

## CHAPTER 28

## WASTEWATER AND DRINKING WATER TREATMENT FINANCIAL ASSISTANCE PROGRAM

**265—28.1(16) Overview.**

**28.1(1) Sources of funds.** The wastewater and drinking water treatment financial assistance fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law.

**28.1(2) Purpose.** The purpose of the program is to provide financial assistance to enhance water quality. Financial assistance under the program shall be used for eligible costs to install or upgrade wastewater treatment facilities and systems and drinking water treatment facilities and systems, including source water protection projects, and for engineering or technical assistance for facility planning and design.

[ARC 4211C, IAB 1/2/19, effective 2/6/19]

**265—28.2(16) Definitions.**

“*Authority*” or “*IFA*” means the Iowa finance authority as established by Iowa Code chapter 16.

“*Committee*” means the water quality financing review committee consisting of the secretary of agriculture or the secretary’s designee, the executive director of the authority or the executive director’s designee, and the director of the department of natural resources or the director’s designee.

“*Community*” means a city, county, sanitary district, rural water district, or other governmental body empowered to provide sewage collection and treatment services or drinking water distribution and treatment in connection with a project. “*Community*” includes a utility management organization formed under Iowa Code chapter 28E or operated by a rural water system organized under Iowa Code chapter 357A or 504.

“*Costs*” means all expenses incurred by the recipient and determined by the authority as reasonable and necessary to carry out a project.

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

“*Director*” means the director of the authority.

“*Disadvantaged community*” means the same as defined in Iowa Code section 455B.199B.

“*Program*” means the wastewater and drinking water treatment financial assistance program created in Iowa Code section 16.134.

“*Project*” means 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 and for drinking water infrastructure improvements, source water protection, and other activities intended to facilitate public water supply system compliance and public health protection.

“*Recipient*” means the entity receiving funds from the program.

“*SRF*” means the state revolving fund, which is the Iowa water pollution control works and drinking water facilities financing program administered by IFA and DNR.

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**265—28.3(16) Project funding.**

**28.3(1) Approval of projects.** The committee will approve or deny applications for financial assistance. The committee will approve financial assistance from the fund in accordance with the priorities listed in subrule 28.3(2). The committee will determine the weighting of priorities on an annual basis.

**28.3(2) Project priority.** Priority will be given:

a. To projects in which a disadvantaged community is seeking financial assistance for the installation or upgrade of wastewater treatment facilities and drinking water treatment facilities.

b. To projects whose completion will provide significant improvement to water quality in the watershed.

c. To communities that employ an alternative wastewater treatment technology pursuant to Iowa Code section 455B.199C.

*d.* To communities where sewer or water rates are the highest as a percentage of that community's median household income.

*e.* To communities that employ technology to address the goals of the Iowa nutrient reduction strategy.

*f.* To communities whose drinking water facilities and systems use as a supply, or to projects whose completion will improve, source waters or waters on the state's impaired waters list.

**28.3(3) Awards.** Financial assistance in the form of grants will be issued on an annual basis. No recipient will receive a grant in excess of \$500,000.

**28.3(4) Costs.** All eligible costs must be documented to the satisfaction of the authority before proceeds may be disbursed.

**28.3(5) Record retention.** The recipient shall maintain records that document all costs associated with the project. The recipient shall agree to provide access to these records to the authority. The recipient shall retain such records and documents for inspection and audit purposes for a period of three years from the date of the final disbursement of grant funds.

**28.3(6) Site access.** The recipient shall agree to provide the authority, the department and the department's agent access to the project site at all times during the construction process to verify that the funds are being used for the purpose intended and that the construction work meets applicable state and federal requirements.

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#### **265—28.4(16) Termination; rectification of deficiencies; disputes.**

**28.4(1) Termination.** The authority shall have the right to terminate any grant when terms of the agreement have been violated. Grants are subject to termination if construction has not begun within one year of the execution of a grant agreement. The director shall establish a repayment schedule for funds already disbursed to the recipient. All terminations shall be in writing.

**28.4(2) Rectification of deficiencies.** Failure of the recipient to implement the approved project or to comply with the applicable requirements constitutes grounds for the authority to recapture or withhold funds. The recipient is responsible for ensuring that the identified deficiency is rectified. Once the deficiency is corrected, the funds can be released.

**28.4(3) Disputes.** A recipient that disagrees with the director's withholding of funds may request a formal review of the action. The recipient must submit a request in writing to the director within 30 days of notification by the authority of its planned action.

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These rules are intended to implement Iowa Code chapter 16.

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