

MINUTES  
**SENATE RESOURCES & ENVIRONMENT COMMITTEE**

**DATE:** Wednesday, February 03, 2021

**TIME:** 1:30 P.M.

**PLACE:** Room WW55

**MEMBERS PRESENT:** Chairman Vick, Vice Chairman Johnson, Senators Bair, Heider, Patrick, Guthrie, Burtenshaw, Stennett, and Rabe

**ABSENT/ EXCUSED:** None

**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 Vick** called the meeting of the Senate Resources and Environment Committee (Committee) to order at 1:33 p.m.

**INTRODUCTION:** **Chairman Vick** welcomed Rob Sepich, who was set to provide a presentation regarding budget and policy to the Committee.

**PRESENTATION:** **Rob Sepich**, Senior Budget and Policy Analyst, LSO, said his presentation would cover supplemental budget requests for fiscal years 2021 - 2022. **Mr. Sepich** introduced Matthew Reiber, Division of Financial Management, Office of the Governor, to assist in answering questions if needed.

**Mr. Sepich** addressed the requests from the Department of Environmental Quality (DEQ). One request was for \$311,300 from the Idaho Pollutant Discharge Elimination System Program (IPDES) to replace a portion of the 5 percent General Fund holdback. These one-time funds would pay salaries for a beneficial use recognizance coordinator from Lewiston, an analyst from Coeur d'Alene, and a record specialist from Twin Falls.

The next request was for a budget realignment. There is a 10 percent cap when transferring money from one fund to another. This request was to move some appropriation from the water quality program to the administrative program.

The final request from DEQ was regarding Governor Brad Little's "Building Idaho's Future" plan. The Governor recommended two one-time General Fund cash transfers of \$8,181,700 to the Water Pollution Control Fund (WPCF) and \$1 million to the Agricultural Best Management Practices Fund (Ag BMP Fund). The funding transferred to the WPCF would support 18 proposed public drinking water and wastewater systems in communities that serve fewer than 5,500 people. The funding for the Ag BMP Fund would focus on nonpoint source projects to improve water quality in bodies of water across the state. The Governor provided an updated revised recommendation of \$2 million appropriated from WPCF in order to do some nonpoint source work in the Coeur d'Alene area.

**Mr. Sepich** said the Governor is recommending some "dedicated fund appropriation" (or "spending authority", as it is called in some agencies) in order to expend those dollars. **Mr. Sepich** said a few years ago, the Legislature put \$500,000 of General Funds into the Ag BMP Fund in order to do voluntary nonpoint source projects across the state. Over time, they have seen that doesn't work very well. This year, new legislation will be brought forth to create a fund so they can have that dedicated spending capacity.

**DISCUSSION:** **Senator Stennett** inquired about the public drinking water and wastewater systems of existing systems. She also requested more information about monies from DEQ and the Environmental Protection Agency (EPA) to help communities clean up their water systems. **Mr. Sepich** said he would get that information for her.

**Senator Stennett** then asked about the voluntary nonpoint source project for the Ag BMP Fund and whether it is intended to help clean up nitrates and fertilizers. **Mr. Sepich** said this is a popular program that helps clean up nitrates. There is a time lag due to a three-year grant cycle, so that is why DEQ is asking to create a dedicated fund.

**Vice Chairman Johnson** inquired if there will be a limit on the Ag BMP Fund projects. **Mr. Sepich** replied that he has not seen a cap. The largest expenditure is \$250,000 for some work in the Treasure Valley area. These projects are generally on a 60/40 split with the Idaho Soil and Water Conservation Commission.

The next item to be discussed was the Department of Lands (IDL) fire suppression transfer. **Mr. Sepich** said the Governor recommended \$20 million of the General Fund be deposited into the wild fire suppression fund. There is about \$34 million in the fund at this time, but IDL expects to pay some additional costs from previous years and also anticipates additional costs for the coming year. **Mr. Sepich** said generally, there is about \$21 to \$23 million expended each year on battling fires in Idaho.

**Mr. Sepich** then addressed the request for the Idaho Department of Parks and Recreation (IDPR). The Governor requested a transfer of \$3 million from the General Fund to the dedicated IDPR fund. The recommended appropriation is to be used for projects including but not limited to the Sheridan Property Acquisition at Castle Rocks State Park, the Idaho Centennial Trail improvements, Land of Yankee Fork rehabilitation at Bayhorse, replacement of the Bruneau Dunes Observatory, and septic repairs at Massacre Rocks State Park.

**Mr. Sepich** said the Governor recommended a \$50 million transfer from the General Fund to the continuously appropriated Water Management Fund. The Idaho Department Water Resource (IDWR) Board has been working on projects including the raising of the Anderson Ranch reservoir enlargement project, the water supply for the Mountain Home Air Force Base, and the recharge projects in the Upper Snake River Valley. **Mr. Sepich** said the State has until December to start construction on the Anderson Ranch project so that they won't lose out on the federal funding that was appropriated by Congress.

**Senator Stennett** inquired about the water for the Mountain Home Air Force Base and the recharge for the Upper Valley. **Mr. Sepich** deferred to Mathew Weaver, Deputy Director, IDWR. **Mr. Weaver** responded by saying there are a number of projects being looked at above the American Falls Reservoir for the Upper Valley. One is referred to as the Roberts Pipeline and it would divert water out of the Snake River and pipe it up toward the Mud Lake area.

**Senator Guthrie** inquired about the time frame of the recommended projects. **Mr. Weaver** said two of the projects, Anderson Ranch and Mountain Home Air Force Base, costs tens of millions of dollars, and \$50 million as recommended by the Governor – would be a good start for one of the projects. **Senator Guthrie** then inquired about the distribution of funds. **Mr. Weaver** stated that the money is overseen by the IDWR Board.

**Mr. Sepich** presented the request for the Governor's Office of Energy and Mineral Resources, which was \$157,600. Of this request, \$60,600 is from the Indirect Cost Recovery Fund and \$97,000 from federal funds. The Office is requesting the ability to be able to expend those funds. The Energy Program does auditing and makes projections for energy reliance across the State such as weatherization of schools and fire department buildings.

**Chairman Vick** asked Mr. Sepich to share comparative agency summaries that he prepared for the meeting. **Mr. Sepich** said the synopsis compares what a department originally requested to what the Governor recommended. **Mr. Sepich** provided copies of the comparative summaries for DEQ, IDFG, IDL, IDPR, IDWR, and the Office of Energy and Mineral Resources. Of the six summaries, only three were discussed. **Chairman Vick** asked Mr. Sepich if he could return another day and present the remaining three. **Mr. Sepich** indicated he could.

**PASSED THE GAVEL:**

Chairman Vick passed the gavel to Vice Chairman Johnson.

**WELCOME:**

**Vice Chairman Johnson** welcomed Mr. Weaver to present **Docket No. 37-0000-2000F**.

**DOCKET NO. 37-0000-2000F**

**Idaho Department of Water Resources and Idaho Water Resource Board - Notice of Omnibus Rulemaking - Adoption of Pending Fee Rule.** **Mr. Weaver** said he is not only the Deputy Director of IDWR but also the agency's Rules and Regulation Officer. This docket is the omnibus rulemaking to reauthorize fee rules for the IDWR Board. There are 12 fee rule chapters. **Mr. Weaver** said the rules were reviewed to identify and eliminate rules that were obsolete, or contrary to existing law. Categories included administrative appeals, filing fees, water supply bank lease and rental fees, adjudication application fees, water right licensing examine fees, injection and geothermal well permit fees, design review fees for mine tailing and empowerment structures and some select dams, stream channel alteration permit fees, water right application fees, advertisement and mailing fees, well drilling permit fees, and application licensing fees for well drillers. No fee amounts were changed in any of the rules.

**Mr. Weaver** stated the review involved staff from all IDWR bureaus who are experts in these programs. They eliminated 1 chapter, 21 percent of the rules, and about 21 percent of the restrictive words. They made miscellaneous edits to clean up spelling, grammar, and acronyms, which resulted in improved clarity and word reduction. Staff was also careful not to change the meaning of any rules where restrictions were required.

**Mr. Weaver** said when the rules were presented last year, there were some concerns from several recreational dredge miners regarding stream channel alteration rules. In response to those concerns, IDWR and IDL met several times with Legislators to discuss Rule 61.01 (Standards for Suction Dredges) and Rule 61.03 (Mechanized Equipment Prohibited Below High Water Mark). IDWR Director Gary Spackman led negotiated rulemaking regarding these rules as part of the Governor's "Zero-Based Regulation" memo directing staff to initiate that negotiated rulemaking. Consistent with instructions in the memo, IDWR is scheduled to publicize the notice of intent of negotiated rulemaking of stream channel rulemaking in April.

**Mr. Weaver** stated IDWR plans to renegotiate a rulemaking in May and June with the objective of presenting a pending rule on this matter to the Legislature next year. Throughout the reauthorization process, IDWR and the Board coordinated rulemaking with the Idaho Water Users Association through its many committee meetings that were held during the past two years.

**Vice Chairman Johnson** asked about the stream channel alteration discussion that is to be held in April. **Mr. Weaver** said it will be a contentious route as there are strong opinions on both sides of that rule. There is some concern about the limitations regarding the nozzle diameter of a recreational dredge mine and the horsepower on the motor that can be in the river.

**MOTION:** **Senator Guthrie** moved to approve **Docket No. 37-0000-2000F**. **Senator Bair** seconded the motion. The motion carried by **voice vote**.

**PASSED THE GAVEL:** Vice Chairman Johnson passed the gavel to Chairman Vick.

**ADJOURN:** There being no further business at this time, **Chairman Vick** adjourned the meeting at 2:40 p.m.

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Senator Vick  
Chair

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Juanita Budell  
Secretary