

# Agenda

## Environmental Protection Commission

Wednesday, March 22, 2023

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

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

502 East 9<sup>th</sup> Street, Des Moines, Iowa 50319

DNR 2 North Conf Room

**Wednesday, March 22, 2023**

**10:00 AM – EPC Business Meeting**

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

1	Approval of Agenda	
2	Approval of the Minutes (Packet Page 3)	
3	Monthly Reports (Packet Page 8)	Ed Tormey (Information)
4	Director's Remarks	Kayla Lyon (Information)
5	Contract Amendment with Region XII Council of Governments-Professional Auditing Services for the Environmental Management System Program (Packet Page 9)	Laurie Rasmus (Decision)
6	Designation of Applicant for the Solid Waste Environmental Management System Program-City of Muscatine (Packet Page 11)	Laurie Rasmus (Decision)
7	Clean Water and Drinking Water State Revolving Loan Fund-FY 2023 Intended Use Plan Fourth Quarter Update (Packet Page 13)	Theresa Enright (Decision)
8	Contract with The University of Iowa Office of the State Archaeologist-Archaeological Services (Packet Page 100)	Karrie Darnell (Decision)
9	Solid Waste Alternatives Program Contract Recommendation-Cherokee County Solid Waste Agency (Packet Page 101)	Tom Anderson (Decision)
10	Contract Amendment with Stearns, Conrad and Schmidt, Consulting Engineers, Inc.-Data Gathering and Analysis, Sustainable Materials Management-Vision for Iowa Initiative (Packet Page 103)	Tom Anderson (Decision)
11	Air Quality-Fiscal Year 2024 Draft Budget Review (Packet Page 105)	Wendy Walker (Information)
12	Adopted and Filed-567 IAC Chapters 100, 102 104, 120 and IAC Chapters 114.29 and 115.29-Cleanup of Solid Waste Chapters (Packet Page 111)	Theresa Stiner (Decision)
13	General Discussion	
14	Items for Next Month's Meeting	
	<ul style="list-style-type: none"><li>Tuesday, April 18, 2023, Wallace Building</li><li>Monday, May 15, 2023, EPC Tour in Palo Alto and Sac Counties</li><li>Tuesday, May 16, 2023, EPC Meeting in Sac County</li></ul>	

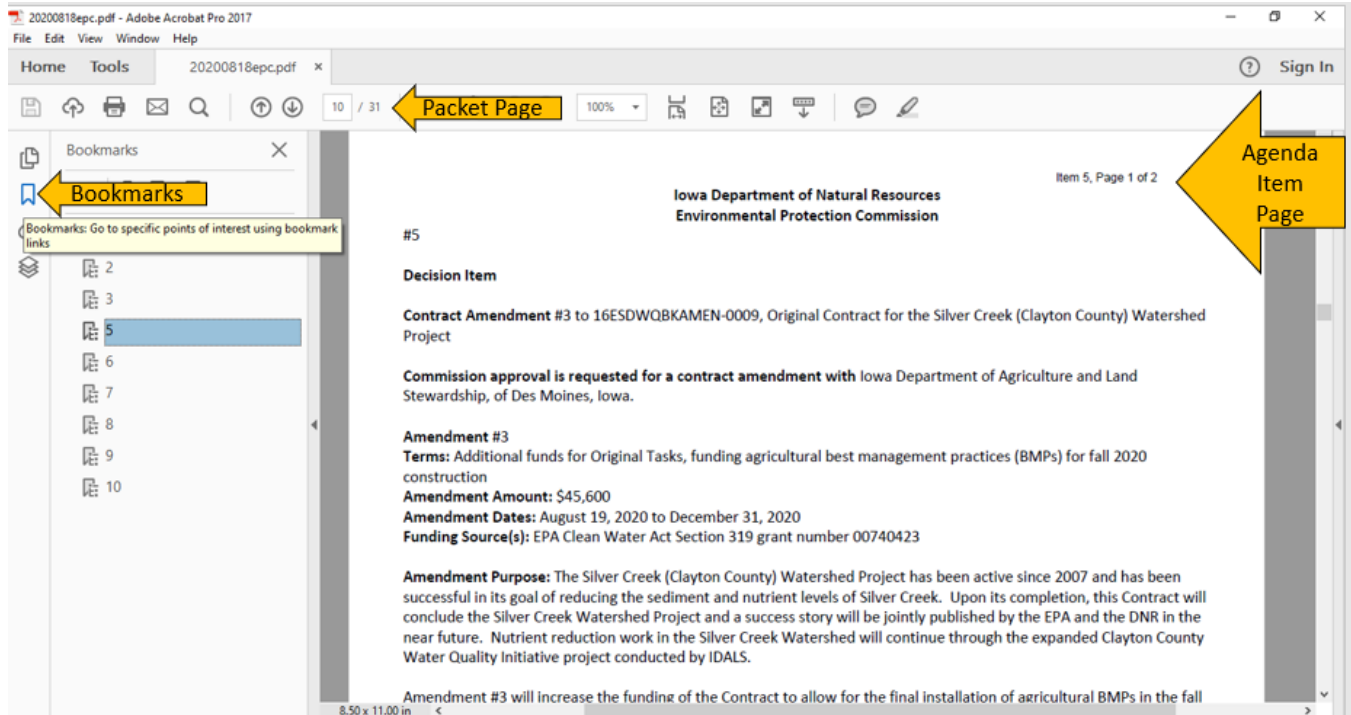
For details on the EPC meeting schedule, visit <http://www.iowadnr.gov/About-DNR/Boards-Commissions>

<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.



**MINUTES OF THE  
ENVIRONMENTAL PROTECTION COMMISSION  
MEETING**

**February 21, 2023**

**Video Teleconference  
and  
Wallace State Office Building**

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

DRAFT

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

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### Meeting Minutes

#### CALL TO ORDER

The meeting of the Environmental Protection Commission (Commission or EPC) was called to order by Chairperson Harold Hommes at 10:02am on February 21, 2023 via a combination of in-person and video/teleconference attendees.

#### COMMISSIONERS PRESENT

- Rebecca Dostal
- Brad Bleam
- Stephanie Dykshorn-arrived at 10:08am
- Mark Stutsman-virtual
- Ralph Lents
- Lisa Gochenour-virtual
- Harold Hommes
- Patricia Foley

#### COMMISSIONERS ABSENT

- Amy Echard

#### APPROVAL OF AGENDA

Chairperson Hommes announced the removal of Item #5 from the February EPC agenda. DNR General Counsel Tamara McIntosh explained that the rulemaking was put on hold until the Department receives the schedule for Executive Order 10 (EO10). If the Solid Waste Chapters are not in the first year of the EO10 calendar, the rulemaking will be placed on the March or April EPC agenda.

*Motion was made by Ralph Lents to approve the agenda as amended. Seconded by Rebecca Dostal.*

*Rebecca Dostal-aye, Stephanie Dykshorn-absent, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-aye, Ralph Lents-aye, Harold Hommes-aye. Motion passes.*

**AGENDA APPROVED AS AMENDED**

#### APPROVAL OF MINUTES

*Motion was made by Rebecca Dostal to approve the January 17, 2022 EPC minutes as presented. Seconded by Patricia Foley.*

*Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-aye, Ralph Lents-aye, Harold Hommes-aye. Motion passes.*

**APPROVED AS PRESENTED**

#### MONTHLY REPORTS

- Division Administrator Ed Tormey announced that the Commission would be hearing a PFAS sampling update as well as an update on lead service lines during the Commission meeting. He also reported that General Counsel, Tamara McIntosh, would be presenting details regarding EO10 during General Discussion.

**INFORMATION**

#### DIRECTOR’S REMARKS

- Director Lyon shared updates on the presentations she made to the Infrastructure Committee as well as the Agriculture and Natural Resources Appropriations Committee. She shared that an additional \$500,000 has been proposed in the infrastructure budget to fund infrastructure improvements at the DNR Iowa State Fair building and courtyard. Director Lyon shared that she was able to provide highlights of several Environmental Services

programs during her presentation to the Ag and Natural Resources Appropriations Committee. Programs included, but are not limited to, the drought monitoring program, business assistance program, PP2 program, and Field Office work.

- Commissioner Foley proposed the addition of a Moths of Iowa exhibit at the DNR State Fair building.
- Ed Tormey and Jason Marcel responded to Commissioner questions regarding the increase in manure releases shown on the 4<sup>th</sup> Quarter Spill Reports.
- Director Lyon and Tamara McIntosh provided an update on the rulemaking process for the furbearer/raccoon hunting and trapping season rules.

**CONTRACT AMENDMENT WITH IOWA STATE UNIVERSITY-COLLECTION, ANALYSIS, AND EVALUATION OF WATER QUANTITY AND WATER QUALITY DATA**

Jason Palmer requested Commission approval for a contract extension with Iowa State University for the collection, analysis, and evaluation of water quantity and quality monitoring data through the spring of 2025.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Ralph Lents to approve the item as presented. Seconded by Stephanie Dykshorn.*

*Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-aye, Ralph Lents-aye, Harold Hommes-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CONTRACT AMENDMENT WITH THE UNIVERSITY OF IOWA-PFAS SAMPLING ANALYSIS**

Corey McCoid requested Commission approval for a contract amendment to a service contract with the State Hygienic Laboratory at the University of Iowa to continue to provide analysis of drinking water samples for PFAS analytes. Mr. McCoid provided an overview of the PFAS sampling efforts made by the Department and responded to questions regarding sampling frequency and program goals. Mr. McCoid stated that PFAS sampling would be required for all public water supplies if an MCL were to be established through EPA.

**Public Comments – None**

**Written Comments – None**

**APPROVED AS PRESENTED**

*Motion was made by Ralph Lents to approve the item as presented. Seconded by Brad Bleam.*

*Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-aye, Ralph Lents-aye, Harold Hommes-aye. Motion passes.*

**CONTRACT WITH THE CITY OF CORALVILLE-CORALLVILLE GREEN INFRASTRUCTURE EQUALITY PROJECT**

Steve Konrady requested Commission approval for a contract with the City of Coralville for the Coralville Green Infrastructure Equality Project. Mr. Konrady highlighted the partnership with the City of Coralville and the Iowa Department of Agriculture and Land Stewardship in program implementation.

**Public Comments – None**

**Written Comments – None**

*Motion was made by Rebecca Dostal to approve the item as presented. Seconded by Stephanie Dykshorn.*

*Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-aye, Ralph Lents-aye, Harold Hommes-aye. Motion passes.*

**APPROVED AS PRESENTED**

**CONTRACT AMENDMENT WITH IOWA ASSOCIATION OF MUNICIPAL UTILITIES (IAMU)-LEAD SERVICE LINES (LSL) INVENTORY AND LSL REPLACEMENT PLAN DEVELOPMENT**

Corey McCoid requested Commission approval for a contract amendment with IAMU to amend the Contractor’s task list of technical assistance to include LSL inventory completion and LSL replacement plan development. Mr. McCoid provided an overview of the LSL program and provided an update on additional funding that will be coming available for LSL replacement. Mr. McCoid noted that the LSL inventory is due in October of 2024.

**Public Comments – None**

**Written Comments – None**

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

*Rebecca Dostal-aye, Stephanie Dykshorn-aye, Mark Stutsman-aye, Patricia Foley-aye, Brad Bleam-aye, Lisa Gochenour-aye, Amy Echard-aye, Ralph Lents-aye, Harold Hommes-aye. Motion passes.*

**APPROVED AS PRESENTED**

**GENERAL DISCUSSION**

- Tamara McIntosh gave an extensive presentation to the Commissioner regarding EO10 which included a general overview of the process, potential timelines and what the Commission can expect in terms of their involvement in the process.
- Alicia Plathe reminded Commissioners that the March meeting will take place on a Wednesday and that Commissioners are invited to join DNR leadership at the Capitol prior to the meeting.

**ADJOURN**

*The Chairperson adjourned the Environmental Protection Commission meeting at 11:30 a.m. on February 21, 2023.*

**ADJOURNED**

**Monthly Waiver Report  
February 2023**

Item #	DNR Reviewer	Facility/City	Facility/City	Subject	Decision	Date	Agency
1	Danjin Zulic	Imerys Minerals USA, Inc	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	1.27..23	23aqw029
2	John Curtin	Cedar Bend Humane Society	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement for an animal crematory incinerator.	Approved	1.27..23	23aqw030
3	Karen Kuhn	Sargent Metal Fabricating	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	1.30.23	23aqw031
4	Lucas Tenborg	Pella West Substation	AQ	Facility submitted a 90 day variance request to install and operate a replacement generator prior to permit issuance.	Approved	1.31.23	23aqw032
5	Julie Duke	Cargill Inc	AQ	Request to operate temporary boiler and to operate temporary boiler and Boiler #2 simultaneously.	Approved	1.19.23	23aqw033
6	Julie Duke	University of Northern Iowa	AQ	Request for a temporary boiler to serve as a supplement to existing boilers.	Approved	1.22.23	23aqw034
7	Julie Duke	Cargill Inc	AQ	Request to operate Boiler #3 and Boiler #2 simultaneously.	Approved	1.13.23	23aqw035
8	Lucas Tenborg	Roquette America	AQ	DNR received a request for a variance of Condition 15 part (D) from the Operating Condition Monitoring section in permit 11-A-066-S1. The facility is concern with the unit's ability to maintain pressure drop in the scrubber within the permitted range	Approved	1.26.23	23aqw036
9	Michael Hermsen	ADM Clinton Bioprocessing	AQ	Waiver of Initial Stack Test Requirement.	Approved	5.27.22	23aqw037
10	Marty Jacobs	City of Woodbine	CP (Wastewater)	NuStyle is requesting variance from the Design Standards Chapter 13 – Wastewater Pumping Stations and Force Mains – 13.4.3 (Pump Openings) for installing a lift station with pumps that do not have the capability to pass a 3-inch spherical solid.	Approved	2.1.23	23cpw038
11	Lucas Tenborg	Glen-Gery	AQ	to initiate construction activities (develop natural gas infrastructure, inspect/refurbish unit components, replace unit fuel combustion system and remove existing pet coke infrastructure) prior to the issuance of a construction permit.	Approved	12.30.22	23aqw039
12	Lucas Tenborg	Marshall Ridge Renewable Energy	AQ	variance of Condition 5 part (A) from the Operating Condition Monitoring section in permit 22-A-014. Marshall Ridge Renewable Energy (MRRE) is requesting the ability to vent gas to the ambient air during the initial digester filling period	Approved	1.24.23	23aqw040
13	Danjin Zulic	Eagle Window & Door, Inc	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	11.21.22	23aqw041
14	Mark Fields	Georgia-Pacific Gypsum Fort Dodge	AQ	Request to extend stack testing deadline to allow installation of safety equipment at test site. Also to allow time to conduct and receive results of VOC presurvey.	Approved	2.10.22	23aqw042
15	Karen Kuhn	Green Plains Ethanol Storage	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	2-20-23	23aqw043
16	Rachel Quill	AVEKA Manufacturing	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	2.21.23	23aqw044
17	Karen Kuhn	WDC Acquisition	Air Quality Construction	Waiver of Initial Stack Test Requirement.	Approved	2.23.23	23aqw045



Iowa Department of Natural Resources  
Environmental Protection Commission

Item # 5

Decision Item

**Contract 21ESDLQBLRASMU-002 Amendment #1** to the original contract with Region XII Council of Governments, Inc.

**Commission approval is requested for a contract amendment with** Region XII Council of Governments, Inc. of Carroll, IA.

**Amendment #1 to the original contract Terms:**

**Amendment Amount:** \$37,500.00

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

**Funding Source(s):** G550 (solid waste account of the Groundwater Protection Fund)

**Amendment Purpose:** The purpose of the Amendment is to continue professional auditing services for the Environmental Management System (EMS) program through FY2024.

**Original Contract Purpose:** The purpose of the Contract was to secure professional auditing services for the EMS program. Iowa Code chapter 455J establishes criteria for EMS, a voluntary alternative to Solid Waste Comprehensive Planning for designated planning/service areas. In addition to integrated solid waste management, EMS participants actively pursue continuous improvement in six environmental component areas. EMS participants are required to submit an annual report to document compliance with the requirements of Iowa Code section 455J.3. The DNR has adopted by rule [Iowa Administrative Code 567-111.6(7)] an external audit process, to be completed by an independent third party, for determining EMS participants' compliance with applicable statute and administrative rules. Region XII Council of Governments, Inc. performs these audit duties.

**Original Selection Process Summary:** DNR followed the Formal Competitive Bidding process for Professional Services. DNR received proposals from three potential contractors. The Region XII Council of Governments, Inc.'s proposal was selected, having both the highest technical score and lowest cost.

**Contract History:**

**Original Contract Terms:** Amount \$70,000.00; Timeframe: July 1, 2021 to June 30, 2023; Purpose: External auditing services for EMS program.

**Amendment #1 Terms:** Amount: 37,500.00; Timeframe: July 1, 2023 to June 30, 2024; Purpose: Continuation of external auditing services for EMS program.

Laurie Rasmus, Program Planner 3, Land Quality Bureau  
Environmental Services Division  
March 22, 2023

**ATTACHMENT TO AMENDMENT 1, CONTRACT 21ESDLQBRASMU-002**  
**STATEMENT OF WORK OBLIGATION**

<b>Deliverable</b>	<b>Task Milestone Date</b>	<b>Amount of compensation allotted to Task</b>	<b>Invoice Due</b>
<p><b>Original Task 1 is revised as follows:</b></p> <p><b>Task 1. External Auditing Services for Iowa Solid Waste EMS program.</b>  Contractor must provide external auditing services for the DNR EMS program in accordance with Iowa Code Chapter 455J and 567 Iowa Administrative Code Chapter 111 while following these steps and parameters.</p> <p>Contractor Training:</p> <ul style="list-style-type: none"> <li>• Participate in and as necessary, travel to, Iowa Solid Waste EMS auditor training and other DNR sponsored annual EMS events including Summer Workshop, Fall Conference and on-demand training opportunities.</li> <li>• Gain a working knowledge of Dropbox file hosting service, EMS External Audit Procedure, Audit Checklist, Assessment (Audit) Guide, Audit Reporting Form and other tools/documents provided by DNR.</li> <li>• Consider additional training opportunities recommended by DNR.</li> </ul> <p>Planning:</p> <ul style="list-style-type: none"> <li>• Coordinate scheduling and arrangements for each audit with attendance by EMS participant and audit team, consisting of no less than two staff members of contractor and no less than one DNR staff. Secure meeting place or platform to accommodate DNR's preference for in-person or virtual meeting.</li> <li>• Prepare an agenda for each audit and provide a list of documents and items that each EMS auditee is to provide to the audit team prior to the corresponding audit. Take steps to ensure that EMS auditee provides specified documentation in a timely manner.</li> </ul> <p>Audit and Audit Report:</p> <ul style="list-style-type: none"> <li>• Conduct one Audit of each EMS participant each fiscal year for the Contract period.</li> <li>• Following each audit, prepare a draft audit report and as necessary, consult with DNR. Submit each audit draft report to DNR for feedback prior to finalization. Upon report finalization, submit report to DNR.</li> </ul> <p>Administration:</p> <ul style="list-style-type: none"> <li>• Meet with DNR Staff as needed to plan and evaluate contract activities and deliverables.</li> <li>• Submit quarterly reports on activities associated with Contract.</li> <li>• Provide monthly billing of invoices.</li> </ul>	<p>Individual subtask milestone dates will be determined by DNR in consultation with the Contractor but must be fully completed prior to the end of the Contract term.</p>	<p>Not to exceed \$37,500 including travel costs to be reimbursed up to the current rates for the travel period according to the Iowa Department of Administrative Services In-State Travel Reimbursement Guidelines.</p>	<p>Contractor shall invoice DNR on a monthly basis.</p>

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

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ITEM #6 DECISION

TOPIC **Solid Waste Environmental Management System Program – Designation of Applicant**

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The Commission, as authorized by Code of Iowa Section 455J.7, is requested to approve the designation of the City of Muscatine, serving the Muscatine County Solid Waste Management Agency service area within the Bi-State Regional Commission planning area, as a participant in the Solid Waste Environmental Management System (EMS) Program.

**Background**

The EMS program was established in 2008 with the creation of Iowa Code Chapter 455J, *Environmental Management Systems*. The voluntary program serves as an alternative to solid waste comprehensive planning. Interested solid waste planning areas or service areas apply, proposing their plans to implement program goals in each of the six EMS component areas:

- Organics waste management
- Hazardous household materials collection
- Water quality improvement
- Greenhouse gas reduction
- Recycling services
- Environmental education

Iowa Code Section 455J.7(1)(a) states: “By October 1 each year, the department may recommend the designation of any additional planning or service areas as systems, provided those areas meet the requirements of section 455J.3.” DNR typically accepts applications through February 1st in order to efficiently manage the process for newly designated participants.

Each newly designated participant enters into a Tier 1 period of twelve to eighteen months in which they receive specialized training. Upon completion of the training, their submittal of a complete Annual Report and the successful completion of both an internal and external audit of their EMS, the participant gains Tier 2 status.

The statute appropriates ongoing support and financial assistance for participants in developing their EMS. Presently, thirteen solid waste planning areas/service areas participate in the voluntary Solid Waste EMS Program.

During the FY2023 application period, one application was received. The application from the City of Muscatine was submitted on behalf of the Muscatine County Solid Waste Management Agency that is within the Bi-State Regional Planning Area.

**Recommendation**

A DNR application review team evaluated the application according to program guidelines recommending the designation of the City of Muscatine as an Iowa Solid Waste EMS participant.

Laurie Ramus, Program Planner 3  
Land Quality Bureau  
Environmental Services

March 22, 2023

**Land Quality Bureau  
Environmental Management System (EMS) Program  
Applicant Designation Recommendation**

**Applicant:** City of Muscatine  
**EPC Request Date:** March 22, 2023  
**Department Signatory:** Amie Davidson, Bureau Chief

**Signature/Date:**  Digitally signed by Amie Davidson  
 Date: 2023.02.14 11:03:13 -06'00'

**Applicant Information:** The City of Muscatine, serving the Muscatine County Solid Waste Management Agency service area within the Bi-State Regional Commission planning area, has applied to be a participant in the voluntary Iowa Solid Waste Environmental Management System (EMS) program established in Iowa Code 455J. The service area includes all cities and the unincorporated areas in Muscatine County.

Throughout FY2022, DNR staff has been in conversation with City of Muscatine staff about the EMS program – including the potential benefits and the required buy-in and investment of time. On February 1 2023, DNR received an application from the City of Muscatine. The application conveyed a high level of commitment to EMS with an emphasis on making an impact throughout the service area by partnering with area private and public organizations.

The applicant proposed achievable activities for environmental improvement in each of the six EMS component areas. As an example, for potential objectives in organics management, the applicant proposed to expand their existing efforts in diverting food waste, including their program with the Muscatine Community Schools, to increase capacity and beneficially convert methane from the organics digestion process to natural gas for energy use. Improvements to the existing compost facility were also described for potentially increasing diversion and marketing products.

Three DNR staff independently evaluated the application and then met as a committee on February 8, 2023, deciding to recommend that the Environmental Protection Commission designate the City of Muscatine as an EMS participant.

**Summary of Application Reviews**

<b>EMS Program Lead:</b>	<i>Laurie Rasmus</i>	Approve	Yes
Application Score:	17.5 of 20		
<b>FABA Supervisor:</b>	<i>Jennifer Wright</i>	Approve	Yes
Application Score:	17.5 of 20		
<b>SW &amp; Contaminated Sites Engineering Environmental Senior:</b>	<i>Mike Smith</i>	Approve	Yes
Application Score:	14.5 of 20		

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

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ITEM

#7

DECISION

**TOPIC            Clean Water and Drinking Water State Revolving Loan Fund – FY 2023  
Intended Use Plan Fourth Quarter Update**

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Commission approval is requested for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Intended Use Plans (IUP) Fourth Quarter Update for State Fiscal Year 2023 (July 1, 2022 – June 30, 2023).

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

Each draft IUP is released for public comment and review, and then presented for approval to the Commission. One comment was received from the Iowa Finance Authority recommending that the fourth quarter IUP update incorporate a change to the taxable loan interest rate. This change was incorporated into the IUP so upon approval, the proposed interest rate will apply to all taxable loans executed on or after April 1, 2023. The written comment period closed on February 24, 2023 and no additional comments were received. A public meeting was held via conference call on February 9, 2023 to receive comments. There were attendees but no public comment was made for the record.

This fourth quarter update incorporates Annex A to the base CWSRF and DWSRF IUP, developed to discuss the implementation of the FFY 22 BIL General Supplemental Funds. Annex A was updated on February 6, 2023 after its initial publication for public review to incorporate newly released EPA signage requirements for BIL fund recipients.

Attachment 1 to the CWSRF and DWSRF IUP serves as the PPL for the base SRF Program and the Federal Fiscal Year 2022 Bipartisan Infrastructure Law (BIL) General Supplemental Funds. A summary of the new projects added to the PPLs for this fourth quarter update are as follows:

(6) CWSRF Planning & Design Loan applications	(totaling \$4,563,000)
(10) CWSRF IUP applications for construction projects	(totaling \$167,804,961)
(14) DWSRF Planning & Design Loan applications	(totaling \$12,045,739)
(20) DWSRF IUP applications for construction projects	(totaling \$139,634,000)

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

Theresa Enright, SRF Coordinator  
Department of Natural Resources  
February 27, 2023

DRAFT



# INVESTING IN IOWA'S WATER

## FY 2023 INTENDED USE PLANS

Clean Water State Revolving Fund (CWSRF)

Drinking Water State Revolving Fund (DWSRF)

Approved by the Environmental Protection Commission (EPC) on June 21, 2022.

Quarter 2 approved by the EPC on Sept 20, 2022. Quarter 3 approved by the EPC on December 13, 2022. [Quarter 4 approved by the EPC on March 22, 2023.](#)

# FY 2023 Intended Use Plans

## Clean Water State Revolving Fund

## Drinking Water State Revolving Fund



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## INTRODUCTION

In the last 30 years, Iowa's SRF has provided over **\$4 billion** in loans for water and wastewater infrastructure, agricultural best management practices, and other water quality projects. With the SFY 2023 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.

- ✓ Iowa's SRF is based on federal legislation that created the programs as revolving loan funds to provide a dependable, ongoing source of financing. Several sources of money are used to make loans, including federal Capitalization Grants (CAP Grants), bonds, and loan repayments with interest. No state general funds are provided.
- ✓ Iowa's SRF programs are highly rated in financial markets, giving the programs strong leveraging capacity to keep up with demand for loans.
- ✓ Transparency and accountability are commitments the Iowa SRF staff has made to stakeholders. All program plans are issued for public review and comment, with approval quarterly by the Iowa Environmental Protection Commission. Annual reports, IUP's and application requirements are posted on both DNRs and SRF's websites. Email listservs are used to inform stakeholders of program updates.
- ✓ SRF loans can be used as stand-alone financing or in combination with a wide variety of grants, including other federal water and wastewater assistance programs, state and federal agricultural cost-share, and local sources, along with private investment.
- ✓ Cities, counties, rural water systems, sanitary districts, farmers, livestock producers, homeowners, watershed organizations and others across the state utilize existing SRF programs. Many borrowers come back to the SRF multiple times to finance their ongoing capital improvement projects.

## PROGRAM OVERVIEW

### STATE REVOLVING FUND (SRF)

The Clean Water SRF funds wastewater treatment, sewer rehabilitation, and stormwater quality improvements, as well as non-point source projects.

The Drinking Water SRF funds water treatment plants or improvements to existing facilities, water line extensions to existing unserved properties, water storage facilities, wells, and source water protection efforts.

### SRF PROGRAM ADMINISTRATION

The unique partnership between the Iowa Department of Natural Resources (DNR), the 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 and permitting aspects of the program as well as regulatory compliance
- IFA-Administers the financial aspects of the program including fund management, bonding, loan approval and disbursements
- IDALS-Through a contractual agreement with DNR, IDALS administers three SRF Nonpoint Source Linked-Deposit Programs and provides technical assistance to the CWSRF Nonpoint Source Programs, including the Sponsored Project Program



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

## INTENDED USE PLANS

The Intended Use Plans (IUPs) following this **Program Overview** will provide a roadmap to the policies and procedures of the CWSRF and DWSRF Programs, along with the lists of projects and activities to be funded. The IUPs outline the proposed management of the Clean Water SRF and the Drinking Water SRF programs during State Fiscal Year 2023 (July 1, 2022 - June 30, 2023) and include Project Priority Lists (PPL), program policies and goals, financial management strategies, discussion of set-aside programs and efforts, and planned uses of administrative accounts. The IUPs are developed and updated quarterly, in June, September, December, and March or more often as needed, with projects added and funding amounts adjusted as needed. While the plans of action outlined in these SFY 2023 IUPs may be amended in subsequent quarters, they are intended to lay out the general direction and goals of the Clean Water and Drinking Water SRF Programs.

The CWSRF IUP and the DWSRF IUP each have several additions that are incorporated into the IUPs. There are multiple appendices to each IUP which are contained in this Microsoft Word document. The Project Priority Lists are an attachment to each IUP and are located in a separate Microsoft Excel spreadsheet. Finally, each IUP has an annex which addresses the specific policies and implementation of the Bipartisan Infrastructure Law, and which are located in separate Word documents. These additions will be discussed in more detail further in this document.

Federal and state law requires, and Iowa welcomes, opportunity for public participation in the development of the IUP. Any revisions of the goals, policies and method of distribution of funds must be addressed by a revision of the IUP, including public participation. Minor adjustments in funding schedules and loan amounts are allowed without public notification by the procedures of this IUP and state rules for administration of these programs.

## PROJECT PRIORITY LIST

Project Priority Lists (PPL) for wastewater projects and drinking water projects are located in Attachment 1 of the Clean Water IUP and Attachment 1 of the Drinking Water IUP, respectively. These attachments are a separate Microsoft Excel spreadsheet available on [www.iowasrf.com](http://www.iowasrf.com)<sup>1</sup> <sup>2</sup>For program planning purposes, the fundable projects are further identified as “R - ready for loan” (indicating that the construction permit and environmental review have been completed), and “P - in planning” and “L - loan signed.”

## TYPES OF FINANCING

Construction Loans are offered with 20-year terms. An extended term loan is available up to 30 years, based on the average life of the project components. Interest rates and fees are established within the IUP.

Planning & Design (P&D) Loans are offered for up to 3 years to cover engineering and project development costs. P&D loans can be rolled into an SRF construction loan or paid off with other permanent financing.

Nonpoint Source Loans are available to public and private borrowers in the form of direct loans, loan participation or linked-deposit loans, depending on the borrower. These loans address stormwater management, inadequate septic systems, landfill closure, lake restoration, soil erosion control, brownfield cleanup, manure management and more.

## CO-FUNDING

The SRF funding can be combined with several other funding sources to make costly infrastructure projects possible. While SRF offers low loan rates and additional subsidization to eligible applicants, many of Iowa’s communities need additional help from other funding sources. Joint funding that combines SRF loan dollars and funds from other agencies is crucial to making some water and wastewater infrastructure upgrade projects more affordable for many communities. The Iowa SRF Program is committed to coordinating with other funding agencies to simplify the process of co-funding and to find an affordable solution to water and wastewater needs.

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<sup>1</sup> CWSRF Project Priority List

[https://www.iowasrf.com/program/clean\\_water\\_loan\\_program/clean-water-srf-intended-use-plan-information/](https://www.iowasrf.com/program/clean_water_loan_program/clean-water-srf-intended-use-plan-information/)

<sup>2</sup> DWSRF Project Priority List

[https://www.iowasrf.com/program/drinking\\_water\\_loan\\_program/drinking-water-intended-use-plan-iup-information/](https://www.iowasrf.com/program/drinking_water_loan_program/drinking-water-intended-use-plan-iup-information/)

## EMERGENCY FUNDING

In May of 2019, a Memorandum of Understanding (MOU) was signed regarding coordination between EPA and FEMA. The MOU established a framework for the EPA funded State Revolving Fund (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 75% for the replacement costs for public water and wastewater systems. The SRF can be used for the required 25% match.
- 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 could be used to finance the repairs and then be repaid with FEMA money. Emergency loans meeting these conditions may be made and then shown on the next quarterly IUP update.

## HIGHLIGHTS AND CHANGES

In the past year, many exciting opportunities have developed to advance environmental equivalency in the water sector through increased investment in water and wastewater infrastructure. Iowa is expanding and revising the SRF Program, as needed, to adapt to and take advantage of these new opportunities. Highlighted below are some of the changes Iowa is incorporating into this year's Intended Use Plans.

- ✓ Plans for implementing the **Bipartisan Infrastructure Law (BIL)** funding, also known as the **Infrastructure Investment and Jobs Act**, are not covered in this annual release of the Intended Use Plan but will be implemented through separate annexes (BIL Annexes) to the DWSRF and CWSRF Intended Use Plans. The most current information available will also be posted at <https://www.iowasrf.com/infrastructure-bill-funding-opportunities/>.
- ✓ The BIL introduced a new requirement to federally funded infrastructure programs which expands domestic procurement requirements beyond iron and steel to include construction materials and manufactured goods. This requirement is referred to as **Build America, Buy American (BABA)**. Some SRF funded projects may be subject to the requirements of BABA, including projects that co-fund with other federal programs such as Housing and Urban Development Community Development Block Grant or USDA Rural Development loans. U.S. Environmental Protection Agency has not yet released implementation procedures on BABA; further guidance on BABA will be implemented in future quarterly updates to the CWSRF and DWSRF Intended Use Plans. The most current information available will also be posted at <https://www.iowasrf.com/infrastructure-bill-funding-opportunities/>.
- ✓ The **Water Resources Restoration Sponsored Project Program** is temporarily not accepting applications during SFY 2023 (September 2022 and March 2023 application rounds).
- ✓ The **Disadvantaged Community (DAC)** definition (DWSRF Program) and the **Affordability Criteria** (CWSRF Program) are under review and will be revised through public review and comment. The SRF Programs intend to implement the DAC definition and affordability criteria the BIL Annexes to the DWSRF and CWSRF Intended Use Plans, respectively. The goal of this revision is to expand environmental equality and ensure Iowa's SRF Programs are reaching communities most in need of assistance. The new definitions will be used to determine an applicant's eligibility to receive loan forgiveness from the base DWSRF and CWSRF Loan Programs as well as BIL Loan funds. The percent of loan forgiveness offered to each eligible project will also be determined through these revised criteria. See BIL Annex A to the DWSRF IUP and CWSRF IUP, respectively.
- ✓ Beginning in SFY 2023, loan initiation fees will not be assessed on loans to Disadvantaged Communities (DAC) receiving loan forgiveness.
- ✓ For the first time in the Program's history, the U.S. EPA is allowing states to utilize funding from the Cap Grant to provide **Technical Assistance** to borrowers. EPA is also preparing Technical Assistance contracts to support states and borrowers with accessing SRF Program funds from the BIL. Future quarterly updates to the CWSRF IUPs will describe how Iowa intends to utilize these funds and the technical assistance that will be available to our borrowers. See page 19.
- ✓ Beginning in SFY 2023, borrowers will be asked to identify their Municipal Advisor for the project as part of the

IUP application.

- ✓ Beginning in SFY 2023, prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal advisor set forth in the 5-year pro-forma cash flow analysis.
- ✓ Beginning in SFY 2023, to the extent applicable, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

With the SFY 2023 Intended Use Plans and future program plans, Iowa's SRF Programs will continue to help Iowans protect public health and the environment through investing in Iowa's water.

# FY 2023 INTENDED USE PLANS

## CLEAN WATER STATE REVOLVING FUND



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## FY 2023 Intended Use Plans

### Clean Water State Revolving Fund

#### I. STATE FISCAL YEAR 2023 PLAN OF ACTION

The Clean Water SRF Program funds wastewater treatment, sewer rehabilitation, and stormwater quality improvements, as well as non-point source projects. Publicly owned wastewater treatment works, including those owned by cities, counties, sanitary districts, and utility management organizations are eligible. For non-point source projects, both public and private entities are eligible, including farmers, landowners, watershed organizations, landfills and rural homeowners.

The CWSRF loan program consists of three main program areas:

- The purchase of debt obligations for wastewater and some storm water projects for publicly owned facilities
- Direct loans, loan participation and linked deposit financing approaches addressing nonpoint source programs
- Water Resource Restoration Sponsor Program (Sponsored Projects) addressing nonpoint source problems via interest rate reductions on wastewater loans

The SFY 2023 Plan of Action covers the following areas:

- CWSRF goals and objectives
- Current and projected financial capacity of the CWSRF
- Financial management strategies
- Plan for the SFY 2023 Project Priority List
- Plan for Nonpoint Source Assistance Programs
- Plan for use of administrative accounts

The plan is based on anticipated use of new and revolved funds available in the CWSRF for funding water quality protection needs, including both publicly owned wastewater infrastructure and nonpoint source water protection projects.

#### CWSRF Goals and Objectives

The primary long-term goal of the Iowa CWSRF is to protect the environment and public health and welfare through a perpetual financial assistance program.

Due to federal legislation in this past year, program updates are anticipated in SFY 2023. New goals have been established to meet those requirements and adjust programs to available staff.

The SFY 2023 short-term goals and objectives are as follows:

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

Objective: During SFY 2023, applications will be accepted quarterly and updates to the IUP will be prepared to add projects and update program financial information. Sponsored Project applications will be taken in March 2022 and added to the IUP during this fiscal year. Projects approved under the Nonpoint Source Assistance Programs will be funded on a continuous basis from the funds reserved for those programs.

- Goal: Continue to implement the Water Resource Restoration Sponsor Program authorized in Iowa Code 384.84.

Objective 1: During SFY 2023, **SRF staff will receive applications only once this year for Sponsored Project funding.** The application deadline for SFY 2023 was in March 2022, as advertised in the previous SFY 2022 Intended Use Plan. In conjunction with watershed coordinators, Iowa Department of Agriculture and Land

Stewardship urban conservationists, and others, SRF staff evaluated the applications and prepared a list of proposed projects for this IUP.

Objective 2: Systematic business assessment of the Sponsored Project Program process to identify best practices and to establish new practices that can streamline the process and shorten project completion times.

- Goal: Encourage applicants to engage a registered municipal advisor (MA).

Objective: During SFY 2023, all applicants submitting an Intended Use Plan application must demonstrate that they have hired an MA to assist with cash flows, rate setting, debt service coverage, and other financial aspects of their wastewater utility. Due to current supply chain and contractor availability issues, the costs of projects have been increasing. **The CWSRF Program will encourage applicants to engage with their MA early in the project planning process to ensure that the community is taking appropriate measures to account for potential increased debt service requirements.** The CWSRF program will reimburse up to \$4,000 of the MA fee to the borrowers.

- Goal: **Implement the “Build America, Buy American (BABA)” requirements** enacted by Congress in the Bipartisan Infrastructure Law on May 14, 2022.

Objective: During SFY 2023, SRF staff will engage DNR Field Office staff to establish a BABA oversight program. SRF staff will provide information to those applicants required to comply with necessary documentation and inspection procedures. CWSRF will conduct site visits and provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance.

- Goal: Continue to implement the “Use of American Iron and Steel (AIS)” requirements enacted by Congress on January 17, 2014.

Objective: During SFY 2023, **SRF staff will re-evaluate the AIS oversight program**, retaining best practices and aligning the program with BABA requirements, as needed. SRF staff will provide information to applicants on necessary documentation and inspection procedures and will continue to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. SRF will continue to engage DNR Field Office staff to conduct site visits and provide technical assistance.

- Goal: Fund green projects to meet the requirements of the Green Project Reserve (10% of the CWSRF Cap Grant).

Objective: During SFY 2023, the CWSRF Program will **fund green projects as required in the FFY 2022 Cap Grants and revise Grant Year assignments for 2018-2021 as project costs finalize.** Iowa has already complied with the GPR requirements of previous Cap Grants.

- Goal: Continue applying additional subsidization available in the FFY 2019-FY2021 Cap Grants.

Objective: During SFY 2022 SRF staff plans to approve plans and specifications and execute loans or loan amendments with loan forgiveness to previously assigned recipients for the amounts required in the FFY 2019, FFY2020, and FFY 2021 Cap Grants in accordance with previously established criteria (see Appendix C). Iowa has complied with the additional subsidization requirements for all previous Cap Grants.

- Goal: Review and revise criteria used to identify eligible applicants for loan forgiveness.

Objective: During SYF 2023, SRF staff will revise the affordability criteria through public review and comment. The CWSRF intends to utilize the new affordability criteria to identify eligible applicants to receive

loan forgiveness from future Cap Grants. The CWSRF intends to implement the new criteria in BIL Annex A to the CWSRF IUP.

- Goal: Apply additional subsidization available in FFY 2022 Cap Grant.

Objective: During SFY 2023, SRF staff will utilize the revised affordability criteria to assign loan forgiveness for FFY 2022 Cap Grant. SRF staff will approve plans and specifications and execute loans or loan amendments with loan forgiveness for the amounts required in the FFY 2022 Cap Grant.

- Goal: Comply with grant reporting conditions.

Objective: During SFY 2023, the Iowa CWSRF Program plans to enter data into the CWSRF National Information Management System (NIMS) and the EPA reporting database for the Office of Water State Revolving Funds (OWSRF).

- Goal: Comply with EPA guidance on reporting under the Federal Funding Accountability and Transparency Act (FFATA).

Objective: In the Annual Report, SRF staff will list loans that met the several requirements of FFATA for open Cap Grants. Grants may not be closed out until equivalency amounts can be reported.

- Goal: Comply with EPA guidance on cost and effectiveness requirements under Section 602(b)(13) of the Clean Water Act.

Objective: During SFY 2023, CWSRF will require applicants to submit a self-certification form indicating compliance with this requirement.

- Goal: Promote and identify sustainable practices in projects proposed for funding.

Objective: During SFY 2023, SRF staff will provide information on the EPA's Sustainability Policy to applicants and include sustainability features in project descriptions.

- Goal: Comply with the EPA Signage Guidance.

Objective: During SFY 2023, SRF staff and recipients will notify the public in the most effective ways possible about assistance agreements and benefits of the CWSRF program in order to enhance public awareness of EPA assistance agreements nationwide. The Iowa CWSRF program sends out press releases listing all CWSRF loans that have closed and borrower contact information.

Additional long-term goals include:

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

Objective: During SFY 2023, SRF staff will meet regularly with staff from the Community Development Block Grant program, and the USDA Rural Development program. SRF staff will also coordinate funding with state and federal grant and loan programs designed to address both point source and nonpoint source water quality initiatives.

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

Objectives: During SFY 2023, SRF staff will continue to assist applicants with completing the federal cross-cutting requirements for environmental and historical review, and will advise borrowers as needed with Davis-Bacon compliance. Borrowers will be responsible for compliance and may hire outside consultants to



assist.

- Goal: Continue the option of extended financing terms for CWSRF infrastructure projects.

Objective: During SFY 2023, this option will be offered to current and new projects on the Project Priority List. Applicants seeking extended financing must complete a worksheet outlining the anticipated life of the project components, which can be averaged to determine the extended term.

- Goal: Maintain mechanisms for funding the on-going administration of the program if federal funding is reduced or eliminated.

Objective: During SFY 2023, initiation and servicing fees will be collected on CWSRF loans for deposit to administrative accounts. SRF staff will develop short and long-term plans for administrative budgets.

- Goal: Manage the CWSRF to maximize its use and impact through sound financial management.

Objective: During SFY 2023, SRF staff and financial advisors will continue to conduct financial analysis and develop innovative approaches to financial management.

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

Objective: During SFY 2023, SRF staff will continue to educate users and potential users about the program offerings through presentations, displays, program materials, and the IowaSRF.com website.

### SFY 2023 Project Priority List (PPL)

The management of the CWSRF program includes a priority list of projects for loan assistance, which has been developed according to DNR rules 567 IAC 92 (455B). Attachment 1 constitutes the CWSRF Project Priority List. This priority list will be amended on a quarterly basis during SFY 2023.

With the available CWSRF funds, this IUP provides a projection of loan funding assistance for applications in priority order determined by point source rating criteria defined in 567 IAC 91 (455B). More information on priority ranking is available in Appendix B.

For program planning purposes, the 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.”

Due to the project workload and for planning purposes, the CWSRF staff may evaluate projects that have been on the IUP list for more than three years. A notification will be sent to the applicants that their project may be dropped if there is no progress in the six months following the notice. If a project is dropped, the applicant may reapply when the project is ready to move ahead.

The following categories of projects will be included for funding during SFY 2023 and are included on Attachment 1:

- **Planning and Design Loans.** Planning and design loans are provided at 0% interest for up to three years to cover the costs of preparing facility plans and project specifications. The loans will be rolled into CWSRF construction loans or repaid by another source of permanent financing. Planning & Design Loan applications can be found on the SRF website<sup>3</sup>.
- **Unfunded Prior Years’ Section 212 Projects:** These are loan requests remaining on the Project Priority List from previous years’ IUPs. It is Iowa’s intention to make CWSRF loans to these projects during SFY 2023 if they are ready for a binding loan commitment.
- **Segments of Previously Funded Section 212 Projects.** State rules provide that subsequent segments of a project, which has previously received funding priority or assistance, must be placed on the Project Priority List

<sup>3</sup> [https://www.iowasrf.com/program/planning\\_design\\_loans/](https://www.iowasrf.com/program/planning_design_loans/)

ahead of new projects. Segmented projects will be added to the SFY 2023 Project Priority List as received.

- **New Section 212 Projects.** New applications for assistance during SFY 2023 will be accepted on a quarterly basis and will be added to the Project Priority List if projects are determined to be eligible for funding and the application is complete. Intended Use Plan applications can be found on the SRF website<sup>4</sup> and on the DNR Wastewater Construction Permit website<sup>5</sup>, and submitted to [srf-iup@dnr.iowa.gov](mailto:srf-iup@dnr.iowa.gov).
- **New General Nonpoint Source Projects including Source Water Protection.** New applications for assistance during SFY 2023 will be accepted on a quarterly basis and will be added to the Project Priority List if projects are determined to be eligible for funding and the application is complete. Intended Use Plan applications can be found on the SRF website under the Other Water Quality Program<sup>6</sup> tab and submitted to [srf-iup@dnr.iowa.gov](mailto:srf-iup@dnr.iowa.gov).
- **Supplemental Financing.** Supplemental financing for projects listed in previously approved IUPs are added to the IUP as they are requested unless the additional funds will be used for improvements that would significantly change the scope of the project. Additional environmental review may be required. Supplemental loans will not be provided for changes that are ineligible for funding.

### Water Resource Restoration Sponsor Program

The project category called water resource restoration or “sponsored projects” provides wastewater utilities with the opportunity to fund locally directed, watershed-based, nonpoint source projects that address water quality issues.

Iowa Code chapter 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. In this way, a utility accomplishes two water quality projects for the cost of one.

- For loans up to 20 years, the interest rate on the combined infrastructure/sponsored project loan will be reduced to not lower than 0.75%. The maximum amount allowed for eligible sponsored project costs is \$100,000 per \$1 million borrowed.

The amount of funds reserved in SFY 2023 for Water Resource Restoration Sponsor Program interest rate reductions is \$5 million. In order to fund all eligible applications, the DNR reserves the right to cap individual application funding awards at a percentage of the total amount allocated for Sponsored Projects. Applications for SFY 2023 were accepted until March 1, 2022. The applications proposed for funding in SFY 2023 are listed in Appendix D.

***The Sponsored Project Program is temporarily not accepting applications during SFY 2023 (September 2022 and March 2023) for program planning purposes to enhance the program.*** Application opportunities are expected to resume for communities or wastewater utilities interested in applying to the CWSRF Water Resource Restoration Sponsored Project Program. Future quarterly updates to the IUP will provide information on deadlines for pre-application conference calls and application deadlines.

Applicants that are approved for funding will be contacted after the approval of this IUP to schedule a project initiation meeting and to begin the sponsored project review and approval process. All information about the review and approval process is included in the Sponsored Project Manual<sup>7</sup> located on the SRF website. Applicants should review the manual information to become familiar with the process.

Sponsors of approved projects will be required to follow project review and implementation guidelines established in the Water Resource Restoration Sponsored **Projects Milestone Checklist** located in the Sponsored Project Manual on the SRF website.

<sup>4</sup> [www.iowasrf.com](http://www.iowasrf.com)

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

<sup>6</sup> [https://www.iowasrf.com/program/other\\_water\\_quality\\_programs/](https://www.iowasrf.com/program/other_water_quality_programs/)

<sup>7</sup> [https://www.iowasrf.com/about\\_srf/sponsored-project-manual/](https://www.iowasrf.com/about_srf/sponsored-project-manual/)

Water quality practices funded through sponsored projects must be maintained for the useful design life of the practice. Sponsored Project recipients will be required to develop and execute a maintenance plan for all practices, and agree to a Water Resource Restoration Sponsored Project Performance Agreement to ensure that the water quality practices being funded are constructed and maintained in a manner that will achieve, and continue to provide, the water quality improvement according to the approved design.

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.

**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.**

Explanations of eligible applicants and projects, as well as specific application requirements, are outlined in the SFY 2023 Sponsored Project Application. This information is available on the Sponsored Project Home Page<sup>8</sup>.

### Plan for Nonpoint Source Assistance Programs

Iowa authorizing legislation and state administrative rules allow the use of CWSRF program funds for nonpoint source pollution control projects. Four Nonpoint Source Assistance Programs have been established which target areas of need allowed under federal guidance and identified in the state Nonpoint Source Water Quality Management Plan:

- The On-Site Wastewater Systems Assistance Program (OSWAP) provides loans to homeowners to replace inadequate septic systems. New systems must be certified by county sanitarians.
- The Local Water Protection (LWP) Program addresses soil, sediment, and nutrient control practices on agricultural land. DNR contracts with the Iowa Department of Agriculture and Land Stewardship, which operates the program through local Soil and Water Conservation Districts.
- The Livestock Water Quality Facilities (LWQ) Program assists livestock producers with manure management plans, structures, and equipment. Facilities with fewer than 1,000 animal unit capacity are eligible. DNR contracts with the Iowa Department of Agriculture and Land Stewardship, which operates the program through local Soil and Water Conservation Districts.
- The General Nonpoint Source (GNS) Program supports a wide variety of other water quality protection efforts. Projects include habitat and wetland restoration, landfill closure, lake restoration, and watershed planning. Funding for Stormwater Best Management Practices loans is also included in this program. Projects that involve purchase of land require separate approval by the EPC. These projects are listed in Appendix E.

Loans for these four Nonpoint Source Assistance Programs are made through participating lenders through either a linked deposit arrangement or loan participation. For linked deposits, CWSRF funds are deposited with a participating lender and are used to reduce the interest rate on the loan. For loan participants, CWSRF funds are used to purchase an existing loan from a lender.

The table below outlines the current and proposed allocations planned for the four programs. These allocations may be amended based on need and the financial capacity of the CWSRF.

Nonpoint Source Assistance Programs	Proposed SFY 2023 Amount
Onsite Wastewater Assistance Program (OSWAP)	\$1.5 million
Local Water Protection Program (LWPP)	\$3.0 million
Livestock Water Quality Facilities Program (LWQ)	\$4.0 million
General Nonpoint Source Program (GNS)*	\$10.0 million
<b>TOTAL</b>	<b>\$18.5 million</b>

*\*GNS projects that receive a direct loan are not included in this allocation and are listed individually on the CWSRF Project Priority List (Attachment 1).*

<sup>8</sup> [https://www.iowasrf.com/about\\_srf/sponsored\\_projects\\_home\\_page.cfm](https://www.iowasrf.com/about_srf/sponsored_projects_home_page.cfm)

## Current and Projected Financial Capacity of the CWSRF

Appendix A, the Estimated Sources and Uses table, shows that funds are available to fund current requests. 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 continues receive Cap Grants, and that the CWSRF Program continues to grant 10% loan forgiveness and the current interest rates, it is projected that the CWSRF could loan an average approximately \$290 million per year over the next 10 years, or a total of \$2.9 billion. If Iowa receives no additional Cap Grants and the CWSRF Program keeps current interest rates, the CWSRF could loan an average of approximately \$230 million per year over the next 10 years. These figures would increase with an increase in interest rates.

## Financial Management Strategies

The CWSRF Project Priority List (Attachment 1) shows total loan requests for wastewater projects. Because many of these projects are in the planning phase, they are not expected to sign a binding loan commitment during this fiscal year. The projected timing and demand for loan draws is reflected in the sources and uses table (Appendix A). Other uses for CWSRF program funds in SFY 2023 include \$18.5 million reserved for the Nonpoint Source Assistance Programs.

The cash draw procedure used is the direct loan method. The Iowa CWSRF program uses its equity fund to originate loans. When a sufficient number of 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. When funds are needed, state match bonds are issued at the same time that leveraged bond issues are done for greater cost effectiveness. State match is fully disbursed prior to drawing Cap Grant funds. The Cap Grant funds will be drawn at a 100% proportionality ratio.

The Iowa SRF program was invited to apply for a loan through EPA's State Infrastructure Financing Authority Water Infrastructure Finance and Innovation Act (SWIFIA). SWIFIA is a loan program exclusively for state infrastructure financing authority borrowers. SWIFIA may be used for up to 49 percent of an eligible project's costs that are ready to proceed, meaning construction will commence within 18 months after the Letter of Interest is submitted to EPA. A preliminary list of mostly CWSRF projects eligible for SWIFIA funding has been identified, totaling more than \$500 million. The SRF program is in the process of working through the underwriting process; the timeline for closing the loan is yet to be determined.

The program issued bonds in May 2022, which included the required state match obligations for the FFY 2022 Cap Grants (base CWSRF program and BIL supplemental).

## Plan for Use of Administrative Accounts

There are three distinct funding sources for CWSRF administrative expenses:

- The CWSRF administrative Cap Grant set-aside. Iowa intends to take or reserve 4% of the federal Cap Grant funds for program administration.
- Loan initiation fees. A 0.5% loan origination fee will be charged on new CWSRF loans. The maximum amount charged is \$100,000. Under EPA rules, because Iowa's origination fees are financed through the loans, the proceeds are considered program income. Program income can only be used for the purposes of administering the CWSRF program or for making new loans. **Beginning in SFY 2023, loan initiation fees will not be assessed on loans to Disadvantaged Community (DAC) receiving loan forgiveness.**
- Loan servicing fees. A servicing fee of 0.25% on the outstanding principal is charged on CWSRF loans. Under EPA rules, only servicing fees received from loans made above and beyond the amount of the Cap Grant and after the Cap Grant under which the loan was made has been closed are considered Non-Program Income. Non-Program Income can be used to administer the program or for other water quality purposes. The uses of Non-Program Income are discussed below.

**Program Income.** Program Income collected in SFY 2023 will be used for administering the CWSRF Program. Program Income is replenished throughout the fiscal year by funds received from loan initiation fees as described above.

**Non-Program Income.** A portion of these funds will be used in SFY 2023 for administering the CWSRF Program.

**Planned Expenses.** CWSRF administration expenses include the SRF include the work of wastewater engineering section project managers, specialists in environmental review, nonpoint source program administrators, financial officers, loan coordinators, and program managers. It also covers expenses for financial and legal advisors. These program expenses will first be paid out of Program Income and then Non-Program Income once Program Income has been fully expended.

DNR intends to use a portion of Non-Program Income funds during SFY 2023 to support staffing to the Field Services Bureau for wastewater compliance activities including inspections, investigations and technical assistance and to support staffing in the Water Quality Bureau for construction permitting, National Pollution Discharge Elimination System permitting, American Iron and Steel Site Inspections, and other programmatic staffing needs.

## II. INFORMATION ON THE CWSRF ACTIVITIES TO BE SUPPORTED

### **Allocation of Funds**

Allocation of funds to eligible projects was based on a four-step process:

1. The amount of financial assistance needed for each application was estimated.
2. The sources and allowable uses of all CWSRF funds were identified.
3. The CWSRF funds were allocated among the projects, consistent with the amount available and the financial assistance needed.
4. A designated amount was reserved for each Nonpoint Source Assistance Program based on past funding and expected future needs.

Information pertinent to each CWSRF project is contained in Attachment 1, pursuant to Section 606(c) (3) of the Clean Water Act.

### **Sources and Uses of Available CWSRF Funds**

In July 2021, the CWSRF Program was awarded the FFY 2021 Cap Grant in the amount of \$21,505,000. In October 2022, the **CWSRF Program was awarded the FFY 2022 Cap Grant in the amount of \$15,660,000.** Appendix A to this Intended Use Plan illustrates potential sources and uses of funds in the CWSRF for SFY 2023. As shown, all pending loan requests and program administration needs can be funded. Projects will draw on their funding at different intervals based on their construction cycles. These differences are used to estimate cash needs throughout the year. Appendix A will be updated quarterly as needed to provide an ongoing view of the financial plan for meeting loan requests.

Iowa's SRF program issues bonds as needed. These bond issues typically include the state match for the next federal Cap Grants. See Appendix F. On May 5, 2021, IFA issued \$218,290,000 of SRF bonds; no state match funds was necessary at the time of issuance. On May 3, 2022, IFA issued SRF bonds totaling \$206.18 million (\$198.025 million tax-exempt and \$8.155 million taxable). The 2022 bonds included \$3 million of Clean Water state match and \$5.7 million of Drinking Water state match, which was deposited in the respective state match accounts. After SRF bonds are issued, the state match is spent first so the Cap Grant can be drawn down at 100% when it is received.

### **Section 212 Projects Program Policies**

**Project Scope.** The scope of the project must be outlined in the Intended Use Plan application and in the facility plan. Changes to the scope are allowed prior to loan closing. Significant changes in scope may cause delays if additional work is required by the project manager or environmental review specialist. Once a loan is signed, only minor changes to the scope are allowed and only if the changes do not require additional technical or environmental review.

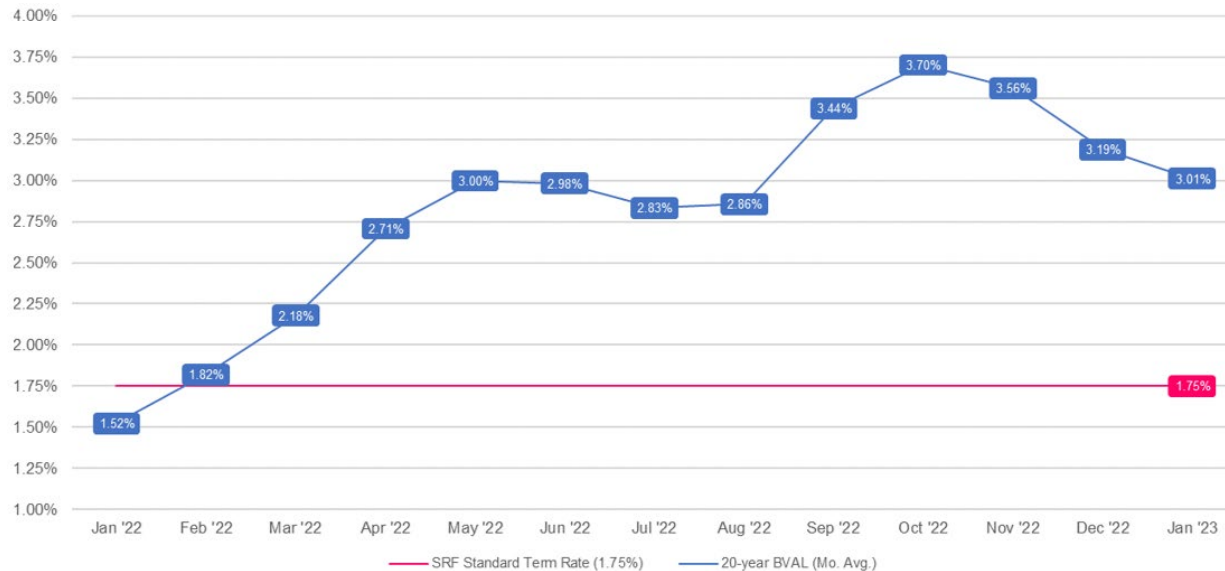
**Loan Interest Rates.** Interest rates for CWSRF planning and design loans are 0% for up to three years. The current interest rates for construction loans made from the CWSRF are as follows:

Loan Term	Applicant Type	Interest Rate	Servicing Fee	Total
Standard Tax-Exempt (up to 20 years)	All	1.75%	0.25%	2.00%
Extended (21 to 30 years based on useful life)	All	2.75%	0.25%	3.00%
Taxable Loans (up to 20 years)	All	2.75%	0.25%	3.00%
<u>Taxable Loans (up to 20 years)</u>	<u>All loans executed on or after April 1, 2023</u>	<u>3.57%</u>	<u>0.25%</u>	<u>3.82%</u>

The SRF program monitors the market to ensure that our loan interest rates are appropriate relative to the program's cost of funds.

Interest rates in both the Treasury and municipal markets have been trending higher over the past year, as evidenced by Bloomberg's BVAL AAA Municipal Curve, which uses real-time trades and sources to track movement in the municipal market<sup>9</sup>. The graph in **Figure 1** below shows the average 20-year BVAL yield for each month since January 2022, compared to the SRF Program's Standard Term interest rate.

Figure 1: 20-year Bloomberg BVAL AAA Municipal Yields (Monthly Average)



SRF loan interest rates are established by considering factors including, but not limited to:

1. The Program's interest rate cost of funds;
2. Availability of other SRF funds;
3. Prevailing market interest rates of comparable non-SRF loans; and
4. The long-term financial viability of the SRF.

Program staff will continue to monitor market conditions to ensure that SRF loan interest rates satisfy these and other provisions. Any changes to SRF loan interest rates will be communicated in the Intended Use Plan.

**Loan Fees.** A 0.5% origination fee is assessed on the full loan amount for new CWSRF construction loans, with a maximum amount of \$100,000. No origination fees are assessed on planning and design loans. A .25% loan servicing fee is assessed on construction loans. Payment of the loan servicing fee is made semi-annually with scheduled interest payments (June and December). Loan servicing fees are calculated based on the outstanding principal balance.

**Financing Term.** Loan terms can be up to 30 years. The initial determination of the length of the term is based on a

<sup>9</sup> The BVAL® AAA Municipal Curves are updated daily and is publicly available on the Municipal Securities Rulemaking Board's (MRSB) Electronic Municipal Market Access (EMMA) [website](#).

calculation of the average useful life of the entire project, determined by the applicant's consulting engineer and approved by DNR. Any project may request an extended term.

**Maximum Financing.** There is no maximum financing amount.

**Project Readiness.** Applicants cannot be offered assistance until they meet program requirements. More information can be found in the Wastewater Engineering Construction Permitting Process Manual<sup>10</sup>.

**Funding Limitations.** Pending loans identified in this IUP do not exceed funds obtainable for the CWSRF program.

**Extended Financing** The Iowa CWSRF can provide extended terms of up to 30 years for any loan as long as the loan term does not exceed the expected design life of the project. The consulting engineer for the project will be required to separate and itemize costs so that a weighted maturity may be calculated for loan repayment. The list of itemized costs and expected useful lives will be required prior to signing of the loan agreement.

**Municipal Advisor Engagement.** Beginning in SFY 2023, borrowers will be asked to identify their Municipal advisor for the project as part of the IUP application.

**Rate Ordinance.** Beginning in SFY 2023, prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal advisor set forth in the 5-year pro-forma cash flow analysis.

**Public Bidding Compliance Certification.** Beginning in SFY 2023, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

### **Plan for Efficient and Timely Use of CWSRF Funds**

The State of Iowa's Clean Water State SRF uses federal Cap Grant funds as expeditiously as possible. Iowa has been able to use its federal Cap Grant funds in a timely way due to a robust and sustained demand for loans. A number of program features have spurred the growth in loan demand. These include:

- Improvements and streamlining in the wastewater construction permitting process, which reduced timelines for project review and approval
- Allowing applicants to pursue phased approach for projects to enable individual phased projects proceed timely to construction instead of waiting on approval on a large project
- Planning and design loans at 0% interest for three years to provide upfront capital to get projects started and ready for construction and loan closing
- Quarterly application process and updates to the Intended Use Plan, which keeps projects in the loan pipeline on a continual basis
- Expansion of nonpoint source and green infrastructure programs to include loans for farmers, livestock producers, watershed organizations, and others
- Extended term financing, based on project useful life, which allows more utilities to benefit from the CWSRF
- Environmental review services to complete assessments of impacts to natural and cultural resources, reducing costs and barriers to participating in the loan program
- Focus on marketing, customer and consultant education, and coordination with other funders

When Cap Grants are awarded, those funds are drawn down first based on guidance from the U.S. EPA. Loan disbursements are made weekly. Iowa's CWSRF disbursements averaged approximately \$16.7 million per month in 2020. In 2021, the program disbursed an average of approximately \$19million per month. Average disbursements for SFY 2022 will be provided in future IUP updates.

With a return of \$4.66 for every dollar of federal investment (compared to the national average of \$2.95), Iowa's CWSRF

<sup>10</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Wastewater-Construction/Construction-Permits>



is an efficient and effective delivery mechanism for water infrastructure funding.

Due to their effectiveness, the practices described above will be continued through SFY 2023.

### **Water Quality Management Planning**

A reserve for water quality management planning as required by Title VI of the Clean Water Act will be set aside from Iowa's Title VI allotments and granted to the state for this purpose separately from the CWSRF. This reserve does not appear in this IUP as it has been already deducted from Iowa's allotment and considered in projecting Iowa's available Cap Grant.

### **SEE Salary Funds Deducted from Capitalization Grant**

The CWSRF Program will withhold \$74,600 from FFY 2022 base CWSRF 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 Iowa DNR to maintain the CWSRF program and keep up with the increasing CWSRF 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."

## **III. ASSURANCES AND SPECIFIC PROPOSALS**

Iowa will provide the necessary assurances and certifications according to the Operating Agreement between the State of Iowa and the U.S. EPA.

## **IV. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS**

### **Section 212 Infrastructure Projects**

The following approach was used to develop Iowa's proposed distribution of CWSRF funds for Section 212 infrastructure projects: (1) analysis of the priority of communities applying and financial assistance needed; (2) identification of the sources and spending limits of available funds; (3) allocation of funds among projects; (4) development of a payment schedule which will provide for making timely binding commitments to the projects selected for CWSRF assistance; and (5) development of a disbursement schedule to pay the project costs as incurred.

Allocation of Funds Among Projects. All projects listed in the CWSRF Project Priority List (attached) are eligible for assistance and 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 sections' 205(j), 208, 303(e), 319 and 320 of the Clean Water Act, as amended. Evidence of this review and finding of consistency will be documented in each CWSRF project file.

**Priority of Communities and Financial Assistance Needed.** Iowa law provides only for loan assistance. Additional subsidization required by federal Cap Grant conditions will be through forgivable loans. The state's CWSRF rules identify the priority rating system used to establish priorities for loan assistance.

**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).

**Affordability Criteria is discussed in Appendix C and BIL Annex A to the CWSRF IUP.**

#### **Additional Subsidization:**

Iowa applies additional subsidization in the form of loan forgiveness. Appendix C identifies the criteria used to determine projects and borrowers eligible to receive financial assistance through forgivable loans. Criteria for loan forgiveness eligibility is established with each Cap Grant. Individual projects may be capped to allow more eligible borrowers to receive subsidization. Time limits may be established for loan commitments in order to apply loan



forgiveness awards from these grants. Construction must begin within 24 months of the loan forgiveness offer or the loan forgiveness offer may be withdrawn or reassigned.

**Green Project Reserve (GPR):**

All CWSRF Programs are required to use a portion of their federal grant for projects that address green infrastructure, water and energy efficiency, or other environmentally innovative activities. Iowa's Nonpoint Source Programs, including the Sponsored Project Program, finance several projects annually which meet this criterion. Specific projects identified as GPR are listed in Appendix C.

Additional subsidization and GPR has been allocated for FFY 2018-2021 Cap Grants. The specific projects that have received add subs or been counted for the GPR are listed in Appendix C.

During SFY 2023, Iowa will apply for the FFY 2022 Cap Grant. Iowa will comply with additional subsidization and/or green project allocation requirements of that grant and will identify specific recipients of those funds during this fiscal year in Appendix C.

	<b>Add Subs Req'd.</b>	<b>Add Subs Actual</b>	<b>%</b>	<b>GPR Req'd.</b>	<b>GPR Actual</b>	<b>%</b>
2018	\$ 2,172,300	\$ 2,172,300	100%	\$ 2,172,300	\$2,285,000	105%
2019	\$ 2,150,500	\$ 2,150,500	100%	\$ 2,150,500	\$2,667,000	124%
2020	\$ 2,150,800	\$ 2,150,800	100%	\$ 2,150,800	\$2,443,000	114%
2021	\$ 2,150,500	\$ 2,423,952	113%	\$ 2,150,500	\$2,150,500	100%
2022	\$3,132,000	TBD		\$1,566,000	TBD	

**Nonpoint Source Assistance Programs**

Nonpoint Source Assistance Programs include funds reserved for the Onsite Wastewater Assistance Program (OSWAP), Livestock Water Quality Facilities (LWQ), Local Water Protection (LWP) and General Nonpoint Source (GNS). These funds implement the intent of Iowa statute to use CWSRF funds to improve residential wastewater systems, to assist owners of existing animal feeding operations to meet state and federal requirements, for local water protection projects that will provide water quality improvement or protection and for general nonpoint source projects that will provide water quality improvements or water quality protection. These systems are addressed as a need by Iowa's State Nonpoint Source Management Plan. Individual loan applicants for all Nonpoint Source Assistance Programs operated as linked deposit and loan participation are not identified in this IUP. Only GNS projects with a direct loan will be listed on the Project Priority List.

**V. METHOD OF AMENDMENT OF THE INTENDED USE PLAN**

The State will follow this IUP in administering CWSRF funds in SFY 2023. Federal and state law requires, and Iowa welcomes, opportunity for public participation in the development of the IUP. Any revisions of the goals, policies and method of distribution of funds must be addressed by a revision of the IUP, including public participation. Minor adjustments in funding schedules and loan amounts are allowed without public notification by the procedures of this IUP and state rules for administration of the CWSRF. Adjustments to the Project Priority List to utilize actual funds available to the CWSRF for SFY 2023 will be considered minor and only affected applicants will be notified. Public notice of amendments will be made if municipalities are added to or removed from the Project Priority List.

**VI. PUBLIC REVIEW AND COMMENT**

A public meeting to allow input to Iowa's SFY 2023 IUP and Project Priority List was held May 12, 2022, 10:00 a.m. via video conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until May 19, 2022.

A public meeting to allow input to Iowa's SFY 2023 second quarter IUP update and Project Priority List was held August

11, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until August 18, 2022.

A public meeting to allow input to Iowa's SFY 2023 IUP third quarter update and Project Priority List was held November 17, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until December 10, 2022.

A public meeting to allow input to Iowa's SFY 2023 IUP fourth quarter update and Project Priority List was held February 9, 2023, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until February 24, 2023.

The following comment was received from the Iowa Finance Authority and content from this comment was incorporated into the fourth quarter IUP update:

"Pursuant to IAC 265-26.5, Iowa Finance Authority respectfully recommends that the Base and Supplemental FY 2023 Q4 IUP incorporate the following change to the interest rate for taxable SRF loans:

<u>Loan Terms</u>	<u>Applicant Type</u>	<u>Interest Rate</u>	<u>Servicing Fee</u>	<u>Total</u>
<u>Taxable Loans (up to 20 years)</u>	<u>All</u>	<u>3.57%</u>	<u>0.25%</u>	<u>3.82%</u>

This proposed interest rate would apply to all taxable loans executed on or after April 1, 2023 and represents a 25% discount of the current 20-year BVAL AAA Taxable Revenue Municipal index yield of 4.76%."

## VII. PROJECT PRIORITY LIST

Attachment 1, the CWSRF Project Priority List, is included in a separate, sortable Excel file.

## VIII. TECHNICAL ASSISTANCE

States have the flexibility to use up to 2% of their annual CWSRF Cap Grant for the purpose of providing technical assistance to rural, small, and tribal publicly owned treatment works. The eligibilities for this funding are very broad. Iowa does not intend to duplicate the technical assistance efforts being provided by U.S. EPA and other organizations receiving U.S. EPA Technical Assistance grants; so additional planning and coordination is needed before activities are identified for this funding. The Iowa CWSRF Program intends to reserves the 2% in the application of the FY 2022 Cap Grant for use at a later date.

## APPENDIX A - CWSRF ESTIMATED FUNDING SOURCES AND FUNDING USES

<b>Beginning Cash Balance: Funds Available in Equity Fund and Program Accounts</b>	<b>\$300,390,000*</b>
Additional Sources of Funds	
<b>Federal Capitalization Grants:</b>	
FFY 2022 - Base Program	\$15,660,000
FFY 2022 - General Supplemental	\$24,088,000
Loan Repayments	\$132,367,000
Investment Earnings on Equity Fund and Program Accounts	\$14,000
	<b>\$172,129,000</b>
<b>Total Funding Sources</b>	<b>\$472,519,000</b>
<b>Uses of Funding</b>	
<b>Administration</b>	
Administrative Allowance from FFY 2022 Federal Capitalization Grants	\$1,590,000
<b>Loan Disbursements</b>	
Undisbursed Amounts Committed to Existing Loans (50% disbursement rate)	\$146,869,000**
CWSRF Project Requests (Current IUP Project List)	\$79,969,000
Planning & Design Requests (50% disbursement rate)	\$12,865,000**
Non-Point Source Program Assistance	\$18,297,000
<b>Debt Service</b>	
Principal Payments on Outstanding Revenue Bonds	\$48,670,000
Interest Payments on Outstanding Revenue Bonds	\$64,063,000
<b>Total Uses of Funding</b>	<b>\$372,323,000</b>
<b>Ending Cash Balance</b>	<b>\$100,196,000</b>
IUP Approved Projects to be Funded in Subsequent Years	\$871,724,000
<b>Ending Balance Including Projects Yet to be Funded</b>	<b>(\$771,528,000)***</b>

\*Funds Available for disbursements as of 8/3/2022

\*\*Loan disbursement rates are estimated based on previous experience with project pace.

\*\*\*Future Sources: Federal Capitalization Grants (Base & Supplemental), State Match, Bond Proceeds and/or SWIFIA Loan Draws

All amounts are rounded to the nearest \$1,000

## APPENDIX B-1 PROCEDURES TO DETERMINE SECTION 212 PROJECT PRIORITY LIST

Project rankings were determined by the following procedures:

Cost eligibility of projects was determined as per 567 IAC 92.7(6) (455B). Applications were evaluated using the priority point system in 567 IAC 91.8(455B).

The final Project Priority List for a fiscal year's project pool is compiled in the following manner: 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 then be added.

Projects on the Project Priority List will be given contingency status should the total amount of needs exceed the year's CWSRF staff resources capability and loan funding or if the projects have not met the fundable criteria described in 567 IAC 92.6(2)(455B). Projects will be funded from the top down in the ranking order of the Project Priority List. Projects are ranked similarly in the contingency project list. The top project in the contingency list can be moved to the funding list when funds are available or it has met the fundable criteria. Funds can be made available due to a number of reasons including project bypasses, loan application withdrawal of other projects, reduction in loan amount requests, an increase in available funds, or progress in meeting program requirements.

Iowa is currently able to fund all projects that are eligible.

## APPENDIX B-2

### CRITERIA TO DETERMINE PROJECT PRIORITY LIST

In April 2010 Iowa adopted revised rules for the Clean Water State Revolving Fund (CWSRF). 567 IAC 91 provides the criteria for scoring and ranking CWSRF projects. The new system uses an integrated approach which allows comparison of Section 212 POTW (publicly owned wastewater treatment works) projects as well as nonpoint source pollution control projects. The goal of the new system is 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 that demand for CWSRF loans exceeds supply of funds.

#### Section 212 POTW Projects

The rating criteria consider the use classification of the receiving waters, water quality of the receiving waters, groundwater protection, project type, project purpose, and a tiebreaker as defined in 567 IAC 91.8 (455B). Priority ranking for the projects shall be 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. The tie breaker category will be used when necessary.

#### Nonpoint Source Assistance Programs

The rating criteria consider the use classification of the receiving waters, water quality of the receiving waters, groundwater protection, project type, project purpose, and a tiebreaker as defined in 567 IAC 91.8 (455B). 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 priority system for Nonpoint Source Assistance Programs projects will not be implemented until 90 percent of the funds reserved for that program have been allocated and no additional funds are available. If that occurs, ranking will be done at the time that a new project application is received.

## APPENDIX C

### LOAN FORGIVENESS

#### A. Borrowers Receiving Additional Subsidization

Iowa applies additional subsidization in the form of loan forgiveness. Criteria for loan forgiveness eligibility is established with each Cap Grant (see below). Individual projects may be capped to allow more eligible borrowers to receive subsidization. Time limits may be established for loan commitments in order to apply loan forgiveness awards from these grants. Construction must begin within 24 months of the loan forgiveness offer or the loan forgiveness offer may be withdrawn or reassigned.

For FFY 2018-2021 Cap Grants, a minimum of 10% of the state's allocation of grants funds are required to be allocated as additional subsidization. Eligibility criteria is described below.

**For FFY 2022**, a minimum of 20% of the state's allocation of grant funds are required to be allocated as additional subsidization. The CWSRF Program will comply with additional subsidization requirements of that grant and will identify recipients of those funds during this fiscal year. Eligibility criteria is described below.

### Loan Forgiveness Criteria for FFY 2018-FFY2021 Capitalization Grants

Loan forgiveness of up to 30% may be offered to eligible projects for communities who meet the affordability criteria to be designated as a **Disadvantaged Community (DAC)** in accordance with the disadvantaged community rule in Iowa Code 455B.199B (see below). Funding for individual projects is capped at \$1 million per project.

Beginning in FFY 2020, eligible projects from unsewered communities who meet the affordability criteria to be designated as a **Disadvantaged Unsewered Community (DUC)** in accordance with the disadvantaged community rule in Iowa Code 455B.199B (see below) may receive up to 50% loan forgiveness. Funding for individual projects is capped at \$1 million per project.

At the conclusion on SFY 2022, all of the loan forgiveness funds through Cap Grant 2021 were allocated (see below). As loans close during SFY 2023, additional loan forgiveness may become available for reallocation. The CWSRF Program may withdraw the individual project cap if additional funding becomes available. Projects that were capped will have priority for reallocated funds.

Project	SRF Project #	Loan Amount*	Amount Ad Sub**	Grant Year Reported
Calmar	CS1920823-01	\$2,977,000.00	\$872,474.26	2017
Charles City	CS1920876-01	\$17,575,000.00	\$20,626.00	2017 <i>Reallocation</i>
Lake View	CS1920828-01	\$6,700,000.00	\$155,800.00	2017
Lake View	CS1920828-01	\$6,700,000.00	\$844,200.00	2018
St Donatus	CS1920773-01	\$300,000.00	\$90,000.00	2018
St Donatus	CS1920773-R1	\$452,927.75	\$135,878.33	2018
Charles City	CS1920876-01	\$17,575,000.00	\$909,635	2018 <i>Reallocation</i>
Coralville	GNS 10-04	\$641,955	\$192,586	2018
Woodward	CS1920814-01	\$5,424,041.03	\$1,000,000.00	2019
Everly	CS1920906-01	\$3,289,000.00	\$986,700.00	2019
Perry	CS1920954-01	\$28,900,000.00	\$94,061	2019
Charles City	CS1920876-01	\$17,575,000.00	\$69,739	2019
Perry	CS1920954-01	\$28,900,000.00	\$905,939	2020
Dougherty	CS1920993-01	\$865,000.00	\$432,500.00	2020
Osceola	CS1920878-01	\$25,554,000.00	\$882,100.00	2020
Osceola	CS1920878-01	\$25,554,000.00	\$117,900.00	2021
New Albin	CS1920871-01	\$1,860,000.00	\$1,000,000	2021
Frederika	CS1921013-01	\$2,153,000.00	\$645,900.00	2021
McGregor	CS1920974-01	\$4,934,000.00	\$1,000,000.00	2021

\*Until a loan is signed, this amount may reflect the IUP award amount

\*\*Capped at \$1 million (through grant year 2021)

### Loan Forgiveness Criteria for FFY 2022 Capitalization Grant

Loan forgiveness (LF) of up to 90% may be offered to eligible projects that meet the Iowa SRF's disadvantaged community affordability criteria (socioeconomic assessment score) AND are applying for a priority project. Funding for individual projects is capped at \$1 million per project but the SRF Program reserves the right to withdraw the individual project cap.

The total amount of loan forgiveness available for a project will be determined by adding together the loan forgiveness percentages for the priority project, the socioeconomic assessment score, and the household burden indicator. **Projects will be funded from the top socioeconomic score down and in priority project ranking order with consideration given to readiness to proceed.**



Eligibility for loan forgiveness will first be assessed based on the type of project seeking funding. If the project is one of the priority project (PP) types listed below, then the second evaluation will be for disadvantaged status based on the socioeconomic assessment score (SES) criteria, described below.

The third element of the loan forgiveness equation is an assessment of a community or service area’s household’s ability to afford the proposed project. The Household Burden (HB) Indicator may be computed with assistance from the Municipal Advisor after the construction bid has been awarded and other funding sources have been deducted.

***A detailed description of the loan forgiveness equation is outlined in BIL Annex A to the CWSRF IUP.***

Loan forgiveness for FFY 2022 Capitalization Grant will be offered to the following eligible Priority Project Types:

- Sewer Collection System Rehabilitation (includes gravity sewers, relief sewers, pumping stations, force mains, SSO correction and CSO correction)
- Lagoons Advanced Treatment (Ammonia, E.coli; includes CDL optimization, sludge removal and equipment replacement)
- Advanced Treatment WWTPs (Ammonia, E.coli, Nutrients)
- Aging Infrastructure WWTPs (included expansion of existing secondary treatment)
- Consolidation/Regionalization (includes unsewered communities)

The CWSRF Program intends to review each IUP application received for loan forgiveness eligibility. As loans close, additional loan forgiveness awards will be made.

FFY CAP 2022 and FFY 2022 BIL General Supplemental Awards														
Project Name	CWSRF No.	Priority Points	LF Priority Project Type	DAC SES Score	Date Loan Signed	Loan Amount	SES %	PP %	HB% (up to 30%)	Minimum LF %	Maximum LF%	Minimum LF Award*	Maximum LF Award*	Grant Year
Corydon	CS1920815 01	237	2	23	10/7/2022 11/4/2022	\$5,172,000	25%	30%	TBD	55%	85.00%	\$1,000,000	\$1,000,000	2022
Oxford Junction	CS1920958 01	155	1	20	9/16/2022	\$ 938,000	20%	30%	TBD	50%	80.00%	\$ 469,000	\$ 750,400	2022
Grandview	CS1921020 01	245	2	19	8/5/22	\$ 325,000	20%	30%	TBD	50%	80.00%	\$ 162,500	\$ 260,000	2022
Armstrong	CS1921007 01	232	2	19	7/8/22	\$ 5,314,000	20%	30%	TBD	50%	80.00%	\$1,000,000	\$1,000,000	2022
Moravia	CS1921026 01	129	1	18	10/7/2022	\$ 345,000	20%	30%	TBD	50%	80.00%	\$ 172,500	\$ 276,000	2022
Mt Pleasant	CS1920919 01	324	3	17	9/30/22	\$ 4,020,000	20%	30%	TBD	50%	80.00%	\$1,000,000	\$1,000,000	2022
Des Moines	CS1920944 01	205	1	17	7/8/22	\$7,035,000	20%	30%	TBD	50%	80.00%	\$1,000,000	\$1,000,000	2022
Lovilia	CS1921001 01	114	1	17	11/4/22	\$ 450,000	20%	30%	TBD	50%	80.00%	\$ 225,000	\$ 360,000	2022
Humboldt	CS1921024 01	255	3	14	9/2/2022	\$1,712,000	15%	30%	TBD	45%	75.00%	\$ 770,400	\$1,000,000	2022
Fort Atkinson	CS1920770 01	290	2	11	7/22/22	\$ 3,080,000	15%	30%	TBD	45%	75.00%	\$1,000,000	\$1,000,000	2022

\*Final loan forgiveness amount may change based on eligible expenses and the final amount drawn on the loan.

**Disadvantaged Community Affordability Criteria**

***For Capitalization Grants through FFY 2021:***

The Iowa DNR disadvantaged community rules implement Iowa Code 455B.199B, which establishes criteria for the Iowa DNR to use when determining if ratepayers or a community will experience substantial and widespread economic and social impact and qualify as disadvantaged. For more information on how a community qualifies as a disadvantaged

community, visit the Iowa DNR's Water Quality page<sup>11</sup>.

**For Capitalization Grant FFY 2022:**

During SFY 2023, the Iowa SRF Program adopted new criteria, a socioeconomic assessment score, to determine disadvantaged community status for SRF loan forgiveness purposes. The criteria were revised with public review and comment and became effective on September 20, 2022 with the approval of the second quarter IUP update. The socioeconomic assessment tool considers 15 datapoints from publicly available sources to determine a community or service area's underlying socioeconomic and demographic condition that can determine the affordability of water/wastewater infrastructure projects. Applicants with a socioeconomic score between 11-30 points will be eligible for consideration of SRF loan forgiveness. ***A detailed description of the socioeconomic assessment criteria and tool is outlined in BIL Annex A to the CWSRF IUP. The socioeconomic assessment tool can be located on [www.iowaSRF.com](http://www.iowaSRF.com) resource page.***<sup>12</sup>

The IA SRF Program will implement the new affordability criteria for both the base CWSRF Program and the BIL CWSRF General Supplemental Fund as outlined in BIL Annex A to the CWSRF IUP.

**B. Borrowers Counted for Green Project Reserve (GPR)**

For FFY 2018-2021 Cap Grants, a minimum of 10% of the grant funds are required to be used on Green Projects. At the conclusion on SFY 2022, all of the projects designated as Green Project Reserve have been identified through Cap Grant 2021 (see below).

During SFY 2023, Iowa will apply for the FFY 2022 Cap Grant. The SRF Program will comply with green project reserve allocation requirements of that grant and will identify recipients of those funds during this fiscal year.

Project	SRF Project #	Loan Amount*	Amount GPR	Grant Year Reported
Coralville	GNS 10-04	750,000.00	225,000.00	2018
Dyersville	WRR15-006	450,000.00	260,000.00	2018
Des Moines	WRR18-030	1,000,000.00	1,000,000.00	2018
Fort Dodge	WRR15-017	800,000.00	800,000.00	2018
Hampton	WRR14-004	633,300.00	421,000.00	2019
Des Moines	WR16-013	1,150,000.00	1,150,000.00	2019
Waukee	WRR16-010	920,000.00	920,000.00	2019
Des Moines	WRR18-013	750,000.00	750,000.00	2020
Clinton	WRR18-021	43,000.00	743,000.00	2020
Ogden	WRR17-009	481,000.00	481,000.00	2020
Lake View	WRR17-010	469,000.00	469,000.00	2020
Coralville	WRR16-004	2,700,000.00	2,150,500.00	2021

\*Until a loan is signed, this amount may reflect the IUP award amount

<sup>11</sup> <https://www.iowadnr.gov/environmental-protection/water-quality/rural-community-sewers>

<sup>12</sup> [https://www.iowasrf.com/about\\_srf/srf-resources/](https://www.iowasrf.com/about_srf/srf-resources/)



## APPENDIX D

### SFY 2023 SPONSORED PROJECT FUNDING RECOMMENDATIONS

Sponsored Project loan amendments must be executed prior to the second principal payment on the sponsoring CWSRF loan or the Sponsored Project award may be withdrawn.

Applicant	Proposed Watershed and Project Description	Proposed Partners	Date Approved
City of Maquoketa	Implement edge-of-field, in-field, and stream erosion practices in the Prairie-Union Creek Watershed to improve native mussel habitat and reduce sediment runoff into Prairie Creek, a tributary of the Maquoketa River. Potential practices include: constructed wetlands, grassed waterways, bioswales, buffer strips, conversion to native perennial vegetation, and stream bank stabilization.	Maquoketa River Watershed Management Authority; Limestone Bluffs RC&D; NRSC-Maquoketa; IDALS	6/21/2022
City of Waukee	Improve water quality in the Walnut Creek Watershed by stabilizing and restoring 6,500 LF of Little Walnut Creek, within the Little Walnut Creek Greenway, between Warrior Lane and the Clive/Urbandale corporate limits.	Polk County SWCD; Walnut Creek WMA; City of Clive	6/21/2022
City of Clinton	Implement stormwater best management practiced to improve water quality in the Mill Creek-Mississippi River Watershed. Potential projects include: a large stormwater wetland, streambank restoration, wet detention ponds, the addition of pre-treatment at an existing grass swale, and outfall fortifications.	IDALS, DNR, Clinton Community College, Clinton Parks & Rec	6/21/2022
City of Earlham	Implement stormwater best management practices to improve water quality within the city of Earlham and reduce the amount of nutrients, sediment, and bacteria that travel downstream to Bear Creek and the South Raccoon River. Potential projects include: stormwater wetlands, bioretention cells, extended detention ponds, permeable pavers, and stream restoration.	IDALS, DNR, Madison County Conservation	6/21/2022

## APPENDIX E

### GENERAL NONPOINT SOURCE ASSISTANCE PROJECTS FOR APPROVAL OF LAND PURCHASE

Iowa Code 455B.291 and 455B.295 set forth the conditions by which land acquisition is eligible under this Nonpoint Source Assistance Program.

Per Iowa Administrative Code 567 Chapter 93.7(5) Ineligible costs. Costs for the purchase of land are not eligible costs unless specifically approved by the commission.



## APPENDIX F STATE MATCH

FY20	Cap Grant Amount	State Match Needed	Excess State Match
Remaining CW State Match from Feb 2019 Bond Issue		\$4,499,000	
Excess State Match from prior years		\$0	
<b>Total CW State Match Available</b>		<b>\$4,499,000</b>	
<b>FY20 CW Cap Grant</b>	<b>\$21,508,000</b>	<b>\$4,301,600</b>	<b>\$197,400</b>
Remaining DW State Match from Feb 2019 Bond Issue		\$3,681,500	
Excess State Match from prior years		\$0	
<b>Total DW State Match Available</b>		<b>\$3,681,500</b>	
<b>FY20 DW Cap Grant</b>	<b>\$17,443,000</b>	<b>\$3,488,600</b>	<b>\$192,900</b>

FY21	Cap Grant Amount	State Match Needed	Excess State Match
CW State Match from Feb 2020 Bond Issue		\$10,000,000	
Excess State Match from prior years		\$197,400	
<b>Total CW State Match Available</b>		<b>\$10,197,400</b>	
<b>FY21 CW Cap Grant</b>	<b>\$21,505,000</b>	<b>\$4,301,000</b>	<b>\$5,896,400</b>
DW State Match from Feb 2020 Bond Issue		\$8,000,000	
Excess State Match from prior years		\$192,900	
<b>Total DW State Match Available</b>		<b>\$8,192,900</b>	
<b>FY21 DW Cap Grant</b>	<b>\$17,427,000</b>	<b>\$3,485,400</b>	<b>\$4,707,500</b>

FY22	Cap Grant Amount	State Match Needed	Excess State Match
CW State Match from 2022 Bond Issue (May 2022)		\$3,000,000	
Excess State Match from prior years		\$5,896,400	
<b>Total CW State Match Available</b>		<b>\$8,896,400</b>	
<b>FY22 CW Cap Grant (20% match)</b>	<b>\$15,660,000</b>	<b>\$3,132,000</b>	
<b>FY22 CW Supplemental (10% match)</b>	<b>\$24,088,000</b>	<b>\$2,408,800</b>	
		<b>\$5,540,800</b>	<b>\$3,355,600</b>
DW State Match from 2022 Bond Issue (May 2022)		\$5,700,000	
Excess State Match from prior years		\$4,707,500	
<b>Total DW State Match Available</b>		<b>\$10,407,500</b>	
<b>FY22 DW Cap Grant (20% match)</b>	<b>\$11,101,000</b>	<b>\$2,220,200</b>	
<b>FY22 DW Supplemental (10% match)</b>	<b>\$28,504,000</b>	<b>\$2,850,400</b>	
		<b>\$5,070,600</b>	<b>\$5,336,900</b>

# FY 2023 INTENDED USE PLANS

## DRINKING WATER STATE REVOLVING FUND



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## I. STATE FISCAL YEAR 2023 PLAN OF ACTION

The Drinking Water State Revolving Fund (DWSRF) 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. Public and private community water systems are eligible for funding whether they are for profit or not for profit; nontransient, noncommunity public water supplies are eligible for funding if they are either publicly owned or are not for profit; and transient, noncommunity systems are eligible if they are owned by government entities.

The SFY 2023 Plan of Action covers the following areas:

- DWSRF goals and objectives
- Current and projected financial capacity of the DWSRF
- Financial management strategies
- Plan for the SFY 2023 Project Priority List
- Plan for use of DWSRF set-aside funds
- Plan for use of administrative accounts

The plan is based on anticipated use of new and revolved funds available in the DWSRF for construction of treatment plants or improvements to existing facilities, water storage facilities, wells, and source water protection efforts.

### DWSRF Goals and Objectives

The primary long-term goal of the Iowa DWSRF is to support the protection of public health through a perpetual program of financial assistance for the purposes of ensuring the provision of an adequate quantity of safe drinking water to consumers of public water supplies, protecting source water for drinking water systems, and ensuring the long-term viability of existing and proposed water systems.

Due to federal legislation in this past year and program updates are anticipated in SFY 2023. New goals have been established to meet those requirements and adjust programs to available staff.

The SFY 2023 short-term goals and objectives are as follows:

- 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.

Objective: During SFY 2023, applications will be accepted quarterly and updates to the IUP will be prepared to add projects and update program financial information.

- Goal: Ensure that borrowers are able to provide safe drinking water at a reasonable cost for the foreseeable future.

Objectives: During SFY 2023, viability assessments will be completed by each applicant and reviewed by SRF staff prior to the signing of a loan agreement. Systems determined nonviable or systems with EPA's Enforcement Targeting Tool (ETT) scores above 11 will be provided with an enforceable compliance schedule listing all actions that must be completed to return the system to viable status. Extended term financing will be offered to disadvantaged communities. SRF staff will coordinate efforts with other funders such as the Community Development Block Grant program. Staff will continue to educate and inform public water supplies, engineering consultants, and financial advisors on the financing savings available by using the DWSRF.

- Goal: Require applicants to engage a registered Municipal advisor (MA).

Objective: During SFY 2022, all applicants submitting an Intended Use Plan application must demonstrate that they have hired an MA to assist with cash flows, rate setting, debt service coverage, and other financial aspects of their water utility. The reports provided by the MAs will be used in the viability assessment review. Due to current supply chain and contractor availability issues, the costs of projects are increasing. **The**

**DWSRF Program will encourage applicants to engage with their MA early and often in the project planning process to ensure that the community is taking appropriate measures to account for potential increased debt service requirements.** The DWSRF Program will reimburse up to \$4000 of the MA fee to the borrowers.

- Goal: **Implement the “Build America, Buy American (BABA)” requirements** enacted by Congress in the Bipartisan Infrastructure Law on May 14, 2022.

Objective: During SFY 2023, SRF staff will engage DNR Field Office staff to establish a BABA oversight program. SRF staff will provide information to those applicants required to comply with necessary documentation and inspection procedures. SRF staff will conduct site visits and provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance.

- Goal: Continue to implement the “Use of American Iron and Steel (AIS)” requirements enacted by Congress on January 17, 2014.

Objective: During SFY 2023, **SRF staff will re-evaluate the AIS oversight program**, retaining best practices and aligning the program with BABA requirements, as needed. SRF staff will provide information to applicants on necessary documentation and inspection procedures and will continue to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. SRF staff will continue to engage DNR Field Office staff to conduct site visits and provide technical assistance.

- Goal: Continue applying additional subsidization available in FFY 2019-FY2021 Cap Grants to disadvantaged community projects and public health projects.

Objective: During SFY 2023, SRF staff plans to approve plans and specifications and execute loans or loan amendments with loan forgiveness for the amounts required in the FFY 2019, FFY2020, and FFY 2021 Cap Grants in accordance with previously established criteria (see Appendix C). Iowa has complied with the additional subsidization requirements for all previous Cap Grants.

- Goal: Review and revise criteria used to define disadvantaged communities and identify eligible applicants for loan forgiveness.

Objective: During SYF 2023, SRF staff will revise the affordability criteria currently used to determine disadvantaged community status through public review and comment. The SRF Programs intend to utilize the new affordability criteria to determine disadvantaged community status and to identify other eligible applicants to receive loan forgiveness from future Cap Grants. The DWSRF will implement the new criteria in future quarterly updates as BIL Annex A to the DWSRF IUP.

- Goal: Apply additional subsidization available in FFY 2022 Cap Grant

Objective: During SFY 2023, SRF staff will utilize the revised affordability criteria and disadvantaged community definition to assign loan forgiveness for FFY 2022 Cap Grant. SRF staff will approve plans and specifications and execute loans or loan amendments with loan forgiveness for the amounts required in the FFY 2022 Cap Grant.

- Goal: Promote and identify sustainable practices in projects proposed for funding.

Objective: During SFY 2023 SRF staff will provide information on the EPA’s Sustainability Policy to applicants and include sustainability features in project descriptions.

- Goal: Comply with grant reporting conditions.

Objective: During SFY 2023, the Iowa DWSRF plans to enter data into the DWSRF National Information Management System (NIMS) and the EPA reporting database for the Office of Water State Revolving Funds (OWSRF).

- Goal: Comply with EPA guidance on reporting under the Federal Funding Accountability and Transparency Act (FFATA).

Objective: In the Annual Report, SRF staff will list loans that met the several requirements of FFATA for open Cap Grants. Grants may not be closed out until equivalency amounts can be reported.

- Goal: Comply with the EPA Signage Guidance.

Objective: During SFY 2023 SRF staff and recipients will notify the public in the most effective ways possible about assistance agreements and benefits of the DWSRF program in order to enhance public awareness of EPA assistance agreements nationwide. The Iowa DWSRF program sends out press releases listing all DWSRF loans that have closed and borrower contact information.

Additional long-term goals include:

- Goal: Prioritize the provision of funds, to the extent practicable, to projects that address the most serious risk to human health and are necessary to ensure compliance with the national primary drinking water standards.

Objectives: Priority will be assigned to projects that address human health risks or compliance issues by the provision of points assigned during the DWSRF scoring process as outlined in 567 IAC Chapter 44.

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

Objective: During SFY 2023, SRF staff will meet regularly with staff from the Community Development Block Grant program, and USDA Rural Development. SRF staff will also coordinate funding with state and federal grant and loan programs designed to address both point source and nonpoint source water quality initiatives.

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

Objectives: During SFY 2023 SRF staff will continue to assist applicants with completing the federal cross-cutting requirements for environmental and historical review. Staff will not be responsible for Davis-Bacon compliance but will advise borrowers as needed. Borrowers will be responsible for compliance and may hire outside consultants to assist.

- Goal: Continue the option of extended financing terms for DWSRF infrastructure projects.

Objective: During SFY 2023 this option will be offered to all projects on the Project Priority List. Applicants seeking extended financing must complete a worksheet outlining the anticipated useful life of the project components. The average weighted useful life is used to determine the extended term of the loan.

- Goal: Maintain mechanisms for funding the on-going administration of the program if federal funding is reduced or eliminated.

Objective: During SFY 2023 initiation and servicing fees will be collected on DWSRF loans for deposit to administrative accounts. SRF staff will develop short and long-term plans for administrative budgets.

- Goal: Manage the DWSRF to maximize its use and impact through sound financial management.

Objective: During SFY 2023 SRF staff and financial advisors will continue to conduct financial analysis and

develop innovative approaches to financial management.

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

Objective: During SFY 2023 SRF staff will continue to educate users and potential users about the program offerings through presentations, displays, program materials, and the IowaSRF.com website.

### **Current and Projected Financial Capacity of the DWSRF**

Appendix A of this DWSRF IUP (the Estimated Sources and Uses table) shows that available funds are sufficient to fund current loan requests. SRF staff has analyzed the future financial capacity of the DWSRF. Assuming that Iowa continues to receive Cap Grants and the full 31% set-asides, and that the DWSRF Program continues to grant 26% loan forgiveness, and the same interest rates, it is projected that the DWSRF could loan an average of approximately \$155 million per year over the next 10 years, or a total of \$1.55 billion. If Iowa does not receive any additional Cap Grants but keeps the same interest rates and the other assumptions, the DWSRF could loan an average of approximately \$130 million per year over the next 10 years. These figures would increase with an increase in interest rates.

### **Financial Management Strategies**

The DWSRF Project Priority List (Attachment 1) shows total loan requests for water supply projects. Because many of these projects are in the planning phase, they are not expected to sign a binding loan commitment during this fiscal year. The projected timing and demand for loan draws is reflected in Appendix A.

The cash draw procedure used is the direct loan method. The Iowa DWSRF program uses its equity fund to originate loans. When a sufficient number of loans have been made, the SRF 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. State match bonds are typically issued at the same time that leveraged bond issues are done for greater cost effectiveness. State match is fully disbursed prior to drawing EPA Cap Grant funds. The EPA Cap Grant funds will be drawn at a 100% proportionality ratio.

Iowa issued bonds in 2019, which included the state match for FFY 2019 and FFY 2020 Cap Grants. Bonds were issued in February 2020 which included state match for future Cap Grants so no additional state match funds were included in the May 2021 bond issue. The program issued bonds in May 2022, which included the required state match obligations for the FFY 2022 Cap Grants (base program and supplemental).

### **SFY 2022 Project Priority List**

The management of the DWSRF program, including development of a Project Priority List for financing assistance, was developed according to Part 567 of the Iowa Administrative Code (IAC), Chapter 44. This IUP indicates the intent to provide funds to projects ranked in priority order according to scoring criteria contained in Chapter 44 of the IAC.

The Iowa SRF Program is able to fund all eligible projects. Projects are added to the Project Priority List to be funded based on the State's implementation rules for the DWSRF program in 567 IAC Chapter 44.

Projects will be funded as they become ready to proceed to construction. Adjustment to the list of fundable projects will be made, if necessary, to assure that at least 15% of the project funds are available to systems serving fewer than 10,000 persons as specified in Section 1452(a) (2) of the Safe Drinking Water Act. Financing may be provided for up to 100% of project costs if the costs are eligible for funding based on engineering, environmental, and financial review and project readiness to proceed as described above.

Due to the project workload and for planning purposes, the DWSRF staff may evaluate projects that have been on the IUP list for more than three years. A notification will be sent to the applicants that their project may be dropped if there is no progress in the six months following the notice. If a project is dropped, the applicant may reapply when the project is ready to move ahead.

For program planning purposes, the fundable projects are further identified as "R - ready for loan" (indicating that the

construction permit and environmental review have been completed), and “P - in planning” and “L - loan signed.”

The following categories of projects will be included for funding during SFY 2023:

**Unfunded Prior Years’ Projects.** All projects from prior years that have not entered into a binding commitment are included in this IUP.

**Segments of Previously Funded Projects.** State rules provide that subsequent segments of a project which has previously received funding priority or assistance must be placed on the Project Priority List with the original project score.

**New Projects.** New applications for assistance during SFY 2023 will be added to the Project Priority List. Applications will be accepted on a continuous basis and quarterly updates completed as needed. Intended Use Plan applications can be found on the SRF website<sup>13</sup> and on the DNR Drinking Water State Revolving Loan Fund<sup>14</sup> website and submitted to [srf-iup@dnr.iowa.gov](mailto:srf-iup@dnr.iowa.gov).

**Supplemental Financing.** Supplemental financing for projects listed in previously approved IUPs are added to the IUP as they are requested unless the additional funds will be used for improvements that would significantly change the scope of the project. Additional environmental review may be required. Supplemental loans will not be provided for changes that are ineligible for funding.

**Planning and Design Loans.** Planning and design loans are provided at 0% interest for up to three years to cover the costs of preparing a preliminary engineering report and project specifications. The loans will be rolled into DWSRF construction loans or repaid by another source of permanent financing. Requests for planning and design loans are listed on the Project Priority List but have not been assigned priority points. Planning & Design Loan applications<sup>15</sup> can be found on the SRF website.

**Source Water Protection Loans.** All outstanding requests for source water protection loans have been satisfied and applications are no longer being taken. Source water loans are not eligible projects under the regular DWSRF loan program but projects that improve water quality, including water that is used as source for drinking water, are eligible for loans under the Clean Water SRF Nonpoint Source Program.

**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). Beginning in FFY 2019 Capitalization, the Safe Drinking Water Act (SDWA) requires an additional percentage of Cap Grant dollars to be allocated for additional subsidization to Disadvantaged Communities (DAC). Iowa will comply with these requirements.

**The Disadvantaged Community (DAC) definition is discussed in Appendix C and BIL Annex A to the DWSRF IUP.**

***Additional Subsidization:***

Iowa applies additional subsidization in the form of loan forgiveness. Appendix C identifies the criteria used to determine projects and borrowers eligible to receive financial assistance through forgivable loans. Criteria for loan forgiveness eligibility is established with each Cap Grant. Individual projects may be capped to allow more eligible borrowers to receive subsidization. Time limits may be established for loan commitments in order to apply loan forgiveness awards from these grants. Construction must begin within 24 months of the loan forgiveness offer or the loan forgiveness offer may be withdrawn or reassigned.

During SFY 2023, Iowa will continue to assign additional subsidization to projects according to available funding and designated criteria. The specific projects that have been allotted loan forgiveness are listed in Appendix C.

<sup>13</sup> <http://www.iowasrf.com/>

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

<sup>15</sup> [http://www.iowasrf.com/program/planning\\_design\\_loans/](http://www.iowasrf.com/program/planning_design_loans/)

	Add Subs Reqd.	Add Subs Actual	%	DAC Reqd.	DAC Actual	%
2018	\$ 3,519,400	\$ 3,519,400	100%	N/A	N/A	N/A
2019	\$ 3,486,400	\$ 2,833,248	81%	\$ 1,045,920	\$ 1,045,920	100%
2020	\$ 2,442,020	\$2,442,020	100%	\$ 1,046,580	\$ 1,046,580	100%
2021	\$ 2,439,780	\$845,619	35%	\$ 1,045,620	\$ 1,661,500	121%
2022	\$1,551,140			\$1,332,120		

## II. INFORMATION ON THE DWSRF ACTIVITIES TO BE SUPPORTED

### Allocation of Funds

Allocation of funds to eligible projects is based on a three-step process:

1. The amount of financial assistance needed for each application is estimated.
2. The sources and spending limits for all DWSRF funds are identified
3. The DWSRF funds are allocated among the projects, consistent with the financial assistance needed.

Information pertinent to each DWSRF project is contained in the attached Project Priority List (Attachment 1).

### Sources and Uses of Available DWSRF Funds

Iowa received \$17,427,000 for the FFY 2021 Cap Grant in November 2021. In September 2022, **the SRF Program was awarded the FFY 2022 Cap Grant in the amount of \$11,101,000.** Appendix A to this IUP illustrates potential sources and uses of funds in the DWSRF for SFY 2023. As shown, all pending loan requests and program administration needs can be funded. Projects will draw on their funding at different intervals based on their construction cycles. These differences are used to estimate cash needs throughout the year. Appendix A will be updated quarterly as needed to provide an ongoing view of the financial plan for meeting loan requests.

Iowa's SRF program issues bonds as needed. These bond issues typically include the state match for the next federal Cap Grants. See Appendix D. On May 5, 2021, IFA issued \$218,290,000 million of SRF bonds; no additional state match funds were necessary at the time and were not included in the 2021 bond issue. On May 3, 2022, IFA issued SRF bonds totaling \$206.18 million (\$198.025 million tax-exempt and \$8.155 million taxable). The 2022 bonds included \$3 million of Clean Water state match and \$5.7 million of Drinking Water state match, which was deposited in the respective state match accounts. After SRF bonds are issued, the state match is spent first so the Cap Grant can be drawn down at 100% when it is received.

The Iowa SRF program was invited to apply for a loan through EPA's State Infrastructure Financing Authority Water Infrastructure Finance and Innovation Act (SWIFIA) program. SWIFIA is a loan program exclusively for State infrastructure financing authority borrowers. SWIFIA may be used for up to 49 percent of an eligible project's costs that are ready to proceed, meaning construction will commence within 18 months after the Letter of Interest is submitted to EPA. A preliminary list of mostly CWSRF projects eligible for SWIFIA funding has been identified, totaling more than \$500 million. The SRF program is in the process of working through the underwriting process; the timeline for closing the loan is yet to be determined.

### DWSRF Loan Policies

**Project Scope.** The scope of the project must be outlined on the Intended Use Plan application and in the preliminary engineering report. Changes to the scope are allowed prior to loan closing. Significant changes in scope may cause delays if additional work is required by the project manager or environmental review specialist. Once a loan is signed, only minor changes to the scope will be allowed and only if they do not require additional technical or environmental review.

**Loan Interest Rates.** Interest rates for DWSRF planning and design loans are 0% for up to three years. The current interest rates for DWSRF construction loans are shown in the table below:



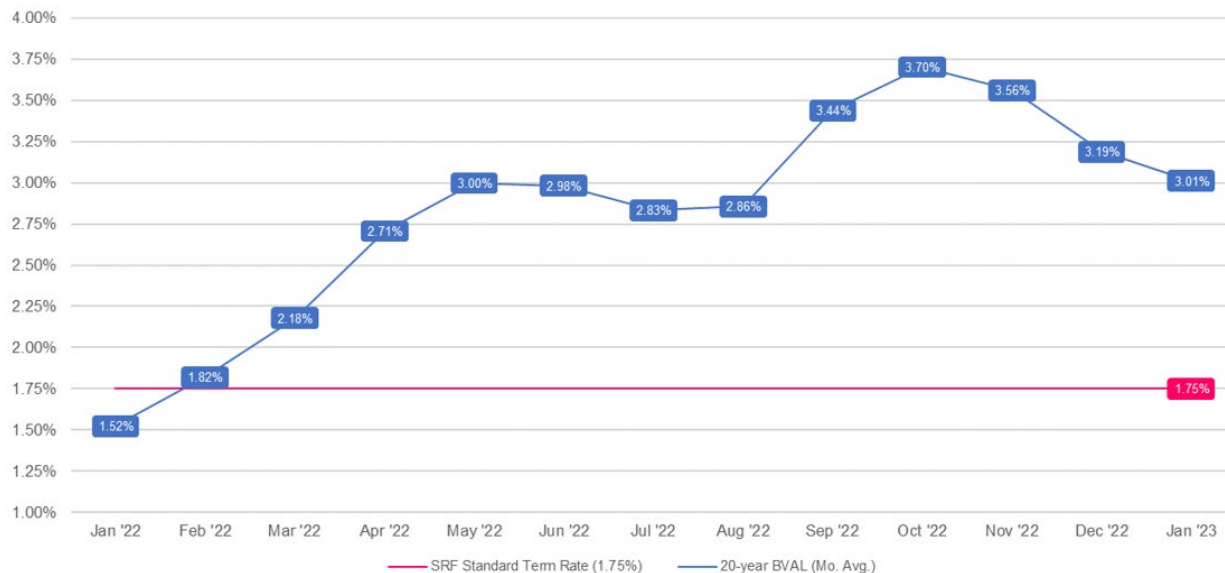
<b>Loan Term</b>	<b>Applicant Type</b>	<b>Interest Rate</b>	<b>Servicing Fee</b>	<b>Total</b>	<b>Additional Information</b>
Standard Tax-Exempt (up to 20 years)	All	1.75 %	0.25%	2.00%	
Extended (21 to 30 years based on useful life)	All	2.75 %	0.25%	3.00%	Please see below, "Extended Financing," for an explanation.
Taxable Loans (up to 20 years)	All	2.75 %	0.25%	3.00%	

<b>Loan Term</b>	<b>Applicant Type</b>	<b>Interest Rate</b>	<b>Servicing Fee</b>	<b>Total</b>
<u>Standard Tax-Exempt (up to 20 years)</u>	<u>All</u>	<u>1.75%</u>	<u>0.25%</u>	<u>2.00%</u>
<u>Extended (21 to 30 years based on useful life)</u>	<u>All</u>	<u>2.75%</u>	<u>0.25%</u>	<u>3.00%</u>
<u>Taxable Loans (up to 20 years)</u>	<u>All</u>	<u>2.75%</u>	<u>0.25%</u>	<u>3.00%</u>
<u>Taxable Loans (up to 20 years)</u>	<u>All loans executed on or after April 1, 2023</u>	<u>3.57%</u>	<u>0.25%</u>	<u>3.82%</u>

The SRF program monitors the market to ensure that our loan interest rates are appropriate relative to the program’s cost of funds.

Interest rates in both the Treasury and municipal markets have been trending higher over the past year, as evidenced by Bloomberg’s BVAL AAA Municipal Curve, which uses real-time trades and sources to track movement in the municipal market<sup>16</sup>. The graph in **Figure 1** below shows the average 20-year BVAL yield for each month since January 2022, compared to the SRF Program’s Standard Term interest rate.

Figure 1: 20-year Bloomberg BVAL AAA Municipal Yields (Monthly Average)



SRF loan interest rates are established by considering factors including, but not limited to:

1. The Program’s interest rate cost of funds;
2. Availability of other SRF funds;

<sup>16</sup> The BVAL® AAA Municipal Curves are updated daily and is publicly available on the Municipal Securities Rulemaking Board’s (MRSB) Electronic Municipal Market Access (EMMA) [website](#).

3. Prevailing market interest rates of comparable non-SRF loans; and
4. The long-term financial viability of the SRF.

Program staff will continue to monitor market conditions to ensure that SRF loan interest rates satisfy these and other provisions. Any changes to SRF loan interest rates will be communicated in the Intended Use Plan.

**Loan Fees.** A 0.5% origination fee is assessed on the full loan amount for new DWSRF construction loans and source water protection loans, with a maximum amount of \$100,000. No origination fees will be assessed on planning and design loans. A 0.25% loan servicing fee will be assessed on construction loans. Payment of the loan servicing fee is made semi-annually along with scheduled interest payments. Loan servicing fees are calculated based on the outstanding principal balance.

**Maximum Financing.** There is no maximum financing amount.

**Project Readiness.** Applicants cannot be offered assistance until they meet program requirements. More information can be found in the Water Supply Construction Permitting Process Manual<sup>17</sup>.

**Funding Limitations.** Pending loans identified in this IUP do not exceed funds obtainable for the DWSRF Program.

**Municipal Advisor Engagement.** Beginning in SFY 2023, borrowers will be asked to identify their Municipal advisor for the project as part of the IUP application.

**Rate Ordinance.** Beginning in SFY 2023, prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal advisor set forth in the 5-year pro-forma cash flow analysis.

**Public Bidding Compliance Certification.** Beginning in SFY 2023, to the extent applicable, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

**Extended Financing.** The Iowa DWSRF can provide extended terms of up to 30 years for any loan as long as the loan term does not exceed the expected design life of the project. The department will use the table of estimated useful lives from EPA's publication 816-R-03-016 to determine the length of the loan for eligible expenses. The consulting engineer for the project will be required to separate and itemize costs so that a weighted maturity may be calculated for loan repayment. The list of itemized costs and expected useful lives will be required prior to signing of the loan agreement.

***For Capitalization Grants through FFY 2021:***

Community public water systems serving populations that contain a majority (51 percent) of Low to Moderate Income (LMI) persons will be considered disadvantaged for the purpose of receiving a lower interest rate on an extended term loan. This criterion does not apply to any other DWSRF assistance such as additional subsidization. Low to moderate income is defined as 80 percent of the median household income in the county or state (whichever is higher) using the most recent federal census or income survey data. Privately owned community public water systems will be considered eligible for disadvantaged community status if an income survey indicates that the service area meets the LMI criteria. Rural water systems will be considered eligible for disadvantaged community status if an income survey indicates that the area benefiting from the improvements meets the LMI criteria. Income surveys must be done according to the protocol specified by the Community Development Block Grant program. The interest rate on extended term loans will be 1.75% for borrowers who have been designated as disadvantaged using these criteria and who have received a notification letter from SRF by Sept. 20, 2022. For non-disadvantaged borrowers, the interest rate will be 2.75%.

***For Capitalization Grants beginning with FFY 2022:***

During SFY 2023, the Iowa DWSRF Program will evaluate the affordability criteria currently used to determine

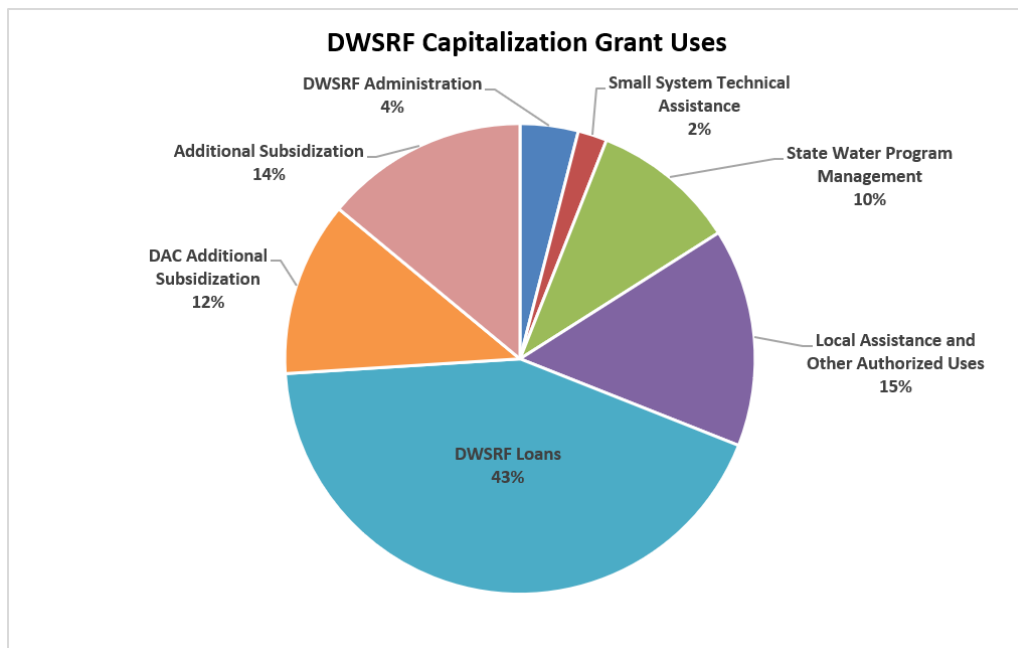
<sup>17</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund>

disadvantaged community status and will revise these criteria through public review and comment. The SRF intends to implement the new affordability criteria to determine disadvantaged community status in future quarterly updates as an annex to the DWSRF Intended Use Plan.

### Intended Use of Set-Asides

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 2022 workplan and will switch to the SFY 2023 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 U.S. EPA.

In recent years, 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.

**DWSRF Program Administration Set-Aside.** Iowa intends to use this set-aside including loan administrative fees to pay the costs of administering the State Revolving Fund loan program including:

- Portfolio management, debt issuance, and financial, management, and legal consulting fees
- Loan underwriting
- Project review and prioritization
- Project management
- Environmental review services
- Technical assistance to borrowers
- Database development and implementation
- Program marketing and coordination

- Drinking Water Infrastructure Needs Survey

Unused commitments are reserved for use in future years as necessary.

**Small System Technical Assistance Set-Aside.** Iowa intends to use this set-aside to provide technical assistance to public water supplies (PWSs) serving populations of less than 10,000.

Funds from this set-aside will be used this year to provide support for the operator certification program. This will include the administration and proctoring of examinations in all six regions of the state, provide training for new Grade A water system operators, and provide continuing education for existing Grade A water system operators. Grade A is the certification grade for the smallest public water supply systems, 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.

Unused commitments are reserved for use in future years for DNR staff and other purposes as necessary.

**State Program Support Set-Aside.** The primary uses of this set-aside are to assist with the administration of the Public Water Supply Supervision program, to review engineering documents for non-DWSRF construction projects, to provide wasteload allocations at public water systems with loans, and to evaluate disinfection contact time determinations, approve corrosion control strategies, and make influenced groundwater determinations.

Other uses include:

- Updating the SDWIS database including support systems and provide compliance determinations and information technology database support
- Adopting rules and revisions to the Iowa Administrative Code
- Field Office water supply staff conducting sanitary survey inspections at water supplies, as required by the Safe Drinking Water Act.

Unused commitments are reserved for use in future years for DNR staff and other purposes as needed.

**Other Authorized Activities Set-Aside.** 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 public water supplies, 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 non-community public water supply systems
- System-specific capacity development assistance by contractor, including promotion of asset management planning

Funds are also budgeted for SWP activities including the following:

- Coordination and administration of the Source Water Protection 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 public water supply systems
- Technical assistance for well siting
- Maintenance of the *Source Water Mapper and Tracker* online database

## Plan for Use of Administrative Accounts

There are three distinct funding sources for DWSRF administrative expenses:

- The DWSRF administrative Cap Grant set-aside. Four percent of the cumulative amount of federal Cap Grants received may be used for program administration as discussed in the set-aside section above.
- Loan initiation fees. A 0.5% loan origination fee is charged on new DWSRF loans which is included in the loan principal. The fees are deposited outside of the fund. The maximum amount charged is \$100,000. Under EPA rules, because Iowa's origination fees are financed through the loans, the proceeds are considered Program Income. Iowa uses the initiation fee receipts for administration of the DWSRF Program. **Beginning in SFY 2023, loan initiation fees will not be assessed on loans to Disadvantaged Community (DAC) receiving loan forgiveness.**
- Loan servicing fees. An annual servicing fee of 0.25% is charged on the outstanding principal of DWSRF loans. The fees are deposited outside of the fund. Iowa uses servicing fees collected during the time 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 1452.

**Program Income.** A portion of these funds will be used in SFY 2023 for program administration, and the remainder will be reserved for future administrative expenses. Income is replenished throughout the fiscal year by funds received from loan initiation fees as described above.

**Non-program Income.** A portion of these funds may be used in SFY 2023 to fund some of the activities completed under the State Program Management set-aside. A portion of these funds may be used in SFY 2023 toward Drinking Water Laboratory Certification and Capacity initiatives. Income is replenished throughout the fiscal year by funds received from loan servicing fees as described above.

## SEE Salary Funds Deducted from Capitalization Grant

The DWSRF Program will not request U.S. EPA to deduct funds from FFY 2022 DWSRF Cap Grant for the SEE Program this fiscal year. These positions are filled by EPA Region 7 and assigned to the DNR's Water Supply engineering section to provide administrative assistance to the DWSRF projects and program. The SEE enrollees could help provide staffing at Iowa DNR to maintain the DWSRF program and keep up with the increasing DWSRF project 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."

## Surface Water Curriculum Development Funds Deducted from the Capitalization Grant

The Iowa DNR will continue the project of developing advanced training for operators who currently operate surface water treatment plants. The Environmental Protection Agency is offering contracting services to help facilitate advanced surface water training with Process Applications Inc. The training will consist of six modules conducted over a three year period. Each session will last one or two days and will include a mix of presentations and small group workshops.

Module topics include:

1. Regulations and implementation
2. Surface water optimization
3. Coagulation, flocculation, and sedimentation
4. Filtration and residuals handling
5. Disinfection
6. Advanced topics such as jar test calibration, manganese control, cyanotoxin control, enhanced TOC removal, and source water considerations.

## Plan for Efficient and Timely Use of DWSRF Funds

In recent years, the processes of the DWSRF have been streamlined and the marketing and education enhanced. These improvements have resulted in more efficient and timely use of the DWSRF and full utilization of available funds. In particular, Iowa applies for and draws federal Cap Grants as expeditiously as possible. When Cap Grants are awarded,

those funds are drawn down first based on guidance from the U.S. EPA. Loan disbursements are made weekly. Iowa's DWSRF disbursements averaged approximately \$4.6 million per month in 2020. In SFY2021, the program disbursed an average of approximately \$6.2 million per month. Average disbursements for SFY 2022 will be provided in future IUP updates.

Rather than doing one annual funding solicitation, with a discrete set of projects identified for funding that year, the Iowa DWSRF does quarterly updates to its Intended Use Plan. This creates a continuous pipeline of projects at different stages of readiness. Communities determine when they need their funding; the program does not set deadlines on loan execution as long as projects are making progress toward a loan.

With a return of \$3.10 for every dollar of federal investment (compared to the national average of \$2.07), Iowa's DWSRF is an efficient and effective delivery mechanism for water infrastructure funding.

DWSRF set-asides are typically fully utilized within a two-year planning and budgeting period. Iowa will draw grant funds based on designated uses on a first in, first out basis in order to close out Cap Grants. Due to increased water program budget needs and reduced funding from other sources, Iowa is spending reserved set-aside capacity at a faster rate than in the early years of the DWSRF program.

### III. ASSURANCES AND SPECIFIC PROPOSALS

Iowa will provide the necessary assurances and certifications between the State of Iowa and the U.S. EPA.

### IV. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The following approach was used to develop Iowa's proposed distribution of DWSRF funds: (1) analysis of the priority of communities applying and financial assistance needed; (2) identification of the sources and spending limits of available funds; (3) allocation of funds among projects; (4) development of a payment schedule which will provide for making timely binding commitments to the projects selected for DWSRF assistance; and (5) development of a disbursement schedule to pay the project costs as incurred.

#### Priority of Communities and Financial Assistance Needed

Iowa law provides only for loan assistance. Additional subsidization required by the Cap Grants will be through forgivable loans. The state's DWSRF rules identify the priority rating system used to establish priorities for financial assistance.

Projects can receive financial assistance for all eligible planning and project costs provided the project is on the Project Priority List of an approved IUP.

#### Allocation of Funds among Projects

All projects listed in the Project Priority List are eligible for assistance and may be funded from the DWSRF subject to available funds.

All projects scheduled for funding with Iowa's DWSRF will be reviewed for consistency with the Safe Drinking Water Act, as amended. Should a project fail to meet this review criterion, it may remain on the list until the criteria is met or it may be removed from the list. Projects may be added to the Project Priority List in priority order as applications are received.

### V. METHOD OF AMENDMENT OF THE INTENDED USE PLAN

The State will follow this IUP in administering DWSRF funds in SFY 2023. Federal and state law requires, and Iowa welcomes, opportunity for public participation in the development of the IUP. Any revisions of the goals, policies and method of distribution of funds must be addressed by a revision of the IUP, including public participation. Minor adjustments in funding schedules and loan amounts are allowed without public notification by the procedures of this IUP and state rules for administration of the DWSRF. Adjustments to the Project Priority List to utilize actual funds available to the DWSRF for SFY 2023 will be considered minor and only affected applicants will be notified. Public notice of amendments will be made if municipalities are added to or removed from the Project Priority List.

## VI. PUBLIC REVIEW AND COMMENT

A public meeting to allow input to Iowa's SFY 2023 IUP and Project Priority List was held May 12, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until May 19, 2022.

A public meeting to allow input to Iowa's SFY 2023 IUP second quarter update and Project Priority List was held August 11, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until August 18, 2022.

A public meeting to allow input to Iowa's SFY 2023 IUP third quarter update and Project Priority List was held November 17, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until December 10, 2022.

A public meeting to allow input to Iowa's SFY 2023 IUP fourth quarter update and Project Priority List was held February 9, 2023, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until February 24, 2023.

The following comment was received from the Iowa Finance Authority and content from this comment was incorporated into this IUP update:

"Pursuant to IAC 265-26.5, Iowa Finance Authority respectfully recommends that the Base and Supplemental FY 2023 Q4 IUP incorporate the following change to the interest rate for taxable SRF loans:

<u>Loan Terms</u>	<u>Applicant Type</u>	<u>Interest Rate</u>	<u>Servicing Fee</u>	<u>Total</u>
<u>Taxable Loans (up to 20 years)</u>	<u>All</u>	<u>3.57%</u>	<u>0.25%</u>	<u>3.82%</u>

This proposed interest rate would apply to all taxable loans executed on or after April 1, 2023 and represents a 25% discount of the current 20-year BVAL AAA Taxable Revenue Municipal index yield of 4.76%."

## VII. PROJECT PRIORITY LIST

Attachment 1, the DWSRF Project Priority List, is included in a separate, sortable Microsoft Excel file.

## APPENDIX A - DWSRF ESTIMATED FUNDING SOURCES AND FUNDING USES

<b>Beginning Cash Balance: Funds Available in Equity Fund and Program Accounts</b>	<b>\$179,030,000*</b>
Additional Sources of Funds	
<b>Federal Capitalization Grants:</b>	
FFY 2022 - Base Program	\$5,950,000
FFY 2022 - General Supplemental	\$28,404,000
Loan Repayments	\$51,379,000
Investment Earnings on Equity Fund and Program Accounts	\$29,000
	<b>\$85,762,000</b>
<b>Total Funding Sources</b>	<b>\$264,792,000</b>
<b>Uses of Funding</b>	
<b>Loan Disbursements</b>	
Undisbursed Amounts Committed to Existing Loans (50% disbursement rate)	\$30,749,000**
DWSRF Project Requests (Current IUP Project List)	\$28,362,000
Planning & Design Requests (50% disbursement rate)	\$3,889,000**
<b>Debt Service</b>	
Principal Payments on Outstanding Revenue Bonds	\$17,670,000
Interest Payments on Outstanding Revenue Bonds	\$10,989,000
<b>Total Uses of Funding</b>	<b>\$91,659,000</b>
<b>Ending Cash Balance</b>	<b>\$173,133,000</b>
IUP Approved Projects to be Funded in Subsequent Years	\$247,773,000
<b>Ending Balance Including Projects Yet to be Funded</b>	<b>(\$74,640,000)***</b>

\*Funds Available for disbursements as of 8/3/2022

\*\*Loan disbursement rates are estimated based on previous experience with project pace.

\*\*\*Future Sources: Federal Capitalization Grants (Base & Supplemental), State Match, Bond Proceeds and/or SWIFIA Loan Draws

All amounts are rounded to the nearest \$1,000

<b>Funding Sources for Set Asides (Includes FFY21 &amp; previous Cap Grants)</b>	
Administration	\$180,000
Small Systems Technical Assistance	\$0
State Program	\$974,000
Other Authorized Activities	\$486,000
<b>Total Funding Sources for Loans</b>	<b>\$1,640,000</b>
<b>Funding Uses for Set Asides</b>	
Administration	\$180,000
Small Systems Technical Assistance	\$0
State Program	\$974,000
Other Authorized Activities	\$486,000
<b>Total Uses for Set Asides</b>	<b>\$1,640,000</b>



## APPENDIX B

### PROCEDURES TO DETERMINE PROJECT PRIORITY LIST

Project rankings were determined by the following procedures:

- Eligibility of applications were determined by needs criteria identified in IAC 567—44.7(8). In general, most water source, treatment and distribution system improvements are considered eligible.
- Project applications received during the SFY 2023 application period were considered for funding in SFY 2023; if not funded by the end of SFY 2023, these projects will be moved to the SFY 2024 Project Priority List.
- The priority ranking is a total score developed using the scoring criteria listed in IAC 567—44.7(8). Points may be gained in each of five categories: Water Quality and Human Health Risk-Related Criteria (60 point maximum), Infrastructure and Engineering-Related Improvement Criteria (35 point maximum), Affordability Criteria (10 point maximum), Special Category Improvements (15 point maximum), and Iowa DNR Adjustment Factor for Population (10 points). The combined score provides a numerical measure to rank each project within its pool. A project with a larger number receives higher priority.
- The final Project Priority List for a fiscal year's project pool is compiled in the following manner: Subsequent segments of projects funded by DWSRF loan programs of previous years will retain their original score and be added to the list of the current year's applications.
- Loan-eligible projects submitted will be placed on the IUP each calendar quarter. If the project is anticipated to proceed during SFY 2023, the project will be added to the Project Priority List and the list will be made available for public comment at the end of each calendar quarter in which one or more projects are added to the list.
- Projects on the Project Priority List will be moved to contingency status if the total amount of needs exceeds the year's DWSRF staff resources capability and loan funding. Projects will be funded from the top down in the ranking order of the Project Priority List with consideration given to readiness to proceed. Projects are ranked similarly in the contingency project list. Projects on contingency status can be moved to the funding list when funds are available or when the project is ready to proceed. Funds can be made available due to a number of reasons including project bypasses, loan application withdrawal of other projects, reduction in loan amount requests, or an increase in available funds.

## APPENDIX C

### BORROWERS RECEIVING ADDITIONAL SUBSIDIZATION OR COUNTED FOR GREEN PROJECT RESERVE

Iowa applies additional subsidization in the form of loan forgiveness. Criteria for loan forgiveness eligibility is established with each Cap Grant (see below). Individual projects may be capped to allow more eligible borrowers to receive subsidization. The cap may be removed at any time if additional funding is available. Time limits may be established for loan commitments in order to apply loan forgiveness awards from these grants. Construction must begin within 24 months of the loan forgiveness offer or the loan forgiveness offer may be withdrawn or reassigned.

For FFY 2018-2019 Cap Grants, a minimum of 20% of the state's allocation of grants funds are required to be allocated as additional subsidization. Eligibility criteria for each of these grants is described below.

For FFY 2020-2021 Cap Grants, a minimum of 14% of the state's allocation of grants funds are required to be allocated as additional subsidization and an additional 6% is required to assist Disadvantaged Communities (DAC), according to the state's definition (see below). Eligibility criteria for each of these grants is described below.

During SFY 2023, Iowa will apply for the FFY 2022 Cap Grant. A minimum of 14% of the state's allocation of grants funds are required to be allocated as additional subsidization. An additional 12% of the state's allocation of grant funds are required to be allocated as additional subsidization to Disadvantaged Communities (DAC), according to the state's definition (see below). The DWSRF Program will comply with additional subsidization requirements of that grant and will identify recipients of those funds during this fiscal year. Eligibility criteria is described below.

#### **Loan Forgiveness Criteria for FFY 2018 Capitalization Grant:**

Loan forgiveness in the DWSRF program has been provided for four categories of projects through FY 2018 Cap Grant:

- Public Health (PH)
- Green Projects (G)
- Disadvantaged Communities (D)
- Emergency Power Generation (EP)

**Loan Forgiveness Criteria for FFY 2019-FFY 2021 Capitalization Grant:**

Loan forgiveness will be offered only to the Public Health (PH) category. All projects receiving loan forgiveness from FFY 2019-2021 Cap Grants were capped at \$1 million dollars. If selected, eligible projects addressing non-compliance with drinking water regulations will receive up to 50% loan forgiveness of eligible costs. An additional 25% may be offered to those projects that choose the option of hooking onto another viable public water supply system to address their non-compliance issue:

- Public Health (PH)
- Public Health + Connection (PH/C)

During SFY 2023, the DWSRF Program may elect to remove the cap from one or both of these Public Health categories and assign additional subsidization to previously awarded projects if reallocated funds and/or unassigned loan forgiveness is available. In the SFY 2023 Q2 update, the cap was removed from Public Health + Connection category. The reallocated and remaining funds were disbursed to previously awarded but capped projects of that category.

Specific projects that have been allocated additional subsidization and/or designated as green project reserve for FFY 2018-FFY2021 are listed below. During SFY 2023, the DWSRF Program will continue to identify eligible projects and list them in this Appendix C with quarterly updates to the IUP.

Type	Project	Loan Amount**	Amount Green Project Reserve	Amount Additional Subsidization*	DAC Additional Subsidization*	Grant Year Reported
PH	Bellevue	\$2,200,000		\$1,380,596		2018
PH	Gallery Acres	\$1,334,000		\$1,000,500		2018
EP	Lyon-Sioux RWS Rock Rapids	\$113,000		\$81,699		2018
G	Cushing	\$61,100	\$18,330	\$18,330		2018
EP	Cushing	\$36,555		\$27,416		2018
PH/C	Manson	\$7,068,000		\$10,859		2018 Reallocated
G	Rathbun RWA	\$2,902,945	\$2,902,945	\$1,000,000		2018
PH/C	Dedham	\$402,000		\$309,094		2019
PH	Albion	\$693,000		\$347,500		2019
PH/C	MacBride Point	\$178,000		\$133,500		2019
PH/C	Bagley	\$804,000		\$512,791		2019
PH/C	Manson	\$7,068,000		\$1,642,293		2019
PH/C	Manson	\$7,068,000		\$90,209		2019 Reallocated
PH/C	Woodland Ridge	\$638,000		\$451,013		2019
DAC	Early	\$3,921,000			\$1,000,000	2019
DAC	Armstrong	\$1,100,000			\$45,920	2019
DAC	Armstrong	\$1,100,000			\$504,080	2020
DAC	Thor	\$408,000			\$204,000	2020
DAC	Lanesboro	\$3,557,000			\$338,500	2020

Type	Project	Loan Amount**	Amount Green Project Reserve	Amount Additional Subsidization*	DAC Additional Subsidization*	Grant Year Reported
PH/C	Manson	\$7,068,000		\$2,442,020		2020
DAC	Lanesboro	\$3,557,000			\$661,500	2021
DAC	Jamaica	\$2,769,400			\$1,000,000	2021
PH/C	Manson	\$7,068,000		\$845,619		2021

\*Cap of \$1 million (through grant year 2021)

\*\*Until a loan is signed, this amount may reflect the IUP award amount

### **Loan Forgiveness Criteria for FFY 2022 Capitalization Grant:**

Loan forgiveness (LF) of up to 90% may be offered to eligible projects that meet the state's disadvantaged community affordability criteria (socioeconomic assessment score) AND are applying for a priority project. Funding for individual projects is capped at \$2 million per project but the SRF Program reserves the right to withdraw the individual project cap.

The total amount of loan forgiveness available for a project will be determined by adding together the loan forgiveness percentages for the priority project, the socioeconomic assessment score, and the household burden indicator. **Projects will be funded from the top socioeconomic score down and in priority project ranking order with consideration given to readiness to proceed.**



Eligibility for loan forgiveness will first be assessed based on the type of project seeking funding. If the project is one of the priority project (PP) types listed below, then the second evaluation will be for disadvantaged status based on the socioeconomic assessment score (SES) criteria, described below.

The third element of the loan forgiveness equation is an assessment of a community or service area's household's ability to afford the proposed project. The Household Burden (HB) Indicator may be computed with assistance from the Municipal Advisor after the construction bid has been awarded and other funding sources have been deducted.

### **A detailed description of the loan forgiveness equation is outlined in BIL Annex A to the DWSRF IUP.**

Loan forgiveness for FFY 2022 Cap Grant will be offered to the following eligible Priority Project Types:

- Non-Compliance Issues (e.g. SDWA compliance issues and Maximum Contaminant Levels (MCL) Violations)
- Consolidation/Regionalization
  - This priority is intended for communities who are consolidating with another system to obtain healthy drinking water or due to Technical/Managerial/Financial (TMF) issues. Systems are eligible even if there is no violation. Loan forgiveness is not being offered to systems that are buying viable systems just to franchise
- Resiliency Projects (flood/drought, redundancy and cyber security)
- New Public Water System (PWS) for communities served by private wells

The DWSRF Program intends to review each IUP application received for loan forgiveness eligibility. As loans close, additional loan forgiveness awards will be made.

FFY CAP 2022 and FFY 2022 BIL General Supplemental Awards														
Project Name	DWSRF No.	Priority Points	LF Priority Project Type	DAC SES Score	Date Loan Signed	Loan Amount	SES %	PP %	HB% (up to 30%)	Minimum LF %	Maximum LF %	Minimum LF Award*	Maximum LF Award*	Grant Year
Fort Atkinson	FS-96-21-DWSRF-023	55	Compliance	11	9/30/22	\$ 424,000.00	15%	30%	TBD	45%	75%	\$ 190,800.00	\$ 318,000.00	2022

\*Final loan forgiveness amount may change based on eligible expenses and the final amount drawn on the loan.

**Disadvantaged Communities Definition.**

The Safe Drinking Water Act defines a “disadvantaged community” as the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located. See 42 U.S.C. 300j-12 (d)(3).

***For Capitalization Grants through FFY 2021:***

Disadvantaged communities are areas where 51 percent of the residents are low-and moderate-income persons. These communities are identified by survey data published by Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG). Low to moderate income is defined as 80 percent of the median household income in the county or state (whichever is higher) using the most recent federal census or income survey data. Privately owned community public water systems will be considered eligible for disadvantaged community status if an income survey indicates that the service area meets the LMI criteria. Rural water systems will be considered eligible for disadvantaged community status if an income survey indicates that the area benefiting from the improvements meets the LMI criteria. Income surveys must be done according to the protocol specified by the Community Development Block Grant program.

***For FFY 2022 Capitalization Grants:***

During SFY 2023, the Iowa SRF Program adopted new criteria, a socioeconomic assessment score, to determine disadvantaged community status for SRF loan forgiveness purposes. The criteria were revised with public review and comment and became effective on September 20, 2022 with the approval of the second quarter IUP update. The socioeconomic assessment tool considers 15 datapoints from publicly available sources to determine a community or service area’s underlying socioeconomic and demographic condition that can determine the affordability of water/wastewater infrastructure projects. Applicants with a socioeconomic score between 11-30 points will be eligible for consideration of SRF loan forgiveness. ***A detailed description of the socioeconomic assessment criteria and tool is outlined in BIL Annex A to the DWSRF IUP.*** *The socioeconomic assessment tool can be located on [www.iowaSRF.com](http://www.iowaSRF.com) resource page.*<sup>18</sup>

The IA SRF Program will implement the new affordability criteria for both the base DWSRF Program and the BIL DWSRF General Supplemental Fund as outlined in BIL Annex A to the DWSRF IUP.

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<sup>18</sup> [https://www.iowasrf.com/about\\_srf/srf-resources/](https://www.iowasrf.com/about_srf/srf-resources/)

## APPENDIX D STATE MATCH

FY20	Cap Grant Amount	State Match Needed	Excess State Match
Remaining CW State Match from Feb 2019 Bond Issue		\$4,499,000	
Excess State Match from prior years		\$0	
<b>Total CW State Match Available</b>		<b>\$4,499,000</b>	
<b>FY20 CW Cap Grant</b>	<b>\$21,508,000</b>	<b>\$4,301,600</b>	<b>\$197,400</b>
Remaining DW State Match from Feb 2019 Bond Issue		\$3,681,500	
Excess State Match from prior years		\$0	
<b>Total DW State Match Available</b>		<b>\$3,681,500</b>	
<b>FY20 DW Cap Grant</b>	<b>\$17,443,000</b>	<b>\$3,488,600</b>	<b>\$192,900</b>
<hr/>			
FY21	Cap Grant Amount	State Match Needed	Excess State Match
CW State Match from Feb 2020 Bond Issue		\$10,000,000	
Excess State Match from prior years		\$197,400	
<b>Total CW State Match Available</b>		<b>\$10,197,400</b>	
<b>FY21 CW Cap Grant</b>	<b>\$21,505,000</b>	<b>\$4,301,000</b>	<b>\$5,896,400</b>
DW State Match from Feb 2020 Bond Issue		\$8,000,000	
Excess State Match from prior years		\$192,900	
<b>Total DW State Match Available</b>		<b>\$8,192,900</b>	
<b>FY21 DW Cap Grant</b>	<b>\$17,427,000</b>	<b>\$3,485,400</b>	<b>\$4,707,500</b>
<hr/>			
FY22	Cap Grant Amount	State Match Needed	Excess State Match
CW State Match from 2022 Bond Issue (May 2022)		\$3,000,000	
Excess State Match from prior years		\$5,896,400	
<b>Total CW State Match Available</b>		<b>\$8,896,400</b>	
<b>FY22 CW Cap Grant (20% match)</b>	<b>\$15,660,000</b>	<b>\$3,132,000</b>	
<b>FY22 CW Supplemental (10% match)</b>	<b>\$24,088,000</b>	<b>\$2,408,800</b>	
		<b>\$5,540,800</b>	<b>\$3,355,600</b>
DW State Match from 2022 Bond Issue (May 2022)		\$5,700,000	
Excess State Match from prior years		\$4,707,500	
<b>Total DW State Match Available</b>		<b>\$10,407,500</b>	
<b>FY22 DW Cap Grant (20% match)</b>	<b>\$11,101,000</b>	<b>\$2,220,200</b>	
<b>FY22 DW Supplemental (10% match)</b>	<b>\$28,504,000</b>	<b>\$2,850,400</b>	
		<b>\$5,070,600</b>	<b>\$5,336,900</b>

Project Name	DWSRF No.	Project Description	IUP Yr	Quarter	Project Categories	Priority Points	Population	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Meservey	PD-DW-23-60	Upgrades to Water System	2023	4	P&D	P&D	222	P	\$ 66,500.00	\$ 66,500.00				NA
Marshalltown	PD-DW-23-53	Drinking Water Improvemnts	2023	4	P&D	P&D	27591	P	\$ 4,288,639.00	\$ 4,288,639.00				NA
Grinnell	PD-DW-23-59	New Drinking Water Infrastructure	2023	4	P&D	P&D	9513	P	\$ 2,246,000.00	\$ 2,246,000.00				NA
Fort Dodge	PD-DW-23-55	Raw Water Supply Planning Study	2023	4	P&D	P&D	25206	P	\$ 450,000.00	\$ 450,000.00				NA
Randall	PD-DW-23-54	Facility Plan for Recommended Improvements	2023	4	P&D	P&D	154	P	\$ 168,500.00	\$ 168,500.00				NA
Schaller	PD-DW-23-52	Water System Improvements	2023	4	P&D	P&D	729	P	\$ 614,000.00	\$ 614,000.00				NA
Ellsworth	PD-DW-23-51	New Elevated Storage Tank	2023	4	P&D	P&D	518	P	\$ 300,000.00	\$ 300,000.00				NA
Lake City	PD-DW-23-50	Two New Wells	2023	4	P&D	P&D	1992	P	\$ 255,000.00	\$ 255,000.00				NA
Palmer	PD-DW-23-49	Upgrades to Water Treatment Plant	2023	4	P&D	P&D	138	P	\$ 186,000.00	\$ 186,000.00				NA
Polk City	PD-DW-23-44	New Elevated Storage Tank	2023	4	P&D	P&D	5899	P	\$ 407,000.00	\$ 407,000.00				NA
Irwin	PD-DW-23-43	Water Mains and Water Tower Replacement	2023	4	P&D	P&D	319	P	\$ 271,400.00	\$ 271,400.00				NA
Fort Dodge	PD-DW-23-42	Water Distribution Infrastructure Repair	2023	4	P&D	P&D	25206	P	\$ 1,190,000.00	\$ 1,190,000.00				NA
Des Moines Water Works	PD-DW-23-41	Two Transmission Main Improvement Projects	2023	4	P&D	P&D	600000	P	\$ 1,098,700.00	\$ 1,098,700.00				NA
Lime Springs	PD-DW-23-47	Water Main Installation	2023	4	P&D	P&D	473	P	\$ 504,000.00	\$ 504,000.00				NA
Burlington	FS-29-23-DWSRF-085	Water Supply and Treatment Improvements	2023	4	A, B, C	60	23713	P	\$ 3,499,000.00	\$ 3,499,000.00				BIL PFAS/EC TBD
Storm Lake	FS-11-23-DWSRF-070	City of Storm Lake Well No. 22	2023	4	B, C	45	12478	P	\$ 2,361,000.00	\$ 2,361,000.00				TBD
Schaller	FS-81-23-DWSRF-082	Water System Improvements	2023	4	B, E	45	729	P	\$ 4,841,000.00	\$ 4,841,000.00				TBD
Polk City	FS-77-23-DWSRF-077	1.5 MG Elevated Storage Tank	2023	4	B, E	45	5899	P	\$ 7,582,000.00	\$ 7,582,000.00				TBD
Lake City	FS-13-23-DWSRF-068	Well No. 6 and Well No. 7	2023	4	B, E	45	1992	P	\$ 1,750,000.00	\$ 1,750,000.00				TBD
Burlington	FS-29-23-DWSRF-084	New Jordan Wells Project	2023	4	A, C	45	23713	P	\$ 16,356,000.00	\$ 16,356,000.00				BIL PFAS/EC TBD
Madrid	FS-08-23-DWSRF-076	Water Transmission Main Phase 2	2023	4	B, C, E	40	2802	P	\$ 1,417,000.00	\$ 1,417,000.00				TBD
Lime Springs	FS-45-23-DWSRF-083	2024 Street and Utility Improvements Project	2023	4	B, C, E	40	473	P	\$ 5,507,000.00	\$ 5,507,000.00				TBD
Granger	FS-25-23-DWSRF-072	New Water Tower	2023	4	B, E	40	1700	P	\$ 4,187,000.00	\$ 4,187,000.00				TBD
Ainsworth	FS-92-23-DWSRF-069	Water Main Replacement	2023	4	B, C, E	40	511	P	\$ 490,000.00	\$ 490,000.00				TBD
Palmer	FS-76-23-DWSRF-074	Water System Improvement	2023	4	B, C, E	35	138	P	\$ 417,000.00	\$ 417,000.00				TBD
Marshalltown	FS-64-23-DWSRF-079	New 6 MGD RO Membrane Process Train	2023	4	B	35	27591	P	\$ 36,254,000.00	\$ 36,254,000.00				TBD
Cedar Rapids	FS-57-23-DWSRF-078	Drinking Water PFAS Source and Treatability Study	2023	4	A	35	150000	P	\$ 2,513,000.00	\$ 2,513,000.00				BIL PFAS/EC TBD
Mahaska Rural Water	FS-62-23-DWSRF-073	Transmission Main Improvements - Eddyville Connection	2023	4	B, E	30	10100	P	\$ 2,376,000.00	\$ 2,376,000.00				TBD
Durant	FS-16-23-DWSRF-081	2nd Street Water Main	2023	4	B, E	30	90	P	\$ 920,000.00	\$ 920,000.00				TBD
Burlington	FS-29-23-DWSRF-086	Lead Service Line Replacement	2023	4	B, C	30	23713	P	\$ 788,000.00	\$ 788,000.00				BIL LSL Eligible
Emmetsburg	FS-74-23-DWSRF-071	Water Treatment Improvements	2023	4	B, E	25	3706	P	\$ 10,215,000.00	\$ 10,215,000.00				TBD
Sioux City	FS-97-23-DWSRF-067	New Booster Station and Water Tower	2023	4	B	20	101588	P	\$ 11,724,000.00	\$ 11,724,000.00				TBD
Des Moines Water Works	FS-77-23-DWSRF-075	Saylorville Water Treatment Plant (SWTP) Capacity Expansion - Transmission Improvements	2023	4	B	20	600000	P	\$ 24,267,000.00	\$ 24,267,000.00				TBD
Dubuque	FS-31-23-DWSRF-080	Supervisory Control and Data Acquisition (SCADA) Upgrade	2023	4	B	15	58983	P	\$ 2,170,000.00	\$ 2,170,000.00				TBD
Spillville	PD-DW-23-40	P&D For Water Main Improvements	2023	3	P&D	P&D	385	L	\$ 206,000.00	\$ 206,000.00	12/9/22	\$ 206,000.00	\$ -	NA
Johnston	PD-DW-23-36	P&D For Water Main Improvements	2023	3	P&D	P&D	24064	L	\$ 450,000.00	\$ 450,000.00	12/23/22	\$ 450,000.00	\$ -	NA
Manson	PD-DW-23-37	P&D For New Water Main Transmission	2023	3	P&D	P&D	1709	L	\$ 542,000.00	\$ 542,100.00	12/30/22	\$ 542,100.00	\$ -	NA
Granger	PD-DW-23-30	P&D For New Water Tower and Water Main	2023	3	P&D	P&D	2000	L	\$ 95,000.00	\$ 95,000.00	12/30/22	\$ 95,000.00	\$ -	NA
Waucoma	PD-DW-23-33	P&D For New Well	2023	3	P&D	P&D	229	L	\$ 115,000.00	\$ 115,000.00	12/23/22	\$ 115,000.00	\$ -	NA
Peosta	PD-DW-23-32	P&D For Water System Improvements	2023	3	P&D	P&D	2500	P	\$ 600,000.00	\$ 600,000.00				NA

Project Name	DWSRF No.	Project Description	IUP Yr	Quarter	Project Categories	Priority Points	Population	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Ainsworth	PD-DW-23-31	P&D For Water Distribution System Improvements	2023	3	P&D	P&D	511	L	\$ 79,000.00	\$ 79,000.00	12/30/22	\$ 79,000.00	\$ -	NA
Hinton	FS-75-23-DWSRF-034	Water Treatment Plant Improvements and Expansion	2023	3	B,D,E	60	947	P	\$ 7,286,000.00	\$ 7,286,000.00				Not Eligible
Waucoma	FS-33-23-DWSRF-035	Well Construction	2023	3	B, C, E	55	257	P	\$ 1,438,000.00	\$ 1,438,000.00				Eligible 2022
Storm Lake	FS-11-23-DWSRF-030	Elevated Water Tank	2023	3	B, C	45	12478	P	\$ 3,868,000.00	\$ 7,937,000.00				Not Eligible
Hampton	FS-35-23-DWSRF-033	Water System Improvements	2023	3	B, E	45	4350	P	\$ 1,500,000.00	\$ 1,500,000.00				Not Eligible
Central City	FS-57-23-DWSRF-025	New Elevated Storage Tank	2023	3	B, E	45	1264	P	\$ 4,179,000.00	\$ 4,179,000.00				Not Eligible
Rudd	FS-34-23-DWSRF-031	Water System Improvements Phase II - Water Tower Rehab	2023	3	B, C, E	40	369	P	\$ 419,000.00	\$ 419,000.00				Not Eligible
Thompson	FS-95-23-DWSRF-020	Water Main Replacement	2023	3	B, C, E	40	502	P	\$ 451,000.00	\$ 451,000.00				Not Eligible
Terril	FS-30-23-DWSRF-066	Water Treatment Equipment Replacement	2023	3	B, C, E	35	334	P	\$ 508,000.00	\$ 1,206,000.00				Not Eligible
Iowa American Water - Quad Cities	FS-82-23-DWSRF-026	Elevated Storage Tank and Booster Station	2023	3	B	35	52807	P	\$ 8,362,000.00	\$ 8,362,000.00				Not Eligible
Ely	FS-57-23-DWSRF-019	Water main Replacement	2023	3	B, E	30	2328	P	\$ 2,663,000.00	\$ 1,728,000.00				Not Eligible
Springville	FS-57-23-DWSRF-027	New Elevated Storage Tank	2023	3	B, E	30	1154	P	\$ 3,426,000.00	\$ 3,426,000.00				Not Eligible
Osceola County Rural Water System	FS-72-23-DWSRF-065	West Okoboji Harbor Connection to OCRWS Drinking Water Supply System	2023	3	B, E	30	768	P	\$ 678,000.00	\$ 678,000.00				Not Eligible
Hiawatha	FS-57-23-DWSRF-023	Replacement of mains on Robins Rd	2023	3	B, E	30	7935	P	\$ 1,163,000.00	\$ 1,665,000.00				Not Eligible
Clarence	FS-16-23-DWSRF-022	7th Ave Water Main	2023	3	B, E	30	1039	P	\$ 1,054,000.00	\$ 1,054,000.00				Not Eligible
Corwith	FS-41-23-DWSRF-021	Water Main Replacement	2023	3	B, E	30	266	P	\$ 340,000.00	\$ 340,000.00				Not Eligible
Osceola County Rural Water System	FS-72-23-DWSRF-032	North Phase WTP Expansion	2023	3	B, E	25	5415	P	\$ 2,256,000.00	\$ 2,256,000.00				Not Eligible
Johnston	FS-77-23-DWSRF-029	New Water Main Project (2 Mains- NW 78th Ave and NW Beaver Drive)	2023	3	B	20	24195	P	\$ 21,536,000.00	\$ 21,536,000.00				Not Eligible
Grimes	FS-77-23-DWSRF-024	Distribution and Storage Improvements	2023	3	B	20	15392	P	\$ 11,616,000.00	\$ 11,616,000.00				Not Eligible
Ankeny	FS-77-23-DWSRF-028	NW Irinedale Elevated Storage Tank	2023	3	B	20	70287	P	\$ 11,840,000.00	\$ 11,840,000.00				Not Eligible
New Market	PD-DW-23-28	P&D for Construction of Water Distribution System	2023	2	P&D	P&D	385	L	\$ 275,400.00	\$ 275,400.00	10/14/22	\$ 275,400.00	\$ -	NA
Milford Municipal Utilities	PD-DW-23-22	P&D for Construction of New Drinking Water Treatment Facility	2023	2	P&D	P&D	3629	L	\$ 2,000,000.00	\$ 2,000,000.00	11/4/22	\$ 2,000,000.00	\$ -	NA
Ely	PD-DW-23-19	P&D for Water Main System Rehabilitation	2023	2	P&D	P&D	2328	P	\$ 184,420.00	\$ 184,420.00				NA
Ely	PD-DW-23-18	P&D for Construction of New Drinking Water Treatment Facility	2023	2	P&D	P&D	2328	P	\$ 582,420.00	\$ 582,420.00				NA
Des Moines Water Works	PD-DW-23-20	ASR at Pumping Station Site	2023	2	P&D	P&D	600000	L	\$ 1,110,000.00	\$ 1,110,000.00	10/14/22	\$ 1,110,000.00	\$ -	NA
Corydon	PD-DW-23-24	P&D for Elevated Storage Tank Replacement	2023	2	P&D	P&D	1591	L	\$ 25,000.00	\$ 25,000.00	9/30/22	\$ 25,000.00	\$ -	NA
Carter Lake	PD-DW-23-23	P&D for Water Line & Pipe Replacement	2023	2	P&D	P&D	3791	P	\$ 725,000.00	\$ 725,000.00				NA
Birmingham	PD-DW-23-17	P&D for Water Storage & Distribution Improvements	2023	2	P&D	P&D	425	L	\$ 80,000.00	\$ 80,000.00	9/30/22	\$ 80,000.00	\$ -	NA
Ankeny	PD-DW-23-21	P&D for Water Distribution System Improvements	2023	2	P&D	P&D	67887	L	\$ 235,000.00	\$ 235,000.00	10/21/22	\$ 235,000.00	\$ -	NA
Corridor Ridge HOA	FS-52-23-DWSRF-009	Water Treatment System Installation	2023	2	A, B, E	75	108	P	\$ 376,875.00	\$ 376,875.00				TBD
Montezuma Municipal Water Works	FS-79-23-DWSRF-017	New Jordan Well Construction	2023	2	B, C, E	55	1442	P	\$ 2,734,000.00	\$ 2,734,000.00				Eligible 2022
Carter Lake	FS-78-23-DWSRF-018	Water System Improvements	2023	2	A, B, C, E	55	3791	P	\$ 9,267,000.00	\$ 9,267,000.00				Not Eligible
Bondurant Municipal Water Supply	FS-77-23-DWSRF-011	Elevated Storage Tank New Construction	2023	2	B, E	45	7500	P	\$ 8,533,000.00	\$ 8,533,000.00				Not Eligible
Oskaloosa Municipal Water Department	FS-62-23-DWSRF-014	Transmission Main Replacement	2023	2	B, C	30	11558	P	\$ 3,852,000.00	\$ 3,852,000.00				Not Eligible
Algona	FS-55-23-DWSRF-016	Water System Improvements	2023	2	B, E	30	2731	P	\$ 1,597,000.00	\$ 1,597,000.00				Not Eligible
Milford Municipal Utilities	FS-30-23-DWSRF-010	New Water Treatment Facility Construction	2023	2	B, E	25	3629	P	\$ 21,106,500.00	\$ 21,106,500.00				Not Eligible



Project Name	DWSRF No.	Project Description	IUP Yr	Quarter	Project Categories	Priority Points	Population	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Ankeny	FS-77-23-DWSRF-015	New Transmission Main Construction	2023	2	B	20	24564	P	\$ 2,903,000.00	\$ 2,903,000.00				Not Eligible
Dubuque	FS-31-23-DWSRF-012	Lead Service Line Replacement	2023	2	B	20	58983	P	\$ 48,343,000.00	\$ 48,343,000.00				BIL LSL Eligible
Dubuque	FS-31-23-DWSRF-013	Eagle Street and Althausen Street Water & Sewer Replacement	2023	2	B	20	58983	P	\$ 505,000.00	\$ 505,000.00				Not Eligible
Yale	PD-DW-23-10	P&D for Construction of New Well & Backwash Holding Pond	2023	1	P&D	P&D	267	L	\$ 70,700.00	\$ 70,700.00	6/24/22	\$ 70,700.00	\$ -	NA
Madrid	PD-DW-23-09	P&D for Water Main Replacement	2023	1	P&D	P&D	2802	L	\$ 245,000.00	\$ 245,000.00	8/5/22	\$ 245,000.00	\$ -	NA
Bondurant	PD-DW-23-08	P&D for New Water Tower	2023	1	P&D	P&D	7500	L	\$ 1,205,600.00	\$ 1,205,600.00	10/14/22	\$ 1,205,600.00	\$ -	NA
Sumner	PD-DW-23-03	P&D for Water Main Installation	2023	1	P&D	P&D	2175	L	\$ 90,000.00	\$ 90,000.00	6/24/22	\$ 90,000.00	\$ -	NA
Mallard	FS-74-23-DWSRF-003	Water System Improvements - Connection Fee Only	2023	1	A, C, E	70	277	P	\$ 1,740,000.00	\$ 1,740,000.00				Eligible 2022
Rock Rapids	FS-60-23-DWSRF-006	Lewis & Clark Service Connection Phase 3	2023	1	B, C, D, E	60	2611	P	\$ 1,507,500.00	\$ 1,507,500.00				Not Eligible
Remsen	FS-75-23-DWSRF-005	New R/O Treatment Plant	2023	1	B, C, E	55	1678	P	\$ 7,035,000.00	\$ 7,035,000.00				CAP'2021 Eligible
Yale	FS-39-23-DWSRF-008	New Well	2023	1	B, C, E	40	267	P	\$ 400,000.00	\$ 400,000.00				Not Eligible
Aurelia	FS-18-23-DWSRF-001	Water Main Replacement	2023	1	B, C, E	40	1036	P	\$ 551,000.00	\$ 551,000.00				Not Eligible
Mount Vernon	FS-57-23-DWSRF-004	Water Meter Replacement	2023	1	B, E	30	4527	P	\$ 905,000.00	\$ 905,000.00				Not Eligible
Spillville	FS-96-23-DWSRF-007	New Booster Station and Ground Storage Reservoir	2023	1	B, E	30	385	P	\$ 1,176,000.00	\$ 1,781,000.00				Not Eligible
Auburn	FS-81-23-DWSRF-001	Water Treatment Plant Filter Replacement	2023	1	B, E	25	315	P	\$ 50,000.00	\$ 50,000.00				Not Eligible
Ankeny	PD-DW-22-57	P&D for Construction of Water Main Transmission	2022	4	P&D	P&D	N/A	P	\$ 174,600.00	\$ 174,600.00				NA
Birmingham	FS-89-22-DWSRF-039	New Elevated Storage Tank	2022	4	A, B, C, E	140	425	P	\$ 603,000.00	\$ 657,000.00				Not Eligible
Hedrick	FS-54-22-DWSRF-026	Water Distribution System Improvements	2022	4	A, B, C, D, E, F	110	764	P	\$ 682,000.00	\$ 682,000.00				Not Eligible
Dedham	FS-14-22-DWSRF-032	Water System Improvements	2022	4	A, B, C, D, E, F	60	224	P	\$ 1,000,000.00	\$ 1,000,000.00				Not Eligible
Westfield	FS-75-22-DWSRF-035	Construction of New Well and Water Treatment Plant	2022	4	B, C, E	55	130	P	\$ 2,185,000.00	\$ 2,185,000.00				Eligible 2022
Orange City	FS-84-22-DWSRF-037	Construction of New Elevated Tank, New Ground Storage, New Well and Well Pipe	2022	4	B, D, E	50	6267	P	\$ 15,821,000.00	\$ 5,278,000.00				Not Eligible
Protivin	FS-45-22-DWSRF-029	Water System Improvements	2022	4	B, D, E	50	269	P	\$ 304,000.00	\$ 304,000.00				Not Eligible
Casey	FS-39-22-DWSRF-034	Water Distribution System Improvements	2022	4	A, B, C, D, E, F	40	387	P	\$ 305,420.00	\$ 305,420.00				Not Eligible
Wahpeton	FS-30-22-DWSRF-031	Water System Improvements	2022	4	A, B, C, D, E, F	40	344	P	\$ 7,850,000.00	\$ 7,850,000.00				Not Eligible
Rockford	FS-34-22-DWSRF-027	Water System Improvements	2022	4	B, C, E	40	860	P	\$ 510,000.00	\$ 510,000.00				Not Eligible
West Central IA RWA	FS-14-22-DWSRF-036	Construction of New Water Treatment Plant, Booster Station and Ground Storage	2022	4	A, B, C, D, E, F	30	18838	P	\$ 12,600,000.00	\$ 12,600,000.00				Not Eligible
Pocahontas	FS-76-22-DWSRF-038	Water System Improvements	2022	4	B, E	25	6267	P	\$ 2,825,000.00	\$ 2,825,000.00				Not Eligible
Burt	FS-55-22-DWSRF-033	Water System Improvements	2022	4	B, E	25	423	P	\$ 396,000.00	\$ 745,000.00				Not Eligible
Ankeny	FS-77-22-DWSRF-030	Water Distribution System Improvements	2022	4	B	20	67900	R	\$ 4,809,000.00	\$ 5,783,000.00				Not Eligible
Manson	FS-13-22-DWSRF-023	Connection from Manson to Fort Dodge Municipal Water System	2022	3	B, E	45	1690	P	\$ 7,068,000.00	\$ 7,068,000.00				Awarded CAP'18-20
Dubuque	FS-31-22-DWSRF-025	2022 Water System Improvements	2022	3	B	35	1830	P	\$ 15,565,000.00	\$ 15,565,000.00				Not Eligible
Grundy Center	FS-38-22-DWSRF-024	2022 Water Main Replacement	2022	3	B, E	30	2706	L	\$ 1,500,000.00	\$ 900,000.00	8/12/22	\$ 900,000.00	\$ -	Not Eligible
Plover	FS-76-22-DWSRF-017	New Well for Arsenic Mitigation in Raw Water	2022	2	A,B,E	95	77	P	\$ 108,000.00	\$ 108,000.00				CAP'2021 Eligible
Titonka	FS-55-22-DWSRF-019	Water System Improvements	2022	2	B, C, E	55	486	P	\$ 539,000.00	\$ 539,000.00				Not Eligible
State Center	FS-64-22-DWSRF-018	Water Treatment Facility Improvements	2022	2	A,E	55	1468	L	\$ 1,933,000.00	\$ 2,768,000.00	9/9/22	\$ 2,768,000.00	\$ -	Not Eligible
Guttenberg	FS-22-22-DWSRF-013	Water Supply, Distribution and Storage Facilities Improvements	2022	2	B,C,E	40	1057	P	\$ 765,000.00	\$ 765,000.00				Not Eligible



Project Name	DWSRF No.	Project Description	IUP Yr	Quarter	Project Categories	Priority Points	Population	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Charles City	FS-34-22-DWSRF-010	Water System Storage Tank	2022	2	B, C, E	35	3350	L	\$ 3,965,000.00	\$ 4,750,000.00	11/18/22	\$ 4,750,000.00	\$ -	Not Eligible
Pleasantville	FS-63-22-DWSRF-020	Water System Improvements - 2021 Water Main Replacement	2022	2	B, E	30	1694	L	\$ 1,674,000.00	\$ 2,223,000.00	9/2/22	\$ 2,223,000.00	\$ -	Not Eligible
Nashua	FS-19-22-DWSRF-016	Greeley Street Water & Sanitary Improvements	2022	2	B, E	30	1663	P	\$ 259,000.00	\$ 259,000.00				Not Eligible
Mitchellville	FS-77-22-DWSRF-015	Water Distribution System Improvements	2022	2	B,E	30	2254	P	\$ 2,230,000.00	\$ 2,352,000.00				Not Eligible
Lake Creek	FS-11-22-DWSRF-014	Water Distribution System Improvements	2022	2	B,E	30	150	L	\$ 604,000.00	\$ 678,000.00	7/8/22	\$ 678,000.00	\$ -	Not Eligible
Denison	FS-24-22-DWSRF-011	Water Distribution System Improvements	2022	2	B,E	30	2826	P	\$ 4,908,239.00	\$ 4,908,239.00				Not Eligible
Titonka	PD-DW-22-16	P&D for Existing Treatment System Improvements	2022	1	P&D	P&D	486	P	\$ 200,000.00	\$ 200,000.00				NA
Lanesboro	FS-14-22-DWSRF-008	Water System Improvements	2022	1	A, C, E	70	121	P	\$ 3,557,000.00	\$ 3,557,000.00				Awarded DAC CAP'20 & 21
Lost Nation	FS-23-22-DWSRF-003	Construction of New Well and Well House	2022	1	B, E	45	223	L	\$ 439,000.00	\$ 790,000.00	12/9/22	\$ 790,000.00	\$ -	Eligible 2022
Renwick	FS-46-22-DWSRF-004	Water Main Replacement	2022	1	B, C, E	40	242	P	\$ 552,000.00	\$ 552,000.00				Not Eligible
Volga	FS-22-22-DWSRF-005	Pump Station Installation and Water Main Replacement	2022	1	B, C, E	40	208	P	\$ 622,000.00	\$ 622,000.00				Eligible 2022
Fontanelle	FS-01-22-DWSRF-006	Water System Improvements	2022	1	B, C, E	35	223	P	\$ 1,499,000.00	\$ 1,499,000.00				Not Eligible
Essex	PD-DW-21-53	P&D for Drinking Water System Upgrades	2021	4	P&D	P&D	798	P	\$ 30,000.00	\$ 30,000.00				NA
Neola	PD-DW-21-56	P&D for Water Distribution System Replacement	2021	4	P&D	P&D	842	P	\$ 371,094.00	\$ 371,094.00				NA
Fort Atkinson	FS-96-21-DWSRF-023	Water Supply Improvements	2021	4	B, C, E	55	323	L	\$ 250,000.00	\$ 324,000.00	9/30/22	\$ 424,000.00	\$ -	Awarded CAP/BIL 2022
Guthrie Center	FS-99-21-DWSRF-022	Water Main Replacement	2021	4	B, C, E	40	1569	P	\$ 1,454,000.00	\$ 1,454,000.00				Not Eligible
Inwood	FS-60-21-DWSRF-024	Water Distribution System Improvements	2021	4	B, E	30	814	L	\$ 752,878.10	\$ 786,000.00	10/28/22	\$ 786,000.00	\$ -	Not Eligible
Glidden	PD-DW-21-38	P&D for New Well & Watermain	2021	3	P&D	P&D	1146	P	\$ 150,000.00	\$ 150,000.00				NA
Elkhart	FS-77-21-DWSRF-018	Water Treatment Facility Expansion	2021	3	B, E	45	683	L	\$ 1,658,250.00	\$ 1,829,100.00	12/3/21	\$ 376,000.00	\$ 1,453,100	Not Eligible
Ventura	FS-17-21-DWSRF-016	Water Treatment Plant Construction	2021	3	A, B, E	45	717	L	\$ 2,613,000.00	\$ 3,750,000.00	9/10/21	\$ 1,875,000.00	\$ -	Not Eligible
Ventura	FS-17-21-DWSRF-016	Water Treatment Plant Construction	2021	3	A, B, E	45	717	L	\$ 2,613,000.00		8/19/22	\$ 1,875,000.00		Not Eligible
Tama	FS-82-21-DWSRF-014	Water System Improvements	2021	3	B, E	25	2877	P	\$ 1,373,000.00	\$ 1,373,000.00				Not Eligible
Thor	FS-46-21-DWSRF-012	2021 Municipal Water Filtration Improvements	2021	3	B, E	25	186	P	\$ 408,000.00	\$ 408,000.00				Awarded DAC CAP'20
Lisbon	FS-57-21-DWSRF-011	Water Main Improvements	2021	2	B,C, E	55	2152	P	\$ 5,972,000.00	\$ 5,972,000.00				Not Eligible
Dyersville	FS-31-21-DWSRF-007	6th Avenue Water Main Replacement	2021	2	B,C, E	40	4058	P	\$ 415,000.00	\$ 415,000.00				Not Eligible
Ames	FS-85-21-DWSRF-009	North River Valley Well field & Pipeline	2021	2	B	35	58965	P	\$ 4,380,000.00	\$ 7,000,000.00				Not Eligible
Ames	FS-85-21-DWSRF-010	Water Treatment Plant Demolition	2021	2	B	15	58965	L	\$ 4,380,000.00	\$ -	8/26/22	\$ 3,500,000.00		Not Eligible
Britt	FS-41-21-DWSRF-003	Water System Improvements	2021	1	A,E	60	2069	L	\$ 6,321,450.00	\$ 6,902,000.00	10/1/21	\$ 1,290,000.00	\$ -	Loan Not Eligible
Britt	FS-41-21-DWSRF-003	Water System Improvements	2021	1	A,E	60	2069	L		\$ 6,902,000.00	7/15/22	\$ 6,902,000.00		Not Eligible
Atkins	FS-06-21-DWSRF-001	Water Distribution Improvements	2021	1	B, C, E	40	1670	P	\$ 4,398,000.00	\$ 4,398,000.00				Not Eligible
Waukee	FS-25-21-DWSRF-004	ASR Well	2021	1	B	35	17945	R	\$ 3,567,750.00	\$ 3,567,750.00				Not Eligible
Fort Dodge	FS-94-21-DWSRF-005	Northwest Regional Water Main Improvements	2021	1	B, C	30	25206	L	\$ 0.00		4/9/21	\$ 3,753,000	\$ 2,746,000	Not Eligible
Melvin	FS-72-20-DWSRF-033	Storage Tank Rehabilitation	2020	4	B,C,E	55	201	P	\$ 422,100.00	\$ 422,100.00				Not Eligible
Dayton	FS-94-20-DWSRF-031	Municipal Water Well Reconstruction and Water Main Repair	2020	4	B,C,E	55	837	P	\$ 685,000.00	\$ 685,000.00				Not Eligible
Westgate	FS-33-20-DWSRF-024	Connection to IRUA	2020	4	B,E	45	211	P	\$ 2,703,000.00	\$ 2,703,000.00				Eligible 2022
Plainfield	PD-DW-20-33	Water Main Installation	2020	3	P&D	P&D	436	P	\$ 40,000.00	\$ 40,000.00				NA
MacBride Point Third Master Maintenance Association	FS-52-20-DWSRF-019	Water Supply Improvements	2020	3	A, E	60	100	P	\$ 178,000.00	\$ 178,000.00				Awarded CAP'19
Eagle Grove	FS-99-20-DWSRF-018	Water Distribution System Improvements	2020	3	B, C, E	40	3583	R	\$ 503,000.00	\$ 503,000.00				Not Eligible

Project Name	DWSRF No.	Project Description	IUP Yr	Quarter	Project Categories	Priority Points	Population	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Jamaica	FS-39-20-DWSRF-017 (1)	Water System Improvements	2020	3	B, C, E	35	224	L	\$ 1,213,000.00	\$ 2,818,000.00	8/26/22	\$ 1,785,000.00	\$ 1,033,000	Awarded DAC CAP'21
Iowa American Water - Davenport	FS-82-20-DWSRF-007	East River Station WTP UV	2020	2	A	45	143000	L	\$ 7,689,300.00	\$ 8,829,000.00	5/20/22	\$ 8,829,000.00	\$ -	Loan Not Eligible
Park View Water & Sanitary District	FS-82-20-DWSRF-006	WTP #2 Improvements	2020	2	B, E	45	2389	L	\$ 2,509,000.00	\$ 2,509,000.00	7/10/20	\$ 1,670,000.00	\$ 839,000	TBD
Rock Valley	FS-84-20-DWSRF-010	Rock Valley Water System Phases I and II	2020	2	B, E	45	3730	L	\$ 2,009,000.00	\$ 1,659,000.00	12/23/22	\$ 1,659,000.00	\$ -	Not Eligible
Somers	FS-13-19-DWSRF-028	Municipal Water Filtration Improvements	2019	4	B, C, E	35	113	P	\$ 179,000.00	\$ 355,000.00				Not Eligible
Albion	PD-DW-19-13	Construction of new water main connecting to Marshalltown Water Works	2019	2	P&D	P&D	505	P	\$ 55,000.00	\$ 55,000.00				NA
Bellevue	PD-DW-19-15	Construction of 2700 sf Radium Treatment Facility	2019	2	P&D	P&D	2191	P	\$ 285,000.00	\$ 285,000.00				NA
Osceola Rural Water System-North	FS-72-19-DWSRF-012	A new 1,800 gpm RO expansion including wells, water storage and pipeline	2019	2	B, E	40	4495	L	\$ 17,709,000.00	\$ 6,466,000.00	5/6/22	\$ 930,000.00	\$ 5,536,000	Not Eligible
Osceola Rural Water System-North	FS-72-19-DWSRF-012	A new 1,800 gpm RO expansion including wells, water storage and pipeline	2019	2	B, E	40	4495	L			11/18/22	\$ 5,536,000.00		Not Eligible
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	B	15	14600	P	\$ 260,000.00	\$ 260,000.00				Not Eligible
Vail	PD-DW-18-30	Plan for new water source and water treatment options	2018	3	P&D	P&D	436	P	\$ 50,000.00	\$ 50,000.00				NA
Fort Dodge	FS-94-18-DWSRF-011 (supplemental)	Reduce water hardness, reducing chloride concentrations to sanitary sewer, with construction of new Missisippian well reverse	2018	2	A,B	80	25206	L	\$ 905,000.00	\$ 905,000.00	9/9/22	\$ 905,000	\$ -	Not Eligible
Cleghorn	FS-18-18-DWSRF-006	Replace aging water tower, install water mains to tower, add emergency generator at water treatment plant	2018	2	B,E	45	247	L	\$ 1,024,000.00	\$ 757,000.00	3/8/19	\$ 557,000.00	\$ 200,000.00	Not Eligible
Rathbun Regional Water (RRWA)	FS-04-17-DWSRF-010	Replacement of of aging water meters with a new advanced/smart metering system.	2017	2	C,D	15	28215	R	\$ 2,902,945.00	\$ 2,902,945.00				Awarded CAP'18 Pending
Farmington	FS-89-16-DWSRF-006 (2)	Water meter replacement	2016	2	B,C,E	40	664	R	\$ 312,000.00	\$ 117,000.00				Not Eligible
Ruthven	FS-74-15-DWSRF-006	New well to replace Well #1, aeralator rehab, control panel replacement, water main replacement to improve pressure and add new valves and hydrants	2015	2	B,C,E	55	779	L	\$ 1,316,550.00	\$ 1,435,000.00	8/5/22	\$ 701,000.00	\$ -	Not Eligible
									\$ 539,869,730.10	\$ 526,365,502.00		\$ 62,285,800.00		

**Project Status**

- Dropped -- D
- Ready for Loan -- R
- Loan Signed -- L
- Planning Stage -- P

**CAP 2018-2021 LF Project Type/Awards**

- Water and Energy Efficiency
- Emergency Generators
- Disadvantaged Communities
- Public Health Projects

**Project Type**

- A = Water Quality and Human Health Risk-Related Criteria
- B = Infrastructure and Engineering-Related Improvement
- C = Affordability Criteria
- D = Special Category Improvements
- E = Project Serves Population less than 10,000
- F = Supplemental Loan for Previously Approved Project
- G = Planning and Design Loan

**Abbreviations**

- N/A = Not Applicable
- Not used = No loan forgiveness assistance utilized for project
- TBD = To Be Determined
- BIL = Bipartisan Infrastructure Law
- CAP = Federal Capitalization Grant
- DAC = Disadvantaged Community
- LF = Loan Forgiveness
- LSL = Lead Service Line
- SES Score = SocioEconomic Assessment Score
- PFAS/EC - PFAS Emerging Contaminants

**Socioeconomic Assessment Score (SES) Point Scale**

Point Range	DAC Status

Project Name	DWSRF No.	Project Description	IUP Yr	Quarter	Project Categories	Priority Points	Population	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Low	0-10	Does not meet SRF's Disadvantaged Community definition												
Moderate-Low	11-15	Disadvantaged	Social, economic and demographic information meets SRF's definition of Disadvantaged Community for the purpose of SRF Loan Forgiveness											
Moderate	16-20	Disadvantaged												
Moderate-High	21-25	Disadvantaged												
High	26-30	Disadvantaged												

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-BIL ANNEX A-  
to the Drinking Water State Revolving Fund (DWSRF)  
Intended Use Plan (IUP)  
**FFY 2022 Bipartisan Infrastructure Law (BIL)**  
**General Supplemental Fund**

### Introduction

The Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15, 2021 and has since been referred to as the Bipartisan Infrastructure Law (BIL). Under this law, additional funding was appropriated and awarded to State Revolving Fund (SRF) Programs annually between Federal Fiscal Years 2022-2026 to finance loans for water and wastewater infrastructure projects. Each BIL appropriation has specific provisions and implementation requirements. This annex to the base DWSRF Program's Intended Use Plan (Annex) includes the implementation plan for the first year's allocation of the BIL DWSRF General Supplemental Fund.

Iowa's Federal Fiscal Year 2022 allocation is as follows:

2022	IA Allocation	Loan Forgiveness Available
DWSRF General Supplemental Fund	\$28,504,000	\$13,996,960

### Annex to the DWSRF Program Intended Use Plan (IUP)

This Annex will address programmatic and financial variations from the base DWSRF Program IUP that are specific to the implementation and distribution of funds from the BIL DWSRF General Supplemental Fund. An IUP for the BIL DWSRF General Supplemental Fund will be issued annually and updated quarterly as an ANNEX to the base SRF Program Intended Use Plan.

### Project Priority List (PPL)

The BIL DWSRF General Supplemental Fund Project Priority List (PPL) and the base DWSRF Program PPL will be combined into one list. The methods of managing the PPL are described in Section 1 of the base DWSRF Program IUP. Due to BIL funding requirements, projects being funded through the BIL General Supplemental Fund must enter into a loan assistance agreement within one year of becoming eligible for the funds. The DWSRF 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.

### Method of Amendment

The method of amending this Annex will follow the same process described in Section V of the base DWSRF Program IUP.

### Application Process

The initial PPL submitted with the state's FY 2022 BIL CAP Grant application will consist of eligible projects that are currently listed on the base DWSRF Program's PPL but have not signed a loan obligation as of **June 30, 2022**.

Project applications eligible for SRF funding under the BIL will follow the same quarterly IUP application cycle as the base DWSRF Program IUP. Additional application information may be required for projects applying for BIL General

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Supplemental Funds. The DWSRF Program will provide additional application materials through the [DNR<sup>1</sup>](#) and [SRF websites<sup>2</sup>](#), as applicable.

The base DWSRF PPL is attached to the base DWSRF IUP as a separate document. See *DWSRF IUP Attachment 1 – DWSRF PPL*.

### I. BIL General Supplemental Fund Program Overview

All DWSRF-eligible activities may be funded from the General Supplemental Fund appropriation under BIL. U.S. EPA granted states the flexibility to determine BIL priorities and select projects to receive this funding. The Iowa SRF Program will consider all eligible projects for funding under BIL General Supplemental Fund.

The BIL mandates that 49% of the BIL funds provided to the state through the DWSRF General Supplemental Fund must be provided as additional subsidization to water systems that meet the state's Disadvantaged Community (DAC) criteria as described in 1452(d) of the Safe Drinking Water Act (SDWA).

#### Affordability Criteria to determine Disadvantaged Communities (DAC)

A key priority of BIL is to ensure that disadvantaged communities benefit equitably from this investment in water infrastructure. The DWSRF Program has 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 an effort to develop a more comprehensive definition of what it means to be a disadvantaged community, the Iowa SRF Program is broadening the range of metrics by which each community is evaluated to include other social, economic, and demographic information that may indicate a lack of access to affordable and safe drinking water. These metrics are discussed in the "Socioeconomic Assessment Score" section, below, and they define the affordability criteria that will be used to evaluate the disadvantaged status of a borrower.

#### Loan Forgiveness

Iowa applies additional subsidization in the form of principal forgiveness of a loan. Loan forgiveness will be awarded for up to 90% of the loan amount, or \$2 million, whichever is less. Individual projects will be capped at \$2 million dollars to allow more eligible borrowers to receive subsidization. The DWSRF Program may withdraw the individual project cap if additional funding becomes available.

The total amount of loan forgiveness available for a project will be determined by adding together the loan forgiveness percentages for the [priority project](#), the [socioeconomic assessment score](#) and the [household burden indicator](#). The priority project and socioeconomic assessment score information will be available at the time of application. The percent of loan forgiveness for the household burden indicator can be projected using the engineers estimate. The final household burden indicator will be determined after the project has gone to bid, the actual project costs are known, and all other funding sources have been accounted for. *Projects will be funded from the top socioeconomic score down and in priority project ranking order with consideration given to readiness to proceed.*



<sup>1</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund>

<sup>2</sup> [https://www.iowasrf.com/program/drinking\\_water\\_loan\\_program/drinking-water-intended-use-plan-iup-information/](https://www.iowasrf.com/program/drinking_water_loan_program/drinking-water-intended-use-plan-iup-information/)

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Loan forgiveness will be applied to the portions of the project that meet priority project criteria. The final amount of loan forgiveness offered will be based on the eligible costs related to the final amount drawn on the loan. Loan forgiveness is applied as principal forgiveness on the date of the final loan disbursement.

#### Priority Project Percentage

Eligibility for loan forgiveness will first be assessed based on the type of project seeking funding. If the project is one of the priority project types listed in this Annex, the borrower will then be evaluated for disadvantaged status based on the Socioeconomic Assessment Score criteria, described below.

#### Socioeconomic Assessment Score

The second element of the loan forgiveness equation is an assessment of the community or service area's underlying socioeconomic and demographic condition that can determine the affordability of drinking water infrastructure projects. A Socioeconomic Assessment provides a comprehensive analysis of factors that typically determine whether a community is disadvantaged.

The disadvantaged status of a borrower *for the purposes of SRF loan forgiveness eligibility* will be determined by assessing 15 datapoints from publicly available sources produced by the U.S. Department of Commerce, Centers for Disease Control and Prevention (CDC), U.S. Department of Housing and Urban Development (HUD), Iowa Workforce Development, Iowa Department of Management, and the State Treasurer of Iowa. Data will be updated annually for each community and made available at [IowaSRF.com](http://IowaSRF.com).

The DWSRF Program will use this data to determine if a borrower is a Disadvantaged Community for the purpose of SRF loan forgiveness eligibility.

Category/Metric	Source
<b>Income and Poverty</b>	
• Median Household Income (MHI)	American Community Survey
• % below poverty level	American Community Survey
• % Public Assistance/SNAP	American Community Survey
• % Supplemental Security Income	American Community Survey
<b>Labor Force</b>	
• Unemployment rate of primary county	Iowa Workforce Development <sup>3</sup>
• % not in labor force	American Community Survey
<b>Demographics</b>	
• Population Trend	Decennial Census
• % Over age 65	American Community Survey
• % non-white, not Hispanic (% minority)	American Community Survey
• Social Vulnerability Index	Centers for Disease Control
<b>Housing</b>	
• % Vacant Homes	American Community Survey
• % Housing Cost Burdened	HUD Comprehensive Housing Affordability Strategy (CHAS)
<b>Education</b>	
• % with high school diploma or less	American Community Survey

<sup>3</sup> [Local Area Unemployment Statistics](#), rolling 12-month average unemployment rate of the primary county

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Category/Metric	Source
<b>Property Value and Debt</b>	
• Valuation per Capita	Iowa Department of Management <sup>4</sup>
• Debt per Capita	State Treasurer of Iowa <sup>5</sup>

For each of the 15 metrics, applicants will be given a score indicating the relative disadvantage to the other communities in the state (see table below)<sup>6</sup>. Scores for each metric are totaled to produce an overall assessment of the applicant's underlying social, economic, and demographic profile.

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

**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.

With 15 total metrics, equally weighted, the maximum number of points will be 30. Communities or service areas with a cumulative score of 11 and up (e.g., falling in the top 2/3 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 1/3 of total cumulative points (e.g., 10 total points or less), will not be eligible to receive principal forgiveness. The amount of principal forgiveness available to a community will be established on a point scale as detailed below and may be adjusted annually in the IUP. Applicants with a socioeconomic score between 11-30 points will be eligible for consideration of SRF loan forgiveness and may qualify to receive loan forgiveness from the FFY 2022 BIL General DWSRF Supplemental Fund (when combined with the other elements of the loan forgiveness equation).

	Point Range	Principal Forgiveness
Low	0-10	0%
Moderate-Low	11-15	15%
Moderate	16-20	20%
Moderate-High	21-25	25%
High	26-30	30%

One of the primary benefits of the Socioeconomic Assessment is that it provides a baseline view of the amount of loan forgiveness a community or service area will be eligible to receive at the time an IUP application is submitted. Then, when the project type is taken into consideration and construction bids are received and approved, the full extent of eligible loan forgiveness can be realized.

<sup>4</sup> [Local Government Valuation & Finance](#), 100% Valuations as of 1/1/2020 for SFY 2021-22

<sup>5</sup> [Outstanding Obligations Report](#)

<sup>6</sup> The only exception is Population Trend. No points for positive or 0% growth, 1 point for negative growth up to -10%, 2 points for more than -10% population growth.

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Upon approval of this Annex by the Department's Environmental Protection Commission following a public review and comment period, the Socioeconomic Assessment Tool will be available to the public through the SRF website homepage at [www.lowaSRF.com](http://www.lowaSRF.com).

#### Household Burden Indicator

The third element of the loan forgiveness equation is an assessment of a community or service area's household's ability to afford the proposed project. The Household Affordability Assessment is made up of two components<sup>7</sup>:

- **Household Burden Indicator:** Total water costs for combined water and sewer service, including the project being financed by SRF, as a percent of the 20th percentile of community household income (lowest quintile income, or LQI)
- **Poverty Prevalence Indicator:** The percentage of community households at or below 200% of the Federal Poverty Level

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

The Household Burden Indicator may be computed with assistance from the Municipal Advisor after the construction bid has been awarded and other funding sources have been deducted. The borrower begins by determining the monthly water and sewer bill for residential users, assuming 5,000 gallons of usage per month (note that it may be normal for the service area for drinking water utility to differ from that of a sewer utility). The monthly total is then annualized and divided by the upper bound of the lowest quintile income from Table B19080 of the American Community Survey. The Poverty Prevalence Indicator for the community or service area is provided in the Socioeconomic Assessment analysis.

#### Assuming 5,000 gal/month

Monthly Water/Sewer Bill	\$145
Annual Water/Sewer Bill	\$1740
Lowest Quintile Income (LQI)	\$25,214
Total Water Costs as Percent of LQI	6.90%

The resulting benchmarks for the Household Burden and Poverty Prevalence Indicators are as follows. The amount of loan forgiveness attributed to the Household Affordability Assessment will correspond to the resulting category of unaffordability.

#### Percent of Households Below 200% of Poverty Level

Water Costs as a Percent of Income at Lowest Quintile	<= 20%	> 20% and <= 35%	> 35%
> 10%	Moderate-High Burden	Moderate-High Burden	High Burden
7% to 10%	Moderate-Low Burden	Moderate Burden	Moderate-High Burden
< 7%	Low Burden	Moderate-Low Burden	Moderate-High Burden

Burden	Principal Forgiveness
Low	0%

<sup>7</sup> Credit to R Raucher, E Rothstein, and J Mastracchio's [Developing a New Framework for Household Affordability and Financial Capability Assessment in the Water Sector](#), 2019



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Burden	Principal Forgiveness
Moderate-Low	15%
Moderate	20%
Moderate-High	25%
High	30%

In the example above, a community with a Household Burden Indicator of 6.90% and Poverty Prevalence Indicator of, say, 22%, would fall in the "Moderate-Low Burden" classification. This would correspond to an additional 15% of loan forgiveness toward their project.

Water Costs as a Percent of Income at Lowest Quintile	<= 20%	> 20% and <= 35%	> 35%
> 10%	Moderate-High Burden	Moderate-High Burden	High Burden
7% to 10%	Moderate-Low Burden	Moderate Burden	Moderate-High Burden
< 7%	Low Burden	Moderate-Low Burden	Moderate-High Burden

#### Priority Projects for Loan Forgiveness

In this first year of BIL funding, the DWSRF Program will prioritize loan forgiveness for eligible projects that address non-compliance issues or a significant deficiency identified in the sanitary survey. This includes systems with the maximum permissible level of a contaminant in their water; or systems with a defect in design, operation, or maintenance, or a failure or malfunction of the sources, treatment, storage, or distribution system that U.S. EPA determines to be causing, or has the potential for causing the introduction of contamination into the water delivered to consumers. The following list of priority projects was developed in coordination with the regulatory authorities of the DNR.

Priority Projects for BIL DWSRF General Supplemental Loan Forgiveness	% Loan Forgiveness
<ul style="list-style-type: none"> <li>Non-Compliance Issues (e.g. SDWA compliance issues and Maximum Contaminant Levels (MCL) Violations)</li> </ul>	30%
<ul style="list-style-type: none"> <li>Consolidation/Regionalization</li> </ul> <p>This priority is intended for communities who are consolidating with another system to obtain healthy drinking water or due to Technical/Managerial/Financial (TMF) issues. Systems are eligible even if there is no violation. Loan forgiveness is not being offered to systems that are buying viable systems just to franchise</p>	20%
<ul style="list-style-type: none"> <li>Resiliency Projects (flood/drought, redundancy and cyber security)</li> </ul>	20%
<ul style="list-style-type: none"> <li>New Public Water System (PWS) for communities served by private wells</li> </ul>	20%

Non-compliance projects are awarded a higher percentage of loan forgiveness than the other priority projects because providing safe drinking water to the public is the primary goal of the SDWA. If a single SRF project includes more than one priority project type, the percentage of loan forgiveness awarded will be based on the amount assigned to the highest applicable project type. Loan forgiveness will be applied to the portions of the project that meet priority project criteria.

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**Types of Financing and Interest Rates**

Construction Loans are offered with 20-year terms. An extended term loan is available up to 30 years, based on the average life of the project components. The interest rates for construction loans made from the DWSRF BIL General Supplemental Fund are as follows:

<u>Loan Term</u>	<u>Applicant Type</u>	<u>Interest Rate</u>	<u>Servicing Fee</u>	<u>Total</u>
<u>Standard Tax-Exempt (up to 20 years)</u>	<u>All</u>	<u>1.75%</u>	<u>0.25%</u>	<u>2.00%</u>
<u>Extended (21 to 30 years based on useful life)</u>	<u>All</u>	<u>2.75%</u>	<u>0.25%</u>	<u>3.00%</u>
<u>Taxable Loans (up to 20 years)</u>	<u>All</u>	<u>2.75%</u>	<u>0.25%</u>	<u>3.00%</u>
<u>Loan Term</u>	<u>Applicant Type</u>	<u>Interest Rate</u>	<u>Servicing Fee</u>	<u>Total</u>
<u>Standard Tax-Exempt (up to 20 years)</u>	<u>All</u>	<u>1.75%</u>	<u>0.25%</u>	<u>2.00%</u>
<u>Extended (21 to 30 years based on useful life)</u>	<u>All</u>	<u>2.75%</u>	<u>0.25%</u>	<u>3.00%</u>
<u>Taxable Loans (up to 20 years)</u>	<u>All</u>	<u>2.75%</u>	<u>0.25%</u>	<u>3.00%</u>
<u>Taxable Loans (up to 20 years)</u>	<u>All loans executed on or after April 1, 2023</u>	<u>3.57%</u>	<u>0.25%</u>	<u>3.82%</u>

The SRF Program continually monitors the market to ensure that our loan interest rates are appropriate while taking the Program's cost of funds into account. Any necessary changes to loan interest rates will be communicated via future IUPs.

**Fees***Loan initiation fees.*

A 0.50% loan origination fee will be charged on new DWSRF loans up to a maximum fee of \$100,000. Under U.S. EPA rules, because Iowa's origination fees are financed through the loans, the proceeds are considered Program Income. Program Income can only be used for the purposes of administering the DWSRF Program or for making new loans. **Loan initiation fees will not be assessed on loans to borrowers that meet the affordability criteria and are receiving loan forgiveness due to their score on the Socioeconomic Tool.**

*Loan servicing fees.*

A servicing fee of 0.25% on the outstanding principal is charged on DWSRF loans. Payment of the loan servicing fee is made semi-annually along with scheduled interest payments. Loan servicing fees are calculated based on the outstanding principal balance. Under U.S. EPA rules, only servicing fees received from loans made above and beyond the amount of the Capitalization Grant and after the Capitalization Grant under which the loan was made has been closed are considered Non-Program Income. Non-Program Income can be used to administer the DWSRF Program or for other water quality purposes. The uses of Non-Program Income are discussed in Section I of the base DWSRF Program IUP.

**Co-Funding**

The BIL General Supplemental Fund can be combined with base DWSRF loan dollars and loans and grants from other agencies. A single SRF assistance agreement will be used for projects that co-fund projects using both base DWSRF and BIL General Supplemental Funds.

See Special Conditions below for **Build America, Buy American Act (BABA)** rules as they apply to co-funded projects.

**Special Conditions**

Projects identified as "equivalency projects" are those projects that receive loan disbursements directly from Iowa's federal allocation for the BIL General Supplement Fund. Equivalency projects are required to comply with all federal law

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regulating the BIL General Supplemental Fund, including but not limited to BABA. The DWSRF Program will work directly with projects identified as equivalency projects to ensure a full understanding of compliance requirements.

SRF Projects that are not equivalency projects may still be subject to BABA compliance if the infrastructure project is being co-funded by another federal agency. If this occurs, the entire project will be required to comply with BABA requirements. In these cases, the DWSRF Program will only need to document compliance with AIS domestic provisions. The DWSRF Program will coordinate with the SRF borrower and the co-funding agency to avoid duplicating efforts to document and demonstrate AIS compliance.

**Signage**

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. This requirement applies only to the following projects:

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

The sign must be placed at construction sites 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. In cases where the construction site covers a large area (e.g., lead service line replacement or septic tank repair/replacement projects), a sign should be placed in an easily visible location near where the work is being performed (e.g., entrance to the neighborhood, along a main road through town, etc.). Signage costs are considered an allowable SRF expense, provided the costs associated with the signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, assistance recipients are encouraged to translate the language on signs (excluding the official Building a Better America emblem or EPA logo or seal) into the appropriate nonEnglish language(s). The costs of such translation are allowable SRF expenses, provided the costs are reasonable.

**Signage Requirements:**

- Building A Better America Emblem: The SRF recipient will ensure that a sign is placed at construction sites supported under this award displaying the official Building A Better America emblem and must identify the project as a “project funded by President Biden’s Bipartisan Infrastructure Law.” See guidelines and design specifications for using the official Building A Better America emblem and corresponding logomark.<sup>8</sup>
- EPA Logo: The SRF recipient will ensure that signage displays the EPA logo along with the official Building A Better America emblem. The EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the recipient received financial assistance from EPA for the project. Information on compliance with the EPA sign specifications is provided by the EPA Office of Public Affairs (OPA)<sup>9</sup>. Additional information on obtaining the appropriate EPA logo or seal graphic file is available on the EPA Seal and Logo page.<sup>10</sup>

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**II. Criteria and Method for Distribution of Funds**

**Project Ranking**

The project ranking criteria for BIL General Supplemental Fund will be the same as described in Appendix B of the base DWSRF Program IUP.

<sup>8</sup> <https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-Brand-Guide.pdf>

<sup>9</sup> <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced-epa-assistance-agreement-recipients>

<sup>10</sup> <https://www.epa.gov/aboutepa/using-epa-seal-and-logo>

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**Description of contingency procedures**

Eligible projects on the base DWSRF PPL will be funded by BIL General DWSRF Supplemental Fund until the total amount of needs exceeds the year's BIL General DWSRF Supplemental loan funding. Projects will be funded from the top down in the ranking order of the PPL with consideration given to readiness to proceed. A contingency status will be placed on the remaining eligible projects and they will remain on the funding PPL the base DWSRF Program IUP. Projects on contingency status can be moved from the base DWSRF Program to the BIL General DWSRF Supplemental Fund PPL when funds are available or when the project is ready to proceed, whichever is applicable.

**III. BIL Supplemental Program Goals**

The FFY 2022 BIL General Supplemental Fund short-term and long-term goals and objectives are the same as the base DWSRF Program IUP goals and objectives identified in Section I of the SFY 2023 DWSRF Program IUP, with the following additions:

- Goal: Commit FFY 2022 BIL General Supplemental loan funds to as many recipients as possible in accordance with the state priority rating system, the IUP, staff resources, and available funding.

Objective: Identify projects on the current DWSRF PPL eligible to be funded with FFY 2022 BIL General Supplemental Funds. Accept applications quarterly and add additional projects to the PPL, as applicable, until all funding is obligated.

- Goal: Identify eligible applicants for loan forgiveness.

Objective: Using the new disadvantaged community criteria (described in this Annex) and priority projects, identify projects on the current DWSRF PPL eligible to receive loan forgiveness from the FFY 2022 BIL General Supplemental Fund. Accept applications quarterly and add additional projects to the PPL, as applicable, until all loan forgiveness funding is obligated.

**IV. Assurances and Special Proposals**

Iowa will provide the necessary assurances and certifications according to the Operating Agreement and between the State of Iowa and the U.S. EPA grant terms and conditions.

**V. Financial****Summary of State's Financial Plan**

See "Financial Management Strategies" located in Section 1 of the base DWSRF Program IUP.

**Sources and Uses**

See "Sources and Uses of Available DWSRF Funds" located in Section II and Appendix A of the base DWSRF Program IUP.

**Planned Use of Fee Revenue**

DWSRF expenses for administering the SRF include the work of drinking water engineering section project managers, administrative staff, specialists in environmental review, financial officers, loan coordinators, and program managers. It also covers expenses for financial and legal advisors. These program expenses will first be paid out of the base DWSRF Program Income and then BIL General Supplemental Program Income. They will then be paid from Non-Program Income once Program Income has been fully expended.

DNR intends to use a portion of Non-Program Income funds during SFY 2023 to support staffing to the Field Services Bureau for drinking water compliance activities including inspections, investigations and technical assistance and to support staffing in the Water Quality Bureau for construction permitting, drinking water permitting, AIS/BABA Site Inspections, and other programmatic staffing needs.

Estimates of Program Income and Non-Program Income resulting from BIL General DWSRF Supplemental Funds cannot be made at this time but will be provided in future updates to this Annex.

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**Loan Policies***Project Scope*

The scope of the project must be outlined on the IUP application and in the preliminary engineering report. Additional project information may be required at the time of application for BIL General Supplemental Funds. Changes to the scope are allowed prior to loan closing. Significant changes in scope that cause delays and/or additional work required by the project manager or environmental review specialist, may result in loss of financing through the BIL General Supplemental Fund. Once a loan is signed, only minor changes to the scope will be allowed and only if they do not require additional technical or environmental review.

*Project Readiness*

Applicants cannot be offered SRF financial assistance until they meet DWSRF Program requirements. More information can be found in the [Water Supply Construction Manual](#).<sup>11</sup>

*Compliance with Public Bidding Law*

To the extent applicable, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

*Compliance with Civil Rights Law*

All programs, projects, and activities undertaken in the SRF Programs are subject to federal anti-discrimination laws, including the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and section 13 of the Federal Water Pollution Control Amendments of 1972. These laws prohibit discrimination in any federally assisted program on the basis of race, color, national origin, sex, disability, or age. These laws apply by their own terms to the entire organization receiving federal financial assistance, not just to the project itself. Iowa is in the process of reviewing program activities to ensure compliance with federal civil rights laws.

*Utility Rate Recommendations*

Prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal Advisor set forth in the 5-year pro-forma cash flow analysis.

*Municipal Advisor*

Borrowers will be asked to identify their Municipal Advisor for the project as part of the IUP application.

**State Match**

See Appendix F -State Match of the base DWSRF Program IUP.

**VI. Set-Asides**

States are allowed to take or reserve set-aside amounts from the BIL General DWSRF Supplemental Fund for a number of activities that enhance the technical, financial, and managerial capacity of public water systems and protect sources of drinking water. DNR is following the SFY 2022 DWSRF workplan and will switch to the SFY 2023 workplan during the fiscal year. Since the BIL General Supplemental Funds have the same objectives and eligibilities of the base DWSRF Program, the set-aside activities for this Annex will be the same as the base DWSRF Program (see *"Intended Uses of Set-Asides"* located Section II of the base DWSRF Program IUP for additional information on planned activities). For FFY 2022, Iowa plans to take or reserve funds from the Admin, Technical Assistance, and Capacity Development set-asides.

<sup>11</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund>

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## VII. Public Review and Comment

Stakeholder engagement webinars were hosted on June 26, 2022 to present the preliminary implementation plans for BIL General DWSRF Supplemental funds. Comments were accepted through July 8, 2022. Questions and comments from stakeholders were taken into consideration and some changes were incorporated into this Annex as described above. A new dedicated web page was developed on the Iowa SRF website titled “Bipartisan Infrastructure Law (BIL) Funding Opportunities”<sup>12</sup> to inform stakeholders of the latest BIL updates in a timely manner. A new dedicated email “[water-infrastructure@dnr.iowa.gov](mailto:water-infrastructure@dnr.iowa.gov)” was created for stakeholders to easily submit questions and comments pertaining to BIL.

A public meeting to allow input into this Annex and PPL was held August 11, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to the public, stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until August 18, 2022.

A public meeting to allow input to Iowa’s SFY 2023 IUP third quarter update and Project Priority List, including this Annex, was held November 17, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until December 10, 2022.

A public meeting to allow input to Iowa’s SFY 2023 IUP fourth quarter update and Project Priority List was held February 9, 2023, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until February 24, 2023.

The following comment was received from the Iowa Finance Authority and content from this comment was incorporated into this IUP update:

“Pursuant to IAC 265-26.5, Iowa Finance Authority respectfully recommends that the Base and Supplemental FY 2023 Q4 IUP incorporate the following change to the interest rate for taxable SRF loans:

<u>Loan Terms</u>	<u>Applicant Type</u>	<u>Interest Rate</u>	<u>Servicing Fee</u>	<u>Total</u>
<u>Taxable Loans (up to 20 years)</u>	<u>All</u>	<u>3.57%</u>	<u>0.25%</u>	<u>3.82%</u>

This proposed interest rate would apply to all taxable loans executed on or after April 1, 2023 and represents a 25% discount of the current 20-year BVAL AAA Taxable Revenue Municipal index yield of 4.76%.”

## VIII. Project Priority List (PPL)

See *Attachment 1- DWSRF PPL*, to the base DWSRF Program IUP. This PPL includes projects that will be funded by the BIL General Supplemental Fund as well as the base DWSRF Program. The PPL is included as a separate, sortable Excel file.

<sup>12</sup> <https://www.iowasrf.com/infrastructure-bill-funding-opportunities/>

Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Fort Dodge	9433003	N/A	PD-CW-23-58	Wastewater Treatment System Planning Study	2023	4	P&D	P&D	P	\$ 328,000	\$ 328,000				NA
Emmetsburg	7428002	N/A	PD-CW-23-57	Wastewater Treatment Facility Improvements	2023	4	P&D	P&D	P	\$ 2,500,000	\$ 2,500,000				NA
Allerton	9303002	N/A	PD-CW-23-56	Improvements to South Wastewater Treatment Plant	2023	4	P&D	P&D	P	\$ 545,000	\$ 545,000				NA
Martensdale	9147001	N/A	PD-CW-23-45	Wastewater Treatment Site Lift Station Improvements	2023	4	P&D	P&D	P	\$ 71,000	\$ 71,000				NA
Bettendorf	8209001	N/A	PD-CW-23-48	P&D for Sanitary Sewer Lift Station	2023	4	P&D	P&D	P	\$ 1,000,000	\$ 1,000,000				NA
Anamosa	5307001	N/A	PD-CW-23-46	P&D for Sludge Handling System Improvemnts	2023	4	P&D	P&D	P	\$ 119,000	\$ 119,000				NA
Cass County Environmental Control Agency	N/A	N/A	GNS23-03	Landfill Closure & Transfer Station Installation	2023	4	TBD	GNS	P	\$ 1,099,961	\$ 1,099,961				NA
Webster City	4063001	S2017-0216A	CS1921085 01	Wastewater Treatment Facility Improvements	2023	4	II	314	P	\$ 77,001,000	\$ 77,001,000				TBD
Ida Grove	4728001	S2019-0337A	CS1921095 01	Wastewater Treatment Facility Improvements	2023	4	II	284	P	\$ 8,789,000	\$ 8,789,000				TBD
Muscatine	7048001	S2022-0036A	CS1921092 01	West Hill Area Sanitary and Storm Sewer Separation Phase 6C	2023	4	V	240	P	\$ 6,680,000	\$ 6,680,000				TBD
Cedar Rapids	5715001	TBD	TBD	Cedar Rapids WPCF PFAS Source and Treatability Study	2023	4	II	182	P	\$ 3,065,000	\$ 3,065,000				BIL PFAS/EC Eligible
WRA	7048001	W2022-0186A	CS1921093 01	WRF Effluent Pumping Improvements	2023	4	I	180	P	\$ 46,080,000	\$ 46,080,000				TBD
Waterloo	790001	S2017-0342A	CS1921096 01	Final Clarifier No. 3 Rehabilitation	2023	4	I	172	P	\$ 1,054,000	\$ 1,054,000				TBD
Cumming	9123001	W2023-0198A	CS1921098 01	Sanitary Sewer Collection System Improvements	2023	4	III-B	160	P	\$ 4,226,000	\$ 4,226,000				Not Eligible
WRA	7048001	S2019-0363A	CS1921094 01	WRA Sewer Lining Phase 3	2023	4	III-B	160	P	\$ 16,735,000	\$ 16,735,000				TBD
Sumner	970001	W2022-0460A	CS1921097 01	Sumner Wastewater Upgrades 2023	2023	4	I	139	P	\$ 3,075,000	\$ 3,075,000				Not Eligible
Coralville	5208001	N/A	PD-CW-23-39	P&D For New Force Main	2023	3	P&D	P&D	P	\$ 193,000	\$ 193,000				NA
Johnston	7740001	N/A	PD-CW-23-38	P&D For Stormwater Quality Improvements	2023	3	P&D	P&D	L	\$ 225,000	\$ 225,000	1/13/23	\$ 225,000	\$ -	NA
Swisher	5285001	N/A	PD-CW-23-35	P&D For Sanitary Sewer Upgrade	2023	3	P&D	P&D	L	\$ 732,000	\$ 732,000	12/23/22	\$ 732,000	\$ -	NA
Danville	2915001	N/A	PD-CW-23-34	P&D For Upgrades to Wastewater Treatment Plant	2023	3	P&D	P&D	L	\$ 450,000	\$ 450,000	12/30/22	\$ 450,000	\$ -	NA
Ridgeway	9680001	NA	PD-CW-23-29	P&D for Lagoon Improvements	2023	3	P&D	P&D	L	\$ 105,000	\$ 105,000	9/30/22	\$ 105,000	\$ -	NA
Oskaloosa	6273001	W2022-0004A	CS1921088-01	Wastewater Treatment Facility Improvements	2023	3	II	327	P	\$ 74,420,000	\$ 74,420,000				Eligible 2022
Treynor	7866002	S2018-0251A	CS1921091-01	Wastewater Treatment Facility Upgrades	2023	3	II	314	P	\$ 5,289,000	\$ 5,289,000				Not Eligible
Laurel	6452001	S2015-0037A	CS1921073-01	Wastewater Treatment Facility Improvements	2023	3	II	264	P	\$ 2,094,000	\$ 2,094,000				Eligible 2022
Swea City	5584001	W2020-0123A	CS1921087-01	Wastewater System Improvements	2023	3	II	264	P	\$ 4,593,000	\$ 4,593,000				Eligible 2022

Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Crescent	7822001	W2022-0175A	CS1921081-01	Wastewater Facility Improvements	2023	3	II	229	P	\$ 4,038,000	\$ 4,038,000				Not Eligible
Coralville	5208001	W2023-0059A	CS1921086-01	Oakdale Boulevard Force Main	2023	3	III-B	152	P	\$ 2,094,000	\$ 2,094,000				Not Eligible
Oelwein	3353001	W2023-0069A	CS1921090-01	Reed Bed Expansion and EQ Liner Replacement	2023	3	II	149	P	\$ 1,882,000	\$ 1,882,000				Eligible 2022
Eagle Grove	9926001	S2022-0384A	CS1921089-01	Highway 17 Lift Station & Collection System Improvements	2023	3	III-B	129	P	\$ 525,537	\$ 525,537				Eligible 2022
Ely	5728001	W2023-0019A	CS1921083-01	Sanitary Sewer Rehabilitation: Phase 1	2023	3	III-A	129	P	\$ 470,000	\$ 1,122,000				Not Eligible
Winfield	4493001	N/A	PD-CW-23-12	P&D for Lift Station Upgrades	2023	2	P&D	P&D	L	\$ 135,275	\$ 135,275	8/5/22	\$ 135,275	\$ -	NA
Swea City	5584001	N/A	PD-CW-23-26	P&D For WWTP Improvements	2023	2	P&D	P&D	L	\$ 500,000	\$ 500,000	11/4/22	\$ 500,000	\$ -	NA
Story City	8584001	N/A	PD-CW-23-11	P&D for Phases 2 and 3 WWTF Improvements	2023	2	P&D	P&D	L	\$ 732,500	\$ 732,500	9/23/22	\$ 732,500	\$ -	NA
Radcliffe	4283001	N/A	PD-CW-23-13	P&D for Sewer System Rehab	2023	2	P&D	P&D	L	\$ 159,500	\$ 159,500	9/30/22	\$ 159,500	\$ -	NA
Holstein	4721001	N/A	PD-CW-23-27	P&D For WWTP Improvements	2023	2	P&D	P&D	L	\$ 570,000	\$ 570,000	10/21/22	\$ 570,000	\$ -	NA
Ely	5728001	N/A	PD-CW-23-16	P&D for Sanitary Mains Rehabilitation	2023	2	P&D	P&D	P	\$ 184,420	\$ 184,420				NA
Eagle Grove	9926001	N/A	PD-CW-23-25	P&D for Lift Station Improvements	2023	2	P&D	P&D	L	\$ 766,000	\$ 766,000	9/23/22	\$ 766,000	\$ -	NA
Dubuque	3126001	N/A	PD-CW-23-15	P&D for Sanitary Sewer Improvements	2023	2	P&D	P&D	P	\$ 430,000	\$ 430,000				NA
Dubuque	3126001	N/A	PD-CW-23-14	P&D for Lift Station and Force Main Improvements	2023	2	P&D	P&D	P	\$ 1,000,000	\$ 1,000,000				NA
Johnston	N/A	N/A	GNS23-02	Channel Stabilization Projects	2023	2	TBD	GNS	P	\$ 725,000	\$ 1,300,000				NA
Akron	7509001	W2021-0303A	CS1921074-01	Wastewater Treatment Facility Improvements	2023	2	II	305	P	\$ 1,716,000	\$ 1,716,000				Eligible 2022
Story City	8584001	S2018-0488A	CS1921082-01	Phase 2 and 3 WWTF Improvements	2023	2	II	265	P	\$ 10,926,873	\$ 10,926,873				Eligible 2022
Cedar Rapids	5715001	S2021-0411A	CS1921069-01	WPC Solids Improvements (Contract 2)	2023	2	II	182	P	\$ 250,000,000	\$ 250,000,000				Eligible 2022
Eagle Grove	9926001	W2022-0328A	CS1921072-01	Wastewater Improvements 2022	2023	2	II	174	P	\$ 5,715,000	\$ 5,715,000				Eligible 2022
McGregor	2258001	S2022-0425A	CS1921075-01	WWTP Influent Screen	2023	2	I	149	P	\$ 578,000	\$ 578,000				Eligible 2022
Dubuque	3126001	S2022-0402A	CS1921080-01	Eagle Street and Althausen Street Water & Sewer Replacement	2023	2	IIIA	139	P	\$ 393,000	\$ 393,000				Eligible 2022
Farley	3135001	W2022-0268A	CS1921077-01	3rd Avenue SW Water & Sewer Improvements	2023	2	IIIA	129	P	\$ 2,528,000	\$ 2,528,000				Not Eligible
Ladora	484001	S20217-0239A	CS1921076-01	Wastewater Improvements Phase II - Ladora Main Lift Station Replacement 2023	2023	2	IIIB	129	P	\$ 999,000	\$ 999,000				Eligible 2022
Oakland	7856001	N/A	PD-CW-23-07	P&D for Wastewater Treatment System Upgrades	2023	1	P&D	P&D	L	\$ 355,400	\$ 355,400	8/26/22	\$ 355,400	\$ -	NA
Dedham	1433001	N/A	PD-CW-23-06	P&D for Lagoon Improvements	2023	1	P&D	P&D	P	\$ 326,500	\$ 326,500				NA



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Cass County Environmental Control Agency	58255645	N/A	PD-CW-23-05	P&D for Landfill Closure & Transfer Station Installation	2023	1	P&D	P&D	L	\$ 194,082	\$ 194,082	8/19/22	\$ 194,082	\$ -	NA
Ladora	0058521	N/A	PD-CW-23-04	P&D for New Lift Station	2023	1	P&D	P&D	L	\$ 28,500	\$ 28,500	6/24/22	\$ 28,500	\$ -	NA
Sumner	0970001	N/A	PD-CW-23-02	P&D for Wastewater System Upgrades	2023	1	P&D	P&D	L	\$ 400,000	\$ 400,000	6/24/22	\$ 400,000	\$ -	NA
Cedar Rapids	5715001	N/A	PD-CW-23-01	P&D for Wastewater System Upgrades	2023	1	P&D	P&D	L	\$ 13,300,000	\$ 13,300,000	9/23/22	\$ 13,300,000	\$ -	NA
West Des Moines	N/A	N/A	GNS23-01	Blue Creek Stormwater Detention Facilities	2023	1	GNS	GNS	P	\$ 4,738,500	\$ 4,738,500				NA
Evansdale	723001	W2018-0318A	CS1921065 01	WWTP Improvements 2021	2023	1	II	295	P	\$ 9,528,000	\$ 9,528,000				Eligible 2022
Mingo	5052001	W2021-0260A	CS1921012-01	Wastewater Treatment Plant Improvements	2023	1	II	250	P	\$ 1,685,000	\$ 1,685,000				Eligible 2022
Cherokee	1811002	W2021-0209A	CS1921057-01	WRF Nutrient Reduction Improvements	2023	1	II	234	P	\$ 7,088,000	\$ 7,088,000				Eligible 2022
Aurelia	1803001	W2022-0308A	CS1921064 01	Willow Street Sanitary Sewer Replacement	2023	1	IIIB	162	P	\$ 304,000	\$ 304,000				Eligible 2022
Fostoria	2122001	W2022-0235A	CS1921066-01	2022 Sanitary Sewer Rehabilitation	2023	1	IIIA	160	P	\$ 756,000	\$ 756,000				Not Eligible
Hospers	8439001	W2022-0263A	CS1921067-01	2nd Ave Paving & Utility Improvements	2023	1	IIIB	152	P	\$ 1,531,000	\$ 1,531,000				Not Eligible
Ionia	1946001	W2022-0184A	CS1921068-01	Wastewater Improvements	2023	1	II	149	P	\$ 663,300	\$ 663,300				Eligible 2022
Dubuque	3126001	W2022-0320A	CS1921070-01	Auburn-Custer Sanitary Sewer Reconstruction	2023	1	IIIB	139	P	\$ 439,000	\$ 439,000				Eligible 2022
Coralville	5208001	W2022-0310	CS1921071-01	Central Trunk Sewer	2023	1	IVB	127	P	\$ 6,200,000	\$ 6,200,000				Not Eligible
Milo	9155001	W2021-0111A	CS1921054 01	Wastewater Treatment Facility Improvements	2022	4	II	272	P	\$ 4,192,000	\$ 4,762,000				Not Eligible
Earlham	6115001	W2020-0448A	CS1921055 01	Earlham Lagoon Upgrades	2022	4	II	264	L	\$ 6,241,000	\$ 6,241,000	12/9/2022	\$ 2,475,000	\$ 3,766,000	Not Eligible
New Hartford	1271001	W2022-0029A	CS1921058 01	Wastewater Treatment Plant Improvements	2022	4	II	245	P	\$ 319,000	\$ 319,000				Eligible 2022
Primghar	7155001	W2021-0194A	CS1921051 01	WWTF Improvements	2022	4	II	224	P	\$ 6,173,000	\$ 6,173,000				Eligible 2022
Winfield	4493001	W2017-0391A	CS1921053 01	Wastewater Treatment Plant Improvements	2022	4	II	222	P	\$ 1,915,530	\$ 3,090,000				Eligible 2022
Muscatine	7048001	S2022-0036A	CS1921056 01	West Hill Area Sewer Separation Project - Phase 6A and 6B	2022	4	V	200	P	\$ 8,056,000	\$ 8,056,000				Eligible 2022
Elgin	3338001	W2022-0105A	CS1921059 01	WWTP Liner Replacement	2022	4	II	180	P	\$ 604,000	\$ 604,000				Eligible 2022
Sibley	7245001	W2021-0398A	CS1921060 01	Wastewater Treatment Facility Improvements	2022	4	II	174	P	\$ 3,640,110	\$ 3,640,110				Eligible 2022
Whittemore	5595001	W2021-0455A	CS1921050 01	Sanitary Sewer Collection System I/I Reduction - Phase 1A	2022	4	IIIA	154	P	\$ 507,000	\$ 507,000				Not Eligible
Waukee	7727001	W2022-0164A	CS1921063-01	NE Sewer Outfall Facility	2022	4	IVB	145	P	\$ 9,289,215	\$ 13,200,000				Not Eligible
Crystal Lake	4115001	W2021-0426A	CS1921052 01	Sanitary Sewer Collection System I/I Reduction - Phase 1A	2022	4	IIIA	139	P	\$ 450,000	\$ 450,000				Eligible 2022
Johnston	7740002	W2022-0196A	CS1921062 01	NW Area Sanitary Sewer Extension	2022	4	IVA	135	P	\$ 18,199,000	\$ 17,620,735				STAG GRANT '22 Not Eligible
Defiance	8315001	N/A	PD-CW-22-47	P&D for WWTF Improvements	2022	3	P&D	P&D	P	\$ 185,000	\$ 185,000				NA
Lake City	1345003	W2019-0385A	CS1921042 01	Phase 2 & 3 Lake City WWTF Improvements - Lift Station & Treatment Facility	2022	3	II	254	P	\$ 8,234,000	\$ 8,234,000				NA

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Allison	1203001	S2020-0003A	CS1921039 01	WWTF Improvements	2022	3	II	249	P	\$ 2,144,000	\$ 2,144,000				Eligible 2022
Danbury	9729001	W2020-0188A	CS1921040 01	WWTP Improvements	2022	3	II	245	P	\$ 2,606,000	\$ 2,606,000				Eligible 2022
Marshalltown	6469001	W2020-0410A	CS1921044 01	Headworks and Digester Improvements Project 2020 Sanitary Sewer Rehab - CIPP	2022	3	I, III-A	240	P	\$ 13,247,000	\$ 13,125,000				Eligible 2022
Riceville	6670001	W2020-0317A	CS1921046 01	WWTF Improvements	2022	3	II	219	P	\$ 2,066,280	\$ 3,412,096				Eligible 2022
Winterset	6171001	S2020-0429A	CS1921038 01	WWTF Improvements	2022	3	II	219	P	\$ 18,898,000	\$ 18,898,000				Not Eligible
Dubuque	3126001	W2022-0094A	CS1921049 01	Granger Creek Sanitary Sewer Improvements	2022	3	IV-B	180	P	\$ 3,065,552	\$ 3,065,552				Eligible 2022
Monona	02264001	W2022-0061A	CS1921045 01	Central Service Area Wastewater Collection System Rehabilitation	2022	3	III-A	145	P	\$ 704,000	\$ 704,000				Eligible 2022
Stockport	0061603	S2021-0167A	CS1921047 01	Sewer System Rehab	2022	3	III-A	139	P	\$ 332,000	\$ 332,000				Eligible 2022
Houghton	5633001	W2021-0176A	CS1921041 01	Wastewater System Improvements	2022	3	III-A	139	R	\$ 653,000	\$ 645,000				Eligible 2022
Sun Valley Sanitary District	8000701	W2021-0343A	CS1921048 01	Wastewater Collection and Treatment System Improvements	2022	3	III-A	129	L	\$ 1,704,000	\$ 1,704,000	11/4/2022	\$ 1,125,000	\$ 579,000	Sanitary District TBD
Lake City	1345003	N/A	PD-CW-22-24	P&D for Flow Monitoring, Lift Station and WWTF Improvements	2022	2	P&D	P&D	P	\$ 579,500	\$ 579,500				NA
Humboldt	4641001	W2021-0004A	CS1921024 01	Raw Pumping and Nutrient Removal Improvements	2022	2	II	255	L	\$ 1,724,000	\$ 1,712,000	9/2/2022	\$ 1,712,000	\$ -	Awarded BIL 2022
Morning Sun	5857001	W2019-0130A	CS1921036 01	WWTP Improvements	2022	2	II	250	P	\$ 1,972,500	\$ 1,972,500				Eligible 2022
Saint Ansgar	6673001	W2020-0420A	CS1921035 01	WWTF UV Disinfection	2022	2	II	239	P	\$ 376,000	\$ 376,000				Not Eligible
Ackley	4201001	W2020-0217A	CS1910863 02	Treatment Plant Upgrades Phase II (SAGR and UV)	2022	2	II	227	L	\$ 3,759,968	\$ 3,759,968	12/2/2022	\$ 3,760,000	\$ -	Eligible 2022
Wheatland	2394001	W2020-0269A	CS1921022 01	Wastewater Treatment Facility Upgrades	2022	2	II	224	P	\$ 608,000	\$ 559,000				Eligible 2022
Victor	4875001	W2018-0463A	CS1921029 01	WWTP Upgrades	2022	2	II	224	L	\$ 600,000	\$ 1,932,000	12/2/2022	\$ 1,932,000	\$ -	Eligible 2022
Clinton	2326001	W2021-0115A	CS1921021 01	RWRF ADM Plant Expansion	2022	2	II	210	P	\$ 97,526,000	\$ 97,526,000				Eligible 2022
WRA	7727001	W2020-0400A	CS1921032 01	WRF Phosphorus Recovery Facility	2022	2	II	205	P	\$ 30,000,000	\$ 30,000,000				Eligible 2022
WRA	7727001	W2021-0366A	CS1921033 01	Southern Tier Interceptor Phase 10, Segments 23-24	2022	2	IV-A	165	L	\$ 17,658,000	\$ 14,181,000	12/16/2022	\$ 3,600,000	\$ 10,581,000	Eligible 2022
Dubuque	3126001	W2021-0394A	CS1921034 01	Old Mill Rd. Lift Station and Force Main	2022	2	IV-B	154	P	\$ 25,467,000	\$ 25,467,000				Eligible 2022
Nashua	1967001	W2021-0293A	CS1921027 01	Greeley Street Water & Sanitary Improvements	2022	2	III-B	139	P	\$ 164,000	\$ 164,000				Eligible 2022
Lytton	9133001	W2021-0424A	CS1921025 01	Sanitary Sewer Force Main Replacement	2022	2	III-B	134	P	\$ 479,000	\$ 479,000				Eligible 2022
Moravia	467001	W2021-0155A	CS1921026 01	Sanitary Sewer Collection System Improvements	2022	2	III-A	129	L	\$ 298,000	\$ 345,000	10/7/2022	\$ 345,000	\$ -	Awarded CAP 2022
WRA	7727001	N/A	PD-CW-22-11	P&D for Improvements to Southern Tier, Phase 10, Segments 10-23	2022	1	P&D	P&D	P	\$ 403,000	\$ 403,000				NA
Dubuque	NA	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	VI	GNS	P	\$ 2,600,000	\$ 2,600,000				NA

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Montpelier	7038901	W2021-0086A	CS1921015 01	New Outfall	2022	1	II	260	P	\$ 400,000	\$ 124,000				Unincorporated TBD
Monticello	5343001	W2018-0419A	CS1921009 01	New Activated Sludge Plan with Nutrient Removal	2022	1	II	260	P	\$ 14,497,000	\$ 14,497,000				Eligible 2022
Frederika	922001	W2020-0141A	CS1921013 01	I&I Repares & Adding Capacity to CDL	2022	1	I, III-A	254	P	\$ 2,153,000	\$ 2,153,000				Awarded CAP '21
Jefferson	3742001	W2020-0326A	CS1921005 01	WWTP Improvements	2022	1	II	252	L	\$ 10,254,000	\$ 19,750,000	12/23/22	\$ 19,750,000	\$ -	Eligible 2022
Grandview	5842001	W2020-0414A	CS1921020 01	Wastewater Treatment Facility Improvements	2022	1	II	245	L	\$ 3,286,000	\$ 3,246,000	8/5/22	\$ 325,000	\$ 2,921,000	Awarded CAP 2022
Leland	9549001	W2020-0011A	CS1921016 01	2-Cell Aerated Lagoon, SAGR & UV	2022	1	II	237	P	\$ 1,349,000	\$ 1,349,000				Eligible 2022
Fort Madison	5625001	W2021-0203A	CS1921017 01	10th Street Combined Sewer Separation	2022	1	V	224	P	\$ 4,463,000	\$ 4,463,000				Eligible 2022
Terrace Hill	3500900	S2020-0079A	CS1921019 01	New Pumping Station to Connect to City of Hampton	2022	1	IV-B	194	P	\$ 2,008,600	\$ 2,008,600				Sanitary District TBD
Fort Dodge	9433003	W2021-0284A	CS1921018 01	New Lab Building and Odor Control	2022	1	II	180	P	\$ 5,025,000	\$ 7,320,000				Eligible 2022
Humeston	9348001	W2020-0141A	CS1921014 01	Sludge Removal, New Lagoon Aeration System, and UV to Meet New Permit Limits	2022	1	II	175	P	\$ 1,303,000	\$ 1,303,000				Eligible 2022
Coralville	N/A	N/A	PD-CW-21-61	P&D for Clear Creek Stream Restoration	2021	4	P&D	P&D	P	\$ 694,400	\$ 694,400				NA
Crescent	N/A	N/A	PD-CW-21-48	P&D for Wastewater System Upgrades	2021	4	P&D	P&D	P	\$ 450,000	\$ 450,000				NA
Montpelier	N/A	N/A	PD-CW-21-68	P&D for Updates to Existing Wastewater Treatment Facility	2021	4	P&D	P&D	P	\$ 100,000	\$ 100,000				NA
Saint Ansgar	N/A	N/A	PD-CW-21-71	P&D for UV Disinfection Construction	2021	4	P&D	P&D	P	\$ 32,000	\$ 32,000				NA
Saint Ansgar	N/A	N/A	PD-CW-21-72	P&D for Sanitary Sewer Trunkline Construction	2021	4	P&D	P&D	P	\$ 64,400	\$ 64,400				NA
Marengo	4843001	W2017-0244A	CS1921008 01	Wastewater Facility Improvements-UV and discharge to larger stream	2021	4	II	249	P	\$ 5,863,000	\$ 5,863,000				Eligible 2022
Savage	9400900	S2016-0156A	CS1921004 01	Wastewater Treatment Improvements-SAGR and UV	2021	4	II	245	P	\$ 1,063,285	\$ 1,510,000				Unincorporated TBD
Ridgeway	9680001	W2019-0244A	CS1920991 01	SAGR & UV	2021	4	II	245	P	\$ 1,087,000	\$ 1,969,000				Not Eligible
Festina	9600302	W2018-0288A	CS1921002 01	Wastewater Treatment Facility Improvements-SAGR and UV	2021	4	II	235	P	\$ 406,000	\$ 406,000				Unincorporated TBD
Armstrong	3203001	S2015-0225A	CS1921007 01	Wastewater Treatment Improvements-Nitrification reactor and UV	2021	4	II	232	L	\$ 2,905,000	\$ 5,314,000	7/8/22	\$ 5,314,000	\$ -	Awarded BIL 2022
Lake City	1345003	W2019-0385A	CS1920986 01	Phase 1 Wastewater Treatment Facility Improvements - Flow Monitoring	2021	4	I	144	P	\$ 163,000	\$ 163,000				Eligible 2022
St. Ansgar	6673001	W2020-0421A	CS1921003 01	Sanitary Sewer Trunkline	2021	4	IV-A	135	P	\$ 471,000	\$ 471,000				Not Eligible
Lovilia	6858001	W2020-0292A	CS1921001 01	W 20th Street Lift Station upgrade	2021	4	IV-B	114	L	\$ 299,490	\$ 450,000	11/4/22	\$ 450,000	\$ -	Awarded CAP 2022

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Maquoketa	4950001	W2020-0203A	CS1920988 01	BNR Addition to Existing Plant	2021	3	II	275	P	\$ 11,930,355	\$ 11,930,355				STAG GRANT '23 Not Eligible
Traer	8681001	W2018-0376A	CS1920999 01	Sewer Rehab, UV and Relocation of Outfall	2021	3	II, III-B	259	L	\$ 1,805,000	\$ 1,805,000	12/9/22	\$ 877,000	\$ 928,000	Eligible 2022
Dougherty	1722001	S2017-0251A	CS1920993 01	Low Pressure Collection System with 3-Cell Lagoon	2021	3	I, IV-A	232	L	\$ 865,000	\$ 1,401,000	12/9/22	\$ 924,000	\$ 477,000	Awarded CAP '20
West Branch	1694001	W2018-0227A	CS1920982 01	WW Tx Improvements 2021	2021	2	II	230	L	\$ 7,187,000	\$ 10,203,000	7/8/22	\$ 10,203,000	\$ -	Not Eligible
Mount Ayr	805501	W2020-0412A	CS1920984 01	WW System Improvements	2021	2	I, III-B	195	P	\$ 380,000	\$ 412,000				Eligible 2022
Anamosa	5307001	W2020-0202A	CS1920985 01	WWTP Flow Equalization Basin	2021	2	VI	155	P	\$ 2,802,000	\$ 2,802,000				Eligible 2022
Dyersville	313001	W2020-0384A	CS1920980 01	Westlinden Lift Station	2021	2	IV-B	150	P	\$ 2,764,000	\$ 2,764,000				Not Eligible
Lovilia	6858001	N/A	PD-CW-21-04	P&D for construction of WW TX facility	2021	1	P&D	P&D	P	\$ 154,000	\$ 154,000				NA
Grimes	7763001	W2017-0143A	CS1920975 01	Construct Trunk Sewer, Lift Station & Force Main to Connect to DM WRA	2021	1	IV-B	227	R	\$ 22,839,000	\$ 36,573,000				Not Eligible
Ottumwa	58611	2019-0263A	CS1920972 01	Blake's Branch Sewer Separation Phase 8, Divisio 2, 3A, 3B, 3C, 3D	2021	1	V	205	P	\$ 40,000,000	\$ 40,000,000				STAG GRANT '22 Not Eligible
McGregor	2258001	W2020-0140A	CS1920974 01	Main Street Utility Upgrades	2021	1	III-A	162	L	\$ 4,654,000	\$ 4,934,000	4/8/22	\$ 2,101,000	\$ 2,833,000	Awarded CAP '21
McGregor	2258001	W2020-0140A	CS1920974 01	Front Street Lift Station	2021	1	III-A	162	R						Awarded CAP '21
Wayland	4490001	S2017-0271A	CS1920968 01	Sewer Rehab & Lagoon Upgrade	2021	1	III-A	154	L	\$ 1,000,000	\$ 1,000,000	9/4/20	\$ 683,000	\$ 317,000.00	Subsequent Loan Eligible
Vinton	688001	W2018-0031A	CS1920969 01	WWTP Upgrades	2021	1	II	145	P	\$ 7,393,000	\$ 7,393,000				Eligible 2022
Dickinson County	N/A	N/A	GNS 20-03	Francis Sites Wetland Project	2020	4	VI	N/A	R	\$ 500,000	\$ 500,000				NA
WRA	7727001	S2020-0142A	CS1920955 01	WRA Ingersoll Run Outlet Sewer in Des Moines	2020	4	V	197	L	\$ 26,934,000	\$ 26,400,000	12/16/22	\$ 26,400,000	\$ -	Eligible 2022
Oxford Junction	5361001	2020-0126A	CS1920958 01	Sanitary Sewer Rehabilitation	2020	4	III-A	155	L	\$ 1,099,000	\$ 1,460,000	3/5/2021	\$ 788,000	\$0.00	Loan Not Eligible
Oxford Junction	5361001	2020-0126A	CS1920958 01	Sanitary Sewer Rehabilitation	2020	4	III-A	155	L	\$ -		9/16/2022	\$ 938,000		Awarded CAP 2022
Toledo	8676001	2020-0162A	CS1920957 01	Sanitary Sewer Improvements	2020	4	III-A	154	P	\$ 633,000	\$ 633,000				Eligible 2022
Rickardsville	3175001	2020-0158A	CS1920956 01	Sanitary Sewer Collection System Improvements 2020	2020	4	IV-A	114	R	\$ 1,032,000	\$ 1,032,000				Not Eligible
Nevada	8562001	W3029-0233A	1920945 01	Wastewater Treatment Facility Improvements	2020	3	I, II, IVB	234	L	\$ 48,727,000	\$ 48,727,000	1/29/21	\$ 1,360,000	\$ 6,529,000.00	Not Eligible
Nevada	8562001	W3029-0233A	1920945 01	Wastewater Treatment Facility Improvements	2020	3	I, II, IVB	234	L			4/30/21	\$ 10,000,000		Not Eligible
Nevada	8562001	W3029-0233A	1920945 01	Wastewater Treatment Facility Improvements	2020	3	I, II, IVB	234	L			1/28/22	\$ 10,000,000		Not Eligible
Nevada	8562001	W3029-0233A	1920945 01	Wastewater Treatment Facility Improvements	2020	3	I, II, IVB	234	L			9/30/22	\$ 20,838,000		Not Eligible
Pomeroy	1363001	W2020-0084A	1920951 01	Sanitary Sewer System Improvements	2020	3	IIIA	134	P	\$ 1,980,000	\$ 1,980,000				Eligible 2022
Runnels	7774001	S2017-0330A	1920943 01	Wastewater Treatment Facility Expansion	2020	2	I, II	282	P	\$ 1,889,000	\$ 1,889,000				Eligible 2022

Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Des Moines	7727001	S2019-0198A	1920944 01	Western Ingersoll Run Sewer Separation	2020	2	V	205	L		\$ 19,139,699	6/25/21	\$ 15,000,000	\$ -	Not Eligible
Des Moines	7727001	S2019-0198A	CS1920944 01	Western Ingersoll Run Sewer Separation	2020	2	V	205	L			7/8/22	\$ 7,035,000		Awarded BIL 2022
WRA	7727001	2019-0363A	1920934 01	WRA Sewer Lining	2020	2	III-B	170	L	\$ 43,441,125	\$ 43,441,125	12/20/19	\$ 12,000,000	\$ 20,441,125.00	Not Eligible
WRA	7727001	2019-0363A	1920934 01	WRA Sewer Lining	2020	2	III-B	170	L			12/16/22	\$ 11,000,000		Eligible 2022
Waterloo (Titus Lift Station and Force Main)	0790001	2019-0352A	1920935 01	New Titus lift station and force main	2020	2	IV-A	140	P	\$ 5,170,000	\$ 5,170,000				Eligible 2022
Solon	5282001	2019-0293A	1920942 01	North Trunk Sewer	2020	2	IV-B	119	P	\$ 1,247,000	\$ 1,247,000				
Glidden	1438001	2016-0396	1920929 01 (g1)	Wastewater Treatment Plant Improvements	2020	1	II	224	L	\$ 3,980,000	\$ 3,980,000	3/5/2021	\$ 2,900,000	\$ 1,080,000.00	Subsequent Loan Eligible
Mt Pleasant	4453001	S2015-0081	1920919 01	abandon lagoon and pump to main plant. Eliminates a discharge. Add nutrient removal to existing plant and UV disinfection.	2019	4	I, II & IV-B	324	L	\$ 4,020,000	\$ 4,020,000	9/30/22	\$ 4,020,000	\$ -	Awarded BIL 2022
Wastwater Reclamation Authority	7727001	S2019-0006	1920914 01	Primary and Final Clarifier rotating mechanism replacements	2019	4	I	180	L	\$ 30,486,675	\$ 30,486,675	12/18/20	\$ 11,200,000	\$ 19,286,675.00	TBD
Sumner	0970001	S2019-0180	1920916 01	Sewer relocation and new pumping sstation	2019	4	III-B & IV-B	149	P	\$ 296,000	\$ 998,000				Not Eligible
Ottumwa	9083001	N/A	PD-CW-19-29	Construction of new separate sanitary sewer throughout Blake's Branch Basin	2019	2	P&D	P&D	P	\$ 3,900,000	\$ 3,900,000				NA
Lake Mills	9545001	S2017-0385	1920894 01	WWTF Improvements (SAGR)	2019	2	I, II	277	P	\$ 1,799,000	\$ 1,799,000				Eligible 2022
Hartford	9128001	S2017-0245	1920877 01	Removal of biosolids from existing lagoons, construction of covered aerated lagoon system with polishing reactor, conversion of existing lagoon into equalization basin, instation of UV disinfection, and addition of emergency generator	2019	1	I, II	285	P	\$ 2,381,000	\$ 3,855,000				Not Eligible
Osceola	2038002	S2016-0112	1920878 01	Construction of new activated sludge treatment plant, addition of UV disinfection, cogeneration of power from methane digester	2019	1	I, II	277	L	\$ 25,554,000	\$ 53,000,000	8/20/21	\$ 28,000,000	\$ 25,000,000	Awarded CAP '20 & '21
Waterloo (Sanitary Gatewell Repairs)	0790001	S2018-0100	1920884 01	new gate wells and sanitary sewer	2019	1	III-B	185	L	\$ 3,581,000	\$ 4,202,000	5/13/22	\$ 4,202,000	\$ -	Subsequent Loan Eligible
Zwingle	4998001	N/A	PD-CW-18-42	Address permit limits on bacteria and ammonia	2018	4	P&D	P&D	P	\$ 125,000	\$ 125,000				NA
Corydon	9334004	S2014-0043	1920815 01	Wastewater Treatment Facility Improvements	2017	3	II	237	L	\$ 3,304,000	\$ 5,172,000	10/7/2022	\$ 1,000,000	\$ -	Awarded BIL 2022
Corydon	9334004	S2014-0043	1920815 01	Wastewater Treatment Facility Improvements	2017	3	II	237	L			11/4/2022	\$ 4,172,000		Awarded BIL 2022

Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?
Sioux City	9778001	S2016-0389	1920813 01	Improve various treatment plant equipment to renew initial capacity, improve performance, improve reliability and generate biogas.	2017	2	I,II	217	L	\$ 23,096,340	\$ 31,983,398	11/13/20	\$ 6,928,000	\$ 15,055,398.00	Subsequent Loan Eligible
Sioux City	9778001	S2016-0389	1920813 01	Improve various treatment plant equipment to renew initial capacity, improve performance, improve reliability and generate biogas.	2017	2	I,II	217	L			11/13/20	\$ 10,000,000		Loan Not Eligible
Waterloo (CIPP Phase III)	0790001	S2016-0285	1920811 01 (supplemental)	Excavating and repairing pipe using traditional methods. Rehabilitate sanitary sewers and rehabilitate manholes that have deteriorated.	2017	2	III-A	185	L	\$ 2,133,700	\$ 2,133,700	5/13/22	\$ 1,036,000	\$ -	Subsequent Loan Eligible
Waterloo (CIPP Phase III)	0790001	S2016-0285	1920811 01	Excavating and repairing pipe using traditional methods. Rehabilitate sanitary sewers and rehabilitate manholes that have deteriorated.	2017	2	III-A	185	L			12/16/22	\$ 1,068,000		Subsequent Loan Eligible
Algona	5502001	S2016-0239	PD-CW-17-04	Rehabilitation and reconstruction of the sanitary sewer collection system	2017	1	P&D	P&D	P	\$ 130,000	\$ 130,000				NA
Oelwein	3353001	N/A	PD-CW-16-40	Installation of new sanitary sewer	2016	4	P&D	P&D	P	\$ 33,500	\$ 33,500				NA
Ames	8503001	S2013-0327	1920741 02	Address Infiltration and inflow into the City's sanitary sewer system utilizing a variety of rehabilitation techniques.	2016	4	IIIA	145	R	\$ 19,421,625	\$ 19,421,625				Not Eligible
Mapleton	6727001	S2015-0440	PD-CW-16-30	Wastewater Treatment Improvements to comply with ammonia nitrogen limits, maintain TSS limits, and meet new NPDES standards	2016	3	P&D	P&D	P	\$ 225,000	\$ 225,000				NA
Fort Atkinson	9641001	S2015-0087	1920770 01	Construct a larger Lagoon that will only discharge once a year. Also includes an ultra violet disinfection system.	2016	3	I, II	290	L	\$ 1,249,000	\$ 3,840,000	4/8/22	\$ 760,000	\$ -	Loan Not Eligible
Fort Atkinson	9641001	S2015-0087	1920770 01	Construct a larger Lagoon that will only discharge once a year. Also includes an ultra violet disinfection system.	2016	3	I, II	290	L			7/22/22	\$ 3,080,000		Awarded BIL 2022
La Porte City	0743001	S2009-0187	1920620 01	Wastewater treatment plant improvements	2012	3	I,II	220	P	\$ 917,822	\$ 10,087,000				Eligible 2022
										\$ 1,314,110,320	\$ 1,424,157,285		\$ 267,954,257		

Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?

Project Name	NPDES No.	Project Number	CWSRF No.	Project Description	IUP Yr	Quarter	Needs Category	Priority Points	Project Status	Original IUP Funding Request (estimate)	Current Funding Request	Date Loan Signed	Loan Amount	Remaining Amount on IUP	LF Eligible?	
<b>Project Status</b>	<b>Project Needs Categories</b>															
Dropped -- D	I	Secondary Treatment	<b>Abbreviations</b>			<b>Socioeconomic Assessment Score (SES) Point Scale</b>										
Ready for Loan-- R	II	Treatment more stringent than secondary	N/A = Not Applicable			<b>Point Range</b>					<b>DAC Status</b>					
Loan Signed -- L	IIIA	Infiltration/Inflow rehabilitation	TBD = To Be Determined			Low	0-10				Does not meet SRF's Disadvantaged Community definition					
Planning Stage -- P	IIIB	Major sewer system rehabilitation	P&D = Planning & Design			Moderate-Low	11-15				Disadvantaged	Social, economic and demographic information meets SRF's definition of Disadvantaged Community for the purpose of SRF Loan Forgiveness				
	IVA	New collectors and appurtenances	BIL = Bipartisan Infrastructure Law			Moderate	16-20				Disadvantaged					
<b>CAP 2018-2022 LF Project Type/Awards</b>	IVB	New interceptors and appurtenances	CAP = Federal Capitalization Grant			Moderate-High	21-25				Disadvantaged					
Green Projects	V	Correction of combined sewers	DAC = Disadvantaged Community			High	26-30				Disadvantaged					
Disadvantaged	VI	Stormwater management programs	LF = Loan Forgiveness			<b>Priority Project Types - Loan Forgiveness Eligibility</b>										
	VII	Non-point source control projects;	SES Score = SocioEconomic Assessment Score													
	<b>Non-point Source Project Subcategories</b>															
<b>BIL 2022 LF Award</b>	VIIA	Agricultural cropland sources	PFAS/EC = PFAS Emerging Contaminants													
	VII B	Animal sources														
	VII C	Silviculture														
	VII D	Urban sources														
	VII E	Groundwater protection (unknown sources)														
	VII F	Marinas														
	VII G	Resource extraction														
	VII H	Brownfields														
	VIII I	Storage tanks														
	VII J	Landfills														
	VII K	Hydromodification														
	XII	Decentralized septic systems														



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-BIL ANNEX A-  
to the Clean Water State Revolving Fund (CWSRF)  
Intended Use Plan (IUP)  
**FFY 2022 Bipartisan Infrastructure Law (BIL)**  
**General Supplemental Fund**

### Introduction

The Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15, 2021 and has since been referred to as the Bipartisan Infrastructure Law (BIL). Under this law, additional funding is appropriated and awarded to State Revolving Fund (SRF) Programs annually between Federal Fiscal Year 2022-2026 to finance loans for water and wastewater infrastructure projects. Each BIL appropriation has specific provisions and implementation requirements. This annex to the base CWSRF Intended Use Plan (Annex) includes the implementation plan for the first year's allocation of the BIL CWSRF General Supplemental Fund.

Iowa's Federal Fiscal Year 2022 allocation is as follows:

2022	IA Allocation	Loan Forgiveness Available
CWSRF General Supplemental Fund	\$24,088,000	\$11,803,120

### Annex and the CWSRF Intended Use Plan (IUP)

This Annex will address programmatic and financial variations from the base CWSRF Program IUP that are specific to the implementation and distribution of funds from the BIL CWSRF General Supplemental Fund. The SRF Program will issue Annexes related to the BIL annually, and update them quarterly, in conjunction with the annual and quarterly updates to the base CWSRF Program IUP. In the event of discrepancies between this Annex and the base CWSRF Program's IUP, the terms of this Annex shall govern.

### Project Priority List (PPL)

The BIL CWSRF General Supplemental Fund Project Priority List (PPL) and the base CWSRF Program PPL will be combined into one list. The methods of managing the PPL are described in Section 1 of the base CWSRF Program IUP.

Due to BIL funding requirements, projects being funded through the BIL General Supplemental Fund must enter into a loan assistance agreement within one year of becoming eligible for the funds. The 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.

### Method of Amendment

The method of amending this Annex will follow the same process described in Section V of the base CWSRF Program IUP.

### Application Process

The initial PPL submitted with the state's FY 2022 BIL CAP Grant application will consist of eligible projects that are currently listed on the base CWSRF Program's PPL but have not signed a loan obligation as of **June 30, 2022**.

Project applications eligible for SRF funding under the BIL will follow the same quarterly IUP application cycle as the base CWSRF Program IUP. Additional application information may be required for projects applying for BIL General

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Supplemental Funds. The SRF Program will provide additional application materials through the [DNR<sup>1</sup>](#) and [SRF websites<sup>2</sup>](#), as applicable.

The base CWSRF PPL is attached to the base CWSRF IUP as a separate document. See *CWSRF IUP Attachment 1 – CWSRF PPL*.

## I. BIL General Supplemental Fund Program Overview

All CWSRF-eligible activities may be funded from the General Supplemental Fund appropriation under BIL. U.S. EPA granted states the flexibility to determine BIL priorities and select projects to receive this funding. The Iowa SRF Program will consider all eligible projects for funding under BIL General Supplemental Fund.

The SRF Program has selected Section 212 priority projects that are eligible to receive additional subsidization in the form of principal forgiveness. The BIL mandates that 49% of the BIL funds provided to the state through the CWSRF General Supplemental Fund must be provided as additional subsidization to the following recipients or project types:

1. Municipalities that meet the state's affordability criteria.
2. Municipalities that do not meet the state's affordability criteria but seek additional subsidization to benefit individual ratepayers in the residential user rate class.
3. Entities that implement a process, material, technique, or technology that addresses water or energy efficiency goals; mitigates stormwater runoff; or encourages sustainable project planning, design, and construction.

For FFY 2022, the Iowa SRF Program will prioritize additional subsidization to eligible projects from ***municipalities that meet the state's affordability criteria***. The Iowa SRF Program will consider prioritizing additional subsidization to other eligible recipients and project types in future appropriation years.

### Affordability Criteria

A key priority of BIL is to ensure that disadvantaged communities benefit equitably from this investment in water infrastructure. The CWSRF Program has historically focused on metrics such as income, population, unemployment and project costs to identify borrowers that would experience a significant hardship raising the revenue necessary to finance a project. In an effort to develop a more comprehensive definition of what it means to be a disadvantaged community, the Iowa SRF Program is broadening the range of metrics by which each community is evaluated to include other social, economic, and demographic information that may indicate a lack of access to affordable clean water and safe drinking water. These metrics are discussed in the "Socioeconomic Assessment Score" section, below, and they define the affordability criteria that will be used to evaluate the disadvantaged status of a borrower.

### Loan Forgiveness

Iowa applies additional subsidization in the form of principal forgiveness of a loan. Loan forgiveness will be awarded for up to 90% of the loan amount, or \$1 million, whichever is less. Individual projects will be capped at \$1 million dollars to allow more eligible borrowers to receive subsidization. The CWSRF Program may withdraw the individual project cap if additional funding becomes available.

The total amount of loan forgiveness available for a project will be determined by adding together the loan forgiveness percentages for the [priority project](#), the [socioeconomic assessment score](#) and the [household burden indicator](#). The priority project and socioeconomic assessment score information will be available at the time of application. The percent of loan forgiveness for the household burden indicator can be projected using the engineers estimate. The final household burden indicator will be determined after the project has gone to bid, the actual project costs are known, and all other funding sources have been accounted for. *Projects will be funded from the top socioeconomic score down and in priority project ranking order with consideration given to readiness to proceed.*

<sup>1</sup> <https://www.iowadnr.gov/Environmental-Protection/Water-Quality/Wastewater-Construction/Construction-Permits>

<sup>2</sup> [https://www.iowasrf.com/program/clean\\_water\\_loan\\_program/clean-water-srf-intended-use-plan-information/](https://www.iowasrf.com/program/clean_water_loan_program/clean-water-srf-intended-use-plan-information/)

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Loan forgiveness will be applied to the portions of the project that meet priority project criteria. The final amount of loan forgiveness offered will be based on the eligible costs related to the final amount drawn on the loan. Loan forgiveness is applied as principal forgiveness on the date of the final loan disbursement.

*Priority Project Percentage*

Eligibility for loan forgiveness will first be assessed based on the type of project seeking funding. If the project is one of the priority projects listed in this Annex, the borrower will then be evaluated for disadvantaged status based on the Socioeconomic Assessment Score criteria, described below.

*Socioeconomic Assessment Score*

The second element of the loan forgiveness equation is an assessment of the community or service area’s underlying socioeconomic and demographic condition that can determine the affordability of wastewater infrastructure projects. A Socioeconomic Assessment provides a comprehensive analysis of factors that typically determine whether a community is disadvantaged.

The disadvantaged status of a borrower *for the purpose of SRF loan forgiveness eligibility* will be determined by assessing 15 datapoints from publicly available sources produced by the U.S. Department of Commerce, Centers for Disease Control and Prevention (CDC), U.S. Department of Housing and Urban Development (HUD), Iowa Workforce Development, Iowa Department of Management, and the State Treasurer of Iowa. Data will be updated annually for each community and made available at IowaSRF.com.

The CWSRF program will use this data to determine if a borrower meets the affordability criteria for the purpose of SRF loan forgiveness eligibility.

Category/Metric	Source
<b>Income and Poverty</b>	
• Median Household Income (MHI)	American Community Survey
• % below poverty level	American Community Survey
• % Public Assistance/SNAP	American Community Survey
• % Supplemental Security Income	American Community Survey
<b>Labor Force</b>	
• Unemployment rate of primary county	Iowa Workforce Development <sup>3</sup>
• % not in labor force	American Community Survey
<b>Demographics</b>	
• Population Trend	Decennial Census
• % Over age 65	American Community Survey
• % non-white, not Hispanic (% minority)	American Community Survey
• Social Vulnerability Index	Centers for Disease Control
<b>Housing</b>	

<sup>3</sup> [Local Area Unemployment Statistics](#), rolling 12-month average unemployment rate of the primary county

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Category/Metric	Source
• % Vacant Homes	American Community Survey
• % Housing Cost Burdened	HUD Comprehensive Housing Affordability Strategy (CHAS)
<b>Education</b>	
• % with high school diploma or less	American Community Survey
<b>Property Value and Debt</b>	
• Valuation per Capita	Iowa Department of Management <sup>4</sup>
• Debt per Capita	State Treasurer of Iowa <sup>5</sup>

For each of the 15 metrics, applicants will be given a score indicating the relative disadvantage to the other communities in the state (see table below)<sup>6</sup>. Scores for each metric are totaled to produce an overall assessment of the applicant's underlying social, economic, and demographic profile.

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

**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.

With 15 total metrics, equally weighted, the maximum number of points will be 30. Communities or service areas with a cumulative score of 11 and up (e.g., falling in the top 2/3 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 1/3 of total cumulative points (e.g., 10 total points or less), will not be eligible to receive principal forgiveness. The amount of principal forgiveness available to a community will be established on a point scale as detailed below and may be adjusted annually in the IUP.

Applicants with a socioeconomic score between 11-30 points will be eligible for consideration of SRF loan forgiveness and may qualify to receive loan forgiveness from the FFY 2022 BIL General CWSRF Supplemental Fund (when combined with the other elements of the loan forgiveness equation).

	Point Range	Principal Forgiveness
Low	0-10	0%
Moderate-Low	11-15	15%
Moderate	16-20	20%
Moderate-High	21-25	25%
High	26-30	30%

One of the primary benefits of the Socioeconomic Assessment is that it provides a baseline view of the amount of loan forgiveness a community or service area will be eligible to receive at the time an IUP application is submitted. Then,

<sup>4</sup> [Local Government Valuation & Finance](#), 100% Valuations as of 1/1/2020 for SFY 2021-22

<sup>5</sup> [Outstanding Obligations Report](#)

<sup>6</sup> The only exception is Population Trend. No points for positive or 0% growth, 1 point for negative growth up to -10%, 2 points for more than -10% population growth.

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when the project type is taken into consideration and construction bids are received and approved, the full extent of eligible loan forgiveness can be realized.

Upon approval of this Annex by the Department's Environmental Protection Commission following a public review and comment period, the Socioeconomic Assessment Tool will be available to the public through the SRF website homepage at [www.lowaSRF.com](http://www.lowaSRF.com).

*Household Burden Indicator*

The third element of the loan forgiveness equation is an assessment of a community or service area's household's ability to afford the proposed project. The Household Affordability Assessment is made up of two components<sup>7</sup>:

- **Household Burden Indicator:** Total water costs for combined water and sewer service, including the project being financed by SRF, as a percent of the 20th percentile of community household income (lowest quintile income, or LQI)
- **Poverty Prevalence Indicator:** The percentage of community households at or below 200% of the Federal Poverty Level

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

The Household Burden Indicator may be computed with assistance from the Municipal Advisor after the construction bid has been awarded and other funding sources have been deducted. The borrower begins by determining the monthly water and sewer bill for residential users, assuming 5,000 gallons of usage per month (note that it may be normal for the service area or drinking water utility to differ from that of a sewer utility). The monthly total is then annualized and divided by the upper bound of the lowest quintile income from Table B19080 of the American Community Survey. The Poverty Prevalence Indicator for the community or service area is provided in the Socioeconomic Assessment analysis.

**Assuming 5,000 gal/month**

Monthly Water/Sewer Bill	\$145
Annual Water/Sewer Bill	\$1740
Lowest Quintile Income (LQI)	\$25,214
Total Water Costs as Percent of LQI	6.90%

The resulting benchmarks for the Household Burden and Poverty Prevalence Indicators are as follows. The amount of loan forgiveness attributed to the Household Affordability Assessment will correspond to the resulting category of unaffordability.

**Percent of Households Below 200% of Poverty Level**

Water Costs as a Percent of Income at Lowest Quintile	<= 20%	> 20% and <= 35%	> 35%
> 10%	Moderate-High Burden	Moderate-High Burden	High Burden
7% to 10%	Moderate-Low Burden	Moderate Burden	Moderate-High Burden
< 7%	Low Burden	Moderate-Low Burden	Moderate-High Burden

<sup>7</sup> Credit to R Raucher, E Rothstein, and J Mastracchio's [Developing a New Framework for Household Affordability and Financial Capability Assessment in the Water Sector](#), 2019

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Burden	Principal Forgiveness
Low	0%
Moderate-Low	15%
Moderate	20%
Moderate-High	25%
High	30%

In the example above, a community with a Household Burden Indicator of 6.90% and Poverty Prevalence Indicator of 22%, would fall in the “Moderate-Low Burden” classification. This would correspond to an additional 15% of loan forgiveness toward their project.

Water Costs as a Percent of Income at Lowest Quintile	<= 20%	> 20% and <= 35%	> 35%
> 10%	Moderate-High Burden	Moderate-High Burden	High Burden
7% to 10%	Moderate-Low Burden	Moderate Burden	Moderate-High Burden
< 7%	Low Burden	Moderate-Low Burden	Moderate-High Burden

**Priority Projects for Loan Forgiveness**

In this first year of BIL funding, the Iowa SRF Program will prioritize loan forgiveness for eligible projects that address unmet needs of our communities, that will assist communities in meeting compliance requirements and that will address health and safety issues. The following list of priority projects was developed in coordination with the regulatory authorities of the DNR and the most recent Clean Watersheds Needs Survey (CWNS) results (2012). These projects are equally weighted to receive the maximum percent of loan forgiveness available to assign to priority projects.

Priority Projects for BIL CWSRF General Supplemental Loan Forgiveness:	% Loan Forgiveness
<ul style="list-style-type: none"> <li>Sewer Collection System Rehabilitation includes gravity sewers, relief sewers, pumping stations, force mains, SSO correction and CSO correction</li> </ul>	30%
<ul style="list-style-type: none"> <li>Lagoons Advanced Treatment (Ammonia, E. coli) includes CDL optimization, sludge removal and equipment replacement</li> </ul>	30%
<ul style="list-style-type: none"> <li>Advanced Treatment WWTPs (Ammonia, E. coli, Nutrients)</li> </ul>	30%
<ul style="list-style-type: none"> <li>Aging Infrastructure WWTPs includes expansion of existing secondary treatment</li> </ul>	30%
<ul style="list-style-type: none"> <li>Consolidation/Regionalization includes unsewered communities</li> </ul>	30%

If a single SRF project includes more than one priority project type, the loan forgiveness award will be based on the primary purpose of the project. Loan forgiveness will be applied to the portions of the project that meet priority project criteria.

**Types of Financing and Interest Rates**

Construction Loans are offered with 20-year terms. An extended term loan is available up to 30 years, based on the average life of the project components. The interest rates for construction loans made from the CWSRF BIL General Supplemental Fund are as follows:

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Loan Term	Applicant Type	Interest Rate	Servicing Fee	Total
Standard Tax-Exempt (up to 20 years)	All	1.75%	0.25%	2.00%
Extended (21 to 30 years based on useful life)	All	2.75%	0.25%	3.00%
Taxable Loans (up to 20 years)	All	2.75%	0.25%	3.00%
<b>Taxable Loans (up to 20 years)</b>	<b>All loans executed on or after April 1, 2023</b>	<b>3.57%</b>	<b>0.25%</b>	<b>3.82%</b>

The SRF program continually monitors the market to ensure that our loan interest rates are appropriate while taking the program's cost of funds into account. Any necessary changes to loan interest rates will be communicated via future IUPs.

**Fees***Loan initiation fees.*

A 0.50% loan origination fee will be charged on new CWSRF loans up to a maximum fee of \$100,000. Under U.S. EPA rules, because Iowa's origination fees are financed through the loans, the proceeds are considered program income. Program income can only be used for the purposes of administering the CWSRF program or for making new loans. **Loan initiation fees will not be assessed on loans to borrowers that meet the affordability criteria and receive loan forgiveness due to their score on the Socioeconomic Tool.**

*Loan servicing fees.*

A servicing fee of 0.25% on the outstanding principal is charged on CWSRF loans. Payment of the loan servicing fee is made semi-annually along with scheduled interest payments. Loan servicing fees are calculated based on the outstanding principal balance. Under U.S. EPA rules, only servicing fees received from loans made above and beyond the amount of the Capitalization Grant and after the Capitalization Grant under which the loan was made has been closed are considered Non-Program Income. Non-Program Income can be used to administer the program or for other water quality purposes. The uses of Non-Program Income are discussed in Section I of the base CWSRF Program IUP.

**Co-Funding**

The BIL General Supplemental Fund can be combined with base CWSRF loan dollars and loans and grants from other agencies. A single SRF assistance agreement will be used for projects that co-fund projects using both base CWSRF and BIL General Supplemental Funds.

See Special Conditions below for **Build America, Buy American Act (BABA)** rules as they apply to co-funded projects.

**Special Conditions**

Projects identified as "equivalency projects" are those projects that receive loan disbursements directly from Iowa's federal allocation for the BIL General Supplemental Fund. Equivalency projects are required to comply with all federal law regulating the BIL General Supplemental Fund, including but not limited to BABA. The CWSRF Program will work directly with projects identified as equivalency projects to ensure a full understanding of compliance requirements.

SRF Projects that are not equivalency projects may still be subject to BABA compliance if the infrastructure project is being co-funded by another federal agency. If this occurs, the entire project will be required to comply with BABA requirements. In these cases, the SRF Program will only need to document compliance with AIS domestic provisions. The SRF Program will coordinate with the applicant and the co-funding agency to avoid duplicating efforts to document and demonstrate AIS compliance.

**Signage**

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. This requirement applies only to the following projects:

- Construction projects identified as "equivalency projects" for BIL general supplemental capitalization grants;

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- Construction projects that receive additional subsidization (grants or forgivable loans) made available by BIL general supplemental capitalization grants

The sign must be placed at construction sites 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. In cases where the construction site covers a large area (e.g., lead service line replacement or septic tank repair/replacement projects), a sign should be placed in an easily visible location near where the work is being performed (e.g., entrance to the neighborhood, along a main road through town, etc.). Signage costs are considered an allowable SRF expense, provided the costs associated with the signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, assistance recipients are encouraged to translate the language on signs (excluding the official Building a Better America emblem or EPA logo or seal) into the appropriate nonEnglish language(s). The costs of such translation are allowable SRF expenses, provided the costs are reasonable.

**Signage Requirements:**

- Building A Better America Emblem: The SRF recipient will ensure that a sign is placed at construction sites supported under this award displaying the official Building A Better America emblem and must identify the project as a "project funded by President Biden's Bipartisan Infrastructure Law." See guidelines and design specifications for using the official Building A Better America emblem and corresponding logomark.<sup>8</sup>
- EPA Logo: The SRF recipient will ensure that signage displays the EPA logo along with the official Building A Better America emblem. The EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the recipient received financial assistance from EPA for the project. Information on compliance with the EPA sign specifications is provided by the EPA Office of Public Affairs (OPA)<sup>9</sup>. Additional information on obtaining the appropriate EPA logo or seal graphic file is available on the EPA Seal and Logo page<sup>10</sup>.

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**II. Criteria and Method for Distribution of Funds****Project Ranking**

The project ranking criteria for BIL General Supplemental Fund will be the same as described in Appendix B of the base CWSRF Program IUP.

**Description of contingency procedures**

Eligible projects on the base CWSRF PPL will be funded by BIL General CWSRF Supplemental Fund until the total amount of needs exceeds the year's BIL General CWSRF Supplemental loan funding. Projects will be funded from the top down in the ranking order of the PPL with consideration given to readiness to proceed. A contingency status will be placed on the remaining eligible projects and they will remain on the funding PPL for the base CWSRF Program IUP. Projects on contingency status can be moved from the base CWSRF Program to the BIL General CWSRF Supplemental Fund PPL when funds are available or when the project is ready to proceed, whichever is applicable.

**III. BIL Supplemental Program Goals**

The FFY 2022 BIL General Supplemental Fund short-term and long-term goals and objectives are the same as the base CWSRF Program IUP goals and objectives identified in Section I of the SFY 2023 CWSRF Program IUP, with the following additions:

- Goal: Commit FFY 2022 BIL General Supplemental loan funds to as many recipients as possible in accordance with the state priority rating system, the IUP, staff resources, and available funding.

Objective: Identify projects on the current CWSRF PPL eligible to be funded with FFY 2022 BIL General

<sup>8</sup> <https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-Brand-Guide.pdf>

<sup>9</sup> <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-produced-epa-assistance-agreement-recipients>

<sup>10</sup> <https://www.epa.gov/aboutepa/using-epa-seal-and-logo>



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Supplemental Funds. Accept applications quarterly and add additional projects to the PPL, as applicable, until all funding is obligated.

- Goal: Identify eligible applicants for loan forgiveness.

Objective: Using the new affordability criteria (described in this Annex) and priority projects, identify projects on the current CWSRF PPL eligible to receive loan forgiveness from the FFY 2022 BIL General Supplemental Fund. Accept applications quarterly and add additional projects to the PPL, as applicable, until all loan forgiveness funding is obligated.

#### IV. Assurances and Special Proposals

Iowa will provide the necessary assurances and certifications according to the Operating Agreement and between the State of Iowa and the U.S. EPA grant terms and conditions.

#### V. Financial

##### Summary of State's Financial Plan

See "Financial Management Strategies" located in Section 1 of the base CWSRF Program IUP.

##### Sources and Uses

See "Sources and Uses of Available CWSRF Funds" located in Section II and Appendix A of the base CWSRF Program IUP.

##### Planned Use of Fee Revenue

CWSRF expenses for administering the SRF include the work of wastewater engineering section project managers, administrative staff, specialists in environmental review, financial officers, loan coordinators, and program managers. It also covers expenses for financial and legal advisors. These program expenses will first be paid out of the base CWSRF Program Income and then BIL General Supplemental Program Income. They will then be paid from Non-Program Income once Program Income has been fully expended.

DNR intends to use a portion of Non-Program Income funds during SFY 2023 to support staffing to the Field Services Bureau for wastewater compliance activities including inspections, investigations and technical assistance and to support staffing in the Water Quality Bureau for construction permitting, National Pollution Discharge Elimination System permitting, AIS/BABA Site Inspections, and other programmatic staffing needs.

Estimates of Program and Non-Program Income resulting from BIL General CWSRF Supplemental Funds cannot be made at this time but will be provided in future updates to this Annex.

#### Loan Policies

##### Project Scope

The scope of the project must be outlined on the IUP application and in the Facility Plan. Additional project information may be required at the time of application for BIL General Supplemental Funds. Changes to the scope are allowed prior to loan closing. Significant changes in scope that cause delays and/or additional work required by the project manager or environmental review specialist, may result in loss of financing through the BIL General Supplemental Fund. Once a loan is signed, only minor changes to the scope will be allowed and only if they do not require additional technical or environmental review.

##### Project Readiness

Applicants cannot be offered SRF financial assistance until they meet program requirements. More information can be found in the [Wastewater Engineering Construction Permitting Process Manual](#)<sup>11</sup>

<sup>11</sup> Wastewater Engineering Construction Permitting Process Manual  
[https://www.iowadnr.gov/Portals/idnr/uploads/water/wastewater/wwmanual\\_full.pdf](https://www.iowadnr.gov/Portals/idnr/uploads/water/wastewater/wwmanual_full.pdf)

**DRAFT*****Compliance with Public Bidding Law***

To the extent applicable, applicants must provide certification evidencing compliance with public bidding law, pursuant to Iowa Code Chapter 26, prior to closing a construction loan.

***Compliance with Civil Rights Law***

All programs, projects, and activities undertaken in the SRF programs are subject to federal anti-discrimination laws, including the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and section 13 of the Federal Water Pollution Control Amendments of 1972. These laws prohibit discrimination in any federally assisted program on the basis of race, color, national origin, sex, disability, or age. These laws apply by their own terms to the entire organization receiving federal financial assistance, not just to the project itself. Iowa is in the process of reviewing program activities to ensure compliance with federal civil rights laws.

***Utility Rate Recommendations***

Prior to closing a construction loan, applicants must demonstrate that appropriate action has been taken to implement the utility rate recommendations of their Municipal Advisor set forth in the 5-year pro-forma cash flow analysis.

***Municipal Advisor***

Borrowers will be asked to identify their Municipal Advisor for the project as part of the IUP application.

***State Match***

See Appendix F -State Match of the base CWSRF Program IUP.

**VI. Technical Assistance**

States have the flexibility to use up to 2% of their annual BIL General CWSRF Supplemental capitalization grant for the purpose of providing technical assistance to rural, small, and tribal publicly owned treatment works. The eligibilities for this funding are very broad. Iowa does not intend to duplicate the technical assistance efforts being provided by the U.S. EPA and other organizations receiving U.S. EPA Technical Assistance grants; so additional planning and coordination is needed before activities are identified for this funding. The Iowa SRF Program reserves the right to utilize 2% of the FY 2022 BIL General CWSRF Supplemental allocation at a later date.

**VII. Public Review and Comment**

Stakeholder engagement webinars were hosted on June 26, 2022 to present the preliminary implementation plans for BIL General CWSRF Supplemental funds. Comments were accepted through July 8, 2022. Questions and comments from stakeholders were taken into consideration and some changes were incorporated into this Annex as described above. A new dedicated web page was developed on the Iowa SRF website titled “Bipartisan Infrastructure Law (BIL) Funding Opportunities”<sup>12</sup> to inform stakeholders of the latest BIL updates in a timely manner. A new dedicated email “[water-infrastructure@dnr.iowa.gov](mailto:water-infrastructure@dnr.iowa.gov)” was created for stakeholders to easily submit questions and comments pertaining to BIL.

A public meeting to allow input into this Annex and PPL was held August 11, 2022, 10:00am via virtual conference call. This meeting was announced in a notice provided to the public, stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until August 18, 2022.

A public meeting to allow input to Iowa’s SFY 2023 IUP third quarter update and Project Priority List, including this Annex, was held November 17, 2022, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of

<sup>12</sup> <https://www.iowasrf.com/infrastructure-bill-funding-opportunities/>

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government, area planning agencies, and other groups which might have an interest. Written comments were accepted until December 10, 2022.

A public meeting to allow input to Iowa's SFY 2023 IUP fourth quarter update and Project Priority List was held February 9, 2023, 10:00 a.m. via virtual conference call. This meeting was announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Written comments were accepted until February 24, 2023.

The following comment was received from the Iowa Finance Authority and content from this comment was incorporated into this IUP update:

*"Pursuant to IAC 265-26.5, Iowa Finance Authority respectfully recommends that the Base and Supplemental FY 2023 Q4 IUP incorporate the following change to the interest rate for taxable SRF loans:*

<b>Loan Terms</b>	<b>Applicant Type</b>	<b>Interest Rate</b>	<b>Servicing Fee</b>	<b>Total</b>
Taxable Loans (up to 20 years)	All	3.57%	0.25%	3.82%

*This proposed interest rate would apply to all taxable loans executed on or after April 1, 2023 and represents a 25% discount of the current 20-year BVAL AAA Taxable Revenue Municipal index yield of 4.76%."*

### **VIII. Project Priority List (PPL)**

See *Attachment 1- CWSRF PPL*, to the base CWSRF Program IUP. This PPL includes projects that will be funded by the BIL General Supplemental Fund as well as the base CWSRF program. The PPL is included as a separate, sortable Excel file.

Iowa Department of Natural Resources  
Environmental Protection Commission

ITEM #8

DECISION

**Contract with THE UNIVERSITY OF IOWA****Recommendation:**

Commission approval is requested for a Contract with University of Iowa Office of the State Archaeologist (OSA) to perform archaeological services.

**Contract Terms:**

**Amount:** Not to exceed \$1,250,000

**Dates:** 04/01/2023 to 06/30/2025

**Funding Source(s):** State Revolving Fund (SRF) and U.S. Environmental Protection Agency (EPA) Section 319 Grant.  
The specific source of funding will vary among allowable funding sources depending on the bureau or program in DNR being served by each Work Order.

**Statutory Authority:** Funds are administered by DNR under statutory authority granted by Iowa Code section 455B.103.

**Contract Background:** The DNR provides environmental and cultural review services for public water supplies and wastewater treatment works that finance projects through the SRF programs. As part of these obligations, DNR must, at times, conduct investigations into the historical and archeological resources that may be impacted by the project's construction and development activities. Additionally, the Water Quality Improvement section work conducted with Clean Water Act section 319 Grants from the U.S. EPA occasionally include construction efforts, typically water quality improvement best management practices, that require similar reviews.

**Contract Purpose:** The parties propose to enter into this Contract to retain the Contractor to provide archaeological services. As the DNR identifies a need for archeological and/or architectural history investigations for its programs, the DNR will issue a Work Order Request to the Contractor to provide services with a specific Scope of Work. Each Scope of Work will be selected from the Contractor's list of services including those represented at the following location: <https://archaeology.uiowa.edu/research-investigations>

**Contractor Selection Process:**

- DNR is allowed to contract with the University of Iowa pursuant to Iowa Code section 455B.103(3).

**Contract History:**

An existing contract with OSA for the same services was executed in July 2021 for \$650,000 (21ESDWQBSKONR-0006) and amended to add additional funding of \$200,000 in September 2022 (21ESDWQBSKONR-0006 A01). Due to the increasing costs of archaeological field work and significant increase in number of projects in the SRF, DNR is proposing the new Contract amount of \$1,250,000.

Karrie Darnell, Environmental Specialist Senior, Water Quality Bureau  
Environmental Services Division  
March 22, 2023

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

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**ITEM****#9****DECISION****TOPIC****Solid Waste Alternatives Program – Contract Recommendation**


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DNR received 13 proposals requesting \$352,956 in financial assistance during the January 2023, round of funding. Five (5) project proposals are endorsed for funding at this time for a total of \$126,979.75. One (1) of the endorsed project proposal awards is greater than \$25,000 and presented here for Commission approval. This project, if approved, totals \$90,000 in a combination of forgivable, zero percent and three percent loans.

This proposal is described in Attachment #1.

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

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

At this time, the Department is requesting Commission approval to enter into a contract with Cherokee County Solid Waste Agency to purchase and install a horizontal baler and in-feed conveyor for improved efficiency in processing increasing quantities of cardboard and office paper.

Tom Anderson, Executive Officer II  
Land Quality Bureau  
Environmental Services Division  
March 22, 2023

## SOLID WASTE ALTERNATIVES PROGRAM Proposal Recommendation

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

<b>Cherokee County Solid Waste Agency</b>		<b>Forgivable Loan:</b>	<b>\$10,000</b>
<b>1805 Linder Street</b>		<b>0% Loan:</b>	<b>\$50,000</b>
<b>Cherokee, Iowa 51012</b>		<b>3% Loan:</b>	<b><u>\$30,000</u></b>
		<b>Total Award Amount:</b>	<b>\$90,000</b>
		<b>Cash Match:</b>	<b><u>\$30,000</u></b>
		<b>Total Project Cost:</b>	<b>\$120,000</b>
<b>Project Title:</b>	<b>Horizontal Baler and In-Feed Conveyor System</b>		
<b>Contact:</b>	Brent Kach	<b>Phone:</b>	712-225-3749
<b>Project Type:</b>	Best Practices – Recycling		
<b>Applicant:</b>	Public		
<b>Description:</b>	<p>The applicant is requesting funding assistance to purchase and install a horizontal baler and in-feed conveyor system. Over 260 tons of cardboard and office paper were processed in 2022, with quantities increasing in 2023.</p> <p>The new material baling/conveying system will allow for improved efficiencies/quantities in processing recyclable cardboard and office paper. The equipment will allow for reduced handling of recyclable material, reduce the number of staff needed for baling recyclable cardboard and office paper from two to one person, and decrease the time required to bale recyclables.</p>		
<b>Service Area:</b>	Cherokee and Ida Counties		

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

**Item #10****Decision Item****Contract Amendment 2**

**Commission approval is requested for a contract amendment with** Stearns, Conrad and Schmidt, Consulting Engineers, Inc. (dba SCS Engineers, Inc.), of Pasadena, CA. Local office in West Des Moines, Iowa.

**Amendment Amount:** \$101,500

**Amendment Dates:** March 22, 2023 to August 30, 2024

**Funding Source(s):** Solid Waste Tonnage Fee

**Amendment Purpose:** With this amendment, the Contractor will initiate data gathering and data analysis in support of the short-term strategies identified by the stakeholders participating in the Sustainable Materials Management (SMM)–Vision for Iowa initiative (SMM Phase II). SMM is an approach to reduce environmental impacts by using and reusing materials more productively over their entire life cycles.

Deliverables for this amendment include conducting a recycling infrastructure inventory of Iowa processing facilities; updating the hub and spoke economic model providing cost-benefit analysis for processing facilities considering expanding their operations or establishing a new recycling operation; conducting a market value assessment, an economic impact analysis and estimate the reduction in greenhouse gas emissions if identified materials had been diverted through existing recycling programs rather than landfilled.

**Original Contract Purpose:** The purpose of the original contract was to build upon the stakeholder vision identified in SMM Phase I. Through a series of facilitated stakeholder (4) and subcommittee (29) meetings, Phase II identified priorities and short, medium, and long-term strategies to assist the State in looking further at SMM. As set out above the purpose of this amendment is to initiate further research in support of certain short-term SMM strategies identified by stakeholders.

**Original Selection Process Summary:** A formal competitive process was used. Four proposals were received and reviewed. SCS Engineers, Inc. was the selected bidder.

**Contract History:**

**Original Contract Terms:** Amount \$ 328,250; Timeframe: 10/26/2020 to 10/25/2022; Purpose: Implement SMM Phase II

**Amendment-1 Terms:** Amount \$0; Timeframe: 10/25/2022 to 3/23/2023; Purpose: To allow time for final review and approval.

**Amendment-2 Terms:** Amount \$101,500; Timeframe: 3/23/2023 to 8/30/2024; Purpose: To initiate data gathering in support of stakeholder SMM priorities and strategies.

**Statement of Work:**

Deliverable	Amount of Compensation
Task 9: Work session meetings Conduct monthly work sessions, as needed, with the DNR team to review project scope, schedule, assigned responsibilities, completed work.  Conduct one virtual full stakeholder meeting to present final deliverables.	\$26,000

Task 10: Recycling Infrastructure Inventory and Hub & Spoke Economic Modeling: Update state recycling collection and processing facility information. Information will be entered into a new database that show facility locations and the flow of recyclable materials.	\$48,500
Task 11: Landfilled Material Analysis Using data from material characterization studies, perform a market value assessment, an economic impact analysis, and estimate the reduction of greenhouse gases had the identified materials been diverted through existing landfill diversion programs.	\$27,000
	\$101,500

Tom Anderson, Executive Officer II, Land Quality Bureau  
Environmental Services Division  
March 22, 2023



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

**ITEM****#11****INFORMATION****TOPIC****Air Quality – Fiscal Year 2024 Draft Budget Review**

This item is presented to the Commission for information and details the Fiscal Year (FY) 2024 draft budgets to support the Air Quality Bureau (Bureau's) services and activities including projected fee revenues and state and federal funds.

The Bureau administers five fee programs. The Title V Fund (Iowa Code § 455B.133B) receives revenue from the air emissions fees and the operating permit application fees. These fees fund requirements from Title V of the federal Clean Air Act. The Air Quality Fund (Iowa Code § 455B.133C) receives revenue from the major and minor source construction permit fees and asbestos notifications.

Major sources of air pollution pay air emissions fees, operating permit application fees, and major source construction permit fees. Major facilities include electric utilities, food and grain processors, manufacturing operations and natural gas pipelines. Minor sources of air pollution pay minor source construction permit fees. Minor sources include country grain elevators, asphalt paving plants, concrete batch plants, and small manufacturing operations. Facilities pay asbestos notification fees when they demolish or renovate a building subject to federal emissions standards to prevent the release of asbestos.

#### **Budget Process & Stakeholder Input**

Each March the Department presents the Bureau's draft budget and calculated estimate of the total fee revenues for the upcoming fiscal year. Fee revenue is computed to produce total revenues sufficient to pay for the reasonable direct and indirect costs of implementing and administering each respective air quality program area, and is summarized in the attachment. The calculated estimates of total revenues for each fee account do not exceed the limits established in statute for these programs. Actual fees collected vary annually depending on the number of applications and notifications received, the complexity of projects submitted, and the total emissions reported for the prior year.

The Bureau discussed budgets and fees for the different air program areas at a stakeholder fee advisory group meeting on January 5, 2023. The draft FY 2024 budget was presented to the advisory groups and comments were requested through February 13. No comments were received.

#### **FY 2024 Draft Budget**

**The Department is proposing to maintain all fees at current levels.** Personnel expenses include an estimated increase of 3% and a Department indirect rate of 12.3%. The Department's

indirect rate is calculated per state and federal requirements. Where possible, other expenses reflect prior year or anticipated expenses. The Bureau has implemented a 0% increase on professional contracts (State Hygienic Laboratory and Iowa Waste Reduction Center) and the Linn and Polk County Local Program agreements. Status quo amounts are used for most budgetary items. The Bureau anticipates to continue to receive the additional \$396,000 in the Department's General Funds. No federal multipurpose grant funds are anticipated for FY 2024. Specific information on the amount of funds that may be allocated to states from the federal Inflation Reduction Act is not available at this time and is therefore not included in the draft FY 2024 budget.

The methodology used to calculate revenue estimates that will be received in FY 2024 for each fee account follows. Revenue remaining in any account at the end of the fiscal year is carried forward in that account for future year expenses.

Several staffing adjustments across the Bureau are planned. Three and one-half full-time equivalents (FTE) will be moved from the Bureau's core program activities funded by Title V emissions fees. One and one-half FTE will be moved to the Title V application program to address the anticipated staffing needs. Two remaining FTE will be moved to the state & federal funded portion of the program. There will also be incremental FTE shifts in the construction permitting program from the major and minor source program areas to address anticipated staffing needs.

#### **Title V Emissions Fee**

Approximately half of the Bureau is funded by the Title V emissions fee. The Bureau has drafted a budget of \$6,648,000 for the direct and indirect expenses for implementing Title V program activities (excluding application review and permit issuance). Major source related core activities include, but are not limited to: ambient air monitoring; emissions inventory collection and review; rule, budget, and state implementation plan development; small business assistance; data management and secretarial support; and compliance assistance, field inspections, and enforcement.

The Title V emissions fee rate for FY 2024 of \$70 per ton of air pollution emitted is calculated using anticipated calendar year 2022 emissions to produce an estimated fee revenue of \$5,670,000, which is less than the statutory cap of \$8,250,000 per year. Total account revenue is estimated at \$7,216,000, including prior year carry forward and interest.

Title V Emissions Fee	FY 2023 Budget	Draft FY 2024 Budget	Difference 2024-2023
FTE	31.00	27.50	-3.50
<b>Total Expenses</b>	<b>\$7,355,000</b>	<b>\$6,648,000</b>	<b>-\$707,000</b>
<b>Revenue Summary</b>			
Balance forward	\$2,133,000	\$1,531,000	
Fund interest	\$15,000	\$15,000	
Title V fees (rounded)	\$6,337,000	\$5,670,000	
<i>annual tons (est)</i>	<i>90,535</i>	<i>81,000</i>	
<i>\$/ton</i>	<i>\$70</i>	<i>\$70</i>	
<b>Total Revenue</b>	<b>\$8,485,000</b>	<b>\$7,216,000</b>	<b>-\$1,269,000</b>
<b>Revenues - Expenses</b>	<b>\$1,130,000</b>	<b>\$568,000</b>	

### Title V Operating Permit Application Fee

Operating permits are designed to ensure equipment continues to perform as designed, to protect ambient air quality. Operating permits for subject facilities in Linn and Polk counties are reviewed by these local programs and issued by DNR. The Bureau has drafted a budget of \$1,026,000 for the direct and indirect expenses for Title V permit application review and permit issuance. The hourly fee is calculated to produce an estimated fee revenue of \$903,000, which is less than the statutory cap of \$1,250,000 per year. Total account revenue is estimated at \$1,488,000, including prior year carry forward.

Title V Operating Permit Application Fee	FY 2023 Budget	Draft FY 2024 Budget	Difference 2024-2023
FTE	5.75	7.25	1.50
<b>Total Expenses</b>	<b>\$781,000</b>	<b>\$1,026,000</b>	<b>\$245,000</b>
<b>Revenue Summary</b>			
Carry forward	\$475,000	\$585,000	
Local Program Fee - Pass Through	\$203,000	\$203,000	
Fees	\$600,000	\$700,000	
<b>Total Revenue</b>	<b>\$1,278,000</b>	<b>\$1,488,000</b>	<b>\$210,000</b>
<b>Revenue - Expenses</b>	<b>\$497,000</b>	<b>\$462,000</b>	

### Major Source Construction Permit Application Fees

The major source construction permit application program provides for the review and approval of all pre-construction air permit applications at major sources. For Prevention of Significant Deterioration (PSD) permit applications at a major source located in Linn County, Linn County reviews the permit application and DNR issues the final permit.

The Bureau has budgeted \$1,269,000 for major source construction permit application processing expenses from this account, consistent with projected workload estimates for the Bureau and Linn County. The hourly fees are calculated to produce an estimated revenue of \$1,221,000, which is less than the statutory cap of \$1,500,000 per year. Total account revenue is estimated at \$1,404,000, including prior year carry forward.

<b>Major Source Construction Permit Application Fee</b>	<b>FY 2023 Budget</b>	<b>Draft FY 2024 Budget</b>	<b>Difference 2024-2023</b>
<b>FTE</b>	<b>9.00</b>	<b>8.75</b>	<b>-0.25</b>
<b>Total Expenses</b>	<b>\$1,294,000</b>	<b>\$1,269,000</b>	<b>-\$25,000</b>
<b>Revenue Summary</b>			
Carry forward	\$185,000	\$183,000	
Local Program pass through	\$21,000	\$21,000	
Fees & Interest	\$1,214,000	\$1,200,000	
<b>Total Revenue</b>	<b>\$1,420,000</b>	<b>\$1,404,000</b>	<b>-\$16,000</b>
<b>Revenues – Expenses</b>	<b>\$126,000</b>	<b>\$135,000</b>	

#### **Minor Source Construction Permit Application Fee**

The minor source construction permit application program provides for the review and approval of all pre-construction air permit applications at non-major sources. The Bureau has budgeted \$863,000 for minor source construction permit application processing expenses. The minor source construction permit application fee revenues are calculated to produce an estimated revenue of \$175,000, which is less than the statutory cap of \$250,000 per year. In addition to the fee, the bureau budgets to match the fee contribution with state and federal funds (EPA Performance Partnership Grant (PPG)) of \$726,000.

<b>Minor Source Construction Permit Application Fee</b>	<b>FY 2023 Budget</b>	<b>Draft FY 2024 Budget</b>	<b>Difference 2024-2023</b>
<b>FTE</b>	<b>6.50</b>	<b>6.75</b>	<b>0.25</b>
Fee: Personnel & Misc. Expenses	\$135,000	\$137,000	
PPG: Personnel & Misc. Expenses	\$726,000	\$726,000	
<b>Total Expenses</b>	<b>\$861,000</b>	<b>\$863,000</b>	<b>\$2,000</b>
<b>Revenue Summary</b>			
Balance Forward & Interest	-\$72,000	-\$4,000	
General Funds/Federal 105 Funds (PPG)	\$726,000	\$726,000	
Fees	\$177,000	\$175,000	
<b>Total Revenue</b>	<b>\$831,000</b>	<b>\$897,000</b>	<b>\$66,000</b>
<b>Revenue – Expenses</b>	<b>-\$30,000</b>	<b>\$34,000</b>	

### Asbestos Notification Fee

Under the Asbestos NESHAP Program, inspections are conducted of building renovations, demolitions, and training fires subject to federal emissions standards for the prevention of asbestos releases. The Bureau has budgeted \$293,000 for asbestos program expenses to accommodate outreach, education, and support activities. The fees collected based on the number of notifications received are estimated to produce a revenue of \$200,000, which is less than the statutory cap of \$450,000 per year.

<b>Asbestos NESHAP Program</b>	<b>FY 2023 Budget</b>	<b>Draft FY 2024 Budget</b>	<b>Difference 2024-2023</b>
<b>FTE</b>	<b>2.50</b>	<b>2.50</b>	<b>0.00</b>
<b>Total Expenses</b>	<b>\$285,000</b>	<b>\$293,000</b>	<b>\$8,000</b>
<b>Revenue Summary</b>			
Carry forward	\$182,000	\$97,000	
Asbestos notification fees & interest	\$200,000	\$200,000	
<b>Revenue (rounded)</b>	<b>\$382,000</b>	<b>\$297,000</b>	<b>-\$85,000</b>
<b>Revenue – Expenses</b>	<b>\$97,000</b>	<b>\$4,000</b>	

### State & Federal Funds and Grants (Not Including those allocated to either the Minor source Construction Permitting Program or the Asbestos Program.)

State and federal funds also fund ambient air monitoring, emissions inventory collection and review, compliance assistance and field inspections, and rule, budget, and state implementation plan development.

<b>State &amp; Federal Funds and Grants (with some exceptions)</b>	<b>FY 2023 Budget</b>	<b>Draft FY 2024 Budget</b>	<b>Difference 2024-2023</b>
<b>FTE</b>	<b>6.75</b>	<b>8.75</b>	<b>2.00</b>
<b>Total Expenses</b>	<b>\$2,922,000</b>	<b>\$2,505,000</b>	<b>-\$417,000</b>
<b>Revenue Summary</b>			
General Funds	\$704,000	\$704,000	
Federal 105 Funds	\$751,000	\$751,000	
Additional PPG	\$154,000	\$154,000	
Federal Multipurpose Grant	\$59,000	\$0	
State Environment First Funds	\$425,000	\$425,000	
Federal 103 Funds/ARP	\$829,000	\$473,000	
<b>Total</b>	<b>\$2,922,000</b>	<b>\$2,507,000</b>	<b>-\$415,000</b>
<b>Revenue-Expenses</b>	<b>\$0</b>	<b>\$2,000</b>	

**Next Steps**

The draft budget will be available for informal public comment until the May Commission meeting. A fee not adjusted by the Commission would remain in effect as previously established. The final budget submitted for entry in the state accounting system will be updated based on public input and any refinements to the final expenses and revenues.

Wendy Walker, Environmental Specialist Senior  
Program Development & Support Section, Air Quality Bureau  
Environment Services Division

Memo date: February 27, 2023

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

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ITEM	#12	DECISION
TOPIC	<b>Adopted and Filed - 567 IAC chapters 100, 102, 104, 120 and 567 IAC 114.29 and 567 IAC 115.29 - Cleanup of Solid Waste Chapters</b>	

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The Commission is requested to approve this Adopted and Filed rulemaking to reduce and consolidate administrative rules related to solid waste.

A public hearing was held on January 3, 2023 via conference call. No one attended the hearing. No public comments were received. No changes from the notice have been made

Chapters 100, 102, 104, 114, 115 and 120 regulate solid waste. This proposed rulemaking will reduce and consolidate these regulations. Specifically, the proposed rulemaking rescinds redundant or outdated rules, consistent with Iowa Code section 17A.7(2)'s five-year rule review directive. All Code-based definitions are being stricken and a reference to the statute has been inserted. The proposed amendments consolidate rules scattered across three chapters into one chapter. Chapter 104 in its entirety is being rescinded, although the requirements for solid waste incinerator operator certification are being moved to chapter 102. Chapter 120 will be simplified by having only one type of permit for the remediation of petroleum contaminated soil. These changes will result in a reduction of over 4,000 words from the administrative code.

No new policy proposals are included in this rulemaking.

Timeline for rulemaking

- The Notice of Intended Action was approved by the Commission on November 15, 2022.
- A public hearing was held via conference call on January 3, 2023
- No public comments were received.
- The Adopted and Filed rule will come to the Commission for approval on March 22, 2023
- Anticipated effective date May 25, 2023

Theresa Stiner, Environmental Specialist Senior  
Solid Waste and Contaminated Sites Section, Land Quality Bureau  
Environmental Services Division

March 22, 2023

**Attachments** – Adopted and Filed

**ENVIRONMENTAL PROTECTION COMMISSION[567]****Adopted and Filed**

The Environmental Protection Commission (Commission) hereby amends Chapter 100, “Scope of Title—Definitions—Forms—Rules of Practice,” and Chapter 102, “Permits”; rescinds Chapter 104, “Sanitary Disposal Projects with Processing Facilities”; and amends Chapter 114, “Sanitary Landfills: Construction and Demolition Wastes,” Chapter 115, “Sanitary Landfills: Industrial Monofills,” and Chapter 120, “Landfarming of Petroleum Contaminated Soil,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code sections 455B.304, 455B.383 and 455D.7(1).

*State or Federal Law Implemented*

This rule making implements, in whole or in part, 455B.301A, 455B.304, 455B.307 and 455B.383 and Chapter 455D.

*Purpose and Summary*

Chapters 100, 102, 104, 114, 115 and 120 regulate solid waste. This rule making reduces and consolidates these regulations. Specifically, the rule making rescinds redundant or outdated rules, consistent with Iowa Code section 17A.7(2)’s five-year rule review directive. It also consolidates rules scattered across three chapters into one chapter. Chapter 104 in its entirety is rescinded, and the requirements for solid waste incinerator operator certification are moved to Chapter 102. This strategic streamlining will make all of the regulations more intuitive and easier to read and understand.



No new policy proposals are included in this rule making.

*Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on December 14, 2022, as **ARC 6755C**.

A public hearing was held on January 3, 2023, at 1:30pm via conference call. No one attended the hearing.

No public comments were received.

The amendments are identical to those filed under notice.

*Adoption of Rule Making*

This rule making was adopted by the Commission on March 22, 2023.

*Fiscal Impact*

This rule making has no fiscal impact to the state of Iowa. A copy of the fiscal impact statement is available from the Department of Natural Resources (Department) upon request.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found. A copy of the jobs impact statement is available from the Department upon request.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 561—Chapter 10.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rule making will become effective on May 25, 2023.

The following rule-making action is adopted:

ITEM 1. Amend **567—Chapter 100**, title, as follows:

SCOPE OF TITLE—DEFINITIONS—~~FORMS~~—RULES OF PRACTICE

ITEM 2. Amend rule 567—100.1(455B,455D) as follows:

**567—100.1(455B,455D) Scope of title.** The department has jurisdiction over the management, dumping, depositing, and disposal of solid waste by establishing standards for sanitary disposal projects and by regulating solid waste through a system of general rules and specific permits. The construction and operation of any sanitary disposal project requires a specific permit from the department.

This chapter provides general definitions applicable to ~~this title and rules of practice, including forms, applicable to the public in the department's administration of the subject matter of this title~~ Title VIII (solid waste management and disposal) of the commission's rules and general conditions of solid waste disposal.

~~Chapter 101 contains the general requirements relating to solid waste management and disposal. Chapter 102 pertains to the permits which must be obtained in order to construct and operate a sanitary disposal project. Chapter 103 details the requirements for all sanitary landfills~~

~~accepting only coal combustion residue. Chapter 104 details the requirements for sanitary disposal projects with processing facilities. Chapter 105 sets forth the requirements for the planning and operation of all composting facilities. Chapter 106 pertains to design and operating requirements for recycling operations. Chapter 107 sets forth the rules pertaining to beverage container deposits and approval of redemption centers. Chapter 108 pertains to the reuse of solid waste. Chapter 109 contains the procedure for the assessment and collection of fees for the disposal of solid waste at sanitary landfills. Chapter 110 contains design, construction, and operation standards for solid waste management facilities. Chapter 112 details the requirements for all sanitary landfills accepting only biosolids. Chapter 113 details the requirements for all sanitary landfills accepting municipal solid waste. Chapter 114 details the requirements for all sanitary landfills accepting only construction and demolition wastes. Chapter 115 details the requirements for all sanitary landfills that are industrial waste monofills. Chapter 117 details the requirements for outdoor storage and processing of waste tires. Chapter 118 governs removal and disposal of PCBs from white goods. Chapter 119 provides requirements for collection and disposal of waste oil. Title VIII, Chapters 120 and 121, govern land application of sludge and other solid waste.~~

This rule is intended to implement Iowa Code section 455B.304 and chapter 455D.

ITEM 3. Amend rule ~~567—100.2(455B,455D)~~, definition of “Solid waste,” as follows:

“*Solid waste*” has the same meaning as found in Iowa Code section 455B.301. Pursuant to Iowa Code section ~~455B.301(23)“b,”~~ 455B.301(29)“b,” the commission has determined that solid waste includes those wastes exempted from federal hazardous waste regulation pursuant to 40 CFR 261.4(b) as amended through November 16, 2016, except to the extent that any such exempted substances are liquid wastes or wastewater. This definition applies to all chapters within Title VIII. To the extent that there is a conflict, this definition controls.

ITEM 4. Rescind the definitions of “Leachate,” “Private agency,” “Rubble” and “Sanitary landfill” in rule **567—100.2(455B,455D)**.

ITEM 5. Adopt the following **new** definitions of “Incorporation,” “Landfarm,” “Landfarm applicator,” “Landfarming,” “Landfarm plot,” “Landfarm season,” “Nonstandard PCS,” “Petroleum contaminated soil,” “Source of PCS,” “Standard PCS,” “Tar ball” and “Type of PCS” in rule **567—100.2(455B,455D)**:

*“Incorporation”* means to mix into the soil by tilling, disking, or other suitable means, thereby creating a loose and divided soil texture.

*“Landfarm”* means the area of land used to landfarm a single application of a particular source and type of PCS. Landfarms are created when a permitted landfarm applicator, or party under the applicator’s supervision, applies PCS to the land. No other PCS may be applied within 15 feet of the area of land used as a landfarm until the landfarm is closed pursuant to rule 567—120.12(455B).

*“Landfarm applicator”* means an entity permitted by the department to apply PCS to the land to create one or more landfarms.

*“Landfarming”* means a surface-level soil remediation technology for petroleum contaminated soils that reduces concentrations of petroleum constituents through biodegradation to a level safe for human health and the environment. This technology usually involves spreading excavated contaminated soils in a thin layer on the ground surface and stimulating aerobic microbial activity within the soils through aeration. The enhanced microbial activity results in degradation of adsorbed petroleum product constituents through microbial respiration. Some petroleum product constituents volatilize during the landfarming process.

*“Landfarm plot”* means the specific operating area of a landfarm upon which a particular

source and type of PCS is applied.

*“Landfarm season”* means the period of the year when the ground is not frozen or snow-covered and runoff from these situations is not expected to transport PCS beyond the landfarm area.

*“Nonstandard PCS”* means soil contaminated with a petroleum product other than gasoline, diesel fuel, kerosene, jet fuel, motor oil, hydraulic fluid, or some combination thereof.

*“Petroleum contaminated soil”* or *“PCS”* means soil contaminated with petroleum products including, but not limited to, gasoline, diesel fuel, kerosene, jet fuel, motor oil, hydraulic fluid, or some combination thereof.

*“Source of PCS”* means the contaminated area from which the PCS originated. Examples of a source include, but are not limited to, a specific gas station or spill location.

*“Standard PCS”* means soil contaminated with gasoline, diesel fuel, kerosene, jet fuel, motor oil, hydraulic fluid, or some combination thereof.

*“Tar ball”* means a ball or conglomeration of tarlike petroleum constituents. Tar balls may form when PCS that contains a high concentration of long-chain or high molecular weight hydrocarbons is landfarmed.

*“Type of PCS”* means the specific petroleum product or combination thereof that contaminated the soil. Examples of type include, but are not limited to, gasoline, diesel fuel, kerosene, jet fuel, motor oil, hydraulic fluid, or some combination thereof.

ITEM 6. Rescind and reserve rule **567—100.3(17A,455B)**.

ITEM 7. Rescind and reserve rule **567—100.5(455B)**.

ITEM 8. Amend **567—Chapter 102**, title, as follows:

**PERMITS AND RULES OF PRACTICE**

ITEM 9. Amend paragraph **102.2(1)“a”** as follows:

*a.* Applications for renewal to be timely filed must be received at the department’s office at least 90 days before the expiration date of the existing permit ~~. For application forms, see 567—100.3(17A,455B)~~ on a form provided by the department.

ITEM 10. Amend subrule 102.3(1) as follows:

**102.3(1)** *Application requirements for permits and renewals.* ~~See 567—100.3(17A,455B)~~  
More information can be found in subrule 102.2(1).

ITEM 11. Adopt the following **new** rule 567—102.15(455B):

**567—102.15(455B) Solid waste incinerator operator certification.** Solid waste incinerator operators shall be trained, tested, and certified by a department-approved certification program.

**102.15(1)** A solid waste incinerator operator shall be on duty during all hours of operation of a solid waste incinerator, consistent with the respective certification.

**102.15(2)** To become a certified operator, an individual shall complete a basic operator training course that has been approved by the department or alternative, equivalent training approved by the department and shall pass a departmental examination as specified by this rule. An operator certified by another state may have reciprocity subject to approval by the department.

**102.15(3)** A solid waste incinerator operator certification is valid from the date of issuance until June 30 of the following even-numbered year.

**102.15(4)** Basic operator training course. The required basic operator training course for a certified solid waste incinerator operator shall have at least 12 contact hours and shall address the following areas, at a minimum:

- a.* Description of types of wastes;
- b.* Incinerator design;

- c.* Interpreting and using engineering plans;
- d.* Incinerator operations;
- e.* Environmental monitoring;
- f.* Applicable laws and regulations;
- g.* Permitting processes;
- h.* Incinerator maintenance; and
- i.* Ash and residue disposal.

**102.15(5)** Alternative basic operator training must be approved by the department. It shall be the applicant's responsibility to submit any documentation the department may require to evaluate the equivalency of alternative training.

**102.15(6)** Fees.

- a.* The examination fee for each examination is \$20.
- b.* The initial certification fee is \$8 for each one-half year of a two-year period from the date of issuance to June 30 of the next even-numbered year.
- c.* The certification renewal fee is \$24.
- d.* The penalty fee is \$12.

**102.15(7)** Examinations.

- a.* The operator certification examinations will be based on the basic operator training course curriculum.
- b.* All persons wishing to take the examination required to become a certified operator of a solid waste incinerator shall complete the Operator Certification Examination Application, Form 542-1354. A listing of dates and locations of examinations is available from the department upon request. The application form requires the applicant to indicate the basic operator training course

taken. Evidence of training course completion must be submitted with the application for certification. The completed application and the application fee shall be sent to the Department of Natural Resources, 502 East 9th Street, Des Moines, Iowa 50319. Application for examination must be received by the department at least 30 days prior to the date of examination.

*c.* A properly completed application for examination shall be valid for one year from the date the application is approved by the department.

*d.* Upon failure of the first examination, the applicant may be reexamined at the next scheduled examination. Upon failure of the second examination, the applicant shall be required to wait a period of 180 days before taking a subsequent examination.

*e.* Upon each reexamination when a valid application is on file, the applicant shall submit to the department the examination fee at least ten days prior to the date of examination.

*f.* Failure to successfully complete the examination within one year from the date of approval of the application shall invalidate the application.

*g.* Completed examinations will be retained by the department for a period of one year, after which they will be destroyed.

*h.* Oral examinations may be given at the discretion of the department.

**102.15(8) Certification.**

*a.* All operators who passed the operator certification examination by July 1, 1991, are exempt from taking the required operator training course. Beginning July 1, 1991, all operators will be required to take the basic operator training course and pass the examination in order to become certified.

*b.* Application for certification must be received by the department within 30 days of the date the applicant receives notification of successful completion of the examination. All applications



for certification shall be made on a form provided by the department and shall be accompanied by the certification fee.

*c.* Applications for certification by examination that are received more than 30 days but less than 60 days after notification of successful completion of the examination shall be accompanied by the certification fee and the penalty fee. Applicants who do not apply for certification within 60 days of notice of successful completion of the examination will not be certified on the basis of that examination.

*d.* For applicants who have been certified under other state mandatory certification programs, the equivalency of which has been previously reviewed and accepted by the department, certification without examination will be recommended.

*e.* For applicants who have been certified under voluntary certification programs in other states, certification will be considered. The applicant must have successfully completed a basic operator training course and an examination generally equivalent to the Iowa examination. The department may require the applicant to successfully complete the Iowa examination.

*f.* Applicants who seek Iowa certification pursuant to paragraph 102.15(8)“*d*” or 102.15(8)“*e*” shall submit an application for examination accompanied by a letter requesting certification pursuant to this subrule. Application for certification pursuant to this subrule shall be received by the department in accordance with paragraphs 102.15(8)“*b*” and “*c*.”

**102.15(9)** All certificates shall expire every two years, on even-numbered years, and must be renewed every two years to maintain certification. The renewal application and fee are due prior to expiration of certification.

*a.* Late application for renewal of a certificate may be made provided that such late application shall be received by the department or postmarked within 30 days of the expiration of the

certificate. Such late application shall be on forms provided by the department and accompanied by the penalty fee and the certification renewal fee.

*b.* If a certificate holder fails to apply for renewal within 30 days following expiration of the certificate, the right to renew the certificate automatically terminates. Certification may be allowed at any time following such termination, provided that the applicant successfully completes an examination. The applicant must then apply for certification in accordance with subrule 102.15(8).

*c.* An operator shall not continue to operate a solid waste incinerator after expiration of a certificate without renewal thereof.

*d.* Continuing education credits must be earned during the two-year certification period. All certified operators must earn ten contact hours per certificate during each two-year period. The two-year period will begin upon certification.

*e.* Only those operators fulfilling the continuing education requirements before the end of each two-year period will be allowed to renew their certificates. The certificates of operators not fulfilling the continuing education requirements shall be void upon expiration, unless an extension is granted.

*f.* All activities for which continuing education credit will be granted must be related to the subject matter of the particular certificate to which the credit is being applied.

*g.* The department may, in individual cases involving hardship or extenuating circumstances, grant an extension of time of up to three months within which the applicant may fulfill the minimum continuing education requirements. Hardship or extenuating circumstances include documented health-related confinement or other circumstances beyond the control of the certified operator that prevent attendance at the required activities. All requests for extensions must be made 60 days prior to expiration of certification.

*h.* The certified operator is responsible for notifying the department of the continuing education credits earned during the period. The continuing education credits earned during the period shall be shown on the application for renewal.

*i.* A certified operator shall be deemed to have complied with the continuing education requirements of this rule during periods that the operator serves honorably on active duty in the military service; or during periods that the operator is a resident of another state or district having a continuing education requirement for operators and meets all the requirements of that state or district for practice there; or during periods that the person is a government employee working as an operator and is assigned to duty outside of the United States; or during other periods of active practice and absence from the state approved by the department.

**102.15(10)** Discipline of certified operators.

*a.* Disciplinary action may be taken on any of the following grounds:

(1) Failure to use reasonable care or judgment or to apply knowledge or ability in performing the duties of a certified operator. Duties of certified operators include compliance with rules and permit conditions applicable to incinerator operation.

(2) Failure to submit required records of operation or other reports required under applicable permits or rules of the department, including failure to submit complete records or reports.

(3) Knowingly making any false statement, representation, or certification on any application, record, report, or document required to be maintained or submitted under any applicable permit or rule of the department.

*b.* Disciplinary sanctions allowable are as follows:

(1) Revocation of a certificate.

(2) Probation under specified conditions relevant to the specific grounds for disciplinary action.

Additional education or training or reexamination may be required as a condition of probation.

c. The procedure for discipline is as follows:

(1) The department shall initiate disciplinary action. The commission may direct that the department investigate any alleged factual situation that may be grounds for disciplinary action under paragraph 102.15(10) "a" and report the results of the investigation to the commission.

(2) A disciplinary action may be prosecuted by the department.

(3) Written notice shall be given to an operator against whom disciplinary action is being considered. The notice shall state the informal and formal procedures available for determining the matter. The operator shall be given 20 days to present any relevant facts and indicate the operator's position in the matter and to indicate whether informal resolution of the matter may be reached.

(4) An operator who receives notice shall communicate verbally, in writing, or in person with the department, and efforts shall be made to clarify the respective positions of the operator and department.

(5) The applicant's failure to communicate facts and positions relevant to the matter by the required date may be considered when appropriate disciplinary action is determined.

(6) If agreement as to appropriate disciplinary sanction, if any, can be reached with the operator and the commission concurs, a written stipulation and settlement between the department and the operator shall be entered into. The stipulation and settlement shall recite the basic facts and violations alleged, any facts brought forth by the operator, and the reasons for the particular sanctions imposed.

(7) If an agreement as to appropriate disciplinary action, if any, cannot be reached, the department may initiate formal hearing procedures. Notice and formal hearing shall be in

accordance with 561—Chapter 7 related to contested and certain other cases pertaining to licensee discipline.

**102.15(11)** Upon revocation of a certificate, application for certification may be allowed after two years from the date of revocation. Any such applicant must successfully complete an examination and be certified in the same manner as a new applicant.

**102.15(12)** A temporary operator of a solid waste incinerator may be designated for a period of six months when an existing certified operator is no longer available to the facility. The facility must make application to the department, explain why a temporary certification is needed, identify the temporary operator, and identify the efforts that will be made to obtain a certified operator. A temporary operator designation shall not be approved for greater than a six-month period except for extenuating circumstances. In any event, not more than one six-month extension to the temporary operator designation may be granted. Approval of a temporary operator designation may be rescinded for cause as set forth in subrule 102.15(10).

This rule is intended to implement Iowa Code section 455B.304(12).

ITEM 12. Adopt the following **new** rule 567—102.16(455B):

**567—102.16(455B) Disruption and excavation of sanitary landfills or closed dumps.** No person shall excavate, disrupt, or remove any deposited material from any active or discontinued sanitary landfill or closed dump without first having notified the department in writing.

**102.16(1)** Notification shall include an operational plan stating the area involved, lines and grades defining limits of excavation, estimated number of cubic yards of material to be excavated, sanitary disposal project where material is to be disposed, and estimated time required for excavation procedures.

**102.16(2)** An excavation shall be confined to an area consistent with the number of pieces of

digging equipment and trucks used for haulage.

**102.16(3)** The disposal of all solid waste resulting from excavation shall be in conformity with Iowa Code chapter 455B and applicable solid or hazardous waste regulations.

This rule is intended to implement Iowa Code section 455B.304.

ITEM 13. Adopt the following new implementation sentence in **567—Chapter 102**:

These rules are intended to implement Iowa Code sections 455B.304 and 455B.305.

ITEM 14. Rescind and reserve **567—Chapter 104**.

ITEM 15. Amend paragraph **114.3(1)“a”** as follows:

a. Applications for renewal shall be received at the department office at least 90 days before the expiration date of the existing permit ~~.For application forms, see 567—100.3(17A,455B)~~ on a form provided by the department.

ITEM 16. Amend subrule 114.4(1) as follows:

**114.4(1)** *Application requirements for permits and renewals. See ~~567—100.3(17A,455B)~~*  
More information can be found in 567—subrule 102.2(1).

ITEM 17. Amend rule 567—114.29(455B), introductory paragraph, as follows:

**567—114.29(455B) Operator certification.** Sanitary landfill operators ~~and solid waste incinerator operators~~ shall be trained, tested, and certified by a department-approved certification program.

ITEM 18. Amend subrule 114.29(1) as follows:

**114.29(1)** A sanitary landfill operator ~~or a solid waste incinerator operator~~ shall be on duty during all hours of operation of a sanitary landfill ~~or solid waste incinerator~~, consistent with the respective certification.

ITEM 19. Amend subrules 114.29(3) and 114.29(4) as follows:

**114.29(3)** A sanitary landfill operator certification ~~or solid waste incinerator operator certification~~ is valid until June 30 of the following even-numbered year.

**114.29(4)** Basic operator training course.

~~a.~~ The required basic operator training course for a certified sanitary landfill operator will have at least 25 contact hours and will address the following areas, at a minimum:

- (1) a. Description of types of wastes;
- (2) b. Interpreting and using engineering plans;
- (3) c. Construction surveying techniques;
- (4) d. Waste decomposition processes;
- (5) e. Geology and hydrology;
- (6) f. Landfill design;
- (7) g. Landfill operation;
- (8) h. Environmental monitoring;
- (9) i. Applicable laws and regulations;
- (10) j. Permitting processes;
- (11) k. Leachate control and treatment.

~~b.~~ The required basic operator training course for a certified solid waste incinerator operator will have at least 12 contact hours and will address the following areas, at a minimum:

- (1) Description of types of wastes;
- (2) Incinerator design;
- (3) Interpreting and using engineering plans;
- (4) Incinerator operations;

~~(5) Environmental monitoring;~~

~~(6) Applicable laws and regulations;~~

~~(7) Permitting processes;~~

~~(8) Incinerator maintenance;~~

~~(9) Ash and residue disposal.~~

ITEM 20. Amend paragraph **114.29(7)“b”** as follows:

*b.* All persons wishing to take the examination required to become a certified operator of a sanitary landfill ~~or a solid waste incinerator~~ shall complete the Operator Certification Examination Application, Form 542-1354. A listing of dates and locations of examinations is available from the department upon request. The application form requires the applicant to indicate the basic operator training course taken. Evidence of training course completion must be submitted with the application for certification. The completed application and the application fee shall be sent to the director and addressed to the central office in Des Moines. Application for examination must be received by the department at least 30 days prior to the date of examination.

ITEM 21. Amend paragraph **114.29(9)“c”** as follows:

*c.* An operator may not continue to operate a sanitary landfill ~~or solid waste incinerator~~ after expiration of a certificate without renewal thereof.

ITEM 22. Amend subparagraph **114.29(10)“a”(1)** as follows:

(1) Failure to use reasonable care or judgment or to apply knowledge or ability in performing the duties of a certified operator. Duties of certified operators include compliance with rules and permit conditions applicable to sanitary landfill ~~or incinerator~~ operation.

ITEM 23. Amend subrule 114.29(12) as follows:

**114.29(12)** A temporary operator of a sanitary landfill ~~or solid waste incinerator~~ may be



designated for a period of six months when an existing certified operator is no longer available to the facility. The facility must make application to the department, explain why a temporary certification is needed, identify the temporary operator, and identify the efforts which will be made to obtain a certified operator. A temporary operator designation shall not be approved for greater than a six-month period except for extenuating circumstances. In any event, not more than one six-month extension to the temporary operator designation may be granted. Approval of a temporary operator designation may be rescinded for cause as set forth in 114.29(10).

ITEM 24. Amend paragraph **115.3(1)“a”** as follows:

*a.* Applications for renewal must be received at the department office at least 90 days before the expiration date of the existing permit ~~For application forms, see 567—100.3(17A,455B)~~ on a form provided by the department.

ITEM 25. Amend subrule 115.4(1) as follows:

**115.4(1)** *Application requirements for permits and renewals.* ~~See 567—100.3(17A,455B)~~  
More information can be found in 567—subrule 102.2(1).

ITEM 26. Amend rule 567—115.29(455B), introductory paragraph, as follows:

**567—115.29(455B) Operator certification.** Sanitary landfill operators ~~and solid waste incinerator operators~~ shall be trained, tested, and certified by a department-approved certification program.

ITEM 27. Amend subrule 115.29(1) as follows:

**115.29(1)** A sanitary landfill operator ~~or a solid waste incinerator operator~~ shall be on duty during all hours of operation of a sanitary landfill ~~or solid waste incinerator~~, consistent with the respective certification.

ITEM 28. Amend subrules 115.29(3) and 115.29(4) as follows:

**115.29(3)** A sanitary landfill operator certification ~~or solid waste incinerator operator certification~~ is valid until June 30 of the following even-numbered year.

**115.29(4)** Basic operator training course.

~~a.~~ The required basic operator training course for a certified sanitary landfill operator will have at least 25 contact hours and will address the following areas, at a minimum:

- (1) a. Description of types of wastes;
- (2) b. Interpreting and using engineering plans;
- (3) c. Construction surveying techniques;
- (4) d. Waste decomposition processes;
- (5) e. Geology and hydrology;
- (6) f. Landfill design;
- (7) g. Landfill operation;
- (8) h. Environmental monitoring;
- (9) i. Applicable laws and regulations;
- (10) j. Permitting processes;
- (11) k. Leachate control and treatment;

~~b.~~ The required basic operator training course for a certified solid waste incinerator operator will have at least 12 contact hours and will address the following areas, at a minimum:

- (1) Description of types of wastes;
- (2) Incinerator design;
- (3) Interpreting and using engineering plans;
- (4) Incinerator operations;

~~(5) Environmental monitoring;~~

~~(6) Applicable laws and regulations;~~

~~(7) Permitting processes;~~

~~(8) Incinerator maintenance;~~

~~(9) Ash and residue disposal.~~

ITEM 29. Amend paragraph **115.29(7)“b”** as follows:

*b.* All persons wishing to take the examination required to become a certified operator of a sanitary landfill ~~or a solid waste incinerator~~ shall complete the Operator Certification Examination Application, Form 542-1354. A listing of dates and locations of examinations is available from the department upon request. The application form requires the applicant to indicate the basic operator training course taken. Evidence of training course completion must be submitted with the application for certification. The completed application and the application fee shall be sent to the director and addressed to the central office in Des Moines. Application for examination must be received by the department at least 30 days prior to the date of examination.

ITEM 30. Amend subparagraph **115.29(10)“a”(1)** as follows:

(1) Failure to use reasonable care or judgment or to apply knowledge or ability in performing the duties of a certified operator. Duties of certified operators include compliance with rules and permit conditions applicable to sanitary landfill ~~or incinerator~~ operation.

ITEM 31. Amend subrule 115.29(12) as follows:

**115.29(12)** A temporary operator of a sanitary landfill ~~or solid waste incinerator~~ may be designated for a period of six months when an existing certified operator is no longer available to the facility. The facility must make application to the department, explain why a temporary certification is needed, identify who the temporary operator will be, and identify the efforts which

will be made to obtain a certified operator. A temporary operator designation shall not be approved for greater than a six-month period except for extenuating circumstances. In any event, not more than one six-month extension to the temporary operator designation may be granted. Approval of a temporary operator designation may be rescinded for cause as set forth in 115.29(10).

ITEM 32. Adopt the following **new** subrule 120.2(4):

**120.2(4)** These rules do not apply to hazardous waste.

ITEM 33. Amend rule 567—120.3(455B) as follows:

**567—120.3(455B) Definitions.** ~~In addition to the~~ The definitions set out in Iowa Code section 455B.301, ~~which shall be considered to be incorporated by reference in these rules, the following definitions shall apply.~~ For the purposes of this chapter, the definitions found in 567—Chapter 100 shall apply.

~~“High water table” means the position of the water table that occurs in the spring in years of normal or above normal precipitation.~~

~~“Incorporation” means to mix into the soil by tilling, disking, or other suitable means, thereby creating a loose and divided soil texture.~~

~~“Landfarm” means a surface level soil remediation technology for petroleum contaminated soils that reduces concentrations of petroleum constituents through biodegradation to a level safe for human health and the environment. This technology usually involves spreading excavated contaminated soils in a thin layer on the ground surface and stimulating aerobic microbial activity within the soils through aeration. The enhanced microbial activity results in degradation of adsorbed petroleum product constituents through microbial respiration. Some petroleum product constituents volatilize during the landfarming process. There are two types of landfarm permits issued by the department: a multiuse landfarm permit and a single use landfarm applicator permit.~~

~~“Landfarm plot” means the specific operating area of a landfarm upon which a particular source and type of PCS is applied. A landfarm plot is a subset of the operating area.~~

~~“Landfarm season” means the time period beginning April 1 and ending October 31 of each year.~~

~~“Multiuse landfarm” means a landfarm used for more than one application of PCS. Each application of a particular source and type of PCS is landfarmed in separate landfarm plots. After the PCS is remediated, the landfarming process may be repeated. A multiuse landfarm is not located at a sanitary landfill.~~

~~“Nonstandard PCS” means soil contaminated with a petroleum product other than gasoline, diesel fuel, kerosene, jet fuel, motor oil, hydraulic fluid, or some combination thereof.~~

~~“Operating area” means the total aggregate area of the landfarm where PCS is applied. The operating area of a multiuse landfarm may include multiple landfarm plots.~~

~~“Petroleum contaminated soil” or “PCS” means soil contaminated with petroleum products including, but not limited to, gasoline, diesel fuel, kerosene, jet fuel, motor oil, hydraulic fluid, or some combination thereof.~~

~~“Single use landfarm” means the area of land used to landfarm a single application of a particular source and type of PCS. Single use landfarms are created when a single use landfarm applicator, or the landfarm’s supervised agent, land applies PCS. No other PCS may be applied within 15 feet of the area of land used as a single use landfarm until the single use landfarm is closed pursuant to rule 567—120.12(455B).~~

~~“Single use landfarm applicator” means an entity permitted by the department to land apply PCS to create one or more single use landfarms.~~

~~“Source of PCS” means the contaminated area from which the PCS originated. Examples of a~~

source include, but are not limited to, a specific gas station or spill location.

~~“Standard PCS” means soil contaminated with gasoline, diesel fuel, kerosene, jet fuel, motor oil, hydraulic fluid, or some combination thereof.~~

~~“Tar ball” means a ball or conglomeration of tarlike petroleum constituents. Tar balls may form when PCS that contains a high concentration of long chain or high molecular weight hydrocarbons is landfarmed.~~

~~“Type of PCS” means the specific petroleum product or combination thereof that contaminated the soil. Examples of type include, but are not limited to, gasoline, diesel fuel, kerosene, jet fuel, motor oil, hydraulic fluid, or some combination thereof.~~

~~“Water table” means the water surface below the ground at which the unsaturated zone ends and the saturated zone begins.~~

ITEM 34. Amend rule 567—120.4(455B) as follows:

**567—120.4(455B) Landfarming applicator permits.**

**120.4(1) Permit required.** PCS shall not be landfarmed without a landfarm applicator permit from the department.

**120.4(2) Types of landfarm permits Landfarm applicator permit.** The department issues two types of landfarm permits as follows:

*a. Multiuse landfarm permit.* ~~A multiuse landfarm permit is issued for a landfarm designed to be used for more than one application of PCS. This permit requires that each application of a particular source and type of PCS be landfarmed in separate landfarm plots. If a facility has a multiuse landfarm permit, then the landfarming process may be repeated after the PCS has been remediated. A multiuse landfarm permit is not for a facility located at a sanitary landfill.~~

*b. Single use landfarm applicator permit.* ~~A single use Upon issuance of a landfarm applicator~~

permit is issued to an entity that is then permitted by the department to land, the permit holder is authorized to apply PCS to the land to create one or more single-use landfarms. This permit requires that single-use landfarms be used for only one application of a particular source and type of PCS. This permit requires that no other PCS be applied within 15 feet of the area of land used as a single-use landfarm until the single-use landfarm is closed pursuant to rule 567—120.12(455B).

**120.4(3) Construction and operation.** ~~All landfarms~~ Landfarms shall be constructed and operated according to these rules, any plans and specifications approved by the department, and the conditions of the permit. Any approved plans and specifications shall constitute a condition of the permit.

**120.4(4) Transfer of title and permit.** If title to a ~~type of~~ landfarm applicator permit is transferred to a third party, then the department shall transfer the permit within 60 days if the department has determined that the following requirements have been met:

- a. No change.
- b. The permitted ~~facility~~ applicator and title transferee are in compliance with Iowa Code chapter 455B, this chapter and the conditions of the permit.

**120.4(5)** No change.

**120.4(6) Effect of revocation.** If a landfarm applicator permit held by any public or private agency is revoked by the department, then no new landfarm applicator permit shall be issued to that agency for a ~~period~~ minimum of one year from the date of ~~revocation~~ the facility was brought into full compliance with the revocation order. Such revocation shall not prohibit the issuance of a permit for the same landfarm project to another ~~public or private agency~~ landfarm application permit holder.

**120.4(7) Inspection of site and operation.** ~~The~~ By obtaining an applicator permit, the permitted entity agrees that the department may inspect the facility and its operations at reasonable times to determine if the landfarm is in compliance with this chapter and the permit requirements.

**120.4(8) Duration of permits.** Landfarm applicator permits shall be issued and may be renewed for a three-year term.

**120.4(9) to 120.4(11)** No change.

ITEM 35. Rescind subrule **120.5(1)**.

ITEM 36. Renumber subrules **120.5(2)** and **120.5(3)** as **120.5(1)** and **120.5(2)**.

ITEM 37. Amend renumbered subrule 120.5(1) as follows:

**120.5(1) ~~Single-use landfarm~~ Landfarm applicator permits.** To apply for a ~~single-use~~ landfarm applicator permit, the applicant shall submit the following information to the department:

*a.* The name, address, and telephone number of:

(1) Agency applying for the ~~single-use~~ landfarm applicator permit.

(2) to (4) No change.

*b.* to *d.* No change.

ITEM 38. Amend subrule 120.6(3) as follows:

**120.6(3) Tar balls.** PCS that has the potential to produce tar balls shall not be landfarmed ~~at a single-use or multiuse landfarm~~. Such PCS may be disposed of in a sanitary landfill pursuant to 567—Chapter 109.

ITEM 39. Amend subrule 120.7(1) as follows:

**120.7(1) Previous use.** If ~~the~~ a site is to be used as a ~~single-use~~ landfarm, then the ~~single-use~~ landfarm applicator shall obtain written confirmation from the site owner of one of the following requirements: ~~This subrule shall not apply to land utilized as a landfarm prior to October 20, 2004.~~



a. That any other landfarm created in the past three years within 15 feet of the proposed ~~operating area~~ landfarm plot has been closed pursuant to rule 567—120.12(455B).

b. That no area within 15 feet of the proposed ~~operating area~~ landfarm plot has been used as a landfarm in the past three years.

ITEM 40. Amend subrule 120.7(2) as follows:

**120.7(2) Wells.** PCS shall not be landfarmed or stored within 500 feet of a well that is being used or could be used for human or livestock consumption. ~~Groundwater monitoring wells installed pursuant to paragraph 120.8(2) “e” are exempt from this requirement.~~ The department may also exempt from this requirement extraction wells utilized as part of a remediation system. PCS shall not be landfarmed or stored within 500 feet of an agricultural drainage well.

ITEM 41. Rescind subrule **120.7(4)**.

ITEM 42. Renumber subrules **120.7(5)** to **120.7(10)** as **120.7(4)** to **120.7(9)**.

ITEM 43. Amend renumbered subrule 120.7(5) as follows:

**120.7(5) Tile lines.** PCS shall not be landfarmed or stored within 200 feet of a tile line surface intake. ~~A multiuse landfarm shall not be located on land that has been tiled. The absence of tile lines shall be verified by written confirmation from the landowner and a visual inspection of the property.~~

ITEM 44. Amend renumbered subrule 120.7(9) as follows:

**120.7(9) Soil properties for ~~operating area~~ landfarm plot.** All soils in the ~~operating area~~ landfarm plot of the landfarm shall comply with the following requirements:

a. *USDA textural soil classification.*

(1) ~~Multiuse landfarms.~~ Soils in the ~~operating area~~ of multiuse landfarms shall be silty clay, silt clay loam, clay loam, loam, or silt loam as classified by the USDA Textural Classification

Chart for soils.

(2) ~~Single-use landfarms.~~ Soils in the ~~operating area~~ landfarm plot of ~~single-use~~ landfarms shall be clay, sandy clay, sandy clay loam, sandy loam, silty clay, silt clay loam, clay loam, loam, or silt loam as classified by the USDA Textural Classification Chart for soils.

b. *Stones and debris.* Soils in the ~~operating area~~ landfarm plot shall be free of stones and debris larger than 4 inches in diameter.

c. *Soil pH.* Soils in the ~~operating area~~ landfarm plot shall have a pH greater than or equal to 6 and less than or equal to 9.

d. *Bedrock separation.* The ~~operating area~~ landfarm plot shall have a minimum of 6 feet of soil over bedrock.

ITEM 45. Rescind and reserve subrule **120.8(2)**.

ITEM 46. Amend rule 567—120.9(455B), introductory paragraph, as follows:

**567—120.9(455B) Landfarm operating requirements.** All ~~multiuse and single-use~~ landfarms shall comply with the following operating requirements:

ITEM 47. Amend subrules 120.9(2) to 120.9(5) as follows:

**120.9(2) Saturated ; or slurry; ~~or flammable~~ PCS.** PCS in a saturated ; or slurry ; ~~or flammable~~ condition shall not be ~~land~~ applied to the land or stored at a landfarm. PCS in such a condition shall be bulked with other biodegradable materials (e.g., compost, mulch) until it is no longer saturated ; or in a slurry ; ~~or flammable~~ before it is ~~land~~ applied to the land or stored at a landfarm.

**120.9(3) PCS delivery and storage.** Only PCS that is from an emergency cleanup may be delivered during the non-landfarm season. PCS delivered during non-landfarm season may be stored as follows until the conditions of subrule 120.9(4) are satisfied or within the first seven days of landfarm season, whichever is shorter. PCS that cannot immediately be ~~land~~ applied to the land

at the landfarm during landfarm season may be stored at the landfarm as follows. ~~PCS delivered during non-landfarm season may be stored until the conditions of subrule 120.9(4) are satisfied or within the first seven days of landfarm season, whichever is shorter.~~

*a. Seven days or less.* PCS may be stored up to seven days in compliance with the following requirements:

- (1) Over an impervious surface (e.g., tarp, concrete pad, plastic sheeting).
- (2) Under a roof or tarp to minimize the infiltration of precipitation.
- (3) In an area with minimal potential for stormwater run-on.

*b. Extended storage time.* No PCS shall be stored longer than seven days during landfarm season without written permission from the department field office that has jurisdiction over the landfarm.

**120.9(4)** *PCS application weather and landfarm season.*

*a.* PCS shall only be ~~land~~ applied to the land during non-landfarm season if the PCS must be ~~land~~ applied to the land as part of an emergency cleanup supervised by the department pursuant to subrule 120.6(1), or all of the following conditions exist:

- (1) The ~~operating area~~ landfarm plot is free of snow.
- (2) The slope of the ~~operating area~~ landfarm plot is less than 3 percent.
- (3) The PCS is incorporated into the soil as soon as site conditions allow.

*b.* PCS shall not be ~~land~~ applied to the land during precipitation.

**120.9(5)** *One application, source and type of PCS per plot.* One application of a particular source and type of PCS may be applied to a landfarm plot. A landfarm may only apply a subsequent application of PCS to a previously utilized landfarm plot if such application is in compliance with the following:

~~a. *Multiuse landfarms.* A subsequent application of a particular source and type of PCS may be applied to a previously utilized landfarm plot in a multiuse landfarm after the following requirements have been met:~~

~~(2) The PCS turning requirement of subrule 120.9(10) has been completed.~~

~~(1) a.~~ The plot has been tested pursuant to subparagraphs 120.6(2) “c”(1), (2), and (3), and the results demonstrate that petroleum constituent concentrations are less than 0.54 mg/kg for benzene, 42 mg/kg for toluene, 15 mg/kg for ethylbenzene, 3800 mg/kg for TEH-diesel, and 0.02 mg/kg for MTBE.

~~b. *Single-use landfarms.* A subsequent application of a particular source and type of PCS may not be applied within 15 feet of an area used as a single-use landfarm until the single-use landfarm is closed pursuant to subrule 120.12(2).~~

ITEM 48. Amend subrule 120.9(11) as follows:

**120.9(11) *No crops for consumption.***

~~a. *Multiuse landfarms* shall not grow crops for human or livestock consumption within 15 feet of the operating area until the landfarm is closed pursuant to subrule 120.12(1).~~

~~b. *Single-use landfarms*~~ Landfarms shall not grow crops within 15 feet of a landfarm plot that is flagged pursuant to subrule 120.9(7). Crops for human and livestock consumption may be grown at a single-use landfarm after the landfarm plot is no longer required to be flagged pursuant to subrule 120.9(7).

ITEM 49. Rescind subrule **120.9(12)**.

ITEM 50. Renumber subrule **120.9(13)** as **120.9(12)**.

ITEM 51. Amend renumbered paragraph **120.9(12)“b”** as follows:

b. The results of the tests in paragraph ~~120.12(1)“a”~~ 120.12(2)“a” demonstrate that

petroleum constituent concentrations for benzene, toluene, ethylbenzene, TEH-diesel, and MTBE are below the detection limits required by 567—Chapter 135.

ITEM 52. Amend subrule 120.10(1) as follows:

**120.10(1) Access.** Emergency response and remedial action plan (ERRAP) documents shall be readily available. ~~Multiuse landfarms shall maintain a copy of the ERRAP on site (e.g., the back of permit sign, fence post, or mailbox). Single use landfarm~~ Landfarm applicators shall have employees carry a copy of the ERRAP document to each site where operations are taking place.

ITEM 53. Amend subrule 120.11(1) as follows:

**120.11(1) Reporting.** The following information shall be submitted to the department on a form provided by the department. All reporting submissions shall include the name, address, and telephone number of the landfarm and permit holder, as well as the permit number.

*a. Storage notification.* ~~Multiuse and single use landfarms~~ Landfarms shall submit the following information to the department and department field office with jurisdiction over the landfarm before receipt of the PCS for storage; however, at least 30 days' notification is encouraged. PCS storage information from an emergency cleanup supervised by the department pursuant to subrule 120.6(1), however, shall be reported within 7 days of the emergency cleanup.

(1) to (3) No change.

*b. Land application notification.* ~~Multiuse and single use landfarms~~ Landfarms shall submit the following information to the department and department field office with jurisdiction over the landfarm before land application; however, at least 30 days' notification is encouraged. PCS information from an emergency cleanup supervised by the department pursuant to subrule 120.6(1), however, shall be reported within 7 days of the emergency cleanup.

(1) The date the PCS is expected to be ~~land~~ applied to the land. If the PCS is not applied on

this date, the department shall be informed of the actual application date.

~~(2) Single-use landfarms shall submit an A physical address ; or parcel identification number for the landfarm location, a legible topographic map or aerial photo, a USDA soil map with key, and a map of the 100-year flood plain illustrating and labeling where the PCS is to be applied. Multiuse landfarms shall report the landfarm plot(s) to which the PCS is to be applied.~~

(3) Application rate calculations pursuant to subrule 120.9(6).

(4) The spill number, UST registration number, and LUST number, as applicable.

*c. PCS analysis and characterization.* Information on the analysis and characterization of the PCS pursuant to rule 567—120.6(455B) shall be submitted to the department before receipt of the PCS for storage or land application; however, at least 30 days' notification is encouraged. PCS analysis and characterization information from an emergency cleanup supervised by the department pursuant to subrule 120.6(1), however, shall be reported within 60 days of the emergency cleanup.

~~*d. Groundwater monitoring well results.* Multiuse landfarms shall annually test all groundwater monitoring wells as follows. A laboratory certified pursuant to 567—Chapter 83 for UST petroleum analyses shall test the samples. Test results for each well at a multiuse landfarm shall be submitted to the department by the first workday in January of each year.~~

~~(1) BTEX testing. The groundwater monitoring wells shall be tested for benzene, toluene, ethylbenzene, and xylene (BTEX). The BTEX analysis shall utilize the most recent version of Method OA 1 (GCMS), “Method for Determination of Volatile Petroleum Hydrocarbons (Gasoline),” University of Iowa Hygienic Laboratory.~~

~~(2) TEH diesel and waste oil testing. The groundwater monitoring wells shall be tested for total extractable hydrocarbons (TEH diesel and waste oil). The TEH diesel and waste oil analyses shall~~

~~utilize the most recent version of Method OA-2, “Extractable Petroleum Products (and Relatively Low Volatility Organic Compounds),” University of Iowa Hygienic Laboratory.~~

~~(3) MTBE testing. The groundwater monitoring wells shall be tested for MTBE unless prior analysis of PCS accepted for landfarming, pursuant to rule 567—135.15(455B), has shown that MTBE was not present in soil or groundwater of the source. A laboratory certified pursuant to 567—Chapter 83 for UST petroleum analyses shall test the samples. The analysis shall utilize one of the following methods:~~

~~1. The most recent version of Method OA-1 (GCMS), “Method for Determination of Volatile Petroleum Hydrocarbons (Gasoline),” University of Iowa Hygienic Laboratory.~~

~~2. U.S. Environmental Protection Agency (EPA) Method 8260B, SW-846, “Test Methods for Evaluating Solid Waste,” Third Edition.~~

ITEM 54. Amend subrule 120.11(2), introductory paragraph, as follows:

**120.11(2) Record keeping.** All ~~landfarms~~ landfarm applicators shall maintain records of all information related to compliance with this chapter and the permit throughout the life of the landfarm and for three years after landfarm closure pursuant to rule 567—120.12(455B). This information shall be available to the department upon request. Applicable information includes, but is not limited to, the following material.

ITEM 55. Amend rule 567—120.12(455B) as follows:

**567—120.12(455B) Landfarm closure.** Unless otherwise required or approved by the department, landfarms shall be closed as follows: in one of the following ways:

~~**120.12(1) Multiuse landfarms.** Multiuse landfarms may be closed after groundwater monitoring well tests verify that down gradient groundwater monitoring well results are within two standard deviations of the mean analyte concentrations, pursuant to paragraph 120.11(1) “d,”~~

~~in corresponding up-gradient monitoring wells for three consecutive years after the last application of PCS. Furthermore, prior to closure each landfarm plot shall be tested as follows. Closure is not official until verified in writing by the department.~~

~~a. One sample from each 10,000 ft<sup>2</sup> (e.g., 100 foot × 100 foot area) of landfarm plot is analyzed pursuant to subparagraphs 120.6(2) “c”(1), (2), and (3). A minimum of one sample per landfarm plot shall be obtained. All samples shall be obtained from between the top 2 to 6 inches of soil.~~

~~b. The results of the tests in paragraph 120.12(1) “a” demonstrate that petroleum constituent concentrations are less than 0.54 mg/kg for benzene, 42 mg/kg for toluene, 15 mg/kg for ethylbenzene, 3800 mg/kg for TEH diesel and 0.02 mg/kg for MTBE.~~

~~120.12(2) 120.12(1) Single-use landfarms. Three years after the application of PCS, or~~

~~120.12(2) Single-use landfarms are closed three years after the application of PCS, or at At least six months after the application of PCS when documentation has been submitted and acknowledged in writing by the department that each landfarm plot has been tested as follows.~~

~~a. and b. No change.~~

ITEM 56. Amend rule 567—120.13(455B,455D) as follows:

**567—120.13(455B,455D) Financial assurance requirements for ~~multiuse and single-use~~ landfarms.** The holder of a sanitary disposal project permit for a ~~multiuse or single-use~~ landfarm must obtain and submit a financial assurance instrument to the department in accordance with this rule. The financial assurance instrument shall provide monetary funds for the purpose of conducting closure activities at the ~~operating area(s)~~ landfarm plot(s) due to the permit holder’s failure to properly close the site as required in accordance with rule 567—120.12(455B) within 30 days of permit suspension, termination, revocation, or expiration.



**120.13(1) *No permit without financial assurance.*** The department shall not issue or renew a permit to an owner or operator of a ~~multiuse or single-use~~ landfarm until a financial assurance instrument has been submitted to and approved by the department.

**120.13(2) *Proof of compliance.*** Proof of the establishment of the financial assurance instrument and compliance with this rule, including a current closure cost estimate, shall be submitted ~~by July 1, 2008, or~~ at the time of application for a permit for a ~~new multiuse or single-use~~ landfarm applicator permit. The owner or operator must provide continuous coverage for closure and submit proof of compliance, including an updated closure cost estimate, with each permit renewal thereafter until released from this requirement by the department.

**120.13(3) *Financial assurance amounts required.*** The estimate submitted to the department must be certified by a professional engineer and account for at least the following factors determined by the department to be minimal necessary costs for closure pursuant to rule ~~567—~~ 120.12(455B):

*a.* Third-party costs to conduct ~~groundwater and~~ soil sampling and properly clean all equipment and storage areas at the ~~operating area(s)~~ landfarm plot(s).

*b.* No change.

**120.13(4) *Acceptable financial assurance instruments.*** The financial assurance instrument shall be established in an amount equal to the cost estimate prepared in accordance with subrule 120.13(3) and shall not be canceled, revoked, disbursed, released, or allowed to terminate without the approval of the department. Financial assurance may be provided by cash in the form of a secured trust fund or local government dedicated fund, surety bond, letter of credit, or corporate or local government guarantee as follows:

*a.* and *b.* No change.

*c. Surety bond.* A surety bond must be written by a company authorized by the commissioner of insurance to do business in the state. The surety bond shall comply with the following:

(1) No change.

(2) The bond shall be specific to a particular landfarm owner or operator for the purpose of funding closure in accordance with rule 567—120.12(455B) and removing any stockpiled PCS that may remain at the site(s) due to the owner's or operator's failure to properly close the site within 30 days of permit suspension, termination, revocation, or expiration.

(3) No change.

*d. to f.* No change.

**120.13(5)** *Financial assurance cancellation and permit suspension.*

*a. to c.* No change.

*d.* The owner or operator shall perform proper closure within 30 days of the permit suspension.

For the purpose of this rule, "proper closure" means completion of all items pursuant to rule 567—120.12(455B) and subrule 120.13(3).

*e. to g.* No change.