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## FISCAL UPDATE Article

Fiscal Services Division

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### **\$100.0 MILLION WATER INFRASTRUCTURE AND WATER QUALITY INVESTMENTS**

**Summary.** On December 8, 2021, Governor Reynolds [announced](#) a \$100.0 million investment in water infrastructure and water quality efforts in Iowa. The [Water Infrastructure Fund](#) (WIF) within the [Iowa Finance Authority](#) (IFA) will receive \$75.0 million, while the [Conservation Infrastructure Initiative](#) at the [Iowa Department of Agriculture and Land Stewardship](#) (IDALS) will receive \$25.0 million. The \$100.0 million allocation comes from the [American Rescue Plan Act \(ARPA\) of 2021](#).

**Background.** The WIF will make investments to support innovative projects across the State with the goal of protecting, preserving, and restoring Iowa's water resources. Eligible projects will be primarily water quality improvement, but may provide other benefits, including reducing excess nutrients, increasing drought resiliency, reducing flood risk, improving public health, promoting water and wastewater reuse, and providing significant economic benefits. There are four main project categories:

- **Economically Significant Projects** — Clean and/or drinking water [State Revolving Fund](#)-eligible water infrastructure components of projects in Iowa that will serve a large portion of the State with the added benefits of promoting tourism and/or supporting economic development.
- **Watershed Protection Projects** — Nonpoint source watershed projects that improve Iowa's water quality.
- **Industrial Water Reuse Projects (Pilot)** — Matching grants for industrial and manufacturing facilities to install on-site water reuse systems.
- **Wastewater Infrastructure for Unsewered Communities** — Grants for property owners residing in an unsewered community to repair or upgrade septic systems. Provide financial assistance to unsewered communities to implement an existing plan for constructing a centralized wastewater system.

The Conservation Infrastructure Initiative aims to find more cost-effective ways to improve water quality. A total of [47 recommendations](#) have been created by the three Working Groups that comprise the Conservation Infrastructure Initiative. All projects funded by the Initiative must satisfy at least one of the recommendations. The groups are:

- **Strategy** — Recommendations focused on establishing Iowa as the leader in conservation through integrating conservation infrastructure into production agriculture and breaking down the barriers to implementing and scaling up conservation practices.
- **Cover Crops** — Recommendations focused on creating more customer demand for cover crops, changing the perception of cover crops, increasing farmers' and certified crop advisors' technical knowledge, and documenting the economic benefits of cover crops.
- **Conservation Drainage** — Recommendations focused on creating awareness and support for planning, designing, financing, installing, and managing and maintaining structural conservation practices across the State.

**More Information.** The application process will begin on December 15, 2021, for WIF projects, and more information will be available at the link above. The Conservation Infrastructure Initiative projects are ongoing. A list of current projects can be found [here](#).

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