

SMALL CITY CLEAN WATER STANDARDS COMPLIANCE STUDY COMMITTEE

December 5, 2018

Co-chairperson: Senator Ken Rozenboom

Co-chairperson: Representative John H. Wills

Background. The Small City Clean Water Standards Compliance Study Committee was established pursuant to Senate File 152 enacted during the 2018 Legislative Session (2018 Iowa Acts, chapter 1001, section 25) and by the Legislative Council, and charged to:

Identify and comprehensively review the financial and other challenges faced by small cities in complying with the various state and federal clean water standards, and to consider options for addressing those challenges. The committee shall evaluate the future effectiveness of the Wastewater and Drinking Water Treatment Financial Assistance Program and the Water Quality Financing Program, and may evaluate any other existing or proposed state programs. The committee shall seek input and may request information or assistance from public and private stakeholders and experts, including utility management organizations, the Iowa Association of Business and Industry, the Department of Natural Resources, the Iowa Finance Authority, the Department of Agriculture and Land Stewardship, the Economic Development Authority, the Iowa Chamber Alliance, the Iowa League of Cities, and the Iowa State Association of Counties. The committee shall submit its findings and recommendations to the General Assembly for consideration during the 2019 legislative session.

Introduction. The committee's meeting was held in Room 103 of the State Capitol beginning at 10:00 a.m. The committee elected Senator Rozenboom and Representative Wills as permanent co-chairpersons. The committee adopted procedural rules. Co-chairpersons Rozenboom and Wills made opening remarks and Co-chairperson Rozenboom led the committee in a moment of silence in honor of the passing of the former President of the United States, the Honorable George H. W. Bush. The committee considered testimony by a number of presenters before adjourning at 3:01 p.m.

Morning Presentations. The committee considered presentations by Ms. Lori Beary, Community Development Director, Iowa Finance Authority (IFA); Mr. Randy Pleima, General Manager of the Mahaska Rural Water Association; and a panel composed of Ms. Jessica Hyland, Director of Public Policy, Iowa Association of Business and Industry (ABI), and Mr. Tyler Marshall, P.E., Principal Environmental Engineer, Stanley Consultants. Ms. Beary discussed new water supply programs established in Senate File 512 (2018 Iowa Acts, chapter 1001) as amended by House File 2440 (2018 Iowa Acts, chapter 2440) and administered by IFA. These include the Wastewater and Drinking Water Treatment Financial Assistance Program (Iowa Code section 16.134) and the Water Quality Financing Program (Iowa Code section 16.153). Ms. Beary discussed financing projections for both programs, and the effective date of administrative rules. Mr. Pleima discussed efforts by his association to improve drinking water and wastewater supply systems to customers, including its long history of serving small communities such as Rose Hill, Iowa, with a population of less than 200. He also discussed the increasing expenses associated with improving water systems due to regulations adopted by the United States Environmental Protection Agency (EPA). The panel discussed ABI's working relationship with cities and strategies to improve drinking water and wastewater systems by striking a balance between minimizing costs, promoting economic growth, and providing stewardship of natural resources. The panel also discussed the importance of the Iowa Nutrient Reduction Strategy (Iowa Code section 455B.171) and the need to establish and implement voluntary market-based approaches or incentives, including a nutrient reduction exchange.

BRIEFINGS

INFORMATION REGARDING RECENT ACTIVITIES

Afternoon Presentations. The committee considered testimony by three panels of presenters including the first panel comprised of Mr. Jon Tack, Chief of the Water Quality Bureau, Department of Natural Resources (DNR), Mr. Jake Hansen, Water Resources Bureau Chief, Department of Agriculture and Land Stewardship, and Ms. Lori Beary; the second panel comprised of Mr. Randy Van Dyke, CEO of Iowa Lakes Regional Water, and Mr. James LaPlant, CEO/Engineer of the Iowa Regional Utilities Association; and the third panel comprised of Mr. Daniel Stalder, Government Outreach Coordinator, Iowa League of Cities, Mr. Ted Payseur, Chair of the Government Affairs Committee of the Iowa Water Environment Association, Mr. Matt Wildman, Chair of the Small Community Committee of the Iowa Water Environment Association, and Mr. John Stineman, Executive Director of the Iowa Chamber Alliance. The first panel discussed water quality standards promulgated by EPA and implemented by DNR. The panel discussed the importance of working with small communities (having a population of less than 500), the importance of tailoring regulations to those communities, cooperation by state agencies involved in water quality projects, and financing options available to small communities. The second panel discussed the role of the Association of Regional Water Organizations (ARWO) and the goal of establishing or expanding policies and funding programs, including a proposal under consideration by EPA and the United States Department of Agriculture Rural Development. The third panel discussed problems faced by small communities in financing water supply improvements, new and existing wastewater treatment technologies, the need for education and dialogue, and the role of larger communities.

Comments and Final Remarks. Committee members discussed issues related to water quality regulations, the respective roles of EPA and DNR, and financing options. Co-chairperson Wills stated the committee's final report would include contact information of presenters. Co-chairperson Rozenboom expressed concerns regarding the diminishing returns of increasing regulatory burdens upon small communities. Both chairpersons thanked members, staff, presenters, and persons attending the meeting.

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