

MINUTES
SENATE RESOURCES & ENVIRONMENT COMMITTEE

DATE: Wednesday, February 16, 2022

TIME: 1:30 P.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Vick, Vice Chairman Heider, and Senators VanOrden (Bair), Blair (Johnson), Patrick, Guthrie, Burtenshaw, Stennett, and Semmelroth

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 1:30 p.m.

MINUTES APPROVAL: **Senator Burtenshaw** moved to approve the Minutes of January 19, 2022. **Senator Blair** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator VanOrden** moved to approve the Minutes of January 26, 2022. **Senator Semmelroth** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Guthrie** moved to approve the Minutes of January 31, 2022. **Senator Patrick** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT: **Committee Consideration of the Gubernatorial Appointment of Ray Hinchcliff of Driggs, ID to the Oil & Gas Conservation Commission. Mr. Hinchcliff** introduced himself and shared he lives in Teton County. He earned an accounting degree from Weber State University and a Petroleum Engineering degree from the University of Wyoming. He worked in the oil and gas industry for thirty two years and half of that time was internationally. He retired in 2015 and was recently elected to the Teton School District 401 school board.

DISCUSSION: **Senator Stennett** asked what particular expertise, as required by the Oil and Gas Conservation Commission, Mr. Hinchcliff would bring to this commission. **Mr. Hinchcliff** responded legislation requires that three of the members of the committee hold at least ten years of oil and gas experience and an engineering degree, and he meets that requirement.

In response to a question from **Chairman Vick**, **Mr. Hinchcliff** described some of his experience working in Russia. In response to a question from **Senator VanOrden**, **Mr. Hinchcliff** stated he was only very recently elected to the school board and this was an entirely different calling than his work in oil and gas, but he saw a need and wanted to serve his community.

S 1275 **IRRIGATION DISTRICTS - Amends existing law to revise provisions regarding nominee oaths. Paul Arrington**, Executive Director, Idaho Water Users Association, explained this legislation amended Idaho Code § Section 43-201, to include residency requirements as part of the nominee's oath for irrigation district board elections. The current statutory for the nominee's oath includes language for all criteria except the residency requirement, which allowed ineligible board candidates to sign the oath.

DISCUSSION: **Vice Chairman Heider** asked for clarification on the residency requirement. **Mr. Arrington** responded that you have to be a member of the irrigation district.

MOTION: **Senator Guthrie** moved to send **S 1275** to the floor with a **do pass** recommendation. **Vice Chairman Heider** seconded the motion. The motion carried by **voice vote**. Senator Guthrie will carry on the floor.

S 1276 **IRRIGATION AND CANAL COMPANIES - Amends existing law to revise provisions regarding notice.** **Mr. Arrington** explained this legislation amended Idaho Code § 42-2401 to provide consistency in the notice requirements for canal companies. Idaho Code § 42-2401(6) currently requires that notice of changes to a canal company's articles of incorporation or bylaws be published in the newspaper once a week for four weeks prior to the meeting at which proposed changes will be considered. Idaho Code § 42-2401(10) currently requires that notice of the meeting be published in the newspaper for two weeks prior to the meeting. This legislation would align the notice required for changes to articles of incorporation and bylaws with the notice requirement for meetings. **Mr. Arrington** referred the Committee to a draft amendment to this legislation. The draft amendment corrected some language errors discovered after printing.

MOTION: **Senator Patrick** moved to send **S 1276** to the 14th Order of Business for possible amendment. **Vice Chairman Heider** seconded the motion. The motion carried by **voice vote**. Senator Patrick will carry on the floor.

S 1277 **IRRIGATION DISTRICTS - Amends existing law to revise provisions regarding the qualification of voters.** **Mr. Arrington** explained this legislation amended Idaho Code § 43-111 to clarify that only those who own lands that were subject to assessment and entitled to receive water were eligible to vote in an irrigation district election. Current law provides that anyone living within the greater irrigation district boundary may vote in an election, even when they are not entitled to receive water and are not assessed by the irrigation district.

DISCUSSION: **Senator Patrick** asked if voting was by share, and not by person. **Mr. Arrington** responded that there were primarily two types of organizations in Idaho that deliver water. Canal companies operate similar to any other corporation and your ability and authority to vote was based on your stock ownership, but voting in a water irrigation district was tied to ownership of the land.

Senator VanOrden asked if this type of situation happened often. **Mr. Arrington**, responded no, but with rapid urbanization it was viewed as a potential issue.

Senator Guthrie asked about raising money with less stakeholders. **Mr. Arrington** explained that the majority of the time, districts can replace excluded members with someone else that will have the obligation to pay assessments.

MOTION: **Senator Burtenshaw** moved to send **S 1277** to the floor with a **do pass** recommendation. **Senator Stennett** seconded the motion. The motion carried by **voice vote**. Senator Burtenshaw will carry on the floor.

S 1278 **REAL PROPERTY - Adds to existing law to provide that certain appurtenant water rights and water entitlements and obligations shall pass with the transfer of real property.** **Mr. Arrington** explained this legislation created new Idaho Code § 55-616, which outlines what happens with water rights and entitlements when a property changes hands. The bill codifies existing common law and practice relating the conveyance of water rights and entitlements, including that all appurtenant water rights are conveyed unless expressly retained by the seller. In addition, all entitlements to receive water from an irrigation district, city irrigation system, or canal company are conveyed as are the obligations associated with membership in a ground water district.

DISCUSSION: In response to a question from **Senator VanOrden**, **Mr. Arrington** clarified that this was new real property code, not water code, so that it could be found easily by realtors and title officers.

Senator Burtenshaw shared concerns about dividing land and transferring water rights to large numbers of homes, who could far outnumber farms as far as votes on a water board, although they may not have a stake in irrigation needs. **Mr. Arrington** responded that the basic rule of irrigation district elections was one man, one vote, but due to some amendments enacted by the Legislature, an irrigation district can opt into a different method of counting votes. For example, instead of one man one vote, votes could be by acre, so a farmer with two hundred acres would have two hundred votes, and each individual landowner would have one vote.

Senator Patrick asked if there was a way to explain to realtors that water rights were subject to delivery. **Mr. Arrington** answered this legislation was only a piece of what was needed to update irrigation organizations that were created over a century ago and to respond to concerns related to water rights and growth.

MOTION: **Senator Blair** moved to send **S 1278** to the floor with a **do pass** recommendation. **Vice Chairman Heider** seconded the motion. The motion carried by **voice vote**. Chairman Vick will carry on the floor.

DISCUSSION: **Chairman Vick** requested and received input from the Committee regarding how to allocate American Rescue Plan Act funds so he can present recommendations to the Joint Finance-Appropriations Committee.

ADJOURNED: There being no further business as this time, **Chairman Vick** adjourned the meeting at 2:23 p.m.

Senator Vick
Chair

Shelly Johnson
Secretary