

ARIZONA HOUSE OF REPRESENTATIVES  
Fiftieth Legislature – First Regular Session

**COMMITTEE ON ENVIRONMENT**

Minutes of Meeting  
Tuesday, January 25, 2011  
House Hearing Room 5 -- 2:00 p.m.

Chairman Reeve called the meeting to order at 2:29 p.m. and attendance was noted by the secretary.

**Members Present**

Mr. Ableser  
Ms. Alston  
Mrs. Carter

Mr. Crandell  
Mr. Pratt

Ms. Fann, Vice-Chairman  
Miss Reeve, Chairman

**Members Absent**

None

**Committee Action**

None

**PRESENTATIONS:**

**Arizona State Land Department:**

Maria Baier, Commissioner, Arizona State Land Department, distributed a handout and reviewed a slide presentation (Attachment 1). She related that the Land Department was established in 1915 to manage Arizona State Trust Land. The Trust was established by Congress when land was granted by Congress to Arizona to generate revenue to start a public institution. By the time the territory of Arizona became a state, four sections out of each township were granted to the Trust to fund the creation of an education system in the state. Another 2.3 million acres were granted by the federal government to be used for the creation and operations of other state agencies, including prisons and universities, state hospital, the Pioneers Home and the School for the Deaf and Blind; these are the beneficiaries of the Trust. The original land granted by Congress to the state was 10.5 million acres; 9.3 million acres are left in the Trust which is about 13 percent of the surface area of the state. She revealed that 87 percent of the State Trust Lands still belong to the public schools.

She advised that decisions regarding Trust Lands are tied to the provisions of the Enabling Act of 1910 that created the state, the Arizona Constitution, statutes passed by the Legislature as well as

Supreme Court cases. The main constraints on any transactions involving Trust assets are as follows:

- All lands are to be appraised at fair market value and cannot be disposed of for less than that amount.
- Sale or long-term lease is awarded through public auction to the highest and best bidder.
- Land sales or leases in excess of ten years must be advertised for ten weeks.
- Trust lands cannot be mortgaged or encumbered.

The Department manages 11,000 active contracts and has about 1,400 pending applications. Revenues are derived from leasing and/or sale of land for agriculture, grazing, mining, commercial real estate and rights-of-way. The Department's budget is about \$11.5 million and about \$155 million was generated in fiscal year 2010.

She noted that in 2009, a new funding mechanism was approved by the Legislature allowing the Land Department to take up to 10 percent of the proceeds of sales of Trust assets each year to manage the Trust. That practice is the subject of litigation that was filed last year by the Center for Law in the Public Interest. The defendants include the State Treasurer and the State Land Commissioner, and the plaintiffs are two teachers in the Cartwright School District. The defendants lost in Trial Court and have appealed the suit in the Court of Appeals.

She introduced Vanessa Hickman, the Deputy State Land Commissioner, and Keith Fallstrom, Administrative Division.

Mr. Ableser expressed concern that the money involved in the lawsuit is part of the Governor's 2012 budget. Ms. Baier said she does not know of any funding other than the General Fund to repay the 10 percent, so the Department would become a part of the budget discussions.

In reply to Chairman Reeve, Ms. Baier advised that the Department has a National Resources Division that reviews and analyzes environmental issues. The Department is charged with managing the land and keeping Trust lands pristine. The challenge is that people assume the land is open for recreation and use the land without a permit. She said that with the exception of leased land, most of the State Trust Lands can be accessed by applying for a recreational permit that costs \$15 a year.

Chairman Reeve asked about the sale of land. Ms. Baier explained that there is a rigorous application process.

Ms. Baier maintained that it is an ongoing challenge dealing with air quality issues in Maricopa County; Pinal County will be a greater challenge because acreage is almost double that of Maricopa County, especially if it goes to non-attainment status. If the Department does not comply with the Clean Air Act, it receives notices of violation. She pointed out that people who lease land are responsible for air quality on the land they lease.

To that point, Mr. Crandell referred to leased land and asked whether that includes remote rural areas. Ms. Baier answered that the enhanced air quality regulations have primarily affected Maricopa, Pima and Pinal Counties. Chairman Reeve advised that remote areas are not the target of PM-10 violations, so they are not affected. Ms. Baier concurred. She said she does not

believe that ranchers in the northern part of the state will be subject to any new air quality regulations. Mr. Crandell again expressed his concern.

Mr. Crandell queried whether rights-of-way are leased or sold. Ms. Baier answered that they can be leased and sold, depending on what the need is. The lessee is responsible for the maintenance of leased land.

**Arizona Water Quality Association:**

Doug Oberhamer, President, Arizona Water Quality Association, testified that the Association is a voluntary not-for-profit organization consisting of members engaged in the manufacture, wholesale or retail distribution of water treatment equipment and chemicals. He provided and reviewed handouts (Attachments 2 and 3). One of the products manufactured is an ion exchange water softener using sodium chloride or potassium chloride for regeneration. The Central Arizona Salinity Study (CASS), a cooperative partnership between the Bureau of Reclamation, municipalities and water providers, was initiated in 2001 to examine the problems created by increased imported and local sources of salts into central Arizona. Salt and salinity are defined as total dissolved solids (TDS) and refers to minerals, salts and metals dissolved in water. The study found that 1.5 million tons of salt are imported into the region annually but only 400,000 tons leave the region. A model developed by the City of Phoenix and HDR Engineering estimates that water softening activities constitute about 8 to 10 percent of the salt added to the three Phoenix water reclamation facilities. Phase I of the CASS study identified that high TDS water has implications to all sectors of society. Phase II of the study evaluated potential approaches to managing salinity, including a water softener efficiency campaign to show how users can use water softeners more efficiently to decrease the amount of salinity entering the sewer system.

He advised that Association members are aware of the state's challenge of limited water supplies, rising salinity levels and increasing consumption. The Association believes these challenges require innovative technological answers and new approaches. The Association supports the CASS recommendations as well as a statewide ban on the sale, installation and use of water softeners regenerated by time clocks, minimum efficiency standards for self-regenerating water softeners and licensing of installers. At present, ion exchange is the only practical way to soften water. He stated that the American Water Quality Association looks forward to working with this Committee and others to find comprehensive solutions.

**Arizona Department of Environmental Quality (ADEQ):**

Mike Fulton, Director, Water Quality Division, Arizona Department of Environmental Quality (ADEQ), distributed and reviewed a handout (Attachment 4):

--Sources of Salinity in Central Arizona Surface Water:

Salinity in the water supply is through importation of water via the rivers and input to the reclaimed water sewer system, such as water softeners and industrial water treatment.

--Salt and the Reclaimed Water Supply:

Reclaimed water is waste water that has alternate uses after treatment at wastewater treatment plants, i.e., irrigation, dust control, and other environmental uses. High

concentrations of salt in the sewers affect the use of reclaimed water for irrigation and complicate ADEQ's permitting of discharge to rivers and streams. Salt removal is energy intensive and also uses water in the removal process. If salt can be kept out of the system, water can be conserved and energy can be saved.

--Central Arizona Salinity Study (CASS):

The CASS Study covers other environmental issues involved with salt management.

Ms. Alston questioned whether saltwater swimming pools contribute more to the environment than traditional pool chemicals. Mr. Oberhamer answered that he does not believe there is much difference in fresh or saltwater because when the pool is emptied, the water either goes into the sewer or the ground.

Mr. Crandell asked about alternative products to soften water. Mr. Oberhamer advised that alternatives to ion exchange water softening may inhibit scale inside the plumbing but do not soften water; the only product that softens water economically is ion exchange water softening. Reverse osmosis and distillation can also remove minerals from water but they are not economical for large-scale use. The best solution to make water softeners more efficient is to use less salt and less water to regenerate. Industry manufacturers are working on the issue but have not found a solution so far.

Mr. Crandell commented that he supports doing away with all regulation. He said he hopes industry will regulate itself with respect to any hazards to the environment and hopes they will set standards themselves rather than have government set standards.

Mrs. Carter queried whether underground injection of salt is an option for disposal. Mr. Fulton answered that some believe it is an available option; however, more research is needed to find out whether the agency will issue a permit for the activity.

Vice-Chairman Fann wondered whether the CASS study has a quantifiable number of the large amounts of money paid by municipalities, and ultimately the taxpayers, for repairs being done at wastewater treatment plants. Mr. Fulton said he believes some attempt has been made to quantify the difference in water rates that people might be willing to pay for higher quality of water. Vice-Chairman Fann said she would like to pursue this issue further to see if newer technology can save taxpayers money without too much regulation.

Chairman Reeve asked Vice-Chairman Fann if she would like to set up a subcommittee to look at this further without doing away with all regulation. Vice-Chairman Fann responded in the affirmative.

Ms. Alston asked whether there has been any thought given to combining water softening with a tankless hot water heater. Mr. Oberhamer advised that tankless water heaters require softened water to work beyond 12 to 24 months. Ms. Alston queried whether there is a device that can soften and heat the water at the same time. Mr. Oberhamer said he is not aware of any.

In response to Ms. Alston's query about the largest contributor to the salinity problem, Mr. Oberhamer answered that residential users are the largest because they consume more water. Commercial users are more cognizant of the economics of water quality and can use technology

that is beyond the reach of residential consumers. He suggested that there could be a public policy mandate to bring the standards of commercial/industrial water users to residential consumers.

Mr. Crandell queried whether lining ions up to prevent corrosion in a water heater would be a valid solution. Mr. Oberhamer stated that would not address the corrosion issue except in a minor way. Over time, the scale builds up in the bottom of the tank and the heat has to travel through the scale to heat the water, so the water heater becomes inefficient. Alternative devices can prevent scale buildup but do not soften the water. Mr. Crandell said he is concerned about scale that collects on the pipes and builds up on the bottom of the tank. He wondered whether part of the solution to salt buildup could be saltless water softeners to prevent calcium and magnesium from accumulating.

Chairman Reeve stated that Vice-Chairman Fann may introduce legislation to form a subcommittee to address this issue.

Without objection, the meeting adjourned at 3:40 p.m.

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Joanne Bell, Committee Secretary  
January 28, 2010

(Original minutes, attachments and audio on file in the Chief Clerk's Office; video archives available at <http://www.azleg.gov>)