

MINUTES
HOUSE RESOURCES & CONSERVATION COMMITTEE

DATE: Tuesday, January 31, 2017

TIME: 1:30 P.M.

PLACE: Room EW40

MEMBERS: Chairman Gibbs, Vice Chairman Gestrin, Representatives Moyle, Raybould, Shepherd, Wood, Boyle, Vander Woude, Miller, Burtenshaw, Mendive (Mendive), Youngblood, Kauffman, Giddings, Blanksma, Erpelding, Rubel, Jordan

**ABSENT/
EXCUSED:** None

GUESTS: Sharon Kiefer, Idaho Department of Fish and Game; David Groeschl, Idaho Department of Lands; Gary Spackman, IDWR; Stephen Goodson, Governor's Office; Scott Phillips, SCO; John Younce, McFarland Cascade; Jeremy Chou, Givens Pursley; Will Hart, Idaho Consumer-owned Utilities; Marie Kellner, Idaho Conservation League; Steve Thomas, IFC; Norm Semanko, IWUA; Jesse Taylor, Bear Lake Watch; Douglas Jones, self.

Chairman Gibbs called the meeting to order at 1:30pm.

MOTION: **Rep. Kauffman** made a motion to approve the minutes of the January 23, 2017 and the January 25, 2017 meetings. **Motion carried by voice vote.**

Roger Chase, Chairman, Idaho Water Resource Board introduced himself and provided an update on Idaho's water issues. He stated in the past the people of Idaho did a great job utilizing water, but the conditions today that drive the Board is sustainability. Water is a finite resource and this presents the greatest challenge to make sure the people of Idaho understand. The factors impacting sustainability that will need to be addressed include: more water is being used than in the past in certain areas of the state; educating people to better understand when they use water, how that impacts the state as a whole; and, the affect of climate variability on water capture and storage as a result of high temperatures and snow pack levels. He also reviewed work that was being done around the state including adjudication issues, salmon recovery efforts, and cloud seeding.

Gary Spackman, Director, Idaho Department of Water Resources introduced himself and provided an update on Idaho's water resources. As a result of all the snow this winter, many areas in the southern part of the state are in excess of 100% of water in the snow. The Owyhee Basin has the highest levels at 164%, but north of the Eastern Snake Plain, it starts to dry up. The Salmon Basin is below 100%, as are several other basins, and the extreme Northern Panhandle is below 70%. He talked about a newly formed Ground Water Management Area that was established as the result of a settlement agreement between the surface water coalition, a consortium of surface water irrigation delivery organizations, and ground water users to address a multi-year action plan for corrective measures to bring the aquifer back into balance. This management area is an overlay to ensure that all water users were participating in their irrigation plans and contributing towards the recovery.

RS 24824: **Sharon Kiefer**, Deputy Director, Idaho Department of Fish and Game stated this proposed legislation increases set-asides from permits or tags, and directs it to three set-aside accounts designated for specific functions to offset funds from Fish and Game accounts used for these functions. She stated this does not impact current fees for the affected permits or tags, but rather a redistribution of dedicated revenue to facilitate administration of these programs. She further stated there are two approaches found in this proposed legislation; a proportional set-aside and a flat fee set-aside. They heard from many sportsman requesting rather than a flat fee set-aside from salmon and steelhead permits, they wanted to see a proportional set-aside proposed. Their reason is that should things change in the future, up or down, the proportional set-aside would float with those particular changes. Although not a traditional approach, this can be done because it can be feasibly administered from resident and nonresident salmon and steelhead permits, which do not have substantially different prices and will ensure the set-aside keeps pace with any future fee revisions. A traditional approach of a flat fee set-aside from pronghorn, deer, and elk tags, of which there are multiple types of resident and nonresident tags, is retained for the feeding account exclusively for winter feeding, and the control of depredation of private property accounts. This approach will continue because of the complexity of administering many types of tags with very different prices. This proposed legislation also authorizes expenditures from the feeding account for activities directly related to winter feeding, such as the labor to spread pellets or to plant forage.

The other component of this proposed legislation is the increase of a tag set-aside that goes towards two accounts. Currently in law, \$1.50 from each deer, elk, and antelope tag is split evenly between the winter feeding account and the depredation of private property account. The Department is proposing an increase to \$3.50 from each deer, elk, and antelope tag to be equally distributed to the two accounts. They did not choose the proportional set-aside method due to the fact they sell multiple types of deer, elk, and antelope tags and the differential in prices between all of those tags is much greater.

MOTION: **Rep. Wood** made a motion to introduce **RS 24824. Motion carried by voice vote.**

RS 24830: **Sharon Kiefer**, Deputy Director, Idaho Department of Fish and Game stated this proposed legislation will revise several Fish and Game misdemeanors to infractions in **36-1401, Idaho Code**. This proposed legislation integrates the Fish and Game Commission Rule with current statute so that a violation of upland bird shooting hours on certain WMAs designated by Fish and Game Proclamation or Rule is an infraction rather than a misdemeanor.

MOTION: **Rep. Erpelding** made a motion to introduce **RS 24830. Motion carried by voice vote.**

DOCKET NO. 20-0214-1601: **David Groeschl**, Deputy Director, Idaho Department of Lands introduced himself and stated this proposed rule deals with the sale of forest products on state-owned endowment lands. This revision was driven by three factors. First, the Land Board timber sale approval process was modified and streamlined about a year ago. Second, several of the definitions and sale descriptions needed to be updated. Third, several areas of concern in **Sections .024 and .025** of the rules dealing with the sale of cedar poles needed to be addressed including: limited competitive bidding because of scale conversion and non-bidding requirements that favor one sector of the forest product industry; increased management costs that limit the Department's management options; requiring additional entry to remove cedar poles results in more site disturbance and stand damage rather than allowing for other possible sale entry; and lastly, the current rules are inconsistent with the Department and Land Board's constitutional duty to maximize long-term returns to

the beneficiaries. To alleviate those concerns, **Sections .024 and .025** have been stricken as shown in this proposed rule.

The Department proposes a two-year pilot program that compares two different methods of selling cedar poles through both a single- and dual-entry approach. The pilot program will be consistent with the existing Land Board policy of offering 20,000 cedar poles per year, but approximately 10,000 poles will be offered each year of the pilot program using a single-entry approach and approximately 10,000 cedar poles using a dual-entry approach. The data gathered during this two-year pilot program on both sale methods will help the Department determine the most efficient, effective and profitable approach to selling cedar poles on state-owned endowment lands.

John Younce, Vice President of McFarland Cascade, stated that McFarland Cascade believes the cedar pole pilot program is a well designed test to benchmark two methods of selling cedar and no longer opposes the repeal of the 1986 cedar pole rule, which had many points that had become outdated. They support the unit of measure from lineal feet to board feet or cubic feet, which should increase the number of bidders and competition. Because trees tend to be smaller on cedar pole sales today than from 1986, the volume of pole timber harvested should be revised. McFarland Cascade is comfortable with this proposed rule because the 20,000 cedar poles annually will still remain in place ensuring Idaho Utilities a reliable source of poles. They are confident cedar poles are the highest and best use and will continue to show the high returns to the endowment, fostering continuation of the program.

Jeremy Chou, representing Givens Pursley, who represents McFarland Cascade, met with the Department to discuss concerns McFarland Cascade had with the proposed rule. An agreement was reached, and as a result, McFarland Cascade dropped its opposition to the proposed rule. They believe this pilot program will further the long term interest of the endowment.

Will Hart, Executive Director of Idaho Consumer-owned Utilities, said they are one of the end-users of these poles. They are **in support** of this proposed rule to receive cedar poles under the pilot program.

Steve Thomas, on behalf of Idaho Forest Group, spoke **in support** of this proposed rule.

MOTION: **Rep. Wood** made a motion to approve **Docket No. 20-0214-1601. Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:52pm.

Representative Gibbs
Chair

Tracey McDonnell
Secretary