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Date April 10, 2023

**ACCEPTANCE OF OFFER OF PRINCIPAL FORGIVENESS AWARD IN THE
AMOUNT OF \$1,000,000 ON SEWER REVENUE
CAPITAL LOAN NOTES, SERIES 2022C**

WHEREAS, on June 27, 2022 by Roll Call No. 22- 1092 the City Council authorized and approved a form of loan and disbursement agreement between the City of Des Moines, Iowa and the Iowa Finance Authority (IFA), Iowa Department of Natural Resources (DNR) authorizing and providing for the issuance and securing of the payment of \$7,035,000 of Sewer Revenue Capital Loan Notes, Series 2022C; and

WHEREAS, the City Manager received the attached letter dated March 16, 2023 from the DNR offering \$1,000,000 in principal forgiveness of Series 2022C loan; and

WHEREAS, the principal forgiveness will require signage be placed on the construction sites for Building A Better America emblem and EPA logo and compliance with all SRF Program requirements, as applicable; and

WHEREAS, the original loan agreement must be amended, and staff will work with Bond Counsel to prepare the necessary amendments for future Council action; and

WHEREAS, the City is required to return the executed attached letter accepting the principal forgiveness award.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF DES MOINES, IOWA:

1. That the City Council hereby accepts the offer of principal forgiveness award and Terms and Conditions as outlined in the March 16, 2023 letter from the DNR on the Sewer Revenue Capital Loan Notes, Series 2022C, and authorizes and directs the City Manager to execute and return on behalf of the City of Des Moines the signed letter evidencing the City's acceptance of the principal forgiveness award.
2. Staff is authorized and directed to work with Bond Counsel and IFA to implement the necessary amendments to the Loan and Disbursement Agreement.



Roll Call Number

Agenda Item Number

47

Date April 10, 2023

(Council Communication No. _____)

Moved by _____ to adopt. Second by _____.

FORM APPROVED:

s/Kathleen Vanderpool

Kathleen Vanderpool
Deputy City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
MANDELBAUM				
SHEUMAKER				
VOSS				
WESTERGAARD				
TOTAL				

CERTIFICATE

I, LAURA BAUMGARTNER, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk



March 16, 2023

Scott Sanders, City Manager
 City of Des Moines
 3000 Vandalia Rd
 Des Moines, IA 50317

RE: Clean Water State Revolving Fund (SRF) Additional Subsidy (Principal Forgiveness) Award Terms and Conditions

Dear Mr. Sanders:

I am writing to inform you of the Terms and Conditions for principal forgiveness being offered to the City of Des Moines in connection to the City's loan through the Clean Water State Revolving Fund (CWSRF) Program.

Loan Information	
SRF Loan Number	C1295R
CWSRF Project Number	CS1920944 01

Funding Information													
Funding Source	FFY 2022 CWSRF Bipartisan Infrastructure Law (BIL) General Supplemental Grant												
Eligibility Criteria	<p>The Iowa SRF Program utilizes principal forgiveness to help make projects more affordable for communities that meet the Program's definition of disadvantaged community.</p> <p>The amount of principal forgiveness offered for this project is determined by a formula that combines the City of Des Moines's scores and corresponding percentages for three categories:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><u>Principal Forgiveness</u></th> </tr> <tr> <th style="text-align: left;"><u>Category</u></th> <th style="text-align: left;"><u>Percent</u></th> </tr> </thead> <tbody> <tr> <td>Socioeconomic Assessment</td> <td>20%</td> </tr> <tr> <td>Project Priority Type</td> <td>30%</td> </tr> <tr> <td>Household Burden</td> <td>*</td> </tr> <tr> <td>Total Principal Forgiveness</td> <td>*</td> </tr> </tbody> </table> <p>The maximum principal forgiveness award per project for this funding source is \$1,000,000 dollars.</p> <p>*This project qualifies for the maximum award amount so the Household Burden percentage will not be calculated.</p>	<u>Principal Forgiveness</u>		<u>Category</u>	<u>Percent</u>	Socioeconomic Assessment	20%	Project Priority Type	30%	Household Burden	*	Total Principal Forgiveness	*
<u>Principal Forgiveness</u>													
<u>Category</u>	<u>Percent</u>												
Socioeconomic Assessment	20%												
Project Priority Type	30%												
Household Burden	*												
Total Principal Forgiveness	*												

General Terms and Conditions

1. The City of Des Moines has executed a loan for \$7,035,000. The amount of principal forgiveness applied to this loan will be \$1,000,000 dollars.
2. Prior to applying principal forgiveness, the original loan agreement must be amended. The City will need to engage their Bond Counsel to prepare the proceedings for any required actions by the City Council.
3. Once the project is complete and all SRF final documents have been completed by the City, principal forgiveness will be applied to the outstanding loan balance. The remaining amount of the SRF loan will be subject to the usual terms of the SRF loan program.
4. The loan initiation fee assessed will be refunded to the City and applied as principal reduction to the outstanding loan balance at the same time as the principal forgiveness is applied.
5. This principal forgiveness award is subject to compliance with all SRF Program requirements, as applicable, including but not limited to American Iron and Steel Act, Environmental Review, Davis-Bacon Act, Civil Rights Laws, and State of Iowa public bidding laws.

Specific Terms and Conditions

1. Signage Requirements: The BIL signage term and condition requires a physical sign displaying the official Building a Better America emblem and EPA logo be placed at construction sites for BIL-funded projects.
 - a. Building A Better America Emblem: The City will ensure that a sign is placed at construction sites supported under this award displaying the official Building A Better America emblem and must identify the project as a “project funded by President Biden’s Bipartisan Infrastructure Law.”

The City will ensure compliance with the guidelines and design specifications for using the official Building A Better America emblem and corresponding logomark available at:
<https://www.whitehouse.gov/wp-content/uploads/2022/08/Building-A-Better-America-BrandGuide.pdf>

- b. EPA Logo: The City will ensure that signage displays the EPA logo along with the official Building A Better America emblem. The EPA logo must not be displayed in a manner that implies that EPA itself is conducting the project. Instead, the EPA logo must be accompanied with a statement indicating that the City received financial assistance from EPA for the project. The City will ensure compliance with the sign specifications provided by the EPA Office of Public Affairs (OPA) available at: <https://www.epa.gov/grants/epa-logo-seal-specifications-signage-producedepa-assistance-agreement-recipients>

Impact on Sponsored Project Funding

A CWSRF Sponsored Project award is determined, in part, by the final amount drawn on the a CWSRF loan. Accepting this principal forgiveness will reduce the final amount drawn on your CWSRF loan and may reduce the award amount available to fund Sponsored Project WRR21-009.

Written acceptance of this principal forgiveness award and the associated Terms and Conditions is required; please sign and return to me via my email listed below. Feel free to contact me if you have any questions or need more information regarding this offer. Iowa Finance Authority SRF Program staff can also be reached at waterquality@iowafinance.com or 1-800-432-7230.

Sincerely,

Theresa Enright Digitally signed by Theresa Enright
Date: 2023.03.16 13:48:59 -05'00'

Theresa Enright, SRF Coordinator
Iowa Department of Natural Resources
(515) 725-0498 | theresa.enright@dnr.iowa.gov

CC via email: Nick Schaul, Finance Director
Dan Pritchard, Civil Engineer III
Bob Veenstra, Veenstra & Kimm, Inc.
Iowa Finance Authority

Acceptance of Award

The undersigned is duly authorized to accept this principal forgiveness award on behalf of the City of Des Moines and agrees to the Terms and Conditions, as outlined above.

Authorized Signature: _____ Date: _____

Name and Title: _____