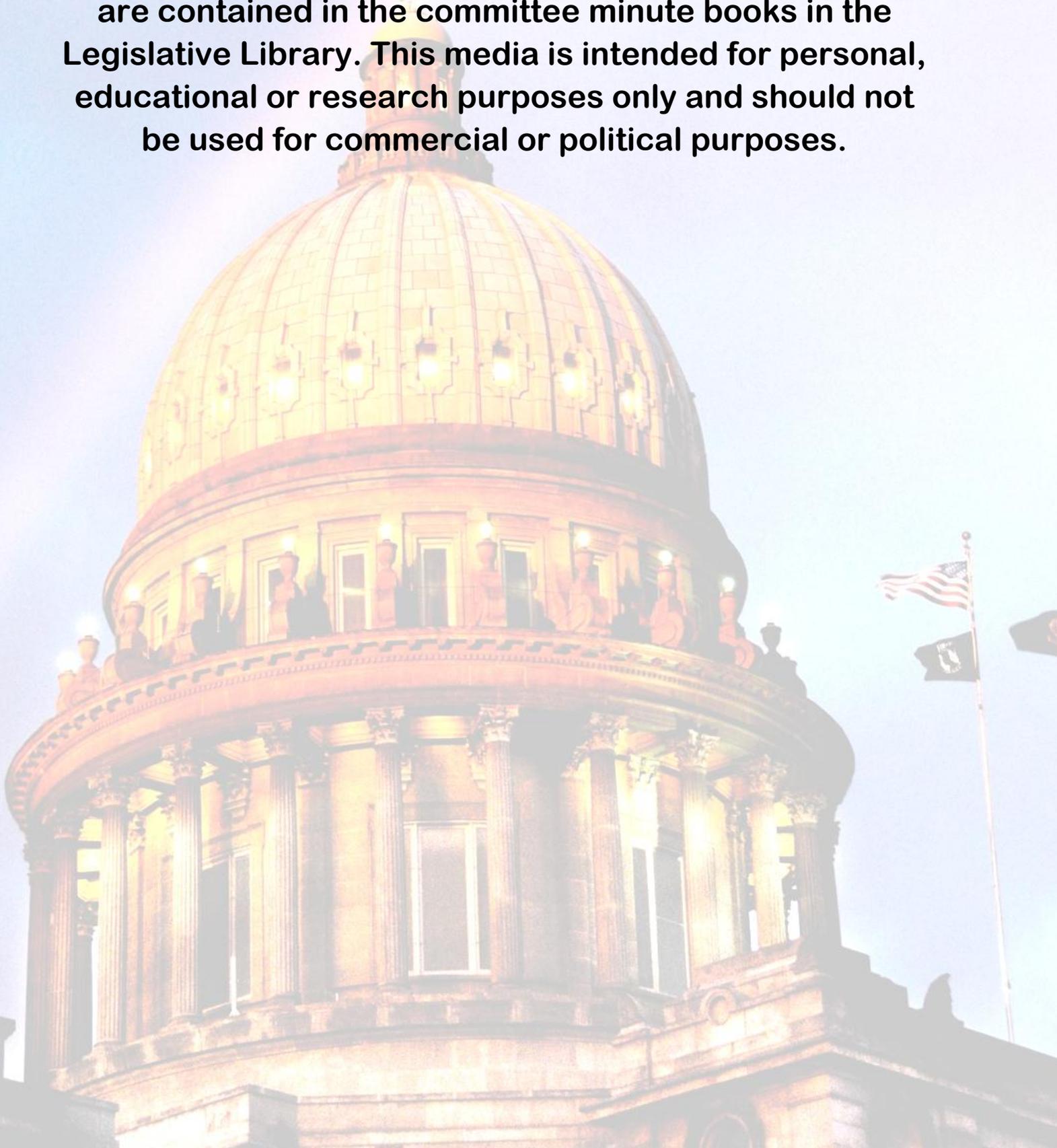


Please be advised that this is an electronic reproduction of Legislative proceedings and does not represent the official record of committee actions that are contained in the committee minute books in the Legislative Library. This media is intended for personal, educational or research purposes only and should not be used for commercial or political purposes.



JFAC COMMITTEE MEETING MINUTES

1/30/13

The hearing was held in Room C310, Statehouse, commencing at 8:00 a.m. and concluding at 10:25 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey

Representatives: Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Barron (for Miller), Youngblood, Ringo, King

Absent/Excused: None

Staff present: Houston

Others Present: Floyd Knight, Laura Johnson and Kelly Nielsen from the Department of Agriculture; Shelby Kerns, Division of Financial Management; Mike Edmondson, Office of Species Conservation

DEPARTMENT OF AGRICULTURE (ISDA)

Presenter: Celia Gould, Director

- ❖ Introductions – ISDA staff
 - Brian Oakey, Deputy Director
 - Pam Juker, Chief of Staff and Communications Officer
 - Fred Rios, Administrator for the Division of Ag Inspections
 - Cindy Stark, Bureau Chief for the Division of Ag Inspections
 - Laura Johnson, Bureau Chief for the Market Development Division and Legislative Liaison
 - Lloyd Knight, Administrator for the Plant Industries
 - George Robinson, Administrator for the Division of Ag Resources
 - Dr. Bill Barton, Administrator for Animal Industries and State Veterinarian
 - Kelly Nielsen, Financial Officer and Administrator for the Division Administration
 - Chanel Tewalt, Assistant to the Director's Office
- ❖ Others Introduced
 - Mark Duffin, Idaho Sugar Beet Growers Association
 - Dar Olberding, Idaho Grain Producers Association
 - Rich Garber and Dean John Foltz, University of Idaho CALS
- ❖ Divisions and Employees

- Department budget is allocated between six divisions
 - Administration
 - Agricultural Inspections
 - Agricultural Resources
 - Animal Industries
 - Market Development
 - Plant Industries
- FTP count
 - 14 FTPs
 - Count can reach 500 due to non-classified employees and seasonal part-time staffing
- ❖ Programs and Funds
 - Responsible for over 60 statutes in Idaho Code
 - Corresponding programs vary in size from \$7 million in annual revenues to \$3,000 with the Aquaculture Program
 - ISDA manages over 30 funds between six divisions as well as the Sheep and Goat Health Board and Animal Damage Control account
- ❖ FY 2013 Supplemental
 - Pest Deficiency Warrant
 - \$40,600 for pest survey (inspections related to surveys of apple maggot, brown garden snail, Asian long-horned beetle, Japanese beetle and many others)
 - \$308,800 for pale cyst nematode (PCN)
 - Base Adjustments
 - Remove 6.63 FTPs from budget
 - Fund Shift
 - \$375,000 in federal spending authority shifted to Market Development from Animal Industries and Plant Industries
 - Also requesting a fund shift between divisions to cover federal spending authority needs in the market development division for specialty crop grants. (The shift comes from two programs that have recently experienced reductions in federal grants.)
- ❖ Update on recent audit
 - Received no findings
 - Received several program recommendations
- ❖ FY 2014 Enhancements
 - General Fund
 - \$900,000 for Eurasian Water Milfoil
 - Prevention of widespread infestations of Eurasian Water Milfoil
 - Continue statewide survey effort
 - Water craft inspection stations
 - Aggressive treatments to continue effort to eradicate infestations
 - Dedicated Fund
 - Weights and Measures Program

- \$69,700 ongoing spending authority (dedicated funds) request for an Ag Investigator senior position in the Burley area
- Additional personnel spending authority for \$20,000 ongoing for the Market Development Program (dedicated funds). Revenues received for participation fees and the fund balance are adequate to sustain the request
- Increase Pesticide Program - \$120,000 ongoing dedicated operating spending authority for pesticide collection and container recycling programs
- State Rail Plan (Intermodal State Transportation Plan)
 - \$40,000 ongoing dedicated operating spending authority
 - Revenues from interest on fund balance and existing loans adequate to cover request
 - Funding will be transferred annually to ITD for plan development costs
- ❖ Agriculture in Idaho
 - Last two years have been record breaking
 - Farm gate receipts topped \$7.3 billion in 2011 (\$1 billion more than the next highest grossing year)
 - Farm income is the highest it has ever been
 - Idaho's agricultural export numbers are at an all-time high
 - Agriculture generates more sales than any other industry in Idaho
 - ISDA's job is to ensure that agribusiness keeps moving forward
 - Example: Chobani Yogurt Plant in Twin Falls
 - ISDA Dairy Bureau was instrumental in Chobani's move to the Magic Valley
 - Dairy Program Manager provided technical expertise to meet government regulations and avoid costly retrofitting

Soil and Water Conservation Commission (SWCC)

Presenter: Teri Murrison, Administrator

- ❖ Background
 - Commission was established in 1939 and a few years later soil conservation districts were established
 - Commission supplies technical expertise, funding and other resources to empower conservation districts to undertake locally led conservation projects with private landowners
 - Conservation means using natural resources to benefit landowners while maintaining resources in the same or better condition
 - "Voluntary and non-regulatory" means the focus is on cooperative efforts with farmers and ranchers
 - Statutory authority is contained in Idaho Code, Title 22, Chapter 27. SWCC facilitates non-regulatory, voluntary, and locally led conservation

that conserves, sustains, improves, and enhances soil, water, air, plant and animal resources.

- ❖ Major trends driving conservation in 2013
 - Urban growth: land-use conflicts, loss of agriculture land and open space
 - Continued reduction in funding and resources for voluntary conservation
 - Water quality/quantity (ground and surface water) challenges
 - State funding/program focus on water quality versus other conservation issues
 - Increasing regulatory, endangered species issues
- ❖ FY 2014 recommended budget of \$2,653,700
 - General Funds: \$2,311,700
 - Dedicated Funds: 342,000
 - By object of expenditure:
 - Personnel Costs (16 FTPs) \$1,151,400
 - Operating Expenditures 399,100
 - Trustee/Benefit \$1,103,200
- ❖ Core functions
 - Administration
 - Provide technical and other support to 50 conservation districts
 - Assist with five-year anti-degradation plans
 - Technical assistance includes:
 - Assistance with new projects
 - Assistance with ongoing projects
 - In 2012, 271 landowners served
 - Provide conservation programs via incentive-based and comprehensive programs that steward natural resources, benefit agriculture, and protect Idaho's traditional way of life/economic prosperity
 - Resource Conservation & Rangeland Development Program (RCRDP)
 - Conservation Reserve Enhancement Program (CREP)
 - Nitrate priority areas/groundwater
- ❖ Total Maximum Daily Load Program (TMDL)
 - Assist DEQ by preparing TMDL implementation plans to reduce agriculturally-generated pollutant loads in Idaho's EPA-listed impaired surface waters.
 - Since TMDL efforts began, SWCC has completed 85 implementation plans
 - Workload
 - DEQ releases an average of 7 new TMDL's annually.
 - In 2012, SWCC completed 3 plans
 - In 2009, completed 11 plans
 - Plans are reviewed every five years – currently seven are in progress

- On average DEQ generates five reviews per year but also considers addendums to existing plans which could add up to 7 plans to current workload.
- SWCC currently working on 10 backlogged plans (8 are considerably overdue)
- ❖ Services and Programs
 - SWCC lives within its means and budgets by prioritizing and balancing the workload
 - Priorities:
 - District Support
 - Conservation Programs (incentives)
 - Resource Conservation & Rangeland Development Program (RCRDP)
 - State Revolving Fund
 - Conservation Programs (comprehensive)
 - Conservation Reserve Enhancement Program (CREP)
 - Total Maximum Daily Load (TMDL) Implementation Plans
 - Administration
 - Including agency management and reporting, transparency, partner participation, communication, collaboration, etc.
- ❖ JFAC information requests
 - Workforce changes: no major changes
 - Alternative funding sources: none
 - Program structure: no major changes
 - Agency legislation requiring trailer bill: none
 - Appropriation flexibility: not requested
 - Legislative audit findings: in process
 - Performance evaluations: none to date

OFFICE OF THE GOVERNOR: Office of Species Conservation

Presenter: Dustin Miller, Administrator

- ❖ Introductions
 - Jon Beals, Fiscal Officer
 - Mike Edmondson, Program Manager
- ❖ Agency description
 - Established by Idaho Code 67-818, housed within the Executive Office of the Governor
 - Mission: to coordinate policies and programs related to the conservation and recovery of threatened, endangered and candidate species in Idaho
 - Balance protection of land-use activities in Idaho with the recovery of federally protected species
 - Engage willing partners in conservation efforts to preclude the need to list species under the federal Endangered Species Act (ESA)

- Work to find solutions for people impacted by the regulatory burdens of species listings and critical habitat designations
- ❖ Core functions
 - Coordinate federal ESA programs with state agencies
 - Solicit, provide and delegate funding for ESA programs
 - Provide input and comment to federal agencies on ESA related matters
 - Serve as the State's "one voice" on ESA policy
 - Provide a mechanism for Idaho citizens to voice ESA concerns
 - Facilitate collaboration between state, federal and private stakeholders
 -
- ❖ Organizational structure
 - Allocated 12 FTPs
 - Staff located in Boise, Salmon and Moscow
 - Changes in workforce
 - Filled vacancy for an attorney
 - Backfilled the Environmental Liaison position with a second attorney
 - Salmon office project manager position is currently vacant
- ❖ Alternate funding sources
 - Continue to solicit and expend federal funds for ESA protected species recovery, delisting and other related efforts
- ❖ FY 2014 Governor's budget request totals \$13,243,200
 - By object of expenditure
 - Personnel Costs \$ 969,900
 - Operating Expenditures 273,300
 - Trust/Benefits 12,000,000
 - Federal fund sources
 - Majority of funds are associated with salmon and steelhead recovery
 - Bonneville Power Administration Fish Accord is a 10-year \$65 million contract that ends in 2017
 - Pacific Coast Salmon Recovery Fund is a competitive grants program among several coastal states. Idaho usually receives about \$3 million annually
 - Snake River Basin Adjudication Program Habitat Trust Fund is a one-time settlement for \$25 million (\$11 million is currently available - the remaining funding is contractually obligated)
 - Aquatic Species Conservation Fund is an old program used to help both listed and non-listed resident fish populations on non-federal lands
 - Wolf Monitoring and Mitigation – OSE is in the middle of the 5-year post-delisting probationary period. US Fish and Wildlife Service has begun reducing funding available for wolf monitoring and mitigation efforts. OSC continues to administer this funding
 - Sage Grouse Conservation – OSC administers funding on sage grouse conservation projects and recently received funding from US Fish and Wildlife Service to help develop a plan to address

the needs of sage grouse while maintaining predictable levels of land-use activities

- ❖ Current activities
 - Greater Sage Grouse Conservation – most significant terrestrial wildlife priority
 - Salmon and steelhead habitat restoration
 - Bull trout recovery planning
 - Wolf depredation mitigation
 - North American wolverine (possible future listing)
 - Coordination and comment on agency actions (listing proposals, critical habitat designations, biological opinions, etc.)
- ❖ Recent successes
 - Slickspot peppergrass delisted
 - Agreement put in place in 2003
 - Species listed as “threatened” under ESA in 2009
 - District court vacated the determination in 2012
 - Species remains a candidate for listing but receives no federal protection
 - Woodland Caribou Critical Habitat scaled back
 - 375,000 acres proposed as critical habitat in the Idaho Panhandle in 2011
 - 30,000 acres finalized in 2012 (only 6,000 acres in Idaho)
 - Adheres to ESA policy – focused on areas occupied when species was listed as endangered in 1984
 - Provides protection for the species and its habitat and helps to preserve land-use activities in region

DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)

Presenter: Curt Fransen, Director

- ❖ Introductions
 - Barry Burnell, Water Quality Administrator
 - Orville Green, Waste Management and Remediation Administrator
 - Tiffany Floyd, Air Quality Administrator
 - Dave Sande, Fiscal Officer
 - Jess Byrne, Deputy Director
- ❖ Background and Mission Statement
 - DEQ was created by the Idaho Environmental Protection and Health Act
 - To ensure clean air, water, and land
 - To protect Idaho citizens from the adverse health impacts of pollution
 - Office locations
 - State office is located in Boise
 - Six regional offices in Coeur d’Alene, Lewiston, Boise, Twin Falls, Pocatello and Idaho Falls

- ❖ DEQ implements Idaho's environmental programs through a broad range of activities:
 - Assessing environmental problems
 - Overseeing compliance by facilities that generate air, water, and hazardous waste pollution
 - Monitoring Idaho's air and water quality
 - Overseeing cleanup of contaminated sites
 - Responding to hazardous materials and emergency response calls
 - Issuing permits and authorizations for new and expanded businesses and manufacturing facilities
 - Administering grant and low-interest loan programs to fund new and upgraded wastewater and drinking water facilities
- ❖ Workforce
 - Authorized to have 376.05 full-time positions – only have funding for 355
 - Currently employ 18 part time, temporary non-classified employees (half provide support-type functions and the other half perform more technical duties)
 - Seasonal staff mostly in summer months to assist with water quality monitoring and crop residue burning programs
 - Recently developed a compensation/workforce management plan to carefully evaluate the vacancy to determine whether the position should be refilled, reclassified, or redirected toward higher priorities in DEQ
- ❖ Federal Funding concerns (60% of budget comes from federal funding)
 - Waste
 - Underground Storage Tank Program
 - Funding has been reduced from \$515,000 in 2012 to \$346,000 in 2013 with more reductions possible which will require identifying other funding sources or consider turning the program back to the EPA.
 - Water
 - Primary concern is the federal grants that provide low-interest drinking water and wastewater loans and fund the non-point source sub-grant program. Expect future funding to begin decreasing.
 - Air
 - Have not been notified of any definitive reductions but have been warned by EPA that funding reallocations may gradually reduce federal funding for Idaho's Air Quality Program.
- ❖ Success stories
 - Progress in the Coeur d'Alene Basin and the Bunker Hill Superfund Site
 - Cleanup activities by mining companies, the federal government and the state of Idaho have been ongoing since the 1980's.
 - Activities focused on reducing exposure of children to heavy metals, especially lead, by removing and replacing contaminated soils.

- To date 3,383 properties have been remediated at Bunker Hill by removing and replacing 6 to 12 inches of lead-contaminated soil from public, private and commercial properties.
- Estimate that about 500 more properties will be remediated
- Blood lead levels in children living in the Basin have dramatically reduced to levels similar to national averages
- Established the Basin Environmental Improvement Project Commission composed of county, state, tribal and federal representatives. Its purpose is to provide an effective forum to guide federal decisions regarding the cleanup.
- Established and funded a locally implemented Institutional Control Program which ensures the remedies will remain protective in the future while allowing for normal economic development and growth.
- Arsenic in drinking water (federal arsenic standard that applies to public drinking water systems)
 - The new standard posed serious challenges for about 80 Idaho public water systems. Because Idaho had primacy for implementation of the program when the standard was enacted, DEQ was able to work with public entities to fashion solutions not available through EPA.
 - 35 systems entered into Compliance Agreement Schedules providing additional time to investigate and implement cost-effective solutions
 - Through the State Revolving Loan Fund, DEQ provided a number of grants and “low to no” interest loans to smaller communities
 - DEQ approved “point-of-use” treatment technologies being used by about 25 small systems avoiding the capital costs of more expensive traditional centralized treatment facilities
 - DEQ has worked with some systems to meet standards by blending water from different sources and averaging water quality sample results
 - All but five systems in Idaho are in compliance. DEQ continues to work with those systems to reach compliance and find affordable methods of providing safe drinking water
- ❖ FY 2014 Governor’s recommended budget request is \$66,455,600
 - By fund source:
 - General Funds \$14,849,100
 - Dedicated Funds 11,389,000
 - Federal Funds 40,217,500
 - Authorized FTP’s 376.05
 - Enhancements
 - Statewide Fish Consumption Study - \$300,000 request
 - A one-time appropriation to conduct an investigation of the health risks to sensitive populations due to consumption of toxic pollutants concentrated in local fish. The study would review

previous surveys prepared for DEQ, conduct a fish consumption survey, analyze the survey results and prepare a report to use in setting the toxic pollutant criteria for submission to the EPA.

- Yard remediation
 - Additional federal spending authority for \$4,000,000 ongoing for the Basin Property Remediation Program for operating funds to be used to fund performance of the work by private contractors
- Cash Transfer of \$1.5 million from the Water Pollution Control Fund (WPCF) to the Environmental Remediation Fund to fund Idaho's 10% match to Superfund cleanup in the Coeur d'Alene Basin

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary