

American Recovery and Reinvestment Act of 2009 Clean Water and Drinking Water State Revolving Funds



Fact Sheet

The American Recovery and Reinvestment Act of 2009 includes more than \$77 million to help Iowa communities with water quality and wastewater infrastructure needs.

What it means for Iowa's State Revolving Fund

Clean Water State Revolving Fund allocation	\$53.6 million
Drinking Water State Revolving Fund allocation	\$24.3 million

The stimulus bill requires states to administer these funds somewhat differently than they administer funds from the existing State Revolving Fund. New requirements include the following:

- At least 50 percent of the allocations must be awarded as grants, forgivable loans or negative interest loans.
- The entire allocation must be committed and projects must be ready for construction before February 2010, although states must make a special effort to commit the funds within 120 days after February 17, the day President Obama signed the legislation.
- At least 20 percent of the entire allocation should be committed to projects that address water and energy efficiency, storm water quality or green infrastructure.
- New requirements include Davis-Bacon wages and Buy American provisions.

Next Steps

Even before the enactment of the American Recovery and Reinvestment of 2009, communities around Iowa had made application for more than \$600 million from the Clean Water and Drinking Water State Revolving Funds. Some of these applicants may be eligible for grants and/or low-interest loans made possible by the stimulus plan. The Iowa Finance Authority is currently contacting existing applicants to learn more about whether their projects meet the specific requirements of the new legislation. Iowa will likely consider geographic location and disadvantaged status of the communities when determining how stimulus funds will be used.

It is anticipated that these projects will consume the entire stimulus allocation. If they do not, the Iowa Department of Natural Resources and the Iowa Finance Authority will notify communities that funds remain available and will invite municipalities to apply for them.

The exception to this relates to the water/energy efficiency and green infrastructure projects.

Continued SRF Operation

Projects that cannot be funded with the special stimulus allotment will be provided loans through the regular SRF processes.

More Information

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