

ARIZONA STATE SENATE

45TH LEGISLATURE
SECOND REGULAR SESSION

MINUTES OF COMMITTEE ON NATURAL RESOURCES, AGRICULTURE AND ENVIRONMENT

DATE: March 21, 2002 **TIME:** 8:30 a.m. **ROOM:** SHR 1

CHAIRMAN: Senator Herb Guenther **VICE CHAIRMAN:** Senator Darden Hamilton

ANALYST: Kerri Morey **COMMITTEE SECRETARY:** Debbie Kennedy

INTERNS: Jocelyn Winz
Adam Van Buskirk

ATTENDANCE

BILLS

<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Arzberger	X			SB 1281	HELD
Senator Brown	X			SB 1375	DPA/S/E
Senator Bundgaard	X			SB 1410	FAILED
Senator Jarrett	X			SCR 1016	FAILED
Senator Richardson	X				
Senator Smith	X				
Senator Hamilton, Vice-Chairman	X				
Senator Guenther, Chairman	X				

GOVERNOR'S APPOINTMENTS

<u>Name</u>	<u>Position</u>	<u>Recommendation</u>
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Tape 1, Side A

Chairman Guenther called the meeting to order at 8:35 a.m., and attendance was noted. Please see attached sign-in sheet for additional attendees (Attachment A).

CONSIDERATION OF BILLS

SB 1281 - sand and gravel; mine inspector – HELD

Senator Guenther announced SB 1281 would be held.

SB 1375 - methamphetamine labs; clean up guidelines – DO PASS AMENDED/STRIKE EVERYTHING

Jocelyn Winz, Senate Intern, explained that current statute does not specifically address responsibility for the clean up of methamphetamine labs. The proposed strike-everything amendment establishes notification and clean up requirements for the clean up of residual contamination due to the manufacturing of methamphetamine, ecstasy or LSD. The amendment also requires that contaminated property be cleaned up by a remediation specialist hired by the property owner. The amendment also establishes the Joint Legislative Oversight Committee on Residual Contamination of Drug Properties. Ms. Winz further explained that the Guenther amendment dated 3/20/02 at 10:46 a.m. to the strike-everything amendment makes technical and clarifying changes.

Senator Martin, bill sponsor, stated that this bill has been in the process for a long time. He further stated that they are still in the process of getting all of the parties together. They are still trying to determine which agency will oversee the Committee.

Representative Somers, bill sponsor, stated that the bill states that they will use certified remediation specialists. She stated that the bill would be dead if more money is asked for. They will amend the bill to refer to registered contractors to perform the clean up rather than certified remediation specialists. An environmental clean up company will go to the technical Board of Registration and fill out an affidavit that they understand the best practices established by the Attorney General's office. The fee would be \$300.

In response to Senator Smith, Representative Somers stated that there are 500 meth labs shut down per year in Maricopa County.

Jim Buster, Legislative Liaison, Arizona Department of Environmental Quality (ADEQ), expressed their concern with this bill. This bill would make the Department responsible for verifying the financial responsibility of certified remediation specialists. There are 11 remediation specialists and they would have to hire a full time employee.

Representative Somers stated that the house version of the bill will not refer to certified remediation specialists. They will be using registered contractors.

Senator Martin stated that the effective date would be March 2003 or later.

Donna Neill, Director, Nailem, spoke in opposition to the bill. She stated that there needs to be a practice to see if it is working. She stated that the Legislature needs to be responsible.

Raquel Briggs, Broadmor Hills Association, representing herself, stated that she had a meth lab in her community. She further stated that no clean up has been done. She asked for the Legislature to move this bill along to protect their community.

Senator Guenther announced the following individuals were present in support of the bill: **Jack LaSota, Lawyer, Maricopa County; Michael Haener, Director of Legislative Affairs, Attorney General; Alan Ecker, Program Associate, County Supervisors Association; and Tom Farley, Lobbyist, Arizona Association of Realtors.**

Senator Hamilton moved S.B. 1375 be returned with a DO PASS recommendation

Senator Hamilton moved the Guenther nine-page strike everything amendment 3/19/02 at 8:21 a.m. be ADOPTED (Attachment B). The motion CARRIED by a voice vote.

Senator Hamilton moved the Guenther 18-line amendment to the strike everything amendment dated 3/20/02 at 10:46 a.m. be ADOPTED (Attachment C). The motion CARRIED by a voice vote.

Senator Hamilton moved S.B. 1375 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 8-0-0 (Attachment 1).

SB 1410 - water management authority; Santa Cruz – FAILED

Kerri Morey, Senate Research Analyst, stated that this bill allows the formation of a Water Management and Importation Authority in each active management area (AMA) after an interim water rights decree is filed with the Superior Court by a majority of the surface or groundwater right holders within the Gila River system. The bill sets up a process for the formation of a Water Management and Importation Authority (WMIA) in counties that include at least a portion of an AMA. The bill also allows the other owners of decreed water rights to apply to join an already established authority and clarifies that qualifications for membership must be adopted in the authority bylaws. The bill allows the authority to charge any fees necessary to recover costs under a contract and authorizes any additional fees or charges as the authority deems necessary to fund the acquisition of replacement supplies of water. Ms. Morey further explained the Guenther 12-page amendment dated 3/20/02 at 11:57 a.m.

In response to Senator Jarrett, Ms. Morey stated that there would be nine members on the Board of Directors. She further stated that the bill allows anyone who is a holder of a decreed water right to join the authority.

In response to Senator Smith, Ms. Morey stated that the fee was increased to \$7.50 and the amendment takes it back to \$5.00.

Carlos Ronstadt, Attorney, Inscription Canyon Ranch, explained that the intent of the bill is to set up powers so that the authority can condemn a water right or property but only to the extent it is necessary to build infrastructure. The bill severely limits the powers of the authority so they cannot condemn a water right or property for purposes of controlling a water right. The technical amendments take care of most of the issues that came up in their public hearings. Their concern, however, is that the City of Nogales is not on board at this time. He stated that Salt River Project (SRP) has some concerns on the bonding authority. Also, the Arizona Department of Water Resources (ADWR) has some concerns on the bill. However, it is still a work in progress.

In response to Senator Arzberger, Mr. Ronstadt stated that if they need a right-of-way for a pipeline or for a treatment facility, they can acquire the property to facilitate the construction.

In response to Senator Smith, Mr. Ronstadt stated that this bill is a settlement process that started five years ago to make an effort to identify the major water rights holders in the Santa Cruz AMA. They have also met with ADWR to talk about their concerns.

Jan Ronald, Deputy Counsel, ADWR, stated that she had spoken last week about concerns on this bill. They still have the same concerns. However, they are supportive of the formation and the general concept of a water authority for the Santa Cruz area. She further stated that the bill is conditioned upon the Gila River Adjudication Court for a decree. A decree must be requested by a majority of the water users in the AMA who have rights greater than ten acre feet per year. There are other parties in the Gila River Adjudication who may have their own issues regarding the language in this bill. A decree would have to address the management, administration and conservation of water uses within the Santa Cruz area.

Ms. Ronald further stated that the ADWR would receive \$1.00 out of the \$5.00 fee.

Ms. Ronald stated that this bill is premature and is not ready to go through the Legislative process. There are concerns expressed by the City of Nogales. They request that the bill be held.

Molly Greene, Salt River Project (SRP), stated that SRP has some concerns about the impact on the water adjudications and are concerned about the new provision in the law which provides an exception to the abandonment and forfeiture law.

Jay Moyes, Attorney, Rio Rico Properties and Utilities, stated that he was speaking for Lee Storey. Mr. Moyes stated that he has been with Rio Rico since 1981. Mr. Moyes stated that the concerns need to be addressed so this project can move ahead. He stated that most of the water users cannot afford to continue to fight for this provision. He further stated that the Mexican effluent gets dumped right in the lap of Rio Rico.

In response to Senator Jarrett, Senator Guenther stated that the City of Nogales still has a concern on the composition of the Board.

Senator Arzberger stated that she represents a lot of Santa Cruz County. She further stated that she is concerned that the City of Nogales has not been involved in this project and they have expressed concerns about this bill. Senator Arzberger stated that she would recommend that they work on this project next year.

Mr. Ronstadt stated that his clients would not want to wait another year on this project.

Senator Hamilton moved S.B. 1410 be returned with a DO PASS recommendation.

Senator Hamilton moved the Guenther 12-page amendment dated 3/20/02 at 11:57 a.m. be ADOPTED (Attachment D). The motion CARRIED by a voice vote.

Senator Hamilton moved S.B. 1410 be returned with an AS AMENDED, DO PASS recommendation.

Senator Brown explained that this bill is ahead of the process and he will be voting "no."

Senator Richardson stated that she agreed with Senator Brown and will be voting "no."

Senator Smith stated that there is nothing to lose by voting "yes."

Senator Hamilton agreed with Senator Smith.

The motion FAILED by a roll call vote of 4-4-0 (Attachment 2).

SCR 1016 - state land exchanges; military airports – FAILED

Adam Van Buskirk, Senate Intern, explained that this resolution allows State trust land to be exchanged for land in high noise and accident potential zones surrounding military airports. This resolution amends the Arizona constitution and is subject to voter approval in the next general election.

Nick Simonetta, Communications and Legislative Affairs Manager, Arizona State Land Department, stated that the problem with this resolution is that there will be another land exchange on the ballot. These land exchanges have been defeated a number of times in the last ten years. This resolution will not serve any practical use with respect to land exchanges where the trust would be taking land around the military bases.

In response to Senator Smith, Mr. Simonetta stated his concern that there is a loss of tremendous opportunity to bring back value to the trust if the exchange that is on the ballot now is defeated.

Senator Bundgaard, bill sponsor, stated that the voters have not rejected the specific language of this resolution. The proposals in the past ten years have been complex. He stated that he used the same language on this resolution as the one already on the ballot. He stated that both resolutions can pass.

Mr. Simonetta stated that the public will not be able to differentiate the resolutions on the ballot and will fail each resolution.

In response to Senator Hamilton, Mr. Simonetta stated that as trustees of the State trust land that there is going to be little or no practical application for the process in SCR 1016 because of the necessity of the State Land Department taking encumbered land around the bases. That is not the kind of land that they are looking for and it is difficult to find land to trade for the land from the private owners. As such, this will not be a good tool.

Amy Duffy, Director of Intergovernmental Relations, The City of Glendale, spoke in support of the resolution. She stated that Luke Air Force Base in Glendale provides two billion dollars to the State economy each year.

In response to Senator Hamilton, Ms. Duffy stated that the study on the Luke Air Force Base's economic impact on the economy was conducted approximately ten years ago. Mr. Hamilton stated that the study was only done for Maricopa County and only included Luke Air Force Base.

In response to Senator Guenther, Ms. Duffy stated that they have looked at other states and this resolution will provide a better opportunity to protect the military bases.

Senator Hamilton explained that a certain amount of area has to be set aside so that there is safety for people on the ground. As a result, there has to be a cleared area, which is agricultural in nature. When the base eventually closes, the land is fully developable and very valuable. The State can wait that long and benefit greatly.

Senator Bundgaard stated that in addition the State Land Department expects to wait for 50 to 100 years. The State land that will be exchanged is not currently producing any value or income to the State trust which benefits education. He stated that it is a win for education, the military installation and the State.

Senator Guenther expressed his concern that it has to be based on the appraisal and the appraisal be based on current value, not future value. He stated that the land should be put into low-density use which is compatible with the military base.

Senator Smith stated that if the SCR passes, they will get an appraisal at the present time.

Barbara Robey, Arizona School Boards Association, spoke in opposition to the bill.

Senator Bundgaard stated that it is inconceivable that the Board of Education would be against this resolution considering the fact that it would add value to the Trust Fund. He stated that putting State land into production would at least put lease money into the Trust.

Ms. Robey further stated that SCR 1004 which passed last year is the first step toward accomplishing exchange of Trust lands on a public to public basis. They oppose the public to private exchange.

Jerene Watson, Director, Community Initiatives Department, City of Goodyear, stated that they fully support this resolution. She stated that Goodyear is a southern departure corridor for Luke Air Force Base. There is also private development ownership. She further stated that four acres within this area sold for \$60,000 an acre and it is industrially zoned.

James Walsh, Consultant, Grand Canyon Trust, spoke in opposition to the resolution. He stated that this land is generating some form of income. He further stated that 5 percent of the Trust is now enclosed within federal holdings in this State. If there is a public to public exchange measure, the 400,000 acres can be exchanged for land that the Trust can get adequate compensation for and support education at a higher level.

Senator Guenther announced the following individuals were present in support of the resolution: **Paul Barnes, representing himself; Barry Dill, Lobbyist, City of Tucson; Donna Neill, Director, Nailem; Miryam Gutier, Director of Government Relations, City of Surprise; and Joe Sigg, Lobbyist, Arizona Farm Bureau.**

Senator Guenther announced the following individuals were present in opposition to the resolution: **Sandy Bahr, Conservation Director, Sierra Club - Grand Canyon Chapter; Lori Faeth, Director of Government Relations, The Nature Conservancy; Bas Aja, Director of Government Relations; Tom Farley, Lobbyist, Arizona Association of Realtors; and Becky Hill, Director of Legislative and Congressional Affairs, Arizona Department of Education.**

Senator Hamilton moved S.B. 1410 be returned with a DO PASS recommendation.

Senator Arzberger explained that she strongly supported the agricultural preservation bill last year. She stated that the SCR on the ballot for this election is very important and another one would jeopardize it and will vote "no."

Senator Brown agreed with Senator Arzberger and will vote "no."

Senator Bundgaard stated that this is an easy mechanism to preserve the military installations, to protect private property rights, and to provide money to the schools.

Senator Guenther stated that he would like to know where the Governor is on this issue. He is still concerned about the value of the land. He will be voting "no."

The motion FAILED by a roll call vote of 4-4-0 (Attachment 3).

There being no further business, the meeting adjourned at 11:00 a.m.

Respectfully submitted,

Debbie Kennedy
Committee Secretary

(Tapes and attachments on file in the Secretary of the Senate's Office/Resource Center, Room, 115.)

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Agriculture and Environment
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