

**Administrative Rules
JOBS IMPACT STATEMENT**

1. BACKGROUND INFORMATION

Agency:	Environmental Protection Commission/ Department of Natural Resources (Department)
IAC Citation:	567 IAC Chapters 40, 41, 43, 49, 60, 62, 63, 64, 67, 69 and 81
Agency Contact:	Courtney Cswercko, 725-8411
Statutory Authority:	Iowa Code sections 455B.173 (Duties), 455B.197 (National pollution discharge elimination system permits), 455B.199B (Disadvantaged communities variance), 455B.222 (Rules), and 455B.304 (Rules established).
Objective:	The objective of the proposed rule making is to clean up and modify the separation distance, wastewater, general permit, sludge, private sewage disposal system, and operator certification rules.
Summary:	<p>The proposed amendments to Chapters 40, 41, 43, 49, and 69 regarding separation distances will bring consistency to the descriptions of and distances established for the separation of water supply wells from potential sources of contamination, including wastewater treatment and conveyance facilities. Due to the independent nature of the development of the drinking water and wastewater rules, there are discrepancies between the language used and the separation distances established in the various existing rule provisions. The proposed rule changes will remove such discrepancies and will incorporate all required separation distances for water and wastewater treatment into easily accessible portions of the rules.</p> <p>The proposed amendments to Chapter 43 will also add new language on water main separation distances. The current rules regarding water main separation distances need to be updated because the language is based on sewer construction, not water main construction; the rules are inflexible where a proposed water main is being constructed near existing sewer infrastructure; and because the rules treat sanitary and storm sewers equally. The current water main separation distance rules have contributed to the issuance of many variances in order to proceed with permitting while still providing adequate protection to water supplies. The proposed changes will allow for more options to manage sewer separation distances for water main projects while maintaining protection for water supplies. In addition, the proposed language will match the proposed revisions to Chapter 12 of the Wastewater Engineering Design Standards.</p> <p>The proposed amendments to Chapter 60 will add and update definitions, remove obsolete forms, and add language to allow for electronic submittal of forms. The proposed amendments to Chapter 62 will update the date reference for the Federal effluent and pretreatment standards in the Code of Federal Regulations and add a new reference to the new federal dental effluent limitation guidelines.</p> <p>The proposed amendments to Chapter 63 will:</p> <ul style="list-style-type: none"> • add references to the Code of Federal Regulations for analytical testing methods (40 CFR Part 136); • clarify requirements for testing methods, alternative test procedures, and method modifications to remove confusion regarding these methods; • update the rule-referenced Supporting Document for Permit Monitoring Frequency Determination; • update the guidelines for whole effluent toxicity testing by removing outdated language and referencing current test procedures; • add new language on electronic reporting requirements and electronic reporting waivers for NPDES permittees, except Animal Feeding Operation (AFO) permittees, in accordance with 40 CFR part 127;

- rescind the monitoring table for land application systems; and
- rescind the current table for preservation techniques, containers and holding times, based on an outdated version of 40 CFR Part 136, and replace it with a reference to the current preservation techniques, containers and holding times table in the Code of Federal Regulations.

The proposed amendments to Chapter 64 will:

- Simplify and clarify the general permit language in Chapter 64 regarding fees, suspension and revocation, and public notice;
- Modify the language regarding the operation permit period to allow Land Application Operation Permits (LAOPs) to remain in effect for longer than five years;
- Update the public notice and public hearing language to accord with 40 CFR 124.10 , remove obsolete requirements, and allow for electronic communication;
- Update and revise the disadvantaged community eligibility requirements to allow entities to apply for consideration of a disadvantaged community loan interest rate independent of the requirements in an NPDES permit or administrative order, as intended by Iowa Code 455B.199B;
- Clarify the fee rule language and add the specific fee amounts for the NPDES and operation permit fees and construction permit fees from Iowa Code 455B.197; and
- Add new language regarding the Nutrient Reduction Exchange (NRE).

The proposed amendments to Chapter 67 will update the sewage sludge classifications, terms, land application pathogen reduction methods, and other sludge testing methods to be consistent with 40 CFR Part 503, and revise the sewage sludge annual reporting rules to comply with the federal electronic reporting requirements in 40 CFR Part 127.

The proposed amendments to Chapter 69 will update the private sewage disposal systems separation distances table and change the maintenance contract language for specific onsite systems (peat moss biofilters, recirculating textile filter systems, and aerobic treatment units) to accord with proposed Senate File 511.

The proposed amendments to Chapter 81 will revise the Wastewater Treatment Plant Classifications table by adding a category for new technologies, adding a lower level certification classification to serve extremely small communities, and removing an obsolete classification; will update the language associated with the Wastewater Treatment Plant Classifications table; and will clarify the requirements for transient noncommunity water systems.

2. JOB IMPACT ANALYSIS

Fill in this box if impact meets these criteria:

No Job Impact on private sector jobs and employment opportunities in the State. *(If you make this determination, you must include the following statement in the preamble to the rule: "After analysis and review of this rulemaking, no impact on jobs has been found.")*

Explanation:

The Department has determined that the proposed amendments will not impact private sector jobs and employment opportunities in the State.

It is not anticipated that the proposed amendments to Chapters 40, 41, 43, 49 and 69 regarding well and water main separation distances will result in a job impact to the state, consulting engineers, or permittees, as the proposed amendments will bring consistency to the descriptions of and distances established for the separation of water supply wells from potential sources of contamination, including wastewater treatment and conveyance facilities, and will provide more flexibility for water main construction. These changes are intended to provide regulatory consistency and transparency, and will not impact private sector jobs or employment opportunities.

The proposed amendments to Chapter 62 will update the date reference for the Federal effluent and pretreatment standards in the Code of Federal Regulations and add a new reference to the new federal dental effluent limitation guidelines. These guidelines became effective on July 14, 2017, and have already been implemented in Iowa. Thus, there will be no impact on private sector jobs or employment opportunities.

All of the proposed amendments to Chapter 60 and most of the proposed amendments to Chapter 63 and Chapter 64 are intended to simply and clarify the rules. For Chapter 60 this includes the definition update, the removal of obsolete forms, and the addition of language to allow for electronic submittal of forms. For Chapter 63, this includes the changes to the language regarding analytical testing methods, the rule-referenced Supporting Document for Permit Monitoring Frequency Determination, whole effluent toxicity testing guidelines, monitoring for land application systems, and the requirements for preservation techniques, containers and holding times. For Chapter 64, this includes changes to the language regarding general permits, operation permits, public notice and public hearings, and fees. These changes are intended to provide regulatory consistency and transparency, and will not impact private sector jobs or employment opportunities.

The addition of new language in Chapter 63 regarding NPDES electronic reporting requirements and electronic reporting waivers will not impact private sector jobs or employment opportunities in Iowa, as most permittees already report electronically. The few permittees who do not report electronically may require additional training in electronic reporting from the Iowa DNR, but the transition from paper to electronic reporting will not affect the jobs of these permittees.

The proposed amendments to Chapter 64 that will update and revise the disadvantaged community eligibility requirements to meet the intent of Iowa Code 455B.199B will not impact private sector jobs or employment opportunities as the amendments implement existing code. The proposed amendment to Chapter 64 to add new language regarding the Nutrient Reduction Exchange will not impact private sector jobs or employment opportunities as the language provides a regulatory framework, but does not require the installation of Best Management Practices.

The proposed amendments to Chapter 67 will ensure that the sewage sludge rules comply with the federal regulations in 40 CFR part 503 (Standards for the Use or Disposal of Sewage Sludge) and 40 CFR Part 127 (NPDES electronic reporting rule), both of which are already being implemented by sludge facilities in Iowa. Thus, there will be no impact on private sector jobs or employment opportunities.

The proposed amendments to Chapter 69 will change the maintenance contract language for peat moss biofilters, recirculating textile filter systems, and aerobic treatment units to accord with proposed Senate File 511. This is not anticipated to impact private sector jobs or employment opportunities, as these systems are not new and existing technicians and trained individuals are able to inspect and maintain systems.

The proposed amendments to Chapter 81 will ensure that the operator certification grade for facilities designed with new technologies and smaller facilities can be properly determined. As the correct operational grades for new and very small facilities have already been assigned to facilities based on their treatment type and on Best Professional Judgement, there will be no impact on private sector jobs or employment opportunities.

Fill in this box if impact meets either of these criteria:

Positive Job Impact on private sector jobs and employment opportunities in the State.

Negative Job Impact on private sector jobs and employment opportunities in the State.

Description and quantification of the nature of the impact the proposed rule will have on private sector jobs and employment opportunities:

Categories of jobs and employment opportunities that are affected by the proposed rule:

Number of jobs or potential job opportunities:

Regions of the state affected:

Additional costs to the employer per employee due to the proposed rule: (if not possible to determine, write "Not Possible to Determine.")

3. COST-BENEFIT ANALYSIS

The Agency has taken steps to minimize the adverse impact on jobs and the development of new employment opportunities before proposing a rule. See the following Cost-Benefit Analysis:

The proposed amendments will not impact jobs for the regulated community, as the changes are intended to simplify and clarify the rules, reference federal or state code, or add a new regulatory framework. The proposed amendments will benefit permittees by providing regulatory consistency and transparency, better defining the rule requirements, removing unnecessary references and obsolete requirements, and by ensuring that permit monitoring requirements are appropriate to each facility.

4. FISCAL IMPACT

Please see the Fiscal Impact Statement for an identification and description of costs the Department anticipates state agencies, local governments, the public, and the regulated entities, including regulated businesses and self-employed individuals, will incur from implementing and complying with the proposed rule.

5. PREAMBLE

The information collected and included in this Jobs Impact Statement must be included in the preamble of the proposed rule, written in paragraph form. For rules that have no impact on jobs (see the first box in number 2 above), the following statement must be included in the preamble: "After analysis and review of this rulemaking, no impact on jobs has been found."

Administrative Rule Fiscal Impact Statement

Date: January 20, 2021

Agency: Environmental Protection Commission/ Department of Natural Resources (Department)

IAC Citation: 567 IAC Chapters 40, 41, 43, 49, 60, 62, 63, 64, 67, 69, and 81

Agency Contact: Courtney Cswercko, 725-8411

Summary of the Rule:

The proposed amendments to Chapters 40, 41, 43, 49, and 69 regarding well separation distances will bring consistency to the descriptions of and distances established for the separation of water supply wells from potential sources of contamination, including wastewater treatment and conveyance facilities. Due to the independent nature of the development of the drinking water and wastewater rules, there are discrepancies between the language used and the separation distances established in the various existing rule provisions. The proposed rule changes will remove such discrepancies and will incorporate all required separation distances for water and wastewater treatment into easily accessible portions of the rules.

The proposed amendments to Chapter 43 will also add new language on water main separation distances. The current rules regarding water main separation distances need to be updated because the language is based on sewer construction, not water main construction; the rules are inflexible where a proposed water main is being constructed near existing sewer infrastructure; and because the rules treat sanitary and storm sewers equally. The current water main separation distance rules have contributed to the issuance of many variances in order to proceed with permitting while still providing adequate protection to water supplies. The proposed changes will allow for more options to manage sewer separation distances for water main projects while maintaining protection for water supplies. In addition, the proposed language will match the proposed revisions to Chapter 12 of the Wastewater Engineering Design Standards.

The proposed amendments to Chapter 60 will add and update definitions, remove obsolete forms, and add language to allow for electronic submittal of forms. The proposed amendments to Chapter 62 will update the date reference for the Federal effluent and pretreatment standards in the Code of Federal Regulations and add a new reference to the new federal dental effluent limitation guidelines.

The proposed amendments to Chapter 63 will:

- add references to the Code of Federal Regulations for analytical testing methods (40 CFR Part 136);
- clarify requirements for testing methods, alternative test procedures, and method modifications to remove confusion regarding these methods;
- update the rule-referenced Supporting Document for Permit Monitoring Frequency Determination;
- update the guidelines for whole effluent toxicity testing by removing outdated language and referencing current test procedures;
- add new language on electronic reporting requirements and electronic reporting waivers for NPDES permittees, except Animal Feeding Operation (AFO) permittees, in accordance with 40 CFR part 127;
- rescind the monitoring table for land application systems; and
- rescind the current table for preservation techniques, containers and holding times, based on an outdated version of 40 CFR Part 136, and replace it with a reference to the current preservation techniques, containers and holding times table in the Code of Federal Regulations.

The proposed amendments to Chapter 64 will:

- Simplify and clarify the general permit language in Chapter 64 regarding fees, suspension and revocation, and public notice;
- Modify the language regarding the operation permit period to allow Land Application Operation Permits (LAOPs) to remain in effect for longer than five years;

- Update the public notice and public hearing language to accord with 40 CFR 124.10 , remove obsolete requirements, and allow for electronic communication;
- Update and revise the disadvantaged community eligibility requirements to allow entities to apply for consideration of a disadvantaged community loan interest rate independent of the requirements in an NPDES permit or administrative order, as intended by Iowa Code 455B.199B;
- Clarify the fee rule language and add the specific fee amounts for the NPDES and operation permit fees and construction permit fees from Iowa Code 455B.197; and
- Add new language regarding the Nutrient Reduction Exchange (NRE).

The proposed amendments to Chapter 67 will update the sewage sludge classifications, terms, land application pathogen reduction methods, and other sludge testing methods to be consistent with 40 CFR Part 503, and revise the sewage sludge annual reporting rules to comply with the federal electronic reporting requirements in 40 CFR Part 127.

The proposed amendments to Chapter 69 will update the private sewage disposal systems separation distances table and change the maintenance contract language for specific onsite systems (peat moss biofilters, recirculating textile filter systems, and aerobic treatment units) to accord with proposed Senate File 511.

The proposed amendments to Chapter 81 will revise the Wastewater Treatment Plant Classifications table by adding a category for new technologies, adding a lower level certification classification to serve extremely small communities, and removing an obsolete classification; will update the language associated with the Wastewater Treatment Plant Classifications table; and will clarify the requirements for transient noncommunity water systems.

Fill in this box if impact meets these criteria:

No Fiscal Impact to the State.

Fiscal Impact of less than \$100,000 annually or \$500,000 over 5 years.

Fiscal Impact cannot be determined.

Brief Explanation:

There is only one portion of the proposed rule making that will have a fiscal impact to the State, and no portions of the rule are estimated to have a fiscal impact to regulated entities, including permittees (industrial, municipal, and semipublic), engineering consultants, laboratories, municipalities, drainage districts, counties or other local governments. This is because the majority of the proposed rule changes are for cleanup and clarification purposes. Where the portions of the proposed rule that adopt new requirements, those requirements are based on federal requirements and are already being implemented by permittees. Further explanation is provided below for specific sections of the proposed rules.

It is not anticipated that the proposed amendments to Chapters 40, 41, 43, 49 and 69 regarding well and water main separation distances will result in a fiscal impact to the state, consulting engineers, or permittees, as the proposed amendments will provide clarity for well separation distances and more flexibility for water main construction. The proposed amendments will have a slight positive fiscal impact on the Iowa DNR, as they will significantly reduce the number of water main separation distance waivers issued by the DNR. As the proposed distances in Table A in Chapter 43 will be applicable to future installations and the maximum current separation distances should not be exceeded, no additional costs will be incurred by the state or permittees. As the distances in the Minimum Lateral Distances table in Chapter 49 will be applicable to future installations and the maximum current separation distances should not be exceeded, no additional costs will be incurred by the state or permittees.

No additional costs will be incurred as a result of the proposed amendments to Chapter 60 that will add and update

definitions, remove obsolete forms, and add language to allow for electronic submittal of forms. No additional costs will be incurred by regulated entities, as none of the forms will be changing and electronic submittal is already occurring.

The requirements of the federal effluent limitations guidelines (ELGs) for the Dental Office Point Source Category have already been implemented and no additional costs will be incurred from the inclusion of the reference to the new federal dental effluent limitation guidelines in Chapter 62.

The proposed amendments to Chapter 63 regarding testing procedures for pollutant analysis are not anticipated to have a fiscal impact on laboratories, the state, or permittees because the testing methods updated by the federal Method Update Rule in 2017 are already being implemented, and the laboratories and permittees already use the containers, holding times, and preservation techniques described in 40 CFR Part 136.3. As the proposed amendments to Chapter 63 regarding the minimum self-monitoring in permits and the Supporting Document for Monitoring Frequency Determination will not increase the monitoring requirements in NPDES permits, no additional costs will be incurred. The proposed amendments to Chapter 63 regarding whole effluent toxicity testing procedures will have no fiscal impact, as the changes mirror current requirements.

The proposed amendments to Chapter 63 regarding the submission of records of operation will result in costs to the state associated with modifications to and maintenance of the Department's wastewater program databases. EPA addressed these database costs in the federal rule preamble, and the costs are necessary to comply with the federal rule. As most permittees already utilize the Department's existing online databases to report electronically, it is not anticipated that this rule making will result in additional costs to permittees. The Department will use existing budget and resources to implement these portions of the proposed rule.

It is not anticipated that the removal of the land application monitoring table from Chapter 63 will change the costs of monitoring for land application facilities, as no new monitoring is being added and the current basis for the land application monitoring requirements, Chapter 21 of the Wastewater Design Standards, is not being changed. The cost of monitoring in land application permits varies by number of land application sites, as each site needs to be monitored appropriately. This rule making will not change the base monitoring requirements for individual land application sites. Any monitoring cost increases will be based on a permittee's addition of land application sites, rather than on the monitoring requirements themselves.

The proposed removal of the required containers, holding times, and preservation techniques table from Chapter 63 and the addition of the reference to 40 CFR Part 136.6 will not have a fiscal impact on the state or permittees, as the current table in Chapter 63 mirrors the required containers, holding times, and preservation techniques table in the Code of Federal Regulations and this change will not add any new requirements.

No additional costs will be incurred as a result of the proposed change to Chapter 64 regarding the length of operation permits, as this proposed amendment will not change the requirements in operation permits. No additional costs will be incurred as a result of the proposed amendments to the general permit language in Chapter 64, as none of the requirements in any of the NPDES General Permits will change. No additional costs will be incurred as a result of the proposed changes regarding public notice for NPDES permits, as public notices are already being electronically posted and the requirements for newspaper publication are being removed.

As the proposed changes to Chapter 64 regarding disadvantaged communities and disadvantaged unsewered communities are correcting the rules to accord with the current requirements in Iowa Code and making minor clarifications, no additional costs will be incurred as a result of this proposed change. No additional costs will be incurred as a result of the proposed changes to Chapter 64 regarding fees, as no new fees are being proposed and

existing fee amounts are not being changed. The proposed addition of the new rule in Chapter 64 regarding the Nutrient Reduction Exchange is not anticipated to incur additional costs, as the proposed language will encourage the tracking of non-point source Best Management Practices, but it will not require their installation.

No additional costs are anticipated as result of the proposed amendments to Chapter 67, as the changes incorporate existing federal rules, and sludge facilities in Iowa have already submitted their annual reports electronically to EPA. It is not anticipated that the proposed changes regarding maintenance contracts in Chapter 69 will result in significant costs to regulated entities, as these systems are not new and existing technicians and trained individuals are able to inspect and maintain systems.

It is not anticipated that the proposed amendments to the Wastewater Treatment Plant Classifications table in Chapter 81 will result in significant costs to permittees as the correct operational grades for new and very small facilities have already been assigned to facilities based on their treatment type and on Best Professional Judgement. The proposed amendment to the Water Distribution Systems Classification table in Chapter 81 will not result in any costs to permittees, including the Department, as the amendment simply clarifies existing requirements.

Assumptions: It was assumed that the amount budgeted by the NPDES Section for database upgrades and maintenance to support electronic reporting for state fiscal year 2021 would remain the same in state fiscal years 2022 and 2023. The projected Clean Water State Revolving Fund (CWSRF) non-program income will remain the same each fiscal year; thus, the FY2020 values were used for FY2021 and FY2022. The CWSRF non-program income is currently being used to support the database upgrades for the NPDES Section.

Describe how estimates were derived: The estimates for the cost of database upgrades and maintenance to support electronic reporting were derived from the state fiscal year 2021 budget for the NPDES Section.

Estimated Impact to the State by Fiscal Year

	Year 1 (FY 2022)	Year 2 (FY 2023)
Revenue by Each Source:		
GENERAL FUND	\$0	\$0
FEDERAL FUNDS	\$0	\$0
Other (Clean Water State Revolving Fund)	\$2,766,000	\$2,766,000
TOTAL REVENUE	\$2,766,000	\$2,766,000
Expenditures:		
GENERAL FUND	\$0	\$0
FEDERAL FUNDS	\$0	\$0
Other (Clean Water State Revolving Fund)	\$145,000	\$145,000
TOTAL EXPENDITURES	\$145,000	\$145,000

NET IMPACT

This rule is required by State law or Federal mandate.

Please identify the state or federal law:

40 CFR Part 123, State Program Requirements; 40 CFR part 127, NPDES Electronic Reporting; 40 CFR Part 503, Standards for the Use or Disposal of Sewage Sludge

Funding has been provided for the rule change.

Please identify the amount provided and the funding source:

Funding has not been provided for the rule.

Please explain how the agency will pay for the rule change:

The Department will use existing budget and resources to implement the rule.

Fiscal impact to persons affected by the rule:

As most permittees already utilize the Department's existing online databases to report electronically, it is not anticipated that this rule making will result in additional costs to permittees.

Fiscal impact to Counties or other Local Governments (required by Iowa Code 25B.6):

The Department expects no fiscal impact to municipalities, drainage districts, counties or other local governments as a result of the proposed rule changes.

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