

Agenda

Environmental Protection Commission

Tuesday, September 19, 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, September 19, 2023

10:00 AM – EPC Business Meeting

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

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| 1 | Approval of Agenda | |
| 2 | Oath of Office for New Commissioner | |
| 3 | Approval of the Minutes (Packet Page 3) | |
| 4 | Monthly Reports (Packet Page 8) | Ed Tormey
(Information) |
| 5 | Director's Remarks | Kayla Lyon
(Information) |
| 6 | FY 2025 Budget Request (Packet Page 9) | Jennifer Nelson
(Decision) |
| 7 | Iowa Underserved Farmer and Farm Community Subaward Program Contracts (Packet Page 10) | Steve Konrady
(Decision) |
| 8 | Contract with Iowa Department of Agriculture and Land Stewardship (IDALS)-Silver Creek (Howard County) Water Quality Project (Packet Page 17) | Miranda Haes
(Decision) |
| 9 | Contract with The United States Geological Survey (Packet Page 20) | Dan Kendall
(Decision) |
| 10 | Solid Waste Alternatives Program-Contract Recommendations (Packet Page 24) | Tom Anderson
(Decision) |
| 11 | Clean Water and Drinking Water State Revolving Loan Fund-FY 2024 Intended Use Plan Second Quarter Update (Packet Page 28) | Theresa Enright
(Decision) |
| 12 | General Discussion | |
| | • Commissioner Trainings | |
| 13 | Upcoming Meetings | |
| | • Tuesday, October 17, 2023, Wallace Building | |
| | • Tuesday, November 14, 2023, Wallace Building | |

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

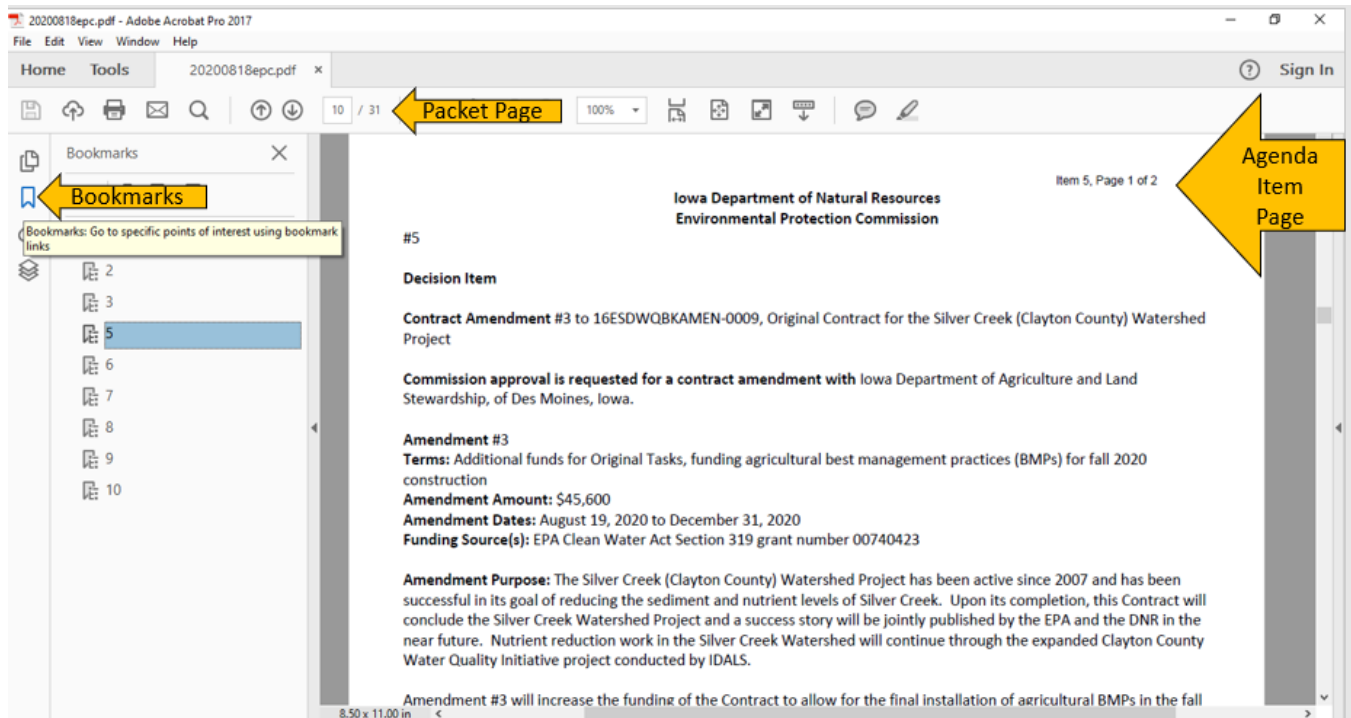
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¹Comments during the public participation period regarding proposed rules or notices of intended action are not included in the official comments for that rule package unless they are submitted as required in the Notice of Intended Action.

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.

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

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



**MINUTES OF THE
ENVIRONMENTAL PROTECTION COMMISSION
MEETING**

August 9, 2023

**Video Teleconference
and
Wallace State Office Building**

Approved by the Commission **TBD**

RECORD COPY
File Name <u>Admin 01-05</u>
Sender's Initials <u>ap</u>

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Meeting Minutes

CALL TO ORDER

The meeting of the Environmental Protection Commission (Commission or EPC) was called to order by Chairperson Harold Hommes at 10:08 am on August 9, 2023 via a combination of in-person and video/teleconference attendees. General Counsel, Tamara McIntosh, stated for the record that the requirements of Iowa Code section 21.8 were met for the EPC meeting to take place virtually due to the brevity of the agenda.

COMMISSIONERS PRESENT

- Brad Bleam
- Patricia Foley
- Harold Hommes
- Roger Zylstra (10:20 am-11:30 am)
- Mark Stutsman (virtual) (10:08 am-11:20 am)
- Amy Echard (virtual)

COMMISSIONERS ABSENT

- Lisa Gochenour
- Rebecca Dostal

APPROVAL OF AGENDA

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

APPROVED AS PRESENTED

APPROVAL OF MINUTES

The Chairperson asked for the Commissioners to approve the Minutes of the June 20, 2023 Minutes. There were no nay votes.

APPROVED AS PRESENTED

MONTHLY REPORTS

- Division Administrator Ed Tormey introduced Kyle Tobiason. Mr. Tobiason has been appointed to serve on the Environmental Protection Commission.
- Mr. Tormey turned it over to General Counsel, Tamara McIntosh, to provide an update on Executive Order 10 (EO10). She shared data regarding the DNR’s proposed changes in terms of page and word reductions, as well as reductions in regulatory language, for rule chapters being reviewed in CY23. She also outlined the next EO10 process steps, including deadlines and the Commission’s role in the process.
- Mr. Tormey wrapped up his remarks by thanking Angie Clark for all of her assistance serving as interim Board Administrator for May, June and July. Chairperson Hommes commented that Angie provided a seamless transition and echoed Mr. Tormey’s gratitude for her assistance.

INFORMATION

DIRECTOR’S REMARKS

- Director Kayla Lyon provided updates on the DNR’s involvement in the 2023 Iowa State Fair. She shared an overview of the DNR Family Night that took place on August 8 and talked about the different courtyard presentations and outdoor themes that visitors will experience when visiting the DNR building during the ISF.
- Director Lyon announced that the DNR Headquarters will be moving to a different building in Des Moines. Wallace building renovations were discussed during the government realignment process and purchasing

another building proved more cost-effective than renovating the Wallace building. Director Lyon noted that both DNR staff and DIALS staff will be located at the new location. Timeline for relocation is unknown at this time.

INFORMATION

CONTRACT AMENDMENT WITH STANTEC CONSULTING SERVICES, INC., PROGRAM MANAGEMENT AND COMMUNICATION OUTREACH AND MITIGATION STRATEGIES

Kathryne Clark requested Commission approval on a contract amendment with Stantec Consulting Services, Inc. for assistance with program management and communication outreach and mitigation strategies for floodplain mapping services. Ms. Clark explained the partnership with FEMA to ensure alignment between funding available and potential grant projects and updated the Commissioners on funding timeline for the grant that will be used to fund this contract amendment.

Public Comments – None

Written Comments – None

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

Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-absent, Amy Echard-aye, Brad Bleam-aye, Rebecca Dostal-absent, Mark Stutsman-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

CONTRACT AMENDMENT WITH AECOM TECHNICAL SERVICES, INC. AND ATKINS NORTH AMERICA, INC., FLOODPLAIN MAPPING SERVICES

Kathryne Clark requested Commission approval on a contract amendment with AECOM Technical Services, Inc. and Atkins North America, Inc. to add additional projects to the original contract for floodplain mapping services.

Public Comments – None

Written Comments – None

Motion was made by Patricia Foley to approve the item as presented. Seconded by Brad Bleam.

Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-absent, Amy Echard-aye, Brad Bleam-aye, Rebecca Dostal-absent, Mark Stutsman-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH IOWA DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP (IDALS), PROTECT RATHBUN LAKE PROJECT

Steve Konrady requested Commission approval on a contract with IDALS to fund best management practices as outlined in the Protect Rathbun Lake Project watershed management plan. Mr. Konrady responded to questions regarding the project coordinator line item of the contract.

Public Comments – None

Written Comments – None

Motion was made by Brad Bleam to approve the item as presented. Seconded by Patricia Foley.

Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-absent, Amy Echard-aye, Brad Bleam-aye, Rebecca Dostal-absent, Mark Stutsman-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH IOWA DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP (IDALS), BIG HOLLOW LAKE WATERSHED PROJECT

Miranda Haes requested Commission approval on a contract with IDALS to add additional funding to the Big Hollow Lake Watershed Project.

Public Comments – None

Written Comments – None

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

Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-absent, Amy Echard-aye, Brad Bleam-aye, Rebecca Dostal-absent, Mark Stutsman-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

WATER USE AND ALLOCATION ANNUAL PERMIT FEE

Heidi Cline requested Commission approval on the 2024 water use and allocation annual permit fee proposal of \$115. Mrs. Cline explained the outreach currently done by the DNR to ensure fee compliance, including new well tracking, field office investigations, and interference complaints. Commissioner Stutsman encouraged the program to research additional ways to education lowans on the permit fee requirements to ensure compliance.

Public Comments – None

Written Comments – None

Motion was made by Patricia Foley to approve the item as presented. Seconded by Brad Bleam.

Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-absent, Amy Echard-aye, Brad Bleam-aye, Rebecca Dostal-absent, Mark Stutsman-aye, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

STATE IMPLEMENTATION PLAN REVISION FOR REGIONAL HAZE

Matthew Johnson requested Commission approval on revisions to Iowa’s State Implementation Plan for Regional Haze that includes new cost-effective control measures that will reduce sulfur dioxide emissions by approximately 9,700 tons per year.

Public Comments – None

Written Comments – None

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

Roger Zylstra-aye, Patricia Foley-aye, Lisa Gochenour-absent, Amy Echard-aye, Brad Bleam-aye, Rebecca Dostal-absent, Mark Stutsman-absent, Harold Hommes-aye. Motion passes.

APPROVED AS PRESENTED

GENERAL DISCUSSION

- Alicia Plathe provided dates for the September and October Commission meetings.

ADJOURN

Chairperson Hommes adjourned the Environmental Protection Commission meeting at 11:30 am on August 9, 2023.

ADJOURNED

**Monthly Waiver Report
August 2023**

Item #	DNR Reviewer	Facility/City	Program	Subject	Decision	Date	Agency
1	Danjin Zulic	Blended Equipment Solutions	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	7.26.23	23aqw153
2	Lucas Tenborg	ADM Terminal Services - Camanche	AQ	a variance from Condition 10(A)(1), General Requirements with Implementing Construction within (18) months of issuance of permit 22-A-034.	Approved	7.31.23	23aqw154
3	Robert D. Campbell	City of De Soto	Water Supply Construction	The required 50 feet of separation distance from chemical storage (generator fuel storage) be reduced for one below-ground level finished water storage facility to no less than 4-feet 2-inches (from the edge of the containment basin) to.	Approved	7.31.23	23wcw155
4	Danjin Zulic	IA/NE Concrete Products, LLC	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.1.23	23aqw156
5	Karen Kuhn	Johnson Machine Works	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.2.23	23aqw157
6	Timothy Duda	Lakewood Utilities	WQ	Construct a new public water supply Well # 04 to replace existing Well #02 that is failing. Requests a waiver of the minimum 200 foot separation distance requirements from the leach fields and 200 foot legal control.	Approved	8.2.23	23wcw158
7	Alison Manz	Wendl Feedlot #56300	AFO & Solid Waste	Due to heat stress, Wendl lost 370 head of cattle at his open feedlot located in Carroll County on Friday July 28, 2023 thru Saturday July 29, 2023. He is requesting to bury the cattle in one hole on-site,	Approved	8.3.23	23sdw159
8	Michael Hermsen	Reece Funeral Home	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.3.23	23aqw160
9	Julie Duke	John Deere Foundry Waterloo	AQ	Request to allow for alternative monitoring and recordkeeping requirements for baghouse (CE-IBH1E). Related construction permit project will be completed in 2 phases. Baghouse connected in July and bag leak detection system in December request for a one month variance from Buckeye Terminals – Ottumwa on July 3, 2023 to use a temporary (portable) vapor combustion unit (VCU) in-place of existing VCU.	Approved	7.20.23	23aqw161
10	Lucas Tenborg	Buckeye Terminal, LLC	AQ	Waiver of Initial Stack Test Requirement.	Approved	8.8.23	23aqw162
11	Michael Hermsen	Curries Division of AADG, Inc.	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.10.23	23aqw163
12	Michael Hermsen	Curries Division of AADG, Inc.	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.10.23	23aqw164
13	Michael Hermsen	Curries Division of AADG, Inc.	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.10.23	23aqw165
14	Karen Kuhn	3M - Knoxville	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.10.23	23aqw166
15	Karen Kuhn	Bertch Cabinets LLC	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.11.23	23aqw167
16	John Curtin	Grain Processing Corporation	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement for equipment used to bag/package starch. .	Approved	8.14.23	23aqw168
17	Lucas Tenborg	Clow Valve Company - Foundry	AQ	The company is requesting a variance to initiate construction activities for new buildings to house new equipment and develop utility infrastructure prior to construction permit issuance.	Approved	8.14.23	23aqw169
18	Nate Tatar	Den Hartog Industries, Inc.	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.14.23	23aqw170
19	Danjin Zulic	IceCap Cold Storage, LP	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.15.23	23aqw171
20	Theresa Stiner	Sleepy Hollow, Polk CCB	Solid Waste	A waiver is being requested to compost fish using shallow trench method of composting. This request is to treat the fish the same as dead farm animals, allowing for the composting to take place under the permit by rule provisions in rule 567-105.6.	Approved	8.16.23	23sdw172
21	Theresa Stiner	Lyon Co. Conservation Board, Lake Pahoja	Solid Waste	A waiver is being requested to compost waste from a fish cleaning station. This request is to treat the fish the same as dead farm animals, allowing for the composting to take place under the permit by rule provisions in 567-105.6.	Approved	8.16.23	23aqw173
22	Danjin Zulic	Silgan Containers - Fort Madison	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.17.23	23aqw174
23	John Curtin	Black Hawk RNG, LLC	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement for equipment used to convert landfill gas to renewable natural gas.	Approved	8.21.23	23aqw175
24	Robert D. Campbell	Southdale Homeowners Association	Water Supply Construction	The required 200 feet of legal control from a well site be reduced to no less than 60 feet to the east of the well. Adequate legal control is provided to the north, south, and west directions.	Approved	8.11.23	23wcw176
25	Meesha Legg	Little Sioux Drainage District	Flood Plain Management and Dam Safety	The applicant is requesting a variance to IAC 567—72.4(1)f. Offset: A minimum offset equal to 100 feet or twice the width of a river or stream measured from top of bank to top of bank, whichever distance is less, shall be required for all...	Approved	6.28.23	23fpw177
26	Nate Tatar	HawkeyePedershaab Concrete Tech., Inc.	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	8.28.23	23aqw178

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

Item #6**Decision Item****FY 2025 Budget Request**

The Environmental Protection Commission's approval is requested for the Department's FY 2025 appropriations request. Guidance received from the Department of Management indicates that Executive Branch departments and agencies shall submit a status quo budget request for FY 2025. The budget is required by statute to be submitted to the Department of Management by October 1, 2023.

APPROPRIATION NAME	FY 24 Appropriation	FY 25 Department Request	Increase/ (Decrease)
<u>GENERAL FUND</u>			
Department Operations	\$11,922,293	\$11,922,293	\$0
State Park Operations	\$1,000,000	\$1,000,000	\$0
Floodplain Management	\$1,510,000	\$1,510,000	\$0
Forestry Health Management	\$500,000	\$500,000	\$0
Total General Fund	\$14,932,293	\$14,932,293	\$0
<u>ENVIRONMENT FIRST</u>			
Resource Enhancement and Protection	\$12,000,000	\$12,000,000	\$0
Ambient Air Quality Monitoring	\$425,000	\$425,000	\$0
Water Quality Monitoring	\$2,955,000	\$2,955,000	\$0
GIS Data for Watershed Managers	\$195,000	\$195,000	\$0
Park Operations and Maintenance	\$6,235,000	\$6,235,000	\$0
Floodplain Management	\$375,000	\$375,000	\$0
Animal Feeding Operations	\$1,320,000	\$1,320,000	\$0
Water Supply Appropriation	\$500,000	\$500,000	\$0
Total Environment First Fund	\$24,005,000	\$24,005,000	\$0
<u>NON-GENERAL FUND</u>			
Fish and Wildlife Operations	\$49,752,093	\$49,752,093	\$0
Groundwater Fund	\$3,455,832	\$3,455,832	\$0
UST Administration Match	\$200,000	\$200,000	\$0
UST Fund Technical Assistance	\$200,000	\$200,000	\$0
Snowmobile Transfer to Fish and Wildlife	\$100,000	\$100,000	\$0
Total Non-General Funds	\$53,707,925	\$53,707,925	\$0
<u>INFRASTRUCTURE</u>			
Lake Water Quality Improvements	\$9,600,000	\$9,600,000	\$0
Water Trails/Lowhead Dams	\$1,500,000	\$1,500,000	\$0
Park Infrastructure Improvements	\$5,000,000	\$5,000,000	\$0
Community Forestry Grant Program	\$250,000	\$250,000	\$0
Iowa State Fair Building Renovations	\$500,000	\$0	(\$500,000)
Honey Creek Resort	\$6,000,000	\$0	(\$6,000,000)
Total Rebuild Iowa Infrastructure Fund	\$22,850,000	\$16,350,000	(\$6,500,000)
TOTAL DEPARTMENT REQUEST	\$115,495,218	\$108,995,218	(\$6,500,000)

Jennifer Nelson, Chief Financial Officer
September 19, 2023

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

Item #7**Decision Item**

Commission approval is requested for contracts with multiple entities (detailed below).

Contract Terms:

Amount: Individual subawards not to exceed \$250,000. (Individual contract amounts detailed below)

Aggregate total of Subawards this cycle: \$2,200,765

Dates: September 20, 2023 to June 30, 2027

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

Funding Source(s): US Environmental Protection Agency, Gulf of Mexico Division (EPA, GMD) Farmer to Farmer Grant to DNR for the Iowa Underserved Farmer and Farm Community Subaward Program

Contract Purpose: Note: individual subawards will be provided to the awarded partners via contract. More details about the purposes of the subawarded projects are below.

The DNR was chosen as one of four primary partners for the GMD's Historically Underserved Farmer to Farmer Grant program in 2022. The program sought to award \$12,000,000 across four Gulf of Mexico Watershed partners that could effectively manage a subaward-grant program in a sub-region of the Gulf of Mexico Watershed. Iowa has an extensive history of running successful subaward processes through other EPA grants such as the Clean Water Act Section 319 program (nonpoint source pollution grants), Section 604(b) program (water quality management planning grants), and others. Through this experience and the strength of the proposal, DNR was able to successfully apply and receive a direct award from EPA. Per the grant agreement and proposal, DNR agreed to provide competitive subawards to eligible entities to directly collaborate with underserved farmers on projects within the Gulf of Mexico Watershed to support the Gulf of Mexico Farmer to Farmer objectives including nutrient reductions, flood resiliency, and increased water quality awareness.

The Gulf of Mexico Watershed was divided into these regions, identified for grant awards with this process:

Region 1. Missouri - Arkansas – White - Red Region (HUCs 10 and 11) (Iowa's Award)

Region 2. Ohio-Tennessee Region (HUCs 05 and 06)

Region 3. Non-Mississippi River Drainage (HUCs 12, 13 and a portion of 03)

Region 4. Mississippi River Region (HUCs 07 and 08)

Geographically, Iowa is split between the awarded region (Region 1) and the Mississippi River Region (Region 4). In early negotiations with the other awardees, DNR negotiated the use of their award across the entire state of Iowa to best meet the water quality and grant administration challenges (Figure 1). Iowa was given Region 1's full award amount of \$3,000,000. With this award, the DNR will provide \$2.9M (97% of the grant amount) as subawards to partners across the state interested in working with underserved farmers and farm communities. Currently, \$2,200,765 is ready to be subawarded via the following contracts, with the remaining \$718,434 available for a second-round solicitation.

The goal of the DNR program is to find watersheds and communities where implementation of water quality improvement practices is hindered by low local resources, lower experience, or other challenges within populations underserved by traditional cost-share means (such as those provided by the US Department of Agriculture (USDA)). To reduce barriers for historically underserved farmers, EPA does not require match funding from either the DNR or from subawardees.

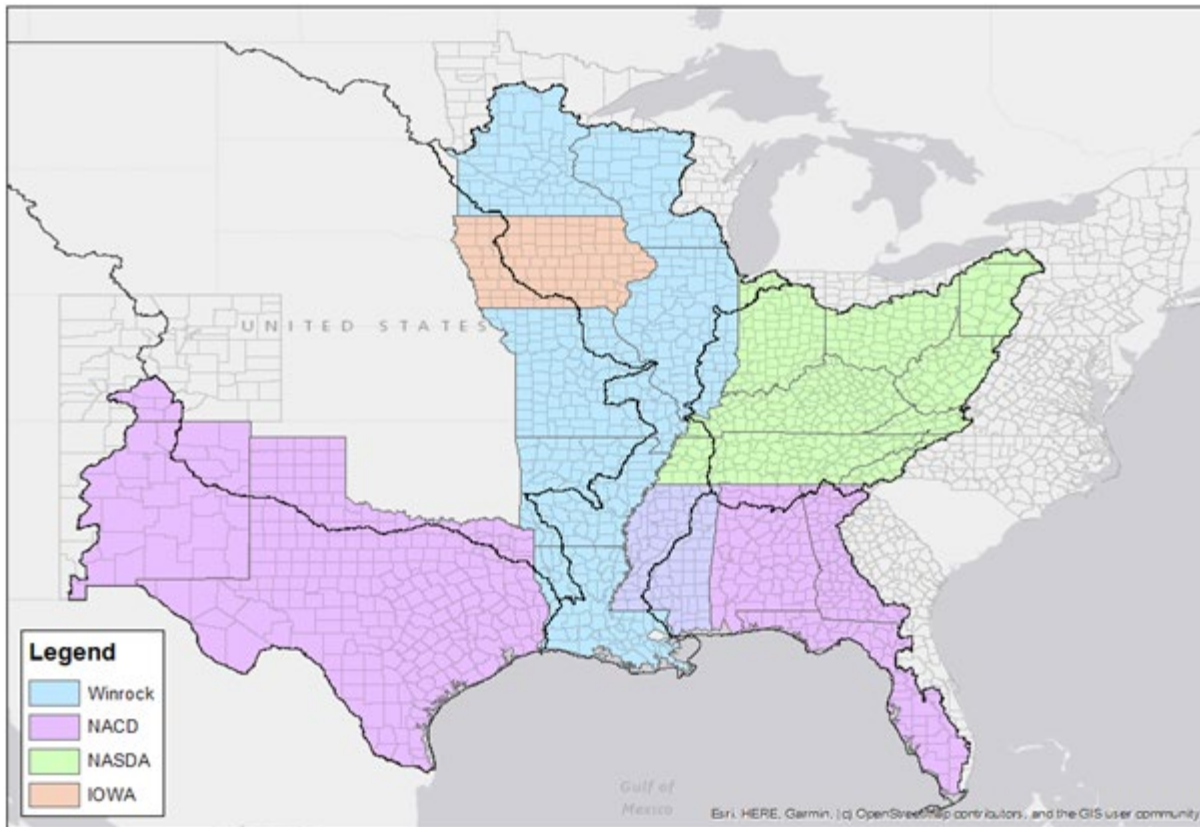


Figure 1: The awarded partners and geographical regions for the Gulf of Mexico Division's Historically Underserved Farmer to Farmer grant program, with each partner receiving \$3M of the \$12M total. Partners: Winrock International (nonprofit), Region 4; National Association of Conservation Districts, Region 3; National Association of State Departments of Agriculture, Region 2; **Iowa (DNR), Region 1.**

Selection Process Summary: To best identify suitable applicants for a subaward program, DNR sought Iowa partners to contribute to an inter-agency review team. Experience with other subaward processes, such as the previously mentioned Section 319 and 604(b) grant programs, helped identify review team members. Two staff from the Iowa Department of Agriculture and Land Stewardship Division of Soil Conservation and Water Quality (IDALS) and two staff from the Iowa Finance Authority (IFA) were joined by three DNR representatives to create a 7-person review team for the subaward applications. A total of 12 applications were received in the first-round solicitation, representing communities and watershed-based organizations from diverse areas of the state. A total of 10 were considered responsive applications, meaning they met the base criteria of the application process. Currently 9 of the 10 are prepared to move forward to the contract phase via this agenda item. The DNR intends to bring the final applicant, and any successful applicants for future solicitation rounds to the EPC at a later date.

The DNR is requesting approval of contracts with the following applicants:

- Caring Hands Outreach Center, Inc. (Caring Hands), a nonprofit food pantry/community organization in Altoona
- City of Belle Plaine, an Iowa River watershed community
- Golden Hills Resource Conservation and Development Area (Golden Hills RC&D), a Nishnabotna River watershed nonprofit
- Iowa Soybean Association, a nonprofit commodity group working in the Skunk River watershed
- Iowa Valley Resource Conservation and Development Area (Iowa Valley RC&D), an Iowa River watershed nonprofit
- Luther College, a nonprofit private college working in the Upper Iowa, Turkey, and Yellow River watersheds
- Maquoketa River Watershed Management Authority (Maquoketa River WMA), a Maquoketa River intergovernmental 28E entity

- Resource Conservation and Development for Northeast Iowa, Inc. (Northeast Iowa RC&D) (2 subawards), an Upper Iowa, Turkey, and Yellow River watershed-area nonprofit

Contract History: All entities have a documented history of working with federal, state, and local grant funding to accomplish projects within the realm of water quality and/or education and outreach. Many of these potential partners have a strong history of working with DNR and the Water Quality Improvement section on various watershed and water quality projects, including the Maquoketa River WMA, all the RC&Ds, and the Iowa Soybean Association. In addition, each entity was challenged by the application solicitation to develop strong partnerships. These partners have additional grant funding experience and will provide support to the applicants in implementing successful programs.

Contract Details: The applicants listed above will be getting individual contracts per distinct project. Each applicant is receiving one contract, with the exception of Northeast Iowa RC&D, which will receive two contracts to fund its two projects currently in the subaward phase (each project has distinct scopes and watershed areas). The following is a summary of each contract. Unless noted elsewhere, the contract terms will all follow the **timeframe of September 20, 2023 to June 30, 2027**.

Caring Hands – Altoona – Polk County – Fourmile Creek Watershed (Des Moines River)

Primary Local Partner Entity #1: Polk County Soil and Water Conservation District (SWCD)

Primary Local Partner Entity #2: IDALS Urban Conservation

Funding Request: \$250,000; Match Identified: in-kind

Contract Summary: Caring Hands provides community support and outreach to disadvantaged and differently-abled community members across the Des Moines Metro Area by providing food pantry services for the east part of Polk County and community of Altoona. Healthy, fresh food is often the most difficult to provide to the underserved communities supported by food pantries. To alleviate this problem, Caring Hands developed an onsite garden facility at their Altoona location. The gardens are worked by a combination of Caring Hands staff and volunteers. Caring Hands seeks to expand the scale of their garden operation and improve irrigation systems on-site. In addition, Caring Hands manages 5 acres of property within the Little Fourmile Creek watershed, which directly drains to the small tributary that runs through Greenway and Lions Parks in the City of Altoona. Caring Hands seeks to mitigate soil and nutrient loss from this property.

The contract provides funding for a project to develop a comprehensive conservation site plan for the 5 acre property, managing stormwater on-site before reaching the nearby tributaries. Currently, roughly 46% of the lot is considered impervious surfaces that convey untreated stormwater directly to the Altoona storm drain network. Additionally, they will develop a stormwater capture system to provide water quality-monitored irrigation water for their garden crops between rainstorms. In a cross-subaward partnership with Iowa Valley RC&D, the irrigation system development will be documented and formatted into a new Iowa Stormwater Management Manual chapter for stormwater recapture/reuse systems that will have a statewide benefit. The sustainable site plan developed by this contract will also be a model for other urban conservation efforts and any implementation work done on-site towards the sustainable site plan goals will be utilized as a demonstration site for IDALS Urban Conservation and Polk County SWCD.

City of Belle Plaine – Belle Plaine – Benton County – Salt Creek Watershed (Iowa River)

Primary Local Partner Entity #1: State Revolving Fund

Primary Local Partner Entity #2: IDALS Urban Conservation

Funding Request: \$250,000; Match Identified: in-kind

Contract Summary: The City of Belle Plaine recently acquired land in the Salt Creek floodplain that influences part of their drinking water wellhead capture area. Prior to the city acquisition, the land had been converted from a wetland area into row crop fields. During this same timeframe, Belle Plaine started to encounter challenges with excess nitrate in their raw water coming from active and standby wells within the wellhead area, influenced in part by this property. Specifically, Belle Plaine identified infiltration from the land within the 2-year time of travel capture zone identified in the City's 2013 Source Water Protection Plan (SWPP). As of the 2013 SWPP, water samples have yet to reach problematic levels that would require additional water treatment, but general trends across the wellfield show increasing nitrate loading and variability, particularly in those wells nearest to the identified property.

This contract will provide funding for Belle Plaine to proactively improve both groundwater recharge and resilience to nonpoint source nitrate pollution. Belle Plaine will first complete a groundwater study with the University of Iowa – Iowa Geological Survey to identify best practices and future well siting plan. Then, Belle Plaine will construct a wetland in the wellfield and adjacent City-owned land to provide nutrient removal and enhanced groundwater recharge and remove drainage tile that quickly conveyed soil moisture and rainfall to nearby Salt Creek.

Golden Hills RC&D – Pottawattamie County - East and West Nishnabotna Rivers

Primary Local Partner Entity #1: East and West Nishnabotna Watershed Management Authorities (WMAs)

Primary Local Partner Entity #2: SWCDs of Pottawattamie, Mills, Fremont, Page, Montgomery, Cass, Audubon, Shelby, Crawford, Carroll, Guthrie, and Greene counties

Funding Request: \$248,477; Match Identified: \$50,000 local funds

Contract Summary: The East and West Nishnabotna River Watershed Management Authorities with Golden Hills RC&D have been successful in receiving and implementing part of the \$97M U.S. Housing and Urban Development grant to Iowa for flood resilience through the Iowa Watershed Approach project. With that project wrapping up activities in 2022, the RC&D and WMAs have unmet goals and projects within their comprehensive watershed management plans. This contract will support the RC&D in efforts to identify and work with underserved producers to install up to 500 acres of regenerative agricultural practices to meet water quality and water management goals of the WMAs. Identified local cooperators to date include 12 conventional farmers and 3 small-scale local food producers.

The East and West Nishnabotna Rivers contribute to long term flood risk for some of Iowa's most vulnerable Missouri River Valley communities including Hamburg. The Iowa Watershed Approach project was focused on benefiting the federal disaster declaration areas through watershed conservation and resiliency building. This follow-up project continues to improve flood resilience and farm sustainability for beginning, limited-resource, socially disadvantaged, and US military veteran producers in the region. It will also benefit drinking water sources for communities within the region by providing nutrient reduction. The project will be combined with an outreach plan to inform watershed residents of the efforts and progress.

Iowa Soybean Association – Ankeny – Lower Skunk River Watershed

Primary Local Partner Entity #1: US Fish and Wildlife Service (USFWS)

Primary Local Partner Entity #2: The Nature Conservancy

Funding Request: \$250,000; Match Identified: \$46,000

Contract Summary: The Skunk River Watershed encompasses over 1 million acres across 9 counties in southeast Iowa. Row crops without installed nonpoint source pollution best management practices have increased soil and nutrient loss and contribute nitrogen and phosphorus into local waterways, including the Skunk River. Using the Census of Agriculture data, the Iowa Soybean Association (ISA) will identify underserved demographics in the watershed region (including women (31% of producers in the watershed), new and beginning farmers (15%), and US military veteran farmers (10%))

that have encountered barriers to adopting edge of field practices that prevent nutrients from entering streams. The focus of the contract will be to provide full cost implementation of oxbow restorations and saturated buffer installations within the Skunk River Watershed.

ISA has a strong track record of implementing successful oxbow restorations using the Oxbow Restoration Toolkit with USFWS and The Nature Conservancy in the Boone and North Raccoon River watersheds. A slower rate of adoption due to cost constraints has held back efforts in the Skunk River watershed. The full cost implementation approach of this contract will remove that barrier, and an education and outreach component of the contract will help find underserved landowners and producers with suitable sites for oxbows and saturated buffers to reduce soil and nutrient loss to the Skunk River.

Iowa Valley RC&D – Johnson County – Iowa River Watershed

Primary Local Partner Entity #1: Johnson County

Primary Local Partner Entity #2: IDALS Urban Conservation

Funding Request: \$249,838; Match Identified: \$15,000

Contract Summary: This contract seeks to improve stormwater function of the Johnson County Historic Poor Farm, a historic site near Iowa City that had been used from 1855-1960 as a working farm for impoverished and mentally ill residents. Modern uses of the fertile farmlands on the property include providing low-rent farm and garden plots to residents of Johnson County. Current farmers of this land include refugees and immigrants that use the site to grow culturally appropriate food crops not easily found in Iowa's markets and grocery stores. With funding from this contract, the RC&D will develop a stormwater capture and rainwater harvesting system to support rainwater retention and reuse as irrigation on-site.

The RC&D will also work with IDALS Urban Conservation and the Caring Hands group to develop a stormwater capture and reuse chapter for the Iowa Stormwater Management Manual that will benefit all Iowans. The stormwater capture system at the Farm will serve as a demonstration for Iowa communities interested in community gardens or similar building-adjacent urban food systems. Field days and other demonstrations will be conducted alongside the implementation project to spread the word about this new practice.

Maquoketa River WMA – Jones County - Maquoketa River Watershed

Primary Local Partner Entity #1: Limestone Bluffs RC&D

Primary Local Partner Entity #2: Practical Farmers of Iowa (PFI)

Funding Request: \$250,000; Match Identified: \$73,000

Contract Summary: The Maquoketa River WMA recently completed a 604(b) watershed planning grant from the DNR to identify solutions to water quality and flooding problems within the Maquoketa River watershed including communities of Dyersville, Manchester, Cascade, Monticello, Maquoketa and the associated counties as leaders in the efforts. Their Watershed Management Plan (WMP) identifies a low adoption rate of cover crops within the watershed area as a primary goal of the early stages of WMP implementation. The contract will provide funding for a cover crop initiative with the experienced assistance of PFI who have a proven track record of working with conservation minded farmers and providing high quality outreach, education, and practice implementation assistance across the state.

Incentives for cover crop adoption will be offered to farmers who meet underserved farmer and producer criteria as identified by the USDA. The initial goal of this project is to implement 7,333 acres of cover crops with a \$30/acre incentive rate. This will begin to transform the look of the Maquoketa River watershed and provide ample opportunities

for the WMA and PFI to hold regular field days, farm visits, and demonstrations of the benefits of cover crops for farm operations via soil health and local waterbodies via nutrient reductions.

Luther College – Decorah - Winneshiek County – Upper Iowa, Turkey, and Yellow River Watersheds

Primary Local Partner Entity #1: Northeast Iowa RC&D

Primary Local Partner Entity #2: Winneshiek County SWCD

Funding Request: \$249,800; Match Identified: \$78,600

Contract Summary: This contract will provide Luther College funding to work with identified partners to implement soil health improvements within the Driftless Region of Iowa, focusing on underserved landowners and producers within Winneshiek County and the Upper Iowa, Turkey, and Yellow River Watersheds. Underserved landowners and producers in the region include women who own about 50% of the land and represent untapped conservation potential due to the barriers to participating in the USDA and SWCD programs because of a lack of familiarity. These improvements will be addressed through two projects with separate scopes: this project, led by Luther College, and a companion project led by Northeast Iowa RC&D (discussed below).

This soil health project led by Luther College will prioritize education, outreach, and soil health testing initiatives, with a larger goal of building community within the farmers and producers that are historically underserved in the Decorah-Driftless Region. Specifically, Luther faculty and students will develop farmer-driven educational programming, facilitate novel landowner confidence-building workshops, and perform individualized soil health assessments. This outreach is intended to foster development of networks within the identified community of underserved producers to increase watershed improvement and water quality successes in the Upper Iowa, Turkey, and Yellow River Watersheds.

Northeast Iowa RC&D – Spillville - Winneshiek County – Turkey River Watershed

Primary Local Partner Entity #1: Winneshiek SWCD

Primary Local Partner Entity #2: City of Spillville

Funding Request: \$231,000; Match Identified: \$300,000

Contract Summary: The Turkey River Watershed Project, which is managed by the Winneshiek SWCD in partnership with the Northeast Iowa RC&D, has identified Spillville as a disadvantaged community facing source water protection challenges unique to the karst geography of Northeast Iowa's Driftless Region. The Spillville SWPP identified one of the city's wells as having a high susceptibility to various contamination due to its shallow depth and karst features, with bacterial and nitrate pollution as the primary cause for concern. These pollutant sources include unpermitted and failing septic systems within the capture zone and watershed land uses. Spillville currently lacks the financial and technical resources to properly investigate and improve the well's condition.

This contract provides funding for local collaboration to strategically address contamination concerns and educate community residents and area landowners on source water protection strategies. Several best management practices have already been identified for the area, including septic system replacements/upgrades, edge of field nutrient retention practices, and a wetland restoration. For many of the practices, funding partners are already in place to cover a large part of the overall cost, which is shown in the proposed match. This contract will help reduce landowner costs to remove barriers encountered with eligible, underserved producers.

Northeast Iowa RC&D – Postville – Allamakee County – Upper Iowa, Turkey, and Yellow River Watersheds

Primary Local Partner Entity #1: Luther College

Primary Local Partner Entity #2: Winneshiek County SWCD**Funding Request:** \$221,650; **Match Identified:** \$100,000

Contract Summary: This contract will provide Northeast Iowa RC&D funding to work with identified partners to implement soil health improvements within the Driftless Region of Iowa, focusing on underserved landowners and producers within Winneshiek County and the Upper Iowa, Turkey, and Yellow River Watersheds. Underserved landowners and producers in the region include women who own about 50% of the land and represent untapped conservation potential due to the barriers to participating in the USDA and SWCD programs because of a lack of familiarity. These improvements will be addressed through two projects with separate scopes: this project, led by Northeast Iowa RC&D, and a companion project led by Luther College (discussed above).

Watershed coordinators within the Upper Iowa, Turkey, and Yellow Rivers represent 5 watershed projects. These coordinators will work with targeted, underserved landowners to develop conservation plans, targeted outreach, and implementation efforts to reduce nonpoint source pollution and increase soil health. The process will be documented in conjunction with the Luther College efforts (above) to create a template for engagement with underserved communities and farm leaders. Up to 15 landowner/producers will be sought by the project to draft and implement a conservation plan, and federal and state cost share programs will be leveraged through the watershed projects to complete implementation. The contract will provide additional funds to supplement existing cost share for practices up to 100% of the cost if needed to remove implementation barriers caused by financial hardship or classifications identified in USDA's underserved farmer initiatives.

Steve Konrady, Western Iowa Basin Coordinator, Water Quality Bureau
Environmental Services Division
September 19, 2023

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

Item #8**Decision Item**

Contract with Iowa Department of Agriculture and Land Stewardship (IDALS) – Silver Creek (Howard County) Water Quality Project

Commission approval is requested for a Contract with IDALS of Des Moines, IA.

Contract Terms:

Amount: Not to exceed \$323,750.00

Dates: October 1, 2023 to September 30, 2026.

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

Funding Source(s): U. S. Environmental Protection Agency (EPA) Clean Water Act (CWA) Section 319 funds to DNR, Grant Number 00740429.

Statutory Authority: EPA Section 319 and Iowa Code section 455B.103.

Contract Background:

Silver Creek is a tributary of the Upper Iowa River located in northeast Iowa in Howard and Winneshiek Counties. The 22,410-acre Silver Creek watershed consists of row crops, grassland, and timber, and the city of Cresco (pop. 3,868). Silver Creek is a Class A1 waterbody and is impaired for the bacteria *E. coli*. Primary sources of impairment include open feedlot livestock operations, pasture runoff, runoff from field-applied manure, livestock with direct access to streams, and outdated or faulty septic systems.

The Silver Creek (Howard County) Water Quality Project (Project) aims to reduce bacterial loading to the stream through the installation of agricultural best management practices (BMPs). Practices targeted by the project include, but are not limited to: grassed waterways, infiltration practices, terraces, wetland creations, native buffer seedings, nutrient management plans, animal mortality facilities, cover crops, and streambank stabilization structures. Funds from this Contract will primarily support waste storage facility, septic system upgrade, and pasture and hayland management.

Monitoring in Silver Creek has shown declines in bacterial loading in specific segments and tributaries, which coincides with the nutrient and sediment loading reductions from previously installed BMPs. These water quality improvements have led DNR Fisheries staff to reintroduce native brook trout to specific branches of the Silver Creek system, highlighting the overall water quality improvement and giving landowners the accomplishment of completing a very tangible local goal.

Contract Purpose: The purpose of this Contract is to designate CWA Section 319 funding to support this Project. This Contract will work to carry out the goals of the Silver Creek (Howard) Watershed Management Plan (updated in 2015) for the stated Contract term. Other funding partners are identified below.

Statement of Work/Task:

Task 1: Provide Project Coordinator

Task 2: Submit to DNR the Annual Work Plan and Budget

Task 3: Carry Out Project Activities in the Project Workplan

Task 4: Provide Quarterly Financial Report

Task 5: Provide Quarterly Progress Report

Task 6: Submit Annual Report

Task 7: Submit Final Project Report

The cost table is attached as Exhibit A.

Selection Process Summary: Statute or federal grant contracting with IDALS is authorized by 11 IAC 117.5(5) and 118.7, which allows for agreements with entities without competition when the law or federal grant requires them. In addition, intergovernmental contracting with IDALS is authorized under 11 IAC 118.4. Contracts with public agencies for laboratory work, scientific field measurement and environmental quality evaluation services necessary to implement Iowa Code Chapter 455B is authorized under Iowa Code section 455B.103(3).

Contract History:

The DNR has contracted with IDALS to administer CWA Section 319-funded watershed projects since the early 1990s. The purpose of the contracts with IDALS is to provide funds and project management support to IDALS, which then enters into subsequent agreements with soil and water conservation districts to implement the specific watershed implementation project activities.

Contracts for watershed projects overlap to enable project work to continue without interruption, as new contracts are executed with each new CWA Section 319 grant award. In this manner, project coordinators who work with farmers and landowners to implement conservation practices within watersheds can do so continuously between contracts. Projects typically spend their oldest contract dollars first before utilizing new contract funds.

Below is a list of contracts with IDALS over the previous five years that support this Project:

Contract #1: Silver Creek (Howard) Phase 1 Implementation – 14ESDGSBKAMen-0001: 10/15/2013 – 9/30/2016, \$242,160

Contract #2: Silver Creek (Howard) Phase 1 Implementation – 15ESDWQBKAMEN-0001: 9/1/2015 – 9/30/2019, \$383,421

Contract #3: Silver Creek (Howard) Phase 2 Implementation – 18ESDWQBKONR-0004: 8/1/2018 – 8/31/2021, \$154,300

Contract #4: Silver Creek (Howard) Phase 2 Implementation – 20ESDWQBKONR-0005: 9/17/2019 – 8/31/2022, \$461,400

Contract #5: Silver Creek (Howard) Phase 2 Implementation - 22ESDWQBJBALK-0002: 1/1/2022 – 12/30/2023, \$200,000

Contract #6: Silver Creek (Howard) Water Quality Project – 23ESDWQBMHAES-0003: 12/1/2022– 11/30/2024, \$322,750

Partnerships Summary:

The DNR's primary funding partnerships for this Contract include:

- IDALS Division of Soil Conservation and Water Quality
- Howard Soil and Water Conservation District
- Winneshiek Soil and Water Conservation District
- US Department of Agriculture Farm Service Agency and Natural Resources Conservation Service
- EPA
- Participating landowners of the Silver Creek (Howard) Watershed

Miranda Haes, Northeast Iowa Basin Coordinator, Water Quality Improvement Section
Environmental Services Division
September 19, 2023

Exhibit A

Silver Creek Project Proposed Budget (2-year budget)	Contract Amount (DNR 319 Costs)	Match Funding Share (State/Local)	Leveraged Funds (Non-Match)
Staffing/Admin Support (Top Line Costs)	\$108,750		
Watershed Practice Support (Bottom Line Costs)	\$215,000	\$401,600	\$717,900
Totals	\$323,750	\$401,600	\$717,900
Overall Proposed Project Total	\$1,119,500		

Iowa Department of Natural Resources
Environmental Protection Commission

Item #9**Decision Item****Contract with THE UNITED STATES GEOLOGICAL SURVEY****Recommendation:**

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

Contract Terms:

Amount: Not to exceed \$367,077.00

Dates: October 1, 2023 to September 30, 2024

Funding Source(s): Environment First Fund for Monitoring

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

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

Contract Purpose: The parties propose to enter into this contract to retain the USGS to assist the DNR in the collection of real-time surface water flow and water quality concentrations. This contract includes support of a StreamEst mapping application (used to estimate stream flows at ungaged locations), maintenance of and data collection from stream water quality sensors (for nitrate, turbidity, temperature), and maintenance of and data collection from gages measuring stream flow. In addition to the previous contract and amendment, this contract will include laboratory analyses of noenicitinoids and pyrethroids on 20 samples collected and shipped by the DNR. See attached workplan with costs associated with each item.

Contractor Selection Process:

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

Contract History:

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

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

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

Contract #4: Timeframe: October 1, 2021 to September 30, 2022; Amount \$375,520.00 (\$79,580.00 was for pesticide and pharmaceutical analysis for groundwater samples); Amendment: \$30,140.00 was added to fund supplies for pesticides and pharmaceutical samples and lab analyses of noenicitinoids and pyrethroids.

Contract #5: Timeframe: October 1, 2022 to September 30, 2023; Amount \$311,775.00; Amendment: \$61,000.00 was added to fund supplies for pesticides and pharmaceutical samples and lab analyses of noenicitinoids and pyrethroids.

Daniel Kendall, Environmental Specialist Senior, Water Quality Bureau
Environmental Services Division
September 19, 2023

Appendix A

StreamEst Mapping Application

Web Mapping Application

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

StreamEst Mapping Application Cost:

USGS CMF: \$4,000

IDNR: \$6,000

StreamEst Total: \$10,000

Water Quality Monitoring and Data Collection

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

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

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

Total Water-Quality Cost:

USGS CMF: \$59,240

IDNR: \$137,980

Water Quality Total: \$197,220

* \$35,600 of this amount is for the lab analyses of 20 sediment samples for pyrethroids collected and shipped by the Iowa DNR to the USGS California Water Science Center.

Streamgage and Sediment Network

A network of real-time streamgages strategically located across the state is a critical component for the Streamest project. Streamgages are located in the streams listed in Table 1 below. Data from these streamgages shall be used by USGS to calibrate models and create statistical equations for computing streamflow at ungaged locations. Since these calculations will be based on the streamflow values, the data needs to be of the highest possible quality with minimal error. The methods used to measure and compute stage and discharge values shall be quality assured using nationally accepted protocols that have been extensively researched (Rantz, 1982). Discharge measurements shall be routinely performed by USGS at these sites during a variety of flow conditions to calibrate and verify stage-discharge relationships. Discharges measurements are made by the USGS using acoustic Doppler current profilers and follow strict protocols for quality assurance (Mueller and others, 2013). The streamflow values from these streamgages shall be collected by USGS throughout the year so that flow can be computed at unknown locations at any point within the same timeframe. These streamgages are located in several different types of landforms, hydrologic regions, and watershed sizes in order to calculate streamflow at a variety of locations throughout Iowa. Data at these streamgages are collected at 15-minute intervals to obtain the best possible data set to accurately compute daily mean streamflow at each streamgage.

Data from the streamgages are transmitted in real-time via satellite to the USGS at which time streamflow calculations are immediately performed and posted to the USGS NWISWeb website. Collection of continuous streamflow data is important for many reasons, including determining trends in streamflow throughout time. This process is necessary because previous studies have shown trends in streamflow record. These trends can be the result of changes in climate, land use, or conservation practices (Schilling and Libra, 2003). The current data may be input by USGS staff into models and statistical equations to compute the flow at an ungaged location. As conditions change, it is possible that data collected in the past may not pertain to current conditions. For this reason, long record periods are required to test for trends in streamflow in Iowa. Real-time transmission of data is critical because this will alert hydrologic technicians of any malfunctioning equipment, which then can be quickly repaired as part of the on-going operation and maintenance needed at each streamgage. Viewing the data in real-time will also allow for direct measurements of discharge throughout a wide range of stages for updating and verifying the dynamic stage-discharge rating for all river stages. Reliable and consistent estimates of streamflow at ungaged locations within Iowa are only possible with a highly accurate network of streamgage. Streamgage locations supported by this project are listed in table 2 and these operate for the entire year. Having discharge data at these sites, as well as ungaged sites computed by the Streamest methods, allows for computation of loads for water-quality constituents. The water-quality load computations using the USGS discharge data are based on discrete samples collected by the Iowa DNR and from the continuous water-quality data collected by the USGS and other agencies. Daily sediment concentrations and loads are computed and published to NWISWeb at the locations in Table 3.

Table 2. Streamgage Stations

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

Table 3. Sediment Stations

Station Number	Station Name
05465500	Iowa River at Wapello
05474000	Skunk River at Augusta

Streamgage and Sediment Network Cost

USGS CMF:	\$ 67,640*
<u>IDNR:</u>	<u>\$223,097</u>
Streamgaging Total:	\$290,737

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

Iowa Department of Natural Resources
Environmental Protection Commission

ITEM

#10

DECISION

TOPIC

Solid Waste Alternatives Program – Contract Recommendations

DNR received 10 proposals requesting \$443,636.50 in financial assistance during the July 2023 round of funding. Seven (7) project proposals are endorsed for funding for a total of \$389,912 in SWAP funding assistance. Three (3) of the endorsed project proposal awards are greater than \$25,000 and are presented here for Commission approval. These three project awards, if approved, total \$338,780.50 in a combination of forgivable, zero percent, and three percent loans.

Endorsed proposals are described in the Attachment.

Funding for the Solid Waste Alternatives Program comes from a portion of the solid waste tonnage fee assessed on municipal solid waste and construction and demolition waste being landfilled in Iowa.

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

At this time, the Department is requesting Commission approval to enter into agreements with:

City of Coralville	Implement single stream curbside recycling	\$223,500.00
The Clothes Bin	Establish textile collection bins in rural communities	\$77,986.00
Mayflower Community	Establish a food waste composting program	\$37,294.50

Tom Anderson, Executive Officer 2

Land Quality Bureau

Environmental Services Division

September 19, 2023

SOLID WASTE ALTERNATIVES PROGRAM

Proposal Recommendation

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

City of Coralville
750 Camp Cardinal Blvd.
Coralville, Iowa 52241

Forgivable Loan:	\$ 10,000
0% Loan:	\$ 50,000
3% Loan:	<u>\$163,500</u>
Total Award Amount:	\$223,500

Cash Match:	<u>\$ 76,000</u>
Total Project Cost:	\$299,500

Project Title: **Curbside Single Stream Recycling**

Contact: Eric Fisher **Phone:** 319-248-1740

Project Type: Best Practices – Recycling

Applicant: Public

Description: The applicant is requesting funding assistance to purchase 65 gallon recycling carts for over 4,500 households to implement single stream curbside recycled materials. The single stream collection program replaces the use of 18 gallon totes that require citizen sorting of plastic, paper, metals and cardboard. Project goals include improved resident convenience, increased recycling participation and the amount of recyclables recovered.

A goal of nearly 450 tons collected has been established with the new collection program, a 15 percent increase (65 tons) in material recovery in the first year of the new collection program.

An ongoing comprehensive public awareness campaign will be implemented to explain the new weekly collection program and proper participation, including acceptable materials.

Service Area: City of Coralville

The Clothes Bin
1601 E. Aurora Ave.
Des Moines, Iowa 50313

Forgivable Loan:	\$10,000
0% Loan:	\$50,000
3% Loan:	<u>\$17,986</u>
Total Award Amount:	\$77,986

Cash Match:	<u>\$25,997</u>
Total Project Cost:	\$103,983

Project Title: Rural Textile Collection

Contact: Brad Burtnette **Phone:** 515-344-3225

Project Type: Best Practices – Recycling

Applicant: Private for Profit

Description: The applicant is requesting funding assistance to expand drop-off recycling opportunities for textiles, curtains, shoes, bags, etc. focusing on rural communities where this type of recycling opportunity is limited. The project is expected to divert approximately 175 tons from the landfill in the first year.

The applicant will place collection boxes (20) in rural communities, partnering with schools, nonprofits and other businesses for placement. Profits from the sale of textiles and other materials are shared with project partners.

SWAP funds will be used to purchase additional collection boxes and improve warehouse operations through the purchase of a forklift, scale, and updated workspace lighting.

Service Area: Rural communities in Polk and surrounding counties

The Mayflower Community
616 Broad Street
Grinnell, Iowa 50112

Forgivable Loan: \$10,000.00
0% Loan: \$27,294.50
Total Award Amount: \$37,294.50

Cash Match: \$12,631.50
Total Project Cost: \$49,926.00

Project Title: Organic/Food Waste Diversion Program

Contact: Scott Gruhn **Phone:** 641-236-6151

Project Type: Best Practices – Composting

Applicant: Private for Profit

Description: The applicant is requesting funding assistance to implement a small scale organic waste diversion program generated by a 200 person retirement community. Food waste generated by the facility kitchen, four campus dining rooms and from resident apartment kitchens will be collected and combined with yard waste generated onsite for composting. The project is expected to divert approximately 150 tons of food waste annually.

The project will serve as a small to mid-scale food waste diversion example that can be replicated by like facilities and expanded to community-scale organic diversion programs.

SWAP assistance is requested for site construction, the purchase of food waste collection containers, food waste pulper, wood chipper, compost services and compost testing, etc.

Service Area: Staff and Residents of the Mayflower Community

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

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

**TOPIC Clean Water and Drinking Water State Revolving Loan Fund – FY 2024
Intended Use Plan Second Quarter Update**

Commission approval is requested for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUP) Second Quarter Update for State Fiscal Year 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.

Each draft IUP is released for public comment and review, and then presented for approval to the Commission. SRF received comments from IFA clarifying the new interest rate lock process and those were incorporated into the DWSRF and CWSRF IUPs. The written comment period closed on August 24, 2023 and no additional comments were received. A public meeting was held via conference call on August 17, 2023 to highlight changes to the plan and to receive comments. No public comments received.

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

(8) CWSRF Planning & Design Loan applications	(totaling \$29,133,000)
(12) CWSRF IUP applications for construction projects	(totaling \$104,041,000)
(8) DWSRF Planning & Design Loan applications	(totaling \$2,841,600)
(17) DWSRF IUP applications for construction projects	(totaling \$59,866,000)

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

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

DRAFT

FY 2024 INTENDED USE PLAN

INVESTING IN IOWA'S WATER



CLEAN WATER STATE REVOLVING FUND

Approved by the Environmental Protection Commission (EPC) on June 20, 2023. Anticipated approval by the EPC on September 19, 2023.

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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 **third** 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.iowadnr.gov) 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, **to the extent applicable (for projects that award construction contracts after October 1, 2023)**
5. SRF Eligibility Letter issued by SRF Project Compliance Specialist

Prior to executing a construction loan, applicants must submit a pro forma financial analysis (completed by a registered municipal advisor) identifying all outstanding parity obligations and demonstrating system revenues can meet loan requirements. Additionally, applicants will need to 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

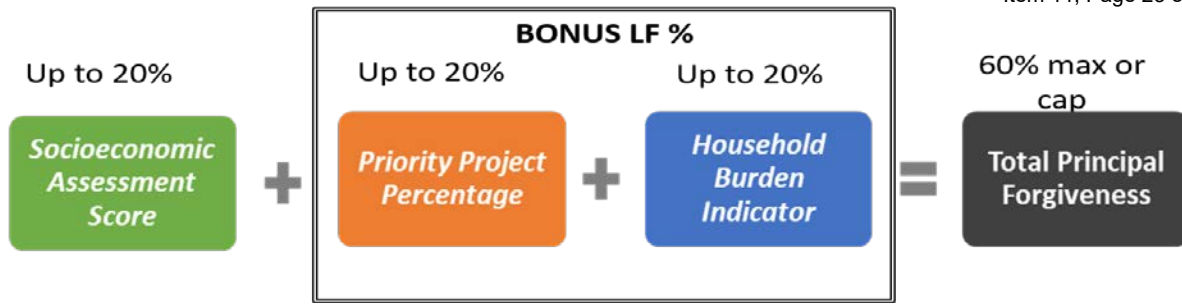
At the conclusion of SFY 2023, there was an estimated unobligated balance of LF of about \$44,000 using these criteria.

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

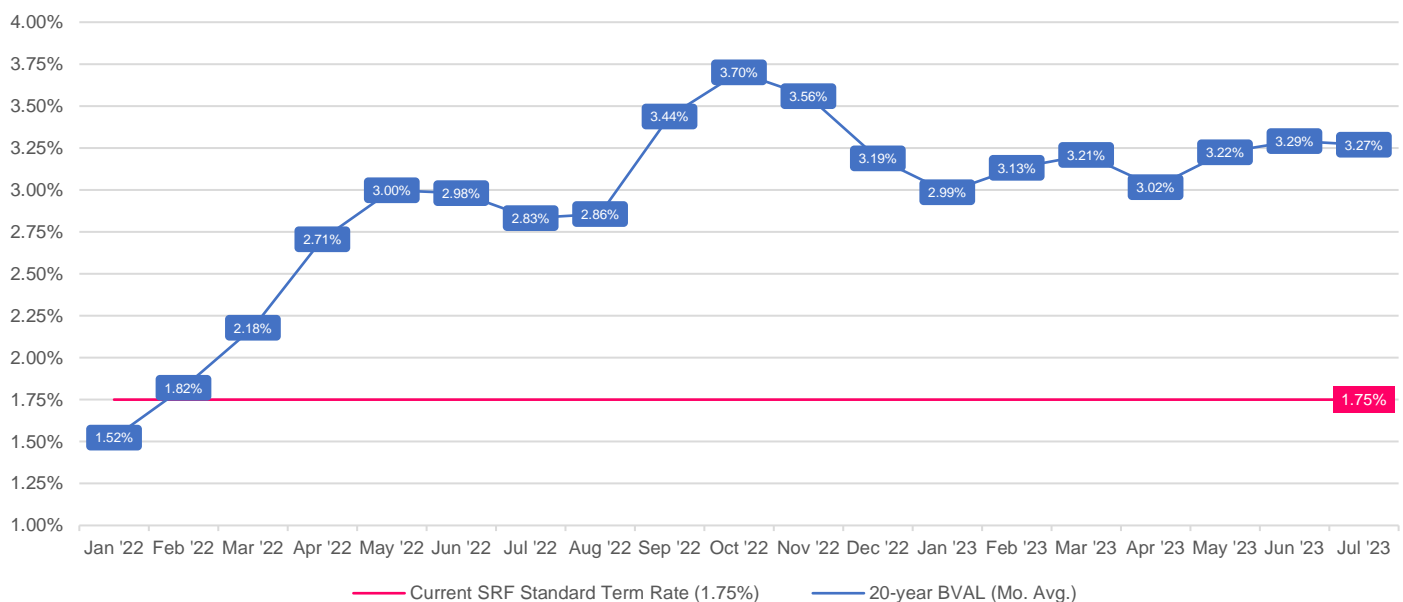
SRF Construction Loans provide eligible entities with low-cost financing for a variety of wastewater and drinking water infrastructure projects. SRF Construction Loans are offered for up to 30 years, with below-market interest rates, low fees, and favorable terms.

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 OCTOBER THROUGH DECEMBER 2023)

Clean Water and Drinking Water State Revolving Fund 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, resulting in 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 more than 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 beginning in the second quarter of Fiscal Year 2024.

Beginning October 1, 2023, Iowa’s State Revolving Fund 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”). Current SRF loan interest rates will be published and readily available at the [SRF website, www.iowasrf.com](http://www.iowasrf.com).

STANDARD TERM LOANS (UP TO 20 YEARS)

The Base Interest Rate for tax-exempt loans 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.

The Base Interest Rate 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.

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](#) to anyone who wishes to track the market independently.

EXTENDED TERM LOANS (21-30 YEARS)

Extended term loans of up to 30 years are available for qualifying projects. The interest rate for projects that qualify and wish to close a loan with extended term financing will be:

Loan Term*	Interest Rate
21-30 years	Base Interest Rate + 1.00%

** Not to exceed the qualifying average useful life of the project*

SPECIAL PURPOSE FUND LOANS

The interest rate for the loaned portion of lead service line projects is 0%. Loan servicing fees will still apply (see Fees section below).

INTEREST RATE LOCK

Applicants will receive a financing offer from Iowa Finance Authority including an interest rate lock for 90 days²³ on the later of (1) the date a complete bid package is received (as determined by DNR staff), or (2) the date of final environmental review clearance. The applicant should then work with their Bond Counsel, Municipal Advisor, and other members of the financing team to complete the loan issuance process (e.g., submit SRF Construction Loan Application, hold public hearing and authorize debt, complete proforma financial analysis, pass rate ordinance if required, etc.). Should the Program’s loan 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.

²³ Actual interest lock period may extend beyond 90 days to align with loan closing dates or account for state holidays.

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 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.

Appendix E - Estimated Sources and Uses²⁴

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

ANTICIPATED USES OF FUNDS

Administration	\$5,108,000
Project Funding	
Disbursements to Existing Loan Commitments ²⁵	\$227,927,000
Disbursements to Future Loan Commitments:	
Planning & Design Requests from IUP ²⁶	\$6,354,000
Additional CWSRF Project Requests ²⁷	\$123,719,000
Debt Service:	
Principal Payments on Outstanding Revenue Bonds	\$52,090,000
Interest Payments on Outstanding Revenue Bonds	\$60,056,000
Retained Equity	\$70,390,000
TOTAL USES	\$545,644,000

NET SOURCES (USES)

\$0

²⁴ All amounts are as of May 2, 2023, and are rounded to the nearest \$1,000.

²⁵ Undisbursed CWSRF loan commitments: \$303,902,406 at 75% disbursement rate.

²⁶ Planning & Design requests per CW IUP: \$12,707,054 at 50% disbursement rate.

²⁷ 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	\$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

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 OMB²⁸ and EPA Signage Guidance²⁹ 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

²⁸ 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>

²⁹ 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 systems³⁰. 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.³¹ 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.³²

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 guidance³³. 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.³⁴ 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.

³⁰ <https://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement>

³¹ Build America, Buy America Act, P.L. 117-58, Secs 70911 - 70917

³² <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

³³ <https://www.epa.gov/system/files/documents/2022-11/OW-BABA-Implementation-Procedures-Final-November-2022.pdf>

³⁴ <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.

A public meeting to allow input to Iowa's SFY 2023 IUP and PPL was held Aug. 17, 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 Aug. 24, 2023.

A written comment was received by the Iowa Finance Authority to clarify the interest rate lock process. The comments were incorporated into Appendix D on page 24 of this IUP.

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
Bode	4609001	PD-CW-24-16	Wastewater Treatment Improvements	2024	2	P&D	P	\$ 79,000				X	
Bonaparte	TBD	PD-CW-24-17	Phase 1 of Collection System Improvements	2024	2	P&D	P	\$ 130,000				X	
Grand Junction	TBD	PD-CW-24-19	Wastewater Treatment Improvements	2024	2	P&D	P	\$ 320,000				X	
Luana	2254001	PD-CW-24-20	Wastewater Treatment Facility Upgrade	2024	2	P&D	P	\$ 514,000				X	
Sioux City	9778001	PD-CW-24-21	Improvements to Renew WWTP	2024	2	P&D	P	\$ 24,090,000				X	
WRA	7727001	PD-CW-24-22	Connect City of Grimes	2024	2	P&D	P	\$ 2,450,000				X	
Boone	819001	PD-CW-24-23	Wastewater Treatment Improvements	2024	2	P&D	P	\$ 350,000				X	
Lime Springs	4535001	PD-CW-24-30	New Activated Sludge WWTF	2024	2	P&D	P	\$ 1,200,000				X	
Chelsea	8609001	CS1921119 01	New WWTP for ammonia and bacteria	2024	2	274	P	\$ 2,311,000.00				X	
Algona	5502001	CS1921116 01	WWTF Nutrient Reduction Upgrade	2024	2	257	P	\$ 19,707,000.00				X	
Anamosa	5307001	CS1921117 01	Wastewater Treatment Plant - Nutrient removal	2024	2	257	P	\$ 2,222,000.00				X	
Forest City	9525001	CS1921078 01	WWTP Nutrient Improvements	2024	2	234	P	\$ 20,260,000.00				X	
Ames (WPCF Nutrient Reduction)	8503001	CS1921109 01	WPCF Nutrient Reduction Project	2024	2	229	P	\$ 52,070,000.00				X	
Waterloo	790001	CS1921114 01	CIPP Lining	2024	2	162	P	\$ 2,500,000.00				X	
Grand Junction	3730001	CS1921111 01	WWTP - new flow meters and valves	2024	2	160	P	\$ 694,000.00				X	
Peosta	3150000	CS1921112 01	New Kapp Court Lift Station	2024	2	160	P	\$ 600,000.00				X	
George	6028001	CS1921115 01	Sanitary Sewer Rehabilitation	2024	2	152	P	\$ 903,000.00				X	
State Center	6484001	CS1921113 01	Wastewater Treatment Improvements - New 2045 gpm main lift station	2024	2	139	P	\$ 1,592,000.00				X	
Bode	4609001	CS1921110 01	Phase 1 Sanitary Sewer Collection Rehab	2024	2	129	P	\$ 845,000.00				X	
Templeton	1479001	CS1921118 01	Sanitary Sewer Rehabilitation	2024	2	129	P	\$ 337,000.00				X	
Montour	8666001	CS1921105 01	Montour Wastewater Treatment Facility 2023	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	

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
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	
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	
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	
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	

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
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	L	\$ 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	
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	
Fostoria	2122001	CS1921066-01	2022 Sanitary Sewer Rehabilitation	2023	1	160	P	\$ 615,000				X	
Hospers	8439001	CS1921067 01	2nd Ave Paving & Utility Improvements	2023	1	152	R	\$ 1,288,000				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	
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	
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	L	\$ 5,098,000	5/26/2023	\$ 4,000,000	\$ 1,098,000	X	
Muscatine	7048001	CS1921056 01	West Hill Area Sewer Separation Project - Phase 6A and 6B	2022	4	200	R	\$ 8,000,000				X	
Elgin	3338001	CS1921059 01	WWTP Liner Replacement	2022	4	180	P	\$ 604,000				X	
Whittemore	5595001	CS1921050 01	Sanitary Sewer Collection System I/I Reduction - Phase 1A	2022	4	154	R	\$ 565,000				X	
Johnston	7740002	CS1921062 01	NW Area Sanitary Sewer Extension	2022	4	135	R	\$ 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	
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	

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	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	
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	
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	
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	
Montpelier	N/A	PD-CW-21-68	P&D for Updates to Existing Wastewater Treatment Facility	2021	4	P&D	P	\$ 100,000				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	\$ 1,465,000				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	

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
Dyersville	313001	CS1920980 01	Westlinden 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	
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	
Sumner	0970001	CS1920916 01	Sewer relocation and new pumping sstation	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	

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
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	
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	\$ 12,700,000				X	
								\$ 1,226,896,060		\$ 155,271,000			
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 Number												
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

Approved by the Environmental Protection Commission (EPC) on June 20, 2023. Anticipated approval by EPC on September 19, 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 **third** 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, **to the extent applicable (for projects that award construction contracts after October 1, 2023)**
5. SRF Eligibility Letter issued by SRF Project Compliance Specialist

Prior to executing a construction loan, applicants must submit a pro forma financial analysis (completed by a registered municipal advisor) identifying all outstanding parity obligations and demonstrating system revenues can meet loan requirements. Additionally, applicants will need to 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.

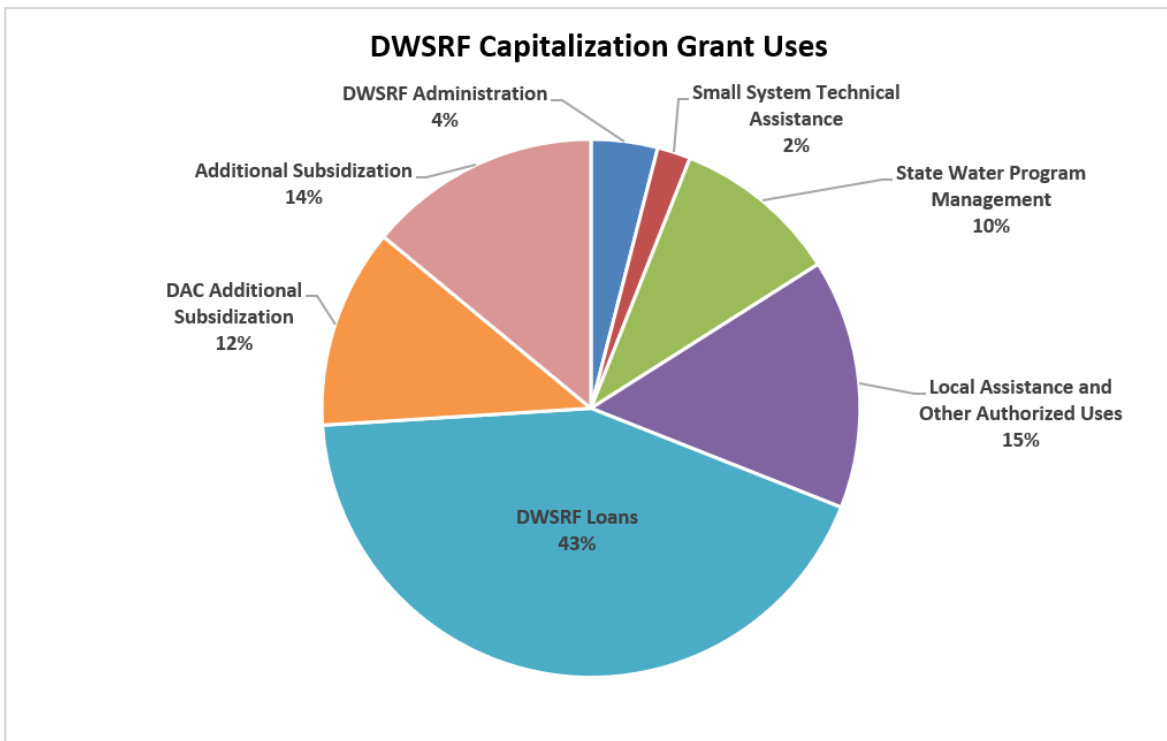
SENIOR ENVIRONMENTAL EMPLOYEE (SEE) SALARY FUNDS DEDUCTED FROM CAPITALIZATION GRANT

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.

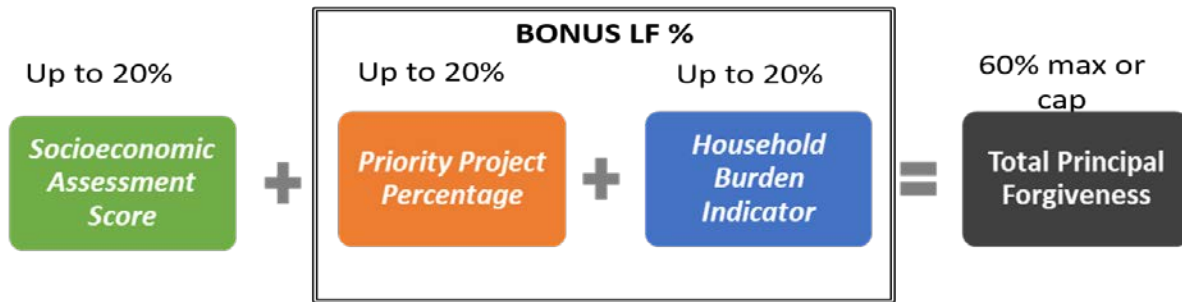
FFY 2022	LF Required	LF Obligated	LF Available to Award
DWSRF Base Cap Grant	\$2,886,260	\$1,514,400*	\$1,371,860
DWSRF BIL General Supplemental Fund	\$13,966,960	\$0	\$13,966,960

*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*

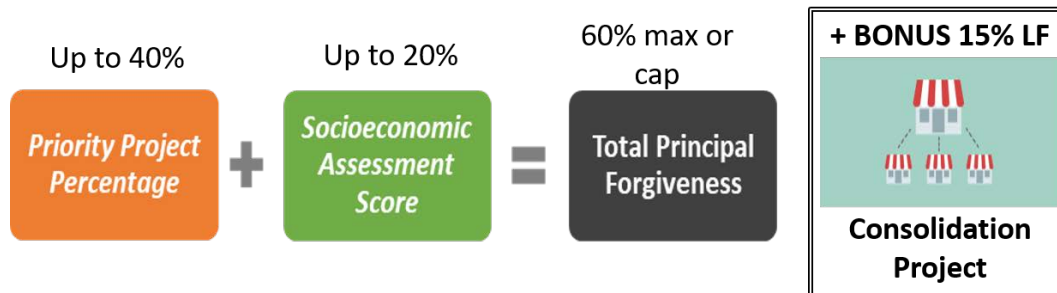
*This is based on an award amount that is anticipated to be received by SFY 2024 but has not been received as of the publication of this DRAFT IUP.

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

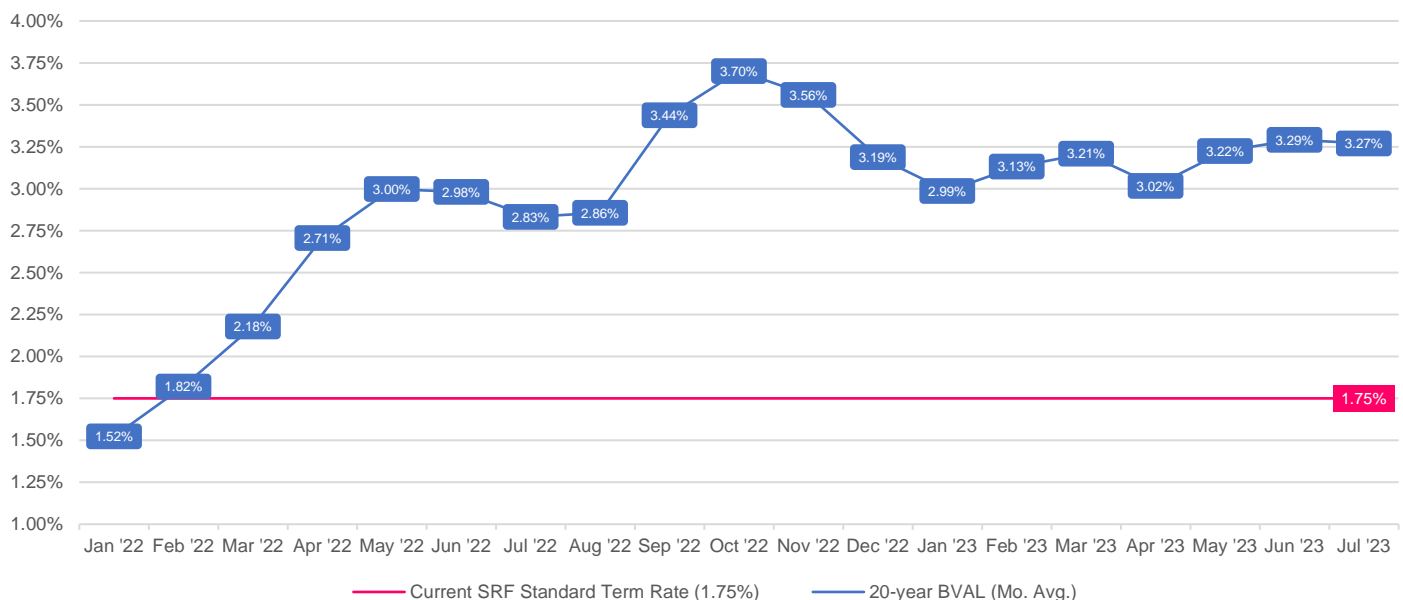
SRF Construction Loans provide eligible entities with low-cost financing for a variety of wastewater and drinking water infrastructure projects. SRF Construction Loans are offered for up to 30 years, with below-market interest rates, low fees, and favorable terms.

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 OCTOBER THROUGH DECEMBER 2023)

Clean Water and Drinking Water State Revolving Fund 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, resulting in 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 more than 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 beginning in the second quarter of Fiscal Year 2024.

Beginning October 1, 2023, Iowa’s State Revolving Fund 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”). Current SRF loan interest rates will be published and readily available at the [SRF website](http://www.iowasrf.com), www.iowasrf.com.

STANDARD TERM LOANS (UP TO 20 YEARS)

The Base Interest Rate for tax-exempt loans 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.

The Base Interest Rate 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.

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](#) to anyone who wishes to track the market independently.

EXTENDED TERM LOANS (21-30 YEARS)

Extended term loans of up to 30 years are available for qualifying projects. The interest rate for projects that qualify and wish to close a loan with extended term financing will be:

Loan Term*	Interest Rate
21-30 years	Base Interest Rate + 1.00%

** Not to exceed the qualifying average useful life of the project*

SPECIAL PURPOSE FUND LOANS

The interest rate for the loaned portion of lead service line projects is 0%. Loan servicing fees will still apply (see Fees section below).

INTEREST RATE LOCK

Applicants will receive a financing offer from Iowa Finance Authority including an interest rate lock for 90 days¹⁹ on the later of (1) the date a complete bid package is received (as determined by DNR staff), or (2) the date of final environmental review clearance. The applicant should then work with their Bond Counsel, Municipal Advisor, and other members of the financing team to complete the loan issuance process (e.g., submit SRF Construction Loan Application, hold public hearing and authorize debt, complete proforma financial analysis, pass rate ordinance if required, etc.). Should the Program’s loan 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.

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.

¹⁹ Actual interest lock period may extend beyond 90 days to align with loan closing dates or account for state holidays.

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 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.

Appendix E - Sources and Uses²⁰

Drinking Water SRF - State Fiscal Year 2024

SOURCES OF FUNDS

FFY 2022 Federal Capitalization Grants	
BIL Supplemental ²¹	\$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 ²²	\$56,241,000
Disbursements to Future Loan Commitments:	
Planning & Design Loan Requests from IUP ²³	\$8,429,000
Additional DWSRF Project Requests ²⁴	\$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

²⁰ All amounts are as of May 2, 2023, and are rounded to the nearest \$1,000.

²¹ Undrawn amount.

²² Undisbursed DWSRF loan commitments: \$74,987,526 at 75% disbursement rate.

²³ Planning & Design requests per DW IUP: \$16,857,607 at 50% disbursement rate.

²⁴ Additional 50% of total budgeted new loan commitments for SFY 2024.

Appendix F - State Match

Drinking Water SRF

FFY 2021

<u>Sources of State Match</u>	
Surplus State Match from Prior Year(s)	\$192,900
State Match Bonds Issued in Feb 2020	\$8,000,000
Total DW State Match Available	\$8,192,900
<u>Application of State Match</u>	
FFY21 Base Cap Grant*	\$17,587,000
State Match Required (%)	x 20%
State Match Required (\$)	\$3,517,400
Total DW State Match Required	\$3,517,400
State Match Surplus (Deficit)	\$4,675,500

FFY 2022

<u>Sources of State Match</u>	
Surplus State Match from Prior Year(s)	\$4,675,500
State Match Bonds Issued in May 2022	\$5,700,000
Total DW State Match Available	\$10,375,500
<u>Application of State Match</u>	
FFY22 Base Cap Grant	\$11,101,000
State Match Required (%)	x 20%
State Match Required (\$)	\$2,220,200
FFY22 Supplemental Cap Grant	\$28,504,000
State Match Required (%)	x 10%
State Match Required (\$)	\$2,850,400
Total DW State Match Required	\$5,070,600
State Match Surplus (Deficit)	\$5,304,900

FFY 2023

<u>Sources of State Match</u>	
Surplus State Match from Prior Year(s)	\$5,304,900
Total DW State Match Available	\$5,304,900
<u>Application of State Match</u>	
FFY23 Base Cap Grant	\$7,424,000
State Match Required (%)	x 20%
State Match Required (\$)	\$1,484,800
FFY23 Supplemental Cap Grant	\$31,656,000
State Match Required (%)	x 10%
State Match Required (\$)	\$3,165,600
Total DW State Match Required	\$4,650,400
State Match Surplus (Deficit)	\$654,500

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 OMB²⁵ and EPA Signage Guidance²⁶ 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

²⁵ 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>

²⁶ 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 systems²⁷. 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.²⁸ 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.²⁹

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 guidance³⁰. 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.³¹ Iowa proposes oversight of this

²⁷ <https://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement>

²⁸ Build America, Buy America Act, P.L. 117-58, Secs 70911 - 70917

²⁹ <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

³⁰ <https://www.epa.gov/system/files/documents/2022-11/OW-BABA-Implementation-Procedures-Final-November-2022.pdf>

³¹ <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.

A public meeting to allow input to Iowa's SFY 2023 IUP and PPL was held Aug. 17, 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 Aug. 24, 2023.

A written comment was received by the Iowa Finance Authority to clarify the interest rate lock process. The comments were incorporated into Appendix D on page 24 of this IUP.

Attachment 1 - DWSRF Project Priority List

This is a separate, sortable Excel File

												Funding Source		
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	Base BIL GS	PFAS/EC	LSL
Boone	PD-DW-24-18	Water Treatment Facility Improvements	2024	2	P&D	12460	P	\$ 140,000.00				X		
Casey	PD-DW-24-24	Water Main Replacemnt	2024	2	P&D	390	P	\$ 81,900.00				X		
Cherokee Rural Water	PD-DW-24-25	New Well, Pump Station, Transmission Pipeline	2024	2	P&D	4800	P	\$ 960,000.00				X		
Le Grand	PD-DW-24-26	Water Main Replacement	2024	2	P&D	905	P	\$ 121,000.00				X		
Prairie City	PD-DW-24-27	Water Main Improvements	2024	2	P&D	1700	P	\$ 374,000.00				X		
Van Meter	PD-DW-24-28	New Membrane Treatment Plant	2024	2	P&D	1500	P	\$ 600,000.00				X		
West Branch	PD-DW-24-29	Water Line/ Main Replacement	2024	2	P&D	2509	P	\$ 54,700.00				X		
Lime Springs	PD-DW-24-31	Storage Improvements	2024	2	P&D	473	P	\$ 510,000.00				X		
Central City (PFAS)	FS-57-24-DWSRF-027	New Well	2024	2	80	1264	C	\$ 2,085,000.00				X	X	
Tama (PFAS)	FS-86-24-DWSRF-014	Water Treatment Plant Improvements	2024	2	55	2745	C	\$ 3,941,000.00				X	X	
Meservey	FS-17-24-DWSRF-017	Phase 1 Water Supply System Improvements Project	2024	2	55	222	P	\$ 548,000.00				X		
Wellman	FS-92-24-DWSRF-012	Water System Improvements: Distribution & Supply	2024	2	45	1524	P	\$ 5,776,000.00				X		
Fairfax	FS-57-24-DWSRF-020	Production Well #4	2024	2	45	2828	P	\$ 809,000.00				X		
Van Meter	FS-25-24-DWSRF-019	New Shallow Well & Water Main	2024	2	45	1650	P	\$ 1,500,000.00				X		
Ellsworth	FS-40-24-DWSRF-025	Elevated Tower Improvements	2024	2	45	508	P	\$ 3,123,000.00				X		
Le Grand	FS-64-24-DWSRF-026	2023 Water Distribution Improvements	2024	2	40	905	P	\$ 1,026,000.00				X		
Newton	FS-50-24-DWSRF-015	Newton Jordan Well	2024	2	35	16391	P	\$ 6,392,000.00				X		
West Des Moines Water Works	FS-77-24-DWSRF-016	88th Street Aquifer Storage and Recovery (ASR) Well Design	2024	2	35	68723	P	\$ 12,110,000.00				X		
Des Moines Water Works	FS-77-24-DWSRF-021	2023 Aquifer Storage and Recovery (ASR) Well	2024	2	35	160000	P	\$ 10,703,000.00				X		
Greene	FS-12-24-DWSRF-018	2024 Water System Improvements Project	2024	2	30	990	P	\$ 694,000.00				X		
West Branch	FS-16-24-DWSRF-022	Phase -2 East Side Water Main Replacement	2024	2	30	2509	P	\$ 1,439,000.00				X		
Madrid	FS-08-24-DWSRF-028	Well #10 Access Road	2024	2	30	2802	P	\$ 129,000.00				X		
Iowa Lakes Regional Rural Water	FS-30-24-DWSRF-013	Orleans Expansion Project	2024	2	20	15000	P	\$ 3,802,000.00				X		
Cedar Rapids - F Ave NW & 13th St NW (LSL)	FS-57-24-DWSRF-023	F Ave NW and 13th St NW Water Service Line Transfers	2024	2	20	141063	C	\$ 241,000.00						X
Cedar Rapids - 2024 Project (LSL)	FS-57-24-DWSRF-024	2024 Lead Service Line Replacement Project	2024	2	20	141063	C	\$ 5,548,000.00						X
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	L	\$ 1,154,000.00	7/7/23	\$ 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	L	\$ 139,000.00	7/7/23	\$ 139,000.00	\$ -	X		
Des Moinesw 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	L	\$ 800,000.00	7/7/23	\$ 800,000.00	\$ -	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

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	
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 (PFAS)	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 (PFAS)	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 1)	2023	4	40	2802	P	\$ 1,932,000.00					X		
Madrid	FS-08-23-DWSRF-076	#10 Access Road (Phase 2)	2023	4	40	2802	P	\$ 129,000.00					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 (PFAS)	FS-57-23-DWSRF-078	Drinking Water PFAS Source and Treatability Study	2023	4	35	150000	C	\$ 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		
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		

												Funding Source		
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	Base BIL GS	PFAS/EC	LSL
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	R	\$ 2,249,000.00				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		
Carter Lake	PD-DW-23-23	P&D for Water Line & Pipe Replacement	2023	2	P&D	3791	P	\$ 725,000.00				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		
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	\$ 4,555,000.00				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		
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		
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		
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		

												Funding Source		
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	Base BIL GS	PFAS/EC	LSL
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		
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		
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		
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	R	\$ 621,000.00				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		
Elkhart	FS-77-21-DWSRF-018	Water Treatment Facility Expansion	2021	3	45	683	L	\$ 1,829,100.00	12/3/21	\$ 376,000.00	\$ 1,453,100	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		
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		
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	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	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		

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
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		
Rathbun Regional Water (RRWA)	FS-04-17-DWSRF-010	Replacement of 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		
								\$ 703,716,724.00		\$ 5,924,000.00				

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