

In 2025 central Iowa banned lawn watering to stay under the nitrate limit. Your capital plan has to plan for that.

Farm-driven nitrate that pushes source water to the legal edge, a \$22.4 billion infrastructure gap, hundreds of small rural systems, and a wave of federal money that covers only a sliver of the need. For an Iowa water CFO or capital lead, every one of those forces reshuffles the projects on your list. Invizion helps Iowa utilities re-sequence a capital portfolio in a click — and defend every decision.

\$22.4B¹ Iowa's drinking-water and wastewater investment need over 20 years — about \$10.1B for drinking water and \$12.3B for wastewater.	600K² Central Iowans served by Des Moines Water Works, which imposed the first lawn-watering ban in its history in June 2025 to stay under the nitrate limit.	\$566M¹ Federal State Revolving Fund water dollars to Iowa since 2022 — roughly 2.5% of the state's identified need.	10 mg/L³ The federal nitrate limit Iowa rivers pushed against in summer 2025, when concentrations hit near-record highs.
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THE IOWA LANDSCAPE

Four forces are moving your project list at once

None of these is theoretical, and none of them waits for your next budget cycle. Together they mean the capital plan you approved last year may already be the wrong plan.

SOURCE WATER — NITRATE

Nitrate keeps pushing your source water to the legal edge

Iowa's rivers now run at roughly 6–8 mg/L of nitrate and frequently spike to 15–20 mg/L, while water draining from farm tile lines runs 10–30 mg/L year-round — against a federal drinking-water limit of 10 mg/L. In summer 2025 the Raccoon River reached near-record highs, and Des Moines Water Works ran its nitrate-removal facility about 122 days before shutting it down in August.³

The driver is agricultural: nearly half of Iowa's harvested cropland is tile-drained, routing nitrate straight to the rivers utilities draw from.⁴ For a utility, that is a capital problem — removal capacity, alternate supply, and blending — not just a water-quality one.

DEMAND — REGIONALIZATION

Central Iowa pooled its water, then hit a ceiling anyway

Des Moines Water Works and its partners serve about 600,000 central Iowans and, in 2024, formalized Central Iowa Water Works as a regional drinking-water authority to pool supply and treatment across a fast-growing metro.²

Even so, in June 2025 the system escalated from a voluntary 25% cutback to a 50% request to an outright ban on all lawn watering within days — because treatment ran at capacity against the nitrate load.⁵ Growth-driven capacity and source-water resilience now compete for the same dollars as renewal.

AGING SYSTEMS — SMALL & RURAL

A \$22.4B need, spread across systems that can't all afford it

EPA's needs assessments put Iowa's 20-year drinking-water and wastewater investment need at about \$22.4 billion — roughly \$10.1 billion for drinking water and \$12.3 billion for wastewater.¹ Much of that sits with hundreds of small community and rural systems with thin balance sheets; a Monticello mobile-home park was ordered to provide bottled water and fined \$10,000 over unsafe drinking water.⁴

Iowa has managed source-water risk for decades — Des Moines built its nitrate-removal facility back in 1992 and spent roughly \$540,000 running it in 2014–15 — but the renewal backlog has kept stacking underneath it.⁶

COMPLIANCE — LEAD & PFAS

New mandates land on top of the nitrate fight

Lead service line replacement is now a funded mandate: of Iowa's recent drinking-water SRF dollars, about \$159 million is dedicated to lead lines, and utilities such as Des Moines Water Works have launched multi-phase replacement programs.¹⁷

PFAS is the next wave — the Iowa DNR has been sampling public water supplies statewide, and any system with a detection is looking at monitoring and, potentially, treatment capital.⁸ These obligations don't replace the backlog; they stack on it, and something on the list has to move.

WHO RUNS IOWA'S WATER

A public, locally-run sector — with a single regulated private utility

Iowa water is overwhelmingly municipal and rural-district owned, with rates set by local boards and councils. Only one investor-owned water utility is rate-regulated by the state. The pressures are shared; the accountability path differs.

Municipal & regional public systems

Rates set by city councils and district boards — not the state

Central Iowa Water Works / Des Moines Water Works Regional authority · ~600,000 served²

City of Cedar Rapids Water Municipal · Cedar River alluvial supply

Sioux City, Council Bluffs, Waterloo Large municipal systems

Iowa City, Ames, Dubuque Municipal utilities

Rural water districts & associations Xenia, Warren, Southern Iowa and dozens more

Investor-owned & small systems

Rates & capital recovery regulated by the IUC

Iowa American Water State's only rate-regulated IOU · ~227,000 served⁹

Quad Cities & Clinton systems Iowa American's core service area

Hundreds of small community systems Where funding gaps hit hardest

Iowa American Water reports roughly \$157 million invested in Iowa infrastructure from late 2021 through early 2026¹⁰

Every capital dollar has to be defensible

Whether you answer to the Iowa Utilities Commission or a city council, the question is the same: why this project, why now, why at this cost? Iowa's oversight bodies are asking it harder than ever.

Iowa Utilities Commission (IUC) regulates rates for the state's single investor-owned water utility, Iowa American Water; it does *not* set rates for municipal utilities or rural water districts.¹¹

Iowa American Water's rate review was filed with the IUC on May 1, 2024, with new rates effective August 1, 2025 — following roughly \$157M in capital investment. Approvals are not a formality.¹⁰

Iowa DNR holds Safe Drinking Water Act primacy — the 10 mg/L nitrate limit, lead service line inventories, and PFAS monitoring all flow through it.^{8,3}

City councils & district boards set the vast majority of Iowa water rates, in public, in front of ratepayers.

The money is moving — can your plan absorb it?

Iowa utilities have more capital funding available than they've had in a generation, but it covers only a fraction of the need. The constraint is readiness: which projects are shovel-ready, which qualify, and how the timing lines up with everything else on the list.

Iowa Finance Authority & Iowa DNR jointly run the State Revolving Funds; the Clean Water SRF alone has distributed more than \$3.3 billion since 1989.¹²

~\$566M in federal SRF water funding has flowed to Iowa since 2022 — about \$380M drinking-water (including ~\$159M for lead lines) and ~\$186M clean-water.¹

The Bipartisan Infrastructure Law added roughly \$43 billion to the SRFs nationally over 2022–2026, with principal forgiveness set aside for disadvantaged communities.¹

Even so, the money covers ~2.5% of Iowa's \$22.4B need — which is exactly why sequencing and match strategy decide who gets built.

IOWA WATER, IN BRIEF

Questions Iowa utility leaders are asking

Short, sourced answers — the same facts we'll dig into on a call, in the context of your system.

Why is nitrate such a problem for Iowa water utilities?

Iowa rivers now run around 6–8 mg/L of nitrate and frequently spike to 15–20 mg/L against a 10 mg/L federal limit, with farm tile drainage running 10–30 mg/L year-round. Nearly half of Iowa's harvested cropland is tile-drained, so nitrate flows straight to the rivers utilities draw from — forcing costly removal capacity and alternate-supply decisions³⁴

What was the 2025 central Iowa lawn-watering ban?

In late May and June 2025, Des Moines Water Works / Central Iowa Water Works escalated from a voluntary 25% cutback (May 30) to a 50% request (June 11) to an outright ban on all commercial and residential lawn watering (June 12) — the first such ban in its history — because treatment was at capacity against near-record nitrate.⁵³

Who sets water rates in Iowa?

The Iowa Utilities Commission regulates rates only for the state's single investor-owned water utility, Iowa American Water — whose most recent rate review, filed in May 2024, took effect August 1, 2025. Every other Iowa water utility, including all municipals and rural districts, sets rates through its own council or board.¹¹⁰

How much funding is available for Iowa water infrastructure?

Iowa has received about \$566 million in federal SRF water funding since 2022 — roughly \$380M drinking-water (including ~\$159M for lead lines) and ~\$186M clean-water — on top of a Clean Water SRF that has lent more than \$3.3 billion since 1989. The SRFs are run jointly by the Iowa Finance Authority and Iowa DNR.¹¹²

How big is Iowa's water infrastructure gap?

EPA's needs assessments put Iowa's 20-year need at about \$22.4 billion — roughly \$10.1 billion for drinking water and \$12.3 billion for wastewater. Recent federal funding covers only about 2.5% of that, so most of the burden falls back on local rates and SRF loans.³

How does Invizion help Iowa water utilities plan capital?

Invizion is scenario-based capital portfolio optimization for water utilities. It lets you model how a nitrate spike, a delayed SRF loan, a lead or PFAS deadline, or a growth commitment reshuffles your whole project list, re-sequence the portfolio automatically against your constraints, and keep a defensible record of every decision for the IUC, your board, or ratepayers. The best next step is a short first meeting to look at it against your own program.

REFERENCES

Sources

Every figure in this briefing is tied to a primary or authoritative source.

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3. Iowa Capital Dispatch, "Nitrate levels in Iowa water remained high through fall, data show" — rivers ~6–8 mg/L (spiking 15–20), tile drainage 10–30 mg/L, 10 mg/L federal limit; Raccoon River near-record highs summer 2025; DMWW nitrate-removal facility ran ~122 days in 2025, Dec. 2, 2025. iowacapitaldispatch.com
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5. Des Moines Water Works, news releases — 2025 lawn-watering restrictions: 25% voluntary (May 30), 50% request (June 11), full ban on all commercial and residential lawn watering (June 12, 2025). dmww.com
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7. Des Moines Water Works — Lead Service Line Replacement Program (multi-phase, Phase 1 launched 2025). dmww.com
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9. Iowa American Water, "About Us" — serves about 227,000 people in Iowa. amwater.com
10. Iowa American Water, "Your Water Rates" — rate review filed with the IUC May 1, 2024; new rates effective Aug. 1, 2025; ~\$157M invested in Iowa infrastructure Oct. 2021–Mar. 2026 (Clinton & Quad Cities). amwater.com
11. Iowa Utilities Commission — regulates only one investor-owned water utility (Iowa American Water); municipal utilities and rural water districts are not rate-regulated by the state. iuc.iowa.gov
12. Iowa Finance Authority / Opportunity Iowa — Clean Water State Revolving Fund has distributed more than \$3.3 billion since 1989; SRFs administered with Iowa DNR. opportunityiowa.gov

ABOUT INVIZION

Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for water and wastewater utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

See what a defensible Iowa capital plan looks like — book a 20-minute first meeting.

Book your first meeting →