

27—11.22(161A) Allocation of revolving loan funds to soil and water conservation districts. The division shall utilize the following method to allocate program funds to the districts:

11.22(1) *District allocations.* Districts shall submit requests identifying valid applications and cost estimates, if any, to the division by March 1 of each year. If the requests submitted by districts fail to exhaust funds available, the division may continue to fund district requests on an individual basis until December 1. The allocation to any district will be the lesser amount of either:

- a.* The amount of available funds divided by the number of districts applying for an allocation; or
- b.* The amount requested.

11.22(2) *Unobligated allocations.* Any funds allocated in a fiscal year that the districts have not obligated by March 1 of that fiscal year and any funds that were obligated during the previous year for projects for which construction has not been started by March 1 will be recalled by the division. Recalled funds shall be distributed in accordance with 11.22(1).

11.22(3) *Reserve funds.* The division shall administer for each program year a reserve fund that shall not exceed \$20,000. The reserve fund will be set aside and used only to meet contingencies that occur in the districts or within the division.