

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Thursday, February 01, 2018

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Senators Patrick, Bayer, Guthrie, Thayn, Harris, Foreman, and Jordan

ABSENT/ EXCUSED: Vice Chairman Den Hartog

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Rice** called the meeting of the Agricultural Affairs Committee (Committee) to order at 8:00 a.m.

MINUTES APPROVAL: **Senator Thayn** moved to approve the Minutes of January 18, 2018. Seconded by **Senator Bayer**. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Harris** moved to approve the Minutes of January 23, 2018. Seconded by **Senator Jordon**. The motion carried by **voice vote**.

S 1218

Relating to Environmental Quality Poultry Animal Feeding Operation. Barry Brunell, Water Quality Division Administrator, Department of Environmental Quality (DEQ), said this legislation is necessary for Idaho to demonstrate compliance with the Environmental Protection Agency (EPA) National Pollutant Discharge Elimination System (NPDES) Program. This program issues permits for discharges to surface water.

DEQ submitted the primacy application package on August 31, 2016. Since then, DEQ has been hiring, training, and developing guidance documents for staff to administer the Idaho Pollutant Discharge Elimination System (IPDES) Program. The State program implementation will be a four-year, phase-in approach and DEQ anticipates EPA approval for the municipal permitting portion of the program by July 1, 2018. This bill ties up some loose ends in the program development process for needed statutory authority to run the program.

The bill has five topics:

1. Amend and update the Poultry Environmental Control Act (PECA): The bill uses the same language that was used in the Beef Environmental Control Act;
2. Amend the Environmental Protection and Health Act;
3. Exempt the State from implementing the EPA Vessel General Permit. This is to avoid duplication of permitting of barges on the Snake River;
4. Provide authority for the DEQ Director to sign a Memorandum of Agreement with EPA, and;
5. Set up an IPDES Program Dedicated Fund. Permit fees will be deposited in this fund to support the program.

The fiscal note details the following aspects of the legislation:

- The IPDES program will be partially supported by permit fees and no fees will be imposed for poultry animal feeding operations.
- Therefore, the costs to such facilities should not increase under the proposed legislation. There will be minimal costs to the State of Idaho to implement this aspect of the IPDES Program, since there are no poultry facilities currently permitted.
- The overall IPDES Program costs are estimated to be \$3 million annually with 29 full-time employees.

Mr. Brunell described each of the seven sections of the bill. Section 7 is an emergency clause to allow the legislation to take effect after passage and approval. This clause is needed so that EPA can complete their program review and begin the delegation process to Idaho for implementing the IPDES Program starting July 1, 2018.

Senator Foreman stated it was his understanding the Idaho State Department of Agriculture (ISDA) regulates the poultry industry. **Mr. Brunell** responded that ISDA is the agency that is directed in the Poultry Environment Control Act to permit poultry operations. **Senator Foreman** asserted that the adoption of this IPDES Program will increase Idaho government spending by \$3 million a year and add 29 full-time employees. He asked what would be the result of Idaho not adopting this legislation and allowing EPA to take primacy on the Clean Water Act of Idaho. **Mr. Brunell** answered that the fiscal note of \$3 million and 29 full-time employees is for the entire IPDES Program. The PECA portion of the IPDES Program will be very minimal. There are no poultry facilities.

The poultry portion for DEQ would have a general permit for Confined Animal Feeding Operation (CAFO) and this general permit would cover beef, dairy, and poultry operations. The discharge poultry operations are subject to NPDES permitting. The ISDA program has never been to authorize the discharge of wastewater from a poultry operation to surface water, this would be under EPA's jurisdiction. This legislation changes that dynamic from EPA regulating the discharges to DEQ along with ISDA, while still maintaining their PECA obligations. **Senator Foreman** asked if he would be correct in assuming, if Idaho chose not to adopt the IPDES Program, the EPA would step up and assert its federal authority to enforce Idaho's Clean Water Act. **Mr. Brunell** replied it would be a problem for DEQ to acquire primacy for the entire IPDES Program, if DEQ did not have clear authority to regulate discharges from poultry operations.

Alex LeBeau, representing Idaho Association of Commerce and Industry (IACI) spoke in support of **S 1218**. He stated IACI has been working on this legislation from an industry standpoint. Three feasibility studies were conducted by the Legislature prior to consideration of this legislation in 2014. That legislation created the seven-year process of full implementation. It is necessary to have these technical changes, along with authorization for Director Tippetts to sign the agreement with the EPA, and the Memorandum of Understanding with ISDA.

MOTION: **Senator Bayer** moved to send **S 1218** to the floor with a **do pass** recommendation. Seconded by **Senator Guthrie**. The motion carried by **voice vote**.

PRESENTATION: **Idaho Wine Commission (IWC)**. **Moya Dolsby**, Executive Director, opened her presentation stating Idaho grows quality grapes and makes award-winning wines for all tastes. IWC is funded from the per gallon excise tax on wineries, industry assessments, and USDA grants, these sources totaled \$519,393 in 2017. IWC recently received a \$200,000 ISDA grant, which will fund media tours, website improvements, videos, and the grower incentive program.

Getting grapes in the ground is one of the major problems for Idaho wineries. Currently, Idaho wineries do not have enough grapes locally to produce their wines, so they must import grapes from other regions. An ongoing issue for IWC is convincing the growers to plant more grapes. Confidence in lending and contracts with the wineries are the main issues growers assert for their reluctance to plant more acres of grapes.

Two annual events that IWC sponsors include: 1) Vinter education; IWC funds a presentation by a grape farmer from California to Idaho growers; and 2) IWC funds travel expenses for Idaho growers to attend an annual class offered at University of California, Davis.

IWC is currently working on legislation for private labeling (see Attachment 1). Telaya Winery and the Riverside Hotel have proposed a private label partnership for the Telaya Merlot. The label would read Riverside Merlot. Currently, this labeling is illegal in Idaho. The Riverside Hotel wants to support local wineries because consumers are requesting Idaho wines.

Senator Bayer asked how many of the wine grapes, grown in Idaho, are used in Idaho wine. He inquired as to the representation of wineries using Idaho grapes versus importing. **Ms. Dolsby** stated, because Idaho had such a hard winter in 2017, most of the wineries have imported grapes from Washington to produce their wines this year. Several of the wineries want to produce their wines with all Idaho grapes and they are working toward that goal.

Senator Guthrie asked for clarification on the private label legislation. He said hotels could serve an Idaho wine now in their hotels with an abbreviated label such as RS (Riverside). **Ms. Dolsby** explained the hotels want to pursue private labeling because of branding. Consumers will not realize with the RS labeling that an Idaho wine is being served. Smaller businesses in Boise want to support local wineries, because their consumers are requesting Idaho wine.

PRESENTATION: Idaho Rangeland Resource Commission (IRRC). Gretchen Hyde, Director stated, over the last year, the IRRC has gone through a strategic planning process to update their logo. The objective was for the logo to represent the broad array of rangeland uses encompassing recreation, livestock, and wildlife. In the process of updating their strategic plan, IRRC updated their mission and vision statement to speak to the collaborative nature of IRRC (Attachment 2).

Ms. Hyde advised that the rangeland educational materials all take partnerships; the following are some of the educational campaigns that IRRC helped to develop in 2017:

- This was the fourth year that IRRC hosted the 4H Skill-a-thon. This program focuses on children that have no rangeland background. The program is designed to teach them about rangeland, wildlife, and ranching. The purpose is to educate students on how rangeland is habitat and how it ties ranches to wildlife.
- In IRRC's partnership with the United States(U.S.) Forest Service, they have developed a new informational video regarding the Sage Hen Reservoir.
- IRRC received a grant to create a pilot program entitled "Idaho Rangeland Outdoor Adventure's Mobile", which will allow them to take two school classrooms on rangeland field trips.
- In the summer of 2018, the International Envirothon will be hosted by Idaho State University in Pocatello, Idaho. There will be over 1,000 students from all over the world participating in this event; the topic will be "Rangeland." IRRC has been working with University of Idaho Extension to develop a study guide for this highly competitive event.

- IRRC's Care and Share Campaign is now ten years old. This campaign continues to grow, due to the U.S. Forest Service development of recreational trails in areas that have livestock. Signage was developed and placed at the trailhead to inform recreational visitors that the trails are multiple-use. This educational campaign has minimized conflict between trail users and livestock. IRRC's indication that this method of education is effective has been the decline in complaints to the U.S. Forest Service.
- IRRC's website is their proverbial store front, where individuals come to find information. Their "Life on the Range" series has grown to 45 videos; with three in progress. IRRC has had over 600,000 views of these videos over the last years and the audience continues to grow. Their most popular video pertains to sheep; the video educates the viewer on a year in the life of a lamb with 300,000 views.

Ms. Hyde showed the Committee a video of the Rock Creek Ranch. The ranch offers a great example of a collaboration between a diverse group of people to provide an opportunity for grazing research. One of the biggest challenges ranchers face in grazing on public lands is the lack of quality replicated research. There is no opportunity to conduct grazing management research on public lands without onerous agency paperwork and regulations. Research projects on private land conflict with landowners desire to control their own land. The Rock Creek Ranch has created a unique opportunity to study grazing and livestock management from an academic and scientific perspective.

ADJOURNED: There being no further business, **Chairman Rice** adjourned the meeting at 9:08 a.m.

Senator Rice
Chair

Carol Deis
Secretary