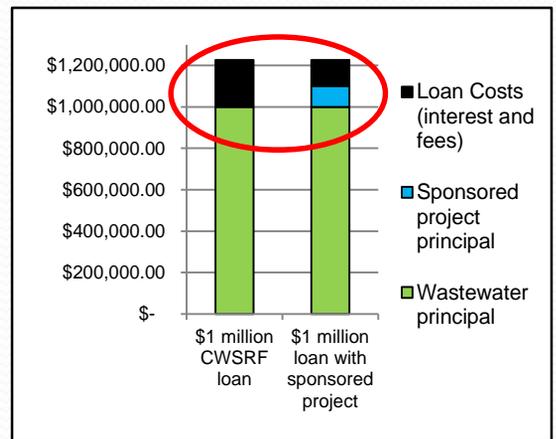


Water Resource Restoration SPONSORED PROJECTS

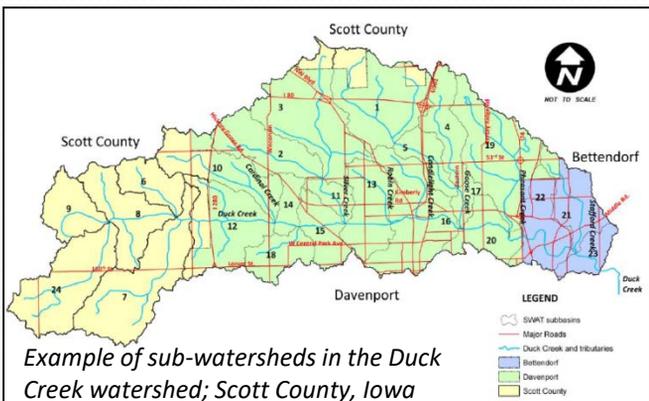


Iowa law allows sewer utility revenues to finance a new category of projects, called “water resource restoration sponsored projects.” This includes locally directed, watershed-based projects to address water quality problems. Prior to 2009, utility revenues could only be used for construction and improvements for the wastewater system itself. Now, wastewater utilities can also finance and pay for projects, within or outside the corporate limits, that cover best management practices for nonpoint source pollution control.

The Sponsored Projects program has been implemented through the Clean Water State Revolving Fund (CWSRF), a loan program for construction of water quality facilities and practices. On a typical CWSRF loan, the utility borrows principal and repays principal plus interest and fees. As shown, on a CWSRF loan with a sponsored project, the utility borrows for both the wastewater improvement project and the sponsored project. However, through an overall interest rate reduction, the utility’s ratepayers do not pay any more than they would have for just the wastewater improvements. Instead, two water quality projects are completed for the cost of one.



The project must improve water quality in the watershed in which the publicly owned wastewater utility is located. The wastewater utility’s governing board selects the watershed or sub-watershed for the focus of their water resource restoration project application. Projects can be located within a sub-watershed entirely inside municipal boundaries or in an upstream watershed. Upstream watersheds provide unique opportunities for cities to gain partners and additional resources in tackling water quality concerns. Applicants are required to work with urban conservationists or with local water quality organizations, such as Watershed Management Authorities, Soil and Water Conservation Districts, County Conservation Boards, and others.



The dollar amount available for a sponsored project equals approximately \$100,000 per \$1 million wastewater loan, or about 10% of the wastewater loan amount. Iowa is setting aside \$10 million per year for sponsored projects.

Through June 2018, \$60 million for sponsored projects have been approved. This includes 90 sponsored projects in 72 communities and one state park.

Practices being funded under Iowa's Sponsored Project program are primarily focused on restoring the natural hydrology of the watershed in which they're located. Included are bioswales and biocells, permeable paving, rain gardens, wetland restoration, and other retention and infiltration practices for nonpoint source pollution management. While other benefits, such as flood control, stormwater management, or habitat restoration may also be achieved, the practices must result in improved water quality.



Project examples include:

- City of Monona (Northeast Iowa): Installed permeable paving in aquatic center parking lot to treat runoff and reduce sediment loading into a stream leading to Silver Creek.
- City of Fort Dodge (North Central Iowa): Contributed funding to the Badger Lake Watershed Project to improve water quality in lake used by city residents.
- City of Sioux City (Northwest Iowa): Restored native prairie and oak savanna in a city park, constructed bio-retention cells, and stabilized stream banks to reduce erosion in a tributary to the Missouri River.
- City of Clinton (Southeast Iowa): Incorporated permeable pavement, silva cells, bio-retention cells, and soils quality restoration into the combined sewer separation of Main Avenue.

Sponsored project applications are taken twice per year, in March and September. A pre-application conference with SRF staff must be scheduled three months before the application deadline.



Project plans must include an assessment of the impacted waterbody and its watershed with data that supports the identification of the water quality problems to be addressed, along with a discussion of project goals and objectives. Applicants must evaluate water quality practices that could be implemented and explain the expected water quality outcomes. Other required elements for the plan are a project schedule, proposed budget, and evaluation measures and procedures.

Once an application is accepted by the CWSRF program, SRF staff and technical advisors work closely with applicants through the detailed planning and design stages. Funding is only executed after the sponsored project is approved and has been bid.

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