

Water/Wastewater Infrastructure Funding Summit

WHAT'S NEW WITH SRF?

Lori Beary, Iowa Finance Authority
Patti Cale-Finnegan, Department of Natural Resources

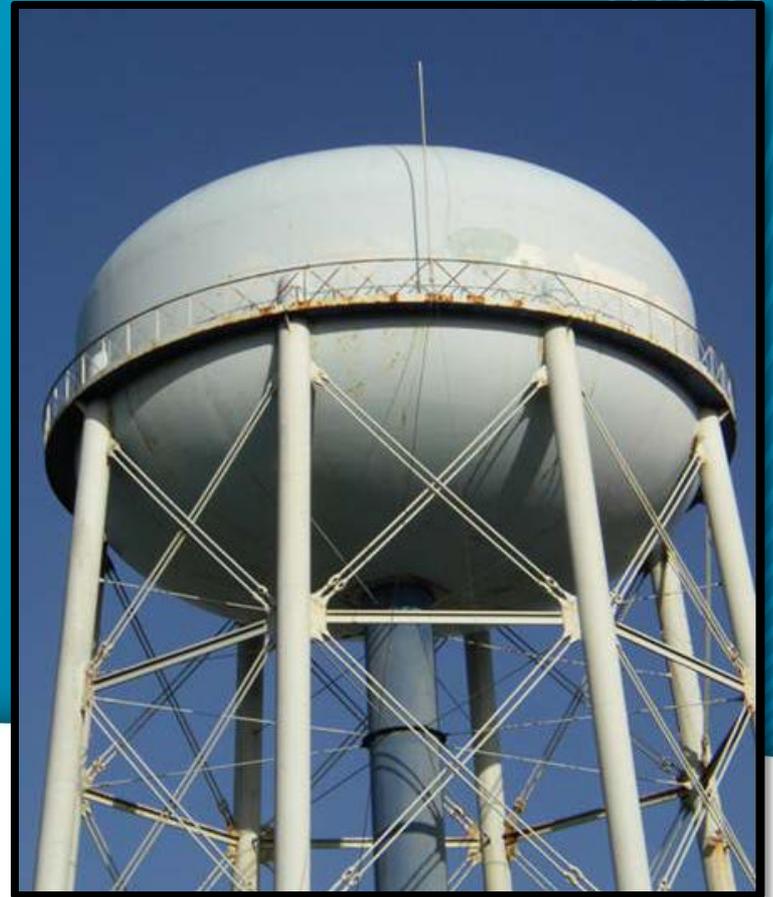


INVESTING IN IOWA'S WATER
www.iowasrf.com



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



Onsite Septic Systems

Urban Stormwater

Source Water Protection

Lake and Wetland Restoration

Sponsored Projects

**Soil, Sediment, and Nutrient
Management**

Landfill Closure

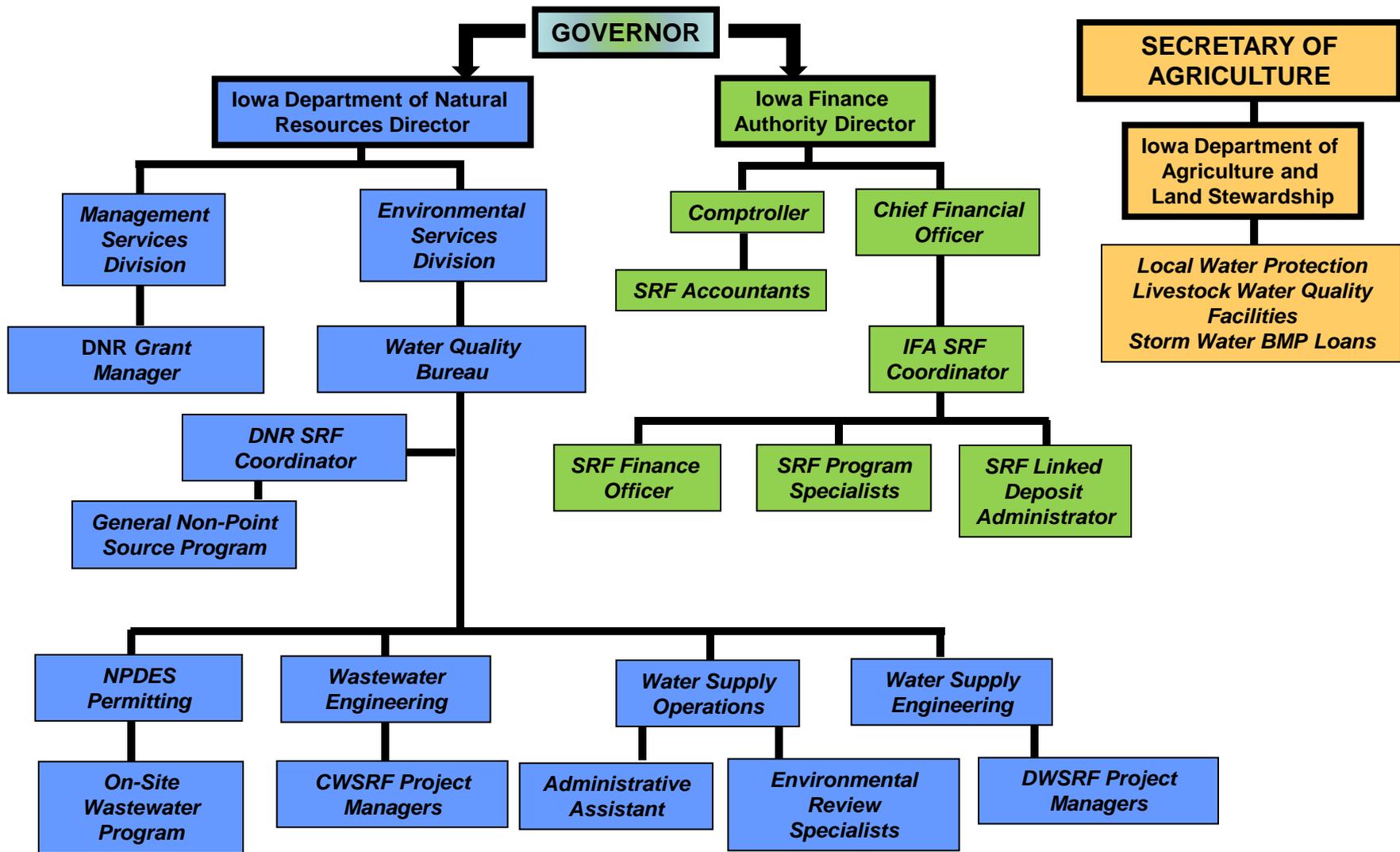
Energy and Water Efficiency

Planning and Design

Brownfield Cleanup

**Water and Wastewater
Infrastructure**

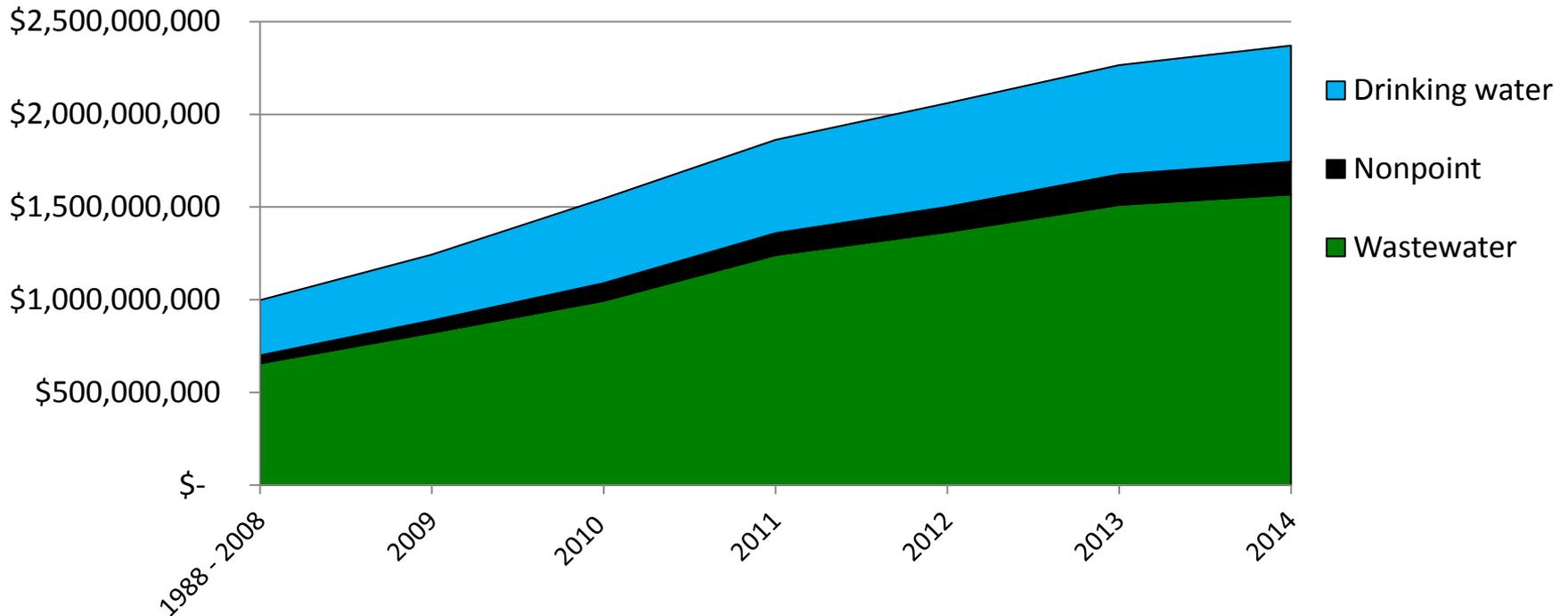
State Revolving Fund Organizational Structure -- Iowa





Growth of SRF

SRF Cumulative Assistance





What's New?

- **Municipal Advisor Requirement**
- **Use of American Iron and Steel**
- **Sponsored Projects**
- **CWSRF Changes**



MA Requirement

- New SRF projects will be required to hire a registered municipal advisor (MA)
- MA will work with city to
 - Analyze current income and expenses
 - Assist with setting rates
 - Advise community on financial planning



MA Requirement



- SRF will reimburse up to \$4,000 for eligible MA expenses
- The subsidy is only for the first time the community has a new SRF project
- MA expenses can be paid with a P&D loan

Why are we doing this?

- The financial health of your utility is as important as the condition of the infrastructure
- SRF requires other professionals:
 - Engineers are hired to design WW and DW systems
 - Archaeologists are contracted for the ER
 - Attorneys are used for the legal documents
 - Financial professionals should be used to analyze the finances of the utility





American Iron/Steel

- Remember Buy American from ARRA? AIS is similar but different.
- Does NOT affect your project IF:
 - Your SRF loan was executed before January 17, 2014;
 - A planning and design loan was executed before 1/17/2014;
 - It is a phased project and previous phases have been financed through SRF;
 - Your construction permit was issued before January 17, 2014;
 - Your project is considered a Section 319, nonpoint source practice.





American Iron/Steel

- All other projects may need to comply with the new AIS requirements.
- However, because there are several exemptions and waivers, you must check with your DNR project manager for a determination.
- DNR can issue a letter of exemption if the project qualifies.
- If not, we will provide you with a special set of front-end documents to use when bidding.
- Get ready – eventually all SRF infrastructure projects will have to comply.





American Iron/Steel

- The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.



American Iron/Steel

- If at least 50% of product, by cost, is iron or steel, it must comply.
- Non-iron or steel component parts do not have to be U.S. made.
- For iron and steel products, all manufacturing processes, including application of coatings, must take place in the United States
- All manufacturing processes includes processes such as melting, refining, forming, rolling, drawing, finishing, fabricating and coating.





American Iron/Steel

- EPA recommends a step certification process, such as that used by the U.S. Department of Transportation.
- A step certification is a process under which each handler (supplier, fabricator, manufacturer, processor, etc) of the iron and steel products certifies that their step in the process was domestically performed.
- DNR is required to perform inspections and examine documentation maintained by the borrower to ensure compliance.



American Iron/Steel

The following information is provided as a sample letter of step certification for AIS compliance. Documentation must be provided on company letterhead.

Date

Company Name

Company Address

City, State Zip

Subject: American Iron and Steel Step Certification for Project (XXXXXXXXXXXX)

I, (company representative), certify that the (melting, bending, coating, galvanizing, cutting, etc.) process for (manufacturing or fabricating) the following products and/or materials shipped or provided for the subject project is in full compliance with the American Iron and Steel requirement as mandated in EPA's State Revolving Fund Programs.

Item, Products and/or Materials:

1. Xxxx
2. Xxxx
3. Xxxx

Such process took place at the following location:





American Iron/Steel

- De minimus waiver covers incidental items: Miscellaneous in nature, often bought in bulk, country of origin unknown, low cost.
- Examples: small washers, nuts and bolts, miscellaneous wire, corner bead, ancillary tube, etc.
- Must document each item with either step certification or demonstrated as incidental.
- DNR has prepared spreadsheets for use by contractors.



American Iron/Steel

American Iron and Steel Materials Spreadsheet – to be Submitted by Successful Bidder

Iowa Department of Natural Resources - May 2014

Based on EPA Memorandum (4/15/2014): De Minimus Waiver of Section 436 of P.L. 113-76, Consolidated Appropriation Acts (CAA), 2014

Project:	Choose an item.					
Bidder:	Lined/unlined pipes or fittings		Date:			
* Covered Products:	Pipes or fittings; manhole covers; municipal castings; pipe clamps and restraints; valves; structural steel; hydrants					
tanks; flange	Valves					
** Incidental	Structural steel					
	Hydrants					
	Tanks					
	Flanges					
	Reinforced precast concrete					
	Construction materials					
	Description of Other Products if Not Included in Covered Products	Bid Amount Covered Products	Bid Amount Incidentals	Documentation Will be Obtained	Item is Incidental and will be Claimed under de Minimus Waiver**	
1	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	
2	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	
3	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	
4	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	
5	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	
6	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	
7	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	
8	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	
9	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	
10	Choose an item.			<input type="checkbox"/>	<input type="checkbox"/>	

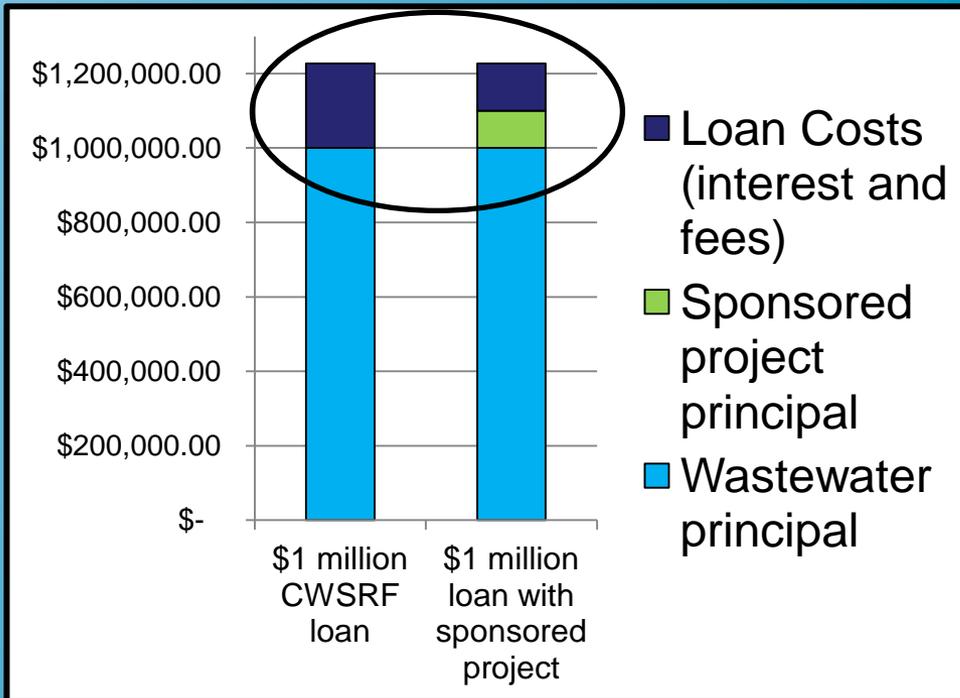


American Iron/Steel

[http://www.iowasrf.com/about_srf/
use-of-american-iron-and-steel/](http://www.iowasrf.com/about_srf/use-of-american-iron-and-steel/)



Sponsored Projects



- Allows wastewater utilities to address nonpoint source problems
- \$25 million set-aside for first two years
- Applications due twice each year – September and March
- Approximately \$100,000 available per \$1 million loan amount

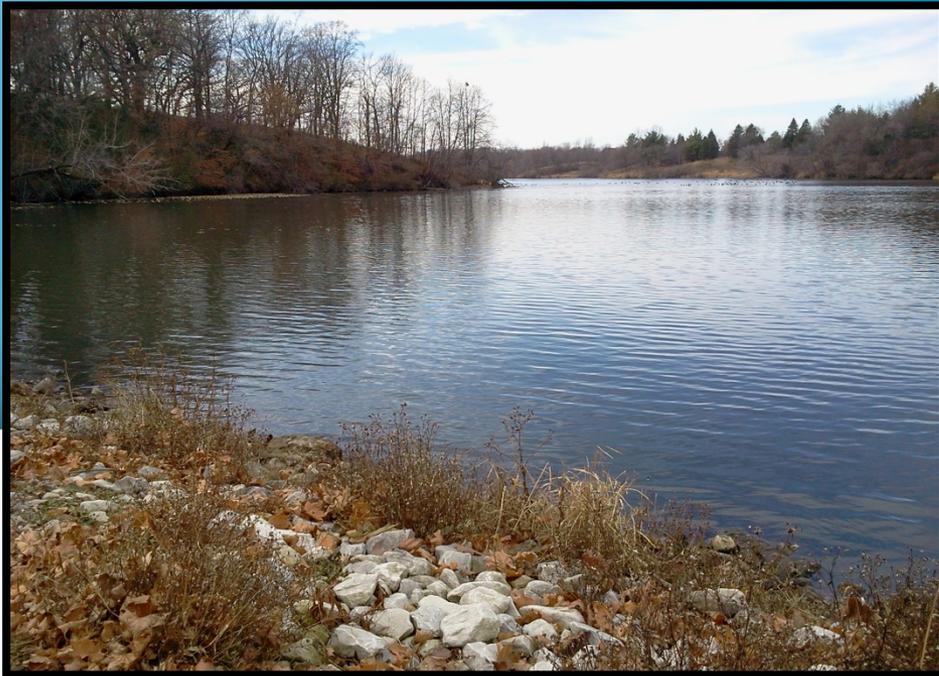


Sponsored Projects



- City of Monona
- Runoff from gravel parking lot at municipal pool polluting creek
- Permeable paving infiltrates stormwater and reduces runoff
- Wastewater loan \$2.75 million
- Sponsored project amount \$245,000

Sponsored Projects



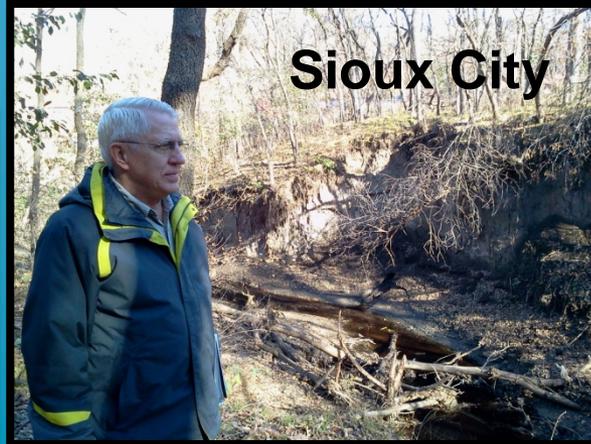
- City of Fort Dodge
- Two projects
- Stream corridor stabilization in city park with stormwater management in watershed
- Support for Badger Lake water quality improvement efforts
- Loan amounts \$31 million
- Sponsored project budget approx. \$2.1 million



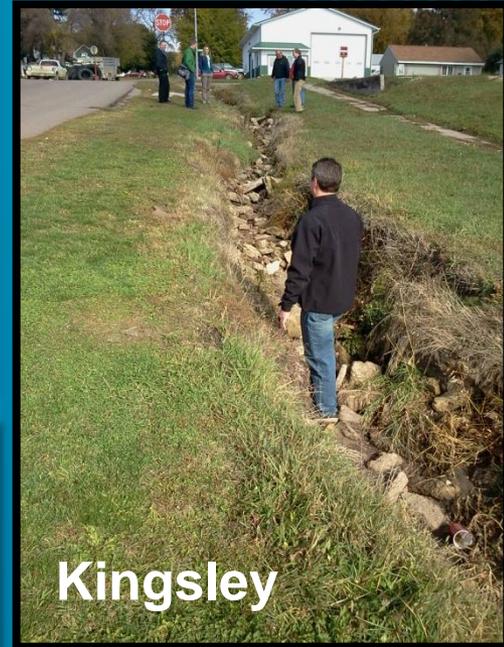
Sponsored Projects



Buffalo



Sioux City



Kingsley



Clinton



Lohrville



Donnellson



INVE



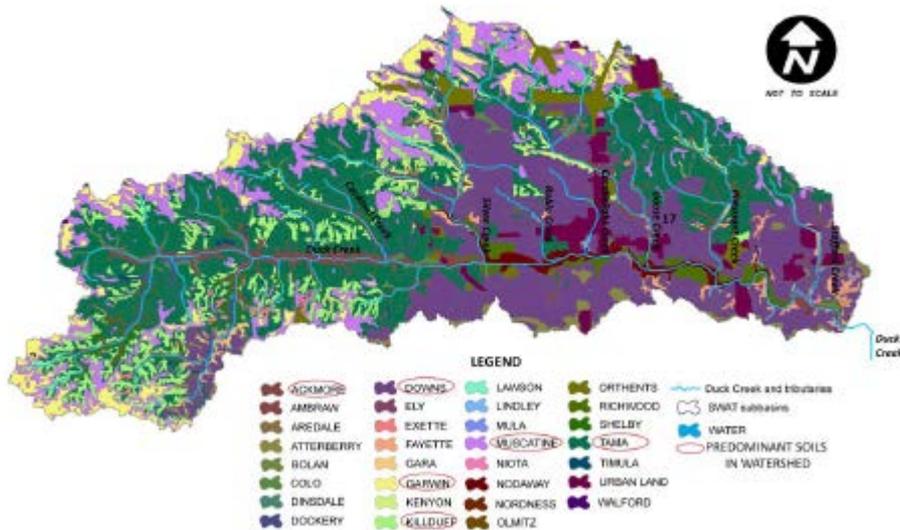
Sponsored Projects

- Qualified applicants – wastewater utility/city with SRF project in the planning phase
- Wastewater utility/city must work with a watershed organization, including Iowa Department of Agriculture and Land Stewardship, Soil and Water Conservation District, County Conservation Board, Watershed Management Authority, others



Sponsored Projects

Figure 5.2 Duck Creek Watershed Map. Soils



- Project must address nonpoint source pollution on a watershed basis – starts with watershed assessment
- Ends with identifying possible practices to address water quality problems in watershed



Sponsored Projects

- Must have pre-application conference call with SRF staff along with watershed partners
- Applications due September 2, 2014 and March 2, 2015
- Sponsored project schedule must match up as closely as possible to wastewater project schedule
- Read the application materials for more information:

[http://www.iowasrf.com/about_srf/
fy-2015-sponsored-projects-application/](http://www.iowasrf.com/about_srf/fy-2015-sponsored-projects-application/)





CWSRF Changes

- Clean Water Act governs the Clean Water State Revolving Fund
- Last amended in 1987
- Clean Water SRF provisions added to WRRDA June 2014
- WRRDA is Water Resources Reform and Development Act (usually covers Army Corps of Engineers)





CWSRF Changes

- EPA draft guidance issued August 11, 2014
- Comments from states due today
- EPA has training for states on implementation beginning in September
- Iowa will attend Kansas City training on Sept. 9-10





CWSRF Changes

- Provisions that WILL affect all or some Iowa CWSRF borrowers:
 - Davis-Bacon is now a permanent feature
 - So is Use of American Iron and Steel
 - Land purchase eligible as of October 1, 2014 for:
 - Surface and subsurface easements;
 - Place to store equipment and materials during construction;
 - Land needed to locate eligible treatment or distribution projects, and
 - Land for effluent application or recharge basins.





CWSRF Changes

- **Other provisions that MAY affect CWSRF borrowers:**
 - Engineering procurement may be required for some projects
 - Starting in 2015, borrowers must certify that projects are cost-effective (no guidance available yet)
 - Additional subsidization (loan forgiveness) is now optional, not required





CWSRF Changes

- Other provisions that **WILL NOT** affect CWSRF borrowers:
 - Iowa’s method of financing (purchase of debt obligations rather than direct loans) exempts our borrowers from the “Fiscal Sustainability Plan” requirement (similar to asset management)



Questions?

Patti Cale-Finnegan
Iowa Department of Natural Resources
515-725-0498

Patti.cale-finnegan@dnr.iowa.gov

Lori Beary
Iowa Finance Authority
515-725-4965
Lori.beary@iowa.gov

