

To: Honorable Governor Kim Reynolds

From: Environmental Protection Commission

Date: September 15, 2026

Subject: Fiscal Year 2025 and 2026 Report and Recommendations

The Environmental Protection Commission (EPC) hereby submits its biennial report and recommendations to the Governor and General Assembly of Iowa pursuant to Iowa Code section 455B.105(5). This report includes actions of the EPC from July 2024 through June 2026.

Water Quality / State Revolving Fund

During FY 2025 and FY 2026, the EPC approved investing almost \$1.5 billion in water and wastewater infrastructure and nonpoint source pollution control projects through the Drinking Water and Clean Water State Revolving Fund Programs.

Drinking Water State Revolving Fund (DWSRF)

The EPC approved DWSRF Intended Use Plan (IUP) recommendations for 167 planning & design (P&D) and construction projects, totaling \$861,269,355. Projects ranged in cost from the City of Correctionville's (pop. 766) P&D loan of \$41,000 planning a lead service line replacement project to the City of Cedar Rapids (pop. 141,063) construction loan of \$179,192,000 for the Northwest Water Treatment Plan Expansion (Phase 3).

Clean Water State Revolving Fund (CWSRF)

The EPC approved CWSRF IUP recommendations for 125 P&D, point source and nonpoint source construction projects, totaling \$634,033,147. Projects ranged in cost from the City of Olin's (pop. 226) P&D project of \$54,100 for planning lagoon improvements to City of Cedar Falls' (pop. 40,713) request of \$140,110,000 to finance upgrades to their water reclamation facility. The project total also includes 6 nonpoint source projects ranging from the City of Ankeny's (pop. 76,207) stream restoration project at \$177,000 to the City of Dunlap's (pop. 1038) request of \$925,000 for pond improvements.

Land Quality

In January of FY2026, the threshold requiring EPC approval for grant funding awards was raised from \$25,000 to \$50,000. Operating within the Financial and Business Assistance Section (FABA) of the Land Quality Bureau, the Environmental Management System (EMS) program is a voluntary, continuous improvement program that utilizes the groundwater protection fund to reward the environmental stewardship efforts of participating solid waste planning and service areas. This threshold increase streamlined the administrative process, ultimately reducing the volume of agreements brought before the EPC since a significant number of routine funding requests now fall below the new \$50,000 limit.

In FY2025, DNR received seven grant applications from EMS participants requesting a total of \$405,265.18 for the competitive round. With available funding limited to \$207,030, four proposals were recommended for funding, totaling \$202,095.18 in DNR financial assistance.

The environmental impacts of the EMS grant funding are driving material diversion, resource recovery, and emissions reductions across Iowa. Specifically, the funds:

- Enhanced recycling awareness to optimize landfill diversion in Linn County.
- Enabled Landfill of North Iowa to recover 240 tons of recyclable scrap metal from the working face in its first year alone.
- Facilitated a 50% fleet emissions reduction for Metro Waste Authority by installing a commercial electric vehicle charging system to transition five gas-powered vehicles to electric, saving an estimated 4,048 gallons of gasoline annually.
- Supported energy efficiency for the Waste Commission of Scott County, where a new speed door will prevent heat loss to cut annual natural gas usage by 10% (63,280 cubic feet).

In FY2026, the DNR received four grant applications from EMS participants requesting a total of \$230,892.25. With available funding limited to \$217,326.00, four proposals were recommended for funding for a total of \$217,326.00 in DNR financial assistance. Only two of these proposals required EPC approval.

As part of this initiative, the Dubuque Metropolitan Area Solid Waste Agency was awarded funds to purchase a mechanical road sweeper. This project targets a greater than 50% sediment load reduction to protect localized water quality and minimize Total Suspended Solids within the South Fork Catfish Creek watershed.

Additionally, the Metro Waste Authority received funds to procure a low-speed organic waste shredder. This project aims to intercept bulky organics directly from the landfill's working face to divert a targeted 100 loads in FY27, transforming the waste into compost feedstock while preserving critical landfill airspace.

Air Quality

The DNR secured an additional \$1.5 million in federal grants for the ambient air monitoring network for FY 2025–2029. Following EPC approval of agreements with Linn County, Polk County, and the State Hygienic Laboratory in late 2024, new monitoring stations were established in Cedar Rapids, Des Moines, and Fort Dodge. The grant funds will be used to operate these new sites and replace aging equipment across the network.

Following a multi-year stakeholder review, the Air Quality Bureau (AQB) finalized updates to its air quality fees. The EPC approved the rulemaking in November 2025, and the new fee structure was officially finalized in May 2026.

Rulemaking

On January 10, 2023, Governor Reynolds signed Executive Order 10 (EO10), putting a moratorium on administrative rulemaking and instituting a comprehensive review of all existing administrative rules. The EPC's rules are in volume 567 of the Iowa Administrative Code. The EPC and DNR staff reviewed 36 chapters in 2024 and 40 chapters in 2025 as part of its EO10 efforts.

The final EO10 metrics for volume 567 are as follows (2023, 2024, and 2025 cycles): elimination of: 48 chapters, approximately 5,700 restrictive terms; and approximately 288,000 words.

Enforcement

During this reporting period, the EPC received four recommendations for referral to the Attorney General's office from the DNR. The EPC referred all four individuals/entities to the Attorney General's Office for egregious environmental violations regarding the disposal of solid waste and wastewater discharges.

FY25: Administrative Penalties Assessed = \$467,935.00. Restitution Assessed = \$32,880.32.

FY26: Administrative Penalties Assessed = \$361,560.00 Restitution Assessed = \$115,860.51.

New Commissioners and site visits

Two individuals were newly appointed and sworn in to serve a four-year term with the EPC.

The EPC's regulatory knowledge was enhanced through several voluntary tours of regulated facilities. The tours included informative presentations and visits to Lake Meyer, Decorah Fish Hatchery, Trout Run Watershed, Holland wetland and pollinator project, Faulk sinkholes, Branham flood reduction structure, Cedar Rapids Water Administration Building, Mount Trashmore, and Breneman Farms in Kalona.

Public Comments and citizen engagement

The citizens of Iowa have been largely appreciative of the DNR's efforts, through public meetings, to seek, evaluate, and provide resolutions to their concerns over water, air, and land issues. This interaction has been very helpful in the comprehensive review of all prior administrative rules required by Executive Order 10. Also, in the last two years, the DNR has presented for EPC approval water and wastewater infrastructure and nonpoint source pollution control projects, an increased funding threshold for the Environmental Management System to allow deserving projects to proceed without additional delay, and plans for three new air monitoring stations, among other worthy proposals. These efforts have been well-received by the public but new issues do arise. More recently, there has been heightened citizen concern over a rising nitrate level in central Iowa's water supply. This was addressed by the "Farm to Faucet" funding package to improve nitrate removal capacity, upgrade infrastructure, subsidize conservation projects, and increase water quality monitoring. This last purpose will be carried out by DNR staff, further illustrating their ability to meet shareholders' concerns. To be sure, Iowa farmers have invested heavily in conservation by installing cover crops, grass waterways, terraces, wetlands, saturated buffers, bioreactors, and other conservation practices that reduce erosion and nutrient loss. Many of these practices are under the expert guidance of DNR staff members. Another issue has been the need to monitor and correct for possible PFAS contamination. The EPA recently established PFAS standards and the DNR is monitoring public water systems for acceptable levels in drinking water. In all relevant areas, the dedicated, hard-working staff at the DNR have done their best to address citizen concerns and maintain the highest levels of water, land, and air quality possible.

Conclusion

The EPC recommends continued full funding of the DNR. Ongoing support of the mission and initiatives of the Environmental Services Division of the DNR is necessary to provide protection for Iowa's air, land, and water against a host of pollutants including, but not limited to, those from nitrate, animal feeding operations, household hazardous materials, PFAS, and invasive species of plant, fish, invertebrate, and microbial origin. To this end, the rapid detection and prevention of disease and exposure to toxins in the environment, through accurate diagnostic testing by qualified laboratories, is critical. Environmental

protection initiatives as well as a responsible regulatory atmosphere are important for the citizens, businesses, and industries of the great state of Iowa.