

Action Brief

BOARD OF DIRECTORS



Public Policy Agenda Number 2. REVISED

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DATE: March 2, 2010

AGENDA ITEM: Discussion and Possible Consideration of Action Regarding State Legislation That Could Affect CAWCD, Including, But Not Limited to:

HB 2081; HB 2083; HB 2214; HB 2282; HB 2289; HB 2377; HB 2448; HB 2599; HB 2606; HB 2617; HB 2653; HB 2661; HB 2676; HB 2744; HCR 2015; SB 1020; SB 1141; SB 1142; SB 1194; SB 1223; SB 1316; SB 1333; SB 1355; SB 1356; SB 1359; SB 1414; SCR 1046

RECOMMENDATION:

Staff recommends that the Committee adopt the positions on pending state legislation of interest to CAWD as outlined in March 4, 2010, Public Policy Agenda Number 2, Attachment 1.

FINANCIAL IMPLICATIONS: -0-

RELEVANT POLICY, STATUTE OR GUIDING PRINCIPLE:

CAWCD Strategic Plan:

- Effectively Manage Power Resources
- Prepare for Post-2011 Power Resources
- Maintain Stable and Predictable Rates
- Manage a Viable CAGR Plan of Operation
- Protect Colorado River Rights

PREVIOUS BOARD ACTION/ACTIVITY:

Board approved the 2010 State Legislative Agenda on December 3, 2009.
Board voted to take positions on several bills on February 4, 2010.

ISSUE SUMMARY/DESCRIPTION:

See March 4, 2010, Public Policy Agenda Number 2, Attachment 1.

SUGGESTED MOTION:

I move to recommend that the Board adopt the following positions on pending state legislation of interest to CAWCD:

Monitor HB 2289

Support HB 2599

Support HB 2606

Amend and Monitor HB 2617

Support HB 2653

Amend and Support HB 2661

Amend and Monitor HB 2676

Support SB 1142

Support SB 1194

Monitor SCR 1046

Public Policy Agenda Number 2. Attachment 1.

February 23, 2010

Today is the 44th day of the Second Regular Session of the State Legislature. 1232 bills have been introduced thus far and 2 have been signed into law.

The following Legislative Issues Update outlines the status of the Board-approved 2010 Legislative Agenda as well as other relevant state legislative bills and issues.

Issue	Status as of February 23, 2010
2010 CAP STATE LEGISLATIVE AGENDA	
<p>Navajo Generating Station <i>Pursue a joint letter/resolution of State officials expressing support of NGS.</i></p>	<p>We are working with our stakeholders on a joint letter to the EPA that will be signed by a number of state officials.</p> <p>A meeting was held with Rep. Andy Tobin on February 10 regarding his bill, HCR 2015 Navajo Generating Station, Emission Standards requesting him to pull this legislation and endorse the joint letter strategy.</p>
<p>CAGRDR Legislation <i>Introduce legislation regarding bonding authority of the CAWCD, collection of dues for members of the CAGRDR to repay bonds issued to meet groundwater replenishment obligations, and other sustainability provisions.</i></p>	<p>SB 1141 CAGRDR Revenue Bonding; Sustainability Policies was introduced by Senator John Nelson and passed out of the Senate on February 15 by a vote of 24 to 6. The bill was amended twice with clarifying language noting where CAGRDR can and cannot acquire water.</p> <p>HB 2448 CAGRDR Revenue Bonding; Sustainability Policies was introduced by Representative Andy Tobin and is awaiting a hearing in the House Water and Energy Committee on February 25.</p>
<p>Alternate Power Sources <i>Develop legislation to clarify CAWCD's ability to invest in alternative sources of power.</i></p>	<p>SB 1414 Multi-County Water Conservation Districts; Energy was introduced by Senator John Nelson and scheduled to be heard on Monday, February 22 in the Natural Resources, Infrastructure and Public Debt Committee.</p> <p>Two meetings (December and January) were held with representatives from SRP and APS to discuss the language in the bill and to garner their support. Concerns continued to be raised by both entities, the strongest concern being that our pursuit of this language could be interpreted by some as abandoning the effort to protect Navajo</p>

State Legislative Issues Update



Central Arizona Project
Business Planning

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Issue	Status as of February 23, 2010
2010 CAP STATE LEGISLATIVE AGENDA (continued)	
	<p>Generating Station in the BART process. Business Planning staff received firm commitments from both entities to continue to work with CAP staff to address their concerns with the language over the coming year. Senator Nelson noted these commitments verbally in Committee on Monday, February 22 when announcing he would pull the legislation for the current session.</p>
<p>AWBA - Support the Arizona Water Banking Authority's efforts to seek legislation codifying AWBA's ability to participate in the pools created by CAWCD.</p>	<p>SB 1356, Water Bank; Excess CAP Water was introduced by Senator Steve Pierce and passed the Natural Resources, Infrastructure and Public Debt Committee on February 15 and the Senate Rules Committee in February 22.</p> <p>Business Planning staff put in a slip of support.</p>
<p>Indian Firming - Stakeholder Process to Use Water Storage Tax for Indian Firming</p>	<p>No update to report at this time.</p>
<p>Arizona Game and Fish Contribution – Support the AZ Game and Fish Department's efforts to collect and maintain revenues sufficient to continue its annual contribution toward the costs of the MSCP.</p>	<p>On February 18, Business Planning staff held a meeting with Arizona Game and Fish staff to discuss a strategy to protect their boater registration fees fund from legislative sweeps. We plan to continue to coordinate our efforts to protect this fund and the payments to the MSCP.</p>
OTHER BILLS/LEGISLATIVE ISSUES OF INTEREST	
<p>State Budget</p>	<p>The Legislature met in a 6th Special Session beginning on February 1 and ending on February 11 to continue to tackle the budget. Lawmakers approved measures that will cut \$750 million from the current deficit. With 4 months left in the current fiscal year, they still need to address a remaining \$700 million shortfall.</p> <p>One of the measures passed calls for a special election on May 18 to impose a one percent increase in sales tax from June 1, 2010 through May 31, 2013. Two-thirds of the revenue derived from the tax will be dedicated to education and one-third will be dedicated to health and human services and public safety purposes.</p> <p>The budget deficit for FY 11 is estimated to be \$2.59 billion.</p>
<p>ADWR Budget Issues</p>	<p>The Arizona Department of Water Resources held a stakeholder meeting on Friday, February 18 to continue discussions on various legislative proposals</p>

	<p>to address their budget situation. Business Planning staff attended this meeting.</p> <p>SB 1355, Water Use Assessment proposes to impose water use assessments on specified water users, CAP is not mentioned in this bill. SB 1355 was introduced by Senator Steve Pierce and had yet to receive a hearing in the Senate Natural Resources, Infrastructure and Public Debt Committee.</p> <p>SB 1359, Department of Water Resources; Fund creates a new Water Resources Fund and establishes a number of new fees related to ADWR statutory functions. CAP estimates the approximate annual financial impact of this legislation as being \$150,000 per year. SB 1359 was introduced by Senator Steve Pierce and passed the Senate Natural Resources, Infrastructure and Public Debt Committee by a vote of 6 to 0 on February 22.</p> <p>HB 2744, Bottled Water Surcharge establishes a surcharge on the sale of bottled water and directs revenues to ADWR, ADEQ and AZ cities and towns. HB 2744 was introduced by Rep. Lucy Mason and will be heard on February 25 in the House Water and Energy Committee.</p>
<p>HB 2081, Department of Water Resources; Continuation</p> <p>Sponsor: Rep. Lucy Mason</p> <p>CAWCD Position (February 4): SUPPORT</p>	<p>HB 2081 continues the Arizona Department of Water Resources for an additional ten years.</p> <p><i>Status: Passed the House on February 17 by a vote of 52 to 5.</i></p>
<p>HB 2083, Drought Emergency Groundwater Transfers</p> <p>Sponsor: Rep. Lucy Mason</p> <p>CAWCD Position (February 4): SUPPORT</p>	<p>HB 2083 allows groundwater to be transported away from a groundwater basin that is outside an active management area under specific emergency circumstances and on a temporary basis.</p> <p><i>Status: Passed the House on February 22 by a vote of 57 to 0.</i></p>
<p>HB 2214, Interstate Affiliations; Legislative Approval</p> <p>Sponsor: Rep. Andy Biggs</p> <p>CAWCD Position (February 4): OPPOSE</p>	<p>HB 2214 prohibits a state officer or employee from participating in any interstate institution or affiliation without the approval of the legislature by legislative enactment.</p> <p>While this bill does not directly apply to CAWCD, it may prohibit the Director of the Arizona Department of Water Resources from participating in the Colorado River Seven Basin States discussions.</p> <p><i>Status: Awaits a hearing in the Public Employees, Retirement and Entitlement Reform Committee.</i></p>

<p>HB 2282, Government Transparency; Political Subdivisions</p> <p>Sponsor: Rep. Steve Montenegro</p> <p>CAWCD Position (February 4): AMEND</p>	<p>HB 2282 requires political subdivisions to establish and maintain an official internet website that is electronically searchable by the public at no cost and that contains a comprehensive database of all receipts and expenditures of funds.</p> <p><i>Status: The bill was amended to exempt CAWCD on January 26 and passed the House Government Committee by a vote of 6 to 3.</i></p>
<p>HB 2377, State Treasurer; Quarterly Meetings</p> <p>Sponsor: Rep. Sam Crump</p> <p>CAWCD Position (February 4): SUPPORT</p>	<p>HB 2377 requires the State Treasurer to hold quarterly public meetings to report on the performance of current investments maintained by the Treasurer’s Office, the operations of the Treasurer’s Office, and provide a state and national economic forecast.</p> <p><i>Status: Passed the House Government Committee on January 26 by a vote of 8 to 0.</i></p>
<p>SB 1020, Government Service Contracts; Arizona Preference</p> <p>Sponsor: Sen. Russell Pearce</p> <p>CAWCD Position (February 4): OPPOSE</p>	<p>SB 1020 mandates that in awarding contracts for services that will be paid with public monies and in cases in which a bid from an Arizona resident is within 5% of the lowest bid, agencies must award the contract to the Arizona resident as long as that person has paid property taxes in this state for at least 2 years prior to submission of the bid.</p> <p>CAWCD staff expressed concern that this bill infringes on the right to manage agency funds and operations and will result in higher costs.</p> <p><i>Status: Awaiting a hearing in the Senate Government Committee</i></p>
<p>SB 1223/SB 1316, Underground Water Storage; Preexisting Use</p> <p>Sponsor: Sen. Sylvia Allen</p> <p>CAWCD Position (February 4): OPPOSE</p>	<p>SB 1223 and SB 1316 state underground storage cannot interfere with existing land uses. This legislation could prevent recharge activities.</p> <p><i>Status: SB 1223 Held in the Senate Natural Resources, Infrastructure and Public Debt Committee (NRIPD) on February 15. SB 1316 awaiting a hearing in NRIPD.</i></p>
<p>SB 1142 Renewable Energy Tax Credit</p> <p>Sponsor: Sen. John Nelson</p> <p>Recommended Position: SUPPORT</p>	<p>SB 1142 creates individual and corporate income tax credits for the cost of production of commercially marketed electricity from renewable sources, including wind, biomass and solar.</p> <p><i>Status: Awaiting a hearing in the Senate Finance Committee on February 24.</i></p>
<p>SB 1194 Arizona Power Authority; Bonding</p> <p>Sponsor: Sen. Steve Pierce</p> <p>Recommended Position: SUPPORT</p>	<p>SB 1194 removes State Certification Board approval as a prerequisite for the Arizona Power Authority to issue revenue bonds for transmission lines, projects, and facilities.</p> <p><i>Status: SB 1194 passed the Senate Natural Resources, Infrastructure and Public Debt Committee on February 1 by a vote of 7 to 0.</i></p>

<p>SCR 1046 Jurisdiction Over Intrastate Waters Sponsor: Rep. Chuck Gray</p> <p>Recommended Position: MONITOR</p>	<p>SCR 1046 proposes to amend the Constitution of Arizona to declare that the state of Arizona has the sole authority in defining, designating and regulating nonnavigable waters within the state.</p> <p>Status: SCR 1046 passed the Senate Natural Resources, Infrastructure and Public Debt Committee on February 15 by a vote of 4 to 2.</p>
<p>HB 2289 Water Recharge; Direct Use Sponsor: Rep. Frank Pratt</p> <p>Recommended Position: MONITOR</p>	<p>HB 2289 amends the recharge statutes to provide an exemption for an entity that is recharging CAP water in an AMA, and at the same time pumping groundwater, from having ADWR reduce the amount of CAP water storage credits by an amount equal to the groundwater pumped. However, this would only apply if the groundwater was pumped for mineral extraction and metallurgical processing and delivered to an irrigation district that reduces its groundwater pumping.</p> <p>Status: HB 2289 passed the House Environment Committee by a vote of 4 to 2 on February 9 and the House Rules Committee by a vote of 8 to 0 on February 22.</p>
<p>HB 2599 State Treasurer's Operating Fund Sponsor: Rep. John Kavanagh</p> <p>Recommended Position: SUPPORT</p>	<p>HB 2599 creates a new State Treasurer's Operating Fund consisting of management fees assessed on funds deposited in investment pools operated by the State Treasurer. Monies in the fund are subject to Legislative appropriation.</p> <p>The State Treasurer's staff requested CAP support this legislation.</p> <p>Status: HB 2599 was held in the House Appropriations Committee on February 3.</p>
<p>HB 2606 State Treasurer; Investment Sponsor: Rep. Sam Crump</p> <p>Recommended Position: SUPPORT</p>	<p>HB 2606 expands the list of investment instruments of the State Treasurer to include shares in the Treasurer's long-term, local government investment pools.</p> <p>The State Treasurer's staff requested CAP support this legislation.</p> <p>Status: HB 2606 passed the House Government Committee on February 9 by a vote of 8 to 0.</p>
<p>HB 2617 Mining Amendments; Water; Permits; Rules Sponsor: Rep. Russ Jones</p> <p>Recommended Position: MONITOR</p>	<p>HB 2617 makes a number of changes dealing with the regulatory authority of state agencies and allows for the transportation of groundwater outside of an AMA away from the groundwater basin if it is for remedial action or mining mitigation. The bill does not appear to have any direct impact on CAP operations.</p> <p>Status: <i>Awaiting a hearing on the House Natural Resources and Rural Affairs Committee on February 25.</i></p>

<p>HB 2653 Joint Action Agency Legislation Sponsor: Rep. Frank Pratt</p> <p>Recommended Position: SUPPORT</p>	<p>HB 2653 allows public agencies to establish a separate legal entity (Joint Action Agency) for the purpose of jointly conducting certain undertakings, such as engaging in electric generation and transmission activities.</p> <p>Business Planning staff received permission from the Board President and the Public Policy Chairwoman to put in a slip of support.</p> <p><i>Status: HB 2653 passed the House Natural Resources and Rural Affairs Committee on February 22 by a vote of 6 to 0.</i></p>
<p>HB 2661 Statewide Water Augmentation Authority; Study Sponsor: Rep. Andy Tobin</p> <p>Recommended Position: AMEND and SUPPORT</p>	<p>HB 2661 establishes a statewide water planning commission, as suggested by NAMWUA. On February 22, CAP, AMWUA and NAMWUA reps met and agreed to change the composition and mission of the commission.</p> <p><i>Status: HB 2661 is awaiting a hearing in the House Water and Energy Committee meeting on February 25.</i></p>
<p>HB 2676 and SB 1333 S/E Energy Park Authority HB 2676 Sponsor: Rep. Warde Nichols SB 1333 S/E Sponsor: Sen. Thayer Verschoor</p> <p>Recommended Position: AMEND and MONITOR</p>	<p>HB 2676 and SB1333 S/E establish a statewide Energy Park Authority as a corporate and political body with all the rights and powers of municipal corporations to develop electric generation and transmission facilities and supporting infrastructure. The Authority is governed by a 7-member Board of Directors. The Authority may issue bonds and other obligations. Establishes a class 10 property classification for electric generation and transmission facilities, with 20% of class 10 property tax revenues being deposited in the Authority's general fund.</p> <p>A concern was raised with an amendment to the bills that modifies CAP statutes making it permissive that CAP house and staff the Energy Park Authority at no cost. With permission of President Bitter Smith and Public Policy Chairwoman Gayle Burns, Don Isaacson testified in Committee requesting that provision be removed.</p> <p><i>Status: HB 2676 passed House Government Committee on February 23 by a vote of 6 to 1 and SB 1333 was held on February 23 in the Senate Commerce and Economic Development Committee.</i></p>

If you have any questions or would like more information regarding any of the issues contained in this report, please contact CAP Business Planning, 623-869-2150.

State Legislative Issues Update

CAWCD Public Policy Committee
March 4, 2010

2010 State Legislative Agenda

- 1232 bills have been introduced thus far



State Legislative Issues Update

Priority Issue



- Pursue a joint letter/resolution of State officials expressing support of the Navajo Generating Station.
- Stakeholders working on joint letter draft.
- HCR 2015

We are working with our stakeholders on a joint letter to the EPA that will be signed by a number of state officials.

A meeting was held with Rep. Andy Tobin on February 10 regarding his bill, **HCR 2015 Navajo Generating Station, Emission Standards** requesting that he pull this legislation and endorse the joint letter strategy.

State Legislative Issues Update

- Introduce legislation regarding bonding authority of the CAWCD, collection of dues for members of the CAGRDR, and other sustainability provisions.
- *SB 1141 introduced by Sen. John Nelson and passed the Senate.*
- *HB 2448 introduced by Rep. Andy Tobin*

SB 1141 CAGRDR Revenue Bonding; Sustainability Policies was introduced by Senator John Nelson and passed out of the Senate on February 15 by a vote of 24 to 6. The bill was amended twice with clarifying language noting where CAGRDR can and cannot acquire water.

HB 2448 CAGRDR Revenue Bonding; Sustainability Policies was introduced by Representative Andy Tobin and is awaiting a hearing in the House Water and Energy Committee on February 25.

State Legislative Issues Update

- Develop legislation to clarify CAWCD's ability to invest in alternative sources of power.
 - *Concerns raised with language*
 - *Commitments to work together over the coming year*

SB 1414 Multi-County Water Conservation Districts; Energy was introduced by Senator John Nelson and scheduled to be heard on Monday, February 22 in the Natural Resources, Infrastructure and Public Debt Committee.

Two meetings (December and January) were held with representatives from SRP and APS to discuss the language in the bill and to garner their support. Concerns continued to be raised by both entities, the strongest concern being that our pursuit of this language could be interpreted by some as abandoning the effort to protect Navajo Generating Station in the BART process. Business Planning staff received firm commitments from both entities to continue to work with CAP staff to address their concerns with the language over the coming year. Senator Nelson noted these commitments verbally in Committee on Monday, February 22 when announcing he would pull the legislation for the current session.

State Legislative Issues Update

- **Support the Arizona Water Banking Authority's efforts to seek legislation codifying AWBA's ability to participate in the pools created by CAWCD.**
- *SB 1356 was introduced by Senator Steve Pierce*
- *Bill passed the Senate Rules Committee on February 22.*

SB 1356, Water Bank; Excess CAP Water was introduced by Senator Steve Pierce and passed the Natural Resources, Infrastructure and Public Debt Committee on February 15 and the Senate Rules Committee in February 22. Business Planning staff put in a slip of support.

State Legislative Issues Update

- **Support the Arizona Game and Fish Department's efforts to maintain revenues sufficient to continue its annual contributions toward the costs of the MSCP.**
- *February 18 meeting with Arizona Game and Fish staff*
- *Continue to partner with agency to protect funds.*

On February 18, Business Planning staff held a meeting with Arizona Game and Fish staff to discuss a strategy to protect their boater registration fees fund from legislative sweeps. We plan to continue to coordinate our efforts to protect this fund and the payments to the MSCP.

State Legislative Issues Update

- 6th Special Session ended February 11
- \$750 million in cuts
- \$700 million remaining shortfall
- FY 11 budget deficit is estimated to be \$2.59 billion

The Legislature met in a 6th Special Session beginning on February 1 and ending on February 11 to continue to tackle the budget. Lawmakers approved measures that will cut \$750 million from the current deficit. With 4 months left in the current fiscal year, they still need to address a remaining \$700 million shortfall.

One of the measures passed calls for a special election on May 18 to impose a one percent increase in sales tax from June 1, 2010 through May 31, 2013. Two-thirds of the revenue derived from the tax will be dedicated to education and one-third will be dedicated to health and human services and public safety purposes.

The budget deficit for FY 11 is estimated to be \$2.59 billion.

State Legislative Issues Update

- ADWR held a stakeholder meeting to discuss its budget issue on February 18.
- CAP staff participated.



The Arizona Department of Water Resources held a stakeholder meeting on Friday, February 18 to continue discussions on various legislative proposals to address their budget situation. Business Planning staff attended this meeting.

State Legislative Issues Update

- SB 1355, Water Use Assessment
 - Sen. Steve Pierce
 - No hearing in NRIPD
- SB1359, Department of Water Resources; Fund
 - Senator Steve Pierce
 - Passed NRIPD by a vote of 6 to 0
- HB 2744, Bottled Water Surcharge
 - Rep. Lucy Mason
 - February 25 hearing in House Water and Energy

SB 1355, Water Use Assessment proposes to impose water use assessments on specified water users, CAP is not mentioned in this bill. SB 1355 was introduced by Senator Steve Pierce and had yet to receive a hearing in the Senate Natural Resources, Infrastructure and Public Debt Committee.

SB 1359, Department of Water Resources; Fund creates a new Water Resources Fund and establishes a number of new fees related to ADWR statutory functions. CAP estimates the approximate annual financial impact of this legislation as being \$150,000 per year. SB 1359 was introduced by Senator Steve Pierce and passed the Senate Natural Resources, Infrastructure and Public Debt Committee by a vote of 6 to 0 on February 22.

HB 2744, Bottled Water Surcharge establishes a surcharge on the sale of bottled water and directs revenues to ADWR, ADEQ and AZ cities and towns. HB 2744 was introduced by Rep. Lucy Mason and will be heard on February 25 in the House Water and Energy Committee.

State Legislative Issues Update

- SB 1142, Renewable Energy Tax Credit
 - Creates tax credits for the cost of production of commercially marketed electricity from renewable resources.

Recommended Position: Support

Sponsor: Sen. John Nelson

Status: *Awaiting a hearing in the Senate Finance Committee on February 24.*

SB 1142 creates individual and corporate income tax credits for the cost of production of commercially marketed electricity from renewable sources, including wind, biomass and solar.

Status: Awaiting a hearing in the Senate Finance Committee on February 24.

State Legislative Issues Update

- SB 1194, Arizona Power Authority; Bonding
 - Removes State Certification Board approval as a prerequisite for the APA to issue revenue bonds

Recommended Position: Support

Sponsor: Sen. Steve Pierce

Status: *Passed Senate Natural Resources, Infrastructure and Public Debt on February 1 by a vote of 7 to 0.*

SB 1194 removes State Certification Board approval as a prerequisite for the Arizona Power Authority to issue revenue bonds for transmission lines, projects, and facilities.

Status: SB 1194 passed the Senate Natural Resources, Infrastructure and Public Debt Committee on February 1 by a vote of 7 to 0.

State Legislative Issues Update

- SCR 1046, Jurisdiction Over Intrastate Waters
 - Proposes to amend the Constitution to declare that the state has the sole authority in defining, designating and regulating nonnavigable waters within AZ.
 - Recommended Position:** Monitor
 - Sponsor:** Rep. Chuck Gray
 - Status:** *Passed the Senate Natural Resources, Infrastructure and Public Debt Committee on February 15 by a vote of 4 to 2.*

SCR 1046 proposes to amend the Constitution of Arizona to declare that the state of Arizona has the sole authority in defining, designating and regulating nonnavigable waters within the state.

Status: *SCR 1046 passed the Senate Natural Resources, Infrastructure and Public Debt Committee on February 15 by a vote of 4 to 2.*

State Legislative Issues Update

- HB 2289, Water Recharge; Direct Use
 - Provides an exemption for an entity that is recharging CAP water and at the same time pumping groundwater for mineral extraction.

Recommended Position: Monitor

Sponsor: Rep. Frank Pratt

Status: *Passed the House Rules Committee on February 22.*

HB 2289 amends the recharge statutes to provide an exemption for an entity that is recharging CAP water in an AMA, and at the same time pumping groundwater, from having ADWR reduce the amount of CAP water storage credits by an amount equal to the groundwater pumped. However, this would only apply if the groundwater was pumped for mineral extraction and metallurgical processing and delivered to an irrigation district that reduces its groundwater pumping.

Status: *HB 2289 passed the House Environment Committee by a vote of 4 to 2 on February 9 and the House Rules Committee by a vote of 8 to 0 on February 22.*

State Legislative Issues Update

- HB 2599, State Treasurer's Operating Fund
 - Creates a new Operating Fund consisting of management fees assessed on funds deposited in investment pools.
 - Recommended Position:** Support
 - Sponsor:** Rep. John Kavanagh
 - Status:** Held in House Appropriations Committee on February 3.

HB 2599 creates a new State Treasurer's Operating Fund consisting of management fees assessed on funds deposited in investment pools operated by the State Treasurer. Monies in the fund are subject to Legislative appropriation.

The State Treasurer's staff requested CAP support this legislation.

Status: *HB 2599 was held in the House Appropriations Committee on February 3.*

State Legislative Issues Update

- HB 2606, State Treasurer; Investment
 - Expands the list of investment instruments of the Treasurer to include shares in the long-term, local government investment pools.

Recommended Position: Support

Sponsor: Rep. Sam Crump

Status: *Passed the House Government Committee on February 9 by a vote of 8 to 0.*

HB 2606 expands the list of investment instruments of the State Treasurer to include shares in the Treasurer's long-term, local government investment pools.

The State Treasurer's staff requested CAP support this legislation.

Status: *HB 2606 passed the House Government Committee on February 9 by a vote of 8 to 0.*

State Legislative Issues Update

- HB 2617 Mining Amendments; Water; Permits; Rules
 - Makes changes dealing with regulatory authority of state agencies and allows for the transportation of groundwater outside of an AMA if for remedial action or mining mitigation

Recommended Position: Monitor

Sponsor: Rep. Russ Jones

Status: *Awaits Committee Hearing in House Natural Resources on February 25.*

HB 2617 makes a number of changes dealing with the regulatory authority of state agencies and allows for the transportation of groundwater outside of an AMA away from the groundwater basin if it is for remedial action or mining mitigation. The bill does not appear to have any direct impact on CAP operations.

Status: *Awaiting a hearing on the House Natural Resources and Rural Affairs Committee on February 25.*

State Legislative Issues Update

- HB 2653 Joint Action Agency
 - Allows public agencies to establish an entity for the purpose of jointly conducting electric generation or transmission activities.
 - Recommended Position:** Support
 - Sponsor:** Rep. Frank Pratt
 - Status:** *Passed the House Natural Resources Committee on February 22 by a vote of 6 to 0.*

HB 2653 allows public agencies to establish a separate legal entity (Joint Action Agency) for the purpose of jointly conducting certain undertakings, such as engaging in electric generation and transmission activities.

Business Planning staff received permission from the Board President and the Public Policy Chairwoman to put in a slip of support.

Status: HB 2653 passed the House Natural Resources and Rural Affairs Committee on February 22 by a vote of 6 to 0.

State Legislative Issues Update

- HB 2661 Statewide Water Augmentation Authority; Study
 - Establishes a statewide water planning commission
 - On February 22 CAP, AMWUA and NAMWUA reps met to discuss modified bill language
- Recommended Position:** Amend and Support
- Sponsor:** Rep. Andy Tobin
- Status:** *Awaits Committee Hearing in House Water and Energy on February 25.*

HB 2661 establishes a statewide water planning commission, as suggested by NAMWUA. On February 22, CAP, AMWUA and NAMWUA reps met and agreed to change the composition and mission of the commission.

Status: *HB 2661 is awaiting a hearing in the House Water and Energy Committee meeting on February 25.*

State Legislative Issues Update

- HB 2676 & SB 1333 Energy Park Authority
 - Establishes a statewide authority to develop electric generation and transmission facilities.
 - Concern with amendment language regarding CAP housing/staffing the Authority at no cost.

Recommended Position: Amend and Monitor

Sponsor: Rep. Warde Nichols and Sen. Thayer
Verschoor

Status: *SB 1333 was held in Senate Commerce & HB 2676 passed House Government by a vote of 6 to 1*

HB 2676 and SB1333 S/E establish a statewide Energy Park Authority as a corporate and political body with all the rights and powers of municipal corporations to develop electric generation and transmission facilities and supporting infrastructure. The Authority is governed by a 7-member Board of Directors. The Authority may issue bonds and other obligations. Establishes a class 10 property classification for electric generation and transmission facilities, with 20% of class 10 property tax revenues being deposited in the Authority's general fund.

A concern was raised with an amendment to the bills that modifies CAP statutes making it permissive that CAP house and staff the Energy Park Authority at no cost. With permission of President Bitter Smith and Public Policy Chairwoman Gayle Burns, Don Isaacson testified in Committee requesting that provision be removed.

Status: HB 2676 passed House Government Committee on February 23 by a vote of 6 to 1 and SB 1333 was held on February 23 in the Senate Commerce and Economic Development Committee.

State Legislative Issues Update

- Any Questions?