

## SOIL CONSERVATION AND WATER QUALITY DIVISION[27]

### Regulatory Analysis

Notice of Intended Action to be published: 27—Chapter 16  
“Water Quality Initiative”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 161A  
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 466B

### *Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 14, 2026  
9 to 10 a.m.

Borlaug Conference Room  
Hoover State Office Building  
Des Moines, Iowa

### *Public Comment*

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Soil Conservation and Water Quality Division no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Colin Tadlock  
1305 East Walnut Street  
Des Moines, Iowa 50319  
Email: [colin.tadlock@iowaagriculture.gov](mailto:colin.tadlock@iowaagriculture.gov)

### *Purpose and Summary*

The proposed rulemaking establishes rules for implementing the Water Quality Initiative and Water Quality and Urban Infrastructure programs originally enacted in 2018 Iowa Acts, Senate File 512.

### *Analysis of Impact*

1. **Persons affected by the proposed rulemaking:**

• **Classes of persons that will bear the costs of the proposed rulemaking:**

No costs are incurred by the public to comply with this proposed rulemaking.

• **Classes of persons that will benefit from the proposed rulemaking:**

This proposed rulemaking will not provide an additional benefit to any persons. Private landowners will still be given the opportunity to apply for financial assistance to implement water quality improvement and soil conservation practices on the land through a voluntary application process managed by the local soil and water conservation districts (SWCDs) and the Iowa Department of Agriculture and Land Stewardship (IDALS). These practices protect and improve water quality to the benefit of all.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

• **Quantitative description of impact:**

There will be no significant impact associated with this proposed rulemaking.

- **Qualitative description of impact:**

There will be no significant impact associated with this proposed rulemaking.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

Administrative costs associated with program delivery, project design and engineering for some projects, contracting and procurement, and construction management are the costs incurred by the Division in support of this rulemaking.

- **Anticipated effect on State revenues:**

There will be no effect on State revenues associated with this proposed rulemaking.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Not applicable.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Division considered revisions to support project maintenance and to update the list of eligible practices supported.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The proposed rulemaking reflects efficient implementation of the Iowa Code chapters referenced without dated or redundant references.

*Small Business Impact*

**If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:**

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

**If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?**

This proposed rulemaking will have no significant impact on small business.

*Text of Proposed Rulemaking*

ITEM 1. Rescind 27—Chapter 16 and adopt the following **new** chapter in lieu thereof:

CHAPTER 16  
WATER QUALITY INITIATIVE

**27—16.1(161A) Purpose.** The purpose of these rules is to support the reduction of nutrient losses and exports over time through the adoption of water quality practices and through the establishment and administration of targeted watershed demonstration projects and individual cost-share practices. The

purpose is also to assist education and outreach about the feasibility and value of establishing water quality practices.

**27—16.2(161A) Definitions.**

“*Council*” means the water resources coordinating council established pursuant to Iowa Code section 466B.3.

“*Department*” means the department of agriculture and land stewardship.

“*Division*” means the division of soil conservation and water quality, department of agriculture and land stewardship.

“*Eligible targeted watershed demonstration project applicants*” means individual or multiple soil and water conservation districts, counties, county conservation boards, cities, not-for-profit organizations authorized by the secretary of state, public water supply utilities or watershed management authorities.

“*Funds*” include the water quality initiative fund in Iowa Code section 466B.45, include the water quality infrastructure funds in 2018 Iowa Acts, Senate File 512, sections 23 and 24, and may include other moneys appropriated to the department or other nongovernmental funds.

“*Identified watersheds*” means the area identified by the council or by the division.

“*Maintenance/performance agreement*” means an agreement between the division, the recipient and the landowner. The recipient and landowner agree to maintain the soil conservation practices for which financial incentives from the division through the district have been received. The agreement states that the recipient and landowner will maintain, repair, or reconstruct the practices if they are not maintained according to the terms specified in the agreement. The terms of the agreement shall be specified by the division.

“*Nutrient*” includes total nitrogen and total phosphorus.

“*Nutrient reduction strategy*” means the document created and updated by the department, the department of natural resources, and Iowa State University of Science and Technology in order to assess and reduce nutrients in watersheds.

“*Recipient*” means an eligible applicant who has qualified for and received cost-share payments under this chapter or a project participant who has qualified for and received cost-share payments.

“*Secretary*” means the Iowa secretary of agriculture.

“*Watershed management authority*” means an authority as defined in Iowa Code section 466B.21.

**27—16.3(161A,466B) Cost share.** Except for edge-of-field practices and land use changes, the division’s share of the practice cost shall not exceed the lesser of 50 percent of the estimated cost of establishing the practice as determined by the division or 50 percent of the actual cost of the practice.

**27—16.4(161A,466B) Eligible practices.** Only practices whose function improves water quality will be eligible for funds. These practices are identified in the nutrient reduction strategy or by the division. Practices shall meet applicable Natural Resources Conservation Service conservation standards and specifications or applicable standards and specifications set out by the department. Urban infrastructure program projects shall meet the applicable standards in the Iowa Storm Water Management Manual published by the department of natural resources. Permanent practices eligible for funding include but are not limited to wetlands, bioreactors, buffers, structures, land use changes, terraces, waterways and managed drainage systems. Management practices eligible for funding include but are not limited to cover crops and living mulches. Application may be made to the division for cost-share funding for individual cost-share practices or for projects.

**27—16.5(161A) Ineligible practices.** Repair and maintenance of existing practices are not eligible for funding.

**27—16.6(161A) Statewide cost-share practices.** Individual statewide cost-share practices may be eligible for funding as determined by the division.

**27—16.7(161A) Targeted watershed demonstration projects.** Projects shall be conducted in the identified watersheds. The division shall conduct water quality evaluations within supported subwatersheds.

**27—16.8(161A) Project threshold application requirements.**

**16.8(1) General application requirements.** Project applications shall include the demonstration, outreach, and education objectives of the project and the plan for implementation; project costs, including the estimated cost of each measure to be implemented for each year of participation; anticipated landowner contributions; requested cost-share match; and expected contributions from project participants. Personnel needs and contributions should be outlined.

**16.8(2) Landowner interest.** An assessment of the interest and participation of the eligible applicants shall be included. A majority of the eligible applicants must reside or own land in the demonstration project. Collaborative participation by eligible applicants in the same identified subwatershed will be viewed favorably.

**16.8(3) Project maintenance.** Measures to be taken to ensure the long-term viability of the project through maintenance agreements, easements, or other such measures will be outlined in the agreement.

**16.8(4) Time frame.** The time frame for implementation will be identified in the application and set out in the agreement.

**16.8(5) Project evaluation.** The criteria for evaluation plans will be identified in the request for applications, and an evaluation plan will be contained in the project application.

**27—16.9(161A) Application review.** Identified watershed projects meeting the threshold requirements will be reviewed, evaluated and ranked by the division using criteria described in the request for applications. Funding recommendations will take into account the program objective to demonstrate and promote a variety of conservation practices in combination with education and outreach.

**27—16.10(161A) Annual review.** The division will review each project annually. The division may establish a budget for the next project year; renegotiate with the applicant or recipient about the objectives, procedures, budget, reports or time schedule; or terminate the project.

**27—16.11(161A) Contract requirements.** Recipients must complete performance and maintenance of the practice as required by the contract. Practices shall meet applicable Natural Resources Conservation Service conservation standards and specifications or applicable standards and specifications set out in the contract. The division may, for cause, find that a recipient is not in compliance with the requirements. At the division's discretion, remedies for noncompliance may include penalties up to and including the return of funds to the division. Reasons for a finding of noncompliance include but are not limited to the recipient's use of funds for activities not described in the contract, the recipient's failure to complete funded projects in a timely manner, the recipient's failure to carry out the terms of the performance/maintenance agreement, the recipient's failure to comply with applicable state or local rules or regulations, or the lack of a continuing capacity of the recipient to carry out the approved project in a timely manner.

**27—16.12(161A) Appeal.** A recipient who has been ordered to maintain, repair or reconstruct a temporary or permanent practice subject to a maintenance/performance agreement may, as appropriate, review the order with the division. When a recipient wishes to appeal an order to maintain, repair or reconstruct a temporary or permanent practice subject to a maintenance/performance agreement, the recipient may file a written request for review with the division. The division review shall be conducted by the division director or the director's designee. This proceeding shall be informal. The recipient shall request the review with the secretary in writing within 30 days

following the review with the division. The secretary or the secretary's designee will either affirm, modify, or vacate the administrative order following the completion of the contested case hearing.

These rules are intended to implement Iowa Code chapter 466B.