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SENATE FILE 2363
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                                          AN ACT
   4 RELATING TO WATER QUALITY STANDARDS.
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   6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
   8 Section 1. Section 455B.173, subsection 2, unnumbered 9 paragraph 1, Code 2005, is amended to read as follows:
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        Establish, modify, or repeal water quality standards,
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1 11 pretreatment standards and effluent standards, in accordance
1 12 with the provisions of this chapter. The effluent standards
1 13 may provide for maintaining the existing quality of the water
1 14 of the state <u>that is a navigable water of the United States</u>
1 15 under the federal Water Pollution Control Act where the
1 16 quality thereof exceeds the requirements of the water quality
1 17 standards.
                     WATER QUALITY STANDARDS. The general assembly
1 18
          Sec. 2.
1 19 makes the following findings:
          1. The federal Water Pollution Control Act provides that
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1 21 the state is responsible for implementation of the federal Act
  22 in a manner that the state deems most appropriate.
23 2. Historically, the state has been and continues to be a
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1 24 responsible steward of the environment, including Iowa's water
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  25 quality.
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          3. The state has adopted water quality standards that are
1 27 protecting Iowa's water quality.
          4. State law provides in section 455B.176 that the
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1 29 environmental protection commission, when establishing, 1 30 modifying, or repealing water quality standards, must base its
1 31 decision upon data gathered from sources within the state.
  5. State law provides in section 455B.176, subsection 11, 33 that the goal of any changes to water quality standards shall
  34 be a reasonable balance between total costs to the people and
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  35 to the economy, and the resultant benefits to the people of
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   1 Iowa.
               The state shall adopt water quality standards that,
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   3 where attainable, provide water quality for the protection and 4 propagation of fish, shellfish, and wildlife, and for 5 recreation in and on the water.
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          Sec. 3. <u>NEW SECTION</u>. 455B.176A WATER QUALITY STANDARDS. 1. For purposes of this section, unless the context
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   8 otherwise requires:
         a. "Base flow conditions" means the flow of a stream
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  10 segment, as measured during the time period between July 1 and
  11 September 30, that occurs during a period of time when the
2 12 watershed, in which the stream segment is located, receives no
2 13 twenty=four=hour rainfall in excess of one=quarter inch total
2 14 rainfall and not more than one=half inch total rainfall for 2 15 the watershed in the preceding two weeks.
         b.
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               "Credible data" means the same as defined in section
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  17 455B.171 and is subject to the same requirements as provided
2 18 in section 455B.193 and may include, but not rely solely on,
2 19 data that is older than five years and that is obtained
2 20 pursuant to the best professional judgment of a professional
  21 designee or a state or federal agency.
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         c. "Ephemeral stream" means a stream that flows only in
  23 response to precipitation and whose channel is primarily above
  24 the water table.
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          d. "Professional designee" means the same as defined in
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2 26 section 455B.193.
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          e. "Use attainability analysis" means a structured
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  28 scientific assessment that includes physical, chemical,
2 29 biological, and economic factors.
          2. A water of the state shall be a designated stream
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  31 segment when any one of the following is met:
32 a. The most recent ten=year median flow is equal to or in
  33 excess of one cubic foot per second based on data collected
  34 and evaluated by the United States geological survey between 35 July 1 and September 30 of each year or in the absence of
   1 stream segment flow data calculations of flow conducted by
   2 extrapolation methods provided by the United States geological
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3 survey or based upon a calculation method adopted by rule.

- The water is a critical habitat of a threatened or 5 endangered aquatic specie as determined by the department or 6 the United States fish and wildlife service.
- Credible data developed in accordance with section 8 455B.193 shows that water flows that are less than set out in paragraph "a" provide a refuge for aquatic life that permits 3 10 biological recolonization of intermittently flowing segments.
- 3. All waters of the state not designated as a stream 3 12 segment shall be identified as a general stream segment and 3 13 shall be subject to narrative water quality standards.
- The commission shall adopt rules to define a. 3 15 designated uses of stream segments in accordance with the 3 16 following categories:
  - (1) Agricultural water supply use.
  - Aquatic life support. (2)

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- (3) Domestic water supply.
- (4) Food procurement use.
- (5) Industrial water supply use.
- (6) Recreational use, including primary, secondary, and 3 23 children's recreational use.
- Seasonal use. The department may allow for a seasonal (7) 3 25 use designation for streams that would otherwise be 3 26 categorized under an aquatic or recreational designation if a 27 varying degree of protection would be sufficient to protect 28 the stream during a seasonal time period.
- b. The commission shall include subcategories of 3 30 designated uses of the categories listed in paragraph "a", as 31 deemed appropriate by the commission.
- c. When reviewing whether a designated use is attainable, 3 33 the department shall consider at a minimum the following:
  - (1) Whether the natural, ephemeral, intermittent, or low 35 flow conditions or water levels could inhibit recreational activities.
    - (2) If opposite sides of a stream segment would have 3 different designated recreational uses due to differences in 4 public access, the designated use of the entire stream segment 5 may be the higher attainable use.
      - (3) The time period for determining primary contact recreation shall be March 15 through November 15.
      - (4) The degree to which the public has access to the stream segment.
        - (5) The minimum depth of the deepest pool.
- Stream segments shall be protected for all existing (6) 4 12 uses as defined by the federal Water Pollution Control Act.
- 5. The commission shall adopt rules designating water 4 14 quality standards which shall be specific to each designated 4 15 use adopted pursuant to subsection 4. The standards shall 16 take into account the different characteristics of each 4 17 designated use and shall provide for only the appropriate 4 18 level of protection based upon that particular use. 4 19 standards shall not be identical for each designated use 4 20 unless required for the appropriate level of protection. 4 21 appropriate level of protection and standards shall be 22 determined on a scientific basis. In the development process 23 for the water quality standards, input shall be received from 4 24 a water quality standards advisory committee convened by the 4 25 department. The water quality standards advisory committee 4 26 shall be comprised of experts in the scientific fields 4 27 relating to water quality, such as environmental engineering, 4 28 aquatic toxicology, fisheries biology, and other life sciences 4 29 and experts in the development of the appropriate levels of 30 aquatic life protection and standards. The water quality 4 31 standards shall be reviewed and revised by the department as 32 new scientific data becomes available to support revision.
  - Prior to any changes in a national pollutant discharge 34 elimination system permit effluent limitation based upon a new 35 use designation, the department or a designee of the 1 department shall conduct a use attainability analysis. commission shall adopt rules that establish procedures and 3 criteria to be used in the development of a use attainability 4 analysis. The rules shall, at a minimum, provide all of the 5 following:
    - a. A designated use, which is not an existing use as defined by the federal Water Pollution Control Act, may be removed due to any of the following:
  - (1) Naturally occurring pollutant concentrations prevent 10 the attainment of the use.
- (2) Natural, ephemeral, intermittent, or low flow 11 12 conditions or water levels prevent the attainment of the use, 13 unless these conditions may be compensated for by the 5 14 discharge of sufficient volume of effluent discharges without

5 15 violating state water conservation requirements to enable uses 5 16 to be met.

- 5 17 (3) Human caused conditions or sources of pollution 5 18 prevent the attainment of the use and cannot be remedied or 5 19 would cause more environmental damage to correct than to leave 5 20 in place.
- 21 (4) Dams, diversions, or other types of hydrologic 22 modifications preclude the attainment of the use, and it is 5 23 not feasible to restore the water body to its original 24 condition or to operate such modification in a way that would 25 result in the attainment of the use.
- (5) Physical conditions related to the natural features of 5 27 the water body, such as the lack of a proper substrate, cover, 28 flow, depth, pools, riffles, and the like, unrelated to water 29 quality, preclude attainment of aquatic life protection uses.
- Controls more stringent than those required by (6) 31 sections 1311(b) and 1316 of the federal Water Pollution 32 Control Act would result in substantial and widespread 5 33 economic and social impact.

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- b. A designated use shall not be removed if any of the 35 following occur:
  - (1) The designated use is an existing use, as defined by the federal Water Pollution Control Act, unless a use requiring more stringent criteria is added.
- (2) Such uses will be attained by implementing effluent limits required under sections 1311(b) and 1316 of the federal 6 Water Pollution Control Act and by implementing cost=effective and reasonable best management practices for nonpoint source 8 control.
- Where existing water quality standards specify 10 designated uses less than those which are presently being 6 11 attained, the commission shall revise its standards to reflect 6 12 the uses actually being attained.
- 7. The department shall consider the substantial and 14 widespread economic and social impact that may occur as a 6 15 result of a designation. To make this determination, the 6 16 department shall review circumstances that are unique to each 17 regulated entity to determine whether substantial and 6 18 widespread economic and social impact would occur. The 6 19 analysis shall demonstrate whether the regulated entity would 20 face substantial financial impacts due to the costs of 21 compliance and that the affected community would bear 6 22 significant adverse impacts. The department shall work with 6 23 the regulated entity to gather necessary information to make 24 this determination.
- a. The commission shall adopt rules to determine when a 26 regulated entity and the affected community would suffer 27 substantial and widespread economic and social impact due to 6 28 the costs of complying with a water quality standard. To make 6 29 this determination, the department shall review the 30 circumstances that are unique to each regulated entity and the 31 affected community. The rules shall include but not be 6 32 limited to all of the following elements:
- (1) A financial analysis of the discharger to determine if 6 34 the capital, operating, and maintenance costs of pollution 6 35 control will have a substantial impact.
  - The financial impact on households resulting from (2) compliance.
  - (3) The ability of the person releasing a pollutant into a water of the state to obtain pollution control financing and the general economic health of that person.
- (4) The change in socioeconomic conditions that would occur as a result of compliance. Factors to consider should include but not be limited to median household income unemployment, and overall net debt as a percent of full market 7 10 value of taxable property.
  - (5) The benefits of improved water quality, such as the 12 expansion of consumptive markets, enhanced recreational use, 13 and increased property values in the community.
- The department may grant a regulated entity a variance 7 15 from meeting a water quality standard pursuant to section 7 16 455B.181 if it is determined that the regulated entity or the 7 17 affected community would suffer substantial and widespread 7 18 economic and social impact. The department shall ensure the 19 conditions of any discharge permit variance represent 20 reasonable progress toward complying with water quality 21 standards but do not result in substantial and widespread 22 economic and social impact.
- 23 8. A regulated entity may use an alternative technology 24 system to meet water quality standards for either technology= 7 25 based or water quality=based effluent limits. The department

7 26 shall convene a technical advisory committee to assist in the 7 27 development of rules to allow for the use of appropriate 7 28 alternative technologies that include but are not limited to 7 29 all of the following: 7 30

- Performance=based standards for alternative technology a. 7 31 systems.
  - b. Effluent reuse standards.

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- Criteria for large subsurface, midsize treatment, and 33 34 small cluster wastewater systems.
  - d. Setback requirements appropriate to the alternative treatment technology.
  - e. Monitoring requirements appropriate to the alternative technology and size of the treatment system.
    - f. Sizing factors based on soil morphology.
  - g. Design standards for alternative technology system types.
- The commission shall adopt rules for a review and 9. approval process for standardized treatment systems, and 9 expedited technical reviews for projects that meet the design 8 10 standards adopted pursuant to subsection 8, paragraph "g", 11 including standardized review checklists for the systems.
- 10. a. The commission shall adopt rules pursuant to 8 13 chapter 17A to administer this section. All new or revised 8 14 stream segment use designations shall be adopted by rule. 8 15 rule that establishes, modifies, or repeals existing water 8 16 quality standards in this state shall be adopted in 8 17 conformance with this section.
- By December 31, 2006, the department shall publish b. (1) 8 19 a list of all designated stream segments that receive a 8 20 permitted discharge for which a use attainability analysis for 21 recreational use and aquatic life has not been completed and a 8 22 list of all designated stream segments that receive a 8 23 permitted discharge for which a use attainability analysis for 24 recreational use and aquatic life has been completed and 25 whether a recreational or aquatic use has been determined to 8 26 be or not to be attainable. By December 31, 2007, a use 8 27 attainability analysis shall be completed for all newly 8 28 designated stream segments that receive a permitted discharge.
- (2) A use attainability analysis for a designated stream 8 30 segment receiving a permitted discharge shall be conducted by 8 31 either the department or a professional designee.
  - (3) The department shall make public a written 33 determination of whether a new or revised use designation is 34 appropriate for the designated stream segment prior to 35 adoption by rule of the proposed changes.
    - c. The department shall complete, upon request, a use 2 attainability analysis for recreational and aquatic uses on any designated stream segment not receiving a permitted 4 discharge or on any previously designated stream segment in 5 accordance with the following provisions:
  - The department shall make public a written (1)determination of whether a new or revised designated use is 8 appropriate for the designated stream segment within ninety 9 days of completion of the use attainability analysis prior to 10 adoption by rule of the proposed changes.
- The department shall accept a use attainability (2.)9 12 analysis submitted by someone other than a professional 13 designee.
- (a) Within thirty days after receipt of submission of a 9 15 use attainability analysis, the department shall review and 9 16 provide a written determination of whether the documentation 9 17 submitted is complete.
- Within ninety days after receipt of submission of a (b) 9 19 completed use attainability analysis, the department shall 20 review and make available to the public a written 9 21 determination of whether a new or revised use designation is 9 22 appropriate for the designated stream segment.
- d. Any regulated entity or property owner adjacent to the 24 accessed stream segment aggrieved by such a determination may 25 make a written request, within thirty days from the date the 26 written determination of the appropriate use designation is 9 27 made available to the public, for a meeting with the director 9 28 or the director's designee. A regulated entity or property 29 owner adjacent to the accessed stream segment shall be allowed 30 to provide evidence that the designation is not appropriate 31 under the criteria as established in this subsection.
- An operation permit issued pursuant to section 33 455B.173 that expires before a use attainability analysis is 34 performed shall remain in effect and the department shall not 35 renew the permit until a use attainability analysis is 1 completed. If a use attainability analysis demonstrates that

10 2 a change in the use designation is warranted, the permit shall 3 remain in effect and the department shall not renew the permit 10 10 4 until the stream use designation is changed. In order for an 5 expired permit to remain in effect, the permit holder must 6 meet the requirements for a permit renewal. This subsecti 10 10 This subsection 10 7 does not apply if the permit applicant and the department 8 agree that the performance of a use attainability analysis 10 presents no reasonable likelihood of resulting in a change to 10 10 10 the existing stream use designations. 10 11 Sec. 4. WATERSHED QUALITY PLANNING TASK FORCE.

1. A watershed quality planning task force is established 10 13 within the department of natural resources in cooperation with 10 14 the Iowa department of agriculture and land stewardship. 10 15 June 30, 2008, the task force shall report to the general 10 16 assembly its recommendations for a voluntary statewide water

10 17 quality program which is designed to achieve all of the

10 18 following goals: 10 19 a. Improving

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a. Improving water quality and optimizing the costs of 10 20 voluntarily achieving and maintaining water quality standards.

b. Creating economic incentives for voluntary nonpoint 10 22 source load reductions, point source discharge reductions 10 23 beyond those required by the federal Water Pollution Control 10 24 Act, implementation of pollution prevention programs, wetland 10 25 restoration and creation, and the development of emerging 10 26 pollution control technologies.

c. Facilitating the implementation of total maximum daily 10 28 loads, urban stormwater control programs, and nonpoint source 10 29 management practices required or authorized under the federal 10 30 Water Pollution Control Act. This paragraph shall not be 10 31 construed to obviate the requirement to develop a total 10 32 maximum daily load for waters that do not meet water quality 10 33 standards as required by section 303(d) of the federal Water 10 34 Pollution Control Act or to delay implementation of a total 10 35 maximum daily load that has been approved by the department and the director.

d. Providing incentives for the development of new and 3 more accurate and reliable pollution control quantification protocols and procedures.

e. Providing greater flexibility through community=based, nonregulatory, and performance=driven watershed management planning.

- Membership on the task force shall consist of all of the following:
- a. Voting members of the task force shall include all of the following:
- (1) One member selected by the Iowa association of 11 13 municipal utilities.
- (2) One member selected by the Iowa league of cities.(3) One member selected by the Iowa association of 11 16 business and industry.
- 11 17 (4) One member selected by the Iowa water pollution 11 18 control association.
- (5) One member selected by the Iowa rural water 11 20 association.
  - (6) One member selected by growing green communities.
  - (7) One member selected by the Iowa environmental council.
- (8) One member selected by the Iowa farm bureau 11 24 federation.
- (9) One member selected by the Iowa corn growers 11 26 association.
  - (10) One member selected by the Iowa soybean association.
- One member selected by the Iowa pork producers (11)11 29 council.
- (12) One member selected by the soil and water 11 31 conservation districts of Iowa.
- (13) One person representing the department of agriculture 11 33 and land stewardship selected by the secretary of agriculture.
  - (14) One person representing the department of natural 35 resources selected by the director.
    - (15) Two members selected by the Iowa conservation alliance.
  - b. Nonvoting members of the task force shall include all 4 of the following:
  - Two members of the senate. One senator shall be (1)appointed by the republican leader of the senate and one senator shall be appointed by the democratic leader of the 8 senate.
- 12 Two members of the house of representatives. One (2.)12 10 member shall be appointed by the speaker of the house of 12 11 representatives and one member shall be appointed by the 12 12 minority leader of the house of representatives.

12 12 12	14 15 16	Sec. 5. WASTEWATER TREATMENT FINANCIAL ASSISTANCE PROGRAM 1. The Iowa department of economic development shall adoptive to establish and administer wastewater treatment financial assistance program to provide grants to enhance water quality.		
12	18	2. Financial assistance ur	nder the program shall be used to install or upgrade wastewater	
12	20	treatment facilities and syste	ems, and for engineering or	
12	22	technical assistance for facility planning and design. Financial assistance may be used as part of a project funded		
		in whole or in part by financial assistance provided through other state or federally funded programs.		
	25 26	3. The department shall is	ssue grants quarterly.	
	27 28			
12 12	29		JEFFREY M. LAMBERTI President of the Senate	
12	31		President of the Senate	
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12			CHRISTOPHER C. RANTS Speaker of the House	
13 13	2		bill originated in the Senate and	
13 13	3 4	is known as Senate File 2363,	Eighty=first General Assembly.	
13 13	5 6			
13 13	7 8		MICHAEL E. MARSHALL Secretary of the Senate	
13 13	9	Approved, 2006		
13	11			
13 13		THOMAS J. VILSACK	<u> </u>	
		Governor		