Water Resource Restoration
Sponsored Projects
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)

$160 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
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
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

![Pie chart showing loan costs and wastewater principal]
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
$1 million CWSRF loan

$1 million loan with sponsored project

- Loan Costs (interest and fees)
- Sponsored project principal
- Wastewater principal
Sponsored Project Funds

• For each $1,000,000 borrowed, roughly $100,000 could be available for NPS

• First round of funding (July 2013): $14,000,000 in sponsored projects = equivalent of $140,000,000 of CWSRF loans
2013 Sponsored Projects - $14 million

- City of Blakesburg
- City of Buffalo
- City of Cedar Rapids
- City of Clinton
- City of Coggon
- City of Davenport
- City of Donnellson
- City of Durant
- City of Fort Dodge
- City of Fort Madison
- City of Granger
- City of Keokuk
- City of Kingsley
- City of Laurens
- City of Lohrville
- City of Monona
- City of New London
- City of Ottumwa
- City of Prairie City
- City of Seymour
- City of Sioux City
- Wastewater Reclamation Authority

INVESTING IN IOWA’S WATER
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Example – Fort Dodge

• First project – streambank stabilization in city park
• Second project – stream corridor restoration leading to Badger Lake
• City partnering with County Conservation Board, IDALS
• Approx. $2 million
Example – Clinton

• Permeable pavement to reduce volume into separated sewers
• Also beautify historic “second downtown” area
• Partnering with IDALS
• Approx. $660,000
Example – Coggon

• City partnering with Middle Buffalo Watershed Project and SWCD
• Funds from wastewater loan used for watershed practices
• Approx. $130,000
Example – Kingsley

- City installing bioswales along city streets and alleys to prevent erosion
- Partnering with IDALS
- Approx. $280,000
Round 2 – Due March 3

- $10 million available
- Requirement to involve a conservation organization upfront
- New loans only – no existing loans
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
- Playgrounds
- Roads and bridges
- Trails or parks
Manure Management
Stream bank Stabilization
Bioreactor
Riparian Corridor Protection
Pervious Paving
Bioretention Cell
Stream Bank Stabilization
Soil Quality Restoration
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)