Goals of Presentation

- To explain new funding mechanism for nonpoint source, watershed-based projects
- To educate possible participants on how the Clean Water SRF operates
- To explore possible partnerships between wastewater utilities and conservation/watershed organizations
SRF for Nonpoint

- Nonpoint water quality loan programs (ag land BMPs, manure management, storm water BMPs, on-site septic)

$142 million since 2003
SRF Background

SRF programs authorized by Clean Water Act and Safe Drinking Water Act and administered by U.S. Environmental Protection Agency
SRF Background

- In Iowa, jointly administered by Iowa Department of Natural Resources and Iowa Finance Authority (IFA)
- Primary source of funding for municipal projects
1989 - 2002

LOW-INTEREST LOANS FOR

Water and wastewater infrastructure only

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2003 - Present

Water and Wastewater

Planning and Design
Lake and Wetland Restoration

Soil, Sediment, and Nutrient Management
Brownfield Cleanup
Energy and Water Efficiency
Urban Stormwater

Landfill Closure

Onsite Septic Systems
Source Water Protection
Sponsored Projects
SRF Background

- Clean Water SRF (CWSRF)
- Publicly owned wastewater infrastructure (sewer plants, pumping stations and collection systems)
- Eligible borrowers include cities, counties, sanitary districts
SRF Background

- Drinking Water SRF (DWSRF)
- Drinking water infrastructure (water treatment plants, water distribution systems)
- Source water protection
- Eligible borrowers include certain community water supplies, whether publicly or privately owned
State Revolving Fund

Federal Capitalization Grants

Bond Proceeds

Bond Repayments

Principal Repayments, Interest

Low-Interest Loans

Loan Proceeds

State Match Bonds

Leveraged Bonds

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SRF Process

- Planning
- Intended Use Plan Application
- Project Review and Approval
- Construction Bidding
- Loan Execution and Disbursements
- Final Inspection and Loan Close-Out
Intended Use Plan

- Updated quarterly
- Includes goals, policies
- Lists projects and their funding status
- Sets aside funds for special uses
Clean Water SRF Intended Use Plan Information

Applications are accepted year-round and Intended Use Plans (IUP) are updated each quarter. The quarterly IUP deadlines are below.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Quarter</th>
<th>Applications Due</th>
<th>Planning &amp; Design Applications Due</th>
<th>Public Hearing</th>
<th>Public Comments Closed</th>
<th>Commission Meeting &amp; Approval</th>
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<td>11/16/2012, 9:30 a.m.</td>
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Related Documents:
- DRAFT FY 2013 Q4 IUP UPDATE
- DRAFT FY 2013 Q4 PROJECT LIST

Related Links:
Environmental Protection Commission Agendas
<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
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<td>Primghar</td>
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<td>Randall</td>
<td>PD-CW-09-65</td>
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<td>Readlyn</td>
<td>1920468 01</td>
<td>Residential</td>
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<td>Reasnor</td>
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<td>Groundwater flows</td>
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Current CWSRF Project List

- 49 communities with Planning and Design loan apps
- 155 IUP applications for construction loans
- Requested amounts range from $54,000 to $30 million
- 102 of these cities with loans expected to exceed $500,000
- An additional 32 communities have executed loans worth $160 million since July 1 – may still be eligible

✓ Remember that project list is updated quarterly
Typical CWSRF Loan

- City borrows $1,000,000 for sewer project
- City makes annual principal and interest payments on loan for 20 years
- With interest and fees, the city repays $1,227,000 over the life of loan
CWSRF Loan with Sponsored Project

- City applies for sponsored project
- City constructs wastewater project and works with sponsor to complete nonpoint work
- City borrows $1,000,000 to pay for sewer system upgrades PLUS amount equivalent to 1% of interest (about $100,000) for a total of $1,100,000
- City makes annual principal and interest payment for 20 years. The interest rate is reduced on the loan so the amount repaid by the city is $1,227,000
Sponsored Project Funds

- For each $1,000,000 borrowed, roughly $100,000 would be available for NPS
- IFA and DNR will approve up to $15,000,000 in sponsored projects this year. The equivalent of $150,000,000 of CWSRF loans could be eligible for sponsored water quality projects
Can Fund
- Stormwater BMPs
- BMPs on Ag land
- Flood control projects with water quality benefits
- Stream stabilization
- Wetland restoration
- Buffer acquisitions
- Conservation easements
- Other non-point water quality practices

Can’t Fund
- Practices with the sole function of flood control
- Permeable paving on parking lots
- Playgrounds
- Roads and bridges
- Trails or Parks
Application Requirements

- Authorizing resolution from wastewater utility’s governing board
- 28E agreement with third-party entity
- Letters of support from project partners
- Letter from utility’s bond counsel
- Project conceptual plans
Project Conceptual Plan

- Identification of impacted waterbody and its watershed
- Assessment of water quality issues
- Project goals and objectives
- Evaluation of alternatives
- Description of practices to be implemented
- Expected water quality outcomes
- Proposed project schedule and milestones
- Proposed evaluation measures and procedures
Potential Role of Sponsor

- Utilities are strongly encouraged to include local watershed groups (SWCD or others)
- Support communities. Develop conceptual plan
- Project inspection or certification
  - Practices built to NRCS or Iowa Stormwater Management Manual Standards
  - Local “boots on the ground” conservation knowledge
Application Information

- Required to attend an application workshop
  - Tuesday, February 26th from 1-4:30 at Historical Building in DSM
  - Thursday, February 28th from 1-4:30 at Coralville Public Library
  - **Wednesday, March 13th from 1-4:30 at Western Iowa Tech Campus in Cherokee**
  - Monday, March 18th from 1:-4:30 at Historical Building in Des Moines

Please register by contacting Jeanne Johnson at Jeanne.johnson@dnr.iowa.gov
Application Deadline

• Deadline is July 19th
Application Online
www.iowasrf.com

Water Resource Restoration Sponsored Projects

The application packet is now available for Water Resource Restoration Sponsored Projects. Required application workshops are scheduled for February 26 (Des Moines), February 28 (Coralville), and March 13 (Cherokee). Please click on an application link below for registration details and instructions for submitting an application. Application deadline is July 19, 2013, 4:00 p.m.

- Application (Word)
- Application (PDF)

The State Revolving Fund: Investing in Iowa’s Water
Iowa Finance Authority: 900.432.7230 | Iowa Department of Natural Resources: 515.725.0498

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Wetlands
Pervious Paving
For More Information

- Patti Cale-Finnegan
  - (Iowa DNR – 515 725-0498)
- Lori Beary
  - (Iowa Finance Authority – 515 725-4965)
- Tony Toigo
  - (IA Dept. of Ag – 515 281-6148)