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February 26, 2007

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WD 01
Annual Meeting
Tuesday, March 6th
9 a.m.
Red Lion Inn
475 River Parkway
Idaho Falls

Legislative Reports 2007

IWRB Proposes \$10 million 1000 Springs Buyout

On Monday, February 19th, the Idaho Water Resource Board and CDR Associates presented its draft framework for the ESPA's Comprehensive Aquifer Management Plan (CAMP) to a joint meeting of the House and Senate Resource Committees. Prepared with the input from over 350 stakeholders, Its goal is to *"sustain economic viability and social and environmental health of the Eastern Snake Plain by adaptively managing a balance between water use and supplies."*

The draft plan cites interim measures that include recharge in 2007, increased CREP enrollment, and targeted demand reduction; management alternatives centered around recharge, administrative curtailment, and new storage options; and potential funding options. There is existing funding of \$350,000 for recharge in 2007 and \$150,000 to provide incentives to irrigation districts and canal companies willing to deliver recharge water through their existing canal system.

The presentation included a funding request of \$850,000 to continue the CAMP development process and \$10 million for targeted demand reductions, i.e. a buyout of spring user water rights in the Hagerman area.

Legislators questioned the wisdom of funding a buyout in the absence of a negotiated settlement, whether the \$10 million was a subsidy or a market-based solution, and why taxpayers in other areas should help pay the bill. When the Joint Finance & Appropriations Committee met later in the week to set IDWR's budget, it decided that the legislature as a whole must provide some positive indication of its support for advancing the development process. Only then will JFAC recommend a general fund appropriation for continuing the management process and the buyout.

The House Energy, Environment and Technology Committee held a public hearing on House Concurrent Resolution 13 adopting the draft State Energy Plan. Most of the testimony focused on the plan's failure to recommend establishing a state energy facility siting authority. A few praised the plan that focuses on conservation and renewables as a step in the right direction, but questioned its lack of specific guidelines, benchmarks, mandates and deadlines.

In responding to the concerns raised, Chairman Raybould said action is underway to extend the interim committee so that it can take the necessary steps to implement and monitor the energy plan. The committee sent the plan to the floor of the House with a "Do Pass" recommendation.

CALENDAR

February 26—March 2,
2007

Monday, February 26:

Senate State Affairs: *HO130 State Lands (CREP, Wind Developer leases)* 8 am Rm 437

House Rev & Tax: *RS17115 Revising Water District expense provisions Raybould* 9 am Rm 404

House State Affairs: *RS17190 Idaho Legislative Interim Committee/Woody Biomass Edmunson* 9 am Rm 412

ICIE Environmental Regulatory Committee, 10 am
Givens Pursley Conference Rm

House Ag Affairs: *Landowner Conservation Initiative* 1:30 pm Rm 416

Senate Resources &

Environment: *HCR 12 Natural Resource Issues Study & DEQ Annual Report* 1:30 pm Rm 433

Tuesday, February 27:

Senate Ag Affairs: *HO 156 Idaho Oilseed R & D Act*, 8 am, Rm 437

IGWA EC: 8:30-1:30 p.m., Racine Law Office, Pocatello

Ag Advisors Noon Yen Cheng

House Resource & Environment

Committee: *Annual Fish & Game Review* 1:30 pm Rm 412

Senate Local Government: *HO 85 Irrigation Facilities* 3 pm Rm 426

WD 130 Negotiations: 3 pm
Jerome Fish & Game Office

IDWR Public Meeting on Potential Buyout of Spring Water

Rights: 7 pm Hagerman

Wednesday, February 28:

Food Producers of Idaho
8:30 am ISDA Conference Room

Senate Resources &

Environment: *SB 1136 Wood River Minimum Stream Flow* 1:30 pm Rm 433

Thursday, March 1:

IACI 10 a.m. IACI Conference Rm

House Resource & Environment

Committee: 1:30 p.m. Rm 412

Friday, March 2:

House Natural Resource & Conservation: 1:30 pm Room 412

Senate Resources &

Environment: *CDR Update on Comprehensive Aquifer Management Plan (CAMP)* 1:30 pm Rm 433

HOUSE

Water

H0085 IRRIGATION FACILITIES - Adds to existing law relating to irrigation districts to provide certain tax exemptions for certain irrigation facilities. **House:** 2/1 Introduce/Print 02/02 Revenue & Taxation 2/12 Report out with "Do Pass" 2/13 2nd to 3rd reading 2/15 PASSED - 65-0-5 **Senate:** 2/16 Local Government

H0086 IRRIGATION DISTRICTS - Amends existing law relating to irrigation districts to revise procedures relating to the qualification of voters.

House: 2/1 Introduce/Print 2/02 Resource & Conservation 2/8 Report out with "Do Pass" 2/9 2nd to 3rd reading 2/12 PASSED - 63-0-7

Senate: 2/13 Introduce/Resource & Environment

H0087 IRRIGATION DISTRICTS - Amends existing law relating to irrigation districts to provide for recording of notices of election; and to revise timing provisions relating to the redemption or repurchase of water rights.

House: 2/1 Introduce/Print 2/2 Resource & Conservation 2/8 Report out with "Do Pass" 2/9 2nd t 3rd reading 2/12 PASSED - 63-0-7

Senate: 2/13 Introduce/Resource & Environment

H0099 PETROLEUM CLEAN WATER TRUST FUND - Amends existing law to increase the unencumbered balance in the Petroleum Clean Water Trust Fund before the imposition of the transfer fee shall be suspended; to increase the fund balance amount that will allow the imposition of the transfer fee to be reinstated; to allow the State Endowment Fund to invest trust fund moneys; and to provide that the Petroleum Clean Water Trust Fund Board shall determine by resolution whether the State Treasurer or State Endowment Fund shall manage the investment of funds. **House:** 2/2 Introduce/Print 2/5 Business 2/14 Report out with "Do Pass" 2/15 2nd to 3rd reading 2/21 Returned to Business

H0153 WATER AND SEWER DISTRICTS - Adds to existing law relating to water and sewer districts to provide for the receipt of services by owners of real property within a district; and to provide for the treatment of applications for new or additional services made by owners of real property annexed into a district.

House: 2/9 Introduce/Print 2/12 Local Government

H0170 WATER RIGHTS - Amends existing law relating to the adjudication of water rights to revise provisions relating to the truth and accuracy of statements contained in notice of claim or amended notice of claim.

House: 2/12 Introduce/Print 2/13 Resource & Conservation 2/15 Report out with "Do Pass" 2/16 2nd reading 2/22 PASSED - 66-2-2 **Senate:** 2/23 Introduce/Resource & Environment

HCR012 NATURAL RESOURCE ISSUES - STUDY - Stating findings of the Legislature and authorizing the Legislative Council to appoint a committee to undertake and complete a study of natural resource issues.

House: 2/8 Introduce/Print 2/12 3rd reading 2/14 3rd rdg - PASSED - 70-0-0

Senate: 2/15 Introduce/Resource & Environment

Energy

H0014 MOTOR FUELS - TAXATION - BIODIESEL - Amends existing law relating to the motor fuels tax to provide a definition for "biodiesel and biodiesel blends"; and to include biodiesel and biodiesel blends in products subject to the petroleum transfer fee. **House:** 1/16 Introduce/Print 1/17 Revenue/Taxation 1/24 Referred to Transportation 2/7 PASSED - 68-0-2 **Senate:** 2/8 Introduce/Local Government 2/14 Reported out with a "Do Pass" 2/15 2nd to 3rd reading 2/20 PASSED - 35-0-0

H0030 CITIES - ELECTRIC GENERATION - Adds to existing law to authorize cities to participate as joint owners or power purchasers in joint electric generation and transmission projects; and to provide required terms and provisions for participation agreements and related matters. **House:** 1/19 Introduced/Print 1/22 Environment, Energy & Technology 1/25 Report out with do/pass 1/26 2nd to 3rd reading 1/31 PASSED - 67-0-3 **Senate:** 2/1 Introduced/State Affairs 2/9 Report out with a "Do Pass" 2/12 3rd reading 2/16 PASSED - 35-0-0 2/22 To Governor

H0032 ENERGY RESOURCES AUTHORITY - Amends existing law to allow the Idaho Energy Resources Authority to manage and operate distribution facilities; and to allow the State Treasurer to invest in fixed or variable rate bonds of the authority so long as such bonds are not less than investment grade. **House:** 1/19 Introduce/Print 1/22 Environment, Energy & Technology 1/25 Report out with do/pass 1/26 2nd reading - to 3rd reading 1/31 PASSED - 66-0-4 **SENATE:** 2/1 Introduce/State Affairs 2/15 Report out to the 14th Order for amendments

H0065 STATE LANDS - Amends existing law to revise provisions relating to the lease of state lands.
House: replaced by H0130

H0099 PETROLEUM CLEAN WATER TRUST FUND - Amends existing law to increase the unencumbered balance in the Petroleum Clean Water Trust Fund before the imposition of the transfer fee shall be suspended; to increase the fund balance amount that will allow the imposition of the transfer fee to be reinstated; to allow the State Endowment Fund to invest trust fund moneys; and to provide that the Petroleum Clean Water Trust Fund Board shall determine by resolution whether the State Treasurer or State Endowment Fund shall manage the investment of funds. **House:** 2/2 Introduce/Print 2/5 Business 2/14 Report out with "Do Pass" to 2nd reading 2/15 3rd reading 2/21 Returned to Business

H0109 LIQUEFIED PETROLEUM GAS - Amends existing law relating to the Idaho Liquefied Petroleum Gas Public Safety Act to require a liquefied petroleum gas facility to have a certificate issued by an insurance company authorized to do business in Idaho as proof that a general liability policy of a specified sum is in effect; and to revise terminology. **House:** 2/6 Introduce/Print 2/7 Business Committee 2/22 Report out with "Do Pass" 2/23 2nd to 3rd reading

H0130 STATE LANDS - Amends existing law to revise provisions relating to the lease of state lands.
House: 2/8 Introduce/Print 2/9 2nd reading 2/15 PASSED - 65-0-5 **Senate:** 2/16 Introduce/State Affairs
The primary intent of this proposed legislation is to amend the definition of "commercial purposes" so that wind projects could qualify as a commercial or industrial enterprises as defined by the state land board. In addition, subject to approval of the state land board, it qualifies agricultural lands eligible for the federal conservation reserve enhancement program (CREP), to be eligible for leases in excess of ten years so that they may qualify for the fifteen year requirement of CREP.

H0137 BUILDING CODES - Amends existing law to provide a date change regarding various building codes; and to provide for adoption of the 2006 International Residential Energy Conservation Code as published by the International Code Council. **House:** 2/8 Introduce/print 2/9 Environment, Energy & Technology 02/23 Report out with "Do Pass"

H0149 RENEWABLE FUEL - Adds to existing law to provide for the "Idaho Renewable Fuel Consumer Choice and Retailer Right to Know Act of 2007"; to provide requirements for agreements or contracts between a motor fuel distributor or retailer; to provide that certain provisions of a franchise agreement or contract shall be null and void; and to provide penalties. **House:** 2/9 Introduce/Print 2/12 Transportation

H0150 ALTERNATIVE FUEL - Adds to existing law to provide the Rural Idaho Economic Development Biofuels Infrastructure Matching Grant Fund; and to provide procedures for approving grant applications. **House:** 2/9 Introduce/Print 2/12 Held at Desk 2/15 Transportation 2/23 Report out with "Do Pass"

H0151 ALTERNATIVE FUEL - Adds to existing law to create the Idaho Biofuels Supply Enhancement Program in the Department of Agriculture. **House:** 2/9 Introduce/Print 2/12 Transportation

H0152 ELECTRICITY TRANSMISSION - Adds to and amends existing law to provide authority of the Public Utilities Commission regarding siting of electric transmission facilities in a National Interest Electric Transmission Corridor within Idaho. **House:** 2/9 Introduce/Print 2/12 Environment, Energy & Technology 2/16 Report out with "Do Pass" 2/19 2nd to 3rd reading 2/22 PASSED - 67-0-3 **Senate** 2/23 Introduction/State Affairs

H0154 ENERGY FACILITIES - Adds to existing law to provide that a city or county may request advice from state agencies regarding an energy facility; to provide state department responsibilities; to provide for consideration of an application; to provide prohibited factors for consideration; and to provide for public hearings and comments. **House:** 2/9 Introduce/Print 2/12 Environment, Energy & Technology 2/23 Report out with "Do Pass"

H0156 OILSEED RESEARCH AND DEVELOPMENT - Amends existing law to provide for the Idaho Oilseed Research and Development Act; to replace references to canola and rapeseed with references to oilseed; and to revise provisions relating to the Idaho Oilseed Commission. **House:** 2/9 Introduce/Print 2/12 Agricultural Affairs 2/15 Report out with "Do Pass" 2/16 2nd to 3rd reading 2/20 PASSED - 68-0-2 **Senate:** 2/21 Introduction/Agriculture Affairs

H0169 HIGH-PERFORMANCE PUBLIC BUILDINGS - The purpose of this legislation is to require all future state funded building construction and major renovations to meet recognized high performance standards. State agencies will monitor and document annual energy costs and savings for these buildings and, with the assistance of the Permanent Building Fund Advisory Council, will report to the governor and the legislature. **House:** 2/9 Introduce/Print 2/12 Environment, Energy & Technology 2/15 Held to time certain for amendments from sponsor

H0189 WIND ENERGY - Amends and adds to existing law relating to producers of electricity by means of wind energy to provide for a wind energy tax; to provide for the filing of operator's statements by producers of electricity by means of wind energy; to provide for the computation, allotment and apportionment of tax due from producers of electricity by means of wind energy by the State Tax Commission and to require certain notifications; to authorize county treasurers to collect specified taxes from producers of electricity by means of wind energy; to provide for tax liens on property of producers of electricity by means of wind energy; to provide for the assessment of nonoperating property of producers of electricity by means of wind energy; and to provide an exemption from taxation for certain operating property of producers of electricity by means of wind energy. **House:** 2/13 Introduce/Print 2/14 Revenue & Taxation 2/16 Report out with "Do Pass" 2/19 2nd to 3rd reading 2/22 PASSED - 69-0-1 **Senate:** 2/23 Introduce/Local Government

H0230 GEOTHERMAL RESOURCES - Amends existing law relating to geothermal resources to revise filing fee provisions; to revise procedures relating to the processing of applications and investigations; to revise requirements relating to the provision of good and sufficient security; and to authorize the director to accept a comprehensive security. This legislation increases the basic fees to help cover IDWR's costs to review applications for geothermal production and injection wells. The amendment broadens the bonding ability of geothermal developers by allowing a wider range of financial instruments. It also provides greater blanket assurance and flexibility to the department for well abandonment bonds. **House:** 2/22 Introduction/Print 2/23 Resource & Conservation

HCR013 IDAHO ENERGY PLAN - Stating findings of the Legislature and adopting the Idaho Energy Plan, approved by the Legislative Council Interim Committee on Energy, Environment and Technology on January 26, 2007, as the State Energy Plan. **House:** 2/9 Introduce/Print 2/12 Environment, Energy & Technology 2/21 Report out with "Do Pass" 2/22 2nd to 3rd reading

HCR014 FOSSIL FUEL DEPENDENCE - Stating findings of the Legislature and urging support of the enactment of policies and programs to reduce Idaho's dependence on fossil fuels, accelerate the development of clean, economical energy resources and fuel-efficient technologies; and to support efforts of our local communities to exercise property stewardship and to take action aimed at reducing greenhouse gases. **House:** 2/9 Introduce/Print 2/12 Environment, Energy & Technology 2/14 Held in committee pending hearing on Draft State Energy Plan

HCR025 ENERGY, ENVIRONMENT AND TECHNOLOGY COMMITTEE - Stating findings of the Legislature and authorizing an interim committee on Energy, Environment and Technology to monitor the Integrated State Energy Plan and other issues. **House:** 2/22 Introduce/Print 2/23 To 2nd reading

SENATE—WATER

S1100 WATER TREATMENT - PERPETUAL - Adds to existing law relating to water quality to provide that the Director of the Department of Environmental Quality shall not allow perpetual water treatment; and to provide an exception. **Senate:** 2/8 Introduce/Print 2/9 Resource & Environment

S1101 WATER QUALITY - Adds to existing law relating to water quality to provide that the director of the Department of Environmental Quality shall not allow perpetual water treatment; and to provide an exception. **Senate:** 2/8 Introduce/Print 2/9 Resource & Environment

S1136 WOOD RIVER - MINIMUM STREAM FLOW - Adds to existing law to provide for minimum stream flow water rights in designated areas of the Big Wood River and the Little Wood River; to provide for the distribution of donated water; to provide for certain donated water rights; to provide for a local committee; and to provide for the collection of water district expenses. **Senate:** 2/12 Introduce/Print 2/13 Resource & Environment

Energy

S1041 ENERGY FACILITY SITING - Adds to existing law relating to major energy facility siting to create a State Energy Facility Planning Committee; to provide membership; to provide for the state energy facility siting management plan; to provide for permits and licenses; to provide for expansion, enlargement or alteration of energy facilities; to provide for review and siting licenses; and to provide for the creation of site review panels. **SENATE:** 1/19 Introduce/Print 1/22 State Affairs *Withdrawn by sponsor (Stennett) Other legislation is being drafted that could be introduced later in session*

S1112 GASOHOL - BIODIESEL - Amends existing law to delete the fuel tax deduction authorized for gasohol and biodiesel. **Senate:** 2/9 Introduce/Print 2/12 Transportation

New Appointees

Governor Otter has made the following appointments. All appointments are subject to Senate confirmation.

Board of Environmental Quality: Donald J. Chisholm (re-appointment) and Kermit Kiebert

Lake Pend Oreille Basin Commission: Ford Elsaesser

Idaho Energy Resources Authority: John V. Evans (reappointment)