

# Agenda

## Environmental Protection Commission

Tuesday, December 17, 2024

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

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

**Tuesday, December 17, 2024**

**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](mailto: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	Ed Tormey (Information)
4	Director’s Remarks	Kayla Lyon (Information)
5	Clean Water and Drinking Water State Revolving Loan Fund-FY 2025 Intended Use Plans Third Quarter Update	Theresa Enright (Decision)
6	Assignment and Assumption Contract-Water Storage Space in Saylorville Reservoir	Bradley Adams (Decision)
7	DNR’s Nonpoint Source Strategy Presentation	Lori McDaniel (Information)
8	General Discussion	
9	Upcoming Meetings	
	<ul style="list-style-type: none"><li>• Tuesday, January 21, Des Moines</li><li>• Wednesday, February 19, Des Moines</li></ul>	

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

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

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

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

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

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Iowa Department of Natural Resources  
Environmental Protection Commission

#5

**Decision Item**

**Contract Amendment #3 to 16ESDWQBKAMEN-0009, Original Contract for the Silver Creek (Clayton County) Watershed Project**

**Commission approval is requested for a contract amendment with** Iowa Department of Agriculture and Land Stewardship, of Des Moines, Iowa.

**Amendment #3**  
**Terms:** Additional funds for Original Tasks, funding agricultural best management practices (BMPs) for fall 2020 construction  
**Amendment Amount:** \$45,600  
**Amendment Dates:** August 19, 2020 to December 31, 2020  
**Funding Source(s):** EPA Clean Water Act Section 319 grant number 00740423

**Amendment Purpose:** The Silver Creek (Clayton County) Watershed Project has been active since 2007 and has been successful in its goal of reducing the sediment and nutrient levels of Silver Creek. Upon its completion, this Contract will conclude the Silver Creek Watershed Project and a success story will be jointly published by the EPA and the DNR in the near future. Nutrient reduction work in the Silver Creek Watershed will continue through the expanded Clayton County Water Quality Initiative project conducted by IDALS.

Amendment #3 will increase the funding of the Contract to allow for the final installation of agricultural BMPs in the fall

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**MINUTES OF THE  
ENVIRONMENTAL PROTECTION COMMISSION  
MEETING**

**November 19, 2024**

**Video Teleconference  
and  
6200 Park Ave.**

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

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### Meeting Minutes

#### CALL TO ORDER

The meeting of the Environmental Protection Commission (Commission or EPC) was called to order by Chairperson Mark Stutsman at 10:00 am on November 19, 2024 via video/teleconference attendees.

#### COMMISSIONERS PRESENT

- Patricia Foley
- Rebecca Dostal
- Roger Zylstra
- Lisa Gochenour
- Kyle Tobiason
- Jim Christensen
- Mark Stutsman
- Harold Hommes
- Lisa Gochenour
- Amy Echard

#### COMMISSIONERS ABSENT

None

#### APPROVAL OF AGENDA

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

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

<i>Motion was made by Jim Christensen to approve the item as presented. Seconded by Patricia Foley.</i>
<i>The Chairperson asked for the Commissioners to approve the Minutes of the October 15, 2024 meeting by saying aye. There were no nay votes.</i>

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

- Division Administrator Ed Tormey informed Commissioners that the Nonpoint Source team plans to present a program overview in December and January at the upcoming EPC meetings.

<b>INFORMATION</b>
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#### DIRECTOR’S REMARKS

- Deputy Director Moon thanked stakeholders, General Counsel Tamara McIntosh, DNR staff and Commissioners for all of their time and efforts in preparing and reviewing the EO10 rule chapters on the November agenda.

#### CONTRACT WITH THE STATE HYGIENIC LABORATORY (SHL) AT THE UNIVERSITY OF IOWA-FORT DODGE AMBIENT AIR MONITORING SITE AND DAVENPORT EQUIPMENT UPGRADE

Wendy Walker requested Commission approval for a contract with SHL for the Fort Dodge ambient air monitoring site and equipment upgrades at the Davenport air monitoring location. Ms. Walker and Brian Hutchins responded to several questions regarding the contract funding breakdown, type of monitoring (population-based monitoring) and what the

Department expects for monitoring results. Mr. Hutchins noted that the continuous air monitoring will be more informative for individuals living near the monitoring site.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the items as presented. Seconded by Patricia Foley.  
Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**SOLID WASTE ALTERNATIVES PROGRAM-GRANT RECOMMENDATION**

Laurie Rasmus requested Commission approval for a SWAP grant recommendation to provide financial assistance to Renewablade, LLC. that would allow them to purchase a dedicated concrete mixer for decommissioning wind turbine blades. Ms. Rasmus explained the loan repayment process and the loan interest structure for SWAP grants.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Jim Christensen to approve the items as presented. Seconded by Roger Zylstra.  
Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**FLOODPLAIN PROGRAM STRATEGIC PLANNING CONTRACT WITH WSP USA ENVIRONMENT & INFRASTRUCTURE INC.**

Jon Garton requested Commission approval for a contract with WSP USA Environment & Infrastructure Inc. to assist in the creation of Iowa’s floodplain program strategic plan.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Patricia Foley to approve the items as presented. Seconded by Amy Echard.  
Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 69, “PRIVATE SEWAGE DISPOSAL SYSTEMS” – NOTICE OF INTENDED ACTION**

Courtney Cswerko requested Commission approval for the NOIA for Chapter 69.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Amy Echard.  
Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 60, “SCOPE OF TITLE – DEFINITIONS – FORMS – RULES OF PRACTICE”, CHAPTER 64, “WASTEWATER CONSTRUCTION AND OPERATION PERMITS”, AND CHAPTER 66, “PESTICIDE APPLICATION TO WATERS” – NOTICE OF INTENDED ACTION**

Courtney Cswerko requested Commission approval for the NOIAs for Chapter 60, 64, and 66..

**Public Comments – None**

**Written Comments – None**

*Motion was made by Kyle Tobiason to approve the items as presented. Seconded by Roger Zylstra.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 62, “EFFLUENT AND PRETREATMENT STANDARDS: OTHER EFFLUENT LIMITATIONS OR PROHIBITIONS” – NOTICE OF INTENDED ACTION**

Courtney Cswerko requested Commission approval for the NOIA for Chapter 62.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Kyle Tobiason to approve the item as presented. Seconded by Patricia Foley.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 63, “MONITORING, ANALYTICAL AND REPORTING REQUIREMENTS” – NOTICE OF INTENDED ACTION**

Courtney Cswerko requested Commission approval for the NOIA for Chapter 63.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Roger Zylstra.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 67, “STANDARDS FOR THE LAND APPLICATION OF SEWAGE SLUDGE” – NOTICE OF INTENDED ACTION**

Courtney Cswerko requested Commission approval for the NOIA for Chapter 67.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Roger Zylstra to approve the item as presented. Seconded by Rebecca Dostal.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 68, “COMMERCIAL SEPTIC TANK CLEANERS” – NOTICE OF INTENDED ACTION**

Courtney Cswerko requested Commission approval for the NOIA for Chapter 68.

**Public Comments – None**

**Written Comments – None**

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

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**



**CHAPTER 39, "REQUIREMENTS FOR PROPERLY PLUGGING ABANDONED WELLS"— NOTICE OF INTENDED ACTION**

Erik Day requested Commission approval for the NOIA for Chapter 39.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Jim Christensen to approve the item as presented. Seconded by Rebecca Dostal.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 38, "PRIVATE WATER WELL CONSTRUCTION PERMITS" AND CHAPTER 49, "NONPUBLIC WATER SUPPLY WELLS"— NOTICE OF INTENDED ACTION**

Erik Day requested Commission approval for the NOIAs for Chapter 38 and 49.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Roger Zylstra to approve the item as presented. Seconded by Jim Christensen.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 82, "WELL CONTRACTOR CERTIFICATION"— NOTICE OF INTENDED ACTION**

Erik Day requested Commission approval for the NOIA for Chapter 82.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Kyle Tobiason to approve the item as presented. Seconded by Patricia Foley.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 40, "SCOPE OF DIVISION—DEFINITIONS—FORMS—RULES OF PRACTICE" AND CHAPTER 42, "PUBLIC NOTIFICATION, PUBLIC EDUCATION, CONSUMER CONFIDENCE REPORTS, REPORTING, AND RECORD MAINTENANCE"— NOTICE OF INTENDED ACTION**

Carmily Stone requested Commission approval for the NOIAs for Chapter 40 and 42.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Kyle Tobiason to approve the item as presented. Seconded by Rebecca Dostal.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 41, "WATER SUPPLIES"— NOTICE OF INTENDED ACTION**

Carmily Stone requested Commission approval for the NOIA for Chapter 41.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Jim Christensen.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-*

*aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CHAPTER 43, “WATER SUPPLIES—DESIGN AND OPERATION” – NOTICE OF INTENDED ACTION**

Carmily Stone requested Commission approval for the NOIA for Chapter 43.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Jim Christensen to approve the item as presented. Seconded by Patricia Foley.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 50, “WATER USE, WITHDRAWALS, AND DIVERSIONS”; CHAPTER 51, “WATER PERMIT OR REGISTRATION – WHEN REQUIRED”; AND CHAPTER 52, “CRITERIA AND CONDITIONS FOR AUTHORIZING WITHDRAWAL, DIVERSION, AND STORAGE OF WATER.”-NOTICE OF INTENDED ACTION**

Chad Fields requested Commission approval for the NOIAs for Chapters 50, 51, and 52.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Kyle Tobiason to approve the item as presented. Seconded by Roger Zylstra.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 53, “PROTECTED WATER SOURCES” – NOTICE OF INTENDED ACTION**

Chad Fields requested Commission approval for the NOIA for Chapter 53.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Jim Christensen to approve the item as presented. Seconded by Rebecca Foley.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 54, “WATER USE PERMIT RESTRICTIONS OR COMPENSATION BY PERMITTED USERS TO NONREGULATED USERS DUE TO WELL INTERFERENCE” – NOTICE OF INTENDED ACTION**

Chad Fields requested Commission approval for the NOIA for Chapter 54.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Kyle Tobiason.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 55, “AQUIFER STORAGE AND RECOVERY” – NOTICE OF INTENDED ACTION**

Chad Fields requested Commission approval for the NOIA for Chapter 55.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Kyle Tobiason.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 81, “OPERATOR CERTIFICATION: PUBLIC WATER SUPPLY SYSTEMS AND WASTEWATER TREATMENT SYSTEMS” – NOTICE OF INTENDED ACTION**

Laurie Sharp requested Commission approval for the NOIA for Chapter 81.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Jim Christensen.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 83, “LABORATORY CERTIFICATION” – NOTICE OF INTENDED ACTION**

Kathy Lee requested Commission approval for the NOIA for Chapter 83.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Kyle Tobiason to approve the item as presented. Seconded by Patricia Foley.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 44, “DRINKING WATER STATE REVOLVING FUND” – NOTICE OF INTENDED ACTION**

Tara Naber requested Commission approval for the NOIA for Chapter 44.

**Public Comments – None**

**Written Comments – None**

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

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 90, “SCOPE OF TITLE – DEFINITIONS – FORMS”; CHAPTER 91, “CRITERIA FOR RANKING PROJECTS FOR THE CLEAN WATER STATE REVOLVING FUND (CWSRF)”; CHAPTER 92, “CLEAN WATER STATE REVOLVING FUND”; AND CHAPTER 93, “NONPOINT SOURCE POLLUTION CONTROL SET ASIDE PROGRAMS” – NOTICE OF INTENDED ACTION**

Julie Kelso requested Commission approval for the NOIAs for Chapters 90, 91, 92, and 93.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Kyle Tobiason to approve the item as presented. Seconded by Roger Zylstra.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 70, “SCOPE OF TITLE-DEFINITIONS-FORMS-RULES OF PRACTICE” – NOTICE OF INTENDED ACTION**

Jon Garton requested Commission approval for the NOIA for Chapter 70.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Roger Zylstra.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 71, “FLOODPLAIN OR FLOODWAY DEVELOPMENT— WHEN APPROVAL IS REQUIRED”; CHAPTER 75, “MANAGEMENT OF SPECIFIC FLOOD PLAIN AREAS”; AND CHAPTER 76, “FEDERAL WATER RESOURCE PROJECTS” - NOTICE OF INTENDED ACTION**

Jon Garton requested Commission approval for the NOIAs for Chapter 71, 75, and 76.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Jim Christensen to approve the item as presented. Seconded by Kyle Tobiason.*

*Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.*

**CHAPTER 72, "CRITERIA FOR APPROVAL" - NOTICE OF INTENDED ACTION**

Jon Garton requested Commission approval for the NOIA for Chapter 72.

**Public Comments – None**

**Written Comments – None**

<i>Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Patricia Foley.</i>
<i>Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.</i>

**CHAPTER 73, "APPROVAL, CONSTRUCTION, USE, MAINTENANCE, REMOVAL, INSPECTIONS, AND SAFETY OF DAMS" - NOTICE OF INTENDED ACTION**

Jon Garton requested Commission approval for the NOIA for Chapter 73.

**Public Comments – None**

**Written Comments – None**

<i>Motion was made by Kyle Tobiason to approve the item as presented. Seconded by Rebecca Dostal.</i>
<i>Amy Echard-aye, Roger Zylstra-aye, Harold Hommes-aye, Lisa Gochenour-aye, Rebecca Dostal-aye, Kyle Tobiason-aye, Jim Christensen-aye, Patricia Foley-aye, Mark Stutsman-aye. Motion passes.</i>

**GENERAL DISCUSSION**

Chairperson Stutsman thanked DNR staff and General Counsel McIntosh for all their hard work with Executive Order 10. General Counsel McIntosh summarized the scope of the chapters reviewed and the reduction of restrictive terms and duplicative language as a result of the rule review process.

**ADJOURN**

<i>Chairperson Mark Stutsman adjourned the Environmental Protection Commission meeting at 12:00 pm on November 19, 2024.</i>
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<b>ADJOURNED</b>
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**Monthly Waiver Report  
November 2024**

Item #	DNR Reviewer	Facility/City	Program	Subject	Decision	Date	Agency
1	Lucas Tenborg	Kinze Manufacturing, Inc	AQ	Kinze Manufacturing is requesting a variance from Permit Condition 14 Operating Limits, Part B VOC content restrictions on cleaning chemicals.	Approved	10.28.24	24aqw188
2	Danjin Zulic	Big River Resources West Burlington, LLC	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	10.31.24	24aqw189
3	Nate Tatar	Uhlik Pet Cremation	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.4.24	24aqw190
4	Nate Tatar	Oakdale Memorial Gardens	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.4.24	24aqw191
5	Fields, Book, Heinek, and Manz	Rocking N Feeders	Animal Feeding Operation	An existing open feedlot too close to two shallow wells. Owner requested variance from the 200' minimum due to site concerns, well drilling costs, well quality and protection of well.	Approved	11.4.24	24cpw192
6	Danjin Zulic	Cargill - Vitamin E	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.5.24	24aqw193
7	Larry Bryant	City of Emmetsburg STP	CP (Wastewater)	Allow an alternative mixing method for a new sludge storage tank - compressed gas mixing as opposed to aeration required by Section 17.3.4.3 of the Iowa Wastewater Facilities Design Standards.	Approved	11.1.24	24cpw194
8	Jasmine Bootman	Sears Manufacturing Company	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.7.24	24aqw195
9	Nate Tatar	International Paper - Waterloo	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.12.24	24aqw196
10	Nate Tatar	Rock Valley Rural Water District - WTP 2	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.12.24	24aqw197
11	John Curtin	NSK Corporation	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.14.24	24aqw198
12	Michael W. Smith	Loess Hills Regional Sanitary Landfill	SD	Iowa Waste Services requests a waiver to the groundwater monitoring point abandonment procedures as specified in 567 Iowa Administrative Code (IAC) Chapter 113.10(2)"d" to allow groundwater monitoring point abandonment.	Denied	11.14.24	24sdw199
13	Jasmine Bootman	Sears Manufacturing Company	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.19.24	24aqw200
14	Keith Wilken	Tyler McQuiston Certification #1296	UST	Per 567 IAC Chapter 134.11(3), an UST Compliance Inspector is required to conduct at least 12 compliance inspections in a 2 year period to renew their certification. Tyler McQuiston has not met	Approved	11.19.24	24utw201
15	Tara Naber, PE	Montezuma Municipal Water Works	Water Supply Construction	The waiver requested is to allow for use of API Spec 10A, Class H cement for the grouting material for a new well instead of grout materials meeting AWWA Standard A100 for project W2022-0529.	Approved	11.22.24	24wcw202
16	Nate Tatar	Kraft Heinz - Muscatine	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.20.24	24aqw203
17	Nate Tatar	Mid-State Milling, Inc. - Buckeye	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.26.24	24aqw204
18	Keith Wilken	Brew Oil #33	UST	Per 567 IAC Chapter 135.20(3), an owner and operator, upon receipt of a compliance inspection which finds violations of the DNR's rules, must take corrective action within 60 days of receipt	Approved	11.26.24	24utw205
19	Keith Wilken	Brew Oil Midtown	UST	Per 567 IAC Chapter 135.20(3), an owner and operator, upon receipt of a compliance inspection which finds violations of the DNR's rules, must take corrective action within 60 days of receipt	Approved	11.26.24	24utw206

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

**ITEM****#5****DECISION****TOPIC**

**Clean Water and Drinking Water State Revolving Loan Fund – FY 2025  
Intended Use Plans Third Quarter Update**

Commission approval is requested for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUP) third quarter update for State Fiscal Year 2025 (July 1, 2024 – June 30, 2025).

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 2025 DWSRF IUP contains planned uses of the DWSRF Base Program and also includes planned uses for the Bipartisan Infrastructure Law (BIL) General Supplemental (GS), PFAS/Emerging Contaminants (EC), and Lead Service Line (LSL) Replacement Funds. The SFY 2025 CWSRF IUP contains planned uses of the CWSRF Base Program and also includes planned uses for the BIL PFAS/EC Fund.

These IUPs are published annually and also include project priority lists (PPL), financial management strategies, discussion of set-aside programs and efforts, and planned uses for administrative accounts. These IUPs are then updated quarterly and include an analysis of current and projected finances, new projects and changes to loan status on the PPLs, and any necessary programmatic updates.

Attachment 1 to the CWSRF IUP and DWSRF IUP serves as the project priority list for the SRF Base Program Funds and the BIL GS, PFAS/EC, and LSL Replacement Funds.

Each draft IUP is released for public comment and review, and then presented for approval to the Commission. A public meeting was held via conference call on December 5, 2024 to highlight changes to the plan and to receive comments. No comments were received. The written comment period closed on December 5, 2024. SRF received one comment from EPA Headquarters which suggested that SRF provide information in the IUP related to upcoming refinancing of existing construction loans. This information was incorporated into the DWSRF IUP in section E. Financial Administration, under Other Program Uses.

A summary of the new projects added to the PPLs for the third quarter of SFY 2025 are as follows:

(3) CWSRF Planning & Design Loan applications	(totaling \$870,000)
(6) CWSRF IUP applications for construction projects	(totaling \$6,567,000)
(9) DWSRF Planning & Design Loan applications	(totaling \$2,308,415)

(7) DWSRF IUP applications for construction projects (totaling \$45,425,000)

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

Theresa Enright, SRF Coordinator  
Department of Natural Resources  
December 17, 2024

**DRAFT**

**FY 2025 INTENDED USE PLAN**  
**CLEAN WATER STATE REVOLVING FUND**



**INVESTING IN IOWA'S WATER**

Approved by the Environmental Protection Commission (EPC) on June 18, 2024. Approved by EPC on September 17, 2024. **Anticipated approval by EPC on December 17, 2024.**



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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.

As of June 30, 2023, Iowa's CWSRF Programs have provided over **\$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) 2025 Intended Use Plan (IUP) and future program plans, Iowa's SRF will continue to help Iowans protect public health and the environment through investing in Iowa's water.

## A. Highlights and Changes

In the past few years, many exciting opportunities have developed to advance environmental equity in the water sector through increased investment in water and wastewater infrastructure. Iowa is expanding and revising the SRF Program, as needed, to adapt to and take advantage of these new opportunities. Highlighted below are some of the changes Iowa SRF is incorporating into SFY 2025 IUPs.

- ✓ Plans for implementing funding for the General Supplemental (GS) and PFAS/Emerging Contaminants (EC) funding awarded from the **Infrastructure Investment and Jobs Act (IIJA)**, also known as, **Bipartisan Infrastructure Law (BIL)** are included in this annual release of the IUP.
- ✓ The **Socioeconomic Assessment (SA) Tool** used to define a **Disadvantaged Community (DAC)** (DWSRF Program) and **Affordability Criteria** (CWSRF Program) has been updated with current American Community Survey and state-level employment data and will be referred to as the SFY 2025 SA Tool.
- ✓ **DAC eligibility will be evaluated at the time of IUP application.** All projects added to the Project Priority List (PPL) during SFY 2025 will receive a DAC score based on the SFY 2025 SA Tool and this score will not change with future SA Tool updates. All projects listed on the approved PPL *prior to SFY 2025* will continue to use the DAC score in accordance with the SFY 2024 SA Tool.
- ✓ The amount of loan forgiveness (LF) funds available to a community will be determined in accordance with a set scale based on a DAC score (see Appendix B).
- ✓ Additional subsidization in the form of principal LF will be applied to the SRF portion of eligible **construction costs.**
- ✓ Priority funding for all available Base Cap Grants and BIL GS LF will be awarded based on total project priority points and DAC score, with consideration given to compliance status and date of loan execution.
- ✓ Beginning in SFY 2025, IUP application deadlines for General Nonpoint Source (GNS) projects will align with the Point Source application deadlines of March, June, September, and December of each year. Planning and Design (P&D) loan applications deadlines will remain the same and accepted in April, July, October, and January of each year.
- ✓ Funding for new Water Resources Restoration projects (**Sponsored Projects**) is not available during SFY 2025.
- ✓ The SRF GNS Program is now offering a "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.

### **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) Chapters 90-93.

The IUP is developed annually in June and updated quarterly in September, December, and March (or more often as needed). This IUP covers activities during the SFY 2025, July 1, 2024 through June 30, 2025.

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

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

### **METHOD OF AMENDMENT OF THE IUP**

The Iowa SRF Program will follow this IUP in administering CWSRF funds in SFY 2025. Any revisions of the goals, policies and method of distribution of funds shall be addressed by a revision of the IUP, including public participation. Minor adjustments in funding schedules and loan amounts are allowed without public notification by the procedures of this IUP and state rules for administration of the CWSRF. Public notice of amendments will be made if borrowers are added to or removed from the PPL.

### **PUBLIC REVIEW AND COMMENT**

(See Appendix I - Public Review and Comments Received)

The SRF Program accepts new IUP applications quarterly by the first business day in March, June, September, and December<sup>1</sup>. 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 CWSRF Program webpage of the SRF Program's website ([www.iowasrf.com](http://www.iowasrf.com)) and public comments are accepted for up to 30 days following the posting at [srf-pc@dnr.iowa.gov](mailto: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 website<sup>2</sup>. 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 website<sup>3</sup>.

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

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<sup>1</sup> Clean Water Program page of <https://www.iowasrf.com>

<sup>2</sup> <https://www.iowasrf.com/intended-use-plan-public-hearings/>

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

All of the opportunities mentioned above are open to the public. Meetings and hearing information are posted on the Media Center and IUP Public Hearings<sup>4</sup> pages of the [SRF website](#), and announced through agency-managed listservs. Public comments are accepted at [srf-pc@dnr.iowa.gov](mailto:srf-pc@dnr.iowa.gov).

## PROJECT PRIORITY LIST

(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 92 (455B). Attachment 1 constitutes the CWSRF PPL and is included as a separate, sortable Excel file. This PPL will be amended quarterly during SFY 2025 and includes projects funded by both CWSRF Base and BIL Funds.

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

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 or DAC score.

The PPL (Attachment 1) includes funding for the following activities during SFY 2025:

- **Planning and Design Loans.** These are loan requests that cover planning and engineering costs related to the design of an eligible CWSRF project and the development of a Facility Plan (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 the project is scored.
- **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 the project is scored.
- **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 2025 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 "C – Contingent" (indicating that the project has not yet met all eligibility criteria required to receive a specific funding source), "P - in planning," "R - ready for loan" (indicating that the construction permit and environmental review (ER) have been completed), and "L - loan signed."

If a project on the approved IUP list is not going to proceed or will not be utilizing SRF funds, the applicant should notify the SRF in writing that they wish to withdraw the IUP application from the PPL. For the purpose of program planning, applicants with projects on the PPL for longer than 3 years (or listed in Appendix H - Funding Recommendations of this IUP) will be required to evaluate their original IUP application to determine if the scope and cost of the project are still accurate and if they intend to proceed with the project. Applicants will be asked to provide an updated project schedule, scope and cost, as necessary. A notification may be sent to the SRF applicant that their project may be dropped if

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<sup>4</sup> <https://www.iowasrf.com/intended-use-plan-public-hearings/> and <https://www.iowasrf.com/media-center/>

adequate progress toward a binding loan commitment is not demonstrated within six months following the notice. If a project is withdrawn or dropped from the PPL, the applicant may reapply when the project is ready to move ahead.

**Project Scope.** The scope of the project must be outlined in the IUP application and in the FP.

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

## TYPES OF FINANCIAL ASSISTANCE

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

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

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

Direct Loans for **P&D** are available to eligible public and private borrowers to cover engineering and project development costs such as testing and scoping, preparing FPs, 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 2025 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 Rates<sup>5</sup> 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 should be aware that projects may become subject to compliance with other federal funding requirements that are not necessarily required by the SRF Program. Examples include, but may not be limited to, the Single Audit Act or Build America, Buy America (BABA) Act.

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<sup>5</sup> <https://www.iowasrf.com/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.

**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

New CWSRF IUP applications for **construction projects, including General NPS projects**, will be accepted on a quarterly basis the first business 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 website<sup>6</sup> and are submitted to [srf-iup@dnr.iowa.gov](mailto:srf-iup@dnr.iowa.gov).

*General Nonpoint Source (GNS) Projects:* IUP applications and instructions can be found on the SRF website<sup>7</sup>, and submitted to [srf-iup@dnr.iowa.gov](mailto:srf-iup@dnr.iowa.gov).

Applications for **P&D** will be accepted on a quarterly basis the first working day of the months of April, July, October and January.

*P&D Projects:* Applications are available on the P&D Loan Program page of the SRF website<sup>8</sup> and are submitted to IFAs SRF Program Staff at [waterquality@iowafinance.com](mailto:waterquality@iowafinance.com).

*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 website<sup>9</sup>.

**Project applications eligible for SRF funding under the BIL General Supplemental and BIL PFAS/EC Fund will use the CWSRF IUP application and follow the same quarterly IUP application cycle as the CWSRF Base Program.** Additional application information may be required for projects applying for BIL Funds. The SRF Program will provide additional application materials and guidance for BIL Funds directly to applicants, as applicable, and application materials will be available on the SRF website<sup>10</sup>.

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<sup>6</sup> Clean Water Loan Program page of <https://www.iowasrf.com/clean-water-loan-program/>

<sup>7</sup> NPS Water Quality Programs "Programs for Communities" page <https://www.iowasrf.com/general-non-point-source/>

<sup>8</sup> P&D Loan Program page of <https://www.iowasrf.com/planning-and-design-loans/>

<sup>9</sup> NPS Water Quality Programs, "Programs for Landowners" page of <https://www.iowasrf.com/nonpoint-source-water-quality-programs/>

<sup>10</sup> BIL page of <https://www.iowasrf.com/bipartisan-infrastructure-law/>

## C. SFY 2025 CWSRF Program Goals

### SHORT TERM GOALS

Goal: Apply for all available Federal Fiscal Year (FFY) 2024 Base and BIL Capitalization Grants.

Goal: Commit loan funds to as many recipients as possible in accordance with the state priority rating system, the IUP, staff resources, and available funding, to assist in the construction of projects with the highest water quality impacts.

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

Goal: Update marketing materials, program resources and website to facilitate communication and outreach with customers and to provide clear, concise and readily accessible program information and guidance.

Goal: Assign/reallocate LF funds from previous capitalization grants to fulfill additional subsidization requirements.

Goal: Continue the partnership with the Environmental Finance Center's (EFC) technical assistance resources to assist DAC borrowers with accessing Iowa SRF Program funds.

Goal: Continue implementing the state's oversight program for American Iron and Steel (AIS) requirements and BABA requirements; and in cooperation with co-funding sources, as needed.

Goal: Continue outreach efforts to educate borrowers on current and upcoming NPS funding opportunities, including updates to the SRF NPS website regarding the new General NPS direct loan incentive or "Special Purpose Financing."

Goal: Expand marketing and outreach efforts of SRF NPS programs, including targeted outreach to communities that may benefit from the new General NPS direct loan special purpose financing.

### LONG TERM GOALS

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

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

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

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

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

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

Goal: Provide communities with innovative funding mechanisms to encourage the financing of nonpoint source projects that improve and/or protect the water quality of Iowa's surface and groundwater for public health, native fish and wildlife.

## D. SFY 2025 Program Activities to be Supported

Iowa's CWSRF Program can fund a wide variety of water quality improvement and protection efforts. In 1987 when the program was established, there were three statutory eligibilities. The CWSRF Program eligibilities have since been expanded by the American Recovery and Reinvestment Act (ARRA) of 2009, the Water Resources Reform and Development Act (WRRDA) of 2014, and the America's Water Infrastructure Act (AWIA) of 2018 to incorporate twelve

eligibilities. These eligibilities allow Iowa SRF to fund a variety of project types. Eligible projects exist under all of the following categories: Centralized Wastewater Treatment, Energy Conservation, Water Conservation, Stormwater, Agricultural Best Management Practices, Decentralized Wastewater Treatment, Resource Extraction, Contaminated Sites, Landfills, Habitat Protection and Restoration, Estuary Protection and Restoration, Silviculture, Desalination, Groundwater Protection and Restoration, Surface Water Protection and Restoration, Planning /Assessment, and Source Water Protection.<sup>11</sup>

### CWSRF BASE PROGRAM

Allotments for the FFY 2024 EPA Capitalization Grants have been determined and the Iowa SRF Program will apply for and/or receive FFY 2024 CWSRF Base Program Funding during the SFY 2025.

FFY	Funding Source	Allocation Amount*
2024	CWSRF Base Cap Grant	\$11,048,000

\*This award amount is anticipated to be received by SFY 2025 but has not been received as of the publication of this DRAFT IUP

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

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

Eligible Activities: Eligible projects address primary and secondary treatment, advanced treatment, sewer system repair and replacement, combined sewer operations (CSO) correction, resilience to extreme weather events, security and system consolidation/regionalization.<sup>12</sup>

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

### 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 2025, 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 Financing, 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 2025 Budget
General NPS Program	\$10,000,000*

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

<sup>11</sup> <https://www.epa.gov/cwsrf/clean-water-state-revolving-fund-cwsrf-factsheets>

<sup>12</sup> [https://www.epa.gov/sites/default/files/2016-07/documents/overview\\_of\\_cwsrf\\_eligibilities\\_may\\_2016.pdf](https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf)



**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 Plan<sup>13</sup> 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 EPC<sup>14</sup>.

Applications and instructions for General NPS projects can be found on the NPS Water Quality Programs, "Programs for Communities" page of the SRF website.<sup>15</sup>

Projects funded as loan participation are listed in Appendix H - Funding Recommendations. 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 for the primary purpose of water quality improvement or protection.

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.

***Beginning September 1, 2025, a revised application will be in effect and all 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 2025, the SRF Program will be 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.

Beginning with General NPS project applications received by the September 1, 2024 application deadline, 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. Eligible project costs in excess of \$500,000 can be funded through a General NPS SRF loan at the standard interest rate.

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

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<sup>13</sup> <https://www.iowadnr.gov/environmental-protection/water-quality/watershed-improvement/nonpoint-source-plan>

<sup>14</sup> Iowa Administrative Code 567 - 93 (455B)

<sup>15</sup> Nonpoint Source Water Quality Programs "Programs for Communities" page <https://www.iowasrf.com/general-non-point-source/>

**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 listed under the General NPS section above.

**Timeline:** The first round of applications will be accepted by September 1, 2024 for the fourth quarter of SFY 2025 IUP. Notices of application scores and funding approval will be available 4-6 weeks after each quarterly submission deadline. Subsequent project applications will continue to be accepted quarterly the first working day of December, March, and June as funds are available.

**Application Process:** Details regarding the application submission, review and scoring process are available on the SRF NPS Water Quality Programs webpage <https://iowasrf.com/general-non-point-source/>.

NPS Assistance Programs	Proposed SFY 2025 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 - Funding Recommendations.

#### ***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	Proposed SFY 2025 Budget
SWP Practices Program	\$500,000
LWQ Program	\$6,000,000
LWP Program	\$2,000,000
OSWAP	\$1,500,000

#### **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.<sup>16</sup>

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.

<sup>16</sup> NPS Water Quality Programs "Programs for Landowners" page <https://www.iowasrf.com/general-non-point-source/>

**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

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**

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 2025 Budget
Sponsored Project Program	\$0

**In SFY 2025 funding will not be made available for new sponsored projects. In lieu of allocating funds to sponsored projects from the CWSRF fund, subsidization shall be provided to qualifying projects funded through the General NPS loan program, “Special Purpose Funding”. Funding for previously awarded sponsored projects remains unchanged.**

Program resources are available for **current** projects on the Water Resource Restoration Sponsored Projects webpage.<sup>17</sup>

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.

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<sup>17</sup> NPS Water Quality Programs, Programs for Communities at <https://www.iowasrf.com/water-resource-restoration-sponsored-projects/>

**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.

### CWSRF BIL PROGRAMS

The IJA, also known as the BIL, provides CWSRF programs with two additional capitalization grants annually through FFY 2026. Allotments for the FFY 2024 EPA capitalization grants have been determined and the Iowa SRF Program will apply for and/or receive FFY 2023 and 2024 BIL Funding during the SFY 2025.

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

### CWSRF BIL GENERAL SUPPLEMENTAL (GS) FUNDS

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

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

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

FFY	Funding Source	Allocation Amount*
2024	CWSRF BIL GS Grant	\$30,779,000

\*This award amount is anticipated to be received in SFY 2025 but has not been received as of the publication of this DRAFT IUP

### BIL PFAS/EC FUND

**Eligibility.** Eligible borrowers and eligible activities are the same as the CWSRF Base Program. For a project or activity to be eligible under this funding source, it must be otherwise eligible under section 603(c) of the CWA and the primary purpose must be to address 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.<sup>18</sup>

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 BIL PFAS/EC are all considered equivalency projects and will comply with the federal requirements described in Equivalency of this IUP and BIL Signage requirements described in Appendix G – Federal Assurances, Certifications and Proposals.

<sup>18</sup> [https://www.epa.gov/system/files/documents/2022-03/combined\\_srf-implementation-memo\\_final\\_03.2022.pdf](https://www.epa.gov/system/files/documents/2022-03/combined_srf-implementation-memo_final_03.2022.pdf)

FFY	Funding Source	Allocation Amount
2023	CWSRF BIL PFAS/EC	\$1,800,000*
2024	CWSRF BIL PFAS/EC	\$2,878,000**

\*This award amount is anticipated to be received in SFY 2025 but has not been received as of the publication of this DRAFT IUP

\*\*SRF intends to apply for CWSRF BIL PFAS funds and/or transfer these funds to DWSRF Program during SFY 2025

The Iowa SRF Program requested, at the time of application in SFY 2024, that a portion of the FFY 2023 CWSRF BIL PFAS/EC allocation, totaling \$1,078,000, be transferred to the DWSRF BIL PFAS/EC fund. These transferred funds are expected to be received and available for DW PFAS/EC projects during SFY 2025.

***The Iowa CWSRF Program reserves the right to request transfer of the unobligated portion of the FFY 2024 Cap Grant to the Drinking Water State Revolving Fund (DWSRF) BIL PFAS/EC Fund.***

## E. Financial Administration

### RATES, FEES AND LOAN TERMS & CONDITIONS

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

### PROJECT READINESS FOR LOAN APPLICATION

SRF applicants are required to comply with Iowa public bidding law in order to receive funding through the CWSRF Program. **Applicants must demonstrate compliance through an opinion of legal counsel.** A sample "Form of SRF Construction Bidding Opinion" **is available** on the SRF website.<sup>19</sup> Applicants are encouraged to include this opinion letter when submitting bid documentation to SRF.

**SRF Notice of Funding Eligibility (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

**Construction Loan Applications will not be accepted until the SRF NOFE Letter(s) are issued by the SRF Project Compliance Specialist.**

If the SRF NOFE Letter is issued **contingent upon** the receipt of a construction bidding legal opinion, an SRF Construction Loan Application **will not be considered "complete" until the applicant submits an opinion of legal counsel certifying compliance with Iowa public bidding law,** therefore *releasing* the contingency on the NOFE.

### Prior to Approving a Construction Loan:

A complete SRF Construction application includes the following: NOFE, construction bidding legal opinion, 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, 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.

<sup>19</sup> Under "Program Information" on the Documents and Guides page <https://www.iowasrf.com/documents-and-guides/>

- 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. In SFY 2023, a SA Tool was developed to include a more comprehensive range of metrics by which communities are evaluated for DAC status. In SFY 2024, the metrics behind the SA Tool were refined to improve desired outcomes and comply with existing federal statute while still including social, economic and demographic information that may indicate a lack of access to affordable clean water and safe drinking water.

The SA Tool and the metrics are discussed in Appendix A - Affordability Criteria, and they define the affordability criteria that will be used to evaluate the DAC status of a borrower for the purpose of SRF loan forgiveness 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 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<sup>20</sup>
- 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))<sup>21</sup>
- EPA signage requirements
- BABA (FFY 2022 and all future capitalization grants)<sup>22</sup>
- Federal environmental and socioeconomic crosscutters<sup>23</sup>

See Appendix G – Federal Assurance, Certifications and Proposals for program compliance requirements.

<sup>20</sup> <https://www.epa.gov/grants/disadvantaged-business-enterprise-program-under-epa-assistance-agreements-dbe-program>

<sup>21</sup> <https://www.epa.gov/sites/default/files/2021-03/documents/best-practice-guide-for-procuring-services-supplies-equipment.pdf>

<sup>22</sup> <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

<sup>23</sup> <https://www.epa.gov/grants/epa-subaward-cross-cutter-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. Because it is unknown which projects listed on the PPL will execute loan agreements, the SRF will coordinate with borrowers during project planning to identify and assign projects for equivalency. The final equivalency loans selected will be listed in the annual report.

### CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The cash draw procedure used is the direct loan method. The Iowa CWSRF Program uses its Equity Fund to originate loans. When enough loans have been made, the CWSRF Program issues bonds and uses the bond proceeds to replenish the Equity Fund. Iowa's bonds are cross-collateralized across both the Clean Water and Drinking Water SRF accounts, in a manner consistent with state and federal laws. State match bonds are issued along with leveraged bond issues for greater cost effectiveness. State match proceeds are fully disbursed prior to drawing Cap Grant funds. The Cap Grant funds will be drawn at a 100% proportionality ratio. Iowa expects to fully disburse the loan portion of the FFY 2024 CWSRF Base Capitalization Grant, FFY 2024 BIL General Supplemental Fund, FFY 2022 BIL PFAS/EC, and a portion of the FFY 2023 BIL PFAS/EC during the program year.

**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 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 2025 and will report assignments of these funds in the annual report.

### FUNDING SOURCES AND USES

(See Appendix E - Estimated Sources and Uses)

During SFY 2025, the Iowa SRF Program will apply for and/or receive the following Cap Grants and amounts:

FFY	Funding Source	Allocation Amount
2023	CWSRF BIL PFAS/EC	\$1,078,000*
2024	CWSRF BIL PFAS/EC	\$2,878,000
2024	CWSRF Base Cap Grant	\$11,048,000
2024	CWSRF BIL General Supplemental Grant	\$30,779,000

\*The full allocation of the funding source was \$2,878,000 but the Iowa SRF Program requested a total of \$1,078,000 to be transferred to the DWSRF BIL PFAS/EC fund upon application of those funds.

Appendix E - Estimated Sources and Uses illustrates potential sources and uses of funds in the CWSRF for SFY 2025. 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 will 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 2025 include \$30 million (\$10M General NPS, \$10M General NPS Special Purpose Funding at 0% interest, and \$10M 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. Assuming that Iowa SRF continues receiving Cap Grants and providing at least 20% of the Cap Grant as LF, *it is projected that the CWSRF could loan an average of approximately \$200 million per year over the next 10 years, or a total of \$2.0 billion.* These figures would increase with an increase in interest rates.

#### STATE MATCH

(See Appendix F - State Match)

The Iowa SRF Program issues bonds for state match.

#### BONDS

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

#### SWIFIA

The Iowa SRF program was invited to apply for a loan through EPA's 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 robust and sustained demand for loans and it uses Federal Cap Grant funds as expeditiously as possible. After SRF bonds are issued, state match funds are used first, prior to drawing Cap Grant funds. The Cap Grant funds will be drawn at a 100% proportionality ratio. Loan disbursements requests are processed on a weekly basis. In SFY 2024, the program has disbursed an average of approximately \$22.9 million per month (10 months, through April 2024). With a return of \$5.25 for every dollar of federal investment, Iowa's CWSRF is an efficient and effective delivery mechanism for water infrastructure funding.



## OTHER PROGRAM USES

### PLAN FOR USE OF 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 all 4% of Admin.

**Program Income.** A 0.50% **loan initiation fee** is charged on new CWSRF construction loans which is included in the loan principal. Program Income can be used to administer the 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 DAC receiving SRF LF.***

**Non-Program Income.** An **annual servicing fee** of 0.25% is charged on the outstanding principal of CWSRF construction loans. Non-Program Income can be used to administer the program or for other water quality purposes. Income is **earned** throughout the fiscal year by funds received from loan servicing fees as described in Appendix D – Interest Rates, Fees, and Loan Terms.

### 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, BIL GS, and PFAS/EC Funds including:

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

The CWSRF Program intends to use a portion of Non-Program Income funds during SFY 2025 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.

### 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.

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

The CWSRF Program will not withhold any funding from FFY 2024 CWSRF Base Cap Grant application for the SEE Program. These positions are filled by EPA Region 7 and assigned to the DNR's Wastewater Engineering section to provide technical and administrative assistance to the CWSRF projects and program. The SEE enrollees help provide staffing at DNR to maintain the CWSRF program and keep up with the increasing CWSRF project technical and administrative workload. Authorized under the Environmental Programs Assistance Act of 1984 (PL 98-313), the SEE program is intended "to utilize the talents of older Americans in programs authorized by other provisions of law administered by the Administrator in providing technical assistance to Federal, State, and local environmental agencies for projects of pollution prevention, abatement, and control."

**F. Technical Assistance**

States have the flexibility to use up to 2% of their annual CWSRF Cap Grant for the purpose of providing technical assistance to rural, small, and tribal publicly owned treatment works. The eligibility for this funding is very broad. Iowa does not intend to duplicate the technical assistance efforts being provided by EPA and other organizations receiving EPA Technical Assistance grants; so additional planning and coordination is needed before activities are identified for this funding. The Iowa CWSRF Program reserves the right to use 2% of the FFY 2024 Cap Grant TA. Activities completed with these funds will be described in the annual report.

## Appendix A - Affordability Criteria

The affordability criteria established in this IUP after public review and comment will be the criteria used to determine DAC status.<sup>24</sup>

For SFY 2025, 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.

### REVISED AFFORDABILITY CRITERIA USED TO DETERMINE DAC STATUS

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

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

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

### SA TOOL

In SFY 2023, the metrics (affordability criteria) used in the original SA Tool were established using EPA guidance and revised with public input. The SA Tool metrics were revised in SFY 2024 and the census data is updated annually. The SA Tool is part of the annual IUP public review and comment process. The SFY 2025 SA Tool will go into effect upon approval of this IUP by the EPC.

There are two versions of the SA Tool:

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

Both versions of the SA Tool are available to the public throughout the SRF website<sup>25</sup> at [www.iowasrf.com](http://www.iowasrf.com).

The SA Tool assesses 10 data points from publicly available sources produced by the Census Bureau of the U.S. Department of Commerce and Iowa Workforce Development. The SA Tool is **updated annually** with the release of new data from these sources. In SFY 2025, the SA Tool will use 2018-2022 data from the American Community Survey and up-to-date employment data from Iowa Workforce Development (through March 2024). Figure 1 below provides a list of the metrics used in the SA Tool.

To use the SA Tool, a borrower will select each community that makes up the utility’s service area, along with the corresponding percent of population served. For each of the metrics evaluated, applicants will be given a score indicating the relative disadvantage to the other communities in the state (see Figure 1 and Figure 2)<sup>26</sup>. A weighted

<sup>24</sup> IAC 265 Chapter 26.7 - Disadvantaged Community Status

<sup>25</sup> Documents and Guides page <https://www.iowasrf.com/documents-and-guides/>

<sup>26</sup> 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.

average for each metrics will be calculated and assigned points. Scores for each metric are totaled to produce an overall assessment of the applicant’s underlying social, economic, and demographic profile.

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

Points	0	1	2
1 Median Household Income	Top 1/3 (Highest MHI)	Middle 1/3	Bottom 1/3 (Lowest MHI)
2 Percent Below Poverty	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
3 Percent Receiving Public Assistance or Supplemental Nutrition Assistance Program (SNAP)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
4 Percent Receiving Supplemental Security Income (SSI)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
5 Unemployment Rate (County 12-mo avg.)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
6 Percent Not in Labor Force	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
7 Population Trend Between 2010 and 2020 Census*	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 <sup>nd</sup> /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 %)
<b>Relative Disadvantage:</b>	<b>Low</b>	<b>Moderate</b>	<b>High</b>

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. This year, the service area-based SA Tool will use 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 BIL Capitalization Grant Funds (General Supplemental, PFAS/EC and LSL):

- DAC status for the purposes of the CWSRF Program will be determined by completing the SA worksheet to produce a SA score.
- With 10 total metrics, equally weighted, the maximum number of points will be 20. Communities or service areas with a cumulative score of 11 and up (e.g., falling in the top 1/2 of the total possible cumulative score) indicates that the community or service area is socially, economically, and/or demographically disadvantaged relative to the other communities in the state. Conversely, applicants who score in the bottom 1/2 of total cumulative points (e.g., 10 total points or less), will not be considered disadvantaged for SRF Program purposes.
- All projects added to the PPL during SFY 2025 will receive a DAC score based on the SFY 2025 SA Tool and this score will not change with future SFY SA Tool updates. **All projects listed on the approved PPL prior to SFY 2025 will continue to use the DAC score assigned in accordance with the SFY 2024 SA Tool.**

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

	<b>Point Range</b>	<b>Disadvantaged Community</b>
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 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).

### PREVIOUS LOAN FORGIVENESS OPPORTUNITIES

At the conclusion of SFY 2024, final LF funds from these Cap Grants were reallocated and/or awarded. No additional LF funds are available to award from these Cap Grants in SFY 2025:

Federal Fiscal Year	LF Funding Source	LF Required	LF Obligated	LF Available to Award
2021	CWSRF Base Cap Grant	\$2,150,500	\$2,955,739	\$0
2022	CWSRF Base Cap Grant	\$3,132,000	\$3,734,434	\$0
2022 (BIL Year 1)	CWSRF BIL GS Fund	\$11,803,120	\$11,803,120	\$0
2022 (BIL Year 1)	CWSRF PFAS/EC	\$1,265,000	\$1,265,000	\$0
2023	CWSRF Base Cap Grant	\$2,030,400	\$2,030,400*	\$0
2023 (BIL Year 2)	CWSRF BIL GS Fund	\$13,822,900	\$13,822,900*	\$0
2023 (BIL Year 2)	CWSRF PFAS/EC	\$1,800,000	\$1,800,000	\$0**

As of the publication of this DRAFT IUP:

\*LF awards will be made to projects with qualifying DAC scores between 14-20 with executed loans between January 1, 2023 and June 30, 2024. Final obligation amounts are pending loans executed in May and June, 2024 and pending acceptance of LF terms and conditions. \*\*A total of \$2,878,000 was allotted to Iowa for this fund. Upon application of 2023 BIL PFAS/EC funds, a total of \$1,078,000 was transferred from the CWSRF PFAS/EC fund to DWSRF PFAS/EC fund to be used for Drinking Water PFAS/EC projects.

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

### SFY 2025 LF CRITERIA

The following criteria will apply to all LF funding available to award during SFY 2025:

#### GENERAL RESTRICTIONS AND/OR LIMITATIONS

- LF eligibility will be evaluated based on the current SA Tool in effect at the time the project is added to the PPL.
- LF awards is applied only to the total eligible **construction costs** of the project.
- Borrowers being offered additional subsidization will be asked to accept the award by signing an offer letter of LF terms and conditions.
- Time limits may be established for signing loan commitments in order to apply LF awards.
- Maximum time limits may also be established for commencing construction of an eligible project. If construction has not been initiated or a loan commitment has not been signed by the date indicated in the LF terms and conditions award letter, the LF offer may be withdrawn or reassigned.
- 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.
- Taxable portions of SRF projects are not eligible for LF.
- Applicants who received a DAC determination from DNR prior to September 20, 2022 and are eligible for extended term financing (up to 30 years) at the 20-year interest rate, are not eligible for LF.

- Borrowers receiving 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 from the Iowa SRF program for the same project.
- LF awards may consist of more than one funding source.

### FFY 2024 CWSRF BASE CAPITALIZATION GRANT AND BIL GENERAL SUPPLEMENTAL FUND

FFY 2024 (BIL Year 3)	Award Amount	LF Required	LF Obligated	LF Available to Award
CWSRF Base Cap Grant	\$11,048,000*	\$2,209,600	\$0	\$2,209,600
CWSRF BIL GS	\$30,779,000*	\$15,081,710	\$5,365,030**	\$9,716,680

\*This award amount is anticipated to be applied for and received during SFY 2025 but has not yet been received as of the publication of this DRAFT IUP.

\*\* (Estimate) See Method of Award below. Round 1-LF awards will first be made to the remaining projects with qualifying DAC scores between 11-20 with executed loans between January 1, 2023 and June 30, 2024. Final obligation amounts are pending loans executed in May and June, 2024 and pending acceptance of LF terms and conditions. Any remaining funds will be awarded in accordance with Round 2 described below.

#### **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 2025 were assigned a DAC score in accordance with the SFY 2024 SA Tool).

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**

Projects currently listed on the PPL that are **most likely to** execute an SRF loan in SFY 2025 will be identified as the group of projects eligible for LF consideration and this group will be ranked according to the following 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. Then, projects that will return a system to compliance upon completion will receive priority of funding among this group.
4. If necessary, the date of loan execution will be used as a tiebreaker to determine final priority ranking.

**METHOD OF AWARD**

Awards will be assigned based on highest to lowest ranking order, in accordance with the SFY 2025 LF criteria described above. It is the intent of this program to assign LF awards during the first quarter of the state fiscal year.

Loan forgiveness for CWSRF Base and BIL GS funds will be awarded in two rounds:

**Round 1:** All available LF funds will first be used to award LF to the remaining eligible projects that executed loans between January 1, 2023 -June 30,2024, in accordance with the SFY 2025 LF criteria described above.

**Round 2:** The balance of FFY 2024 LF funds available will be assigned to the projects identified using the criteria listed above, until all funding is obligated.

**Once all available LF funding is obligated, the remaining projects in the selected group that are most likely to execute an SRF loan in SFY 2025, will receive a LF award contingent upon availability of *unused and/or reallocated* funds. Contingent LF awards will not be offered for future funding opportunities.**

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

**FFY 2024 BIL PFAS/EC FUND**

<b>FFY 2024 (BIL Year 3)</b>	<b>LF Required</b>	<b>LF Obligated</b>	<b>LF Available to Award</b>
CWSRF PFAS/EC	\$2,878,000*	\$0	\$2,878,000

\*This award amount is anticipated to be applied for and received during SFY 2025 but has not been received as of the publication of this DRAFT IUP.

**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 2025 Program Activities to be Supported.

**METHOD OF AWARD**

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



## Appendix C - Project Ranking Criteria

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

The criteria for scoring and ranking CWSRF projects use an integrated approach which allows comparison of Section 212 POTW projects as well as NPS pollution control projects to gain the highest water quality benefits for the funding available.

Iowa is currently able to fund all projects that are eligible, but the priority system will be available to use in the case the demand for CWSRF loans exceeds supply of funds. In the event that available funds are limited, funding shall be offered to the projects with highest rank on the PPL, subject to the project's readiness to proceed, and shall proceed from the highest project downward, subject to availability of funds.

### 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 91. Priority ranking for the projects is based on the total points awarded for all the categories; the greater the total number of points, the higher the ranking. The ranking will be done at the time the IUP is prepared and will not be updated during the year.

Subsequent segments of projects funded by CWSRF loan programs of previous years will be ranked at the top; projects ranked in the current year application group will follow.

According to 567 IA Chapter 91, 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, the ranking will be done at the time the project application is received. Priority ranking for General NPS projects will be based on the total points awarded for all categories; the greater the total number of points, the higher the ranking. The tiebreaker category will be used when necessary.

### PPL SCORING CRITERIA

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

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

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

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

### 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.

<b>Evaluation Factor (Points out of 20)</b>	<b>Description</b>	<b>Scoring Considerations</b>
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 AND TERMS OF FINANCING

#### SRF P&D LOANS

Eligible entities may use SRF P&D Loans to reimburse costs incurred in the P&D phase of SRF-eligible proposed wastewater, stormwater, or drinking water project. Eligible costs include, but are not limited to, engineering fees, archaeological surveys, environmental studies, fees related to project plan preparation and submission, and other costs related to project plan preparation.

P&D Loans have no interest or payments due for up to three years while the project is designed, and there are no minimum or maximum loan limits. **These** loans are not **subject to** initiation or servicing fees; however, borrowers must engage their Bond Counsel to authorize and issue the debt. P&D Loans will be rolled into an SRF Construction Loan or may be repaid when other permanent financing is **secured**.

#### SRF CONSTRUCTION LOANS

SRF Construction Loans **offer** low-cost financing for a variety of wastewater and drinking water infrastructure projects. **These loans carry** below-market interest rates, low fees, and favorable terms **including up to 30 year repayment terms**. SRF Construction Loans require a first-lien pledge of (1) a utility system's net revenues (equal to 1.10x aggregate annual debt service for all parity obligations); (2) ad valorem taxes levied against all taxable property (general obligation); or (3) some combination thereof. The SRF program reserves the right, on a case-by case basis, to require borrowers establish and maintain debt service reserve fund (**DSRF**) equal to the **lesser** of (1) 10% of the par amount of the loan; (2) 100% of the Maximum Annual Debt Service; or (3) 125% of the Average Annual Debt Service. **A DSRF may be funded with SRF funds**.

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

SRF Construction Loans also **offer** eligible entities low-cost financing for **various** NPS projects. **These loans** are offered for the **duration** of the **NPS practice's** useful life as determined by existing design standards (e.g. 10 or 20 years depending on the NPS practice). **They come with** below-market interest rates, low fees, and favorable terms.

#### INTEREST RATES

CWSRF Programs **are responsible for providing** communities a low-cost, perpetual funding source for constructing infrastructure and implementing practices that deliver safe drinking water to citizens and treats water pollution to support a healthy environment.

To carry out this mandate, Iowa's SRF Loan Programs utilizes Base Interest Rates for Tax-Exempt and Taxable loans that are re-calculated and published on the first business day each January, April, July, and October (the "Effective Date").

Current SRF loan interest rates are published on the SRF website, <https://iowasrf.com/loan-interest-rates/>.

#### STANDARD TERM LOANS (UP TO 20 YEARS)

The Base Interest Rate for tax-exempt loans is calculated by taking 75 percent of the average daily Bloomberg BVAL General Obligation Municipal AAA 20-year yield ("BVAL") for the calendar month immediately preceding the Effective Date. For example, the Base Interest Rate effective July 1 will be calculated using the average 20-year BVAL yield for the month of June.

#### 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.

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

### EXTENDED TERM LOANS (21-30 YEARS)

Extended term loans of up to 30 years are available for qualifying projects. **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

### SPECIAL PURPOSE FUND LOANS

General NPS projects: The interest rate for qualifying General NPS projects will be 0% up to the first \$500,000 of NPS project costs. Projects must qualify in accordance with the scoring criteria described in Appendix C – Project Ranking Criteria for “Special Purpose Funds.” Loan servicing fees will still apply (see Fees section below).

### INTEREST RATE LOCK

Applicants should **coordinate** with their Bond Counsel, Municipal Advisor, and other members of their financing team to complete the loan issuance process (e.g., submit a complete SRF Construction Loan Application: NOFE letter, legal opinion on bidding procedures, hold public hearing and authorize debt, complete proforma financial analysis, pass rate ordinance if required, etc.). **Once** an acceptable construction application is received, the loan is presented for IFA Board approval. **After** approval, applicants will receive notification from IFA that includes **a 90-day interest rate lock**. **If** the Program’s loan interest rates **decrease before the loan agreement is signed**, the applicant will automatically receive the **lower** rate at loan closing **provided it is within** the 90-day rate lock period. **If** the 90-day rate lock period expires, **the loan will be executed using the current interest rates which are set quarterly.**<sup>27</sup>

## FEES

### LOAN INITIATION FEES

New SRF Construction Loans are assessed a loan initiation fee of 0.50% of the full loan commitment amount, not to exceed \$100,000, paid upon closing. Since Iowa’s loan initiation fees are capitalized, the fee income is considered program income and may only be used for the purposes of administering the SRF Program or for making new loans. The uses of Program Income are discussed in Other Program Uses in this IUP.

Initiation fees will not be assessed on borrowers that meet the Program’s affordability criteria as a DAC and have received a LF award.

### LOAN SERVICING FEES

An annual loan servicing fee equal to 0.25% of the outstanding loan balance is charged on SRF Construction Loans. Payment of the loan servicing fee is made semiannually along with scheduled interest payments. Loan servicing fees are calculated based on the outstanding principal balance. Non-Program Income can be used to administer the program or for other water quality purposes. The uses of Non-Program Income are discussed in Other Program Uses in this IUP.

<sup>27</sup> <https://www.iowasrf.com/loan-interest-rates/>

## Appendix E - Estimated Sources and Uses

### Estimated Sources and Uses of Funds

CWSRF - SFY 2025

Rounded to the nearest \$1,000 as of April 15, 2024

#### SOURCES OF FUNDS

FFY 2022 Federal Capitalization Grant(s):	
BIL Emerging Contaminants (Undrawn Amount)	\$1,265,000
Total 2022 Grants	\$1,265,000
FFY 2023 Federal Capitalization Grant(s):	
BIL Emerging Contaminants	\$1,800,000
Total 2023 Grants	\$1,800,000
FFY 2024 Federal Capitalization Grant(s):	
Base Program	\$11,048,000
BIL Supplemental	\$30,779,000
BIL Emerging Contaminants	\$2,878,000
Total 2024 Grants	\$44,705,000
Estimated Loan Repayments (P&I)	\$120,000,000
Estimated Fee Income	\$6,568,000
Funds Available in Equity and Program Accounts	\$225,523,000
Estimated Investment Earnings on Funds	\$3,507,000
Estimated Bond Proceeds:	
Leveraged/Reimbursement	\$242,342,000
State Match	\$9,000,000
<b>TOTAL SOURCES</b>	<b>\$654,710,000</b>
<b>ANTICIPATED USES OF FUNDS</b>	
Administration	\$5,376,000
Project Funding:	
Disbursements to Existing Loan Commitments <sup>28</sup>	\$267,308,000
Disbursements to Future Loan Commitments:	
Planning & Design Requests from IUP <sup>29</sup>	\$8,862,000
Additional CWSRF Project Requests <sup>30</sup>	\$78,030,000
Debt Service:	
Principal Payments on Outstanding Revenue Bonds	\$57,475,000
Interest Payments on Outstanding Revenue Bonds	\$66,849,000
Retained Equity <sup>31</sup>	\$170,810,000
<b>TOTAL USES</b>	<b>\$654,710,000</b>
<b>NET SOURCES (USES)</b>	<b>\$0</b>

<sup>28</sup> Assumes 75% disbursement rate.

<sup>29</sup> Assumes 50% disbursement rate.

<sup>30</sup> Additional projects from IUP (up to the budgeted disbursement total for SFY 2025), plus another 25% of budgeted new commitments.

<sup>31</sup> Includes accumulated undrawn cap grants, investment interest, and loan repayments available for future project funding and/or debt service.

## Appendix F - State Match

### Clean Water SRF

#### Federal Fiscal Year 2022

##### Sources of State Match

Surplus State Match from Prior Year(s)			\$5,896,400
State Match Bonds Issued in May 2022			\$3,000,000
<b>Total CW State Match Available</b>			<b>\$8,896,400</b>

##### Application of State Match

	<u>Cap Grant (\$)</u>	<u>Match Required (%)</u>	<u>Match Required (\$)</u>
FFY 2022 Base Cap Grant	\$15,660,000	20%	\$3,132,000
FFY 2022 BIL Supplemental Cap Grant	\$24,088,000	10%	\$2,408,800
<b>Total CW State Match Required</b>			<b>\$5,540,800</b>
<b>CW State Match Surplus (Deficit)</b>			<b>\$3,355,600</b>

#### Federal Fiscal Year 2023

##### Sources of State Match

Surplus State Match from Prior Year(s)			\$3,355,600
State Match Bonds Issued in June 2023			\$1,500,000
<b>Total CW State Match Available</b>			<b>\$4,855,600</b>

##### Application of State Match

	<u>Cap Grant (\$)</u>	<u>Match Required (%)</u>	<u>Match Required (\$)</u>
FFY 2023 Base Cap Grant	\$10,152,000	20%	\$2,030,400
FFY 2023 BIL Supplemental Cap Grant	\$28,210,000	10%	\$2,821,000
<b>Total CW State Match Required</b>			<b>\$4,851,400</b>
<b>CW State Match Surplus (Deficit)</b>			<b>\$4,200</b>

#### 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
<b>Total CW State Match Available</b>			<b>\$9,004,200</b>

##### Application of State Match

	<u>Cap Grant (\$)</u>	<u>Match Required (%)</u>	<u>Match Required (\$)</u>
FFY 2024 Base Cap Grant	\$11,048,000	20%	\$2,209,600
FFY 2024 BIL Supplemental Cap Grant	\$30,779,000	20%	\$6,155,800
<b>Total CW State Match Required</b>			<b>\$8,365,400</b>
<b>CW State Match Surplus (Deficit)</b>			<b>\$638,800</b>

## 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 and borrower contact information. Each SRF funded project is also required to provide public notice of their SRF Project as part of the ER process.

Projects receiving additional subsidization, or are funded as equivalency projects from IIJA or BIL funds will follow the OMB<sup>32</sup> and EPA Signage Guidance<sup>33</sup> for those funds, as summarized below:

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

- Construction projects identified as “equivalency projects” for BIL general supplemental capitalization grants;
- Construction projects that receive additional subsidization (forgivable loans) made available by BIL general supplemental capitalization grants;
- Construction projects that receive funding from BIL PFAS/EC capitalization grant.

#### 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, finance several projects annually which meet this criterion. During SFY 2025, the SRF Program will identify recipients that comply with GPR requirements. 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 BIL. 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.

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<sup>32</sup> Guidelines and design specifications for using the official Investing in America emblem and corresponding logomark available at <https://www.epa.gov/invest/investing-america-signage>

<sup>33</sup> Compliance guidelines for sign specifications provided by the EPA Office of Public Affairs (OPA) are available at <https://www.epa.gov/aboutepa/using-epa-seal-and-logo>



## AMERICAN IRON AND STEEL

CWSRF assistance recipients are required to use iron and steel products produced in the United States for projects for constructing, altering, maintaining, or repairing public water systems<sup>34</sup>. Iowa CWSRF Program proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. All recipients will be required to sign a self-certification of compliance at completion of the project.

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

## BUILD AMERICAN, BUY AMERICA ACT

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 Laws.<sup>35</sup> 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.<sup>36</sup>

Since not all funds available through the Iowa CWSRF Program are considered federal financial assistance, SRF will provide information to those applicants required to comply with necessary documentation and inspection procedures. Iowa proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in BABA and EPA guidance<sup>37</sup>. All recipients will be required to sign a self-certification of compliance at completion of the project.

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

## ENVIRONMENTAL REVIEW

Projects receiving assistance from the CWSRF must conduct 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 will conduct NEPA-like environmental review services on behalf of CWSRF applicants in accordance with the federal assurances below.

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.<sup>38</sup> Iowa proposes oversight of this requirement to be conducted by verification of bid documents and wage determinations, and will require applicants to submit a self-certification form at completion of the project indicating compliance with this requirement.

## FEDERAL ASSURANCES

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

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

<sup>35</sup> Build America, Buy America Act, P.L. 117-58, Secs 70911 - 70917

<sup>36</sup> <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

<sup>37</sup> <https://www.epa.gov/system/files/documents/2022-11/OW-BABA-Implementation-Procedures-Final-November-2022.pdf>

<sup>38</sup> <https://www.epa.gov/grants/interim-davis-bacon-act-guidance>

**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.

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

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

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

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

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

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

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

#### **PROCESS (APPLICATION/PAYMENT/DISBURSEMENT)**

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

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

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

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

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

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

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

1. Document compliance with the CWA, other federal regulations, and any general and special grant conditions;

2. Produce the required report;
3. Document technical and financial review and project decisions;
4. Support audits; and
5. Provide effective and efficient program management.

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

## Appendix H - Funding Recommendations

### 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 93.7(5), costs for the purchase of land are not eligible costs unless specifically approved by the EPC.

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

### GENERAL NPS ASSISTANCE PROJECTS RECEIVING SPECIAL PURPOSE FUNDING

GNS project applications received during the fourth quarter of SFY 2025 (and subsequent quarters as funds are available) will be scored to determine if the project qualifies for incentive funding. Applications will be evaluated using the additional scoring criteria located in “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	Project Description (Proposed practice, watershed, transfer of ownership)	Application Score	Total Project Cost
City of Hudson	Wetlands and Oxbow Restoration	12	\$268,000

## Appendix I - Public Review and Comments Received

A public meeting to allow input to Iowa’s SFY 2025 IUP and PPL will be held May 30, 2024, 10:00 a.m. via video conference call. This meeting will be 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 Media Center<sup>39</sup> and the IUP Public Hearings<sup>40</sup> pages of the SRF website. Written comments may be submitted to [srf-pc@dnr.iowa.gov](mailto:srf-pc@dnr.iowa.gov) and will be accepted through June 7, 2024

### Comments Received:

1. During the comment period, the following P&D and construction projects were identified as no longer needing SRF funding and were removed from the final PPL presented to the EPC for approval:

Applicant	CWSRF Project No.	Funding Request	Project Type
Rickardsville	CS1920956	\$1,032,000	CONSTRUCTION
Algona	PD-CW-17-14	\$130,000	P&D
Chelsea	PD-CW-24-55	\$200,000	P&D
Coralville	PD-CW-21-61	\$694,400	P&D
Ely	PD-CW-23-16	\$184,420	P&D
Mapleton	PD-CW-16-30	\$225,000	P&D
Oelwein	PD-CW-16-40	\$33,500	P&D
Saint Ansgar	PD-CW-21-72	\$64,400	P&D

2. During the comment period, the SRF Program re-evaluated the first and second ranking priorities for SFY 2025 loan forgiveness “Eligibility Criteria” in Appendix B. The DRAFT IUP was released for comment with projects first being ranked for loan forgiveness priority based on the IUP application project priority points (highest to lowest). The SRF Program determined that ranking projects first by DAC score (highest to lowest) and then second by project priority points (highest to lowest) better aligns with the intent of BIL loan forgiveness funding and the state’s goals of making subsidy available to the most disadvantaged borrowers first.
3. During the public hearing, a representative of the Sierra Club commented that a glossary of acronyms would be helpful for readers. The SRF Program intends to incorporate a glossary of acronyms in the second quarter IUP update.

### Second Quarter Update:

A public meeting to allow input to Iowa’s SFY 2025 IUP and PPL will be held August 29, 2024, 10:00 a.m. via video conference call. This meeting will be 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 Media Center and the IUP /IUP Public Hearings pages of the SRF website. Written comments may be submitted to [srf-pc@dnr.iowa.gov](mailto:srf-pc@dnr.iowa.gov) and will be accepted through September 5, 2024.

### Comments Received:

1. During the comment period, the following construction project was identified as no longer needing any additional SRF funding to complete the project and was removed from the final PPL presented to the EPC for approval:

<sup>39</sup> <https://www.iowasrf.com/media-center/>

<sup>40</sup> <https://www.iowasrf.com/intended-use-plan-public-hearings/>

<b>Applicant</b>	<b>CWSRF Project No.</b>	<b>Funding Request</b>	<b>Project Type</b>
McGregor	CS1920974-01	\$304,000	CONSTRUCTION

- During the extended comment period for GNS application revisions (through July 5, 2024), the SRF Program received a comment letter from the Iowa Stormwater Education Partnership (ISWEP) regarding the special purpose incentive funding offering under the CWSRF General NPS Program. ISWEP welcomed the incentive opportunity, shared their appreciation of the unique value of the Sponsored Project Program and offered their collaboration with SRF to support these funding programs.

Third Quarter Update:

A public meeting to allow input to Iowa's SFY 2025 IUP and PPL will be held December 5, 2024, 10:00 a.m. via video conference call. This meeting will be 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 are also posted on the Media Center and the IUP /IUP Public Hearings pages of the SRF website. Written comments may be submitted to [srf-pc@dnr.iowa.gov](mailto:srf-pc@dnr.iowa.gov) and will be accepted through December 5, 2024.

Comments Received:

## 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
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
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

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

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

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		
Defiance	8315001	PD-CW-25-33	Lagoon Improvements	2025	3	P&D	P	\$ 170,000.00				x		NA	12
Kalona	N/A	PD-CW-25-32	Improvements to WWTP	2025	3	P&D	P	\$ 400,000.00				x		NA	4
Ida Grove	4728001	PD-CW-25-31	WWTP Upgrades and Renovation	2025	3	P&D	P	\$ 300,000.00				x		NA	9
Rockford	3430001	CS1921160 01	Wastewater Treatment Facility Improvements	2025	3	295	P	\$ 1,040,000.00				x		TBD	11
Terrace Hill Sanitary District	3500900	CS1921163 01	Treatment Plant Improvements	2025	3	264	P	\$ 1,815,000.00				x		TBD	TBD
Elma	4525001	CS1921161 01	WWTF Facility Plan	2025	3	157	P	\$ 1,111,000.00				x		TBD	19
Lovilia	6858001	CS1921164 01	Highway and Railroad Sanitary Sewer Crossing Improvements	2025	3	134	P	\$ 915,000.00				x		TBD	12
Fairfax	5731001	CS1921165 01	Update Sanitary Sewer Main Located East of Highway 151	2025	3	127	P	\$ 1,418,000.00				x		TBD	2
Hudson	N/A	GNS25-01	Hudson Wetlands and Oxbow Restoration	2025	3	5	P	\$ 268,000.00				x		NA	NA
Laurel	N/A	PD-CW-25-21	WWRP Improvements	2025	2	P&D	P	\$ 519,000.00				x		NA	14
Duncombe	N/A	PD-CW-25-15	WWTP Upgrades	2025	2	P&D	L	\$ 155,000.00	9/27/2024	\$ 155,000	\$ -	x		NA	8
Moravia	N/A	PD-CW-25-14	Lagoon Upgrades	2025	2	P&D	L	\$ 553,000.00	9/27/2024	\$ 553,000	\$ -	x		NA	14
Duncombe	W2024-0372A	CS1921156 01	2025 WWTF Improvements Project	2025	2	254	P	\$ 2,296,000.00				x		1	10
New Hampton	W2021-0327A	CS1921155 01	Wastewater Treatment Plant Improvements Project	2025	2	224	P	\$ 28,083,000.00				x		1	12
Andover	W2023-153A	CS1921154 01	Wastewater Treatment Facility Improvements	2025	2	214	P	\$ 667,000.00				x		1	12
Luana	W2024-0012A	CS1921151 01	Luana 3-Cell Controlled Discharge Lagoon System	2025	2	210	P	\$ 2,000,000.00				x		1	11
Clinton	W2024-0209A	CS1921157 01	Clinton RNG	2025	2	165	P	\$ 25,628,000.00				x		2	19
Farmington	S2022-0314A	CS1921158 01	Farmington Sanitary Sewer Improvements	2025	2	162	P	\$ 2,030,000.00				x		2	15
Brayton	S2024-0191A	CS1921152 01	2024 Brayton Lagoon Liner Improvements	2025	2	159	P	\$ 392,000.00				x		1	12
McGregor	W2024-0064A	CS1921153 01	1st and A Street Reconstruction	2025	2	139	P	\$ 735,000.00				x		2	17
Ely	Was initially part of S2023-0019A	CS1921159 01	Ely Downtown Sanitary Sewer Rehabilitation	2025	2	129	P	\$ 573,000.00				x		2	4
Independence	N/A	PD-DW-25-02	wwtf improvements	2025	1	P&D	L	\$ 2,178,000.00	6/21/2024	\$ 2,178,000	\$ -	x		NA	NA
Larrabee	N/A	PD-CW-25-11	Collection system rehab	2025	1	P&D	P	\$ 170,600.00				x		NA	NA
Lovilia	N/A	PD-DW-25-01	Sanitary sewer collection system under highway and railroad	2025	1	P&D	P	\$ 91,000.00				x		NA	NA
Mediapolis	N/A	PD-DW-25-03	modifications to treatment lagoon, address i&l issues	2025	1	P&D	L	\$ 209,000.00	7/5/2024	\$ 209,000	\$ -	x		NA	NA
Twin Lakes	N/A	PD-CW-25-12	Wastewater treatment upgrade with ammonia removal and UV	2025	1	P&D	P	\$ 309,000.00				x		NA	NA
Toledo	W2024-0199A	CS1921144 01	Wastewater Treatment Plant Disinfection Improvements	2025	1	214	D	\$ 249,000.00				x		Yes	17
Sioux City	52022-0277A	CS1921148 01	Digestion and High Strength Waste Receiving Improvement Project	2025	1	190	P	\$ 20,707,000.00				x		No	12
Muscatine	W2024-0182A	CS1921145 01	Redundant Force Main Project	2025	1	187	P	\$ 3,795,000.00				x		Yes	14
Martensdale	2024-0156A	CS1921146 01	Lagoon Lift Station Improvements	2025	1	180	P	\$ 468,000.00				x		No	12
Cresco	2024-0165A	CS1921142 01	Age Related Equipment Replacement	2025	1	162	R	\$ 1,940,000.00				x		No	10
Dubuque	W2023-0293A	CS1921147 01	WRRC High Strength Waste (HWS) Receiving and Storage	2025	1	159	P	\$ 7,646,000.00				x		No	10
Boone	W2024-0295A	CS1921149 01	Wastewater Treatment Facility Improvements and Roof Replacement Project	2025	1	149	L	\$ 2,498,000.00	10/25/2024	\$ 780,000	\$ 1,718,000	x		No	10
Dubuque	W2024-0302A	CS1921150 01	Terminal Street Lift Station Phase I Improvements	2025	1	139	P	\$ 2,542,000.00				x		No	10
Larrabee	W2022-0192A	CS1921143 01	Larrabee Wastewater Improvements	2025	1	139	P	\$ 638,000.00				x		No	8
Osceola	N/A	PD-CW-24-70	Effluent wastewater reuse treatment, pumps, and pipeline	2024	4	P&D	P	\$ 1,000,000				x		NA	NA
Muscatine	S2022-036A	CS1921135 01	West Hill Area Sanitary and Storm Sewer Separation Phase 6D & 6E	2024	4	255	P	\$ 14,064,000				x		Yes	14
Malvern	S2023-0301A	CS1921136 01	Wastewater Lagoon Effluent UV Disinfection Malvern, Iowa	2024	4	224	L	\$ 370,000	9/20/2024	\$ 536,000	\$ -	x		Yes	7
Rock Rapids	W2022-0424A	CS1921140 01	Wastewater Treatment Facility Improvements	2024	4	222	P	\$ 24,723,000				x		Yes	6
Decorah	W2022-0364A	CS1921132 01	Decorah Wastewater Plant Improvements	2024	4	200	P	\$ 4,925,000				x		No	10
Manly	W2024-0086A	CS1921133 01	Sanitary Sewer Collection System I/I Reduction - Phase 1	2024	4	199	P	\$ 711,000				x		No	8
Oxford Junction	W2024-0116A	CS1921134 01	Oxford Junction Synthetic Lagoon Liner Replacement	2024	4	192	P	\$ 480,000				x		No	16
Iowa City	S2023-0308A	CS1921138 01	Digester Complex Rehabilitation	2024	4	182	P	\$ 30,457,000				x		No	8
WRA	W2024-0201A	CS1921141 01	Property Acquisition	2024	4	180	L	\$ 8,000,000	8/2/2024	\$ 7,600,000	\$ -	x		N/A	Verify
Underwood	W2021-0431A	CS1921137 01	Wastewater Treatment Facility Improvements	2024	4	167	P	\$ 4,162,000				x		No	1
WRA		CS1921131 01	WRA New Common Trunk and Joint Trunk Sewer Improvements	2024	4	150	P	\$ 82,241,000				x		Yes	Verify
Eldora	S2024-0169A	CS1921139 01	WWTP System Upgrade	2024	4	145	P	\$ 1,476,000				x		No	14
Mountour	N/A	PD-CW-24-15	Wastewater Treatment Improvements	2024	3	P&D	L	\$ 203,000	8/4/2024	\$ 203,000	\$ -	x		NA	NA
Fort Dodge	N/A	PD-CW-24-51	Supplemental to WWTP Facility Plan P&D	2024	3	P&D	P	\$ 103,000				x		NA	NA
Emmetsburg	S2021-0226B	CS1921124 01	Wastewater Treatment Facility Improvements	2024	3	264	P	\$ 30,000,000				x		Yes	13

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		
Bonaparte	S2024-011A	CS1921123 01	Bonaparte Sanitary Sewer Lining Phase 1	2024	3	255	P	\$ 451,000				x		No	18
Creston	W2023-0400A	CS1921130 01	Wastewater Treatment Facility Improvements - Nutrient Reduction	2024	3	224	P	\$ 6,803,850				x		Yes	18
Danville	W2020-0216A	CS1921121 01	Wastewater Treatment Facility Improvements	2024	3	224	P	\$ 6,603,000				x		Yes	8
Goose Lake	W2022-0114A	CS1921122 01	WWTF Improvements	2024	3	224	P	\$ 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				x		No	11
Greenfield Plaza-Hills of Coventry Sanitary District (WRA)	W2024-0068A	CS1921127 01	Sanitary Sewer System Improvements	2024	3	160	P	\$ 1,603,000				x		No	Verify
Bettendorf	W2023-0370A	CS1921128 01	Spencer Creek Lift Station Improvements	2024	3	155	R	\$ 10,352,000				x		No	7
Greenfield	W2023-0194A	CS1921126 01	Phase 2 Collection System Improvements	2024	3	139	P	\$ 2,110,500				x		No	16
Radcliffe	2024 0018A	CS1921125 01	Sanitary Sewer Collection System Improvements	2024	3	139	P	\$ 987,000				x		No	15
Lansing	W2024-0107A	CS1921129 01	Platt, 4th & North Utility Improvements	2024	3	134	P	\$ 860,000				x		No	16
Chelsea	W2021-0294A	CS1921119 01	New WWTP for ammonia and bacteria	2024	2	274	P	\$ 2,311,000				x		Yes	20
Anamosa	W2023-0224A	CS1921117 01	Wastewater Treatment Plant - Nutrient removal	2024	2	257	P	\$ 2,222,000				x		Yes	15
Forest City	S2022-0266A	CS1921078 01	WWTP Nutrient Improvements	2024	2	234	P	\$ 20,260,000				x		Yes	9
Ames	W2023-0016A	CS1921109 01	WPCF Nutrient Reduction Project	2024	2	229	R	\$ 65,185,000				x		Yes	7
Waterloo	W2023-0164A	CS1921114 01	CIPP Lining	2024	2	162	R	\$ 2,500,000				x		No	15
Peosta	W2023-0401A	CS1921112 01	New Kapp Court Lift Station	2024	2	160	P	\$ 600,000				x		No	5
George	S2023-0357A	CS1921115 01	Sanitary Sewer Rehabilitation	2024	2	152	L	\$ 903,000	9/27/24	\$ 769,000	\$ -	x		No	8
State Center	W2019-0322A	CS1921113 01	Wastewater Treatment Improvements - New 2045 gpm main lift station	2024	2	139	P	\$ 1,592,000				x		No	9
Bode	W2023-0292A	CS1921110 01	Phase 1 Sanitary Sewer Collection Rehab	2024	2	129	P	\$ 845,000				x		No	16
Templeton	W2023-0405A	CS1921118 01	Sanitary Sewer Rehabilitation	2024	2	129	P	\$ 337,000				x		No	6
Montour	S2021-0288A	CS1921105 01	Montour Wastewater Treatment Facility 2023 Upgrades	2024	1	345	P	\$ 2,231,000				x		No	14
Holstein	W2020-0435A	CS1921104 01	Holstein Wastewater System Improvements	2024	1	314	P	\$ 6,399,000				x		No	8
Schaller	W2023-0028A	CS1921106 01	Schaller WWTP Facility Plan	2024	1	297	P	\$ 4,417,000				x		No	9
Oxford	W2021-0339A	CS1921101 01	Upgrade Sludge Treatment Process	2024	1	292	P	\$ 2,402,000				x		No	2
Waterloo	W2023-0245A	CS1921107 01	Replace Lift Station and Force Main	2024	1	152	P	\$ 3,692,000				x		Yes	15
Birmingham	W2023-0175A	CS1921100 01	Proposed Sanitary Sewer Improvements - Phase 1	2024	1	129	P	\$ 417,000				x		Yes	19
Lime Springs	W2023-0150	CS1921102 01	2024 Street & Utility Improvements Project	2024	1	129	P	\$ 5,507,000				x		Yes	9
Allerton	N/A	PD-CW-23-56	Improvements to South Wastewater Treatment Plant	2023	4	P&D	P	\$ 545,000				x		NA	NA
Webster City	S2017-0216A	CS1921085 01	Wastewater Treatment Facility Improvements	2023	4	314	P	\$ 77,001,000				x		No	15
Muscatine	S2022-0036A	CS1921092 01	West Hill Area Sanitary and Storm Sewer Separation Phase 6C	2023	4	240	P	\$ 6,680,000				x		Yes	14
WRA	W2022-0186A	CS1921093 01	WRF Effluent Pumping Improvements	2023	4	180	P	\$ 46,080,000				x		Yes	Verify
Cumming	W2023-0198A	CS1921098 01	Sanitary Sewer Collection System Improvements	2023	4	160	P	\$ 4,226,000				x		Yes	2
WRA	S2019-0363A	CS1921094 01	WRA Sewer Lining Phase 3	2023	4	160	R	\$ 16,735,000				x		Yes	Verify
Oskaloosa	W2022-0004A	CS1921088 01	Wastewater Treatment Facility Improvements	2023	3	327	P	\$ 74,420,000				x		No	12
Laurel	S2015-0037A	CS1921073 01	Wastewater Treatment Facility Improvements	2023	3	264	P	\$ 2,094,000				x		No	15
Swea City	W2020-0123A	CS1921087 01	Wastewater System Improvements	2023	3	264	P	\$ 4,593,000				x		No	16
Crescent	W2022-0175A	CS1921081 01	Wastewater Facility Improvements	2023	3	229	P	\$ 4,038,000				x		No	3
Eagle Grove	S2022-0384A	CS1921089 01	Highway 17 Lift Station & Collection System Improvements	2023	3	129	P	\$ 525,537				x		Yes	15
Dubuque	N/A	PD-CW-23-14	P&D for Lift Station and Force Main Improvements	2023	2	P&D	P	\$ 1,000,000				x		NA	NA
Dubuque	N/A	PD-CW-23-15	P&D for Sanitary Sewer Improvements	2023	2	P&D	P	\$ 430,000				x		NA	NA
Johnston	N/A	GNS23-02	Channel Stabilization Projects	2023	2	GNS	L	\$ 1,300,000	12/15/23	\$ 1,196,000	\$ -	x		NA	NA
Story City	S2018-0488A	CS1921082 01	Phase 2 and 3 WWTF Improvements	2023	2	265	L	\$ 10,926,873	8/9/24	\$ 12,000,000	\$ -	x		No	8
Cedar Rapids	S2021-0411A	CS1921069 01	WPC Solids Improvements (Contract 2)	2023	2	182	R	\$ 250,000,000				x		No	9
Eagle Grove	W2022-0328A	CS1921072 01	Wastewater Improvements 2022	2023	2	174	L	\$ 5,715,000	5/5/23	\$ 3,798,000	\$ 1,917,000	x		No	15
Dubuque	S2022-0402A	CS1921080 01	Eagle Street and Althausen Street Water & Sewer Replacement	2023	2	139	P	\$ 393,000				x		Yes	9
Farley	W2022-0268A	CS1921077 01	3rd Avenue SW Water & Sewer Improvements	2023	2	129	P	\$ 2,528,000				x		No	3
Ladora	S20217-0239A	CS1921076 01	Wastewater Improvements Phase II - Ladora Main Lift Station Replacement 2023	2023	2	129	L	\$ 965,000	10/4/24	\$ 965,000	\$ -	x		Yes	12
Dedham	N/A	PD-CW-23-06	P&D for Lagoon Improvements	2023	1	P&D	P	\$ 326,500				x		NA	NA
Mingo	W2021-0260A	CS1921072 01	Wastewater Treatment Plant Improvements	2023	1	250	D	\$ 1,685,000				x		No	9
Cherokee	W2021-0209A	CS1921057 01	WRF Nutrient Reduction Improvements	2023	1	234	D	\$ 7,088,000				x		No	11
Dubuque	W2022-0320A	CS1921070 01	Auburn-Custer Sanitary Sewer Reconstruction	2023	1	139	P	\$ 439,000				x		Yes	9
Earlham	W2020-0448A	CS1921055 01	Earlham Lagoon Upgrades	2022	4	264	L	\$ 6,241,000	7/14/2023	\$ 4,875,000	\$ 1,366,000	x		No	3
Winfield	W2017-0391A	CS1921053 01	Wastewater Treatment Plant Improvements	2022	4	222	L	\$ 5,098,000	5/26/2023	\$ 4,000,000	\$ 1,098,000	x		No	10
Johnston	W2022-0196A	CS1921062 01	NW Area Sanitary Sewer Extension	2022	4	135	L	\$ 17,620,735	11/10/23	\$ 8,015,000	\$ 9,605,735	x		No	4
Defiance	N/A	PD-CW-22-47	P&D for WWTF Improvements	2022	3	P&D	D	\$ 185,000				x		NA	NA
Lake City	W2019-0385A	CS1921042 01	Phase 2 & 3 Lake City WWTF Improvements - Lift Station & Treatment Facility	2022	3	254	P	\$ 8,234,000				x		No	12
Riceville	W2020-0317A	CS1921046 01	WWTF Improvements	2022	3	219	P	\$ 3,412,096				x		No	13
Winterset	S2020-0429A	CS1921038 01	WWTF Improvements	2022	3	219	P	\$ 18,898,000				x		No	7
Dubuque	W2022-0094A	CS1921049 01	Granger Creek Sanitary Sewer Improvements	2022	3	180	L	\$ 2,536,000	9/20/2024	\$ 2,536,000	\$ -	x		Yes	9
Stockport	S2021-0167A	CS1921047 01	Sewer System Rehab	2022	3	139	R	\$ 863,000				x		Yes	12
Lake City	N/A	PD-CW-22-24	P&D for Flow Monitoring, Lift Station and WWTF Improvements	2022	2	P&D	P	\$ 579,500				x		NA	NA
Morning Sun	W2019-0130A	CS1921036 01	WWTP Improvements	2022	2	250	P	\$ 1,972,500				x		No	12
Saint Ansgar	W2020-0420A	CS1921035 01	WWTF UV Disinfection	2022	2	239	P	\$ 376,000				x		No	8
WRA	W2020-0400A	CS1921032 01	WRF Phosphorus Recovery Facility	2022	2	205	P	\$ 30,000,000				x		No	Verify

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	W2021-0366A	CS1921033 01	Southern Tier Interceptor Phase 10, Segments 23-24	2022	2	165	L	\$ 14,181,000	12/16/2022	\$ 3,600,000	\$ 10,581,000	x		No	NA
Dubuque	W2021-0394A	CS1921034 01	Old Mill Rd. Lift Station and Force Main	2022	2	154	P	\$ 25,467,000				x		Yes	9
Nashua	W2021-0293A	CS1921027 01	Greeley Street Water & Sanitary Improvements	2022	2	139	P	\$ 164,000				x		Yes	11
Lytton	W2021-0424A	CS1921025 01	Sanitary Sewer Force Main Replacement	2022	2	134	P	\$ 479,000				x		Yes	8
WRA	N/A	PD-CW-22-11	P&D for Improvements to Southern Tier, Phase 10, Segments 10-23	2022	1	P&D	P	\$ 403,000				x		NA	NA
Dubuque	N/A	GNS 21-02	Bee Branch Creek Restoration-Ph 4 Detention Basin improvements-new pump station system with gates, pumps and electrical	2022	1	GNS	P	\$ 11,658,000				x		NA	NA
Leland	W2020-0011A	CS1921016 01	2-Cell Aerated Lagoon, SAGR & UV	2022	1	237	P	\$ 1,349,000				x		No	9
Fort Madison	W2021-0203A	CS1921017 01	10th Street Combined Sewer Separation	2022	1	224	P	\$ 4,463,000				x		Yes	18
Terrace Hill Sanitary District	S2020-0079A	CS1921019 01	New Pumping Station to Connect to City of Hampton	2022	1	194	D	\$ 2,008,600				x			15
Humeston	W2020-0141A	CS1921014 01	Sludge Removal, New Lagoon Aeration System, and UV to Meet New Permit Limits	2022	1	175	D	\$ 1,303,000				x		No	13
Crescent	N/A	PD-CW-21-48	P&D for Wastewater System Upgrades	2021	4	P&D	P	\$ 450,000				x		NA	NA
Saint Ansgar	N/A	PD-CW-21-71	P&D for UV Disinfection Construction	2021	4	P&D	D	\$ 32,000				x		NA	NA
Marengo	W2017-0244A	CS1921008 01	Wastewater Facility Improvements-UV and discharge to larger stream	2021	4	249	P	\$ 5,863,000				x		No	12
Lake City	W2019-0385A	CS1920986 01	Phase 1 Wastewater Treatment Facility Improvements - Flow Monitoring	2021	4	144	P	\$ 163,000				x		No	12
Maquoketa	W2020-0203A	CS1920988 01	BNR Addition to Existing Plant	2021	3	275	L	\$ 14,384,000	4/14/23	\$ 10,384,000	\$ 4,000,000	x		No	15
Mount Ayr	W2020-0412A	CS1920984 01	WW System Improvements	2021	2	195	P	\$ 412,000				x		Yes	13
Anamosa	W2020-0202A	CS1920985 01	WWTP Flow Equalization Basin	2021	2	155	P	\$ 4,475,000				x		No	15
Dyersville	W2020-0384A	CS1920980 01	Westlinden Lift Station	2021	2	150	P	\$ 2,764,000				x		Yes	7
Lovilia	N/A	PD-CW-21-04	P&D for construction of WW TX facility	2021	1	P&D	P	\$ 154,000				x		NA	NA
Ottumwa	2019-0263A	CS1920972 01	Blake's Branch Sewer Separation Phase 8, Divisio 2, 3A, 3B, 3C, 3D	2021	1	205	P	\$ 40,000,000				x		Yes	16
Wayland	S2017-0271A	CS1920968 01	Sewer Rehab & Lagoon Upgrade	2021	1	154	L	\$ 1,000,000	9/4/20	\$ 683,000	\$ 317,000	x		No	9
Dickinson County	N/A	GNS 20-03	Francis Sites Wetland Project	2020	4	GNS	R	\$ 500,000				x			NA
WRA	S2020-0142A	CS1921955 01	Segment 2 - WRA Ingersoll Run Outlet Sewer in Des Moines	2020	4	197	L	\$ 36,400,000	8/2/2024	\$ 36,400,000	\$ -	x		No	NA
Toledo	2020-0162A	CS1920957 01	Sanitary Sewer Improvements	2020	4	154	D	\$ 633,000				x		No	18
Pomeroy	W2020-0084A	CS1920951 01	Sanitary Sewer System Improvements	2020	3	134	P	\$ 1,980,000				x		Yes	15
Runnells	S2017-0330A	CS1920943 01	Wastewater Treatment Facility Expansion	2020	2	282	L	\$ 3,557,000	11/3/2023	\$ 3,057,000	\$ 500,000	x		No	5
Solon	2019-0293A	CS1920942 01	North Trunk Sewer	2020	2	119	P	\$ 1,247,000				x		No	2
Lake Mills	S2017-0385	CS1920894 01	WWTF Improvements (SAGR)	2019	2	277	P	\$ 1,799,000				x		No	11
Sioux City	S2016-0389	CS1920813 01	Improve various treatment plant equipment to renew initial capacity, improve performance, improve reliability and generate biogas.	2017	2	217	L	\$ 31,983,398	11/13/20	\$ 16,928,000	\$ -	x		No	11
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
								\$ 1,802,299,314		\$ 135,998,000					

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

DRAFT

**FY 2025 INTENDED USE PLAN**  
**DRINKING WATER STATE REVOLVING FUND**



**INVESTING IN IOWA'S WATER**

Approved by the Environmental Protection Commission (EPC) on June 18, 2024. Approved by EPC on September 17, 2024. **Anticipated approval by EPC on December 17, 2024.**

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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.

As of June 30, 2024, Iowa's DWSRF Program has provided more than **\$1 billion** in financial assistance for water infrastructure projects since 1998. With the State Fiscal Year (SFY) 2025 Intended Use Plan (IUP) and future program plans, Iowa's SRF will continue to help Iowans protect public health and the environment through investing in Iowa's water.

## A. Highlights and Changes

In the past few years, many exciting opportunities have developed to advance environmental equity in the water sector through increased investment in water and wastewater infrastructure. Iowa is expanding and revising the SRF Program, as needed, to adapt to and take advantage of these new opportunities. Highlighted below are some of the changes Iowa SRF is incorporating into SFY 2025 IUPs.

- ✓ Plans for implementing funding for the General Supplemental (GS), Lead Service Line (LSL), and PFAS/Emerging Contaminants (EC) funding awarded from the **Infrastructure Investment and Jobs Act (IIJA)**, also known as, **Bipartisan Infrastructure Law (BIL)** are included in this annual release of the IUP.
- ✓ The **Socioeconomic Assessment Tool** used to define a **Disadvantaged Community (DAC)** (DWSRF Program) and **Affordability Criteria** (CWSRF Program) has been updated with current American Community Survey and state-level employment data and will be referred to as the SFY 2025 Socioeconomic Assessment (SA) Tool.
- ✓ **DAC eligibility will be evaluated at the time of IUP application.** All projects added to the Project Priority List (PPL) during SFY 2025 will receive a DAC score based on the SFY 2025 SA Tool and this score will not change with future SA Tool updates. All projects listed on the approved PPL *prior to SFY 2025* will continue to use the DAC score in accordance with the SFY 2024 SA Tool.
- ✓ The amount of loan forgiveness funds available to a community will be determined in accordance with a set scale based on DAC score (see Appendix B).
- ✓ Additional subsidization in the form of loan principal forgiveness will be applied to the SRF portion of eligible **construction costs.**
- ✓ Priority funding for all available Base Cap Grants and BIL GS LF will be awarded based on total project priority points and DAC score, with consideration given to compliance status and date of loan execution.

## 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.**

### 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 is developed annually in June and updated quarterly in September, December, and March (or more often as needed). This IUP covers activities during the SFY 2025, July 1, 2024 through June 30, 2025.

The IUP identifies the intended use of funds available to the SRF, the program's goals, information on the types of activities to be supported, assurances and specific proposals on the manner by which the State intends to meet the requirements of the Operating Agreement with the U.S. Environmental Protection Agency (EPA), sources and uses of



funds, criteria and method for distribution of funds, the loan rates, terms, and fees for the fiscal year, and includes a ranked listing of projects to be funded.

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

#### **METHOD OF AMENDMENT OF THE INTENDED USE PLAN**

The Iowa SRF Program will follow this IUP in administering DWSRF funds in SFY 2025. Any revisions of the goals, policies and method of distribution of funds shall be addressed by a revision of the IUP, including public participation. Minor adjustments in funding schedules and loan amounts are allowed without public notification by the procedures of this IUP and state rules for administration of the DWSRF. Public notice of amendments will be made if borrowers are added to or removed from the PPL.

#### **PUBLIC REVIEW AND COMMENTS**

(See Appendix H - Public Review and Comments Received)

The SRF Program accepts new IUP applications quarterly by the first business day in March, June, September, and December<sup>1</sup>. 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 DWSRF Program webpage of the SRF Program's website ([www.iowasrf.com](http://www.iowasrf.com)) and public comments are accepted for up to 30 days following the posting at [srf-pc@dnr.iowa.gov](mailto: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 website. 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 website<sup>2</sup>.

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

All of the opportunities mentioned above are open to the public. Meetings and hearing information are posted on the Media Center<sup>3</sup> and IUP Public Hearings<sup>4</sup> pages of the [SRF website](http://www.iowasrf.com), and announced through agency-managed listservs. Public comments are accepted at [srf-pc@dnr.iowa.gov](mailto:srf-pc@dnr.iowa.gov).

#### **PROJECT PRIORITY LIST (PPL)**

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 2025 and includes projects funded by both DWSRF Base and BIL Funds.

The PPL is a list of projects currently requesting funding from the SRF. This list provides the DWSRF Program with a projection of loan funding assistance needed for applications. Priority order is determined by point source rating criteria defined in 567 IAC Chapter 44 (455B). More information on priority ranking is available in

<sup>1</sup> Drinking Water Program page of <https://www.iowasrf.com/>

<sup>2</sup> <https://www.iowadnr.gov/About-DNR/Boards-Commissions/Environmental-Protection-EPC>

<sup>3</sup> <https://www.iowasrf.com/media-center/>

<sup>4</sup> <https://www.iowasrf.com/intended-use-plan-public-hearings/>

Appendix C - Project Ranking Criteria. Projects are listed on the PPL in ranking order by the IUP year and quarter the application was received. Planning and Design loan applications are not ranked.

Pursuant to Section 1452 of the 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, projected amount of eligible assistance, and type of assistance. The PPL may also include the SRF project number, project status or DAC score.

The PPL (Attachment 1) includes the following project categories for funding during SFY 2025:

- **Planning and Design Loans.** These are loan requests that cover planning and engineering costs related to the design of an eligible DWSRF project and the development of a Preliminary Engineering Report (PER).
- **New Infrastructure Projects.** Projects are added to the PPL only after a complete IUP application is received, the project has passed a preliminary review of eligibility, and the project is scored.
- **Unfunded Prior Years' Infrastructure Projects.** These are loan requests remaining on the PPL from previous years' IUPs. It is Iowa's intention to make DWSRF loans to these projects during SFY 2025 if they are ready for a binding loan commitment.
- **Segments of Previously Funded Infrastructure Projects.** Subsequent segments of a project which have previously received funding priority or assistance will be placed on the PPL and may carry over their original priority point total from the previous year.
- **Supplemental Financing.** Supplemental financing provides additional funds for projects listed in previously approved IUPs. These funds will be used to cover cost overruns on previously approved scopes of work and are added to the IUP as they are requested.

Fundable projects are further identified as "R - ready for loan" (indicating that the construction permit and environmental review have been completed), "P - in planning" and "L - loan signed." PFAS and LSL projects will be identified as "C - contingency status" (indicating that the project has not yet met all eligibility criteria to receive a specific funding source-see SFY 2025 Program Activities to be Supported) until all funding criteria have been met.

If a project on the approved IUP list is not going to proceed or will not be utilizing SRF funds, the applicant should notify the SRF in writing that they wish to withdraw the IUP application from the PPL. For the purpose of program planning, applicants with projects on the PPL for longer than 3 years will be required to evaluate their original IUP application to determine if the scope and cost of the project are still accurate and if they intend to proceed with the project. Applicants will be asked to provide an updated project schedule, scope and cost, as necessary. A notification may be sent to the SRF applicant that their project may be dropped if adequate progress toward a binding loan commitment is not demonstrated within six months following the notice. If a project is withdrawn or dropped from the PPL, the applicant may reapply when the project is ready to move ahead.

**Project Scope.** The scope of the project must be outlined in the IUP application and in the PER.

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

## TYPES OF FINANCIAL ASSISTANCE

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

The Iowa DWSRF Program provides low-interest financing 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 **Planning & Design** are available to eligible public water supply systems to cover engineering and project development costs such as testing and scoping, preparing 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 Rates<sup>5</sup> 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 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 should be aware that projects may become subject to compliance with other federal funding requirements that are not necessarily required by 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.

**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:** Applications are available on the SRF website<sup>6</sup> and are submitted to IFA's SRF Program Staff at [waterquality@iowafinance.com](mailto:waterquality@iowafinance.com).

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

**Infrastructure Construction Projects:** IUP applications are available on the SRF website<sup>7</sup> and are submitted to [srf-iup@dnr.iowa.gov](mailto:srf-iup@dnr.iowa.gov).

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

<sup>5</sup> <https://www.iowasrf.com/loan-interest-rates/>

<sup>6</sup> Planning & Design Loan Program page of <https://www.iowasrf.com/planning-and-design-loans/>

<sup>7</sup> Drinking Water Loan Program page <https://www.iowasrf.com/drinking-water-loan-program/>

- Project applications eligible for SRF funding under the BIL General Supplemental, BIL LSL, and BIL PFAS/EC Fund will use the DWSRF IUP application and follow the same quarterly IUP application cycle as the DWSRF Base Program. Additional application information may be required for projects applying for BIL Funds. The SRF Program will provide additional application materials for BIL Funds directly to applicants, as applicable, and application materials will be available on the SRF website<sup>8</sup>.

## C. SFY 2025 DWSRF Program Goals

### SHORT TERM GOALS

Goal: Apply for all available Federal Fiscal Year (FFY) 2024 Base and BIL Capitalization Grants.

Goal: Commit loan funds to as many recipients as possible in accordance with the state priority rating system, the IUP, staff resources, and available funding, to assist in the construction of projects that protect human health through the delivery of safe drinking water.

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

Goal: Update marketing materials, program resources and website to better facilitate communication and outreach with customers and to provide clear, concise and readily accessible program information and guidance.

Goal: Assign/reallocate LF funds from previous capitalization grants to fulfill additional subsidization requirements.

Goal: Continue the partnership with Environmental Finance Center's (EFC) Technical Assistance (TA) resources to assist the Iowa SRF Program and DAC borrowers.

Goal: Continue implementing the state's oversight program for American Iron and Steel (AIS) requirements and Build American, Buy America (BABA) requirements; and in cooperation with co-funding sources, as needed.

### LONG TERM GOALS

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

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

Goal: Maintain mechanisms for funding the on-going administration of the program that will assist PWS in achieving compliance with public health objectives of the SDWA.

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

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

## D. SFY 2025 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

<sup>8</sup> <https://www.iowasrf.com/bipartisan-infrastructure-law/>

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.<sup>9</sup> 2025 Set-Aside Uses provides further details on Iowa's intended use of set-aside funds during SFY 2025.

### DWSRF BASE PROGRAM

Allotments for the FFY 2024 EPA Capitalization Grants (Cap Grants) have been determined and the Iowa SRF Program will apply for and/or receive FFY 2024 DWSRF Base Program Funding during the SFY 2025.

FFY	Funding Source	Allocation Amount*
2024	DWSRF Base Cap Grant	\$7,007,000

\*This award amount is anticipated to be received by SFY 2025 but has not been received as of the publication of this DRAFT IUP

### WATER INFRASTRUCTURE PROJECTS

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

Eligible Activities: Eligible projects include the installation, upgrade, or replacement of treatment facilities, finished water storage facilities, transmission and distribution systems, and water system consolidation/regionalization.<sup>10</sup> Eligibility guidelines are available in the DWSRF Eligibility Handbook.<sup>11</sup>

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

### DWSRF BIL PROGRAMS

The IJA, also known as the BIL, provides DWSRF programs with three additional capitalization grants annually through FFY 2026. Allotments for the FFY 2024 EPA capitalization grants have been determined and the Iowa SRF Program will apply for and/or receive FFY 2023 and 2024 BIL Funding during the SFY 2025.

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

### DWSRF BIL GENERAL SUPPLEMENTAL (GS) FUNDS

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

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

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

<sup>9</sup> <https://www.epa.gov/dwsrf/how-drinking-water-state-revolving-fund-works#DWSRF%20Set-Asides>

<sup>10</sup> <https://www.epa.gov/dwsrf/dwsrf-program-overview-epa-816-f-18-001>

<sup>11</sup> <https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-eligibility-handbook>

FFY	Funding Source	Allocation Amount*
2024	DWSRF BIL General Supplemental Grant	\$34,558,000

\*This award amount is anticipated to be applied for and received by SFY 2025 but has not been received as of the publication of this DRAFT IUP

### DWSRF PFAS/EMERGING CONTAMINANTS (EC) FUND

**Eligible Borrowers.** Both publicly and privately-owned community water systems and nonprofit non-community water systems are eligible for funding under the DWSRF program. At least 25% of the funds will be awarded to 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 EC in drinking water. Any contaminant on EPA's Contaminant Candidate Lists 1-5 are eligible, however, priority for funding will be given to projects addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS) based on the April 2024 final PFAS National Primary Drinking Water Regulation.<sup>12</sup>

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

FFY	Funding Source	Allocation Amount
2023	DWSRF BIL PFAS/EC	\$12,565,000*
2024	DWSRF BIL PFAS/EC	\$11,487,000**

\*This award amount includes the FFY 2023 CWSRF PFAS/EC partial transfer amount of \$1,078,000

\*\*This award amount is anticipated to be applied for and/or received during SFY 2025 but has not been received as of the publication of this DRAFT IUP

The Iowa SRF Program requested, at the time of application in SFY 2024, that a portion of the FFY 2023 CWSRF BIL PFAS/EC allocation, totaling \$1,078,000, be transferred to the DWSRF BIL PFAS/EC fund. These transferred funds are expected to be received and available for DW PFAS/EC projects during SFY 2025.

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

### DWSRF BIL LSL REPLACEMENT FUND

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

BIL 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). LF eligibility for LSL projects **will be determined by the disadvantaged status of the community where the water system is located. If the community is a DAC community, all of the addresses within the service area will be considered disadvantaged for LF eligibility. For non-DAC communities, the program will** evaluate the disadvantaged status of individual addresses **for LF eligibility.** Addresses must be located within a Census tract that scores between 11-20 to be considered disadvantaged and in order for those construction costs to be eligible for LF. ***If there is only one census tract covering the service area, borrowers will use the Service Area-Based SA Tool. If there are multiple tracts within the community's service area, borrowers will use the Census Tract-Based SA Tool to determine disadvantaged census tracts.*** See Appendix A - Disadvantaged Communities (DAC) and Appendix B - Additional Subsidization for more information.

<sup>12</sup> EPA's webpage for the final regulation at <https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas>

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

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

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

**1. Intended Use Plan Application**

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

**2. Environmental Review Checklist**

**3. Viability Assessment**

**4. PER/Lead Service Line Replacement Plan**

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

**Funding Criteria**

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

Requirements for Project Plans for LSL Replacement can be found on the BIL Program Information page of the SRF website<sup>13</sup> or the DNR’s DWSRF webpage.<sup>14</sup>

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

**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.

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

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

FFY	Funding Source	Allocation Amount
2023	DWSRF BIL LSL Replacement	\$29,319,000*
2024	DWSRF BIL LSL Replacement	\$30,066,000*

<sup>13</sup> LSL Replacement Plan Requirements <https://www.iowasrf.com/bipartisan-infrastructure-law/>

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

\*This award amount is anticipated to be applied for and/or received during SFY 2025 but has not been received as of the publication of this DRAFT IUP

Iowa intends to apply for these funds once adequate projects are identified.

## E. Financial Administration

### RATES, FEES AND LOAN TERMS & CONDITIONS

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

### PROJECT READINESS FOR LOAN APPLICATION

SRF applicants are required to comply with Iowa public bidding law in order to receive funding through the DWSRF Program. **Applicants must demonstrate compliance through an opinion of legal counsel.** A sample “Form of SRF Construction Bidding Opinion” **is available** on the SRF website.<sup>15</sup> Applicants are encouraged to include this opinion letter when submitting bid documentation to SRF.

**SRF Notice of Funding Eligibility (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

**Construction Loan Applications will not be accepted until the SRF NOFE Letter(s) are issued by the SRF Project Compliance Specialist.**

If the SRF NOFE Letter is issued ***contingent upon*** the receipt of a construction bidding legal opinion, an SRF Construction Loan Application **will not be considered “complete” until the applicant submits an opinion of legal counsel certifying compliance with Iowa public bidding law,** therefore *releasing* the contingency on the NOFE.

### Prior to Approving a Construction Loan:

A complete SRF Construction application includes the following: NOFE, construction bidding legal opinion, 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, 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 (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. In SFY 2023, a SA Tool was developed to include a more comprehensive range of metrics by which communities are evaluated for DAC status. In SFY 2024, the metrics behind the SA Tool were refined to improve desired outcomes and comply with existing federal statute while still including social, economic and demographic information that may indicate a lack of access to affordable clean water and safe drinking water.

The SA Tool and the metrics are discussed in Appendix A - Disadvantaged Communities (DAC), and they define the affordability criteria that will be used to evaluate the DAC status of a borrower for the purpose of SRF LF eligibility. The

<sup>15</sup> Under “Program Information” on the Documents and Guides page <https://www.iowasrf.com/documents-and-guides/>



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. 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 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 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<sup>16</sup>
- Single Audit Act
- Federal Funding Accountability and Transparency Act (FFATA) reporting
- EPA signage requirements
- BABA (FFY 2022 and all future capitalization grants)<sup>17</sup>
- Federal environmental and socioeconomic cross-cutters<sup>18</sup>

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

**Project Selection for Equivalency.** The Iowa SRF Program intends to select projects for equivalency that will impose the least amount of administrative or financial burden on a borrower. Because it is unknown which projects listed on the PPL will execute loan agreements, the SRF will coordinate with borrowers during project planning to identify and assign projects for equivalency. The final equivalency loans selected will be listed in the annual report.

### CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The cash draw procedure used is the direct loan method. The Iowa DWSRF Program uses its Equity Fund to originate loans. When enough loans have been made, the DWSRF Program issues bonds and uses the bond proceeds to replenish the Equity Fund. Iowa's bonds are cross-collateralized across both the Clean Water and Drinking Water SRF accounts, in a manner consistent with state and federal laws. State match bonds are issued along with leveraged bond issues for greater cost effectiveness. State match proceeds are fully disbursed prior to drawing Cap Grant funds. The Cap Grant funds will be drawn at a 100% proportionality ratio. Iowa expects to fully disburse the loan portion of the FFY2024 DWSRF Base Capitalization Grant, FFY2024 BIL General Supplemental Fund, the FFY2022 and FFY 2023 BIL LSL Fund and FFY 2022 and FFY 2023 BIL PFAS/EC 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:

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

<sup>17</sup> <https://www.epa.gov/cwsrf/build-america-buy-america-baba>

<sup>18</sup> <https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements>

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 four-step process:

1. The amount of financial assistance needed for each application was estimated.
2. The sources and allowable uses of all DWSRF funds were identified.
3. The DWSRF funds were allocated among the projects, consistent with the amount available and the financial assistance needed.

**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 – Priority 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 2025 and will report assignments of these funds in the annual report.

## FUNDING SOURCES AND USES

(See Appendix E – Estimated Sources and Use)

During SFY 2025, the Iowa SRF Program will apply for and/or receive the following capitalization grants and amounts:

FFY	Funding Source	Allocation Amount*
2023	DWSRF BIL PFAS/EC	\$12,565,000
2023	DWSRF BIL LSL Replacement	\$29,319,000
2024	DWSRF Base Cap Grant	\$7,007,000
2024	DWSRF BIL GS Grant	\$34,558,000
2024	DWSRF BIL PFAS/EC	\$11,487,000
2024	DWSRF BIL LSL Replacement	\$30,066,000

\*This amount includes \$1,078,000 transferred from FFY 2023 CWSRF BIL PFAS/EC.

Appendix E – Estimated Sources and Use illustrates potential sources and uses of funds in the DWSRF for SFY 2025. 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 - Sources and Uses 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 water quality standards and other future drinking water needs. Assuming that Iowa SRF continues receiving Cap Grants, and providing at least 26% of the Cap Grant as LF, *it is estimated that the DWSRF could loan an average of approximately \$100 million per year over the next 10 years, or a total of \$1.0 billion.* These figures would increase with an increase in interest rates.

## STATE MATCH

(See Appendix F - State Match)

The Iowa SRF Program issues bonds for state match.

## BONDS

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

## SWIFIA

The Iowa SRF program was invited to apply for a loan through EPA's 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 robust and sustained demand for loans and it uses Federal Cap Grant funds as expeditiously as possible. After SRF bonds are issued, state match funds are spent first, prior to drawing Cap Grant funds. The Cap Grant funds will be drawn at a 100% proportionality ratio. Loan disbursements requests are processed on a weekly basis. In SFY 2024, the program has disbursed an average of approximately \$6.6 million per month (10 months, through April 2024). With a return of \$3.00 for every dollar of federal investment, Iowa's DWSRF is an efficient and effective delivery mechanism for water infrastructure funding.

## 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. Planned expenses are discussed in Section F. 2025 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. A portion of these funds will be used in SFY 2025 for program administration, and the remainder will be reserved for future administrative expenses. 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 DAC receiving SRF LF.***

***Non-Program Income.*** An ***annual servicing fee*** of 0.25% is charged on the outstanding principal of DWSRF construction loans. Iowa uses servicing fees collected while the Cap Grant is open for administration of the DWSRF Program. Servicing fee receipts collected after the Cap Grant is closed are used for other purposes under SDWA Section 1452 or reserved for future administrative expenses. Income is **earned** throughout the fiscal year by funds received from loan servicing fees as described in Appendix D – Interest Rates, Fees, and Loan Terms.

A portion of the non-program income funds may be used in SFY 2025 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 2025 toward Drinking Water Laboratory Certification and Capacity Development initiatives. Planned expenses are further discussed in Section F. 2025 Set-Aside Uses.

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

The DWSRF Program will not withhold any funding from FFY 2023 DWSRF Base Cap Grant application for the SEE Program but may seek to fill positions under this program during SFY 2025. 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.”

**REFINANCE OF EXISTING LOANS**

Central Iowa Water Works (“CIWW”), a regional water system and joint cooperative of the State of Iowa, was created in April 2024 pursuant to a 28E/28F Agreement (the “28E Agreement”) among twelve Des Moines area communities and/or utility systems:

City of Ankeny	City of Clive	Des Moines Water Works*
City of Grimes*	City of Johnston	City of Norwalk
City of Polk City	Urbandale Water Utility	Warren Water District
City of Waukee	West Des Moines Water Works*	Xenia Rural Water District

\* Owns water production assets that will transfer to CIWW

CIWW is responsible for drinking water treatment, water system planning, and the wholesale delivery of water across the Des Moines metro. CIWW will be the exclusive water provider to the participating members, who will each retain control over water distribution, storage, and customer service within their service area.

Ownership of certain water production-related assets will be transferred to CIWW on January 1, 2025. Pursuant to the 28E Agreement, CIWW will also assume liabilities related to outstanding loan and disbursement agreements that financed such assets between the SRF Program and Des Moines Water Works (DMWW), West Des Water Works (WDMWW) and the City of Grimes. These entities previously borrowed funds from the DWSRF Program to finance drinking water projects at their facilities. The following table is a summary of the refinancing activities. The refinanced loans are subject to an initiation fee but no changes will be made to the loans’ interest rates.

Original Borrower	Loan ID Paid Off	Par Amount*	New Borrower	Loan Type
Grimes	D0276R	\$1,157,064.99	CIWW	Tax-Exempt Construction Loan
WDMWW	D0389R	\$2,359,281.61	CIWW	Tax-Exempt Construction Loan
Grimes	D0472R	\$3,272,316.38	CIWW	Tax-Exempt Construction Loan
Grimes	D0683R**	\$4,326,151.26	CIWW	Tax-Exempt Construction Loan
DMWW	D0741R	\$15,407,832.79	CIWW	Tax-Exempt Construction Loan
Grimes	D0378RT	\$399,499.84	CIWW	Taxable Construction Loan
Grimes	D0481RT	\$1,321,999.47	CIWW	Taxable Construction Loan
Grimes	D0504T	\$20,762,866.69	CIWW	Taxable Construction Loan
DMWW	D0670P	\$10,614,423.00	CIWW	Planning & Design Loan

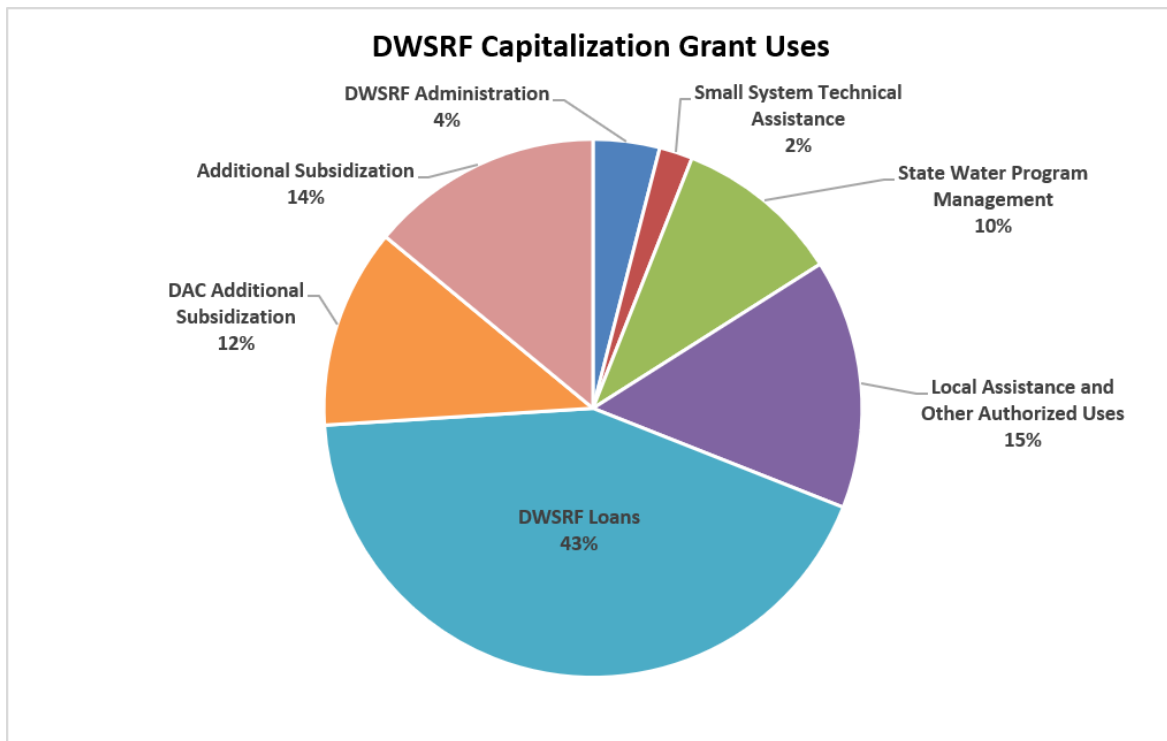
\*Par Amount: The face value of the bond equal to the sum of the remaining draws, loan balance, initiation fee, DSRF and the cost of issuance.

\*\*Partial Pay Off: Only the portion of the loan that originally financed water production elements can be transferred.

## F. 2025 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 2024 workplan and will transition to the SFY 2025 workplan during the fiscal year. Iowa plans to take or reserve set-side funds from the allowed amounts shown in the chart.



DNR has two options for addressing the amounts available each year in set-asides. Set-aside funds may be reserved for future use (except for the Local Assistance and Other Authorized Uses set-aside), in which case they would be deducted from a future Cap Grant when they are ready to be taken. Funds that are taken from an available Cap Grant must be applied to planned work efforts approved by EPA.

DNR has been using the set-asides and drawing upon reserved funds as needed to meet the needs for programs and efforts required by EPA that are critical for ensuring public health. Once the reserved amounts are expended, the amounts available for each set-aside will be limited to the percentage allowed out of each Cap Grant.

### PLANNED EXPENSES

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

#### **DWSRF Program Administration Set-Aside (4%).**

Iowa intends to use this set-aside including loan administrative fees to pay the costs of administering the DWSRF Base, BIL GS, BIL 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 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.*

**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 2025 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

Additional tasks may be added to the SFY 2025 Set-Aside Workplan to support initiatives specific to PFAS/EC and/or LSL replacements.

**Other Authorized Activities Set-Aside (15%).** The two primary uses of this set-aside are capacity development and source water protection (SWP).

Funds are budgeted for efforts related to developing technical, managerial, and financial capacity for Iowa's PWSs, including:

- Completion of sanitary surveys with the eight elements and providing direct capacity development technical assistance
- Training of inspectors in comprehensive performance evaluation protocols
- Provision of technical assistance related to capacity development through the area wide optimization program (AWOP)
- Contracts with five counties to complete sanitary surveys and conduct annual visits at transient noncommunity PWSs

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

Additional tasks may be added to the SFY 2025 Set-Aside Workplan to support initiatives specific to PFAS/EC and/or LSL replacements.

Funds are also budgeted for SWP activities including the following:

- Coordination and administration of the SWP program
- Development of SWP plans and review and assist with implementation of Best Management Practices
- Development of data for Phase 1 SWP assessments for all new systems and new wells at existing PWSs
- Technical assistance for well siting
- Maintenance of the Source Water Mapper and Tracker online database

## Appendix A - Disadvantaged Communities (DAC)

The affordability criteria established in this IUP after public review and comment will be the criteria used to determine DAC status.<sup>19</sup>

For SFY 2025, applicants 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.

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

### SA TOOL

In SFY 2023, the metrics (affordability criteria) used in the original SA Tool were established using EPA guidance and revised with public input. The SA Tool metrics were revised in SFY 2024 and the census data is updated annually. The SA Tool is part of the annual IUP public review and comment process. The SFY 2025 SA Tool will go into effect upon approval of this IUP by the EPC.

There are two versions of the SA Tool:

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

Both versions of the SA Tool are available to the public throughout the SRF website<sup>20</sup> at [www.iowasrf.com](http://www.iowasrf.com).

The SA Tool assesses 10 datapoints from publicly available sources produced by the Census Bureau of the U.S. Department of Commerce and Iowa Workforce Development. The SA Tool is **updated annually** with the release of new data from these sources. In SFY 2025, the SA Tool will use 2018-2022 data from the American Community Survey and up-to-date employment data from Iowa Workforce Development (through March 2024). Figure 1 below provides a list of the metrics used in the SA Tool.

To use the SA Tool, a borrower will select each community that makes up the utility’s service area, along with the corresponding percent of population served. For each of the metrics evaluated, applicants will be given a score indicating the relative disadvantage to the other communities in the state (see Figure 1 and Figure 2)<sup>21</sup>. A weighted

<sup>19</sup> 40 CFR 35.3505 Definitions and IAC 265 Chapter 26.7 - DAC Status

<sup>20</sup> Documents and Guides page <https://www.iowasrf.com/documents-and-guides/>

<sup>21</sup> 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.



average for each metrics will be calculated and assigned points. Scores for each metric are totaled to produce an overall assessment of the applicant’s underlying social, economic, and demographic profile.

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

Points	0	1	2
1 Median Household Income	Top 1/3 (Highest MHI)	Middle 1/3	Bottom 1/3 (Lowest MHI)
2 Percent Below Poverty	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
3 Percent Receiving Public Assistance or Supplemental Nutrition Assistance Program (SNAP)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
4 Percent Receiving Supplemental Security Income (SSI)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
5 Unemployment Rate (County 12-mo avg.)	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
6 Percent Not in Labor Force	Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
7 Population Trend Between 2010 and 2020 Census*	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 <sup>nd</sup> /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 %)
<b>Relative Disadvantage:</b>	<b>Low</b>	<b>Moderate</b>	<b>High</b>

Figure 1

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

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. This year, the service area-based SA Tool will use 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 BIL Capitalization Grant Funds (General Supplemental, PFAS/EC and LSL):

- DAC status for the purposes of the DWSRF Program will be determined by completing the SA worksheet to produce a SA score
- With 10 total metrics, equally weighted, the maximum number of points will be 20. Communities or service areas with a cumulative score of 11 and up (e.g., falling in the top 1/2 of the total possible cumulative score) indicates that the community or service area is socially, economically, and/or demographically disadvantaged relative to the other communities in the state. Conversely, applicants who score in the bottom 1/2 of total cumulative points (e.g., 10 total points or less), will not be considered disadvantaged for SRF Program purposes.
- All projects added to the PPL during SFY 2025 will receive a DAC score based on the SFY 2025 SA Tool and this score will not change with future SFY SA Tool updates. ***All projects listed on the approved PPL prior to SFY 2025 will continue to use the DAC score assigned in accordance with the SFY 2024 SA Tool.***

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

	<b>Point Range</b>	<b>Disadvantaged Community</b>
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).

### PREVIOUS LOAN FORGIVENESS OPPORTUNITIES

At the conclusion of SFY 2024, final LF funds from these capitalization grants were reallocated and/or awarded. LF balances remaining available to award in SFY 2025:

Federal Fiscal Year	LF Funding Source	LF Required	LF Obligated	LF Available to Award
2018	DWSRF Base Cap Grant	\$3,519,400	\$3,519,400	\$0
2019	DWSRF Base Cap Grant	\$3,486,400	\$3,486,400	\$0
2020	DWSRF Base Cap Grant	\$3,488,600	\$3,488,600	\$0
2021	DWSRF Base Cap Grant	\$3,485,400	\$3,098,637*	\$386,763
2022	DWSRF Base Cap Grant	\$2,885,260	\$1,652,900*	\$1,233,360
2022 (BIL Year 1)	DWSRF BIL General Supplemental Fund	\$13,996,960	\$5,031,000*	\$8,965,960
2023	DWSRF Base Cap Grant	\$1,930,240	\$1,930,240*	\$1,930,240
2023 (BIL Year 2)	DWSRF BIL General Supplemental Fund	\$15,511,440	\$15,511,440*	\$15,511,440

\*Final obligation amounts are pending loans executed in May and June, 2024 and pending acceptance of LF terms and conditions.

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

### SFY 2025 LF CRITERIA

The following criteria will apply to all LF funding available to award during SFY 2025:

#### GENERAL RESTRICTIONS AND/OR LIMITATIONS

- LF eligibility will be evaluated based on the current SA Tool in effect at the time the project is added to the PPL.
- LF awards is applied only to the total eligible **construction costs** of the project.
- Borrowers being offered additional subsidization will be asked to accept the award by signing an offer letter of LF terms and conditions.
- Time limits may be established for signing loan commitments in order to apply LF awards.
- Maximum time limits may also be established for commencing construction of an eligible project. If construction has not been initiated or a loan commitment has not been signed by the date indicated in the LF terms and conditions award letter, the LF offer may be withdrawn or reassigned.
- Taxable portions of SRF projects are not eligible for LF.
- Applicants who received a DAC determination from DNR prior to September 20, 2022 and are eligible for extended term financing (up to 30 years) at the 20-year interest rate, are not eligible for LF.
- Borrowers receiving 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 from the Iowa SRF program for the same project.
- LF awards may consist of more than one funding source.

## FFY 2024 DWSRF BASE CAPITALIZATION GRANT AND BIL GENERAL SUPPLEMENTAL FUND

FFY 2024	Award Amount	LF Required	LF Obligated	LF Available to Award
DWSRF Base Cap Grant	\$7,007,000	\$1,821,820	\$0	\$1,821,820*
DWSRF BIL General Supplemental Fund	\$34,558,000	\$16,933,420	\$0	\$16,933,420*

\*This award amount is anticipated to be applied for and received during SFY 2025 but has not yet been received as of the publication of this DRAFT IUP.

### **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 projects listed on the approved PPL prior to SFY 2025 were assigned a DAC score in accordance with the SFY 2024 SA Tool).

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**

Projects currently listed on the PPL that are **most likely to** execute an SRF loan in SFY 2025 will be identified as the group of projects eligible for LF consideration and this group will be ranked according to the following 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. Then, projects that will result in the resolution of public health violations or that will return a system to compliance upon completion will receive priority of funding among this group.
4. If necessary, the date of loan execution will be used as a tiebreaker to determine final priority ranking.

### **METHOD OF AWARD**

Awards will be assigned based on highest to lowest ranking order, in accordance with the SFY 2025 LF criteria described above. It is the intent of this program to assign LF awards during the first quarter of the state fiscal year.

**Once all available LF funding is obligated, the remaining projects in the selected group that are most likely to execute an SRF loan in SFY 2025, will receive a LF award contingent upon availability of unused and/or reallocated funds. Contingent LF awards will not be offered for future funding opportunities.**

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

**FFY 2022, FFY 2023 AND FFY 2024 BIL PFAS/EC FUND**

FFY BIL Fund	LF Required	LF Obligated	LF Available to Award
2022 DWSRF PFAS/EC (BIL Year 1)	\$11,969,000	\$11,969,000	\$TBD**
2023 DWSRF PFAS/EC (BIL Year 2)	\$12,565,000	\$12,565,000***	\$TBD**
2024 DWSRF PFAS/EC (BIL Year 3)	\$11,487,000*	\$0	\$11,487,000

\*This award amount is anticipated to be received by SFY 2025 but has not been received as of the publication of this DRAFT IUP.

\*\*A total of \$11,487,000 was allotted to Iowa for this fund. Upon application of 2023 BIL PFAS/EC funds, a total of \$1,078,000 was transferred from the CWSRF PFAS/EC fund to DWSRF PFAS/EC fund to be used for Drinking Water PFAS/EC projects.

\*\*\*Projects equaling LF required are identified on the PPL but final LF amounts for each project are not yet determined.

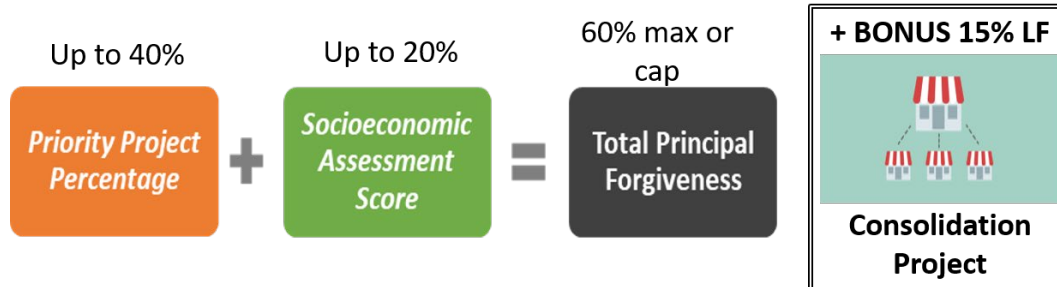
**MAXIMUM AWARD AMOUNTS**

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

**ELIGIBILITY CRITERIA**

LF may be issued to any applicant addressing PFAS or an EC meeting the criteria described in the IUP D. SFY 2025 Program Activities to be Supported.

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



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

Emerging Contaminant	Concentration (ppt) <sup>1</sup>	Loan Forgiveness %	
		Finished Water	Raw Water
PFAS	PFOA ≥ 4.0	40%	30%
	PFOS ≥ 4.0	40%	30%
	PFHxS ≥ 10	40%	30%
	PFNA ≥ 10	40%	30%
	HFPO-DA (Gen X) ≥ 10	40%	30%
	Hazard Index <sup>2</sup> > 1	40%	30%
Health Advisories (HA) on EPA’s Contaminant Candidate Lists 1-5 (Non PFAS)	≥ HA level	40%	30%
	≥ 50% of HA level	20%	N/A

<sup>1</sup>In parts per trillion, except for the Hazard Index

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

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

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

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

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

#### **METHOD OF AWARD**

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

#### **FFY 2022, FFY 2023 AND FFY 2024 BIL LSL REPLACEMENT FUND**

FFY Fund	LF Required	LF Obligated	LF Available to Award
2022 DWSRF BIL LSL (BIL Year 1)	\$22,007,370	\$0*	\$22,007,370
2023 DWSRF BIL LSL (BIL Year 2)	\$14,366,310	\$0*	\$14,366,310*
2024 DWSRF BIL LSL (BIL Year 3)	\$14,732,340	\$0	\$14,732,340*

\* Projects equaling LF required are identified on the PPL but final LF amounts for each project are not yet determined. All project awards are currently in a contingent status.

\*\*This is based on an award amount that is anticipated to be applied for and/or received by SFY 2025 but has not been received as of the publication of this DRAFT IUP.

#### **MAXIMUM AWARD AMOUNTS**

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

#### **ELIGIBILITY CRITERIA**

LF may be issued to any applicant for lead service line inventory or replacement meeting the criteria described in the IUP D. SFY 2025 Program Activities to be Supported.

#### **Regardless of ownership:**

(1) LF of 49% may be offered to DAC borrowers for eligible construction 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 eligible construction costs necessary to replace **the privately owned portions of** full lead service lines **in qualifying DAC census tracts** within their service area. LF of **49%** may be offered **to any applicant** for eligible construction costs necessary to **replace the privately owned portions of lead service lines in qualifying DAC census tracts** within their service area. Qualifying census tracts are determined by the Census

Tract-Based SA Tool (see Appendix A - Disadvantaged Communities (DAC)). Eligible project costs and project readiness are described in the IUP in section D. SFY 2025 Program Activities to be Supported.

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

**METHOD OF AWARD**

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

LF will not be **obligated** to projects until the “contingency status” is removed (see B. SRF Program Overview) and DNR engineering staff have approved the applicant’s LSL Replacement Project Plan (project readiness is described in the IUP in section D. SFY 2025 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.

LSL Replacement projects on the PPL will be given a **contingency** status until all fundable criteria described in section D. SFY 2025 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 10 points)
- D. Special Category Improvements (maximum of 15 points)
- E. DNR Adjustment Factor for Population

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



## Appendix D - Interest Rates, Fees and Loan Terms

### TYPES AND TERMS OF FINANCING

#### SRF PLANNING AND DESIGN LOANS

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

P&D Loans have no interest or payments due for up to three years while the project is designed, and there are no minimum or maximum loan limits. **These** loans are not **subject to** initiation or servicing fees; however, borrowers must engage their Bond Counsel to authorize and issue the debt. P&D Loans will be rolled into an SRF Construction Loan or may be repaid when other permanent financing is **secured**.

#### SRF CONSTRUCTION LOANS

SRF Construction Loans **offer** low-cost financing for a variety of wastewater and drinking water infrastructure projects. **These loans carry** below-market interest rates, low fees, and favorable terms including **up to 30 year repayment terms**. SRF Construction Loans require a first-lien pledge of (1) a utility system's net revenues (equal to 1.10x aggregate annual debt service for all parity obligations); (2) ad valorem taxes levied against all taxable property (general obligation); or (3) some combination thereof. The SRF Program reserves the right, on a case-by case basis, to require that borrowers establish and maintain debt service reserve fund (**DSRF**) equal to the **lesser** of (1) 10% of the par amount of the loan; (2) 100% of the Maximum Annual Debt Service; or (3) 125% of the Average Annual Debt Service. **A DSRF may be funded with SRF funds.**

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

#### INTEREST RATES

DWSRF Programs **are responsible for providing** communities a low-cost, perpetual funding source for constructing infrastructure and implementing practices that deliver safe drinking water to citizens and treats water pollution to support a healthy environment.

To carry out this mandate, Iowa's SRF Loan Programs utilizes Base Interest Rates for Tax-Exempt and Taxable loans that are re-calculated and published on the first business day each January, April, July, and October (the "Effective Date").

Current SRF loan interest rates are published on the SRF website, <https://iowasrf.com/loan-interest-rates/>.

#### SPECIAL PURPOSE FUND LOANS

The interest rate on loans for lead service line-related projects is 0%<sup>22</sup>. Loan servicing fees will still apply (see Fees section below).

#### INTEREST RATE LOCK

Applicants should **coordinate** with their Bond Counsel, Municipal Advisor, and other members of their financing team to complete the loan issuance process (e.g., submit a complete SRF Construction Loan Application: NOFE letter, legal opinion on bidding procedures, hold public hearing and authorize debt, complete proforma financial analysis, pass rate ordinance if required, etc.). **Once** an acceptable construction application is received, the loan is presented for IFA Board approval. **After** approval, applicants will receive notification from IFA that includes **a 90-day interest rate lock**. If the Program's loan interest rates **decrease before the loan agreement is signed**, the applicant will automatically receive the **lower** rate at loan closing **provided it is within** the 90-day rate lock period. **If** the 90-day rate lock period expire, **the loan will be executed using the current interest rates which are set quarterly.**<sup>23</sup>

<sup>22</sup> IMPORTANT NOTE: 0% financing is limited to an aggregate amount equal to the amount of the BIL LSL Cap Grant(s) available for loans (e.g., net of set-asides).

<sup>23</sup> <https://www.iowasrf.com/loan-interest-rates/>

**STANDARD TERM LOANS (UP TO 20 YEARS)**

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

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

**EXTENDED TERM LOANS (21-30 YEARS)**

Extended term loans of up to 30 years are available for qualifying projects. **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

**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.

**FEES****LOAN INITIATION FEES**

New SRF Construction Loans are assessed a loan initiation fee of 0.50% of the full loan commitment amount, not to exceed \$100,000, paid upon closing. Since Iowa's loan initiation fees are capitalized, the fee income is considered program income and may only be used for the purposes of administering the SRF Program or for making new loans. The uses of Program Income are discussed in E. Financial Administration and Section F. 2025 Set-Aside Uses in this IUP.

Initiation fees will not be assessed on borrowers that meet the Program's affordability criteria as a DAC and have received a LF award.

**LOAN SERVICING FEES**

An annual loan servicing fee equal to 0.25% of the outstanding loan balance is charged on SRF Construction Loans. Payment of the loan servicing fee is made semiannually along with scheduled interest payments. Loan servicing fees are calculated based on the outstanding principal balance. Non-Program Income can be used to administer the program or for other water quality purposes. The uses of Non-Program Income are discussed in Other Program Uses section in this IUP.

## Appendix E – Estimated Sources and Uses

### Estimated Sources and Uses of Funds

DWSRF - SFY 2025

Rounded to the nearest \$1,000 as of April 15, 2024

#### SOURCES OF FUNDS

FFY 2022 Federal Capitalization Grant(s):	
BIL Emerging Contaminants (Undrawn Amount)	\$11,945,000
BIL Lead Service Line Replacement (Undrawn Amount)	\$44,913,000
Total 2022 Grants	\$56,858,000
FFY 2023 Federal Capitalization Grant(s):	
BIL Emerging Contaminants (anticipate applying for in June 2024)	\$12,565,000
BIL Lead Service Line Replacement (anticipate applying for in June 2024)	\$29,319,000
Total 2023 Grants	\$41,884,000
FFY 2024 Federal Capitalization Grant(s):	
Base Program	\$7,007,000
BIL Supplemental	\$34,558,000
BIL Emerging Contaminants (anticipate applying for in April 2025)	\$11,487,000
BIL Lead Service Line Replacement (anticipate applying for in June 2025)	\$30,066,000
Total 2024 Grants	\$83,118,000
Estimated Loan Repayments (P&I)	\$45,000,000
Estimated Fee Income	\$2,536,000
Funds Available in Equity and Program Accounts	\$199,246,000
Estimated Investment Earnings on Funds	\$5,300,000
Estimated Bond Proceeds:	
Leveraged/Reimbursement	\$59,540,000
State Match	\$8,000,000
<b>TOTAL SOURCES</b>	<b>\$501,482,000</b>
<b>ANTICIPATED USES OF FUNDS</b>	
Administration	\$5,921,000
Project Funding:	
Disbursements to Existing Loan Commitments <sup>24</sup>	\$96,411,000
Disbursements to Future Loan Commitments:	
Planning & Design Loan Requests from IUP <sup>25</sup>	\$5,653,000
Additional DWSRF Project Requests <sup>26</sup>	\$4,436,000
Debt Service:	
Principal Payments on Outstanding Revenue Bonds	\$21,530,000
Interest Payments on Outstanding Revenue Bonds	\$15,153,000
Retained Equity <sup>27</sup>	\$352,378,000
<b>TOTAL USES</b>	<b>\$501,482,000</b>
<b>NET SOURCES (USES)</b>	<b>\$0</b>

<sup>24</sup> Assumes 75% disbursement rate.

<sup>25</sup> Assumes 50% disbursement rate.

<sup>26</sup> Additional projects from IUP (up to the budgeted disbursement total for SFY 2025), plus another 25% of budgeted new commitments.

<sup>27</sup> 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 2022			
<b>Sources of State Match</b>			
Surplus State Match from Prior Year(s)			\$4,675,500
State Match Bonds Issued in May 2022			\$5,700,000
<b>Total DW State Match Available</b>			<b>\$10,375,500</b>
<b>Application of State Match</b>			
	<u>Cap Grant (\$)</u>	<u>Match Required (%)</u>	<u>Match Required (\$)</u>
FFY 2022 Base Cap Grant	\$11,101,000	20%	\$2,220,200
FFY 2022 BIL Supplemental Cap Grant	\$28,504,000	10%	\$2,850,400
<b>Total DW State Match Required</b>			<b>\$5,070,600</b>
<b>DW State Match Surplus (Deficit)</b>			<b>\$5,304,900</b>

Federal Fiscal Year 2023			
<b>Sources of State Match</b>			
Surplus State Match from Prior Year(s)			\$5,304,900
<b>Total DW State Match Available</b>			<b>\$5,304,900</b>
<b>Application of State Match</b>			
	<u>Cap Grant (\$)</u>	<u>Match Required (%)</u>	<u>Match Required (\$)</u>
FFY 2023 Base Cap Grant	\$7,424,000	20%	\$1,484,800
FFY 2023 BIL Supplemental Cap Grant	\$31,656,000	10%	\$3,165,600
<b>Total DW State Match Required</b>			<b>\$4,650,400</b>
<b>DW State Match Surplus (Deficit)</b>			<b>\$654,500</b>

Federal Fiscal Year 2024			
<b>Sources of State Match</b>			
Surplus State Match from Prior Year(s)			\$654,500
State Match Bonds Issued in June 2024			\$8,000,000
<b>Total DW State Match Available</b>			<b>\$8,654,500</b>
<b>Application of State Match</b>			
	<u>Cap Grant (\$)</u>	<u>Match Required (%)</u>	<u>Match Required (\$)</u>
FFY 2024 Base Cap Grant	\$7,007,000	20%	\$1,401,400
FFY 2024 BIL Supplemental Cap Grant	\$34,558,000	20%	\$6,911,600
<b>Total DW State Match Required</b>			<b>\$8,313,000</b>
<b>DW State Match Surplus (Deficit)</b>			<b>\$341,500</b>

## 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 and borrower contact information. Each SRF funded project is also required to provide public notice of their SRF Project as part of the environmental review process.

Projects receiving additional subsidization, or are funded as equivalency projects from IIJA or BIL funds will follow the OMB<sup>28</sup> and EPA Signage Guidance<sup>29</sup> for those funds, as summarized below:

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

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

#### VIABILITY ASSESSMENT

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

#### GREEN PROJECT RESERVE (GPR)

Congressional Appropriations require 10% of DWSRF 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. During SFY 2025, the SRF Program will identify recipients that comply with GPR requirements. 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 BIL. 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.

<sup>28</sup> Guidelines and design specifications for using the official Building A Better America emblem and corresponding logomark available at <https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-BrandGuide.pdf>

<sup>29</sup> Compliance guidelines for sign specifications provided by the EPA Office of Public Affairs (OPA) are available at <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-producedepa-assistance-agreement-recipients>

## 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 systems<sup>30</sup>. Iowa DWSRF Program proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. All recipients will be required to sign a self-certification of compliance at completion of the project.

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

## BUILD AMERICAN, BUY AMERICA (BABA) ACT

On November 15, 2021, President Joseph R. Biden Jr. signed into law the IIJA, Pub. L. No. 117-58, which includes the BABA that strengthens the Made in America Laws.<sup>31</sup> Infrastructure projects funded by federal financial assistance must ensure that the *iron, steel, manufactured products, and construction materials* used in the project are produced in the United States.<sup>32</sup>

Since not all funds available through the Iowa DWSRF Program are considered federal financial assistance, SRF will provide information to those applicants required to comply with necessary documentation and inspection procedures. Iowa proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in BABA and EPA guidance<sup>33</sup>. All recipients will be required to sign a self-certification of compliance at completion of the project.

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

## ENVIRONMENTAL REVIEW

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

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.<sup>34</sup> Iowa proposes oversight of this requirement to be conducted by verification of bid documents and wage determinations, and will require applicants to submit a self-certification form at completion of the project indicating compliance with this requirement.

## 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. DWSRF binding commitments include set-aside funds.

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

<sup>31</sup> Build America, Buy America Act, P.L. 117-58, Secs 70911 - 70917

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

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

<sup>34</sup> <https://www.epa.gov/grants/interim-davis-bacon-act-guidance>

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

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

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

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

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

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

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

#### **PROCESS (APPLICATION/PAYMENT/DISBURSEMENT)**

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

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

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

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

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

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

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

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

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



## Appendix H - Public Review and Comments Received

A public meeting to allow input to Iowa's SFY 2025 IUP and PPL will be held May 30, 2024, 10:00 a.m. via video conference call. This meeting will be 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 Media Center<sup>35</sup> and the IUP Public Hearings<sup>36</sup> pages of the SRF website. Written comments may be submitted to [srf-pc@dnr.iowa.gov](mailto:srf-pc@dnr.iowa.gov) and will be accepted through June 7, 2024.

### Comments Received:

1. During the comment period, the following P&D projects were identified as no longer needing SRF funding and were removed from the final PPL presented to the EPC for approval:

Applicant	DWSRF Project No.	Funding Request	Project Type
Albion	PD-DW-19-13	\$55,000	P&D
Bellevue	PD-DW-19-15	\$285,000	P&D
Correctionville	PD-DW-24-63	\$508,000	P&D
Ely	PD-DW-23-18	\$582,420	P&D
Ely	PD-DW-23-19	\$184,420	P&D
Essex	PD-DW-21-53	\$30,000	P&D
Glidden	PD-DW-21-38	\$150,000	P&D
New Albin	PD-DW-24-59	\$200,000	P&D
Plainfield	PD-DW-20-33	\$40,000	P&D
Randolph	PD-DW-24-67	\$528,000	P&D
Titonka	PD-DW-22-16	\$424,100	P&D
Vail	PD-DW-18-30	\$50,000	P&D

2. During the comment period, the SRF Program re-evaluated the first and second ranking priorities for SFY 2025 loan forgiveness "Eligibility Criteria" in Appendix B. The DRAFT IUP was released for comment with projects first being ranked for loan forgiveness priority based on the IUP application project priority points (highest to lowest). The SRF Program determined that ranking projects first by DAC score (highest to lowest) and then second by project priority points (highest to lowest) better aligns with the intent of BIL loan forgiveness funding and the state's goals of making subsidy available to the most disadvantaged borrowers first.
3. During the public hearing, a representative of the Sierra Club commented that a glossary of acronyms would be helpful for readers. The SRF Program intends to incorporate a glossary of acronyms in the second quarter IUP update.

### Second Quarter Update:

A public meeting to allow input to Iowa's SFY 2025 IUP and PPL will be held August 29, 2024, 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 Media Center and the IUP/IUP Public Hearings pages of the SRF website. Written comments may be submitted to [srf-pc@dnr.iowa.gov](mailto:srf-pc@dnr.iowa.gov) and will be accepted through September 5, 2024.

### Comments Received:

<sup>35</sup> <https://www.iowasrf.com/media-center/>

<sup>36</sup> <https://www.iowasrf.com/intended-use-plan-public-hearings/>

1. During the comment period, the following construction projects were identified as no longer needing any additional SRF funding to complete their project and were removed from the final PPL presented to the EPC for approval:

<b>Applicant</b>	<b>CWSRF Project No.</b>	<b>Funding Request</b>	<b>Project Type</b>
Cleghorn	FS-18-18-DWSRF-006	\$200,000	CONSTRUCTION
Farmington	FS-8916-DWSRF-006	\$117,000	CONSTRUCTION
Jamaica	FS-39-20-DWSRF-017	\$1,033,000	CONSTRUCTION
Oskaloosa	FS-62-23-DWSRF-014	\$863,000	CONSTRUCTION
Park View	FS-82-20-DWSRF-006	\$839,000	CONSTRUCTION

Third Quarter Update:

A public meeting to allow input to Iowa's SFY 2025 IUP and PPL is scheduled for Dec. 5, 2024, 10:00 a.m. via video conference call. This meeting will be 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 Media Center and the IUP/IUP Public Hearings pages of the SRF website. Written comments may be submitted to [srf-pc@dnr.iowa.gov](mailto:srf-pc@dnr.iowa.gov) and will be accepted through Dec. 5, 2024.

Comments Received:

EPA Headquarters suggested that SRF provide information in the IUP related to upcoming refinancing of existing construction loans. This information was incorporated into the DWSRF IUP in section E. Financial Administration, under Other Program Uses (see page 12).

## 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
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
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

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

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

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	Funding Source			Compliance Project	DAC Score
												Base BIL GS	PFAS/EC	LSL		
Marcus	PD-DW-25-28	Evaluation of aging source water, treatment plant, and distribution system	2025	3	P&D	1200	P	\$ 130,000.00				x			No	6
Minburn	PD-DW-25-29	Water tower rehab or replacement, watermain replacement, and water meter upgrades	2025	3	P&D	325	P	\$ 734,000.00				x			No	5
Oyens	PD-DW-25-30	PER of existing raw water system, or connection to rural water	2025	3	P&D	103	P	\$ 41,000.00				x			No	4
Belle Plaine	PD-DW-25-22	Water Treatment Plant and Infrastructure	2025	3	P&D	2330	P	\$ 729,500.00				x			No	14
Eldridge	PD-DW-25-23	Water Supply System Evaluation	2025	3	P&D	6756	P	\$ 150,000.00				x			No	4
Keokuk	PD-DW-25-24	Refurbish/Repair Three Water Towers	2025	3	P&D	9800	P	\$ 58,915.00				x			No	18
Ely	PD-DW-25-25	Well #3 and Well House	2025	3	P&D	2328	P	\$ 245,000.00				x			No	5
Lawler	PD-DW-25-26	New Jordan Well	2025	3	P&D	439	P	\$ 60,000.00				x			No	12
Norway	PD-DW-25-27	Booster Station and Improvements	2025	3	P&D	446	P	\$ 160,000.00				x			No	5
Lawler	FS-19-25-DWSRF-035	Well 3 Improvements	2025	3	45	439	P	\$ 410,000.00				x			No	12
Vinton	FS-06-25-DWSRF-036	Water Treatment Improvements	2025	3	40	5148	P	\$ 10,044,000.00				x			No	12
Yale	FS-39-25-DWSRF-032	Water Treatment Filter Replaced	2025	3	35	267	P	\$ 482,000.00				x			No	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			No	2
Panama (LSL)	FS-83-25-DWSRF-034	Lead/Gav Pipe Replacement Project	2025	3	30	325	C	\$ 54,000.00				x		x	No	4- LSL TBD by Census Tract
Fairfax	FS-57-25-DWSRF-030	Water Supply Treatment Facility & Production Well #5	2025	3	25	2828	P	\$ 13,975,000.00				x			No	2
Sioux City	FS-97-25-DWSRF-031	Harbor Drive Water Main Upsize	2025	3	20	102218	P	\$ 6,440,000.00				x			No	12
Alboona	PD-DW-25-16	New water treatment plant, 2 new wells, and associated transmission mains	2025	2	P&D	19565	L	\$ 4,550,000.00	9/20/2024	\$ 4,550,000.00	\$ -	x			No	5
Bayard	PD-DW-25-17	New well, aerator & detention tank, and replacement of distribution system valves and water meters	2025	2	P&D	405	P	\$ 70,000.00				x			No	17
Little Sioux	PD-DW-25-18	Distribution system improvements	2025	2	P&D	166	L	\$ 100,000.00	9/20/2024	\$ 1,000,000.00	\$ -	x			No	17
Lytton	PD-DW-25-19	Connection with Sac City including, metering equipment, blending tank, and transmission mains	2025	2	P&D	274	L	\$ 350,000.00	9/20/2024	\$ 350,000.00	\$ -	x			No	11
Moville	PD-DW-25-20	Two new wells, water treatment, and elevated storage tank	2025	2	P&D	1687	L	\$ 1,040,700.00	9/27/2024	\$ 1,040,700.00	\$ -	x			No	2
Moville	FS-97-25-DWSRF-011	move water system	2025	2	45	1687	P	\$ 9,829,000.00				x			No	1
Bondurant	FS-77-25-DWSRF-016	Water Supply and Treatment Facilities	2025	2	45	9980	P	\$ 28,990,000.00				x			No	2
Ely	FS-52-25-DWSRF-017	Water System Improvements	2025	2	45	2328	P	\$ 1,965,000.00				x			No	4
Carlisle	FS-91-25-DWSRF-019	Carlisle Well Number 7	2025	2	45	6500	P	\$ 826,000.00				x			No	4
Macedonia	FS-78-25-DWSRF-020	Shallow Well Improvements	2025	2	45	270	P	\$ 584,000.00				x			No	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			No	1
Estherville LSL	FS-32-25-DWSRF-022	Lead Service Line Replacement Project	2025	2	40	210	D	\$ 620,000.00				x		x	No	16
Osceola Water Works LSL	FS-20-25-DWSRF-029	Lead Service Line Replacement project	2025	2	40	5577	C	\$ 2,634,000.00				x		x	No	15

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	Funding Source			Compliance Project	DAC Score
												Base BIL GS	PFAS/EC	LSL		
Altoona	FS-77-25-DWSRF-014	Water System Improvements 2024 - Water Treatment Plant No. 4	2025	2	35	21503	P	\$ 50,914,000.00				x			No	6
Osceola Water Works	FS-20-25-DWSRF-015	Water Treatment Plant Improvements	2025	2	35	5577	P	\$ 10,206,000.00				x			No	15
Belle Plaine	FS-06-25-DWSRF-018	Water Treatment Facility	2025	2	35	2330	P	\$ 9,303,000.00				x			No	14
Guthrie Center LSL	FS-39-25-DWSRF-023	Lead Service Line Replacement	2025	2	30	1593	C	\$ 50,000.00				x		x	No	10- LSL TBD by Census Tract
Miles LSL	FS-49-25-DWSRF-026	Lead Service Line Replacement	2025	2	30	408	D	\$ 50,000.00				x		x	No	12
Lansing LSL	FS-03-25-DWSRF-028	Lead Service Line Funding	2025	2	30	983	C	\$ 1,965,000.00				x		x	No	16
Maxwell	FS-85-25-DWSRF-012	Filter Backwash Treatment	2025	2	25	859	P	\$ 290,000.00				x			No	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		x	No	LSL TBD by Census Tract
IA American Water (Quad Cities) LSL	FS-82-25-DWSRF-013	Quad Cities 2024 Updated Lead Service Line Replacement	2025	2	20	137200	C	\$ 27,894,000.00				x		x	No	LSL TBD by Census Tract
Spencer LSL	FS-21-25-DWSRF-024	Lead Service Line Replacement	2025	2	20	11413	C	\$ 12,577,000.00				x		x	No	14
Knoxville LSL	FS-63-25-DWSRF-027	Lead Service Line Replacement	2025	2	20	14945	C	\$ 295,000.00				x		x	No	12
Emmetsburg Municipal Utilities	PD-DW-25-07	Addition of RO treatment	2025	1	P&D	3706	L	\$ 1,120,000.00	6/21/2024	\$ 1,120,000.00	\$ -	x			No	13
Fairfax	PD-DW-25-05	New water supply treatment facility	2025	1	P&D	2828	P	\$ 1,277,000.00				x			No	3
Hastings	PD-DW-25-13	Construction of an ion exchange treatment system	2025	1	P&D	152	L	\$ 95,750.00	7/5/2024	\$ 95,750.00	\$ -	x			No	13
Jamaica	PD-DW-25-08	Complete water system PER	2025	1	P&D	195	L	\$ 75,000.00	6/28/2024	\$ 75,000.00	\$ -	x			No	16
Johnston	PD-DW-24-74	LBC Water Main Ext-Seq C	2025	1	P&D	24195	L	\$ 700,000.00	7/12/2024	\$ 700,000.00	\$ -	x			No	5
Moulton	PD-DW-25-06	Replacement of 10 city blocks of water main	2025	1	P&D	607	L	\$ 128,700.00	8/23/2024	\$ 128,700.00	\$ -	x			No	16
Oakland	PD-DW-25-09	New wells, electrical building, and water main	2025	1	P&D	1524	L	\$ 214,800.00	6/28/2024	\$ 214,800.00	\$ -	x			No	15
Orient	PD-DW-25-10	Water main replacement	2025	1	P&D	368	L	\$ 232,500.00	6/28/2024	\$ 232,500.00	\$ -	x			No	10
Tama	PD-DW-25-04	New water treatment plan building	2025	1	P&D	3130	L	\$ 424,100.00	6/21/2024	\$ 424,100.00	\$ -	x			No	11
Tiffin	PD-DW-24-72	New osmosis treatment system	2025	1	P&D		P	\$ 826,000.00				x			No	4
Decorah	FS-96-25-DWSRF-004	Water Meter Replacement	2025	1	40	7700	P	\$ 1,407,000.00				x			No	11
Little Sioux	FS-43-25-DWSRF-008	2024 Water System Improvements	2025	1	40	180	D	\$ 2,105,000.00				x			Yes	17
Poweshiek Water Association	FS-86-25-DWSRF-005	Tama water supply and Distribution System Improvements PHA - 2024	2025	1	30	24639	P	\$ 11,285,000.00				x			No	TBD
Prairie City	FS-50-25-DWSRF-007	Phase 3 Water Main Replacement	2025	1	30	1700	P	\$ 1,576,000.00				x			No	2
Sully	FS-50-25-DWSRF-002	Water Distribution System Improvements	2025	1	30	881	P	\$ 1,690,000.00				x			No	4
Tabor	FS-36-25-DWSRF-003	Water System Improvements	2025	1	30	1014	P	\$ 2,404,000.00				x			No	13
Tiffin	FS-52-25-DWSRF-001	Water Treatment Improvement	2025	1	25	5282	P	\$ 13,186,000.00				x			No	4
Ankeny	FS-77-25-DWSRF-009	SW Walnut Street and SW Ordance Road Water Main	2025	1	20	70287	P	\$ 2,430,000.00				x			No	2
Boone	FS-08-25-DWSRF-006	Slaker and Roof Replacement Project	2025	1	15	12460	L	\$ 1,544,000.00	10/25/2024	\$ 1,638,000.00	\$ -	x			No	10
Boone	PD-DW-24-61	Rehab of 2 MG ground storage reservoir	2024	4	P&D	12460	P	\$ 200,000.00				x			No	7
Osceola Water Works	PD-DW-24-69	Water treatment facility improvements	2024	4	P&D	5415	P	\$ 700,000.00				x			No	15
Correctionville	FS-97-24-DWSRF-046	Water System Improvements	2024	4	55	766	P	\$ 5,210,000.00				x			No	14
New Albin	FS-03-24-DWSRF-042	Well #2 Improvements	2024	4	55	500	P	\$ 700,000.00				x			No	12
Randolph	FS-36-24-DWSRF-044	Water Source, Treatment, Storage and Distribution System	2024	4	55	189	P	\$ 3,960,000.00				x			No	11
Oakland	FS-78-24-DWSRF-047	2023 Water Supply Wells	2024	4	45	1711	P	\$ 2,531,000.00				x			No	13
Urbana	FS-06-24-DWSRF-045	2025 Water System Improvements	2024	4	45	1590	P	\$ 3,388,000.00				x			No	4
Creston (LSL)	FS-88-24-DWSRF-041	Water Distribution System Improvements	2024	4	40	7536	C	\$ 6,000,000.00				x		x	No	18
Coralville	FS-52-24-DWSRF-049	Well #6 Improvements	2024	4	35	21630	P	\$ 3,050,000.00				x			No	4
Eldora	FS-42-24-DWSRF-051	SCADA Upgrade	2024	4	35	2700	P	\$ 263,000.00				x			No	14



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	Funding Source			Compliance Project	DAC Score
												Base BIL GS	PFAS/EC	LSL		
Prairie City	FS-50-24-DWSRF-050	Phase 2 Water Main Replacement	2024	4	30	1700	P	\$ 924,000.00				x			No	6
Council Bluffs	FS-78-24-DWSRF-048	CBWW Narrows WTP High Service Pump Station	2024	4	25	63000	P	\$ 22,494,000.00				x			No	13
<b>Muscatine Power &amp; Water (LSL)</b>	<b>FS-70-24-DWSRF-052</b>	<b>Lead Service Line Replacement</b>	<b>2024</b>	<b>4</b>	<b>20</b>	<b>23474</b>	<b>C</b>	<b>\$ 1,570,000.00</b>				<b>x</b>		<b>x</b>	<b>No</b>	<b>14</b>
Fort Dodge	PD-DW-24-52	Supplemental to Future Needs PER P&D	2024	3	P&D	25206	P	\$ 92,000.00				x			No	18
Knoxville	PD-DW-24-34	Replacing Well #2 and Recasing Well #3	2024	3	P&D	14945	P	\$ 230,000.00				x			No	12
La Motte	FS-49-24-DWSRF-030	Proposed Municipal Well #3	2024	3	55	237	P	\$ 1,573,000.00				x			No	7
Greenfield Municipal Utilities	FS-01-24-DWSRF-036	Water Treatment Plant Improvements	2024	3	45	2062	P	\$ 20,000,000.00				x			No	16
Knoxville	FS-63-24-DWSRF-032	Deep Well No 2 and 3 Evaluation	2024	3	45	8480	P	\$ 5,701,000.00				x			No	12
Keokuk	FS-56-24-DWSRF-034	2023 System Improvements	2024	3	40	9900	P	\$ 10,497,000.00				x			No	19
Lansing	FS-03-24-DWSRF-039	Platt, 4th & North St Utility Improvement	2024	3	40	968	P	\$ 660,000.00				x			No	16
Marble Rock	FS-34-24-DWSRF-031	Water System Improvements	2024	3	40	271	P	\$ 604,000.00				x			No	12
West Point	FS-56-24-DWSRF-033	2023 Water Main Improvements	2024	3	40	921	R	\$ 528,000.00				x			No	11
Norwalk	FS-91-24-DWSRF-038	Norwalk Central Water Tower	2024	3	35	12799	P	\$ 6,380,000.00				x			No	4
Grinnell (LSL)	FS-79-24-DWSRF-037	Lead Service Line Replacement Program	2024	3	30	9564	C	\$ 1,002,000.00				x		x	No	11
Kingsley	FS-75-24-DWSRF-040	Water System Improvements	2024	3	25	1396	P	\$ 7,136,000.00				x			No	2
Central City (PFAS)	FS-57-24-DWSRF-027	New Well (PFAS)	2024	2	80	1264	P	\$ 2,085,000.00				x	x		Yes	9
Meservey	FS-17-24-DWSRF-017	Phase 1 Water Supply System Improvements Project	2024	2	55	222	P	\$ 548,000.00				x			No	13
Tama (PFAS)	FS-86-24-DWSRF-014	Water Treatment Plant Improvements (PFAS)	2024	2	55	2745	P	\$ 3,941,000.00				x	x		Yes	15
Ellsworth	FS-40-24-DWSRF-025	Elevated Tower Improvements	2024	2	45	508	P	\$ 3,123,000.00				x			No	10
Fairfax	FS-57-24-DWSRF-020	Production Well #4	2024	2	45	2828	P	\$ 809,000.00				x			No	2
Wellman	FS-92-24-DWSRF-012	Water System Improvements: Distribution & Supply	2024	2	45	1524	P	\$ 5,776,000.00				x			No	10
Le Grand	FS-64-24-DWSRF-026	2023 Water Distribution Improvements	2024	2	40	905	P	\$ 1,026,000.00				x			No	12
Des Moines Water Works	FS-77-24-DWSRF-021	2023 Aquifer Storage and Recovery (ASR) Well	2024	2	35	600000	P	\$ 10,703,000.00				x			No	Verify
Newton	FS-50-24-DWSRF-015	Newton Jordan Well	2024	2	35	16391	P	\$ 6,392,000.00				x			No	15
Greene	FS-12-24-DWSRF-018	2024 Water System Improvements Project	2024	2	30	990	P	\$ 694,000.00				x			No	16
Madrid	FS-08-24-DWSRF-028	Well #10 Access Road Phase 2	2024	2	30	2802	P	\$ 129,000.00				x			No	6
Cedar Rapids - F Ave NW & 13th St NW (LSL)	FS-57-24-DWSRF-023	LSL F Ave NW and 13th St NW Water Service Line Transfers	2024	2	20	141063	C	\$ 241,000.00				x		x	No	9- LSL TBD by Census Tract
Cedar Rapids - 2024 Project (LSL)	FS-57-24-DWSRF-024	2024 Lead Service Line Replacement Project	2024	2	20	141063	C	\$ 5,548,000.00				x		x	No	9- LSL TBD by Census Tract
Iowa Lakes Regional Rural Water	FS-30-24-DWSRF-013	Orleans Expansion Project	2024	2	20	15000	P	\$ 3,802,000.00				x			No	7
Grinnell	FS-79-24-DWSRF-006	Water System Improvements	2024	1	90	9564	L	\$ 35,000,000.00	8/2/2024	\$ 3,921,000.00	\$ 31,079,000.00	x			Yes	11
Rock Valley (PFAS)	FS-84-24-DWSRF-001	Water System Study Phase II - System Improvements	2024	1	55	3730	P	\$ 726,000.00				x	x		Yes	7
Breda	FS-14-24-DWSRF-002	Well No. 6	2024	1	45	508	L	\$ 1,027,000.00	8/9/2024	\$ 1,026,000.00	\$ -	x			No	4
Des Moines Water Works	FS-77-24-DWSRF-005	Saylorville Water Treatment Plant (SWTP) Capacity Expansion - Raw Water Supply & Treatment	2024	1	30	600000	P	\$ 150,750,000.00				x			No	Verify
Fort Dodge	FS-94-24-DWSRF-007	Water Main Replacement	2024	1	30	24912	P	\$ 11,217,000.00				x			No	18
Council Bluffs (LSL)	FS-78-24-DWSRF-009	Lead Service Line Replacement	2024	1	20	62799	C	\$ 2,525,000.00				x		x	No	13
Des Moines Water Works (LSL)	FS-77-24-DWSRF-008	Lead Service Line Replacement Phase 1 Project	2024	1	20	600000	C	\$ 12,070,000.00				x		x	No	LSL TBD by Census Tract
Dubuque (Phase 2 LSL)	FS-31-24-DWSRF-010	Lead Service Line Replacement Phase 2	2024	1	20	58983	C	\$ 2,000,000.00				x		x	No	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	C	\$ 1,907,000.00				x		x	No	9- LSL TBD by Census Tract
Schaller	PD-DW-23-52	Water System Improvements	2023	4	P&D	729	L	\$ 614,000.00	8/30/24	\$ 614,000.00	\$ -	x			No	9
Burlington (PFAS)	FS-29-23-DWSRF-085	Water Supply and Treatment Improvements	2023	4	60	23713	P	\$ 3,499,000.00				x	x		Yes	17

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	Funding Source			Compliance Project	DAC Score
												Base BIL GS	PFAS/EC	LSL		
Burlington (PFAS)	FS-29-23-DWSRF-084	New Jordan Wells Project	2023	4	45	23713	P	\$ 16,356,000.00				x	x		Yes	17
Lake City	FS-13-23-DWSRF-068	Well No. 6 and Well No. 7	2023	4	45	1992	P	\$ 1,750,000.00				x			No	12
Polk City	FS-77-23-DWSRF-077	1.5 MG Elevated Storage Tank	2023	4	45	5899	L	\$ 7,582,000.00	8/16/2024	\$ 2,650,000.00	\$ 2,650,000.00	x			No	2
Schaller	FS-81-23-DWSRF-082	Water System Improvements	2023	4	45	729	P	\$ 4,841,000.00				x			No	9
Storm Lake	FS-11-23-DWSRF-070	City of Storm Lake Well No. 22	2023	4	45	12478	P	\$ 2,361,000.00				x			No	9
Ainsworth	FS-92-23-DWSRF-069	Water Main Replacement	2023	4	40	511	R	\$ 700,000.00				x			No	5
Granger	FS-25-23-DWSRF-072	New Water Tower	2023	4	40	1700	R	\$ 4,187,000.00				x			No	5
Lime Springs	FS-45-23-DWSRF-083	2024 Street and Utility Improvements Project	2023	4	40	473	P	\$ 5,507,000.00				x			No	9
Madrid	FS-08-23-DWSRF-076	Water Transmission Main (Phase 1)	2023	4	40	2802	R	\$ 1,932,000.00				x			No	6
Marshalltown	FS-64-23-DWSRF-079	New 6 MGD RO Membrane Process Train	2023	4	35	27591	P	\$ 36,254,000.00				x			No	15
Palmer	FS-76-23-DWSRF-074	Water System Improvement	2023	4	35	138	R	\$ 615,000.00				x			No	12
Burlington (LSL)	FS-29-23-DWSRF-086	Lead Service Line Replacement	2023	4	30	23713	C	\$ 788,000.00				x		x	No	17
Mahaska Rural Water	FS-62-23-DWSRF-073	Transmission Main Improvements - Eddyville Connection	2023	4	30	10100	R	\$ 1,785,000.00				x			No	15
Emmetsburg	FS-74-23-DWSRF-071	Water Treatment Improvements	2023	4	25	3706	P	\$ 10,215,000.00				x			No	13
Des Moines Water Works	FS-77-23-DWSRF-075	Saylorville Water Treatment Plant (SWTP) Capacity Expansion - Transmission Improvements	2023	4	20	600000	L	\$ 24,267,000.00	9/20/2024	\$ 14,200,000.00	\$ 10,067,000.00	x			No	Verify
Dubuque	FS-31-23-DWSRF-080	Supervisory Control and Data Acquisition (SCADA) Upgrade	2023	4	15	58983	P	\$ 2,170,000.00				x			No	9
Hinton	FS-75-23-DWSRF-034	Water Treatment Plant Improvements and Expansion	2023	3	60	947	P	\$ 7,286,000.00				x			No	2
Central City	FS-57-23-DWSRF-025	New Elevated Storage Tank	2023	3	45	1264	P	\$ 4,179,000.00				x			No	9
Storm Lake	FS-11-23-DWSRF-030	Elevated Water Tank	2023	3	45	12478	L	\$ 7,937,000.00	7/12/2024	\$ 7,888,000.00	\$ -	x			No	9
Rudd	FS-34-23-DWSRF-031	Water System Improvements Phase II - Water Tower Rehab	2023	3	40	369	L	\$ 220,000.00	8/30/2024	\$ 220,000.00	\$ -	x			No	8
Thompson	FS-95-23-DWSRF-020	Water Main Replacement	2023	3	40	502	P	\$ 451,000.00				x			No	11
Iowa American Water - Quad Cities	FS-82-23-DWSRF-026	Quad Cities Elevated Storage Tank and Booster Station	2023	3	35	52807	P	\$ 8,362,000.00				x			No	13
Terril	FS-30-23-DWSRF-066	Water Treatment Equipment Replacement	2023	3	35	334	P	\$ 1,206,000.00				x			No	11
Clarence	FS-16-23-DWSRF-022	7th Ave Water Main	2023	3	30	1039	P	\$ 2,392,000.00				x			No	13
Hiawatha	FS-57-23-DWSRF-023	Replacement for mains on Robins St	2023	3	30	7935	L	\$ 1,665,000.00	9/13/2024	\$ 434,000.00	\$ 1,231,000.00	x			No	10
Grimes	FS-77-23-DWSRF-024	Distribution and Storage Improvements	2023	3	20	15392	L	\$ 11,616,000.00	11/3/2023	\$ 8,543,000.00	\$ 3,073,000.00	x			No	4
Johnston	FS-77-23-DWSRF-029	New water main project (2 mains- NW 78th Ave and NW Beaver Sts)	2023	3	20	24195	P	\$ 21,536,000.00				x			No	4
Carter Lake	PD-DW-23-23	P&D for Water Line & Pipe Replacement	2023	2	P&D	3791	P	\$ 725,000.00				x			No	13
Montezuma Municipal Water Works	FS-79-23-DWSRF-017	New Jordan Well Construction	2023	2	55	1442	P	\$ 2,734,000.00				x			No	12
Dubuque	FS-31-23-DWSRF-013	Eagle Street and Althaus Street Water & Sewer Replacement	2023	2	20	58983	P	\$ 505,000.00				x			No	9
Dubuque (Phase 1 LSL)	FS-31-23-DWSRF-012	Lead Service Line Replacement Phase 1	2023	2	20	58983	C	\$ 1,941,000.00				x		x	No	9- LSL TBD by Census Tract
Mallard	FS-74-23-DWSRF-003	Water System Improvements - Connection Fee Only	2023	1	70	277	P	\$ 1,740,000.00				x			Yes	16
Mount Vernon	FS-57-23-DWSRF-004	Water Meter Replacement	2023	1	30	4527	P	\$ 905,000.00				x			No	9
Spillville	FS-96-23-DWSRF-007	New Booster Station and Ground Storage Reservoir	2023	1	30	385	L	\$ 1,728,100.00	9/6/2024	\$ 1,728,000.00	\$ -	x			No	16
Auburn	FS-81-23-DWSRF-001	Water Treatment Plant Filter Replacement	2023	1	25	315	L	\$ 50,000.00	7/26/2024	\$ 50,000.00	\$ -	x			No	13
Ankeny	PD-DW-22-57	P&D for Construction of Water Main Transmission	2022	4	P&D	70287	P	\$ 174,600.00				x			No	2
Dedham	FS-14-22-DWSRF-032	Water System Improvements	2022	4	60	224	P	\$ 1,643,000.00				x			No	5

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	Funding Source			Compliance Project	DAC Score
												Base BIL GS	PFAS/EC	LSL		
Westfield	FS-75-22-DWSRF-035	Construction of New Well and Water Treatment Plant	2022	4	55	130	L	\$ 2,084,000.00	9/6/2024	\$ 2,084,000.00	\$ -	x			No	7
Orange City	FS-84-22-DWSRF-037	Construction of New Elevated Tank, New Ground Storage, New Well and Well Pipe	2022	4	50	6297	P	\$ 15,821,000.00				x			No	2
Protivin	FS-45-22-DWSRF-029	Water System Improvements	2022	4	50	269	P	\$ 304,000.00				x			No	4
Wahpeton	FS-30-22-DWSRF-031	Water System Improvements	2022	4	45	344	P	\$ 12,695,000.00				x			No	4
Casey	FS-39-22-DWSRF-034	Water Distribution System Improvements	2022	4	40	387	L	\$ 366,000.00	10/25/2024	\$ 366,000.00	\$ -	x			No	16
Pocahontas	FS-76-22-DWSRF-038	Water System Improvements	2022	4	25	6267	P	\$ 2,825,000.00				x			No	14
Manson	FS-13-22-DWSRF-023	Connection from Manson to Fort Dodge Municipal Water System	2022	3	45	1690	P	\$ 7,068,000.00				x			Yes	7
Dubuque	FS-31-22-DWSRF-025	2022 Water System Improvements	2022	3	35	58983	P	\$ 15,565,000.00				x			No	9
Plover	FS-76-22-DWSRF-017	New Well for Arsenic Mitigation in Raw Water	2022	2	95	77	P	\$ 108,000.00				x			Yes	8
Guttenberg	FS-22-22-DWSRF-013	Water Supply, Distribution and Storage Facilities Improvements	2022	2	40	1057	L	\$ 1,437,000.00	7/26/2024	\$ 1,437,000.00	\$ -	x			No	16
Nashua	FS-19-22-DWSRF-016	Greeley Street Water & Sanitary Improvements	2022	2	30	1663	P	\$ 259,000.00				x			No	11
Lanesboro	FS-14-22-DWSRF-008	Water System Improvements-Water Tower Demo	2022	1	70	121	L	\$ 817,000.00	8/23/2024	\$ 817,000.00	\$ -	x			Yes	14
Neola	PD-DW-21-56	P&D for Water Distribution System Replacement	2021	4	P&D	842	P	\$ 371,094.00				x			No	8
Guthrie Center	FS-99-21-DWSRF-022	Water Main Replacement	2021	4	40	1569	D	\$ 1,454,000.00				x			No	10
Tama	FS-82-21-DWSRF-014	Water System Improvements	2021	3	25	2877	P	\$ 1,373,000.00				x			No	15
Dyersville	FS-31-21-DWSRF-007	6th Avenue Water Main Replacement	2021	2	40	4058	P	\$ 415,000.00				x			No	7
Atkins	FS-06-21-DWSRF-001	Water Distribution Improvements	2021	1	40	1670	P	\$ 4,398,000.00				x			No	4
Waukege	FS-25-21-DWSRF-004	ASR Well	2021	1	35	17945	R	\$ 3,567,750.00				x			No	2
Dayton	FS-94-20-DWSRF-031	Municipal Water Well Reconstruction and Water Main Repair	2020	4	55	837	P	\$ 685,000.00				x			No	10
Melvin	FS-72-20-DWSRF-033	Storage Tank Rehabilitation	2020	4	55	201	D	\$ 422,100.00				x			No	13
Westgate	FS-33-20-DWSRF-024	Connection to IRUA	2020	4	45	211	P	\$ 2,703,000.00				x			No	18
MacBride Pointe	FS-52-20-DWSRF-019	Water Supply Improvements	2020	3	60	100	P	\$ 178,000.00				x			Yes	-
Eagle Grove	FS-99-20-DWSRF-018	Water Distribution System Improvements	2020	3	40	3583	R	\$ 503,000.00				x			No	15
Somers	FS-13-19-DWSRF-028	Municipal Water Filtration Improvements	2019	4	35	113	R	\$ 355,000.00				x			No	12
Iowa Lakes Regional Water	FS-21-18-DWSRF-019	Addition of solar panels at six booster stations and water towers to reduce operational cost and improve resiliency	2018	4	15	14600	P	\$ 260,000.00				x			No	Verify
Ruthven	FS-74-15-DWSRF-006	New well to replace Well #1, aerator rehab, control panel replacement, water main replacement to improve pressure and add new valves and hydrants; treatment	2015	2	55	779	L	\$ 1,435,000.00	8/5/2022	\$ 701,000.00	\$ 734,000.00	x			No	11
								\$ 924,790,609.00			\$ 58,248,550.00					

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	Funding Source			Compliance Project	DAC Score
												Base 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
Tama (PFAS)	FS-86-24-DWSRF-014	Water Treatment Plant Improvements (PFAS)	2024	2	55	2745	P	\$ 3,941,000.00				x	x	
Central City (PFAS)	FS-57-24-DWSRF-027	New Well (PFAS)	2024	2	80	1264	P	\$ 2,085,000.00				x	x	
Rock Valley (PFAS)	FS-84-24-DWSRF-001	Water System Study Phase II - System Improvements	2024	1	55	3730	P	\$ 726,000.00				x	x	
Burlington (PFAS)	FS-29-23-DWSRF-084	New Jordan Wells Project	2023	4	45	23713	P	\$ 16,356,000.00				x	x	
Burlington (PFAS)	FS-29-23-DWSRF-085	Water Supply and Treatment Improvements	2023	4	60	23713	P	\$ 3,499,000.00				x	x	

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
Panama (LSL)	FS-83-25-DWSRF-034	Lead/Adv Pipe Replacement Project	2025	3	30	325	C	\$ 54,000.00				x		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		x
IA American Water (Quad Cities) LSL	FS-82-25-DWSRF-013	Quad Cities 2024 Updated Lead Service Line Replacement	2025	2	20	137200	C	\$ 12,950.00				x		x
Estherville LSL	FS-32-25-DWSRF-022	Lead Service Line Replacement Project	2025	2	40	210	D	\$ 620,000.00				x		x
Guthrie Center LSL	FS-39-25-DWSRF-023	Lead Service Line Replacement	2025	2	30	1593	C	\$ 50,000.00				x		x
Spencer LSL	FS-21-25-DWSRF-024	Lead Service Line Replacement	2025	2	20	11413	C	\$ 12,577,000.00				x		x
Miles LSL	FS-49-25-DWSRF-026	Lead Service Line Replacement	2025	2	30	408	D	\$ 50,000.00				x		x
Knoxville LSL	FS-63-25-DWSRF-027	Lead Service Line Replacement	2025	2	20	14945	C	\$ 295,000.00				x		x
Lansing LSL	FS-03-25-DWSRF-028	Lead Service Line Funding	2025	2	30	983	C	\$ 1,965,000.00				x		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		x
Creston (LSL)	FS-88-24-DWSRF-041	Water Distribution System Improvements	2024	4	40	7536	C	\$ 6,000,000.00				x		x
Muscatine Power & Water (LSL)	FS-70-24-DWSRF-052	Lead Service Line Replacement	2024	4	20	23474	C	\$ 1,570,000.00				x		x
Grinnell (LSL)	FS-79-24-DWSRF-037	Lead Service Line Replacement Program	2024	3	30	9564	C	\$ 1,002,000.00				x		x
Cedar Rapids - F Ave NW & 13th St NW (LSL)	FS-57-24-DWSRF-023	LSL F Ave NW and 13th St NW Water Service Line Transfers	2024	2	20	141063	C	\$ 241,000.00				x		x
Cedar Rapids - 2024 Project (LSL)	FS-57-24-DWSRF-024	2024 Lead Service Line Replacement Project	2024	2	20	141063	C	\$ 5,548,000.00				x		x
Council Bluffs (LSL)	FS-78-24-DWSRF-009	Lead Service Line Replacement	2024	1	20	62799	C	\$ 2,525,000.00				x		x
Des Moines Water Works (LSL)	FS-77-24-DWSRF-008	Lead Service Line Replacement Phase 1 Project	2024	1	20	600000	C	\$ 12,070,000.00				x		x
Dubuque (Phase 2 LSL)	FS-31-24-DWSRF-010	Lead Service Line Replacement Phase 2	2024	1	20	58983	C	\$ 2,000,000.00				x		x
Dubuque (Phase 3 LSL)	FS-31-24-DWSRF-011	Lead Service Line Replacement Phase 3	2024	1	20	58983	C	\$ 1,907,000.00				x		x
Burlington (LSL)	FS-29-23-DWSRF-086	Lead Service Line Replacement	2023	4	30	23713	C	\$ 788,000.00				x		x
Dubuque (Phase 1 LSL)	FS-31-23-DWSRF-012	Lead Service Line Replacement Phase 1	2023	2	20	58983	C	\$ 1,941,000.00				x		x

ITEM

# 6

DECISION

**Assignment and Assumption Contract for Water Storage Space in Saylorville Reservoir**

**1. Recommendation:**

The DNR requests approval of the Assignment and Assumption Contract for Water Storage Space in Saylorville Reservoir.

**2. Contract Purpose:**

The Saylorville Reservoir was built and is operated by the U.S. Army Corps of Engineers (USACE). Since 1982, the State of Iowa has had a contract with USACE entitling the State to certain water storage rights in the reservoir. That same year, the State conveyed these water storage rights via contract to Des Moines Water Works (DMWW).

DMWW plans to become part of a larger water supply system entitled Central Iowa Water Works (“CIWW”). This contract amendment transfers DMWW’s rights to CIWW.

Bradley Adams  
Attorney II, Water Quality Bureau  
Environmental Services Division  
December 17, 2024

**ASSIGNMENT AND ASSUMPTION OF CONTRACT  
FOR  
WATER STORAGE SPACE IN SAYLORVILLE RESERVOIR**

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**ASSIGNMENT AND ASSUMPTION** (the “Assignment and Assumption”) dated \_\_\_\_\_, 2024 by and between the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA (“DMWW”), a municipal utility organized pursuant to Chapter 388 of the Code of Iowa and CENTRAL IOWA WATER WORKS (“CIWW”), a political subdivision created under Chapter 28E and Chapter 28F, Code of Iowa, under agreement filed with the Iowa Secretary of State on April 11, 2024 filing number M516883 (the “CIWW 28E-28F Agreement”).

**RECITALS:**

**WHEREAS**, DMWW and the State of Iowa are parties to the Contract for Water Storage Space in Saylorville Reservoir dated May 26, 1982 (the “DMWW-Iowa Saylorville Contract”) such contract arises under, and relates to rights granted to the State of Iowa under a contract between the State of Iowa and the United States of America for Water Storage Space in Saylorville Reservoir dated May 26, 1982;

**WHEREAS**, the Environmental Protection Commission, pursuant to its authority under Iowa Code § 455B.263, is the state entity authorized to enter into negotiations and agreements with the federal government regarding matters related to the operation or release of water from any federally authorized or constructed project upon determining that such negotiations and agreements are necessary to achieve Iowa’s water resource policy goals;

**WHEREAS**, the Director of the Iowa Department of Natural Resources possesses the authority to execute agreements on behalf of the department;

**WHEREAS**, under the CIWW 28E-28F Agreement, CIWW is acquiring water production assets of DMWW and other Founding Agencies, including the rights under the DMWW-Iowa Saylorville Contract;

**WHEREAS**, under the CIWW 28E-28F Agreement, DMWW will operate the water production assets transferred by DMWW to CIWW for a period of twenty years from the asset transfer date currently expected to be January 1, 2025 (the “CIWW Operational Commencement Date”), under an operating contract with CIWW (the “DMWW Operating Contract”); and

**WHEREAS**, the parties desire to provide for the assignment of the DMWW-Iowa Saylorville Contract to CIWW by DMWW and the assumption of the DMWW-Iowa Saylorville Contract by CIWW as of the CIWW Operational Commencement Date;

**WHEREAS**, costs are billed annually under the DMWW-Iowa Saylorville Contract in September of each year for the ensuing federal fiscal year which have been paid in 2023 by DMWW and will be paid in 2024 by DMWW.

**NOW, THEREFORE**, for good and valuable consideration as set forth in the CIWW 28E-28F Agreement and the mutual covenants set forth below, the parties agree as follows:

**1. INCORPORATION OF RECITALS.** The foregoing recitals are true and correct and are expressly incorporated herein by this reference.

**2. ASSIGNMENT.** DMWW hereby sells, assigns, transfers and conveys the DMWW-Iowa Saylorville Contract to CIWW and its successors and assigns.

**3. ASSUMPTION.** CIWW hereby assumes the DMWW-Iowa Saylorville Contract and all obligations of DMWW thereunder, including without limitation all payment obligations thereunder.

**4. CONSENT.** The foregoing Assignment and Assumption are subject to the consent of the State of Iowa and shall be effective only upon such consent.

**5. EFFECTIVE DATE.** The Assignment and Assumption shall be effective on January 1, 2025, receipt of the consent of the State of Iowa as described in Section 4 of this Assignment and Assumption, or on the CIWW Operational Commencement Date, whichever is later (the "Effective Date").

**6. INTERIM USE AND OPERATIONS.** To the extent the contingency set forth in Section 5 is not met on or before the Operational Commencement Date, DMWW shall manage storage rights and make release requests under the DMWW-Iowa Saylorville Contract in its capacity as Operating Contractor to CIWW and shall so act in its discretion in the best interests of the public served by CIWW.

**7. REVERSION.** DMWW hereby reserves a right of reversion in and to the DMWW-Iowa Saylorville Contract, as provided in Section 3 of Article XIII of the CIWW 28E/28F Agreement.

**8. PRORATION AND ADMINISTRATION OF ANNUAL PAYMENTS.** DMWW has paid, or shall pay, all sums that are due and payable to the State under the DMWW-Iowa Saylorville Contract before the CIWW Operational Commencement Date. CIWW shall be liable for all sums that are due and payable to the State under the DMWW-Iowa Saylorville Contract on or after the CIWW Operational Commencement Date. Proration of the recurring annual payment to be made in 2024 by DMWW and the administration of payments and expenses coming due during the term of the Operating Contract shall be as set forth in the attached Schedule 1.

**9. AGREEMENT BINDING UPON SUCCESSORS.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

**10. ENTIRE AGREEMENT.** This Assignment and Assumption contains the entire agreement of the parties relative to the subject matter hereof. It may not be terminated or modified except as done in writing and signed by both parties hereto.

**11. APPLICABLE LAW.** This Assignment and Assumption shall be construed and interpreted under the laws of the state of Iowa. EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

**12. COUNTERPARTS.** This Assignment and Assumption may be executed by the parties hereto in any number of counterparts, including without limitation any electronic signature sent via electronic mail, other portable document format, or facsimile, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

**[PARTY SIGNATURE PAGES AND CONSENT PAGE FOLLOW]**



**IN WITNESS WHEREOF**, this Assignment and Assumption is executed by DMWW on \_\_\_\_\_, 2024

**BOARD OF WATER WORKS TRUSTEES  
OF THE CITY OF DES MOINES, IOWA**

By: \_\_\_\_\_  
Andrea Bolton, Chairperson

By: \_\_\_\_\_  
Ted Corrigan, CEO & General Manager

**SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION OF CONTRACT  
FOR WATER STORAGE SPACE IN SAYLORVILLE RESERVOIR**

**IN WITNESS WHEREOF**, this Assignment and Assumption is executed by CIWW on \_\_\_\_\_, 2024

**CENTRAL IOWA WATER WORKS**

By: \_\_\_\_\_  
Jody E. Smith, Chairperson

By: \_\_\_\_\_  
Diane Munns, Secretary

**SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION OF CONTRACT  
FOR WATER STORAGE SPACE IN SAYLORVILLE RESERVOIR**

**CONSENT**

The State of Iowa, having obtained all required authorizations and approvals, hereby approves, and hereby consents to, the foregoing Assignment and Assumption of the DMWW-Iowa Saylorville Contract.

Dated: \_\_\_\_\_, 2024

**STATE OF IOWA**

By: \_\_\_\_\_  
Mark Stutsman  
Environmental Protection Commission, Chairperson

**SCHEDULE 1****Proration and Administration of Annual Payments****Saylorville Storage Contract****FY 24-28 (Federal Government Fiscal Year October 1-September 30)**

Saylorville Storage Contract Annual Charge for FY 24 to FY 28 per State of Iowa Invoices.	\$147,666.67
DMWW is responsible for, and paid, the Annual Charge for FY 24 in 2023.	\$147,666.67
DMWW will make FY 25 payment for Annual Charge in fall of 2024:	\$147,666.67
Proration of FY 25 payment:	
DMWW share of FY 25 (3/12)	\$ 36,916.67
CIWW share of FY 25 (9/12)	\$110,750.00

The above monthly proration of CIWW's share of the obligation for FY 25 to be paid by DMWW in the fall of 2024 is based on an assumption of a January 1, 2025 CIWW Operational Commencement Date. Such proration is subject to adjustment if the CIWW Operational Commencement is delayed.

Payment of annual charges owed by CIWW shall be administered by DMWW during the term of the DMWW Operating Contract as follows:

CIWW's share of the FY 25 payment will be recovered in DMWW's production costs reimbursed by CIWW pursuant to the DMWW Operating Contract under the Source of Supply cost category for 2025.

DMWW will pay the scheduled annual charges for FY 26 and subsequent years and will recover CIWW's obligations for such costs in the reimbursement of production-related costs under the DMWW Operating Contract.

CIWW will pay annual charges directly upon expiration or termination of the DMWW Operating Contract.

Administration of payment of any extraordinary charges beyond those currently within the scope of the customary annual charges shall be as agreed between CIWW and DMWW during the term of the DWMWW Operating Contract.