Deficiencies)	20%
Consolidation/Regionalization	15%
Resiliency Projects (flood/drought, redundancy and cyber security)	10%
New Public Water System (PWS) for communities served by private wells	10%

3. Up to 20% LF awarded based in the Household Financial Burden Indicator (see Determining Household Financial Burden Indicator section).

Burden	Principal Forgiveness
Low	0%
Moderate-Low	5%
Moderate	10%
Moderate-High	15%
High	20%

LF eligibility will be evaluated at the time of SRF loan application (see E. Financial Administration) and will be based on the current SA tool in effect at the time the loan application is approved by the IFA.

Awards will be assigned on a first ready, first served basis to projects that have executed an SRF loan commitment until all funding is obligated. Projects will be funded from the top socioeconomic score down with consideration given to readiness to proceed. In the event of a tie, the project with the highest priority points (based on Appendix C - Project Ranking Criteria) will receive LF.

Funding for individual projects is **capped at \$2 million per project** and LF will be applied only to eligible construction costs. The DWSRF Program reserves the right to withdraw or modify the individual project cap.

FFY 2023	LF Required	LF Obligated	LF Available to Award
DWSRF Base Cap Grant	\$1,930,240	\$0	\$1,930,240*
DWSRF BIL General Supplemental Fund	\$15,511,440	\$0	\$15,511,440*

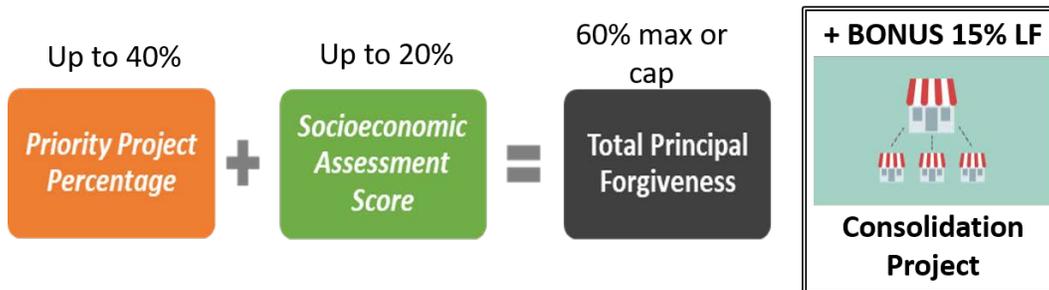
*This is based on an award amount that is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP.

At the conclusion of each fiscal year, unused portions of LF awards may be combined and reallocated to the next eligible borrower meeting the criteria established above.

FFY 2022 AND FFY 2023 BIL PFAS/EMERGING CONTAMINANTS (EC) FUND

LF may be issued to any applicant addressing PFAS or an emerging contaminant meeting the criteria described in the IUP D. SFY 2024 Program Activities to be Supported.

LF of up to 40% may be offered for eligible construction costs to projects that meet the contaminant and detection level priorities. An additional 20% may be offered to eligible projects that meet the Iowa SRF’s disadvantaged community definition, for a **total of 60%** of construction costs. Consolidation projects will be offered an additional 15% LF, for a **total of 75%** of construction costs.



1. Up to 40% LF awarded for constructing a priority project;

Emerging Contaminant	Detection Level (ppt) ¹	Loan Forgiveness %	
		Finish Water	Raw Water
PFAS	PFOA ≥ 4.0	40%	30%
	PFOS ≥ 4.0		
	Gen X ≥ 10		
	PFBS ≥ 2,000		
Health Advisories (HA) on EPA’s Contaminant Candidate Lists 1-5 (Non-PFAS)	≥ HA level	40%	30%
	≥ 50% of HA level	20%	N/A

2. Up to 20% LF awarded for Disadvantaged Status (SA score of 11 or higher);

	Point Range	Principal Forgiveness
Low	0-10	0%
Moderate	11-15	15%
High	16-20	20%

3. An additional 15% LF will be awarded if the project is a consolidation/regionalization project.

This priority is intended for SRF-eligible applicants who are fully or partially consolidating or regionalizing with another system. The primary purpose of the consolidation or regionalization project must be for system A to obtain drinking water that more reliably meets SDWA requirements or to address technical, managerial, and/or financial issues within system A through consolidation or regionalization with system B. Consolidation or regionalization projects are eligible for this loan forgiveness even if there is no violation or compliance issue for system A. **The socioeconomic assessment score for system A shall be used to determine the disadvantaged status and the corresponding level of loan forgiveness eligibility.** The project cannot be primarily focused on expansion of system B's service area and must provide a public health benefit to those served by system A. When a consolidation project also includes expansion of system B, the costs related to connecting system A to system B are the only components eligible to receive loan forgiveness.

Funding for individual projects is **capped at \$2 million per project** and LF will be applied only to eligible construction costs. The DWSRF Program reserves the right to withdraw or modify the individual project cap.

BIL Fund	LF Required	LF Obligated	LF Available to Award
2022 DWSRF PFAS/EC	\$11,969,000	\$0	\$11,969,000*
2023 DWSRF PFAS/EC	\$11,487,000	\$0	\$11,487,000*

*This award amount is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP.

LF will be awarded on a first ready, first served basis while funds are available.

FFY 2022 AND FFY 2023 BIL LEAD SERVICE LINE REPLACEMENT FUND

LF of **49%** may be offered **to any applicant** for eligible construction costs necessary to replace the privately owned portions of lead service lines in **qualifying DAC census tracts** within their service area. Qualifying census tracts are determined by the Census Tract-Based SA Tool (see Appendix A - Disadvantaged Communities (DAC)). Eligible project costs and project readiness are described in the IUP in section D. SFY 2024 Program Activities to be Supported.

Costs related to replacement of system-owned lead service lines, and lead service line replacements completed in census tract areas that do not meet the DAC criteria are not eligible for LF. Special interest rates or other incentives may be offered for costs not eligible for LF (see Appendix D - Interest Rates, Fees and Loan Terms).

LF will not be **obligated** to projects until the “contingency status” is removed (see B. SRF Program Overview) and DNR engineering staff have approved the applicant’s Lead Service Line Replacement Project Plan (project readiness is described in the IUP in section D. SFY 2024 Program Activities to be Supported).

FFY Fund	LF Required	LF Obligated	LF Available to Award
2022 DWSRF BIL LSL	\$22,007,370	\$0	\$22,007,370*
2023 DWSRF BIL LSL	\$14,366,310	\$0	\$14,366,310*

*This is based on an award amount that is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP

DETERMINING HOUSEHOLD FINANCIAL BURDEN INDICATOR

The Household Financial Burden Indicator is an assessment of a household’s ability to afford the proposed project. The Assessment is made up of two components¹⁸:

- **New Residential Monthly Water or Sewer Bill at 4,000 gallons/mo.:** The projected residential water or sewer bill (including the proposed project and any known LF from the other two categories) for a residential user, normalized to 4,000 gallons of usage.
- **Poverty Prevalence Indicator:** The percentage of community households at or below 200% of the Federal Poverty Level

¹⁸ 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

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

The resulting Household Financial Burden Indicator matrix corresponds to the resulting category of unaffordability as shown below:

		Poverty Prevalence*		
		Low ≤ 32.0%	Mid 32.0 - 41.0%	High > 41.0%
New Monthly Water Bill at 4,000 gal/month	High > \$42	Moderate-High	Moderate-High	High
	Mid \$30 - \$42	Moderate-Low	Moderate	Moderate-High
	Low ≤ \$30	Low	Moderate-Low	Moderate-High

* Poverty Prevalence is measured by the percentage of people in the community living at or below 200% of the federal poverty level.

The amount of LF attributed to the Household Financial Burden may be different from grant to grant and will be indicated in the LF criteria for each Cap Grant.

Appendix C - Project Ranking Criteria

Projects are added to the PPL to be funded based on the 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. Methods for determining the population served are described in 567 IAC Chapter 44.

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 DWSRF loans exceeds supply of funds. In the event that available funds are limited, funding shall be offered to the projects with highest rank on the PPL, subject to the project's readiness to proceed, and shall proceed from the highest project downward, subject to availability of funds.

PROJECT PRIORITY LIST RANKING CRITERIA

Planning and Design projects are not ranked. Construction projects are ranked based on the DNR's scoring system, described in 567 IAC Chapter 44. All projects shall be listed in descending order on the published PPL according to the number of total priority points assigned each project.

When two or more projects have the same priority point total:

1. The project sponsored by a system in the process of consolidation shall receive the higher priority;
2. A private system in the process of forming and becoming a PWS shall have the next highest priority (if the system is determined by U.S. EPA regulations or guidance to be eligible for DWSRF funding);
3. The entity with the smallest served population shall receive the next highest priority.

Lead Service Line Replacement projects on the PPL will be given a **contingency** status until all fundable criteria described in section D. SFY 2024 Program Activities to be Supported of this IUP have been met.

PROJECT PRIORITY LIST SCORING CRITERIA

Eligible public drinking water supply projects will be scored in accordance with the scoring system contained in Chapter 44 of the IAC.

The DWSRF Project Scoring System assigns points to projects in each of the following scoring criteria:

- A. Human Health Risk-related Criteria (maximum of 60 points)
- B. Infrastructure and Engineering-related Improvement Criteria (maximum of 35 points)
- C. Affordability Criteria (maximum of 10 points)
- D. Special Category Improvements (maximum of 15 points)
- E. DNR Adjustment Factor for Population

Projects involving a multiyear, phased effort may carry over their original priority point total from the previous year's application, provided that the project owner reapplies at each stage.

Appendix D - Interest Rates, Fees and Loan Terms

TYPES AND TERMS OF FINANCING

PLANNING AND DESIGN LOANS

Planning and Design (P&D) Loans provide affordable financial assistance for costs incurred in the planning and design phase of SRF-eligible proposed wastewater, stormwater, or drinking water project. Eligible costs include, but are not limited to, engineering fees, archaeological surveys, environmental studies, fees related to project plan preparation and submission, and other costs related to project plan preparation.

P&D Loans have no interest or payments due for up to three years while the project is designed, no minimum or maximum loan amounts, and no initiation or servicing fees. However, borrowers will still need to engage their Bond Counsel to authorize and issue the debt. P&D Loans will be rolled into an SRF Construction Loan or may be repaid when other permanent financing is committed.

SRF CONSTRUCTION LOANS

SRF Construction Loans provide eligible entities with low-cost financing for a variety of wastewater and drinking water infrastructure projects. SRF Construction Loans are offered for up to 30 years, with below-market interest rates, low fees, and favorable terms.

Standard Term Construction Loans are offered for up to 20 years. Qualifying projects may request extended term financing for up to 30 years (not to exceed the average useful life of the project).

INTEREST RATES (EFFECTIVE THROUGH SEPTEMBER 30, 2023)

Below are the interest rates for loans that close between July 1 and September 30, 2023. In addition, a servicing fee of 0.25% will be assessed on the outstanding loan balance, paid semiannually with scheduled interest payments.

Loan Type	Applicant Type	Interest Rate	Servicing Fee	Total
Planning and Design Loan (<= 3 years)	All	0.00%	0.00%	0.00%
Standard Term Construction Loans (<= 20 years)				
Tax-Exempt	All	1.75%	0.25%	2.00%
Taxable	All	3.53%	0.25%	3.78%
Extended Term (21-30 years ¹⁹)				
Tax-Exempt	All	2.75%	0.25%	3.00%
Taxable	All	4.53%	0.25%	4.78%
Special Purpose Fund Loans				
Lead Service Line Projects	LSL	0.00%	0.25%	0.25%

FEES

LOAN INITIATION FEES

A 0.50% loan origination fee will be charged on new SRF Construction Loans, not to exceed \$100,000. Since Iowa's loan initiation fees are capitalized, the fee income is considered program income and may only be used for the purposes of administering the SRF Program or for making new loans.

Initiation fees will not be assessed on either P&D Loans or Construction Loans to borrowers that have received a LF award (due to a SA score that meets the Program's affordability criteria as a DAC).

LOAN SERVICING FEES

An annual loan servicing fee equal to 0.25% of the outstanding loan balance is charged on SRF Construction Loans. Payment of the loan servicing fee is made semiannually along with scheduled interest payments. Loan servicing fees are

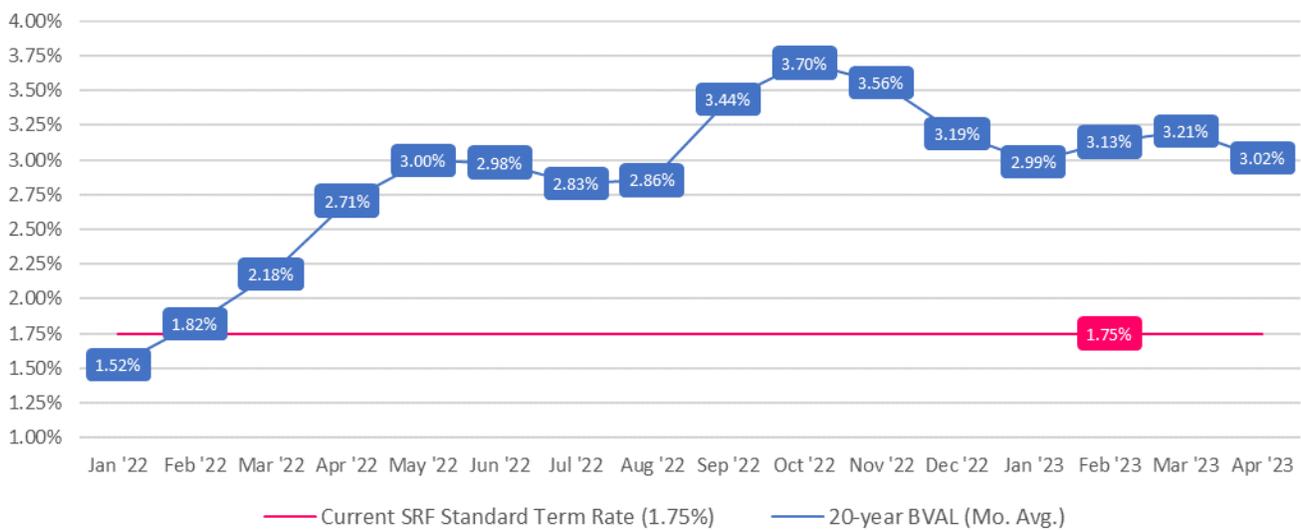
¹⁹ Maximum loan term will be based on the project's useful life.

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 [Other Program Uses](#) in this IUP.

METHODOLOGY FOR DETERMINING PROGRAM INTEREST RATES

Clean Water and Drinking Water SRF Programs are charged with providing communities with a low-cost, long-term, perpetual funding source to construct the infrastructure and implement practices that will deliver safe drinking water to citizens and treat water pollution for a healthy environment.

To carry out this mandate, SRF Programs must remain responsive to evolving financial markets. Interest rates in both the Treasury and municipal markets have been trending higher over the past 18 months and the Program is facing substantially higher cost of funds. The graph below compares the monthly average 20-year AAA General Obligation market yield to Iowa SRF’s Standard Term Construction Loan interest rate. Since the beginning of Calendar Year 2022, the average AAA 20-year yield has nearly doubled.



IMPORTANT CHANGE TO LOAN INTEREST RATE METHODOLOGY

In response to recent market trends, and to ensure the Program can meet the future water infrastructure financing needs of future borrowers, Iowa SRF will implement a change to how interest rates for SRF Construction Loans are calculated in the second quarter of FY 2024.

Beginning October 1, 2023, Iowa’s SRF Loan Programs will utilize Base Interest Rates for Tax-Exempt and Taxable Standard Term SRF Loans (up to a 20-year term) that will be re-calculated and published on the first business day each January, April, July, and October (the “Effective Date”).

The Base Interest Rates will be calculated by taking 75 percent of the average Bloomberg BVAL General Obligation Municipal AAA 20-year yield (“BVAL”) for the calendar month immediately preceding the Effective Date. For example, the Base Interest Rate effective October 1 will be calculated using the average 20-year BVAL yield for the month of September.

Interest rates for the taxable portions of SRF projects will be calculated by taking 75 percent of the average Bloomberg BVAL Taxable General Obligation Municipal AAA 20-year yield for the calendar month immediately preceding the Effective Date.

Upon submission of a complete Construction Loan Application, applicants will receive a financing offer from IFA including an interest rate lock for up to 90 days and a final LF offer, if applicable. Should the Program's interest rates fall prior to signing a loan agreement, the applicant will automatically receive the more favorable rate at loan closing, given they are still within the 90-day rate lock period.

About BVAL

BVAL use real-time trades and contributed sources to signal movement in the municipal market as it is happening. Iowa SRF has chosen BVAL's AAA Municipal Curves as the benchmark indices because they are widely used, objective, transparent, and publicly available through the [Municipal Securities Rulemaking Board](#)²⁰ to anyone who wishes to track the market independently.

²⁰ <https://emma.msrb.org/ToolsAndResources/BloombergYieldCurve?daily=True>

Appendix E - Sources and Uses²¹

Drinking Water SRF - State Fiscal Year 2024

SOURCES OF FUNDS

FFY 2022 Federal Capitalization Grants	
BIL Supplemental ²²	\$8,693,000
BIL Emerging Contaminants	\$11,945,000
BIL Lead Service Line Replacement	\$44,794,000
FFY 2023 Federal Capitalization Grants	
Base Program	\$7,424,000
BIL Supplemental	\$31,656,000
BIL Emerging Contaminants	\$11,487,000
BIL Lead Service Line Replacement	\$29,319,000
Estimated Loan Repayments (P&I)	\$42,250,000
Estimated Fee Income	\$1,638,000
Funds Available in Equity and Program Accounts	\$185,297,000
Estimated Investment Earnings on Funds	\$3,986,000
Estimated Bond Proceeds:	
Leveraged/Reimbursement	\$15,000,000
State Match	\$0
TOTAL SOURCES	\$393,489,000

ANTICIPATED USES OF FUNDS

Set-Asides from Prior Capitalization Grant(s)	\$3,188,000
Set-Asides from FFY 2023 Capitalization Grants	\$6,791,000
Project Funding	
Disbursements to Existing Loan Commitments ²³	\$56,241,000
Disbursements to Future Loan Commitments:	
Planning & Design Loan Requests from IUP ²⁴	\$8,429,000
Additional DWSRF Project Requests ²⁵	\$75,000,000
Debt Service:	
Principal Payments on Outstanding Revenue Bonds	\$25,105,000
Interest Payments on Outstanding Revenue Bonds	\$15,194,000
Retained Equity	\$203,541,000
TOTAL USES	\$393,489,000

NET SOURCES (USES)

\$0

²¹ All amounts are as of May 2, 2023, and are rounded to the nearest \$1,000.

²² Undrawn amount.

²³ Undisbursed DWSRF loan commitments: \$74,987,526 at 75% disbursement rate.

²⁴ Planning & Design requests per DW IUP: \$16,857,607 at 50% disbursement rate.

²⁵ Additional 50% of total budgeted new loan commitments for SFY 2024.

Appendix F - State Match

Drinking Water SRF

FFY 2021

Sources of State Match

Surplus State Match from Prior Year(s)	\$192,900
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State Match Bonds Issued in Feb 2020	\$8,000,000
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Total DW State Match Available	\$8,192,900
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Application of State Match

FFY21 Base Cap Grant*	\$17,587,000
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State Match Required (%)	x 20%
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State Match Required (\$)	\$3,517,400
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Total DW State Match Required	\$3,517,400
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State Match Surplus (Deficit)	\$4,675,500
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FFY 2022

Sources of State Match

Surplus State Match from Prior Year(s)	\$4,675,500
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State Match Bonds Issued in May 2022	\$5,700,000
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Total DW State Match Available	\$10,375,500
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Application of State Match

FFY22 Base Cap Grant	\$11,101,000
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State Match Required (%)	x 20%
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State Match Required (\$)	\$2,220,200
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FFY22 Supplemental Cap Grant	\$28,504,000
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State Match Required (%)	x 10%
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State Match Required (\$)	\$2,850,400
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Total DW State Match Required	\$5,070,600
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State Match Surplus (Deficit)	\$5,304,900
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FFY 2023

Sources of State Match

Surplus State Match from Prior Year(s)	\$5,304,900
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Total DW State Match Available	\$5,304,900
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Application of State Match

FFY23 Base Cap Grant	\$7,424,000
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State Match Required (%)	x 20%
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State Match Required (\$)	\$1,484,800
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FFY23 Supplemental Cap Grant	\$31,656,000
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State Match Required (%)	x 10%
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State Match Required (\$)	\$3,165,600
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Total DW State Match Required	\$4,650,400
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State Match Surplus (Deficit)	\$654,500
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Appendix G - Federal Assurances, Certifications and Proposals

Iowa will provide the necessary assurances and certifications according to the Operating Agreement between the State of Iowa and the EPA, the grant terms and conditions, and the proposals listed within this Appendix.

SPECIFIC PROPOSALS AND CERTIFICATIONS

PROGRAM BENEFITS REPORTING

The Iowa DWSRF Program plans to enter data into the EPA reporting database for the Office of Water State Revolving Funds (OWSRF) not less than quarterly and enter data into the National Information Management System (NIMS) annually.

SIGNAGE

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.

Projects receiving additional subsidization, or are funded as equivalency projects from Infrastructure Investment and Jobs Act (IIJA) or Bipartisan Infrastructure Law (BIL) funds will follow the OMB²⁶ and EPA Signage Guidance²⁷ for those funds, as summarized below:

The BIL signage term and condition requires a physical sign displaying the official Building a Better America emblem and EPA logo be placed at construction sites for BIL-funded projects. The sign must be placed in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. This requirement applies only to the following projects:

- Construction projects identified as “equivalency projects” for BIL general supplemental capitalization grants;
- Construction projects that receive additional subsidization (grants or forgivable loans) made available by BIL general supplemental capitalization grants

VIABILITY ASSESSMENT

The SDWA requires states to ensure public water supply systems can provide safe drinking water to their public at a reasonable cost for the foreseeable future. Iowa has chosen to use a Self-Assessment Manual as a tool for water supplies to appraise their technical, managerial, and financial capability. SRF applicants will be required to submit a viability self-assessment for approval.

GREEN PROJECT RESERVE

Congressional Appropriations require 10% of DWSRF Cap Grant amounts be used to fund projects that qualify under the EPA’s Green Project Reserve (GPR), if such applications are submitted. GPR projects address green infrastructure, water and energy efficiency, and/or other environmentally innovative activities. During SFY 2024, the SRF Program will identify recipients that comply with green project reserve requirements for the FFY 2022 and FFY 2023 Cap Grant allocations. The specific projects identified as GPR will be listed in the annual report.

	Iowa Allocation	GPR Required (10%)
FFY 2022 Base Capitalization Grant	\$11,101,000	\$1,110,100
FFY 2022 BIL General Supp Grant	\$28,504,000	\$2,850,400
FFY 2022 BIL PFAS/EC	\$11,969,000	\$1,196,900
FFY 2022 BIL Lead Service Line	\$44,913,000	\$4,491,300
FFY 2023 Base Capitalization Grant	\$7,424,000	\$742,400

²⁶ Guidelines and design specifications for using the official Building A Better America emblem and corresponding logomark available at <https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-BrandGuide.pdf>

²⁷ Compliance guidelines for sign specifications provided by the EPA Office of Public Affairs (OPA) are available at <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-producedepa-assistance-agreement-recipients>

	Iowa Allocation	GPR Required (10%)
FFY 2023 BIL General Supp Grant	\$31,656,000	\$3,165,600
FFY 2023 BIL PFAS/EC	\$11,487,000	\$1,148,700
FFY 2022 BIL Lead Service Line	\$29,319,000	\$2,931,900

ADDITIONAL SUBSIDIZATION

DWSRF Base Program funding, provided through the Consolidated Appropriations Act, includes two different additional subsidization authorities (Congressional and Safe Drinking Water Act Disadvantaged Communities). Additional subsidy authority also exists under the Bipartisan Infrastructure Law. Iowa has established criteria in Appendix B - Additional Subsidization to comply with these authorities and will document recipients of these funds in the annual report.

AMERICAN IRON AND STEEL

DWSRF assistance recipients are required to use iron and steel products produced in the United States for projects for constructing, altering, maintaining, or repairing public water systems²⁸. Iowa DWSRF Program proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. All recipients will be required to sign a self-certification of compliance at completion of the project.

Forms and guidance for compliance will be provided to SRF borrowers and/or made available on the [SRF website](#).

BUILD AMERICAN, BUY AMERICA (BABA) ACT

On November 15, 2021, President Joseph R. Biden Jr. signed into law the Infrastructure Investment and Jobs Act ("IIJA"), Pub. L. No. 117-58, which includes the Build America, Buy America Act ("the Act") that strengthens the Made in America Laws.²⁹ Infrastructure projects funded by federal financial assistance must ensure that the ***iron, steel, manufactured products, and construction materials*** used in the project are produced in the United States.³⁰

Since not all funds available through the Iowa DWSRF Program are considered federal financial assistance, SRF will provide information to those applicants required to comply with necessary documentation and inspection procedures. Iowa proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance³¹. All recipients will be required to sign a self-certification of compliance at completion of the project.

Forms and guidance for compliance will be provided to SRF borrowers and/or made available on the [SRF website](#).

ENVIRONMENTAL REVIEW

Projects receiving assistance from the DWSRF must conduct environmental reviews of the potential environmental impacts of projects and associated activities. To reduce costs and barriers to participating in the SRF loan program, Iowa SRF Environmental Review staff will conduct NEPA-like environmental review services on behalf of DWSRF applicants in accordance with the federal assurances below.

DAVIS-BACON

The Davis Bacon Act requires that all contractors and subcontractors performing construction, alteration and repair (including painting and decorating) work under federal contracts in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage and fringe benefits for the geographic location.³² Iowa proposes oversight of this

²⁸ <https://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement>

²⁹ Build America, Buy America Act, P.L. 117-58, Secs 70911 - 70917

³⁰ <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

³¹ <https://www.epa.gov/system/files/documents/2022-11/OW-BABA-Implementation-Procedures-Final-November-2022.pdf>

³² <https://www.epa.gov/grants/interim-davis-bacon-act-guidance>

requirement to be conducted by verification of bid documents and wage determinations, and will require applicants to submit a self-certification form at completion of the project indicating compliance with this requirement.

FEDERAL ASSURANCES

Instrumentality of the State. See language in current Operating Agreement.

Binding Commitments. The State will enter into binding commitments with recipients to provide assistance in accordance with the requirements of the Safe Drinking Water Act (SDWA), in an amount equal to 120 percent of the amount of each grant payment, within one year after receipt of such grant payment. DWSRF binding commitments include set-aside funds.

Expeditious and Timely Expenditure. All monies in the fund will be committed and expended in an expeditious and timely manner.

State Laws and Procedures. The state will commit or expend each quarterly capitalization grant payment in accordance with laws and procedures applicable to the commitment or expenditure of revenues of the State.

State Accounting and Auditing Procedures. In carrying out the fiscal control and auditing requirements of the SDWA, the state will report to EPA in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board.

Assistance Recipient Accounting and Auditing Procedures. The state will require as a condition of making a loan or providing other assistance from the fund that the recipient of such assistance provide an annual audit of project accounts in accordance with GAAP. A copy of the loan agreement can be reviewed on the [SRF website](#).

Annual/Biennial Reports. As required, the state agrees to report to EPA on the actual use of funds and how the state has met the goals and objectives for the previous fiscal year as identified in that year's IUP.

Environmental Review. The State will assure compliance through the procedures described in State Rules and 40 CFR 35.3580, in effect at the time of execution of this agreement, and any future amendments which are reviewed and approved by EPA. A NEPA-like review will be conducted for any DWSRF project receiving assistance.

Types of Financial Assistance. The State certifies that only the types of assistance authorized under Section 1452 of the SDWA, as amended, and the State's enabling legislation, will be awarded.

PROCESS (APPLICATION/PAYMENT/DISBURSEMENT)

Application. Properly executed, completed grant applications with supporting documentation meeting 2 CFR Part 200 requirements will be submitted to the Regional Administrator at least 90 days prior to the target grant award date. The State and EPA agree to negotiate promptly, cooperatively, and in good faith to clarify or resolve questions which may arise during the 60-day application review time period.

Grant Payments. After the award of a capitalization grant, the state will begin receiving quarterly grant payments according to the schedule in the grant award. The quarterly payments, up to the full amount of the grant, must be made in no more than 8 quarters following grant award or 12 quarters after funds are allotted.

Cash Draws/Disbursements. Cash draws will be made as costs are incurred. Disbursements will be made from state monies first, then federal monies.

Annual Report, Review and Audit. State will follow requirements in 40 CFR 35.3570.

Corrective Action. State will follow requirements addressed in 40 CFR 35.3585.

Disputes. Dispute provisions of 2 CFR Part 1500 Subpart E shall be used for disputes involving EPA disapproval of an application or a capitalization grant, as well as disputes arising under a capitalization grant including suspension or termination of grant assistance.

Records, Retention and Access. Records will be retained according to 2 CFR 200.333. Federal access to records will be according to 2 CFR 200.336a. The State will establish and maintain program and project files as required to:

1. Document compliance with Safe Drinking Water Act (SDWA), other federal regulations, and any general and special grant conditions;
2. Produce the required report;
3. Document technical and financial review and project decisions;
4. Support audits; and
5. Provide effective and efficient program management.

Congressional and Public Inquiries. Responses to Congressional and public inquiries will be made by State and coordinated with EPA as necessary. A copy of the inquiry and response will be sent to EPA for all Congressional inquiries. Although State will address project-level and most program inquiries. If EPA is responsible for any program inquiries, the State will provide background information in a timely manner and EPA will provide a copy of inquiry and response in a timely manner.

Appendix H - Public Review and Comments Received

A public meeting to allow input to Iowa's SFY 2023 IUP and PPL was held June 8, 2023, 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 June 16, 2023. Necessary changes were identified during the comment period and were incorporated into this document.

Attachment 1 - DWSRF Project Priority List

This is a separate, sortable Excel File

Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Population	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source		
												Base BIL GS	PFAS/EC	LSL
Clarence	PD-DW-24-14	Distribution System Improvements	2024	1	P&D	975	P	\$ 130,000.00				X		
Alta	PD-DW-24-09	New Water Treatment Plant	2024	1	P&D	2087	P	\$ 1,154,000.00				X		
Council Bluffs	PD-DW-24-08	New High Service Pump Station at Narrows WTP	2024	1	P&D	63000	P	\$ 1,503,400.00				X		
Breda	PD-DW-24-07	New Well and Generator	2024	1	P&D	508	P	\$ 139,000.00				X		
Des Moines Water Works	PD-DW-24-06	Saylorville Plant Expansion	2024	1	P&D	600000	P	\$ 10,600,000.00				X		
Newton	PD-DW-24-02	New Jordan Supply Well and Transmission	2024	1	P&D	16391	P	\$ 800,000.00				X		
Fairfax	PD-DW-24-01	New Well Construction	2024	1	P&D	2828	P	\$ 515,000.00				X		
Grinnell	FS-79-24-DWSRF-006	Water System Improvements	2024	1	90	9564	P	\$ 35,000,000.00				X		
Rock Valley	FS-84-24-DWSRF-001	Water System Study Phase II - System Improvements	2024	1	55	3730	P	\$ 726,000.00				X		
Breda	FS-14-24-DWSRF-002	Well No. 6	2024	1	45	508	P	\$ 1,027,000.00				X		
Fort Dodge	FS-94-24-DWSRF-007	Water Main Replacement	2024	1	30	24912	P	\$ 11,217,000.00				X		
Des Moines Water Works	FS-77-24-DWSRF-005	Saylorville Water Treatment Plant (SWTP) Capacity Expansion - Raw Water Supply & Treatment	2024	1	30	600000	P	\$ 150,750,000.00				X		
Dubuque (Phase 3 LSL)	FS-31-24-DWSRF-011	Lead Service Line Replacement Phase 3	2024	1	20	58983	C	\$ 12,794,000.00						X
Dubuque (Phase 2 LSL)	FS-31-24-DWSRF-010	Lead Service Line Replacement Phase 2	2024	1	20	58983	C	\$ 11,848,000.00						X
Council Bluffs (LSL)	FS-78-24-DWSRF-009	Lead Service Line Replacement	2024	1	20	62799	C	\$ 3,525,000.00						X
Des Moines Water Works (LSL)	FS-77-24-DWSRF-008	Lead Service Line Replacement Phase 1 Project	2024	1	20	600000	C	\$ 12,070,000.00						X
Iowa American Water - Quad Cities (LSL)	FS-82-24-DWSRF-004	2023 Quad Cities System Lead Service Line Replacement	2024	1	20	137200	C	\$ 2,518,000.00						X
Iowa American Water - Clinton (LSL)	FS-23-24-DWSRF-003	2023 Clinton Water System Lead Service Line Replacement	2024	1	20	87	C	\$ 920,000.00						X
Schaller	PD-DW-23-52	Water System Improvements	2023	4	P&D	729	P	\$ 614,000.00				X		
Burlington	FS-29-23-DWSRF-085	Water Supply and Treatment Improvements	2023	4	60	23713	C	\$ 3,499,000.00				X	X	
Storm Lake	FS-11-23-DWSRF-070	City of Storm Lake Well No. 22	2023	4	45	12478	P	\$ 2,361,000.00				X		
Schaller	FS-81-23-DWSRF-082	Water System Improvements	2023	4	45	729	P	\$ 4,841,000.00				X		
Polk City	FS-77-23-DWSRF-077	1.5 MG Elevated Storage Tank	2023	4	45	5899	P	\$ 7,582,000.00				X		
Lake City	FS-13-23-DWSRF-068	Well No. 6 and Well No. 7	2023	4	45	1992	P	\$ 1,750,000.00				X		
Burlington	FS-29-23-DWSRF-084	New Jordan Wells Project	2023	4	45	23713	C	\$ 16,356,000.00				X	X	
Madrid	FS-08-23-DWSRF-076	Water Transmission Main Phase 2	2023	4	40	2802	P	\$ 1,714,000.00				X		
Lime Springs	FS-45-23-DWSRF-083	2024 Street and Utility Improvements Project	2023	4	40	473	P	\$ 5,507,000.00				X		
Granger	FS-25-23-DWSRF-072	New Water Tower	2023	4	40	1700	P	\$ 4,187,000.00				X		
Ainsworth	FS-92-23-DWSRF-069	Water Main Replacement	2023	4	40	511	P	\$ 490,000.00				X		
Palmer	FS-76-23-DWSRF-074	Water System Improvement	2023	4	35	138	P	\$ 615,000.00				X		
Marshalltown	FS-64-23-DWSRF-079	New 6 MGD RO Membrane Process Train	2023	4	35	27591	P	\$ 36,254,000.00				X		
Cedar Rapids	FS-57-23-DWSRF-078	Drinking Water PFAS Source and Treatability Study	2023	4	35	150000	P	\$ 2,513,000.00				X		
Mahaska Rural Water	FS-62-23-DWSRF-073	Transmission Main Improvements - Eddyville Connection	2023	4	30	10100	P	\$ 2,376,000.00				X		
Durant	FS-16-23-DWSRF-081	2nd Street Water Main	2023	4	30	90	P	\$ 920,000.00				X		
Burlington (LSL)	FS-29-23-DWSRF-086	Lead Service Line Replacement	2023	4	30	23713	C	\$ 788,000.00						X
Emmetsburg	FS-74-23-DWSRF-071	Water Treatment Improvements	2023	4	25	3706	P	\$ 10,215,000.00				X		
Des Moines Water Works	FS-77-23-DWSRF-075	Saylorville Water Treatment Plant (SWTP) Capacity Expansion - Transmission Improvements	2023	4	20	600000	P	\$ 24,267,000.00				X		
Dubuque	FS-31-23-DWSRF-080	Supervisory Control and Data Acquisition (SCADA) Upgrade	2023	4	15	58983	P	\$ 2,170,000.00				X		

Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Population	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source		
												Base BIL GS	PFAS/EC	LSL
Hinton	FS-75-23-DWSRF-034	Water Treatment Plant Improvements and Expansion	2023	3	60	947	P	\$ 7,286,000.00				X		
Waucoma	FS-33-23-DWSRF-035	Well Construction	2023	3	55	257	P	\$ 1,438,000.00				X		
Storm Lake	FS-11-23-DWSRF-030	Elevated Water Tank	2023	3	45	12478	P	\$ 7,937,000.00				X		
Hampton	FS-35-23-DWSRF-033	Water System Improvements	2023	3	45	4350	P	\$ 1,500,000.00				X		
Central City	FS-57-23-DWSRF-025	New Elevated Storage Tank	2023	3	45	1264	P	\$ 4,179,000.00				X		
Rudd	FS-34-23-DWSRF-031	Water System Improvements Phase II - Water Tower Rehab	2023	3	40	369	P	\$ 419,000.00				X		
Thompson	FS-95-23-DWSRF-020	Water Main Replacement	2023	3	40	502	P	\$ 451,000.00				X		
Terril	FS-30-23-DWSRF-066	Water Treatment Equipment Replacement	2023	3	35	334	P	\$ 1,206,000.00				X		
Iowa American Water - Quad Cities	FS-82-23-DWSRF-026	Elevated Storage Tank and Booster Station	2023	3	35	52807	P	\$ 8,362,000.00				X		
Ely	FS-57-23-DWSRF-019	Water main Replacement	2023	3	30	2328	P	\$ 1,728,000.00				X		
Hiawatha	FS-57-23-DWSRF-023	Replacement of mains on Robins Rd	2023	3	30	7935	P	\$ 1,665,000.00				X		
Clarence	FS-16-23-DWSRF-022	7th Ave Water Main	2023	3	30	1039	P	\$ 2,392,000.00				X		
Corwith	FS-41-23-DWSRF-021	Water Main Replacement	2023	3	30	266	P	\$ 340,000.00				X		
Osceola County Rural Water System	FS-72-23-DWSRF-032	North Phase WTP Expansion	2023	3	25	5415	P	\$ 2,256,000.00				X		
Johnston	FS-77-23-DWSRF-029	New Water Main Project (2 Mains- NW 78th Ave and NW Beaver Drive)	2023	3	20	24195	P	\$ 21,536,000.00				X		
Grimes	FS-77-23-DWSRF-024	Distribution and Storage Improvements	2023	3	20	15392	P	\$ 11,616,000.00				X		
Ankeny	FS-77-23-DWSRF-028	NW Irvinedale Elevated Storage Tank	2023	3	20	70287	P	\$ 11,840,000.00				X		
Ely	PD-DW-23-19	P&D for Water Main System Rehabilitation	2023	2	P&D	2328	P	\$ 184,420.00				X		
Ely	PD-DW-23-18	P&D for Construction of New Drinking Water Treatment Facility	2023	2	P&D	2328	P	\$ 582,420.00				X		
Carter Lake	PD-DW-23-23	P&D for Water Line & Pipe Replacement	2023	2	P&D	3791	P	\$ 725,000.00				X		
Corridor Ridge HOA	FS-52-23-DWSRF-009	Water Treatment System Installation	2023	2	75	108	P	\$ 376,875.00				X		
Montezuma Municipal Water Works	FS-79-23-DWSRF-017	New Jordan Well Construction	2023	2	55	1442	P	\$ 2,734,000.00				X		
Carter Lake	FS-78-23-DWSRF-018	Water System Improvements	2023	2	55	3791	P	\$ 9,267,000.00				X		
Bondurant Municipal Water Supply	FS-77-23-DWSRF-011	Elevated Storage Tank New Construction	2023	2	45	7500	P	\$ 8,533,000.00				X		
Oskaloosa Municipal Water Department	FS-62-23-DWSRF-014	Transmission Main Replacement	2023	2	30	11558	P	\$ 3,852,000.00				X		
Algona	FS-55-23-DWSRF-016	Water System Improvements	2023	2	30	2731	P	\$ 1,597,000.00				X		
Milford Municipal Utilities	FS-30-23-DWSRF-010	New Water Treatment Facility Construction	2023	2	25	3629	P	\$ 21,106,500.00				X		
Ankeny	FS-77-23-DWSRF-015	New Transmission Main Construction	2023	2	20	24564	P	\$ 3,248,000.00				X		
Dubuque (Phase 1 LSL)	FS-31-23-DWSRF-012	Lead Service Line Replacement Phase 1	2023	2	20	58983	C	\$ 9,209,000.00						X
Dubuque	FS-31-23-DWSRF-013	Eagle Street and Althausen Street Water & Sewer Replacement	2023	2	20	58983	P	\$ 505,000.00				X		
Mallard	FS-74-23-DWSRF-003	Water System Improvements - Connection Fee Only	2023	1	70	277	P	\$ 1,740,000.00				X		
Rock Rapids	FS-60-23-DWSRF-006	Lewis & Clark Service Connection Phase 3	2023	1	60	2611	P	\$ 1,507,500.00				X		
Remsen	FS-75-23-DWSRF-005	New R/O Treatment Plant	2023	1	55	1678	P	\$ 7,035,000.00				X		
Yale	FS-39-23-DWSRF-008	New Well	2023	1	40	267	P	\$ 400,000.00				X		
Aurelia	FS-18-23-DWSRF-001	Water Main Replacement	2023	1	40	1036	P	\$ 551,000.00				X		
Mount Vernon	FS-57-23-DWSRF-004	Water Meter Replacement	2023	1	30	4527	P	\$ 905,000.00				X		
Spillville	FS-96-23-DWSRF-007	New Booster Station and Ground Storage Reservoir	2023	1	30	385	P	\$ 1,781,000.00				X		
Auburn	FS-81-23-DWSRF-001	Water Treatment Plant Filter Replacement	2023	1	25	315	P	\$ 50,000.00				X		

Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Population	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source		
												Base BIL GS	PFAS/EC	LSL
Ankeny	PD-DW-22-57	P&D for Construction of Water Main Transmission	2022	4	P&D	N/A	P	\$ 174,600.00				X		
Hedrick	FS-54-22-DWSRF-026	Water Distribution System Improvements	2022	4	110	764	P	\$ 682,000.00				X		
Birmingham	FS-89-22-DWSRF-039	New Elevated Storage Tank	2022	4	70	425	P	\$ 900,000.00				X		
Dedham	FS-14-22-DWSRF-032	Water System Improvements	2022	4	60	224	P	\$ 1,000,000.00				X		
Westfield	FS-75-22-DWSRF-035	Construction of New Well and Water Treatment Plant	2022	4	55	130	P	\$ 2,185,000.00				X		
Orange City	FS-84-22-DWSRF-037	Construction of New Elevated Tank, New Ground Storage, New Well and Well Pipe	2022	4	50	6267	P	\$ 5,278,000.00				X		
Protivin	FS-45-22-DWSRF-029	Water System Improvements	2022	4	50	269	P	\$ 304,000.00				X		
Casey	FS-39-22-DWSRF-034	Water Distribution System Improvements	2022	4	40	387	P	\$ 305,420.00				X		
Wahpeton	FS-30-22-DWSRF-031	Water System Improvements	2022	4	40	344	P	\$ 7,850,000.00				X		
Rockford	FS-34-22-DWSRF-027	Water System Improvements	2022	4	40	860	P	\$ 785,000.00				X		
West Central IA RWA	FS-14-22-DWSRF-036	Construction of New Water Treatment Plant, Booster Station and Ground Storage	2022	4	30	18838	P	\$ 12,600,000.00				X		
Pocahontas	FS-76-22-DWSRF-038	Water System Improvements	2022	4	25	6267	P	\$ 2,825,000.00				X		
Manson	FS-13-22-DWSRF-023	Connection from Manson to Fort Dodge Municipal Water System	2022	3	45	1690	P	\$ 7,068,000.00				X		
Dubuque	FS-31-22-DWSRF-025	2022 Water System Improvements	2022	3	35	1830	P	\$ 15,565,000.00				X		
Plover	FS-76-22-DWSRF-017	New Well for Arsenic Mitigation in Raw Water	2022	2	95	77	P	\$ 108,000.00				X		
Titonka	FS-55-22-DWSRF-019	Water System Improvements	2022	2	55	486	P	\$ 1,907,000.00				X		
Guttenberg	FS-22-22-DWSRF-013	Water Supply, Distribution and Storage Facilities Improvements	2022	2	40	1057	P	\$ 765,000.00				X		
Nashua	FS-19-22-DWSRF-016	Greeley Street Water & Sanitary Improvements	2022	2	30	1663	P	\$ 259,000.00				X		
Mitchellville	FS-77-22-DWSRF-015	Water Distribution System Improvements	2022	2	30	2254	P	\$ 2,352,000.00				X		
Denison	FS-24-22-DWSRF-011	Water Distribution System Improvements	2022	2	30	2826	R	\$ 4,908,239.00				X		
Titonka	PD-DW-22-16	P&D for Existing Treatment System Improvements	2022	1	P&D	486	P	\$ 200,000.00				X		
Lanesboro	FS-14-22-DWSRF-008	Water System Improvements	2022	1	70	121	P	\$ 3,557,000.00				X		
Fontanelle	FS-01-22-DWSRF-006	Water System Improvements	2022	1	35	223	P	\$ 1,499,000.00				X		
Essex	PD-DW-21-53	P&D for Drinking Water System Upgrades	2021	4	P&D	798	P	\$ 30,000.00				X		
Neola	PD-DW-21-56	P&D for Water Distribution System Replacement	2021	4	P&D	842	P	\$ 371,094.00				X		
Guthrie Center	FS-99-21-DWSRF-022	Water Main Replacement	2021	4	40	1569	P	\$ 1,454,000.00				X		
Glidden	PD-DW-21-38	P&D for New Well & Watermain	2021	3	P&D	1146	P	\$ 150,000.00				X		
Eikhart	FS-77-21-DWSRF-018	Water Treatment Facility Expansion	2021	3	45	683	L	\$ 1,829,100.00	12/3/21	\$ 376,000.00	\$ 1,452,100.00	X		
Tama	FS-82-21-DWSRF-014	Water System Improvements	2021	3	25	2877	P	\$ 1,373,000.00				X		
Lisbon	FS-57-21-DWSRF-011	Water Main Improvements	2021	2	55	2152	P	\$ 5,972,000.00				X		
Dyersville	FS-31-21-DWSRF-007	6th Avenue Water Main Replacement	2021	2	40	4058	P	\$ 415,000.00				X		
Ames	FS-85-21-DWSRF-009	North River Valley Well field & Pipeline	2021	2	35	58965	P	\$ 12,100,000.00				X		
Atkins	FS-06-21-DWSRF-001	Water Distribution Improvements	2021	1	40	1670	P	\$ 4,398,000.00				X		
Waukee	FS-25-21-DWSRF-004	ASR Well	2021	1	35	17945	R	\$ 3,567,750.00				X		
Melvin	FS-72-20-DWSRF-033	Storage Tank Rehabilitation	2020	4	55	201	P	\$ 422,100.00				X		
Dayton	FS-94-20-DWSRF-031	Municipal Water Well Reconstruction and Water Main Repair	2020	4	55	837	P	\$ 685,000.00				X		
Westgate	FS-33-20-DWSRF-024	Connection to IRUA	2020	4	45	211	P	\$ 2,703,000.00				X		
Plainfield	PD-DW-20-33	Water Main Installation	2020	3	P&D	436	P	\$ 40,000.00				X		

Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Population	Project Status	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	Funding Source		
												Base BIL GS	PFAS/EC	LSL
MacBride Point Third Master Maintenance Association	FS-52-20-DWSRF-019	Water Supply Improvements	2020	3	60	100	P	\$ 178,000.00				X		
Eagle Grove	FS-99-20-DWSRF-018	Water Distribution System Improvements	2020	3	40	3583	R	\$ 503,000.00				X		
Jamaica	FS-39-20-DWSRF-017 (1)	Water System Improvements	2020	3	35	224	L	\$ 2,818,000.00	8/26/22	\$ 1,785,000.00	\$ 1,033,000.00	X		
Park View Water & Sanitary District	FS-82-20-DWSRF-006	WTP #2 Improvements	2020	2	45	2389	L	\$ 2,509,000.00	7/10/20	\$ 1,670,000.00	\$ 839,000.00	X		
Somers	FS-13-19-DWSRF-028	Municipal Water Filtration Improvements	2019	4	35	113	P	\$ 355,000.00				X		
Albion	PD-DW-19-13	Construction of new water main connecting to Marshalltown Water Works	2019	2	P&D	505	P	\$ 55,000.00				X		
Bellevue	PD-DW-19-15	Construction of 2700 sf Radium Treatment Facility	2019	2	P&D	2191	P	\$ 285,000.00				X		
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	15	14600	P	\$ 260,000.00				X		
Vail	PD-DW-18-30	Plan for new water source and water treatment options	2018	3	P&D	436	P	\$ 50,000.00				X		
Cleghorn	FS-18-18-DWSRF-006	Replace aging water tower, install water mains to tower, add emergency generator at water treatment plant	2018	2	45	247	L	\$ 757,000.00	3/8/19	\$ 557,000.00	\$ 200,000.00	X		
Rathbun Regional Water (RRWA)	FS-04-17-DWSRF-010	Replacement of aging water meters with a new advanced/smart metering system	2017	2	15	28215	R	\$ 2,902,945.00				X		
Farmington	FS-89-16-DWSRF-006 (2)	Water meter replacement	2016	2	40	664	R	\$ 117,000.00				X		
								\$ 667,543,363.00		\$ 4,388,000.00				

Project Status	Abbreviations
Contingent -- C	BIL GS= Bipartisan Infrastructure Law General Supplemental Fund
Dropped -- D	CAP = Federal Capitalization Grant
Loan Signed -- L	IUP YR = Intended Use Plan Year
Planning Stage -- P	LSL = Lead Service Line
Ready for Loan -- R	P&D = Planning and Design Loan
	PFAS/EC - PFAS Emerging Contaminates
	QTR = State Fiscal Year Quarter

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

ITEM #9

DECISION

Contract with the University of Iowa on behalf of the State Hygienic Laboratory: 2024 SHL Services in Support of the DNR Air Quality Bureau

Recommendations:

Commission approval is requested for a one-year service Contract with the University of Iowa on behalf of the State Hygienic Laboratory (SHL).

Contract Terms:

Amount: not exceed \$1,836,088.

Dates: July 1, 2023 – June 30, 2024.

Funding Source: Funding for this contract is provided through emission fees from the Title V air contaminant fund (\$909,441), Clean Air Act section 103 federal grant funds (\$521,703), State Environment First funds (\$364,944), Clean Air Act section 105 federal grant funds (\$32,000), and asbestos fund (\$8,000).

Statutory Authority: Iowa Code section 455B.103

Contract Background:

Under Iowa Code section 455B.103, DNR has responsibility for conducting ambient air monitoring in the State of Iowa. SHL currently operates most of the ambient air monitoring sites in Iowa. SHL also provides analytical and technical support for ambient air monitoring activities throughout the state. It weighs particulate samples and performs analysis of air samples for toxic compounds found in urban air. SHL also provides analysis of asbestos samples gathered by DNR inspectors. SHL conducts annual audits of SHL ambient air monitoring activities as well as those of the Polk and Linn County Local Programs. This Contract provides for a continuation of these essential services.

Contract Purpose:

The parties propose to enter into this Contract for the purpose of retaining SHL to perform ambient monitoring and related services in support of the DNR Air Quality Bureau.

Contractor Selection Process:

DNR is allowed to contract with the University of Iowa pursuant to Iowa Code section 455B.103. SHL has considerable experience in regulatory ambient air monitoring.

Contract History:

DNR has contracted with the University of Iowa for ambient air monitoring services for over thirty years. This Contract represents ongoing services provided by SHL to the DNR Air Quality Bureau and is renegotiated annually. The last (2023) Contract total was \$2,041,186. The decrease in the 2024 contract amount is attributable to reductions in the air monitoring network and a reduction of two SHL FTEs.

Brian Hutchins
Environmental Program Supervisor
Air Quality Bureau, Environmental Services Division
June 20, 2023

SECTION 5 STATEMENT OF WORK

5.1 Statement of Work. Contractor shall perform the following Tasks. Contractor shall complete its obligations under this Contract by the Task Milestone Dates set out in the following table.

Obligation	Task Milestone Date
Task 1: Provide trained staff to operate the Ambient Monitoring Network described in Appendix A with modifications described in Appendix B, and to perform additional duties as described in Appendices C-O.	See Appendix D
Task 2: Procure supplies and incur other operational costs as necessary for continued operation of the Ambient Monitoring Network and to carry out additional duties as described in Appendices C-O.	Appendix D
Task 3: Upgrade outdated or damaged capital equipment (equipment with a unit cost exceeding \$5,000) for use in the Ambient Monitoring Network as directed by DNR. Capital equipment shall be subject to the inventory and disposal requirements described in Appendix G.	Appendix D
Task 4: Purchase one vehicle to add to the Air Monitoring Fleet. The air monitoring fleet shall be maintained as described in Appendix H and vehicles shall be included in the equipment inventory described in Appendix G	Appendix D
Task 5: Provide training for ambient monitoring staff to perform tasks in the Ambient Monitoring Network. Training costs shall include vendor training hosted by SHL or costs associated with staff participation in out of town training or conferences.	Appendix D
Task 6: Analyze air toxics samples in support of the Air Monitoring Network. This activity shall be funded solely by the cost of each sample analyzed as specified in Appendix M.	Appendix D
Task 7: Analyze lead samples in support of the Air Monitoring Network. This activity shall be funded solely by the cost of each sample analyzed as specified in Appendix N.	Appendix D
Task 8: Analyze asbestos samples provided by the DNR. This activity shall be funded solely by the cost of each sample analyzed as specified in Appendix O.	Appendix D
Task 9: Hire, manage and train filter collectors in support of the Ambient Network as specified in Appendix P.	Appendix D

Task	Variable Payment Agreement Estimate	Task Milestone Date	Invoice Due No Later Than:
Task 1: Ambient Monitoring Network-Staff	\$1,191,230	See App. D	See 7.3.2
Task 2: Ambient Monitoring Network-Supplies	\$315,000	App. D	7.3.2
Task 3: Capital Equipment	\$80,000	App. D	7.3.2
Task 4: Vehicles	\$30,000	App. D	7.3.2
Task 5: Training	\$10,000	App. D	7.3.2
Task 6: Air Toxics Analysis	\$24,000	App. D	7.3.2
Task 7: Lead Analysis	\$0	App. D	7.3.2
Task 8: Asbestos Analysis	\$8,000	App. D	7.3.2
Task 9: Filter Collection	\$50,000	App. D	7.3.2
Facilities and Administrative Costs @ 8%	\$127,858	-	-
Total Not to exceed:	\$1,836,088	-	-

APPENDICES

APPENDIX A EXISTING AMBIENT AIR MONITORING NETWORK (7/1/23)

AQS ID	Site	Parameter	Sampling Frequency
190130009	Waterloo-Water Tower	PM2.5 (FRM) PM2.5 BAM - Primary PM2.5 BAM - Secondary PurpleAir - Primary PurpleAir - Secondary MET*	Every 3 rd Day Continuous Continuous Continuous Continuous Continuous
190170011	Waverly-Waverly Airport	Ozone - Primary Ozone - Secondary MET	Continuous Continuous Continuous
190450019	Clinton-Chancy Park	PM2.5 (FRM) Toxics (TO-11A) SO2 PM2.5 T640 - Primary PM2.5 T640 - Secondary PurpleAir - Primary PurpleAir - Secondary MET**	Daily Every 6 th Day Inside Ozone Season, Every 12 th Day Outside Ozone Season Continuous Continuous Continuous Continuous Continuous Continuous
190450021	Clinton-Rainbow Park	PM2.5 (FRM) Ozone - Primary Ozone - Secondary MET*	Every 3 rd Day Continuous Continuous Continuous
190850007	Pisgah-Forestry Office	Ozone - Primary Ozone - Secondary MET	Continuous Continuous Continuous
191032001	Iowa City-Hoover School	PM2.5 (FRM) PM2.5 T640 - Primary PM2.5 T640 - Secondary PurpleAir - Primary PurpleAir - Secondary MET**	Daily Continuous Continuous Continuous Continuous Continuous
191370002	Viking Lake State Park	PM2.5 (FRM) IMPROVE Speciation PM2.5 BAM - Primary PM2.5 BAM - Secondary PurpleAir - Primary PurpleAir - Secondary Ozone - Primary Ozone - Secondary MET**	Every 3 rd Day Every 3 rd Day Continuous Continuous Continuous Continuous Continuous Continuous Continuous
191390015	Muscatine-Muscatine HS E. Campus Rooftop	PM2.5 (FRM) - Primary PM2.5 (FRM) - Secondary PurpleAir - Primary PurpleAir - Secondary	Daily Every 6 th Day Continuous Continuous
191390016	Muscatine-Greenwood Cemetery	PM2.5 (FRM) MET	Every 3 rd Day Continuous

AQ5 ID	Site	Parameter	Sampling Frequency
191390019	Muscatine-Muscatine HS E. Campus Trailer	PM2.5 BAM - Primary PM2.5 BAM - Secondary SO2 MET*	Continuous Continuous Continuous Continuous
191390020	Muscatine-Musser Park	PM2.5 (FRM) Toxics (TO-11A) SO2 MET	Every 3 rd Day Every 6 th Day Inside Ozone Season, Every 12 th Day Outside Ozone Season Continuous Continuous
191471002	Emmetsburg-Iowa Lakes Community College	PM2.5 (FRM) PM2.5 BAM - Primary PM2.5 BAM - Secondary PurpleAir - Primary PurpleAir - Secondary Ozone - Primary Ozone - Secondary MET*	Every 3 rd Day Continuous Continuous Continuous Continuous Continuous Continuous Continuous
191550009	Council Bluffs-Franklin School	PM2.5 (FRM) - Primary PM2.5 (FRM) - Secondary PurpleAir - Primary PurpleAir - Secondary	Every 3 rd Day Every 6 th Day Continuous Continuous
191550011	Council Bluffs-Griffin Pipe	Lead -TSP (FRM) - Primary Lead-TSP (FRM) - Secondary	Every 6 th Day Every 6 th Day
191630014	Scott County Park	Ozone - Primary Ozone - Secondary MET	Continuous Continuous Continuous
191630015	Davenport-Jefferson School	PM2.5 (FRM) - Primary PM2.5 (FRM) - Secondary PM10 (FRM) - Primary PM10 (FRM) - Secondary PM2.5 Speciation Toxics (TO-11A) Ozone - Primary Ozone - Secondary SO2 CO NOy PM2.5 T640 - Primary PM2.5 T640 - Secondary PurpleAir - Primary PurpleAir - Secondary MET**	Daily Every 6 th Day Every 3 rd Day Every 6 th Day Every 3 rd Day Every 6 th Day Inside Ozone Season, Every 12 th Day Outside Ozone Season Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous
191630017	Buffalo-Linwood Mining	PM10 (FRM) PM10 BAM - Primary PM10 BAM - Secondary MET*	Daily Continuous Continuous Continuous
191630020	Davenport-Hayes Elementary	PM2.5 (FRM) PurpleAir - Primary PurpleAir - Secondary	Every 3 rd Day Continuous Continuous

AQS ID	Site	Parameter	Sampling Frequency
191770006	Lake Sugema	PM2.5 (FRM) PM10 (FRM) IMPROVE Speciation PM2.5 BAM - Primary PM2.5 BAM - Secondary PurpleAir - Primary PurpleAir - Secondary Ozone - Primary Ozone - Secondary SO2 NO2 MET**	Every 3 rd Day Every 3 rd Day Every 3 rd Day Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous
191930021	Sioux City-Irving School	PM2.5 (FRM) PurpleAir - Primary PurpleAir - Secondary	Every 3 rd Day Continuous Continuous

MET indicates wind speed and direction, as well as ambient temperature, pressure, and relative humidity**

MET* indicates wind speed and direction as well as ambient temperature, and pressure

MET indicates wind speed and direction only

Site to be Added by 3/01/2024

AQS ID	Site	Parameter	Sampling Frequency
TBD	Sioux City MSA	Ozone - Primary Ozone - Secondary	Continuous Continuous

Sites to be Removed 7/01/2023

AQS ID	Site	Parameter
190330018	Mason City Holcim Cement	PM10 (FRM) co-located
191110008	Keokuk Fire Station	PM2.5 (FRM), PurpleAir co-located

Monitors to be Removed 7/01/2023

AQS ID	Site	Parameter
191390015	Muscatine-Muscatine HS E. Campus Rooftop	PM10 (FRM)
191390016	Muscatine-Greenwood Cemetery	SO2 and MET
191550009	Council Bluffs-Franklin School	PM10 (FRM)

APPENDIX C SPECIAL PROJECTS

SHL shall complete the following special projects:

New Monitoring Sites. SHL shall install new monitoring sites and discontinue sites or monitors as indicated below and in Appendix B.

Sensor testing. As directed by DNR, SHL shall test sensors for comparability with regulatory monitors.

SHL shall:

- insure that these comparability studies do not compromise the data quality from SHL's regulatory monitors;
- monitor sensor data on a daily basis and promptly replace or repair malfunctioning sensors;
- stock adequate backup sensors in order to promptly replace malfunctioning sensors;
- provide monthly and quarterly reports containing data capture rates, installation, repair and removal dates and other data quality metrics for all sensors;
- Utilize the Google Big Query data warehouse, the low-cost sensors' API, or equivalent, to gather and provide access to its citizen science data. SHL shall archive hourly average sensor data;
- coordinate any sensor deployments with DNR to ensure that appropriate data quality objectives (including calibration requirements) for sensors have been established before public reporting of the data has been initiated.

Datalogger Upgrade. By June 30, SHL shall install new dataloggers (ESC 8864) at 15 sites. (Waterloo, Waverly, Clinton (2), Pisgah, Iowa City, Viking Lake, Muscatine (3), Emmetsburg, Scott County Park, Davenport, Buffalo, Lake Sugema)

NOy Upgrade. By June 30, SHL shall install a new Thermo 42i NOy monitor at the Davenport (Jefferson School) site.

Calibrator Upgrade. By June 30, SHL shall install a Thermo 146iQ Calibrator with GPT at the Davenport (Jefferson School) site.

Met One BAM 1020 Upgrade. By June 30, SHL shall install new Met One BAM 1020 monitors at Muscatine HS, Buffalo, and Viking Lake.

APPENDIX D OBLIGATIONS AND MILESTONES

Obligation	Task Milestone Date
Monitoring Network Expenses	30th day after the end of the calendar month
QAPP/SOP's for New Equipment	60 days following receipt and before deployment
QAPP/SOP Revision submittal to DNR	30 days following notification by EPA, DNR
QAPP/SOP Revision submittal to DNR	30 days following promulgation of new rules or procedures by EPA (as requested in writing by DNR)
Copy of all Proposed QAPP/SOP Revisions to DNR	at least 30 days before proposed implementation date
Submission of Annual Network/Quality Assurance Review	15-Mar
Polk/Linn County QA Audit Complete Questionnaire	15-Mar
Polk/Linn County QA Audit Written Report of findings (electronic)	1-Apr
PSD Monitoring Sites QAPP Review	within 30 days following DNR's written request
PSD Monitoring Sites Site Audits	on the quarterly monitoring schedule
PSD Monitoring Sites Site Audit Report	two weeks after site audit data received
PSD Monitoring Sites Data Review	within 30 days following DNR's written request
Sampling Frequency Change	within 30 days following DNR's written request
Review Meetings	Quarterly
Network Planning Report	15-Feb
Purchase of New Vehicles (1)	1-May
Email Notice of AQS Site/Monitor Changes	whenever database modifications are made
AQS/PARS Data Upload (Continuous Monitors)	15th of the month following the month of data collection
AQS/PARS Data Upload (Gravimetric Filters)	within 30 days of the end of the month of data collection
AQS/PARS Data Upload (toxics)	within 45 days of the end of the month of data collection (goal)
PM2.5 Gravimetric Results to Local Programs	within 30 days of the end of the month of data collection
Upload of SHL lead data	within 45 days of the end of the month of data collection
Email Notice of Monthly AQS Upload w/ Screening File and Error Reports	after monthly data has been uploaded
Backlog Report	after monthly data has been uploaded
Report of NAAQS Exceedance, Episode, or Threshold Exceedance	immediately, with written follow-up
Weekly Network Status Report	1st workday of each week

Obligation	Task Milestone Date
Monthly Monitoring Report	within 50 days of the end of each month
Quarterly Monitoring Report	within 50 days of the end of each quarter
Inventory Report	within 7 days of request
Discontinue Sites and Monitors as indicated in Appendix B.	1-July
Computer Security (including Data Acquisition Software)	1-Aug
Install and operate new Ozone monitoring site near the Sioux City MSA.	1-March
Install new dataloggers at 15 sites.	30-June
Install Thermo 42i NOy monitor at Davenport (Jefferson School) site.	30-June
Install Thermo 146iQ Calibrator with GPT at Davenport (Jefferson School) site.	30-June
Install new Met One BAM 1020s at Muscatine HS, Buffalo, and Viking Lake.	30-June

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

ITEM #10

DECISION

Contract with LINN COUNTY**Recommendation:**

Commission approval is requested for a service contract with the county government of Linn County, Cedar Rapids, Iowa.

Contract Terms:

Amount: Not to exceed \$824,299

Dates: July 1, 2023, to June 30, 2024

Funding Source(s): Cost reimbursable payments, as follows:

Funding Source	Not to Exceed
Title V Application Fees	\$48,475
Title V Emissions Fees	\$615,122
PSD Application Fees	\$20,052
CAA §105 federal grant dollars	\$123,150
CAA §103 federal grant dollars	\$17,500

Statutory Authority: Iowa Code 455B.134(11), 455B.144, and 455B.145

Contract Background:

Under Iowa Code 455B.134(11) local political subdivisions are able to address air quality problems in their jurisdictions and can establish their own rules. Linn County has had a local program, including ordinances and enforcement, in place since before DNR's delegation from EPA for a state air program.

As specified in Iowa Code 455B.145 and 567 Iowa Administrative Code (IAC) Chapter 27, the Linn County Air Quality Division meets the conditions necessary to retain a local program. As established under the requirements of this Contract, the Linn County Air Quality Division is responsible for the ongoing implementation of an air program within their county.

In addition, Linn County has agreed to a funding commitment of \$347,660 from local funding sources.

Contract Purpose:

The parties propose to enter into this Contract to specify the extent and manner of cooperation between the two agencies in conducting programs for the abatement, control, and prevention of air pollution within Linn County. Particular emphasis is placed on fulfilling the requirements of the federal Clean Air Act Amendments of 1990 through the collection and assessment of information regarding air quality, the permitting of sources of air emissions, the enforcement of emission limits, and the attainment and maintenance of ambient air quality standards. Please see **Attachment A** for the proposed Contract's Summary of Obligations and **Attachment B** for the proposed Contract's programmatic budget.

Selection Process Summary:

This Contract is authorized by 11 IAC section 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. The Contract is also authorized by Iowa Code chapter 28E and Iowa Code sections 455B.144-.145.

Contract History:

Records indicate that DNR has been contracting with Linn County for implementation of an air program within Linn County since at least 1992. The Contract is re-negotiated annually with Linn County to provide services that allow for the ongoing implementation of an air program.

In 2016, 567 IAC Chapter 30 established fee rules and required the establishment of a fee structure by the DNR. As in SFY 2023, applicants of Title V and Prevention of Significant Deterioration (PSD) permits will be billed by the DNR at the rate established in the DNR fee schedule and Linn County will then be reimbursed by the DNR for their work on the project. Linn County has implemented their own fee structure for major (non-PSD) and minor source construction permit applications; these fees are used by Linn County to assist with their required funding commitment.

A summary of the terms for the past five years' contracts with Linn County are, as follows:

SFY 2023 Contract Terms:

Dates: July 1, 2022 to June 30, 2023

Amount: \$1,020,425

Amendment(s): No amendments

SFY 2022 Contract Terms:

Dates: July 1, 2021 to June 30, 2022

Amount: \$806,747

Amendment(s): No amendments

SFY 2021 Contract Terms:

Dates: July 1, 2020, to June 30, 2021

Amount: \$804,363

Amendment(s): No amendments

SFY 2020 Contract Terms:

Dates: July 1, 2019, to June 30, 2020

Amount: \$777,515

Amendment(s): No amendments

SFY 2019 Contract Terms:

Dates: July 1, 2019, to June 30, 2020

Amount: \$739,060

Amendment(s): No amendments

Prior to this year and if the DNR's air quality budget allowed, Linn County requested and received a small increase (typically 2-3 %) over the previous contract's funding amount for expected actual cost increases to administer Linn County's program. Due to DNR Air Quality Bureau's planned budget for SFY 2024, this increase is not provided to Linn County in the 2024 Contract. Additionally, the one-time pass through in SFY 2023 of additional Title V emissions fee funds for creation of a Linn County EASY Air module and American Rescue Plan funds for monitoring equipment expenditures are not included in the SFY 2024 contract.

Other factors that contribute to variations in funding from year to year include ambient air monitoring (AAM) network equipment replacement and maintenance costs and AAM equipment vendor training requirements. Additionally, year to year variability arises from the expected number and complexity of applications for new and revised PSD permits, and applications for new and renewal Title V permits.

Jim McGraw, Environmental Program Supervisor, Air Quality Bureau
Environmental Services Division
June 20, 2023

Attachment A: Linn County 2024 Summary of Obligations

The following is a summary of the obligations the Local Program shall complete to meet tasks identified in the 2024 Contract.

Obligation	Reference	Task Milestone Dates
General Provisions		
Personnel Commitment	5A.1(1)	Ongoing
Key Personnel	5A.1(2)	Ongoing
Training	5A.1(3)	Ongoing
Program Activity Summary	5A.1(4)(a)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Training Summary	5A.1(4)(b)	Annually: July 31, 2024
Personnel Changes	5A.1(5)(a)	10 days from effective date
New Personnel Report	5A.1(5)(b)	10 days from start date
Fiscal Reporting	5A.2	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Convene Fee Advisory Group(s)	5A.3(1)	As scheduled by Linn in February or March 2024
Proposed Budget	5A.3(1)	January 15, 2024
Personnel Plan	5A.3(2)	January 15, 2024
Initial Contract Review	5A.3(3)	March 15, 2024
Final Contract Review	5A.3(4)	April 30, 2024
Website – Review & Update As Needed	5A.4(1)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Routine Rule Revision	5A.5	As agreed upon by parties
MBE/WBE	5A.6	Annually: October 31, 2023
Intergovernmental Cooperation	5A.7(1)-(11)	As requested & agreed upon by parties
Attend Fee Advisory Groups	5A.7(8)	As scheduled by DNR
Construction Permitting Provisions		
Source Review	5B.1(1)	Ongoing
Permit Issuance	5B.1(2)	Ongoing
Draft Permit Review	5B.1(3)	Prior to Issuance
Permit Transfer	5B.1(4)	Upon Receipt
Permit/Modeling Procedure Utilization	5B.2	Ongoing
PSD Activities	5B.3	Ongoing
Proposed Final PSD permit	5B.3(1)	180 days after final application receipt
Pre-Application Protocol	5B.4	Ongoing
Receipt of 80% PSD pre-application	5B.4(1)(a)	2 weeks prior to pre-meeting
Copy of PSD pre-application to DNR & EPA	5B.4.(1)(b)	10 days prior to pre-meeting or after receipt of 100% application
Review Pre-Application Materials	5B.4(2)	Ongoing
PSD Application Review	5B.5	Ongoing
Denial of Permit Application	5B.5(1)(b)	As soon as possible
Prepare Draft PSD Permit	5B.6	Ongoing
Fact Sheet	5B.6(2)	Ongoing
Electronic Copy of Draft PSD permit	5B.6(3)	Prior to facility review
Permit Review by EPA	5B.7(1)	10 days prior to public comment
Public Notice & Participation	5B.7(2)	Ongoing
Changes to Draft Permit	5B.8(1)	Ongoing
Proposed Final PSD to DNR	5B.8(2)	Ongoing

Obligation	Reference	Task Milestone Dates
Response to Comment	5B.8(4)(a)	Ongoing
BACT Data	5B.8(4)(b)	Within 30 days after permit issuance
Final PSD Permit to EPA	5B.8(4)(c)	After DNR Issuance
Construction Permitting Provisions (cont'd)		
PSD Permit Modifications	5B.8(9)	Ongoing
Excel Report	5B.10	Semi-Annual: January 31, 2024, and July 31, 2024
Title V Permitting Provisions		
Four (4) Initial/Renewal permits	5C.1(1)	June 28, 2024
Issuance Schedule for Next Contract Period	5C.1(1)(a)	May 15, 2024
Completeness Determination	5C.2(1)	60 days after receipt
Application Processing	5C.2(2)	Ongoing
Denial of Permit Application	5C.2(2)(b)	As soon as possible
Permit Drafting Procedures	5C.3	Ongoing
Fact Sheet	5C.3(2)	Ongoing
Draft Permit Review	5C.3(3)	Prior to Facility Review
Permit Review by EPA	5C.4(1)	Start of Public Comment Period
Affected States Review	5C.4(2)	Start of Public Notice
Public Notice & Participation	5C.4(3)	Ongoing
Response to Comments	5C.4(3)(e)	Ongoing
Changes to Draft Permit	5C.5(1)	Ongoing
Proposed Final Title V to DNR	5C.5(2)	Ongoing
Final Title V Permit to EPA	5C.5(3)	Within 30 days of DNR Issuance
Title V Renewals	5C.6	Ongoing
Reopening Issues Title V Permits	5C.7	Ongoing
Permit Changes	5C.8	Ongoing
Status Reports	5C.9	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Compliance Provisions		
Compliance Activities	5D.1	Ongoing
Notice of Violation	5D.1(2)(a)-(b)	Within 60 days
Electronic Compliance Schedules	5D.1(3)	Ongoing
Minimum 1 Joint Stack Test	5D.2	June 28, 2024
Inspection Schedule	5D.3(1)	Ongoing
Joint Inspection Documents	5D.3(2)	Provided prior to each inspection
Joint Inspection Report	5D.3(2)	30 days following each
Variances	5D.4	Ongoing
Training Fire Permits	5D.4(2)	DNR copied at time of issuance
CMS Plan	5D.5(1)	September 1, 2023
ICIS Reporting	5D.5(2)	15 days following reported month
Summary of Facility Actions	5D.5(2)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Compliance Quarterly Report	5D.5(3)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Emission Test Results	5D.6	Report to EPA (ICIS)
Ambient Air Monitoring Provisions		
Existing Network Operations	Table 2	Ongoing
Network Modifications	Table 3	No changes to the Network are planned for the 2024 Contract period.

Obligation	Reference	Task Milestone Dates
Unscheduled Network Modifications	5E.1(1)(a)	Upon Request
Final Equipment List	5E.1(2)(a)	July 1, 2023
Vendor Training Selection	5E.1(3)(a)	July 1, 2023
Monitoring Sites	5E.1(3)	Ongoing
Daily Polling	5E.1(4)	Ongoing
High Concentration Reports	5E.1(5)	Ongoing
Ambient Air Monitoring Provisions (cont'd)		
Quality System Implementation	5E.2(1)	Ongoing
Revised QA Documents	5E.2(2)	Within 40 working days
SO ₂ or PSD Sites	5E.2(3)	Within 30 days of request
Annual Network/Quality Assurance Review	5E.2(5)	March 15, 2024
Training & Safety Plan	5E.3(1)	Ongoing
Coordination Meetings	5E.3(2)	Quarterly as scheduled
Equipment Inventory List	5E.3(3)	7 days after request
List of equipment to maintain & operate existing network	5E.3(4)(a)(1)	January 15, 2024
Equipment Replacement Schedule	5E.3(4)(a)(2)	January 15, 2024
List equipment to expand network (next Contract), or written notice to DNR that no network expansion is planned.	5E.3(4)(b)	March 15, 2024
Network Modifications	5E.3(5)	Ongoing
Data Validation	5E.4(1)	Ongoing
Site Setup & Closure	5E.4(2)	Ongoing
AQS/PARS Data Submission	5E.4(3)	15 days following reported month
Data Screening	5E.4(4)	Ongoing
Monthly AQS Recordkeeping Requirements	5E.4(5)(a)	Monthly
Quarterly AQS Recordkeeping Requirements	5E.4(5)(b)	Quarterly
Real-time Monitoring	5E.4(6)	Ongoing
Toxics Monitoring	5E.4(7)	Ongoing
Exceedance Report	5E5(1)	Immediate
Weekly Network Status Report	5E.5(2)	Weekly – 1 st working day
Monthly Continuous Monitor Report	5E.5(3)	15 working days following reported month
Monthly Report: SHL-PM FRM Monthly Report: SHL-Air Toxics Monthly Report: SHL-Speciation	5E.5(4)	20 working days after receipt from outside contractor
Monthly Equipment Procurement Report	5E.5(5)	15 working days following reported month
Quarterly Monitoring Report (Continuous & Non-Continuous)	5E.5(6)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Computer audit (security & adequacy of backup)	5E.6(2)	September 1, 2023
Monitoring and Review		
Reporting Provisions	6.3	Ongoing
Compensation		
Invoice Submission	7.5	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Unmet Obligations	7.5(2)	With Quarterly Invoices as Needed
Billable Hour Documentation	7.5(2)(b)	With Quarterly Invoice as Needed

Attachment B: Linn 2024 Programmatic Budget

Program		Funding Source									
Activity	FTE	Total	County Annual Fee	County General Fund	County Minor CP App Fee	County Major (non-PSD) CP App Fee	103	105	Title V EI Fee	PSD App Fee	Title V App Fee
TV Operating Permitting Personnel	0.40	\$48,475									\$48,475
Major Source Con Perm Personnel	0.99	\$114,508				\$114,508					
PSD Permitting Personnel	0.17	\$20,052								\$20,052	
Minor Source Con Perm Personnel	1.04	\$116,686	\$37,739	\$29,607	\$23,506			\$25,834			
Program Development & Management	1.17	\$127,112		\$20,191					\$106,921		
Compliance - Major	0.90	\$102,304	\$12,594	\$0					\$89,710		
Compliance - Minor	1.35	\$153,470	\$46,019	\$36,084				\$71,367			
Ambient Air Monitoring	3.18	\$357,781	\$8,192	\$5,484			\$13,727	\$18,573	\$311,805		
Personnel Subtotal	9.20	\$1,040,388	\$104,544	\$91,366	\$23,506	\$114,508	\$13,727	\$115,774	\$508,436	\$20,052	\$48,475
Travel/Training - Direct Expense		\$21,000	\$598	\$1,174	\$212	\$2,730	\$266	\$1,092	\$14,929		
Other		\$27,421	\$161	\$1,797	\$480	\$2,235	\$332	\$1,977	\$20,439		
Supplies		\$8,960	\$454	\$622	\$157	\$730	\$108	\$611	\$6,277		
One Time Allocation		\$0									
AAM: Engineering & Scientific Equipment		\$17,990	\$412	\$0			\$966	\$934	\$15,678		
AAM: Repair & Maintenance of Equipment		\$18,000	\$412	\$216			\$751	\$934	\$15,687		
AAM: Lab Supplies		\$19,000	\$435	\$291			\$729	\$986	\$16,558		
AAM: Monitoring Site Lease		\$5,200	\$119	\$80			\$200	\$270	\$4,532		
AAM: Monitoring Utilities		\$11,000	\$252	\$169			\$422	\$571	\$9,586		

AAM: Vendor Training		\$3,000	\$0	\$0				\$0	\$3,000		
Direct Expense Subtotal		\$131,571	\$2,844	\$4,348	\$849	\$5,696	\$3,773	\$7,376	\$106,686	\$0	\$0
Total Linn County Budget	9.20	\$1,171,959	\$107,388	\$95,714	\$24,355	\$120,204	\$17,500	\$123,150	\$615,122	\$20,052	\$48,475

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

ITEM #11

DECISION

Contract with POLK COUNTY**Recommendation:**

Commission approval is requested for a service contract with the county government of Polk County, Des Moines, Iowa.

Contract Terms:

Amount: Not to exceed \$981,684

Dates: July 1, 2023, to June 30, 2024

Funding Source(s): Cost reimbursable payments, as follows:

Funding Source	Not to Exceed
Title V Application Fees	\$138,283
Title V Emissions Fees	\$659,209
CAA §105 federal grant dollars	\$164,192
CAA §103 federal grant dollars	\$20,000

Statutory Authority: Iowa Code 455B.134(11), 455B.144, and 455B.145

Contract Background:

Under Iowa Code 455B.134(11) local political subdivisions are able to address air quality problems in their jurisdictions and can establish their own rules. Polk County has had a local program, including ordinances and enforcement, in place since before DNR's delegation from EPA for a state air program.

As specified in Iowa Code 455B.145 and 567 Iowa Administrative Code (IAC) Chapter 27, the Polk County Air Quality Division meets the conditions necessary to retain a local program. As established under the requirements of this Contract, the Polk County Air Quality Division is responsible for the ongoing implementation of an air program within their county.

In addition, Polk County has agreed to a funding commitment of \$508,774 from local funding sources.

Contract Purpose:

The parties propose to enter into this Contract to specify the extent and manner of cooperation between the two agencies in conducting programs for the abatement, control, and prevention of air pollution within Polk County. Particular emphasis is placed on fulfilling the requirements of the federal Clean Air Act Amendments of 1990 through the collection and assessment of information regarding air quality, the permitting of sources of air emissions, the enforcement of emission limits, and the attainment and maintenance of ambient air quality standards. Please see **Attachment A** for the proposed Contract's Summary of Obligations and **Attachment B** for the proposed Contract's programmatic budget.

Selection Process Summary:

This Contract is authorized by 11 IAC section 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. The Contract is also authorized by Iowa Code chapter 28E and Iowa Code sections 455B.144-.145.

Contract History:

Records indicate that DNR has been contracting with Polk County for implementation of an air program within Polk County since at least 1992. The Contract is re-negotiated annually with Polk County to provide services that allow for the ongoing implementation of an air program.

In 2016, 567 IAC Chapter 30 established fee rules and required the establishment of a fee structure by the DNR. As in SFY 2023, applicants of Title V permits will be billed by the DNR at the rate established in the DNR fee schedule and Polk County will then be reimbursed by the DNR for their work on the project. Polk County has implemented their own fee structure for major and minor source construction permit applications; these fees are used by Polk County to assist with their required funding commitment.

A summary of the terms for the past five years' contracts with Polk County are, as follows:

SFY 2023 Contract Terms:

Dates: July 1, 2022 to June 30, 2023

Amount: \$1,085,270

Amendment(s): No amendments

SFY 2022 Contract Terms:

Dates: July 1, 2021 to June 30, 2022

Amount: \$993,334

Amendment(s): No amendments

SFY 2021 Contract Terms:

Dates: July 1, 2020, to June 30, 2021

Amount: \$895,752

Amendment(s): No amendments

SFY 2020 Contract Terms:

Dates: July 1, 2019, to June 30, 2020

Amount: \$876,511

Amendment(s): No amendments

SFY 2019 Contract Terms:

Dates: July 1, 2019, to June 30, 2020

Amount: \$887,419

Amendment(s): No amendments

Prior to this year and if the DNR's air quality budget allowed, Polk County requested and received a small increase (typically 2-3 %) over the previous contract's funding amount for expected actual cost increases to administer Polk County's program. Due to DNR Air Quality Bureau's planned budget for SFY 2024, this increase is not provided to Polk County in the 2024 Contract. Additionally, the one-time pass through in SFY 2023 of American Rescue Plan funds for monitoring equipment expenditures are not included in the SFY 2024 contract.

In SFY 2024, Polk County plans to allocate an additional 0.25 FTE to its air quality program for an expected influx of Title V Operating Permit applications and an increase in construction permit applications. Other factors that contribute to variations in funding from year to year include ambient air monitoring (AAM) network equipment replacement and maintenance costs and AAM equipment vendor training requirements. Additionally, year to year variability arises from the expected number and complexity of applications for new and renewal Title V permits.

Jim McGraw, Environmental Program Supervisor, Air Quality Bureau
Environmental Services Division
June 20, 2023

Attachment A: Polk County 2024 Summary of Obligations

The following is a summary of the obligations the Local Program shall complete to meet tasks identified in the 2024 Contract.

Obligation	Reference	Task Milestone Dates
General Provisions		
Personnel Commitment	5A.1(1)	Ongoing
Key Personnel	5A.1(2)	Ongoing
Training	5A.1(3)	Ongoing
Program Activity Summary	5A.1(4)(a)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Training Summary	5A.1(4)(b)	Annually: July 31, 2024
Personnel Changes	5A.1(5)(a)	10 days from effective date
New Personnel Report	5A.1(5)(b)	10 days from start date
Fiscal Reporting	5A.2	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Seek Board Approval to Convene Fee Groups	5A.3(1)	October 1, 2023
Convene Fee Advisory Groups	5A.3(1)	Prior to January 15, 2024 (or as scheduled by the Local Program in February or March 2024)
Proposed Budget	5A.3(1)	January 15, 2024
Personnel Plan	5A.3(2)	January 15, 2024
Initial Contract Review	5A.3(3)	March 15, 2024
Final Contract Review	5A.3(4)	April 30, 2024
Website – Review & Update As Needed	5A.4(1)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Rule Revision	5A.5	As agreed upon by parties
MBE/WBE	5A.6	Annually: October 31, 2023
Intergovernmental Cooperation	5A.7(1)-(11)	As specified in the Contract and as requested & agreed upon by parties
Attend Fee Advisory Groups	5A.7(8)	As scheduled by DNR
Construction Permitting Provisions		
Source Review	5B.1(1)	Ongoing
Permit Issuance	5B.1(2)	Ongoing
Draft Permit Review	5B.1(3)	Prior to Issuance
Permit Transfer	5B.1(4)	Upon Receipt
Permit Referrals	5B.1(5)	Upon Receipt
Permit Coordination	5B.1(6)	Ongoing
Regulatory Determination	5B.1(6)(d)	Prior to Final Determination
Pre-Application Meeting	5B.1(6)(e)	As scheduled by DNR
Permit Issuance	5B.1(6)(f)	After DNR Issuance of Permit
Permit/Modeling Procedure Utilization	5B.2	Ongoing
Excel Report	5B.3	Semi-Annual: January 31, 2024 and July 31, 2024
Title V Permitting Provisions		
Four (4) initial/renewal permits	5C.1(1)	June 30, 2024

Obligation	Reference	Task Milestone Dates
Title V Permitting Provisions (con't)		
Issuance Schedule	5C.1(2)(a)	May 15, 2024
Completeness Determination	5C.2(1)	60 days after receipt
Denial of Permit Application	5C.2(2)(b)	As soon as possible
Application Processing	5C.2(2)	Ongoing
Permit Drafting Procedures	5C.3	Ongoing
Fact Sheet	5C.3(2)	Ongoing
Draft Permit Review	5C.3(3)	Prior to Facility Review
Permit Review by EPA	5C.4(1)	Start of Public Comment Period
Public Notice & Participation	5C.4(2)	Ongoing
Response to Comments	5C.4(2)(e)	Ongoing
Changes to Draft Permit	5C.5(1)	Ongoing
Proposed Final Title V to DNR	5C.5(2)	Ongoing
Final Title V Permit to EPA	5C.5(3)	Within 30 days DNR Issuance
Title V Renewals	5C.6	Ongoing
Reopening Issued Title V	5C.7	Ongoing
Permit Changes	5C.8	Ongoing
Status Reports	5C.9	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Compliance Provisions		
Compliance Activities	5D.1	Ongoing
Notice of Violation	5D.1(2)(a)-(b)	Within 60 days
Electronic Compliance Schedules	5D.1(3)	Ongoing
Minimum 1 Joint Stack Test	5D.2	June 30, 2024
Inspection Schedule	5D.3(1)	Ongoing
Joint Inspection Documents	5D.3(2)	Provided prior to each inspection
Joint Inspection Report	5D.3(2)	30 days following each
Variances	5D.4	Ongoing
Burn Permits	5D.4(1)	DNR copy at time of issuance
Training Fire Permits	5D.4(2)	DNR copy at time of issuance
CMS Plan	5D.5(1)	September 1, 2023
ICIS Reporting	5D.5(2)	15 days following reported month
Summary of Facility Actions	5D.5(2)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Compliance Quarterly Report	5D.5(3)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Emission Test Results	5D.6	Report to EPA (ICIS)
Ambient Air Monitoring Provisions		
Existing Network Operations	Table 2	Ongoing
Network Modifications	Table 3	No Network changes are planned for the 2024 Contract period
Unscheduled Network Modifications	5E.1(1)(a)	Upon Request
Final Equipment List	5E.1(2)(a)	July 1, 2023
Vendor Training Selection	5E.1(3)	July 1, 2023
Monitoring Sites	5E.1(4)	Ongoing
Daily Polling	5E.1(5)	Ongoing
Real-time Monitoring	5E.1(6)	Ongoing

Obligation	Reference	Task Milestone Dates
Ambient Air Monitoring Provisions (con't)		
Real-time Monitoring	5E.1(6)	Ongoing
High Concentration Reports	5E.1(6)	Ongoing
Quality System Implementation	5E.2(1)	Ongoing
Revised QA Documents	5E.2(2)	Within 40 working days
PSD Sites	5E.2(3)	Within 30 days of request
Annual Network/Quality Assurance Review	5E.2(5)	March 15, 2024
QA FTE Commitment	5E.2(6)	Ongoing
Coordination Meetings	5E.3(2)	Quarterly as scheduled
Equipment Inventory List	5E.3(3)	7 days after request
List of equipment to maintain & operate existing network	5E.3(4)(a)(1)	January 15, 2024
Equipment Replacement Schedule	5E.3(4)(a)(2)	January 15, 2024
List equipment to expand network (next Contract), or provide a written notice that no network expansion is planned.	5E.3(4)(b)	March 15, 2024
Network Modifications	5E.3(5)	Ongoing
Data Validation	5E.4(1)	Ongoing
Site Setup & Closure	5E.4(2)	Ongoing
AQS/PARS Data Submission	5E.4(3)	15 days following reported month
Data Screening	5E.4(4)	Ongoing
Monthly AQS Recordkeeping Requirements	5E.4(5)(a)	Monthly
Quarterly AQS Recordkeeping Requirements	5E.4(5)(b)	Quarterly
Toxics Monitoring	5E.4(6)	Ongoing
Exceedance Report	5E.5(1)	Immediate
Weekly Network Status Report	5E.5(2)	Weekly – 1 st working day
Monthly Continuous Monitor Report	5E.5(3)	15 working days following reported month
Monthly Report: SHL-PM FRM Monthly Report: SHL-Air Toxics	5E.5(4)	20 days after receipt from outside contractor
Monthly Equipment Procurement Report	5E.5(5)	15 days following reported month
Qtrly Monitoring Report (Continuous)	5E.5(6)	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Computer audit (security and adequacy of backup)	5E.6(1)	September 1, 2023
Monitoring and Review		
Reporting Provisions	6.3	Ongoing
Compensation		
Invoice Submission	7.5	Quarterly: October 31, 2023; January 31, 2024; April 30, 2024; and July 31, 2024
Unmet Obligations	7.5(2)(a)	With Quarterly Invoice as Needed
Billable Hour Documentation	7.5(2)(b)	With Quarterly Invoice as Needed

Attachment B: Polk 2024 Programmatic Budget

Program		Funding Source								
Activity	FTE	Total	County Annual Fee	County General Fund	County Minor CP App Fee	County Major (non-PSD) CP App Fee	103	105	Title V EI Fee	Title V App Fee
TV Operating Permitting Personnel	0.93	\$129,795								\$129,795
Major Source Con Perm Personnel	0.43	\$58,358				\$58,358				
Minor Source Con Perm Personnel	1.52	\$199,738	\$131,827		\$67,911					
Program Development & Management	1.81	\$236,600	\$14,908					\$64,802	\$156,890	
Compliance - Major	0.68	\$101,437	\$10,144						\$91,294	
Compliance - Minor	0.65	\$73,694	\$4,506					\$69,188		
Local Program Permits	0.75	\$110,162	\$110,162							
Ambient Air Monitoring	3.23	\$372,146	\$25,751				\$20,000	\$13,249	\$313,146	
Indirect Costs		\$45,000	\$8,153		\$2,384	\$2,049		\$4,027	\$23,831	\$4,556
Personnel Subtotal	10.00	\$1,326,931	\$305,451	\$0	\$70,295	\$60,407	\$20,000	\$151,267	\$585,160	\$134,351
Travel/Training - Direct Expense		\$8,000	\$1,174		\$280	\$361		\$719	\$4,654	\$812
Supplies		\$10,250	\$1,560		\$376	\$485		\$947	\$5,790	\$1,091
Other		\$68,000	\$31,426	\$20,000	\$869	\$902		\$1,990	\$10,783	\$2,029
AAM: Engineering & Scientific Equipment		\$31,620	\$6,172					\$3,541	\$21,908	
AAM: Repair & Maintenance of Equipment		\$22,760	\$4,442					\$2,549	\$15,769	
AAM Data Processing Equipment		\$13,420	\$2,619					\$1,503	\$9,298	
AAM: Lab Supplies		\$2,477	\$483					\$277	\$1,716	
AAM: Monitoring Site Needs/Monitoring Utilities		\$2,000	\$420					\$400	\$1,180	

AAM: Vendor Training		\$5,000	\$1,050					\$1,000	\$2,950	
Direct Expense Subtotal		\$163,527	\$49,247	\$20,000	\$1,526	\$1,748	\$0	\$12,295	\$74,048	\$3,932
Total Polk County Budget	10.0	\$1,490,458	\$354,798	\$20,000	\$71,821	\$62,155	\$20,000	\$164,192	\$659,209	\$138,283

Iowa Department of Natural Resources
Environmental Protection Commission

ITEM #12

DECISION

Contract with the UNIVERSITY OF NORTHERN IOWA**Recommendation:**

Commission approval is requested for a service contract with the University of Northern Iowa (UNI) of Cedar Falls, Iowa. Services are to be provided by the Iowa Air Emissions Assistance Program (IAEAP) at UNI's Iowa Waste Reduction Center.

Contract Terms:

Amount: Not to exceed \$230,090

Dates: July 1, 2023, to June 30, 2024

Funding Source: Title V emission fees (cost reimbursable payments)

Statutory Authority: 11 Iowa Administrative Code (IAC) section 118.4

Contract Background:

The Small Business Assistance Program, which is mandated by Section 507 of the U.S. Clean Air Act Amendments of 1990, provides technical and non-technical assistance to small businesses. This Contract establishes the requirements of Iowa's technical assistance program.

Contract Purpose:

The parties propose to enter into this Contract to outline UNI's activities and projects related to providing technical air quality assistance to Iowa's small businesses. The Contract specifies that UNI will provide assistance and outreach to small businesses so that they may understand and fulfill their air quality regulatory obligations, and includes UNI offering training to small businesses on completing and submitting required air emissions inventories. Please see **Attachment A** for the proposed Contract's Summary of Obligations and **Attachment B** for the proposed Contract's budget.

Contractor Selection Process:

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:

UNI's IAEAP was formally designated as the technical and compliance small business assistance provider in a State Implementation Plan revision that was submitted to and approved by the EPA in the early 1990s. IAEAP has demonstrated itself to be an effective assistance provider to Iowa's small businesses.

A summary of the terms for the past five years' contracts with UNI for IAEAP are, as follows:

SFY 2023 Contract Terms:

Dates: July 1, 2022 to June 30, 2023

Amount: \$230,090

Amendment(s): No amendments

SFY 2022 Contract Terms:

Dates: July 1, 2021 to June 30, 2022

Amount: \$204,076

Amendment(s): No amendments

SFY 2021 Contract Terms:

Dates: July 1, 2020, to June 30, 2021

Amount: \$200,926

Amendment(s): No amendments

SFY 2020 Contract Terms:

Dates: July 1, 2019, to June 30, 2020

Amount: \$153,804

Amendment(s): No amendments

SFY 2019 Contract Terms:

Dates: July 1, 2018, to June 30, 2019

Amount: \$150,790

Amendment(s): No amendments

Prior to this year and if the DNR's air quality budget allowed, UNI requested and received a small increase (2-3%) over the previous contract's funding amount for expected actual cost increases to administer the IAEAP program. Due to the DNR Air Quality Bureau's planned budget for SFY 2024, this increase is not provided to UNI in the 2024 Contract.

As in the 2023 Contract, the 2024 Contract maintains the additional 0.70 FTE funding for UNI to account for the increased effort related to continued Iowa Easy Air assistance, SLEIS assistance and outreach to grain elevator and feed mill industries; Paint Tracker enhancements; and education, program outreach and reference material updates that will be required related to updated federal air toxics standards.

More detail on anticipated activities is included in UNI's IAEAP 2024 Work Plan (see **Attachment C**). DNR will again evaluate the need to fund all or part of the additional FTE allocation over 2020 levels (0.70 FTE) when developing the 2025 Contract.

Jim McGraw, Environmental Program Supervisor, Air Quality Bureau
Environmental Services Division
June 20, 2023

Attachment A (UNI IAEAP 2024 Summary of Obligations)

The following is a summary of the obligations UNI shall complete to meet tasks identified in the 2024 Contract.

Obligation	Reference	Task Milestone Date
Personnel Commitment	5A.1(1)	Ongoing
Training	5A.1(2)	As Needed/Determined
Key Personnel	5A.1(3)	Ongoing
Key Personnel Changes	5A.1(3)	Within 10 business days
Maintain General, NESHAP, and Facility Closings/Changes Databases	5A.4(1), (2) and (5)	Ongoing, minimum of 3 years
Maintain Website	5A.4(4)	Ongoing
Address DNR Concerns	5A.5	Within 15 days
Documentation	5A.6	Ongoing
Intergovernmental Collaboration	5A.7	As Needed or Requested by DNR
Responsibilities of the DNR	5A.8	Ongoing
Notice of CAA Rights & Obligations	5B.1	Ongoing
Compliance Methods	5B.2	Ongoing
Modification Requests	5B.3	As Requested
Air Pollution Prevention	5B.4	Ongoing
Rule Development	5B.5	As Requested
Develop Compliance Assistance Tools	5B.6(1)	As Requested
Distribute Compliance Assistance Tools	5B.6(3)	Ongoing
Prioritization of NESHAP	5B.6(4)	As Requested
NESHAP Compliance Assistance Tools & Outreach	5B.6(4)	As Requested
Provide On-Site Audits	5B.6(5)	As Requested
MSEI Training	5B.7(1)	As Requested
MSEI Site Visit	5B.7(5)	As Determined
SLEIS Assistance	5B.7(6)	As Requested
Late Work Products	6.1(2)	No later than 10 days
Review Meetings	6.2(1)	Annually
Task Force/Workgroup Participation	6.2(2)	As Determined
Outreach Meetings	6.2(3)	As Requested
Small Business Meetings/Event Participation	6.2(4)	Within 2 weeks of request
Equipment Reports	6.3(2)	Monthly, As Applicable
Special Reports	6.3(4)	As Requested

Obligation	Reference	Task Milestone Date
July Monthly Report	6.3(1)	August 15, 2023
MSEI Planning Meeting	5B.7	September 15, 2023
July Invoice	7.4	September 15, 2023
August Monthly Report	6.3(1)	September 15, 2023
August Invoice	7.4	October 16, 2023
September Monthly Report	6.3(1)	October 16, 2023
Draft MSEI Training Proposal	5B.7	November 1, 2023
September Invoice	7.4	November 15, 2023
October Monthly Report	6.3(1)	November 15, 2023
Update the Online Dry Cleaning and Gasoline Bulk Plant Compliance Assistance Calendars	5B.6(4)c	November 30, 2023 (or a later date as agreed upon in writing by DNR and UNI)
October Invoice	7.4	December 15, 2023
November Monthly Report	6.3(1)	December 15, 2023
November Invoice	7.4	January 15, 2024
December Monthly Report	6.3(1)	January 15, 2024
Work Plan & Staffing Plan	5A.3(1)	January 31, 2024
Budget	5A.3(2)	January 31, 2024
Final Draft MSEI Training Proposal	5B.7	January 31, 2024
December Invoice	7.4	February 15, 2024
January Monthly Report	6.3(1)	February 15, 2024
January Invoice	7.4	March 15, 2024
February Monthly Report	6.3(1)	March 15, 2024
Initial Contract Review	5A.3(3)	April 12, 2024
February Invoice	7.4	April 15, 2024
March Monthly Report	6.3(1)	April 15, 2024
MSEI Training Completed	5B.7	May 1, 2024
Final Contract Review	5A.3(4)	May 15, 2024
SLEIS Primary Assistance	5B.7	May 15, 2024
March Invoice	7.4	May 15, 2024
April Monthly Report	6.3(1)	May 15, 2024
April Invoice	7.4	June 17, 2024
May Monthly Report	6.3(1)	June 17, 2024
May Invoice	7.4	July 15, 2024
June Monthly Report	6.3(1)	July 15, 2024
Final Report	6.3(3)	July 31, 2024
Final/June Invoice	7.4	July 31, 2024

Attachment B (UNI IAEAP 2024 Budget)

EXPENDITURE CATEGORY	OVERALL TOTAL
Personnel/Benefits (Total) – Not to Exceed	\$210,351
Personnel (FTE)	\$149,291
Benefits (FTE)	\$61,060
Travel/Training (Total)	\$2,695
Out of State	\$695
In State	\$2,000
Indirect charges	\$17,044
Total Project Costs – Not to Exceed	\$230,090

Attachment C (UNI's 2024 Work Plan for IAEAP activities)**Iowa Air Emissions Assistance Program
Iowa Waste Reduction Center, University of Northern Iowa
Work Plan for FY24 (July 1, 2023 - June 30, 2024)****Introduction**

The Small Business Environmental Assistance Program for Iowa is operated by the Iowa Waste Reduction Center (IWRC) at the University of Northern Iowa (UNI). The program, known as the Iowa Air Emissions Assistance Program (IAEAP), is designed to fulfill the requirements of Section 507 of the 1990 Clean Air Act Amendments (CAAA).

Contract Number 23ESDAQBCPAUL-0003 between the Iowa Department of Natural Resources (DNR) and the University of Northern Iowa establishes the current IAEAP operation parameters. The work plan, covering the period July 1, 2023 to June 30, 2024, is submitted to the Iowa DNR to fulfill the requirements of the agreement. It shall be used as the blueprint for activities during that time period.

Program Elements

The Iowa Waste Reduction Center at the University of Northern Iowa shall implement a program which contains the elements as envisioned in the 1990 CAAA.

Eligibility -- Any "small business stationary source" that:

- (1) is owned or operated by a person that employs 100 or fewer individuals;
- (2) is a small business concern as defined in the federal Small Business Act; and
- (3) is not a 'major' source as defined in CAAA.

The term "small business stationary source" also shall include any stationary source designated by the DNR as eligible, according to the provisions of the CAAA section 507(c)(2) and (3).

Individual Program Elements

The IAEAP work plan for FY24 shall include the following activities:

1. Information Dissemination and Data Management

- **Electronic newsletter:** The IWRC electronic newsletter is utilized for articles and information dissemination on air quality related issues. The newsletter shall be one of the primary tools for reaching businesses during FY24. As of January 2023, there are 914 subscribers to the IWRC newsletter.
- **Social Media:** The IWRC's social media accounts including Facebook and LinkedIn will also be used to disseminate relevant air quality related information to Iowa small businesses.
- **Website:** The IAEAP webpages can be accessed through the IWRC general website at www.iwrc.uni.edu. Included within the IAEAP webpages are NESHAP information, regulatory summaries, vendor lists, recordkeeping and compliance tools, links to Paint Tracker and GrainPTE, minor source emissions inventory resources, publications developed over the years, and contact information. During FY24, the IAEAP will review website content and update when and where necessary. In addition, on July 1, 2023 Google Analytics will be ending their support of Universal Analytics. This will require the IWRC and the IAEAP to switch to the new Google Analytics 4 option. All websites, including Paint Tracker and GrainPTE will need to be configured to ensure analytics are being tracked in the updated program.
- **Email lists:** the IAEAP maintains lists of e-mails for businesses in industries that are impacted by specific air quality regulations. This enables staff to be able to distribute information quickly and directly to targeted facilities.

- Trade/industry presentations: the IAEAP staff will be available, as requested, to provide presentations for trade associations, industry groups, or other entities that represent broad sectors of small businesses in Iowa.
- The IAEAP staff will document all detailed (in-depth assistance involves more than one hour of staff time with a client) and brief assistance (provided over the phone or email involving less than one hour of staff time) provided to Iowa small businesses.

2. Minor Source Emissions Inventory / State and Local Emission Inventory System (SLEIS) Assistance

Facilities in the DNR's field offices 1 and 4 (western Iowa) will be required to complete the minor source emissions inventory (MSEI) in FY24. The IAEAP will provide training and assistance to small businesses required to complete the 2023 emissions inventory as detailed in the training proposal developed by the IAEAP and the DNR emissions inventory staff. The IAEAP is anticipating an increase in assistance requests for facilities in western Iowa with the requirement for facilities to submit inventories electronically via SLEIS.

The IAEAP's MSEI training webpage developed over the past several years will continue to be maintained with resources updated as deemed necessary by the DNR or the IAEAP. Resources will include emissions calculators, tutorials and commonly used links.

The IAEAP will continue to provide SLEIS related assistance during FY24 both to businesses, as well as to the DNR. At the request of the business, the IAEAP will be available to answer questions and support facilities in entering emissions inventory data and submitting their inventories in SLEIS. The IAEAP will also assist the DNR as requested with, including but not limited to training, support, data entry and providing technical assistance to users.

3. Iowa Air Quality Construction Permit / Iowa Easy Air Assistance

The IAEAP will continue its history of assisting Iowa small businesses in complying with Iowa air quality construction permitting requirements. This assistance will include, but is not limited to, helping small businesses identify sources that emit a regulated air pollutant and may require air quality construction permits, and educating them on permitting options, including reviewing application exemptions. The IAEAP will also educate Iowa small businesses on monitoring and operating condition requirements outlined in their existing construction permits, reviewing or assisting with recordkeeping requirements and documentation and referring them to the DNR Air Quality Bureau if they require additional assistance with their construction permits.

The IAEAP will also continue to provide assistance to businesses applying for air quality construction permits in the use of the Iowa Easy Air online air permitting system. At the request of the company, the IAEAP will be available to provide guidance and answer questions as the business navigates the system.

The IAEAP will also continue to serve as a resource for the DNR air quality bureau and field office staff to refer small businesses who may need assistance with permit requirements or completing permit applications.

4. On-Site Visits

On-site visits are provided by the IAEAP as requested by the clients. Site visits will address compliance with air quality permitting requirements, recordkeeping options, available resources, and pollution prevention techniques and opportunities. Compliance with air quality regulations are also discussed as part of the IWRC's multi-media site visits.

5. Grain Elevator Assistance

The IAEAP will continue to contact grain elevators on an annual basis through an email sent in January reminding them of their requirement to calculate their PM10 PTE by January 31.

Additional assistance or outreach to grain elevators will be completed as agreed upon by the DNR and the IAEAP.

6. Feed Mill Assistance

The IAEAP will continue to provide direct assistance to the feed mill industry as requested by the facility or through referrals from the DNR air quality bureau or field office staff. We will also continue to include feed mill compliance reminders in our annual email that goes out to grain elevators.

In FY24, the IAEAP will develop an annual email to feed mills like the email sent to grain elevators. The email will include reminders to ensure records are being kept, review permit/SUE limits, evaluate additives and pre-mixes being used for the presence of chromium or manganese (7D applicability), evaluate permit requirements for new, replaced or modified equipment and to contact the IAEAP and/or the DNR regarding facility ownership changes. The IAEAP will generate an email list from previous assistance and outreach efforts to the feed mill industry.

Additional outreach to feed mills will be completed as agreed upon by the DNR and the IAEAP.

7. EPA Area Source NESHAP Rule Assistance

The IAEAP will continue to offer assistance to Iowa small businesses impacted by new, modified, or existing Environmental Protection Agency (EPA) area source National Emissions Standards for Hazardous Air Pollutants (NESHAP) regulations. This assistance may include answering small businesses' questions, on-site visits to assist in developing compliance strategies for the business or ensuring compliance, and the development of educational materials as requested by the DNR.

NESHAP or industry specific outreach will be completed as time allows and as agreed upon between the IAEAP and the Iowa DNR. This may include broad based outreach to perc dry cleaners, auto body shops and bulk gasoline plants as needed based on the outcome of recent EPA technology reviews of the Perc Dry Cleaning, Miscellaneous Surface Coating (6H) and Bulk Gasoline Plant (6B) NESHAP.

8. Compliance Assistance Calendars

IAEAP's current dry cleaning and gasoline bulk plant compliance calendars will be updated for calendar years 2024 and 2025. The calendar updates will be based on input from the IAEAP, the DNR, and industry. Electronic versions of the calendars will be made available on the IAEAP web pages or facilities may request a printed copy by contacting the IAEAP.

Due to recent risk technology reviews of the NESHAP impacting each of these industries, the IAEAP is anticipating needing to complete a more detailed review of the calendars during FY24 to ensure consistency with any rule changes. If the EPA does not finalize these rules by late 2023, the IAEAP will work with the DNR to determine the best course of action regarding the calendars.

9. Paint Tracker Enhancement and Education

The online version of the Paint Tracker program developed by the IAEAP has been operating since 2016. The current program can track usage and calculate emissions for facilities and has a variety of reporting options which help facilities comply with permit requirements.

A common permit requirement for paint booths that is often overlooked by facilities is the requirement to track filter changes and maintenance. To help facilities with this requirement, a new data entry screen and associated report options will be added to the program. The new data entry screen will allow facilities to track by date filter changes or maintenance and include any applicable notes. A related report will be created to allow facilities to easily pull these records.

In addition to these changes, the IAEAP will offer a Zoom training course to learn about the functionality and use of the Paint Tracker program. The training course will be primarily for new and existing DNR field office staff but will be open to anyone who would like to attend to learn more about the program.

Budget and Allocation of Resources

The proposed IAEAP budget for FY24 is \$230,090. The budget includes a 0.7 FTE increase over the base 1.25 FTE to account for the increased effort related to continued Iowa Easy Air assistance, SLEIS assistance and outreach to grain elevator and feed mill industries; Paint Tracker enhancements; and education, program outreach and reference material updates that will be required related to updated NESHAP regulations.