

IOWA FINANCE AUTHORITY[265]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)"b."

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 17A.3(1)"b," 16.5(1)"r," and 16.133, the Iowa Finance Authority hereby gives Notice of Intended Action to amend Chapter 26, "Water Pollution Control Works and Drinking Water Facilities Financing," Iowa Administrative Code.

The purpose of these amendments is to update the rules for the state revolving fund (SRF) loan programs. Under an agreement with the United States Environmental Protection Agency, the Iowa SRF is administered by the Iowa Department of Natural Resources in partnership with the Iowa Finance Authority.

The proposed changes would:

- Eliminate the minimum loan amounts for infrastructure projects. This is in response to some of the Authority's nonpoint source projects.
- Cap the maximum loan amount per borrower for the Livestock Water Quality program to \$500,000.
- Reduce the maximum loan term to ten years for the Livestock Water Quality program.

The Authority does not intend to grant waivers under the provisions of any of these rules, other than as may be allowed under the Authority's general rules concerning waivers.

The Authority will hold a public hearing on the proposed amendments on Wednesday, October 28, 2009, at 10 a.m. in the Presentation Room at the Authority's offices located at 2015 Grand Avenue, Des Moines, Iowa.

At the hearing, persons may present their views either orally or in writing. Any interested person may make written comments on or before November 6, 2009. Comments may be addressed to Lori Beary, Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50312. Comments may be faxed to Lori Beary at (515)725-4901 or E-mailed to Lori Beary at Lori.Beary@iowa.gov.

The Authority anticipates that it may make changes to these proposed amendments based on comments received from the public.

These rules are intended to implement Iowa Code sections 16.5(1)"r" and 16.133.

The following amendments are proposed.

ITEM 1. Amend rule 265—26.2(16) as follows:

265—26.2(16) Purpose. The Iowa finance authority provides financing to carry out the functions of the state revolving fund (SRF) loan programs. Under an agreement with the United States Environmental Protection Agency, the Iowa SRF is administered by the Iowa department of natural resources in partnership with the Iowa finance authority. ~~The authority and the Iowa department of natural resources administer the SRF programs under the terms of interagency agreements entered into pursuant to Iowa Code chapter 28E.~~

ITEM 2. Adopt the following new definitions of "Common ownership" and "Department" in rule **265—26.3(16)**:

"*Common ownership*" means the ownership of an animal feeding operation as a sole proprietor, or a majority ownership interest held by a person, in each of two or more animal feeding operations as a joint tenant, tenant in common, shareholder, partner, member, beneficiary, or other equity interest holder. The majority ownership interest is a common ownership interest when it is held directly, indirectly through a spouse or dependent child, or both.

"*Department*" or "*DNR*" means the Iowa department of natural resources.

ITEM 3. Amend subrule 26.5(6) as follows:

26.5(6) Loan amount and repayment period. All loans shall be made contingent on the availability of funds ~~and shall be for a minimum of \$50,000~~, the maximum loan term will be that allowed by EPA, and repayment of the loan must begin no later than one year after the project is completed or by the date specified in the loan agreement.

ITEM 4. Amend subrule 26.7(1) as follows:

26.7(1) Criteria for disadvantaged community status. The authority, in conjunction with the department, may develop criteria to determine disadvantaged community status, ~~based on~~ Factors included in the criteria include, but are not limited to, the community's median household income and target user charges. Criteria to determine disadvantaged community status shall be established in the IUP.

ITEM 5. Amend subrule 26.8(1) as follows:

26.8(1) Nonpoint source loan assistance. Loan assistance for nonpoint source projects shall be in the form of low-interest loans ~~or pass-through loans~~ or through linked deposits or loan participations through participating lending institutions.

ITEM 6. Amend subrule 26.8(7) as follows:

26.8(7) Loan amount and period. All loans shall be made contingent on the availability of funds in the applicable fund or set-aside program as indicated in the IUP. The minimum and maximum loan amounts that will be considered are dependent on project type and are set forth as follows:

Type of Project	Type of Assistance	Minimum Loan Amount	Maximum Outstanding Balance Loan Amount	Maximum Loan Term	Project Approval Agency
General Nonpoint Source	Low-interest loans, or <u>Linked deposit or Loan participations</u>	\$5,000	No maximum	20 years	DNR
Local Water Protection	Linked deposit	\$5,000	\$50,000 <u>\$500,000 per common ownership</u>	10 years	Division of Soil Conservation
Livestock Water Quality Facilities	<u>Pass-through loans</u> <u>Linked deposit</u>	\$10,000	Not to exceed 50% of the livestock water quality set-aside <u>\$500,000 per common ownership</u>	Equal to expected life of facility but no greater than 20 years.* <u>10 years*</u>	DNR <u>Division of Soil Conservation</u>
Onsite Wastewater Systems Assistance	Linked deposit	\$2,000	No maximum	10 years	County Sanitarian

*If the loan is made only for preparation of a comprehensive nutrient management plan, the loan period shall not exceed 5 years.