

Saxton, Fink, Miller

Succeeded By
(SF) HF 2145

SSB 3027
Natural Resources

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
NATURAL RESOURCES BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to terminology and eligibility for assistance
2 under the sewage treatment and drinking water facilities
3 financing program.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 455B.291, Code 2001, is amended to read
2 as follows:

3 455B.291 DEFINITIONS.

4 As used in this part, unless the context requires
5 otherwise:

6 1. "Administration funds" means the ~~sewage-treatment water~~
7 pollution control works administration fund and the drinking
8 water facilities administration fund.

9 2. "Authority" means the Iowa finance authority
10 established in section 16.2.

11 3. "Clean Water Act" means the federal Water Pollution
12 Control Act of 1972, Pub. L. No. 92-500, as amended by the
13 Water Quality Act of 1987, Pub. L. No. 100-4, as published in
14 33 U.S.C. § 1251--1376.

15 4. "Cost" means all costs, charges, expenses, or other
16 indebtedness incurred by a ~~municipality-or-water-system~~ loan
17 recipient and determined by the director as reasonable and
18 necessary for carrying out all works and undertakings
19 necessary or incidental to the accomplishment of any project.

20 5. "Drinking water facilities administration fund" means
21 the drinking water facilities administration fund established
22 in section 455B.295.

23 6. "Drinking water ~~treatment facilities~~ revolving loan
24 fund" means the drinking water ~~treatment facilities~~ revolving
25 loan fund established in section 455B.295.

26 7. "Eligible entity" means a person eligible under the
27 provisions of the Clean Water Act, the Safe Drinking Water
28 Act, and the commission rules to receive loans for projects
29 from either of the revolving loan funds.

30 8. "Loan recipient" means an eligible entity that has
31 received a loan from either of the revolving loan funds.

32 7. 9. "Municipality" means a city, county, sanitary
33 district, state agency, or other governmental body or
34 corporation empowered to provide sewage collection and
35 treatment services, or any combination of two or more of the

1 governmental bodies or corporations acting jointly, in
2 connection with a project.

3 ~~8-~~ 10. "Program" means the Iowa sewage-treatment water
4 pollution control and drinking water facilities financing
5 program created pursuant to section 455B.294.

6 ~~9-~~ 11. "Project" means one of the following:

7 a. In the context of sewage-treatment water pollution
8 control facilities, the acquisition, construction,
9 reconstruction, extension, equipping, improvement, or
10 rehabilitation of any works and facilities useful for the
11 collection, treatment, and disposal of sewage and industrial
12 waste in a sanitary manner including treatment works as
13 defined in section 212 of the Clean Water Act, or the
14 implementation and development of management programs
15 established under sections 319 and 320 of the Clean Water Act,
16 including construction and undertaking of nonpoint source
17 water pollution control projects and related development
18 activities authorized under those sections.

19 b. In the context of drinking water facilities, the
20 acquisition, construction, reconstruction, extending,
21 remodeling, improving, repairing, or equipping of waterworks,
22 water mains, extensions, or treatment facilities useful for
23 providing potable water to residents served by a water system,
24 including the acquisition of real property needed for any of
25 the foregoing purposes, and such other purposes and programs
26 as may be authorized under the Safe Drinking Water Act.

27 ~~10-~~ 12. "Revolving loan funds" means the sewage-treatment
28 water pollution control works revolving loan fund and the
29 drinking water treatment facilities revolving loan fund.

30 ~~11-~~ 13. "Safe Drinking Water Act" means Title XIV of the
31 federal Public Health Service Act, commonly known as the "Safe
32 Drinking Water Act", 42 U.S.C. § 300f et seq., as amended by
33 the Safe Drinking Water Amendments of 1996, Pub. L. No. 104-
34 182.

35 ~~12-~~ 14. "Sewage-treatment Water pollution control works

1 administration fund" means the sewage-treatment water
2 pollution control works administration fund established in
3 section 455B.295.

4 ~~13~~. 15. "Sewage-treatment Water pollution control works
5 revolving loan fund" means the sewage-treatment water
6 pollution control works revolving loan fund established in
7 section 455B.295.

8 ~~14~~. 16. "Water system" means any community water system or
9 nonprofit noncommunity water system, each as defined in the
10 Safe Drinking Water Act, that is eligible under the rules of
11 the department to receive a loan under the program for the
12 purposes of undertaking a project.

13 Sec. 2. Section 455B.292, Code 2001, is amended to read as
14 follows:

15 455B.292 FINDINGS.

16 The general assembly finds that the proper construction,
17 rehabilitation, operation, and maintenance of modern and
18 efficient wastewater treatment works, other water pollution
19 control works, and drinking water facilities are essential to
20 protecting and improving the state's water quality and the
21 health of its citizens; that protecting and improving water
22 quality is an issue of concern to the citizens of the state;
23 that in addition to protecting and improving the state's water
24 quality, adequate wastewater treatment and water control works
25 and drinking water facilities are essential to economic growth
26 and development; that during the last several years the amount
27 of federal grant money available to states and local
28 governments for assistance in constructing and improving
29 wastewater treatment works and safe drinking water facilities
30 has sharply diminished and will likely continue to diminish;
31 and that it is proper for the state to encourage local
32 governments, individuals, and other entities to undertake
33 wastewater-treatment water pollution control and drinking
34 water projects through the establishment of a state mechanism
35 to provide loans at the lowest reasonable rates.

1 Sec. 3. Section 455B.293, Code 2001, is amended to read as
2 follows:

3 455B.293 POLICY.

4 It is the policy of ~~the-general-assembly~~ this state that it
5 is in the public interest to establish a ~~sewage-treatment~~
6 water pollution control works and drinking water facilities
7 financing program and revolving loan funds and administration
8 funds to make loans available from the state to ~~municipalities~~
9 ~~and-water-systems~~ eligible entities for the purpose of
10 undertaking projects. This section shall be broadly construed
11 to effect and accomplish that purpose.

12 Sec. 4. Section 455B.294, Code 2001, is amended to read as
13 follows:

14 455B.294 ESTABLISHMENT OF THE IOWA SEWAGE-TREATMENT WATER
15 POLLUTION CONTROL WORKS AND DRINKING WATER FACILITIES
16 FINANCING PROGRAM.

17 The Iowa ~~sewage-treatment~~ water pollution control works and
18 drinking water facilities financing program is established for
19 the purpose of making loans available to ~~municipalities-and~~
20 ~~water-systems~~ eligible entities to finance all or part of the
21 costs of projects. The program shall be a joint and
22 cooperative undertaking of the department and the authority.
23 The department and the authority may enter into and provide
24 any agreements, documents, instruments, certificates, data, or
25 information necessary in connection with the operation,
26 administration, and financing of the program consistent with
27 this part, the Safe Drinking Water Act, the Clean Water Act,
28 the rules of the department and the commission, the rules of
29 the authority, and other applicable federal and state law.
30 The authority and the department may act to conform the
31 program to the applicable guidance and regulations adopted by
32 the United States environmental protection agency.

33 Sec. 5. Section 455B.295, subsections 1, 2, and 4, Code
34 2001, are amended to read as follows:

35 1. Four separate funds are established in the state

1 treasury, to be known as the sewage-treatment water pollution
2 control works revolving loan fund, the sewage-treatment water
3 pollution control works administration fund, the drinking
4 water treatment facilities revolving loan fund, and the
5 drinking water facilities administration fund.

6 2. Each of the revolving loan funds shall include sums
7 appropriated to the revolving loan funds by the general
8 assembly, sums transferred by action of the governor under
9 section 455B.296, subsection 3, sums allocated to the state
10 expressly for the purposes of establishing each of the
11 revolving loan funds under the Clean Water Act and the Safe
12 Drinking Water Act, all receipts by the revolving loan funds,
13 and any other sums designated for deposit to the revolving
14 loan funds from any public or private source. All moneys
15 appropriated to and deposited in the revolving loan funds are
16 appropriated and shall be used for the sole purpose of making
17 loans to ~~the-municipalities-and-water-systems,-as-applicable,~~
18 eligible entities to finance all or part of the cost of
19 projects. The moneys appropriated to and deposited in the
20 sewage-treatment water pollution control works revolving loan
21 fund shall not be used to pay the nonfederal share of the cost
22 of projects receiving grants under the Clean Water Act. The
23 moneys in the revolving loan funds are not considered part of
24 the general fund of the state, are not subject to
25 appropriation for any other purpose by the general assembly,
26 and in determining a general fund balance shall not be
27 included in the general fund of the state but shall remain in
28 the revolving loan funds to be used for their respective
29 purposes. The revolving loan funds are separate dedicated
30 funds under the administration and control of the authority
31 and subject to section 16.31. Moneys on deposit in the
32 revolving loan funds shall be invested by the treasurer of
33 state in cooperation with the authority, and the income from
34 the investments shall be credited to and deposited in the
35 appropriate revolving loan funds.

1 4. The department and the authority may establish and
2 maintain other funds or accounts determined to be necessary to
3 carry out the purposes of this part and shall provide for the
4 funding, administration, investment, restrictions, and
5 disposition of the funds and accounts. The department and the
6 authority may combine ~~the-financial~~ administration of the
7 revolving loan funds ~~and-the-administration-of-the-revolving~~
8 ~~loan-funds~~, and cross collateralize the same, and the
9 administration funds to the extent permitted by the Clean
10 Water Act, the Safe Drinking Water Act, and other applicable
11 federal law.

12 Sec. 6. Section 455B.296, subsection 3, Code 2001, is
13 amended to read as follows:

14 3. Upon receipt of the joint recommendation of the
15 department and the authority with respect to the amounts to be
16 so reserved and transferred, and subject in all respects to
17 the applicable provisions of the Clean Water Act, Safe
18 Drinking Water Act, and other applicable federal law, the
19 governor may direct that the recommended portion of a
20 capitalization grant made in respect of one of the revolving
21 loan funds in any year be reserved for the transfer to the
22 other revolving loan fund. The authority and the department
23 may effect the transfer of any funds reserved for such
24 purpose, as directed by the governor, and shall cause the
25 records of the program to reflect the transfer. Any sums so
26 transferred shall be expended in accordance with the intended
27 use plan for the applicable revolving loan fund.

28 Sec. 7. Section 455B.297, Code 2001, is amended to read as
29 follows:

30 455B.297 LOANS TO MUNICIPALITIES-AND-WATER-SYSTEMS
31 ELIGIBLE ENTITIES.

32 Moneys deposited in the revolving loan funds shall be used
33 for the primary purpose of making loans to ~~municipalities-and~~
34 ~~water-systems~~ eligible entities to finance the cost of
35 projects in accordance with the intended use plans developed

1 by the department under section 455B.296. The municipalities
2 ~~and water systems to which loans are to be made~~, loan
3 recipients and the purposes of the loan, ~~the~~ purpose, amount
4 ~~of each loan~~, the interest rate ~~of the loan~~, and the repayment
5 terms of the ~~loan~~, loans shall be determined by the director,
6 in accordance with rules adopted by the commission, in
7 compliance with and subject to the terms and conditions of the
8 Clean Water Act, and the Safe Drinking Water Act, and other
9 applicable federal law, as applicable, and any resolution,
10 agreement, indenture, or other document of the authority, and
11 rules adopted by the authority, relating to any bonds, notes,
12 or other obligations issued for the program which may be
13 applicable to the loan.

14 Sec. 8. Section 455B.298, subsections 2, 4, 6, and 7, Code
15 2001, are amended to read as follows:

16 2. Approve loan applications of ~~municipalities and water~~
17 systems eligible entities which satisfy the rules adopted by
18 the commission, and the intended use plans developed by the
19 department under section 455B.296.

20 4. Prepare and process, in coordination with the
21 authority, documents relating to the extending of loans ~~to~~
22 ~~municipalities and water systems~~, the sale and issuance of
23 bonds, notes, or other obligations of the authority relating
24 to the program, and the administration of the program.

25 6. Charge each ~~municipality and water system receiving a~~
26 ~~loan from the appropriate revolving loan fund~~ recipient a loan
27 origination fee and an annual loan servicing fee. The amount
28 of the loan origination fees and the loan servicing fees
29 established shall be relative to the amount of a loan made
30 from the revolving loan fund. The director shall deposit the
31 receipts from the loan origination fees and the loan servicing
32 fees in the appropriate administration fund.

33 7. Consult with and receive the approval of the authority
34 concerning the terms and conditions of loan agreements with
35 ~~municipalities and water systems~~ as to the financial integrity

1 of the loan.

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EXPLANATION

3 This bill relates to terminology and eligibility under the
4 sewage treatment and drinking water facilities financing
5 program.

6 The bill changes the name of the drinking water treatment
7 revolving loan fund to the drinking water facilities revolving
8 loan fund. The bill changes the name of the sewage treatment
9 works administration fund to the water pollution control works
10 administration fund. The bill changes the name of the sewage
11 treatment works revolving loan fund to the water pollution
12 control works revolving loan fund. The bill makes conforming
13 amendments related to these terminology changes.

14 The bill defines an eligible entity as a person eligible
15 under the provisions of the Clean Water Act, the Safe Drinking
16 Water Act, and the commission rules to receive loans for
17 projects from either of the revolving loan funds. Currently,
18 the Code provides that municipalities and water systems are
19 eligible for loans. The bill defines a loan recipient as an
20 eligible entity that has received a loan from either of the
21 revolving loan funds. The bill further defines the term
22 "project" by stating that the implementation and development
23 of management programs under the Clean Water Act includes
24 construction and undertaking of nonpoint source water
25 pollution control projects and related development activities
26 authorized under the Clean Water Act.

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STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
JEFFREY R. VONK, DIRECTOR

To: General Assembly
From: Jeffrey R. Vonk, Director
Iowa Department of Natural Resources
Date: January 4, 2001
Re: Clean Water State Revolving Loan Fund

The proposed bill request changes language to expand the potential use of Iowa's Clean Water State Revolving Loan Fund (CWSRF) to non-traditional projects such as animal feeding operation pollution controls or brownfield clean ups. The present language restricts its use to municipal sewage treatment works. Under the federal Clean Water Act, loans from state CWSRFs can be made to municipalities for sewage treatment works or to municipalities and as well as other entities for the implementation of a state's nonpoint source pollution control management plan. Pollution control projects that could be funded under the nonpoint source provision include projects such as brownfield clean ups, buffer strips and wetlands, and pollution controls for some animal feeding operations. In many cases, financing for pollution control projects, especially for individuals and the smaller cities and businesses is difficult to obtain, and the expanded use of the CWSRF would address this need. The proposed changes would bring the state authorizing legislation in line with the federal provisions, allowing its use for nonpoint source pollution control projects in addition to the more traditional sewage treatment plants.

Substitutes for HF 2469
3-6-02 (p. 654)

FILED FEB 8 2002

SENATE FILE 2145
BY COMMITTEE ON NATURAL
RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SSB 3027)

Passed Senate, Date ^(p. 454) 2/28/02 Passed House, Date ^(p. 654) 3-6-02
Vote: Ayes 46 Nays 0 Vote: Ayes 93 Nays 0
Approved March 18, 2002

A BILL FOR

1 An Act relating to terminology and eligibility for assistance
2 under the sewage treatment and drinking water facilities
3 financing program.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2145

1 Section 1. Section 455B.291, Code 2001, is amended to read
2 as follows:

3 455B.291 DEFINITIONS.

4 As used in this part, unless the context requires
5 otherwise:

6 1. "Administration funds" means the sewage-treatment water
7 pollution control works administration fund and the drinking
8 water facilities administration fund.

9 2. "Authority" means the Iowa finance authority
10 established in section 16.2.

11 3. "Clean Water Act" means the federal Water Pollution
12 Control Act of 1972, Pub. L. No. 92-500, as amended by the
13 Water Quality Act of 1987, Pub. L. No. 100-4, as published in
14 33 U.S.C. § 1251--1376.

15 4. "Cost" means all costs, charges, expenses, or other
16 indebtedness incurred by a municipality-or-water-system loan
17 recipient and determined by the director as reasonable and
18 necessary for carrying out all works and undertakings
19 necessary or incidental to the accomplishment of any project.

20 5. "Drinking water facilities administration fund" means
21 the drinking water facilities administration fund established
22 in section 455B.295.

23 6. "Drinking water treatment facilities revolving loan
24 fund" means the drinking water treatment facilities revolving
25 loan fund established in section 455B.295.

26 7. "Eligible entity" means a person eligible under the
27 provisions of the Clean Water Act, the Safe Drinking Water
28 Act, and the commission rules to receive loans for projects
29 from either of the revolving loan funds.

30 8. "Loan recipient" means an eligible entity that has
31 received a loan from either of the revolving loan funds.

32 7- 9. "Municipality" means a city, county, sanitary
33 district, state agency, or other governmental body or
34 corporation empowered to provide sewage collection and
35 treatment services, or any combination of two or more of the

1 governmental bodies or corporations acting jointly, in
2 connection with a project.

3 ~~8-~~ 10. "Program" means the Iowa sewage-treatment water
4 pollution control and drinking water facilities financing
5 program created pursuant to section 455B.294.

6 ~~9-~~ 11. "Project" means one of the following:

7 a. In the context of sewage-treatment water pollution
8 control facilities, the acquisition, construction,
9 reconstruction, extension, equipping, improvement, or
10 rehabilitation of any works and facilities useful for the
11 collection, treatment, and disposal of sewage and industrial
12 waste in a sanitary manner including treatment works as
13 defined in section 212 of the Clean Water Act, or the
14 implementation and development of management programs
15 established under sections 319 and 320 of the Clean Water Act,
16 including construction and undertaking of nonpoint source
17 water pollution control projects and related development
18 activities authorized under those sections.

19 b. In the context of drinking water facilities, the
20 acquisition, construction, reconstruction, extending,
21 remodeling, improving, repairing, or equipping of waterworks,
22 water mains, extensions, or treatment facilities useful for
23 providing potable water to residents served by a water system,
24 including the acquisition of real property needed for any of
25 the foregoing purposes, and such other purposes and programs
26 as may be authorized under the Safe Drinking Water Act.

27 ~~10-~~ 12. "Revolving loan funds" means the sewage-treatment
28 water pollution control works revolving loan fund and the
29 drinking water treatment facilities revolving loan fund.

30 ~~11-~~ 13. "Safe Drinking Water Act" means Title XIV of the
31 federal Public Health Service Act, commonly known as the "Safe
32 Drinking Water Act", 42 U.S.C. § 300f et seq., as amended by
33 the Safe Drinking Water Amendments of 1996, Pub. L. No. 104-
34 182.

35 ~~12-~~ 14. "Sewage-treatment Water pollution control works

1 administration fund" means the sewage-treatment water
2 pollution control works administration fund established in
3 section 455B.295.

4 ~~13.~~ 15. "Sewage-treatment Water pollution control works
5 revolving loan fund" means the sewage-treatment water
6 pollution control works revolving loan fund established in
7 section 455B.295.

8 ~~14.~~ 16. "Water system" means any community water system or
9 nonprofit noncommunity water system, each as defined in the
10 Safe Drinking Water Act, that is eligible under the rules of
11 the department to receive a loan under the program for the
12 purposes of undertaking a project.

13 Sec. 2. Section 455B.292, Code 2001, is amended to read as
14 follows:

15 455B.292 FINDINGS.

16 The general assembly finds that the proper construction,
17 rehabilitation, operation, and maintenance of modern and
18 efficient wastewater treatment works, other water pollution
19 control works, and drinking water facilities are essential to
20 protecting and improving the state's water quality and the
21 health of its citizens; that protecting and improving water
22 quality is an issue of concern to the citizens of the state;
23 that in addition to protecting and improving the state's water
24 quality, adequate wastewater treatment and water pollution
25 control works and drinking water facilities are essential to
26 economic growth and development; that during the last several
27 years the amount of federal grant money available to states
28 and local governments for assistance in constructing and
29 improving wastewater treatment works and safe drinking water
30 facilities has sharply diminished and will likely continue to
31 diminish; and that it is proper for the state to encourage
32 local governments, individuals, and other entities to
33 undertake wastewater-treatment water pollution control and
34 drinking water projects through the establishment of a state
35 mechanism to provide loans at the lowest reasonable rates.

1 Sec. 3. Section 455B.293, Code 2001, is amended to read as
2 follows:

3 455B.293 POLICY.

4 It is the policy of ~~the general assembly~~ this state that it
5 is in the public interest to establish a ~~sewage-treatment~~
6 water pollution control works and drinking water facilities
7 financing program and revolving loan funds and administration
8 funds to make loans available from the state to ~~municipalities~~
9 and-water-systems eligible entities for the purpose of
10 undertaking projects. This section shall be broadly construed
11 to effect and accomplish that purpose.

12 Sec. 4. Section 455B.294, Code 2001, is amended to read as
13 follows:

14 455B.294 ESTABLISHMENT OF THE IOWA ~~SEWAGE-TREATMENT~~ WATER
15 POLLUTION CONTROL WORKS AND DRINKING WATER FACILITIES
16 FINANCING PROGRAM.

17 The Iowa ~~sewage-treatment~~ water pollution control works and
18 drinking water facilities financing program is established for
19 the purpose of making loans available to ~~municipalities-and~~
20 water-systems eligible entities to finance all or part of the
21 costs of projects. The program shall be a joint and
22 cooperative undertaking of the department and the authority.
23 The department and the authority may enter into and provide
24 any agreements, documents, instruments, certificates, data, or
25 information necessary in connection with the operation,
26 administration, and financing of the program consistent with
27 this part, the Safe Drinking Water Act, the Clean Water Act,
28 the rules of the department and the commission, the rules of
29 the authority, and other applicable federal and state law.
30 The authority and the department may act to conform the
31 program to the applicable guidance and regulations adopted by
32 the United States environmental protection agency.

33 Sec. 5. Section 455B.295, subsections 1, 2, and 4, Code
34 2001, are amended to read as follows:

35 1. Four separate funds are established in the state

1 treasury, to be known as the ~~sewage-treatment~~ water pollution
2 control works revolving loan fund, the ~~sewage-treatment~~ water
3 pollution control works administration fund, the drinking
4 water ~~treatment~~ facilities revolving loan fund, and the
5 drinking water facilities administration fund.

6 2. Each of the revolving loan funds shall include sums
7 appropriated to the revolving loan funds by the general
8 assembly, sums transferred by action of the governor under
9 section 455B.296, subsection 3, sums allocated to the state
10 expressly for the purposes of establishing each of the
11 revolving loan funds under the Clean Water Act and the Safe
12 Drinking Water Act, all receipts by the revolving loan funds,
13 and any other sums designated for deposit to the revolving
14 loan funds from any public or private source. All moneys
15 appropriated to and deposited in the revolving loan funds are
16 appropriated and shall be used for the sole purpose of making
17 loans to ~~the-municipalities-and-water-systems,-as-applicable,~~
18 eligible entities to finance all or part of the cost of
19 projects. The moneys appropriated to and deposited in the
20 ~~sewage-treatment~~ water pollution control works revolving loan
21 fund shall not be used to pay the nonfederal share of the cost
22 of projects receiving grants under the Clean Water Act. The
23 moneys in the revolving loan funds are not considered part of
24 the general fund of the state, are not subject to
25 appropriation for any other purpose by the general assembly,
26 and in determining a general fund balance shall not be
27 included in the general fund of the state but shall remain in
28 the revolving loan funds to be used for their respective
29 purposes. The revolving loan funds are separate dedicated
30 funds under the administration and control of the authority
31 and subject to section 16.31. Moneys on deposit in the
32 revolving loan funds shall be invested by the treasurer of
33 state in cooperation with the authority, and the income from
34 the investments shall be credited to and deposited in the
35 appropriate revolving loan funds.

1 4. The department and the authority may establish and
2 maintain other funds or accounts determined to be necessary to
3 carry out the purposes of this part and shall provide for the
4 funding, administration, investment, restrictions, and
5 disposition of the funds and accounts. The department and the
6 authority may combine ~~the-financial~~ administration of the
7 revolving loan funds ~~and-the-administration-of-the-revolving~~
8 ~~loan-funds,~~ and cross collateralize the same, and the
9 administration funds to the extent permitted by the Clean
10 Water Act, the Safe Drinking Water Act, and other applicable
11 federal law.

12 Sec. 6. Section 455B.296, subsection 3, Code 2001, is
13 amended to read as follows:

14 3. Upon receipt of the joint recommendation of the
15 department and the authority with respect to the amounts to be
16 so reserved and transferred, and subject in all respects to
17 the applicable provisions of the Clean Water Act, Safe
18 Drinking Water Act, and other applicable federal law, the
19 governor may direct that the recommended portion of a
20 capitalization grant made in respect of one of the revolving
21 loan funds in any year be reserved for the transfer to the
22 other revolving loan fund. The authority and the department
23 may effect the transfer of any funds reserved for such
24 purpose, as directed by the governor, and shall cause the
25 records of the program to reflect the transfer. Any sums so
26 transferred shall be expended in accordance with the intended
27 use plan for the applicable revolving loan fund.

28 Sec. 7. Section 455B.297, Code 2001, is amended to read as
29 follows:

30 455B.297 LOANS TO MUNICIPALITIES-AND-WATER-SYSTEMS
31 ELIGIBLE ENTITIES.

32 Moneys deposited in the revolving loan funds shall be used
33 for the primary purpose of making loans to ~~municipalities-and~~
34 ~~water-systems~~ eligible entities to finance the cost of
35 projects in accordance with the intended use plans developed

1 by the department under section 455B.296. The ~~municipalities~~
2 ~~and-water-systems-to-which-loans-are-to-be-made,~~ loan
3 recipients and the ~~purposes-of-the-loan,~~ the purpose, amount
4 ~~of-each-loan,~~ the interest rate ~~of-the-loan,~~ and the repayment
5 terms of the ~~loan,~~ loans shall be determined by the director,
6 in accordance with rules adopted by the commission, in
7 compliance with and subject to the terms and conditions of the
8 Clean Water Act, and the Safe Drinking Water Act, and other
9 applicable federal law, as applicable, and any resolution,
10 agreement, indenture, or other document of the authority, and
11 rules adopted by the authority, relating to any bonds, notes,
12 or other obligations issued for the program which may be
13 applicable to the loan.

14 Sec. 8. Section 455B.298, subsections 2, 4, 6, and 7, Code
15 2001, are amended to read as follows:

16 2. Approve loan applications of ~~municipalities-and-water~~
17 ~~systems~~ eligible entities which satisfy the rules adopted by
18 the commission, and the intended use plans developed by the
19 department under section 455B.296.

20 4. Prepare and process, in coordination with the
21 authority, documents relating to the extending of loans to
22 ~~municipalities-and-water-systems,~~ the sale and issuance of
23 bonds, notes, or other obligations of the authority relating
24 to the program, and the administration of the program.

25 6. Charge each ~~municipality-and-water-system-receiving-a~~
26 ~~loan from-the-appropriate-revolving-loan-fund~~ recipient a loan
27 origination fee and an annual loan servicing fee. The amount
28 of the loan origination fees and the loan servicing fees
29 established shall be relative to the amount of a loan made
30 from the revolving loan fund. The director shall deposit the
31 receipts from the loan origination fees and the loan servicing
32 fees in the appropriate administration fund.

33 7. Consult with and receive the approval of the authority
34 concerning the terms and conditions of loan agreements with
35 ~~municipalities-and-water-systems~~ as to the financial integrity

1 of the loan.

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EXPLANATION

3 This bill relates to terminology and eligibility under the
4 sewage treatment and drinking water facilities financing
5 program.

6 The bill changes the name of the drinking water treatment
7 revolving loan fund to the drinking water facilities revolving
8 loan fund. The bill changes the name of the sewage treatment
9 works administration fund to the water pollution control works
10 administration fund. The bill changes the name of the sewage
11 treatment works revolving loan fund to the water pollution
12 control works revolving loan fund. The bill makes conforming
13 amendments related to these terminology changes.

14 The bill defines an eligible entity as a person eligible
15 under the provisions of the Clean Water Act, the Safe Drinking
16 Water Act, and the commission rules to receive loans for
17 projects from either of the revolving loan funds. Currently,
18 the Code provides that municipalities and water systems are
19 eligible for loans. The bill defines a loan recipient as an
20 eligible entity that has received a loan from either of the
21 revolving loan funds. The bill further defines the term
22 "project" by stating that the implementation and development
23 of management programs under the Clean Water Act includes
24 construction and undertaking of nonpoint source water
25 pollution control projects and related development activities
26 authorized under the Clean Water Act.

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SENATE FILE 2145

AN ACT

RELATING TO TERMINOLOGY AND ELIGIBILITY FOR ASSISTANCE
UNDER THE SEWAGE TREATMENT AND DRINKING WATER FACILITIES
FINANCING PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 455B.291, Code 2001, is amended to read
as follows:

455B.291 DEFINITIONS.

As used in this part, unless the context requires
otherwise:

1. "Administration funds" means the sewage-treatment water pollution control works administration fund and the drinking water facilities administration fund.
2. "Authority" means the Iowa finance authority established in section 16.2.
3. "Clean Water Act" means the federal Water Pollution Control Act of 1972, Pub. L. No. 92-500, as amended by the Water Quality Act of 1987, Pub. L. No. 100-4, as published in 33 U.S.C. § 1251--1376.
4. "Cost" means all costs, charges, expenses, or other indebtedness incurred by a municipality-or-water-system loan recipient and determined by the director as reasonable and necessary for carrying out all works and undertakings necessary or incidental to the accomplishment of any project.
5. "Drinking water facilities administration fund" means the drinking water facilities administration fund established in section 455B.295.
6. "Drinking water treatment facilities revolving loan fund" means the drinking water treatment facilities revolving loan fund established in section 455B.295.

7. "Eligible entity" means a person eligible under the provisions of the Clean Water Act, the Safe Drinking Water Act, and the commission rules to receive loans for projects from either of the revolving loan funds.

8. "Loan recipient" means an eligible entity that has received a loan from either of the revolving loan funds.

9. "Municipality" means a city, county, sanitary district, state agency, or other governmental body or corporation empowered to provide sewage collection and treatment services, or any combination of two or more of the governmental bodies or corporations acting jointly, in connection with a project.

10. "Program" means the Iowa sewage-treatment water pollution control and drinking water facilities financing program created pursuant to section 455B.294.

11. "Project" means one of the following:

a. In the context of sewage-treatment water pollution control facilities, the acquisition, construction, reconstruction, extension, equipping, improvement, or rehabilitation of any works and facilities useful for the collection, treatment, and disposal of sewage and industrial waste in a sanitary manner including treatment works as defined in section 212 of the Clean Water Act, or the implementation and development of management programs established under sections 319 and 320 of the Clean Water Act, including construction and undertaking of nonpoint source water pollution control projects and related development activities authorized under those sections.

b. In the context of drinking water facilities, the acquisition, construction, reconstruction, extending, remodeling, improving, repairing, or equipping of waterworks, water mains, extensions, or treatment facilities useful for providing potable water to residents served by a water system, including the acquisition of real property needed for any of the foregoing purposes, and such other purposes and programs as may be authorized under the Safe Drinking Water Act.

10- 12. "Revolving loan funds" means the sewage-treatment water pollution control works revolving loan fund and the drinking water treatment facilities revolving loan fund.

11- 13. "Safe Drinking Water Act" means Title XIV of the federal Public Health Service Act, commonly known as the "Safe Drinking Water Act", 42 U.S.C. § 300f et seq., as amended by the Safe Drinking Water Amendments of 1996, Pub. L. No. 104-182.

12- 14. "Sewage-treatment Water pollution control works administration fund" means the sewage-treatment water pollution control works administration fund established in section 455B.295.

13- 15. "Sewage-treatment Water pollution control works revolving loan fund" means the sewage-treatment water pollution control works revolving loan fund established in section 455B.295.

14- 16. "Water system" means any community water system or nonprofit noncommunity water system, each as defined in the Safe Drinking Water Act, that is eligible under the rules of the department to receive a loan under the program for the purposes of undertaking a project.

Sec. 2. Section 455B.292, Code 2001, is amended to read as follows:

455B.292 FINDINGS.

The general assembly finds that the proper construction, rehabilitation, operation, and maintenance of modern and efficient wastewater treatment works, other water pollution control works, and drinking water facilities are essential to protecting and improving the state's water quality and the health of its citizens; that protecting and improving water quality is an issue of concern to the citizens of the state; that in addition to protecting and improving the state's water quality, adequate wastewater treatment and water pollution control works and drinking water facilities are essential to economic growth and development; that during the last several

years the amount of federal grant money available to states and local governments for assistance in constructing and improving wastewater treatment works and safe drinking water facilities has sharply diminished and will likely continue to diminish; and that it is proper for the state to encourage local governments, individuals, and other entities to undertake wastewater-treatment water pollution control and drinking water projects through the establishment of a state mechanism to provide loans at the lowest reasonable rates.

Sec. 3. Section 455B.293, Code 2001, is amended to read as follows:

455B.293 POLICY.

It is the policy of the ~~general assembly~~ this state that it is in the public interest to establish a sewage-treatment water pollution control works and drinking water facilities financing program and revolving loan funds and administration funds to make loans available from the state to municipalities and water-systems eligible entities for the purpose of undertaking projects. This section shall be broadly construed to effect and accomplish that purpose.

Sec. 4. Section 455B.294, Code 2001, is amended to read as follows:

455B.294 ESTABLISHMENT OF THE IOWA SEWAGE-TREATMENT WATER POLLUTION CONTROL WORKS AND DRINKING WATER FACILITIES FINANCING PROGRAM.

The Iowa sewage-treatment water pollution control works and drinking water facilities financing program is established for the purpose of making loans available to municipalities and water-systems eligible entities to finance all or part of the costs of projects. The program shall be a joint and cooperative undertaking of the department and the authority. The department and the authority may enter into and provide any agreements, documents, instruments, certificates, data, or information necessary in connection with the operation, administration, and financing of the program consistent with

this part, the Safe Drinking Water Act, the Clean Water Act, the rules of the department and the commission, the rules of the authority, and other applicable federal and state law. The authority and the department may act to conform the program to the applicable guidance and regulations adopted by the United States environmental protection agency.

Sec. 5. Section 455B.295, subsections 1, 2, and 4, Code 2001, are amended to read as follows:

1. Four separate funds are established in the state treasury, to be known as the sewage-treatment water pollution control works revolving loan fund, the sewage-treatment water pollution control works administration fund, the drinking water treatment facilities revolving loan fund, and the drinking water facilities administration fund.

2. Each of the revolving loan funds shall include sums appropriated to the revolving loan funds by the general assembly, sums transferred by action of the governor under section 455B.296, subsection 3, sums allocated to the state expressly for the purposes of establishing each of the revolving loan funds under the Clean Water Act and the Safe Drinking Water Act, all receipts by the revolving loan funds, and any other sums designated for deposit to the revolving loan funds from any public or private source. All moneys appropriated to and deposited in the revolving loan funds are appropriated and shall be used for the sole purpose of making loans to ~~the municipalities and water systems, as applicable,~~ eligible entities to finance all or part of the cost of projects. The moneys appropriated to and deposited in the sewage-treatment water pollution control works revolving loan fund shall not be used to pay the nonfederal share of the cost of projects receiving grants under the Clean Water Act. The moneys in the revolving loan funds are not considered part of the general fund of the state, are not subject to appropriation for any other purpose by the general assembly, and in determining a general fund balance shall not be

included in the general fund of the state but shall remain in the revolving loan funds to be used for their respective purposes. The revolving loan funds are separate dedicated funds under the administration and control of the authority and subject to section 16.31. Moneys on deposit in the revolving loan funds shall be invested by the treasurer of state in cooperation with the authority, and the income from the investments shall be credited to and deposited in the appropriate revolving loan funds.

4. The department and the authority may establish and maintain other funds or accounts determined to be necessary to carry out the purposes of this part and shall provide for the funding, administration, investment, restrictions, and disposition of the funds and accounts. The department and the authority may combine ~~the financial~~ administration of the revolving loan funds ~~and the administration of the revolving loan funds,~~ and cross collateralize the same, and the administration funds to the extent permitted by the Clean Water Act, the Safe Drinking Water Act, and other applicable federal law.

Sec. 6. Section 455B.296, subsection 3, Code 2001, is amended to read as follows:

3. Upon receipt of the joint recommendation of the department and the authority with respect to the amounts to be so reserved and transferred, and subject in all respects to the applicable provisions of the Clean Water Act, Safe Drinking Water Act, and other applicable federal law, the governor may direct that the recommended portion of a capitalization grant made in respect of one of the revolving loan funds in any year be reserved for the transfer to the other revolving loan fund. The authority and the department may effect the transfer of any funds reserved for such purpose, as directed by the governor, and shall cause the records of the program to reflect the transfer. Any sums so transferred shall be expended in accordance with the intended use plan for the applicable revolving loan fund.

Sec. 7. Section 455B.297, Code 2001, is amended to read as follows:

455B.297 LOANS TO MUNICIPALITIES-AND-WATER-SYSTEMS
ELIGIBLE ENTITIES.

Moneys deposited in the revolving loan funds shall be used for the primary purpose of making loans to ~~municipalities and water systems~~ eligible entities to finance the cost of projects in accordance with the intended use plans developed by the department under section 455B.296. ~~The municipalities and water systems to which loans are to be made, loan recipients and the purposes of the loan, the purpose, amount of each loan, the interest rate of the loan, and the repayment terms of the loan, loans shall be determined by the director, in accordance with rules adopted by the commission, in compliance with and subject to the terms and conditions of the Clean Water Act, and the Safe Drinking Water Act, and other applicable federal law, as applicable, and any resolution, agreement, indenture, or other document of the authority, and rules adopted by the authority, relating to any bonds, notes, or other obligations issued for the program which may be applicable to the loan.~~

Sec. 8. Section 455B.298, subsections 2, 4, 6, and 7, Code 2001, are amended to read as follows:

2. Approve loan applications of ~~municipalities and water systems~~ eligible entities which satisfy the rules adopted by the commission, and the intended use plans developed by the department under section 455B.296.

4. Prepare and process, in coordination with the authority, documents relating to the extending of loans to ~~municipalities and water systems~~, the sale and issuance of bonds, notes, or other obligations of the authority relating to the program, and the administration of the program.

6. Charge each ~~municipality and water system receiving a loan from the appropriate revolving loan fund~~ recipient a loan origination fee and an annual loan servicing fee. The amount

of the loan origination fees and the loan servicing fees established shall be relative to the amount of a loan made from the revolving loan fund. The director shall deposit the receipts from the loan origination fees and the loan servicing fees in the appropriate administration fund.

7. Consult with and receive the approval of the authority concerning the terms and conditions of loan agreements with ~~municipalities and water systems~~ as to the financial integrity of the loan.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2145, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved March 18, 2002

THOMAS J. VILSACK
Governor