

Red Tape Review Rule Report

(Due: September 1, 2025)

Department Name:	IFA	Date:	5/23/25	Total Rule Count:	4
IAC #:	265	Chapter/ SubChapter/ Rule(s):	Chapter 28	Iowa Code Section Authorizing Rule:	16.134 and 16.135
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of chapter 28 is to describe the policies and procedures applicable to the wastewater and drinking water treatment financial assistance program. The program provides grants 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.

Is the benefit being achieved? Please provide evidence.

Yes. The authority is able to effectively award and administer grants through the program, in cooperation with the department of natural resources.

What are the costs incurred by the public to comply with the rule?

Entities interested in applying for the program may require staff time to complete an application to receive a grant. Recipients of grants may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants/recipients may choose to rely on an external service provider to complete these tasks, such as a grant writer or consultant. The amount of the costs will vary, depending on the compensation of staff or service providers involved. The application and reports require minimal time to complete.

What are the costs to the agency or any other agency to implement/enforce the rule?

IFA staff time is required to review and prepare applications for approval, draft and execute program contracts, disburse funds, review reports, and communicate with program applicants and recipients.

Do the costs justify the benefits achieved? Please explain.

Yes. Only entities that will potentially benefit from the program incur any costs. The costs to the state to administer the program are proportional to the activities supported.

Are there less restrictive alternatives to accomplish the benefit? ☐ YES ☒ NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The application and administrative requirements of the rules are no more than necessary to implement the purposes of the program.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes.

Rule 28.1 repeats statutory language and should be eliminated.

Rule 28.2 should be updated to eliminate unnecessary definitions and repetition of statutory language and to be clearer and more concise.

Rule 28.3 should be updated to eliminate repetition of statutory language. Language relating to administration of grant awards should be combined with rule 28.3.

Rule 28.4 should be updated to incorporate language from other parts of the chapter relating to administration of grant awards.

The implementation sentence should be updated to reflect implementation of Iowa Code sections 16.134 and 16.135.

Rules throughout the chapter should be renumbered due to the elimination of rule 28.1.

RULES PROPOSED FOR REPEAL (list rule number[s]):

28.1

***RULES PROPOSED FOR RE-PROMULGATION* (list rule number[s] or include text if available):**

CHAPTER 28
WASTEWATER AND DRINKING WATER TREATMENT FINANCIAL ASSISTANCE PROGRAM

265—28.1(16) Definitions.

“*Authority*” means the Iowa finance authority created in Iowa Code section 16.1A.

“*Committee*” means the means the water quality financing review committee created pursuant to Iowa Code section 16.134(10).

“*Costs*” means all expenses incurred by the recipient and determined by the authority as reasonable and necessary to carry out a project.

“*Program*” means the same as defined in Iowa Code section 16.134(1).

“*Project*” means the installation or upgrade of wastewater treatment facilities and systems and drinking water treatment facilities and systems, including source water protection projects, and engineering or technical assistance for facility planning and design.

“*Recipient*” means the entity receiving funds from the program.

265—28.2(16) Project funding. The committee will approve or deny applications for grants through the program in accordance with the priorities listed in Iowa Code section 16.134 and subject to the limitations therein. The committee will determine the weighting of priorities on an annual basis.

265—28.3(16) Administration.

28.3(1) The authority will notify successful applicants in writing of an approved application for a grant. The terms of the grant may be negotiated by the authority and shall be included in a written agreement with the recipient. The agreement may include any other term that the authority deems necessary or convenient for the efficient administration of the program. All eligible costs shall be documented to the satisfaction of the authority before grant funds may be disbursed.

28.3(2) The recipient shall maintain records that document all costs associated with the project. The recipient shall provide access to these records to the authority, the auditor of the state of Iowa, or their agents or designees upon request. The recipient shall retain such records and documents for a period of three years from the date of the final disbursement of grant funds.

28.3(3) The recipient shall provide the authority or its agents or designees access to the project site on request for the duration of the grant to verify that the funds are being used for the purpose intended, that the construction work meets applicable state and federal requirements, and that the project is being operated and maintained as designed.

28.3(4) Recipient’s accounting procedures shall conform to generally accepted government accounting standards.

28.3(5) Recipient shall comply with all applicable federal and state requirements of the project and its operations.

28.3(6) The authority may, for cause, find that a recipient is not in compliance with the requirements of the program. Remedies for noncompliance may include penalties up to and including withholding of or return of grant funds. Findings of noncompliance may include, but are not limited to, the use of grant funds for activities not described in the application for the grant; failure to begin construction within one year of execution of a grant agreement; or failure to comply with any applicable state or federal rules, regulations, or laws.

These rules are intended to implement Iowa Code sections 16.134 and 16.135.

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	1
Proposed word count reduction after repeal and/or re-promulgation	404
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	2

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

The code sections implemented by this rule chapter should be more consistent with other programs supporting water quality and should be updated to reflect the needs of users.