

Agenda

Environmental Protection Commission

Tuesday, June 18, 2024

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

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

6200 Park Ave, Des Moines, IA 50321

Walnut Woods Conference Room

Tuesday, June 18, 2024

10:00 AM – EPC Business Meeting

If you are unable to attend the business meeting, comments may be submitted for public record to Alicia Plathe at Alicia.Plathe@dnr.iowa.gov or 6200 Park Ave, Des Moines IA 50321 up to 24 hours prior to the business meeting.

1	Approval of Agenda	
2	Approval of the Minutes	
3	Monthly Reports	Ed Tormey (Information)
4	Director's Remarks	Kayla Lyon (Information)
5	Clean Water and Drinking Water State Revolving Loan Fund-FY 2025 Intended Use Plans	Theresa Enright (Decision)
6	Contract with Linn County-Linn County Air Quality Program	Christine Paulson (Decision)
7	Contract with Polk County-Polk County Air Quality Program	Christine Paulson (Decision)
8	Contract with the University of Northern Iowa-Iowa Air Emissions Assistance Program	Christine Paulson (Decision)
9	Contract with the University of Iowa State Hygienic Laboratory-2025 SHL Services in support of the DNR Air Quality Bureau	Brian Hutchins (Decision)
10	Contract with Cerro Gordo County Department of Public Health-Public Water Supply Inspections	Christina Iiams (Decision)
11	Contract with Iowa Department of Agriculture and Land Stewardship-North Raccoon River Watershed 2023 Grant	Kyle Ament (Decision)
12	Contract Amendment with Iowa Department of Agriculture and Land Stewardship-Palo Alto Shallow Lakes Watershed Project	Kyle Ament (Decision)
13	Contract with Water Professionals International-Private Well Contractor and Waste Lagoon Operator Certification Exams	Laurie Sharp (Decision)
14	General Discussion	
15	Upcoming Meetings	
	<ul style="list-style-type: none">• Tuesday, July 16, Des Moines• Tuesday, August 20, Des Moines	

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

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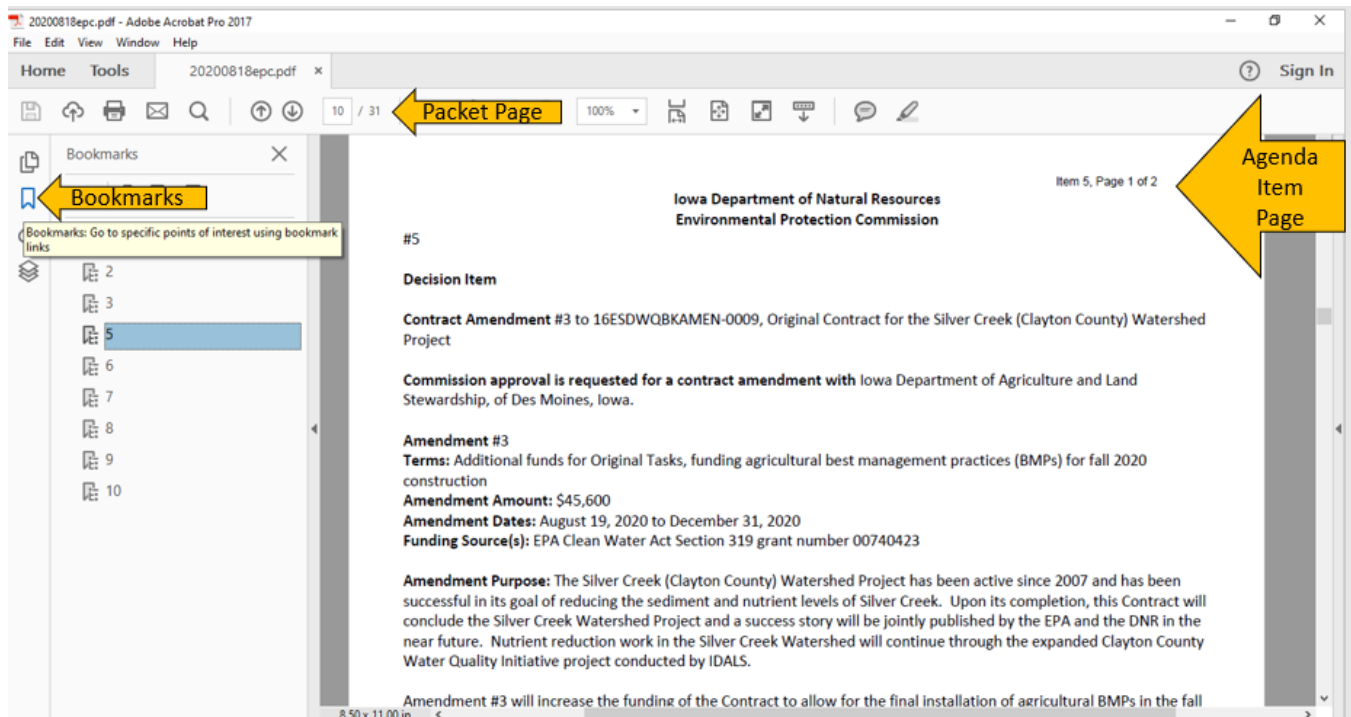
Updated 12/2023

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

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

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

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



**MINUTES OF THE
ENVIRONMENTAL PROTECTION COMMISSION
MEETING**

May 22, 2024

**Video Teleconference
and
Bridge View Center, Ottumwa, Iowa**

Approved by the Commission **TBD**

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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 9:12 am on May 22, 2024 via video/teleconference attendees.

COMMISSIONERS PRESENT

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

COMMISSIONERS ABSENT

None

SWEARING IN OF NEW COMMISSIONER

Director Kayla Lyon swore in new EPC Commissioner, Jim Christensen.

ANNUAL ELECTION OF OFFICERS

Amy Echard nominated Mark Stutsman to serve as the next EPC Chair. Roger Zylstra made a motion to cease nominations. The Chairperson asked for the Commission to approve the nomination by saying aye. There were no nay votes.

Patricia Foley nominated Amy Echard to serve as the EPC Vice Chair. Harold Hommes made a motion to cease nominations. The Chairperson asked for the Commission to approve the nomination by saying aye. There were no nay votes.

Harold Hommes nominated Patricia Foley to serve as the EPC Secretary. The Chairperson asked for the Commission to approve the nomination by saying aye. There were no nay votes.

APPROVAL OF AGENDA AND CONSENT AGENDA

The consent agenda included the Contract with the University of Northern Iowa, Iowa Waste Reduction Center.

Motion was made by Patricia Foley to approve the item as presented. Seconded by Lisa Gochenour.

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

APPROVED AS PRESENTED

APPROVAL OF MINUTES

Motion was made by Amy Echard to approve the item as presented. Seconded by Harold Hommes.

The Chairperson asked for the Commissioners to approve the Minutes of the April 16, 2024 meeting by saying aye. There were no nay votes.

APPROVED AS PRESENTED

MONTHLY REPORTS

- Division Administrator Ed Tormey thanked Representative Wilz for attending the business meeting and started off his remarks by sharing facts about Ottumwa, Mr. Tormey’s hometown.
- Mr. Tormey made a statement for the record that there will not be any Air Quality fees raised for the upcoming fiscal year.
- Mr. Tormey recognized Steve Hopkins for his excellent service as the nonpoint source coordinator for the Department and congratulated him on his upcoming retirement. Mr. Hopkins proceeded by providing an in depth update on the Iowa Nonpoint Source Plan, including next steps and the expected date for finalization.

INFORMATION

DIRECTOR’S REMARKS

- Director Kayla Lyon provided a legislative update to the Commissioners, providing details on the budget bill that was passed. Director Lyon also highlighted a pair of other bills that were of interest to the Commission.
- Director Lyon welcomed Jim Christensen to the Commission and thanked Alliant Energy and JBS for hosting DNR staff and Commissioners on a tour prior to the business meeting.
- Commissioners asked questions regarding DNR involvement in cleanup efforts of recent Spring storms. Director Lyon indicated that reports are still coming in from the field in regards to storm damage on state-owned property and explained that field staff will be helping with proper waste disposal and ensure communities have access to clean drinking water and wastewater.

DERELICT BUILDING GRANT PROGRAM-GRANT RECOMMENDATIONS

Reid Bermel requested Commission approval for 6 project recommendations for the derelict building grant program.

Public Comments – None

Written Comments – None

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

APPROVED AS PRESENTED

CONTRACT WITH THE UNIVERSITY OF IOWA-AMBIENT STREAM BIOLOGICAL MONITORING AND LABORATORY SERVICES

Ken Krier requested Commission approval for a contract with The University of Iowa for ambient stream biological monitoring and laboratory services. Mr. Krier responded to questions on how the collected data would be used.

Public Comments – None

Written Comments – None

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

APPROVED AS PRESENTED

CONTRACT WITH THE UNIVERSITY OF IOWA-AMBIENT STREAM MONITORING

Ken Krier requested Commission approval for a contract with The University of Iowa for ambient stream monitoring.

Public Comments – None

Written Comments – None

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

APPROVED AS PRESENTED

CONTRACT WITH SHIVE-HATTERY INC.-INFILTRATION BASED PRACTICES DESIGN

Kyle Ament requested Commission approval for a contract with Shive-Hattery Inc. for infiltration based practices design services. Mr. Ament responded to questions regarding the funding source and future sustainability of the potential practice implementation.

Public Comments – None

Written Comments – None

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

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

APPROVED AS PRESENTED

GRANT FUNDING FOR ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

Laurie Rasmus requested Commission approval for EMS proposals.

Public Comments – None

Written Comments – None

Motion was made by Amy Echard to approve the item as presented. Seconded by Harold Hommes.

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

APPROVED AS PRESENTED

SOLID WASTE ALTERNATIVES PROGRAM-CONTRACT RECOMMENDATION

Tom Anderson requested Commission approval for a contract with J. Pettiecord, Inc. for a project to be funded as part of the Solid Waste Alternatives Program.

Public Comments – None

Written Comments – None

Motion was made by Harold Hommes to approve the item as presented. Seconded by Rebecca Dostal.

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

APPROVED AS PRESENTED

REFERRAL TO THE IOWA ATTORNEY GENERAL-NEW COOPERATIVE, INC.

Bradley Adams requested that the Commission refer NEW Cooperative, Inc. to the Attorney General for violations of Iowa’s water quality and wastewater discharge laws and regulations. Brittany Barrientos presented on behalf of NEW Cooperative, Inc., stating the company will not contest the referral.

Public Comments – Representatives from the Sierra Club and Iowa Environmental Council encouraged the Commissioners to refer NEW Cooperative, Inc. to the Attorney General.

Written Comments – None

Motion was made by Harold Hommes to refer NEW Cooperative, Inc. to the Attorney General.. Seconded by Patricia Foley

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

APPROVED AS PRESENTED

GENERAL DISCUSSION

- Alicia Plathe reminded Commissioners of the EPC report due to the legislature after the close of SFY 2024.

ADJOURN

Chairperson Hommes adjourned the Environmental Protection Commission meeting at 10:58 am on May 21, 2024.

ADJOURNED

**Monthly Waiver Report
May 2024**

Item #	DNR Reviewer	Facility/City	Program	Subject	Decision	Date	Agency
1	Jasmine Bootman	Deb El Food Production LLC	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	4.29.24	24aqw079
2	Mark Fields	Equistar Chemical LP	AQ	Request to run a cleaning chemical SENTROMAX in F Furnace for cleaning and to evaluate PM, PM10, & PM2.5 emissions.	Approved	4.29.24	24aqw080
3	Mark Fields	POET Biorefining Emmetsburg	AQ	Stack test due date extension requested for EP SV058 & SV032, due to ongoing equipment malfunction and repair needs.	Approved	4.22.24	24aqw081
4	Danjin Zulic	Ashes to Ashes Pet Cremation	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	4.29.24	24aqw082
5	Brian Jergensen	64407-Northwood Site	AFO	A fire of unknown origin caused the death of approximately 5000 sows and 800 litter of piglets. The applicant has provided an acceptable request for mass burial and a waiver request from portions of 567 IAC Chapter 100	Approved	4.30.24	24cpw083
6	Nate Tatar	Rembrandt Enterprises, Inc	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.1.24	24aqw084
7	Nate Tatar	Pleasant Valley Redi-Mix Company	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.7.24	24aqw085
8	Lucas Tenborg	Manatts Inc.	AQ	DNR received a request for a variance from the Exclusions and Prohibited Locations (d and e), a condition restricting permit coverage based on portable plant location, under permit 15-A-171.	Approved	5.8.24	24aqw086
9	Karen Kuhn	Cargill, Inc - Eddyville	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.9.24	24aqw087
10	Brandon Miner	Tadd, Inc. (AFO ID#61220)	AFO	Due to catastrophic fire event approximately 500 sows need buried. The facility's insurance company initially instructed that the hogs not be removed, but can now be disposed.	Approved	5.10.24	24cpw088
11	Jasmine Bootman	EZ-LINER, INC - HULL	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.10.24	24aqw089
12	Michael Hermesen	REG Newton, LLC	Air Quality Construction Permit	Waiver of Initial Stack Test Requirement.	Approved	5.13.24	24aqw090
13	Lucas Tenborg	Amsted Rail Company Inc.	AQ	Variance request to install a carbon silo prior to the issuance of a construction permit.	Approved	5.14.24	24aqw091
14	John Curtin	Koch Fertilizer, Ft. Dodge LLC	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement for a vent for feed gas to Primary Reformer.	Approved	5.16.24	24aqw092
15	Julie Duke	Viking pump	AQ	Request to complete construction of permit project 24-022 prior to permit issuance and operate equipment. Baghouse CE-3 will be added to the Steel Alloy Electric Induction Furnaces #1-#3 to provide additional control of PM emissions.	Approved	4.30.24	24aqw093
16	Julie Duke	GenoSource RNG, LLC	AQ	variance from General Requirement, Condition 10(A)(2) which voids the permit if construction is not completed within 36 months of permit issuance date. requesting until January 30, 2025 to complete construction.	Approved	5.16.24	24aqw094
17	Anna Seeger	Cedar Rapids Utilities Department	Water Supply Construction (WC)	Cedar Rapids petitioned a waiver from watermain and storm sewer separation distances. Cedar Rapids installed C900 PVC storm sewer with AWWA C11 gaskets 6" above a watermain. All storm sewer on the street was replaced with PVC.	Approved	5.9.24	24cpw095
18	Brandon Polzin	City of Huxley - Water Treatment Plant	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.17.24	24aqw096
19	Lucas Tenborg	Verbio - Nevada	AQ	Request to bring a temporary 92.0 MMBtu/hr boiler to operate in-place of secondary 175 MMBtu/hr boiler system (H-6) that will be under repair.	Approved	5.21.24	24aqw097
20	Danjin Zulic	WDC Acquisition LLC	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.23.24	24aqw098
21	Danjin Zulic	Waukee Primary Care and Specialty Clinic	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.28.24	24aqw099
22	Michael Hermesen	Amsted Rail Company, Inc	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.29.24	24aqw100
23	Nate Tatar	Rembrandt Enterprises, Inc	Air Quality Construction Permits	Waiver of Initial Stack Test Requirement.	Approved	5.30.24	24aqw101

**Iowa Department of Natural Resources
Environmental Services Division
First Quarter 2024 Report of Wastewater By-passes**

During the period January 1, 2024 through March 31, 2024, 37 reports of wastewater by-passes were received by the department. A general summary and count by field office is presented below. This does not include by-passes resulting from precipitation events (including flood water infiltration) or bypasses resulting in basement backups.

Quarter	Total	Avg. Length (days)	Avg. Volume (MGD)	Sampling Required	Fish Kill
1 ST Quarter '24	37 (52)	0.317	0.208	1	0(0)
2 ND Quarter '23	30 (35)	0.332	0.036	1	0(0)
3 RD Quarter '23	39 (34)	0.418	0.034	1	0(0)
4 TH Quarter '23	32 (45)	0.368	0.021	1	0(0)

(numbers in parentheses are for same period last year)

Total Number of Incidents per Field Office This Quarter:

Field Office	1	2	3	4	5	6
Reports	3	3	0	9	12	10



Iowa Department of Natural Resources
 Environmental Services Division
 First Quarter 2024 Report of Manure Releases

During the period January 1, 2024, through March 31, 2024, 2 reports of manure releases were forwarded to the central office. A general summary and count by field office is presented below.

		Total Incidents		Surface Water Impacts		Feedlot		Confinement		Land Application		Transport		Hog		Cattle		Poultry		Other	
Month	Year	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago
Jan	2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Feb	2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mar	2024	2	0	0	0	0	0	0	0	0	0	2	0	1	0	1	0	0	0	0	0
Total		2	0	0	0	0	0	0	0	0	0	2	0	1	0	1	0	0	0	0	0

Total Number of Incidents per Field Office for the Selected Period	Field Office 1		Field Office 2		Field Office 3		Field Office 4		Field Office 5		Field Office 6	
	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous
Total	0	0	0	0	1	0	0	0	0	0	1	0



Iowa Department of Natural Resources
 Environmental Services Division
 First Quarter 2024 Report of Hazardous Conditions

During the period January 1, 2024, through March 31, 2024, 83 reports of hazardous conditions were forwarded to the central office. A general summary and count by field office is presented below. This does not include releases from underground storage tanks, which are reported separately.

		Substance								Mode													
		Total Incidents		Agrichemical		Petroleum Products		Other Chemicals		Transport		Fixed Facility		Pipeline		Railroad		Fire		Other*		CR-ERNS	
Month	Year	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago	Cur	Yr Ago
Jan	2024	23	35	2	1	16	27	7	9	10	15	7	14	0	0	1	1	0	0	4	1	1	4
Feb	2024	25	22	1	1	23	15	5	6	8	6	10	13	1	0	0	1	1	0	3	2	2	0
Mar	2024	35	46	2	1	23	37	13	9	7	13	19	28	0	0	1	0	0	1	3	2	5	2
Total		83	103	5	3	62	79	25	24	25	34	36	55	1	0	2	2	1	1	10	5	8	6

*Other includes dumping, theft, vandalism and unknown

** CR-ERNS incidents are ongoing releases as defined by Federal regulations. These reports are included in "Total Incidents" and "Substance" counts but not in "Mode" counts.

Total Number of Incidents per Field Office This Selected Period	Field Office 1		Field Office 2		Field Office 3		Field Office 4		Field Office 5		Field Office 6	
	Current	Year Ago	Current	Year Ago	Current	Year Ago	Current	Year Ago	Current	Year Ago	Current	Year Ago
Total	17	12	8	8	3	5	24	24	14	28	17	26

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

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

**TOPIC Clean Water and Drinking Water State Revolving Loan Fund – FY 2025
Intended Use Plans**

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

The DWSRF Program provides loans to public water supply systems for treatment, storage, distribution and transmission projects. The CWSRF Program finances publicly owned wastewater and sewer facilities, storm water management projects and nonpoint source control practices for water quality.

Federal regulations require the State to prepare a plan identifying the intended uses of the funds in the SRF and describing how those uses support the goals of the SRF. The SFY 2025 DWSRF IUP contains planned uses of the DWSRF Base Program and also includes planned uses for the Bipartisan Infrastructure Law (BIL) General Supplemental (GS), PFAS/Emerging Contaminants (EC), and Lead Service Line (LSL) Replacement Funds. The SFY 2025 CWSRF IUP contains planned uses of the CWSRF Base Program and also includes planned uses for the BIL PFAS/EC Fund.

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

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

Each draft IUP is released for public comment and review, and then presented for approval to the Commission. SRF staff revisited the eligibility criteria for loan forgiveness during this review period and incorporated a change to the Base and BIL GS Funds to better align with SRF Program goals. A public meeting was held via conference call on May 30, 2024 to highlight changes to the plan and to receive comments. There were attendees and one public comment requested that a glossary of acronyms be added to the IUP. This request will be incorporated into the next IUP update. The written comment period closed on June 7, 2024 and no additional comments were received.

This SFY the SRF Program will offer a special purpose financing option for nonpoint source projects (See IUP Section D- Program Activities to be Supported and Appendix C) and the Base

and BIL GS loan forgiveness criteria has switched from a formula-based award to a set scale award based on Disadvantaged Community scores.

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

(5) CWSRF Planning & Design Loan applications	(totaling \$2,957,600)
(9) CWSRF IUP applications for construction projects	(totaling \$40,464,000)
(9) DWSRF Planning & Design Loan applications	(totaling \$4,267,850)
(9) DWSRF IUP applications for construction projects	(totaling \$37,627,000)

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

Theresa Enright, SRF Coordinator
Department of Natural Resources
June 18, 2024

DRAFT

FY 2025 INTENDED USE PLAN
CLEAN WATER STATE REVOLVING FUND



INVESTING IN IOWA'S WATER

Anticipated approval by the Environmental Protection Commission (EPC) on June 18, 2024

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Introduction

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

As of June 30, 2023, Iowa's CWSRF Programs have provided over **\$4 billion** in financial assistance for wastewater infrastructure, agricultural best management practices, and other water quality projects since 1989. With the State Fiscal Year (SFY) 2025 Intended Use Plan (IUP) and future program plans, Iowa's SRF will continue to help Iowans protect public health and the environment through investing in Iowa's water.

A. Highlights and Changes

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

- ✓ Plans for implementing funding for the General Supplemental (GS) and PFAS/Emerging Contaminants (EC) funding awarded from the **Infrastructure Investment and Jobs Act (IIJA)**, also known as, **Bipartisan Infrastructure Law (BIL)** are included in this annual release of the IUP.
- ✓ The **Socioeconomic Assessment (SA) Tool** used to define a **Disadvantaged Community (DAC)** (DWSRF Program) and **Affordability Criteria** (CWSRF Program) has been updated with current American Community Survey and state-level employment data and will be referred to as the SFY 2025 SA Tool.
- ✓ **DAC eligibility will be evaluated at the time of IUP application.** All projects added to the Project Priority List (PPL) during SFY 2025 will receive a DAC score based on the SFY 2025 SA Tool and this score will not change with future SA Tool updates. All projects listed on the approved PPL *prior to SFY 2025* will continue to use the DAC score in accordance with the SFY 2024 SA Tool.
- ✓ The amount of loan forgiveness (LF) funds available to a community will be determined in accordance with a set scale based on a DAC score (see Appendix B).
- ✓ Additional subsidization in the form of principal LF will be applied to the SRF portion of eligible **construction costs.**
- ✓ Priority funding for all available Base Cap Grants and BIL GS LF will be awarded based on total project priority points and DAC score, with consideration given to compliance status and date of loan execution.
- ✓ Beginning in SFY 2025, IUP application deadlines for General NPS projects will align with the Point Source application deadlines of March, June, September, and December of each year. Planning and Design (P&D) loan applications deadlines will remain the same and accepted in April, July, October, and January of each year.
- ✓ Funding for new Water Resources Restoration projects (**Sponsored Projects**) is **not available during SFY 2025.**
- ✓ In December of 2024, the SRF General NPS Program will offer a "Special Funding Opportunity" to communities interested in constructing NPS practices to manage stormwater or other nonpoint pollutants. Applications will be scored and qualifying communities will receive up to \$500,000 at 0% interest for General NPS direct loans.

B. SRF Program Overview

SRF PROGRAM ADMINISTRATION

The unique partnership between the Iowa Department of Natural Resources (DNR), Iowa Finance Authority (IFA), and the Iowa Department of Agriculture and Land Stewardship (IDALS) is the foundation for the success of the SRF programs. These agencies work together to deliver streamlined programs and good customer service:

- DNR-Administers the environmental, permitting, and regulatory compliance aspects of the program as well as project level approval, eligibility and compliance
- IFA-Administers the financial aspects of the program including fund management, bond issuance for state match and leveraging, loan approval, processing disbursements, and servicing loans in repayment
- IDALS-Through a contractual agreement with DNR, IDALS administers three SRF NPS Linked Deposit Programs and provides technical assistance to the CWSRF NPS Programs

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

INTENDED USE PLANS

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

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

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

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

METHOD OF AMENDMENT OF THE IUP

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

PUBLIC REVIEW AND COMMENT

(See Appendix I - Public Review and Comments Received)

The SRF Program accepts new IUP applications quarterly by the first business day in March, June, September, and December¹. The DRAFT IUP and PPL are updated and available to the public for review about 60 days after the quarterly IUP application deadline. The IUP is posted on the CWSRF Program webpage of the SRF Program's website (www.iowasrf.com) and public comments are accepted for up to 30 days following the posting at srf-pc@dnr.iowa.gov.

Public Hearings are typically scheduled on the final Thursday of the months of May, August, November and February to highlight changes from the previous quarter, when applicable, and to collect public comments. Information on how to participate in the public hearing is provided through listservs and on the SRF website². A final draft version of the IUP, including all comments and SRF responses to the comments received, will be posted as part of the EPC Meeting and Agenda on the EPC webpage on the DNR's website³.

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

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

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

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

All of the opportunities mentioned above are open to the public. Meetings and hearing information are posted on the Media Center and IUP Public Hearings⁴ pages of the [SRF website](#), and announced through agency-managed listservs. Public comments are accepted at srf-pc@dnr.iowa.gov.

PROJECT PRIORITY LIST

(See Attachment 1 - CWSRF PPL)

Administration of the CWSRF Program includes developing a priority list of projects to receive loan assistance, in accordance with DNR rules 567 IAC Chapter 92 (455B). Attachment 1 constitutes the CWSRF PPL and is included as a separate, sortable Excel file. This PPL will be amended quarterly during SFY 2025 and includes projects funded by both CWSRF Base and BIL Funds.

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

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

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

- **Planning and Design Loans.** These are loan requests that cover planning and engineering costs related to the design of an eligible CWSRF project and the development of a Facility Plan (FP).
- **New Section 212 Treatment Works Projects.** Projects are added to the PPL only after a complete IUP application is received, the project has passed a preliminary review of eligibility, and the project is scored.
- **Segments of Previously Funded Section 212 Treatment Works Projects.** Subsequent segments of a project which have previously received funding priority or assistance will be placed on the PPL and may carry over their original priority point total from the previous year.
- **New General Nonpoint Source Projects including Source Water Protection.** Projects are added to the PPL only after a complete IUP application is received, the project has passed a preliminary review of eligibility, and the project is scored.
- **Unfunded Prior Years' Section 212 Treatment Works and General NPS Projects.** These are loan requests remaining on the PPL from previous years' IUPs. It is Iowa's intention to make CWSRF loans to these projects during SFY 2025 if they are ready for a binding loan commitment.
- **Supplemental Financing.** Supplemental financing provides additional funds for projects listed in previously approved IUPs. These funds will be used to cover cost overruns on previously approved scopes of work and are added to the IUP as they are requested.

Fundable projects are further identified as "C – Contingent" (indicating that the project has not yet met all eligibility criteria required to receive a specific funding source), "P - in planning," "R - ready for loan" (indicating that the construction permit and environmental review (ER) have been completed), and "L - loan signed."

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

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

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

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

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

TYPES OF FINANCIAL ASSISTANCE

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

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

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

Direct Loans for **P&D** are available to eligible public and private borrowers to cover engineering and project development costs such as testing and scoping, preparing FPs, and project specifications that are directly related to the development of an eligible SRF treatment works or General NPS project.

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

Financial assistance for **NPS Projects** is available to public and private borrowers in the form of direct loans, loan participations or linked-deposit loans, depending on the borrower and project type. These projects address stormwater quality, inadequate septic systems, landfill closure, lake restoration, soil erosion control, brownfield cleanup, manure management and more (see SFY 2025 Program Activities to be Supported).

Current interest rates and fees are established in the IUP in Appendix D - Interest Rates, Fees, and Loan Terms and are published on the Loan Interest Rates ⁵page of the SRF website.

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

CO-FUNDING

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

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

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

The Iowa SRF Program is committed to coordinating with other funding agencies to simplify the process of co-funding and to find an affordable solution to wastewater needs.

EMERGENCY FUNDING

A Memorandum of Understanding (MOU) between EPA and the Federal Emergency Management Agency (FEMA) provides a framework for SRF programs to assist and collaborate with FEMA disaster assistance grant programs. The Iowa SRF Program will work with communities on a case-by-case basis to provide assistance addressing public health threats related to drinking water and wastewater resulting from a disaster. Some of the ways the SRF can help following a disaster include:

Use SRF loans as match for FEMA grants. FEMA funds will generally pay for a percentage of the repair or replacement costs for public water and wastewater systems damaged by natural disasters or projects to prevent or mitigate future disasters. The SRF can be used to finance the amount not covered by FEMA.

Use SRF funds as short-term loans to be repaid with FEMA grants. There may be times when a public facility has been approved for a FEMA grant but there is a delay in receiving the funds. In those situations, after all program requirements are met, an SRF loan may be used to finance the repairs and then be repaid with FEMA money. Emergency loans meeting these conditions may be executed and then reported in the next quarterly IUP update.

APPLICATION PROCESS

New CWSRF IUP applications for **construction projects, including General NPS projects**, will be accepted on a quarterly basis the first business day of the months of March, June, September and December.

Infrastructure/Point Source Construction Projects: IUP applications can be found on the Clean Water Loan Program page of the SRF website⁶ and are submitted to srf-iup@dnr.iowa.gov.

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

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

P&D Projects: Applications are available on the P&D Loan Program page of the SRF website⁸ and are submitted to IFAs SRF Program Staff at waterquality@iowafinance.com.

Linked Deposit Programs: Applications for these programs are accepted on a continuous basis. Instructions and applications for each program can be found on the SRF website⁹.

Project applications eligible for SRF funding under the BIL General Supplemental and BIL PFAS/EC Fund will use the CWSRF IUP application and follow the same quarterly IUP application cycle as the CWSRF Base Program. Additional application information may be required for projects applying for BIL Funds. The SRF Program will provide additional application materials and guidance for BIL Funds directly to applicants, as applicable, and application materials will be available on the SRF website¹⁰.

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

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

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

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

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

C. SFY 2025 CWSRF Program Goals

SHORT TERM GOALS

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

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

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

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

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

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

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

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

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

LONG TERM GOALS

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

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

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

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

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

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

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

D. SFY 2025 Program Activities to be Supported

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

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

CWSRF BASE PROGRAM

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

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

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

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

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

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

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

NONPOINT SOURCE ASSISTANCE PROGRAMS

Iowa authorizing legislation allows the use of CWSRF Program funds for NPS pollution control projects. Iowa SRF is committed to funding projects that control NPS pollution. An annual budget is established for each program to ensure that funding is dedicated to these initiatives. During SFY 2025, budgets may be modified in future IUP updates, based on need.

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

GENERAL NONPOINT SOURCE PROGRAM-CWA SECTION 603(C)2-SECTION 319

Nonpoint Source Assistance Programs	Proposed SFY 2025 Budget
General NPS Program	\$10,000,000*

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

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

¹² https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf

Loan Participation Financing

Eligible Borrowers: Private entities

Eligible Activities: Eligible projects must implement NPS management programs established under Section 319 of the CWA. Projects must support Iowa’s State NPS Management Plan¹³ or a nine-element watershed-based plan and must be for the primary purpose of water quality improvement or protection. Projects primarily for the purchase of land must meet the definition of “projects” in IA Code 455B.291 and require separate approval by the EPC¹⁴.

Applications and instructions for General NPS projects can be found on the NPS Water Quality Programs, “Programs for Communities” page of the SRF website.¹⁵

Projects funded as loan participation are listed in Appendix H - Funding Recommendations. NPS assistance offered as loan participation is reported by project in the annual report.

Direct Loan Financing

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

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

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

The current General NPS Program application and associated application/project review process will be in effect through September 1, 2024 (third quarter SFY 2025 IUP applications deadline). After September 1, 2025, a revised application will be in effect and all General NPS direct loan project applications eligible for placement on the PPL will also be scored using the Special Purpose Scoring Criteria outlined in Appendix C – Project Ranking Criteria.

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

SPECIAL PURPOSE FUNDING OPPORTUNITY

During SFY 2025, the SRF Program will be offering a competitive NPS funding incentive to encourage implementation of locally directed, water quality improvement projects. This incentive intends to reward NPS projects that demonstrate high water quality benefits, sound design, and project readiness through special purpose financing.

Beginning with General NPS project applications received by the December 1, 2025 application deadline, projects eligible for placement on the PPL will also be scored using the Special Purpose Scoring Criteria outlined in Appendix C – Project Ranking Criteria, specifically to determine eligibility for this special purpose financing opportunity.

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

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

¹⁴ Iowa Administrative Code 567 - 93 (455B)

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

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

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

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

Timeline: The first round of applications will be accepted by December 1, 2024 for the fourth quarter of SFY 2025 IUP. Notices of application scores and funding approval will be available by mid-January 2025. Subsequent project applications will be accepted quarterly the first working day of March, June, September and December.

Application Process: Details regarding the application submission, review and scoring process are available on the SRF NPS Water Quality Programs webpage <https://iowasrf.com/nonpoint-source-water-quality-programs/>.

Public Comments: An extended public comment period will be offered on this Special Purpose Funding Opportunity, application and scoring criteria **through July 5, 2024**. Public comments will be accepted at srf-pc@dnr.iowa.gov.

NPS Assistance Programs	Proposed SFY 2025 Budget
General NPS Special Purpose Funding	\$10,000,000*

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

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

LINKED DEPOSIT PROGRAMS AND FINANCING

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

Nonpoint Source Linked-Deposit Assistance Programs	Proposed SFY 2025 Budget
SWP Practices Program	\$500,000
LWQ Program	\$6,000,000
LWP Program	\$2,000,000
OSWAP	\$1,500,000

Application Process:

Applications and instructions for Linked-Deposit Assistance Programs can be found on the NPS Water Quality Programs, "Programs for Landowners" page of the SRF website.¹⁶

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

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

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

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

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

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

Eligible Borrowers: Private landowners.

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

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

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

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

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

Eligible Borrowers: Homeowners, developers and other private entities

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

SPONSORED PROJECT PROGRAM

The CWSRF Water Resource Restoration Sponsored Project Program or “Sponsored Projects” provides wastewater utilities with the opportunity to fund locally directed, watershed-based, NPS projects that address water quality issues. Iowa Code Section 384.84 authorizes these projects to be financed with sewer revenues. On a CWSRF loan with a sponsored project, the utility borrows for both the wastewater improvement project and the sponsored project. However, the overall interest rate on the total amount of principal borrowed is reduced so that the utility’s ratepayers do not pay any more than they would have for just the wastewater improvements.

NPS Assistance Programs	Proposed SFY 2025 Budget
Sponsored Project Program	\$0

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

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

Loan Amendments. Beginning with projects awarded in SFY 2022, Sponsored Project loan amendments must be executed prior to the second principal payment on the sponsoring CWSRF loan or the Sponsored Project award may be withdrawn.

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

Scope Change. The waterbody, watershed, and water quality concern identified in the Water Resource Restoration Sponsored Project application cannot be changed after an application has been awarded funding.

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

CWSRF BIL PROGRAMS

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

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

CWSRF BIL GENERAL SUPPLEMENTAL (GS) FUNDS

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

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

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

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

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

BIL PFAS/EC FUND

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

As defined by EPA, EC refer to substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment.¹⁸

The main categories of EC include but are not limited to:

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

¹⁸ https://www.epa.gov/system/files/documents/2022-03/combined_srf-implementation-memo_final_03.2022.pdf

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

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

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

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

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

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

E. Financial Administration

RATES, FEES AND LOAN TERMS & CONDITIONS

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

PROJECT READINESS FOR LOAN APPLICATION

SRF applicants are required to comply with Iowa public bidding law in order to receive funding through the CWSRF Program. Applicants shall demonstrate this compliance through an opinion of legal counsel certifying their compliance. A sample “Form of SRF Construction Bidding Opinion” can be located on the SRF website¹⁹ and applicants are encouraged to include this opinion letter when submitting bid documentation to SRF.

SRF Notice of Funding Eligibility (NOFE) Letters will be issued ***only after*** the following program requirements are complete:

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

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

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

Prior to Approving a Construction Loan:

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

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

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

AFFORDABILITY CRITERIA

(See Appendix A - Affordability Criteria)

The CWA requires Iowa to consider income, unemployment data, population trends, and other data determined to be relevant in establishing affordability criteria used to award certain additional subsidies under the SRF program. In SFY 2023, a SA Tool was developed to include a more comprehensive range of metrics by which communities are evaluated for DAC status. In SFY 2024, the metrics behind the SA Tool were refined to improve desired outcomes and comply with existing federal statute while still including social, economic and demographic information that may indicate a lack of access to affordable clean water and safe drinking water.

The SA Tool and the metrics are discussed in Appendix A - Affordability Criteria, and they define the affordability criteria that will be used to evaluate the DAC status of a borrower for the purpose of SRF loan forgiveness eligibility. The SA Tool is updated with new census data each year and will become effective, with the IUP, on the first day of the state fiscal year. Applicants will use the SA Tool in effect for the state fiscal year of their project application to determine DAC score.

DAC determinations are made at the time of IUP application. Once a DAC score is assigned to a project, it will not change for that project.

ADDITIONAL SUBSIDIZATION

(See Appendix B - Additional Subsidization)

Iowa applies additional subsidization in the form of LF. Appendix B - Additional Subsidization, identifies the available funding and the criteria used to determine projects and borrowers eligible to receive additional subsidization. **Criteria for additional subsidization is established for each Cap Grant.** At the end of each fiscal year, unassigned or reallocated LF may remain available in subsequent years in accordance with its original criteria, or may be combined with the funds made available in accordance with the new Cap Grant criteria.

EQUIVALENCY

An *Equivalency Project* is a treatment works project (as defined in Section 212 of the CWA) that is constructed, in whole or in part, with funds equaling the amount of a federal capitalization grant awarded to a state. The Iowa CWSRF Program must designate a project or group of projects with loan amounts totaling the amount of each Cap Grant received, to comply with all federal funding requirements applicable to that Cap Grant.

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

- Disadvantaged Business Enterprise²⁰
- Single Audit Act
- Federal Funding Accountability and Transparency Act (FFATA) reporting
- Procurement of A/E services in accordance with the federal Brooks Act (Section 602(b)(14))²¹
- EPA signage requirements

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

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

- BABA (FFY 2022 and all future capitalization grants)²²
- Federal environmental and socioeconomic crosscutters²³

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

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

CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

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

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

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

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

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

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

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

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

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

²³ <https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements>

Capitalization (Cap) Grant Requirements. Cap Grants include requirements for minimum and maximum percentages of the funds to be allocated for additional subsidization and/or green project reserve (GPR). Iowa will identify projects meeting eligibility criteria during SFY 2025 and will report assignments of these funds in the annual report.

FUNDING SOURCES AND USES

(See Appendix E - Estimated Sources and Uses)

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

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

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

Appendix E - Estimated Sources and Uses illustrates potential sources and uses of funds in the CWSRF for SFY 2025. As shown, all pending loan requests and program administration needs can be funded. To account for the fact that projects draw their funding at different intervals, Iowa SRF frequently analyzes program cash flows to ensure adequate funding is available. Appendix E - Estimated Sources and Uses will be updated, as appropriate, to provide an ongoing view of the financial plan for meeting loan requests.

Other uses for CWSRF program funds in SFY 2025 include \$30 million (\$10M General NPS, \$10M General NPS Special Purpose Funding at 0% interest, and \$10M Linked-Deposit Programs) reserved for the NPS Assistance Programs.

Current and Projected Financial Capacity of the CWSRF. The leveraging capacity of the CWSRF is robust due to the maturity of the fund and the current loan portfolio. SRF staff has analyzed the future financial capacity of the CWSRF in light of the discussion over water quality standards and other future wastewater needs. Assuming that Iowa SRF continues receiving Cap Grants and providing at least 20% of the Cap Grant as LF, *it is projected that the CWSRF could loan an average of approximately \$200 million per year over the next 10 years, or a total of \$2.0 billion.* These figures would increase with an increase in interest rates.

STATE MATCH

(See Appendix F - State Match)

The Iowa SRF Program issues bonds for state match.

BONDS

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

SWIFIA

The Iowa SRF program was invited to apply for a loan through EPA's 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. The SRF Program is in the process of working through the underwriting process; the timeline for closing the loan is yet to be determined.

TRANSFERS BETWEEN FUNDS

The Iowa CWSRF reserves the right to transfer 33% of the amount of the Drinking Water capitalization grants from the Water Pollution Control Revolving Fund to the Public Water Supply Loan Fund in the future. The transferred funds will not be federal funds and will come from either bond proceeds, investment earnings, or recycled funds. This would help

the DWSRF Program to meet loan demands in the future and should not impact the ability for the CWSRF to fund demand for projects.

PLAN FOR EFFICIENT AND TIMELY USE OF CWSRF FUNDS

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

OTHER PROGRAM USES

PLAN FOR USE OF ADMINISTRATIVE ACCOUNTS

CWSRF administration expenses include the work of wastewater engineering section project managers, SRF ER Specialists, SRF Project Compliance Specialist, program coordinators, program admin, program managers, financial officers and loan coordinators. It also covers expenses for financial and legal advisors. These program expenses will first be paid out of Program Income and then Non-Program Income once Program Income has been fully expended.

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

CWSRF Cap Grant Administrative Set-Aside. A total of 4% of the cumulative amount of Federal Cap Grants received may be used for program administration. Iowa will use all 4% of Admin.

Program Income. A 0.5% **loan initiation fee** is charged on new CWSRF construction loans which is included in the loan principal. Program Income can be used to administer the program. Program Income is replenished throughout the fiscal year by funds received from loan initiation fees as described in Appendix D – Interest Rates, Fees, and Loan Terms.

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

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

PLAN FOR USE OF ADMINISTRATIVE ACCOUNTS

Iowa intends to use this set-aside including loan administrative fees to pay the costs of administering the CWSRF Base, BIL GS, and PFAS/EC Funds including:

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

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

The CWSRF Program intends to use a portion of Non-Program Income funds during SFY 2025 to support DNR staffing to the Field Services Bureau for wastewater compliance activities including inspections, investigations and technical assistance and to support DNR staffing in the Water Quality Bureau for construction permitting, NPDES permitting, AIS/BABA Site Inspections, and other programmatic staffing needs.

WATER QUALITY MANAGEMENT PLANNING

A reserve for water quality management planning as required by Title VI of the CWA (Section 604(b)) will be set aside from Iowa's Title VI allotments and granted to the state for this purpose separately from the CWSRF. This reserve does not appear in this IUP as it has been already deducted from Iowa's allotment and considered in projecting Iowa's available Cap Grant.

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

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

F. Technical Assistance

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

Appendix A - Affordability Criteria

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

For SFY 2025, applicants with a SA Tool score of at least 11 points meet the affordability criteria of the CWSRF Program and are identified as a “Disadvantaged Community” for the Program purposes.

REVISED AFFORDABILITY CRITERIA USED TO DETERMINE DAC STATUS

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

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

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

SA TOOL

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

There are two versions of the SA Tool:

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

Both versions of the SA Tool are available to the public throughout the SRF website²⁵ at www.iowasrf.com.

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

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

²⁴ IAC 265 Chapter 26.7 - Disadvantaged Community Status

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

²⁶ The only exception is Population Trend. For the service area-based SA-Tool, no points are given for positive or 0% growth, 1 point for negative growth up to -7.5%, 2 points for more than -7.5% population growth.

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

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

	Points:	0	1	2
1 Median Household Income		Top 1/3 (Highest MHI)	Middle 1/3	Bottom 1/3 (Lowest MHI)
2 Percent Below Poverty		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
3 Percent Receiving Public Assistance or Supplemental Nutrition Assistance Program (SNAP)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
4 Percent Receiving Supplemental Security Income (SSI)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
5 Unemployment Rate (County 12-mo avg.)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
6 Percent Not in Labor Force		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
7 Population Trend Between 2010 and 2020 Census*		Non-negative population growth	Declining growth up to -7.5%	Declining growth of more than -7.5%
8 Percent with High School Diploma or Less		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
9 Percent of Vacant Homes (excluding 2nd/Vaction dwellings)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
10 Percent of Cost Burdened Housing (>= 30% of income spent on owner- and renter-occupied housing)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
Relative Disadvantage:		<i>Low</i>	<i>Moderate</i>	<i>High</i>

Figure 1

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

Figure 2

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

USING THE SA SCORE TO DETERMINE DAC STATUS

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

- DAC status for the purposes of the CWSRF Program will be determined by completing the SA worksheet to produce a SA score.
- With 10 total metrics, equally weighted, the maximum number of points will be 20. Communities or service areas with a cumulative score of 11 and up (e.g., falling in the top 1/2 of the total possible cumulative score)

indicates that the community or service area is socially, economically, and/or demographically disadvantaged relative to the other communities in the state. Conversely, applicants who score in the bottom 1/2 of total cumulative points (e.g., 10 total points or less), will not be considered disadvantaged for SRF Program purposes.

- All projects added to the PPL during SFY 2025 will receive a DAC score based on the SFY 2025 SA Tool and this score will not change with future SFY SA Tool updates. **All projects listed on the approved PPL prior to SFY 2025 will continue to use the DAC score assigned in accordance with the SFY 2024 SA Tool.**

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

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

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

Appendix B - Additional Subsidization

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

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

PREVIOUS LOAN FORGIVENESS OPPORTUNITIES

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

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

As of the publication of this DRAFT IUP:

*LF awards will be made to projects with qualifying DAC scores between 14-20 with executed loans between January 1, 2023 and June 30, 2024. Final obligation amounts are pending loans executed in May and June, 2024 and pending acceptance of LF terms and conditions. Any remaining or reallocated funds will be combined with FFY 2024 Base and BIL GS funds.

**A total of \$2,878,000 was allotted to Iowa for this fund. Upon application of 2023 BIL PFAS/EC funds, a total of \$1,078,000 was transferred from the CWSRF PFAS/EC fund to DWSRF PFAS/EC fund to be used for Drinking Water PFAS/EC projects.

At the conclusion of each fiscal year, unused portions of LF awards may be reallocated to the next eligible borrower or may be combined with other available Cap Grant LF funds and awarded in accordance with the LF criteria in effect for the current funding year.

SFY 2025 LF CRITERIA

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

GENERAL RESTRICTIONS AND/OR LIMITATIONS

- LF eligibility will be evaluated based on the current SA Tool in effect at the time the project is added to the PPL.
- LF awards is applied only to the total eligible **construction costs** of the project.
- Borrowers being offered additional subsidization will be asked to accept the award by signing an offer letter of LF terms and conditions.
- Time limits may be established for signing loan commitments in order to apply LF awards.
- Maximum time limits may also be established for commencing construction of an eligible project. If construction has not been initiated or a loan commitment has not been signed by the date indicated in the LF terms and conditions award letter, the LF offer may be withdrawn or reassigned.

- Beginning in SFY 2024, borrowers with a project that is eligible for LF and have previously received a Sponsored Project award for the same qualifying project will not be able to receive both subsidizations, but may choose one or the other.
- Taxable portions of SRF projects are not eligible for LF.
- Applicants who received a DAC determination from DNR prior to September 20, 2022 and are eligible for extended term financing (up to 30 years) at the 20-year interest rate, are not eligible for LF.
- Borrowers receiving EPA congressionally directed spending will not be eligible to receive subsequent LF from the Iowa SRF program for the same project.
- Borrowers receiving additional subsidization awards from a previous Cap Grant will not be eligible to receive subsequent LF from the Iowa SRF program for the same project.
- LF awards may consist of more than one funding source.

FFY 2024 CWSRF BASE CAPITALIZATION GRANT AND BIL GENERAL SUPPLEMENTAL FUND

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

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

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

MAXIMUM AWARD AMOUNTS

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

Maximum award amounts based on DAC scores are identified below in Figure 1-LF Award Scale:

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

Figure 1- LF Award Scale

ELIGIBILITY CRITERIA

Projects currently listed on the PPL that are **most likely to** execute an SRF loan in SFY 2025 will be identified as the group of projects eligible for LF consideration and this group will be ranked according to the following criteria:

1. First, all projects (DAC scores 11-20) will be ranked **by DAC score** (highest to lowest).
2. Next, projects will be ranked **by project priority points** (highest to lowest).
3. Then, projects that will return a system to compliance upon completion will receive priority of funding among this group.
4. If necessary, the date of loan execution will be used as a tiebreaker to determine final priority ranking.

METHOD OF AWARD

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

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

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

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

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

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

FFY 2024 BIL PFAS/EC FUND

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

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

MAXIMUM AWARD AMOUNTS

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

ELIGIBILITY CRITERIA

LF of up to 100% may be issued to any applicant addressing PFAS or an EC meeting the criteria described in SFY 2025 Program Activities to be Supported.

METHOD OF AWARD

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

Appendix C - Project Ranking Criteria

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

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

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

PPL RANKING CRITERIA

P&D projects are not ranked. Construction projects are ranked based on the DNR's scoring system, described in 567 IAC Chapter 91. Priority ranking for the projects is based on the total points awarded for all the categories; the greater the total number of points, the higher the ranking. The ranking will be done at the time the IUP is prepared and will not be updated during the year.

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

According to 567 IA Chapter 91, loan assistance for General NPS projects is based on a first come, first-funded concept until 90 percent of the General NPS program budget is allocated. Once 90 percent of the budget is allocated, the ranking will be done at the time the project application is received. Priority ranking for General NPS projects will be based on the total points awarded for all categories; the greater the total number of points, the higher the ranking. The tiebreaker category will be used when necessary.

PPL SCORING CRITERIA

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

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

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

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

SPECIAL PURPOSE FUNDS SCORING CRITERIA

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

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

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

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

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

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

Cost effectiveness (\$ per water quality impact) (3)	Project maximizes the volume of water treated or pollutant load reduced by the practice relative to the total cost of the project.	Co-funders either in-kind or monetary, >1 practice within project footprint, extent of impervious surfaces.
Demonstrated understanding of staff training and equipment maintenance needs (2)	Discuss previous staff experience with maintenance of proposed practice or similar practices, or plans to address staff training needs. Discuss maintenance equipment needs.	Staff experience maintaining proposed practice or a similar practice, training needs.
Stakeholder communication plan and stakeholder support (1)	Neighbors and community members that will be directly impacted by the project are supportive of the project. Plan to engage with stakeholders prior to construction of the project.	Letters of support from partners who are directly impacted by the project e.g. landowner, monetary or in-kind support. Existing watershed plan if applicable.
Intended evaluation/assessment of water quality outcomes (1)	Application describes evaluation criteria or measures of success for the practice. e.g. clearer water, less sediment exported, lower temperatures etc. Post-construction water quality assessments should go beyond regular maintenance requirements. e.g. measuring or monitoring water quality via partnering with a monitoring program, citizen science, or school	Practice evaluation criteria or measures of success clearly stated. Discussion of plan to monitor and measure success post-construction.
Public impact and demonstration value of the practice (1)	Outreach and education activities planned to inform the general public about the water quality benefits of the practice, and/or activities planned to encourage surrounding communities to adopt similar practices	Planned signage, media coverage, community programs or field days relevant to constructed practice

Appendix D - Interest Rates, Fees, and Loan Terms

TYPES AND TERMS OF FINANCING

SRF P&D LOANS

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

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

SRF CONSTRUCTION LOANS

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

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

SRF Construction Loans also provide eligible entities with low-cost financing for a variety of NPS projects. SRF Construction Loans are offered for the length of the useful life of the NPS practice as determined by an existing design standard for the practice (e.g. 10 or 20 years depending on the NPS practice), with below-market interest rates, low fees, and favorable terms.

INTEREST RATES

CWSRF Programs are charged with offering communities a low-cost, perpetual funding source for constructing infrastructure and implementing practices that delivers safe drinking water to citizens and treats water pollution to support a healthy environment.

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

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

STANDARD TERM LOANS (UP TO 20 YEARS)

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

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

About BVAL

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

EXTENDED TERM LOANS (21-30 YEARS)

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

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

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

SPECIAL PURPOSE FUND LOANS

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

INTEREST RATE LOCK

Applicants should work with their Bond Counsel, Municipal Advisor, and other members of their financing team to complete the loan issuance process (e.g., submit a complete SRF Construction Loan Application: NOFE letter, legal opinion on bidding procedures, hold public hearing and authorize debt, complete proforma financial analysis, pass rate ordinance if required, etc.). After an acceptable construction application is received, the loan is presented for IFA Board approval. Post approval, applicants will receive notification from IFA that includes an interest rate lock for 90 days. Should the Program’s loan interest rates fall prior to signing a loan agreement, the applicant will automatically receive the more favorable rate at loan closing while staying within the 90-day rate lock period. Should the 90-day rate lock period expire, the loan would execute using the current interest rates (set quarterly²⁷).

FEES**LOAN INITIATION FEES**

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

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

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

LOAN SERVICING FEES

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

Appendix E - Estimated Sources and Uses

Estimated Sources and Uses of Funds

CWSRF - SFY 2025

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

SOURCES OF FUNDS

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

²⁸ Assumes 75% disbursement rate.

²⁹ Assumes 50% disbursement rate.

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

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

Appendix F - State Match

Clean Water SRF

Federal Fiscal Year 2022

Sources of State Match

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

Application of State Match

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

CW State Match Surplus (Deficit)

\$3,355,600

Federal Fiscal Year 2023

Sources of State Match

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

Application of State Match

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

CW State Match Surplus (Deficit)

\$4,200

Federal Fiscal Year 2024

Sources of State Match

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

Application of State Match

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

CW State Match Surplus (Deficit)

\$638,800

Appendix G - Federal Assurances, Certifications and Proposals

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

SPECIFIC PROPOSALS AND CERTIFICATIONS

PROGRAM BENEFITS REPORTING

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

SIGNAGE

SRF staff and recipients will notify the public in the most effective ways possible about assistance agreements and benefits of the CWSRF program in order to enhance public awareness of EPA assistance agreements nationwide. The Iowa SRF program issues periodic announcements of all executed CWSRF loans and borrower contact information. Each SRF funded project is also required to provide public notice of their SRF Project as part of the ER process.

Projects receiving additional subsidization, or are funded as equivalency projects from IIJA or BIL funds will follow the OMB³² and EPA Signage Guidance³³ for those funds, as summarized below:

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

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

COST EFFECTIVENESS ANALYSIS

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

GREEN PROJECT RESERVE (GPR)

Congressional Appropriations require 10% of CWSRF Cap Grant amounts be used to fund projects that qualify under the EPA’s GPR, if such applications are submitted. GPR projects address green infrastructure, water and energy efficiency, and/or other environmentally innovative activities. Iowa’s NPS Programs, including the Sponsored Project Program, finance several projects annually which meet this criterion. During SFY 2025, the SRF Program will identify recipients that comply with GPR requirements. The specific projects identified as GPR will be listed in the annual report.

ADDITIONAL SUBSIDIZATION

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

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

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

AMERICAN IRON AND STEEL

CWSRF assistance recipients are required to use iron and steel products produced in the United States for projects for constructing, altering, maintaining, or repairing public water systems³⁴. Iowa CWSRF Program proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. All recipients will be required to sign a self-certification of compliance at completion of the project.

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

BUILD AMERICAN, BUY AMERICA ACT

On November 15, 2021, President Joseph R. Biden Jr. signed into law IIJA, Pub. L. No. 117-58, which includes the BABA that strengthens the Made in America Laws.³⁵ Infrastructure projects funded by federal financial assistance must ensure that the *iron, steel, manufactured products, and construction materials* used in the project are produced in the U.S.³⁶

Since not all funds available through the Iowa CWSRF Program are considered federal financial assistance, SRF will provide information to those applicants required to comply with necessary documentation and inspection procedures. Iowa proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in BABA and EPA guidance³⁷. All recipients will be required to sign a self-certification of compliance at completion of the project.

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

ENVIRONMENTAL REVIEW

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

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

DAVIS-BACON

The Davis Bacon Act requires that all contractors and subcontractors performing construction, alteration and repair (including painting and decorating) work under federal contracts in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage and fringe benefits for the geographic location.³⁸ Iowa proposes oversight of this requirement to be conducted by verification of bid documents and wage determinations, and will require applicants to submit a self-certification form at completion of the project indicating compliance with this requirement.

FEDERAL ASSURANCES

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

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

³⁵ Build America, Buy America Act, P.L. 117-58, Secs 70911 - 70917

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

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

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

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

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

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

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

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

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

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

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

PROCESS (APPLICATION/PAYMENT/DISBURSEMENT)

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

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

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

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

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

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

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

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

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

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

Appendix H - Funding Recommendations

GENERAL NPS ASSISTANCE PROJECTS FOR APPROVAL OF LAND PURCHASE

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

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

GENERAL NPS ASSISTANCE PROJECTS RECEIVING SPECIAL PURPOSE FUNDING

GNS project applications received during the fourth quarter of SFY 2025 (and subsequent quarters as funds are available) will be scored to determine if the project qualifies for incentive funding. Applications will be evaluated using the additional scoring criteria located in “Special Purpose Funds” section of Appendix C – Project Ranking Criteria, to determine if the project demonstrates high water quality benefits, sound design, and project readiness.

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

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

Appendix I - Public Review and Comments Received

A public meeting to allow input to Iowa's SFY 2025 IUP and PPL will be held May 30, 2024, 10:00 a.m. via video conference call. This meeting will be announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Public notice announcements were also posted on the Media Center³⁹ and the IUP Public Hearings⁴⁰ pages of the SRF website. Written comments may be submitted to srf-pc@dnr.iowa.gov and will be accepted through June 7, 2024

Comments Received:

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

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

2. During the comment period, the SRF Program re-evaluated the first and second ranking priorities for SFY 2025 loan forgiveness "Eligibility Criteria" in Appendix B. The DRAFT IUP was released for comment with projects first being ranked for loan forgiveness priority based on the IUP application project priority points (highest to lowest). The SRF Program determined that ranking projects first by DAC score (highest to lowest) and then second by project priority points (highest to lowest) better aligns with the intent of BIL loan forgiveness funding and the state's goals of making subsidy available to the most disadvantaged borrowers first.

3. During the public hearing, a representative of the Sierra Club commented that a glossary of acronyms would be helpful for readers. The SRF Program intends to incorporate a glossary of acronyms in the second quarter IUP update.

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

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

Attachment 1 - CWSRF PPL

This is a separate, sortable Excel File

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source		Compliance Project	DAC Score
												Base BIL GS	BIL PFAS/EC		
Independence	N/A	PD-DW-25-02	wwtf improvements	2025	1	P&D	P	\$ 2,178,000.00				x		NA	NA
Larrabee	N/A	PD-CW-25-11	Collection system rehab	2025	1	P&D	P	\$ 170,800.00				x		NA	NA
Lovilia	N/A	PD-DW-25-01	Sanitary sewer collection system under highway and railroad	2025	1	P&D	P	\$ 91,000.00				x		NA	NA
Mediapolis	N/A	PD-DW-25-03	modifications to treatment lagoon, address i&l issues	2025	1	P&D	P	\$ 209,000.00				x		NA	NA
Twin Lakes	N/A	PD-CW-25-12	Wastewater treatment upgrade with ammonia removal and UV	2025	1	P&D	P	\$ 309,000.00				x		NA	NA
Toledo	W2024-0199A	CS1921144 01	Wastewater Treatment Plant Disinfection Improvements	2025	1	214	P	\$ 249,000.00				x		Yes	17
Sioux City	S2022-0277A	CS1921148 01	Digestion and High Strength Waste Receiving Improvement Project	2025	1	190	P	\$ 20,707,000.00				x		No	12
Muscatine	W2024-0182A	CS1921145 01	Redundant Force Main Project	2025	1	187	P	\$ 3,795,000.00				x		No	14
Martensdale	2024-0156A	CS1921146 01	Lagoon Lift Station Improvements	2025	1	180	P	\$ 468,000.00				x		No	12
Cresco	2024-0165A	CS1921142 01	Age Related Equipment Replacement	2025	1	162	P	\$ 1,921,000.00				x		No	10
Dubuque - HSW Project	W2023-0293A	CS1921147 01	WRRC High Strength Waste Receiving and Storage	2025	1	159	P	\$ 7,646,000.00				x		No	10
Boone	W2024-0295A	CS1921149 01	Wastewater Treatment Facility Improvements and Roof Replacement Project	2025	1	149	P	\$ 2,498,000.00				x		No	10
Dubuque - Terminal Street LS	W2024-0302A	CS1921150 01	Terminal Street Lift Station Phase I Improvements	2025	1	139	P	\$ 2,542,000.00				x		No	10
Larrabee	W2022-0192A	CS1921143 01	Larrabee Wastewater Improvements	2025	1	139	P	\$ 638,000.00				x		No	8
Osceola	N/A	PD-CW-24-70	Effluent wastewater reuse treatment, pumps, and pipeline	2024	4	P&D	P	\$ 1,000,000				x		NA	NA
Muscatine	S2022-036A	CS1921135 01	West Hill Area Sanitary and Storm Sewer Separation Phase 6D & 6E	2024	4	255	P	\$ 14,064,000				x		Yes	14
Malvern	S2023-0301A	CS1921136 01	Wastewater Lagoon Effluent UV Disinfection Malvern, Iowa	2024	4	224	P	\$ 370,000				x		Yes	7
Rock Rapids	W2022-0424A	CS1921140 01	Wastewater Treatment Facility Improvements	2024	4	222	P	\$ 24,723,000				x		Yes	6
Decorah	W2022-0364A	CS1921132 01	Decorah Wastewater Plant Improvements	2024	4	200	P	\$ 4,925,000				x		No	10
Manly	W2024-0086A	CS1921133 01	Sanitary Sewer Collection System I/I Reduction - Phase 1	2024	4	199	P	\$ 711,000				x		No	8
Oxford Junction	W2024-0116A	CS1921134 01	Oxford Junction Synthetic Lagoon Liner Replacement	2024	4	192	P	\$ 480,000				x		No	16
Iowa City	S2023-0308A	CS1921138 01	Digester Complex Rehabilitation	2024	4	182	P	\$ 30,457,000				x		No	8
WRA (Property Acquisition)	W2024-0201A	CS1921141 01	Property Acquisition	2024	4	180	P	\$ 8,000,000				x		N/A	Verify
Underwood	W2021-0431A	CS1921137 01	Wastewater Treatment Facility Improvements	2024	4	167	P	\$ 4,162,000				x		No	1
WRA	Not Provided	CS1921131 01	WRA New Common Trunk and Joint Trunk Sewer Improvements	2024	4	150	P	\$ 82,241,000				x		Yes	Verify
Eldora	S2024-0169A	CS1921139 01	WWTP System Upgrade	2024	4	145	P	\$ 1,476,000				x		No	14
Fort Dodge	N/A	PD-CW-24-51	Supplemental to WWTP Facility Plan P&D	2024	3	P&D	P	\$ 103,000				x		NA	NA
Emmetsburg	S2021-0226B	CS1921124 01	Wastewater Treatment Facility Improvements	2024	3	264	P	\$ 30,000,000				x		Yes	13
Bonaparte	S2024-011A	CS1921123 01	Bonaparte Sanitary Sewer Lining Phase 1	2024	3	255	P	\$ 451,000				x		No	18
Creston	W2023-0400A	CS1921130 01	Wastewater Treatment Facility Improvements - Nutrient Reduction	2024	3	224	P	\$ 5,503,000				x		Yes	18
Danville	W2020-0216A	CS1921121 01	Wastewater Treatment Facility Improvements	2024	3	224	P	\$ 6,603,000				x		Yes	8
Goose Lake	W2022-0114A	CS1921122 01	WWTF Improvements	2024	3	224	P	\$ 2,342,000				x		Yes	7
Sioux City	W2022-0376A	CS1921120 01	Wastewater Treatment Plant Facility Plan Improvements	2024	3	190	P	\$ 486,510,000				x		No	11
Greenfield Plaza-Hills of Coventry Sanitary District (WRA)	W2024-0068A	CS1921127 01	Sanitary Sewer System Improvements	2024	3	160	P	\$ 1,603,000				x		No	Verify
Bettendorf	W2023-0370A	CS1921128 01	Spencer Creek Lift Station Improvements	2024	3	155	P	\$ 10,352,000				x		No	7
Greenfield	W2023-0194A	CS1921126 01	Phase 2 Collection System Improvements	2024	3	139	P	\$ 2,110,500				x		No	16
Radcliffe	2024-0018A	CS1921125 01	Sanitary Sewer Collection System Improvements	2024	3	139	P	\$ 987,000				x		No	15
Lansing	W2024-0107A	CS1921129 01	Platt, 4th & North Utility Improvements	2024	3	134	P	\$ 850,000				x		No	16
Chelsea	W2021-0294A	CS1921119 01	New WWTP for ammonia and bacteria	2024	2	274	P	\$ 2,311,000				x		Yes	20
Algona	W2021-0462A	CS1921116 01	WWTF Nutrient Reduction Upgrade	2024	2	257	P	\$ 30,785,000				x		Yes	11
Anamosa	W2023-0224A	CS1921117 01	Wastewater Treatment Plant - Nutrient removal	2024	2	257	P	\$ 2,222,000				x		Yes	15
Forest City	S2022-0266A	CS1921078 01	WWTP Nutrient Improvements	2024	2	234	P	\$ 20,260,000				x		Yes	9
Ames	W2023-0016A	CS1921109 01	WPCF Nutrient Reduction Project	2024	2	229	P	\$ 52,070,000				x		Yes	7
Waterloo	W2023-0164A	CS1921114 01	CIPP Lining	2024	2	162	P	\$ 2,500,000				x		No	15
Peosta	W2023-0401A	CS1921112 01	New Kapp Court Lift Station	2024	2	160	P	\$ 600,000				x		No	5
George	S2023-0357A	CS1921115 01	Sanitary Sewer Rehabilitation	2024	2	152	P	\$ 903,000				x		No	8
State Center	W2019-0322A	CS1921113 01	Wastewater Treatment Improvements - New 2045 gpm main lift station	2024	2	139	P	\$ 1,592,000				x		No	9
Bode	W2023-0292A	CS1921110 01	Phase 1 Sanitary Sewer Collection Rehab	2024	2	129	P	\$ 845,000				x		No	16
Templeton	W2023-0405A	CS1921118 01	Sanitary Sewer Rehabilitation	2024	2	129	P	\$ 337,000				x		No	6
Montour	S2021-0288A	CS1921105 01	Montour Wastewater Treatment Facility 2023 Upgrades	2024	1	345	P	\$ 2,231,000				x		No	14
Holstein	W2020-0435A	CS1921104 01	Holstein Wastewater System Improvements	2024	1	314	P	\$ 6,399,000				x		No	8
Schaller	W2023-0028A	CS1921106 01	Schaller WWTP Facility Plan	2024	1	297	P	\$ 4,417,000				x		No	9
Oxford	W2021-0339A	CS1921101 01	Upgrade Sludge Treatment Process	2024	1	292	P	\$ 2,402,000				x		No	2
Waterloo	W2023-0245A	CS1921107 01	Replace Lift Station and Force Main	2024	1	152	P	\$ 3,692,000				x		Yes	15
Birmingham	W2023-0175A	CS1921100 01	Proposed Sanitary Sewer Improvements - Phase 1	2024	1	129	P	\$ 417,000				x		Yes	19
Lime Springs	W2023-0150	CS1921102 01	2024 Street & Utility Improvements Project	2024	1	129	P	\$ 5,507,000				x		Yes	9
Allerton	N/A	PD-CW-23-56	Improvements to South Wastewater Treatment Plant	2023	4	P&D	P	\$ 545,000				x		NA	NA
Webster City	S2017-0216A	CS1921085 01	Wastewater Treatment Facility Improvements	2023	4	314	P	\$ 77,001,000				x		No	15
Muscatine	S2022-0036A	CS1921092 01	West Hill Area Sanitary and Storm Sewer Separation Phase 6C	2023	4	240	P	\$ 6,680,000				x		Yes	14

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source		Compliance Project	DAC Score
												Base BIL GS	BIL PFAS/EC		
Cedar Rapids	W2023-0283A	CS1921108 01	Cedar Rapids WPCF PFAS Source and Treatability Study	2023	4	182	P	\$ 3,065,000					x	No	9
WRA	W2022-0186A	CS1921093 01	WRF Effluent Pumping Improvements	2023	4	180	P	\$ 46,080,000					x	Yes	Verify
Cumming	W2023-0198A	CS1921098 01	Sanitary Sewer Collection System Improvements	2023	4	160	P	\$ 4,226,000					x	Yes	2
WRA	S2019-0363A	CS1921094 01	WRA Sewer Lining Phase 3	2023	4	160	R	\$ 16,735,000					x	Yes	Verify
Oskaloosa	W2022-0004A	CS1921088 01	Wastewater Treatment Facility Improvements	2023	3	327	P	\$ 74,420,000					x	No	12
Laurel	S2015-0037A	CS1921073 01	Wastewater Treatment Facility Improvements	2023	3	264	P	\$ 2,094,000					x	No	15
Swea City	W2020-0123A	CS1921087 01	Wastewater System Improvements	2023	3	264	P	\$ 4,593,000					x	No	16
Crescent	W2022-0175A	CS1921081 01	Wastewater Facility Improvements	2023	3	229	P	\$ 4,038,000					x	No	3
Coralville	W2023-0059A	CS1921086 01	Oakdale Boulevard Force Main	2023	3	152	P	\$ 2,094,000					x	No	4
Eagle Grove	S2022-0384A	CS1921089 01	Highway 17 Lift Station & Collection System Improvements	2023	3	129	P	\$ 525,537					x	Yes	15
Ely	W2023-0019A	CS1921083 01	Sanitary Sewer Rehabilitation: Phase 1	2023	3	129	P	\$ 967,000					x	No	4
Dubuque	N/A	PD-CW-23-14	P&D for Lift Station and Force Main Improvements	2023	2	P&D	P	\$ 1,000,000					x	NA	NA
Dubuque	N/A	PD-CW-23-15	P&D for Sanitary Sewer Improvements	2023	2	P&D	P	\$ 430,000					x	NA	NA
Johnston	N/A	GNS23-02	Channel Stabilization Projects	2023	2	GNS	L	\$ 1,300,000	12/15/23	\$ 1,196,000	\$ 104,000.00		x	NA	NA
Akron	W2021-0303A	CS1921074 01	Wastewater Treatment Facility Improvements	2023	2	305	P	\$ 1,716,000					x	No	8
Story City	S2018-0488A	CS1921082 01	Phase 2 and 3 WWTF Improvements	2023	2	265	P	\$ 10,926,873					x	No	8
Cedar Rapids	S2021-0411A	CS1921069 01	WPC Solids Improvements (Contract 2)	2023	2	182	P	\$ 250,000,000					x	No	9
Eagle Grove	W2022-0328A	CS1921072 01	Wastewater Improvements 2022	2023	2	174	L	\$ 5,715,000	5/5/23	\$ 3,798,000	\$ 1,917,000.00		x	No	15
McGregor	S2022-0425A	CS1921075 01	WWTP Influent Screen	2023	2	149	P	\$ 578,000					x	No	17
Dubuque	S2022-0402A	CS1921080 01	Eagle Street and Althausen Street Water & Sewer Replacement	2023	2	139	P	\$ 393,000					x	Yes	9
Farley	W2022-0268A	CS1921077 01	3rd Avenue SW Water & Sewer Improvements	2023	2	129	P	\$ 2,528,000					x	No	3
Ladora	S20217-0239A	CS1921076 01	Wastewater Improvements Phase II - Ladora Main Lift Station Replacement 2023	2023	2	129	R	\$ 999,000					x	Yes	12
Dedham	N/A	PD-CW-23-06	P&D for Lagoon Improvements	2023	1	P&D	P	\$ 326,500					x	NA	NA
Mingo	W2021-0260A	CS1921012 01	Wastewater Treatment Plant Improvements	2023	1	250	P	\$ 1,685,000					x	No	9
Cherokee	W2021-0209A	CS1921057 01	WRF Nutrient Reduction Improvements	2023	1	234	P	\$ 7,088,000					x	No	11
Ionia	W2022-0184A	CS1921068 01	Wastewater Improvements-Treatment	2023	1	149	P	\$ 540,000	3/8/24	\$ 315,000	\$ 225,000.00		x	Yes	7
Dubuque	W2022-0320A	CS1921070 01	Auburn-Custer Sanitary Sewer Reconstruction	2023	1	139	P	\$ 439,000					x	Yes	9
Coralville	W2022-0310	CS1921071 01	Central Trunk Sewer	2023	1	127	L	\$ 6,200,000	9/8/23	\$ 2,651,000	\$ 3,549,000.00		x	Yes	4
Earlham	W2020-0448A	CS1921055 01	Earlham Lagoon Upgrades	2022	4	264	L	\$ 6,241,000	12/9/2022	\$ 4,875,000	\$ 1,366,000.00		x	No	3
Winfield	W2017-0391A	CS1921053 01	Wastewater Treatment Plant Improvements	2022	4	222	L	\$ 5,098,000	5/26/2023	\$ 4,000,000	\$ 1,098,000.00		x	No	10
Johnston	W2022-0196A	CS1921062 01	NW Area Sanitary Sewer Extension	2022	4	135	L	\$ 17,620,735	11/10/23	\$ 8,015,000	\$ 9,605,735.00		x	No	4
Defiance	N/A	PD-CW-22-47	P&D for WWTF Improvements	2022	3	P&D	P	\$ 185,000					x	NA	NA
Lake City	W2019-0385A	CS1921042 01	Phase 2 & 3 Lake City WWTF Improvements - Lift Station & Treatment Facility	2022	3	254	P	\$ 8,234,000					x	No	12
Riceville	W2020-0317A	CS1921046 01	WWTF Improvements	2022	3	219	P	\$ 3,412,096					x	No	13
Winterset	S2020-0429A	CS1921038 01	WWTF Improvements	2022	3	219	P	\$ 18,898,000					x	No	7
Dubuque	W2022-0094A	CS1921049 01	Granger Creek Sanitary Sewer Improvements	2022	3	180	P	\$ 3,065,552					x	Yes	9
Stockport	S2021-0167A	CS1921047 01	Sewer System Rehab	2022	3	139	R	\$ 332,000					x	Yes	12
Lake City	N/A	PD-CW-22-24	P&D for Flow Monitoring, Lift Station and WWTF Improvements	2022	2	P&D	P	\$ 579,500					x	NA	NA
Morning Sun	W2019-0130A	CS1921036 01	WWTP Improvements	2022	2	250	P	\$ 1,972,500					x	No	12
Saint Ansgar	W2020-0420A	CS1921035 01	WWTF UV Disinfection	2022	2	239	L	\$ 376,000					x	No	8
WRA	W2020-0400A	CS1921032 01	WRF Phosphorus Recovery Facility	2022	2	205	P	\$ 30,000,000					x	No	Verify
WRA	W2021-0366A	CS1921033 01	Southern Tier Interceptor Phase 10, Segments 23-24	2022	2	165	L	\$ 14,181,000	12/16/2022	\$ 3,600,000	\$ 10,581,000.00		x	No	Verify
Dubuque	W2021-0394A	CS1921034 01	Old Mill Rd. Lift Station and Force Main	2022	2	154	P	\$ 25,467,000					x	Yes	9
Nashua	W2021-0293A	CS1921027 01	Greeley Street Water & Sanitary Improvements	2022	2	139	P	\$ 164,000					x	Yes	11
Lytton	W2021-0424A	CS1921025 01	Sanitary Sewer Force Main Replacement	2022	2	134	P	\$ 479,000					x	Yes	8
WRA	N/A	PD-CW-22-11	P&D for Improvements to Southern Tier, Phase 10, Segments 10-23	2022	1	P&D	P	\$ 403,000					x	NA	NA
Dubuque	N/A	GNS 21-02	Bee Branch Creek Restoration-Ph 4 Detention Basin improvements-new pump station system with gates, pumps and electrical	2022	1	GNS	P	\$ 11,658,000					x	NA	NA
Leland	W2020-0011A	CS1921016 01	2-Cell Aerated Lagoon, SAGR & UV	2022	1	237	P	\$ 1,349,000					x	No	9
Fort Madison	W2021-0203A	CS1921017 01	10th Street Combined Sewer Separation	2022	1	224	P	\$ 4,463,000					x	Yes	18
Terrace Hill	S2020-0079A	CS1921019 01	New Pumping Station to Connect to City of Hampton	2022	1	194	P	\$ 2,008,600					x	Yes	15
Humeston	W2020-0141A	CS1921014 01	Sludge Removal, New Lagoon Aeration System, and UV to Meet New Permit Limits	2022	1	175	P	\$ 1,303,000					x	No	13
Crescent	N/A	PD-CW-21-48	P&D for Wastewater System Upgrades	2021	4	P&D	P	\$ 450,000					x	NA	NA
Saint Ansgar	N/A	PD-CW-21-71	P&D for UV Disinfection Construction	2021	4	P&D	P	\$ 32,000					x	NA	NA
Marengo	W2017-0244A	CS1921008 01	Wastewater Facility Improvements-UV and discharge to larger stream	2021	4	249	P	\$ 5,863,000					x	No	12
Lake City	W2019-0385A	CS1920986 01	Phase 1 Wastewater Treatment Facility Improvements - Flow Monitoring	2021	4	144	P	\$ 163,000					x	No	12
Maquoketa	W2020-0203A	CS1920988 01	BNR Addition to Existing Plant	2021	3	275	L	\$ 14,384,000	4/14/23	\$ 10,384,000	\$ 4,000,000.00		x	No	15
Mount Ayr	W2020-0412A	CS1920984 01	WW System Improvements	2021	2	195	P	\$ 412,000					x	Yes	13
Anamosa	W2020-0202A	CS1920985 01	WWTP Flow Equalization Basin	2021	2	155	P	\$ 4,475,000					x	No	15
Dyersville	W2020-0384A	CS1920980 01	Westlinden Lift Station	2021	2	150	P	\$ 2,764,000					x	Yes	7
Lovilia	N/A	PD-CW-21-04	P&D for construction of WW TX facility	2021	1	P&D	P	\$ 154,000					x	NA	NA
Ottumwa	2019-0263A	CS1920972 01	Blake's Branch Sewer Separation Phase B, Divisio 2, 3A, 3B, 3C, 3D	2021	1	205	P	\$ 40,000,000					x	Yes	16

Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source		Compliance Project	DAC Score
												Base BIL GS	BIL PFAS/EC		
McGregor	W2020-0140A	CS1920974 01	Main Street Utility Upgrades and Front Street Lift Station	2021	1	162	L	\$ 4,934,000	12/8/23	\$ 3,851,000	\$ 1,083,000.00	x		No	17
Wayland	S2017-0271A	CS1920968 01	Sewer Rehab & Lagoon Upgrade	2021	1	154	L	\$ 1,000,000	9/4/20	\$ 683,000	\$ 317,000.00	x		No	9
<i>Dickinson County</i>	<i>N/A</i>	<i>GNS 20-03</i>	<i>Francis Sites Wetland Project</i>	2020	4	<i>GNS</i>	<i>R</i>	<i>\$ 500,000</i>				x			<i>NA</i>
WRA	S2020-0142A	CS1921955 01	Segment 2 - WRA Ingersoll Run Outlet Sewer in Des Moines	2020	4	197	L	\$ 36,400,000	12/16/2022	\$ 26,400,000	\$ 10,000,000.00	x		No	Verify
<i>Toledo</i>	<i>2020-0162A</i>	<i>CS1920957 01</i>	<i>Sanitary Sewer Improvements</i>	2020	4	<i>154</i>	<i>P</i>	<i>\$ 633,000</i>				x		No	18
<i>Pomeroy</i>	<i>W2020-0084A</i>	<i>CS1920951 01</i>	<i>Sanitary Sewer System Improvements</i>	2020	3	<i>134</i>	<i>P</i>	<i>\$ 1,980,000</i>				x		Yes	15
Runnells	S2017-0330A	CS1920943 01	Wastewater Treatment Facility Expansion	2020	2	282	L	\$ 3,557,000	11/3/2023	\$ 3,057,000	\$ 500,000.00	x		No	5
<i>Solon</i>	<i>2019-0293A</i>	<i>CS1920942 01</i>	<i>North Trunk Sewer</i>	2020	2	<i>119</i>	<i>P</i>	<i>\$ 1,247,000</i>				x		No	2
<i>Lake Mills</i>	<i>S2017-0385</i>	<i>CS1920894 01</i>	<i>WWTF Improvements (SAGR)</i>	2019	2	<i>277</i>	<i>P</i>	<i>\$ 1,799,000</i>				x		No	11
Sioux City	S2016-0389	CS1920813 01	Improve various treatment plant equipment to renew initial capacity, improve performance, improve reliability and generate biogas.	2017	2	217	L	\$ 31,983,398	11/13/20	\$ 16,928,000	\$ 15,055,398.00	x		No	11
Ames	S2013-0327	CS1920741 02	Address infiltration and inflow into the City's sanitary sewer system utilizing a variety of rehabilitation techniques.	2016	4	145	L	\$ 19,421,625	8/18/23	\$ 14,578,000	\$ 4,843,625.00	x		Yes	7
								\$ 1,767,505,015		\$ 104,331,000					

Project Status	Abbreviations
Contingent -- C	BIL GS= Bipartisan Infrastructure Law General Supplemental Fund
Dropped -- D	CWSRF No = Clean Water State Revolving Fund Project Number
Loan Signed -- L	NPDES No = National Pollutant Discharge Elimination System Permit Nounber
Planning Stage -- P	IUP YR = Intended Use Plan Year
Ready for Loan -- R	P&D = Planning and Design Loan
	PFAS/EC - PFAS Emerging Contaminates
<i>Projects in italics are being evaluated for removal from PPL due to length of time on IUP</i>	

PFAS/EC Projects -- information extracted from the Project Priority List above													Funding Source		
Project Name	NPDES No.	CWSRF No.	Project Description	IUP Yr	Quarter	Priority Points	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Base BIL GS	BIL PFAS/EC		
Cedar Rapids	W2023-0283A	CS1921108 01	Cedar Rapids WPCF PFAS Source and Treatability Study	2023	4	182	P	\$ 3,065,000					x		

DRAFT

FY 2025 INTENDED USE PLAN

DRINKING WATER STATE REVOLVING FUND



INVESTING IN IOWA'S WATER

Anticipated approval by the Environmental Protection Commission (EPC) on June 18, 2024

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Introduction

Under the authority of Section 1452 of the Safe Drinking Water Act (SDWA), the Drinking Water State Revolving Fund (DWSRF) Program finances water treatment plants or improvements to existing facilities, water line extensions to existing unserved properties, water storage facilities, wells, and source water protection efforts.

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

A. Highlights and Changes

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

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

B. SRF Program Overview

SRF PROGRAM ADMINISTRATION

The unique partnership between the Iowa Department of Natural Resources (DNR) and the Iowa Finance Authority (IFA) is the foundation for the success of the SRF programs. These agencies work together to deliver streamlined programs and good customer service:

- DNR - Administers the environmental, permitting, and regulatory compliance aspects of the program as well as project level approval, eligibility and compliance.
- IFA - Administers the financial aspects of the program including fund management, bond issuance for state match and leveraging, loan approval, processing disbursements, and servicing loans in repayment.

INTENDED USE PLANS

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

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

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

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

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

METHOD OF AMENDMENT OF THE INTENDED USE PLAN

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

PUBLIC REVIEW AND COMMENTS

(See Appendix H - Public Review and Comments Received)

The SRF Program accepts new IUP applications quarterly by the first business day in March, June, September, and December¹. The DRAFT IUP and PPL are updated and available to the public for review about 60 days after the quarterly IUP application deadline. The IUP is posted on the DWSRF Program webpage of the SRF Program's website (www.iowasrf.com) and public comments are accepted for up to 30 days following the posting at srf-pc@dnr.iowa.gov.

Public Hearings are typically scheduled on the final Thursday of the months of May, August, November and February to highlight changes from the previous quarter, when applicable, and to collect public comments. Information on how to participate in the public hearing is provided through listservs and on the SRF website. A final draft version of the IUP, including all comments and SRF responses to the comments received, will be posted as part of the EPC Meeting and Agenda on the EPC webpage on the DNR's website².

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

All of the opportunities mentioned above are open to the public. Meetings and hearing information are posted on the Media Center³ and IUP Public Hearings⁴ pages of the [SRF website](http://www.iowasrf.com), and announced through agency-managed listservs. Public comments are accepted at srf-pc@dnr.iowa.gov.

PROJECT PRIORITY LIST (PPL)

(See Attachment 1 - DWSRF Project Priority List)

Administration of the DWSRF Program includes developing a priority list of projects to receive loan assistance, in accordance with DNR rules 567 IAC Chapter 44 (455B). Attachment 1 constitutes the DWSRF PPL and is included as a separate, sortable Excel file. This PPL will be amended quarterly during SFY 2025 and includes projects funded by both DWSRF Base and BIL Funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

TYPES OF FINANCIAL ASSISTANCE

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

The Iowa DWSRF Program provides low-interest financing through direct loans.

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

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

Current interest rates and fees are established in the IUP in Appendix D- Interest Rates, Fees and Loans and are published on the Loan Interest Rates⁵ page of the SRF website.

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

CO-FUNDING

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

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

The Iowa SRF Program is committed to coordinating with other funding agencies to simplify the process of co-funding and to find an affordable solution to drinking water needs.

EMERGENCY FUNDING

A Memorandum of Understanding (MOU) between EPA and the Federal Emergency Management Agency (FEMA) provides a framework for SRF programs to assist and collaborate with FEMA disaster assistance grant programs. The Iowa SRF Program will work with communities on a case-by-case basis to provide assistance addressing public health threats related to drinking water and wastewater resulting from a disaster. Some of the ways the SRF can help following a disaster include:

Use SRF loans as match for FEMA grants. FEMA funds will generally pay for a percentage of the repair or replacement costs for public water and wastewater systems damaged by natural disasters or projects to prevent or mitigate future disasters. The SRF can be used to finance the amount not covered by FEMA.

Use SRF funds as short-term loans to be repaid with FEMA grants. There may be times when a public facility has been approved for a FEMA grant but there is a delay in receiving the funds. In those situations, when all program requirements are met, an SRF loan may be used to finance the repairs and then be repaid with FEMA money. Emergency loans meeting these conditions may be executed and then reported in the next quarterly IUP update.

APPLICATION PROCESS

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

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

Infrastructure Construction Projects: IUP applications are available on the SRF website⁷ and are submitted to srf-iup@dnr.iowa.gov.

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

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

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

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

- Project applications eligible for SRF funding under the BIL General Supplemental, BIL LSL, and BIL PFAS/EC Fund will use the DWSRF IUP application and follow the same quarterly IUP application cycle as the DWSRF Base Program. Additional application information may be required for projects applying for BIL Funds. The SRF Program will provide additional application materials for BIL Funds directly to applicants, as applicable, and application materials will be available on the SRF website⁸.

C. SFY 2025 DWSRF Program Goals

SHORT TERM GOALS

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

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

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

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

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

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

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

LONG TERM GOALS

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

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

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

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

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

D. SFY 2025 Program Activities to be Supported

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

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

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

States also have the option to take up to 31% of their capitalization grant for set-asides. Set-asides can fund state programs, technical assistance and training for water utilities, and other activities that support achieving the public health protection objectives of the SDWA.⁹ 2025 Set-Aside Uses provides further details on Iowa's intended use of set-aside funds during SFY 2025.

DWSRF BASE PROGRAM

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

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

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

WATER INFRASTRUCTURE PROJECTS

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

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

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

DWSRF BIL PROGRAMS

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

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

DWSRF BIL GENERAL SUPPLEMENTAL (GS) FUNDS

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

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

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

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

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

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

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

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

DWSRF PFAS/EMERGING CONTAMINANTS (EC) FUND

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

Eligibility Activities. For a project or activity to be eligible under this funding source, it must be otherwise DWSRF eligible, and the primary purpose must be to address EC in drinking water. Any contaminant on EPA's Contaminant Candidate Lists 1-5 are eligible, however, priority for funding will be given to projects addressing perfluoroalkyl and polyfluoroalkyl substances (PFAS) based on the April 2024 final PFAS National Primary Drinking Water Regulation.¹²

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

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

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

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

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

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

DWSRF BIL LSL REPLACEMENT FUND

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

BIL LSL funding will be offered to borrowers as a combination of additional subsidization (LF) and loans. Special loan interest rates and terms may be offered for LSL projects (see Appendix D - Interest Rates, Fees and Loan Terms). LF eligibility for LSL projects will evaluate the disadvantaged status of individual addresses. ***If there is only one census tract covering the service area, borrowers will use the Service Area-Based SA Tool. If there are multiple tracts within the community's service area, borrowers will use the Census Tract-Based SA Tool to determine disadvantaged census tracts.*** Addresses must be located within a Census tract that scores between 11-20 to be considered disadvantaged and in order for those construction costs to be eligible for LF. See Appendix A - DAC and Appendix B - Additional Subsidization for more information.

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

- Either LSL or galvanized service lines that are or were ever located downstream of LSL
- The entire LSL, including private portion (but not interior plumbing)

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

- Standalone or connected lead goosenecks, pigtails and connectors

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

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

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

Funding Criteria

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

Requirements for Project Plans for LSL Replacement can be found on the BIL Program Information page of the SRF website¹³ or the DNR’s DWSRF webpage.¹⁴

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

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

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

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

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

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

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

E. Financial Administration

RATES, FEES AND LOAN TERMS & CONDITIONS

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

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

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

PROJECT READINESS FOR LOAN APPLICATION

SRF applicants are required to comply with Iowa public bidding law in order to receive funding through the DWSRF Program. Applicants shall demonstrate this compliance through an opinion of legal counsel certifying their compliance. A sample “Form of SRF Construction Bidding Opinion” can be located on the SRF website¹⁵ and applicants are encouraged to include this opinion letter when submitting bid documentation to SRF.

SRF Notice of Funding Eligibility (NOFE) Letters will be issued *only after* the following program requirements are complete:

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

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

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

Prior to Approving a Construction Loan:

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

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

DISADVANTAGED COMMUNITIES

(See Appendix A - Disadvantaged Communities)

The SDWA defines DAC as the entire service area of a PWS that meets affordability criteria established by the State after public review and comment. In SFY 2023, a SA Tool was developed to include a more comprehensive range of metrics by which communities are evaluated for DAC status. In SFY 2024, the metrics behind the SA Tool were refined to improve desired outcomes and comply with existing federal statute while still including social, economic and demographic information that may indicate a lack of access to affordable clean water and safe drinking water.

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

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

ADDITIONAL SUBSIDIZATION

(See Appendix B - Additional Subsidization)

Iowa applies additional subsidization in the form of LF. Appendix B - Additional Subsidization, identifies the available funding and the criteria used to determine projects and borrowers eligible to receive additional subsidization. **Criteria for additional subsidization is established for each Cap Grant.** At the end of each fiscal year, unassigned or reallocated LF may remain available in subsequent years in accordance with its original criteria, or may be combined with the funds made available in accordance with the new Cap Grant criteria.

EQUIVALENCY

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

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

- Disadvantaged Business Enterprise¹⁶
- Single Audit Act
- Federal Funding Accountability and Transparency Act (FFATA) reporting
- EPA signage requirements
- BABA (FFY 2022 and all future capitalization grants)¹⁷
- Federal environmental and socioeconomic cross-cutters¹⁸

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

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

CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

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

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

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

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

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

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

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

5. Development of a disbursement schedule to reimburse the project costs as incurred.

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

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

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

Capitalization Grant Requirements. Cap Grants include requirements for minimum and maximum percentages of the funds to be allocated for additional subsidization and/or green project reserve (GPR). Iowa will identify projects meeting eligibility criteria during SFY 2025 and will report assignments of these funds in the annual report.

FUNDING SOURCES AND USES

(See Appendix E - Sources and Uses)

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

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

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

Appendix E - Sources and Uses illustrates potential sources and uses of funds in the DWSRF for SFY 2025. As shown, all pending loan requests and program administration needs can be funded. To account for the fact that projects draw their funding at different intervals, Iowa SRF frequently analyzes program cash flows to ensure adequate funding is available. Appendix E - Sources and Uses will be updated, as appropriate, to provide an ongoing view of the financial plan for meeting loan requests.

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

STATE MATCH

(See Appendix F - State Match)

The Iowa SRF Program issues bonds for state match.

BONDS

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

SWIFIA

The Iowa SRF program was invited to apply for a loan through EPA's 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. The SRF Program is in the process of working through the underwriting process; the timeline for closing the loan is yet to be determined.

TRANSFERS BETWEEN FUNDS

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

PLAN FOR EFFICIENT AND TIMELY USE OF DWSRF FUNDS

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

OTHER PROGRAM USES

ADMINISTRATIVE ACCOUNTS

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

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

DWSRF Cap Grant Administrative Set-Aside. A total of 4% of the cumulative amount of federal Cap Grants received may be used for program administration. Planned expenses are discussed in Section F. 2025 Set-Aside Uses.

Program Income. A 0.5% ***loan initiation fee*** is charged on new DWSRF construction loans which is included in the loan principal. Iowa uses the initiation fee receipts for administration of the DWSRF Program. A portion of these funds will be used in SFY 2025 for program administration, and the remainder will be reserved for future administrative expenses. Income is replenished throughout the fiscal year by funds received from loan initiation fees as described in Appendix D – Interest Rates, Fees, and Loan Terms.

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

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

A portion of the non-program income funds may be used in SFY 2025 to fund some of the activities completed under the State Program Management set-aside. A portion of these funds may also be used in SFY 2025 toward Drinking Water

Laboratory Certification and Capacity Development initiatives. Planned expenses are further discussed in Section F. 2025 Set-Aside Uses.

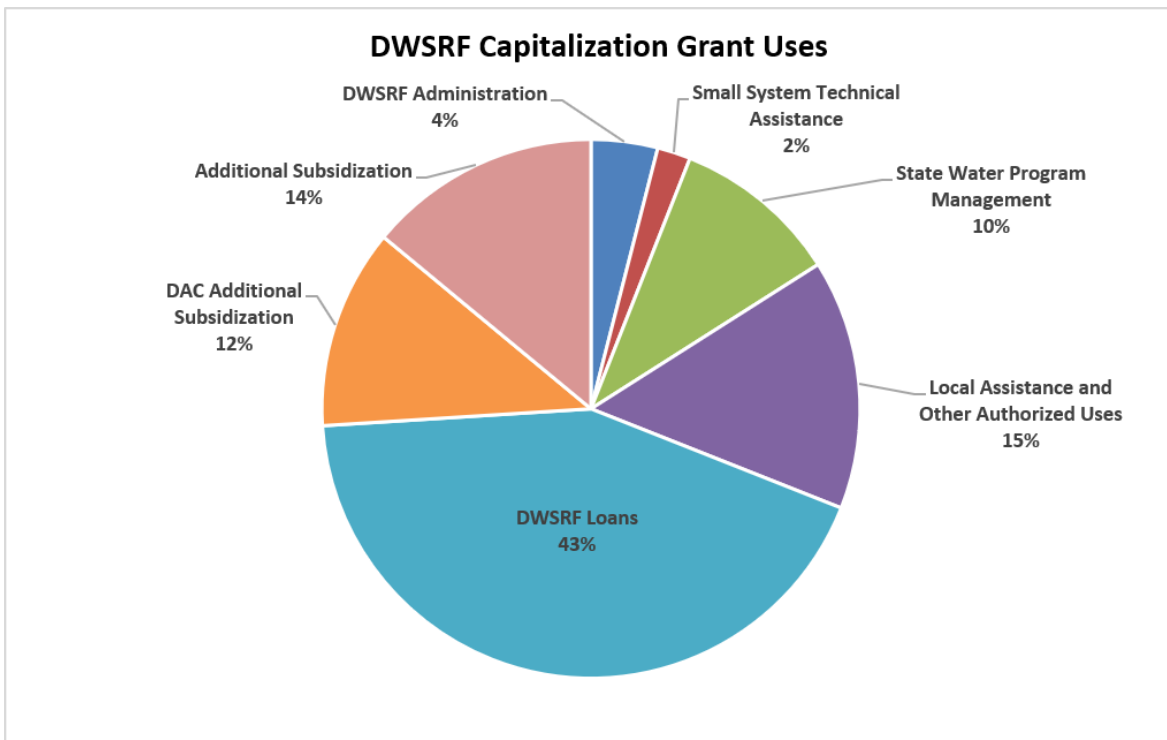
SENIOR ENVIRONMENTAL EMPLOYEE (SEE) SALARY FUNDS DEDUCTED FROM CAPITALIZATION GRANT

The DWSRF Program will not withhold any funding from FFY 2023 DWSRF Base Cap Grant application for the SEE Program but may seek to fill positions under this program during SFY 2025. These positions are filled by EPA Region 7 and assigned to the DNR’s Drinking Water Engineering section to provide technical and administrative assistance to the DWSRF projects and program. The SEE enrollees help provide staffing at DNR to maintain the DWSRF program and keep up with the increasing DWSRF project technical and administrative work-load. Authorized under the Environmental Programs Assistance Act of 1984 (PL 98- 313), the SEE program is intended “to utilize the talents of older Americans in programs authorized by other provisions of law administered by the Administrator in providing technical assistance to Federal, State, and local environmental agencies for projects of pollution prevention, abatement, and control.”

F. 2025 Set-Aside Uses

States are allowed to take or reserve set-aside amounts from each Federal Cap Grant for a number of activities that enhance the technical, financial, and managerial capacity of public water systems and protect sources of drinking water. The use of the set-asides as well as the loan program is intended to carry out Iowa’s goal of ensuring that the drinking water received by 92% of the population served by community water systems meets all applicable health-based drinking water standards through approaches including effective treatment and source water protection.

The amounts are subject to approval by EPA of program workplans. The DNR is following the SFY 2024 workplan and will transition to the SFY 2025 workplan during the fiscal year. Iowa plans to take or reserve set-side funds from the allowed amounts shown in the chart.



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

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

PLANNED EXPENSES

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

DWSRF Program Administration Set-Aside (4%).

Iowa intends to use this set-aside including loan administrative fees to pay the costs of administering the DWSRF Base, BIL GS, BIL LSL and PFAS/EC Funds including:

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

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

Small System Technical Assistance Set-Aside (2%). Iowa intends to use this set-aside to provide technical assistance to PWSs serving populations of less than 10,000.

Funds from this set-aside will be used this year to provide support for the operator certification program. This will include the administration and proctoring of examinations in all six regions of the state, provide training for new Grade A water system operators, and provide continuing education for existing Grade A water system operators. Grade A is the certification grade for the smallest PWS, with only disinfection treatment. Funds are also used by the Field Office water supply staff to provide technical assistance and compliance follow-up to small system operators.

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

State Program Support Set-Aside (10%). The primary uses of this set-aside are to assist with the administration of the Public Water Supply Supervision (PWSS) program, to review engineering documents for non-DWSRF construction projects, and to evaluate disinfection contact time determinations, approve corrosion control strategies, and make influenced groundwater determinations.

Other uses include:

- Updating the SDWIS database including support systems and provide compliance determinations and information technology database support
- Adopting rules and revisions to the IAC
- Field Office water supply staff conducting sanitary survey inspections at PWSs, as required by the SDWA.
- Create new electronic certification exams and PFAS Monitoring

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

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

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

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

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

Funds are also budgeted for SWP activities including the following:

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

Appendix A - Disadvantaged Communities (DAC)

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

For SFY 2025, applicants with a SA score of at least 11 points meet the affordability criteria of the DWSRF Program and are identified as a “Disadvantaged Community” for the Program purposes.

REVISED AFFORDABILITY CRITERIA USED TO DETERMINE DAC STATUS

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

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

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

SA TOOL

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

There are two versions of the SA Tool:

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

Both versions of the SA Tool are available to the public throughout the SRF website²⁰ at www.iowasrf.com.

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

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

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

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

²¹ The only exception is Population Trend. For the service area-based SA-Tool, no points are given for positive or 0% growth, 1 point for negative growth up to -7.5%, 2 points for more than -7.5% population growth.

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

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

	Points:	0	1	2
1 Median Household Income		Top 1/3 (Highest MHI)	Middle 1/3	Bottom 1/3 (Lowest MHI)
2 Percent Below Poverty		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
3 Percent Receiving Public Assistance or Supplemental Nutrition Assistance Program (SNAP)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
4 Percent Receiving Supplemental Security Income (SSI)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
5 Unemployment Rate (County 12-mo avg.)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
6 Percent Not in Labor Force		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
7 Population Trend Between 2010 and 2020 Census*		Non-negative population growth	Declining growth up to -7.5%	Declining growth of more than -7.5%
8 Percent with High School Diploma or Less		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
9 Percent of Vacant Homes (excluding 2nd/Vaction dwellings)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
10 Percent of Cost Burdened Housing (>= 30% of income spent on owner- and renter-occupied housing)		Bottom 1/3 (Lowest %)	Middle 1/3	Top 1/3 (Highest %)
Relative Disadvantage:		<i>Low</i>	<i>Moderate</i>	<i>High</i>

Figure 1

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

Figure 2

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

USING THE SA SCORE TO DETERMINE DAC STATUS

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

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

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

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

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

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

Appendix B - Additional Subsidization

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

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

PREVIOUS LOAN FORGIVENESS OPPORTUNITIES

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

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

*Final obligation amounts are pending loans executed in May and June, 2024 and pending acceptance of LF terms and conditions. Any remaining or reallocated funds will be combined with FFY 2024 Base and BIL GS funds.

At the conclusion of each fiscal year, unused portions of LF awards may be reallocated to the next eligible borrower or may be combined with other available Cap Grant LF funds and awarded in accordance with the LF criteria in effect for the current funding year.

SFY 2025 LF CRITERIA

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

GENERAL RESTRICTIONS AND/OR LIMITATIONS

- LF eligibility will be evaluated based on the current SA Tool in effect at the time the project is added to the PPL.
- LF awards is applied only to the total eligible **construction costs** of the project.
- Borrowers being offered additional subsidization will be asked to accept the award by signing an offer letter of LF terms and conditions.
- Time limits may be established for signing loan commitments in order to apply LF awards.
- Maximum time limits may also be established for commencing construction of an eligible project. If construction has not been initiated or a loan commitment has not been signed by the date indicated in the LF terms and conditions award letter, the LF offer may be withdrawn or reassigned.
- Taxable portions of SRF projects are not eligible for LF.

- Applicants who received a DAC determination from DNR prior to September 20, 2022 and are eligible for extended term financing (up to 30 years) at the 20-year interest rate, are not eligible for LF.
- Borrowers receiving EPA congressionally directed spending will not be eligible to receive subsequent LF from the Iowa SRF program for the same project.
- Borrowers receiving additional subsidization awards from a previous Cap Grant will not be eligible to receive subsequent LF from the Iowa SRF program for the same project.
- LF awards may consist of more than one funding source.

FFY 2024 DWSRF BASE CAPITALIZATION GRANT AND BIL GENERAL SUPPLEMENTAL FUND

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

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

MAXIMUM AWARD AMOUNTS

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

Maximum award amounts based on DAC scores are identified below in Figure 1-LF Award Scale:

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

Figure 1- LF Award Scale

ELIGIBILITY CRITERIA

Projects currently listed on the PPL that are **most likely to** execute an SRF loan in SFY 2025 will be identified as the group of projects eligible for LF consideration and this group will be ranked according to the following criteria:

1. First, all projects (DAC scores 11-20) will be ranked **by DAC score** (highest to lowest).
2. Next, projects will be ranked **by project priority points** (highest to lowest).
3. Then, projects that will result in the resolution of public health violations or that will return a system to compliance upon completion will receive priority of funding among this group.
4. If necessary, the date of loan execution will be used as a tiebreaker to determine final priority ranking.

METHOD OF AWARD

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

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

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

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

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

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

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

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

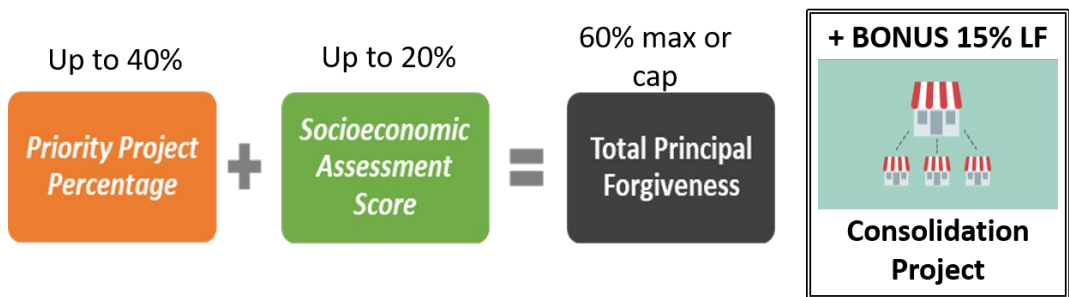
MAXIMUM AWARD AMOUNTS

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

ELIGIBILITY CRITERIA

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

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



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

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

¹In parts per trillion, except for the Hazard Index.

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

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

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

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

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

METHOD OF AWARD

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

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

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

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

**This is based on an award amount that is anticipated to be applied for and/or received by SFY 2025 but has not been received as of the publication of this DRAFT IUP. All project awards are currently in a contingent status so obligations

MAXIMUM AWARD AMOUNTS

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

ELIGIBILITY CRITERIA

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

LF of **49%** may be offered **to any applicant** for eligible construction costs necessary to replace the privately owned portions of lead service lines in **qualifying DAC census tracts** within their service area. Qualifying census tracts are determined by the Census Tract-Based SA Tool (see Appendix A - DAC). Eligible project costs and project readiness are described in the IUP in section D. SFY 2025 Program Activities to be Supported.

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

METHOD OF AWARD

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

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

Appendix C - Project Ranking Criteria

Projects are added to the PPL to be funded based on the rules for the DWSRF Program in 567 IAC Chapter 44. Projects will be funded as they become ready to proceed to construction. Adjustment to the list of fundable projects will be made, if necessary, to assure that at least 15% of the project funds are available to systems serving fewer than 10,000 persons as specified in Section 1452(a) (2) of the SDWA. Methods for determining the population served are described in 567 IAC Chapter 44.

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

PPL RANKING CRITERIA

Planning and Design projects are not ranked. Construction projects are ranked based on the DNR's scoring system, described in 567 IAC Chapter 44. All projects shall be listed in descending order on the published PPL according to the number of total priority points assigned each project. The ranking will be done at the time the IUP is prepared and will not be updated during the year.

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

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

LSL Replacement projects on the PPL will be given a **contingency** status until all fundable criteria described in section D. SFY 2025 Program Activities to be Supported of this IUP have been met.

PPL SCORING CRITERIA

Eligible PWS projects will be scored for inclusion in the PPL based on the application as submitted, in accordance with the scoring system contained in Chapter 44 of the IAC.

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

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

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

Appendix D - Interest Rates, Fees and Loan Terms

TYPES AND TERMS OF FINANCING

SRF PLANNING AND DESIGN LOANS

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

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

SRF CONSTRUCTION LOANS

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

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

INTEREST RATES

DWSRF Programs are charged with offering communities a low-cost, perpetual funding source for constructing infrastructure and implementing practices that delivers safe drinking water to citizens and treats water pollution to support a healthy environment.

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

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

SPECIAL PURPOSE FUND LOANS

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

INTEREST RATE LOCK

Applicants should work with their Bond Counsel, Municipal Advisor, and other members of their financing team to complete the loan issuance process (e.g., submit a complete SRF Construction Loan Application: NOFE letter, legal opinion on bidding procedures, hold public hearing and authorize debt, complete proforma financial analysis, pass rate ordinance if required, etc.). After an acceptable construction application is received, the loan is presented for IFA Board approval. Post approval, applicants will receive notification from IFA that includes an interest rate lock for 90 days. Should the Program's loan interest rates fall prior to signing a loan agreement, the applicant will automatically receive the more favorable rate at loan closing while staying within the 90-day rate lock period. Should the 90-day rate lock period expire, the loan would execute using the current interest rates (set quarterly²³).

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

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

STANDARD TERM LOANS (UP TO 20 YEARS)

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

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

About BVAL

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

EXTENDED TERM LOANS (21-30 YEARS)

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

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

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

FEES**LOAN INITIATION FEES**

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

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

LOAN SERVICING FEES

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

Appendix E – Estimated Sources and Uses

Estimated Sources and Uses of Funds

DWSRF - SFY 2025

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

SOURCES OF FUNDS

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

²⁴ Assumes 75% disbursement rate.

²⁵ Assumes 50% disbursement rate.

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

²⁷ Includes accumulated undrawn cap grants, investment interest, and loan repayments available for future project funding and/or debt service.

Appendix F - State Match

Drinking Water SRF

Federal Fiscal Year 2022

Sources of State Match

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

Application of State Match

	<u>Cap Grant (\$)</u>	<u>Match Required (%)</u>	<u>Match Required (\$)</u>
FFY 2022 Base Cap Grant	\$11,101,000	20%	\$2,220,200
FFY 2022 BIL Supplemental Cap Grant	\$28,504,000	10%	\$2,850,400
Total DW State Match Required			\$5,070,600

DW State Match Surplus (Deficit)

\$5,304,900

Federal Fiscal Year 2023

Sources of State Match

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

Application of State Match

	<u>Cap Grant (\$)</u>	<u>Match Required (%)</u>	<u>Match Required (\$)</u>
FFY 2023 Base Cap Grant	\$7,424,000	20%	\$1,484,800
FFY 2023 BIL Supplemental Cap Grant	\$31,656,000	10%	\$3,165,600
Total DW State Match Required			\$4,650,400

DW State Match Surplus (Deficit)

\$654,500

Federal Fiscal Year 2024

Sources of State Match

Surplus State Match from Prior Year(s)		\$654,500
State Match Bonds Issued in June 2024		\$8,000,000
Total DW State Match Available		\$8,654,500

Application of State Match

	<u>Cap Grant (\$)</u>	<u>Match Required (%)</u>	<u>Match Required (\$)</u>
FFY 2024 Base Cap Grant	\$7,007,000	20%	\$1,401,400
FFY 2024 BIL Supplemental Cap Grant	\$34,558,000	20%	\$6,911,600
Total DW State Match Required			\$8,313,000

DW State Match Surplus (Deficit)

\$341,500

Appendix G - Federal Assurances, Certifications and Proposals

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

SPECIFIC PROPOSALS AND CERTIFICATIONS

PROGRAM BENEFITS REPORTING

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

SIGNAGE

SRF staff and recipients will notify the public in the most effective ways possible about assistance agreements and benefits of the DWSRF program in order to enhance public awareness of EPA assistance agreements nationwide. The Iowa SRF program issues periodic announcements of all executed DWSRF loans and borrower contact information. Each SRF funded project is also required to provide public notice of their SRF Project as part of the environmental review process.

Projects receiving additional subsidization, or are funded as equivalency projects from IJA or BIL funds will follow the OMB²⁸ and EPA Signage Guidance²⁹ for those funds, as summarized below:

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

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

VIABILITY ASSESSMENT

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

GREEN PROJECT RESERVE (GPR)

Congressional Appropriations require 10% of DWSRF Cap Grant amounts be used to fund projects that qualify under the EPA’s GPR, if such applications are submitted. GPR projects address green infrastructure, water and energy efficiency, and/or other environmentally innovative activities. During SFY 2025, the SRF Program will identify recipients that comply with GPR requirements. The specific projects identified as GPR will be listed in the annual report.

ADDITIONAL SUBSIDIZATION

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

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

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

AMERICAN IRON AND STEEL

DWSRF assistance recipients are required to use iron and steel products produced in the United States for projects for constructing, altering, maintaining, or repairing public water systems³⁰. Iowa DWSRF Program proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in the Act and EPA guidance. All recipients will be required to sign a self-certification of compliance at completion of the project.

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

BUILD AMERICAN, BUY AMERICA (BABA) ACT

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

Since not all funds available through the Iowa DWSRF Program are considered federal financial assistance, SRF will provide information to those applicants required to comply with necessary documentation and inspection procedures. Iowa proposes oversight of this requirement to be conducted by verification of bid documents, selective review of product certification documentation, and on-site inspections and/or desk reviews. SRF staff will provide technical assistance to help applicants determine eligibility for the exemptions and waivers provided for in BABA and EPA guidance³³. All recipients will be required to sign a self-certification of compliance at completion of the project.

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

ENVIRONMENTAL REVIEW

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

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

DAVIS-BACON

The Davis Bacon Act requires that all contractors and subcontractors performing construction, alteration and repair (including painting and decorating) work under federal contracts in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage and fringe benefits for the geographic location.³⁴ Iowa proposes oversight of this requirement to be conducted by verification of bid documents and wage determinations, and will require applicants to submit a self-certification form at completion of the project indicating compliance with this requirement.

FEDERAL ASSURANCES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PROCESS (APPLICATION/PAYMENT/DISBURSEMENT)

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

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

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

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

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

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

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

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

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

Appendix H - Public Review and Comments Received

A public meeting to allow input to Iowa's SFY 2025 IUP and PPL will be held May 30, 2024, 10:00 a.m. via video conference call. This meeting will be announced in a notice provided to stakeholder organizations representing city officials, consulting engineers, county governments, councils of government, area planning agencies, and other groups which might have an interest. Public notice announcements were also posted on the Media Center³⁵ and the IUP Public Hearings³⁶ pages of the SRF website. Written comments may be submitted to srf-pc@dnr.iowa.gov and will be accepted through June 7, 2024.

Comments Received:

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

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

2. During the comment period, the SRF Program re-evaluated the first and second ranking priorities for SFY 2025 loan forgiveness "Eligibility Criteria" in Appendix B. The DRAFT IUP was released for comment with projects first being ranked for loan forgiveness priority based on the IUP application project priority points (highest to lowest). The SRF Program determined that ranking projects first by DAC score (highest to lowest) and then second by project priority points (highest to lowest) better aligns with the intent of BIL loan forgiveness funding and the state's goals of making subsidy available to the most disadvantaged borrowers first.

3. During the public hearing, a representative of the Sierra Club commented that a glossary of acronyms would be helpful for readers. The SRF Program intends to incorporate a glossary of acronyms in the second quarter IUP update.

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

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

Attachment 1 - DWSRF PPL

This is a separate, sortable Excel File

Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score
												Base BIL GS	PFAS/EC	LSL		
Emmetsburg Municipal Utilities	PD-DW-25-07	Addition of RO treatment	2025	1	P&D	3706	P	\$ 1,120,000.00				x			No	13
Fairfax	PD-DW-25-05	New water supply treatment facility	2025	1	P&D	2828	P	\$ 1,277,000.00				x			No	3
Hastings	PD-DW-25-13	Construction of an ion exchange treatment system	2025	1	P&D	152	P	\$ 95,750.00				x			No	13
Jamaica	PD-DW-25-08	Complete water system PER	2025	1	P&D	195	P	\$ 75,000.00				x			No	16
Johnston	PD-DW-24-74	LBC Water Main Ext-Seg C	2025	1	P&D	24195	P	\$ 700,000.00				x			No	5
Moulton	PD-DW-25-06	Replacement of 10 city blocks of water main	2025	1	P&D	607	P	\$ 128,700.00				x			No	16
Oakland	PD-DW-25-09	New wells, electrical building, and water main	2025	1	P&D	1524	P	\$ 214,800.00				x			No	15
Orient	PD-DW-25-10	Water main replacement	2025	1	P&D	368	P	\$ 232,500.00				x			No	10
Tama	PD-DW-25-04	New water treatment plan building	2025	1	P&D	3130	P	\$ 424,100.00				x			No	11
Decorah	FS-96-25-DWSRF-004	Water Meter Replacement	2025	1	40	7700	P	\$ 1,407,000.00				x			No	11
Little Sioux	FS-43-25-DWSRF-008	2024 Water System Improvements	2025	1	40	180	P	\$ 2,105,000.00				x			Yes	17
Poweshiek Water Association	FS-86-25-DWSRF-005	Tama Water Supply and Distribution System Improvements - PWA - 2024	2025	1	30	24639	P	\$ 11,285,000.00				x			No	TBD
Prairie City	FS-50-25-DWSRF-007	Phase 3 Water Main Replacement	2025	1	30	1700	P	\$ 1,576,000.00				x			No	2
Sully	FS-50-25-DWSRF-002	Water Distribution System Improvements	2025	1	30	881	P	\$ 1,690,000.00				x			No	4
Tabor	FS-36-25-DWSRF-003	Water System Improvements	2025	1	30	1014	P	\$ 2,404,000.00				x			No	13
Tiffin	FS-52-25-DWSRF-001	Water Treatment Improvement	2025	1	25	5282	P	\$ 13,186,000.00				x			No	4
Ankeny	FS-77-25-DWSRF-009	SW Walnut Street and SW Ordance Road Water Main	2025	1	20	70287	P	\$ 2,430,000.00				x			No	2
Boone	FS-08-25-DWSRF-006	Water Treatment Plant - Lime Slaker and Roof Replacement Project	2025	1	15	12460	P	\$ 1,544,000.00				x			No	10
Boone	PD-DW-24-61	Rehab of 2 MG ground storage reservoir	2024	4	P&D	12460	P	\$ 200,000.00				x			No	7
Osceola Water Works	PD-DW-24-69	Water treatment facility improvements	2024	4	P&D	5415	P	\$ 700,000.00				x			No	15
Tiffin	PD-DW-24-72	Water Treatment Improvement	2024	4	P&D		P	\$ 826,000.00				x			No	3
Correctionville	FS-97-24-DWSRF-046	Water System Improvements	2024	4	55	766	P	\$ 5,210,000.00				x			No	14
New Albin	FS-03-24-DWSRF-042	Well #2 Improvements	2024	4	55	500	P	\$ 700,000.00				x			No	12
Randolph	FS-36-24-DWSRF-044	Water Source, Treatment, Storage and Distribution System	2024	4	55	189	P	\$ 3,960,000.00				x			No	11
Oakland	FS-78-24-DWSRF-047	2023 Water Supply Wells	2024	4	45	1711	P	\$ 2,531,000.00				x			No	13
Urbana	FS-06-24-DWSRF-045	2025 Water System Improvements	2024	4	45	1590	P	\$ 3,388,000.00				x			No	4
Creston (LSL)	FS-88-24-DWSRF-041	Water Distribution System Improvements	2024	4	40	7536	C	\$ 6,000,000.00				x		x	No	18- LSL TBD by Census Tract
Coralville	FS-52-24-DWSRF-049	Well 16 Improvements	2024	4	35	21630	P	\$ 3,050,000.00				x			No	4
Eldora	FS-42-24-DWSRF-051	SCADA Upgrade	2024	4	35	2700	P	\$ 263,000.00				x			No	14
Prairie City	FS-50-24-DWSRF-050	Phase 2 Water Main Replacement	2024	4	30	1700	P	\$ 924,000.00				x			No	6
Council Bluffs	FS-78-24-DWSRF-048	CBWW Narrows WTP High Service Pump Station	2024	4	25	63000	P	\$ 22,494,000.00				x			No	13
Muscatine Power & Water (LSL)	FS-70-24-DWSRF-052	Lead Service Line Replacement	2024	4	20	23474	C	\$ 1,570,000.00				x		x	No	14 - LSL TBD by Census Tract
Fort Dodge	PD-DW-24-52	Supplemental to Future Needs PER P&D	2024	3	P&D	25206	P	\$ 92,000.00				x			No	18
Knoxville	PD-DW-24-34	Replacing Well #2 and Recasing Well #3	2024	3	P&D	14945	P	\$ 230,000.00				x			No	12
La Motte	FS-49-24-DWSRF-030	Proposed Municipal Well #3	2024	3	55	237	P	\$ 1,573,000.00				x			No	7
Greenfield Municipal Utilities	FS-01-24-DWSRF-036	Water Treatment Plant Improvements	2024	3	45	2062	P	\$ 20,000,000.00				x			No	16
Knoxville	FS-63-24-DWSRF-032	Deep Well No 2 and 3 Evaluation	2024	3	45	8480	P	\$ 5,701,000.00				x			No	12
Keokuk	FS-56-24-DWSRF-034	2023 System Improvements	2024	3	40	9900	P	\$ 10,497,000.00				x			No	19

Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score
												Base BIL GS	PFAS/EC	LSL		
Lansing	FS-03-24-DWSRF-039	Platt, 4th & North St Utility Improvement	2024	3	40	968	P	\$ 660,000.00				x			No	16
Marble Rock	FS-34-24-DWSRF-031	Water System Improvements Project	2024	3	40	271	P	\$ 604,000.00				x			No	12
West Point	FS-56-24-DWSRF-033	2023 Water Main Improvements	2024	3	40	921	P	\$ 528,000.00				x			No	11
Norwalk	FS-91-24-DWSRF-038	Norwalk Central Water Tower	2024	3	35	12799	P	\$ 6,380,000.00				x			No	4
Grinnell (LSL)	FS-79-24-DWSRF-037	Lead Service Line Replacement Program	2024	3	30	9564	C	\$ 1,002,000.00				x		x	No	11-LSL TBD by Census Tract
Kingsley	FS-75-24-DWSRF-040	Water System Improvements	2024	3	25	1396	P	\$ 7,136,000.00				x			No	2
Central City (PFAS)	FS-57-24-DWSRF-027	New Well (PFAS)	2024	2	80	1264	C	\$ 2,085,000.00				x	x		No	9
Meservey	FS-17-24-DWSRF-017	Phase 1 Water Supply System Improvements Project	2024	2	55	222	P	\$ 548,000.00				x			No	13
Tama (PFAS)	FS-86-24-DWSRF-014	Water Treatment Plant Improvements (PFAS)	2024	2	55	2745	C	\$ 3,941,000.00				x	x		No	15
Ellsworth	FS-40-24-DWSRF-025	Elevated Tower Improvements	2024	2	45	508	P	\$ 3,123,000.00				x			No	10
Fairfax	FS-57-24-DWSRF-020	Production Well #4	2024	2	45	2828	P	\$ 809,000.00				x			No	2
Wellman	FS-92-24-DWSRF-012	Water System Improvements: Distribution & Supply	2024	2	45	1524	P	\$ 5,776,000.00				x			No	10
Le Grand	FS-64-24-DWSRF-026	2023 Water Distribution Improvements	2024	2	40	905	P	\$ 1,026,000.00				x			No	12
Des Moines Water Works	FS-77-24-DWSRF-021	2023 Aquifer Storage and Recovery (ASR) Well	2024	2	35	600000	P	\$ 10,703,000.00				x			No	Verify
Newton	FS-50-24-DWSRF-015	Newton Jordan Well	2024	2	35	16391	P	\$ 6,392,000.00				x			No	15
Greene	FS-12-24-DWSRF-018	2024 Water System Improvements Project	2024	2	30	990	P	\$ 694,000.00				x			No	16
Madrid	FS-08-24-DWSRF-028	Well #10 Access Road Phase 2	2024	2	30	2802	P	\$ 129,000.00				x			No	6
West Branch	FS-16-24-DWSRF-022	Phase -2 East Side Water Main Replacement	2024	2	30	2509	P	\$ 1,116,000.00				x			No	6
Cedar Rapids - F Ave NW & 13th St NW (LSL)	FS-57-24-DWSRF-023	LSL F Ave NW and 13th St NW Water Service Line Transfers	2024	2	20	141063	C	\$ 241,000.00				x		x	No	9- LSL TBD by Census Tract
Cedar Rapids - 2024 Project (LSL)	FS-57-24-DWSRF-024	2024 Lead Service Line Replacement Project	2024	2	20	141063	C	\$ 5,548,000.00				x		x	No	9- LSL TBD by Census Tract
Iowa Lakes Regional Rural Water	FS-30-24-DWSRF-013	Orleans Expansion Project	2024	2	20	15000	P	\$ 3,802,000.00				x			No	7
Grinnell	FS-79-24-DWSRF-006	Water System Improvements	2024	1	90	9564	P	\$ 35,000,000.00				x			Yes	11
Rock Valley (PFAS)	FS-84-24-DWSRF-001	Water System Study Phase II - System Improvements	2024	1	55	3730	C	\$ 726,000.00				x	x		No	7
Breda	FS-14-24-DWSRF-002	Well No. 6	2024	1	45	508	P	\$ 1,027,000.00				x			No	4
Des Moines Water Works	FS-77-24-DWSRF-005	Saylorville Water Treatment Plant (SWTP) Capacity Expansion - Raw Water Supply & Treatment	2024	1	30	600000	P	\$ 150,750,000.00				x			No	Verify
Fort Dodge	FS-94-24-DWSRF-007	Water Main Replacement	2024	1	30	24912	P	\$ 11,217,000.00				x			No	18
Council Bluffs (LSL)	FS-78-24-DWSRF-009	Lead Service Line Replacement	2024	1	20	62799	C	\$ 2,525,000.00				x		x	No	13- LSL TBD by Census Tract
Des Moines Water Works (LSL)	FS-77-24-DWSRF-008	Lead Service Line Replacement Phase 1 Project	2024	1	20	600000	C	\$ 12,070,000.00				x		x	No	LSL TBD by Census Tract
Dubuque (Phase 2 LSL)	FS-31-24-DWSRF-010	Lead Service Line Replacement Phase 2	2024	1	20	58983	C	\$ 2,000,000.00				x		x	No	9- LSL TBD by Census Tract
Dubuque (Phase 3 LSL)	FS-31-24-DWSRF-011	Lead Service Line Replacement Phase 3	2024	1	20	58983	C	\$ 1,907,000.00				x		x	No	9- LSL TBD by Census Tract
Iowa American Water - Clinton (LSL)	FS-23-24-DWSRF-003	2023 Clinton Water System Lead Service Line Replacement	2024	1	20	26700	C	\$ 920,000.00				x		x	No	LSL TBD by Census Tract
Iowa American Water - Quad Cities (LSL)	FS-82-24-DWSRF-004	2023 Quad Cities System Lead Service Line Replacement	2024	1	20	137200	C	\$ 2,518,000.00				x		x	No	LSL TBD by Census Tract
Schaller	PD-DW-23-52	Water System Improvements	2023	4	P&D	729	P	\$ 614,000.00				x			No	9
Burlington (PFAS)	FS-29-23-DWSRF-085	Water Supply and Treatment Improvements	2023	4	60	23713	C	\$ 3,499,000.00				x	x		No	17
Burlington (PFAS)	FS-29-23-DWSRF-084	New Jordan Wells Project	2023	4	45	23713	C	\$ 16,356,000.00				x	x		No	17
Lake City	FS-13-23-DWSRF-068	Well No. 6 and Well No. 7	2023	4	45	1992	P	\$ 1,750,000.00				x			No	12
Polk City	FS-77-23-DWSRF-077	1.5 MG Elevated Storage Tank	2023	4	45	5899	P	\$ 7,582,000.00				x			No	2
Schaller	FS-81-23-DWSRF-082	Water System Improvements	2023	4	45	729	P	\$ 4,841,000.00				x			No	9
Storm Lake	FS-11-23-DWSRF-070	City of Storm Lake Well No. 22	2023	4	45	12478	P	\$ 2,361,000.00				x			No	9

Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score
												Base BIL GS	PFAS/EC	LSL		
Ainsworth	FS-92-23-DWSRF-069	Water Main Replacement	2023	4	40	511	P	\$ 490,000.00				x			No	5
Granger	FS-25-23-DWSRF-072	New Water Tower	2023	4	40	1700	P	\$ 4,187,000.00				x			No	0
Lime Springs	FS-45-23-DWSRF-083	2024 Street and Utility Improvements Project	2023	4	40	473	P	\$ 5,507,000.00				x			No	9
Madrid	FS-08-23-DWSRF-076	Water Transmission Main (Phase 1)	2023	4	40	2802	P	\$ 1,932,000.00				x			No	6
Marshalltown	FS-64-23-DWSRF-079	New 6 MGD RO Membrane Process Train	2023	4	35	27591	P	\$ 36,254,000.00				x			No	15
Palmer	FS-76-23-DWSRF-074	Water System Improvement	2023	4	35	138	P	\$ 615,000.00				x			No	12
Burlington (LSL)	FS-29-23-DWSRF-086	Lead Service Line Replacement	2023	4	30	23713	C	\$ 788,000.00				x		x	No	17- LSL TBD by Census Tract
Mahaska Rural Water	FS-62-23-DWSRF-073	Transmission Main Improvements - Eddyville Connection	2023	4	30	10100	P	\$ 1,785,000.00				x			No	15
Emmetsburg	FS-74-23-DWSRF-071	Water Treatment Improvements	2023	4	25	3706	P	\$ 10,215,000.00				x			No	13
Des Moines Water Works	FS-77-23-DWSRF-075	Saylorville Water Treatment Plant (SWTP) Capacity Expansion - Transmission Improvements	2023	4	20	600000	L	\$ 24,267,000.00	10/14/2022	\$ 1,110,000.00	\$ 23,157,000.00	x			No	Verify
Dubuque	FS-31-23-DWSRF-080	Supervisory Control and Data Acquisition (SCADA) Upgrade	2023	4	15	58983	P	\$ 2,170,000.00				x			No	9
Hinton	FS-75-23-DWSRF-034	Water Treatment Plant Improvements and Expansion	2023	3	60	947	P	\$ 7,286,000.00				x			No	2
Central City	FS-57-23-DWSRF-025	New Elevated Storage Tank	2023	3	45	1264	P	\$ 4,179,000.00				x			No	9
Storm Lake	FS-11-23-DWSRF-030	Elevated Water Tank	2023	3	45	12478	P	\$ 7,937,000.00				x			No	9
Rudd	FS-34-23-DWSRF-031	Water System Improvements Phase II - Water Tower Rehab	2023	3	40	369	P	\$ 419,000.00				x			No	8
Thompson	FS-95-23-DWSRF-020	Water Main Replacement	2023	3	40	502	P	\$ 451,000.00				x			No	11
Iowa American Water - Quad Cities	FS-82-23-DWSRF-026	Quad Cities Elevated Storage Tank and Booster Station	2023	3	35	52807	P	\$ 8,362,000.00				x			No	13
Terril	FS-30-23-DWSRF-066	Water Treatment Equipment Replacement	2023	3	35	334	P	\$ 1,206,000.00				x			No	11
Clarence	FS-16-23-DWSRF-022	7th Ave Water Main	2023	3	30	1039	P	\$ 2,392,000.00				x			No	13
Ely	FS-57-23-DWSRF-019	Water main Replacement	2023	3	30	2328	P	\$ 1,587,000.00				x			No	4
Hiawatha	FS-57-23-DWSRF-023	Replacement of mains on Robins Rd	2023	3	30	7935	P	\$ 1,665,000.00				x			No	10
Grimes	FS-77-23-DWSRF-024	Distribution and Storage Improvements	2023	3	20	15392	L	\$ 11,616,000.00	11/3/2023	\$ 8,543,000.00	\$ 3,073,000.00	x			No	4
Johnston	FS-77-23-DWSRF-029	New Water Main Project (2 Mains- NW 78th Ave and NW Beaver Drive)	2023	3	20	24195	P	\$ 21,536,000.00				x			No	4
Carter Lake	PD-DW-23-23	P&D for Water Line & Pipe Replacement	2023	2	P&D	3791	P	\$ 725,000.00				x			No	13
Carter Lake	FS-78-23-DWSRF-018	Water System Improvements	2023	2	55	3791	P	\$ 9,267,000.00				x			No	13
Montezuma Municipal Water Works	FS-79-23-DWSRF-017	New Jordan Well Construction	2023	2	55	1442	P	\$ 2,734,000.00				x			No	12
Oskaloosa	FS-62-23-DWSRF-014	Transmission Main Replacement	2023	2	30	11558	L	\$ 4,555,000.00	5/3/2024	\$ 3,692,000.00	\$ 863,000.00	x			No	12
Dubuque	FS-31-23-DWSRF-013	Eagle Street and Althausen Street Water & Sewer Replacement	2023	2	20	58983	P	\$ 505,000.00				x			No	9
Dubuque (Phase 1 LSL)	FS-31-23-DWSRF-012	Lead Service Line Replacement Phase 1	2023	2	20	58983	C	\$ 1,941,000.00				x		x	No	9- LSL TBD by Census Tract
Mallard	FS-74-23-DWSRF-003	Water System Improvements - Connection Fee Only	2023	1	70	277	P	\$ 1,740,000.00				x			Yes	16
Rock Rapids	FS-60-23-DWSRF-006	Lewis & Clark Service Connection Phase 3	2023	1	60	2611	P	\$ 1,507,500.00				x			No	6
Yale	FS-39-23-DWSRF-008	New Well	2023	1	40	267	P	\$ 665,000.00				x			No	10
Mount Vernon	FS-57-23-DWSRF-004	Water Meter Replacement	2023	1	30	4527	P	\$ 905,000.00				x			No	9
Spillville	FS-96-23-DWSRF-007	New Booster Station and Ground Storage Reservoir	2023	1	30	385	P	\$ 1,781,000.00				x			No	16
Auburn	FS-81-23-DWSRF-001	Water Treatment Plant Filter Replacement	2023	1	25	315	R	\$ 150,000.00				x			No	13
Ankeny	PD-DW-22-57	P&D for Construction of Water Main Transmission	2022	4	P&D	70287	P	\$ 174,600.00				x			No	2
Hedrick	FS-54-22-DWSRF-026	Water Distribution System Improvements	2022	4	110	764	P	\$ 641,000.00				x			No	19
Dedham	FS-14-22-DWSRF-032	Water System Improvements	2022	4	60	224	P	\$ 1,643,000.00				x			No	5
Westfield	FS-75-22-DWSRF-035	Construction of New Well and Water Treatment Plant	2022	4	55	130	P	\$ 2,185,000.00				x			No	7

Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score	
												Base BIL GS	PFAS/EC	LSL			
Orange City	FS-84-22-DWSRF-037	Construction of New Elevated Tank, New Ground Storage, New Well and Well Pipe	2022	4	50	6297	P	\$ 15,821,000.00				x			No	2	
Protivin	FS-45-22-DWSRF-029	Water System Improvements	2022	4	50	269	P	\$ 304,000.00				x			No	4	
Wahpeton	FS-30-22-DWSRF-031	Water System Improvements	2022	4	45	344	P	\$ 12,695,000.00				x			No	4	
Casey	FS-39-22-DWSRF-034	Water Distribution System Improvements	2022	4	40	387	P	\$ 305,420.00				x			No	16	
West Central IA RWA	FS-14-22-DWSRF-036	Construction of New Water Treatment Plant, Booster Station and Ground Storage	2022	4	30	18838	P	\$ 12,600,000.00				x			No	-	
Pocahontas	FS-76-22-DWSRF-038	Water System Improvements	2022	4	25	6267	P	\$ 2,825,000.00				x			No	14	
Manson	FS-13-22-DWSRF-023	Connection from Manson to Fort Dodge Municipal Water System	2022	3	45	1690	P	\$ 7,068,000.00				x			Yes	7	
Dubuque	FS-31-22-DWSRF-025	2022 Water System Improvements	2022	3	35	58983	P	\$ 15,565,000.00				x			No	9	
Plover	FS-76-22-DWSRF-017	New Well for Arsenic Mitigation in Raw Water	2022	2	95	77	P	\$ 108,000.00				x			No	8	
Guttenberg	FS-22-22-DWSRF-013	Water Supply, Distribution and Storage Facilities Improvements	2022	2	40	1057	P	\$ 1,437,000.00				x			No	16	
Nashua	FS-19-22-DWSRF-016	Greeley Street Water & Sanitary Improvements	2022	2	30	1663	P	\$ 259,000.00				x			No	11	
Lanesboro	FS-14-22-DWSRF-008	Water System Improvements-Water Tower Demo	2022	1	70	121	P	\$ 818,000.00	9/29/2023	\$ 621,000.00	\$ 197,000.00	x			No	14	
Fontanelle	FS-01-22-DWSRF-006	Water System Improvements	2022	1	35	223	P	\$ 1,499,000.00				x			No	14	
Neola	PD-DW-21-56	P&D for Water Distribution System Replacement	2021	4	P&D	842	P	\$ 371,094.00				x			No	8	
Guthrie Center	FS-99-21-DWSRF-022	Water Main Replacement	2021	4	40	1569	P	\$ 1,454,000.00				x			No	10	
Tama	FS-82-21-DWSRF-014	Water System Improvements	2021	3	25	2877	P	\$ 1,373,000.00				x			No	15	
Dyersville	FS-31-21-DWSRF-007	6th Avenue Water Main Replacement	2021	2	40	4058	P	\$ 415,000.00				x			No	7	
Atkins	FS-06-21-DWSRF-001	Water Distribution Improvements	2021	1	40	1670	P	\$ 4,398,000.00				x			No	4	
Waukee	FS-25-21-DWSRF-004	ASR Well	2021	1	35	17945	R	\$ 3,567,750.00				x			No	2	
Dayton	FS-94-20-DWSRF-031	Municipal Water Well Reconstruction and Water Main Repair	2020	4	55	837	P	\$ 685,000.00				x			No	10	
Melvin	FS-72-20-DWSRF-033	Storage Tank Rehabilitation	2020	4	55	201	P	\$ 422,100.00				x			No	13	
Westgate	FS-33-20-DWSRF-024	Connection to IRUA	2020	4	45	211	P	\$ 2,703,000.00				x			No	18	
MacBride Pointe	FS-52-20-DWSRF-019	Water Supply Improvements	2020	3	60	100	P	\$ 178,000.00				x			Yes	-	
Eagle Grove	FS-99-20-DWSRF-018	Water Distribution System Improvements	2020	3	40	3583	R	\$ 503,000.00				x			No	15	
Jamaica	FS-39-20-DWSRF-017	Water System Improvements	2020	3	35	224	L	\$ 2,818,000.00	8/26/2022	\$ 1,785,000.00	\$ 1,033,000.00	x			Yes	18	
Park View	FS-82-20-DWSRF-006	WTP #2 Improvements	2020	2	45	2389	L	\$ 2,509,000.00	7/10/2020	\$ 1,670,000.00	\$ 839,000.00	x			Yes	-	
Somers	FS-13-19-DWSRF-028	Municipal Water Filtration Improvements	2019	4	35	113	P	\$ 355,000.00				x			No	12	
Iowa Lakes Regional Water	FS-21-18-DWSRF-019	Addition of solar panels at six booster stations and water towers to reduce operational cost and improve resiliency	2018	4	15	14600	P	\$ 260,000.00				x			No	-	
Cleghorn	FS-18-18-DWSRF-006	Replace aging water tower, install water mains to tower, add emergency generator at water treatment plant	2018	2	45	247	L	\$ 757,000.00	3/8/2019	\$ 557,000.00	\$ 200,000.00	x			No	10	
Farmington	FS-89-16-DWSRF-006	Water meter replacement	2016	2	40	664	L	\$ 590,000.00	7/17/2020	\$ 473,000.00	\$ 117,000.00	x			No	15	
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; treatment	2015	2	55	779	L	\$ 1,435,000.00	8/5/2022	\$ 701,000.00	\$ 734,000.00	x			No	11	
								\$ 735,773,314.00				\$ 19,152,000.00					

Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Funding Source			Compliance Project	DAC Score
												Base BIL GS	PFAS/EC	LSL		

Project Status	Abbreviations
Contingent -- C	BIL GS= Bipartisan Infrastructure Law General Supplemental Fund
Dropped -- D	CAP = Federal Capitalization Grant
Loan Signed -- L	IUP YR = Intended Use Plan Year
Planning Stage -- P	LSL = Lead Service Line
Ready for Loan -- R	P&D = Planning and Design Loan
	PFAS/EC - PFAS Emerging Contaminates
	QTR = State Fiscal Year Quarter
<i>Projects in italics are being evaluated for removal due to length of time on IUP</i>	

PFAS/EC Projects -- information extracted from the Project Priority List above												Funding Source		
Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Base BIL GS	PFAS/EC	LSL
Tama (PFAS)	FS-86-24-DWSRF-014	Water Treatment Plant Improvements (PFAS)	2024	2	55	2745	C	\$ 3,941,000.00				x	x	
Central City (PFAS)	FS-57-24-DWSRF-027	New Well (PFAS)	2024	2	80	1264	C	\$ 2,085,000.00				x	x	
Rock Valley (PFAS)	FS-84-24-DWSRF-001	Water System Study Phase II - System Improvements	2024	1	55	3730	C	\$ 726,000.00				x	x	
Burlington (PFAS)	FS-29-23-DWSRF-084	New Jordan Wells Project	2023	4	45	23713	C	\$ 16,356,000.00				x	x	
Burlington (PFAS)	FS-29-23-DWSRF-085	Water Supply and Treatment Improvements	2023	4	60	23713	C	\$ 3,499,000.00				x	x	

Lead Service Line Projects -- information extracted from the Project Priority List above												Funding Source		
Project Name	DWSRF No.	Project Description	IUP Yr	Qtr	Priority Points	Pop	Project Status	Current Funding Request	Most Recent Loan	Total Loan Amount To Date	Remaining Amount on IUP	Base BIL GS	PFAS/EC	LSL
Creston (LSL)	FS-88-24-DWSRF-041	Water Distribution System Improvements	2024	4	40	7536	C	\$ 6,000,000.00				x		x
Muscatine Power & Water (LSL)	FS-70-24-DWSRF-052	Lead Service Line Replacement	2024	4	20	23474	C	\$ 1,570,000.00				x		x
Grinnell (LSL)	FS-79-24-DWSRF-037	Lead Service Line Replacement Program	2024	3	30	9564	C	\$ 1,002,000.00				x		x
Cedar Rapids - F Ave NW & 13th St NW (LSL)	FS-57-24-DWSRF-023	LSL F Ave NW and 13th St NW Water Service Line Transfers	2024	2	20	141063	C	\$ 241,000.00				x		x
Cedar Rapids - 2024 Project (LSL)	FS-57-24-DWSRF-024	2024 Lead Service Line Replacement Project	2024	2	20	141063	C	\$ 5,548,000.00				x		x
Council Bluffs (LSL)	FS-78-24-DWSRF-009	Lead Service Line Replacement	2024	1	20	62799	C	\$ 2,525,000.00				x		x
Des Moines Water Works (LSL)	FS-77-24-DWSRF-008	Lead Service Line Replacement Phase 1 Project	2024	1	20	600000	C	\$ 12,070,000.00				x		x
Dubuque (Phase 2 LSL)	FS-31-24-DWSRF-010	Lead Service Line Replacement Phase 2	2024	1	20	58983	C	\$ 2,000,000.00				x		x
Dubuque (Phase 3 LSL)	FS-31-24-DWSRF-011	Lead Service Line Replacement Phase 3	2024	1	20	58983	C	\$ 1,907,000.00				x		x
Iowa American Water - Clinton (LSL)	FS-23-24-DWSRF-003	2023 Clinton Water System Lead Service Line Replacement	2024	1	20	26700	C	\$ 920,000.00				x		x
Iowa American Water - Quad Cities (LSL)	FS-82-24-DWSRF-004	2023 Quad Cities System Lead Service Line Replacement	2024	1	20	137200	C	\$ 2,518,000.00				x		x
Burlington (LSL)	FS-29-23-DWSRF-086	Lead Service Line Replacement	2023	4	30	23713	C	\$ 788,000.00				x		x
Dubuque (Phase 1 LSL)	FS-31-23-DWSRF-012	Lead Service Line Replacement Phase 1	2023	2	20	58983	C	\$ 1,941,000.00				x		x

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

ITEM #6

DECISION

Contract with LINN COUNTY**Recommendation:**

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

Contract Terms:

Amount: Not to exceed \$789,751

Dates: July 1, 2024, to June 30, 2025

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

Funding Source	Not to Exceed
Title V Application Fees	\$50,135
Title V Emissions Fees	\$578,215
PSD Application Fees	\$20,751
CAA §105 federal grant dollars	\$123,150
CAA §103 federal grant dollars	\$17,500

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

Contract Background:

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

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

In addition, Linn County has agreed to a funding commitment of \$430,179 from local funding sources.

Contract Purpose:

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

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

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

In 2016, 567 IAC Chapter 30 established fee rules and required the establishment of a fee structure by the DNR. As in SFY 2024, applicants of Title V and Prevention of Significant Deterioration (PSD) permits will be billed by the DNR at the rate established in the DNR fee schedule and Linn County will then be reimbursed by the DNR for their work on the project. Linn County has implemented their own fee structure for major (non-PSD) and minor source construction permit applications; these fees are used by Linn County to assist with their required funding commitment.

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

SFY 2024 Contract Terms:

Dates: July 1, 2023 to June 30, 2024

Amount: \$824,299

Amendment(s): No amendments

SFY 2023 Contract Terms:

Dates: July 1, 2022 to June 30, 2023

Amount: \$1,020,425

Amendment(s): No amendments

SFY 2022 Contract Terms:

Dates: July 1, 2021 to June 30, 2022

Amount: \$806,747

Amendment(s): No amendments

SFY 2021 Contract Terms:

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

Amount: \$804,363

Amendment(s): No amendments

SFY 2020 Contract Terms:

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

Amount: \$777,515

Amendment(s): No amendments

The pass-through amounts for the CAA §103 and 105 federal grant dollars are status quo from the previous fiscal year. The decrease from SFY 2024 in the total amount of the pass through is due to Linn County determining that more local funding would be available in 2025, which allowed Linn County to request a lesser amount in Title V Emissions Fee funding.

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

Christine Paulson, Environmental Specialist Senior, Air Quality Bureau

Environmental Services Division

June 18, 2024

Attachment A: Linn County 2025 Summary of Obligations

The following is a summary of the obligations the Local Program shall complete to meet tasks identified in the 2025 Contract.

Obligation	Reference	Task Milestone Dates
General Provisions		
Personnel Commitment	5A.1(1)	Ongoing
Key Personnel	5A.1(2)	Ongoing
Training	5A.1(3)	Ongoing
Program Activity Summary	5A.1(4)(a)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Training Summary	5A.1(4)(b)	Annually: July 31, 2025
Personnel Changes	5A.1(5)(a)	10 days from effective date
New Personnel Report	5A.1(5)(b)	10 days from start date
Fiscal Reporting	5A.2	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Convene Fee Advisory Group(s)	5A.3(1)	As scheduled by Linn in February or March 2025
Proposed Budget	5A.3(1)	January 15, 2025
Personnel Plan	5A.3(2)	January 15, 2025
Initial Agreement Review	5A.3(3)	March 31, 2025
Final Agreement Review	5A.3(4)	April 30, 2025
Website – Review & Update As Needed	5A.4(1)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Routine Rule Revision	5A.5	As agreed upon by parties
MBE/WBE	5A.6	Annually: October 31, 2024
Intergovernmental Cooperation	5A.7(1)-(11)	As requested & agreed upon by parties
Attend Fee Advisory Groups	5A.7(8)	As scheduled by DNR
Construction Permitting Provisions		
Source Review	5B.1(1)	Ongoing
Permit Issuance	5B.1(2)	Ongoing
Draft Permit Review	5B.1(3)	Prior to Issuance
Permit Transfer	5B.1(4)	Upon Receipt
Permit/Modeling Procedure Utilization	5B.2	Ongoing
PSD Activities	5B.3	Ongoing
Proposed Final PSD permit	5B.3(1)	180 days after final application receipt
Pre-Application Protocol	5B.4	Ongoing
Receipt of 80% PSD pre-application	5B.4(1)(a)	2 weeks prior to pre-meeting
Copy of PSD pre-application to DNR & EPA	5B.4.(1)(b)	10 days prior to pre-meeting or after receipt of 100% application
Review Pre-Application Materials	5B.4(2)	Ongoing
PSD Application Review	5B.5	Ongoing
Denial of Permit Application	5B.5(1)(b)	As soon as possible
Prepare Draft PSD Permit	5B.6	Ongoing
Fact Sheet	5B.6(2)	Ongoing
Electronic Copy of Draft PSD permit	5B.6(3)	Prior to facility review
Permit Review by EPA	5B.7(1)	10 days prior to public comment
Public Notice & Participation	5B.7(2)	Ongoing
Changes to Draft Permit	5B.8(1)	Ongoing
Proposed Final PSD to DNR	5B.8(2)	Ongoing
Response to Comment	5B.8(4)(a)	Ongoing
BACT Data	5B.8(4)(b)	Within 30 days after permit issuance
Final PSD Permit to EPA	5B.8(4)(c)	After DNR Issuance

Obligation	Reference	Task Milestone Dates
Construction Permitting Provisions (cont'd)		
PSD Permit Modifications	5B.8(9)	Ongoing
Excel Report	5B.10	Semi-Annual: January 31, 2025, and July 31, 2025
Title V Permitting Provisions		
Three (3) Initial/Renewal permits	5C.1(1)	June 30, 2025
Issuance Schedule for Next Agreement Period	5C.1(1)(a)	May 15, 2025
Completeness Determination	5C.2(1)	60 days after receipt
Application Processing	5C.2(2)	Ongoing
Denial of Permit Application	5C.2(2)(b)	As soon as possible
Permit Drafting Procedures	5C.3	Ongoing
Fact Sheet	5C.3(2)	Ongoing
Draft Permit Review	5C.3(3)	Prior to Facility Review
Permit Review by EPA	5C.4(1)	Start of Public Comment Period
Affected States Review	5C.4(2)	Start of Public Notice
Public Notice & Participation	5C.4(3)	Ongoing
Response to Comments	5C.4(3)(e)	Ongoing
Changes to Draft Permit	5C.5(1)	Ongoing
Proposed Final Title V to DNR	5C.5(2)	Ongoing
Final Title V Permit to EPA	5C.5(3)	Within 30 days of DNR Issuance
Title V Renewals	5C.6	Ongoing
Reopening Issues Title V Permits	5C.7	Ongoing
Permit Changes	5C.8	Ongoing
Status Reports	5C.9	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Compliance Provisions		
Compliance Activities	5D.1	Ongoing
Notice of Violation	5D.1(2)(a)-(b)	Within 60 days
Electronic Compliance Schedules	5D.1(3)	Ongoing
Minimum 1 Joint Stack Test	5D.2	June 28, 2025
Inspection Schedule	5D.3(1)	Ongoing
Joint Inspection Documents	5D.3(2)	Provided prior to each inspection
Joint Inspection Report	5D.3(2)	30 days following each
Variances	5D.4	Ongoing
Training Fire Permits	5D.4(2)	DNR copied at time of issuance
CMS Plan	5D.5(1)	September 3, 2024
ICIS Reporting	5D.5(2)	15 days following reported month
Summary of Facility Actions	5D.5(2)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Compliance Quarterly Report	5D.5(3)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Emission Test Results	5D.6	Report to EPA (ICIS)
Ambient Air Monitoring Provisions		
Existing Network Operations	Table 2	Ongoing
Network Modifications	Table 3	Network changes will be addressed in a separate contract.
Unscheduled Network Modifications	5E.1(1)(a)	Upon Request
Final Equipment List	5E.1(2)(a)	July 15, 2024
Vendor Training Selection	5E.1(3)(a)	July 15, 2024
Monitoring Sites	5E.1(3)	Ongoing
Daily Polling	5E.1(4)	Ongoing
High Concentration Reports	5E.1(5)	Ongoing

Obligation	Reference	Task Milestone Dates
Ambient Air Monitoring Provisions (cont'd)		
Quality System Implementation	5E.2(1)	Ongoing
Revised QA Documents	5E.2(2)	Within 40 working days
SO ₂ or PSD Sites	5E.2(3)	Within 30 days of request
Annual Network/Quality Assurance Review	5E.2(5)	March 15, 2025
Training & Safety Plan	5E.3(1)	Ongoing
Coordination Meetings	5E.3(2)	Quarterly as scheduled
Equipment Inventory List	5E.3(3)	7 days after request
List of equipment to maintain & operate existing network	5E.3(4)(a)(1)	January 15, 2025
Equipment Replacement Schedule	5E.3(4)(a)(2)	January 15, 2025
List equipment to expand network (next Agreement), or written notice to DNR that no network expansion is planned.	5E.3(4)(b)	March 14, 2025
Network Modifications	5E.3(5)	Ongoing
Data Validation	5E.4(1)	Ongoing
Site Setup & Closure	5E.4(2)	Ongoing
AQS/PARS Data Submission	5E.4(3)	15 days following reported month
Data Screening	5E.4(4)	Ongoing
Monthly AQS Recordkeeping Requirements	5E.4(5)(a)	Monthly
Quarterly AQS Recordkeeping Requirements	5E.4(5)(b)	Quarterly
Real-time Monitoring	5E.4(6)	Ongoing
Toxics Monitoring	5E.4(7)	Ongoing
Exceedance Report	5E5(1)	Immediate
Weekly Network Status Report	5E.5(2)	Weekly – 1 st working day
Monthly Continuous Monitor Report	5E.5(3)	15 working days following reported month
Monthly Report: SHL-PM FRM Monthly Report: SHL-Air Toxics Monthly Report: SHL-Speciation	5E.5(4)	20 working days after receipt from outside contractor
Monthly Equipment Procurement Report	5E.5(5)	15 working days following reported month
Quarterly Monitoring Report (Continuous & Non-Continuous)	5E.5(6)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Computer audit (security & adequacy of backup)	5E.6(2)	September 3, 2024
Monitoring and Review		
Reporting Provisions	6.3	Ongoing
Compensation		
Invoice Submission	7.5	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Unmet Obligations	7.5(2)	With Quarterly Invoices as Needed
Billable Hour Documentation	7.5(2)(b)	With Quarterly Invoice as Needed

Attachment B: Linn 2025 Programmatic Budget

Program		Funding Source									
Activity	FTE	Total	County Annual Fee	County General Fund	County Minor CP App Fee	County Major (non-PSD) CP App Fee	103	105	Title V EI Fee	PSD App Fee	Title V App Fee
TV Operating Permitting Personnel	0.40	\$50,135									\$50,135
Major Source Con Perm Personnel	0.99	\$118,444				\$118,444					
PSD Permitting Personnel	0.17	\$20,751								\$20,751	
Minor Source Con Perm Personnel	1.04	\$120,730	\$39,047	\$30,634	\$24,320			\$26,729			
Program Development & Management	1.17	\$132,476		\$21,043					\$111,433		
Compliance - Major	0.90	\$107,945	\$13,288	\$0					\$94,657		
Compliance - Minor	1.35	\$161,910	\$48,550	\$38,068				\$75,292			
Ambient Air Monitoring	3.18	\$379,256	\$8,684	\$9,933			\$14,551	\$15,568	\$330,520		
Personnel Subtotal	9.20	\$1,091,646	\$109,569	\$99,678	\$24,320	\$118,444	\$14,551	\$117,589	\$536,610	\$20,751	\$50,135
Travel/Training - Direct Expense		\$20,000	\$2,475	\$11,594	\$201	\$2,600	\$253	\$564	\$2,313		
Other		\$18,911	\$1,491	\$11,929	\$331	\$1,542	\$229	\$674	\$2,716		
Supplies		\$9,823	\$774	\$6,002	\$172	\$801	\$119	\$350	\$1,605		
One Time Allocation											
AAM: Engineering & Scientific Equipment		\$15,000	\$343	\$10,230			\$576	\$779	\$3,072		
AAM: Repair & Maintenance of Equipment		\$24,050	\$551	\$15,958			\$334	\$1,248	\$5,960		
AAM: Lab Supplies		\$21,000	\$481	\$322			\$806	\$1,090	\$18,301		
AAM: Monitoring Site Lease		\$5,500	\$126	\$826			\$211	\$286	\$4,051		
AAM: Monitoring Utilities		\$11,000	\$252	\$9,169			\$422	\$571	\$586		
AAM: Vendor Training		\$3,000	\$0	\$0				\$0	\$3,000		
Direct Expense Subtotal		\$128,284	\$6,492	\$66,029	\$705	\$4,942	\$2,949	\$5,561	\$41,605		
Total Linn County Budget	9.20	\$1,219,930	\$116,061	\$165,707	\$25,025	\$123,386	\$17,500	\$123,150	\$578,215	\$20,751	\$50,135

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

ITEM #7

DECISION

Contract with POLK COUNTY**Recommendation:**

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

Contract Terms:

Amount: Not to exceed \$995,620

Dates: July 1, 2024, to June 30, 2025

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

Funding Source	Not to Exceed
Title V Application Fees	\$152,219
Title V Emissions Fees	\$659,209
CAA §105 federal grant dollars	\$164,192
CAA §103 federal grant dollars	\$20,000

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

Contract Background:

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

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

In addition, Polk County has agreed to a funding commitment of \$500,247 from local funding sources.

Contract Purpose:

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

Selection Process Summary:

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

Contract History:

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

In 2016, 567 IAC Chapter 30 established fee rules and required the establishment of a fee structure by the DNR. As in SFY 2024, applicants of Title V permits will be billed by the DNR at the rate established in the DNR fee schedule and Polk County will then be reimbursed by the DNR for their work on the project. Polk County has implemented their own fee structure for major and minor source construction permit applications; these fees are used by Polk County to assist with their required funding commitment.

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

SFY 2024 Contract Terms:

Dates: July 1, 2023 to June 30, 2024

Amount: \$981,684

Amendment(s): No amendments

SFY 2023 Contract Terms:

Dates: July 1, 2022 to June 30, 2023

Amount: \$1,085,270

Amendment(s): No amendments

SFY 2022 Contract Terms:

Dates: July 1, 2021 to June 30, 2022

Amount: \$993,334

Amendment(s): No amendments

SFY 2021 Contract Terms:

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

Amount: \$895,752

Amendment(s): No amendments

SFY 2020 Contract Terms:

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

Amount: \$876,511

Amendment(s): No amendments

The pass-through amounts for the CAA §103 and 105 federal grant dollars and the Title V Emissions Fees are status quo from the previous fiscal year. The small increase from SFY 2024 in the total amount of the pass through is due to a projected increase in the amount of billable hours work associated with processing renewals of Title V permits.

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

Christine Paulson, Environmental Specialist Senior, Air Quality Bureau
Environmental Services Division
June 18, 2024

Attachment A: Polk County 2025 Summary of Obligations

The following is a summary of the obligations the Local Program shall complete to meet tasks identified in the 2025 Contract.

Obligation	Reference	Task Milestone Dates
General Provisions		
Personnel Commitment	5A.1(1)	Ongoing
Key Personnel	5A.1(2)	Ongoing
Training	5A.1(3)	Ongoing
Program Activity Summary	5A.1(4)(a)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Training Summary	5A.1(4)(b)	Annually: July 31, 2025
Personnel Changes	5A.1(5)(a)	10 days from effective date
New Personnel Report	5A.1(5)(b)	10 days from start date
Fiscal Reporting	5A.2	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Seek Board Approval to Convene Fee Groups	5A.3(1)	October 1, 2024
Convene Fee Advisory Groups	5A.3(1)	Prior to January 15, 2025 (or as scheduled by the Local Program in February or March 2025)
Proposed Budget	5A.3(1)	January 15, 2025
Personnel Plan	5A.3(2)	January 15, 2025
Initial Agreement Review	5A.3(3)	March 31, 2025
Final Agreement Review	5A.3(4)	April 30, 2025
Website – Review & Update As Needed	5A.4(1)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Rule Revision	5A.5	As agreed upon by parties
MBE/WBE	5A.6	Annually: October 31, 2024
Intergovernmental Cooperation	5A.7(1)-(11)	As specified in the Agreement and as requested & agreed upon by parties
Attend Fee Advisory Groups	5A.7(8)	As scheduled by DNR
Construction Permitting Provisions		
Source Review	5B.1(1)	Ongoing
Permit Issuance	5B.1(2)	Ongoing
Draft Permit Review	5B.1(3)	Prior to Issuance
Permit Transfer	5B.1(4)	Upon Receipt
Permit Referrals	5B.1(5)	Upon Receipt
Permit Coordination	5B.1(6)	Ongoing
Regulatory Determination	5B.1(6)(d)	Prior to Final Determination
Pre-Application Meeting	5B.1(6)(e)	As scheduled by DNR
Permit Issuance	5B.1(6)(f)	After DNR Issuance of Permit
Permit/Modeling Procedure Utilization	5B.2	Ongoing
Excel Report	5B.3	Semi-Annual: January 31, 2025 and July 31, 2025
Title V Permitting Provisions		
Three (3) initial/renewal permits	5C.1(1)	June 30, 2025

Obligation	Reference	Task Milestone Dates
Title V Permitting Provisions (con't)		
Issuance Schedule	5C.1(2)(a)	May 15, 2025
Completeness Determination	5C.2(1)	60 days after receipt
Denial of Permit Application	5C.2(2)(b)	As soon as possible
Application Processing	5C.2(2)	Ongoing
Permit Drafting Procedures	5C.3	Ongoing
Fact Sheet	5C.3(2)	Ongoing
Draft Permit Review	5C.3(3)	Prior to Facility Review
Permit Review by EPA	5C.4(1)	Start of Public Comment Period
Public Notice & Participation	5C.4(2)	Ongoing
Response to Comments	5C.4(2)(e)	Ongoing
Changes to Draft Permit	5C.5(1)	Ongoing
Proposed Final Title V to DNR	5C.5(2)	Ongoing
Final Title V Permit to EPA	5C.5(3)	Within 30 days DNR Issuance
Title V Renewals	5C.6	Ongoing
Reopening Issued Title V	5C.7	Ongoing
Permit Changes	5C.8	Ongoing
Status Reports	5C.9	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Compliance Provisions		
Compliance Activities	5D.1	Ongoing
Notice of Violation	5D.1(2)(a)-(b)	Within 60 days
Electronic Compliance Schedules	5D.1(3)	Ongoing
Minimum 1 Joint Stack Test	5D.2	June 30, 2025
Inspection Schedule	5D.3(1)	Ongoing
Joint Inspection Documents	5D.3(2)	Provided prior to each inspection
Joint Inspection Report	5D.3(2)	30 days following each
Variances	5D.4	Ongoing
Burn Permits	5D.4(1)	DNR copy at time of issuance
Training Fire Permits	5D.4(2)	DNR copy at time of issuance
CMS Plan	5D.5(1)	September 3, 2024
ICIS Reporting	5D.5(2)	15 days following reported month
Summary of Facility Actions	5D.5(2)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Compliance Quarterly Report	5D.5(3)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Emission Test Results	5D.6	Report to EPA (ICIS)
Ambient Air Monitoring Provisions		
Existing Network Operations	Table 2	Ongoing
Network Modifications	Table 3	See Table 3 and specific obligations listed below.
Discontinue NO _x monitor at Public Health	5E.1 Table 3	July 1, 2024
Add PM _{2.5} BAM 1022 FEM monitor to Public Works	5E.1 Table 3	January 1, 2025
Unscheduled Network Modifications	5E.1(1)(a)	Upon Request
Final Equipment List	5E.1(2)(a)	July 15, 2024

Obligation	Reference	Task Milestone Dates
Ambient Air Monitoring Provisions (con't)		
Vendor Training Selection	5E.1(3)	July 15, 2024
Monitoring Sites	5E.1(4)	Ongoing
Daily Polling	5E.1(5)	Ongoing
Real-time Monitoring	5E.1(6)	Ongoing
Real-time Monitoring	5E.1(6)	Ongoing
High Concentration Reports	5E.1(6)	Ongoing
Quality System Implementation	5E.2(1)	Ongoing
Revised QA Documents	5E.2(2)	Within 40 working days
PSD Sites	5E.2(3)	Within 30 days of request
Annual Network/Quality Assurance Review	5E.2(5)	March 15, 2025
QA FTE Commitment	5E.2(6)	Ongoing
Coordination Meetings	5E.3(2)	Quarterly as scheduled
Equipment Inventory List	5E.3(3)	7 days after request
List of equipment to maintain & operate existing network	5E.3(4)(a)(1)	January 15, 2025
Equipment Replacement Schedule	5E.3(4)(a)(2)	January 15, 2025
List equipment to expand network (next Agreement), or provide a written notice that no network expansions are planned.	5E.3(4)(b)	March 14, 2025
Network Modifications	5E.3(5)	Ongoing
Data Validation	5E.4(1)	Ongoing
Site Setup & Closure	5E.4(2)	Ongoing
AQS/PARS Data Submission	5E.4(3)	15 days following reported month
Data Screening	5E.4(4)	Ongoing
Monthly AQS Recordkeeping Requirements	5E.4(5)(a)	Monthly
Quarterly AQS Recordkeeping Requirements	5E.4(5)(b)	Quarterly
Toxics Monitoring	5E.4(6)	Ongoing
Exceedance Report	5E.5(1)	Immediate
Weekly Network Status Report	5E.5(2)	Weekly – 1 st working day
Monthly Continuous Monitor Report	5E.5(3)	15 working days following reported month
Monthly Report: SHL-PM FRM Monthly Report: SHL-Air Toxics	5E.5(4)	20 days after receipt from outside contractor
Monthly Equipment Procurement Report	5E.5(5)	15 days following reported month
Quarterly Monitoring Report (Continuous)	5E.5(6)	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Computer audit (security and adequacy of backup)	5E.6(1)	September 3, 2024
Monitoring and Review		
Reporting Provisions	6.3	Ongoing
Compensation		
Invoice Submission	7.5	Quarterly: October 31, 2024; January 31, 2025; April 30, 2025; and July 31, 2025
Unmet Obligations	7.5(2)(a)	With Quarterly Invoice as Needed
Billable Hour Documentation	7.5(2)(b)	With Quarterly Invoice as Needed

Attachment B: Polk 2025 Programmatic Budget

Program		Funding Source								
Activity	FTE	Total	County Annual Fee	County General Fund	County Minor CP App Fee	County Major (non-PSD) CP App Fee	103	105	Title V EI Fee	Title V App Fee
TV Operating Permitting Personnel	0.93	\$146,057								\$146,057
Major Source Con Perm Personnel	0.43	\$66,386				\$66,386				
Minor Source Con Perm Personnel	1.52	\$222,574	\$146,899		\$75,675					
Program Development & Management	1.81	\$251,609	\$15,968					\$68,865	\$166,776	
Compliance - Major	0.68	\$109,260	\$10,926						\$98,334	
Compliance - Minor	0.65	\$73,906	\$4,519					\$69,386		
Local Program Permits	0.75	\$115,048	\$115,048							
Ambient Air Monitoring	3.23	\$386,627	\$29,984				\$20,000	\$12,760	\$323,883	
Indirect Costs		\$25,000	\$4,928		\$1,379	\$1,210		\$2,180	\$12,640	\$2,662
Personnel Subtotal	10.00	\$1,396,467	\$328,272	\$0	\$77,055	\$67,596	\$20,000	\$153,191	\$601,633	\$148,719
Travel/Training - Direct Expense		\$7,100	\$1,233		\$272	\$300		\$666	\$4,129	\$500
Supplies		\$9,400	\$1,573		\$340	\$400		\$876	\$5,210	\$1,000
Other		\$18,400	\$3,395	\$0	\$850	\$900		\$1,718	\$9,537	\$2,000
AAM: Engineering & Scientific Equipment		\$18,000	\$5,040					\$2,160	\$10,800	
AAM: Repair & Maintenance of Equipment		\$19,925	\$5,579					\$2,391	\$11,955	
AAM Data Processing Equipment		\$14,075	\$3,941					\$1,689	\$8,445	
AAM: Lab Supplies		\$5,000	\$1,400					\$600	\$3,000	
AAM: Monitoring Site Needs/Monitoring Utilities		\$2,500	\$700					\$300	\$1,500	
AAM: Vendor Training		\$5,000	\$1,400					\$600	\$3,000	
Direct Expense Subtotal		\$99,400	\$24,262	\$0	\$1,462	\$1,600	\$0	\$11,000	\$57,576	\$3,500
Total Polk County Budget	10.00	\$1,495,867	\$352,534	\$0	\$78,517	\$69,196	\$20,000	\$164,192	\$659,209	\$152,219

Iowa Department of Natural Resources
Environmental Protection Commission

ITEM #8

DECISION

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

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

Contract Terms:

Amount: Not to exceed \$230,090

Dates: July 1, 2024, to June 30, 2025

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

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

Contract Background:

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

Contract Purpose:

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

Contractor Selection Process:

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

Contract History:

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

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

SFY 2024 Contract Terms:

Dates: July 1, 2023 to June 30, 2024

Amount: \$230,090

Amendment(s): No amendments

SFY 2023 Contract Terms:

Dates: July 1, 2022 to June 30, 2023

Amount: \$230,090

Amendment(s): No amendments

SFY 2022 Contract Terms:

Dates: July 1, 2021 to June 30, 2022

Amount: \$204,076

Amendment(s): No amendments

SFY 2021 Contract Terms:

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

Amount: \$200,926

Amendment(s): No amendments

SFY 2020 Contract Terms:

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

Amount: \$153,804

Amendment(s): No amendments

As in the 2024 Contract, the 2025 Contract funding amount remains status quo and maintains the funding for the additional 0.70 FTE. This accounts for the increased effort related to continued Iowa Easy Air assistance, SLEIS assistance and outreach to grain elevator and feed mill industries; Grain PTE and Paint Tracker enhancements; and education, program outreach and reference material updates that will be required related to federal air toxics standards and other revised federal regulations.

More detail on anticipated activities is included in UNI's IAEAP 2025 Work Plan (see **Attachment C**). DNR will again evaluate the need to fund all or part of the additional FTE allocation over 2020 levels (0.70 FTE) when developing the 2026 Contract.

Christine Paulson, Environmental Specialist Senior, Air Quality Bureau
Environmental Services Division
June 18, 2024

Appendix A - Summary of Obligations

The following is a summary of the obligations UNI shall complete to meet tasks identified in this Contract. If tasks in Appendix A and the Special Conditions are inconsistent, then the language of the Special Conditions shall take precedence.

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

Obligation	Reference	Task Milestone Date
July Monthly Report	6.3(1)	August 15, 2024
MSEI Planning Meeting	5B.7	September 16, 2024
July Invoice	7.4	September 16, 2024
August Monthly Report	6.3(1)	September 16, 2024
August Invoice	7.4	October 15 2024
September Monthly Report	6.3(1)	October 15, 2024
Draft MSEI Training Proposal	5B.7	November 1, 2024
September Invoice	7.4	November 15, 2024
October Monthly Report	6.3(1)	November 15, 2024
Update or supplement the Online 2024-2025 Dry Cleaning and Gasoline Bulk Plant Compliance Assistance Calendars	5B.6(4)c	As needed and as agreed upon in writing by DNR and UNI)
October Invoice	7.4	December 16, 2024
November Monthly Report	6.3(1)	December 16, 2024
November Invoice	7.4	January 15, 2025
December Monthly Report	6.3(1)	January 15, 2025
Work Plan & Staffing Plan	5A.3(1)	January 31, 2025
Budget	5A.3(2)	January 31, 2025
Final Draft MSEI Training Proposal	5B.7	January 31, 2025
December Invoice	7.4	February 17, 2025
January Monthly Report	6.3(1)	February 17, 2025
January Invoice	7.4	March 17, 2025
February Monthly Report	6.3(1)	March 17, 2025
Initial Contract Review	5A.3(3)	April 15 2025
February Invoice	7.4	April 15, 2025
March Monthly Report	6.3(1)	April 15, 2025
MSEI Training Completed	5B.7	May 1, 2025
SLEIS Primary Assistance	5B.7	May 15, 2025
March Invoice	7.4	May 15, 2025
April Monthly Report	6.3(1)	May 15, 2025
Final Contract Review	5A.3(4)	May 19, 2025
April Invoice	7.4	June 16, 2025
May Monthly Report	6.3(1)	June 16, 2025
May Invoice	7.4	July 15, 2025
June Monthly Report	6.3(1)	July 15, 2025
Final Report	6.3(3)	July 31, 2025
Final/June Invoice	7.4	July 31, 2025

Attachment B (UNI IAEAP 2025 Budget)

EXPENDITURE CATEGORY	OVERALL TOTAL
Personnel/Benefits (Total) – Not to Exceed	\$210,382
Personnel (FTE)	\$148,261
Benefits (FTE)	\$62,121
Travel/Training (Total)	\$2664
Out of State	\$864
In State	\$1,800
Indirect charges	\$17,044
Total Project Costs – Not to Exceed	\$230,090

Attachment C (UNI's 2025 Work Plan for IAEAP activities)

Iowa Air Emissions Assistance Program Iowa Waste Reduction Center, University of Northern Iowa Work Plan for FY24 (July 1, 2024 - June 30, 2025)

Introduction

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

Contract Number 24ESDAQBCPAUL-0003 between the Iowa Department of Natural Resources (DNR) and the University of Northern Iowa establishes the current IAEAP operation parameters. This work plan, covering the period July 1, 2024 to June 30, 2025, is submitted to the Iowa DNR to fulfill the requirements of the agreement. The Work Plan shall be used as the blueprint for activities during that time period.

Program Elements

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

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

Individual Program Elements

The IAEAP work plan for FY25 shall include the following activities:

1. Information Dissemination and Data Management
 - **Electronic newsletter:** The IWRC electronic newsletter is utilized for articles and information dissemination on air quality related issues. The newsletter shall be one of the primary tools for reaching businesses during FY24. As of January 2024, there are 1089 subscribers to the IWRC newsletter.
 - **Social Media:** The IWRC's social media accounts including Facebook and LinkedIn will also be used to disseminate relevant air quality related information to Iowa small businesses.
 - **Website:** The IAEAP webpages can be accessed through the IWRC general website at www.iwrc.uni.edu. Included within the IAEAP webpages are permitting, recordkeeping and reporting (MSEI) information. Also included are industry specific NESHAP information, regulatory summaries, vendor lists, recordkeeping and compliance tools, links to Paint Tracker and GrainPTE, minor source emissions inventory resources, publications developed over the years, and contact information. During FY25 the IAEAP will review website content and update when and where necessary. The entire IWRC website will be overhauled and updated including the IAEAP pages prior to the start of FY25.
 - **Email lists:** The IAEAP maintains lists of e-mails for businesses in industries that are impacted by specific air quality regulations. This enables staff to be able to distribute information quickly and directly to targeted facilities.
 - **Trade/industry presentations:** The IAEAP staff will be available, as requested, to provide presentations for trade associations, industry groups, or other entities that represent broad sectors of small businesses in Iowa. The IAEAP will also be available to present on the program and air quality related topics to young professionals, as requested.

- The IAEAP staff will document all detailed (in-depth assistance involves more than one hour of staff time with a client) and brief assistance (provided over the phone or email involving less than one hour of staff time) provided to Iowa small businesses.

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

Facilities in the DNR's field offices 1 and 6 (eastern Iowa) will be required to complete the minor source emissions inventory (MSEI) in FY25. The IAEAP will provide training and assistance to small businesses required to complete the 2024 emissions inventory as detailed in the training proposal developed by the IAEAP and the DNR emissions inventory staff. The IAEAP is anticipating an increase in assistance requests compared to FY24 as the total number of businesses required to submit inventories in eastern Iowa is much higher than western Iowa.

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

The IAEAP will continue to provide SLEIS related assistance during FY25 both to businesses, as well as to the DNR. At the request of the business, the IAEAP will be available to answer questions and support facilities in entering emissions inventory data and submitting their inventories in SLEIS. The IAEAP will also assist the DNR as requested with, including but not limited to training, support, data entry and providing technical assistance to users.

With the proposed significant changes to the federal Air Emissions Report Rule (AERR), the IAEAP will remain aware and educated on final rule changes. The IAEAP will work with the Iowa DNR to help educate, inform and guide small businesses on any impacts or changes that will need to be made to the emissions inventory process.

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

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

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

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

4. On-Site Visits

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

5. EPA Area Source NESHAP Rule Assistance

The IAEAP will continue to offer assistance to Iowa small businesses impacted by new, modified, or existing Environmental Protection Agency (EPA) area source National Emissions Standards for Hazardous Air Pollutants (NESHAP) regulations. This assistance may include answering small businesses' questions, on-site visits to assist in developing compliance strategies for the business or ensuring compliance, and the development of educational materials as requested by the DNR.

Assistance to auto body shops subject to the recent new requirements of the 6H NESHAP will also continue during FY25. The IAEAP will also work with the DNR to generate a list of facilities subject to the 6X NESHAP. This list will be used to complete an outreach to these facilities reminding them of the annual notification requirement that must be submitted by January 31st.

NESHAP or industry specific outreach will be completed as time allows and as agreed upon between the IAEAP and the Iowa DNR. This may include broad based outreach to perc dry cleaners and/or bulk gasoline plants as needed based on the outcome of recent EPA technology reviews of the corresponding NESHAPs.

6. Grain Elevator Assistance

The IAEAP will continue to provide support for the GrainPTE program as well as to the grain elevator industry. We will continue to contact grain elevators on an annual basis via email sent in January reminding them of the requirement to calculate their PM10 PTE by January 31st. The IAEAP will also continue to provide support for the GrainPTE program.

Additional assistance or outreach to grain elevators will be completed as agreed upon by the DNR and the IAEAP.

7. Feed Mill Assistance

The IAEAP will continue to provide direct assistance to the feed mill industry as requested by the facility or through referrals from the DNR air quality bureau or field office staff. We will also continue to email the feed mill industry annually to remind them of recordkeeping and permitting requirements in addition to 7D NESHAP applicability.

Additional outreach to feed mills will be completed as agreed upon by the DNR and the IAEAP.

8. GrainPTE and Paint Tracker

In FY25 the IAEAP will create tutorials on how to use the GrainPTE and Paint Tracker programs. The tutorials will address creating accounts, data entry within each program, as well as reporting features. They will be pre-recorded and housed on our website. The tutorials can be used to train industry users as well as new DNR and IAEAP staff.

The IAEAP will continue to meet with the DNR on a regular basis to discuss the elements of the work plan and other topics as necessary as well as to determine the priorities for outreach and training during FY25.

Budget and Allocation of Resources

The proposed IAEAP budget for FY25 is \$230,090, which is the same as the current FY24 budget. The 1.95 FTE includes a 0.7 FTE increase over the base 1.25 FTE to account for the increased effort related to continued Iowa Easy Air and SLEIS assistance; development of Paint Tracker and GrainPTE tutorials; program outreach and reference material updates that will be required related to updated NESHAP and AERR regulations. A detailed breakdown of the budget is included in Attachment A. A personnel plan for a 1.95 full-time staff equivalent is included in Attachment B.

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

ITEM

#9

DECISION

TOPIC

**Contract with University of Iowa on behalf of the State Hygienic Laboratory:
2025 SHL Services in Support of the DNR Air Quality Bureau**

Recommendations:

Commission approval is requested for a one-year service Contract with the University of Iowa on behalf of the State Hygienic Laboratory. The Contract will begin on July 1, 2024, and terminate on June 30, 2025. The total amount of this Contract shall not exceed \$1,839,136.

Funding Source:

Funding for this Contract is provided through emission fees from the Title V air contaminant fund (\$856,089), Clean Air Act section 103 federal grant funds (\$468,103), State Environment First funds (\$364,944), Clean Air Act section 105 federal grant funds (\$140,000), and asbestos fund (\$10,000).

Background:

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

Purpose:

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

Contractor Selection Process:

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

Contract History:

DNR has contracted with the University of Iowa for ambient air monitoring services for over thirty years. This Contract represents ongoing services provided by SHL to the DNR Air Quality Bureau and is renegotiated annually. The SFY24 contract total was \$1,836,088.

Brian Hutchins
Program Supervisor
Air Quality Bureau, Environmental Services Division
June 18, 2024

SECTION 5 STATEMENT OF WORK

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

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

Task	Variable Payment Agreement Estimate	Task Milestone Date	Invoice Due No Later Than:
Task 1: Ambient Monitoring Network-Staff	\$1,226,311	See App. D	See 7.3.2
Task 2: Ambient Monitoring Network-Supplies	\$300,000	App. D	7.3.2
Task 3: Capital Equipment	\$70,000	App. D	7.3.2
Task 4: Vehicles	\$30,000	App. D	7.3.2
Task 5: Training	\$10,000	App. D	7.3.2
Task 6: Air Toxics Analysis	\$24,000	App. D	7.3.2
Task 7: Lead Analysis	\$0	App. D	7.3.2
Task 8: Asbestos Analysis	\$10,000	App. D	7.3.2
Task 9: Filter Collection	\$40,000	App. D	7.3.2
Facilities and Administrative Costs @ 8% with the exception of vehicles and capital equipment (equipment exceeding \$5,000) (Tasks 3 and 4).	\$128,825	-	-
Total Not to exceed:	\$1,839,136	-	-

APPENDICES

APPENDIX A EXISTING AMBIENT AIR MONITORING NETWORK (7/1/24)

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

AQ5 ID	Site	Parameter	Sampling Frequency
191390019	Muscatine-Muscatine HS E. Campus Trailer	PM2.5 BAM - Primary PM2.5 BAM - Secondary SO2 MET*	Continuous Continuous Continuous Continuous
191390020	Muscatine-Musser Park	PM2.5 (FRM) Toxics (TO-11A) SO2 MET	Every 3 rd Day Every 6 th Day Inside Ozone Season, Every 12 th Day Outside Ozone Season Continuous Continuous
191471002	Emmetsburg-Iowa Lakes Community College	PM2.5 (FRM) PM2.5 BAM - Primary PM2.5 BAM - Secondary PurpleAir - Primary PurpleAir - Secondary Ozone - Primary Ozone - Secondary MET*	Every 3 rd Day Continuous Continuous Continuous Continuous Continuous Continuous Continuous
191550009	Council Bluffs-Franklin School	PM2.5 (FRM) - Primary PM2.5 (FRM) - Secondary PurpleAir - Primary PurpleAir - Secondary	Every 3 rd Day Every 6 th Day Continuous Continuous
191550011	Council Bluffs-Griffin Pipe	Lead -TSP (FRM) - Primary Lead-TSP (FRM) - Secondary	Every 6 th Day Every 6 th Day
191630014	Scott County Park	Ozone - Primary Ozone - Secondary MET	Continuous Continuous Continuous
191630015	Davenport-Jefferson School	PM2.5 (FRM) - Primary PM2.5 (FRM) - Secondary PM10 (FRM) - Primary PM10 (FRM) - Secondary PM2.5 Speciation Toxics (TO-11A) Ozone - Primary Ozone - Secondary SO2 CO NO2 PM2.5 T640 - Primary PM2.5 T640 - Secondary PurpleAir - Primary PurpleAir - Secondary MET**	Daily Every 6 th Day Every 3 rd Day Every 6 th Day Every 3 rd Day Every 6 th Day Inside Ozone Season, Every 12 th Day Outside Ozone Season Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous
191630017	Buffalo-Linwood Mining	PM10 (FRM) PM10 BAM - Primary PM10 BAM - Secondary MET*	Daily Continuous Continuous Continuous
191630020	Davenport-Hayes Elementary	PM2.5 (FRM) PurpleAir - Primary PurpleAir - Secondary	Every 3 rd Day Continuous Continuous

AQS ID	Site	Parameter	Sampling Frequency
191770006	Lake Sugema	PM2.5 (FRM) PM10 (FRM) PM2.5 BAM - Primary PM2.5 BAM - Secondary PurpleAir - Primary PurpleAir - Secondary Ozone - Primary Ozone - Secondary SO2 NO2 MET**	Every 3 rd Day Every 3 rd Day Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous Continuous
191930021	Sioux City-Irving School	PM2.5 (FRM) PurpleAir - Primary PurpleAir - Secondary	Every 3 rd Day Continuous Continuous
191930022	Stone State Park, Sioux City	Ozone - Primary Ozone - Secondary	Continuous Continuous

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

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

MET indicates wind speed and direction only

APPENDIX B AMBIENT MONITORING NETWORK MODIFICATIONS

None

APPENDIX C SPECIAL PROJECTS

SHL shall complete the following special projects:

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

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

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

Calibrator Upgrade. By December 31, SHL shall install a Thermo 146iQ Calibrator with GPT at the Davenport (Jefferson School) site.

Met One BAM 1020 Upgrade. By December 31, SHL shall install new Met One BAM 1020 monitors at Muscatine HS, Buffalo, and Viking Lake.

APPENDIX D OBLIGATIONS AND MILESTONES

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

Obligation	Task Milestone Date
Monthly Monitoring Report	within 50 days of the end of each month
Quarterly Monitoring Report	within 50 days of the end of each quarter
Inventory Report	within 7 days of request
Computer Security (including Data Acquisition Software)	1-Aug
Install Thermo 146iQ Calibrator with GPT at Davenport (Jefferson School) site.	31-December
Install new Met One BAM 1020s at Muscatine HS, Buffalo, and Viking Lake.	31-December

APPENDIX E ADDITIONAL DUTIES

Staffing. SHL shall provide adequately trained staff to be able to perform the tasks in this contract.

Network Modifications. SHL shall operate the monitoring network indicated in Appendix A with modifications as indicated in Appendix B. In addition, SHL shall work with the DNR to site additional monitors in response to public health concerns that develop during the contract period, as resources and time allow.

New Monitoring Sites. Potential monitoring sites shall meet the specifications set forth in Appendices D and E of 40 CFR 58. SHL shall not set up a new monitoring site, dismantle an existing monitoring site, or relocate any existing monitors without written approval from DNR.

Change in Sampling Frequency. SHL shall change sampling frequency at a monitor site within thirty (30) days of written notice by the DNR.

Backup Continuous Monitors. Within thirty (30) days of a request by the DNR, SHL shall install and operate backup continuous samplers in the SHL network. Precision checks, audits, and calibrations shall be performed on the backup monitors in the same manner as for the primary monitor.

PM2.5 Audit Sampling. SHL shall operate a PM2.5 audit sampler at locations selected by the DNR during the contract period.

Technical Assistance to the Local Programs. SHL shall provide technical assistance to the Local Programs in cooperation with the DNR in matters related to the operation of the local monitoring networks.

Training and Safety Plan. SHL shall implement training and safety plans developed for all air monitoring staff. SHL shall ensure that its staff are adequately trained and work in a safe environment.

Network Planning Report. SHL shall submit a proposal for additional equipment or staff desired for the next contract by February 15.

Annual Review of Computer Security. SHL shall submit an annual review of its computer security plan to the DNR by August 1. This plan shall indicate the strategy by which SHL shall insure the security of all data gathered under the terms of this contract. This review shall include a review of remote computers and data acquisition systems. The plan shall be reviewed and signed by SHL's computer services supervisor.

APPENDIX O**ASBESTOS ANALYSIS**

Asbestos Samples Submitted by the DNR. SHL shall analyze all samples submitted by departmental DNR staff as described in the second paragraph of this section. Sample containers for sample transport shall be provided by SHL. The results of the tests shall be forwarded to the Air Quality Section within fifteen (15) calendar days of receipt. Extra time for analysis may be allowed in cases when the analytical work warrants. A notification to the submitter, stating that analytical results from a sample may be delayed and the reason for the delay shall be communicated to DNR in writing within fifteen (15) calendar days of receipt of the sample if extra time is required for analysis.

Asbestos Sample Analysis. SHL shall analyze samples for asbestos submitted by DNR staff. These samples will be collected during NESHAP compliance evaluation inspections of building demolitions, renovations and asbestos abatement contractor work and are referred to as bulk samples. Unless otherwise directed, the analysis shall use the published polarized light microscopy (PLM) method from 40 CFR Part 763 Appendix A to Subpart F. SHL shall point count bulk samples that are determined to be less than 10% asbestos. Samples collected for this activity shall be coded as AQ-AB. The asbestos bulk samples shall be held for a period of three years.

When requested by DNR, SHL shall analyze asbestos "wipe samples" using gravimetric reduction and PLM and report results as asbestos detected or not detected.

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

10

Decision Item

Commission approval is requested for a Contract with Cerro Gordo County Department of Public Health.

Contract Terms:

Amount: Not to exceed \$58,825

Dates: July 1, 2024, to June 30, 2025

Funding Source(s): U.S. EPA Safe Drinking Water Act (SDWA), CFDA No. 66.468.

Contract Purpose: The DNR is entering into this Contract to have Cerro Gordo County Department of Public Health conduct inspections of certain public water supply (PWS) systems designated as transient non-community, as detailed in the state's drinking water rule chapters. Transient non-community public water supplies (TNC) are those that serve at least 25 people for at least 60 days during the year. Examples of a TNC include a park, golf course, camp, bar, restaurant, or highway rest area.

The Contractor shall perform compliance checks of the TNCs in the Iowa counties designated in the Contract. The objective is to ensure all TNC's inspected pursuant to this Contract are correctly identified and regulated, sanitary surveys are completed, each TNC is visited annually, and technical assistance is provided upon request. DNR will continue to handle any compliance and enforcement issues.

Cerro Gordo County Department of Public Health will inspect and visit approximately 176 TNCs pursuant to this Contract. The number of TNCs may increase or decrease throughout the timeframe of the Contract. The 17 counties (and the respective DNR Field Office) covered in this Contract are as follows:

Butler, FO #2	Floyd, FO #2	Hardin, FO #2	Kossuth, FO #1	Winneshiek, FO #1
Cerro Gordo, FO #2	Franklin, FO #2	Howard, FO #1	Mitchell, FO #2	Worth, FO #2
Chickasaw, FO #1	Hamilton, FO #2	Humboldt, FO #2	Webster, FO #2	Wright, FO #2
	Hancock, FO #2		Winnebago, FO #2	

Background: Since 2003, the DNR has contracted with a few of the larger county health departments for inspections of TNC's. Because county personnel are already visiting many of these smaller TNC's annually for other regulatory purposes, the Contract represents an effective mechanism for more efficient services.

Nothing in the Contract limits the power of the DNR to regulate TNC's and to take any other actions consistent with the provisions of Iowa Code chapter 455B Division III, and 567 Iowa Administrative Code (IAC) chapter 40.

Selection Process Summary:

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

Contract History: The DNR has entered into a contract with Cerro Gordo County Department of Public Health since SFY 2003. The purpose of the contracts has been to have the county perform annual inspections and visits to TNC's in a 17-county area of Iowa. The most recent contracts are:

- Contract 1: 3 year (July 1, 2009 - June 30, 2012); Total Amount: \$125,550 (41,850/year - \$246 per TNC)
- Contract 2: 6 year (July 1, 2012 - June 30, 2018); Total Amount: \$295,836 (49,306/year - \$290 per TNC)
- Contract 3: 3 year (July 1, 2018 - June 30, 2021); Total Amount: \$153,990 (51,330/year - \$292 per TNC)
- Contract 4: 3 year (July 1, 2021- June 30, 2024); Total Amount: \$176,475 (58,825/year - \$334 per TNC)

Christina Iiams, Management Analyst 3
Field Services and Compliance Bureau
Environmental Services Division
June 18, 2024

Attachment A**Section 5 STATEMENT OF WORK**

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

Obligation	Task Milestone Date
<p>Task 1: Personnel</p> <p>A. Staffing: All of the work and services required under this Contract shall be performed by the Contractor and all personnel engaged in the work shall be fully qualified. The Contractor represents that it has or shall acquire and shall continue to maintain all personnel required for the performance of the services specified under this Contract.</p> <p>1. Current Personnel Notification. No later than July 10, 2024, the Contractor shall submit to the DNR Project Manager the following information regarding current personnel who shall be responsible for implementing the provisions of this Contract:</p> <ul style="list-style-type: none"> • Name(s); • Title(s); • Postal mailing address(es); • Email address(es); • Cell phone number(s); and • Office phone number(s) <p>2. Personnel Change Notification. The Contractor shall provide updated personnel information to the DNR Project Manager within ten (10) business days of the effective date of the changes. Notification shall include:</p> <ul style="list-style-type: none"> • Current Personnel: name, position change, effective date, and updated training plan if applicable. • New Personnel: name, title, postal mailing address, email address, phone numbers, effective date, and new employee training plan. 	<p>Personnel Notification:</p> <ul style="list-style-type: none"> • <i>Current:</i> July 10, 2024 • <i>Changes:</i> 10 business days of the effective date of the change
<p>B. Training Requirements: The Contractor shall be responsible for training and supervising personnel to ensure 1) thorough and meaningful inspections are completed, 2) deficiencies are accurately identified, and 3) efficient coaching and education to facility operators occurs.</p> <p>Personnel shall maintain familiarity with applicable procedures, techniques, and technologies by routinely attending pertinent DNR, EPA, or other public or private training classes.</p> <p>1. New Employee Training Plan. Contractor shall develop a specific training plan and schedule for new personnel. The training plan is due to the DNR Project Manager, as identified in Task 1A.2. DNR comments or recommendations to the training plan will be submitted back to the Contractor no later than 15 business days from receipt.</p> <p>2. Training Summary. Contractor shall submit an annual training summary with the final invoice of the contract period (ending June 30, 2025). The training summary shall include dates, name of training provider and training sponsor, location/format, and the named of staff who attended.</p> <p>3. Joint Inspection. Each of the Contractor’s inspectors shall complete a minimum of one (1) joint sanitary survey inspection with the DNR Field Office staff. Joint inspections shall be scheduled by the Contractor no later than ten (10) days after the start of the quarter until the requirement has been satisfied. If a joint inspection needs to be cancelled for whatever reason, a new scheduled date must be identified within ten (10) business days.</p> <ul style="list-style-type: none"> • If additional joint inspections during a sanitary survey or mid-cycle visit are deemed necessary, the DNR may request completion in accordance with Section 6.4. 	<p>Training Requirements:</p> <ul style="list-style-type: none"> • <i>New Employee Plan:</i> 10 business days from effective date • <i>Training Summary:</i> Annually, by final contract invoice. • <i>Joint Inspection:</i> 1 per year/per Inspector. Schedule within 10 days of quarter beginning. • <i>Technical Training:</i> Participate as scheduled by the DNR

4. Technical Training/Resources. Technical training and resources identified by the DNR as beneficial to the Contractor’s personnel and the work responsibilities of this Contract are identified below. This is not an exhaustive list. The Contractor and their personnel should regularly evaluate training and resources that help maintain familiarity with applicable procedures, techniques, and technologies. The DNR may provide additional recommendations as requested by the Contractor.

- **DNR Sponsored Training.** The Contractor shall send its inspectors to technical training sponsored by the DNR, if the DNR makes it available. The DNR will provide a minimum of 60-day notice to the Contractor for any technical training the DNR provides. Training provided by the DNR will be provided to the Contractor at no charge. The Contractor may send inspectors to additional training, at their own expense.
- **Electronic Sanitary Survey (ESS) Training.** As scheduled, the Contractor shall participate in any trainings made available by the DNR of the ESS program.
- **Technical Training.** Beneficial technical training includes, but is not limited to:
 - **Grade A training** (obtaining Operator Certification is optional) <https://www.dmacc.edu/pathways/aanr.wet.html>
 - **American Water Works Association (AWWA)** <https://www.awwa.org/Events-Education> Various webinars/eLearning, conferences, etc.
 - **EPA Small Systems** <https://www.epa.gov/water-research/small-drinking-water-systems-webinar-series>
 - **Iowa Association of Municipal Utilities (IAMU)** <https://members.iamu.org/> Go to Events and under the Community Calendar heading, go to the “water” category to see upcoming trainings and conferences available
 - **Iowa Rural Water Conference** <https://www.iowaruralwater.org/events>
 - **Water Treatment or Distribution Courses** <https://programs.iowadnr.gov/opcertweb/pages/opmenu.aspx> Go to the bottom left corner to search by calendar or list for courses offered.
- **Technical Resources:** Beneficial technical resources include, but is not limited to:
 - **DNR Sanitary Survey Guidance Manual.** A PDF version (Sanitary Survey Guidance. June 2021) of the most recent document shall be provided to the Contractor by DNR.
 - **EPA Sanitary Survey Resources.** <https://www.epa.gov/dwreginfo/sanitary-surveys> Specifically, the two guidance documents
 - **DNR Data Portal.** <https://programs.iowadnr.gov//iowadrinkingwater> Allows Contractor to look up permit, violations and results.
 - **DNR OpenText/Document Search.** <https://programs.iowadnr.gov/documentsearch/> Search DNR electronic records.

Task 2: Sanitary Survey Responsibilities

A. Complete Sanitary Survey: The Contractor shall perform one sanitary survey on each TNC within their jurisdiction. Consistent with the schedule provided by the DNR, sanitary surveys for each identified TNC shall occur once during every 3-year period. The Contractor shall complete the survey under the following requirements.

1. **Timing.** Surveys shall be conducted during a facility’s normal operating season and hours of operation.
2. **Qualified Individual.** Surveys shall be completed with a Qualified Individual in attendance.
3. **Template.** Sanitary surveys shall be completed using the Sanitary Survey template provided by the DNR in the Electronic Sanitary Survey (ESS) program. DNR

Complete Sanitary Survey:

Following the requirements outlined, complete one (1) sanitary survey for each TNC identified in the DNR schedule.

All sanitary surveys shall be documented on the quarterly invoice supporting documentation (Section 7.3)

has the right to update the template as necessary. As soon as possible, the Contractor shall inform the DNR Project Manager of accessibility, logistic, or security measures that impact the Contractor's ability to complete work using the ESS program.

- The Contractor shall accurately enter all sanitary survey and applicable deficiency information into the DNR provided ESS program. The Contractor is responsible for the accuracy of this data which is shared with the public and EPA.

4. Survey. The survey shall include, but shall not be limited to, the Contractor working with the Qualified Individual to:

- Enter accurately all survey and deficiency information into DNR databases/templates, as applicable;
- Review applicable monthly operational reports (MORs) for the facility. MORs are available online via DNR's Document Search web page (<https://programs.iowadnr.gov/documentsearch/>);
- Review, update and assess facility sampling plans;
- Review PWS inventory information;
- Review start-up checklist for seasonal PWS
- Identify source entry point(s), distribution and raw sampling taps;
- Determine the quality of system operation, maintenance and structural integrity; and
- Identify any deficiencies.

5. Deficiency Follow-Up. The Contractor shall be responsible for any follow-up to identified deficiencies as per Task 4.

B. Sanitary Survey Report: Within 15 business days of completing a sanitary survey, the Contractor shall complete and electronically submit their final report to the DNR Project Manager **and** Field Office Contact(s). The Contractor is required to use the auto-generated ESS inspection report to create the report and shall also identify in ESS when the report has been submitted.

The Sanitary Survey Report is intended to be the findings of the survey completed per Task 2A.4. The report shall include but not be limited to:

- Date and time of survey;
- Name and title of Qualified Individual in attendance;
- Review and Update General Description, accordingly;
- Review, update and assess the facility sampling plan;
- PWS inventory information;
- Identification of source entry points (s), distribution and raw sampling taps;
- Quality of system operation, maintenance and structural integrity;
- Narrative that explains conditions observed when any identified deficiencies or other significant findings are noted. *Example:* Note that the well isn't protected from physical damage/include recommendation on how to protect it. Note when observe damage from a lawn mower or that the well is located in the middle of a parking lot with no protective structures around it; and
- List deficiencies, if any, along with due date for correction.

A copy of the Sanitary Survey Report shall also be submitted to the TNC within 15 business days, either in electronic format or by hard copy, as agreed upon by the Contractor and TNC.

Sanitary Survey Report:

DNR (and the TNC) shall receive the report no later than 15 business days after completion of survey

Task 3: Mid-Cycle Visit Responsibilities

A. Complete Mid-Cycle Visit: Consistent with the schedule provided by the DNR, during years without a survey required, the Contractor shall visit each TNC within their jurisdiction to complete a mid-cycle site visit. The Contractor shall complete mid-cycle visits under the following requirements.

1. **Timing.** Mid-Cycle Visits shall be conducted during a facility's normal operating season and hours of operation.
2. **Qualified Individual.** Mid-Cycle Visits shall be completed with a Qualified Individual in attendance.
3. **Questionnaire.** The Contractor shall use the Site Visit questionnaire template provided by the DNR to complete a mid-cycle visit. DNR has the right to update the template as necessary. As soon as possible, the Contractor shall inform the DNR Project Manager of accessibility, logistic, or security measures that impact the Contractor's ability to complete work using the Site Visit Questionnaire.
 - The Contractor shall accurately enter all mid-cycle visit and applicable deficiency information into the DNR provided Site Visit Questionnaire. The Contractor is responsible for the accuracy of this data which is shared with the public and EPA.
4. **Mid-Cycle Visit.** Contractor shall meet the following requirements when completing each TNC mid-cycle visit:
 - Mid-Cycle visits shall be separated by no fewer than six (6) months apart.
 - Complete a visual inspection of the entire water system.
 - Enter accurately all mid-cycle visit and deficiency information onto the DNR Site Visit questionnaire template, as applicable.

The mid-cycle visit shall include, but shall not be limited to, the Contractor working with the Qualified Individual to:

- Identify changes in responsible operator and PWS owner;
 - Check for compliance with drinking water program requirements (for example: deficiencies corrected, any violations, MOR submitted and onsite, chemical levels checked);
 - Review applicable MORs for the facility. MORs are available online via DNR's Document Search web page [\(https://programs.iowadnr.gov/documentsearch/\)](https://programs.iowadnr.gov/documentsearch/);
 - Verify that corrective actions were completed in response to deficiencies identified during previous visits; and
 - Identify any deficiencies.
5. **Deficiency Follow-Up.** The Contractor shall be responsible for any follow-up to identified deficiencies as per Task 4.

B. Mid-Cycle Visit Report: Within 15 business days of completing a mid-cycle visit, the Contractor shall complete and electronically submit a written report to the DNR Project Manager **and** Field Office Contact(s), using the Site Visit questionnaire provided by the DNR.

The Mid-Cycle Visit Report is intended to be the findings of the mid-cycle visit completed per Task 3A.4. The report shall include but not be limited to:

- Date and time of mid-cycle visit;
- Name and title of Qualified Individual in attendance;
- Identify changes in responsible operator and PWS owner;
- Identify notable observations and/or findings;
- Compliance status with drinking water program requirements;
- List deficiencies, if any, along with due date for correction; and
- Corrective actions that were completed in response to deficiencies identified during previous visits.

Complete a Mid-Cycle Visit:

Following the requirements outlined, complete mid-cycle site visits for each TNC identified in the DNR schedule.

All mid-cycle visits shall be documented on the quarterly invoice supporting documentation (Section 7.3)

Mid-Cycle Visit Report:

DNR (and the TNC) shall receive the report no later than 15 business days after completion of mid-cycle visit.

<p>A copy of the Mid-Cycle Visit Report shall also be submitted to the TNC within 15 business days, either in electronic format or by hard copy, as agreed upon by the Contractor and TNC.</p>	
<p>Task 4: Deficiencies and Corrective Actions</p> <p>It is especially critical that all significant deficiencies are resolved with speed and accuracy. Within 30 days after notification to a TNC of a significant deficiency, the Contractor shall ensure corrective action by the TNC has occurred.</p> <p>A. Complete Deficiency Follow-up: The Contractor shall complete follow-up assistance for identified deficiencies under the following requirements.</p> <ol style="list-style-type: none"> 1. Assistance and Corrective Action. Provide technical assistance and obtain a documentation from the TNC within 30 days after notification of a significant deficiency during any survey (Task 2) or mid-cycle visit (Task 3). <ul style="list-style-type: none"> • Documentation from the TNC, at a minimum, shall be a photo, invoice, or written statement that identifies that corrective action has occurred. 2. Timing. For best results, follow-up assistance shall be conducted during a facility's normal operating season. Assistance may take place via phone, in person, or email; 3. Qualified Individual. Follow-up assistance shall be completed with a Qualified Individual. 4. Electronic Sanitary Survey Entry. Within five (5) business days after receipt from the TNC, the Contractor shall enter in ESS all applicable responses and correction dates for significant deficiencies identified during a Sanitary Survey. As soon as possible, the Contractor shall inform the DNR Project Manager of accessibility, logistic, or security measures that impact the Contractor's ability to complete work using the ESS program. <ul style="list-style-type: none"> • The Contractor shall accurately enter all applicable deficiency information into the DNR provided ESS program. The Contractor is responsible for the accuracy of this data which is shared with the public and EPA. 5. Follow-Up Assistance. When completing significant deficiency follow-up assistance with a TNC, the Contractor shall. <ul style="list-style-type: none"> • Make no fewer than two (2) attempts at contacting the TNC's Qualified Individual for follow-up; • Notify the DNR Project Manager and DNR Field Office Contact(s) if a follow-up response from the TNC cannot be obtained within 30 days. 	<p>Follow-Up on Deficiencies: Following the requirements outlined, complete follow-up within 30 days of notification of a deficiency identified in Task 2 or Task 3.</p>
<p>B. Corrective Action Report: No later than the 10th day of the following month after follow-up assistance was provided/attempted; the Contractor shall complete and electronically submit a report to the DNR Project Manager and Field Office Contact(s).</p> <p>The Corrective Action Report is intended to identify the current status of all significant deficiencies and required corrective actions. The report shall include but not be limited to:</p> <ul style="list-style-type: none"> • PWSID and PWS name; • Identify Sanitary Survey or Mid-Cycle Visit; • Name and title of Qualified Individual contacted; • Date(s) contacted; • How the TNC was contacted (phone, in person, email); • Deficiencies and corrective actions or issues; • Due date(s) for completion of corrective actions; • TNC's applicable documentation; and • Dates of completed corrective actions. 	<p>Corrective Action Report: DNR shall receive the report no later than the 10th day of the following month after follow-up assistance was provided</p>
<p>Task 5: Technical Assistance</p> <p>The Contractor shall be the primary point of contact for the TNCs to obtain technical assistance for all monitoring requirements. The Contractor shall give assistance upon referral from the DNR or as requested by the TNC. The Contractor shall reach out to the TNC to schedule technical assistance no later than 15 days after the referral/request.</p>	<p>On-going and upon request from DNR or the TNC. Reach out to schedule within 15 business days of request.</p>

<p>During technical assistance, the Contractor shall review with the TNC's Qualified Individual the following:</p> <ul style="list-style-type: none"> • Operation permit in its entirety; • Monitoring requirements – the Contractor shall contact the PWS after a monitoring violation has been issued by the DNR to ensure future compliance with the monitoring requirements of the permit; • Sampling plan and sampling techniques; • Monthly operation reports (MORs) as applicable; • How to use chlorine residual or nitrate test kits as applicable; and • Public notification requirements in general. 	<p>All technical assistance shall be documented on the quarterly invoice supporting documentation (Section 7.3)</p>
<p>Task 6: Unidentified PWSs and TNCs</p> <p>The Contractor shall assist the DNR with unidentified PWSs and TNCs under the following requirements. PWSID numbers and information can be obtained by the Contractor through the DNR's drinking water data portal (https://programs.iowadnr.gov//iowadrinkingwater).</p> <ul style="list-style-type: none"> • Identify PWSs and TNCs that are known to exist, but which are not on the DNR's inventory; • Within 30 days of receipt of the quarterly inventory, provide the DNR Project Manager and Field Office Contact(s) with the information needed to add them to the DNR's inventory. The information provided shall include but not be limited to: <ul style="list-style-type: none"> • Business/System Name; • Physical Address of PWS and/or TNC; • Mailing Address of PWS and/or TNC; • Email • Phone (if available); and • Summarization of assessment for each unidentified location; • For unidentified TNCs the Contractor identified to add to the DNR's inventory: <ul style="list-style-type: none"> • The DNR will coordinate with the Contractor to schedule the initial sanitary survey and to initiate compliance monitoring unless otherwise directed by DNR. A sanitary survey, with both the Contractor and DNR Field Office Contact present, shall occur within 60 days of permit issuance. • The Contractor shall indicate how the TNC was contacted to schedule the survey, whether by phone, email, or in person. 	<p>On-going and upon request from DNR or the PWS.</p>
<p>Task 7: Regulatory Compliance</p> <p>After notification from the DNR, the Contractor may provide technical assistance to TNCs for Maximum Contaminant Level (MCL) violations.</p> <p>All regulatory compliance enforcement of the drinking water program, including all enforcement correspondence, such as Level 1 and Level 2 assessments and Acute MCL Notices of Violation, will be sent by the DNR to the PWSs affected.</p>	<p>As needed</p>
<p>Task 8: Review Rules and Policies</p> <p>Within 30 days of written notice from the DNR Project Manager, the Contractor shall respond to DNR findings regarding the review of Cerro Gordo County rules, policies and procedures for consistency with the IAC Drinking Water Chapters and conditions of this Contract.</p>	<p>No later than 30 days from notice by DNR.</p>

Attachment B

Section 7 COMPENSATION

7.1 Source of Funding. The funding for this Contract is USEPA Safe Drinking Water Act (SDWA), CFDA No. 66.468.

7.2 Not-to-exceed total amount of Contract. Payment for the work performed by Contractor according to the terms of this Contract shall not exceed \$58,825.00. Payment shall be for satisfactory completion of the Statement of Work outlined in this Contract, provided that Contractor has complied with the terms of this Contract.

7.3 Budget and Submission of Invoices. The budget and the submission of invoices shall be as stated below:

The Contractor will be compensated at a rate of \$325 per TNC. It is estimated that there are up to 176 TNCs in the Contractor's jurisdiction.

- The Contractor will receive reimbursement only once per TNC for either a sanitary survey (task 2) OR a site visit (task 3); follow-up visits and technical assistance are not eligible for reimbursement.
- Unidentified PWSs/TNCs above the original estimated 176 TNCs that are added to the DNR's inventory shall qualify for payment. The amount of compensation shall be the same as above.
- Payment for completion of Tasks where specific payment is allotted shall be dependent upon the timely completion of corresponding items required by Tasks where no specific payment is allotted.

Quarter Reported	Invoice Due No Later Than
Quarter 1 (July 1, 2024– September 30, 2024)	October 31, 2024
Quarter 2 (October 1, 2024 – December 31, 2024)	January 31, 2025
Quarter 3 (January 1, 2025 – March 31, 2025)	April 30, 2025
Quarter 4 (April 1, 2025– June 30, 2025)	July 31, 2025

Invoices and supporting documents shall be submitted to DNR Project Manager by the due dates established above using the form provided by the DNR. Invoices shall contain the DNR Contract Number found on the first page of this Contract. Each invoice shall itemize the work performed pursuant to the Contract, and shall specify the amount of payment requested for each Task during the period covered by the invoice. At a minimum, the Contractor shall provide the following supporting documentation with each invoice:

- A list of each TNC affected;
- Identify whether a full sanitary survey (Task 2), a site visit (Task 3), and/or technical assistance (Task 5) occurred for the affected TNC;
- The date of completion for the full sanitary survey, site visit, and/or technical assistance; and
- The Quarter 4 Invoice shall include the Annual training summary (Task 1).

Each invoice shall comply with all applicable rules concerning payment of such claims and shall contain appropriate documentation necessary to support the fees or charges included in the invoice. No invoice shall request payment for work occurring in more than one fiscal year. DNR shall have the right to dispute any invoice item submitted for payment and to withhold payment of any disputed amount if DNR reasonably believes the invoice is inaccurate or incorrect in any way.

General Information

Although the Department is not requesting approval, we wanted to provide the Commission with information about four additional Contracts we will be entering into with other public health departments. These Contracts are for the same purpose and work requirements as with Cerro Gordo Public Health.

Please see the individual details below:

BLACK HAWK COUNTY PUBLIC HEALTH (Contract Number: 25ESDFSBCIIAM-0001)

- **Amount:** not to exceed \$19,175
- **TNCs - Inspections and Visits Per Year:** 54
- **7 Counties Covered** (including respective DNR Field Office):

Benton, FO #1	Bremer, FO #1	Delaware, FO #1	Grundy, FO #2
Black Hawk, FO #1	Buchanan, FO #1	Fayette, FO #1	
- **Dates:** July 1, 2024, to June 30, 2025
- **Funding Source(s):** U.S. EPA Safe Drinking Water Act (SDWA), CFDA No. 66.468.

JOHNSON COUNTY HEALTH DEPARTMENT (Contract Number: 25ESDFSBCIIAM-0003)

- **Amount:** not to exceed \$15,925
- **TNCs - Inspections and Visits Per Year:** 44
- **1 County Covered** (including respective DNR Field Office):

Johnson, FO #6

- **Dates:** July 1, 2024, to June 30, 2025
- **Funding Source(s):** U.S. EPA Safe Drinking Water Act (SDWA), CFDA No. 66.468.

LINN COUNTY PUBLIC HEALTH (Contract Number: 25ESDFSBCIIAM-0004)

- **Amount:** not to exceed \$21,775
- **TNCs - Inspections and Visits Per Year:** 62
- **2 Counties Covered** (including respective DNR Field Office):

Linn, FO #6	Jones, FO #1
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- **Dates:** July 1, 2024, to June 30, 2025
- **Funding Source(s):** U.S. EPA Safe Drinking Water Act (SDWA), CFDA No. 66.468.

SCOTT COUNTY HEALTH DEPARTMENT (Contract Number: 25ESDFSBCIIAM-0005)

- **Amount:** \$10,275/year
- **TNCs - Inspections and Visits Per Year:** 28
- **1 County Covered** (including respective DNR Field Office):

Scott, FO #6

- **Dates:** July 1, 2024, to June 30, 2025
- **Funding Source(s):** U.S. EPA Safe Drinking Water Act (SDWA), CFDA No. 66.468.

Iowa Department of Natural Resources
Environmental Protection Commission

#11

Decision Item**Contract with Iowa Department of Agriculture and Land Stewardship (IDALS) – North Raccoon River Watershed 2023 Grant**

Commission approval is requested for a contract with IDALS, of Des Moines, Iowa.

Contract Terms:

Amount: Not to exceed \$158,750

Dates: July 1, 2024 to June 30, 2026

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

Funding Source(s): U.S. EPA Clean Water Act Section 319 grant to DNR (Grant Number 00740430)

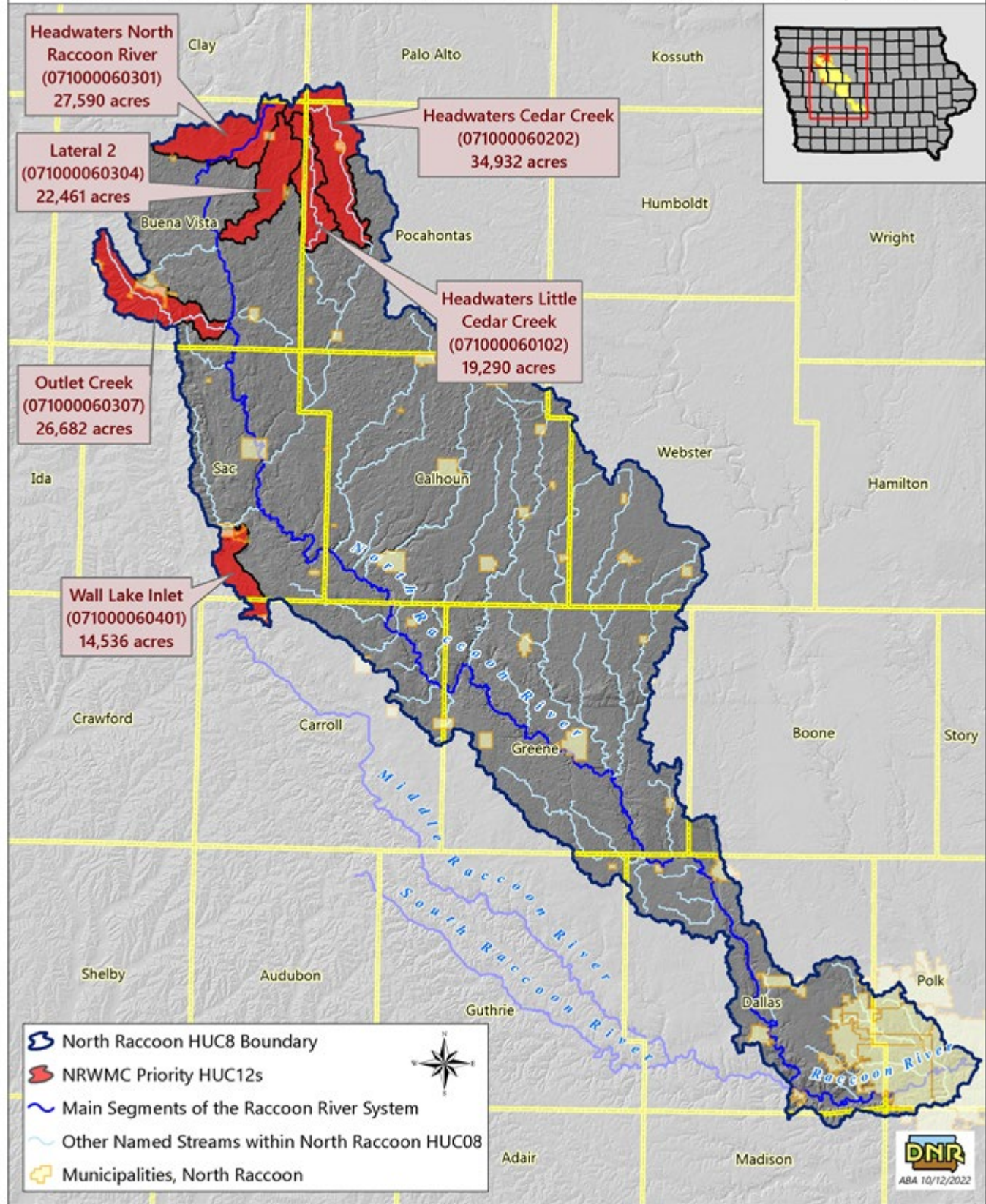
Statutory Authority: Funds are administered by DNR under statutory authority granted by Iowa Code section 455B.103.

Contract Background:

The DNR has identified nonpoint source pollution as a primary cause of impairment for nitrate-nitrogen and *E. coli* in two segments of the Raccoon River (IA 04-RAC-1116 and IA 04-RAC-1117). To help address these impairments, a watershed plan was completed and approved in 2022, with a nitrate reduction goal of 48.1%.

This Contract provides additional funding and support for the water quality project in the North Raccoon River Watershed to continue the implementation of the watershed plan. The North Raccoon River Watershed Project (Project) is contracted through IDALS and carried out by the Sac County Soil and Water Conservation District. The Project will initially work to focus in the six priority sub watersheds outlined in the watershed plan, below.

NORTH RACCOON WATERSHED MANAGEMENT COALITION, PRIORITY HUC12 IMPLEMENTATION WATERSHEDS, 2022



Contract Purpose:

The purpose of this Contract is to designate Section 319 funding to support this Project. This Contract will work to carry out the goals of the Project for the stated Contract term. The partners involved in this Project are the DNR, Sac and Carroll County Soil and Water Conservation Districts, IDALS – Division of Soil Conservation, Iowa Soybean Association and the Natural Resources Conservation Service. Each partner will provide financial support and/or technical assistance to help ensure the successful completion of the activities proposed in this Project.

The Project will work with partner organizations who are currently working in the North Raccoon River watershed to implement nitrate reducing best management practices in the six priority sub watersheds. This Project will assist with the funding of both bioreactors and cover crops. Agricultural practices implemented through this Contract will result in a nitrogen reduction of 30,000 lbs./year. Project funds will also be used to host field days, promote practices and programs via mixed media, and raise Project awareness.

Selection Process Summary:

Intergovernmental contracting with IDALS is authorized under 11 IAC 118.4. Contracts with state universities and other public agencies for laboratory work, scientific field measurement and environmental quality evaluation services necessary to implement Iowa Code Chapter 455B is authorized under Iowa Code section 455B.103(3).

Contract History:

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

Previous Contracts: 23ESDWQBKAMEN-0007

Amount: \$96,000

Timeframe: January 2023 – June 2024

STATEMENT OF WORK

- Task 1. **Submit and Carry Out Project Activities** – Contractor shall submit annual Work Plan and Budget consistent with EPA-Approved Project Implementation Plan. **Timeframe** – No later than May 1 of each year
- Task 2. **Quarterly Financial Reports** – Summarize expenses each quarter. **Timeframe** – 10/15, 1/15, 4/15 yearly
- Task 3. **Quarterly Progress Reports** – Summarize activities each quarter. **Timeframe** – 10/15, 1/15, 4/15 yearly
Note: Quarterly reports are superseded by annual reports for the expected 7/15 report as follows
- Task 4. **Annual Progress Report** – Summarize activities, progress, project costs, water monitoring data (if applicable), and water quality improvements (load reductions) made during the previous fiscal period.
Timeframe – No later than August 1 of each year
- Task 5. **Final Project Report** – Total Section 319 funds expended by the project, summary of other funds, summary of accomplishments and objectives, comparison of actual accomplishments to objectives established by annual work plans and project implementation plan, summary of water quality improvements (load reductions), explanation of unmet objectives, and all other reporting requirements in the Section 319 guidance document. **Timeframe** – Due no later than 30 days prior to the expiration of this Contract.

Budget Item	Amount of 319 Funds
Travel/Training:	\$500
IDALS Conservation Assistant Support	\$5,000

Supplies:	\$250
Inform./Outreach:	\$3,000
Practices	
Cover Crops – 2,000 Acres	\$50,000
Bioreactors - 5	\$40,000
Engineering Assistance	\$60,000
Total:	\$158,750

Matching Funds:

Landowner/Operator - \$50,000

Water Quality Initiative (IDALS) - \$47,500

EQIP (Federal) - \$95,000

Total Match: \$192,500 (54%)

Kyle Ament, Watershed Basin Coordinator, Water Quality Bureau

Environmental Services Division

June 18, 2024

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

#12

Decision Item

Contract Amendment # 2 with Iowa Department of Agriculture and Land Stewardship (IDALS) – Palo Alto Shallow Lakes Watershed Project (Project) – Year 2

Commission approval is requested for a contract amendment with IDALS, of Des Moines, Iowa.

Amendment # 2 Terms:

Amendment Amount: \$110,000

Amendment Dates: June 30, 2024 to June 30, 2025

Funding Source(s): EPA Clean Water Act Section 319 grant to DNR (Grant Number 00740429)

Amendment Purpose: Additional funding to the project to cover FY25 expenses. This includes salary and benefits, information/education, and multiple best management practices. The FY24 EPA grant award will not be available until the end of the calendar year and this funding is critical to watershed project operations.

Salary & Benefits - \$39,973

IDALS Conservation Assistant - \$5,000

Travel/Training - \$1,500

Supplies - \$1,500

Information/Education - \$4,000

Cover Crops - \$12,150

Strip-Till - \$45,877

Total: \$110,000

IDALS Match – \$47,150

Original Contract Purpose: The purpose of this Contract is to designate Section 319 funding to support this Project. This Contract will work to carry out the goals of the Project for the stated Contract term. In August of 2022 Harley Butler was hired as the Palo Alto Shallow Lakes Watershed Coordinator and will oversee carrying out year two activities. The partners involved in this Project are the DNR, Palo Alto County Conservation Board, Palo Alto County Soil and Water Conservation District, IDALS, and the Natural Resources Conservation Service. Each partner will provide financial support and/or technical assistance to help ensure the successful completion of the activities proposed in this Project. Targeted watersheds include Five Island, Lost Island, and Silver Lake.

This Contract will place an emphasis on load reductions from rural inputs as well as urban demonstration projects.

Original Selection Process Summary: Intergovernmental contracting with IDALS is authorized under 11 IAC 118.4. Contracts with state universities and other public agencies for laboratory work, scientific field measurement and environmental quality evaluation services necessary to implement Iowa Code Chapter 455B is authorized under Iowa Code section 455B.103(3).

Contract History:

Original Contract Terms: Amount \$77,638; Timeframe: May 1, 2023 to June 30, 2024; Purpose: Annual funding allotment for existing watershed project. Projects last up to 15-20 years depending on the size of the watershed area.

Amendment -1 Terms: Amount: No change; Timeframe: June 30, 2024 to June 30, 2025; Purpose: extend contract for one year.

Kyle Ament, Watershed Basin Coordinator, Water Quality Bureau
Environmental Services Division
June 18, 2024

**Iowa Department of Natural Resources
Environmental Protection Commission
CONTRACT NUMBER 24ESDWQBLSHAR_15_WC&WL**

Item #13**Decision Item****Recommendation:**

Commission approval is requested for a contract with **Water Professionals International (WPI)** of Urbandale, IA.

Contract Terms:

Amount: Not to exceed \$166,000.

Dates: June 18, 2024, to June 1, 2026

Funding Source(s): This contract will be funded through State Revolving Fund Section 1452(k), Local and Other Authorized Uses Set-Aside.

Contract Purpose: The purpose of this contract is to have WPI facilitate exam development; manage the question bank data; and provide developed exams in a platform for web-based delivery, pertaining to Private Well Contractor and Waste Lagoon Operator Certification Exams.

These exams have not been updated for fifteen plus years and are still given in paper form which translates to a question bank that contains outdated technology or lacks new technology; limited delivery opportunities; as well as delayed processing of paper exam sheet results. Industry stakeholders have been requesting new exams for years and have submitted a list of certified professionals who will volunteer their time, knowledge and experience in order to aid DNR staff and serve as “subject matter experts” in the development of the new exam content.

These exams will be developed and maintained on a platform for web-based delivery. Examinees will be able to take these exams, by appointment, at the ten testing venues across Iowa that are already utilized for Drinking Water and Wastewater Operator Certification exams.

Contractor Selection Process Summary: This Contractor was selected via a publicly posted formal Request for Proposal. No evaluation was needed as WPI was the sole bidder, and the DNR determined WPI was qualified to receive the award.

Contract History with WPI:**Current Contract (for drinking water and wastewater operator certification):**

- January 17, 2024 to February 25, 2027. Not to exceed \$341,000.
- This WPI Contract is in place to provide dynamic, secure, web-based and remote access to current WPI-Association of Boards of Certification **Standardized Exams** for
 - Drinking Water Treatment Operator Certification, Grades 1 through 4;
 - Drinking Water Distribution Operator Certification, Grades 1 through 4; and
 - Wastewater Treatment Operator Certification, Grades 1 through 4.

Past Contract (for drinking water and wastewater operator certification):

- August 21, 2018, to November 30, 2023
 - August 21, 2018, to July 30, 2020; \$149,000.00. No amendments
 - August 01, 2020, to July 30, 2023; \$345,400.00. An Amendment occurred to continue web-based exam administration and to set up and provide exam delivery per remote proctoring.
 - August 1, 2023, to November 30, 2023. A second Amendment occurred to extend the time of performance previously allowed without additional funding for the Tasks stated in Amendment #1. Money allotted by the original Contract and Amendment #1 remained available.

Laurie Sharp, Coordinator
Operator Certification and Capacity Development
Water Quality Bureau
Environmental Services Division
June 18, 2024

Attachment A
Statement of Work
CONTRACT NUMBER 24ESDWQBLSHAR_15_WC&WL

Section 5 STATEMENT OF WORK

5.1 Statement of Work. Contractor shall perform the following Tasks by the Task Milestone Dates set out in the following table:

Deliverables	Task Milestone Date
Task 1: Item Banking and Categorization Description: Includes WPI staff time required to bank and QA current content	No later than July 30, 2024.
Task 2: SME Review of Current Materials Description: Includes Subject Matter Expert review and development of recommendations for committees appointed by DNR	No later than August 30, 2024.
Task 3: Committee-Based Need-to-Know Development Description: Includes meeting facilitation for all exam committees and the development of 6 NTK documents. All meeting and facilitation costs are included but not limited to: meals, refreshments, committee/SME incentives.	No later than November 29 , 2024.
Task 4: Item Development & Exam Assembly Description: Includes committee meeting facilitation for item writing, item review and editing, exam form assembly, and final exam form review for all 6 disciplines. All meeting and facilitation costs are included but not limited to: meals, refreshments, committee/ SME incentives.	No later than February 30, 2025.
Task 5: Exam Form Publication Description: Includes preparation of all 6 exam forms for administration in WPI's testing network for the following administration modalities: Web-based Testing Paper-based Testing Live Remote Proctoring through PSI	No later than April 25, 2025.
Task 6: Statistical Analysis and Reporting - "Optional Feature" Description: Includes, upon the one-year anniversary of the implementation of the newly developed form, statistical analysis reports for each newly implemented discipline.	No later than May 1, 2026.

Attachment B
Budget Table
CONTRACT NUMBER 24ESDWQBLSHAR_15_WC&WL

7.1 Budget.

Task	Amount of compensation allotted to Task	Invoice Due No Later Than
Task 1: Item Banking and Categorization	Not to exceed \$ 10,000	30 days following Task Milestone Date
Task 2: SME Review of Current Materials	Not to exceed \$ 10,000	30 days following Task Milestone Date
Task 3: Committee-Based Need-to-Know Development	Not to exceed \$ 60,000	30 days following Task Milestone Date
Task 4: Item Development & Exam Assembly	Not to exceed \$ 80,000	30 days following Task Milestone Date
Task 5: Exam Form Publication	N/A – No Charge	30 days following Task Milestone Date
Task 6: Statistical Analysis and Reporting - “Optional Feature”	Not to exceed \$ 6,000	May 15, 2026
Total	Not to exceed \$166,000	