

STATE REVOLVING FUND

Investing in Iowa's Water

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Background

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



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Background

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



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Background

Program frameworks and eligibility set by federal law, but each state can set its own priorities for use of funds



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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



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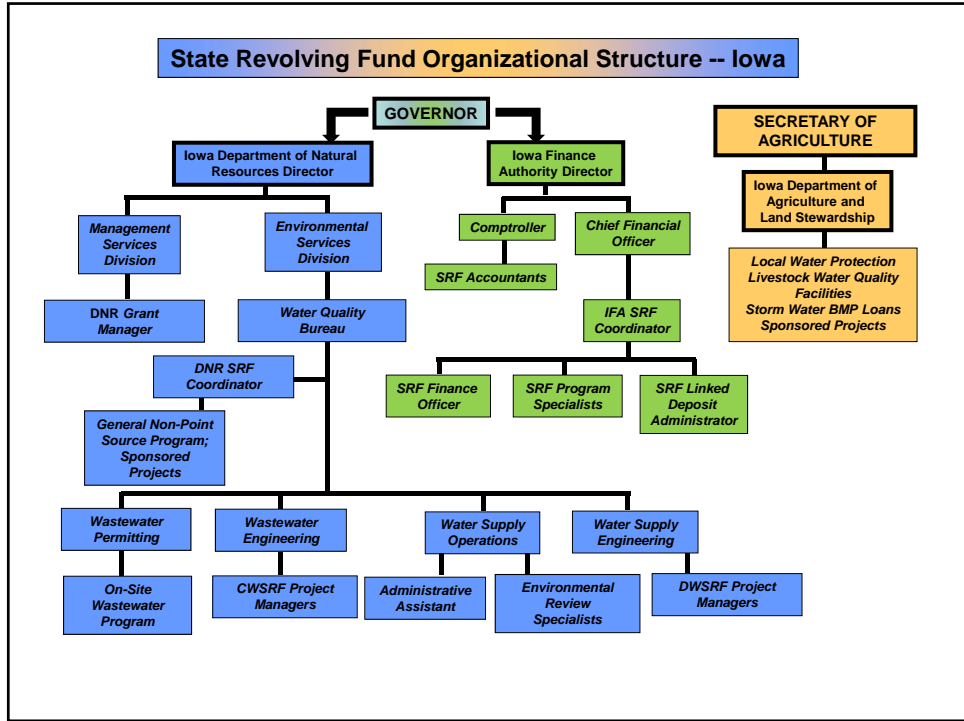
Background

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



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Background



1989 - 2002

LOW-INTEREST LOANS FOR water and wastewater infrastructure only

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SRF Provides Many Tools



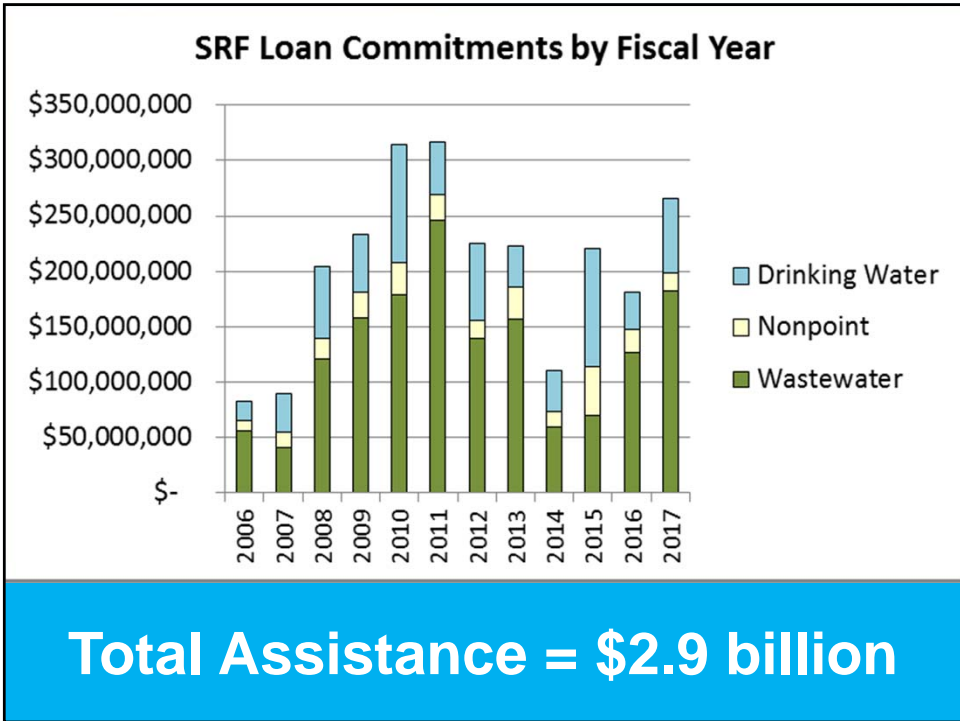
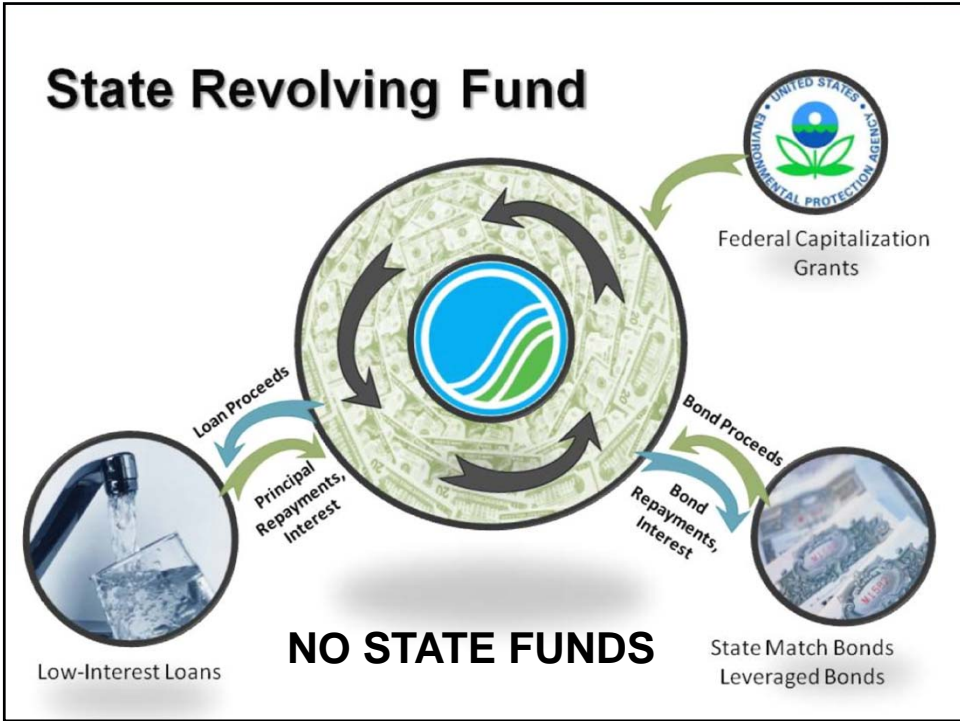
Loans at Below-Market Rates

- 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%



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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



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Drinking Water SRF

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



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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



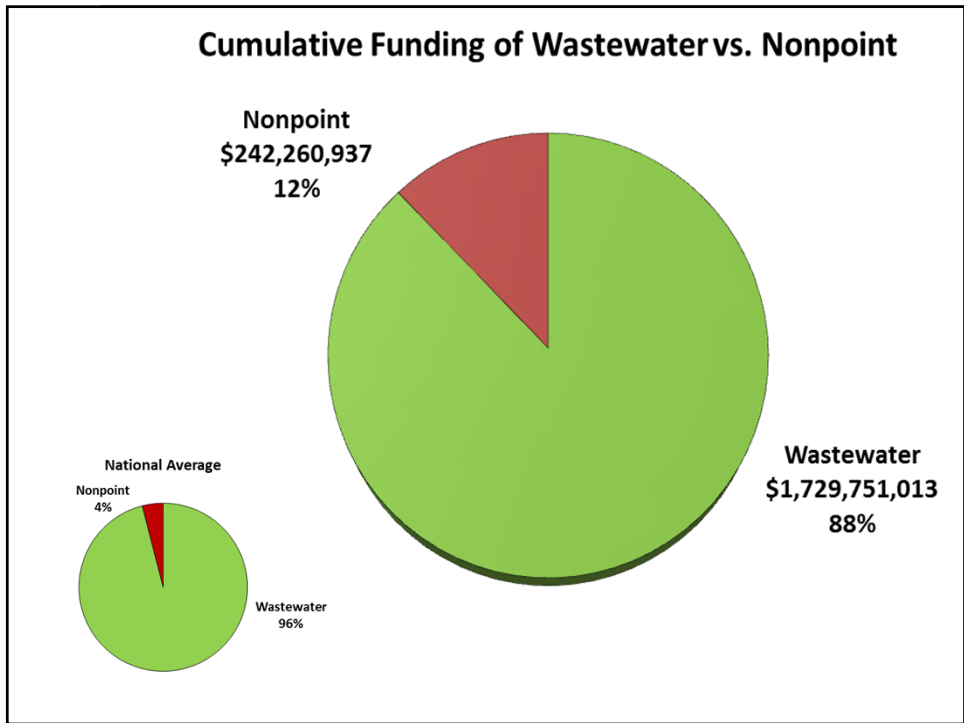
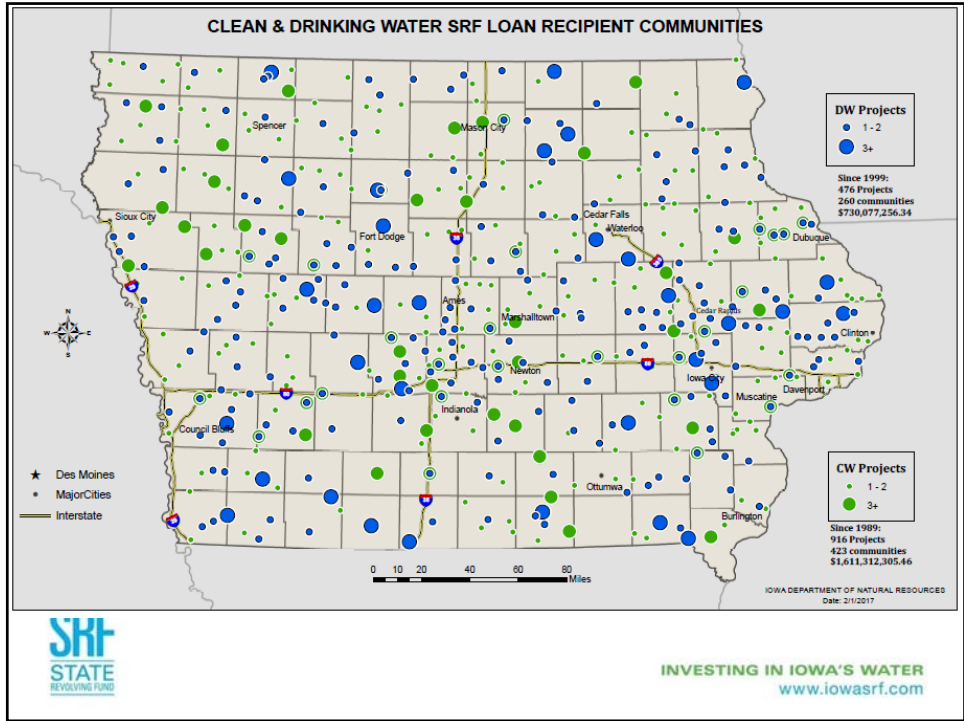
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Clean Water SRF

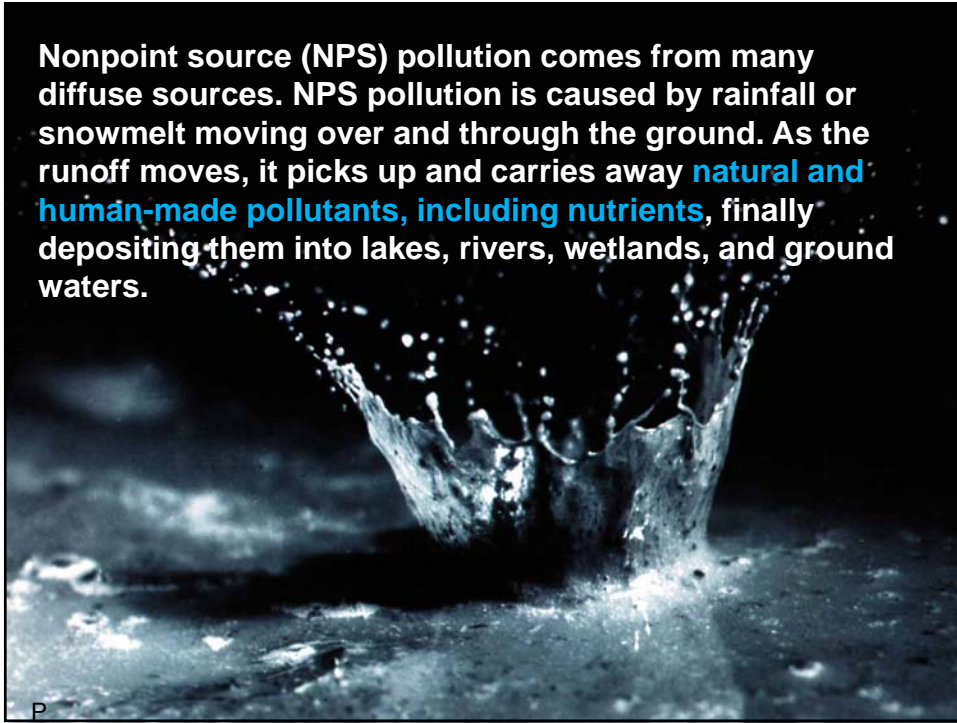
Applicant	Project	Request
City of Mediapolis	Planning and design loan	\$110,000
City of Worthington	Disinfection to meet bacteria standards	\$131,000
City of Granville	Relining to prevent infiltration and inflow into aging sewers	\$696,000
City of New Hampton	Improvements to wastewater plant to meet ammonia, bacteria, and nitrogen standards	\$2,000,000
City of Fort Madison	Wastewater upgrades to replace aging equipment, remove nutrients, add biosolids storage, and protect from floods	\$15,000,000



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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



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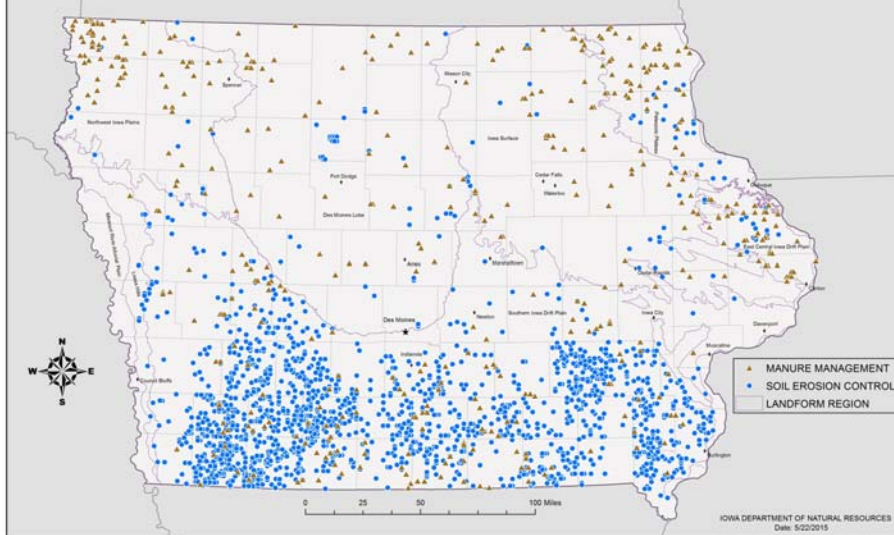
Ag Best Management Practices

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

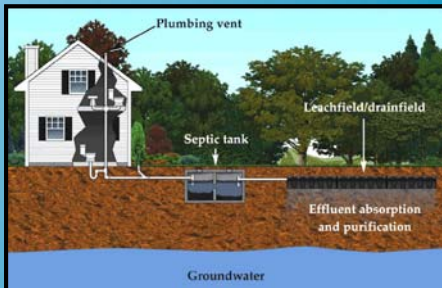


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STATE REVOLVING FUND LOANS FOR AGRICULTURAL BEST MANAGEMENT PRACTICES



Onsite Wastewater Systems



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



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Other Water Quality



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



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Sponsored Projects



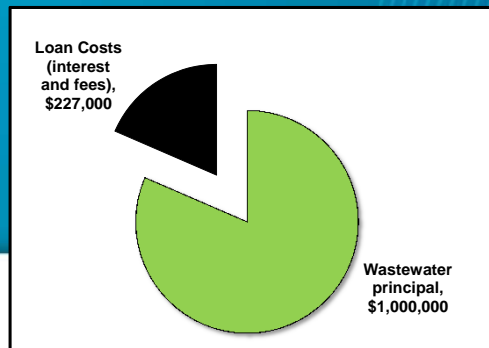
- Iowa Legislature authorized in 2009
- Allows wastewater utilities to address nonpoint source problems in local watersheds
- \$10 million available each year



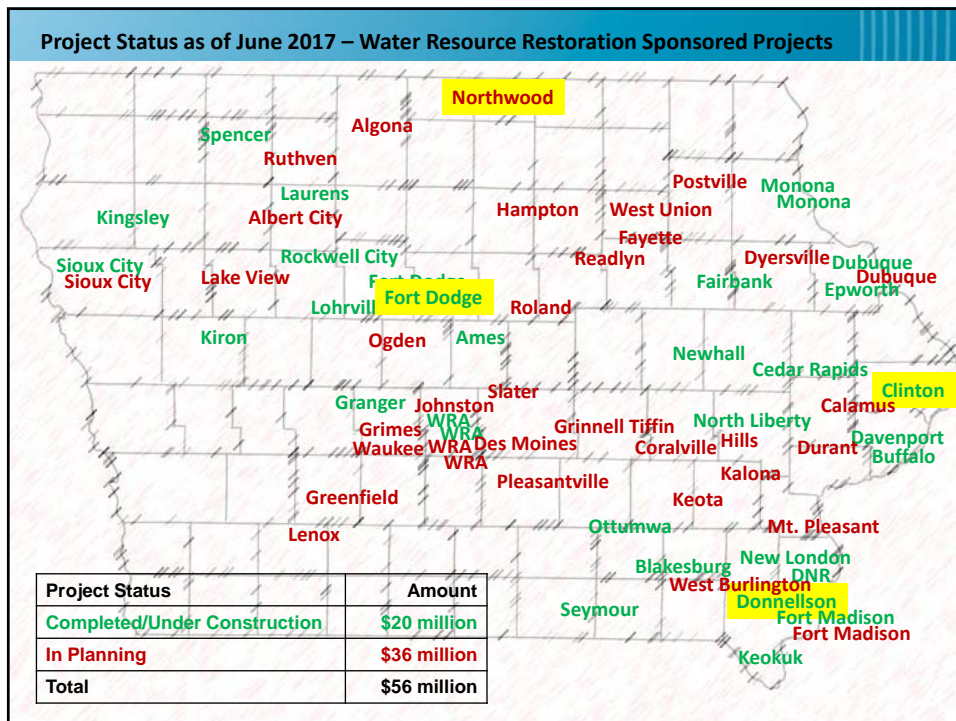
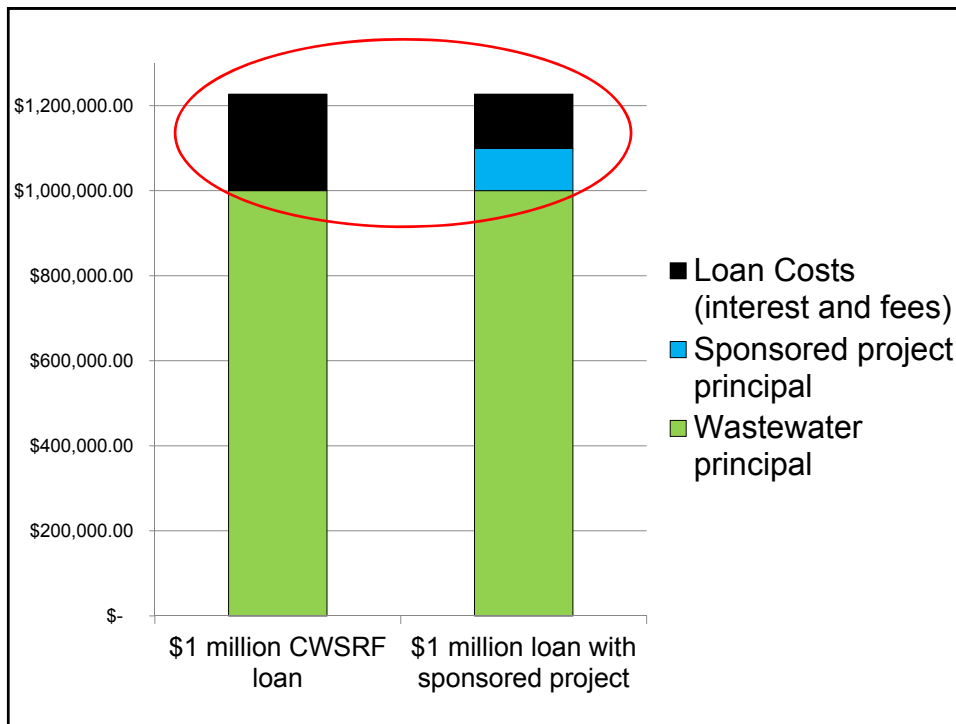
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Typical CWSRF Loan

- 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



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Sponsored Project - Clinton

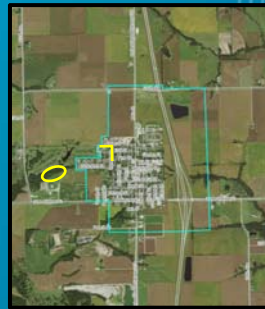
- Focus on urban storm water practices to improve water quality & reduce combined sewer overflows
- Use less costly green infrastructure solutions



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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



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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

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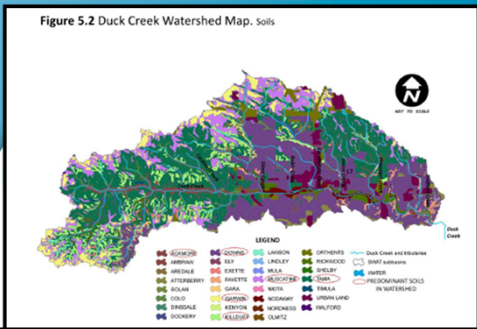
Sponsored Project - Northwood

- 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?
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