

ARIZONA HOUSE OF REPRESENTATIVES
Fiftieth Legislature – First Regular Session

COMMITTEE ON AGRICULTURE AND WATER

Minutes of Meeting
Thursday, March 10, 2011
House Hearing Room 5 -- 9:00 a.m.

Chairman Jones called the meeting to order at 9:05 a.m. and attendance was noted by the secretary.

Members Present

Mrs. Barton
Mrs. Brophy McGee
Mr. Gallego

Mrs. Judd
Ms. Miranda C
Mrs. Pancrazi

Mr. Urie
Mr. Crandell, Vice-Chairman
Mr. Jones, Chairman

Members Absent

None

Committee Action

SB1269 - DP (9-0-0-0)
SB1362 - DPA S/E (9-0-0-0)

SB1404 - DPA (9-0-0-0)
SCM1008 - DP (9-0-0-0)

CONSIDERATION OF BILLS

SCM1008 - lower Santa Cruz River watershed. - DO PASS

Vice-Chairman Crandell moved that SCM1008 do pass.

Rodney Loehr, Majority Intern, stated that SCM1008 requests federal monies to fund a regional flood control project in Pinal County for the Lower Santa Cruz River watershed (Attachment 1).

Senator Steve Smith, sponsor, stated that the Santa Cruz River floods on average every ten years, causing significant damage to half of Pinal County. He asserted that all of the affected cities are collaborating to urge the Army Corps of Engineers to construct a dam to prevent any future flooding.

Paul Jepson, Assistant to the City Manager, City of Maricopa, testified in support of SCM1008, stating that he has been working with Arizona's Congressional Delegation for the past three years to have the dam built. He stated that the Santa Cruz River Alliance is seeking the approval of the United States Congress; there are no opposed parties.

Vice-Chairman Crandell asked why Pinal County is seeking the involvement of the federal government. Mr. Jepson stated that the Santa Cruz River is a river of national importance. The Army Corps is always involved in these kinds of projects and permit approval is required. Chairman Jones interjected that if a river is classified as a navigable river, the involvement of the Army Corps of Engineers is required.

Vice-Chairman Crandell announced the names of those who signed up in support of SCM1008 but did not speak:

Richard Travis, City of Maricopa

Chris Udall, Executive Director, Agri-Business Council of Arizona

Question was called on the motion that SCM1008 do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 2).

SB1404 - Arizona grain research trust fund - DO PASS AMENDED

Vice-Chairman Crandell moved that SB1404 do pass.

Gina Kash, Majority Research Analyst, stated that SB1404 establishes the Arizona Grain Research Trust Fund (Fund), and modifies current statute regarding the powers and duties of the Arizona Grain Research and Promotion Council (Council) (Attachment 3).

Ms. Kash explained that the Jones two-page amendment dated 03/08/2011 (Attachment 4) refines the language of the Fund and allows the commingling of Fund monies for investment purposes.

Vice-Chairman Crandell asked if appointees to the Council receive compensation and if the Fund self-funded or funded by the General Fund. Ms. Kash explained that the Fund is non-appropriated and is funded by a fee of \$0.40 per ton of grain and deferred further explanation to the sponsor.

Vice-Chairman Crandell moved that the Jones two-page amendment dated 03/08/2011 (Attachment 4) be adopted. The motion carried.

Senator Don Shooter, sponsor, stated that the Arizona Grain Research Trust Fund is a self-generated fund, allowing it to keep its own money to plan and use for designated areas. He stated that the Board Members are not paid.

Vice-Chairman Crandell stated that Arizona is not a large grain state and asked if there has been any consideration regarding entering into partnership with national grain associations. Senator Shooter deferred to members of the industry but explained that some involvement is necessary. Vice-Chairman Crandell stated that if the grain industry can partner with the national grain industry, sweeps into the General Fund can be avoided.

Mrs. Brophy McGee asked how the fees will be levied. Senator Shooter stated that the Trust is self-funded through a \$0.40 per ton fee, which is appropriated by the Council based on highest priority. Brief discussion ensued between Chairman Jones, Senator Shooter and Mrs. Brophy McGee regarding the fee.

Vice-Chairman Crandell announced the names of those who signed up in support of SB1404 but did not speak:

Shelly Tunis, Attorney, Yuma Fresh Vegetable Association

Honorable Doug Ducey, Arizona State Treasurer, Office of the Arizona State Treasurer

David Sharp, representing self, testified in support of SB1404, stating that he is the Chairman of the Arizona Grain Research and Promotion Council (Council). He stated that the goal of SB1404 is to increase protection of the monies donated by the industry so that they are not swept in the future. He stated that the Council is a member of the U.S. Wheat Associates, which is a national cooperative marketing association. He provided that, with the help of the U.S. Wheat Associates, the Council has developed Desert Durum®, which is a highly sought-after quality durum that has received international recognition, and a team from Europe will be coming to Arizona in the summer to look at purchasing Desert Durum®. Mr. Sharp stated that 45 percent of the Council's money goes to the University of Arizona and benefits the state.

Chairman Jones asked Mr. Sharp to elaborate on the working relationship between the Council and the federal government. Mr. Sharp stated that cooperation with the federal government is important to be able to have products shipped out, etc.

Robert Shuler, Lobbyist, Arizona Grain Research and Promotion Council, stated his support of SB1404 and the Jones amendment. In response to a question from Chairman Jones, Mr. Shuler explained the importance of working with the federal government in order to obtain permits to make shipments out of the country. He explained that the relationship is an important one in order to facilitate agricultural commerce in Arizona. Brief discussion ensued regarding the relationship with the federal government and overseas shipments of Arizona's products.

Vice-Chairman Crandell moved that SB1404 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 5).

SB1269 - veterinarian board - DO PASS

Vice-Chairman Crandell moved that SB1269 do pass.

Gina Kash, Majority Research Analyst, stated that SB1269 makes modifications to the Arizona State Veterinary Medical Examining Board and its investigative committees. The measure adds *veterinarian client patient relationship* to the definition section and assesses a civil penalty to veterinarians who practice veterinarian medicine without a valid *veterinarian client patient relationship* (Attachment 6).

Mr. Urie asked what *veterinarian client patient relationship* means. Ms. Kash referred to page two, paragraph 24 of SB1269 (Attachment 7) and read the definition. Mr. Urie asked if the definition refers to all animals including smaller animals. Ms. Kash replied in the affirmative.

Vice-Chairman Crandell asked how the bill relates to ranchers and veterinarians for cattle, etc. Ms. Kash stated that it is her understanding that the veterinarian client patient relationship begins at first contact with the animal and the veterinarian must meet the animal for an assessment before any treatment can begin. Vice-Chairman Crandell expressed concern with the bill in

relation to ranchers with herds of cattle that may change frequently and how the bill might inhibit a veterinarian from treating an animal. Discussion ensued.

Susie Stevens, Lobbyist, Arizona Veterinary Medical Association, testified in support of SB1269, stating that a *veterinarian client patient relationship* definition has been established in 42 other states; the relationship is established upon first contact between the veterinarian and the animal. She explained the portion of the bill relating to medical records, stating that if a veterinarian is out of town and a patient calls in to obtain antibiotics for an animal that relationship would extend to another partner within the veterinarian's office, so that they could have access to the records. She stated that the bill's purpose is to address the online practices that treat without a relationship to the animal.

Vice-Chairman Crandell restated his concerns and asked how much input was received from rural doctors when drafting the bill's definitions, and who the stakeholders were. Ms. Stevens related that a livestock veterinarian was included in the meetings and the American Medical Association was consulted when drafting the definitions. She offered that it is not the intention of the bill to change current practice. Discussion ensued regarding the difference between large commercial animals and small retail animals.

Joseph Abate, Counsel, Arizona State Veterinary Medical Examining Board, testified in support of SB1269, stating that the Arizona State Veterinary Medical Examining Board worked with the Arizona Veterinary Medical Association on the bill and is willing to work on any concerns and unintended consequences that may result from the bill.

Question was called on the motion that SB1269 do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 8).

SB1362 - flood control structures - DO PASS AMENDED S/E
S/E: structures; flood control districts

Vice-Chairman Crandell moved that SB1362 do pass.

Vice-Chairman Crandell moved that the Brophy McGee five-page strike-everything amendment dated 3/7/11 (Attachment 9) be adopted.

Rodney Loehr, Majority Intern, stated that Brophy McGee five-page strike-everything amendment dated 3/7/11 (Attachment 9) to SB1362 adds a provision, as a flood control enhancement solution, that allows county flood control districts to construct bridges or other access over watercourses that are impassable to emergency vehicle traffic for 14 or more days per year (Attachment 10).

Vice-Chairman Crandell asked how SB1362 affects the building of a bridge over the Sycamore Creek which floods on a regular basis. Mr. Loehr referred to page 1, subsection C of the bill, stating that the flood control district will enter into contracts with a governmental agency and approval is required before the building can begin.

Senator Frank Antenori, sponsor, stated that he was approached by Santa Cruz County to sponsor a bill that added the word "bridge" to the structures that can be used for flood control. He

explained that Santa Cruz County has a river with constant flow which people currently drive through to access houses on the other side; when the river floods from rain storms it cannot be crossed and people must drive nine miles upstream to a crossing to get to their homes. He explained that this also increases ambulance response time by 30 minutes. Currently, the term “bridge” is not included in the list of structures which are allowed for flood control and Santa Cruz County does not want to build a dam. By adding “bridge” to the list of acceptable structures, the residential areas can be more easily accessed during times of flooding.

Mr. Gallego asked if SB1362 could potentially help all flood control districts; Mr. Antenori answered in the affirmative.

Vice-Chairman Crandell asked if the 14-day requirement must be consecutive or just any 14 days in the year. Senator Antenori stated that the 14 days can be individual days and do not have to be consecutive. Vice-Chairman Crandell stated that not defining the 14 days can leave the bill open to interpretation. Senator Antenori explained that SB1362 has nothing to do with the requirements that are involved with building the bridge, it simply allows the counties access to the revenue for the purposes of building that bridge.

Todd Madeksza, Director of Legislative Affairs, County Supervisors Association, testified in support of SB1362, stating that it relates to all flood control districts in the state.

Rory Hays, Maricopa Flood Control District, stated her support of SB1362.

Question was called on the motion that the Brophy McGee five-page strike-everything amendment dated 3/7/11 (Attachment 9) be adopted. The motion carried.

Vice-Chairman Crandell moved that SB1362 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 11).

PRESENTATIONS

Salt River Project’s Mission

Theresa Lopez, Government Relations, Salt River Project (SRP), thanked the Committee for the opportunity for SRP to present and introduced Bruce Hallin.

Bruce Hallin, Manager, Water Rights and Contracts, Salt River Project, reviewed a brief history of the Salt River Project (SRP) and supplied the Members with a copy of his presentation (Attachment 12). Mr. Hallin provided information on the following subjects during his presentation:

- Salt River Valley Water Users’ Association (1903)
- Salt River Project Agricultural Improvement and Power District (1937)
- National Reclamation Act (1902)
- Theodore Roosevelt Dam
 - cornerstone of SRP
 - model for federal reclamation

- energy production
- SRP surface water sources
- SRP reservoir system
- Watershed protection efforts
 - Verde Valley
 - Big Chino Agreement in Principle
 - Northern Gila County - C.C. Cragin Reservoir
 - Indian Water Settlements
- Salt River Valley Efforts
 - recharge
 - conservation
- Eureka/Verde Ditch
- Big Chino/Upper Verde water issues
- Upper Verde Springs
- C.C. Cragin (Blue Ridge) Project
 - acquired by SRP from Phelps Dodge Corporation
 - transferred to United States as part of Salt River Federal Reclamation Project
 - Northern Gila County - 3,500 acre-feet (af) allocation
- Native American Reservations
- White Mountain Apache Tribe (WMAT) Rural Water System
- 4 Forest Restoration Initiative
- SRP adapting to urbanization
 - urbanization of member lands
- SRP groundwater sources
- Granite Reef Underground Storage Project (GRUSP)
- New River Agua Fria Underground Storage Project (NAUSP)
- Current water conservation efforts

In response to questions from Members, Mr. Hallin provided detail regarding the following:

- The Colorado River Watershed
- SRP watersheds in relation to Active Management Areas (AMAs)
- Prohibition against moving groundwater from one sub-basin to another
- Groundwater pumping
- Environmental Protection Agency (EPA) management of runoff water

Overview of Water Wells in Arizona

Gary Hix, President, Arizona Water Well Association, introduced staff who accompanied him and provided the Members with a copy of a press release from the Arizona Department of Water Resources and the Arizona Water Well Association (Attachment 13) regarding Ground Water Awareness Week and explained its significance to the industry. Mr. Hix related to the Members the events that took place during a trip to Washington D.C. and the U.S. Congress to discuss well water. He explained that the press release and trip are part of a mission to inform the public about the importance of ground water awareness and keeping precise records of usage that are current. Mr. Hix related the desire to maintain a good working relationship between the Legislature and the Arizona Water Well Association.

Mr. Hix educated the Members on the differences between *pump installers* and well drillers and provided the following in response to questions:

- Pump installers are not licensed the same as well drillers.
- Pump installers may have a contractor's license but may not have knowledge of aquifers and are not licensed as a Well Driller is licensed.
- Handymen, plumbers and electricians are doing well installations and do not have the correct licensing; requiring the correct licensing will better protect the state's aquifers.
- Well water records will make 50-and 100-year projections regarding water well usage, and up-to-date records are the key to ensuring accuracy.

Mr. Hix stated that he would be happy to meet with any of the Members and have stakeholder meetings to address any problems that arise regarding the industry.

Chairman Jones thanked Mr. Hix for the Water Well Association's willingness to actively participate in maintaining the integrity of the aquifers.

Without objection, the meeting adjourned at 11:24 a.m.

Charly Laube, Committee Secretary
May 18, 2011

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