

**16.134 Wastewater and drinking water treatment financial assistance program.**

1. The Iowa finance authority shall establish and administer a wastewater and drinking water treatment financial assistance program. The purpose of the program shall be to provide financial assistance to enhance water quality. The program shall be administered in accordance with rules adopted by the authority pursuant to [chapter 17A](#). For purposes of [this section](#), “program” means the wastewater and drinking water treatment financial assistance program and “committee” means the water quality financing review committee created in [subsection 9](#).

2. A wastewater and drinking water treatment financial assistance fund is created and shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. Moneys transferred to the fund pursuant to [section 16.134A](#) are appropriated to the authority for purposes of the program. Moneys in the fund are not subject to [section 8.33](#). Notwithstanding [section 12C.7](#), [subsection 2](#), interest or earnings on moneys in the fund shall be credited to the fund.

3. Financial assistance under the program shall be used to install or upgrade wastewater treatment facilities and systems and drinking water treatment facilities and systems, including source water protection projects, and for engineering or technical assistance for facility planning and design.

4. The committee shall approve financial assistance from the fund in accordance with the following:

a. Priority shall be given for projects in which a disadvantaged community is seeking financial assistance for the installation or upgrade of wastewater treatment facilities and drinking water treatment facilities. For purposes of [this section](#), the term “disadvantaged community” means the same as defined by the department.

b. Priority shall be given to projects meeting criteria established in [section 455B.199B](#) in which the applicant seeks financial assistance to be used with financing under the water pollution control works and drinking water facilities financing program pursuant to [section 16.131](#) or other federal, state, or private financing.

c. Priority shall also be given to projects whose completion will provide significant improvement to water quality in the relevant watershed.

d. Priority shall also be given to communities that employ an alternative wastewater treatment technology pursuant to [section 455B.199C](#).

e. Priority shall also be given to those communities where sewer or water rates are the highest as a percentage of that community’s median household income.

f. Priority shall also be given to communities that employ technology to address the goals of the Iowa nutrient reduction strategy.

g. Priority shall also be given to communities whose drinking water facilities and systems use as a supply, or to projects whose completion will improve, surface waters on the state’s impaired waters list as described in [section 455B.194](#) and [455B.195](#).

h. Financial assistance in the form of grants shall be issued on an annual basis.

i. An applicant shall not receive a grant that exceeds five hundred thousand dollars.

5. A utility management organization formed under [chapter 28E](#) or operated by a rural water system organized under [chapter 357A](#) or [chapter 504](#) shall be considered eligible for financial assistance under the program.

6. The authority in cooperation with the department of natural resources shall provide information and resources to the committee when the committee is determining the qualifications of a community for financial assistance from the fund.

7. The authority shall enter into agreements with financial assistance recipients and distribute moneys under the program pursuant to financial assistance determinations made by the committee. The authority may use an amount of not more than one percent of any moneys appropriated for deposit in the fund for administration purposes.

8. By October 1 of each year, or as part of the annual report under [section 16.7](#), the authority shall submit a report to the governor and the general assembly itemizing expenditures under the program during the previous fiscal year, if any.

9. a. Beginning September 1, 2027, and every ten years thereafter, a program review

committee is established for purposes of reviewing the wastewater and drinking water treatment financial assistance program. By December 1 of the same year, the program review committee shall file a report with the governor and the general assembly that reviews the effectiveness of the program during the prior ten fiscal years.

b. The program review committee shall consist of the following members:

- (1) The governor or the governor's designee.
- (2) The secretary of agriculture or the secretary's designee.
- (3) The director of the authority or the director's designee.
- (4) The director of the department of natural resources or the director's designee.
- (5) Four members of the general assembly, with two from the senate and two from the house of representatives and not more than one member from each chamber being from the same political party. The two senators shall be designated one member each by the president of the senate, after consultation with the majority leader of the senate, and by the minority leader of the senate. The two representatives shall be designated one member each by the speaker of the house of representatives, after consultation with the majority leader of the house of representatives, and by the minority leader of the house of representatives.

c. Staffing services shall be provided by the authority.

10. a. A water quality financing review committee is created consisting of the secretary of agriculture or the secretary's designee, the director of the authority or the director's designee, and the director of the department of natural resources or the director's designee.

b. The committee shall review and approve or deny applications for financial assistance under the wastewater and drinking water treatment financial assistance program established in this section.

2006 Acts, ch 1179, §63; 2009 Acts, ch 30, §9, 10; 2009 Acts, ch 72, §1; 2014 Acts, ch 1080, §76, 78; 2018 Acts, ch 1001, §4; 2018 Acts, ch 1152, §2, 3; 2023 Acts, ch 19, §2146, 2147; 2024 Acts, ch 1182, §133

Referred to in §16.131A, 16.134A  
Subsection 8 amended