

FINAL REPORT

**AGRICULTURAL CHEMICAL SITE
REMEDIAION INTERIM STUDY
COMMITTEE**

**Presented to the Legislative Council
and the Iowa General Assembly
January 1992**

Prepared by the Legislative Service Bureau

FINAL REPORT

AGRICULTURAL CHEMICAL SITE REMEDIATION

INTERIM STUDY COMMITTEE

December 1991

AUTHORIZATION AND APPOINTMENT

The Agricultural Chemical Site Remediation Interim Study Committee was established by the Legislative Council to "review options and make recommendations on how to clean up and remediate Iowa's agricultural chemical sites."

Members serving on the Committee were:

Senator Emil Husak, Co-chairperson

Representative Bill Bernau, Co-chairperson

Senator Don Doyle

Senator Derryl McLaren

Senator Al Miller

Senator John Soorholtz

Representative Jim Hahn

Representative Deo Koenigs

Representative Ruhl Maulsby

Representative Dave Schrader

COMMITTEE PROCEEDINGS

The Study Committee was initially authorized one meeting day but received Legislative Council approval for a second meeting. These meetings were held at the State Capitol Building in Des Moines on September 24, 1991, and November 26, 1991.

SEPTEMBER 24, 1991, MEETING

Testimony was heard at the first meeting from various interested groups who were asked to discuss the pros and cons of implementing a state program to assist agricultural chemical dealers with site remediation using House File 701 as a basis. Mr. Dan Frieberg, the Executive Director of the Iowa Fertilizer and Chemical Association, explained the background of the point source contamination problem at dealer sites and presented testimony which included the results of studies from several states indicating the presence of contamination at agricultural dealer sites. In addition, he discussed the actions which other states have taken on this issue and explained the provisions of House File 701.

In addition, testimony was heard from Mr. Charles Rock, State Government Relations Manager, Agricultural Division of CIBA-GEIGY, Corp., and Ms. Gwen Wesley, Government Relations Manager, Monsanto. Both speakers indicated that their particular manufacturers are supportive of the concepts of House File 701 and are interested in being a part of the solution to the contamination problem. Mr. Danny Vest, Regulatory Services Manager, GROWMARK, questioned whether a problem with pesticide contamination exists and expressed concern that studies which are being used to support the need for a cleanup program are not representative of contamination as it may exist in Iowa. He stated that GROWMARK does not support the program as contained in House File 701.

Dr. Earl Spurrier, Vice President of State Affairs, National Agricultural Chemicals Association, made several statements as to what is required for a successful cleanup program and stated that he supports House File 701, with certain modifications. Mr. Darrell Weems, Director of Intergovernmental Affairs, Iowa Farm Bureau Federation, presented testimony that the Farm Bureau supports the concepts of House File 701, but does not support the funding mechanism as it exists

in House File 701 as most of the responsibility to pay for the costs of the program will fall upon farmers. He suggested that existing moneys from the agricultural management account of the Groundwater Protection Fund be used or that manufacturers be assessed a higher product registration fee.

Testimony was also heard from Mr. Joe Weisshaar, Iowa Farm Unity Coalition; Mr. Cliff Goecker, Legislative Chairman, Iowa Soybean Association; Mr. Craig Struve, C-S Agrow Service Co., Inc.; and Mr. Larry Thompson, West Central Cooperative.

NOVEMBER 26, 1991, MEETING

At the second and final meeting of the Study Committee, testimony was heard from Ms. Alice Wisner, Legislative Analyst, Legislative Fiscal Bureau, who explained the current disposition of moneys collected from fertilizer and pesticide fees. In addition, extensive testimony was presented by Professor Roger Ginder, Economics Department, Iowa State University, regarding the economic state of agricultural chemical dealers in Iowa and the effects of imposing cleanup costs. He concluded that overall costs will be higher without implementation of a comprehensive cleanup program and that costs will eventually be passed on to farmers and rural taxpayers.

Mr. Larry Reding, Vice President and Manager of Agricultural Banking, Norwest Bank of Iowa, discussed the effect of environmental contamination on the valuation of dealer sites and the impact that this has on lending decisions. He stressed that the potential for environmental problems is beginning to negatively impact agricultural lending decisions. Mr. Allan Stokes, Administrator, Environmental Protection Division, Department of Natural Resources, discussed potential problems in House File 701 and suggested many ways in which clarifications could be made to effectuate legislative intent. Mr. Paul Rhein, Vice President of Agronomy, CENEX-Land-O-Lakes and Chairman of the Minnesota Agricultural Chemical Response and Reimbursement Account Board, explained the workings of Minnesota's cleanup program which was the model used for House File 701.



RECOMMENDATIONS

The Study Committee ended the last meeting by recommending that a study of the issue be conducted with the following components:

1. The Department of Natural Resources shall conduct a study in conjunction with a study committee appointed by the Legislative Council and composed of the following: one member of the Environmental Protection Commission; a representative from the Environmental Protection Division, Department of Natural Resources; a representative from the Pesticide Division, Iowa Department of Agriculture and Land Stewardship; a representative of the fertilizer and chemical dealers in the state; a representative from Iowa State University; and one citizen member who is an active farmer.
2. The study is to be conducted on sites which are identified as pesticide-contaminated dealer sites with preference given to those sites which are affecting municipal water supplies. A minimum of two and a maximum of five sites shall undergo remediation as a pilot project. Land application of soils and groundwaters shall be allowed.
3. The study shall include recommendations for the development of procedures, methods, and guidelines for addressing pesticide contamination at agricultural dealer sites, an evaluation and assessment of site conditions and operational practices at agricultural chemical dealer sites, a listing of criteria identifying what constitutes contamination, and procedures for the implementation of cost-effective site assessments and remedial technologies.
4. Moneys to fund the study shall be appropriated in an amount up to \$250,000 from the agricultural management account of the Groundwater Protection Fund or collected from implementation of a fee on product registrations.
5. The results of the study shall be reported to the General Assembly by January 15, 1994.