

567—90.11(455B) NPS project procedures—livestock water quality linked-deposit program (LWQP).

The purpose of the LWQP is to assist owners of existing AFOs to meet state and federal requirements or to prevent, minimize, or eliminate water pollution.

90.11(1) Eligibility conditions and restrictions. Assistance shall be in the form of low-interest loans made by participating lending institutions through a linked deposit arrangement with the CWSRF.

a. Eligible project costs. All costs directly related to the design, permitting, construction, and financing of the WPC facilities are eligible. The amount of assistance available shall be limited to the total costs deemed necessary, reasonable, and directly related to the facilities required to provide WPC as required by the department or to prevent, minimize, or eliminate water pollution.

b. Applicant eligibility. Assistance is limited to livestock producers operating AFOs according to federal law. Concentrated AFOs, as defined in 40 CFR §122.23, are not eligible.

(1) Loans will be made only to livestock producers that are operators of record or have legal control of the property containing the AFO for the duration of the loan.

(2) The department has the discretion to deny applications for producers if:

1. The department has issued an administrative order to the producer pursuant to Iowa Code section 455B.175;

2. The department notifies the producer in writing of intent to recommend referral or the commission refers the action to the attorney general pursuant to Iowa Code section 455B.175; or

3. The attorney general has commenced legal proceedings against the producer pursuant to Iowa Code section 455B.112.

c. Eligible projects. The WPC facilities considered eligible for assistance include manure storage structures, solids settling basins, composting facilities and equipment, lagoons (including fencing), portions of feeding floors or loafing areas used for waste collection, water and sediment control basins, vegetative filters or buffers, surface water diversion structures, agitation or transfer pumps, dry bedded confinement feeding operation buildings or structures pursuant to Iowa Code chapter 459B when all or part of an open feedlot is replaced, and other practices shown to improve or protect water quality. Replacement AFOs may be eligible where an existing AFO is eliminated to prevent a water quality impairment or mitigate a documented impairment. Engineering or technical service fees associated with the aforementioned practices are also eligible. A one-time purchase of attachments integral to the manure management system, such as blades, buckets, choppers, or spreaders, may be eligible at the time that an open feedlot is replaced with a dry bedded confinement building.

d. Funding formula.

(1) Loans for water quality projects for facilities being expanded by an increase in the animal unit capacity shall be funded according to the following formula:

Existing animal unit capacity/new animal unit capacity × total eligible project cost × 1.5 = maximum linked deposit amount

Example: 450 AUC / 900 AUC × \$500,000 × 1.5 = \$375,000

Example: 300 AUC / 600 AUC × \$300,000 × 1.5 = \$225,000

Example: 50 AUC / 900 AUC × \$500,000 × 1.5 = \$41,666

(2) If existing areas in open feedlots are kept open where some pens are replaced and the operation is expanded through the addition of a dry bedded confinement feeding operation building, the remaining open lot areas must comply with 567—65.101(459A).

90.11(2) Applying for assistance. Application for project approval shall be made on forms provided by the department or its agent. Forms may be downloaded from www.iowasrf.com.

90.11(3) Project review and approval.

a. Applications shall be submitted to the local SWCD. The local SWCD will evaluate the application, provide an estimated cost, and certify that the practice is eligible and compatible with state water quality goals.

b. All practices must comply with 567—Chapter 65 and shall be constructed to applicable USDA NRCS standards. NRCS staff or another technical service provider shall attest that the practice will be constructed to these specifications and standards.

90.11(4) *Project duration.* The project is to be maintained, kept in place, or operated as proposed for the life of the loan. If an open lot is closed and replaced with an eligible replacement facility, the department or its agent shall place a restrictive covenant that prohibits the operation of an open feedlot at the replacement site for the life of the loan. The site or portion of the site that may not house animals shall be defined by the local SWCD.

90.11(5) *Manure management plan (MMP) required.* The livestock producer shall have an MMP that meets the requirements of 567—65.17(459), a nutrient management plan (NMP) as defined in 567—65.112(459A), or a comprehensive NMP (CNMP), to be eligible for the loan or, as part of the loan, develop an MMP, NMP, or CNMP.

a. Costs for development of an MMP, NMP, or CNMP are eligible costs.

b. Costs for updating an MMP, NMP, or CNMP are eligible costs if required for the implementation of a water quality project financed through the LWQP.

90.11(6) *Ineligible costs.* Costs for development of a new AFO are ineligible. Other ineligible costs include but are not limited to the following:

a. Costs for the design, permitting, construction, or financing of WPC facilities that would allow an AFO to expand and become a concentrated AFO;

b. Costs for the purchase of land to be used for application of wastewater or manure;

c. Operation and maintenance costs; and

d. Refinancing costs for WPC facilities constructed prior to approval by the department or its agent.

90.11(7) *Recipient recordkeeping.* The loan recipient shall:

a. Maintain adequate records that document all costs associated with the project;

b. Provide access to these records to the department, the state auditor, the EPA SRF project manager, and the EPA Office of the Inspector General; and

c. Retain all project records and documents for inspection and audit purposes for a period of three years from the date of the final loan payment.

90.11(8) *Site access.* The livestock producer shall:

a. Provide the department and its agent access to the construction site to verify that the loan was used for the purpose intended and that the construction work meets the applicable state and federal requirements for AFOs; and

b. Provide the department and its agent periodic access to the AFO, pursuant to the biosecurity requirements in 567—paragraph 65.113(9)“*b*,” for the duration of the loan to ensure that the constructed facility is being operated and maintained as designed.

[ARC 9215C, IAB 5/14/25, effective 6/18/25]