MINUTES OF THE REGULAR MEETING OF THE

ADMINISTRATIVE RULES REVIEW COMMITTEE

Time of meeting The regular meeting of the Administrative Rules Review Committee (ARRC) was

held on Tuesday and Wednesday, December 12 and 13, 1995, in Room 22, State

Capitol, Des Moines, Iowa.

Members present: Senator Berl E. Priebe and Representative Janet Metcalf, Co-chairs; Senators H.

Kay Hedge, John P. Kibbie, William Palmer and Sheldon Rittmer; Representatives Horace Daggett, Minnette Doderer, Roger Halvorson, and Keith

Weigel. Senator Palmer was excused Wednesday, December 13, 1995.

Also present: Joseph A. Royce, Legal Counsel; Phyllis Barry, Administrative Code Editor;

Kimberly McKnight and Cathy Kelly, Administrative Assistants; Caucus staff and

other interested persons.

Convened: Co-chair Priebe convened the meeting at 10 a.m.

AGRICULTURE Ron Rowland represented the Department for the following:

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Dairy — cooling of milk contained in bulk milk tanks on Grade A farms in Iowa, 68.12,

68.12 Following public comments, the Department terminated ARC 5674A and ARC

5816A and amended rule 21—678.12(192) to clarify the requirements to cool milk contained in bulk milk tanks on Grade A farms in Iowa. Rowland stated the Department had worked with the dairy industry and the Amish community. Following an inquiry, Priebe was informed the industry preferred an automatic

cooling requirement but the Amish community was satisfied.

76.14 Rowland noted rule 21—76.14(76GA,ch43) adopted the federal procedures in

terms of ostrich slaughter and processing and applied them to rheas and emus. He added this would commence after the first of the year on a voluntary inspection

basis.

Objection Barry explained that an objection that had been in place since 1975 had been

inadvertently removed from the IAC and requested the delay be lifted.

Rowland stated the Department had pending rule making on this chapter but it would have no impact on this particular provision. Priebe said the objection stated the licensing language went beyond the scope of the law in that it allowed denial by the Department of a license or permit on grounds not specified in the

Code.

Objection Lifted Hedge made a motion to lift the objection and the motion carried.

ECONOMIC DEVELOPMENT

Roselyn McKee Wazny, Melanic Johnson, Kathy Beery, JoAnn Callison and Mike Miller represented the Department for the following:

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF [261]

Mailing address for RFP, selection criteria and matching requirements for grant funding, 10.5(2), 10.	5(4),
10.5(4)"f," 10.7(1) to 10.7(4), Notice ARC 5999A	11/8/95
CDBG housing set-aside and economic development set-aside funds, 23.4(3)"m,"	
23.5(1), 23.6(3), 23.6(4), 23.6(6), 23.6(7), 23.6(10)"b," 23.11(1)"b" to "h," 23.11(5), 23.17,	
Filed Emergency After Notice ARC 6003A	11/8/95
HOME investment partnership program, ch 25, Filed Emergency After Notice ARC 6002A	
Rural action development program, ch 48, Notice ARC 6000A	11/8/95
Self-employment loan program - low income, 51.2, Filed ARC 6001A	

10.5(2) et al.

Johnson stated that no comments had been received pertaining to rules 261—10.5(76GA,HF512) and 261—10.7(76GA,HF512).

23.4(3)"m" et al.

Wazny stated the comments received on 261—Chapter 23 dealt specifically with more stringent standards on housing assistance imposed by the Department. Concerns were voiced the \$24,999 per unit assistance restriction or 175 percent of appraised value would cause loss of affordable units and the required percentage contributed to housing rehabilitation expenses was too restrictive. Department revised per unit assistance to a maximum of \$24,999 that apply to both single family units and new construction on rental units and eliminated language referring to the 175 percent. The Department would require owner participation in any kind of rehabilitation on houses if, in fact, they were not up to the 30 percent standard that the federal government followed for housing and The Department broadened the definition of after assisted programs. rehabilitation housing costs to include utilities, mortgage interest, property insurance and taxes. Metcalf asked why this was expanded. Wazny explained the Department wanted owners, who were financially able, to participate and not be encumbered by additional debt if further rehabilitation was needed.

Kibbie referred to subrule 23.6(7) and asked how the removal of language involving PROMISE JOBS was related to the issue before the Committee. Wazny replied this was a component of the community development block grant program that involved the job training and education issues for low- and moderate-income Iowans.

Kibbie asked if work force development was under job service and Johnson replied it was a division in Economic Development. Kibbie asked what would happen to PROMISE JOBS. Wazny responded this program was related to PROMISE JOBS last year and, in a previous filing, the Department had asked to use community development block grant funds if the PROMISE JOBS funds ran short. The Department eliminated that division from the rule when the shortfall did not occur and added a new provision for projects that were not currently possible with state funding. There would be a PROMISE JOBS program but it would not be supported with community development block grant dollars.

In response to Doderer, Wazny stated there were four major components that had flexibility within the community development block grant program—housing fund, community facilities, imminent threat set-aside and the EDSA and PFSA set-asides. Doderer asked who would implement the PROMISE JOBS and Johnson added it was a DHS program. Kibbie inquired about this fiscal year and Beery was unsure of the status of DHS in terms of meeting financial obligations.

DED (Cont.)

Daggett referred to subrule 23.17(4) and questioned eligibility requirements for cities and counties. According to Wazny, federal law determined eligibility and consisted of any city under 50,000 and any county within the state. Rural areas of the state would be served. The Department's block grant funds could not be used in the nine major urban centers such as Des Moines. Beery added those nine received separate block grant amounts based on poverty and population levels. Beery advised Daggett the Department awarded dollars based on the level of income of the family, primarily directed to families with 80 percent of the median income for the county although some dollars were directed to families with 50 percent of the median income. Wazny added the Department invested in houses from \$10,000 to \$35,000 and she estimated the highest price at \$50,000.

Rittmer referred to paragraph 23.11(1)"b" and wondered if \$24,999 was the cap and Wazny replied this was the maximum amount of money the program would award. In response to Doderer, Wazny explained a different set of federal regulations was used once the \$24,999 figure was reached.

Weigel wondered if it was possible for the owner to sell the house immediately upon completion of rehabilitation. Wazny replied the Department did not allow this and required a plan be in place involving when repayment would be made, typically based on a sliding scale of five to ten years. Weigel inquired what would happen if the owner subsequently needed or wanted to move. Wazny replied repayment would have to be made set up on a sliding scale. Weigel asked if the house sold would costs be recovered. Wazny responded that typically 80 to 100 percent of those costs would be recovered if the house was sold in the first or second year.

Ch 25

No questions on Chapter 25.

Ch 48

Beery spoke to 261—Chapter 48 and explained there had been a Phase I of rural action over the past three years and the Department was helping the local agriculture producers and economic development groups conduct feasibility studies. Following one such feasibility study, Washington County attracted a soy extrusion industry which employed twelve people. That county also looked at potential contracts for specialty grains and had close to 3,000 acres under contract for high oil corn amounting to approximately \$50,000 premium for the farmers involved. The Department found the Phase I award of up to \$4,500 was not a large investment and implemented Phase II to provide additional time to further expand agricultural development strategies. Funding in Phase I did not ensure funding for Phase II nor was it necessary to participate in Phase I to qualify for Phase II funding. Projects for both phases will be competitively judged on their goals and objectives. Phase II applicants may receive an award of up to \$8,000 to conduct activities for the second phase of a rural action project. The award is typically used to hire local coordination staff. A public hearing had been held and no additional comments were received.

Halvorson commended the rural action development program concept and wondered how many counties participated in Phase I. Beery replied the Department had been handling approximately four per year, with three of the four opting to move forward. The Department perceived Phase II as an intermediate step in assisting agriculture groups in the competitive process of obtaining rural enterprise funds. Halvorson asked if this had to be funneled through the extension service and Beery replied the first phase was. In the second phase the Department wanted the development group, with its expertise on industrial development and putting financial packages together, to be the applicant.

DED (Cont.)

Halvorson asked which four counties had been involved in Phase I last year and Beery replied Adams, Washington, Lucas and Osceola. Halvorson asked what dollar amount was available and Beery replied it was not a significant amount.

Halvorson asked about staffing costs and Beery replied the only cost of staffing was the Institute for Coops business consultant at \$25,000 per year.

Halvorson asked about alternative crops such as organic crops and herbs. Beery stated the Department had expanded the rules to include organic groups and had increased the two-county area to eligible producers in six noncontiguous counties. In response to Weigel, Beery replied this had been in existence for three years. Weigel also wondered if \$50,000 was available for use now or if it would be used Beery replied the Department would use existing rural toward Phase II. development funds for the projects, based on local needs and increased demand. Weigel asked if the legislature directed money be spent on the second year program rather than trying to get more in the first year. Beery replied it was based rather on the needs of the local communities, as well as a need for an extended program. The Department believed local groups should be held accountable by proving themselves, applying a second time, and meeting goals.

Weigel asked if there would be a bias toward counties that had county-wide economic development versus those that did not. Beery responded it would not because local chambers of commerce were included.

51.2

No questions on 51.2.

EDUCATION

Orrin Nearhoof and Gary Borlaug represented the Board for the following and there were no questions:

EDUCATIONAL EXAMINERS BOARD[282]

EDUCATION DEPARTMENT[281]"umbrella"

Duplicate license fees, provisional licenses and content requirements for special education and secondary occupational endorsements, evaluator approval, special education supervisor — support, 14.8, 14.11, 14.14, 14.19(4), 14.23(1)"a" and "b," 14.23(2)"a" and "b," 14.23(3)"a" and "b," 14.23(4), 15.3(5)"b," 15.3(10)"b,"

Metcalf in chair.

INSURANCE

Susan Voss, Scott Galenbeck and Kim Cross represented the Division for the following:

INSURANCE DIVISION[191]

COMMERCE DEPARTMENT[181]"umbrella"

Actuarial opinion and memorandum, 5.34, Filed ARC 5996A,

see text IAB 9/13/95, page 378
Mutual holding companies, ch 46, Notice ARC 6045A, also Filed Emergency
ARC 6046A
Community health management information system, 100.11, Notice ARC 6047A11/22/95

5.34

Cross stated rule 191—5.34(508) established parameters for actuaries who were tendering opinions on behalf of lowa domestic insurance companies authorized to do business in the state pursuant to Iowa Code chapter 508. The actuarial opinion and memorandum also was included in the accreditation requirements of the National Association of Insurance Commissioners for Iowa to maintain its accredited status. The rule established filing requirement exemptions for certain size companies. Doderer wondered if by doing this the state would lose accreditation. Cross explained it was possible since accreditation standards enumerated specific statutes and regulations which had been promulgated and adopted and those standards were required to be maintained.

INSURANCE (Cont.) Daggett referred to companies that had been in trouble within the last year and wondered if this rule would impact any of those. Cross replied the state was fortunate in that no domestic insurers had undergone severe financial difficulties or been placed under supervision or rehabilitation for final liquidation. Conversely, a number of foreign companies had encountered difficulties. In the event those companies were not in compliance, the Division would then be empowered to require the foreign company to file a statement of actuarial opinion

with Iowa for the protection of Iowa policyholders.

In response to Doderer, Cross replied when a state had not been initially accredited at the time the regulations and statutes and standards were promulgated, its domestic insurance companies would be prohibited from doing business in the state of Iowa. In the past year, this had ceased to be an automatic bar and subjected the companies to more direct regulation by the Division.

Ch 46

Galenbeck stated Iowa was the only state to have adopted mutual insurance holding company legislation. The Division decided it would be appropriate to write the rules in two parts, the first part of which was Chapter 46. The second part of the rules had not been drafted yet and would relate to the possibility of the sale of part of the stock insurance company.

Chapter 46 listed requirements for reorganization for a domestic mutual insurance company to form an insurance holding company based upon a mutual plan and continue the corporate existence of the reorganized insurance company as a stock insurance company. American Mutual Life Insurance Company, located in Des Moines, had submitted an application for reorganization.

Halvorson asked about other applications and Galenbeck stated interest was high and he anticipated additional applications within the year. Halvorson expressed concern that a small group might gain controlling interest and profit substantially from ownership of the stock. Galenbeck stated the Division would try to develop these controls in the second set of rules and was very aware of the problem.

Weigel asked when the application of American Mutual Life Insurance Company would be approved and Galenbeck said it was forthcoming.

In response to Weigel, Priebe stated these rules were already in effect.

Priebe in Chair.

100.11

No questions on 100.11.

EPC 49.5(5) et al.

Bruce Rastetter, Heartland Pork, Michael Abildtrup, Farmers Cooperative, and Dick Thornton, Davis Law Firm, were permitted to address the manure management rules out of sequence.

Rastetter had worked with a number of independent farmers contracting hogs in north central and northwest Iowa area since 1987. These hogs sites totaled approximately 100,000 head of new construction, ranging in size from one building with 1,000 head to 5,000 and 6,000 head per site maximum. Since the inception, emphasis had been placed on long-term manure easements. Enough tillable ground was needed to match the nutrient needs of the growing crop with the amount of manure produced from the specific buildings. The manure easements were attached to the abstracts of the adjoining farms, filed at the courthouse, and were public information.

Rastetter stated his group had grown because of the involvement of independent farmers, who substituted the manure for commercial fertilizer and the relationship with the Farmers Coop in terms of analyzing the manure samples and matching the nutrient uptake of the crop with the samples. The group currently applied on 8,000 acres of ground and, by substituting the manure for commercial fertilizer, helped lower the cost of the independent producers. He expressed concern that 567—Chapter 65 would change the use of hog manure as a fertilizer and value added to a waste product. Farmers would then be limited to the amount of hog manure that could be applied and would have to add commercial fertilizer, thus adding a double application cost.

Rastetter noted more hog manure could be applied by irrigation or top application but farmers were getting the nitrogen value and decreasing the neighborhood odor problems by injecting the manure.

Kibbie asked if any of the contracts to spread manure were on flood plain land or watersheds into lakes. Rastetter did not believe so and stated the key was the application. Pitted barns with nearly one year's worth of manure storage permitted fall application instead of spring which eliminated some of the compaction questions. Problems occurred with older units having six or seven months of outside storage that had to be applied in the spring on frozen ground.

Weigel asked if any competitors contracted to dispose of manure. Rastetter replied some had their own equipment and some contracted. Weigel asked if applicators were regulated according to these rules. Rastetter responded regulations applied to an applicator. Weigel was concerned whether a company that disposed of manure came under these rules.

In response to Kibbie, Rastetter explained the group's relationship to the Coop and that pigs were farrowed in Illinois and brought into Iowa either at 10 pounds or 40 to 50 pounds. The nursery was owned by farmers and a combination of outside people the group attracted to purchase buildings. The group owned the pigs and signed a long-term contract matching amortization on the building and provided management supervision. Kibbie asked about packer contracts with minimum price agreements. Rastetter replied there were some marketing arrangements but no minimum price agreements.

REVENUE

Carl Castelda, Co-administrator for the Compliance Division, and Ed Henderson represented the Department for the following:

REVENUE AND FINANCE DEPARTMENT[701]

8.3(4)"c" et al.

Weigel had heard from a constituent who, under subrule 8.3(4), had a credit of less than \$60 due and had been told he would have to file for a credit on his tax return. Castelda stated \$60 was the minimum before a check was sent and the Department set the limit at \$240 because there were numerous claims for small amounts. If at the end of the year the \$60 claim had not changed, the individual did not have to file an income tax return but could file for a refund.

REVENUE (Cont.)

Castelda stated operating a duplicate system created a problem. Some people filed under a refund system, others under an income tax system, and some filed under both, the latter then had to be assessed by the Department. Claimants filing for a refund using the income tax return had to cancel their permit prior to receiving the refunds. For those individuals who were entitled, the Department instituted a telephone system implementing the refund. The Department wanted to limit this to refund amounts of \$240 and above. Castelda stated the Department's preference would be to do away with the dual system but the General Assembly wanted it.

Discussion ensued pertaining to dyed fuel and the fines associated with using this fuel inappropriately.

13.7 et al.

No questions on 13.7 et al.

34.5 et al.

No questions on 34.5 et al.

39.13(1)"c" et al.

No questions on 39.13(1)"c" et al.

Chs 63 to 65

Hedge asked about the point of taxation for motor vehicle fuel and whether it would be collected by the distributor. Castelda stated the terminal in another state could collect the tax on behalf of the state of Iowa and remit it directly or the licensed importer could remit the tax to the Department.

Hedge understood fuel sold on a reservation was not subject to state tax and wondered if this would change. Castelda said this was governed by federal statute. Because the tax was preimposed at the terminal level before reaching the reservations, under the new statute if the fuel was used by the tribe or purchased by the tribe application would be made directly to the state for refund for what had been used.

80.7

Castelda stated the task force concluded industrial machinery and computers should no longer be taxed after January 1, 1996. Taxes on equipment located in urban renewal areas used to finance urban renewal projects for which funding obligations had been incurred between January 1, 1982, and June 30, 1995, did not qualify for the exemption. Nor did taxes on equipment used to fund new jobs training projects approved on or before June 30,1995, qualify. The task force intended to present language to the legislature for clarification of the statute.

Rittmer inquired about replacement equipment. Castelda responded that whether the purchase amount was greater or lesser, the base figure should be kept for percentage of reimbursement by the state but as far as the taxability there was no base anymore.

Halvorson wondered how industrial equipment not subject to sales tax when acquired and now grouped with computers would be affected. Castelda replied there would be a rewrite of a portion of the sales tax exemption. Since 1985 certain things were exempted from property tax and it was the desire those properties retain the sales tax exemptions. This caused problems in administration. In response to Halvorson, Castelda replied if the criteria met the Code definition of real property sales tax would not be paid. The exemption would still be applicable if a computer was used by a commercial enterprise or one of the financial institutions or met the criteria in the statute. A computer used by nonprofit organizations or an occupation or profession would remain taxable. Castelda stated a computer subject to sales tax now would be subject to sales tax later.

REVENUE (Cont.)

Kibbie pointed out insurance companies, employing over 50 people, which purchased computers were sales tax exempt but small insurance companies had to pay sales tax on their computers. Castelda said the decision was made in 1985 that any insurance company employing over 50 would be exempt and those employing under 50 would be taxed. Kibbie believed a change should be considered.

Special Meeting

Priebe stated the January 3, 1996, Bulletin would become effective before the February meeting necessitating a special meeting in January at a date to be determined later.

PUBLIC SAFETY

Michael Coveyou, Roy Marshall, Tim McDonald, Sam Knowles, M. L. Rehberg and Carroll Bidler were present from the Department and Jerry Stanton and Bob Schroeder were present from Ignition Interlock Systems for the following:

PUBLIC SAFETY DEPARTMENT[661]

Private investigation business, licensing, electronic mail, 2.1, 2.2, 2.3(9) to 2.3(14), 2.4(1), Private investigation and private security licenses --- noncompliance with child support recovery unit, Fire marshal, 5.250, 5.252, 5.300, 5.301(9), 5.304(1), 5.304(1)"a," 5.304(2), 5.314, 5.350, 5.400, 5.450, Conditions under which installers and distributors of ignition interlock devices would be required to cease Juvenile fingerprints and criminal histories, 11.11, 11.19, Filed ARC 6049A......11/22/95

2.1 et al; 2.16 et al.; 4.8(1)

No questions on 2.1 et al., 2.16 et al. or 4.8(1).

7.8(15), 11.11 and 11.19

No questions on 7.8(15), 11.11 and 11.19.

11.15

Coveyou stated rule 661—11.15(692) was promulgated upon suggestion by the ARRC. He noted the \$13 fee for receipt of criminal history information was slightly under the cost of providing a criminal history check to a noncriminal justice agency but the calculated cost was less than \$14.

5.250 et al.

No questions on 5.250 et al.

NATURAL RESOURCE

Mike Carrier represented the Commission for the following and there were no questions:

NATURAL RESOURCE COMMISSION[571]

NATURAL RESOURCES DEPARTMENT[561] "umbrella"

Public-owned lakes eligibility process, 31.1 to 31.4, Filed ARC 6011A,

see text IAB 8/30/95, page 304		11/8/95
State parks and recreation areas, 61.2, 61.3(1)"a	"b," and "j," 61.4(4), Filed	ARC 6012A 11/8/95
Sport fishing — black bass, 81.2(2)"4," Filed	ARC 6009A	11/8/95

PUBLIC HEALTH Marge Bledsoe, Mary Weaver, David Fries, Carolyn Adams, Jane Borst, Judy Solberg and Cheryl Christie were present for the following:

1.2(1)"d"

Kibbie asked the identity of the reporter for the Sentinel Project Researching Agricultural Injury Notification System (SPRAINS), as set forth in Chapter 1. Adams replied that in terms of hospitals, it was physicians or health practitioners. Adams stated clinic reporting was voluntary but the Department had good support.

PUBLIC HEALTH (Cont.)

Daggett asked if injuries pertained to anything associated with agriculture, including machinery and animals and if agriculture-supported industry was included. Fries stated it included all injuries as it related to the farm machinery or anything that occurred on the farm but not those occurring in the manufacturing area.

73.1 to 73.24

Priebe asked if "children," as used in Chapter 73, was a general specification or was delineated. Weaver replied these were federal requirements that were followed in terms of the WIC eligibility and the definition of "children" was specific to the WIC program. Adams noted the federal government preferred the state identify the age groupings in terms of the supplement foods program.

In response to Daggett, Weaver stated the Department did not receive any comments directly related to the WIC program.

74.1 to 74.12

No questions on 74.1 to 74.12.

76.1 to 76.17

No questions on 76.1 to 76.17.

Ch 88

Adams said the amendments to Chapter 88 expanded the Volunteer Physician Program to include other health care providers and charitable organizations. In response to Daggett, Christie stated the Department had received no comments.

PROFESSIONAL LICENSURE

Carolyn Adams and Marge Bledsoe were present for the following:

PROFESSIONAL LICENSURE DIVISION 645

PUBLIC HEALTH DEPARTMENT[641]"umbrella"

40.62(1) et al.

No questions on 40.62(1) et al.

60.2(4) et al.

Language in subrule 60.2(4) was changed from the cosmetology board examination "may" to "shall consist of a practical, theory, and written Iowa law examination." Priebe noted a passing score of 75 percent or greater was needed.

80.5 and 80.6(6)

The language granting temporary dietetic licenses had been rescinded and Bledsoe stated some comments had been received from the association. Metcalf wondered if anyone presently holding a temporary license would be notified of this change and Bledsoe responded there were no persons currently operating under a temporary license. This would only affect those who graduated but had not taken the examination.

In response to Priebe, Bledsoe replied it was usually two months between graduation and the time national examinations were taken.

221.9(3)

Kibbie pointed out that subrule 221.9(3) changed podiatric radiography continuing education from four hours to two hours and inquired how long it had been four years. Bledsoe replied since the beginning of the program. Adams believed there had been very little change in this field and that influenced the decision to reduce the hours needed.

Halvorson asked if this change resulted from the lack of continuing education facilities in the state or a static profession. Bledsoe replied both were factors.

PROFESSIONAL

In response to Priebe, Bledsoe stated that two hours of continuing education were LICENSURE (Cont.) sufficient to cover the issues.

Licensing Fees

In a topic not formally before the Committee, Adams referred to a request from Kibbie about licensing fees. Fries stated that of the 18 boards presently comprising the Division, fifteen were appointed by the Governor with independent authority for the adoption of rules and three were advisory. The Division received an appropriation that was allocated to all 18 licensing boards with the greatest number of licensed professions currently in cosmetology at approximately 20,000 active licenses and the lowest number at 220 licensures for physician assistants. A division function was to provide administrative support for the 18 boards.

Fries noted a board's budget should not exceed 85 percent of the fees collected based on the average of the previous two fiscal years. Ten percent of those fees go into the general fund for indirect costs—attorney general, general services and activities that were a part of all state government that supported the activities of the Division and five percent of that was held in the general fund to be available in the event there were unanticipated litigation costs. If not used these funds reverted to the general fund at the end of the fiscal year. Kibbie asked how much money reverted to the general fund in the last fiscal year and Fries replied none other than the 5 percent. Fries confirmed the attorney general's office provided legal defense for the boards.

In response to Doderer, Fries stated the four major boards—Pharmacy, Dental, Medical and Nursing—had a direct line appropriation separate from the other boards. Fries stated the 18 licensing boards did not financially support each other.

DOT

Will Zitterich, Norris Davis and Dick Hendrickson represented the Department for the following:

TRANSPORTATION DEPARTMENT[761]

Holiday rest stops, 105.2, 105.4(3), 105.4(4), 105.5(1)"a" and "b," 105.5(2)"a," 105.5(3), 105.5(4), Driver licensing, commercial driver licensing, sanctions, OWI and implied consent, nonoperator's identification, financial responsibility, 600.4(1), 600.4(8), 601.2, 607.16(2)"j," 615.4, 615.9, 615.15, 615.23 to 615.25, 615.29(3)"c," 615.36, 615.37, 615.38(1), 615.39, 615.45(1)"j" and "k," 620.3(1)"a," 620.3(3)"c," 620.4(1)"c" to "f," 620.4(2), 620.10, 630.2(4), 630.2(5), 640.6(2)"a,"

105.2 et al.

Priebe questioned the change from feet to meters in Chapter 105 and Zitterich replied the state had to comply with the Federal Highway Administration.

600.4(1) et al.

No questions on 600.4(1) et al.

DENTAL EXAMINERS

Bruce Heilman, Constance Price, Marilyn May and Cindy Nelson attended from the Board; and Robert Baratz, DDS (via telephone conference call), Doris Shimel, Craig Rysner, Roger Burnett, Lois Vroom, John Van Wyk, Ruth Van Wyk, Mildred Hanus, Mercedes Hoeppner, Larry Hanus, Ernest Pokorny, Earl Sime, Byron Laurence, Elaine Laurence and Cheryl Christiansen; Joyce Van Haaften, Bobbie Netemeyer, Renee Mauser, Mary Davis and Kris Van Maanen, Dental Amalgam Mercury Syndrome, and Don Furman, Citizens for Health, were also present for the following:

DENTAL EXAMINERS BOARD[650]

PUBLIC HEALTH DEPARTMENT[641]"umbrella" Dental auxiliary — placement of restorative materials, 20.2(2)"h," Filed ARC 6032A......11/22/95 Unnecessary dental work, 27.7(8), Special ReviewIAC

DENTAL EXAMINERS (Cont.)

20.2(2)"h"

No questions on 20.2(2)"h."

28.6 and 28.6(1)

No questions on 28.6 and 28.6(1).

Metcalf in Chair.

Special Review

Price noted subrule 27.7(8) specifically stated that recommending removal of restorations from the nonallergic patient for the purpose of removing toxic substances from the body when such activity was initiated by the dentist was an improper and unacceptable treatment regimen.

Rysner reported he had suffered from depression, felt ill for approximately 20 years, and had undergone numerous medical tests and examinations running the gamut from the family doctor to the Mayo Clinic. Symptoms persisted but no cause was found. After seeing a segment on 60 minutes and another program about mercury fillings and believing this to be his problem, he had approximately 18 dental fillings removed followed by an improvement in health.

Mauser stated that toxic mercury was being discontinued in production use, yet was being used in fillings and believed it to be a time-release poison. Dentists were not allowed to inform patients about this toxin and the patient was denied the freedom to chose whether or not this substance should be placed as a device in the teeth. The FDA had never accepted or classified dental amalgam. Mauser asked why there was such strict protocol for handling mercury before it was placed in the tooth, in its disposal after removal from teeth, but none while inside the mouth. She said research had proven vapor from these fillings was inhaled and swallowed and was so readily absorbed by body tissues that it was very traceable in a routine blood test. Mauser stated she was incapacitated by illness until having her fillings removed and had been personally involved with over 130 people since 1992 in helping them find dentists to remove the mercury fillings and restore their health. She felt the ADA should be responsible for protecting and informing the public but had failed to do so.

Price stated that Dr. Baratz was a conferring consultant with the FDA.

Netemeyer referred to an article published in a medical journal in 1979 which stated that mercury was not locked into the amalgam but came out over the lifetime of the filling to be inhaled, swallowed and absorbed into the tissue. In tests done on monkeys, amalgam was used which was the same as used in humans with a slight radioactive tracer so X-rays could show how mercury from the fillings traveled to all body tissues and had special affinity for the brain, kidneys and liver. The mercury also crossed the placental wall and entered the unborn fetus in utero. Future bans on mercury in amalgams have been established in Sweden, Germany, and Austria and Canada will institute limitations. In a CDA Journal publication in 1987, an article stated that 10 percent of the dentists' offices exceeded the level set by OSHA of mercury vapor due to mercury spills, leaks and improper material disposal. The estimated daily intake of mercury from dental amalgams in humans was 1 to 5 micrograms per day. The chronic minimum risk level for mercury was 0.28 micrograms per day which was the amount the U.S. Department of Human Services said was acceptable. The acute minimum risk level was 0.4 micrograms per day, therefore, both the acute and the chronic daily levels of mercury exposure allowed by the USDA were exceeded by dental fillings. According to research, dentists were exhibiting symptoms such as loss of function of fine motor skills, manual dexterity problems, the inability to concentrate, tremors and other central nervous system problems.

DENTAL (Cont.)

Van Haaften spoke of her medical problems and subsequent improvement upon the removal of the amalgams. She referred to the Journal of the American Dental Association and pointed out it stated that mercury vapor was released during placement of amalgams into a prepared tooth, during polishing and during removal of amalgam restorations. She stated that this was very toxic to a fetus but yet pregnant women were not warned of this danger and believed it should no longer be used in the mouths of pregnant women.

Davis had been diagnosed with multiple sclerosis and since having her fillings replaced had not had any symptoms of the disease. Davis noted that she had a number of miscarriages and, following a request for mercury testing, was found to have four times higher than normal levels. She was detoxified, became pregnant and had a healthy baby. She believed her body was getting rid of the mercury from having her fillings replaced and it still went into her body and fetus and the consequences were the miscarriages. Her doctor was not able to say for sure what caused the miscarriages but tried to lower her mercury levels.

Van Maanen, Burnett and Van Wyk all had experienced health problems, as had Van Wyk's wife. All amalgams had been removed and all had improved.

Priebe in Chair.

Baratz stated the amalgam used for approximately 20 years was a material that had not shown adverse health affects in any controlled clinical trial except for allergies in occasional patients. The findings had come from the National Institute of Health, Food and Drug Administration, Centers for Disease Control, universities throughout the country and other countries mentioned previously. Baratz stated it was not true that mercury was a poison in every form and every place. Most of the vaccines that people received contain mercury preservatives in them. These forms of mercury were nontoxic and there was no evidence that any toxic substances related to dental fillings were poisoning any portion of the American public. Because mercury was found throughout the environment in water, soil and air, all people had mercury in their bodies.

Baratz refuted much of the previous anecdotes on research and studies. He disputed the findings about 24 micrograms of mercury being found in a fetus. Even in a mercury toxic patient where there had been documented toxicity, the level of mercury in the blood of factory workers with known mercury poisoning was five nanograms (a billionth of a gram) per unit of blood as opposed to micrograms.

Price referred to the handout, section B, which involved the disciplinary actions of dentists involved in removal of amalgam fillings. There had only been three since the rule was promulgated in 1988. She referred to Dr. Hanus who was charged with the removal of restorations from a nonallergic patient; failure to maintain a reasonable and satisfactory level of competency; willful and gross malpractice and neglect; and misleading, deceptive, untrue, fraudulent representations in the practice of dentistry. A disciplinary hearing had been held.

The other matter the Board was involved with was the statement of charges in the matter of J. Thomas Howard. Dr. Howard was charged with 16 counts including an area pertaining to the removal of amalgams. Dr. Howard did not request a hearing but instead requested a stipulation consent order be issued and the Board did settle with Dr. Howard.

DENTAL (Cont.)

The case of Ronald Bob Hufford involved an MS patient on a Colorado referral. The state of Colorado had filed formal charges against the Colorado dentist for diagnosing mercury toxicity and suggesting that nondental diseases and disorders suffered by patients were caused by mercury and suggesting or recommending to patients that they undergo removal and replacement. The Iowa dentist offered mouth reconstruction or extraction of all teeth. The patient, who was unable to afford mouth reconstruction, had serviceable teeth with amalgam removed and dentures placed. Subsequently, the patient had increased problems with the MS.

Priebe asked if this same substance was used currently to fill teeth. Heilman responded that amalgam material had not changed over the last 50 to 60 years and still contained approximately 50 percent mercury as a wetting agent. The Board based its rules on evidence from an overwhelming number of research projects that have gone on for many years about dental amalgam which showed no connection with any disease.

Heilman stated the rule was not meant to restrict the public and if anyone wanted fillings replaced, they had every right to ask a dentist to do this and the dentist had the right to do it at the request of the patient. This was specifically included in the rule.

Motion to Refer

Halvorson made a motion to refer this issue to the Speaker of the House and the President of the Senate and the motion carried.

Recess

Priebe recessed the meeting at 3:30 p.m. until 9 a.m. Wednesday, December 13, 1995.

12-13-95

Reconvened

Priebe reconvened the meeting at 9 a.m. Senator Palmer was excused from the meeting.

HUMAN SERVICES

Mary Ann Walker, Harold Templeman, Gary Gesaman, Loren Bawnand Elizabeth Scott were present from the Department and Lorinda Inman and Lois Churchill, Board of Nursing, Lorelei Brewick, David Pederson and Arthur Wolover, Iowa Association of Nurse Anesthetists, were also present for the following:

HUMAN SERVICES DEPARTMENT[441]

1.7, ch 38

Priebe asked if in subrule 38.6(2), paragraph "b," the governor's DD council could designate a portion of the funding. Walker would bring back that information. Rittmer evinced concern on the use of the word shall in subrule 38.6(1), paragraph "d."

DHS (Cont.) Ch 25

Walker stated amendments to Chapter 25 define the standards for the county management plan for mental health, mental retardation, and DD services, including the single point of entry process for accessing services and supports paid from the county mental health, mental retardation and DD services fund. The plans must be completed by a county and approved by the department. Templemen explained letters had been received requesting clarification on definitions. He then referred to a letter received from Marion County. "This letter raised the question about the requirement for the central point of coordination, which is required in the Code. These rules describe what that central point of coordination would be and specifically have a requirement that the administrator of the central point of coordination be a person with a baccalaureate degree and some experience in the social services area. Marion County Board of Supervisors want to maintain that responsibility themselves. That is the only county we have heard anything directly from."

Weigel questioned if Marion County's concerns were valid and had been addressed. Templemen responded, "If they are interpreting the rule that they are cut out of the process, the rule does not do that. The Board of Supervisors in any county still would clearly be able to carry out their responsibilities. We have done nothing to abrogate the board of supervisors. The idea behind the CPC to be begin with was that there needed to be more specific attention paid to the administration of these services in the counties and the CPC has a broad range of responsibilities. It is an administrative function to handle people coming into the system, keeping track of who is in the system, what services they are receiving, keeping track of payments, negotiating rates, and doing reports, but it is all contingent upon the board of supervisors' approval."

Hedge asked if the Department had met with the Marion County Board of Supervisors. Templemen replied, "I have not met with them at this point."

Kibbie asked what costs the counties would incur in the management area. Templemen responded, "It will include the money that is allocated to the counties, which does include county tax dollars; state tax dollars; and in some instances, can include federal money." Westvold responded that when persons are already in place, no additional costs were created. Counties who do not have such a team will have increased costs. She was uncertain how many counties were involved but noted some counties worked together and shared personnel and costs. Templemen added, "The supervisors could create their own management system or could contract with a firm. Cerro Gordo County has contracted with a firm to come in and manage the system for them."

Rittmer said an ongoing problem is defining who is a legal resident in a county and a county board is normally not that involved. Westvold stated there would be additional paperwork. Templeman noted "the premise behind S.F. 69 is that we have to do a better job of managing the system. Management Information System has not been yet resolved, but we have developed a very simple one that counties can plug into in the computer and that will help them do that." Westvold added some counties have outstanding management information systems.

Weigel reported concern that implementation of such a system would significantly lessen the dollar amount spent on people. Walker noted S.F. 69 contained a growth factor that included new people entering the system, inflationary costs and the costs of administration, but this was vetoed by the governor. Kibbie felt flexibility had been vetoed out of S.F. 69 and this should go back to the legislature to address the vetoed language. Templemen stated, "These rules do give counties flexibility. The county can, through the planning process, determine who they are going to pay for, what they are going to pay, and how much they are going to pay. There is still some change that will need to be made at the state level to give them all the flexibility they need and what the veto

DHS (Cont.)

did was cut out the growth or the inflation factor." Priebe also felt the governor vetoed out the growth and commented that Iowa was the only state not funding mental health. He added that in Decatur County, mental health took all the funds, with not enough funding left for the sheriff's department. Counties with depleted funds are using funds from other sources.

Templemen said, "Under S.F. 69, the rigid mandate that is 222.60, that says counties have to pay for services for persons with mental retardation is moderate, and the plan that counties have to submit under these rules the county can, through that planning process, determine who and what they are going to pay for. There are still some mandates like the payment for persons at the MHIs, but even the demand on the counties there is moderated in that the counties pay only a percent of a cap per diem which is significantly lower than the actual cost." Westvold pointed out that attorneys had reviewed S.F. 69 and existing legislation and "the consensus was that for Medicaid programs we are still liable." Other sections of the mental retardation health chapters also mandated that services be provided.

Metcalf in chair.

Halvorson was excused to attend another meeting

35.2(1)"a" and "b"

No questions on 35.2(1)"a" and "b".

52.1(3)

Walker pointed out that subrule 52.1(3) increases RCF maximum and flat costs for one month only in order to meet maintenance of need requirement for the federal government. Daggett stated there are 31 different areas in Human Services funded by federal, ranging from 50 percent to 75 percent in federal funds. He expressed concern about shortfalls and the 1996 appropriation.

Steve Conway stated anything done by federal could be retroactive to October 1, the beginning of the federal fiscal year. This would mean the state would then have a set period of time to submit a plan for health care financing administration to meet the constraints in the new program. He felt significant changes needed to be made quickly and said one method of doing that would be to use "notwithstanding language" that is in current statues. Programs could be restructured based on what is now known, in addition to exploring a number of other options.

Priebe in chair.

78.1(2)"a"(3) and 78.28(1)"g"

Rittmer had previously requested the amount spent on clozapine by the department. Walker indicated the numbers for fiscal year 1995 were 26,463 prescriptions at a total cost of \$2,408,530. Of that total dollar amount, 37 percent was state money and, as of December 1994, there were 674 persons receiving clozapine. Priebe interjected it was costing the state about \$800,000 dollars.

Ch 153

Walker said no comments had been received concerning Chapter 153. She said the Department pays the nonfederal share if a person with MR enters a facility for services, regardless of that person's legal settlement status. Previously, this was not the case. Templemen added since the Division had been responsible for the program, approximately three or four years, no such cases had arisen. Metcalf expressed concern over the rates of neighboring states. Priebe, believing there would not be enough dollars from federal funds for the entire program, concurred and felt something should be established concerning rates of neighboring states.

Metcalf in chair

180.1 et al.

No questions on 180.1 et al.

DHS (Cont.) 185.101 et al.

No questions on 185.101 et al.

Priebe in chair

Special Review 78.35

Kibbie asked that AARC be updated by Royce, who stated he, the Department, representatives from the nursing homes, and representatives from UNISES had met. The basis issue appears to be that in order to be paid under Medicaid, the nurse anesthetist must be certified. He found that most insurance companies pay nurse anesthetists whether they are certified or not. Brewick stated that nurse anesthetists, who have recently graduated from an accredited program and are licensed with the state but who are not yet certified because they have not taken the national certification examination, are being denied reimbursement for anesthesia services they provide through Medicaid. She added that rule 441-77.1(249A) provides that certified registered nurse anesthetists who have been certified eligible to participate in Medicare will be considered to have met the guidelines and therefore will be eligible for reimbursement. She pointed out it would appear nurse anesthetists were eligible for reimbursement under the Medicare guidelines, which stated they can be either certified or have graduated from an accredited school within the last 18 months and are awaiting initial examination.

Nationwide approximately 65 percent of all anesthesia care is currently provided by nurse anesthetists and in rural cares that figure goes up to 85 percent. In response to Priebe, Brewick stated the examination is given twice a year in July and December. The national organization anticipates a change to the examination being given at almost any time during the year. Templemen believed the only issue was whether nurse anesthetists should be paid directly and only then if that person was certified. He stated that when a person does not have independent operating authority, then that person is required to work under the supervision of a practitioner who does participate in the Medicaid program. He added this is consistent with Department policy regarding other special practitioners who have special authority. "Our interest is in providing Medicaid-eligible recipients access to needed services and that those services are provided with a degree of protection."

Doderer asked if the 18-month rule was necessary when the tests were given every six months. Brewick pointed out the percentage rate of those passing the test the first time is very high and that since 1977, the lowest passage rate was 80 percent and the highest was 98 percent.

Kibbie asked how payment was received by the nurse anesthetist. Templemen responded the Department would not pay unless the person was certified; whoever made arrangements for the nurse anesthetist to come to the hospital/clinic/physician should include those services in the billing. Templemen then stated a fiscal agent erred in "enrolling a noncertified person and then had to disenroll that person."

Hedge asked how the dispute could be resolved. Royce presented the following options: "A letter from AARC to the Department recommending reconsideration of the rule and selecting a time frame in which nurse anesthetists must be certified and payment made for nurse anesthetists who have not yet taken the examination for a period of time; object to the rule stating that it is unreasonable because it does not recognize the currently practicing nurse anesthetists; or refer to legislature for further study." Kibbie felt referral to the legislature was extreme. Royce added the committee could file a petition for rule making, literally request the Department to formally reconsider this rule and add other provisions.

DHS (Cont.)

Motion-Rule Making Kibbie made a motion to petition for rule making. Hedge stated nurse anesthetists should be required to pass a test before they begin practice. He expressed concern that a certain amount of liability exposure in medical and malpractice suits existed. Royce pointed out advanced nurse practitioners' examination status is educational and those nurses do have RN licenses, for which they did take a state examination. No state examinations exist for these advance licensures. This certification provision is done by the National Council on Certification of Nurse Anesthetists, a private organization, not a governmental entity. expressed the opinion that the market is such that unless a nurse anesthetist is certified, the chances are minimal that employment or liability insurance will be available to that person. The private organization is reviewed and accredited by the federal department of Health and Human Services. The certifying examination and that level of achievement is recognized as the standard peer. They have stringent standards that they undergo. Dierenfeld pointed out a petition for rule making would not require the Department to actually file a proposed rule. She proposed, as an alternative, that the parties get together and reach a recommended resolution to the problem with a mediator. Royce recommended Dierenfeld serve as mediator in a meeting with the Department, the nursing board, and nurse anesthetist association representatives. Pedersen noted there is potential for the problem to worsen because two nurse anesthetists schools have opened within the past two years; one in Des Moines, affiliated with the Veterans Administration Hospital and Drake University; and one in Iowa City, affiliated with the College of Nursing at the University of Iowa.

Motion Carried

The motion carried by a vote of six to one.

Priebe in Chair.

JOB SERVICE

Joseph Bervid and Renny Dohse represented the Division for the following:

JOB SERVICE DIVISION[345]

EMPLOYMENT SERVICES DEPARTMENT[341] "umbrella"

Employer's contributions and charges, claims and benefits, benefit payment control, 3.43(3)"b"(1), 3.43(5), 3.43(6), 3.43(8)"a" to "f," 3.43(9), 3.43(13) to 3.43(17), 3.44(1) to 3.44(3), 3.44(7), 4.27,

3.43(3)"b"(1) et al.

Bervid stated the only inquiry the Division received on these rules was from the Association of Business and Industry concerning technical questions regarding reimbursable employers on the back pay award issue. Those nonprofit organizations or the claimant had to pay the benefits, therefore, the trust fund or private employers would not pay the bill for the reimbursable nonprofit. No Committee action.

LABOR

Walter Johnson and Kathleen Uehling were present from the Division for the following:

LABOR SERVICES DIVISION 347

EMPLOYMENT SERVICES DEPARTMENT[341]"umbrella"

Boilers, 41.2, 41.6, 41.7(3), 41.8, 41.12, 42.3, 42.3"9," 42.3"10," 43.1, 43.2, 44.1(1), 44.4(1), 44.4(2), 44.4(10)"c," 44.10, 45.2, 45.3(8), 46.1"4," 46.2(4), 46.2(5), 46.6(2)"a," 46.6(2)"b"(1), 48.1, 48.2(2)"b,"

Johnson gave a brief overview of the rules. Metcalf referred to 46.1(89)"4" and asked if anyone would be inspecting pool and spa heaters. Johnson replied that if they were under the jurisdiction of the Department of Health, that based on legislation, the Labor Services Division would not do inspections.

LABOR (Cont.)

Hedge referred to rule 347—41.2(89) and asked if there were any boilers that were self-insured by the company and if it was mandated. Johnson replied there was no mandatory requirement for insurance. If boiler insurance was purchased, the cost of doing inspections was included in the premium and the insurance company carried out the boiler inspection. There was no requirement to carry insurance. The Division completed approximately 20 percent of all boiler inspections and insurance companies the remaining 80 percent. The Division usually inspected schools, churches, and other places not carrying boiler insurance. The major manufacturing companies carried boiler insurance because normal fire and casualty insurance excluded boilers.

UST BOARD

Pat Rounds represented the Board for the following:

PETROLEUM UNDERGROUND STORAGE TANK FUND BOARD, IOWA COMPREHENSIVE[591]
Renewal premiums, 10.3(5), Filed ARC 6043A
Remedial or insurance claims, innocent landowners fund, 11.1(3)"d," "e," and "l,"
Filed ARC 6042A
Guaranteed loan program, 12.2(1), 12.2(2), 12.10(3), 12.10(5), Filed ARC 6041A

10.3(5)

No questions on 10.3(5).

11.1(3)

Rounds stated subrule 11.1(3) provided benefits to people known as late-filed retro and was the first step the Board had taken with the new fund created in the last legislative session. He noted differing dates by which people had to report releases to the Department and dates by which they had to report the release to the Board had created confusion and dates had been missed. They had since reported but it was too late. The Board recommended these be the first to receive benefits through the innocent landowner fund.

Kibbie asked how many people had contacted the Board regarding the fund. Rounds replied he did not have the exact number but the Board was currently conducting a survey to attempt to find everyone who was not a regulated tank owner who might need assistance from the innocent landowner fund. The Board received approximately 200 telephone calls and the results would be compiled at the end of the month. The Board would present all categories which would identify those people with regulated tanks who either never applied for benefits; applied for benefits but never insured their tanks; and those who had late-filed retroactive. Kibbie asked if people were being notified as well. Rounds stated the Board had identified people who had no regulated tanks because of the date they were taken out of use; tanks that were nonregulated because of the substances they contained; and, in addition, the Board had categories of people who were unaware of tanks on their property; and those people who had missed deadlines. The Board carried out a mass media campaign, which included press releases, a paid campaign of public service announcements, and purchased advertising in newspapers throughout the state. Rounds stated the Board had hired a private firm to assist and to compile the study.

Weigel wondered how those individual landowners with fuel tanks who were unaware of this program would be notified. He asked what the time frame was for people to contact the Board. Rounds replied the Board was required to have reports to the legislature by January 1. Originally, the Board set the cutoff date for the telephone line as December 15 but it had been extended to the end of the month, at which time reports were to be completed.

Weigel wondered if the telephone data could be calculated to determine that percentage of the problem. Rounds stated there would be enough people in the program to use the \$35 million in the fund.

UST BOARD (Cont.) Weigel asked if a finder's fee would help in identifying problem areas. Rounds stated the board had not considered this, but was aware of petroleum marketers who telephoned and reported owners with storage tank problems.

Weigel asked whether every person with a residential fuel tank should be concerned and should contact the Board. Rounds replied those were tanks the federal and state government knew about that were currently not regulated in the same manner as underground storage tanks. Nor were residential fuel tanks currently eligible for any funding through this program. It was not anticipated that fuel oil tanks would be required to be removed.

12.2(1) et al.

Priebe asked why subrule 12.2(2) allowed for capital improvements on a tank site and Rounds responded that as a direct result of regulations there was a heightened awareness of underground storage tanks. The banking industry had exhibited reluctance in making loans and this allowed someone who could not obtain a bank loan because of underground storage tanks to use this program to get a 90 percent guarantee.

Rounds stated it was a prerequisite that the person had to be turned down for a bank loan because of the underground storage tank problem before making application to the Board. Before providing the guaranteed loan the Board would look at the cash flow capabilities and whether the only reason the bank refused to underwrite was because of the potential environmental contamination or the environmental dilemmas associated with that tank. Rounds stated there was \$1.5 million in the guaranteed loan account with would allow for up to \$15 million in loans. Because there had not been numerous requests, the Board was not concerned with depleting this area of the program. Priebe did not believe loans should be made to construct a building on a previously cleaned site.

Kibbie referred to 12.2(2)"c," pertaining to capital improvements and believed if it was deleted, the other three would be for upgrades only. Rounds stated that 12.2(2)"d," the purchase of a leaking underground storage site and the capital improvements were two specific areas taken directly from legislation.

Rounds stated that a person had to be turned down twice by banks and provide the Board with all that person's financial statements. Most of the larger companies did not want to do either of those things and Rounds did not believe that someone with other collateral would be turned down twice by a bank. The Board believed this would help small town economic development.

EPC

Gaye Wiekierak, Catharine Fitzsimmons, Anne Preziosi, Diana Hansen, Pete Hamlin, Darrell McAllister, Keith Bridson, David Wornson, Garth Frable, Don Paulin and Ubbo Agena represented the Commission and Pat Rounds, Petroleum UST Board, Ron Rowland and Dean Lemke, Iowa Department of Agriculture and Land Stewardship, Andy Baumert, Iowa Pork Producers, Thom Iles, Deere and Company, Richard Heathcote, Iowa Ground Water Association, Scott Young, Bryan Cave (Technical Advisory Committee), LaDon Jones, Iowa State University, John Easter, Iowa State Association of Counties, Barb Grabner, PrairieFire Rural Action, Maynard Jayne, Iowa Cattlemen, Chris Ganet, Farm Bureau, Aaron Heley Lehman, Iowa Farmers Union, and other interested persons were present for the following:

EPC (CONT.)

ENVIRONMENTAL PROTECTION COMMISSION[567]

NATURAL RESOURCES DEPARTMENT[561]"umbrella" Construction permit exemptions, 22.1(2), 22.1(2)"g," "i," and "s," Notice ARC 6006A, Clean Air Act amendments conformity for sulfur dioxide, 22.5(2), 22.5(3), 22.5(4)"a," "b," "g," and "i," Laboratory certification for analyses of public water supply, underground storage tank program, wastewater, groundwater and sewage sludge, 40.1, 40.6, 41.4(1)"g"(2), 41.7(1)"e," 41.7(2)"e," 41.7(3)"e," 41.7(4)"e," 41.11(1)"d"(2), ch 42, 43.5(4)"a," 63.1(1), 63.1(2)"b"(3), 63.1(4), ch 63 table VII, ch 83, Voluntary operating permit program — 12-month rolling period, 20.2, 22.100, 22.200, 22.201(1)"a" and "b," Petroleum contamination from underground storage tanks, 133.1(1), 133.2, 133.6, 135.1(3)"e," 135.2, 135.7(4), 135.7(5)"e," 135.7(6) to 135.7(8), 135.8(2), 135.8(3)"t" and "u," 135.8(4) to 135.8(6), 135.8(7)"b" to "d," 135.8(8), 135.8(9)"b" and "c," 135.10(3), 135.10(4), 135.12 to 135.14, Manure management in animal feeding operations, 49.5(5), 65.1, 65.2, 65.3(2), 65.4(1), 65.4(2)"a," 65.5(7), 65.5(9), 65.6 to 65.20, ch 65 appendix A, ch 65 tables 1 to 5,

22.1(2) et al.

No questions on 22.1(2) et al.

22.5(2) et al.

In discussing amendments to Chapter 22, Priebe understood some counties in the eastern portion of the state did not have to meet the same standards as other counties. Hamlin replied the Commission would be filing an item with the Environmental Protection Agency in January which would start the process to get those counties back to attainment with the ambient air standards. In response to Priebe, Hamlin stated there was a distinction in the rules on the amount of sulfur in the coal that could be burned and there were a number of counties in the eastern portion of the state that had a lower standard than the western part. occurred in Muscatine was not solely the result of coal and there were other sources of SO₂ in the two facilities. Priebe wondered if they were above their standards and Hamlin replied they were not. The Commission was updating rules to conform with the 1990 Clean Air Act. This did not impact the limit of SO₂ in coal.

Priebe wondered what would happen if a company outside that area of the state did not meet compliance because of having to put a coal-fired generator on line. Hamlin replied the company would have to submit a plan to the Commission on how it was going to get back into compliance and this would have to be approved by EPA.

Daggett asked if there were comments at the hearing and Hansen replied the Commission had received some written comments but no oral comments. The written comments were not opposed to the rules.

22.105(1) and 22.106 Priebe asked if the \$24 per ton Title V permit fee in rule 567—22.106(455B) had been established by the Commission and Hamlin replied it was. He wondered if the Title V operating permit fee applied to the elevators. Hamlin responded that the only grain storage facilities that might have to pay this fee would be those large scale terminals on the river.

40.1 et al.

Priebe asked if the changes to the Clean Water Act in Washington were less restrictive and McAllister replied the Acts gave the states more flexibility in determining monitoring requirements, although the commission still needed EPA approval to modify.

Rittmer asked if amendments to Chapter 101 on solid waste planning areas went 101.5(2) and 101.5(8) beyond the legislation. Frable replied they did not but comported with the bill which stated the Department must develop language to be used by planning areas in notifying the public.

20.2 et al.

Hamlin explained there would be a meeting with the Commission, John Deere and EPA soon to discuss the "12-month rolling period."

Motion to Lift Delay Metcalf made a motion to lift the 70-day delay of ARC 5875A. Priebe wondered what would happen if the delay was lifted and Hamlin replied the rules would go into effect. Hamlin stated if these rules were not put into effect, it would jeopardize anywhere from 5,000 to 15,000 small businesses who would then have to get a Title V permit and pay the fees.

> Kibbie asked how John Deere would be affected and Hamlin responded there were certain of its facilities that could qualify for a voluntary permit.

> Rittmer believed one of the objections from some companies was that it would create a lot of paperwork. Hansen added it was a voluntary program which did require resources to keep additional records.

> Priebe wondered what would happen if the Committee imposed the delay only on the part that affected John Deere. It was Hamlin's understanding from EPA that it could jeopardize the entire voluntary permit program which meant the small businesses would potentially have to get a Title V permit.

Motion Carried

The motion to lift the delay carried.

Priebe in Chair.

133.1(1) et al.

Daggett asked about the response to amendments to Chapter 133 and Chapter 135 at the area meetings. Bridson stated comments were generally supportive and expected to receive more substantive written comments.

The Department and the Technical Advisory Committee (TAC) had agreed to continue working together and, after recommendations were made by the TAC, the Department would then decide if it should be republished as a Notice.

Heathcote, a member of TAC, stated they did not have enough time nor familiarity with the complex subjects involved to produce the rules desired. The proposed amendments to Chapter 135 known as the risk-based corrective action rules were seriously flawed as they appeared in the Bulletin. Critical parts of the published rules were illegible and incomplete to the extent that concerned citizens and professionals who must follow these rules were unable to evaluate what was proposed. Heathcote felt the proposed rules would not achieve the goals of getting contaminated property back on the market, cleaning up the petroleum contaminated environment and protecting Iowa citizens, their property, the soil and the groundwater. He believed the rules should be rewritten and renoticed in a polished form.

Wornson stated these rules were written by members of the TAC and not the Department staff. He agreed that the appendices were illegible.

Rounds stated he was one of the members of the TAC, charged with working with the Department in putting together technical rules to implement what was known as risk-based correction action (RBCA). There were national guidelines and standards put together by ASTM and they developed the formula referred to in this process. TAC members represented the industry, technical individuals and a number of other interests. TAC was currently funding Iowa State University and

looking at entering into a contract with the University of Iowa to help implement this concept.

Metcalf was satisfied with the assurance that if they were substantially different, the rules would be renoticed. Barry expressed concern with the copies given to her for printing.

In response to Daggett, Bridson replied the concerns Heathcote evinced were similar to those raised at the hearings and the Department was working on them.

Metcalf recommended that the TAC provide legible copy for printing to the Administrative Code Editor.

Rounds stated there was a group called Parnership in RBCA Implementation or PIRI and in a joint effort with private industry, the United States EPA, ASTM, the state, and other interested parties was trying to move the RBCA process along. As part of this process, EPA recently put out some circulars which highlighted Iowa, explained the program, and said this was the way the process needed to work. Rounds believed the process was good and agreed the process was rushed.

Young, a member of the TAC, said 42 other states were providing technical training for their staffs on RBCA and how it was used, but because of the October 15 statutory deadline Iowa was the first to draw up rules. He recognized the rules would require possibly significant refinement.

49.5(5) et al.

Paulin stated the average attendance at four hearings held on manure management was between 17 and 70 people. Priebe stated he had received calls on the spray irrigation and anticipated some bills on this.

Baumert noted that last year approximately 150 constructions permits were issued for livestock facilities; prior to June 1 of this year approximately 50 had been issued; none issued between June 1 and September 1; and approximately 24 had been issued since then.

Priebe had requested a special session when it was observed producers were changing from a 5,000 per head unit to a 4,990 one because no manure management plans or permits were required. He worked with the Animal Agriculture Consulting Organization (AACO) and a manure management plan became a requirement that effectively helped in addressing this issue. Paulin stated a portion of these rules were replaced in an emergency rule.

Weigel understood the ARRC was supposed to carry out legislative intent but felt the "legislature had been lied to" and H.F. 519 had been enacted based on misinformation. The legislature was told that producers would not build smaller units to get under the 5,000 cap and yet people immediately and legally, without a permit, built multiple 4,800 units and put them all within one square mile.

Weigel expressed frustration with the manure management plan stating that these rules required a manure management plan to be on file but there was not enough staff to even evaluate it and there certainly was no staff to enforce it if the producer did not do what the plan set forth. He stated they were also told these would not leak but within a three-week period there were three or four examples in the state. It was pointed out that the North Carolina 25 million gallon leak was bigger than the Valdez spill in Alaska. He stated he would be trying to refer this to the General Assembly at a later time.

Paulin listed the number of state permits issued as 41 in 1990; 59 in 1991; 58 in 1992; 109 in 1993; 170 in 1994; 51 until May 1995; and 23 since August 31, 1995; with 33 pending. Lagoons were designed with a 1/16 of an inch maximum seepage rate per day.

Weigel believed the whole key to going under the 5,000 cap was that approval had to be obtained before construction began. Paulin stated that prior to the emergency rule there was an existing DNR rule that required permits for anything above 500 hogs using earthen storage and above 5,000 head using form storage.

Priebe stated he had seen some of the lagoons in North Carolina and explained they were different than Iowa's. The one that leaked was build aboveground. Most of Iowa's were in the ground but he agreed improvements on where and how they were located were needed.

In response to Doderer, Paulin stated that only the 23 permits issued since August 31, 1995, required a manure management plan. Doderer inquired how many employees were working at these hog lots and Paulin replied DNR did not keep these figures. Doderer was concerned about the use of septic tanks for the many employees on these hog lots.

Doderer stated many people believed their property rights were being taken away because a producer could put multiple hog units on land as long as they were separated. Paulin believed the crux of the agreement was with the number of feet assigned to adjacency, which was 1,250 minimum escalating upward based on animal weight capacity.

Recess

The Committee recessed at 12:05 p.m. and reconvened at 1:50 p.m.

Doderer asked how many permits had been denied. Paulin replied problems were rare since all permits had to be prepared by a professional engineer. He did not believe the Department had denied a permit this year and in previous years estimated the number at one or two. He stated it was not the Department's position to try to stop anyone from building but rather to make certain it was built in compliance with the law.

Responding to Doderer, Agena said a manure management plan focused on making sure there was adequate land for disposal of manure before the facility went in and that the plan allowed for disposal of the manure in accordance with the rules and the requirements of H.F. 519.

Paulin pointed out there were two types of manure management plans which applied to all species that were in confinement and not just hogs.

Doderer was told that some farmers were not receiving the same price because the large producers had made arrangements with packing plants for so much per pound. Paulin responded that the Department had heard this but did not believe it should be involved.

Hedge asked if it would be acceptable if someone applying for a permit indicated in the manure management plan there was a contract with another company to remove the manure. Agena replied the outside applicator company would still have to have a manure management plan. Hedge then asked if a person in the business of hauling manure needed a manure management plan and Agena indicated it was not needed by the hauler but by the operator. Hedge wondered about a plan if someone sold manure to another company. Agena responded that the other corporation would have to have an acceptable plan. Hedge wondered if they would have to have a plan for each company they were buying from. Agena replied that they had to be able to show they could adequately manage and dispose

of the manure from all the facilities they were buying from. Hedge had heard that a company was using the same ground twice for spreading manure. Agena stated he had also heard this but the Department did not have enough information to allow them to make an adequate determination. Upon implementation of the rules, the Department would be able to determine whether this was the case because any permitted facilities would have to develop a plan within one year of the rule going into effect. Manure management plans would identify the land areas for each facility. This would be double checked to make certain one field was not counted twice on two different facilities.

Kibbie asked Lamke, an engineer for the soil conservation division, if the setback distance of 200 feet in an enclosed manure system was far enough away from a natural lake, stream, state park or other public use area. He wondered what setback distance the Department would prefer. Lemke replied these distances related to waste disposal on land adjacent to the designated areas and would affect the operator's ability to use some of the land.

Kibbie spoke of his concern about flood plains and high water tables and the proximity of multiple units under the 5,000 limit.

Daggett addressed the issue of jurisdiction between Natural Resources and Agriculture over some of these areas and wondered if there had been dialogue between them and was told yes. The Agriculture Department asked for guidance since they did not have enforcement authority if someone violated the rule nor did they have an active program in the area of animal waste.

Daggett asked if the anaerobic lagoons had manure management plans and Paulin replied yes. Daggett wondered if these were emptied on a regular basis and Agena replied that at this time he knew of no aerobic lagoons in the state of lowa. Paulin added that livestock lagoons that were in place in Iowa were anaerobic as opposed to aerobic. Aerobic waste treatment was very common for municipal and industrial but did not exist for agricultural at this point. The strength of livestock waste was so high that aerobic treatment was not economically feasible. In response to Daggett, Paulin stated that anaerobic lagoons required manure management plans. Agena stated a portion of the waste had to be removed from these lagoons at least once per year. A number of facilities were constructing two-cell anaerobics and then were removing the liquid from the second cell.

Kibbie asked if in the manure management plan soil testing was based on proven yield. Agena replied there was five methods by which the rules allowed someone to establish yield goals—proven yields, CFSA yield averages, county yield averages, county crop insurance, or based on soil productivity values. The rule called for a five-year average but then allowed the low year to be dropped so a number higher than the five-year average could be achieved. It also allowed the option of using one of those numbers and boosting that level by 10 percent. The Department was looking at how to bring up CFSA yield numbers to reflect current yield values. They were also working with NRCS and ISU extension to deal with the soil productivity numbers.

Concern had been voiced that cash-rent leases generally expire in one year and manure management plans called for longer periods of time. Agena stated he had discussed this issue with the interested parties and the Department understood their concerns and recognized there were some problems that would need to be worked out.

Baumert estimated there had been 30 to 40 public hearings across the state on this issue over the last 18 months and urged the ARRC to review these rules favorably. The rules provide baseline information via table but also flexibility for individual operators to determine the nutrient content of the manure and the actual crop usage of the land to which the manure is being applied. The rules allowed for an increase of 10 percent in yields and allowed producers to have that flexibility on a yearly basis. The proposed rules would establish a different permit threshold for form structures or the deep-pit structures. The rules would convert past numbers used to 625,000 pounds of animal weight capacity on a finishing-only hog site that would reduce the permit threshold from 5,000 head to approximately 4,200 head. Essentially, more of these units would be subject to the permit requirement.

The rules addressed specifically the use of spray irrigation equipment to apply manure. The more concentrated the manure that was being applied, the greater the distance required from houses, schools, businesses and churches. The proposed rules also prohibit irrigating manure so heavily that it runs off onto adjoining property.

H.F. 519 required large permit operations to certify the construction of that facility did not impede the tile drainage system in the area. The rules require an inspection trench be dug around the proposed perimeter of the berm on an earthen facility before it was built for new construction and also required this type of inspection trench be dug around the perimeter of an existing earthen structure. This did represent an added cost for operators of recently built earthen facilities. Those rules also established a procedure for removing or routing of tile lines that were discovered.

Baumert stated the Iowa Pork Producers believed the rules were well balanced and comprehensive and addressed a number of areas that needed amplification in H.F. 519. He believed H.F. 519 had an impact on construction in the industry.

Priebe noted for the record the rules should include filing the manure management plans in the county courthouses as well as in Des Moines. Kibbie thought this was a step in the right direction.

DNR believed the manure management plan was a part of the application and as such should go to the counties.

Baumert stated that at one point the AACO recommendation was for a blanket confidentiality both at the Department and county levels. Priebe interjected there was some discussion about the confidentiality of the makeup of the manure. Baumert said the Department had existing procedures in place for dealing with confidential business information on a case-by-case basis.

Kibbie wondered if the 100 foot limit for irrigation systems was too close to a road right-of-way. Baumert replied the rule requirement prohibited any of that manure from crossing that line onto the roadway. Kibbie believed the distances were not large enough for public use areas. Baumert stated the rules allowed for a greater distance than 200 feet for public use areas.

Daggett asked if wind direction was taken into consideration. Baumert replied that spray irrigation application did require the operator to take into consideration the wind speed and direction. The more diluted the product was, the lower the separation distances from the perimeter of the application.

Kibbie asked if money from the indemnity fund could be used to clean up the manure situation and the buildings in a hog operation that had gone out of business. Paulin replied that at one point it was for removal of manure only but now it could be used for the cleanup of the facility after it had been taken by the county for failure to have property taxes paid. Baumert added the indemnity fund referred to operators who had facilities that were built under a construction permit in the last ten years and also had to pay into the fund. Those operators would also have to develop a manure management plan. Fines and penalties collected from livestock violations also were included. Kibbie wondered if operators under the 5,000 head limit not requiring any construction permit had put money into this fund. Paulin replied that under current rule or statute they would not. Kibbie asked if the Department had the authority to put this in the rule and Paulin did not believe so. Baumert stated the Department had broad permitting authority and the indemnity fund was specific in this.

Lehman expressed concern with the adjacency situation. The law stated that if there were two facilities next to each other, they would be considered one facility. The current definition of adjacent would allow very high concentrations on a fairly small amount of land without a permit.

Lehman was concerned with the provision which stated that an earthen lagoon with a synthetic liner would be treated as a concrete structure as far as set back distances. The feeling was that an actual solid structure provided additional safeguards that a lined lagoon did not necessarily give.

Minutes

Metcalf moved to approve the minutes of the November meeting as submitted and the motion carried.

NO REPS.

No agency representative was requested to appear for the following:

DEAF SERVICES DIVISION (429)

HUMAN RIGHTS DEPARTMENT[421]"umbrella"

Organization, services and procedures, 1.3(1), 1.3(2)"b" and "g," 2.3(12), 2.4(3)"b" and "d,"

ELDER AFFAIRS DEPARTMENT[321]

Performance and fiscal reporting procedures, composition and advocacy duties of state advisory council, 1.7, 3.5, 5.1(2)"e" to "g," 5.2(1), 5.2(2), 5.2(2)"a" and "c," 5.3(3)"e," 5.6(2), 5.13, 5.16(1), 5.16(3),

ENGINEERING AND LAND SURVEYING EXAMINING BOARD[193C]

Professional Licensing and Regulation Division[193]

COMMERCE DEPARTMENT[181]"umbrella"

Practice of engineering defined, board response to declaratory ruling, 1.1(3), 1.2(3),

LANDSCAPE ARCHITECTURAL EXAMINING BOARD[193D]

Professional Licensing and Regulation Division[193]

COMMERCE DEPARTMENT[181]"umbreila"

TREASURER OF STATE[781]

Deposit agreement form number, 13.3, 13.4, Filed Emergency ARC 6024A11/22/95

January Meeting

The January meeting was scheduled for January 3 and 4, 1996, and will be held in Room 116 of the Capitol. A special meeting will be held at a later date in January to discuss the rules in the January 3, 1996, Bulletin. Those rules will go into effect prior to the February ARRC meeting.

Special Thanks

Barry stated she would like the minutes to reflect her thank you to all of the ARRC.

Adjourned

The meeting was adjourned at 2:10 p.m.

Respectfully submitted,

Cathy Kelly, Acting Secretary

Assisted by Kimberly McKnight

APPROVID:

Senator Berl Priebe, Co-chair