

ANNUAL MEETING



ABC PRESIDENT BILL PLUMMER WITH LIFETIME ACCOMPLISHMENT AWARD RECIPIENTS JIM CUMING AND TOMMY CAYWOOD.



ABC PRESIDENT BILL PLUMMER WITH SPECIAL RECOGNITION AWARD RECIPIENTS JIM HARTDEGEN AND DR. GEORGE SEPERICH.

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PRESIDENT'S MESSAGE

Second Quarter 2010

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It's been a very busy time since our last newsletter as you can read in our Executive Director's Report. I'd like to compliment Chris and Anne for organizing an excellent Annual Meeting. We initiated a different format by setting up panels for most of the meeting rather than having individual speakers for the whole meeting. This provided interaction among the panel members. ABC is actively involved either directly or in cooperation with the National Water Resources Association and the Family Farm Alliance on a number of legislative and policy initiatives which are described in more detail in the Executive Director's Report. The one issue that can have far reaching consequences is the attempt first by Congressman Oberstar to redefine "waters of the United States" and now by the EPA to do the same through regulation. This issue is critical to all water users. We are also following low-head hydro legislation which is of interest to several of our members. Discussions are underway in response to Mexico's request to store excess flows in the Colorado River in Lake Mead similar to the States' Intentionally Created Surplus. This procedure is not now allowed by the Mexican Water Treaty of 1944. On July 13, I participated, along with Executive Committee Members John Sullivan and Cliff Cauthen, on a panel, Water in the West, at the Western Regional Joint Summer Meeting hosted by the University of Arizona's Dean of the College of Agriculture, Dr. Gene Sander in Tucson. The 7-member panel discussed various water issues in Arizona and answered questions from the audience. Members of the ABC Executive Committee are participating in a number of committees and panels established by State agencies and we'll report progress at future ABC meetings. And don't forget the upcoming H2Open on October 29, 2010.

Bill Plummer
President

EXECUTIVE DIRECTOR'S REPORT

Well, here we find ourselves over halfway through the year already! Before we know it, summer will be over, the state legislature will be back in session, elections will be over and the current makeup of Arizona government will witness changes at all levels. With that being said, we will continue to focus our attention on educating aspiring candidates and current elected officials about the importance of water for agriculture and agribusiness and the important role it plays in Arizona's economy and quality of life.

Back in May, we had a very successful Annual meeting at the Phoenix Zoo with our theme being, "The Future of Arizona Agriculture." I energetically report that we increased our attendance by 21% from last year which required six more tables for seating. We have been fortunate to witness our numbers rise along with a stellar lineup of speakers each year.

I mentioned at the Annual meeting that we were pleased to have four state agency Directors (Directors Herb Guenther, Ben Grumbles, Don Butler and Commissioner Maria Baier, moderated by ABC member, Wade Noble) speak to us about the current state of their agency budgets and the impacts to the future of agriculture. They were joined by a panel of speakers (David Modeer, CAP; Grant Ward, Maricopa Stanfield IDD; Grady Gammage, Attorney, moderated by CAP President, Susan Bitter Smith) focusing remarks on the impacts of future Environmental Protection Agency (EPA) decisions (to address visibility) on the operation of the Navajo Generating Station (NGS) in northern Arizona.

The NGS provides most of the electrical power to move water for the Central Arizona Project, uphill from the Colorado River to its terminus south of Tucson, a distance of 336 miles

We were provided urban and agricultural scenarios depending on the decision the EPA renders relative to the issue of visibility. Let us hope that common sense will prevail in the decision making process in order to avoid major increases in water costs to agricultural operations in central Arizona.

We were also pleased to have our own ABC Treasurer and ASU Professor, Dr. George Seperich provide an update on the organization of the Agribusiness Council of Sonora. Efforts are continuing in the state of Sonora; we are communicating on a regular basis and are fortunate to have such a great working relationship with our southern neighbors.

We presented a number of awards to well deserving recipients during the meeting. Bill Wheeler received the prestigious “Water Buffalo” award for his years of involvement with water legislation and policy and for his vast working knowledge of water issues in Arizona. Likewise, three “Lifetime Accomplishment” awards were presented to ABC members, Tommy Caywood of Casa Grande, Jim Cuming of Yuma and posthumously to natural resources attorney, Bill Baker (the award was presented to Mr. Baker’s wife Kay in Flagstaff). Each recipient was chosen for his service and dedication to the wise use and stewardship of Arizona’s water and natural resources.

Additionally, two “Special Recognition” awards were presented to members Jim Hartdegen for his years of service to Arizona’s natural resource community and to Arizona State University Polytechnic Professor, Dr. George Seperich for his dedicated years of service as an ABC officer and leader in educating the next generation of agribusiness professionals.

We rounded out the meeting with Dan Keppen as our luncheon speaker. Dan is the Executive Director of the Family Farm Alliance (Alliance) based in Klamath Falls, Oregon. Dan provided a thorough update of the Alliance’s recent efforts to address western irrigated agriculture’s interests in the halls of Congress and beyond. We value our membership and association with Dan and the Alliance.

Additional key points of interest that we are involved in are the Governor’s Blue Ribbon Panel on Water Sustainability; the current EPA’s effort to develop a National Pollutant Discharge Elimination System (NPDES) General Permit for pesticide application; Congressman James Oberstar’s latest Clean Water Act legislation, HR 5088 (see, “What’s Happening in Washington” article) and HR 4719, which creates a Southwest Border Region Task Force to: 1) assess water needs of communities along the border; 2) to assess whether those needs are being met and 3) to provide proposals if needs are not being met. The bill is sponsored by Representative Rodriguez of Texas and co-sponsored by two Arizona delegation members, Representatives Raul Grijalva and Gabrielle Giffords. We are closely monitoring the bill along with the National Water Resources Association and the Family Farm Alliance.

First, a summary of the Governor’s Blue Ribbon Panel; numerous working groups were recently created (separate from the Blue Ribbon Panel) and tasked to deliberate and develop recommendations that will lead to the increased conservation of water in Arizona by 2020. The working groups include: 1) the Conservation/Recycling/Efficiency/Energy Nexus; 2) Economic Funding; 3) Infrastructure/Retrofit; 4) Public Perception/Acceptance and 5) Regulations and Permitting. Each working group consists of a chairman and co-chairman who compile the information developed in the working groups and present it to the Blue Ribbon Panel. The goal is to use the information to develop legislation and public policy to improve water conservation and sustainability throughout the state of Arizona. A number of ABC members are actively involved in the working groups and the originating Blue Ribbon panel, helping to ensure that agricultural interests are being addressed.

Second, ABC is actively involved in the review of the EPA’s draft NPDES permit for point source discharges from the application of pesticides into water of the United States (see the “What’s Happening in Washington” article for additional details). The permit is also known as the Pesticides General Permit. The General Permit was crafted in response to the decision by the Sixth Circuit Court of Appeals (National Cotton Council, et al. v. EPA). In summary, the court vacated the EPA’s 2006 rule that said NPDES permits were not necessary for pesticide applications to waters of the U.S. As a result of the Court’s decision, discharges to waters of the U.S. from the application of pesticides will require NPDES permits when the court’s mandate takes effect on April 9, 2011. The comment period ended July 19th. During the most recent Executive Committee meeting of ABC, we had Mike Fulton and Debra Daniel of the Arizona Department of Environmental Quality (ADEQ) brief the group on the General Permit draft and what negative impacts may result to

extensive field trials. The technology is being manufactured and marketed by Natel Energy, Inc. (Natel), and is termed the Schneider Linear Hydroengine (SLH). Unlike rotary turbines, the SLH is a series of foils that traverse a linear path up and over two parallel shafts, and is designed for low heads and large flows. The machine’s simplicity of design and fabrication allows it to be manufactured and installed at substantially lower costs than conventional turbines.

The Buckeye project initiation began as a cooperative development between BWCDD, Natel, Stantec Consulting (Stantec) and K. R. Saline & Associates (KRSA). BWCDD provided the site and site preparation; Natel provided the full SLH system that included the engine, generator, electrical controls, penstock and drafttube; Stantec provided the civil engineering and KRSA provided services for permitting and interconnection. Today the installation is up and running and receiving visitors from irrigation districts across the West, and significant interest from international visitors as well.

Electrical generation from canal drops cannot provide the base load required for a large population, but generating at canal sites can offset a significant part of the cost for electricity that districts incur for pumping and water movement. The SLH allows an irrigation district that has drops between five feet and 25 feet, along with flows from 20 cfs to 1500 cfs, to economically generate a part of their own load or provide power into the grid. The SLH is manufactured in nominal capacities of 20 kW; 100 kW; 250 kW, 500 kW and 1,000 kW.

Having renewable energy provided from an existing asset that has no incremental environmental impact offsets greenhouse gas effects from conventional generation, and does so at a cost that is competitive with electricity purchased from the grid. Moreover, it reinforces the well known axiom that farmers are shepherds of the land. What was old is new again.

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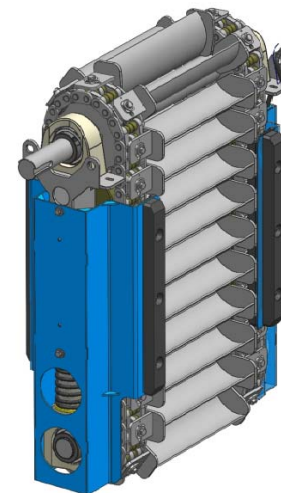


Figure 1: Angle view of SLH removable cassette



Figure 2: South view of engine-generator foils and vault and draft tube

UPCOMING EVENTS

DATE	EVENT	LOCATION
AUGUST 19-20	EXECUTIVE COMMITTEE MEETING	PINETOP
AUGUST 26-27	AG PRESIDENT’S SUMMIT	PHOENIX
SEPTEMBER 17	EXECUTIVE COMMITTEE MEETING	COOLIDGE
OCTOBER 17	EXECUTIVE COMMITTEE MEETING	ASU EAST
OCTOBER 29	H2OPEN GOLF TOURNAMENT	CASA GRANDE