

April 2016

ATTENTION WATER SYSTEMS:

- Do you have violations of drinking water standards with public health risks?
- Are you trying to operate without being able to meter your water?
- Do you have water meters but need to replace them or upgrade to automatic meter reading?
- Do you want to increase your energy or water efficiency?
- Do you need to install or replace an emergency backup generator?



The Drinking Water State Revolving Fund (DWSRF) invites you to apply for special funding that includes loan forgiveness for a portion of your project. Loan forgiveness is the equivalent of a grant and will help make your project more affordable. DWSRF-eligible public water supplies may apply.

Type of Assistance Available

Assistance will be provided in the form of loans. A portion of the final loan amount will be forgiven. The percent of loan forgiveness offered will be;

- **Up to 75%** for project components that address human health risks
- **Up to 75%** for generator installation or replacement
- **Up to 30%** for installation of new water meters in unmetered systems, replacement or upgrades of existing water meters, or energy efficiency and other water efficiency projects

A loan origination fee of 0.5% will be based on the total loan amount. Interest and servicing fees will apply on the amount drawn until the project is complete. When the project is completed and the final documentation is received by SRF, the forgivable portion will be applied to the outstanding loan amount.

Project Requirements

- Projects must be eligible for the Drinking Water State Revolving Fund (DWSRF) and meet the specific criteria outlined for loan forgiveness (see the next section for project criteria).
- Applicants must submit a DWSRF Intended Use Plan application describing the project, along with a Preliminary Engineering Report (PER). The PERs for water/energy efficiency or generator projects may be abbreviated but must provide enough information on the system to make a viability determination with regard to source, treatment, storage, and distribution.
- All applicants must complete a Viability Self-Assessment. The use of a Municipal Advisor may also be required.
- An SRF environmental review is required, with either a Categorical Exclusion or a Finding of No Significant Impact approved. SRF offers the assistance of environmental review specialists to help applicants complete this process. This process can take 60 to 180 days.
- If a construction permit is needed it must be obtained before construction can begin. Some projects may not need a construction permit but a project approval letter will be issued instead. In addition, all other applicable local, state or federal permits must be obtained.
- During the bidding process, state bidding laws must be followed. Federal requirements for construction contracting also apply.
- Once project costs are finalized, an SRF loan application must be submitted and approved. All applicable Iowa financing laws apply, including public hearing and bond resolution. Legal fees for a bond opinion will be incurred but can be financed as part of the project.
- Other requirements may apply depending on the type of project.

Criteria for Eligibility

1. Human Health Risk Criteria. The project must address one or more of the following:

- Correction of acute MCL or Tier I treatment technique violation as defined in 567—paragraph [42.1\(2\)“a”](#) (fecal coliform, nitrate, nitrite, chlorine dioxide, turbidity, CT corrective measures, and *Giardia*).

- Correction of nonacute MCL violation (IOCs excluding acute contaminants, radionuclides, SOCs, VOCs).
 - Correction of an expected MCL or treatment technique violation (acute or nonacute).
 - Correction of Tier II treatment technique violation as defined in 567—paragraph [42.1\(3\)“a”](#) (Pb/Cu corrective measures, disinfection byproduct precursor removal).
 - Mitigation of an imminent threat from groundwater contamination (from UST site, from CERCLA site, from uncontrolled site).
 - Connection of individual residences to PWS to eliminate use of contaminated individual private wells (bacterial, nitrate, radionuclide, or IOC/VOC/SOC well contamination all eligible).
 - Replacement of asbestos cement pipe (replace at least 200 feet of pipe).
- 2. Emergency Generators.** Installation or replacement of permanent (stationary) emergency generators necessary to treat and/or pump water to the distribution system during power outages to meet the average day demand will be considered eligible for loan forgiveness. The cost of equipment and installation will be eligible for loan forgiveness.
- 3. Water and Energy Efficiency.** The following are examples of potentially eligible projects:
- Installing any type of water meter in previously unmetered areas.
 - Replacing existing broken/malfunctioning water meters with automatic meter reading systems (AMR), smart meters, or meters with built-in leak detection.
 - Retrofitting/adding AMR capabilities or leak equipment to existing meters (not replacing the meter itself).
 - Other projects that are documented to save energy as shown in energy efficiency related assessments (such as energy audits, energy studies, etc).
 - Renewable energy projects which are a part of a public health project, such as wind or solar facilities that provide power to a water utility.

The cost of equipment and installation will be eligible for loan forgiveness.

For more information on eligible projects:

Contact Jennifer Bunton, DWSRF Team Leader, 515-725-0298;
Jennifer.bunton@dnr.iowa.gov

How to Apply

Please use the DWSRF Intended Use Plan application (Exhibit 3) which is found at <http://www.iowadnr.gov/Environmental-Protection/Water-Quality/Water-Supply-Engineering/State-Revolving-Loan-Fund> to submit your request for funding. Please answer all of the questions fully to the best of your ability. We may ask for additional information later.

Applications are accepted year-round, with quarterly deadlines the first full working day of each June, September, December, and March.

Applications will be scored and ranked using the criteria in 567 IAC 44. Projects identified for funding will be listed in the next quarterly Intended Use Plan update presented to the Iowa Environmental Protection Commission (EPC).

Please note: If your project is already on the DWSRF Intended Use Plan, you don't need to reapply. We will evaluate each of the existing applications for eligibility for loan forgiveness.

FOR MORE INFORMATION

Please contact Patti Cale-Finnegan, DNR SRF Coordinator, 515-725-0498;
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