

Agenda

Environmental Protection Commission

Tuesday, June 16, 2026

Teleconference: 614-686-0310 PIN: 564 757 480#

Video Conference: meet.google.com/wps-igfq-dsb

Virtual

Tuesday, June 16, 2026

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 6200 Park Ave, Des Moines IA 50321 up to 24 hours prior to the business meeting.

1	Approval of Agenda	
2	Approval of the Minutes	
3	Monthly Reports	Amie Davidson (Information)
4	Director’s Remarks	Kayla Lyon (Information)
5	Contract with Linn County-Linn County Air Quality Program	Christine Paulson (Decision)
6	Contract with Polk County-Polk County Air Quality Program	Christine Paulson (Decision)
7	Contract with the University of Northern Iowa-Technical Air Quality Assistance for Small Businesses	Christine Paulson (Decision)
8	Grant funding for two Environmental Management System (EMS) Proposals	Stephanie Graham (Decision)
9	Clean Water and Drinking Water State Revolving Loan Fund – FY 2027 Intended Use Plans	Lori McDaniel (Decision)
10	Upcoming Meetings & General Discussion	
	• EPC Report: FY25 & FY26	
	• Tuesday, July 21, Des Moines	
	• Tuesday, August 18, Des Moines	

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.

**MINUTES OF THE
ENVIRONMENTAL PROTECTION COMMISSION
MEETING**

May 20, 2026

**2681 James St, Coralville, 52241 and
Video Teleconference**

Approved by the Commission **TBD**

DRAFT

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Adjourned..... 7

Meeting Minutes

CALL TO ORDER

The meeting of the Environmental Protection Commission (Commission or EPC) was called to order by Chair Stutsman at 9:30 am on May 19, 2026 via video/teleconference attendees.

COMMISSIONERS PRESENT

- Patricia Foley
- Jason Ballard
- Dawn Refsell
- Kyle Tobiason
- Mark Stutsman
- Rebecca Dostal
- Roger Zylstra
- Amy Echard
- Jim Christensen

COMMISSIONERS ABSENT

None

APPROVAL OF AGENDA

Motion was made by Amy Echard to approve the agenda as presented. Seconded by Jim Christensen.

Chairperson Mark Stutsman asked for a voice vote. There were no nay votes. Motion passes.

APPROVED AS PRESENTED

ELECTION OF OFFICERS

Motion was made by Patricia Foley to elect Mark Stutsman as Chair. Seconded by Amy Echard.

Chairperson Mark Stutsman asked for a voice vote. There were no nay votes. Motion passes.

Motion was made by Amy Echard to elect Patricia Foley as Vice Chair.

Chairperson Mark Stutsman asked for a voice vote. There were no nay votes. Motion passes.

Motion was made by Roger Zylstra to elect Jim Christensen as Secretary.

Chairperson Mark Stutsman asked for a voice vote. There were no nay votes. Motion passes.

NOMINATIONS APPROVED

APPROVAL OF MINUTES

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

Chairperson Mark Stutsman asked for a voice vote. There were no nay votes. Motion passes.

APPROVED AS PRESENTED

MONTHLY REPORTS

- Chair Stutsman welcomed Amie Davidson as the new Environmental Services Division Administrator (DA) for the DNR. Chair Stutsman asked DA Davidson to provide a brief introduction. DA Davidson noted her experience working in many areas of the division, including more recent leadership roles held in the Land Quality Bureau. DA Davidson concluded her remarks by thanking local staff for their planning and assistance with the May EPC field tour.

INFORMATION

DIRECTOR’S REMARKS

- Director Lyon provided a high-level overview of the outcomes of the 2026 legislative session, highlighting bills of interest and giving a brief update on the budget. Director Lyon responded to several questions regarding the additional water quality monitoring funding provided in the budget. Director Lyon reminded Commissioners that various bills are pending action from Governor Reynolds, and that more information would be available once bills are signed.

INFORMATION

CONTRACT AMENDMENT WITH THE STATE HYGIENIC LABORATORY (SHL) AT THE UNIVERSITY OF IOWA-DRINKING WATER SAMPLE ANALYSIS, PFAS REGULATION

Kathy Lee requested Commission approval for a contract amendment with SHL to assist with PFAS sampling. Ms. Lee responded to questions regarding the sampling deadline, as well as the systems covered in the contract. Ms. Lee also noted that systems will be assigned compliance monitoring for PFAS in 2027. Only about 3-5% of Iowa’s systems are expected to have PFAS detections.

Public Comments: None

Written Comments: None

Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Patricia Foley.

Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.

Motion passes.

APPROVED AS PRESENTED

AIR QUALITY-FISCAL YEAR 2027 FEE SCHEDULE

Wendy Walker requested Commission approval for the Air Quality fiscal year 2027 fee schedule.

Public Comments: None

Written Comments: None

Motion was made by Amy Echard to approve the item as presented. Seconded by Jason Ballard.

Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.

Motion passes.

APPROVED AS PRESENTED

DERELICT BUILDING GRANT PROGRAM-GRANT RECOMMENDATIONS

Reid Bermel requested Commission approval for two grant recommendations under the derelict building grant program.

Public Comments: None

Written Comments: None

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

Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.

Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH ECOSOURCE, LLC—ASSESSMENT, FREE PRODUCT RECOVERY, AND CORRECTIVE ACTION AT LEAKING UNDERGROUND STORAGE TANK (LUST) SITES

Tammy Vander Bloemen requested Commission approval for a contract with EcoSource, LLC, to assist with assessment, recovery, and corrective action for LUST sites in Iowa. Ms. Vander Bloemen explained the variable costs for work performed based on the assessment results. Commissioners discussed the history of LUST sites in Iowa and Supervisor Keith Wilken that 96% of Iowa’s LUST sites have been cleaned up with only approximately 260 sites remaining out of 6000.

Public Comments: None

Written Comments: None

Motion was made by Jim Christensen to approve the item as presented. Seconded by Rebecca Dostal.
Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.
Motion passes.

APPROVED AS PRESENTED

CONTRACT AMENDMENT WITH IOWA STATE UNIVERSITY GIS FACILITY-GIS SERVICES

Monica Thelen requested Commission approval for a contract amendment with Iowa State University’s GIS facility for continued assistance with GIS services.

Public Comments: None

Written Comments: None

Motion was made by Kyle Tobiason to approve the item as presented. Seconded by Amy Echard.
Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.
Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH GRANT TECH, INC.-TECHNICAL CONSULTING AND TRAINING SERVICES TO OPTIMIZE MECHANICAL WASTEWATER TREATMENT FACILITIES

Adam Schnieders requested Commission approval for a contract with Grant Tech, Inc. for services related to the optimization of pre-selected wastewater treatment facilities.

Public Comments: None

Written Comments: None

Motion was made by Amy Echard to approve the item as presented. Seconded by Patricia Foley.
Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.
Motion passes.

APPROVED AS PRESENTED

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

Steve Konrady requested Commission approval for a contract with IDALS for continuation of the Big Hollow Lake Project.

Public Comments: None

Written Comments: None

Motion was made by Patricia Foley to approve the item as presented. Seconded by Rebecca Dostal.
Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason

Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye. Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH RESOURCE CONSERVATION AND DEVELOPMENT FOR NORTHEAST IOWA (RC&D), INC.-TURKEY RIVER WATERSHED MANAGEMENT AUTHORITY WATERSHED MANAGEMENT PLAN UPDATE

Steve Konrady requested Commission approval for a contract with the Northeast RC&D to assist with the updated watershed management plan for the Turkey River Watershed Management Authority.

Public Comments: None

Written Comments: None

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

Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.

Motion passes.

APPROVED AS PRESENTED

CONTRACT AMENDMENT WITH IOWA STATE UNIVERSITY, CONSERVATION LEARNING GROUP-WATERSHED INNOVATION FARM

Steve Konrady requested Commission approval for a contract amendment with Iowa State University Conservation Learning Group for their work with the watershed innovation farm.

Public Comments: None

Written Comments: None

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

Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.

Motion passes.

APPROVED AS PRESENTED

CONTRACT WITH THE STATE HYGIENIC LABORATORY (SHL) AT THE UNIVERSITY OF IOWA-SAMPLING AND ANALYTICAL SERVICES FOR THE AMBIENT BIOLOGICAL MONITORING AND ASSESSMENT

Ken Krier requested Commission approval for a contract with SHL for continued sampling and analytical services for the Ambient Biological Monitoring and Assessment program.

Public Comments: None

Written Comments: None

Motion was made by Jim Christensen to approve the item as presented. Seconded by Amy Echard.

Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.

Motion passes.

APPROVED AS PRESENTED

AMENDED NOTICE OF INTENDED ACTION-CHAPTER 101 "SANITARY DISPOSAL PROJECTS", CHAPTER 106 "CITIZEN CONVENIENCE CENTERS AND TRANSFER STATIONS", CHAPTER 113 "SANITARY LANDFILLS FOR MUNICIPAL SOLID WASTE: GROUNDWATER PROTECTION SYSTEMS FOR THE DISPOSAL OF NONHAZARDOUS WASTES", CHAPTER 114 "SANITARY LANDFILLS: CONSTRUCTION AND DEMOLITION WASTES", AND CHAPTER 115 "SANITARY LANDFILLS: INDUSTRIAL MONOFILLS"

Brian Rath requested Commission approval for an amended Notice of Intended Action for Chapters 101, 106, 113, 114, and 115.

Public Comments: None

Written Comments: None

Motion was made by Jim Christensen to approve the item as presented. Seconded by Roger Zylstra.
Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.
Motion passes.

APPROVED AS PRESENTED

AMENDED NOTICE OF INTENDED ACTION-CHAPTERS 102 “PERMITS AND RULES OF PRACTICE”; 108, BENEFICIAL USE DETERMINATIONS: SOLID BY-PRODUCTS AS RESOURCES AND ALTERNATIVE COVER MATERIAL”; 116 “REGISTRATIONS OF WASTE TIRE HAULERS”, 117 “WASTE TIRE MANAGEMENT”, 118 “DISCARDED APPLIANCE REMANUFACTURING”, 120 “LANDFARMING OF PETROLEUM CONTAMINATED SOIL”, 121 “LAND APPLICATION OF WASTES”, AND 122 “CATHODE RAY TUBE RECYCLING”

Theresa Stiner requested Commission approval for an amended Notice of Intended Action for Chapters 102, 108, 116, 117, and 118, 120, 121, and 122.

Public Comments: None

Written Comments: None

Motion was made by Jim Christensen to approve the item as presented. Seconded by Roger Zylstra.
Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.
Motion passes.

APPROVED AS PRESENTED

AMENDED NOTICE OF INTENDED ACTION-CHAPTER 135 “TECHNICAL STANDARDS AND CORRECTIVE ACTION REQUIREMENTS FOR OWNERS AND OPERATORS OF UNDERGROUND STORAGE TANKS”

Keith Wilken requested Commission approval for an amended Notice of Intended Action for Chapter 135.

Public Comments: None

Written Comments: None

Motion was made by Roger Zylstra to approve the item as presented. Seconded by Patricia Foley.
Chairperson Mark Stutsman asked for a roll call vote. Dawn Refsell-aye, Amy Echard-aye, Jim Christensen-aye, Jason Ballard-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Patricia Foley-aye, Roger Zylstra-aye, Mark Stutsman-aye.
Motion passes.

APPROVED AS PRESENTED

GENERAL DISCUSSION

- None

ADJOURN

Chairperson Mark Stutsman adjourned the Environmental Protection Commission meeting at 11:35 am on May 20, 2026.

ADJOURNED

**Monthly Waiver Report
May 2026**

Item #	DNR Reviewer	Facility/City	Program	Subject	Decision	Date	Agency
1	Karen Kuhn	Monticello Sewage Treatment Facility	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	4.27.26	26aqw074
2	Mark Fields	PLCP	Air Quality Construction Permits	Request to continue construction and add addition construction activities to previous variance approvals prior to receiving construction permits.	Approved	4.27.26	26aqw075
3	Mark Fields	Van Diest	Air Quality Construction Permits	Request to turn off control equipment during engineering stack testing activities to demonstrate the control equipment is not needed for certain product types.	Approved	4.9.26	26aqw076
4	Keith Wilken	Former Fast Track Conoco UST #199617876	Underground Storage Tank Section	Per 567 IAC Chapter 135.15(1)"e", an underground storage tank system that has	Approved	4.29.26	26aqw077
5	John Curtin	WB Scott Area LLC	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement for an open flare.	Approved	4.30.26	26aqw078
6	Ben Hucka	Woodward, City of STP	Wastewater	The City of Woodward requests a waiver from 567 IAC 62.5(2) to reuse partially treated wastewater for golf course irrigation. The diverted water bypasses the newly installed SAGR system, so it is not considered final effluent.	Approved	4.30.26	26utw079
7	Marty Jacobs	Lake Wapello State Park	Wastewater Construction (CP)	Iowa Department of Natural Resources is requesting a waiver from the Iowa Wastewater Facilities Design Standards. 10.8.3.1 (Contact tank baffling) for the use of a modified septic tank as a chlorine contact tank.	Approved	4.28.26	26cpw080
8	Mark Fields	Platinum Crush	Air Quality Construction Permits	Request to install and operate a temporary boiler without first obtaining a construction permit.	Approved	4.27.26	26aqw081
9	Nate Tatar	Orient Energy Center	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	4.30.26	26aqw082
10	Keith Wilken	Former Moe's Mart #15 UST #198600274	Underground Storage Tank Section	Per 567 IAC Chapter 135.15(1)"e", an underground storage tank system that has	Denied	5.1.26	26utw083
11	Keith Wilken	Former Moe's Mart #16 UST #198608203	Underground Storage Tank Section	Per 567 IAC Chapter 135.15(1)"e", an underground storage tank system that has	Denied	5.1.26	26utw084
12	Keith Wilken	Former Moe's Mart #1 UST #198608509	Underground Storage Tank Section	Per 567 IAC Chapter 135.15(1)"e", an underground storage tank system that has not been properly temporarily closed for more than 12 months must be permanently closed. The waiver requests allowance of return to service requirements in lieu of closure.	Denied	5.1.26	26utw085
13	Keith Wilken	Former Moe's Mart #2 UST #198710679	Underground Storage Tank Section	Per 567 IAC Chapter 135.15(1)"e", an underground storage tank system that has not been properly temporarily closed for more than 12 months must be permanently closed. The waiver requests allowance of return to service	Denied	5.1.26	26utw086
14	Keith Wilken	Former Moe's Mart #7 UST #198608222	Underground Storage Tank Section	Per 567 IAC Chapter 135.15(1)"e", an underground storage tank system that has not been properly temporarily closed for more than 12 months must be permanently closed. The waiver requests allowance of return to service requirements in lieu of closure.	Denied	5.1.26	26utw087
15	Brandon Polzin	Lumen - Atlantic ILA	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.5.26	26aqw088
16	Brandon Polzin	Lumen - Stuart ILA	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.5.26	26aqw089
17	Brandon Polzin	Cryotech Deicing Technology	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.4.26	26aqw090
18	Brandon Polzin	HNI Corporation, Houser Street Facility	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.8.26	26aqw091
19	Lucas Tenborg	MidAmerican Energy Company - Orient	Air Quality Construction Permits	MidAmerican requests to start construction of Unit 3 at the Orient Energy Center prior to being issued a construction permit.	Approved	5.11.26	26aqw092
20	Keith Wilken	Former Moe's Mart #14 UST #198607037	Underground Storage Tank Section	Per 567 IAC Chapter 135.15(1)"e", an underground storage tank system that has not been properly temporarily closed for more than 12 months must be permanently closed. The waiver requests allowance of return to service requirements in lieu of closure.	Denied	5.11.26	26utw093
21	Brandon Polzin	Heartland Co-Op - Cambridge	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.13.26	26aqw094

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

ITEM #5

DECISION

Contract with LINN COUNTY**Recommendation:**

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

Contract Terms:

Amount: Not to exceed **\$796,483**

Dates: July 1, 2026, to June 30, 2027

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

Funding Source	Not to Exceed
Title V Application Fees	\$62,050
Title V Emissions Fees	\$578,215
PSD Application Fees	\$46,356
CAA §105 federal grant dollars	\$92,362
CAA §103 federal grant dollars	\$17,500

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

Contract Background:

Under Iowa Code section 455B.134(11)-(12) local political subdivisions are able to address air quality issues in their jurisdictions and can establish their own rules, in accordance with Iowa Code Chapter 455B, Subchapter II. Linn County has had a local program, including ordinances and enforcement, in place since before DNR's delegation from EPA for a state air program.

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

In addition, Linn County has agreed to a funding commitment of **\$541,294** from local funding sources.

Contract Purpose:

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

Selection Process Summary: This Contract is authorized by 11 IAC section 118.4, which states that if another governmental entity has resources available to supply a service sought by a state agency, the state agency may enter into an intergovernmental agreement with the other governmental entity and is not required to use competitive selection. The Contract is also authorized by Iowa Code chapter 28E and Iowa Code sections 455B.144 – 455B.145.

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

In 2016, 567 IAC Chapter 30 established fee rules and required the establishment of a fee structure by the DNR. As in SFY 2026, applicants of Title V and Prevention of Significant Deterioration (PSD) permits will be billed by the DNR at the rate established in the DNR fee schedule and Linn County will then be reimbursed by the DNR for their work on the project. Linn County has implemented their own fee structure for major (non-PSD) and minor source construction permit applications; these fees are used by Linn County to assist with their required funding commitment.

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

SFY 2026 Contract Terms:

Dates: July 1, 2025, to June 30, 2026

Amount: \$792,813

Amendment(s): Amendment 1, effective January 1, 2026, reduced the Contract funding for SFY 2026 by \$92,362, resulting in a not-to-exceed total of \$700,451. The 105 Federal Grant funding was reduced by 75% due to an unexpected and lengthy delay of the 105 funding from EPA, as well as uncertainty regarding future payment. Additionally, Linn County increased their local funding for the Contract by \$47,222.

SFY 2025 Contract Terms:

Dates: July 1, 2024 to June 30, 2025

Amount: \$789,751

Amendment(s): No amendments

SFY 2024 Contract Terms:

Dates: July 1, 2023 to June 30, 2024

Amount: \$824,299

Amendment(s): No amendments

SFY 2023 Contract Terms:

Dates: July 1, 2022 to June 30, 2023

Amount: \$1,020,425

Amendment(s): No amendments

SFY 2022 Contract Terms:

Dates: July 1, 2021 to June 30, 2022

Amount: \$806,747

Amendment(s): No amendments

The 105 federal grant funding for Linn County in 2027 was reduced by 25% from the status quo funding in previous years due to the federal funding issues described above. Linn County also increased their local funding expenditures for 2027. Other factors that contribute to variations in funding from year to year include ambient air monitoring (AAM) network equipment replacement and maintenance costs and AAM equipment vendor training requirements. Additionally, year to year variability arises from the expected number and complexity of applications for new and renewal Title V permits and PSD Permits.

Christine Paulson, Environmental Specialist Senior, Air Quality Bureau
Environmental Services Division
June 16, 2026

Attachment A: Linn County 2027 Summary of Obligations

The following is a summary of the obligations the Local Program shall complete to meet tasks identified in the 2027 Contract.

Obligation	Reference	Task Milestone Dates
General Provisions		
Personnel Commitment	5A.1(1)	Ongoing
Key Personnel	5A.1(2)	Ongoing
Training	5A.1(3)	Ongoing
Program Activity Summary	5A.1(4)(a)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Training Summary	5A.1(4)(b)	Annually: July 31, 2027
Personnel Changes	5A.1(5)(a)	10 days from effective date
New Personnel Report	5A.1(5)(b)	10 days from start date
Fiscal Reporting	5A.2	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Convene Fee Advisory Group(s)	5A.3(1)	February 2027, or as agreed upon by parties
Proposed Budget	5A.3(1)	January 15, 2027
Personnel Plan	5A.3(2)	January 15, 2027
Initial Agreement Review	5A.3(3)	March 31, 2027
Final Agreement Review	5A.3(4)	April 30, 2027
Website – Review & Update As Needed	5A.4(1)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Routine Rule Revision	5A.5	As agreed upon by parties
MBE/WBE	5A.6	Annually: October 31, 2026
Intergovernmental Cooperation	5A.7(1)-(11)	As requested & agreed upon by parties
Attend Fee Advisory Groups	5A.7(8)	As scheduled by DNR
Construction Permitting Provisions		
Source Review	5B.1(1)	Ongoing
Permit Issuance	5B.1(2)	Ongoing
Draft Permit Review	5B.1(3)	Prior to Issuance
Permit Transfer	5B.1(4)	Upon Receipt
Permit/Modeling Procedure Utilization	5B.2	Ongoing
PSD Activities	5B.3	Ongoing
Proposed Final PSD permit	5B.3(1)	180 days after final application receipt
Pre-Application Protocol	5B.4	Ongoing
Receipt of 80% PSD pre-application	5B.4(1)(a)	2 weeks prior to pre-meeting
Copy of PSD pre-application to DNR & EPA	5B.4.(1)(b)	10 days prior to pre-meeting or after receipt of 100% application
Review Pre-Application Materials	5B.4(2)	Ongoing
PSD Application Review	5B.5	Ongoing
Denial of Permit Application	5B.5(1)(b)	As soon as possible
Prepare Draft PSD Permit	5B.6	Ongoing
Fact Sheet	5B.6(2)	Ongoing
Electronic Copy of Draft PSD permit	5B.6(3)	Prior to facility review
Permit Review by EPA	5B.7(1)	10 days prior to public comment
Public Notice & Participation	5B.7(2)	Ongoing
Changes to Draft Permit	5B.8(1)	Ongoing
Proposed Final PSD to DNR	5B.8(2)	Ongoing
Response to Comment	5B.8(4)(a)	Ongoing
BACT Data	5B.8(4)(b)	Within 30 days after permit issuance
Final PSD Permit to EPA	5B.8(4)(c)	After DNR Issuance

Obligation	Reference	Task Milestone Dates
Construction Permitting Provisions (cont'd)		
PSD Permit Modifications	5B.8(9)	Ongoing
Excel Report	5B.10	Semi-Annual: January 31, 2027, and July 31, 2027
Title V Permitting Provisions		
Three (3) Initial/Renewal permits	5C.1(1)	June 30, 2027
Issuance Schedule for Next Agreement Period	5C.1(1)(a)	May 15, 2027
Completeness Determination	5C.2(1)	60 days after receipt
Application Processing	5C.2(2)	Ongoing
Denial of Permit Application	5C.2(2)(b)	As soon as possible
Permit Drafting Procedures	5C.3	Ongoing
Fact Sheet	5C.3(2)	Ongoing
Draft Permit Review	5C.3(3)	Prior to Facility Review
Permit Review by EPA	5C.4(1)	Start of Public Comment Period
Affected States Review	5C.4(2)	Start of Public Notice
Public Notice & Participation	5C.4(3)	Ongoing
Response to Comments	5C.4(3)(e)	Ongoing
Changes to Draft Permit	5C.5(1)	Ongoing
Proposed Final Title V to DNR	5C.5(2)	Ongoing
Final Title V Permit to EPA	5C.5(3)	Within 30 days of DNR Issuance
Title V Renewals	5C.6	Ongoing
Reopening Issues Title V Permits	5C.7	Ongoing
Permit Changes	5C.8	Ongoing
Status Reports	5C.9	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Compliance Provisions		
Compliance Activities	5D.1	Ongoing
Notice of Violation	5D.1(2)(a)-(b)	Within 60 days
Electronic Compliance Schedules	5D.1(3)	Ongoing
Minimum 1 Joint Stack Test	5D.2	June 30, 2027
Inspection Schedule	5D.3(1)	Ongoing
Joint Inspection Documents	5D.3(2)	Provided prior to each inspection
Joint Inspection Report	5D.3(2)	30 days following each
Variances	5D.4	Ongoing
Training Fire Permits	5D.4(2)	DNR copied at time of issuance
CMS Plan	5D.5(1)	September 1, 2026
ICIS Reporting	5D.5(2)	15 days following reported month
Summary of Facility Actions	5D.5(2)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Compliance Quarterly Report	5D.5(3)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Emission Test Results	5D.6	Report to EPA (ICIS)
Ambient Air Monitoring Provisions		
Existing Network Operations	Table 2	Ongoing
Network Modifications	Table 3	None
Unscheduled Network Modifications	5E.1(1)(a)	Upon Request
Final Equipment List	5E.1(2)(a)	July 15, 2026
Vendor Training Selection	5E.1(3)(a)	July 15, 2026
Monitoring Sites	5E.1(3)	Ongoing
Daily Polling	5E.1(4)	Ongoing
High Concentration Reports	5E.1(5)	Ongoing
Quality System Implementation	5E.2(1)	Ongoing

Obligation	Reference	Task Milestone Dates
Ambient Air Monitoring Provisions (cont'd)		
Revised QA Documents	5E.2(2)	Within 40 working days
SO ₂ or PSD Sites	5E.2(3)	Within 30 days of request
Annual Network/Quality Assurance Review	5E.2(5)	March 16, 2027
Training & Safety Plan	5E.3(1)	Ongoing
Coordination Meetings	5E.3(2)	Quarterly as scheduled
Equipment Inventory List	5E.3(3)	7 days after request
List of equipment to maintain & operate existing network	5E.3(4)(a)(1)	January 15, 2027
Equipment Replacement Schedule	5E.3(4)(a)(2)	January 15, 2027
List equipment to expand network (next Agreement), or written notice to DNR that no network expansion is planned.	5E.3(4)(b)	March 16, 2027
Network Modifications	5E.3(5)	Ongoing
Data Validation	5E.4(1)	Ongoing
Site Setup & Closure	5E.4(2)	Ongoing
AQS/PARS Data Submission	5E.4(3)	15 days following reported month
Data Screening	5E.4(4)	Ongoing
Monthly AQS Recordkeeping Requirements	5E.4(5)(a)	Monthly
Quarterly AQS Recordkeeping Requirements	5E.4(5)(b)	Quarterly
Real-time Monitoring	5E.4(6)	Ongoing
Toxics Monitoring	5E.4(7)	Ongoing
Exceedance Report	5E5(1)	Immediate
Weekly Network Status Report	5E.5(2)	Weekly – 1 st working day
Monthly Continuous Monitor Report	5E.5(3)	15 working days following reported month
Monthly Report: SHL-PM FRM Monthly Report: SHL-Air Toxics Monthly Report: SHL-Speciation	5E.5(4)	20 working days after receipt from outside contractor
Monthly Equipment Procurement Report	5E.5(5)	15 working days following reported month
Quarterly Monitoring Report (Continuous & Non-Continuous)	5E.5(6)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Computer audit (security & adequacy of backup)	5E.6(2)	September 1, 2026
AQS Upload of O/Span Checks	5E.6(3)	January 1, 2027
Monitoring and Review		
Reporting Provisions	6.3	Ongoing
Compensation		
Invoice Submission	7.5	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Unmet Obligations	7.5(2)	With Quarterly Invoices as Needed
Billable Hour Documentation	7.5(2)(b)	With Quarterly Invoice as Needed

Attachment B: Linn County 2027 Programmatic Budget

Program		Funding Source									
Activity	FTE	Total	County Annual Fee	County General Fund	County Minor CP App Fee	County Major (non-PSD) CP App Fee	103	105	Title V EI Fee	PSD App Fee	Title V App Fee
TV Operating Permitting Personnel	0.45	\$62,050									\$62,050
Major Source Con Perm Personnel	0.84	\$103,820				\$103,820					
PSD Permitting Personnel	0.32	\$46,356								\$46,356	
Minor Source Con Perm Personnel	0.99	\$122,276	\$39,547	\$31,026	\$24,632			\$27,071			
Program Development & Management	1.22	\$153,916		\$74,449					\$79,467		
Compliance - Major	0.90	\$123,909	\$55,254						\$68,656		
Compliance - Minor	1.35	\$184,727	\$55,392	\$78,433				\$50,902			
Ambient Air Monitoring	3.13	\$405,299	\$9,280	\$20,777			\$13,612	\$8,413	\$353,217		
Personnel Subtotal	9.20	\$1,202,353	\$159,472	\$204,684	\$24,632	\$103,820	\$13,612	\$86,387	\$501,340	\$46,356	\$62,050
Travel/Training - Direct Expense		\$20,000	\$2,475	\$1,594	\$201	\$12,600	\$253	\$564	\$2,313		
Other		\$19,658	\$1,940	\$1,993	\$323	\$11,282	\$234	\$671	\$3,216		
Supplies		\$7,715	\$761	\$782	\$127	\$503	\$92	\$263	\$5,186		
One Time Allocation											
AAM: Engineering & Scientific Equipment		\$42,500	\$973	\$11,458			\$1,631	\$2,206	\$26,232		
AAM: Repair & Maintenance of Equipment		\$18,050	\$413	\$277			\$693	\$937	\$15,731		
AAM: Lab Supplies		\$10,000	\$229	\$153			\$384	\$519	\$8,715		
AAM: Monitoring Site Lease		\$5,600	\$128	\$86			\$215	\$291	\$4,880		
AAM: Monitoring Utilities		\$10,100	\$231	\$155			\$388	\$524	\$8,802		
AAM: Vendor Training		\$1,800	\$0	\$0				\$0	\$1,800		
Direct Expense Subtotal		\$135,423	\$7,150	\$16,499	\$651	\$24,385	\$3,888	\$5,976	\$76,874	\$0.00	\$0.00
Total Linn County Budget	9.20	\$1,337,776	\$166,623	\$221,183	\$25,283	\$128,205	\$17,500	\$92,362	\$578,215	\$46,356	\$62,050

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

ITEM #6

DECISION

Contract with POLK COUNTY**Recommendation:**

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

Contract Terms:**Amount:** Not to exceed **\$830,781****Dates:** July 1, 2026, to June 30, 2027**Funding Source(s):** Cost reimbursable payments, as follows:

Funding Source	Not to Exceed
Title V Application Fees	\$68,656
Title V Emissions Fees	\$618,981
CAA §105 federal grant dollars	\$123,144
CAA §103 federal grant dollars	\$20,000

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

Under Iowa Code section 455B.134(11)-(12) local political subdivisions are able to address air quality issues in their jurisdictions and can establish their own rules, in accordance with Iowa Code Chapter 455B, Subchapter II. Polk County has had a local program, including ordinances and enforcement, in place since before DNR's delegation from EPA for a state air program.

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

In addition, Polk County has agreed to a funding commitment of **\$391,797** from local funding sources.

Contract Purpose:

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

Selection Process Summary:

This Contract is authorized by 11 IAC section 118.4, which states that if another governmental entity has resources available to supply a service sought by a state agency, the state agency may enter into an intergovernmental agreement with the other governmental entity and is not required to use competitive selection. The Contract is also authorized by Iowa Code chapter 28E and Iowa Code sections 455B.144 – 455B.145.

Contract History:

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

In 2016, 567 IAC Chapter 30 established fee rules and required the establishment of a fee structure by the DNR. As in SFY 2026, applicants of Title V permits will be billed by the DNR at the rate established in the DNR fee schedule and Polk County will then be reimbursed by the DNR for their work on the project. Polk County has implemented their own fee structure for major and minor source construction permit applications; these fees are used by Polk County to assist with their required funding commitment.

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

SFY 2026 Contract Terms:

Dates: July 1, 2025 to June 30, 2026

Amount: \$928, 763

[Amendment(s): Amendment 1, effective January 1, 2026, reduced the Contract funding for SFY 2026 by \$126,268, resulting in a not-to-exceed total of \$802,495. The 105 Federal Grant funding was reduced by 75% due to an unexpected and lengthy delay of the 105 funding from EPA, as well as uncertainty regarding future payment. Additionally, Polk County reduced their anticipated budget for Title V Application Fees by \$3,125.

SFY 2025 Contract Terms:

Dates: July 1, 2024 to June 30, 2025

Amount: \$995,620

Amendment(s): No amendments

SFY 2024 Contract Terms:

Dates: July 1, 2023 to June 30, 2024

Amount: \$981,684

Amendment(s): No amendments

SFY 2023 Contract Terms:

Dates: July 1, 2022 to June 30, 2023

Amount: \$1,085,270

Amendment(s): No amendments

SFY 2022 Contract Terms:

Dates: July 1, 2021 to June 30, 2022

Amount: \$993,334

Amendment(s): No amendments

The 105 federal grant funding for Polk County in SFY 2027 is reduced by 25% from the status quo funding in previous years due to the federal funding issues described above. Polk County also reduced their allocated FTEs and personnel expenses because of staff changes due to retirements. Other factors that typically contribute to variations in funding from year to year include ambient air monitoring (AAM) network equipment replacement and maintenance costs and AAM equipment vendor training requirements. Additionally, year to year variability arises from the expected number and complexity of applications for new and renewal Title V permits.

Christine Paulson, Environmental Specialist Senior, Air Quality Bureau
Environmental Services Division
June 16, 2026

Attachment A: Polk County 2027 Summary of Obligations

The following is a summary of the obligations the Local Program shall complete to meet tasks identified in the 2027 Contract.

Obligation	Reference	Task Milestone Dates
General Provisions		
Personnel Commitment	5A.1(1)	Ongoing
Key Personnel	5A.1(2)	Ongoing
Training	5A.1(3)	Ongoing
Program Activity Summary	5A.1(4)(a)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Training Summary	5A.1(4)(b)	Annually: July 31, 2027
Personnel Changes	5A.1(5)(a)	10 days from effective date
New Personnel Report	5A.1(5)(b)	10 days from start date
Fiscal Reporting	5A.2	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Seek Board Approval to Convene Fee Groups	5A.3(1)	October 1, 2026
Convene Fee Advisory Groups	5A.3(1)	Prior to January 15, 2027 (or as scheduled by the Local Program in February or March 2027)
Proposed Budget	5A.3(1)	January 15, 2027
Personnel Plan	5A.3(2)	January 15, 2027
Initial Agreement Review	5A.3(3)	March 31, 2027
Final Agreement Review	5A.3(4)	April 30, 2027
Website – Review & Update As Needed	5A.4(1)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Rule Revision	5A.5	As agreed upon by parties
MBE/WBE	5A.6	Annually: October 31, 2026
Intergovernmental Cooperation	5A.7(1)-(11)	As specified in the Agreement and as requested & agreed upon by parties
Attend Fee Advisory Groups	5A.7(8)	As scheduled by DNR
Construction Permitting Provisions		
Source Review	5B.1(1)	Ongoing
Permit Issuance	5B.1(2)	Ongoing
Draft Permit Review	5B.1(3)	Prior to Issuance
Permit Transfer	5B.1(4)	Upon Receipt
Permit Referrals	5B.1(5)	Upon Receipt
Permit Coordination	5B.1(6)	Ongoing
Regulatory Determination	5B.1(6)(d)	Prior to Final Determination
Pre-Application Meeting	5B.1(6)(e)	As scheduled by DNR
Permit Issuance	5B.1(6)(f)	After DNR Issuance of Permit
Permit/Modeling Procedure Utilization	5B.2	Ongoing
Excel Report	5B.3	Semi-Annual: January 31, 2027 and July 31, 2027
Title V Permitting Provisions		
Four (4) initial/renewal permits	5C.1(1)	June 30, 2027

Obligation	Reference	Task Milestone Dates
Title V Permitting Provisions (con't)		
Issuance Schedule	5C.1(2)(a)	May 15, 2027
Completeness Determination	5C.2(1)	60 days after receipt
Denial of Permit Application	5C.2(2)(b)	As soon as possible
Application Processing	5C.2(2)	Ongoing
Permit Drafting Procedures	5C.3	Ongoing
Fact Sheet	5C.3(2)	Ongoing
Draft Permit Review	5C.3(3)	Prior to Facility Review
Permit Review by EPA	5C.4(1)	Start of Public Comment Period
Public Notice & Participation	5C.4(2)	Ongoing
Response to Comments	5C.4(2)(e)	Ongoing
Changes to Draft Permit	5C.5(1)	Ongoing
Proposed Final Title V to DNR	5C.5(2)	Ongoing
Final Title V Permit to EPA	5C.5(3)	Within 30 days DNR Issuance
Title V Renewals	5C.6	Ongoing
Reopening Issued Title V	5C.7	Ongoing
Permit Changes	5C.8	Ongoing
Status Reports	5C.9	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Compliance Provisions		
Compliance Activities	5D.1	Ongoing
Notice of Violation	5D.1(2)(a)-(b)	Within 60 days
Electronic Compliance Schedules	5D.1(3)	Ongoing
Minimum 1 Joint Stack Test	5D.2	June 30, 2027
Inspection Schedule	5D.3(1)	Ongoing
Joint Inspection Documents	5D.3(2)	Provided prior to each inspection
Joint Inspection Report	5D.3(2)	30 days following each
Variances	5D.4	Ongoing
Burn Permits	5D.4(1)	DNR copy at time of issuance
Training Fire Permits	5D.4(2)	DNR copy at time of issuance
CMS Plan	5D.5(1)	September 1, 2026
ICIS Reporting	5D.5(2)	15 days following reported month
Summary of Facility Actions	5D.5(2)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Compliance Quarterly Report	5D.5(3)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Emission Test Results	5D.6	Report to EPA (ICIS)
Ambient Air Monitoring Provisions		
Existing Network Operations	Table 2	Ongoing
Network Modifications	Table 3	N/A
Unscheduled Network Modifications	5E.1(1)(a)	Upon Request
Final Equipment List	5E.1(2)(a)	July 15, 2026
Vendor Training Selection	5E.1(3)	July 15, 2026
Monitoring Sites	5E.1(4)	Ongoing
Daily Polling	5E.1(5)	Ongoing
Real-time Monitoring	5E.1(6)	Ongoing

Obligation	Reference	Task Milestone Dates
Ambient Air Monitoring Provisions (con't)		
High Concentration Reports	5E.1(6)	Ongoing
Quality System Implementation	5E.2(1)	Ongoing
Revised QA Documents	5E.2(2)	Within 40 working days
PSD Sites	5E.2(3)	Within 30 days of request
Annual Network/Quality Assurance Review	5E.2(5)	March 16, 2027
QA FTE Commitment	5E.2(6)	Ongoing
Coordination Meetings	5E.3(2)	Quarterly as scheduled
Equipment Inventory List	5E.3(3)	7 days after request
List of equipment to maintain & operate existing network	5E.3(4)(a)(1)	January 15, 2027
Equipment Replacement Schedule	5E.3(4)(a)(2)	January 15, 2027
List equipment to expand network (next Agreement), or provide a written notice that no network expansions are planned.	5E.3(4)(b)	March 16, 2027
Network Modifications	5E.3(5)	Ongoing
Data Validation	5E.4(1)	Ongoing
Site Setup & Closure	5E.4(2)	Ongoing
AQS/PARS Data Submission	5E.4(3)	15 days following reported month
Data Screening	5E.4(4)	Ongoing
Monthly AQS Recordkeeping Requirements	5E.4(5)(a)	Monthly
Quarterly AQS Recordkeeping Requirements	5E.4(5)(b)	Quarterly
Toxics Monitoring	5E.4(6)	Ongoing
Exceedance Report	5E.5(1)	Immediate
Weekly Network Status Report	5E.5(2)	Weekly – 1 st working day
Monthly Continuous Monitor Report	5E.5(3)	15 working days following reported month
Monthly Report: SHL-PM FRM Monthly Report: SHL-Air Toxics	5E.5(4)	20 days after receipt from outside contractor
Monthly Equipment Procurement Report	5E.5(5)	15 days following reported month
Quarterly Monitoring Report (Continuous)	5E.5(6)	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Computer audit (security and adequacy of backup)	5E.6(1)	September 1, 2026
Monitoring and Review		
Reporting Provisions	6.3	Ongoing
Compensation		
Invoice Submission	7.5	Quarterly: October 31, 2026; January 31, 2027; April 30, 2027; and July 31, 2027
Unmet Obligations	7.5(2)(a)	With Quarterly Invoice as Needed
Billable Hour Documentation	7.5(2)(b)	With Quarterly Invoice as Needed

Attachment B: Polk County 2027 Programmatic Budget

Program										
Activity	FTE	Total	County Annual Fee	County General Fund	County Minor CP App Fee	County Major (non-PSD) CP App Fee	103	105	Title V EI Fee	Title V App Fee
TV Operating Permitting Personnel	0.45	\$65,154								\$65,154
Major Source Con Perm Personnel	0.44	\$68,637		\$0		\$68,637				
Minor Source Con Perm Personnel	1.18	\$181,980	\$136,485	\$0	\$45,495					
Program Development & Management	1.60	\$228,438	\$5,417					\$8,209	\$214,812	
Compliance - Major	0.19	\$31,641	\$0						\$31,641	
Compliance - Minor	0.72	\$87,535	\$12,267					\$75,268		
Local Program Permits	0.69	\$98,485	\$98,485	\$0						
Ambient Air Monitoring	2.48	\$323,108	\$8,904				\$20,000	\$27,166	\$267,038	
Indirect Costs		\$25,000	\$3,493		\$1,048	\$1,582		\$976	\$16,400	\$1,501
Personnel Subtotal	7.75	\$1,109,978	\$265,052	\$0	\$46,543	\$70,218	\$20,000	\$111,619	\$529,890	\$66,656
Travel/Training - Direct Expense		\$7,100	\$711		\$200	\$300		\$314	\$5,075	\$500
Supplies		\$8,000	\$863		\$250	\$1,000		\$329	\$4,558	\$1,000
Other		\$4,500	\$446		\$125	\$500		\$209	\$2,719	\$500
AAM: Engineering & Scientific Equipment		\$50,000	\$3,004					\$5,739	\$41,258	
AAM: Repair & Maintenance of Equipment		\$18,125	\$1,089					\$2,080	\$14,956	
AAM Data Processing Equipment		\$14,475	\$870					\$1,661	\$11,944	
AAM: Lab Supplies		\$3,000	\$180					\$344	\$2,475	
AAM: Monitoring Site Needs/Monitoring Utilities		\$2,400	\$144					\$275	\$1,980	
AAM: Vendor Training		\$5,000	\$300		\$200			\$574	\$4,126	
Direct Expense Subtotal		\$112,600	\$7,608	\$0	\$575	\$1,800	\$0	\$11,526	\$89,091	\$2,000
Total Polk County Budget		\$1,222,578	\$272,660	\$0	\$47,118	\$72,018	\$20,000	\$123,144	\$618,981	\$68,656

Iowa Department of Natural Resources
Environmental Protection Commission

ITEM #7

DECISION

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

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

Contract Terms:

Amount: Not to exceed \$230,090

Dates: July 1, 2026, to June 30, 2027

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

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

Contract Background:

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

Contract Purpose:

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

Contractor Selection Process:

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

Contract History:

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

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

SFY 2026 Contract Terms:

Dates: July 1, 2025 to June 30, 2026

Amount: \$230,090

Amendment(s): No amendments

SFY 2025 Contract Terms:

Dates: July 1, 2024 to June 30, 2025

Amount: \$230,090

Amendment(s): No amendments

SFY 2024 Contract Terms:

Dates: July 1, 2023 to June 30, 2024

Amount: \$230,090

Amendment(s): No amendments

SFY 2023 Contract Terms:

Dates: July 1, 2022 to June 30, 2023

Amount: \$230,090

Amendment(s): No amendments

SFY 2022 Contract Terms:

Dates: July 1, 2021, to June 30, 2022

Amount: \$204,076

Amendment(s): No amendments

The 2027 Contract funding remains status quo. The funding includes support for a new IAEAP project to assist small businesses that conduct building demolitions and renovations with completing electronic submittal of the required asbestos notifications. The funding also supports continuing IAEAP efforts related to Iowa Easy Air assistance, SLEIS assistance, and education, outreach, and assistance related to federal air toxics standards and other federal regulations.

The 2027 Contract no longer includes FTE requirements that had been included in previous contracts, which provides UNI flexibility to respond to staff changes, salary increases, and IAEAP project needs. However, the Contract continues to require UNI to employ sufficient personnel to perform the services of the Contract. The required personnel must consist of professional staff positions of fulltime IWRC employees, including an IAEAP Program Manager and other specific staff positions.

More detail on anticipated activities is included in UNI's IAEAP 2027 Work Plan (see **Attachment B**). The Work Plan does include an itemized budget and identifies the professional IWRC staff expected to fulfill the Contract obligations. Additionally, the annual IAEAP report submitted at the end of the Contract period must provide the staff FTEs utilized to fulfill the Contract requirements.

Christine Paulson, Environmental Specialist Senior, Air Quality Bureau
Environmental Services Division
June 16, 2026

Attachment A – Summary of 2027 UNI IAEAP Obligations

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

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

Obligation	Reference	Task Milestone Date
MSEI Planning Meeting	5B.6	September 15, 2026
Draft MSEI Training Proposal	5B.6	October 30, 2026
Quarter 1 Report (July 1 – Sept. 30, 2026)	7.4	October 31, 2026
Quarter 1 Invoice	6.3(1)	October 31, 2026
Final Draft MSEI Training Proposal	5B.6	December 15, 2026
2027 Work Plan & Staffing Plan	5A.3(1)	January 31, 2027
2027 Budget	5A.3(2)	January 31, 2027
Quarter 2 Report (Oct. 1 – Dec. 31, 2026)	6.3(1)	January 31, 2027
Quarter 2 Invoice	7.4	January 31, 2027
Initial 2027 Contract Review	5A.3(3)	April 16, 2027
Quarter 3 Report (Jan. 1 – March 31, 2027)	6.3(1)	April 30, 2027
Quarter 3 Invoice	7.4	April 30, 2027
SLEIS Program Primary Assistance	5B.6	May 17, 2027
Final 2027 Contract Review	5A.3(4)	May 17, 2027
Quarter 4 Report (April 1 – June 30, 2027)	6.3(1)	July 31, 2027
Quarter 4 Invoice	7.4	July 31, 2027
Final Report	6.3(2)	July 31, 2027

Attachment B – UNI’s 2027 Work Plan for IAEAP activities

Introduction

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

Contract Number 26ESDAQBCPAUL-0003 between the Iowa Department of Natural Resources (DNR) and the University of Northern Iowa establishes the current IAEAP operation parameters. This work plan, covering the period July 1, 2026 to June 30, 2027, is submitted to the Iowa DNR to fulfill the requirements of the agreement and shall be used as the blueprint for activities during that time.

Program Elements

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

Eligibility -- Any "small business stationary source" that: (1) is owned or operated by a person that employs 100 or fewer individuals; (2) is a small business concern as defined in the federal Small Business Act; (3) is not a ‘major’ source as defined in CAAA. The term "small business stationary source" also shall include any stationary source designated by the DNR as eligible, according to the provisions of the CAAA section 507(c)(2) and (3).

Individual Program Elements

The IAEAP work plan for FY27 shall include the following activities:

1. Information Dissemination and Data Management

- **Electronic newsletter:** The IWRC electronic newsletter is utilized for articles and information dissemination on air quality related and other IWRC related issues. The newsletter shall be one of the primary tools for reaching businesses during FY27. As of January 2026, there are 1069 subscribers to the IWRC newsletter.
- **Social media:** The IWRC’s social media accounts including Facebook, Instagram, X and LinkedIn including the LinkedIn Newsletter (171 subscribers) will be used to disseminate relevant air quality related information to Iowa small businesses.
- **Website:** The IAEAP webpages can be accessed through the IWRC general website at www.iwrc.uni.edu. Included within the IAEAP webpages are permitting, recordkeeping, and reporting (MSEI) information. Also included are industry

specific NESHAP information, regulatory summaries, vendor lists, recordkeeping and compliance tools, links to Paint Tracker and GrainPTE, minor source emissions inventory tools and resources, publications developed over the years and contact information. Website content will be updated as deemed necessary by the DNR and/or the IAEAP.

- Email lists: the IAEAP maintains lists of email addresses for businesses in industries that are impacted by specific air quality regulations. This enables staff to be able to distribute information quickly and directly to targeted facilities.
- Trade/industry/educational presentations: the IAEAP staff will be available to provide presentations for trade associations, industry groups, and/or other entities that represent broad sectors of small businesses in Iowa as requested. The IAEAP will also be available to present on the program and air quality related topics to young professionals as requested.
- The IAEAP staff will document all detailed (in-depth assistance involving more than one hour of staff time with a client) and brief assistance (provided over the phone or email involving less than one hour of staff time) provided to Iowa small businesses.

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

Facilities in the DNR's field offices 3 and 4 (western Iowa) will be required to complete the minor source emissions inventory (MSEI) in FY27. The IAEAP will provide training and assistance to small businesses required to complete the 2026 minor source emissions inventory as outlined in the emissions inventory training proposal developed by the IAEAP and the DNR emissions inventory staff.

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

The IAEAP will continue to provide SLEIS-related assistance during FY27 to businesses. At the request of the business, the IAEAP will be available to answer questions and support facilities in entering emissions inventory data and submitting their inventories in SLEIS.

3. Iowa Air Quality Construction Permit / Iowa Easy Air Assistance

The IAEAP will continue its history of assisting Iowa small businesses in complying with Iowa air quality permitting requirements. This assistance will include but is not limited to helping small businesses identify sources that emit regulated air pollutants and may require air quality construction permits. Staff will educate businesses on their permitting options including reviewing applicable exemptions. The IAEAP will also educate Iowa small businesses on monitoring and operating condition requirements outlined in their existing construction permits, reviewing or assisting with recordkeeping requirements and documentation and/or referring them to the DNR Air Quality Bureau if additional assistance with their construction permits is required.

The IAEAP will continue to assist businesses in applying for air quality construction permits using the Iowa Easy Air online air permitting system. At the request of the company, the IAEAP will be available to provide guidance and answer questions as the business navigates

the system.

The IAEAP will continue to serve as a resource for the DNR air quality bureau and field office staff to refer small businesses who may need assistance with permit requirements or completing permit applications.

4. On-Site Visits

On-site visits are provided by the IAEAP as requested by the clients. Site visits address compliance with air quality permitting requirements, permitting exemptions, recordkeeping requirements, applicable federal NESHAP requirements, reporting requirements, available resources, and pollution prevention techniques and opportunities. Compliance with air quality regulations is also discussed as part of the IWRC's multi-media site visits.

5. EPA Area Source NESHAP Rule Assistance

The IAEAP will continue to aid Iowa small businesses impacted by new, modified, or existing Environmental Protection Agency (EPA) area source National Emissions Standards for Hazardous Air Pollutants (NESHAP) regulations. This assistance may include answering small businesses' questions, on-site visits to assist in developing strategies for the business to ensure compliance, or the development of educational materials as deemed necessary by the DNR and the IAEAP. When appropriate, the IAEAP will also encourage businesses to use the DNR's web-based compliance reporting system, Air Quality Records and Compliance Reporting (AQRR).

6. Email Outreach

The IAEAP will continue to contact grain elevators on an annual basis via an email sent in January reminding them of the requirement to calculate their PM₁₀ PTE by January 31st (approximately 700 impacted facilities).

The IAEAP will also continue to email the feed mill industry to remind them of recordkeeping and permitting requirements in addition to 7D NESHAP applicability (approximately 310 impacted facilities).

The email campaign started in 2025 will continue to facilities subject to the 6X NESHAP reminding them of the annual reporting requirement that must be submitted by January 31st (approximately 65 impacted facilities).

7. Compliance Assistance Calendars

In FY26, the IAEAP updated the current gasoline bulk plant (approximately 95 facilities) compliance calendars for the 2026 calendar year due to uncertainty of the changes made to the 6B NESHAP. In FY27, the IAEAP will review the final rule for any changes that may happen. Updates to the calendar will be made to ensure consistency with the federal rule.

The IAEAP will work with the DNR, industry or trade associations to determine appropriate changes to the calendars and to determine if a one- or two-year calendar is appropriate. Electronic and printed versions of the calendars will be made available.

8. State of Iowa Online Asbestos Notification System

In Iowa, contractors are required to submit notifications for asbestos abatement, demolition, renovation, training fires, and building burns. These notifications may be submitted to the DNR using the online notification system called the Iowa Asbestos Notification System.

As the DNR eventually shifts to mandatory electronic submittal of these notifications, the IAEAP will assist small business demolition and renovation contractors with setting up accounts, navigating the online application, and ultimately submitting the required notifications. Direct assistance to businesses will be provided as agreed upon by the DNR and the IAEAP and as time and resources allow.

9. Project Update Meetings

The IAEAP will continue regular meetings with the DNR to discuss the elements of the work plan, address other topics as necessary and determine the priorities for outreach and training during FY27.

Budget and Allocation of Resources

The proposed FY27 budget for IAEAP remains level at \$230,090, the same amount approved for FY24, FY25, and FY26. This funding level does include an increase over the base funding level to account for continued Iowa Easy Air and SLEIS assistance; updates to the gasoline bulk plant compliance calendars; ongoing email outreach to grain elevators, feed mills and 6X facilities; and client assistance related to the online Asbestos Notification System.

UNI and the IAEAP would like to maintain quarterly reporting/billing for the FY27 contract.

A proposed budget and a list of IAEAP personnel is included below.

IAEAP FY27 Proposed Budget

Category	Totals
Personnel	
Salary	\$145,535.00
Benefits	\$65,317.00
Total	\$210,852.00
Travel/Training	
Total	\$2,194.00
Indirect Costs	\$17,044.00
Total Project Costs (<i>not to exceed</i>)	\$230,090.00

FY27 IAEAP Personnel**Professional Staff**

Jennifer Wittenburg (Program Manager)

Jordan Henniges (Waste Reduction Coordinator) Dan Nickey
(Associate Director)

Support Staff

Julie Reinitz (Graphics/Web Development)

Molly Wells (Communications and Public Relations
Manager)

The individuals working on the account may change throughout the fiscal year due to changes in staff responsibilities and possible addition or deletion of staff. The program manager, in addition to a waste reduction coordinator/environmental specialist position will be considered key personnel.

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

ITEM

#8

DECISION

TOPIC

Grant funding for four Environmental Management System (EMS) Proposals

Applications and Recommendations:

DNR received four grant applications from EMS participants, requesting a total of \$230,892.25 for this competitive round with available funding limited to \$217,326.00. During the review process, four proposals were recommended for funding for a total of \$217,326.00 in DNR financial assistance. Two of these proposals requiring Commission approval are described in Attachment #1.

Contract Selection Process:

The EMS grant review committee was composed of the following representatives: Department of Natural Resources (2), Iowa Society of Solid Waste Operations, Iowa Recycling Association and the Iowa Waste Exchange. Review Committee members evaluated each application based on its relevance to EMS program areas, its potential environmental impact and sustainability of the project. Recommendations were decided after each proposal was discussed by the five members who all attended the May 6th, 2026 review committee meeting.

Background and Funding Source

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

Stephanie Graham, Program Planner
Environmental Services Division – Financial and Business Assistance
June 16, 2026

Environmental Management System (EMS) Proposals

Commission approval is being requested for the following proposals:

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY (DMASWA)

Awarded Amount: \$78,000.00

Cash Match: \$42,000.00

Total Project Cost: \$120,000.00

Project Title: Sweep It: Trackout Control & Water Quality

DMASWA is seeking EMS grant funds to purchase a mechanical road sweeper. The objective is to overhaul trackout management practices with specialized infrastructure capable of intercepting residual sediment tracked out by departing landfill traffic. This preventative housekeeping strategy mitigates heavy stormwater transport of trackout into localized stormflow controls, municipal infrastructure, and surrounding regional aquatic pathways, targeting >50% sediment load reduction. Also, the use of the sweeper would eliminate recurring biannual cleaning fees of \$6,750, prevents heavy scraping on pavement, and minimizes Total Suspended Solids (TSS) within the critical South Fork Catfish Creek watershed.

METRO WASTE AUTHORITY (MWA)

Awarded Amount: \$86,433.75

Cash Match: \$965,700.00

Total Project Cost: \$1,065,700.00

Project Title: Working Face Landfill Diversion: Organic Low-Speed Shredder

MWA is seeking EMS grant funds to purchase a low-speed shredder to overhaul organic waste management practices at the landfill. The primary objective is to intercept and divert bulky organic waste such as large tree trunks, stumps, and root balls—directly from the landfill's working face instead of burying them. This program establishes a target to divert 100 loads in FY27, from the current practice of no diversion. By using the shredder, this transforms the organic waste into high-volume feedstock that can be used directly at the agency's composting facility. The use of the low-speed shredder also establishes a versatile infrastructure baseline. Beyond standard daily intake, the shredder can also respond to emergencies rapidly, having the capacity to process on-site bulky organics during environmental disasters, severe storm events, or large-scale cleanups. This shredder also preserves critical landfill airspace, providing direct long-term cost avoidance by extending the operational lifespan of landfill. Processing these diverted materials additionally drives revenue generation via finished compost product sales, optimizing resource management.

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

ITEM

#9

DECISION

**TOPIC Clean Water and Drinking Water State Revolving Loan Fund – FY 2027
Intended Use Plans**

Commission approval is requested for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUP) for State Fiscal Year 2027 (July 1, 2026 – June 30, 2027).

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 2027 DWSRF IUP contains planned uses of the DWSRF Base Program and also includes planned uses for the Infrastructure Investment and Jobs Act (IIJA) funding *formerly referred to as the Bipartisan Infrastructure Law (BIL)*. This includes IIJA General Supplemental (GS), IIJA PFAS/Emerging Contaminants (EC), and IIJA Lead Service Line (LSL) Replacement Funds. The SFY 2027 CWSRF IUP contains planned uses of the CWSRF Base Program and also includes planned uses for the IIJA 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 other necessary programmatic or financial updates.

Attachment 1 to the CWSRF IUP and DWSRF IUP serves as the PPL for the SRF Base Program Funds and the IIJA GS, PFAS/EC, and LSL Replacement Funds.

Each draft IUP is released for public comment and review, and then presented for approval to the Commission. A public meeting was held via conference call on May 28, 2026 to highlight changes to the plan and to receive comments. There were attendees but no public comments were collected. The written comment period closed on June 4, 2026 and no comments were received.

This SFY the SRF Program will continue to offer a special purpose financing option for nonpoint source projects (See CWSRF IUP Section E- Program Activities to be Supported and Appendix I); the Base and IIJA GS loan forgiveness criteria will continue to use the set scale award method based on Disadvantaged Community (DAC) scores; and budget amounts for Linked-Deposit Programs have maintained the SFY 2026 increased budgets to accommodate ongoing demand.

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

Lori McDaniel
Department of Natural Resources
June 16, 2026

DRAFT

FY 2027 INTENDED USE PLAN
CLEAN WATER STATE REVOLVING FUND



State Revolving Fund

INVESTING IN IOWA'S WATER

Approval anticipated by the Environmental Protection Commission (EPC) on June 16, 2026.

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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 (NPS) projects.

Iowa's CWSRF Programs have provided over **\$4.4 billion** in financial assistance for wastewater infrastructure, agricultural best management practices, and other water quality projects since 1989. With the State Fiscal Year (SFY)2027 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

Since 2022, Iowa has expanded and revised the SRF Program to take advantage of the increased investment in water and wastewater infrastructure through the **Infrastructure Investment and Jobs Act (IIJA)**. Plans for implementing funding for the General Supplemental (GS), and PFAS/Emerging Contaminants (EC) funding awarded from IIJA are included in this annual release of the IUP.

Highlighted below are some of the changes Iowa SRF is incorporating into SFY 2027 IUPs.

Disadvantaged Communities

- The **Socioeconomic Assessment (SA) Tool** used to establish affordability criteria and define a **Disadvantaged Community (DAC)** has been updated with current American Community Survey and will be referred to as the SFY 2027 SA Tool.

Nonpoint Source Programs (NPS)

- Priority funding will be given to projects that implement best management practices over projects primarily for the purchase of land.

Highlighted below are some of the changes Iowa incorporated in SFY 2026 that will **continue** into SFY2027 IUPs.

Loan Terms

- Loan initiation fees will not be assessed on loans to any DAC borrowers.

Disadvantaged Communities

- **DAC eligibility will be evaluated at the time of IUP application.** All projects added to the Project Priority List (PPL) during SFY 2027 will receive a DAC score based on the SFY 2027 SA Tool and this score will not change with future SA Tool updates. All projects listed on the approved PPL *prior to SFY 2027* will continue to use the DAC score in accordance with the SFY 2024, SFY2025 and SFY2026 SA Tools.

Loan Forgiveness (LF)

- Priority funding for Base Cap Grants and IIJA GS LF will be awarded to compliance projects.

Nonpoint Source Programs (NPS)

- Budgets will remain at increased levels for NPS Linked-Deposit Loan Programs due to continued high demand.
- Funding for new Water Resources Restoration projects (Sponsored Projects) is **not available during SFY 2027.**
- The SRF GNS Program will continue to offer "Special Funding Opportunity" to communities interested in constructing NPS practices to manage stormwater or other nonpoint pollutants. Applications will be scored and qualifying communities will receive up to \$500,000 at 0% interest for General NPS direct loans.

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 level approval, eligibility and compliance
- IFA-Administers the financial aspects of the program including fund management, bond issuance for state match and leveraging, loan approval, disbursement, and servicing.

- IDALS-Through a contractual agreement with DNR, IDALS administers three SRF NPS Linked Deposit Programs and provides technical assistance to the CWSRF NPS 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.

TYPES OF FINANCIAL ASSISTANCE

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

The Iowa CWSRF Program offers **Planning & Design (P&D) Loans** and **Construction Loans**. Low-interest financing is provided 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 I 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 **P&D** are available to eligible public and private borrowers to cover engineering and project development costs such as testing and scoping, preparing Facility Plans (FP), and project specifications that are directly related to the development of an eligible SRF treatment works or General NPS 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.

Financial assistance for **NPS 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 projects address stormwater quality, inadequate septic systems, landfill closure, lake restoration, soil erosion control, brownfield cleanup, manure management and more (see SFY 2027 Program Activities to be Supported).

Current interest rates and fees are established in the IUP in Appendix D - Interest Rates, Fees, and Loan Terms and are published on the Loan Interest Rates¹ page of the SRF website.

LF criteria is established in the IUP in Appendix B - Additional Subsidization. Recipients of LF are publicly announced through listservs, news releases and published in the annual report.

CO-FUNDING

The SRF strives to assist communities with the most affordable financing for their water quality projects. SRF funding can be combined with several other funding sources to make costly infrastructure projects possible. Joint funding with other funding agencies is crucial to making wastewater infrastructure upgrade projects affordable for some communities.

Other state and federal funding sources may have funding requirements in addition to those required under the SRF Program. When projects are co-funded, borrowers are made aware that projects may be subject to compliance with other federal funding requirements that are not necessarily required by or are different from the SRF Program. Examples include, but may not be limited to, the Single Audit Act or Build America, Buy America (BABA) Act.

¹ Loan Interest Rates <https://opportunityiowa.gov/community/water-quality/srf-resources/loan-interest-rates>

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

A Memorandum of Understanding (MOU) between EPA and the Federal Emergency Management Agency (FEMA) provides a framework for 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 repair or replacement costs for public water and wastewater systems damaged by natural disasters or projects to prevent or mitigate future disasters. The SRF can be used to finance the amount not covered by FEMA after all program requirements are met.

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, after 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

Planning & Design Projects:

- New applications for **P&D** will be accepted on a quarterly basis the first working day of the months of April, July, October and January.
- Applications are available on the SRF website² and are submitted to IFA's SRF Program Staff at waterquality@iowafinance.com.

Construction Projects:

- New applications for **construction projects, including General NPS projects**, will be accepted on a quarterly basis the first working day of the months of March, June, September and December.
- **Infrastructure/Point Source Construction Projects:** IUP applications can be found on the Clean Water Loan Program page of the SRF website³ and are submitted to srf-iup@dnr.iowa.gov.
- **General Nonpoint Source (GNS) Projects:** IUP applications and instructions can be found on the SRF website⁴, and submitted to srf-iup@dnr.iowa.gov.
- **Linked Deposit Programs:** Applications for these programs are accepted on a continuous basis. Instructions and applications for each program can be found on the SRF website⁵.

Additional documents required for a construction project application include:

- Facility Plan
- Environmental Review Checklist
- Socioeconomic Assessment Tool Worksheet

Project applications eligible for SRF funding under the IJJA General Supplemental and IJJA 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 IJJA Funds. The SRF Program will provide additional

² P&D Loan Program <https://opportunityiowa.gov/community/water-quality/srf-programs/planning-design-loan-program>

³ Clean Water Loan Program <https://opportunityiowa.gov/community/water-quality/srf-programs/clean-water-loan-program>

⁴ Programs for Communities <https://opportunityiowa.gov/community/water-quality/srf-programs/nonpoint-source-water-quality-programs>

⁵ Programs for Landowners <https://opportunityiowa.gov/community/water-quality/srf-programs/nonpoint-source-water-quality-programs>

application materials and guidance for IJA Funds directly to applicants, as applicable, and application materials will be available on the SRF website⁶.

C. Intended Use Plans

The State of Iowa IUP for the CWSRF is prepared annually in accordance with the provisions of Clean Water Act (CWA), 40 CFR Part 35 and Iowa Code Sections 455B.291-455B.299 and 567 Iowa Administrative Code (IAC) Chapter 90. The IUP and PPL are submitted to the EPA as part of the annual application for a capitalization grant.

The IUP is developed annually in May, and upon approval of the Environmental Protection Commission (EPC) in June, becomes effective on July 1, the first day of the SFY. This IUP covers activities during the SFY 2027, July 1, 2026 through June 30, 2027.

The IUP identifies the intended uses of funds available to the SRF including: the program's goals, information on the types of activities to be supported, program requirements, 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), sources and uses of funds, criteria and method for distribution of funds (including loan forgiveness), the loan rates, terms, and fees for the fiscal year, and includes a ranked listing of projects to be funded.

The IUP is updated quarterly in September, December, and March (or more often as needed) and includes new projects and changes to the loan status on the PPL, and any other necessary programmatic or financial updates. Federal and state law requires, and Iowa welcomes, public participation in the development of the IUP. Each IUP and quarterly update is published on the SRF website⁷ for public review, and a public hearing is held to collect public comments. Public comments on the IUP are received at srf-pc@dnr.iowa.gov (see Appendix J – Public Review and Comments Received).

The IUP and PPL are reviewed and approved quarterly by the Iowa EPC. The EPC is a panel of nine citizens who provide policy oversight over Iowa's environmental protection efforts. EPC members are appointed by the Governor and confirmed by vote of the Senate for four-year terms.

METHOD OF AMENDMENT OF THE IUP

The Iowa SRF Program will follow this IUP in administering CWSRF funds in SFY 2027. Any revisions of the goals, policies and method of distribution of funds shall be addressed by a revision of the IUP, including public participation. Public notice of amendments will be made quarterly and will include the addition or removal of borrowers from the PPL. 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.

PROJECT PRIORITY LIST (PPL)

(See Attachment 1 – CWSRF PPL)

Administration of the CWSRF Program includes developing a priority list of projects to receive loan assistance, in accordance with DNR rules 567 IAC Chapter 90 (455B). Attachment 1 constitutes the CWSRF PPL and is included as a separate, sortable Excel file. This PPL will be amended quarterly during SFY 2027 and includes projects funded by both CWSRF Base and IJA 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 90 (455B). More information on priority ranking is available Appendix C – Project Ranking Criteria. Projects are listed on the PPL in ranking order by the IUP year and quarter the application was received. P&D loan applications are not ranked but appear at the beginning of the list for each new quarter.

⁶ IJA page of <https://opportunityiowa.gov/community/water-quality/srf-resources/infrastructure-investment-and-jobs-act>

⁷ Intended Use Plan page <https://opportunityiowa.gov/community/water-quality/srf-resources/intended-use-plan>

Pursuant to Section 606(c) (3) of the CWA and 40 CFR Part 35, the PPL 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 project ranking, project status, DAC score or other information the program wishes to convey to the public.

The PPL (Attachment 1) includes funding for the following activities during SFY 2027:

- **P&D 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 (FP).
- **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 readiness, and the project is scored (See Appendix C-Project Ranking).
- **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.** Projects are added to the PPL only after a complete IUP application is received, the project has passed a preliminary review of eligibility and readiness, and the project is scored (See Appendix C – Project Ranking and Appendix H – Funding Recommendations).
- **Unfunded Prior Years’ Section 212 Treatment Works and General NPS 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 2027 if they are ready for a binding loan commitment.
- **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 “P - in planning,” “R - ready for loan” (indicating that the construction permit and environmental review have been completed), and “L - loan signed.” IJA PFAS/EC and LSL projects may be identified as “C - contingency status” (indicating that the project has not yet met all eligibility criteria to receive a specific funding source-see Section. E - **Error! Reference source not found.**).

PROJECT SCOPE

The scope of the project must be outlined in the IUP application and in the Facility Plan.

Scope Changes. Changes to the scope are allowed prior to executing an SRF loan. Significant changes in scope prior to a loan execution may cause project delays if additional work is required by the project manager and/or ER specialist. Once a loan is executed, only minor changes to the scope are allowed and only if the changes do not require additional public bidding, technical review or ER.

DROPPED PROJECTS/PROJECT WITHDRAWAL

If a project on the approved IUP PPL is not going to proceed or will not be utilizing SRF funds, the applicant shall notify the SRF in writing that they wish to drop the project. The project will be removed from the PPL upon notification and the updated PPL will be available for public review and comment during the next quarterly IUP update.

For the purpose of program planning, unfunded prior years’ projects that have been listed on the PPL for 3 years or longer (and/or listed in Appendix H-SRF Assistance Recipient Federal Requirements).

PUBLIC REVIEW AND COMMENT

(See Appendix J - Public Review and Comments Received)

The SRF Program accepts new IUP applications quarterly by the first business day in March, June, September, and December⁸. The DRAFT 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 Intended Use Plan webpage of the SRF Program's website⁹ and public comments are accepted for approximately 30 days following the posting at srf-pc@dnr.iowa.gov.

Public Hearings are typically scheduled on the final Thursday of the months of May, August, November and February to highlight changes from the previous quarter, when applicable, and to collect public comments. Information on how to participate in the public hearing is provided through listservs and on the SRF website¹⁰. A final draft version of the IUP, including all comments and SRF responses to the comments received, will be posted as part of the EPC Meeting and Agenda on the EPC webpage on the DNR's website¹¹.

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 each quarterly update of the IUP.

All of the opportunities mentioned above are open to the public. Meetings and hearing information are posted on the Water Quality News and IUP pages¹² of the [SRF website](#), and announced through agency-managed listservs. Public comments are accepted at srf-pc@dnr.iowa.gov.

D. SFY 2027 CWSRF Program Goals

SHORT TERM GOALS

Goal: Maximize Funding Opportunities. *Apply for all available Federal Fiscal Year (FFY) 2026 Base and IIA Capitalization Grants*

Goal: Maximize Loan Commitments. *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: Expand Subsidization Opportunities. *Assign/reallocate LF funds from new and previous capitalization grants to fulfill additional subsidization requirements and reduce the financial burden on borrowers.*

Goal: Improve Program Efficiency. *Streamline administrative processes, including development and adoption of new software that improves communication and reduces the time from initial application to funding.*

Goal: Enhance Public Awareness. *Update marketing materials, program resources and website to increase outreach and education efforts that will inform communities about available funding and program benefits.*

Goal: Increase Funding Accessibility. *Continue the partnership with Environmental Finance Center's (EFC) Technical Assistance (TA) resources to assist the Iowa SRF Program to make funding more accessible to small and disadvantaged communities.*

Goal: Promote Green Infrastructure. *Continue outreach efforts to educate and encourage the implementation of green infrastructure projects that effectively address water quality needs and target appropriate audiences.*

⁸ IUP Application Deadlines <https://opportunityiowa.gov/community/water-quality/srf-programs/clean-water-loan-program>

⁹ Intended Use Plan page <https://opportunityiowa.gov/community/water-quality/srf-resources/intended-use-plan>

¹⁰ Public Hearing <https://opportunityiowa.gov/community/water-quality/srf-resources/intended-use-plan>

¹¹ Environmental Protection Commission <https://www.iowadnr.gov/About-DNR/Boards-Commissions/Environmental-Protection-EPC>

¹² <https://www.iowasrf.com/intended-use-plan-public-hearings/> and <https://opportunityiowa.gov/community/water-quality/srf-resources/water-quality-news>

LONG TERM GOALS

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

Goal: Expand Program Reach. *Increase the number of projects funded and expand the geographic reach of the program to benefit more communities. Endeavor to make the SRF Program the first choice for Iowa communities to finance a water infrastructure project.*

Goal: Enhance Collaboration. *Strengthen partnerships with federal, state, and local agencies, as well as private sector stakeholders, to maximize the impact of the CWSRF.*

Goal: Foster Innovation: *Encourage the development and implementation of innovative technologies and practices in wastewater treatment and pollution control.*

Goal: Maintain Financial Health of the Fund. *Ensure the long-term financial stability of the CWSRF through prudent financial management and strategic investments that will sustain the CWSRF Loan Program in perpetuity to assist POTW's in achieving compliance with public health objectives of the CWA.*

Goal: Achieve Sustainable Water Quality Improvements. *Provide innovative funding mechanisms for nonpoint source projects that promote sustainable practices and improve and/or protect the long-term water quality of Iowa's surface and groundwater for public health, native fish and wildlife.*

E. SFY 2027 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 to include eleven categories of eligibilities, the America's Water Infrastructure Act (AWIA) of 2018, and IJIA of 2021 to address emerging contaminants and PFAS. 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.¹³

CWSRF BASE PROGRAM

The Iowa SRF Program will apply for and/or receive FFY 2026 CWSRF Base Program Funding during the SFY 2027 once the allotments and funding become available.

FFY	Funding Source	Allocation Amount
2026	CWSRF Base Cap Grant	\$9,667,000*

*This award amount is anticipated to be applied for and/or received in SFY 2027

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.

¹³ <https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-factsheets>

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.¹⁴

Special Conditions: Projects selected as equivalency will comply with the federal requirements described in Section G. Financial Administration and Appendix H-SRF Assistance Recipient Federal Requirements.

NONPOINT SOURCE ASSISTANCE PROGRAMS

Iowa authorizing legislation allows the use of CWSRF Program funds for NPS pollution control projects. 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 2027, budgets may be modified in future IUP updates, based on need.

Financial assistance for NPS assistance programs is provided through three funding mechanisms: loan participation, direct loan, or linked deposit (see Section B. SRF Program Overview, Types of Financial Assistance, for more details). Public entities are eligible for direct loans, private entities are eligible for loan participation, and private landowners are eligible for linked-deposit financing.

General Nonpoint Source Program-CWA Section 603(C)2-Section 319

Nonpoint Source Assistance Programs	Proposed SFY 2026 Budget
General NPS Program	\$10,000,000*

*The SRF Program may adjust this amount in future updates based on project demand and funding availability.

Loan Participation Financing

Eligible Borrowers: Private entities

Eligible Activities: Eligible projects must implement NPS management programs established under Section 319 of the CWA. Projects must support Iowa’s State NPS Management Plan¹⁵ or a nine-element watershed-based plan and must be for the primary purpose of water quality improvement or protection. Projects primarily for the purchase of land must meet the definition of “projects” in IA Code 455B.291 and require separate approval by the EPC¹⁶.

Applications and instructions for General NPS projects can be found on the NPS Water Quality Programs, “Programs for Communities” page of the SRF website.¹⁷

Projects funded as loan participation are listed in Appendix H, and are not listed on the PPL. NPS assistance offered as loan participation is reported by project in the annual report.

Direct Loan Financing

Eligible Borrowers: Cities, counties, and other public entities with the ability to issue a bond or generate revenue to repay a CWSRF loan. Borrowers must be an owner of record or demonstrate long-term control of the project area.

Eligible Activities: Eligible projects must implement NPS management programs established under Section 319 of the CWA. Projects must support Iowa’s State NPS Management Plan or a nine-element watershed-based plan and must be

¹⁴ https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf

¹⁵ <https://www.iowadnr.gov/environmental-protection/water-quality/watershed-improvement/nonpoint-source-plan>

¹⁶ Iowa Administrative Code 567 - 90.14 (6) (455B)

¹⁷ Programs for Communities <https://opportunityiowa.gov/community/water-quality/srf-programs/nonpoint-source-water-quality-programs>

for the primary purpose of implementing water quality improvement or protection. Priority funding will be given to projects that implement best management practices over projects primarily for the purchase of land.

Application Process: Applications and instructions for General NPS projects can be found on the NPS Water Quality Programs, “Programs for Communities” page of the SRF website.¹⁸

General NPS direct loan project applications eligible for placement on the PPL will also be scored using the Special Purpose Scoring Criteria outlined in Appendix C – Project Ranking Criteria.

Projects funded as a direct loan under this program are listed in Attachment 1 – CWSRF PPL.

SPECIAL PURPOSE FUNDING OPPORTUNITY

During SFY 2027, the SRF Program will continue offering a competitive NPS funding incentive to encourage implementation of locally directed, water quality improvement projects. This incentive intends to reward NPS projects that demonstrate high water quality benefits, sound design, and project readiness through special purpose financing.

Projects eligible for placement on the PPL will also be scored using the Special Purpose Scoring Criteria outlined in Appendix C – Project Ranking Criteria, specifically to determine eligibility for this special purpose financing opportunity.

Funding Opportunity: Direct loans will be offered to eligible applicants at 0% interest for up to \$500,000 per General NPS project. Loan amounts can be up to 100% of the project costs with no limitation on total project amounts and project costs above \$500,000 will be funded at the current SRF interest rate. This incentive will be available on a first come, first-funded basis until all available funding has been obligated.

Eligibility Requirements: Projects scoring a minimum of 10 points out of 20 qualify for, and may be offered special purpose funds.

Eligible Borrowers: Public entities with an established stormwater utility; or the ability to issue a bond; or another funding source available to repay a CWSRF loan. Borrowers must be an owner of record or demonstrate long-term control of the project area.

Eligible Activities: All General NPS project activities as described under the General NPS section above.

Timeline: Notices of application scores and funding approval will be available 6-8 weeks after each quarterly IUP submission deadline (quarterly the first working day of March, June, September and December, as funds are available).

Application Process: Details regarding the application submission, review and scoring process are available on the SRF NPS Water Quality Programs, General Nonpoint Source webpage.¹⁹

NPS Assistance Programs	Proposed SFY 2026 Budget
General NPS Special Purpose Funding	\$10,000,000*

The SRF Program may adjust this amount in future updates based on project demand and funding availability.

Projects funded with Special Purpose Funding are listed in Appendix H.

¹⁸ Programs for Communities <https://opportunityiowa.gov/community/water-quality/srf-programs/nonpoint-source-water-quality-programs>

¹⁹ Special Purpose Funding Opportunity <https://www.iowadnr.gov/environmental-protection/water-quality/watershed-improvement/nonpoint-source-plan>

Linked Deposit Programs and Financing

Four NPS Assistance Programs have been established which target areas of need allowed under federal guidance and identified in the state NPS Water Quality Management Plan. Iowa SRF contracts with the IDALS to administer the Local Water Protection (LWPP), Livestock Water Quality Facilities (LWQ), and Stormwater Best Management Practices (SWP) programs through local Soil and Water Conservation Districts. The Onsite Wastewater Systems Assistance Program (OSWAP) is administered through cooperation between DNR and county sanitarians.

Nonpoint Source Linked-Deposit Assistance Programs	SFY 2026 Budget
OSWAP	\$2,000,000
LWP Program	\$2,000,000
LWQ Program	\$12,000,000
SWP Practices Program	\$1,000,000

Application Process:

Applications and instructions for Linked-Deposit Assistance Programs can be found on the NPS Water Quality Programs, “Programs for Landowners” page of the SRF website.²⁰

Individual loan applicants are not identified in this IUP but loans are reported by program use in the annual report.

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

Eligible Borrowers: Private homeowners in a location not served by public sewers.

Eligible Activities: Projects must include replacement of septic tank and secondary treatment system.

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

Eligible Borrowers: Private landowners.

Eligible Activities: May include but not limited to buffer strips, field borders or windbreaks, filter strips, grade stabilization structures, grassed waterways, sediment basins, terraces, wetlands and bioreactors.

Livestock Water Quality Facilities (LWQ) Program assists livestock producers with minimizing or eliminating NPS pollution from animal feeding operations.

Eligible Borrowers: Private livestock producers (only facilities with fewer than 1,000 animal unit capacity).

Eligible Activities: Improvements to existing animal feeding operations. May include but not limited to manure storage structures, including roofed buildings and solid settling basins, vegetative filters, manure management plans and prescribed grazing.

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

Eligible Borrowers: Homeowners, developers and other private entities.

²⁰ Programs for Landowners <https://opportunityiowa.gov/community/water-quality/srf-programs/nonpoint-source-water-quality-programs>

Eligible Activities: May include but not limited to detention basins, grassed waterways, infiltration practices, pervious paving systems, ponds or wetland systems and soil quality restoration.

Sponsored Project Program

In SFY 2027 funding will not be made available for new sponsored projects. Funding for previously awarded sponsored projects remains unchanged. Program resources are available on the Water Resource Restoration Sponsored Projects webpage for **current** projects.²¹

The CWSRF Water Resource Restoration Sponsored Project Program or “Sponsored Projects” provides wastewater utilities with the opportunity to fund locally directed, watershed-based, NPS 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.

NPS Assistance Programs	Proposed SFY 2027 Budget
Sponsored Project Program	\$0

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 are 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 projects constructing qualified water quality practices may be funded through the General NPS loan program and may also qualify for “Special Purpose Funding.”

CWSRF IIJA PROGRAMS

The Infrastructure Investment and Jobs Act (IIJA) provides CWSRF programs with two additional capitalization grants annually through FFY 2026. Iowa SRF Program will apply for and/or receive FFY 2026 IIJA Funding during the SFY 2027.

Due to IIJA funding requirements, projects financed with IIJA PFAS/EC and General Supplemental funding should enter into a loan assistance agreement within one year of becoming eligible for the funds to avoid being bypassed. The CWSRF Program may bypass projects that have not signed a loan obligation within this timeframe. 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.

²¹ Programs for Communities <https://opportunityiowa.gov/community/water-quality/srf-programs/nonpoint-source-water-quality-programs>

CWSRF IIJA GENERAL SUPPLEMENTAL (GS) FUNDS

FFY	Funding Source	Allocation Amount*
2026	CWSRF IIJA GS Grant	\$33,341,000

*This allocation amount is anticipated to be applied for and/or received in SFY 2027

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

Special Conditions. Projects selected as equivalency will comply with the federal requirements described in Section G. Financial Administration and Appendix H-SRF Assistance Recipient Federal Requirements.

IIJA PFAS/EMERGING CONTAMINANT (EC) FUND

FFY	Funding Source	Allocation Amount*
2026	CWSRF IIJA PFAS/EC	\$2,878,000

*This allocation amount is anticipated to be applied for and/or received in SFY 2027

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 PFAS and/or EC.

As defined by EPA, EC 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.²²

The main categories of EC 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

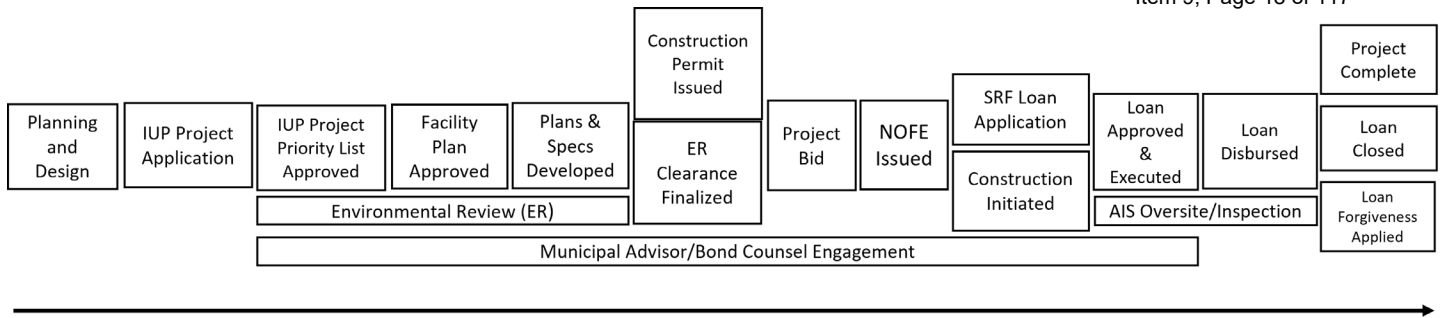
Special Conditions: Projects being funded with IIJA PFAS/EC are all considered equivalency projects and will comply with the federal requirements described in Section G. Financial Administration and Appendix H – SRF Assistance Recipient Federal Requirements.

The Iowa CWSRF Program reserves the right to request transfer of the unobligated portion of the FFY 2025 and/or FFY 2026 Cap Grant to the Drinking Water State Revolving Fund (DWSRF) IIJA PFAS/EC Fund.

F. Iowa Specific SRF Program Requirements**PROJECT SEQUENCE**

In order to ensure that all program requirements are met before binding financial commitments are made, the Iowa SRF Program requires all SRF projects to follow the project sequence below. Following this project sequence keeps projects progressing toward construction; limits duplication of work; reduces risk of re-bidding projects; reduces risk of re-issuing construction permits or environmental clearances; and minimizes the risk of project cost not being eligible for reimbursement from an SRF loan.

²² https://www.epa.gov/system/files/documents/2022-03/combined_srf-implementation-memo_final_03.2022.pdf



ASSISTANCE RECIPIENT REQUIREMENTS

For more information on SRF Program federal requirements, see Appendix H – SRF Assistance Recipient Federal Requirements.

The Iowa SRF Program has developed specific requirements that apply to all Iowa SRF borrowers in order to ensure compliance with EPA program requirements and minimize risk to the program.

MUNICIPAL ADVISOR

The Iowa SRF Program requires all borrowers to engage a U.S. Securities and Exchange Commission (SEC) registered Municipal Advisor (MA) for any SRF construction loan. To maintain the integrity of the financing process and avoid conflicts of interest, the same firm or individual may not serve as both Municipal Advisor and Bond Counsel for the same transaction. Borrowers must retain separate entities for each role.

Role and Responsibilities

The MA is responsible for performing a pre-loan pro-forma cash flow analysis to determine if projected revenues are sufficient to meet the loan's debt service coverage requirements. If revenues are found to be insufficient, the MA will recommend the necessary user rate adjustments.

Furthermore, borrowers are required to submit an updated pro forma analysis to the SRF program every five years during the loan repayment period to demonstrate ongoing compliance with debt coverage ratios.

Municipal Advisor Fees

Fees charged by a Municipal Advisor are eligible for reimbursement with SRF loan funds.

BOND COUNSEL

The SRF Program provides loans through the purchase of local bond debt. As such, SRF borrowers must engage with their bond counsel to authorize and issue the debt, prepare documents for public hearings, and to prepare loan closing documents. Fees charged by bond counsel are eligible for reimbursement with SRF loan funds.

PROCUREMENT PROCEDURES

The Iowa SRF Program has adopted the procedures under *Ch.26 – Public Construction Bidding*, as the SRF Program's procurement procedures. As such, all SRF borrowers must follow Iowa procurement law, *Ch.26 – Public Construction Bidding*, when bidding SRF construction projects, regardless of a borrower's legal structure. If an SRF borrower is utilizing the Construction Manager at Risk (CMaR) delivery model, *Ch.26A – Guaranteed Maximum Price Contracts*, must also be adhered to.

For borrowers utilizing the CMaR method, this process is also required when soliciting for a Construction Manager prior to construction.

Front-End Documents

All SRF borrowers must include SRF Front-End Documents as part of their bid package solicitation. All bidders must be made aware that the project will be subject to SRF requirements prior to submitting a proposal. This includes both the solicitation for qualifications and the invitation to submit proposals when the CMAr delivery model is used.

Some of these documents will be required for borrowers and/or primary contractors to sign when purchases of goods and services are done directly by the borrower and/or outside of a public bid package. SRF staff will inform each project which of the SRF Front-End Documents are required for each undertaking. These documents are also available on the Documents and Guides page of the SRF website²³.

Early Procurement

Occasionally, SRF borrowers find it necessary to procure construction-related equipment and services outside of and/or prior to a public request for bids. These activities are typically eligible for reimbursement under an SRF construction loan if SRF Front-End Documents are properly executed and legal opinion is documented. Borrowers will need to contact SRF for guidance on proper documentation.

Equipment-only procurement activities also require compliance with Ch. 26 (see *Legal Opinion of Compliance section below*). Borrowers are encouraged to consult with their legal counsel prior to engaging in these activities to ensure that proper procedures are followed and/or bond documents are drawn up accurately to include these expenses.

Construction Manager at Risk (CMAr)

The CMAr construction delivery model allows for a construction manager to be hired early in the planning phase to assist with the planning and design of a project. The CMAr also offers borrowers more transparency in the bidding process and results in a Guaranteed Maximum Price (GMP) for constructing a project.

Although the CMAr delivery model is compatible with the Iowa SRF Program, there are limitations to its traditional use of “design-build” construction. Iowa SRF projects are more compatible with the “design-bid-build” construction model because all required permits must be issued and the entire scope of the project must have an environmental clearance issued prior to beginning construction.

Borrowers choosing to use the CMAr method must **contact SRF early in the planning phase of the project, prior to soliciting for qualifications for a CMAr**, and must follow Ch.26A procurement procedures. Legal opinions, Front-End Documents and Notice of Funding Eligibility are all required for SRF reimbursement of costs associated with the selection of the Construction Manager (see applicable sections for more details).

Legal Opinion of Compliance

To demonstrate compliance with Iowa procurement law, borrowers will be required to submit a legal bid opinion to SRF. Borrowers are encouraged to seek a preliminary opinion review or “Form of Bid Opinion” by legal counsel prior to beginning their procurement processes. Example templates of these documents can be found on the Documents and Guides page of the SRF website²⁴.

- **Construction Manager Procurement.** After selection of the construction manager and the construction manager contract is executed and delivered, a “Legal Opinion of Compliance” must be signed by legal counsel certifying compliance with Ch. 26A. *This opinion is separate from and in addition to the opinion offered after the GMP construction contracts are executed and delivered.*
- **Construction Procurement.** After construction contracts are executed and delivered, a “Legal Opinion of Compliance” must be signed by legal counsel certifying compliance with Ch.26 or Ch. 26A, as applicable.
- **Equipment-only Procurement.** When purchases of equipment are done directly by the borrower and/or outside of a public bid package, this equipment is still considered a part of a public construction project and must adhere

²³ SRF Front End Documents <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

²⁴ Form of Legal Bid Opinion <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

to Ch.26A “Legal Opinion of Compliance” must be signed by legal counsel certifying compliance with Ch.26 (in particular Ch.26.14.3a), as applicable to purchase thresholds.

NOTICE OF FUNDING ELIGIBILITY (NOFE)

The SRF Program reviews public bid documents for cost eligibility, including bid tabulations, contract award documents, procurement documents, and purchase agreements. Lump sum bids are not acceptable without the supporting schedule of values. Following review of these documents, the SRF Program will issue a NOFE indicating the amount of construction costs eligible per bid package, for an SRF construction loan. A NOFE also indicates a borrower’s next steps and required documents needed before a construction loan application will be presented to the IFA Board for approval.

SELF CERTIFICATIONS

The SRF Program utilizes a self-certification form for demonstrating compliance with select federal program requirements. Although some additional program oversight may also occur, self-certifications are collected for Architectural/Engineering Procurement Processes (when applicable to equivalency projects), Cost & Effectiveness Analysis, American Iron and Steel compliance, Build America, Buy American (BABA) compliance, Disadvantaged Business Enterprise (DBE) usage, and Davis-Bacon Act compliance.

RECORDS RETENTION²⁵

The SRF Program requires retention of SRF project records for a period of a minimum of three years from the date of the final disbursement of the last loan closed for a project. The “Final Disbursement Date” can be found on the loan's Final Amortization Schedule provided to a borrower by IFA. If there is more than one loan issued for an SRF project, the date of retention is determined by the last loan closed. Records to be retained include but are not limited to, permits, financial records, supporting documentation and compliance documentation for Davis-Bacon, American Iron and Steel, Environmental Review, procurement, all applicable cross-cutters as outlined in Appendix H, and the following (when applicable in whole or in part to an SRF project):

Litigation: The records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken if any litigation, claim, or audit is started before the expiration of the three-year period.

Property and Equipment: The records for property and equipment acquired with the support of SRF funds must be retained for three years after final disposition.

Force Account Labor: The records for indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as composite fringe benefit rates) must be retained for three-years. The retention period for its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

G. Financial Administration

RATES, FEES AND LOAN TERMS & CONDITIONS

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

PROJECT READINESS FOR LOAN APPLICATION

Prior to a loan application being considered ready to go before the IFA Board for approval, borrowers must receive a Notice of Funding Eligibility from SRF and submit all applicable legal bid opinions to IFA.

SRF Notice of Funding Eligibility (NOFE)

NOFE Letters will be issued **only after** the following program requirements are complete:

- Construction Permit(s) issued by DNR Project Manager for all project phases to be funded by the SRF loan
- Environmental Clearance issued by SRF ER staff

²⁵ The records retention requirements for borrowers follows the SRF Program’s records retention and methods requirements found in 2 CFR [§ 200.334](#) and [§ 200.336](#), respectively.

- Project Bid and Bid Documents (including signed SRF Front-End Documents) submitted to DNR

NOFE Letters will include “next steps” which, at minimum, include the collection of the following documents:

- Legal Opinion of Compliance – *An opinion by legal counsel certifying compliance with Chapter 26 and/or 26A*
- Executed contract(s)
- Notice to Proceed

A Construction Loan Application **will not be considered “complete” until SRF issues a NOFE Letter and the applicant submits an opinion of legal counsel to DNR certifying compliance with Iowa public bidding law.**

Prior to Approving a Construction Loan:

A complete SRF Construction application includes a proforma and proof of rate ordinance adoption. When the complete SRF construction loan application is accepted, the loan will be considered for IFA Board approval. Once the board approves the loan, the 90-day lock will be in effect.

- For revenue-backed loans, borrowers submit a pro-forma cash flow analysis prepared by a registered Municipal Advisor identifying all outstanding parity obligations and detailing the revenues, expenses, outstanding debt, and debt coverage ratios for the system. At a minimum, the pro-forma should show financial information based on actuals for the past two years, the current year, and projections for the next two years.
- If user rates must be increased to meet the loan’s debt coverage requirements, provide documentation that action has been taken to implement the recommendation of the Municipal Advisor (adopted rate ordinance, public hearing notice, etc.).

AFFORDABILITY CRITERIA

(See Appendix A - Affordability Criteria)

The CWA 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 subsidies under the SRF program.

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. When funding sources mandate, the DAC status of a borrower will be used to determine SRF loan forgiveness eligibility. The SA Tool is updated with new census data each year and will become effective, with the IUP, on the first day of the state fiscal year. Applicants will use the SA Tool in effect for the state fiscal year of their project application to determine DAC score. **DAC determinations are made at the time of IUP application. Once a DAC score is assigned to a project, it will not change for that project.**

ADDITIONAL SUBSIDIZATION

(See Appendix B - Additional Subsidization)

Iowa applies additional subsidization in the form of loan forgiveness (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.** At the end of each fiscal year, unassigned or reallocated LF may remain available in subsequent years in accordance with its original criteria, or may be combined with the funds made available in accordance with the new Cap Grant criteria.

EQUIVALENCY

An *Equivalency Project* is a treatment works project (as defined in Section 212 of the CWA) 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 with loan amounts totaling the amount of each Cap Grant received, to comply with all federal funding requirements applicable to that Cap Grant.

Projects assigned as equivalency for SRF capitalization grants will have to comply with the following federal requirements:

- Disadvantaged Business Enterprise
- Single Audit Act
- Federal Funding Accountability and Transparency Act (FFATA) reporting
- Procurement of Architecture/Engineering (A/E) services in accordance with the federal Brooks Act (Section 602(b)(14))²⁶
- EPA signage requirements
- BABA (FFY 2022 and all future capitalization grants)²⁷
- Federal environmental crosscutters (such as Endangered Species Act and National Historic Preservation Act)
- Federal Socioeconomic crosscutters (such as Debarment & Suspension Executive Order and Prohibition on Certain Telecom and Video Surveillance Services/Equipment)

Appendix H-SRF Assistance Recipient Federal Requirements outlines each of the program and equivalency requirements including a breakdown of the federal crosscutters and how the SRF borrower achieves compliance with each requirement (*See also Appendix G – Federal Assurance, 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. The evaluation is project-specific. Many factors are considered but, at minimum, the following factors are evaluated when making project selections for equivalency:

- Project type
- Project cost
- Project timeline
- Timing of loan execution
- Structure of loan(s)
- Federal co-funding (specifically, do other co-funding sources already require the same compliance?)
- Population of borrower
- Disadvantaged status of borrower
- Single audits (are they typically performed for the borrower?)
- Qualifications-based procurement (is this already a regular practice for the borrower when selecting architectural/engineering services?)

The SRF Program will coordinate with borrowers during project planning to identify and assign projects for equivalency. Because it is unknown which projects listed on the PPL will execute loan agreements in a fiscal year, the final equivalency loans selected for each year will not be listed in the IUP but will be identified 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 disburse the loan portion of the FFY 2026 CWSRF Base Capitalization Grant, FFY 2026 IJJA General Supplemental Fund, FFY 2022 IJJA PFAS/EC, FFY 2023 IJJA PFAS/EC and a portion of the FFY 2024 IJJA PFAS/EC during the program year.

²⁶ <https://www.epa.gov/sites/default/files/2021-03/documents/best-practice-guide-for-procuring-services-supplies-equipment.pdf>

²⁷ <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

Allocation of Funds Among Projects. All projects listed in the CWSRF PPL (see Attachment 1) may be funded from the CWSRF subject to available funds. All projects scheduled for funding with Iowa's CWSRF will be reviewed for consistency with appropriate plans developed under section 205(j), 208, 303(d), and 603(c) of the CWA, 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 reimburse 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 NPS Assistance Program based on past funding and expected future needs.

All projects listed in the CWSRF PPL may be funded from the CWSRF Program 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 is described in Appendix C - Project Ranking Criteria.

Capitalization (Cap) 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 2027 and will report assignments of these funds in the annual report.

FUNDING SOURCES AND USES

(See Appendix E - Estimated Sources and Uses)

During SFY 2027, the Iowa SRF Program will apply for and/or receive the following Cap Grants and amounts:

FFY	Funding Source	Allocation Amount
2026	CWSRF Base Cap Grant	\$9,667,000
2026	CWSRF IJJA General Supplemental Grant	\$33,341,000

Appendix E - Estimated Sources and Uses illustrates potential sources and uses of funds in the CWSRF for SFY 2027. As shown, all pending loan requests and program administration needs can be funded. To account for the fact that projects draw their funding at different intervals, Iowa SRF frequently analyzes program cash flows to ensure adequate funding is available. Appendix E - Estimated Sources and Uses may be updated, as appropriate, to provide an ongoing view of the financial plan for meeting loan requests.

Other uses for CWSRF program funds in SFY 2027 include \$37 million (\$10M General NPS, \$10M General NPS Special Purpose Funding at 0% interest, and \$17M Linked-Deposit Programs) reserved for the NPS 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. If Iowa SRF continues to receive Cap Grants and provides at least 20% of the Base Cap Grant and 49% of the IJJA Supplemental Cap Grant as LF, the CWSRF could loan approximately \$230 million per year over the next 10 years, or a total of \$2.3 billion. These figures would increase with an increase in interest rates.

STATE MATCH

(See Appendix E – Sources and Uses)

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 Water Infrastructure Finance and Innovation Act (WIFIA) program. 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 string and sustained demand for loans and utilizes Federal Cap Grant funds as quickly as possible. After SRF bonds are issued, state match funds are used first, before drawing on Cap Grant funds. The Cap Grant funds are drawn at a 100% proportionality ratio. Loan disbursements requests are processed weekly.

Throughout the first 9 months of SFY 2026 (through March 2026), the CWSRF program disbursed an average of approximately \$31.1 million per month. Since the program's inception, Iowa's CWSRF has provided more than \$5.25 of assistance for every \$1.00 of federal investment due to the revolving nature of the program, demonstrating SRF's efficiency and effectiveness in delivering water infrastructure funding to important projects.

OTHER PROGRAM USES

ADMINISTRATIVE ACCOUNTS

CWSRF administration expenses include the work of wastewater engineering section project managers, SRF ER Specialists, SRF Project Compliance Specialist, program coordinators, program admin, program managers, financial officers and loan coordinators. 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.

There are three distinct funding sources for CWSRF administrative expenses: Cap Grant administrative set-aside, loan initiation fees, and loan servicing fees.

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. Iowa will use or reserve all 4% of Admin.

Plan for Use of Administrative Accounts

Iowa intends to use this set-aside including loan administrative fees to pay the costs of administering the CWSRF Base, IJJA 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
- Technical assistance to borrowers
- AIS/BABA site inspections
- Database development and implementation
- Contract services for a continuous improvement facilitator
- Program marketing and coordination
- Wastewater Needs Survey
- ER services*

In order to keep **ER services available for all applicants, the SRF Program may establish funding limitations per project for archaeological and/or architectural contracted services necessary to complete a project's ER. If funding limitations are implemented, the applicant will be responsible for all related costs in excess of the funding limit.*

Program Income. A 0.50% **loan initiation fee** is charged on new CWSRF construction loans which is included in the loan principal. Iowa uses the initiation fee receipts for administration of the CWSRF Program. Program Income is earned throughout the fiscal year by funds received from loan initiation fees as described in Appendix D – Interest Rates, Fees, and Loan Terms.

Loan initiation fees will not be assessed on loans to any DAC borrowers.

Non-Program Income. An **annual servicing fee** of 0.25% is charged on the outstanding principal of CWSRF construction loans (see Appendix D – Interest Rates, Fees, and Loan Terms).

Iowa uses servicing fees collected throughout the fiscal year while the Cap Grant is open for administration of the CWSRF Program, and those fees are considered Program Income. Servicing fee receipts collected after the Cap Grant is closed are considered Non-Program Income and those fees are used for other water quality purposes or are reserved for future administrative expenses.

The CWSRF Program intends to use a portion of Non-Program Income funds during SFY 2027 to support DNR staffing to the Field Services Bureau for wastewater compliance activities including inspections, investigations and technical assistance and to support DNR staffing in the Water Quality Bureau for construction permitting, NPDES permitting, AIS/BABA Site Inspections, and other programmatic staffing needs.

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

The CWSRF Program may withhold funding from FFY 2026 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."

WATER QUALITY MANAGEMENT PLANNING

A reserve for water quality management planning as required by Title VI of the CWA (Section 604(b)) 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.

H. Technical Assistance

States have the flexibility to use up to 2% of their annual CWSRF Cap Grants for the purpose of providing technical assistance to rural, small, and tribal publicly owned treatment works. The eligibility for this funding is very broad so **Iowa**

CWSRF Program reserves the right to use 2% of each FFY 2026 CWSRF Cap Grant as TA. Iowa does not intend to duplicate the technical assistance efforts being provided by EPA and other organizations receiving EPA Technical Assistance grants. Planned uses include environmental review services provided by Iowa SRF staff on behalf of borrowers as well as contractual services provided by Secretary of Interior archeological and architectural consulting services in an effort to expedite the process for borrowers to close SRF loans. Additional planning and coordination may be needed to identify other activities for this funding. Activities completed with these funds will be described in the annual report.

Appendix A - Affordability Criteria

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 (SA) 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 affordability criteria established in this IUP after public review and comment will be the criteria used to determine DAC status.²⁸ The amount of additional subsidization available to a DAC will be established annually in the IUP (see Appendix B – Additional Subsidization).

SA TOOL

The metrics (affordability criteria) used in the SA Tool was established using EPA guidance and was revised with public input. The SA Tool continues to be part of the annual IUP public review and comment process. The SA Tool data is updated annually with new census data and the SFY 2027 SA Tool will go into effect upon approval of this IUP by the EPC.

For SFY 2027, applicants with a SA Tool 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.

DAC eligibility will be evaluated at the time of IUP application. All projects added to the Project Priority List (PPL) during SFY 2027 will receive a DAC score based on the SFY 2027 SA Tool and this score will not change with future SA Tool updates. All projects listed on the approved PPL *prior to SFY 2027* will continue to use the DAC score in accordance with the SFY 2024, SFY 2025 and SFY2026 SA Tools, as applicable.

There are two versions of the SA Tool:

- **Service Area-Based** - Metrics results are for an entire community or service area
 - Standard by Place: Applicable to municipalities which serve populations within **incorporated** boundaries.
 - Standard for Large Service Areas: Applicable to municipalities which serve populations within more than 5 incorporated boundaries.
 - Standard for Rural Service Areas: Applicable to Sanitary Districts, Rural Water Associations and/or municipalities which serve populations in **unincorporated** boundaries.
- **Census Tract-Based** - Metrics results are for Census tracts or primary county
 - By Tract: Applicable to Homeowner Associations (HOA) and SRF borrowers for IJJA Lead Service Line projects (Drinking Water SRF Program only). This tool will also 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 on the SRF website²⁹.

The SA Tool assesses 10 datapoints from publicly available sources produced by the Census Bureau of the U.S. Department of Commerce (**Error! Reference source not found.** below provides a list of the metrics used in the SA Tool).

²⁸ IAC 265 Chapter 26.7 - Disadvantaged Community Status

²⁹ Documents and Guides page <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

The SA Tool is **updated annually** with the release of new data from these sources. In SFY 2027, the SA Tool will use 2020-2024 (5-year) data from the American Community Survey.

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, borrowers will be given a score indicating the relative disadvantage to the other communities in the state (see Figure 1 and Figure 2)³⁰. A weighted average for each metric 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.

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	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*	Non-negative population growth	Declining growth up to -7.5%	Declining growth of more than 7.5%
8 Percent with Highschool Diploma or Less	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
9 Percent of Vacant Homes (excluding 2 nd /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- and renter-occupied housing)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
Relative Disadvantage:	Low	Moderate	High

Figure 1

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

Figure 2

NOTE: In prior years, population growth for both the service area-based and Census tract-based SA Tool was measured at the County level. The service area-based SA Tool now uses Census Place data to measure population growth. Projects that use the tract-based version of the SA tool will continue to use County level data for population growth.

USING THE SA SCORE TO DETERMINE DAC STATUS

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

- DAC status for the purposes of the CWSRF Program will be determined by completing the SA Tool worksheet to produce a SA score.

³⁰ The only exception is Population Trend. For the service area-based SA-Tool, no points are given for positive or 0% growth, 1 point for negative growth up to -7.5%, 2 points for more than -7.5% population growth.

- 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.

Borrowers 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

NOTE: Because DAC scores are determined at the time of IUP application, it is possible for a borrower with multiple projects listed on the approved PPL to have different DAC scores for each project, if the project IUP applications were submitted to SRF in different state fiscal years.

Appendix B - Additional Subsidization

The CWSRF Program will comply with the additional subsidization requirements of each Cap Grant and will identify recipients of available funds during the fiscal year. Criteria for additional subsidization eligibility is established with each Cap Grant (see below).

Iowa applies additional subsidization in the form of principal loan forgiveness (LF). LF is applied as principal forgiveness on the later of (1) the date of the final loan disbursement; or (2) the date of the loan's reissuance (if determined as necessary by the borrower's bond counsel).

The final amount disbursed on a loan is used to identify final LF amounts. In some cases, the actual amount of LF applied to a loan is less than the amount that SRF allocated to a project, leaving a remaining balance of LF to be awarded to another project.

PREVIOUS LOAN FORGIVENESS OPPORTUNITIES

Unused portions of LF awards from previous LF opportunities may be reallocated to the next eligible borrower in accordance with its original criteria, or may be combined with other available Cap Grant LF funds and awarded in accordance with the LF criteria in effect for the current funding year.

During SFY 2026, LF award letters were issued to qualifying projects until all available LF funding through FFY 2025 was allocated. As of the publication of this draft IUP, LF balances available for reallocation from funding years prior to FFY 2025 are pending final loan disbursements to awarded projects.

SFY 2027 LF CRITERIA

The following criteria will apply to all LF funding available to award during SFY 2027:

GENERAL RESTRICTIONS AND/OR LIMITATIONS

- LF eligibility will be evaluated based on DAC status in accordance with the SA Tool in effect at the time the awarded project was added to the PPL.
- Borrowers being offered LF will be required 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.
- Beginning in SFY 2024, borrowers with a project that is eligible for LF and have previously received a Sponsored Project award for the same qualifying project will not be able to receive both subsidizations, but may choose one or the other.
- Except as otherwise allowed by the program, taxable portions of SRF projects are not eligible for LF.
- Borrowers 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 EPA congressionally directed spending will not be eligible to receive subsequent LF from the Iowa SRF program for the same project.
- Borrowers receiving additional subsidization awards from a previous Cap Grant will not be eligible to receive subsequent LF awards from the Iowa SRF program for the same project.
- LF awards may consist of more than one funding source to fulfill a single award allocation.

CWSRF BASE CAPITALIZATION GRANT AND IIJA GENERAL SUPPLEMENTAL FUND

FFY Fund	Award Amount	LF Required
2026 CWSRF Base Cap Grant	\$9,765,000*	\$966,700*
2026 CWSRF IIJA General Supplemental (IIJA Year 4)	\$33,341,000*	\$16,337,090*

*This award amount is anticipated to be received during SFY 2027.

MAXIMUM AWARD AMOUNTS

LF awards will be issued as a not to exceed maximum award amount. Maximum amounts are based on a borrower's DAC score, in accordance with the SA Tool in effect at the time of IUP application (all borrowers listed on the approved PPL prior to SFY 2027 were assigned a DAC score in accordance with the SFY 2024, SFY 2025, and SFY 2026 SA Tools).

LF awards from this funding source are applied only to the total eligible construction costs of the project.

Maximum award amounts based on DAC scores are identified below in Figure 3 - LF Award Scale.

DAC Score	Maximum LF Award Amount
20	\$ 1,400,000
19	\$ 1,300,000
18	\$ 1,200,000
17	\$ 1,100,000
16	\$ 1,000,000
15	\$ 900,000
14	\$ 800,000
13	\$ 700,000
12	\$ 600,000
11	\$ 500,000

Figure 3 - LF Award Scale

ELIGIBILITY CRITERIA

1. Eligible compliance projects currently listed on the PPL and new eligible compliance projects submitting an IUP application during SFY 2027 that result in the resolution of a system's Significant Non-Compliance (SNC) issue. SNC is determined by the DNR.
2. Any eligible DAC project currently listed on the PPL and new eligible DAC projects added to the PPL during SFY 2027 (all project types considered).

METHOD OF AWARD

Projects that meet compliance requirements listed above will be allocated LF upon approval of the PPL. LF will be allocated to all other eligible DAC projects in accordance with the methods described below:

At the conclusion of the 2nd quarter of SFY 2027, all available reallocated and/or new LF funds will be used to allocate LF awards to any eligible project on the PPL, based on the ranking criteria listed below, until (1) all available funding is allocated or (2) all eligible projects have received an award.

Prior to the end of the 4th quarter of SFY 2027, any remaining, reallocated or new LF funding will be allocated to any remaining eligible projects on the PPL, based on the ranking criteria listed below, until (1) all available funding is allocated or (2) all eligible projects have received an award.

Projects will be ranked and LF assigned according to the following ranking criteria:

1. First, all projects (DAC scores 11-20) will be ranked **by DAC score** (highest to lowest).
2. Next, projects will be ranked **by project priority points** (highest to lowest).
3. If necessary, the date of loan execution will be used as a tiebreaker to determine final priority ranking.

The CWSRF Program reserves the right to modify the DAC level maximum LF award amounts and/or to withdraw the limitation to construction costs.

CWSRF IIJA PFAS/EC FUND

FFY IIJA Fund	LF Required	LF Committed	LF Available to Award*
2025 CWSRF PFAS/EC (IIJA Year 4)	\$2,878,000	\$2,878,000	\$0
2026 CWSRF PFAS/EC (IIJA Year 5)	\$2,878,000	\$0	\$2,878,000

*This award amount is anticipated to be applied for during SFY 2027 if sufficient projects are available.

MAXIMUM AWARD AMOUNTS

The CWSRF Program reserves the right to withdraw or modify the individual project cap and/or to withdraw the limitation to construction costs.

ELIGIBILITY CRITERIA

LF of up to 100% may be issued to any applicant addressing PFAS or an EC meeting the criteria described in SFY 2027 Program Activities to be Supported.

METHOD OF AWARD

LF will be awarded on a first ready, first-funded basis while funds are available. ***It is the intent of the SRF Program to issue LF award letters to eligible projects as projects meet the "Ready" phase (see Project Priority List section of this IUP).***

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 90. Projects will be funded as they become ready to proceed to construction.

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.

PPL RANKING CRITERIA

P&D projects are not ranked.

Construction projects are ranked based on the DNR's scoring system, described in 567 IAC Chapter 90. 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.

According to 567 IA Chapter 90, loan assistance for General NPS projects is based on a first come, first-funded concept until 90 percent of the General NPS program budget is allocated. Once 90 percent of the budget is allocated, additional NPS project scoring criteria published in the IUP will be used to rank NPS projects for funding and placement on the PPL. The ranking will be done at the time the project application is received.

PPL SCORING CRITERIA

Eligible CWSRF treatment works projects will be scored in accordance with the scoring system described in 567 IAC Chapter 90.

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

- A. Use and classification of receiving waters (points range 20-50)
- B. Water quality of the receiving waters (points range 5-15)
- C. Protection of groundwater resources (points range 10-40)
- D. Project category (points range (5-50)
- E. Project purpose (points range 10-50)

All projects will be listed in descending order on the published PPL according to the number of total priority points assigned to each project. The tie breaker category (described in 567 IAC Chapter 90) will be used when necessary.

Eligible CWSRF NPS projects will be scored in accordance with the scoring system described in 567 IAC Chapter 90, assigning 5 points to NPS projects. Additional NPS project scoring criteria published in the IUP will be used for Special Purpose Funding and/or when 90 percent of all program funds are obligated.

SPECIAL PURPOSE FUNDS SCORING CRITERIA

When special financing or incentive offerings, referred to as "Special Purpose Funds," are available through the SRF Program, General NPS projects listed on the PPL may be evaluated using additional scoring criteria. The SRF Program may offer funding incentives to reward project applications that demonstrate high water quality benefits, sound design and/or project readiness.

This additional General NPS scoring criteria assigns applications a score up to a total of 20 points based on the following evaluation factors:

- A. Water quality impact
- B. Viability of design, strong technical merit

- C. Project readiness
- D. Cost effectiveness
- E. Demonstrated understanding of staff training and equipment maintenance needs
- F. Stakeholder communication plan and stakeholder support
- G. Intended evaluation/assessment of water quality outcomes
- H. Public impact and demonstration value of the practice

The total score needed to qualify for Special Purpose Funds may vary between offerings and will be determined as part of the funding criteria.

Evaluation Factor (Points out of 20)	Description	Scoring Considerations
Water quality impact (4)	Extent to which the constructed practice will reduce or prevent pollution to a water body. e.g. reduces/prevents delivery of sediment, nutrients, heat or another identified pollutant. Constructed practice will directly address a water quality issue identified within the community.	Water quality issue identified and addressed directly with practice; Treatment volume; Drainage Area (DA); land use; greater than 1 water quality benefit per practice e.g. wetland reduces nutrient AND sediment. For stream stabilizations, design goes beyond stream armoring; e.g. use of vegetated buffers and/or instream structures to compliment bank protection. Calculated load reductions.
Viability of design, strong technical merit (4)	Practices are designed with strong technical merit and are based on previously used and approved manuals and/or design standards. If a current design standard does not exist for Iowa, the application can still score well for viability of design if the applicant has consulted with a TA and incorporated relevant design components from other standards.	Design standard cited or relevant methods/best practices cited (e.g. Iowa River Restoration Toolbox). Likelihood practice will fit in project area based on 5 lines of evidence: design concept, footprint/DA ratio, preliminary checklist calculations, discussions with TA and site visit.
Project readiness (4)	Demonstrated ability to implement the project/practices in an efficient manner; readiness to proceed quickly upon project approval. Readiness evaluated based on stage of design, realistic timeline, demonstrated legal control and understanding of permitting needs.	Stage of design (e.g. concept/30/60/90), design checklist started or complete, realistic timeline, demonstrated legal control, and permitting needs understood and in progress if needed.
Cost effectiveness (\$ per water quality impact) (3)	Project maximizes the volume of water treated or pollutant load reduced by the practice relative to the total cost of the project.	Co-funders either in-kind or monetary, >1 practice within project footprint, extent of impervious surfaces.
Demonstrated understanding of staff training and equipment maintenance needs (2)	Discuss previous staff experience with maintenance of proposed practice or similar practices, or plans to address staff training needs. Discuss maintenance equipment needs.	Staff experience maintaining proposed practice or a similar practice, training needs.

Evaluation Factor (Points out of 20)	Description	Scoring Considerations
Stakeholder communication plan and stakeholder support (1)	Neighbors and community members that will be directly impacted by the project are supportive of the project. Plan to engage with stakeholders prior to construction of the project.	Letters of support from partners who are directly impacted by the project e.g. landowner, monetary or in-kind support. Existing watershed plan if applicable.
Intended evaluation/assessment of water quality outcomes (1)	Application describes evaluation criteria or measures of success for the practice. e.g. clearer water, less sediment exported, lower temperatures etc. Post-construction water quality assessments should go beyond regular maintenance requirements. e.g. measuring or monitoring water quality via partnering with a monitoring program, citizen science, or school	Practice evaluation criteria or measures of success clearly stated. Discussion of plan to monitor and measure success post-construction.
Public impact and demonstration value of the practice (1)	Outreach and education activities planned to inform the general public about the water quality benefits of the practice, and/or activities planned to encourage surrounding communities to adopt similar practices	Planned signage, media coverage, community programs or field days relevant to constructed practice

Appendix D - Interest Rates, Fees, and Loan Terms

TYPES OF FINANCING

SRF P&D LOANS

SRF Planning & Design (P&D) Loans are available to eligible entities to reimburse costs incurred during the preliminary phase of an SRF-eligible proposed wastewater or stormwater project. Eligible costs include, but are not limited to, engineering fees, archaeological surveys, environmental studies, and other expenses associated with the preparation and submission of the project plan.

A key feature of P&D Loans is the deferral of all interest and principal payments for up to three years while the project is being designed. These loans have no minimum or maximum funding limits and are not assessed initiation or servicing fees. While there are no program fees, applicants are required to engage a 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 secured.

SRF CONSTRUCTION LOANS

SRF Construction Loans provide low-cost, long-term financing for a wide range of wastewater and stormwater infrastructure projects. Key features include below-market interest rates, low fees, and flexible repayment terms of up to 30 years.

To secure the loan, borrowers must provide a first-lien pledge. Acceptable forms of security include:

- A pledge of the utility system's net revenues.
- A pledge of ad valorem taxes levied against all taxable property (a General Obligation pledge).
- A combination of both revenue and General Obligation pledges.

Additionally, the SRF Program may, on a case-by-case basis, require a borrower to establish and maintain Debt Service Reserve Fund (DSRF). This requirement is typically considered for loans with unique credit profiles or financial structures that warrant additional security to ensure repayment. If required, the SRF must be funded in an amount equal to the lesser of the following:

- 10% of the par amount of the loan;
- 100% of the Maximum Annual Debt Service (MADS); or
- 125% of the Average Annual Debt Service.

The DSRF may be funded using SRF loan proceeds.

TERMS OF FINANCING

STANDARD TERM LOANS (UP TO 20 YEARS)

Standard Term SRF Construction Loans are offered with a standard repayment term of up to 20 years.

Financing is also available for various Nonpoint Source (NPS) pollution control projects. The repayment term for an NPS loan is based on the useful life of the specific practice(s) as determined by existing design standards (e.g., 10 or 20 years).

EXTENDED TERM LOANS (21-30 YEARS)

Extended term loans, with a repayment period of up to 30 years, are available for qualifying projects. The maximum term may not exceed the project's average useful life. To be considered for extended term financing, a completed and signed *CWSRF Extended Financing Worksheet* must be submitted with the construction loan application. This worksheet requires signatures from both the applicant's consulting design engineer and the Iowa DNR project manager. The interest rate for these projects 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

The *CWSRF Extended Term Financing Worksheet* can be found on the Documents and Guides page of the SRF website.³¹

INTEREST RATES

The Iowa SRF Program is committed to providing a perpetual, low-cost funding source for communities to build infrastructure that treats water pollution to support a healthy environment. To ensure the program's long-term sustainability, the interest rate methodology is reviewed regularly. This process considers factors such as the availability of federal and state funds, market conditions, and the program's overall financial health. The goal is to set rates that are affordable for borrowers while allowing the SRF to operate as a permanent financial resource for Iowa communities.

SETTING THE BASE RATE

The SRF Program establishes Base Interest Rates for both tax-exempt and taxable loans on a quarterly basis. These rates are calculated and published on the first business day of January, April, July, and October (the "Effective Date").

The rates are based on a percentage of the Bloomberg BVAL Municipal Yield Curves ("BVAL"). BVAL was chosen as the benchmark index because it is widely used, objective, and transparently reflects real-time municipal market conditions. The index is publicly available from the Municipal Securities Rulemaking Board (MSRB) for independent tracking.

The Base Interest Rate is calculated using the average BVAL 20-year AAA yield for the calendar month immediately preceding the Effective Date. The current methodology is:

- **Tax-Exempt Loans:** The rate is 75% of the average Bloomberg BVAL General Obligation Municipal AAA 20-year yield.
- **Taxable Loans:** The rate is 75% of the average Bloomberg BVAL Taxable General Obligation Municipal AAA 20-year yield.

For example, a rate effective July 1 is calculated using the average BVAL yield during the month of June.

Current SRF loan interest rates are published on the SRF website³².

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.

SPECIAL PURPOSE FUND LOANS

The SRF Program provides targeted financial incentives for projects that address high-priority environmental goals.

General Nonpoint Source (NPS) Projects

Projects classified as General NPS may qualify for a promotional interest rate, subject to the following terms:

- **Interest Rate:** A 0% interest rate is available for the first \$500,000 of eligible NPS project costs.
- **Eligibility:** To qualify for this rate, projects must meet the scoring criteria detailed in Appendix C – Project Ranking Criteria for "Special Purpose Funds."

³¹ Program Information – Extended Term Financing <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

³² Loan Interest Rates <https://opportunityiowa.gov/community/water-quality/srf-resources/loan-interest-rates>

- **Applicable Fees:** Standard loan servicing fees apply to the full loan amount (please see the Fees section below for more information).

INTEREST RATE LOCK

To provide applicants with greater certainty during the final stages of the loan process, an interest rate lock is applied once an applicant, in coordination with its financing team, has completed all program prerequisites. These include, but are not limited to:

- Submission of a complete SRF Construction Loan Application;
- Issuance of Notice of Funding Eligibility (NOFE) letters by the Iowa DNR for all contracts funded by the loan;
- Receipt of a legal opinion confirming compliance with bidding procedures;
- Completion of all steps necessary to authorize the issuance of the debt; and
- Completion of a pro-forma financial analysis meeting the program's criteria.

Once these prerequisites are met and the application is deemed complete, Program staff will place the loan on an upcoming Iowa Finance Authority (IFA) Board meeting agenda. At that point, the following rate lock terms immediately apply³³.

Rate Lock Terms

- **Commencement and Duration:** A loan's interest rate is locked for a 90-day period on the date that Program staff formally submit the loan for the Board's agenda.
- **Protection from Rate Increases:** The locked rate protects the applicant from any potential interest rate increases that may occur during the 90-day period.
- **Benefit from Rate Decreases:** If the Program's published interest rates decrease during the lock period before the final loan agreement is signed, the applicant will automatically receive the new, more favorable rate.
- **Expiration:** Should the loan not be closed before the 90-day lock period expires, the interest rate will be reset to the Program's currently published rate at the time of closing.

FEES

Fee income is considered both Program Income and Non-Program Income, depending on when it is collected and if it is capitalized as part of the SRF loan. Program Income may only be used for purposes of administering the SRF Program or for making new loans. Non-Program Income can be used to administer the program or for other water quality purposes. The uses of Program Income and Non-Program Income are discussed in this IUP under Section. G. Financial Administration- Other Program Uses.

LOAN INITIATION FEES

A one-time Loan Initiation Fee is assessed on new SRF Construction Loans, typically paid from loan proceeds at closing.

- **Rate:** 0.50% of the full loan commitment amount.
- **Maximum Fee:** The total initiation fee will not exceed \$100,000 per loan.
- **Waiver:** The Loan Initiation Fee is waived for any borrower that meets the program's affordability criteria as a Disadvantaged Community (DAC).

When capitalized, this fee income is considered Program Income.

³³ Loan Interest Rates <https://opportunityiowa.gov/community/water-quality/srf-resources/loan-interest-rates>

LOAN SERVICING FEES

An annual Loan Servicing Fee is charged on the outstanding balance of SRF Construction Loans for the duration of the loan term.

- **Rate:** 0.25% of the outstanding principal balance each year.
- **Payment:** The fee is paid semi-annually along with scheduled principal and interest payments.

Pursuant to established regulatory guidance, loan servicing fees may be classified as either Program Income or Non-Program Income.

Appendix E - Estimated Sources and Uses

Estimated Sources and Uses of Funds

CWSRF - SFY 2027

Rounded to the nearest \$1,000 as of April 15, 2026

SOURCES OF FUNDS

Federal Capitalization Grants:

FFY 2022 Grant(s):

IIJA Emerging Contaminants (undrawn amount)

\$292,000

Total FFY 2022 Capitalization Grants Available

\$292,000

FFY 2023 Grant(s):

IIJA Emerging Contaminants (undrawn amount)

\$1,800,000

Total FFY 2023 Capitalization Grants Available

\$1,800,000

FFY 2024 Grant(s):

IIJA Emerging Contaminants (undrawn amount)

\$2,878,000

Total FFY 2024 Capitalization Grants Available

\$2,878,000

FFY 2025 Grant(s):

IIJA Emerging Contaminants (undrawn amount)

\$2,878,000

Total FFY 2025 Capitalization Grants Available

\$2,878,000

FFY 2026 Grant(s):

Base Program (application forthcoming)

\$9,667,000

IIJA Supplemental (application forthcoming)

\$33,341,000

IIJA Emerging Contaminants (application forthcoming)

\$2,907,000

Total FFY 2026 Capitalization Grants Available

\$45,915,000

Estimated Loan Repayments (P&I)

\$176,956,000

Estimated Fee Income

\$6,951,000

Funds Available in Equity and Program Accounts

\$277,349,000

Estimated Investment Earnings on Funds

\$5,168,000

Estimated Bond Proceeds:

Leveraged/Reimbursement

\$136,285,000

New State Match

\$9,550,000

TOTAL SOURCES

\$666,022,000

ANTICIPATED USES OF FUNDS

SRF Program Administration

\$9,000,000

Other Eligible Administrative Uses

\$2,000,000

Project Funding:

Disbursements to Existing Loan Commitments*

\$188,406,000

Disbursements to Future Loan Commitments:

Planning & Design Requests from IUP**

\$8,962,000

Additional CWSRF Project Requests***

\$112,632,000

Debt Service:

Principal Payments on Outstanding Revenue Bonds

\$71,190,000

Interest Payments on Outstanding Revenue Bonds

\$83,698,000

Retained Equity****

\$190,134,000

TOTAL USES

\$666,022,000

NET AVAILABLE FUNDS

\$0

Notes:

*Assumes 60% disbursement rate.

**Assumes 50% disbursement rate.

***Additional projects from IUP (up to the budgeted disbursement total for SFY 2027).

****Includes accumulated undrawn cap grants, investment interest, and repayments available for future project funding and/or debt service.

Appendix F - State Match

Clean Water SRF

Federal Fiscal Year 2024

Sources of State Match

Surplus State Match from Prior Year(s)		\$4,200
State Match Bonds Issued in June 2024		\$9,000,000
Total CW State Match Available		<u>\$9,004,200</u>

Application of State Match

	Cap Grant (\$)	Match Required (%)	Match Required (\$)
FFY 2024 Base Cap Grant	\$11,048,000	20%	\$2,209,600
FFY 2024 IJA Supplemental Cap Grant	\$30,779,000	20%	\$6,155,800
Total CW State Match Required			<u>\$8,365,400</u>

CW State Match Surplus (Deficit)

\$638,800

Federal Fiscal Year 2025

Sources of State Match

Surplus State Match from Prior Year(s)		\$638,800
State Match Bonds Issued in July 2025		\$12,000,000
Total CW State Match Available		<u>\$12,638,800</u>

Application of State Match

	Cap Grant (\$)	Match Required (%)	Match Required (\$)
FFY 2025 Base Cap Grant	\$21,352,000	20%	\$4,270,400
FFY 2025 IJA Supplemental Cap Grant	\$33,341,000	20%	\$6,668,200
Total CW State Match Required			<u>\$10,938,600</u>

CW State Match Surplus (Deficit)

\$1,700,200

Federal Fiscal Year 2026

Sources of State Match

Surplus State Match from Prior Year(s)		\$1,700,200
State Match Bonds to be Issued in June 2026 (est.)		\$9,550,000
Total CW State Match Available		<u>\$11,250,200</u>

Application of State Match

	Cap Grant (\$)	Match Required (%)	Match Required (\$)
FFY 2026 Base Cap Grant	\$9,667,000	20%	\$1,933,400
FFY 2026 IJA Supplemental Cap Grant	\$33,341,000	20%	\$6,668,200
Total CW State Match Required			<u>\$8,601,600</u>

CW State Match Surplus (Deficit)

\$2,648,600

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 SRF program issues periodic announcements of all executed CWSRF loans. Each SRF funded project is also required to provide public notice of their SRF Project as part of the ER process.

COST EFFECTIVENESS ANALYSIS

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

GREEN PROJECT RESERVE (GPR)

Congressional Appropriations require 10% of CWSRF Cap Grant amounts be used to fund projects that qualify under the EPA's GPR, if such applications are submitted. GPR projects address green infrastructure, water and energy efficiency, and/or other environmentally innovative activities. Iowa's NPS Programs, including the Sponsored Project Program and General Nonpoint Source Projects, finance several projects annually which meet this criterion. The specific projects identified as GPR will be listed in the annual report.

ADDITIONAL SUBSIDIZATION

CWSRF Base Program funding, provided through the Consolidated Appropriations Act, includes two different additional subsidization authorities (Congressional and CWA). Additional subsidy authority also exists under the IIJA. 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 (AIS)

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 systems³⁴. Iowa CWSRF Program conducts oversight of this requirement 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 website³⁵.

BUILD AMERICAN, BUY AMERICA ACT (BABA)

³⁴ <https://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement>

³⁵ AIS documents <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

On November 15, 2021, President Joseph R. Biden Jr. signed into law IIJA, Pub. L. No. 117-58, which includes the BABA that strengthens the Made in America Laws³⁶. 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 U.S.³⁷

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 conducts oversight of this requirement 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 BABA and EPA guidance³⁸. 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 website³⁹.

ENVIRONMENTAL REVIEW (ER)

Projects receiving assistance from the CWSRF must conduct ER 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 ER staff conduct a NEPA-like investigation and/or consult with federal authorities on behalf of the SRF borrower to gain the necessary technical assistance and/or concurrence to issue a Categorical Exclusion (CX) or Finding of No Significant Impact (FNSI) clearance. Separate NEPA-like environmental review processes are performed for equivalency and non-equivalency projects in accordance with the federal assurances below.

Projects receiving assistance from the CWSRF as equivalency projects are required to undergo a review for compliance with several additional environmental authority crosscutters (see Appendix H-SRF Assistance Recipient Federal Requirements). SRF staff will facilitate consultation for concurrence with other federal agencies, as necessary, on behalf of SRF borrowers. In the case of the National Historic Preservation Act (NHPA), SRF staff have been granted designated authority by the EPA to directly consult with the State Historic Preservation Office (SHPO).

In order to keep these services available for all applicants, the SRF Program may establish funding limitations per project for archaeological and/or architectural contracted services necessary to complete a project's ER. If funding limitations are implemented, the applicant will be responsible for all related costs in excess of the funding limit.

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.⁴⁰ Iowa's oversight of this requirement is conducted by verification of bid documents and wage determinations utilizing SAM.gov, 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 CWA, in an amount equal to 120 percent of the amount of each grant payment, within one year after receipt of such grant payment.

³⁶ [Build America, Buy America Act, https://www.epa.gov/baba](https://www.epa.gov/baba)

³⁷ <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

³⁸ <https://www.epa.gov/system/files/documents/2022-11/OW-BABA-Implementation-Procedures-Final-November-2022.pdf>

³⁹ Documents and Guides <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

⁴⁰ <https://www.epa.gov/grants/davis-bacon-and-related-acts-dbra>

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.

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 review (40 CFR Part 6) will be completed for all CWSRF Treatment works projects, as defined by Section 212 of the CWA, receiving assistance. Projects identified as equivalency projects will also undergo a review for compliance with the National Historic Preservation Act (NHPA) and other applicable environmental authority crosscutters (see Appendix H-SRF Assistance Recipient Federal Requirements).

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 200.334. Federal access to records will be according to 2 CFR 200.336. 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 the State and coordinated with EPA as necessary. The State will address project-level and most program inquiries and provide EPA a copy of all Congressional inquiries and responses. 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 the inquiry and response in a timely manner.

Appendix H – SRF Assistance Recipient Federal Requirements

PROGRAM SPECIFIC REQUIREMENTS—ALL SRF PROJECTS

The following federal program requirements are specifically identified in the CWA, SDWA, SRF Program regulations, and/or EPA policy and they apply to all SRF borrowers. These requirements are beyond basic borrower eligibility and basic project/activity requirements.

Requirement	Authorizing Statute	How IA SRF borrowers comply
American Iron and Steel	33 U.S.C. 1388 and 42 U.S.C. 300j-12(a)(4)	SRF Front-End Document #9; SRF Staff perform on-site inspection and desk review of certification letters; and AIS Self-Certification form signed at completion of project. <i>*This requirement is only applicable to DWSRF and CWSRF treatment works projects (not CWSRF nonpoint source projects).</i>
Cost and Effectiveness, (CWSRF Only)	33 U.S.C. 1382(b)(13)	Self-Certification.
Davis-Bacon Wages	33 U.S.C. 1382(b)(6) and 42 U.S.C. 300j12(a)(5)	SRF Front-End Document #7b; Self-Certification. <i>*This requirement is only applicable to DWSRF and CWSRF treatment works projects (not CWSRF nonpoint source projects).</i>
Environmental Review	40 CFR 35.3140; 40 CFR 35.3580	Iowa SRF Environmental Review staff perform a NEPA-like investigation and/or consult with federal authorities on behalf of the SRF borrower to gain the necessary technical assistance and/or concurrence to issue a Categorical Exclusion (CX) or Finding of No Significant Impact (FNSI) clearance. These activities are completed prior to construction. <i>*This requirement is only applicable to DWSRF and CWSRF treatment works projects (not CWSRF nonpoint source projects).</i>
Generally Accepted Accounting Principles (GAAP)	33 U.S.C. 1382(b)(9) and 42 U.S.C. 300j-12(g)(3)	Loan documents.

ADDITIONAL PROGRAM SPECIFIC REQUIREMENTS—EQUIVALENCY PROJECTS ONLY

Requirement	Authorizing Statute	How IA SRF borrowers comply
Architecture and Engineering Procurement (Brooks Act) (CWSRF Only)	33 U.S.C. 1382(b)(14)	Self-Certification.
Single Audit	2 CFR part 200, Subpart F	Submit Single Audit; Corrective Actions.
Signage	EPA Guidance for Enhancing Public Awareness of SRF Assistance	SRF Program issues a media release quarterly listing all SRF executed loans.

	Agreements (2015)	Projects issue public notification of their project through social media, customer mailings, or other public notification methods.
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REQUIRED CROSS-CUTTERS—ALL SRF PROJECTS

Federal cross-cutter authorities are requirements established by other federal laws and executive orders that apply to federal financial assistance programs. These requirements are not cited in the SRF Programs' authorizing statutes or regulations but apply broadly by their own terms in federal statutes, regulations, or executive orders to a wide range of federal financial assistance programs, including SRF.

Authority	Crosscutter	How IA SRF borrowers comply
Social Policy Authorities	Civil Rights Laws - The Age Discrimination Act of 1975, 42 U.S.C. 6102 et seq. - Section 13 of the Federal Water Pollution Control Act Amendments of 1972, (CWSRF only) 33 U.S.C. 1251 et seq. Civil Rights Laws October 2003.pdf October 2003 - Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 - Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.	Signature on final page of IUP application Section 7; and loan documents.

ADDITIONAL REQUIRED CROSS-CUTTERS—EQUIVALENCY PROJECTS ONLY*

Authority	Crosscutter	How IA borrowers comply
Social Policy Authorities	Participation by Disadvantaged Business Enterprises in United States Environmental Protection Agency Programs	SRF Front-End Documents #3-6, as applicable. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
Environmental Authorities	Archaeological and Historic Preservation Act, 16 U.S.C. 469 et seq.	Iowa SRF Environmental Review staff perform a NEPA-like investigation and/or consult with federal authorities on behalf of the SRF borrower to gain the necessary concurrence or clearances for these crosscutter requirements. These activities are completed prior to construction. <i>*Investigation and/or consultation for these environmental authorities may be conducted for non-equivalency Iowa SRF projects, however, the consultation is for technical assistance to the ER staff and/or borrower rather than for concurrence or clearance purposes.</i>
	Clean Air Act Conformity, 42 U.S.C. 7401 et seq	
	Coastal Barriers Resources Act, 16 U.S.C. 3501 et seq	
	Coastal Zone Management Act, 16 U.S.C. 1451 et seq.	
	Endangered Species Act, 16 U.S.C. 1531 et seq.	
	Farmland Protection Policy Act, 7 U.S.C. 4201 et seq.	
	Floodplain Management Executive Order No. 11988 (1977), as amended by Executive Order No. 12148 (1979)	
	Magnuson-Stevens Fishery Conservation Management Act, 16 U.S.C. 1801 et seq.	
National Historic Preservation Act, 54		

	U.S.C. 300101 et seq.	
	Sole Source Aquifer, Section 1424(e) of Safe Drinking Water Act, 42 U.S.C. 300h-3e	
	Wetlands Protection - Executive Order No. 11990 (1997), as amended by Executive Order No. 12608 (1997)	
	Wild and Scenic Rivers Act, 16 U.S.C. 1271 et seq.	
Economic and Miscellaneous Authorities	Administration of the Clean Air Act and the Federal Water Pollution Control Act with respect to Federal contracts, grants, or loans, Executive Order No. 11738 (1973) -Section 306 of the Clean Air Act, 42 U.S.C. 7606 et seq. -Section 508 of the Clean Water Act, 33 U.S.C. 1368 et seq.	SRF Front-End Document #7e. Borrowers must ensure that bidders of goods, services or materials are not on EPAs excluded parties listing at www.SAM.gov . SRF staff verify www.SAM.gov for all selected bidders/procurement contracts. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
	Build America, Buy America Act, Pub. L. 117-58, Sections 70901-70927	SRF Front-End Document #9; SRF Staff perform on-site inspection and desk review of certification letters; and BABA Self-Certification form signed at completion of project.
	Prohibition on Certain Telecom and Video Surveillance Services/Equipment, 2 CFR 200.216	SRF Front-End Document #10. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
	Suspension and Debarment, Executive Order 12549 (1986), 2 CFR Part 180, 2 CFR Part 1532	SRF Front-End Documents #2; SRF staff verifying www.SAM.gov for all selected bidders/procurement contracts. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
	Uniform Relocation and Real Property Acquisition Policies Act, 42 U.S.C 4601 et seq., 40 CFR Part 4, 49 CFR Part 24	Signature on Section 6 of IUP Application. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
	Federal Funding Accountability and Transparency Act (FFATA), Public Law 109-282	SRF Program staff file a FFATA report through www.SAM.gov following an SRF loan execution, as applicable, for projects selected as equivalency.

Appendix I - Funding Recommendations

GENERAL NPS 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 NPS Assistance Program. Per 567 IAC Ch. 90, costs for the purchase of land are not eligible costs unless specifically approved by the EPC.

During SFY 2027, priority funding will be given to projects that implement best management practices over projects primarily for the purchase of land.

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

GENERAL NPS ASSISTANCE PROJECTS RECEIVING SPECIAL PURPOSE FUNDING

GNS project applications received during the SFY 2027 will be scored to determine if the project qualifies for incentive funding. Applications will be evaluated using the additional scoring criteria located in the “Special Purpose Funds” section of Appendix C – Project Ranking Criteria, to determine if the project demonstrates high water quality benefits, sound design, and project readiness.

The projects listed below received an application score of 10 or higher and qualify to receive incentive funding. As long as these projects are issued an Eligibility Letter within 18 months of project approval by EPC, the SRF applicant will receive incentive funds when they lock their interest rate.

Applicant	IUP Quarter	SRF Project #	Project Description (Proposed practice, watershed, transfer of ownership)	Application Score	Total Project Cost

Appendix J - Public Review and Comments Received

A public meeting to allow input to Iowa's SFY 2027 IUP and PPL will be held May 28, 2026, 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. Public notice announcements were also posted on the Water Quality News⁴¹ and the IUP Intended Use Plan⁴² pages of the SRF website. Written comments may be submitted to srf-pc@dnr.iowa.gov and will be accepted through June 4, 2026.

Comments Received:

Second Quarter Update:

Comments Received:

Third Quarter Update:

Comments Received:

Fourth Quarter Update:

Comments Received:

⁴¹ <https://opportunityiowa.gov/community/water-quality/srf-resources/water-quality-news>

⁴² <https://opportunityiowa.gov/community/water-quality/srf-resources/intended-use-plan>

Appendix K – IUP Acronyms

Acronym	Description
A/E	Architectural and Engineering
AIS	American Iron and Steel
ARRA	American Recovery and Reinvestment Act of 2009
AWIA	America's Water Infrastructure Act of 2018
AWOP	Area Wide Optimization Program
BABA	Build America, Buy America
BIL	Bipartisan Infrastructure Law
BVAL	Bloomberg Value - General Obligation Municipal AAA 20-year yield
CFR	Code of Federal Regulation
CMaR	Construction Manager at Risk
CSO	Combined Sewer Operations
CWA	Clean Water Act
CWSRF	Clean Water State Revolving Fund
DAC	Disadvantaged Community
DNR	Iowa Department of Natural Resources
DW	Drinking Water
DWSRF	Drinking Water State Revolving Fund
EC	Emerging Contaminants
EFC	Environmental Finance Center
EPA	U.S. Environmental Protection Agency
EPC	Environmental Protection Commission
ER	Environmental Review
FEMA	Federal Emergency Management Agency
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FP	Facility Plan
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles

GMP	Guaranteed Maximum Price
GNS	General Nonpoint Source
GPR	Green Project Reserve
GS	General Supplemental
HOA	Homeowner's Association
IAC	Iowa Administrative Code
IDALS	Iowa Department of Agriculture and Land Stewardship
IFA	Iowa Finance Authority
IIJA	Infrastructure Investment and Jobs Act
IUP	Intended Use Plan
LF	Loan Forgiveness
LSL	Lead Service Line
LWPP	Local Water Protection Program
LWQP	Livestock Water Quality Program
MOU	Memorandum of Understanding
NEPA	National Environmental Protection Act
NHPA	National Historic Preservation Act
NIMS	National Information Management System
NOFE	Notice of Funding Eligibility
NPDES	National Pollutant Discharge Elimination System
NPS	Nonpoint Source
OMB	Office of Management and Budget
OSWAP	Onsite Wastewater Assistance Program
OWSRF	Office of Water State Revolving Fund
P&D	Planning & Design
PER	Preliminary Engineering Report
PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
POPs	Persistent Organic Pollutants
POTW	Publicly Owned Treatment Works
PPCPs	Pharmaceuticals and Personal Care Products
PPL	Project Priority List

PWS	Public Water Supply
PWSS	Public Water Supply Supervision
SA	Socioeconomic Assessment (Tool)
SDWA	Safe Drinking Water Act
SDWIS	Safe Drinking Water Information System
SEE	Senior Environmental Employee
SFY	State Fiscal Year
SWIFIA	State Infrastructure Financing Authority Water Infrastructure Finance and Innovation Act of 2014
SWP	Stormwater Best Management Practices Program
TA	Technical Assistance
WRRDA	Water Resources Reform and Development Act of 2014

Attachment 1 - CWSRF PPL

This is a separate, sortable Excel File

CWSRF Project Priority List (PPL)

Project Status	Abbreviations
Contingent -- C	BIL GS= Bipartisan Infrastructure Law General Supplemental Fund
Pending Drop -- PD (verification needed that project will continue with SRF)	CWSRF No = Clean Water State Revolving Fund Project Number
Loan Signed -- L	NPDES No = National Pollutant Discharge Elimination System Permit Nounber
Planning Stage -- P	IUP YR = Intended Use Plan Year
Ready for Loan -- R	P&D = Planning and Design Loan
	PFAS/EC - PFAS Emerging Contaminates

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

Loan Forgiveness offered and accepted

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source		Compliance Project	DAC Score
												Base BIL GS	BIL PFAS/EC		
New Hampton	NA	PD-CW-27-20	Wastewater Treatment Plant Reconstruction	2027	1	P&D	P	\$ 1,440,000.00				x			NA
Clemons	NA	PD-CW-27-01	Clemons Wastewater Improvements	2027	1	P&D	P	\$ 160,000.00				x			NA
Elma	NA	PD-CW-27-02	New Wastewater Treatment Facility	2027	1	P&D	P	\$ 300,000.00				x			NA
Ely	NA	PD-CW-27-03	Ely WWTF Upgrade	2027	1	P&D	P	\$ 400,000.00				x			NA
Lansing	NA	PD-CW-27-04	Main Street (IA-9) Reconstruction	2027	1	P&D	P	\$ 328,000.00				x			NA
Quimby	NA	PD-CW-27-16	Quimby Lagoon Improvements	2027	1	P&D	P	\$ 36,000.00				x			NA
Wall Lake	NA	PD-CW-27-17	Wall Lake Lift Station and Sludge Removal	2027	1	P&D	P	\$ 123,000.00				x			NA
Sioux Center	NA	PD-CW-27-18	Sanitary East Interceptor Improvements	2027	1	P&D	P	\$ 700,000.00				x			NA
Pleasant Hill	NA	PD-CW-27-19	Pleasant Hill SE 80th Pump Station	2027	1	P&D	P	\$ 1,390,000.00				x			NA
Floyd	3414001	CS1921214 01	WWTP Improvements (replace aeration system and remove sludge)	2027	1	250	P	\$ 1,161,000.00				x			7
Gilman	6436001	CS1921213 01	I&I correction to meet future compliance plan	2027	1	194	P	\$ 2,412,000.00				x		Verify	8
Pleasant Hill	7767001	CS1921215 01	Pleasant Hill SE 80th Pump Station	2027	1	182	P	\$ 8,168,000.00				x			8
Denison Municipal Utilities	2424001	CS1921217 01	5th Ave S Sewer Replacement due to age	2027	1	169	P	\$ 2,235,000.00				x			12
Ely	5728001	CS1921216 01	Ely WWTF Upgrade	2027	1	149	P	\$ 4,462,000.00				x			2
Boone	0819001	CS1921218 01	Eastgate Pump Station & Force Main Project	2027	1	119	P	\$ 6,467,000.00				x			10
Palo	NA	PD-CW-26-73	New Lift Station	2026	4	P&D	P	\$ 339,000.00				x			NA
Waverly	NA	PD-CW-26-71	Connect Hinds Addition to Sanitary Sewer and Install Lift Station	2026	4	P&D	P	\$ 222,000.00				x			NA
Laurens	NA	PD-CW-26-63	Sewer Main Replacement	2026	4	P&D	P	\$ 220,000.00				x			NA
Osceola	NA	PD-CW-26-65	Chloride Removal Facility	2026	4	P&D	P	\$ 5,815,000.00				x			NA
Eagle Grove	NA	PD-CW-26-66	Sanitary Sewer Rehab	2026	4	P&D	P	\$ 261,000.00				x			NA
Solon	W2023-0182A	CS1921207 01	WWTP Improvements - New Plant	2026	4	297	P	\$ 39,512,000.00				x			1
Waterloo	W2025-0351A	CS1921201 01	Anaerobic Lagoon Design	2026	4	212	P	\$ 10,844,000.00				x			16
Keokuk	W2026-0077A	CS1921202 01	Timea Street Sewer Separation Project	2026	4	200	P	\$ 4,736,000.00				x			18
Coralville	2026-0165A	CS1921208 01	Oakdale Trunk Replacement	2026	4	192	P	\$ 1,709,000.00				x			7
Eldon	S2026-0162A	CS1921212 01	Cardinal CSD - Force Main Extension	2026	4	190	P	\$ 752,000.00				x			20
Palo	W2025-0302A	CS1921203 01	Lift Station Replacement	2026	4	182	P	\$ 2,518,000.00				x			2
Coralville	2026-0164A	CS1921209 01	Brown Deer Lift Station	2026	4	182	P	\$ 4,191,000.00				x			7
Anthon	W2026-0080A	CS1921210 01	Main Lift Station Replacement	2026	4	182	P	\$ 1,554,000.00				x			13
Eagle Grove	W2026-0143A	CS1921211 01	2025 Sanitary Sewer Collection System Improvement Project	2026	4	179	P	\$ 2,313,000.00				x			11
Dubuque	2026-0107A	CS1921205 01	Old Mill Lift Station Phase 3 Sanitary Interceptor	2026	4	155	P	\$ 26,891,000.00				x			10
Dubuque	S2026-0111A	CS1921206 01	Old Mill Road Lift Station Phase 4 (Catfish Creek Sewer Shed Interceptor Sewer Improvements)	2026	4	155	P	\$ 16,384,000.00				x			10
Laurens	S2026-0140A	CS1921204 01	Sanitary Sewer System Replacement	2026	4	129	P	\$ 2,383,000.00				x			13
Ankeny	NA	GNS26-03	Fourmile Creek Restoration ARA 2	2026	4	5	P	\$ 426,000.00				x			NA
Ankeny	NA	GNS26-04	Fourmile Creek Restoration ARA 3	2026	4	5	P	\$ 474,000.00				x			NA
Ankeny	NA	GNS26-05	Heritage Park Stream Restoration project ARA 5.1	2026	4	5	P	\$ 177,000.00				x			NA
Strawberry Point	NA	PD-CW-26-49	I&I investigation for rainwater infiltrating sanitary sewer system	2026	3	P&D	P	\$ 100,000.00				x			NA
Anthon	NA	PD-CW-26-52	New lift station	2026	3	P&D	P	\$ 317,000.00				x			NA
Exira	NA	PD-CW-26-53	Wastewater treatment plant upgrades	2026	3	P&D	P	\$ 660,000.00				x			NA
West Bend	7470001	CS1921199 01	City of West Bend Wastewater Improvements	2026	3	264	P	\$ 6,520,000.00				x			NA
Henderson	6529001	CS1921189 01	2026 lagoon Liner Improvements	2026	3	239	P	\$ 767,000.00				x			NA
Independence	1037001	CS1921196 01	Independence Wastewater Treatment Plant Modifications	2026	3	239	P	\$ 49,436,000.00				x			NA
Cedar Falls	709001	CS1921190 01	Water Reclamation Facility Upgrades	2026	3	237	P	\$ 140,110,000.00				x			NA
Waverly	990001	CS1921195 01	Hinds Addition Sewer and Water Extension	2026	3	217	P	\$ 2,056,000.00				x			NA
Olin	5355001	CS1921188 01	WWTP Lagoon Cell #2 Improvements	2026	3	192	P	\$ 796,000.00				x			14
Montrose	5650001	CS1921191 01	Sewage Treatment Plant Improvements 2025	2026	3	185	P	\$ 2,429,000.00				x			10
Freeport Sanitary District	9630002	CS1921198 01	Freeport Main lift Station Replacement	2026	3	185	P	\$ 513,000.00				x			9
Sergeant Bluff	9778001	CS1921194 01	West Ridge Road Extension	2026	3	165	P	\$ 353,000.00				x			8
Fairfield	5131001	CS1921197 01	Sanitary Sewer Conveyance Improvements - Southwest Interceptor - STEP 4A	2026	3	144	P	\$ 1,407,000.00				x			16
Ely	5728001	CS1921200 01	Ely Downtown Reconstruction Phase 2	2026	3	129	P	\$ 1,628,000.00				x			3
Burt	5510001	CS1921192 01	Wastewater System Improvements- Replace Interceptor Sewer and Lift Station	2026	3	119	P	\$ 752,000.00				x			14

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source		Compliance Project	DAC Score
												Base BIL GS	BIL PFAS/EC		
WRA	NA	PD-CW-26-38	Relocation of Admin, laboratory, maintenance, and warehouse buildings to a new Personnel Facilities building	2026	2	P&D	P	\$ 3,000,000.00				x			NA
WRA	NA	PD-CW-26-37	WRF aeration improvements	2026	2	P&D	P	\$ 3,000,000.00				x			NA
Tama	8670002	CS1921183 01	Tama WWTF Asset Management	2026	2	297	P	\$ 6,368,000.00				x			15
Kalona	9223001	CS1921187 01	Wastewater Treatment Facility Improvements	2026	2	295	P	\$ 7,236,000.00				x			3
Melbourne	6471001	CS1921186 01	WWTF Improvements Project	2026	2	247	P	\$ 1,957,000.00				x			4
Dow City	2427001	CS1921184 01	Dow City Wastewater System Improvements	2026	2	234	P	\$ 1,166,000.00				x			10
Waverly	990001	CS1921185 01	Eastgate Lift Station Replacement	2026	2	152	P	\$ 2,821,000.00				x			8
West Liberty	7073001	CS1921182 01	West Liberty WWTF Baseline Improvements Project - Phase 1	2026	2	149	P	\$ 4,581,000.00				x			12
Dunlap	NA	GNS 26-02	Pleasant View Pond Improvements	2026	2	5	P	\$ 925,000.00				x			NA
Twin Lakes Utilities	1300903	CS1921181 01	Utilities Wastewater Improvements	2026	1	264	P	\$ 3,759,000.00				x			Verify
Belmond	9905001	CS1921176 01	Wastewater Treatment Plant Improvements	2026	1	207	P	\$ 5,706,000.00				x		Verify	10
Mediapolis	2948001	CS1921177 01	Wastewater Collection & Treatment System Improvements	2026	1	174	P	\$ 1,378,000.00				x		Verify	8
Sabula	4975001	CS1921178 01	Sewage Treatment Plant Improvements	2026	1	155	P	\$ 3,422,000.00				x			15
Sumner	0970001	CS1921179 01	Sumner Sanitary Sewer Rehabilitation	2026	1	129	P	\$ 1,497,000.00				x			12
Albion	6403001	CS1921180 01	Wastewater Collection System Improvements	2026	1	129	P	\$ 2,584,000.00				x			8
Tama	NA	PD-CW-25-49	Engineering study for CW compliance	2025	4	P&D	P	\$ 500,000.00				x			NA
Elgin	NA	PD-CW-25-41	2,700 feet of CIPP lining	2025	4	P&D	P	\$ 40,000.00				x			NA
Boone	NA	PD-CW-25-40	WWTF Improvements	2025	4	P&D	P	\$ 1,131,000.00				x			NA
Mason City	1750001	CS1921175 01	WRF Improvements	2025	4	290	P	\$ 27,644,000.00				x			12
Homestead Sanitary District	4830901	CS1921174 01	WWTP Improvements/ UV Disinfection	2025	4	284	P	\$ 191,000.00				x			5
Muscatine	7048001	CS1921169 01	West Hill Area Sanitary and Storm Sewer Separation Phase 6E	2025	4	272	R	\$ 10,433,000.00				x			14
Osceola	2038002	CS1921166 01	Wastewater Treatment Facility Improvements Effluent Phase 1 - Chloride Removal Project	2025	4	209	P	\$ 10,000,000.00				x			15
Muscatine	7048001	CS1921170 01	WRRF & Lift Station Asset Replacement Project	2025	4	162	P	\$ 6,830,000.00				x			14
Dubuque	3126001	CS1921171 01	WRRF Industrial Controls Upgrade	2025	4	159	R	\$ 2,663,000.00				x			10
WRA	7727001	CS1921168 01	Common Joint Trunk Improvements Phase 2 – Joint Trunk East (Phase 14 Segment 3)	2025	4	152	P	\$ 32,629,000.00				x			8
Mason City	1750001	CS1921173 01	43rd Street SW Lift Station and Force Main	2025	4	150	P	\$ 4,633,000.00				x			12
Letts	5847001	CS1921172 01	Main Liftstation renovations	2025	4	132	P	\$ 330,000.00				x			11
Defiance	NA	PD-CW-25-33	Lagoon Improvements	2025	3	P&D	P	\$ 195,000.00				x			NA
Rockford	3430001	CS1921160 01	Wastewater Treatment Facility Improvements	2025	3	295	R	\$ 1,040,000.00				x			11
Terrace Hill Sanitary District	3500900	CS1921163 01	Treatment Plant Improvements	2025	3	264	P	\$ 1,815,000.00				x			Verify
Lovilia	6858001	CS1921164 01	Highway and Railroad Sanitary Sewer Crossing Improvements	2025	3	134	P	\$ 915,000.00				x			12
Fairfax	5731001	CS1921165 01	Update Sanitary Sewer Main Located East of Highway 151	2025	3	127	P	\$ 1,418,000.00				x			3
New Hampton	W2021-0327A	CS1921155 01	Wastewater Treatment Plant Improvements Project	2025	2	224	P	\$ 47,257,000.00				x		Verify	9
Andover	W2023-153A	CS1921154 01	Wastewater Treatment Facility Improvements	2025	2	214	P	\$ 667,000.00				x		Verify	11
Luana	W2024-0012A	CS1921151 01	Luana 3-Cell Controlled Discharge Lagoon System	2025	2	210	P	\$ 2,000,000.00				x		Verify	10
Clinton	W2024-0209A	CS1921157 01	Clinton RNG	2025	2	165	P	\$ 25,628,000.00				x		Verify	19
Farmington	S2022-0314A	CS1921158 01	Farmington Sanitary Sewer Improvements	2025	2	162	P	\$ 2,030,000.00				x		Verify	14
McGregor	W2024-0064A	CS1921153 01	1st and A Street Reconstruction	2025	2	139	R	\$ 735,000.00				x		Verify	18
Ely	Was initially part of S2023-0019A	CS1921159 01	Ely Downtown Sanitary Sewer Rehabilitation	2025	2	129	P	\$ 573,000.00				x		Verify	5
Lovilia	NA	PD-DW-25-01	Sanitary sewer collection system under highway and railroad	2025	1	P&D	P	\$ 91,000.00				x			NA
Muscatine	W2024-0182A	CS1921145 01	Redundant Force Main Project	2025	1	187	P	\$ 3,795,000.00				x			14
Dubuque	W2023-0293A	CS1921147 01	WRRF High Strength Waste (HSW) Receiving and Storage	2025	1	159	R	\$ 7,646,000.00				x			10
Boone	W2024-0295A	CS1921149 01	Wastewater Treatment Facility Improvements and Roof Replacement Project	2025	1	149	L	\$ 2,498,000.00	12/5/2025	\$ 2,052,000	\$ 446,000	x			10
Dubuque	W2024-0302A	CS1921150 01	Terminal Street Lift Station Phase I Improvements	2025	1	139	P	\$ 2,542,000.00				x			10
Larrabee	W2022-0192A	CS1921143 01	Larrabee Wastewater Improvements	2025	1	139	R	\$ 638,000.00				x			8
Osceola	NA	PD-CW-24-70	Effluent wastewater reuse treatment, pumps, and pipeline	2024	4	P&D	P	\$ 1,000,000.00				x			NA
Muscatine	S2022-036A	CS1921135 01	West Hill Area Sanitary and Storm Sewer Separation Phase 6D & 6E	2024	4	255	L	\$ 14,064,000	9/5/2025	\$ 5,115,000	\$ 8,949,000	x		Yes	14
Rock Rapids Municipal Utilites (PFAS/EC)	W2022-0424A	CS1921140EC	Wastewater Treatment Facility Improvements including microplastics removal	2024	4	222	P	\$ 5,524,300.00					x	Yes	6
Eldora	S2024-0169A	CS1921139 01	WWTP System Upgrade	2024	4	145	P	\$ 1,476,000.00				x			14
Fort Dodge	NA	PD-CW-24-51	Supplemental to WWTP Facility Plan P&D	2024	3	P&D	P	\$ 103,000.00				x			NA
Emmetsburg	S2021-0226B	CS1921124 01	Wastewater Treatment Facility Improvements	2024	3	264	P	\$ 30,000,000.00				x		Yes	13
Bonaparte	S2024-011A	CS1921123 01	Bonaparte Sanitary Sewer Lining Phase 1	2024	3	255	R	\$ 451,000				x			18
Goose Lake	W2022-0114A	CS1921122 01	WWTF Improvements	2024	3	224	R	\$ 2,342,000				x		Yes	7
Sioux City	W2022-0376A	CS1921120 01	Wastewater Treatment Plant Facility Plan Improvements	2024	3	190	P	\$ 486,510,000.00				x			11
Greenfield	W2023-0194A	CS1921126 01	Phase 2 Collection System Improvements	2024	3	139	R	\$ 2,111,000				x			16
Chelsea	W2021-0294A	CS1921119 01	New WWTP for ammonia and bacteria	2024	2	274	P	\$ 2,311,000.00				x		Yes	20
Waterloo	W2023-0164A	CS1921114 01	CIPP Lining	2024	2	162	R	\$ 2,500,000				x			15

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source		Compliance Project	DAC Score	
												Base BIL GS	BIL PFAS/EC			
Peosta	W2023-0401A	CS1921112 01	New Kapp Court Lift Station	2024	2	160	P	\$ 600,000.00				x			5	
Templeton	W2023-0405A	CS1921118 01	Sanitary Sewer Rehabilitation	2024	2	129	P	\$ 337,000.00				x			6	
Montour	S2021-0288A	CS1921105 01	Montour Wastewater Treatment Facility 2023 Upgrades	2024	1	345	P	\$ 2,231,000.00				x			14	
Holstein	W2020-0435A	CS1921104 01	Holstein Wastewater System Improvements	2024	1	314	L	\$ 6,948,000	12/19/25	\$ 5,500,000	\$ 1,448,000	x			8	
Schaller	W2023-0028A	CS1921106 01	Schaller WWTP Facility Plan	2024	1	297	P	\$ 4,417,000.00				x			9	
Oxford	W2021-0339A	CS1921101 01	Upgrade Sludge Treatment Process	2024	1	292	R	\$ 1,362,000				x			2	
Waterloo	W2023-0245A	CS1921107 01	Replace Lift Station and Force Main	2024	1	152	P	\$ 3,692,000.00				x		Yes	15	
Birmingham	W2023-0175A	CS1921100 01	Proposed Sanitary Sewer Improvements - Phase 1	2024	1	129	R	\$ 417,000				x		Yes	19	
Lime Springs	W2023-0150	CS1921102 01	2024 Street & Utility Improvements Project	2024	1	129	P	\$ 5,507,000.00				x		Yes	9	
Webster City	S2017-0216A	CS1921085 01	Wastewater Treatment Facility Improvements	2023	4	314	P	\$ 35,000,000.00				x			15	
WRA	W2022-0186A	CS1921093 01	WRF Effluent Pumping Improvements	2023	4	180	PD	\$ 46,080,000	2/14/25	\$ 11,800,000	\$ 34,280,000	x		Yes	Verify	
Cumming	W2023-0198A	CS1921098 01	Sanitary Sewer Collection System Improvements	2023	4	160	PD	\$ 4,226,000.00				x		Yes	2	
Dskaloosa	W2022-0004A	CS1921088 01	Wastewater Treatment Facility Improvements	2023	3	327	PD	\$ 78,566,000.00				x			12	
Laurel	S2015-0037A	CS1921073 01	Wastewater Treatment Facility Improvements	2023	3	264	PD	\$ 2,094,000				x			15	
Crescent	W2022-0175A	CS1921081 01	Wastewater Facility Improvements	2023	3	229	PD	\$ 4,038,000.00				x			3	
Eagle Grove	S2022-0384A	CS1921089 01	Highway 17 Lift Station & Collection System Improvements	2023	3	129	P	\$ 3,787,000.00				x		Yes	15	
Dubuque	NA	PD-CW-23-14	P&D for Lift Station and Force Main Improvements	2023	2	P&D	PD	\$ 1,000,000.00				x			NA	
Dubuque	NA	PD-CW-23-15	P&D for Sanitary Sewer Improvements	2023	2	P&D	PD	\$ 430,000.00				x			NA	
Story City	S2018-0488A	CS1921082 01	Phase 2 and 3 WWTF Improvements	2023	2	265	L	\$ 19,000,000	11/15/24	\$ 17,000,000	\$ 2,000,000	x			8	
Cedar Rapids	S2021-0411A	CS1921069 01	WPC Solids Improvements (Contract 2)	2023	2	182	L	\$ 250,000,000	12/19/25	\$ 174,200,000	\$ 75,800,000	x			9	
Eagle Grove	W2022-0328A	CS1921072 01	Wastewater Improvements 2022	2023	2	174	L	\$ 7,776,000	5/5/23	\$ 3,798,000	\$ 3,978,000	x			15	
Farley	W2022-0268A	CS1921077 01	3rd Avenue SW Water & Sewer Improvements	2023	2	129	PD	\$ 2,528,000.00				x			3	
Dedham	NA	PD-CW-23-06	P&D for Lagoon Improvements	2023	1	P&D	PD	\$ 326,500.00				x			NA	
Dubuque	W2022-0320A	CS1921070 01	Auburn-Custer Sanitary Sewer Reconstruction	2023	1	139	PD	\$ 439,000.00				x		Yes	9	
Earlham	W2020-0448A	CS1921055 01	Earlham Lagoon Upgrades	2022	4	264	PD	\$ 6,241,000	7/14/2023	\$ 4,875,000	\$ 1,366,000	x			3	
Lake City	W2019-0385A	CS1921042 01	Phase 2 & 3 Lake City WWTF Improvements - Lift Station & Treatment Facility	2022	3	254	PD	\$ 8,234,000.00				x			12	
Riceville	W2020-0317A	CS1921046 01	WWTF Improvements	2022	3	219	PD	\$ 3,412,096.00				x			13	
Morning Sun	W2019-0130A	CS1921036 01	WWTF Improvements	2022	2	250	PD	\$ 2,749,000				x			12	
WRA	W2020-0400A	CS1921032 01	WRF Phosphorus Recovery Facility	2022	2	205	PD	\$ 30,000,000.00				x			Verify	
Fort Madison	W2021-0203A	CS1921017 01	10th Street Combined Sewer Separation	2022	1	224	PD	\$ 4,463,000				x		Yes	18	
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	5	PD	\$ 1,048,000.00				x			NA	
Lake City	W2019-0385A	CS1920986 01	Phase 1 Wastewater Treatment Facility Improvements - Flow Monitoring	2021	4	144	PD	\$ 163,000.00				x			12	
Mount Ayr	W2020-0412A	CS1920984 01	WW System Improvements	2021	2	195	PD	\$ 412,000.00				x		Yes	13	
Dyersville	W2020-0384A	CS1920980 01	Westlinden Lift Station	2021	2	150	PD	\$ 1,508,000.00				x		Yes	7	
Ottumwa	2019-0263A	CS1920972 01	Blake's Branch Sewer Separation Phase 8, Divisio 2, 3A, 3B, 3C, 3D	2021	1	205	PD	\$ 40,000,000	5/9/25	\$ 16,000,000	\$ 24,000,000	x		Yes	16	
Ames	S2013-0327	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	8/18/23	\$ 14,578,000	\$ 4,843,625	x		Yes	7	
								\$ 1,754,099,521								

PFAS/EC Projects -- information extracted from the Project Priority List above													Funding Source			
Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Base BIL GS	BIL PFAS/EC			
Rock Rapids Municipal Utilites (PFAS/EC)	W2022-0424A	CS1921140EC	Wastewater Treatment Facility Improvements including microplastics removal	2024	4	222	P	\$ 5,524,300					x			
								\$ 5,524,300								

DRAFT

FY 2027 INTENDED USE PLAN

DRINKING WATER STATE REVOLVING FUND



State Revolving Fund

INVESTING IN IOWA'S WATER

Approval anticipated by the Environmental Protection Commission (EPC) on June 16, 2026.

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Introduction

Under the authority of Section 1452 of the Safe Drinking Water Act (SDWA), 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.

Iowa's DWSRF Program has provided more than **\$1.5 billion** in financial assistance for water infrastructure projects since 1998. With the State Fiscal Year (SFY) 2027 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

Since 2022, Iowa has expanded and revised the SRF Program to take advantage of the increased investment in water and wastewater infrastructure through the **Infrastructure Investment and Jobs Act (IIJA)**. Plans for implementing funding for the General Supplemental (GS), Lead Service Line (LSL), and PFAS/Emerging Contaminants (EC) funding awarded from IIJA are included in this annual release of the IUP.

Highlighted below are some of the changes Iowa SRF is incorporating into SFY 2027 IUPs.

Disadvantaged Communities

- The **Socioeconomic Assessment (SA) Tool** used to establish affordability criteria and define a **Disadvantaged Community (DAC)** has been updated with current American Community Survey and will be referred to as the SFY 2027 SA Tool.

Highlighted below are some of the changes Iowa incorporated in SFY 2026 that will **continue** into SFY2027 IUPs.

Loan Terms

- Loan initiation fees will not be assessed on loans to any DAC borrowers.

Disadvantaged Communities

- **DAC eligibility will be evaluated at the time of IUP application.** All projects added to the Project Priority List (PPL) during SFY 2027 will receive a DAC score based on the SFY 2027 SA Tool and this score will not change with future SA Tool updates. All projects listed on the approved PPL *prior to SFY 2027* will continue to use the DAC score in accordance with the SFY 2024, SFY2025 and SFY2026 SA Tools.

Loan Forgiveness (LF)

- Priority funding for Base Cap Grants and IIJA GS LF will be awarded to compliance projects.
- LF for LSLR projects for DAC borrowers and DAC census tracts will now be based on the entire project amount, not just construction costs.
- PFAS/EC projects will now be based on the entire project amount, not just construction costs.

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 level approval, eligibility and compliance.
- IFA - Administers the financial aspects of the program including fund management, bond issuance for state match and leveraging, loan approval, disbursement, and servicing.

TYPES OF FINANCIAL ASSISTANCE

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

The Iowa DWSRF Program offers **Planning & Design (P&D) Loans** and **Construction Loans**. Low-interest financing is provided through direct loans.

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

Direct Loans for **P&D** are available to eligible public water supply systems to cover engineering and project development costs such as testing and scoping, preparing preliminary engineering report (PERs), and project specifications that are directly related to the development of an eligible SRF drinking water project.

Current interest rates and fees are established in the IUP in Appendix D- Interest Rates, Fees and Loans and are published on the Loan Interest Rates¹ page of the SRF website.

LF criteria is established in the IUP in Appendix B Appendix B - Additional Subsidization. Recipients of LF are publicly announced through listservs, news releases and published in the annual report.

CO-FUNDING

The SRF strives to assist communities with the most affordable financing for their water quality projects. SRF funding can be combined with several other funding sources to make costly infrastructure projects possible. Joint funding with other funding agencies is crucial to making drinking water infrastructure projects affordable for some communities.

Other state and federal funding sources may have funding requirements in addition to those required under the SRF Program. When projects are co-funded, borrowers are made aware that projects may be subject to compliance with other federal funding requirements that are not necessarily required by or are different from the SRF Program. Examples include, but may not be limited to, the Single Audit Act or Build America, Buy America (BABA) Act.

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

A Memorandum of Understanding (MOU) between EPA and the Federal Emergency Management Agency (FEMA) provides a framework for 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 repair or replacement costs for public water and wastewater systems damaged by natural disasters or projects to prevent or mitigate future disasters. The SRF can be used to finance the amount not covered by FEMA after program requirements are met.

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

Planning & Design Projects:

- New applications for **P&D** will be accepted on a quarterly basis the first working day of the months of April, July, October and January.
- Applications are available on the SRF website² and are submitted to IFA's SRF Program Staff at waterquality@iowafinance.com.

Construction Projects:

¹ Loan Interest Rates <https://opportunityiowa.gov/community/water-quality/srf-resources/loan-interest-rates>

² P&D Loan Program <https://opportunityiowa.gov/community/water-quality/srf-programs/planning-design-loan-program>

- New applications for **construction projects** will be accepted on a quarterly basis the first working day of the months of March, June, September and December.
- IUP applications are available on the SRF website³ and are submitted to srf-iup@dnr.iowa.gov.

Additional documents required for a construction project application include:

- Preliminary Engineering Report (or for IIJA LSLR projects, a Lead Service Line Replacement Plan)
- Environmental Review Checklist
- Viability Assessment
- Socioeconomic Assessment Tool Worksheet

Project applications eligible for SRF funding under the IIJA General Supplemental, IIJA PFAS/Emerging Contaminants (EC) Fund, and the IIJA Lead Service Line Replacement 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 IIJA Funds. The SRF Program will provide additional application materials and guidance for IIJA Funds directly to borrowers, as applicable, and application materials will be available on the SRF website⁴.

C. Intended Use Plans

The State of Iowa IUP for the DWSRF is prepared annually in accordance with the provisions of section 1452 of the SDWA, 40 CFR Part 35 and Iowa Code Sections 455B.291-455B.299 and 567 Iowa Administrative Code (IAC) Chapter 44. The IUP and PPL are submitted to the EPA as part of the annual application for a capitalization grant.

The IUP is developed annually in May, and upon approval of the Environmental Protection Commission (EPC) in June, becomes effective on July 1, the first day of the SFY. This IUP covers activities during the SFY 2027, July 1, 2026 through June 30, 2027.

The IUP identifies the intended uses of funds available to the SRF including: the program's goals, information on the types of activities to be supported, program requirements, 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), sources and uses of funds, criteria and method for distribution of funds (including loan forgiveness), the loan rates, terms, and fees for the fiscal year, and includes a ranked listing of projects to be funded.

The IUP is updated quarterly in September, December, and March (or more often as needed) and includes new projects and changes to the loan status on the PPL, and any other necessary programmatic or financial updates. Federal and state law requires, and Iowa welcomes, public participation in the development of the IUP. Each IUP and quarterly update is published on the SRF website⁵ for public review, and a public hearing is held to collect public comments. Public comments on the IUP are received at srf-pc@dnr.iowa.gov (see Appendix J – Public Review and Comments Received).

The IUP and PPL are reviewed and approved quarterly by the Iowa EPC. The EPC is a panel of nine citizens who provide policy oversight over Iowa's environmental protection efforts. EPC members are appointed by the Governor and confirmed by vote of the Senate for four-year terms.

METHOD OF AMENDMENT OF THE INTENDED USE PLAN

The Iowa SRF Program will follow this IUP in administering DWSRF funds in SFY 2027. Any revisions of the goals, policies and method of distribution of funds shall be addressed by a revision of the IUP, including public participation. Public notice of amendments will be made quarterly and will include the addition or removal of borrowers from the PPL. 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.

PROJECT PRIORITY LIST (PPL)

(See Attachment 1 – DWSRF PPL)

³ Drinking Water Loan Program <https://opportunityiowa.gov/community/water-quality/srf-programs/drinking-water-loan-program>

⁴ IIJA page of <https://opportunityiowa.gov/community/water-quality/srf-resources/infrastructure-investment-and-jobs-act>

⁵ Intended Use Plan page <https://opportunityiowa.gov/community/water-quality/srf-resources/intended-use-plan>

Administration of the DWSRF Program includes developing a priority list of projects to receive loan assistance, in accordance with DNR rules 567 IAC Chapter 44 (455B). Attachment 1 constitutes the DWSRF PPL and is included as a separate, sortable Excel file. This PPL will be amended quarterly during SFY 2027 and includes projects funded by both DWSRF Base and IJIA 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. P&D loan applications are not ranked but appear at the beginning of the list for each new quarter.

Pursuant to Section 1452 of the SDWA and 40 CFR Part 35, the PPL includes the following required items: name of the public water supply (PWS) system, project description, the population of the system’s service area, the priority assigned to the project (ranking), projected amount of eligible assistance, and type of assistance. The PPL may also include the SRF project number, project status, DAC score or other information the program wishes to convey to the public.

The PPL (Attachment 1) includes the following project categories for funding during SFY 2027:

- **P&D 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 (PER) or a Lead Service Line Replacement (LSLR) Project Plan.
- **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 readiness, and the project is scored (See Appendix C- Project Ranking).
- **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.
- **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 2027 if they are ready for a binding loan commitment.
- **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 “P - in planning,” “R - ready for loan” (indicating that the construction permit and environmental review have been completed), and “L - loan signed.” IJIA PFAS/EC and LSL projects may be identified as “C - contingency status” (indicating that the project has not yet met all eligibility criteria to receive a specific funding source-see Section E. – Program Activities to be SupportedSFY 2027 Program Activities to be Supported).

PROJECT SCOPE

The scope of the project must be outlined in the IUP application and in the Preliminary Engineering Report.

Scope Changes. Changes to the scope are allowed prior to executing an SRF loan. Significant changes in scope prior to a loan execution may cause project delays if additional work is required by the project manager and/or ER specialist. Once a loan is executed, only minor changes to the scope are allowed and only if the changes do not require additional public bidding, technical review or ER.

DROPPED PROJECTS/PROJECT WITHDRAWAL

If a project on the approved IUP PPL is not going to proceed or will not be utilizing SRF funds, the applicant shall notify the SRF in writing that they wish to drop the project. The project will be removed from the PPL upon notification and the updated PPL will be available for public review and comment during the next quarterly IUP update.

For the purpose of program planning, unfunded prior years' projects that have been listed on the PPL for 3 years or longer will be considered for withdrawal from the PPL during the development of a new SFY IUP. As applicable, applicants will be notified that their project is pending withdrawal from the PPL. Applicants will be required to declare if they intend to proceed with the project and if so, will be required to evaluate their current IUP application and provide an updated project schedule, scope, and budget, as applicable. If SRF receives the required information from the applicant prior to finalization of the IUP public comment period, the project will remain on the PPL. If no response is received, the project will be withdrawn from the PPL. When a project is withdrawn or dropped from the PPL, the applicant may reapply when the project is ready to proceed.

PUBLIC REVIEW AND COMMENTS

(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 December⁶. The DRAFT 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 Intended Use Plan webpage of the SRF Program's website⁷ and public comments are accepted for approximately 30 days following the posting at srf-pc@dnr.iowa.gov.

Public Hearings are typically scheduled on the final Thursday of the months of May, August, November and February to highlight changes from the previous quarter, when applicable, and to collect public comments. Information on how to participate in the public hearing is provided through listservs and on the SRF website⁸. A final draft version of the IUP, including all comments and SRF responses to the comments received, will be posted as part of the EPC Meeting and Agenda on the EPC webpage on the DNR's website⁹.

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 each quarterly update of the IUP.

All of the opportunities mentioned above are open to the public. Meetings and hearing information are posted on the Water Quality News and IUP pages¹⁰ of the SRF website and announced through agency-managed listservs. Public comments are accepted at srf-pc@dnr.iowa.gov.

D. SFY 2027 DWSRF Program Goals

SHORT TERM GOALS

Goal: Maximize Funding Opportunities. *Apply for all available Federal Fiscal Year (FFY) 2026 Base and IIJA Capitalization Grants.*

Goal: Maximize Loan Commitments. *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 that protect human health through the delivery of safe drinking water.*

Goal: Expand Subsidization Opportunities. *Assign/reallocate LF funds from new and previous capitalization grants to fulfill additional subsidization requirements and reduce the financial burden on borrowers.*

Goal: Improve Program Efficiency. *Streamline administrative processes, including development and adoption of new software that improves communication and reduces the time from initial application to funding.*

⁶ IUP Application Deadline <https://opportunityiowa.gov/community/water-quality/srf-programs/drinking-water-loan-program>

⁷ Intended Use Plan <https://opportunityiowa.gov/community/water-quality/srf-resources/intended-use-plan>

⁸ Public Hearing <https://opportunityiowa.gov/community/water-quality/srf-resources/intended-use-plan>

⁹ Environmental Protection Commission <https://www.iowadnr.gov/About-DNR/Boards-Commissions/Environmental-Protection-EPC>

¹⁰ <https://www.iowasrf.com/intended-use-plan-public-hearings/> and <https://opportunityiowa.gov/community/water-quality/srf-resources/water-quality-news>

Goal: Enhance Public Awareness. *Update marketing materials, program resources and website to increase outreach and education efforts that will inform communities about available funding and program benefits.*

Goal: Increase Funding Accessibility. *Continue the partnership with Environmental Finance Center's (EFC) Technical Assistance (TA) resources to assist the Iowa SRF Program to make funding more accessible to small and disadvantaged communities.*

LONG TERM GOALS

Goal: Minimize Barriers to Funding. *Apply program requirements that are simple and understandable and do not add unnecessary burdens to borrowers or recipients.*

Goal: Expand Program Reach. *Increase the number of projects funded and expand the geographic reach of the program to benefit more communities. Endeavor to make the SRF Program the first choice for Iowa communities to finance a water infrastructure project.*

Goal: Enhance Collaboration. *Strengthen partnerships with federal, state, and local agencies to maximize the impact of the DWSRF.*

Goal: Maintain Financial Health of the Fund. *Ensure the long-term financial stability of the DWSRF through prudent financial management and strategic investments that will sustain the DWSRF Loan Program in perpetuity to assist PWS in achieving compliance with public health objectives of the SDWA.*

E. SFY 2027 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.¹¹ Section H – H. Set-Aside Uses Set-Asides provides further details on Iowa's intended use of set-aside funds during SFY 2027.

DWSRF BASE PROGRAM

The Iowa SRF Program will apply for and/or receive FFY 2026 DWSRF Base Program Funding during the SFY 2027 once the allotments and funding become available.

FFY	Funding Source	Allocation Amount*
2026	DWSRF Base Cap Grant	\$5,777,000

*This award amount is anticipated to be applied for and/or received in SFY 2027

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.

¹¹ <https://www.epa.gov/dwsrf/how-drinking-water-state-revolving-fund-works#DWSRF%20Set-Asides>

Eligible Activities: Eligible projects include new water sources, the installation, upgrade, or replacement of treatment facilities, finished water storage facilities, transmission and distribution systems, and water system consolidation/regionalization.¹² Eligibility guidelines are available in the DWSRF Eligibility Handbook.¹³

Special Conditions: Projects selected as equivalency will comply with the federal requirements described in F.

DWSRF IIJA PROGRAMS

The Infrastructure Investment and Jobs Act (IIJA), provides DWSRF programs with three additional capitalization grants annually through FFY 2026. The Iowa SRF Program will apply for and/or receive FFY 2025 and 2026 IIJA Funding during the SFY 2027.

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

DWSRF IIJA GENERAL SUPPLEMENTAL (GS) FUNDS

FFY	Funding Source	Allocation Amount*
2026	DWSRF IIJA General Supplemental Grant	\$37,419,000

*This allocation amount is anticipated to be applied for and/or received in SFY 2027

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

Special Conditions: Projects selected as equivalency will comply with the federal requirements described in F. and Appendix H-SRF Assistance Recipient Federal Requirements.

DWSRF PFAS/EMERGING CONTAMINANTS (EC) FUND

Iowa intends to apply for the full amount of these Cap Grant awards, however, award amounts will be limited to the total of the project applications received and listed on the PPL by the grant application deadline.

FFY	Funding Source	Allocation Amount
2026	DWSRF IIJA PFAS/EC	\$11,487,000*

* This allocation amount is anticipated to be applied for and/or received in SFY 2027

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 DAC or PWSs 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 PFAS/EC in drinking water. Any contaminant on EPA's Contaminant Candidate Lists 1-6 are eligible, however, priority for funding will be given to projects addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS) based on the April 2024 final PFAS National Primary Drinking Water Regulation.¹⁴

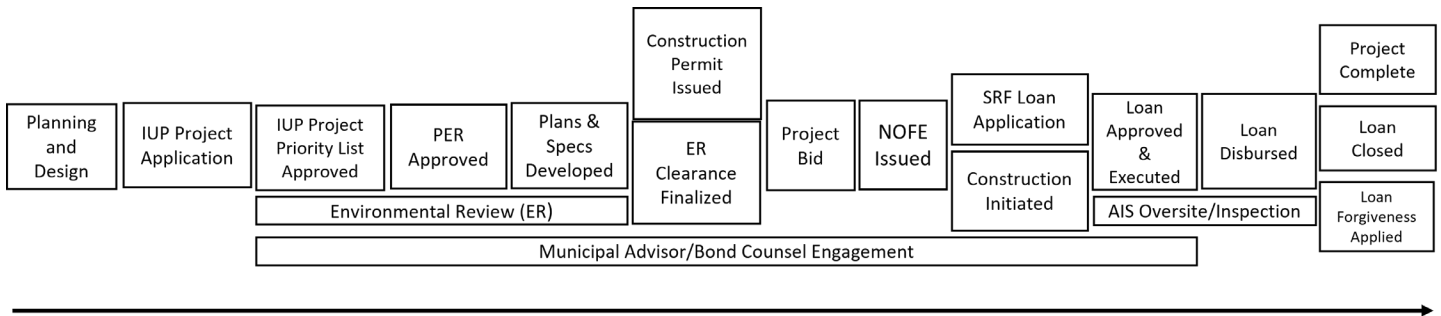
Special Conditions: Projects being funded with IIJA PFAS/EC are all considered equivalency projects and will comply with the federal requirements described in F. Project SEQUENCE

¹² <https://www.epa.gov/dwsrf/dwsrf-program-overview-epa-816-f-18-001>

¹³ <https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-eligibility-handbook>

¹⁴ EPA's webpage for the final regulation at <https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas>

In order to ensure that all program requirements are met before binding financial commitments are made, the Iowa SRF Program requires all SRF projects to follow the project sequence below. Following this project sequence keeps projects progressing toward construction; limits duplication of work; reduces risk of re-bidding projects; reduces risk of re-issuing construction permits or environmental clearances; and minimizes the risk of project cost not being eligible for reimbursement from an SRF loan.



ASSISTANCE RECIPIENT REQUIREMENTS

For more information on SRF Program federal requirements, see Appendix H – SRF Assistance Recipient Federal Requirements.

The Iowa SRF Program has developed specific requirements that apply to all Iowa SRF borrowers in order to ensure compliance with EPA program requirements and minimize risk to the program.

VIALBILITY ASSESSMENT

The Iowa SRF Program requires all borrowers to demonstrate Technical, Managerial and Financial (TMF) Capacity prior to executing an SRF loan. The SRF Program has chosen to use the DNR’s Viability Self-Assessment Manual as a tool to demonstrate a system’s T & M capacity. Financial capacity is determined through the use of a Municipal Advisor. A Viability Assessment is a required attachment to the IUP application.

MUNICIPAL ADVISOR

The Iowa SRF Program requires all borrowers to engage a U.S. Securities and Exchange Commission (SEC) registered Municipal Advisor (MA) for any SRF construction loan. To maintain the integrity of the financing process and avoid conflicts of interest, the same firm or individual may not serve as both Municipal Advisor and Bond Counsel for the same transaction. Borrowers must retain separate entities for each role.

Role and Responsibilities

The MA is responsible for performing a pre-loan pro-forma cash flow analysis to determine if projected revenues are sufficient to meet the loan’s debt service coverage requirements. If revenues are found to be insufficient, the MA will recommend the necessary user rate adjustments.

Furthermore, borrowers are required to submit an updated pro forma analysis to the SRF program every five years during the loan repayment period to demonstrate ongoing compliance with debt coverage ratios.

Municipal Advisor Fees

Fees charged by a Municipal Advisor are eligible for reimbursement with SRF loan funds.

BOND COUNSEL

The SRF Program provides loans through the purchase of local bond debt. As such, SRF borrowers must engage with their bond counsel to authorize and issue the debt, prepare documents for public hearings, and to prepare loan closing documents. Fees charged by bond counsel are eligible for reimbursement with SRF loan funds.

PROCUREMENT PROCEDURES

The Iowa SRF Program has adopted the procedures under Ch. 26 – Public Construction Bidding, as the SRF Program’s procurement procedures. As such, all SRF borrowers must follow Iowa procurement law, *Ch.26 – Public Construction Bidding*, when bidding SRF construction projects, regardless of a borrower’s legal structure. If an SRF borrower is utilizing the Construction Manager at Risk (CMaR) delivery model, *Ch.26A – Guaranteed Maximum Price Contracts* must also be adhered to.

For borrowers utilizing the CMaR method, this process is also required when soliciting for a Construction Manager prior to construction.

Front-End Documents

All SRF borrowers must include SRF Front-End Documents as part of their bid package solicitation. All bidders must be made aware that the project will be subject to SRF requirements prior to submitting a proposal. This includes both the solicitation for qualifications and the invitation to submit proposals when the CMaR delivery model is used.

Some of these documents will be required for borrowers and/or primary contractors to sign when purchases of goods and services are done directly by the borrower and/or outside of a public bid package. SRF staff will inform each project which of the SRF Front-End Documents are required for each undertaking. These documents are also available on the Documents and Guides page of the SRF website.

Early Procurement

Occasionally, SRF borrowers find it necessary to procure construction-related equipment and services outside of and/or prior to a public request for bids. These activities are typically eligible for reimbursement under an SRF construction loan if SRF Front-End Documents are properly executed and legal opinion is documented. Borrowers will need to contact SRF for guidance on proper documentation.

Equipment-only procurement activities also require compliance with Ch. 26 (*see Legal Opinion of Compliance section below*). Borrowers are encouraged to consult with their legal counsel prior to engaging in these activities to ensure that proper procedures are followed and/or bond documents are drawn up accurately to include these expenses.

Construction Manager at Risk (CMaR)

The CMaR construction delivery model allows for a construction manager to be hired early in the planning phase to assist with the planning and design of a project. The CMaR also offers borrowers more transparency in the bidding process and results in a Guaranteed Maximum Price (GMP) for constructing a project.

Although the CMaR delivery model is compatible with the Iowa SRF Program, there are limitations to its traditional use of “design-build” construction. Iowa SRF projects are more compatible with the “design-bid-build” construction model because all required permits must be issued and the entire scope of the project must have an environmental clearance issued prior to beginning construction.

Borrowers choosing to use the CMaR method must **contact SRF early in the planning phase of the project, prior to soliciting for qualifications for a CMaR**, and must follow Ch.26A procurement procedures. Legal opinions, Front-End Documents and Notice of Funding Eligibility are all required for SRF reimbursement of costs associated with the selection of the Construction Manager (see applicable sections for more details).

Legal Opinion of Compliance

To demonstrate compliance with Iowa procurement law, borrowers will be required to submit a legal bid opinion to SRF. Borrowers are encouraged to seek a preliminary opinion review or “Form of Bid Opinion” by legal counsel prior to beginning their procurement processes. Example templates of these documents can be found on the Documents and Guides page of the SRF website.

- **Construction Manager Procurement.** After selection of the construction manager and the construction manager contract is executed and delivered, a “Legal Opinion of Compliance” must be signed by legal counsel certifying

compliance with Ch. 26A. *This opinion **is separate from and in addition to** the opinion offered after the GMP construction contracts are executed and delivered.*

- **Construction Procurement.** After construction contracts are executed and delivered, a “Legal Opinion of Compliance” must be signed by legal counsel certifying compliance with Ch.26 or Ch. 26A, as applicable.
- **Equipment-only Procurement.** When purchases of equipment are done directly by the borrower and/or outside of a public bid package, this equipment is still considered a part of a public construction project and must adhere to Ch.26A “Legal Opinion of Compliance” must be signed by legal counsel certifying compliance with Ch.26 (in particular Ch.26.14.3a), as applicable to purchase thresholds.

NOTICE OF FUNDING ELIGIBILITY (NOFE)

The SRF Program reviews public bid documents for cost eligibility, including bid tabulations, contract award documents, procurement documents, and purchase agreements. Lump sum bids are not acceptable without the supporting schedule of values. Following review of these documents, the SRF Program will issue a NOFE indicating the amount of construction costs eligible per bid package, for an SRF construction loan. A NOFE also indicates a borrower’s next steps and required documents needed before a construction loan application will be presented to the IFA Board for approval.

SELF CERTIFICATIONS

The SRF Program utilizes a self-certification form for demonstrating compliance with select federal program requirements. Although some additional program oversight may also occur, self-certifications are collected for American Iron and Steel compliance, Build America, Buy American (BABA) compliance, Disadvantaged Business Enterprise (DBE) usage, and Davis-Bacon Act compliance.

RECORDS RETENTION

The SRF Program requires retention of SRF project records for a period of a minimum of three years from the date of the final disbursement of the last loan closed for a project. The “Final Disbursement Date” can be found on the loan's Final Amortization Schedule provided to a borrower by IFA. If there is more than one loan issued for an SRF project, the date of retention is determined by the last loan closed. Records to be retained include but are not limited to, permits, financial records, supporting documentation and compliance documentation for Davis-Bacon, American Iron and Steel, Environmental Review, procurement, all applicable cross-cutters as outlined in Appendix H, and when the following circumstances apply to an SRF funded project (in whole or in part):

Litigation: The records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken if any litigation, claim, or audit is started before the expiration of the three-year period.

Property and Equipment: The records for property and equipment acquired with the support of SRF funds must be retained for three years after final disposition.

Force Account Labor: The records for indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as composite fringe benefit rates) must be retained for three-years. The retention period for its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

G. Financial Administration and Appendix H-SRF Assistance Recipient Federal Requirements.

The Iowa SRF Program requested, at the time of application in SFY 2024, that a portion of the FFY 2023 CWSRF IIJA PFAS/EC allocation, totaling \$1,078,000, be transferred to the DWSRF IIJA PFAS/EC fund. These transferred funds are expected to be received and available for DW PFAS/EC projects during SFY 2027.

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) IIJA PFAS/EC Fund.

DWSRF IIJA LEAD SERVICE LINE REPLACEMENT (LSL) FUND

Iowa intends to apply for and/or receive the full amount of these Cap Grant awards, however, award amounts will be limited to the total of the project applications received and listed on the PPL by the grant application deadline.

FFY	Funding Source	Allocation Amount*
2025	DWSRF IIJA LSL Replacement	\$55,038,000
2026	DWSRF IIJA LSL Replacement	TBD

*This allocation amount is anticipated to be applied for and/or received in SFY 2027

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. LSLs can be system-owned or customer-owned.

- LF eligibility for LSL projects will be determined by the disadvantaged status of the community where the water system is located.
 - DAC community: All of the addresses within the service area will be considered disadvantaged for LF eligibility.
 - Non-DAC communities: If a community does not qualify as DAC using the Service-Based SA Tool, the applicant may use the Census Tract-Based SA Tool to evaluate the disadvantaged status of individual addresses for LF eligibility. Addresses must be located within a census tract that scores between 11-20 on the Census Tract-Based SA Tool to be considered disadvantaged. Only project costs related to LSL replacements in DAC census tracts will be eligible for LF.

See Appendix A - Disadvantaged Communities (DAC) *Appendix A – Disadvantaged Communities 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 **only purpose** must be an LSL replacement project or associated activity directly connected to the identification, planning, design, and replacement of LSLs. LSL Replacement includes:

- A full lead service line replacement including the private portion (but not interior plumbing)
 - *Galvanized service lines that are “unknown” to ever be located downstream of LSL are not eligible for funding after FFY 2024*
- Standalone or connected lead goosenecks, pigtails and connectors
- Pot-holing activities to confirm material types (regardless of type discovered)
- Pitchers and filters following replacement (up to 6 months)
- Lead Service Line disposal
- Planning & Design costs directly related to an LSL replacement project

Application Requirements. In order to be listed on the PPL, application packets must include, at minimum:

1. Intended Use Plan Application
 - An overall project description, including a proposed timeline for the replacement work that can reasonably be replaced in 2-3 years;
 - The location of LSL to be replaced, listed by specific addresses (by census tract, if applicable); and
 - Budget estimate
2. Environmental Review Checklist
3. Viability Assessment
4. PER/Lead Service Line Replacement Plan

Projects may 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 IIJA LSL funding. Although a 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

IIJA Program Information page of the SRF website¹⁵ or the DNR’s DWSRF webpage.¹⁶ A final address list must be submitted in an Excel format and included with the LSLR Plan prior to approval.

After a DNR Water Supply Engineering project manager has reviewed and ensured the plan is complete, an approval letter will be issued based on the final address list. No additional addresses may be added to the project after LSLR Plan approval is issued.

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 ER 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. ER clearance will be based off the final address list submitted/approved with the LSLR Plan and will follow the procedures outlined in the Iowa DWSRF State Environmental Review Process (SERP).

Funding Terms.

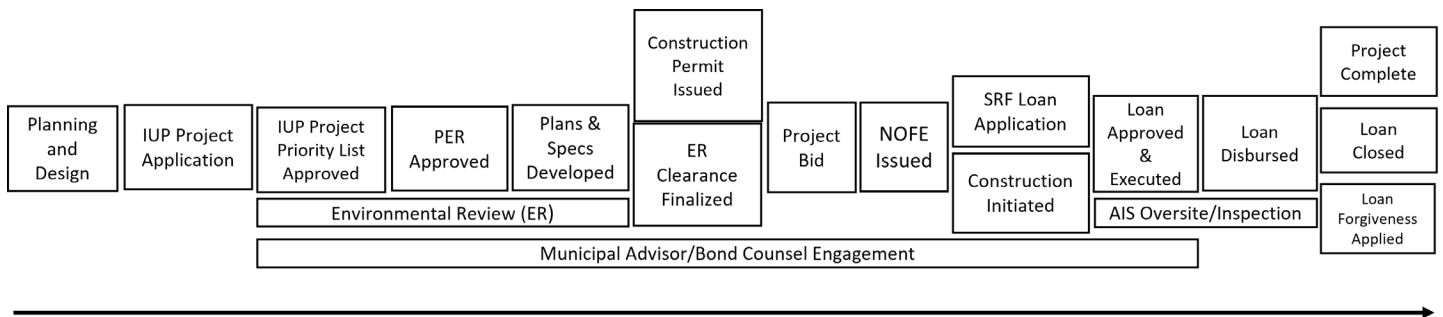
IIJA LSL funding will be offered to borrowers as a combination of additional subsidization (LF) and loans. Special loan interest rates and terms may be offered for LSL projects (see Appendix D – Interest Rates, Fees and Loan Terms Appendix D - Interest Rates, Fees and Loan Terms). Funds will be committed on a first ready, first-funded basis while funds are available.

Special Conditions. Projects being funded with IIJA LSL are all considered equivalency projects and will comply with the federal requirements described in F.

F. Iowa Specific SRF Program Requirements

PROJECT SEQUENCE

In order to ensure that all program requirements are met before binding financial commitments are made, the Iowa SRF Program requires all SRF projects to follow the project sequence below. Following this project sequence keeps projects progressing toward construction; limits duplication of work; reduces risk of re-bidding projects; reduces risk of re-issuing construction permits or environmental clearances; and minimizes the risk of project cost not being eligible for reimbursement from an SRF loan.



ASSISTANCE RECIPIENT REQUIREMENTS

For more information on SRF Program federal requirements, see Appendix H – SRF Assistance Recipient Federal Requirements.

The Iowa SRF Program has developed specific requirements that apply to all Iowa SRF borrowers in order to ensure compliance with EPA program requirements and minimize risk to the program.

¹⁵ LSL Replacement Plan Requirements <https://opportunityiowa.gov/community/water-quality/srf-resources/infrastructure-investment-and-jobs-act>

¹⁶ <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund>

VIALBILITY ASSESSMENT

The Iowa SRF Program requires all borrowers to demonstrate Technical, Managerial and Financial (TMF) Capacity prior to executing an SRF loan. The SRF Program has chosen to use the DNR's Viability Self-Assessment Manual as a tool to demonstrate a system's T & M capacity. Financial capacity is determined through the use of a Municipal Advisor. A Viability Assessment is a required attachment to the IUP application¹⁷.

MUNICIPAL ADVISOR

The Iowa SRF Program requires all borrowers to engage a U.S. Securities and Exchange Commission (SEC) registered Municipal Advisor (MA) for any SRF construction loan. To maintain the integrity of the financing process and avoid conflicts of interest, the same firm or individual may not serve as both Municipal Advisor and Bond Counsel for the same transaction. Borrowers must retain separate entities for each role.

Role and Responsibilities

The MA is responsible for performing a pre-loan pro-forma cash flow analysis to determine if projected revenues are sufficient to meet the loan's debt service coverage requirements. If revenues are found to be insufficient, the MA will recommend the necessary user rate adjustments.

Furthermore, borrowers are required to submit an updated pro forma analysis to the SRF program every five years during the loan repayment period to demonstrate ongoing compliance with debt coverage ratios.

Municipal Advisor Fees

Fees charged by a Municipal Advisor are eligible for reimbursement with SRF loan funds.

BOND COUNSEL

The SRF Program provides loans through the purchase of local bond debt. As such, SRF borrowers must engage with their bond counsel to authorize and issue the debt, prepare documents for public hearings, and to prepare loan closing documents. Fees charged by bond counsel are eligible for reimbursement with SRF loan funds.

PROCUREMENT PROCEDURES

The Iowa SRF Program has adopted the procedures under Ch. 26 – Public Construction Bidding, as the SRF Program's procurement procedures. As such, all SRF borrowers must follow Iowa procurement law, *Ch.26 – Public Construction Bidding*, when bidding SRF construction projects, regardless of a borrower's legal structure. If an SRF borrower is utilizing the Construction Manager at Risk (CMaR) delivery model, *Ch.26A – Guaranteed Maximum Price Contracts* must also be adhered to.

For borrowers utilizing the CMaR method, this process is also required when soliciting for a Construction Manager prior to construction.

Front-End Documents

All SRF borrowers must include SRF Front-End Documents as part of their bid package solicitation. All bidders must be made aware that the project will be subject to SRF requirements prior to submitting a proposal. This includes both the solicitation for qualifications and the invitation to submit proposals when the CMaR delivery model is used.

Some of these documents will be required for borrowers and/or primary contractors to sign when purchases of goods and services are done directly by the borrower and/or outside of a public bid package. SRF staff will inform each project which of the SRF Front-End Documents are required for each undertaking. These documents are also available on the Documents and Guides page of the SRF website¹⁸.

Early Procurement

¹⁷ Viability Assessment Manual <https://www.iowadnr.gov/environmental-protection/water-quality/drinking-water/viability-capacity-building-strategy>

¹⁸ SRF Front End Documents <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

Occasionally, SRF borrowers find it necessary to procure construction-related equipment and services outside of and/or prior to a public request for bids. These activities are typically eligible for reimbursement under an SRF construction loan if SRF Front-End Documents are properly executed and legal opinion is documented. Borrowers will need to contact SRF for guidance on proper documentation.

Equipment-only procurement activities also require compliance with Ch. 26 (see *Legal Opinion of Compliance section below*). Borrowers are encouraged to consult with their legal counsel prior to engaging in these activities to ensure that proper procedures are followed and/or bond documents are drawn up accurately to include these expenses.

Construction Manager at Risk (CMaR)

The CMaR construction delivery model allows for a construction manager to be hired early in the planning phase to assist with the planning and design of a project. The CMaR also offers borrowers more transparency in the bidding process and results in a Guaranteed Maximum Price (GMP) for constructing a project.

Although the CMaR delivery model is compatible with the Iowa SRF Program, there are limitations to its traditional use of “design-build” construction. Iowa SRF projects are more compatible with the “design-bid-build” construction model because all required permits must be issued and the entire scope of the project must have an environmental clearance issued prior to beginning construction.

Borrowers choosing to use the CMaR method must **contact SRF early in the planning phase of the project, prior to soliciting for qualifications for a CMaR**, and must follow Ch.26A procurement procedures. Legal opinions, Front-End Documents and Notice of Funding Eligibility are all required for SRF reimbursement of costs associated with the selection of the Construction Manager (see applicable sections for more details).

Legal Opinion of Compliance

To demonstrate compliance with Iowa procurement law, borrowers will be required to submit a legal bid opinion to SRF. Borrowers are encouraged to seek a preliminary opinion review or “Form of Bid Opinion” by legal counsel prior to beginning their procurement processes. Example templates of these documents can be found on the Documents and Guides page of the SRF website¹⁹.

- **Construction Manager Procurement.** After selection of the construction manager and the construction manager contract is executed and delivered, a “Legal Opinion of Compliance” must be signed by legal counsel certifying compliance with Ch. 26A. *This opinion **is separate from and in addition to** the opinion offered after the GMP construction contracts are executed and delivered.*
- **Construction Procurement.** After construction contracts are executed and delivered, a “Legal Opinion of Compliance” must be signed by legal counsel certifying compliance with Ch.26 or Ch. 26A, as applicable.
- **Equipment-only Procurement.** When purchases of equipment are done directly by the borrower and/or outside of a public bid package, this equipment is still considered a part of a public construction project and must adhere to Ch.26A “Legal Opinion of Compliance” must be signed by legal counsel certifying compliance with Ch.26 (in particular Ch.26.14.3a), as applicable to purchase thresholds.

NOTICE OF FUNDING ELIGIBILITY (NOFE)

The SRF Program reviews public bid documents for cost eligibility, including bid tabulations, contract award documents, procurement documents, and purchase agreements. Lump sum bids are not acceptable without the supporting schedule of values. Following review of these documents, the SRF Program will issue a NOFE indicating the amount of construction costs eligible per bid package, for an SRF construction loan. A NOFE also indicates a borrower’s next steps and required documents needed before a construction loan application will be presented to the IFA Board for approval.

SELF CERTIFICATIONS

The SRF Program utilizes a self-certification form for demonstrating compliance with select federal program requirements. Although some additional program oversight may also occur, self-certifications are collected for American

¹⁹ Form of Legal Bid Opinion <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

Iron and Steel compliance, Build America, Buy American (BABA) compliance, Disadvantaged Business Enterprise (DBE) usage, and Davis-Bacon Act compliance.

RECORDS RETENTION²⁰

The SRF Program requires retention of SRF project records for a period of a minimum of three years from the date of the final disbursement of the last loan closed for a project. The “Final Disbursement Date” can be found on the loan's Final Amortization Schedule provided to a borrower by IFA. If there is more than one loan issued for an SRF project, the date of retention is determined by the last loan closed. Records to be retained include but are not limited to, permits, financial records, supporting documentation and compliance documentation for Davis-Bacon, American Iron and Steel, Environmental Review, procurement, all applicable cross-cutters as outlined in Appendix H, and when the following circumstances apply to an SRF funded project (in whole or in part):

Litigation: The records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken if any litigation, claim, or audit is started before the expiration of the three-year period.

Property and Equipment: The records for property and equipment acquired with the support of SRF funds must be retained for three years after final disposition.

Force Account Labor: The records for indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as composite fringe benefit rates) must be retained for three-years. The retention period for its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

G. Financial Administration

RATES, FEES AND LOAN TERMS & CONDITIONS

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

PROJECT READINESS FOR LOAN APPLICATION

Prior to a loan application being considered ready to go before the IFA Board for approval, borrowers must receive a Notice of Funding Eligibility from SRF and submit all applicable legal bid opinions to IFA.

SRF Notice of Funding Eligibility (NOFE)

NOFE Letters will be issued **only after** the following program requirements are complete:

- Construction Permit(s) issued by DNR Project Manager for all project phases to be funded by the SRF loan
- Environmental Clearance issued by SRF ER staff
- Project Bid and Bid Documents (including signed SRF Front-End Documents) submitted to DNR

NOFE Letters will include “next steps” which, at minimum, include the collection of the following documents:

- Legal Opinion of Compliance – *An opinion by legal counsel certifying compliance with Chapter 26 and/or 26A*
- Executed contract(s)
- Notice to Proceed

A Construction Loan Application **will not be considered “complete” until SRF issues a NOFE Letter and the borrower submits an opinion of legal counsel to DNR certifying compliance with Iowa public bidding law.**

Prior to Approving a Construction Loan:

²⁰ The records retention requirements for borrowers follows the SRF Program’s records retention and methods requirements found in 2 CFR [§ 200.334](#) and [§ 200.336](#), respectively.

A complete SRF Construction application includes a proforma and proof of rate ordinance adoption. When the complete SRF construction loan application is accepted, the loan will be considered for IFA Board approval. Once the board approves the loan, the 90-day interest rate lock will be in effect.

- For revenue-backed loans, borrowers submit a pro-forma cash flow analysis prepared by a registered Municipal Advisor identifying all outstanding parity obligations and detailing the revenues, expenses, outstanding debt, and debt coverage ratios for the system. At a minimum, the pro-forma should show financial information based on actuals for the past two years, the current year, and projections for the next two years.
- If user rates must be increased to meet the loan's debt coverage requirements, provide documentation that action has been taken to implement the recommendation of the Municipal Advisor (adopted rate ordinance, public hearing notice, etc.).

DISADVANTAGED COMMUNITIES

(See Appendix A – Disadvantaged Communities Appendix A - Disadvantaged Communities (DAC))

The SDWA defines DAC as the entire service area of a PWS that meets affordability criteria established by the State after public review and comment.

The SA Tool and the metrics are discussed in Appendix A – Disadvantaged Communities Appendix A - Disadvantaged Communities (DAC), and they define the affordability criteria that will be used to evaluate the DAC status of a borrower. When funding sources mandate, the DAC status of a borrower will be used to determine SRF LF eligibility. The SA Tool is updated with new census data each year and will become effective, with the IUP, on the first day the state fiscal year. Borrowers will use the SA Tool in effect for the state fiscal year of their project application to determine DAC score. **DAC determinations are made at the time of IUP application. Once a DAC score is assigned to a project, it will not change for that project.**

ADDITIONAL SUBSIDIZATION

(See Appendix B – Additional Subsidization Appendix B - Additional Subsidization)

Iowa applies additional subsidization in the form of LF. Appendix B - Additional Subsidization Appendix B 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. At the end of each fiscal year, unassigned or reallocated LF may remain available in subsequent years in accordance with its original criteria, or may be combined with the funds made available in accordance with the new Cap Grant criteria.

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 with loan amounts totaling the amount of each Cap Grant received, to comply with all federal funding requirements applicable to that Cap Grant.

Projects assigned as equivalency for SRF capitalization grants will have to comply with the following federal requirements:

- Disadvantaged Business Enterprise
- Single Audit Act
- Federal Funding Accountability and Transparency Act (FFATA) reporting
- EPA signage requirements
- BABA (FFY 2022 and all future capitalization grants)²¹
- Federal environmental crosscutters (such as Endangered Species Act and National Historic Preservation Act)
- Federal Socioeconomic crosscutters (such as Debarment & Suspension Executive Order and Prohibition on Certain Telecom and Video Surveillance Services/Equipment)

Appendix H-SRF Assistance Recipient Federal Requirements outlines each of the program and equivalency requirements including a breakdown of the federal crosscutters and how the SRF borrower achieves compliance with each

²¹ <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

requirement (See also Appendix G – Federal Assurance, 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. The evaluation is project-specific. Many factors are considered but, at minimum, the following factors are evaluated when making project selections for equivalency:

- Project type
- Project cost
- Project timeline
- Timing of loan execution
- Structure of loan(s)
- Federal co-funding (specifically, do other co-funding sources already require the same compliance?)
- Population of borrower
- Disadvantaged status of borrower
- Single audits (are they typically performed for the borrower?)

The SRF Program will coordinate with borrowers during project planning to identify and assign projects for equivalency. Because it is unknown which projects listed on the PPL will execute loan agreements in a fiscal year, the final equivalency loans selected for each year will not be listed in the IUP but will be identified 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 disburse the loan portion of the FFY2026 DWSRF Base Capitalization Grant, FFY2026 IJJA General Supplemental Fund, the FFY2022, FFY 2023, and FFY 2024 IJJA LSL Funds and FFY 2022, FFY 2023, FFY 2024 IJJA PFAS/EC Funds during the program year.

Allocation of Funds Among Projects. All projects listed in the DWSRF PPL (Attachment 1) may be funded from the DWSRF subject to available funds.

The following approach was used to develop Iowa's proposed distribution of DWSRF funds:

1. Analysis of the priority of communities applying and financial assistance needed;
2. Identification of the sources and spending limits of available funds;
3. Allocation of funds among projects;
4. Development of a payment schedule which will provide for making timely binding commitments to the projects selected for DWSRF assistance; and
5. Development of a disbursement schedule to reimburse the project costs as incurred.

Allocation of funds to eligible projects was based on a three-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.

All projects listed in the DWSRF PPL may be funded from the DWSRF Program subject to available funds and eligibility. Information pertinent to each DWSRF 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 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 2027 and will report assignments of these funds in the annual report.

FUNDING SOURCES AND USES

(See Appendix E – Estimated Sources and Use)

During SFY 2027, the Iowa SRF Program will apply for and/or receive the following capitalization grants and amounts:

FFY	Funding Source	Allocation Amount
2022	DWSRF IIIA LSL Re-allotment #2	\$1,940,000
2023	DWSRF IIIA LSL Re-allotment #1	\$6,988,000
2024	DWSRF IIIA LSL Re-allotment #1	\$7,7167,000
2025	DWSRF IIIA LSL Replacement	\$55,038,000*
2026	DWSRF Base Cap Grant	\$5,777,000
2026	DWSRF IIIA GS Grant	\$37,419,000

*This amount is subject to the total of the project applications received by the application deadline

During SFY 2027, the Iowa SRF Program will apply for (but may not receive these funds in SFY 2027) the following capitalization grants and amounts:

FFY	Funding Source	Allocation Amount
2026	DWSRF IIIA PFAS/EC	\$11,487,000*
2026	DWSRF IIIA LSL Replacement	TBD*

*This amount is subject to the total of the project applications received by the application deadline

Appendix E – Estimated Sources and Uses illustrates potential sources and uses of funds in the DWSRF for SFY 2027. As shown, all pending loan requests and program administration needs can be funded. To account for the fact that projects draw their funding at different intervals, Iowa SRF frequently analyzes program cash flows to ensure adequate funding is available. Appendix E will be updated, as appropriate, 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 new SDWA regulations and other future drinking water needs. If Iowa SRF continues to receive Cap Grants, and provides at least 26% of the Base Cap Grant and 49% of the IJJA Supplemental Cap Grant as LF, it is estimated that the DWSRF could loan an average of approximately \$215 million per year over the next 10 years, or a total of \$2.15 billion. These figures would increase with an increase in interest rates.

DWSRF - SFY 2027 as of April 15, 2026

SOURCES OF FUNDS

Federal Capitalization Grants:

FFY 2022 Grant(s):

IJJA Emerging Contaminants (undrawn amount)	\$11,153,000
IJJA Lead Service Line Replacement (undrawn amount)	\$46,806,000
IJJA Lead Service Line Replacement (reallotment; applied Mar 2026)	\$1,940,000
Total FFY 2022 Capitalization Grants Available	\$59,899,000

FFY 2023 Grant(s):

IJJA Emerging Contaminants (undrawn amount)	\$11,809,000
IJJA Lead Service Line Replacement (undrawn amount)	\$29,319,000
IJJA Lead Service Line Replacement (reallotment; applied Mar 2026)	\$6,988,000
Total FFY 2023 Capitalization Grants Available	\$48,116,000

FFY 2024 Grant(s):

IJJA Emerging Contaminants (undrawn amount)	\$11,487,000
IJJA Lead Service Line Replacement (undrawn amount)	\$30,066,000
IJJA Lead Service Line Replacement (reallotment; applied Mar 2026)	\$7,167,000
Total FFY 2024 Capitalization Grants Available	\$48,720,000

FFY 2025 Grant(s):

IJJA Emerging Contaminants (undrawn amount)	\$11,487,000
IJJA Lead Service Line Replacement (applied Mar 2026)	\$55,038,000
Total FFY 2025 Capitalization Grants Available	\$66,525,000

FFY 2026 Grant(s):

Base Program (application forthcoming)	\$5,777,000
IJJA Supplemental (application forthcoming)	\$37,419,000
IJJA Emerging Contaminants (application forthcoming)	\$11,487,000
Total FFY 2026 Capitalization Grants Available	\$54,683,000

Estimated Loan Repayments (P&I)	\$61,602,000
Estimated Fee Income	\$2,250,000
Funds Available in Equity and Program Accounts	\$179,154,000
Estimated Investment Earnings on Funds	\$4,104,000
Estimated Bond Proceeds:	
Leveraged/Reimbursement	\$76,980,000
New State Match	\$7,730,000

TOTAL SOURCES

\$609,763,000

ANTICIPATED USES OF FUNDS

Administration	\$7,029,000
Project Funding:	
Disbursements to Existing Loan Commitments*	\$93,522,000
Disbursements to Future Loan Commitments:	
Planning & Design Loan Requests from IUP**	\$3,069,000
Additional DWSRF Project Requests***	\$83,409,000
Debt Service:	
Principal Payments on Outstanding Revenue Bonds	\$25,505,000
Interest Payments on Outstanding Revenue Bonds	\$18,666,000
Retained Equity****	\$378,563,000
TOTAL USES	\$609,763,000
NET AVAILABLE FUNDS	\$0

Rounded to the nearest \$1,000

* Assumes 60% disbursement rate.

** Assumes 50% disbursement rate.

*** Additional projects from IUP (up to the budgeted disbursement total for SFY 2027).

**** Includes accumulated undrawn cap grants, investment interest, and loan repayments available for future project funding and/or debt service.

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 Water Infrastructure Finance and Innovation Act (WIFIA). 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 Clean 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 strong and sustained demand for loans and it utilizes Federal Cap Grant funds as quickly as possible. After SRF bonds are issued, state match funds are spent first, before drawing Cap Grant funds. The Cap Grant funds are drawn at a 100% proportionality ratio. Loan disbursements requests are processed weekly.

Throughout the first 9 months of SFY 2026 (through March 2026), the DWSRF program disbursed an average of approximately \$31.1 million per month. Since the program's inception, Iowa's DWSRF has provided more than \$3.00 of assistance for every \$1.00 of federal investment due to the revolving nature of the program, demonstrating SRF's efficiency and effectiveness in delivering water infrastructure funding to important projects.

OTHER PROGRAM USES

ADMINISTRATIVE ACCOUNTS

DWSRF administration expenses include the work of drinking water engineering section project managers, SRF Environmental Review Specialists, SRF Project Compliance Specialist, program coordinators, program admin, program managers, financial officers and loan coordinators. It also covers expenses for financial and legal advisors. These program expenses will first be paid out of administrative set-aside and Program Income; and then Non-Program Income will be used once Program Income has been fully expended.

There are three distinct funding sources for DWSRF administrative expenses: Cap Grant administrative set-aside, loan initiation fees, and loan servicing fees.

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. Iowa will use or reserve all 4% of Admin. Planned expenses are discussed in Section H. Set-Aside Uses.

Program Income. A 0.50% **loan initiation fee** is charged on new DWSRF construction loans which is included in the loan principal. Iowa uses the initiation fee receipts for administration of the DWSRF Program. Program Income is earned throughout the fiscal year by funds received from loan initiation fees as described in Appendix D – Interest Rates, Fees, and Loan Terms.

Loan initiation fees will not be assessed on loans to any DAC borrowers.

Non-Program Income. An **annual servicing fee** of 0.25% is charged on the outstanding principal of DWSRF construction loans (see Appendix D – Interest Rates, Fees, and Loan Terms).

Iowa uses servicing fees collected throughout the fiscal year while the Cap Grant is open for administration of the DWSRF Program, and those fees are considered Program Income. Servicing fee receipts collected after the Cap Grant is closed are considered Non-Program Income and those fees are used for other purposes under SDWA Section 1452 or reserved for future administrative expenses.

A portion of the Non-Program Income funds may be used in SFY 2027 to fund some of the activities completed under the State Program Management set-aside. A portion of these funds may also be used in SFY 2027 toward Drinking Water Laboratory Certification and Capacity Development initiatives. Planned expenses are further discussed in Section H.

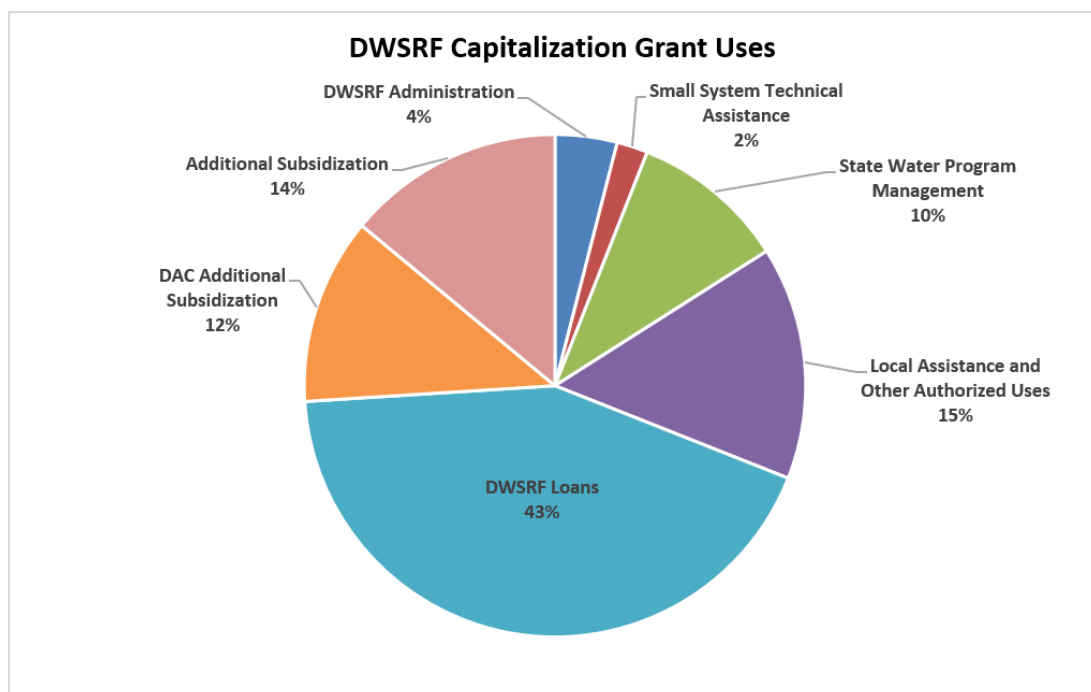
SENIOR ENVIRONMENTAL EMPLOYEE (SEE) SALARY FUNDS DEDUCTED FROM CAPITALIZATION GRANT

The DWSRF Program may withhold funding from FFY 2026 DWSRF Base Cap Grant application for the SEE Program and seek to fill positions under this program during SFY 2027. 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.”

H. 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 2026 workplan and will transition to the SFY 2027 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 taken up to their maximum allowable percentage or 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 IJJA General Supplemental Cap Grant and DWSRF Base Program and reserve authorized amounts from each of the IJJA PFAS/EC Funds and IJJA 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, IJJA GS, IJJA LSL and PFAS/EC Funds including:

- Portfolio management, debt issuance, and financial, management, and legal consulting fees
- Loan underwriting
- Project review and prioritization
- Project management
- Technical assistance to borrowers
- AIS/BABA site inspections
- Database development and implementation
- Contract services for a continuous improvement facilitator
- Program marketing and coordination
- Drinking Water Infrastructure Needs Survey
- ER services*

In order to keep **ER services available for all borrowers, the SRF Program may establish funding limitations per project for archaeological and/or architectural contracted services necessary to complete a project's ER. If funding limitations are implemented, the borrower will be responsible for all related costs in excess of the funding limit.*

Small System Technical Assistance Set-Aside (2%). Iowa intends to use this set-aside to provide technical assistance to 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 2027 Set-Aside Workplan to support initiatives specific to 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 IAC
- Field Office water supply staff conducting sanitary survey inspections at PWSs, as required by the SDWA.
- Create new electronic certification exams and PFAS Monitoring
- Audit laboratories to ensure compliance with permitting requirements
- Conduct surface water training

Additional tasks may be added to the SFY 2027 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)
- System-specific capacity development assistance by contractor, including promotion of asset management planning

Additional tasks may be added to the SFY 2027 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)

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 conditions 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 affordability criteria established in this IUP after public review and comment will be the criteria used to determine DAC status.²² The amount of additional subsidization available to a DAC will be established annually in the IUP (see Appendix B – Additional Subsidization).

SA TOOL

The metrics (affordability criteria) used in the SA Tool was established using EPA guidance and revised with public input. The SA Tool continues to be part of the annual IUP public review and comment process. The SA Tool data is updated annually with new census data and the SFY 2027 SA Tool will go into effect upon approval of this IUP by the EPC.

For SFY 2027, borrowers with a 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.

DAC eligibility will be evaluated at the time of IUP application. All projects added to the Project Priority List (PPL) during SFY 2026 will receive a DAC score based on the SFY 2026 SA Tool and this score will not change with future SA Tool updates. All projects listed on the approved PPL *prior to SFY 2026* will continue to use the DAC score in accordance with the SFY 2024 and SFY2025 SA Tools.

There are two versions of the SA Tool:

- **Service Area-Based** - Metrics results are for an entire community or service area
 - Standard by Place: Applicable to municipalities which serve populations within **incorporated** boundaries.
 - Standard for Large Service Areas: Applicable to municipalities which serve populations within more than 5 incorporated boundaries.
 - Standard for Rural Service Areas: Applicable to Sanitary Districts, Rural Water Associations and/or municipalities which serve populations in **unincorporated** boundaries.
- **Census Tract-Based** - Metrics results are for Census tracts or primary county
 - By Tract: Applicable to Homeowner Associations (HOA) and SRF borrowers for IJJA Lead Service Line projects. This tool will also 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 throughout the SRF website²³.

The SA Tool assesses 10 datapoints from publicly available sources produced by the Census Bureau of the U.S. Department of Commerce (Figure 1 below provides a list of the metrics used in the SA Tool). The SA Tool **is updated annually** with the release of new data from these sources. In SFY 2027, the SA Tool will use 2020-2024 (5-year) data from the American Community Survey.

²² 40 CFR 35.3505 Definitions and IAC 265 Chapter 26.7 - DAC Status

²³ Documents and Guides page <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

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, borrowers will be given a score indicating the relative disadvantage to the other communities in the state (see Figure 1 and Figure 2)²⁴. A weighted average for each metric will be calculated and assigned points. Scores for each metric are totaled to produce an overall assessment of the borrower's underlying social, economic, and demographic profile.

Example: A borrower 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	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*	Non-negative population growth	Declining growth up to -7.5%	Declining growth of more than 7.5%
8 Percent with Highschool Diploma or Less	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
9 Percent of Vacant Homes (excluding 2 nd /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- and renter-occupied housing)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
Relative Disadvantage:	Low	Moderate	High

Figure 1

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

Figure 2

NOTE: In prior years, population growth for both the service area-based and Census tract-based SA Tool was measured at the County level. The service area-based SA Tool now uses Census Place data to measure population growth. Projects that use the tract-based version of the SA tool will continue to use County level data for population growth.

USING THE SA SCORE TO DETERMINE DAC STATUS

The following information applies to DWSRF Base and IIJA 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

²⁴ The only exception is Population Trend. For the service area-based SA-Tool, no points are given for positive or 0% growth, 1 point for negative growth up to -7.5%, 2 points for more than -7.5% population growth.

relative to the other communities in the state. Conversely, borrowers 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.

Borrowers 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

NOTE: Because DAC scores are determined at the time of IUP application, it is possible for a borrower with multiple projects listed on the approved PPL to have different DAC scores for each project, if the project IUP applications were submitted to SRF in different state fiscal years.

Appendix B - Additional Subsidization

The DWSRF Program will comply with the additional subsidization requirements of each Cap Grant and will identify recipients of available funds during the fiscal year. Criteria for additional subsidization eligibility is established with each Cap Grant (see below).

Iowa applies additional subsidization in the form of loan principal forgiveness (LF). LF is applied as principal forgiveness on the later of (1) the date of the final loan disbursement; or (2) the date of the loan's reissuance (if determined as necessary by the borrower's bond counsel).

The final amount disbursed on a loan is used to identify final LF amounts. In some cases, the actual amount of LF applied to a loan is less than the amount that SRF allocated to a project, leaving a remaining balance of LF to be awarded to another project.

PREVIOUS LOAN FORGIVENESS OPPORTUNITIES

Unused portions of LF awards from previous LF opportunities may be reallocated to the next eligible borrower in accordance with its original criteria, or may be combined with other available Cap Grant LF funds and awarded in accordance with the LF criteria in effect for the current funding year.

During SFY 2026, LF award letters were issued to all qualifying projects on the PPL using all available LF funding through FFY 2024. At the conclusion of SFY 2026, LF balances from these capitalization grants remain available to award in SFY 2027:

FFY	LF Funding Source	Awarded Amount	LF Available
2025	DWSRF Base Cap Grant	\$16,277,000	\$4,067,692
2025	DWSRF IIJA BIL GS	\$37,434,000	\$18,342,660

During SFY 2027, SRF will be receiving additional re-allocation/transfer/awarded funds from these previously applied for capitalization grants, providing additional loan forgiveness opportunities:

FFY	Funding Source	Allocation Amount	LF Available
2022	DWSRF IIJA LSL Re-allotment#2	\$1,940,000	\$950,600
2023	DWSRF IIJA LSL Re-allotment #1	\$6,988,000	\$3,424,120
2024	DWSRF IIJA LSL Re-allotment #1	\$7,167,000	\$3,511,830
2025	DWSRF IIJA LSL	\$55,038,000	\$26,968,620
2023	DWSRF IIJA PFAS/EC Grant Transfer from CW	\$1,078,000	\$1,078,000

As of the publication of this draft IUP, LF balances available for reallocation from funding years prior to FFY 2024 are pending final loan disbursements to awarded projects.

SFY 2027 LF CRITERIA

The following criteria will apply to all LF funding available to award during SFY 2027:

GENERAL RESTRICTIONS AND/OR LIMITATIONS

- LF eligibility will be evaluated based on DAC status in accordance with the SA Tool in effect at the time the project is added to the PPL.
- Borrowers being offered LF will be required 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.
- Except for lead service line projects or as otherwise allowed by the program, taxable portions of SRF projects are not eligible for LF.
- Borrowers 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 EPA congressionally directed spending will not be eligible to receive subsequent LF from the Iowa SRF program for the same project.
- Borrowers receiving additional subsidization awards from a previous Cap Grant will not be eligible to receive subsequent LF awards from the Iowa SRF program for the same project.
- LF awards may consist of more than one funding source to fulfill a single award allocation.

DWSRF BASE CAPITALIZATION GRANT AND IIJA GENERAL SUPPLEMENTAL FUND

FFY Fund	Award Amount	LF Required
2026 DWSRF Base Cap Grant	\$5,777,000*	\$1,502,020*
2026 DWSRF IIJA General Supplemental Fund (Year 5)	\$37,419,000*	\$18,335,310*

*This award amount is anticipated to be received during SFY 2027.

MAXIMUM AWARD AMOUNTS

LF awards will be issued as a not to exceed maximum award amount. Maximum amounts are based on a borrower’s DAC score, in accordance with the SA Tool in effect at the time of IUP application (all borrowers listed on the approved PPL prior to SFY 2027 were assigned a DAC score in accordance with the SFY 2024, SFY 2025, and SFY 2026 SA Tools).

LF awards from this funding source are applied only to the total eligible construction costs of the project.

Maximum award amounts based on DAC scores are identified below in Figure 3 - LF Award Scale:

DAC Score	Maximum LF Award Amount
20	\$ 1,400,000
19	\$ 1,300,000
18	\$ 1,200,000
17	\$ 1,100,000
16	\$ 1,000,000
15	\$ 900,000
14	\$ 800,000
13	\$ 700,000
12	\$ 600,000
11	\$ 500,000

Figure 3 - LF Award Scale

ELIGIBILITY CRITERIA

1. Eligible compliance projects submitting an IUP application during SFY 2027 that result in the resolution of public health violations or return a system to compliance upon completion. Projects include correction of one of the following:
 - A. Non-compliance with Safe Drinking Water Act (SDWA)
 - B. Maximum Contaminant Level (MCL) or Health Advisory Level (HA) Violation
 - C. Identified Significant Deficiency (determined by DNR)

D. Requirements of a Bilateral Compliance Agreement (BCA)

2. Any eligible DAC project currently listed on the PPL and new eligible DAC projects added to the PPL during SFY 2027 (all project types considered).

METHOD OF AWARD

Projects that meet compliance requirements listed above will be allocated LF upon approval of the PPL. LF will be allocated to all other eligible DAC projects in accordance with the methods described below:

At the conclusion of the 2nd quarter of SFY 2027, all available reallocated and/or new LF funds will be used to allocate LF awards to any eligible project on the PPL, based on the ranking criteria listed below, until (1) all available funding is allocated or (2) all eligible projects have received an award.

Prior to the end of the 4th quarter of SFY 2027, any remaining, reallocated or new LF funding will be allocated to any remaining eligible projects on the PPL, based on the ranking criteria listed below, until (1) all available funding is allocated or (2) all eligible projects have received an award.

Projects will be ranked and LF assigned according to the following ranking criteria:

1. First, all projects (DAC scores 11-20) will be ranked **by DAC score** (highest to lowest).
2. Next, projects will be ranked **by project priority points** (highest to lowest).
3. If necessary, the date of loan execution will be used as a tiebreaker to determine final priority ranking.

The DWSRF Program reserves the right to modify the DAC level maximum LF award amounts and/or to withdraw the limitation to construction costs.

DWSRF IIJA PFAS/EC FUND

FFY IIJA Fund	LF Required	LF Committed	LF Available to Award
2024 DWSRF PFAS/EC (IIJA Year 3)	\$11,487,000	\$0	\$11,487,000
2025 DWSRF PFAS/EC (IIJA Year 4)	\$11,487,000	\$0	\$11,487,000
2026 DWSRF PFAS/EC (IIJA Year 5)	\$11,487,000*	\$0	\$11,487,000*

*This award amount is anticipated to be applied for during SFY 2027.

MAXIMUM AWARD AMOUNTS

The DWSRF Program reserves the right to withdraw or modify the individual project cap.

LF will be applied to eligible project costs within the SRF portion of the project.

- LF for new water source projects is capped at **\$3 million per project or 80% of the SRF loan, whichever is less.**
- LF for individual treatment projects is capped at **\$8 million per project or 80% of the SRF loan, whichever is less.**
- LF for consolidation projects is capped at **\$8 million per project or 90% of the SRF loan, whichever is less.**

ELIGIBILITY CRITERIA

LF may be issued to any borrower addressing PFAS or an EC meeting the criteria described in the IUP E. SFY 2027 Program Activities to be Supported.

1. **Treatment or New Water Source Projects.** LF of up to 80% may be offered for eligible project costs for projects that meet the contaminant and detection level priorities as listed below.

Emerging Contaminant	Concentration (ppt) ¹	Loan Forgiveness %	
		Finished Water for PWS with Treatment ₃	Raw Water for PWS without Treatment ₃
PFAS	PFOA ≥ 4.0	80%	60%
	PFOS ≥ 4.0	80%	60%
	PFHxS ≥ 10	80%	60%
	PFNA ≥ 10	80%	60%
	HFPO-DA (Gen X) ≥ 10	80%	60%
	Hazard Index ² > 1	80%	60%
Health Advisories (HA) on EPA's Contaminant Candidate Lists 1-6 (Non PFAS)	≥ HA level	80%	60%
	≥ 75% of HA level	40%	N/A

¹In parts per trillion, except for the Hazard Index⁷

²Hazard Index calculation is based on the April 2024 final rule for the National Primary Drinking Water Regulation for PFAS.

³Treatment addresses the emerging contaminant through a removal process. Blending of raw water sources is not considered treatment.

2. **Consolidation Projects.** LF of 90% may be offered for eligible consolidation/connection projects with the purpose of resolving a source water issue due to an eligible contaminant with a detection level listed above.

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 LF even if there is no violation or compliance issue for system A. 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 LF.

METHOD OF AWARD

LF will be awarded on a first ready, first-funded basis while funds are available. *It is the intent of the SRF Program to issue LF award letters to eligible projects as projects meet the "Ready" phase (see Project Priority List section of this IUP).*

DWSRF IIJA LSL REPLACEMENT FUND

FFY IIJA Fund	LF Required	LF Committed	LF Available to Award
2025 DWSRF IIJA LSL (IIJA Year 3)	\$26,968,620*	\$0	\$26,968,620*

*This award amount is anticipated to be received during SFY 2027 and is subject to the total of the project applications received by the application deadline.

MAXIMUM AWARD AMOUNTS

The DWSRF Program reserves the right to withdraw or modify the individual project cap.

Funding for individual projects is **capped at 49% per project.**

ELIGIBILITY CRITERIA

LF may be issued to any borrower for lead service line inventory or replacement meeting the criteria described in the IUP E. SFY 2027 Program Activities to be Supported.

Regardless of ownership:

(1) LF of 49% may be offered to DAC borrowers for all eligible **project costs** necessary to replace full lead service lines **anywhere** within their service area.

(2) LF of 49% may be offered to non-DAC borrowers for all eligible **project** costs necessary to replace full 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 E. SFY 2027 Program Activities to be Supported.

For non-DAC borrowers, costs related to LSL replacements completed in census tract areas that do not meet the DAC criteria and non-construction costs (such as legal and engineering fees) 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).

METHOD OF AWARD

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

LF is allocated to an LSL project upon approval of the PPL. LF will not be **awarded** or offer letters sent to the borrower until DNR engineering staff have approved the borrower's LSLR Plan and an environmental review is finalized (project readiness is described in the IUP in section E. SFY 2027 Program Activities to be Supported).

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 SDWA. 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.

PPL 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. The ranking will be done at the time the IUP is prepared and will not be updated during the year.

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 EPA regulations or guidance to be eligible for DWSRF funding);
3. The entity with the smallest served population shall receive the next highest priority.

IJIA PFAS/EC and LSL Replacement projects on the PPL may be given a **contingency** status until all fundable criteria described in section E. SFY 2027 Program Activities to be Supported of this IUP have been met.

PPL SCORING CRITERIA

Eligible PWS projects will be scored for inclusion in the PPL based on the application as submitted, 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 15 points)
- D. Special Category Improvements (maximum of 15 points)
- E. DNR Adjustment Factor for Population (10 points)

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 OF FINANCING

SRF P&D LOANS

SRF Planning & Design (P&D) Loans are available to eligible entities to reimburse costs incurred during the preliminary phase of an SRF-eligible proposed drinking water project. Eligible costs include, but are not limited to, engineering fees, archaeological surveys, environmental studies, and other expenses associated with the preparation and submission of the project plan.

A key feature of P&D Loans is the deferral of all interest and principal payments for up to three years while the project is being designed. These loans have no minimum or maximum funding limits and are not assessed initiation or servicing fees. While there are no program fees, applicants are required to engage a 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 secured.

SRF CONSTRUCTION LOANS

SRF Construction Loans provide low-cost, long-term financing for a wide range of drinking water infrastructure projects. Key features include below-market interest rates, low fees, and flexible repayment terms of up to 30 years.

To secure the loan, borrowers must provide a first-lien pledge. Acceptable forms of security include:

- A pledge of the utility system's net revenues.
- A pledge of ad valorem taxes levied against all taxable property (a General Obligation pledge).
- A combination of both revenue and General Obligation pledges.

Additionally, the SRF Program may, on a case-by-case basis, require a borrower to establish and maintain Debt Service Reserve Fund (DSRF). This requirement is typically considered for loans with unique credit profiles or financial structures that warrant additional security to ensure repayment. If required, the SRF must be funded in an amount equal to the lesser of the following:

- 10% of the par amount of the loan;
- 100% of the Maximum Annual Debt Service (MADS); or
- 125% of the Average Annual Debt Service.

The DSRF may be funded using SRF loan proceeds.

TERMS OF FINANCING

STANDARD TERM LOANS (UP TO 20 YEARS)

Standard Term SRF Construction Loans are offered with a standard repayment term of up to 20 years.

EXTENDED TERM LOANS (21-30 YEARS)

Extended term loans, with a repayment period of up to 30 years, are available for qualifying projects. The maximum term may not exceed the project's average useful life. To be considered for extended term financing, a completed and signed *DWSRF Extended Financing Worksheet* must be submitted with the construction loan application. This worksheet requires signatures from both the applicant's consulting design engineer and the Iowa DNR project manager. The interest rate for these projects 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

The *DWSRF Extended Term Financing Worksheet* can be found on the Documents and Guides page of the SRF website.²⁵

INTEREST RATES

The Iowa SRF Program is committed to providing a perpetual, low-cost funding source for communities to build infrastructure that provides safe drinking water and treats water pollution to support a healthy environment. To ensure the program's long-term sustainability, the interest rate methodology is reviewed regularly. This process considers factors such as the availability of federal and state funds, market conditions, and the program's overall financial health. The goal is to set rates that are affordable for borrowers while allowing the SRF to operate as a permanent financial resource for Iowa communities.

SETTING THE BASE RATE

The SRF Program establishes Base Interest Rates for both tax-exempt and taxable loans on a quarterly basis. These rates are calculated and published on the first business day of January, April, July, and October (the "Effective Date").

The rates are based on a percentage of the Bloomberg BVAL Municipal Yield Curves ("BVAL"). BVAL was chosen as the benchmark index because it is widely used, objective, and transparently reflects real-time municipal market conditions. The index is publicly available from the Municipal Securities Rulemaking Board (MSRB) for independent tracking. The Base Interest Rate is calculated using the average BVAL 20-year AAA yield for the calendar month immediately preceding the Effective Date. The current methodology is:

- **Tax-Exempt Loans:** The rate is 75% of the average Bloomberg BVAL General Obligation Municipal AAA 20-year yield.
- **Taxable Loans:** The rate is 75% of the average Bloomberg BVAL Taxable General Obligation Municipal AAA 20-year yield.

For example, a rate effective July 1 is calculated using the average BVAL yield during the month of June.

Current SRF loan interest rates are published on the SRF website²⁶.

SPECIAL PURPOSE FUND LOANS

Lead Service Line (LSL) Projects

Projects for the replacement of lead service lines qualify for a promotional interest rate, subject to the following terms:

- **Interest Rate:** A 0% interest rate is available for eligible LSL-related projects²⁷.
- **Applicable Fees:** Standard loan servicing fees apply to the full loan amount (please see the Fees section below for more information).

INTEREST RATE LOCK

To provide applicants with greater certainty during the final stages of the loan process, an interest rate lock is applied once an applicant, in coordination with its financing team, has completed all program prerequisites. These include, but are not limited to:

- Submission of a complete SRF Construction Loan Application;

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.

²⁵ Program Information – Extended Term Financing <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

²⁶ Loan Interest Rates <https://opportunityiowa.gov/community/water-quality/srf-resources/loan-interest-rates>

²⁷ IMPORTANT NOTE: 0% financing is limited to an aggregate amount equal to the amount of the IJJA LSL Cap Grant(s) available for loans (e.g., net of set-asides).

- Issuance of Notice of Funding Eligibility (NOFE) letters by the Iowa DNR for all contracts funded by the loan;
- Receipt of a legal opinion confirming compliance with bidding procedures;
- Completion of all steps necessary to authorize the issuance of the debt; and
- Completion of a pro-forma financial analysis meeting the program's criteria.

Once these prerequisites are met and the application is deemed complete, Program staff will place the loan on an upcoming Iowa Finance Authority (IFA) Board meeting agenda. At that point, the following rate lock terms immediately apply²⁸.

Rate Lock Terms

- **Commencement and Duration:** A loan's interest rate is locked for a 90-day period on the date that Program staff formally submit the loan for the Board's agenda.
- **Protection from Rate Increases:** The locked rate protects the applicant from any potential interest rate increases that may occur during the 90-day period.
- **Benefit from Rate Decreases:** If the Program's published interest rates decrease during the lock period before the final loan agreement is signed, the applicant will automatically receive the new, more favorable rate.
- **Expiration:** Should the loan not be closed before the 90-day lock period expires, the interest rate will be reset to the Program's currently published rate at the time of closing.

FEES

Fee income is considered both Program Income and Non-Program Income, depending on when it is collected and if it is capitalized as part of the SRF loan. Program Income may only be used for purposes of administering the SRF Program or for making new loans. Non-Program Income can be used to administer the program or for other water quality purposes. The uses of Program Income and Non-Program Income are discussed in this IUP under Section F. Financial Administration-Other Program Uses and Section G. Set-Aside Uses.

LOAN INITIATION FEES

A one-time Loan Initiation Fee is assessed on new SRF Construction Loans, typically paid from loan proceeds at closing.

- **Rate:** 0.50% of the full loan commitment amount.
- **Maximum Fee:** The total initiation fee will not exceed \$100,000 per loan.
- **Fee Waiver for Disadvantaged Communities (DAC):** The 0.50% Loan Initiation Fee is waived for any borrower that meets the program's criteria as a Disadvantaged Community (DAC). A borrower's DAC designation is determined based on criteria applied to the community as a whole. Therefore, borrowers identified as DAC are eligible for the fee waiver even if only portions of their service area (e.g., specific Census Tracts) meet the DAC threshold.

For non-DAC communities, the standard initiation fee applies to all projects. This policy extends to Lead Service Line (LSL) replacement projects, where waiver eligibility is based on the borrower's overall DAC status, not the DAC status of an individual project location.

When capitalized, this fee income is considered Program Income.

²⁸ Loan Interest Rates <https://opportunityiowa.gov/community/water-quality/srf-resources/loan-interest-rates>

LOAN SERVICING FEES

An annual Loan Servicing Fee is charged on the outstanding balance of SRF Construction Loans for the duration of the loan term.

- **Rate:** 0.25% of the outstanding principal balance each year.
- **Payment:** The fee is paid semi-annually along with scheduled principal and interest payments.

Pursuant to established regulatory guidance, loan servicing fees may be classified as either Program Income or Non-Program Income.

Appendix E – Estimated Sources and Uses

DWSRF - SFY 2027 as of April 15, 2026

SOURCES OF FUNDS

Federal Capitalization Grants:

FFY 2022 Grant(s):

IIJA Emerging Contaminants (undrawn amount) \$11,153,000

IIJA Lead Service Line Replacement (undrawn amount) \$46,806,000

IIJA Lead Service Line Replacement (reallotment; applied Mar 2026) \$1,940,000

Total FFY 2022 Capitalization Grants Available \$59,899,000

FFY 2023 Grant(s):

IIJA Emerging Contaminants (undrawn amount) \$11,809,000

IIJA Lead Service Line Replacement (undrawn amount) \$29,319,000

IIJA Lead Service Line Replacement (reallotment; applied Mar 2026) \$6,988,000

Total FFY 2023 Capitalization Grants Available \$48,116,000

FFY 2024 Grant(s):

IIJA Emerging Contaminants (undrawn amount) \$11,487,000

IIJA Lead Service Line Replacement (undrawn amount) \$30,066,000

IIJA Lead Service Line Replacement (reallotment; applied Mar 2026) \$7,167,000

Total FFY 2024 Capitalization Grants Available \$48,720,000

FFY 2025 Grant(s):

IIJA Emerging Contaminants (undrawn amount) \$11,487,000

IIJA Lead Service Line Replacement (applied Mar 2026) \$55,038,000

Total FFY 2025 Capitalization Grants Available \$66,525,000

FFY 2026 Grant(s):

Base Program (application forthcoming) \$5,777,000

IIJA Supplemental (application forthcoming) \$37,419,000

IIJA Emerging Contaminants (application forthcoming) \$11,487,000

Total FFY 2026 Capitalization Grants Available \$54,683,000

Estimated Loan Repayments (P&I) \$61,602,000

Estimated Fee Income \$2,250,000

Funds Available in Equity and Program Accounts \$179,154,000

Estimated Investment Earnings on Funds \$4,104,000

Estimated Bond Proceeds:

Leveraged/Reimbursement \$76,980,000

New State Match \$7,730,000

TOTAL SOURCES

\$609,763,000

ANTICIPATED USES OF FUNDS

Administration \$7,029,000

Project Funding:

Disbursements to Existing Loan Commitments* \$93,522,000

Disbursements to Future Loan Commitments:

Planning & Design Loan Requests from IUP** \$3,069,000

Additional DWSRF Project Requests*** \$83,409,000

Debt Service:

Principal Payments on Outstanding Revenue Bonds \$25,505,000

Interest Payments on Outstanding Revenue Bonds \$18,666,000

Retained Equity**** \$378,563,000

TOTAL USES

\$609,763,000

NET AVAILABLE FUNDS

\$0

Rounded to the nearest \$1,000

* *Assumes 60% disbursement rate.*

** *Assumes 50% disbursement rate.*

*** *Additional projects from IUP (up to the budgeted disbursement total for SFY 2027).*

**** *Includes accumulated undrawn cap grants, investment interest, and loan repayments available for future project funding and/or debt service.*

Appendix F - State Match

Drinking Water SRF

Federal Fiscal Year 2024

Sources of State Match

Surplus State Match from Prior Year(s)		\$622,500
State Match Bonds Issued in June 2024		\$8,000,000
Total DW State Match Available		\$8,622,500

Application of State Match

	Cap Grant (\$)	Match Required (%)	Match Required (\$)
FFY 2024 Base Cap Grant (includes reallocation)	\$7,031,000	20%	\$1,406,200
FFY 2024 IJA Supplemental Cap Grant	\$34,558,000	20%	\$6,911,600
Total DW State Match Required			\$8,317,800

DW State Match Surplus (Deficit)

\$304,700

Federal Fiscal Year 2025

Sources of State Match

Surplus State Match from Prior Year(s)		\$304,700
State Match Bonds Issued in July 2025		\$12,000,000
Total DW State Match Available		\$12,304,700

Application of State Match

	Cap Grant (\$)	Match Required (%)	Match Required (\$)
FFY 2025 Base Cap Grant	\$16,277,000	20%	\$3,255,400
FFY 2025 IJA Supplemental Cap Grant	\$37,434,000	20%	\$7,486,800
Total DW State Match Required			\$10,742,200

DW State Match Surplus (Deficit)

\$1,562,500

Federal Fiscal Year 2026

Sources of State Match

Surplus State Match from Prior Year(s)		\$1,562,500
State Match Bonds to be Issued in June 2026 (est.)		\$7,730,000
Total DW State Match Available		\$9,292,500

Application of State Match

	Cap Grant (\$)	Match Required (%)	Match Required (\$)
FFY 2026 Base Cap Grant	\$5,777,000	20%	\$1,155,400
FFY 2026 IJA Supplemental Cap Grant	\$37,419,000	20%	\$7,483,800
Total DW State Match Required			\$8,639,200

DW State Match Surplus (Deficit)

\$653,300

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 SRF program issues periodic announcements of all executed DWSRF loans. Each SRF funded project is also required to provide public notice of their SRF Project as part of the ER process.

VIABILITY ASSESSMENT

The SDWA requires states to ensure PWSs can provide safe drinking water to their public at a reasonable cost for the foreseeable future. Iowa has chosen to use a Viability Self-Assessment Manual²⁹ as a tool for water supplies to appraise their technical, managerial, and financial capability. SRF borrowers will be required to submit a Viability Self-Assessment for approval.

GREEN PROJECT RESERVE (GPR)

Congressional Appropriations allow for DWSRF Cap Grant funds to be used, at Iowa SRF's discretion, to fund projects that qualify under the EPA's GPR, if such applications are submitted. GPR projects address green infrastructure, water and energy efficiency, and/or other environmentally innovative activities. The specific projects identified as GPR will be listed in the annual report.

ADDITIONAL SUBSIDIZATION

DWSRF Base Program funding, provided through the Consolidated Appropriations Act, includes two different additional subsidization authorities (Congressional and SDWA DAC). Additional subsidy authority also exists under the IIJA. 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 systems³⁰. Iowa DWSRF Program conducts oversight of this requirement 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 borrowers 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 website³¹

BUILD AMERICAN, BUY AMERICA (BABA) ACT

On November 15, 2021, President Joseph R. Biden Jr. signed into law the IIJA, Pub. L. No. 117-58, which includes the BABA that strengthens the Made in America Laws.³² Infrastructure projects funded by federal financial assistance must

²⁹ Viability Assessment Manual <https://www.iowadnr.gov/environmental-protection/water-quality/drinking-water/viability-capacity-building-strategy>

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

³¹ AIS documents <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

³² [Build America, Buy America Act, https://www.epa.gov/baba](https://www.epa.gov/baba)

ensure that the *iron, steel, manufactured products, and construction materials* used in the project are produced in the United States.³³

Since not all funds available through the Iowa DWSRF Program are considered federal financial assistance, SRF will provide information to those borrowers required to comply with necessary documentation and inspection procedures. Iowa conducts oversight of this requirement 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 borrowers determine eligibility for the exemptions and waivers provided for in BABA and EPA guidance³⁴. 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 website³⁵.

ENVIRONMENTAL REVIEW

Projects receiving assistance from the DWSRF must conduct ER 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 ER staff conduct a NEPA-like investigation and/or consult with federal authorities on behalf of the SRF borrower to gain the necessary technical assistance and/or concurrence to issue a Categorical Exclusion (CX) or Finding of No Significant Impact (FNSI) clearance. Separate NEPA-like environmental review processes are performed for equivalency and non-equivalency projects in accordance with the EPA-approved Iowa DWSRF State Environmental Review Process (SERP) and the federal assurances below.

Projects receiving assistance from the DWSRF as equivalency projects are required to undergo a review for compliance with several additional environmental authority crosscutters (see Appendix H-SRF Assistance Recipient Federal Requirements). SRF staff will facilitate consultation for concurrence with other federal agencies, as necessary, on behalf of SRF borrowers. In the case of the National Historic Preservation Act (NHPA), SRF staff have been granted designated authority by the EPA to directly consult with the State Historic Preservation Office (SHPO).

In order to keep these services available for all applicants, the SRF Program may establish funding limitations per project for archaeological and/or architectural contracted services necessary to complete a project's ER. If funding limitations are implemented, the applicant will be responsible for all related costs in excess of the funding limit.

DAVIS-BACON

The Davis Bacon Act requires that all contractors and subcontractors performing construction, alteration and repair (including painting and decorating) work under federal contracts in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage and fringe benefits for the geographic location.³⁶ Iowa's oversight of this requirement is conducted by verification of bid documents and wage determinations utilizing SAM.gov, and will require borrowers 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 SDWA, 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.

³³ <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

³⁴ <https://www.epa.gov/system/files/documents/2022-11/OW-BABA-Implementation-Procedures-Final-November-2022.pdf>

³⁵ BABA documents <https://opportunityiowa.gov/community/water-quality/srf-resources/documents-and-guides>

³⁶ <https://www.epa.gov/grants/davis-bacon-and-related-acts-dbra>

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.

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

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 (40 CFR Part 6) will be conducted for any DWSRF project receiving assistance. Projects identified as equivalency projects will also undergo a review for compliance with the National Historic Preservation Act (NHPA) and other applicable environmental authority crosscutters (see Appendix H-SRF Assistance Recipient Federal Requirements).

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 200.334. Federal access to records will be according to 2 CFR 200.336. The State will establish and maintain program and project files as required to:

1. Document compliance with 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 the State and coordinated with EPA as necessary. The State will address project-level and most program inquiries and provide EPA a copy of all Congressional inquiries and responses. 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 the inquiry and response in a timely manner.

Appendix H – SRF Assistance Recipient Federal Requirements

PROGRAM SPECIFIC REQUIREMENTS—ALL SRF PROJECTS

The following federal program requirements are specifically identified in the CWA, SDWA, SRF Program regulations, and/or EPA policy and they apply to all SRF borrowers. These requirements are beyond basic borrower eligibility and basic project/activity requirements.

Requirement	Authorizing Statute	How IA SRF borrowers comply
American Iron and Steel	33 U.S.C. 1388 and 42 U.S.C. 300j-12(a)(4)	SRF Front-End Document #9; SRF Staff perform on-site inspection and desk review of certification letters; and AIS Self-Certification form signed at completion of project.
Davis-Bacon Wages	33 U.S.C. 1382(b)(6) and 42 U.S.C. 300j12(a)(5)	SRF Front-End Document #7b; Self-Certification.
Environmental Review	40 CFR 35.3140; 40 CFR 35.3580	Iowa SRF Environmental Review staff perform a NEPA-like investigation and/or consult with federal authorities on behalf of the SRF borrower to gain the necessary technical assistance and/or concurrence to issue a Categorical Exclusion (CX) or Finding of No Significant Impact (FNSI) clearance. These activities are completed prior to construction.
Generally Accepted Accounting Principles	33 U.S.C. 1382(b)(9) and 42 U.S.C. 300j-12(g)(3)	Loan documents.
Technical, Managerial, and Financial Capacity Demonstration, (DWSRF Only)	42 U.S.C. 300j-12(a)(3)	Viability Assessment and Municipal Advisor.

ADDITIONAL PROGRAM SPECIFIC REQUIREMENTS—EQUIVALENCY PROJECTS ONLY

Requirement	Authorizing Statute	How IA SRF borrowers comply
Single Audit	2 CFR part 200, Subpart F	Submit Single Audit; Corrective Actions.
Signage	EPA Guidance for Enhancing Public Awareness of SRF Assistance Agreements (2015)	SRF Program issues a media release quarterly listing all SRF executed loans. Projects issue public notification of project through social media, customer mailings, or other public notification methods.

REQUIRED CROSS-CUTTERS—ALL SRF PROJECTS

Federal cross-cutter authorities are requirements established by other federal laws and executive orders that apply to federal financial assistance programs. These requirements are not cited in the SRF Programs' authorizing statutes or regulations but apply broadly by their own terms in federal statutes, regulations, or executive orders to a wide range of federal financial assistance programs, including SRF.

Authority	Crosscutter	How IA SRF borrowers comply
Social Policy Authorities	Civil Rights Laws - The Age Discrimination Act of 1975, 42 U.S.C. 6102 et seq. - Section 13 of the Federal Water Pollution Control Act Amendments of 1972, (CWSRF only) 33 U.S.C. 1251 et seq. Civil Rights Laws October 2003.pdf October 2003 - Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 - Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.	Signature on final page of IUP application Section 7; and loan documents.

ADDITIONAL REQUIRED CROSS-CUTTERS—EQUIVALENCY PROJECTS ONLY*

Authority	Crosscutter	How IA borrowers comply
Social Policy Authorities	Participation by Disadvantaged Business Enterprises in United States Environmental Protection Agency Programs	SRF Front-End Documents #3-6, as applicable. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
Environmental Authorities	Archaeological and Historic Preservation Act, 16 U.S.C. 469 et seq. Clean Air Act Conformity, 42 U.S.C. 7401 et seq Coastal Barriers Resources Act, 16 U.S.C. 3501 et seq Coastal Zone Management Act, 16 U.S.C. 1451 et seq. Endangered Species Act, 16 U.S.C. 1531 et seq. Farmland Protection Policy Act, 7 U.S.C. 4201 et seq. Floodplain Management Executive Order No. 11988 (1977), as amended by Executive Order No. 12148 (1979) Magnuson-Stevens Fishery Conservation Management Act, 16 U.S.C. 1801 et seq. National Historic Preservation Act, 54 U.S.C. 300101 et seq. Sole Source Aquifer, Section 1424(e) of Safe Drinking Water Act, 42 U.S.C. 300h-3e Wetlands Protection - Executive Order No. 11990 (1997), as amended by Executive Order No. 12608 (1997)	Iowa SRF Environmental Review staff perform a NEPA-like investigation and/or consult with federal authorities on behalf of the SRF borrower to gain the necessary concurrence or clearances for these crosscutter requirements. These activities are completed prior to construction. <i>*Investigation and/or consultation for these environmental authorities may be conducted for non-equivalency Iowa SRF projects, however, the consultation is for technical assistance to the ER staff and/or borrower rather than for concurrence or clearance purposes.</i>

	Wild and Scenic Rivers Act, 16 U.S.C. 1271 et seq.	
Economic and Miscellaneous Authorities	Administration of the Clean Air Act and the Federal Water Pollution Control Act with respect to Federal contracts, grants, or loans, Executive Order No. 11738 (1973) -Section 306 of the Clean Air Act, 42 U.S.C. 7606 et seq. -Section 508 of the Clean Water Act, 33 U.S.C. 1368 et seq.	SRF Front-End Document #7e. Borrowers must ensure that bidders of goods, services or materials are not on EPAs excluded parties listing at www.SAM.gov . SRF staff verify www.SAM.gov for all selected bidders/procurement contracts. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
	Build America, Buy America Act, Pub. L. 117-58, Sections 70901-70927	SRF Front-End Document #9; SRF Staff perform on-site inspection and desk review of certification letters; and BABA Self-Certification form signed at completion of project.
	Prohibition on Certain Telecom and Video Surveillance Services/Equipment, 2 CFR 200.216	SRF Front-End Document #10. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
	Suspension and Debarment, Executive Order 12549 (1986), 2 CFR Part 180, 2 CFR Part 1532	SRF Front-End Documents #2; SRF staff verifying www.SAM.gov for all selected bidders/procurement contracts. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
	Uniform Relocation and Real Property Acquisition Policies Act, 42 U.S.C 4601 et seq., 40 CFR Part 4, 49 CFR Part 24	Signature on Section 6 of IUP Application. <i>*This requirement is applied to <u>all</u> Iowa SRF projects</i>
	Federal Funding Accountability and Transparency Act (FFATA), Public Law 109-282	SRF Program staff file a FFATA report through www.SAM.gov following a SRF loan execution, as applicable, for projects selected as equivalency.

Appendix I – Public Review and Comments Received

A public meeting to allow input to Iowa’s SFY 2027 IUP and PPL will be held May 28, 2026, 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. Public notice announcements were also posted on the Water Quality News³⁷ and the IUP Intended Use Plan³⁸ pages of the SRF website. Written comments may be submitted to srf-pc@dnr.iowa.gov and will be accepted through June 4, 2026.

Comments Received:

Second Quarter Update:

Comments Received:

Third Quarter Update:

Comments Received:

Fourth Quarter Update:

Comments Received:

³⁷ <https://opportunityiowa.gov/community/water-quality/srf-resources/water-quality-news>

³⁸ <https://opportunityiowa.gov/community/water-quality/srf-resources/intended-use-plan>

Appendix J – IUP Acronyms

Acronym	Description
A/E	Architectural and Engineering
AIS	American Iron and Steel
ARRA	American Recovery and Reinvestment Act of 2009
AWIA	America's Water Infrastructure Act of 2018
AWOP	Area Wide Optimization Program
BABA	Build America, Buy America
BIL	Bipartisan Infrastructure Law
BVAL	Bloomberg Value - General Obligation Municipal AAA 20-year yield
CFR	Code of Federal Regulation
CMaR	Construction Manager at Risk
CSO	Combined Sewer Operations
CWA	Clean Water Act
CWSRF	Clean Water State Revolving Fund
DAC	Disadvantaged Community
DNR	Iowa Department of Natural Resources
DW	Drinking Water
DWSRF	Drinking Water State Revolving Fund
EC	Emerging Contaminants
EFC	Environmental Finance Center
EPA	U.S. Environmental Protection Agency
EPC	Environmental Protection Commission
ER	Environmental Review
FEMA	Federal Emergency Management Agency
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FP	Facility Plan
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles

GMP	Guaranteed Maximum Price
GNS	General Nonpoint Source
GPR	Green Project Reserve
GS	General Supplemental
HOA	Homeowner's Association
IAC	Iowa Administrative Code
IDALS	Iowa Department of Agriculture and Land Stewardship
IFA	Iowa Finance Authority
IIJA	Infrastructure Investment and Jobs Act
IUP	Intended Use Plan
LF	Loan Forgiveness
LSL	Lead Service Line
LWPP	Local Water Protection Program
LWQP	Livestock Water Quality Program
MOU	Memorandum of Understanding
NEPA	National Environmental Protection Act
NHPA	National Historic Preservation Act
NIMS	National Information Management System
NOFE	Notice of Funding Eligibility
NPDES	National Pollutant Discharge Elimination System
NPS	Nonpoint Source
OMB	Office of Management and Budget
OSWAP	Onsite Wastewater Assistance Program
OWSRF	Office of Water State Revolving Fund
P&D	Planning & Design
PER	Preliminary Engineering Report
PFAS	Perfluoroalkyl and polyfluoroalkyl Substances
POPs	Persistent Organic Pollutants
POTW	Publicly Owned Treatment Works
PPCPs	Pharmaceuticals and Personal Care Products
PPL	Project Priority List

PWS	Public Water Supply
PWSS	Public Water Supply Supervision
SA	Socioeconomic Assessment (Tool)
SDWA	Safe Drinking Water Act
SDWIS	Safe Drinking Water Information System
SEE	Senior Environmental Employee
SFY	State Fiscal Year
SWIFIA	State Infrastructure Financing Authority Water Infrastructure Finance and Innovation Act of 2014
SWP	Stormwater Best Management Practices Program
TA	Technical Assistance
WRRDA	Water Resources Reform and Development Act of 2014

Attachment 1 - DWSRF PPL

This is a separate, sortable Excel File

DWSRF Project Priority List (PPL)

Project Status	Abbreviations
Contingent -- C	BIL GS= Bipartisan Infrastructure Law General Supplemental Fund
<i>Pending Drop -- PD (verification needed that project will continue with SRF)</i>	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

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

Loan Forgiveness offered and accepted

Applicant Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score
												Base or BIL GS	PFAS/EC	LSL		
Traer Municipal Utilities	PD-DW-27-21	Water Treatment Facility Improvements	2027	1	P&D		P	\$ 526,000.00								NA
Hawkeye	PD-DW-27-05	New Public Water Supply Well No. 6	2027	1	P&D		P	\$ 150,000.00								NA
Oxford Junction	PD-DW-27-06	Oxford Junction Drinking Water Improvements	2027	1	P&D		P	\$ 273,000.00								NA
Calmar	PD-DW-27-07	2027 Water Main Improvements	2027	1	P&D		P	\$ 175,000.00								NA
Dubuque	PD-DW-27-08	Lead Water Main Replacement	2027	1	P&D		P	\$ 50,000.00								NA
Lansing	PD-DW-27-09	Main Street (IA-9) Reconstruction	2027	1	P&D		P	\$ 193,000.00								NA
South English	PD-DW-27-10	Water System Improvement	2027	1	P&D		P	\$ 137,000.00								NA
Waverly (PFAS)	PD-DW-27-11	Well and Water Treatment Facility	2027	1	P&D		P	\$ 715,000.00				x	x			NA
Panama	PD-DW-27-12	Elevated Water Storage Tank	2027	1	P&D		P	\$ 160,000.00								NA
Eagle Grove (LSL)	PD-DW-27-13	Lead Service Line Replacement	2027	1	P&D		P	\$ 1,491,000.00								NA
Silver City	PD-DW-27-14	2026 Water System Improvements	2027	1	P&D		P	\$ 370,000.00								NA
Thompson	PD-DW-27-15	Water System Improvements-PH II	2027	1	P&D		P	\$ 190,000.00								NA
Marion County Rural Water District	FS-63-27-DWSRF-001	Harvey Water Main Connection	2027	1	50	9,196	P	\$ 821,000.00				x				16
Peosta	FS-31-27-DWSRF-002	Water System Improvements	2027	1	30	1,908	P	\$ 4,875,000.00				x				5
Des Moines Water Works - Phase 3 (LSL)	FS-77-27-DWSRF-003	Lead Service Line Replacement Phase 3	2027	1	40	257,778	P	\$ 13,010,000.00						x		11
Des Moines Water Works - Phase 4 (LSL)	FS-77-27-DWSRF-004	Lead Service Line Replacement Phase 4	2027	1	40	257,778	P	\$ 13,010,000.00						x		11
Denison Municipal Utilities	FS-24-27-DWSRF-005	5th Ave S Utility Replacement	2027	1	50	9186	P	\$ 531,000.00				x				12
Corydon	FS-93-27-DWSRF-006	Water System Improvements - 2026	2027	1	50	1,526	P	\$ 2,263,000.00				x				15
Sibley (LSL)	FS-72-27-DWSRF-007	Lead Service Line Replacement Project	2027	1	50	2,860	P	\$ 1,168,000.00						x		15
Boone	FS-08-27-DWSRF-008	Water System Expansion Project	2027	1	35	12,460	P	\$ 20,471,000.00				x				10
Odebolt	FS-81-27-DWSRF-009	Southeast Water Main Improvements	2027	1	50	350	P	\$ 1,677,000.00				x				12
Manchester	FS-28-27-DWSRF-010	Water System Booster Stations	2027	1	50	5,065	P	\$ 1,809,000.00				x				13
Waverly	PD-DW-26-72	Connecting the Hinds Addition to the City of Waverly's drinking water distribution system	2026	4	P&D		P	\$ 178,000.00				x				NA
Charter Oak	PD-DW-26-61	Water Main Replacement	2026	4	P&D		P	\$ 57,500.00				x				NA
Boone	PD-DW-26-62	Drinking Water System Improvements	2026	4	P&D		P	\$ 1,285,000.00				x				NA
Laurens	PD-DW-26-64	Water Main, Valves, Hydrants, Curb Stop and Service Line Replacement	2026	4	P&D		P	\$ 220,000.00				x				NA
Ladora	PD-DW-26-68	Water Treatment Plant Improvements	2026	4	P&D		P	\$ 347,000.00				x				NA
Otho	PD-DW-26-69	New Well, Water Main, and Emergency Connection to Xenia Rural Water	2026	4	P&D		P	\$ 305,000.00				x				NA
Charles City	FS-34-26-DWSRF-048	New Public Water Supply Well	2026	4	60	7,652	P	\$ 1,879,000.00				x				15
Corydon	FS-93-26-DWSRF-056	Water Supply Storage Tank	2026	4	60	1,526	P	\$ 1,686,000.00				x				16
Charles City (LSL)	FS-34-26-DWSRF-049	Lead Service Line Replacement	2026	4	50	7,652	C	\$ 18,256,000.00						x		15
Eagle Grove (LSL)	FS-99-26-DWSRF-051	Eagle Grove Lead Service Line Replacement	2026	4	50	3,601	C	\$ 18,517,000.00						x		11
Laurens	FS-76-26-DWSRF-053	Water Distribution System Improvements	2026	4	50	1278	P	\$ 2,444,000.00				x				13
Sioux City	FS-97-26-DWSRF-055	Well Replacement Project	2026	4	50	85,617	P	\$ 4,150,000.00				x				13
Charter Oak	FS-24-26-DWSRF-060	Water Distribution System Improvements	2026	4	50	535	P	\$ 1,598,000.00				x				11
Van Meter	FS-25-26-DWSRF-061	Water System Improvements	2026	4	45	1,484	P	\$ 14,072,000.00				x				1
Hawkeye	FS-33-26-DWSRF-050	New Public Water Supply Well	2026	4	40	438	P	\$ 1,373,000.00				x				7
Sioux City (LSL)	FS-97-26-DWSRF-054	Lead Service Line Replacement	2026	4	40	102,218	C	\$ 1,089,000.00						x		13
Burlington Municipal Waterworks	FS-29-26-DWSRF-057	Water Treatment Plant Filter Improvements	2026	4	30	38,910	P	\$ 33,844,000.00				x				17
Sloan	FS-97-26-DWSRF-058	Water Treatment Plant & Production Wells	2026	4	25	1,042	P	\$ 7,891,000.00				x				6
Mason City	FS-17-26-DWSRF-062	Water Works Plant Upgrades	2026	4	15	27,338	P	\$ 18,649,000.00				x				10
Oyens	FS-75-26-DWSRF-059	Oyens Connection to Southern Sioux Rural Water	2026	4	10	92	P	\$ 690,000.00				x	x			6
Princeton	PD-DW-26-42	Water Main Replacement	2026	3	P&D		P	\$ 375,000.00				x				NA
Pella	PD-DW-26-44	New Well and Raw Water Main - Pella Airport	2026	3	P&D		P	\$ 245,000.00				x				NA
Coralville	PD-DW-26-46	Well #17 and Raw Water Main	2026	3	P&D		P	\$ 390,000.00				x				NA
Iowa Regional Utilities Association	PD-DW-26-51	Analysis of new raw water supply and treatment system	2026	3	P&D		P	\$ 499,000.00				x				NA
Laurens (LSL)	PD-DW-26-58	Lead service line replacement	2026	3	P&D		C	\$ 80,000.00						x		NA
Waverly	FS-09-26-DWSRF-035	Hinds Addition Sewer and Water Extension	2026	3	70	10,576	P	\$ 1,071,000.00				x				8

Applicant Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score
												Base or BIL GS	PFAS/EC	LSL		
Iowa Regional Utilities Association	FS-09-26-DWSRF-030	IRUA to Stanley Water Main Connection	2026	3	50	60,554	P	\$ 657,000.00					x			13
Miles	FS-49-26-DWSRF-031	Water Supply System 2025	2026	3	50	408	P	\$ 1,274,000.00					x			11
Fairfield	FS-51-26-DWSRF-037	Proposed Water Distribution Improvements	2026	3	50	9,416	P	\$ 509,000.00					x			16
Keokuk	FS-56-26-DWSRF-042	Timea Street Water Main Replacement	2026	3	50	9,800	P	\$ 681,000.00					x			18
Lake View	FS-81-26-DWSRF-012	Proposed Well Improvements	2026	3	45	1,138	P	\$ 1,216,000.00					x			9
Aurelia	FS-18-26-DWSRF-032	Water System Improvements Well & Elevated Storage Tank	2026	3	45	970	P	\$ 5,129,000.00					x			7
Sioux Center	FS-84-26-DWSRF-041	South Water Tower Project	2026	3	45	8,231	P	\$ 5,404,000.00					x			1
Sergeant Bluff	FS-97-26-DWSRF-033	C Street Reconstruction	2026	3	35	5015	P	\$ 2,891,000.00					x			6
Ely	FS-57-26-DWSRF-036	Ely Downtown Reconstruction Phase 2	2026	3	35	2,742	P	\$ 1,539,000.00					x			3
Coralville	FS-52-26-DWSRF-044	Well 17 Improvements	2026	3	35	24,563	P	\$ 4,080,000.00					x			7
North Liberty	FS-52-26-DWSRF-045	Division 1 - Water Supply Well & Raw Water Transmission Main	2026	3	35	48,400	P	\$ 1,183,000.00					x			4
North Liberty	FS-52-26-DWSRF-046	Water Supply and Phases 1A and 2 Treatment Modification Design	2026	3	35	48,400	P	\$ 11,458,000.00					x			4
Pocahontas	FS-76-26-DWSRF-043	Pocahontas Water System Improvements	2026	3	25	1,614	P	\$ 5,520,000.00					x			10
Central Iowa Water Works	FS-77-26-DWSRF-047	DICO Feeder Main Replacement	2026	3	25	600,000	P	\$ 5,883,000.00					x			9
Cedar Rapids	FS-57-26-DWSRF-040	Northwest Water Treatment Plant Expansion - Phase 3	2026	3	15	141,063	P	\$ 179,192,000.00					x			10
Central Iowa Water Works (PFAS)	FS-77-26-DWSRF-025	A.C. Ward Alluvial Wells	2026	2	70	600000	P	\$ 7,266,000.00						x		6
Early	FS-81-26-DWSRF-013	New Well	2026	2	55	581	P	\$ 1,453,000.00					x		Yes	8
Lime Springs	FS-45-26-DWSRF-024	Water System Improvements	2026	2	45	473	P	\$ 5,837,000.00					x			11
Little Sioux	FS-43-26-DWSRF-014	2025 Water System Improvements	2026	2	40	180	R	\$ 1,879,000.00					x		Yes	15
Correctionville (LSL)	FS-97-26-DWSRF-022	Lead Service Line Replacement	2026	2	40	766	C	\$ 1,468,000.00							x	17
Laurens (LSL)	FS-76-26-DWSRF-026	Lead Service Line Replacement	2026	2	40	1,278	C	\$ 2,235,000.00							x	13
Hartley	FS-71-26-DWSRF-027	2026-2027 Watermain Improvements	2026	2	40	1,605	P	\$ 2,066,000.00					x			15
Creston Water Works (LSL)	FS-88-26-DWSRF-017	Lead Service Line Replacement Project	2026	2	30	7536	C	\$ 2,556,000.00							x	17
Iowa American Water - Clinton (LSL)	FS-23-26-DWSRF-019	2025 Clinton Water System Lead Service line Replacement	2026	2	30	24,769	C	\$ 15,571,000.00							x	19
Webster City (LSL)	FS-40-26-DWSRF-029	City wide Lead Service Line Replacement	2026	2	30	7,825	C	\$ 1,554,000.00							x	13
Traer Municipal Utilities	FS-86-26-DWSRF-028	TMU Water System Study	2026	2	25	1,583	P	\$ 7,267,000.00					x			8
Xenia Rural Water District	FS-25-26-DWSRF-023	Central Iowa Water Works charter membership buy-in	2026	2	10	12,860	P	\$ 7,849,000.00					x			Verify
Hastings	FS-65-26-DWSRF-001	Water Treatment Improvements	2026	1	70	152	P	\$ 895,000.00					x		Yes	11
Carson	FS-78-26-DWSRF-003	New Deep Well	2026	1	45	766	P	\$ 810,000.00					x			11
Marion County Rural Water District	FS-63-26-DWSRF-008	Water System Improvements	2026	1	45	9196	P	\$ 5,395,000.00					x			verify
Kalona	FS-92-26-DWSRF-004	Water System Improvements	2026	1	40	2690	P	\$ 5,306,000.00					x			3
Norway	FS-06-26-DWSRF-002	Water Pressure Booster Station	2026	1	30	466	P	\$ 1,605,000.00					x		Yes	3
Oskaloosa Municipal Water Department	FS-62-26-DWSRF-006	Distribution System	2026	1	30	11558	P	\$ 2,762,000.00					x			13
Onawa	FS-67-26-DWSRF-011	Public Water System Improvements	2026	1	30	2816	P	\$ 19,383,000.00					x			14
Ralston	FS-14-26-DWSRF-007	Water System Improvements	2026	1	25	81	P	\$ 682,000.00					x			13
Marcus	FS-18-26-DWSRF-009	Water System Improvements PER	2026	1	25	1079	P	\$ 13,849,000.00					x			6
Long Grove	FS-82-26-DWSRF-010	Long Grove Water Treatment Plant	2026	1	25	855	P	\$ 2,690,000.00					x			3
Villisca	FS-69-25-DWSRF-038	Permanent Groundwater Treatment at Well #3	2025	4	50	1,132	P	\$ 300,000.00					x			16
Sumner	FS-09-25-DWSRF-037	Y Avenue Water Main Looping	2025	4	40	2,175	P	\$ 546,000.00					x			11
Oakland	FS-78-25-DWSRF-042	Water Main Improvements	2025	4	30	1532	P	\$ 8,948,000.00					x		Yes	13
Logan	FS-43-25-DWSRF-039	Water Treatment Facility Improvements	2025	4	25	1,593	P	\$ 4,615,000.00					x			10
Oakland	FS-78-25-DWSRF-041	Water Treatment Plant Improvements	2025	4	25	1,690	P	\$ 13,093,000.00					x			13
Vinton	FS-06-25-DWSRF-036	Water Treatment Improvements	2025	3	40	5148	P	\$ 10,044,000.00					x			12
Yale	FS-39-25-DWSRF-032	Water Treatment Filter Replaced	2025	3	35	267	R	\$ 482,000.00					x			9
Urbandale Water Utility	FS-77-25-DWSRF-033	170th Street Aquifer Storage and Recovery (ARS) Well Design	2025	3	35	46729	P	\$ 14,020,000.00					x			2
Fairfax	FS-57-25-DWSRF-030	Water Supply Treatment Facility & Production Well #5	2025	3	25	2828	P	\$ 13,975,000.00					x			2
Sioux City	FS-97-25-DWSRF-031	Harbor Drive Water Main Upsize	2025	3	20	102218	P	\$ 5,597,000.00					x			12
Bayard	PD-DW-25-17	New well, aerator & detention tank, and replacement of distribution system valves and water meters	2025	2	P&D		P	\$ 70,000.00					x			NA
Moville	FS-97-25-DWSRF-011	Moville Water System Improvements	2025	2	45	1687	P	\$ 9,829,000.00					x			1
Bondurant Municipal Water Supply	FS-77-25-DWSRF-016	Water Supply and Treatment Facilities	2025	2	45	9980	P	\$ 42,813,000.00					x			2
Ely	FS-52-25-DWSRF-017	Water System Improvements	2025	2	45	2328	R	\$ 1,959,000.00					x			4
Carlisle	FS-91-25-DWSRF-019	Carlisle Well Number 7	2025	2	45	6500	P	\$ 826,000.00					x			4
De Soto	FS-25-25-DWSRF-021	New Wells, Process Improvements, and WTP Expansion	2025	2	45	1500	P	\$ 5,432,000.00					x			1
Osceola Water Works (LSL)	FS-20-25-DWSRF-029	Lead Service Line Replacement project	2025	2	40	5577	C	\$ 2,634,000.00							x	15
Altoona	FS-77-25-DWSRF-014	Water System Improvements 2024 - Water Treatment Plant No. 4	2025	2	35	21503	R	\$ 50,914,000.00					x			6
Osceola Water Works	FS-20-25-DWSRF-015	Water Treatment Plant Improvements	2025	2	35	5577	P	\$ 10,206,000.00					x			15
Belle Plaine	FS-06-25-DWSRF-018	Water Treatment Facility	2025	2	35	2330	P	\$ 9,303,000.00					x			14
Maxwell	FS-85-25-DWSRF-012	Filter Backwash Treatment	2025	2	25	859	P	\$ 290,000.00					x			5
Des Moines Water Works (LSL)	FS-77-25-DWSRF-010	Lead Service Line Replacement Phase 2 Project	2025	2	20	3000	C	\$ 14,482,000.00							x	LSL TBD by Census Tract

Applicant Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score
												Base or BIL GS	PFAS/EC	LSL		
IA American Water (Quad Cities) LSL	FS-82-25-DWSRF-013	Quad Cities 2024 Updated Lead Service Line Replacement	2025	2	20	137200	R	\$ 12,950,000.00						x		LSL TBD by Census Tract
Spencer Municipal Utilities (LSL)	FS-21-25-DWSRF-024	Lead Service Line Replacement	2025	2	20	11413	R	\$ 12,577,000.00						x		11
Tiffin	PD-DW-24-72	New osmosis treatment system	2025	1	P&D		P	\$ 826,000.00					x			NA
Poweshiek Water Association	FS-86-25-DWSRF-005	Tama Water Supply and Distribution System Improvements - PWA - 2024	2025	1	30	24639	R	\$ 16,363,000.00					x			Verify
Prairie City	FS-50-25-DWSRF-007	Phase 3 Water Main Replacement	2025	1	30	1700	P	\$ 1,576,000.00					x			2
Boone	PD-DW-24-61	Rehab of 2 MG ground storage reservoir	2024	4	P&D		P	\$ 200,000.00					x			NA
Correctionville	FS-97-24-DWSRF-046	Water System Improvements	2024	4	55	766	P	\$ 5,050,000.00					x			14
Oakland	FS-78-24-DWSRF-047	2023 Water Supply Wells	2024	4	45	1711	L	\$ 2,531,000.00	12/5/2025	\$ 2,250,000.00	\$ 281,000.00		x			13
Eldora	FS-42-24-DWSRF-051	SCADA Upgrade	2024	4	35	2700	P	\$ 263,000.00					x			14
Council Bluffs Water Works	FS-78-24-DWSRF-048	CBWW Narrows WTP High Service Pump Station	2024	4	25	63000	R	\$ 22,494,000.00					x			13
Muscatine Power & Water (LSL)	FS-70-24-DWSRF-052	Lead Service Line Replacement	2024	4	20	23474	R	\$ 1,830,000.00						x		14
Fort Dodge	PD-DW-24-52	Supplemental to Future Needs PER P&D	2024	3	P&D		P	\$ 92,000.00					x			NA
Knoxville Water Works	PD-DW-24-34	Replacing Well #2 and Recasing Well #3	2024	3	P&D		P	\$ 230,000.00					x			NA
La Motte	FS-49-24-DWSRF-030	Proposed Municipal Well #3	2024	3	55	237	P	\$ 1,573,000.00					x			7
Greenfield Municipal Utilities	FS-01-24-DWSRF-036	Water Treatment Plant Improvements	2024	3	45	2062	P	\$ 20,000,000.00					x			16
Knoxville Water Works	FS-63-24-DWSRF-032	Deep Well No 2 and 3 Evaluation	2024	3	45	8480	P	\$ 5,701,000.00					x			12
Keokuk Municipal Water Works	FS-56-24-DWSRF-034	2023 System Improvements	2024	3	40	9900	P	\$ 3,518,000.00					x			19
Grinnell (LSL)	FS-79-24-DWSRF-037	Lead Service Line Replacement Program	2024	3	30	9564	C	\$ 1,002,000.00						x		11
Kingsley	FS-75-24-DWSRF-040	Water System Improvements	2024	3	25	1396	P	\$ 7,136,000.00					x			2
Central City (PFAS/EC)	FS-57-24-DWSRF-027	New Well (PFAS)	2024	2	80	1264	P	\$ 2,085,000.00						x	Yes	9
Tama (PFAS/EC)	FS-86-24-DWSRF-014	Water Treatment Plant improvements (PFAS)	2024	2	55	2745	P	\$ 13,726,000.00					x	x	Yes	15
Ellsworth	FS-40-24-DWSRF-025	Elevated Tower Improvements	2024	2	45	508	P	\$ 3,123,000.00					x			10
Newton	FS-50-24-DWSRF-015	Newton Jordan Well	2024	2	35	16391	P	\$ 6,392,000.00					x			15
Cedar Rapids (LSL)	FS-57-24-DWSRF-023	LSL F Ave NW and 13th St NW Water Service Line Transfers	2024	2	20	141063	C	\$ 6,030,000.00						x		9- LSL TBD by Census Tract
Cedar Rapids (LSL)	FS-57-24-DWSRF-024	2024 Lead Service Line Replacement Project	2024	2	20	141063	C	\$ 6,030,000.00						x		9- LSL TBD by Census Tract

Applicant Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score
												Base or BIL GS	PFAS/EC	LSL		
Grinnell	FS-79-24-DWSRF-006	Water System Improvements	2024	1	90	9564	L	\$ 35,000,000.00	10/4/2025	\$ 28,032,000.00	\$ 6,968,000.00	x			Yes	11
Central Iowa 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				Verify
Fort Dodge	FS-94-24-DWSRF-007	Water Main Replacement	2024	1	30	24912	L	\$ 11,217,000.00	1/16/2026	\$ 2,687,000.00	\$ 8,530,000.00	x				18
Council Bluffs Water Works (LSL)	FS-78-24-DWSRF-009	Lead Service Line Replacement	2024	1	20	62799	R	\$ 2,525,000.00						x		13
Des Moines Water Works (LSL)	FS-77-24-DWSRF-008	Lead Service Line Replacement Phase 1 Project	2024	1	20	600000	L	\$ 12,070,000.00	3/20/2026	\$ 6,000,000.00	\$ 6,070,000.00			x		LSL TBD by Census Tract
Dubuque (Phase 2 LSL)	FS-31-24-DWSRF-010	Lead Service Line Replacement Phase 2	2024	1	20	58983	R	\$ 2,000,000.00						x		9- LSL TBD by Census Tract
Dubuque (Phase 3 LSL)	FS-31-24-DWSRF-011	Lead Service Line Replacement Phase 3	2024	1	20	58983	R	\$ 1,907,000.00						x		9- LSL TBD by Census Tract
Schaller	FS-81-23-DWSRF-082	Wells	2023	4	45	729	P	\$ 1,309,000.00				x				9
Schaller (PFAS/EC)	FS-81-23-DWSRF-082EC	Pilot Study and manganese treatment	2023	4	45	729	P	\$ 5,719,000.00					x		Yes	9
Lime Springs	FS-45-23-DWSRF-083	2024 Street and Utility improvements Project	2023	4	40	473	PD	\$ 5,507,000.00				x				9
Emmetsburg	FS-74-23-DWSRF-071	Water Treatment Improvements- Reverse Osmosis	2023	4	25	3706	PD	\$ 10,215,000.00				x				13
Dubuque	FS-31-23-DWSRF-080	Supervisory Control and Data Acquisition (SCADA) Upgrade	2023	4	15	58983	PD	\$ 2,170,000.00				x				9
Hinton	FS-75-23-DWSRF-034	Water Treatment Plant Improvements and Expansion	2023	3	60	947	P	\$ 7,286,000.00				x				2
Thompson	FS-95-23-DWSRF-020	Water Main Replacement	2023	3	40	502	P	\$ 820,000.00				x				11
Iowa American Water - Quad Cities	FS-82-23-DWSRF-026	Quad Cities Elevated Storage Tank and Booster Station	2023	3	35	52807	PD	\$ 8,362,000.00				x				NA
Johnston	FS-77-23-DWSRF-029	New Water Main Project (2 Mains- NW 78th Ave and NW Beaver Drive)	2023	3	20	24195	PD	\$ 21,536,000.00	11/14/2025	\$ 9,000,000.00	\$ 12,536,000.00	x				4
Grimes	FS-77-23-DWSRF-024	Distribution and Storage Improvements	2023	3	20	15392	PD	\$ 7,639,000.00	11/3/2023	\$ 4,566,000.00	\$ 3,073,000.00	x				4
Wapahong	FS-76-22-DWSRF-036	Water System Improvements	2022	1	25	8597	PD	\$ 2,225,000.00				x				12
Dubuque	FS-31-22-DWSRF-025	2022 Water System Improvements	2022	3	35	58983	PD	\$ 15,565,000.00	2/20/2026	\$ 2,330,333.00	\$ 13,235,000.00	x				9
MacBride Pointe	FS-52-20-DWSRF-019	Water Supply Improvements	2020	3	60	100	P	\$ 210,000.00				x		Yes		-
								\$ 1,210,557,500.00		\$ 54,865,333.00						

Applicant Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score
												Base or BIL GS	PFAS/EC	LSL		

PFAS/EC Projects -- information extracted from the Project Priority List above												Funding Source		
Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Base BIL GS	PFAS/EC	LSL
Waverly (PFAS)	PD-DW-27-11	Well and Water Treatment Facility	2027	1	P&D		P	\$ 715,000.00				x	x	
Oyens	FS-75-26-DWSRF-059	Oyens Connection to Southern Sioux Rural Water	2026	4	10	92	P	\$ 690,000.00				x	x	
Central Iowa Water Works (PFAS/EC)	FS-77-26-DWSRF-025	A.C. Ward Alluvial Wells	2026	2	70	600,000	P	\$ 7,266,000.00				x	x	
Central City (PFAS/EC)	FS-57-24-DWSRF-027	New Well (PFAS)	2024	2	80	1264	P	\$ 2,085,000.00				x	x	
Tama (PFAS/EC)	FS-86-24-DWSRF-014	Water Treatment Plant Improvements (PFAS)	2024	2	55	2745	P	\$ 3,786,000.00				x	x	
Schaller (PFAS/EC)	FS-81-23-DWSRF-082EC	Water System Improvements	2023	4	45	729	P	\$ 5,719,000.00				x	x	
								\$ 20,261,000.00		\$ -				

Lead Service Line Projects -- information extracted from the Project Priority List above												Funding Source		
Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Base BIL GS	PFAS/EC	LSL
Eagle Grove (LSL)	PD-DW-27-13	Lead Service Line Replacement	2027	1	P&D	3,601	C	\$ 1,491,000.00						x
Des Moines Water Works - Phase 3 (LSL)	FS-77-27-DWSRF-003	LSL Replacement Phase 3 Project	2027	1	40	257,778	C	\$ 13,010,000.00						x
Des Moines Water Works - Phase 4 (LSL)	FS-77-27-DWSRF-004	LSL Replacement Phase 4 Project	2027	1	40	257,778	C	\$ 13,010,000.00						x
Sibley (LSL)	FS-72-27-DWSRF-007	Lead Service Line Replacement	2027	1	50	2,860	C	\$ 1,168,000.00						x
Charles City (LSL)	FS-34-26-DWSRF-049	Lead Service Line Replacement	2026	4	50	7,652	C	\$ 18,256,000.00						x
Eagle Grove (LSL)	FS-99-26-DWSRF-051	Lead Service Line Replacement	2026	4	50	3,601	C	\$ 18,517,000.00						x
Sioux City (LSL)	FS-97-26-DWSRF-054	Lead Service Line Replacement	2026	4	40	102,218	C	\$ 1,089,000.00						x
Laurens (LSL)	PD-DW-26-58	Lead service line replacement	2026	3	P&D	1278	C	\$ 80,000.00						x
Correctionville (LSL)	FS-97-26-DWSRF-022	Lead Service Line Replacement	2026	2	40	766	C	\$ 1,468,000.00						x
Laurens (LSL)	FS-76-26-DWSRF-026	Lead Service Line Replacement	2026	2	40	1,278	C	\$ 2,235,000.00						x
Creston Water Works (LSL)	FS-88-26-DWSRF-017	Lead Service Line Replacement Project	2026	2	30	7536	C	\$ 2,556,000.00						x
Iowa American Water - Clinton (LSL)	FS-23-26-DWSRF-019	2025 Clinton Water System Lead Service line Replacement	2026	2	30	24,769	C	\$ 15,571,000.00						x
Webster City (LSL)	FS-40-26-DWSRF-029	City wide Lead Service Line Replacement	2026	2	30	7,825	C	\$ 1,554,000.00						x
Osceola Water Works (LSL)	FS-20-25-DWSRF-029	Lead Service Line Replacement project	2025	2	40	5577	C	\$ 2,634,000.00						x
Des Moines Water Works (LSL)	FS-77-25-DWSRF-010	Lead Service Line Replacement Phase 2 Project	2025	2	20	3000	C	\$ 14,482,000.00						x
IA American Water (Quad Cities) LSL	FS-82-25-DWSRF-013	Quad Cities 2024 Updated Lead Service Line Replacement	2025	2	20	137200	R	\$ 12,950,000.00						x
Spencer Municipal Utilities (LSL)	FS-21-25-DWSRF-024	Lead Service Line Replacement	2025	2	20	11413	R	\$ 12,577,000.00						x
Muscatine Power & Water (LSL)	FS-70-24-DWSRF-052	Lead Service Line Replacement	2024	4	20	23474	R	\$ 1,830,000.00						x
Grinnell (LSL)	FS-79-24-DWSRF-037	Lead Service Line Replacement Program	2024	3	30	9564	C	\$ 1,002,000.00						x
Cedar Rapids (LSL)	FS-57-24-DWSRF-023	LSL F Ave NW and 13th St NW Water Service Line Transfers	2024	2	20	141063	C	\$ 6,030,000.00						x
Cedar Rapids (LSL)	FS-57-24-DWSRF-024	2024 Lead Service Line Replacement Project	2024	2	20	141063	C	\$ 6,030,000.00						x
Council Bluffs (LSL)	FS-78-24-DWSRF-009	Lead Service Line Replacement	2024	1	20	62799	R	\$ 2,525,000.00						x
Des Moines Water Works (LSL)	FS-77-24-DWSRF-008	LSL Replacement Phase 1 Project	2024	1	20	600000	L	\$ 12,070,000.00	3/20/2026	\$ 6,000,000.00	\$ 6,070,000.00			x
Dubuque (Phase 2 LSL)	FS-31-24-DWSRF-010	Lead Service Line Replacement Phase 2	2024	1	20	58983	R	\$ 2,000,000.00						x
Dubuque (Phase 3 LSL)	FS-31-24-DWSRF-011	Lead Service Line Replacement Phase 3	2024	1	20	58983	R	\$ 1,907,000.00						x
								\$ 166,042,000.00						