

MINUTES
SENATE AGRICULTURAL AFFAIRS COMMITTEE

DATE: Thursday, February 04, 2016

TIME: 8:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Rice, Vice Chairman Bayer, Senators Patrick, Souza, Lee, Den Hartog, Harris, Ward-Engelking and Burgoyne

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 Rice** called the meeting to order at 8:04 a.m.

RS 24298 **Relating to Fish and Game, Senator Siddoway** said the Department of Fish and Game and the Idaho State Department of Agriculture (ISDA) agreed to provide funds to the Caine Veterinary Teaching and Research Center for research on transmission of disease between bighorn sheep and domestic sheep. There is now a proposal to move the Caine Center out of Caldwell to different facilities throughout the State. The proposal is to move the research of disease transmission between bighorn sheep and domestic sheep to the University of Idaho (UI), which has a small flock of sheep on campus. UI will work in conjunction with the University of Washington, which has nationally lead in research on this type of disease. This legislation will redirect the Idaho Department of Fish and Game money from the Caine Center to the Idaho College of Agricultural and Life Sciences for this research.

MOTION: **Senator Burgoyne** moved to print **RS 24298**. Seconded by **Senator Lee**. The motion carried by **voice vote**.

RS 24189 **Relating to the Idaho Dairy Products Commission, Bob Naerebout**, Executive Director, Idaho Dairymen's Association, explained the intention of **RS 24189** is to restructure the election process for the Idaho Dairy Products Commission (IDPC) in four areas: 1) area of requirement ; 2) reducing the number for a write-in candidates from 25 to 10; 3) restructuring of the nominating committee and 4) eliminating of ex-officio board members.

Senator Harris asked if IDPC had issues with finding willing candidates to run for these commission vacancies? **Mr. Naerebout** responded that when the original legislation was written, there were 7,500 dairies in Idaho; that has decreased to about 500 dairies. These dairies have to be paying into the assessment in order to serve on IDPC. **Senator Harris** asked are there term limits? **Mr. Naerebout** answered the commissioners serve a three-year term.

MOTION: **Senator Den Hartog** moved to print **RS 24189**. Seconded by **Vice Chairman Bayer**. The motion carried by **voice vote**.

RS 24071 **Relating to the Animals and the Environment, Barry Burnell**, Water Quality Division Administrator, Department of Environmental Quality (DEQ), said this bill proposes to amend the Beef Cattle Environmental Control Act (BCECA) and the Dairy Environmental Control Act (DECA). The proposed legislation is necessary for Idaho to submit an application to the Environmental Protection Agency (EPA) requesting authorization to implement a state National Pollutant Discharge Elimination System (NPDES) program application.

Idaho Code § 39-175C directed the (DEQ) to submit a complete application, consistent with the requirements of the Clean Water Act (CWA) by September 1, 2016. The application will request authorization for what will be known as the Idaho Pollutant Discharge Elimination System (IPDES) program. This proposed legislation ensures that DEQ has the authority required by the CWA for IPDES regulation of dairy and beef cattle operations.

To the extent any dairy farms or beef cattle animal feeding operations are regulated by EPA under the CWA discharge program, those facilities would instead be regulated by DEQ under an approved IPDES program. Although the IPDES program will be partially supported by permit fees, no fees will be imposed for dairy farms or beef cattle animal feeding operations. Therefore, the costs to such facilities should not increase under the proposed legislation. There will be costs to the State of Idaho to implement this aspect of the IPDES program. DEQ anticipates an annual cost to maintain a Confined Animal Feeding Operation (CAFO) permit to be \$4,500 per year based on current conditions with zero facilities permitted or \$40,000 per year if 28 facilities are permitted (this represents approximately 10 percent of the listed CAFOs in the state). These costs are built into the overall IPDES program cost estimate of \$3 million annually and 29 full-time employees. DEQ proposal to fund the program with \$2 million from the General Fund, a small amount from the federal government, money from fees paid by individual industrial permits for municipalities and funds from the storm water program. These are the three major sectors in the IPDES program.

The bill amends the BCECA in five Sections of Idaho Code (page 2-6) and The DECA in nine sections of Idaho Code. (page 6 to page 13). These proposed amendments are necessary to separate the ISDA program authorities from the CWA authorities. This is required in order for Idaho to demonstrate that DEQ would have clear authority over implementing the CWA and NPDES requirements for beef cattle and dairy confined animal feeding operations.

Both acts have language that authorized DEQ to enter into a Memorandum of Understanding with the ISDA. DEQ favors entering into an agreement where the existing expertise at ISDA can be used in implementing the Idaho NPDES program. (page 3, lines 40-43; page 7, lines 31-34).

The dairy changes direct the ISDA to implement programs to recognize, support and promote performance and innovation in the design, construction, operation and maintenance of Dairy Environmental Management Systems (DEMS). (page 7, lines 13-15).

The legislation proposes to revise definitions starting at the bottom of page 7 and continuing to page 10. A new section addresses Dairy Storage and Containment Facility Design and Construction on page 10. Then proposes to amend the section on Dairy Nutrient Management Plan on page 11. The legislation adds a new section on DEMS, which is presented on the bottom of page 11. Then continues by amending the inspection section on page 12. Another new section has been added on Unauthorized Discharges and Unauthorized Releases, which is on page 12. A noncompliance, enforcement and penalties section has been added on page 13. ISDA will implement the majority of this legislation minus the portion of the CWA elements that will be administered by DEQ.

Chairman Rice pointed out that currently no dairies or cattle operations require an NPDES permit. This bill will not change how the State processes the permits. That permitting would still be under the ISDA unless the operation meets the criteria of that permitting process. **Mr. Burnell** responded in the affirmative to Chairman Rice's statement.

Senator Burgoyne asked if the dairy and cattle operations will not be subject to Idaho DEQ fees; the fiscal note does indicate that there will be permit fees. The fiscal note states "while the IPDES program will be partially supported by permit fees, no fees will be imposed for dairy farms or beef cattle animal feeding operations." **Mr. Burnell** explained that the IPDES program will have one-third of the program supported by fees. The fees will come from municipalities that have discharge permits; industrial facilities that are permitted to discharge the surface waters; and storm water and facilities construction general permits/multi-sector general permits. **Senator Burgoyne** asked Mr. Burnell to link together how these three sector fees relate to the dairy and beef cattle operations. **Mr. Burnell** responded that the dairy and beef operations as a general permit are not subject to a fee. There will be no permit fee money coming from dairy and beef operations to the State of Idaho.. There are \$2 million from the State General Fund that is supporting the program. The portion of the beef and dairy confined fee operations that are covered by the program are covered by the State General Funds. The amounts that are received from municipalities, industry and from the storm water sector are meant to cover a portion of those costs. **Senator Burgoyne** stated to clarify the fiscal note in practical terms, the General Fund money and the permit fee money from the municipalities, industrial facilities and the storm water sector will be aggregated and whatever the cost is it will come out of those monies. There will be some undetermined mix of General Fund and fee money to pay the \$40,000.

Chairman Rice remarked that the fiscal note is incomplete in this bill adjustment. Last week they met with DEQ to adjust the note, and the changes have not been made as of this hearing. There is some confusion between primacy IPDES permits in general, (which do have a cost), and the General Fund and municipalities, industrial facilities and storm water funds aggregate (which would have no cost). The additional language that needs to be added to the fiscal note is: "The anticipated annual cost is \$4,500 per year based on current conditions with zero facilities permitted or \$40,000 per year if 28 facilities are permitted. This represents 10 percent of the listed CAFOs in the State." If a point is reached that 28 CAFOs were needed to be permitted, that cost goes up to \$40,000. These costs are built into the overall IPDES program cost estimate of \$3 million annually and 29 full-time employees. The bill shifts the working partnership from ISDA and the EPA to one between ISDA and the DEQ.

MOTION: **Vice Chairman Bayer** moved to print **RS 24071** with the corrected fiscal impact note. Seconded by **Senator Lee**. The motion carried by **voice vote**.

PRESENTATION: **Idaho Horse Council. Myron Amsden**, Board Member, stated he was before the Committee to educate the members on the functions of the Idaho Horse Council (IHC) and to discuss the IHC Youth Fund. **Mr. Amsden** introduced Executive Director of IHC Debbie Amsden.

Ms. Amsden stated that the IHC was organized in 1975 to create a united front in representation of horse groups, individual horse owners and others involved in the horse industry. IHC has 1,500 members from 22 clubs, including the Idaho Quarter Horse Association, Idaho Thoroughbred Association, Appaloosa Horse Club, Back Country Horsemen, Idaho Dressage and Eventing Association, Farriers of Idaho Guild and the Western Riding Club,

IHC has promoted the Horse Expo exhibition for almost 30 years; the event introduces horsemen and non-horsemen to the latest clinicians, events and related gear. IHC works on legislation on a state and national level as it relates to equine health, promotion, protection of trails, racing and a multitude of horse-related issues. IHC passed the Equine Activities Immunity Act in Idaho, which protects individuals who allow others to ride on their property.

IHC provides three \$1,500 scholarships per year to three Idaho students who have been active within some area of the equine industry. **Ms. Amsden** said IHC supports the "right to ride" as the decline of open spaces dwindles with the rapid urbanization of the Treasure Valley. She said IHC members believe horses enhance the quality of life in Idaho communities.

Charlene Cooper, Director, Idaho Horse Council (IHC), stated that a census and survey has been completed by the University of Idaho's College of Agriculture, Social Science Research Unit (see attachment 1). The historical horse racing funds will be directed to youth horsemanship activities such as equine care, sports and safety. The education of the youth in equine activities is the future for the Idaho horse industry.

Myron Amsden explained that when the historical horse racing legislation was drafted, it added the IHC youth funds in the legislation but left out language for the funds to be released to IHC. These funds will be used to educate the youth through the equestrian clubs/organizations within the Treasure Valley, such as: 1) Ride for Joy; 2) 4H; 3) Pony Club. **Mr. Amsden** said that the youth today lack safety in their equine activities. This money would allow the IHC to educate the public on how to purchase a horse, the cost of owning and showing an equine, what kind of facilities they would need, horse safety and care. This will require the IHC to use arenas, club houses, clinicians, veterinarians, feed suppliers and farriers, to name a few. **Mr. Amsden** spoke to the youth that have become productive citizens through the youth equestrian events and competitions in which they have participated.

**MINUTES
APPROVAL:**

Senator Patrick moved to approve the Minutes of January 21, 2016. Seconded by **Senator Den Hartog**. The motion carried by **voice vote**.

ADJOURNED:

There being no further business, **Chairman Rice** adjourned the meeting at 8:47 a.m.

Senator Rice
Chair

Carol Deis
Secretary