

MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

DATE: Thursday, February 18, 2021

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Ehardt, Vice Chairman Wisniewski, Representatives Vander Woude, Horman, Scott, Amador, Armstrong, Furniss, Hartgen, Lickley, Young, Adams, Yamamoto, Chew, Necochea, Nash

**ABSENT/
EXCUSED:** None

GUESTS: Benn Brocksome, Imagine Idaho; Mary Anne Nelson, DEQ; Dan Steenson, TVWVA, NMID; Tom Kealey, Jake Reynolds, Eric Forsch, Dept of Commerce; Douglas Jones, Clean Water Partners; Paul Arrington, IWVA; Braden Jensen, Idaho Farm Bureau; Doug Tyler, IAA; Del Chapel, Steven Keyser, Sarah Bettinger, Centurylink

Chairman Ehardt called the meeting to order at 1:34 p.m.

MOTION: **Rep. Necochea** made a motion to approve the minutes of the February 12, 2021 meeting. **Motion carried by voice vote.**

H 99: **Rep. Vander Woude** turned the time over to **Dan Steenson**, with Sawtooth Law, to present **H 99**. This legislation authorizes a water quality innovation and pollutant trading program in Idaho and provides the Department of Environmental Quality authority to regulate the program. Water Quality Trading is beneficial for Idaho because it allows funding sources for impaired water bodies that do not meet water quality standards.

In answer to committee questions, **Mr. Steenson** explained that municipalities have mandatory permit discharge requirements, and agricultural producers do not. While cities are able to get grants to offset investment to meet requirements, funding is not enough. Trading water credits with ag producers is a cost effective way for cities to meet these requirements. Mr. Steenson clarified that DEQ and water shed advisory groups collaborate to set the rate requirements. Each water body has different requirements based on its needs. The EPA does not set the requirements, but mandates that a total maximum daily load (TMDL) is set by the states. The committee expressed concerns that there is not enough detail in the bill. Mr. Steenson responded that DEQ has the framework in place and he did not believe that it needed to be in statute. The intent is that trading only occur between two sources whose discharge impact the same water body, but acknowledged this bill does not specifically confirm that statement. Mr. Steenson described some ways that water bodies are cleaned up including Activated Wetlands, and using materials that bond to phosphorous, and then extracting them after the bond. Water quality standards would not be changed in this legislation.

Mary Anne Nelson, from DEQ explained the need for legislation on water quality trading since both the EPA and the Water Quality Act don't specifically cover the practice. DEQ has been working to further the water quality trading concept for years. This bill gives DEQ authority to put trading in place without being overly prescriptive.

In answer to concerns that cities weren't taking responsibility for their own water quality discharge, **Ms. Nelson** explained that the primary and secondary treatments are usually a cost the cities can afford. Those treatments clean up the water significantly, but sometimes are a couple percentage points short of meeting their requirements. By adding a tertiary treatment, the cost jumps significantly higher, and becomes very hard to meet. Buying credits allows the cities to help ag producers clean up their water, and meet the requirements to clean the same body of water that the city isn't able to meet without much higher costs.

Douglas Jones, with Clean Water Partners, testified that his company had a pilot project in Parma with data to show that trading is viable. This legislation allows not only farmers to improve their land, but business to invest in water cleanup for trading.

MOTION: **Rep. Lickley** made a motion to send **H 99** to the floor with a **DO PASS** recommendation.

Marie Callaway Kellner, Idaho Conservation League; **Dan Steensen**, TVWVA, NMID; **Johanna Bell**, Environmental Policy Analyst for the Association of Idaho Cities, testified **in support** of **H 99**. They support efforts that strive to incentivize reductions in non-point source pollution so long as they incorporate a net environmental benefit to the relevant water body. They believe this bill is in the best interest of the cities and is a good cost approach to improving water quality.

In support of the motion, **Rep. Necochea** liked that market forces would be used to remediate and keep water bodies clean. **Chairman Ehardt** expressed her concern over the enormous costs of waste water plants for cities, and the need for trading as a solution.

In opposition to the motion, **Rep. Adams** expressed concerns that cities are able to implement alternative water clean up by building their own activated wetlands, and trading might be unnecessary government growth. **Rep. Wisniewski**, expressed the desire to have smaller scale testing to see the viability of this legislation. **Rep. Scott** liked the approach, but wondered what unintended consequences could come from it.

SUBSTITUTE MOTION: **Rep. Scott** made a substitute motion to send **H 99** to General Orders.

In support of the substitute motion, **Rep. Wisniewski** stated that clean water facilities were already being built without this legislation, and because of reservations on this bill preferred the sunset clause.

In opposition to the substitute motion, **Rep. Lickley** believed that this bill had been fully vetted, and liked that it gave land owners and small businesses some options. **Rep. Vander Woude** was concerned that putting a sunset into this bill would scare investors away. **Rep. Young** wanted to give this bill a chance, but with reservation that it might increase regulation. **Chairman Ehardt** expressed concerns that Idaho is growing fast, and it needs to help the cities. She didn't want the sunset clause to keep this legislation from moving forward.

ROLL CALL VOTE ON THE SUBSTITUTE MOTION: A roll call was requested. **Substitute motion failed by a vote of 4 AYE and 11 NAY.** Voting in favor of the motion: **Reps. Wisniewski, Scott, Armstrong, Adams.** Voting in opposition to the motion: **Reps. Vander Woude, Amador, Furniss, Hartgen, Lickley, Young, Yamamoto, Chew, Necochea, Nash, Ehardt.** **Rep. Horman was absent/excused.**

**ROLL CALL
VOTE ON
ORIGINAL
MOTION:**

A roll call was requested. **Original motion carried by a vote of 13 AYE and 2 NAY. Voting in favor** of the motion: **Reps. Vander Woude, Scott, Amador, Armstrong, Furniss, Hartgen, Lickley, Young, Yamamoto, Chew, Necochea, Nash, Ehardt. Voting in opposition** to the motion: **Reps. Wisniewski, Adams. Rep. Horman was absent/excused. Rep. Vander Woude** will sponsor the bill on the floor.

Chairman Ehardt let committee members and presenters know that the remainder of the agenda would be put on another calendar day. Then she recognized **Austin Swing** for all the work he has done for the committee as a page.

ADJOURN:

There being no further business to come before the committee, the meeting adjourned at 3:39 p.m.

Representative Ehardt
Chair

Maggie Price
Secretary