

Members

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Sen. John Waterman
Sen. James Lewis
Sen. Larry Lutz
Sen. Richard Young
Rep. William Friend, Vice-Chairperson
Rep. Jack Lutz
Rep. Richard Dodge
Rep. James Bottorff
Rep. Dennie Oxley
Rep. Paul Robertson



WATER RESOURCES STUDY COMMITTEE

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MEETING MINUTES¹

Meeting Date: October 3, 2005
Meeting Time: 1:00 P.M.
Meeting Place: State House, 200 W. Washington St., 233
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Sen. Thomas Weatherwax, Chairperson; Sen. John Waterman; Sen. James Lewis; Sen. Larry Lutz; Sen. Richard Young; Rep. William Friend, Vice-Chairperson; Rep. Richard Dodge.

Members Absent: Sen. Johnny Nugent; Rep. Jack Lutz; Rep. James Bottorff; Rep. Dennie Oxley; Rep. Paul Robertson.

The Chair called the meeting to order at 1:10 p.m. After introducing the members and briefly explaining the Committee's statutory charge, he asked the Department of Natural Resources (DNR) to provide a progress update on Indiana's water shortage plan.

Indiana Water Shortage Plan:

Kyle Hupfer, DNR director, presented an overview of work thus far on the water shortage plan. He explained that a work group made up of various interested parties has been developing a plan that would provide a more formal prioritization of water uses in a

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

shortage than currently exists. Mr. Hupfer stated that Indiana is not a water rich state, particularly south of U.S. 40, and low ground water levels can limit economic development. While the work group has been looking at the establishment of water use priorities, it will probably be up to the legislature to make the final determination of priorities. He stated that DNR is willing to carry out its existing draft work plan.

Jim Hebenstreit, Division of Water, DNR, presented DNR's draft work plan (Exhibit "A"), which the work group helped to develop. He pointed out that while much of the plan can be carried out without additional appropriations, DNR may need additional money to be able to establish minimum stream flow levels.

Members of the work group then presented statements. Bob Kraft, Indiana Farm Bureau, stressed the need to create a hierarchy of uses while water is available and those involved can make reasonable and rational decisions. He pointed out that agricultural uses are not always consumptive uses, and that since agricultural conditions can vary from one part of a county to another, any plan must be flexible. He would define watersheds fairly narrowly, and have the sources of available water included as a factor in shortage plans.

Ross Amundson, Indiana American Water, explained that his company provides water and wastewater services to almost one million customers in Indiana as part of a larger company providing services in twenty-eight states. In providing water and services, watersheds and infrastructure are important factors. In Indiana, the company relies mainly on Lake Michigan for its northwest Indiana customers, while groundwater and streamflows are used in other areas. He offered his services in finding out what other states have in place as water shortage plans.

Stan Diamond, the American Water Works Association, offered his national organization as an information gathering resource. He suggested that the state might want to urge communities to plan for and develop their municipal water capacities, as some communities are not yet planning for the capacity to meet future needs. He stated that most water utilities have emergency plans in place, as the federal government requires the plans.

Carlton Curry, Indianapolis Water Company, provided the Committee with projections done by the Company concerning water usage (Exhibit "B"), and stated that his company is happy to provide data and work with the Committee and DNR. He explained that shortages can be a function of lack of treatment capacity in addition to lack of supply or a low streamflow.

Jim Butcher, AEP/Indiana Energy Association, stated that while it is important to have a plan in place, it is also important to communicate the plan to stakeholders. He pointed out that it is vital for electric utilities to have water available, as they provide support for all the other stakeholders.

Glenn Pratt, Sierra Club, pointed out that while the Governor has the authority to declare a water emergency, a water usage plan must be in place beforehand so that it can be carried out during the emergency. He also urged that every community have a shortage ordinance in effect, so that local emergency situations can be addressed.

Vince Griffin, Indiana Chamber of Commerce, stated that the Chamber supports the development of a schedule of priority uses during a water emergency, and that they are willing to continue working on the development of a schedule.

Great Lakes Water Use Plan:

Mr. Hupfer provided background information concerning the plan. In 1986, threats to the water levels in the Great Lakes were perceived, as large scale diversions to other areas of the country were being proposed. In response, Congress passed the Water Resource Development Act, under which any diversion out of the Great Lakes basin would have to be approved by all eight states surrounding the Great Lakes. An addition to the Act was passed in 2001, which would require the Great Lakes states as well as Ontario and Quebec to adopt a water use plan for the basin, setting forth rules for diversions and other uses. The current draft of the plan, which is being reviewed by the parties, would allow diversions outside the basin under certain circumstances when there is a return flow to the basin, and also covers consumptive uses within the basin. Mr. Hupfer indicated that the draft plan as it stands would not be acceptable to Indiana, and that revisions are under way.

Jim Flannery, Mittal Steel, stated that while the steel industry supports efforts to control diversions, they object to placing restrictions on in-basin uses, as the industry must already comply with the requirements of the Clean Water Act, which they feel are sufficient.

Mr. Butcher explained that while the electric power industry supports the goals of the plan, he feels the current draft goes beyond the scope of the original agreements. He expressed concerns about the state submitting to regional authority, which might place significant unnecessary regulations upon existing users of Great Lakes water.

Mr. Kraft stated that it is important to agricultural interests that the Great Lakes states and provinces retain control over the water, and that the control not be taken over by the federal government. He has concerns with provisions in the plan requiring the collection and submission of data, and would prefer that the plan include alternatives to permitting.

Mr. Amundson pointed out that his company's customers prefer to have water from Lake Michigan rather than well water. Currently, communities on the border of the basin may receive water from the lake if the community has a return flow to the basin.

Mr. Diamond stated that his organization is happy to work with the state on revisions to the plan.

Lynn Dennis, The Nature Conservancy, provided a copy of the letter the Conservancy had sent to the executive director of the Council of Great Lakes Governors concerning the plan (Exhibit "C").

Mr. Griffin stated that he was encouraged by the draft plan being revised, as water usage is vital for economic development, and the proposed rules were overly aggressive. He provided a copy of the Chamber's letter to the executive director of the Council of Great Lakes Governors (Exhibit "D").

Clean Water Indiana Program:

Tammy Lawson, Indiana Department of Agriculture, provided an overview of the Clean Water Indiana program that is summarized in Exhibit "E".

Mr. Kraft thanked the General Assembly for finding a funding source for the program, and expressed appreciation that the program is now administered through the Department of Agriculture. He stated that there are long-term concerns with funding the program through the cigarette tax, as the amount of revenue will go down if fewer people smoke, and also pointed out that there may be less federal money available to leverage with state money.

Gene Weaver, Indiana Association of Soil and Water Conservation Districts, provided a hand-out to the Committee with comparative information on districts in the north central region of the United States (Exhibit "F").

Mr. Pratt explained that agricultural runoff can cause a major problem in watershed basins, as nonpoint water pollution sources. He stated that Clean Water Indiana is still not adequately funded, despite the dedicated funding source, and so Indiana is missing out on receiving federal matching funds for the program.

The Chair adjourned the meeting at 3:45 p.m.