

MINUTES
SENATE RESOURCES & ENVIRONMENT COMMITTEE

DATE: Monday, February 22, 2021

TIME: 1:30 P.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Vick, Vice Chairman Johnson, Senators Van Orden (Bair), Heider, Patrick, Guthrie, Siddoway (Burtenshaw), Stennett, and Rabe

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.

PAGE INTRODUCTION: **Chairman Vick** welcomed Charlotte Brockman as the page for the second half of the Legislative Session. **Ms. Brockman** said she is from Gooding, Idaho, and attends Gooding High School. She is also enrolled at the University of Nebraska, where she hopes to double-major in horticulture and agricultural economics, she said. **Ms. Brockman** said she is interested in government and someday would like to be involved in agricultural policy and maybe even become a Senator.

S 1123 **Lava Hot Springs (Springs). Amends Existing Law To Provide That Certain Moneys Regarding Lava Hot Springs Foundation Fund Are Continuously Appropriated.** **Colby Cameron**, Bureau Chief for Regulatory and Legislative Affairs, Division of Financial Management (DFM), provided background on the Lava Hot Springs' Foundation (Foundation). He stated the Springs' land was deeded to the State of Idaho to provide a health and recreation facility. The State built a natatorium on that location in 1918, and the Foundation oversees the operation of the swimming pools and hot baths. The Foundation has five members, all appointed by the Governor.

Mr. Cameron said **S 1123** seeks to convert the Foundation's annual appropriation to a continuous appropriation. The money flows through the Foundation's Board, which sets the budget and meets annually.

Matthew Reiber, a budget analyst for DFM, said he reviewed the Springs' budgets over the past five years. The Springs' have had a consistent budget of \$2.3 million to \$2.5 million, and it is dedicated revenue. All revenue is self-generated, coming from ticket sales, retail sales, and rentals. **Mr. Reiber** said looking into the budgets 10 to 15 years ago, neither the Governor nor the Legislature turned down budget requests, as they were very routine.

DISCUSSION: **Senator Patrick** asked if the coronavirus affected the Springs' revenue last year. **Mr. Reiber** said the Springs were closed to the public for two months, but once they reopened, the revenue has improved.

Senator Stennett inquired about the fiscal note pertaining to travel to Boise from the Springs. **Mr. Reiber** replied that eliminating the requirement that the Springs report to DFM each year, will make their budget obligations a little lighter as those obligations can be managed internally.

Senator Stennett asked if there was a comparable organization to the Springs. **Mr. Cameron** said he does not know of any that have comparable day-to-day duties, but there are some comparable in the sizes of their budgets and dedicated funds. **Senator Stennett** asked why it was so important to have continuous appropriations as opposed to annual appropriations. **Mr. Cameron** said this year the Foundation is requesting two new staff positions including a swimming pool supervisor and the Foundation can't hire until July. If it had continuous appropriation, the Board could potentially look at advertising for that position and fill it in April. The nature of the Springs is that of a small business versus a regulatory or a licensing board, **Mr. Cameron** said.

Senator Siddoway asked if the appropriations are subject to audits. **Mr. Cameron** replied they are. He stated the continuous appropriations could be added as an amendment to **S 1123**, if the Committee so desired.

Senator Guthrie asked who brought forth this legislation. **Mr. Cameron** said some of the Joint Finance-Appropriations Committee members and the DFM Administrator discussed the matter after the last Legislative Session. Mr. Reiber worked with the Foundation and its executive director in compiling the information about the Springs. The executive director said he saw the potential benefit of a continuous appropriation and said it would help them better manage the Springs' day-to-day functions. **Senator Guthrie** asked who would be responsible if the Springs were in a position of financial jeopardy. **Mr. Cameron** said he assumed the State would provide backup funds in a default situation.

Chairman Vick clarified DFM is requesting this legislation, not the Board. **Mr. Cameron** said DFM sees it as a worthwhile function for the Board to have the ability to continually appropriate funds to function as an efficient local entity.

Senator Stennett said she was concerned as to why the Foundation had not requested the continuous appropriation instead of DFM, and the Springs are functioning fine as is. **Senator Stennett** also said this isn't done for the Department of Parks and Recreation. **Mr. Cameron** said it is not that the Springs' Foundation is not appreciative of the fact that the legislation is here. DFM communicated to the Foundation that DFM was going to propose legislation based off questions asked by some of the policyholders who made budget decisions in the past. The Foundation let DFM know that it would be willing to have continuous appropriation. **Mr. Cameron** said the Springs are not on the same level as the Department of Parks and Recreation. The Springs are one division of one park set up under the auspices of a foundation that is appointed by the Governor for one local purpose, not a Statewide purpose.

MOTION:

Vice Chairman Johnson moved that **S 1123** be held in Committee, subject to the call of the Chair. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.

Gary Spackman, Director, Idaho Department of Water Resources (IDWR), requested that Jeff Raybould, Chairman, Idaho Water Resource Board (IWRB) present his annual report prior to hearing IDWR's report.

PRESENTATION: Annual Update of Idaho Water Resource Board. **Mr. Raybould** reported on the past year's activities, noting that IWRB worked on the Priest Lake outlet and thoroughfare improvements. A study was conducted by IWRB to see what was needed to better manage Priest Lake. **Mr. Raybould** said when there is light snowpack and less water available to maintain flows in the river, an extra 6 inches of water should be held, then let out over the course of the summer season to maintain minimum inflows in the river while not going below the lake elevation, which is in statute. **Mr. Raybould** said IWRB also needed to do construction work at the outlet gates of Priest Lake to allow for that extra 6 inches of water to be impounded in the lake. Work is half-completed, will resume this fall, and should be completed by spring 2022. Other work included rebuilding a deteriorated breakwater that stops waves from eroding into the northeast part of the lake, and dredging the thoroughfare to Upper Priest Lake.

Mr. Raybould said IWRB is continuing its partnership with Idaho Power for its collaborative Cloud Seeding Program in the Boise River drainage, the Wood River, and the Upper Snake Region. Idaho Power is paying for one-third of the cost of that program, while local water users and IWRB are covering the rest. IWRB is in the process of doing a benefits analysis of cloud seeding in various basins informing interested parties how they might allocate the cost of the program into the future. IWRB is also looking at how it might expand the program as it has had requests from other basins across the State, especially in southern Idaho.

Mr. Raybould also reported on the aquifer recharge. He said Idaho had four great water years in a row, and the Eastern Snake Plain Aquifer is beginning to stabilize. In 2020, the Idaho Legislature directed IWRB to work with Lemhi water users to find solutions to their water needs, as well as providing better flows in the lower Lemhi River. IWRB engaged Clive Strong and Norm Semanko, attorneys, to facilitate those efforts. The first meeting was in June 2020. They reached agreements on several issues but still have to determine what the flushing flow should be on the Lemhi River to remove sediment to improve spawning and maintain fish passage on certain tributaries.

A few years ago, Idaho and Utah filed a water rights application for additional storage in Bear Lake. The outcome was an agreement between Idaho, Utah, Wyoming, and PacifiCorp to talk about how to store more water in the lake. **Mr. Raybould** said IWRB have done some modeling on the Lower Bear River, and it appears that if they are able to take out some of the impediments in the river and work out some flood easements with the local landowners, they will be able to carry more water over in Bear Lake and not have to release water strictly for flood-control purposes. **Mr. Raybould** stated IWRB met with local landowners and found a willingness to entertain how IWRB might be able to acquire those flood easements.

Mr. Raybould said IWRB has some high-priority "shovel-ready" projects that fit in with the Governor's Building Idaho's Future plan, including the Anderson Ranch Reservoir Enlargement Project. IWRB has worked with the U.S. Bureau of Reclamation on this project for almost three years and met the deadline of January 1, 2020, to get a finding of feasibility from the Secretary of the Interior allowing the project to go forward. The project will provide additional water for the Treasure Valley and surrounding areas. Estimated constructed costs will be about \$83.3 million, with about \$9.2 million coming from the federal government and the remaining cost to be shared by the state. Construction needs to start by December 16, 2021, to maintain federal eligibility.

Mr. Raybould said another shovel-ready project is the creation of a sustainable water supply for the Mountain Home Air Force Base. IWRB and the U.S. Air Force began teaming several years ago to build a pipeline from the Snake River to the Air Base. The Legislature appropriated money and IWRB secured a water right on the Snake River from the J. R. Simplot Company. Some initial work has been done, such as preliminary engineering to come up with cost estimates, evaluating water treatment options, and securing the easement from the Snake River to the Air Force Base. The State's portion of costs for this project will be about \$28 million to construct the pipeline and a pump station. The Air Force will be responsible for the water treatment plant, which will cost about \$30 million. Once the project is completed, it is planned that the Air Force will cover all the long-term operation and maintenance. The water right will remain with IWRB, he said.

Mr. Raybould said with regard to the Eastern Snake River Plain Aquifer, IWRB is trying to get more recharge in the Upper Valley to help stabilize the upper end. Some examples of that project would be a pipeline that would start with a pump station just west of the Menan Butte on the Snake River and pump water in a northwesterly direction to recharge basins and out to Mud Lake. There are some other smaller sites within the Upper Valley that IWRB is exploring.

In conclusion, **Mr. Raybould** said IWRB is continuing to work with the aquifer basin committee on resolving issues with the declining aquifer in the Moscow-Pullman area. **Mr. Raybould** said there is a need to find additional water to supply that region of the State.

DISCUSSION: **Senator Guthrie** asked if there could be a water call from downstream users if Anderson Ranch is raised. **Mr. Raybould** said the water right has been applied for and he doesn't think any downstream users could make that call.

PRESENTATION: Annual Update of Idaho Department of Water Resources. **Mr. Spackman** reported on the snowpack in various basins throughout the State and showed graphs to identify the amounts of snowpack.

Mr. Spackman showed graphs of efforts by the Department, beginning with a timeline of pending transfers. IDWR aims to maintain about 100 pending transfers each month and did so over the past two months. **Mr. Spackman** reported on permits for proof of beneficial use that were filed and are awaiting the issuance of water licenses. There is a huge backlog of these permits, totaling almost 500. Field examinations have to be done by IDWR on these permits and that is usually conducted in the summer. **Mr. Spackman** anticipates it will take one to two years to drop below the 500 mark.

Mr. Spackman said he is astounded by the work that IWRB is accomplishing, and complimented Mr. Raybould and former Chairman Roger Chase for their efforts.

Mr. Spackman also shared an experience he had with a group of people from Nepal who wanted to know more about what IWRB was doing related to recharge and water sustainability. India is drilling wells to support the agricultural needs of its large population and those wells are impacting flows in the Ganges River. Groundwater pumping is also affecting groundwater levels in Nepal and depleting surface water flows in rivers there. **Mr. Spackman** said Idaho's success story is not only well-known in the Western United States but also in other countries.

Mr. Spackman stated that Idaho is on the threshold of accomplishments unparalleled in the Western U.S.: resolving existing water conflicts; protecting the rights of senior water-right holders; and harnessing enough of Idaho's plentiful water resources to sustain Idaho's economic growth well into the future. **Mr. Spackman** said he is convinced that the Governor's vision of appropriating money now for water projects will be rewarded with exponential economic returns in the future.

Mr. Spackman's final comments regarded adjudicating the water rights in the Clark Fork-Pend Oreille River Basin in northern Idaho. A hearing was held, but a court hasn't yet issued a commencement order. **Mr. Spackman** said a few matters need to be resolved with federal entities, and he anticipates that effort will start about the end of the calendar year.

ADJOURNED: There being no further business at this time, **Chairman Vick** adjourned the meeting at 3:02 p.m.

Senator Vick
Chair

Juanita Budell
Secretary