

**455B.199B Disadvantaged communities variance.**

1. The department may provide for a variance of regulations pursuant to this part when it determines that regulations adopted pursuant to this part affect a disadvantaged community. Such a variance shall be consistent with federal rules and regulations. In considering an application for a variance, the department shall consider the substantial and widespread economic and social impact to the ratepayers and the affected community that may occur as a result of compliance with a federal regulation, a rule adopted by the department, or an order of the department pursuant to this part. In considering an application for a variance, the department shall take into account the rules adopted pursuant to this part with which a regulated entity and the commensurate affected community are required to comply.

2. The department shall find that a regulated entity and the affected community are a disadvantaged community by evaluating all of the following:

a. The ability of the regulated entity and the affected community to pay for a project based on the ratio of the total annual project costs per household to median household income.

b. Median household income in the community and the unemployment rate of the county in which the community is located.

c. The outstanding debt of the system and the bond rating of the community.

3. The department shall find that an unsewered community is a disadvantaged community by evaluating all of the following:

a. The ability of the community to pay for a project based on the ratio of the total annual project costs per household to median household income.

b. The unemployment rate in the county where the community is located.

c. The median household income of the community.

4. The department shall not consider a regulated entity, affected community, or unsewered community a disadvantaged community if the ratio of compliance costs to median household income is below one percent.

5. The department may grant a regulated entity a variance from complying with a rule adopted pursuant to this part or as otherwise allowed by federal law or regulations, if the department determines that the regulated entity or the affected community will suffer substantial and widespread economic and social impact. The department shall ensure the conditions of any variance improve water quality and represent reasonable progress toward complying with rules adopted pursuant to this part, but do not result in substantial and widespread economic and social impact.

6. The department shall not require installation of a wastewater treatment system by an unsewered community if the department determines that such installation would create substantial and widespread economic and social impact.

7. The Iowa finance authority, in cooperation with the department, shall utilize the disadvantaged community criteria in this section to determine the appropriate interest rates for loans awarded from the revolving loan funds created in sections 455B.291 through 455B.299, as allowed by federal law or regulations.

8. The economic development authority shall utilize the disadvantaged community criteria in this section to determine eligibility for water or sewer community development block grants as provided in section 15.108, subsection 1, paragraph "a".

2009 Acts, ch 72, §10; 2011 Acts, ch 97, §6, 7; 2011 Acts, ch 118, §85, 89