The SRF is one of Iowa’s primary sources of financing for drinking water and wastewater infrastructure, storm water quality, and nonpoint source protection.
Background

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

Background

Program frameworks and eligibility set by federal law, but each state can set its own priorities for use of funds
Iowa Code: “The program shall be a joint and cooperative undertaking of the department and the authority.”

- Iowa Department of Natural Resources
  - Program planning and prioritization
  - Project planning and permitting
  - Environmental review
  - Federal compliance
- Iowa Finance Authority
  - Financial management
  - Bond issues
  - Loan processing
  - Loan disbursements

Background

DNR and IFA also partner with the Iowa Department of Agriculture and Land Stewardship and Soil and Water Conservation Districts
- Local Water Protection Program (soil erosion)
- Livestock Water Quality Facilities (manure)
- Green infrastructure
- Sponsored projects
Background

1989 - 2002
LOW-INTEREST LOANS FOR
water and wastewater infrastructure only

INVESTING IN IOWA'S WATER
www.iowaoperator.com
SRF Provides Many Tools

- Water and Wastewater Planning and Design
- Onsite Septic Systems
- Lake and Wetland Restoration
- Source Water Protection
- Soil, Sediment, and Nutrient Management
- Sponsored Projects
- Brownfield Cleanup
- Landfill Closure
- Energy and Water Efficiency

Loans at Below-Market Rates

- Planning and design – 0% for 3 years
- Construction – 2% for 20 years
- Some extended terms – 30 years
- Nonpoint source loans – interest rate buydown to maximum of 3%

INVESTING IN IOWA’S WATER
www.iowasrf.com
Total Assistance = $2.9 billion
Drinking Water SRF

- Loans for:
  - Improvements to public water supply systems
  - Consolidations and connections
  - Source water protection

- DWSRF set-asides fund technical assistance, capacity development, state drinking water program, SWP

### Applicant Project Request

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project</th>
<th>Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of State Center</td>
<td>Planning and design loan</td>
<td>$365,000</td>
</tr>
<tr>
<td>Poweshiek Water Association</td>
<td>Water storage tower to better serve customer area</td>
<td>$415,000</td>
</tr>
<tr>
<td>City of Farley</td>
<td>Treatment to remove cancer-causing radium from well water</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>City of Van Meter</td>
<td>New water treatment plant to remove iron for better water quality</td>
<td>$4,600,000</td>
</tr>
<tr>
<td>City of North Liberty</td>
<td>New Jordan well, new water treatment plant to meet expanding population’s needs</td>
<td>$13,000,000</td>
</tr>
</tbody>
</table>
Clean Water SRF

- Loans for:
  - Publicly owned wastewater treatment facilities
  - Sewer system rehabilitation
  - New systems for unsewered communities
  - Stormwater management for water quality
  - Nonpoint source pollution control

**Clean Water SRF**

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project</th>
<th>Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Mediapolis</td>
<td>Planning and design loan</td>
<td>$110,000</td>
</tr>
<tr>
<td>City of Worthington</td>
<td>Disinfection to meet bacteria standards</td>
<td>$131,000</td>
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<tr>
<td>City of Granville</td>
<td>Relining to prevent infiltration and inflow into aging sewers</td>
<td>$696,000</td>
</tr>
<tr>
<td>City of New Hampton</td>
<td>Improvements to wastewater plant to meet ammonia, bacteria, and nitrogen standards</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>City of Fort Madison</td>
<td>Wastewater upgrades to replace aging equipment, remove nutrients, add biosolids storage, and protect from floods</td>
<td>$15,000,000</td>
</tr>
</tbody>
</table>
Cumulative Funding of Wastewater vs. Nonpoint

Nonpoint
$242,260,937
12%

Wastewater
$1,729,751,013
88%

National Average
Nonpoint 4%

Wastewater 96%
Nonpoint source (NPS) pollution comes from many diffuse sources. NPS pollution is caused by rainfall or snowmelt moving over and through the ground. As the runoff moves, it picks up and carries away natural and human-made pollutants, including nutrients, finally depositing them into lakes, rivers, wetlands, and ground waters.

Nonpoint Source Linked Deposits

- Project approval by environmental agency
- Financing approval by participating lender – currently have 400 across the state
- SRF deposits funds at 0%, bank cannot charge more than 3% interest
- Can be used with cost-share, EQIP, other grants
Ag Best Management Practices

- Soil erosion
- Manure management
- Non-CAFO size livestock operations
- IDALS administers through contract with SRF
- Apply through Soil and Water Conservation Districts
Onsite Wastewater Systems

- Helps homeowners replace inadequate septic systems
- Approved by county sanitarian
- All 99 counties participate

Other Water Quality

- Borrower is public entity
  - Urban storm water, green infrastructure
  - Brownfield cleanup
  - Landfill closure
  - Superfund
  - Lake dredging
Sponsored Projects

- Iowa Legislature authorized in 2009
- Allows wastewater utilities to address nonpoint source problems in local watersheds
- $10 million available each year

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
### Loan Costs
- Interest and fees

### Sponsored project principal

### Wastewater principal

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### Project Status as of June 2017 – Water Resource Restoration Sponsored Projects

<table>
<thead>
<tr>
<th>Project Status</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed/Under Construction</td>
<td>$20 million</td>
</tr>
<tr>
<td>In Planning</td>
<td>$36 million</td>
</tr>
<tr>
<td>Total</td>
<td>$56 million</td>
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</tbody>
</table>
Sponsored Project - Clinton

- Focus on urban storm water practices to improve water quality & reduce combined sewer overflows
- Use less costly green infrastructure solutions

Sponsored Project - Donnellson

- Mix of urban storm water management & ag practices
  - Bioswales for infiltration in town
- Partnership with Lee County SWCD
  - Supported cost share for a cover crop demonstration
Sponsored Projects - Fort Dodge

- Stream corridor restoration in city park with storm water management
- Support for Badger Lake watershed project
  - Reduced sediment and nutrients entering the lake with practices on agricultural properties

Sponsored Project - Northwood

- Supporting installation of nutrient removal wetlands on agricultural landscape
- Hoping to generate water quality credits for future use
- Partnership with Iowa Department of Agriculture and Land Stewardship and local drainage district
Program Outcomes

• Demonstrate nonpoint source water quality practices such as green infrastructure, cover crops, wetlands
• Encourage upstream/downstream watershed planning and partnerships
• Build technical expertise in Iowa’s design and construction community

Questions?
IowaSRF.com