

To: Honorable Governor Terry E. Branstad

From: The Environmental Protection Commission

Date: January 16, 2013

Subject: 2012 Annual Report and Recommendations

The Iowa Environmental Protection Commission (EPC) respectfully submits its Annual Report and Recommendations to the Governor and General Assembly of Iowa pursuant to Iowa Code Chapter 455B.105(5). The report highlights what we consider the major activities and accomplishments of the EPC in 2012. As part of this report, the Commission submits our recommendations for policy consideration for 2013. These recommendations reflect the issues that the Commission has worked on in 2012, comments from Iowa citizens that have been shared with the Commission and issues that we believe may warrant attention in the coming months.

We thank you for your consideration of this report and its recommendations.

Sincerely,

David Petty, Chair, Eldora
Environmental Protection Commission

Mary Boote, Secretary, Des Moines
Dee Bruemmer, Davenport
Nancy Couser, Nevada
John Glenn, Vice-Chair, Centerville
Cindy Greiman, Garner
Brent Rastetter, Ames
Max Smith, Knoxville
Joanne Stockdale, Lake Park

Iowa Environmental Protection Commission 2012 Annual Report and Recommendations

Pursuant to Code of Iowa Section 455B.105(5) the Iowa Environmental Protection Commission submits the following report to Governor Branstad and the Iowa General Assembly. As specified in the statute, this report discusses the accomplishments and status of the programs administered by the Environmental Services Division of the Department of Natural Resources. The report also makes legislative recommendations for consideration by the Governor and General Assembly based on Commission observations regarding the state of the environment in the past year. The report also takes into account comments and concerns the Commission hears from Iowa citizens.

In issuing this report and making these recommendations, the Commission encourages the Governor and General Assembly to continue to consider Iowa's natural resources and the protection thereof when developing statewide policies for economic development in Iowa. The Commission believes the protection of the environment is consistent with the development of a strong and sustainable Iowa economy while at the same time enhancing the quality of life for Iowa's citizens.

Environmental Accomplishment through Partnerships and Collaboration

The Department of Natural Resources has faced unprecedented challenges in responding to extreme weather events in the last several years. Ranging from significant flooding to the complications caused by a lingering drought situation in 2012 have demanded that the Department of Natural Resources look for new and innovative options to limit the environmental stresses caused by these weather challenges. Compounded by shrinking General Fund appropriation and reduction in staff has presented an additional challenge but also an opportunity as the Department searches for avenues to collaborate and partner with both public and private entities for the shared mission of protecting and enhancing our states natural resources while supporting our state's economic growth potential in a sustainable manner.

The Commission offers several examples of effective collaboration that have been highlighted in 2012:

- **Protect Rathbun Lake Project:** An on-going example of public – private partnership in an intensive watershed improvement program. The Rathbun Land and Water Alliance brings together land owners, water users, public and private organizations to protect and enhance land, water and economic resources in the Rathbun area. By working with landowners in the Rathbun watershed, best management practices have been incorporated to control contaminants from entering the lake, the water supply for the largest rural water system in Iowa.
- **Iowa Learning Farms:** With a mission to 'Build a Culture of Conservation', this collaborative project between Iowa State University, Iowa Department of Agriculture and Land Stewardship (IDALS), Iowa Department of Natural Resources (DNR), Leopold Center for Sustainable Agriculture, Iowa Natural Resources Conservations Service (NRCS), Conservation Districts of Iowa, Iowa Farm Bureau, Iowa Water Center and farmer-partners from across the state is demonstrating various conservation practices and teaching these valuable lessons to the next generation of land owners and our funding partners.
- **Iowa Flood Plain Mapping Program:** The Department, in collaboration with the Iowa Flood Center-University of Iowa, FEMA and other partners is creating new, comprehensive flood plain maps for Iowa's counties and cities. Beginning in 2013, many Iowans will now know if their property is at risk for flooding. These maps will provide individuals and local governments information they need to better determine risks to protect their property.

Environmental Accomplishment through the Writing and Enactment of Rules of Substance

In 2012, the Commission worked on eight rules of substance. Those rules that have been forwarded to stakeholders are:

- Water Quality Standards Section 401 Certification of nationwide permits
- Chapter 17 Environmental Services Division Rules – Compliance and Enforcement procedures
- Chapter 69 private Sewage Disposal Systems and Chapter 68 Commercial Septic Tank Cleaners
- Chapter 20 22 25 Air Quality Rules Requirements for Stack Testing and Portable Plant Relocations
- Chapter 33 Air Quality Program Rules Prevention of Significant Deterioration (PSD) for Fine Particulate Matter and Chapter 31 Non-attainment Areas
- Chapter 64 Wastewater permits application (NPDES)
- Chapter 23 Air Quality program rules adoption of federal air toxic standards and new source performance standards
- Chapter 64 Disadvantaged Communities legislation

Environmental Accomplishment through Enforcement of Existing Laws and Rules

In 2012, several cases involving industrial and CAFO compliance were appealed to the Commission for oversight and appropriate legal action. In addition to these hearings, the following actions highlight the Commission's work regarding the enforcement of existing laws and rules for the State of Iowa:

- The Commission upheld an ALJ decision on proper manure applications to land that will be planted in soybeans.
- The Commission provided oversight to the Department in response to the EPA Region 7 final report and investigation on Iowa's NPDES program for CAFO's

Environmental Accomplishment through Administrative Operations

The Commission approved a streamlined process for contracting with the State Hygienic Laboratory, resulting in multi-year contract implementation and approval process.

The Commission supported the Department in the removal of rules that no longer were applicable, specifically in the area of Hazardous Waste.

Recommendations for Legislative Consideration and 2013 Commission Action

As we close 2012, the Commission is concerned with the federal budget deficit and the potential impact on the work of the Iowa Department of Natural Resources. When federal dollars, currently a significant part of the Department's annual budget, are decreased or cease, it is imperative that the state be prepared to positively address this situation. Without an appropriate funding plan, it will be difficult if not impossible to complete our required oversight. The Commission recommends that the legislature strategize a course of action that will provide sufficient funds for the Department to operate and provide oversight as required by statute in a timely and efficient manner.

In its work to reduce nutrient loss in Iowa, the Iowa Nutrient Reduction Strategy, should be implemented. The Commission is committed to working with and supporting the stakeholders across

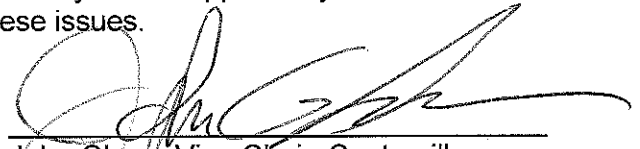
the state and the Department to identify and prioritize watersheds in a collaborative and science-based manner, while working with communities and industries to reduce nutrient discharges from point and nonpoint sources to Iowa waters.

The Department needs sufficient funds to continue to provide the necessary oversight as expected by the EPA in the recent CAFO investigation and do the research to address emerging issues.

The fee structure for the Title V needs to be addressed so the cost of the program is not paid by a few large industries in the state. Staff resources to work on construction permits should be funded by the industries using those resources. A more equitable fee structure needs to be put into place to ensure timely response from the department to the needs of both current and new industries in our state.

The Commission thanks the Governor and the General Assembly for the opportunity to submit this report and invites further inquiry and conversation about these issues.

not present @ Jan 15, 2013 meeting
David Petty, Chair, Eldora

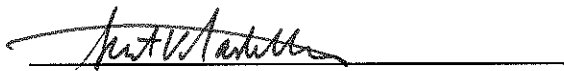

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