CHAPTER 33
WATER QUALITY FINANCIAL ASSISTANCE PROGRAM

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

265—33.1(16,83GA,SF376) Overview.

33.1(1) *Statutory authority.* The authority to provide financial assistance to communities for water quality and wastewater improvement projects is provided by 2009 Iowa Acts, Senate File 376, section 13(4). The water quality financial assistance fund shall consist of funds appropriated from the revenue bonds capitals fund created in Iowa Code section 12.88.

33.1(2) *Purpose.* The purpose of the program shall be to provide grants to enhance water quality and to assist communities with water and wastewater improvement projects. Financial assistance under the program shall be used to provide additional assistance to communities receiving loans from the Iowa water pollution control works and drinking water facilities financing program.

[**ARC 8080B**, IAB 8/26/09, effective 9/30/09; **ARC 2006C**, IAB 5/27/15, effective 7/1/15]

265—33.2(16,83GA,SF376) Definitions.

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

"Community" means a city, county, sanitary district, water 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.

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

"Director" means the director of the authority.

"Program" means the water quality financial assistance program created in 2009 Iowa Acts, Senate File 376, section 13(4).

"Recipient" means the entity receiving funds from the program.

"SRF" means the Iowa water pollution control works and drinking water facilities financing program, which is jointly administered by IFA pursuant to Iowa Code section 16.131 and DNR pursuant to Iowa Code section 455B.294.

[**ARC 8080B**, IAB 8/26/09, effective 9/30/09; **ARC 2006C**, IAB 5/27/15, effective 7/1/15]

265—33.3(16,83GA,SF376) Small community assistance fund.

33.3(1) *Program fund.* Of the amount appropriated, $35 million shall be allocated to the small community assistance fund. The maximum award for a recipient under the small community assistance fund shall be $2 million.

33.3(2) *Project eligibility.* Financial assistance shall only be available under the program for projects that are also receiving funding from the SRF.

33.3(3) *Eligible applicants.* Only communities with a population of 10,000 or less, as determined by the most recent federal census, may apply for the small community assistance fund.

[**ARC 8080B**, IAB 8/26/09, effective 9/30/09]

265—33.4(16,83GA,SF376) Large community assistance fund.

33.4(1) *Program fund.* Of the amount appropriated, $20 million shall be allocated to the large community assistance fund. The maximum award for a recipient under the large community assistance fund shall be $100 per capita. For purposes of these rules, the population of a community shall be assumed to be the United States Census Bureau's 2008 population estimate for that community.

33.4(2) *Project eligibility.* Eligible projects are those projects that are also receiving funding from the SRF.

33.4(3) *Eligible applicants.* Only communities with a population of more than 10,000, as determined by the most recent federal census, may apply for the large community assistance fund.

[**ARC 8080B**, IAB 8/26/09, effective 9/30/09; **ARC 8510B**, IAB 2/10/10, effective 1/14/10; **ARC 8725B**, IAB 5/5/10, effective 6/9/10]

265—33.5(16,83GA,SF376) Project priority.

33.5(1) *Priority for all projects.* Priority shall be given to projects that will provide significant improvement to water quality in the relevant watershed; this criterion will be determined by the score given to a project by the department pursuant to the project priority rating system used for the water pollution control state revolving fund set forth in 567—Chapter 91, Iowa Administrative Code. For drinking water projects, priority will be determined by the project priority system used for the drinking water state revolving fund set forth in 567—Chapter 44, Iowa Administrative Code. Priority will also be given to projects based on the date upon which construction could begin.

33.5(2) *Small community assistance fund priority.* Under the small community assistance fund, priority shall also be given to communities that have the greatest financial need. Factors used to determine need will include, but are not limited to: median household income as a percentage of the statewide median household income; residential user rates as a percentage of median household income; the existing and forecasted debt of the system; and the unemployment rate of the community.

33.5(3) *Large community assistance fund priority.* Under the large community assistance fund, priority will be given to communities that did not receive funds from the I-Jobs disaster recovery program, the community development block grant (CDBG) disaster allocation or the State Revolving Fund (SRF) federal American Recovery and Reinvestment Act (ARRA).

[**ARC 8080B**, IAB 8/26/09, effective 9/30/09; **ARC 8510B**, IAB 2/10/10, effective 1/14/10; **ARC 8725B**, IAB 5/5/10, effective 6/9/10]

265—33.6(16,83GA,SF376) Project funding.

33.6(1) *Applications.* Applications will be accepted on forms developed by IFA and available at www.iowafinanceauthority.gov. IFA will coordinate with other applicable state or federal financing programs when possible. Applications for the large community assistance fund will be due October 30, 2009. Applications for the small community assistance fund will be due March 30, 2010.

33.6(2) *Costs.* All eligible costs must be documented to the satisfaction of the authority before proceeds may be disbursed.

33.6(3) *Record retention.* The recipient shall maintain records that document all costs associated with the project. Recipients shall agree to provide the authority access to these records. 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 grant payment.

33.6(4) *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.

[**ARC 8080B**, IAB 8/26/09, effective 9/30/09]

265—33.7(16,83GA,SF376) Termination and rectification of disputes.

33.7(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 will establish a repayment schedule for funds already disbursed to the recipient. All terminations will be in writing.

33.7(2) *Rectification of disputes.* 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 problem(s) is rectified. Once the deficiency is corrected, the funds can be released. 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.

[**ARC 8080B**, IAB 8/26/09, effective 9/30/09]

These rules are intended to implement Iowa Code sections 16.5(1)*"r"* and 16.131 and 2009 Iowa Acts, Senate File 376, section 13(4).

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