

**MINUTES OF THE
NATURAL RESOURCES, AGRICULTURE AND ENVIRONMENT
INTERIM COMMITTEE**

Wednesday, August 18, 1999 - 2:00 p.m. - Room 303 State Capitol

Members Present:

Rep. Bradley T. Johnson, Cochair
Sen. Howard C. Nielson, Cochair
Sen. Leonard M. Blackham
Sen. Beverly Ann Evans
Sen. Joseph L. Hull
Sen. Millie M. Peterson
Rep. Eli H. Anderson
Rep. Melvin R. Brown
Rep. Craig W. Buttars
Rep. Mary Carlson
Rep. David N. Cox
Rep. Fred J. Fife, III
Rep. James R. Gowans
Rep. Tom Hatch
Rep. Keele Johnson
Rep. Evan L. Olsen
Rep. Matt Throckmorton
Rep. Bill Wright

Members Excused:

Rep. Jordan Tanner

Staff Present:

Ms. Constance C. Steffen,
Research Analyst
Ms. Jeanenne B. Larson,
Associate General Counsel
Ms. Joy L. Miller,
Secretary

Note: A list of others present and a copy of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

1. Committee Business - Chairman Johnson called the meeting to order at 2:10 p.m. He raised the concern that due to an exceptionally heavy workload, the Bureau of Land Management (BLM) may not be able to renew the large number of grazing permits due to expire. He asked for the committee's concurrence in sending a letter to the BLM and each of the districts in the state indicating support for addressing the permit renewal situation in order to avoid problems.

MOTION: Rep. Anderson moved to approve the minutes of July 21, 1999. The motion passed unanimously. Sens. Hull and Peterson and Reps. Brown, K. Johnson, Throckmorton, and Wright were absent during the vote.

2. Central Utah Water Conservancy District Audit - Ms. Janice Coleman, Office of the Legislative Auditor General, pointed out that the audit was initiated in response to a request for a follow-up of the 1989 audit of the Central Utah Water Conservancy District (CUWCD). The objectives were to: 1) determine if the district's financial management is sound; 2) determine if the district's administrative controls are adequate; and 3) identify possible concerns surrounding the

rescoping of the former Spanish Fork/Nephi (SFN) irrigation system. Overall, they believe the financial management of the district is inconsistent. For example, the federal debt prepayment created a major savings; however, cash management practices are poor. Ms. Coleman also indicated that the district tax rate is not based on need. District records indicate they have collected at least \$7.2 million more in property taxes and water sales receipts than necessary.

Ms. Coleman stated that district financial dealings with board members should be avoided and district control of expenditures needs tightening. Ms. Coleman explained that the SFN irrigation system was discontinued by the Department of Interior in July of 1998 because of significant problems with the draft Environmental Impact Statement (EIS). The discontinuation requires that a new plan be developed. Under the draft EIS, Salt Lake and Utah Counties would receive less water than they are projected to need, while Juab County would receive far more than its projected need. Given the importance of the issue and the board's prior level of commitment to the previous plan, the auditors believe an open independent analysis is needed. They suggest that the Legislature form a task force to study the issue and add its voice to the scoping process.

Ms. Chris Finlinson, CUWCD, replied the district has already implemented many of the changes suggested by the auditors. She added the bonus agreement for the general manager is a common management practice.

Mr. Don Christiansen, CUWCD, explained it has been assumed since the 1960s that there would be water delivered to Juab County. In 1986, when the authorization by the federal government to build the Central Utah Project (CUP) was nearly exhausted and enough money was left to build only one of two facilities, the district's board had to make a decision about whether to build a system to take water to south Utah County and Juab County, or to build Jordanelle Dam. The mostly rural directors unanimously decided to build Jordanelle Dam, because Salt Lake County required the water sooner. At the same time, the board vowed to work to finish the system to take the water to south Utah County and Juab County. In crafting the legislation to complete the CUP, a deal was made by the environmental community, the water leaders of the state of Utah, the state itself, and Utah's congressional delegation that the Mitigation Commission would be created in exchange for taking project water south.

Mr. Cary Peterson, rancher and Commissioner of Agriculture and Food, said he has been promised and has an equity interest in the CUP development. He noted one of the advantages to the state of Utah of farms and ranches is that there is a net gain in tax revenue with those kinds of properties.

Commissioner Jerry Grover, Utah County, said they have always understood that a promise was made to deliver a portion of CUP water to Juab County.

Commissioner Gary Herbert, Utah County, commented that Utah County has become the fastest growing county in the state. Some of their growth is starting to spill over into Juab County. He maintained that banking water for future growth and needs is important.

Commissioner William Boyd Howarth, Juab County, pointed out that Juab County has no lakes or reservoirs. They favor the completion of the Spanish Fork/Nephi irrigation system, because it will benefit the eastern and northern parts of Juab County.

MOTION: Rep. Hatch moved to ask the State Water Development Commission to look at the CUP to determine if they are carrying out the mission consistent with the goals of the commission. The commission would report its findings to the committee. The motion passed unanimously. Sen. Nielson was absent during the vote.

3. Animal Feeding Operations - Mr. Don Ostler, Division of Water Quality, gave a slide presentation and distributed information on Utah's strategy for concentrated animal feeding operations (CAFO). An animal feeding operation (AFO) is a lot or facility where animals are confined for a total of 45 days or more in any 12-month period; and crops, vegetation, forage growth, or post harvest residues are not sustained in the normal growing season over any portion of the lot. A CAFO is defined as an AFO with: 1) 1,000 animal units or greater; 2) 300 animal units and certain conditions; or 3) operations causing significant water quality problems. The federal CAFO/AFO strategy includes issuing permits to CAFOs with more than 1,000 animal units beginning January 2000 and issuing permits to CAFOs with less than 1,000 animal units which have unacceptable conditions beginning January 2001. These permits will require a comprehensive nutrient management plan and control of runoff. Utah's CAFO/AFO strategies include: 1) providing information, education, and training; 2) addressing priority watersheds first; 3) inventory and assessment of AFOs; 4) monitoring results; and 5) addressing resources.

Mr. Randy Parker, Department of Agriculture and Food, said Utah is recognized regionally and nationally for its willingness to work together in a formal and informal partnership. From a resources standpoint, the partnership has helped them identify viable strategies and focus limited resources in funding and personnel. He added that communications has fostered an understanding of the roles each agency has in the process.

Mr. Kim Christy, Utah Farm Bureau, emphasized that of all the ways government regulation impacts the lives of family farmers, they believe arbitrary water quality regulations could be the most harmful to the future of agriculture. It is important to recognize the window of opportunity that compels them to be proactive with an industry-driven, voluntary-based approach to the issue. He noted there is a broad coalition of support from all organizations representing the agriculture community in the state.

4. Update on the Grasshopper and Mormon Cricket Infestation - Mr. Dick Wilson, Department of Agriculture and Food, distributed updated information on the insect infestation. He stated the land infested has increased to 1.5 million acres and damages are estimated at \$22.5 million in crop losses. In August, the Bureau of Land Management offered \$100,000 for insect control. Funds received from the U.S. Department of Agriculture came after most of the damage was incurred and late in the treatment season. Mr. Wilson reported that in order to be effective, insect treatment must cross jurisdictional and agency boundaries. Cooperative allocation of federal, state, local, and private resources is essential for optimum insect control.

MOTION: Sen. Blackham moved to request staff to research and develop recommendations to establish an emergency fund for agriculture-related emergencies with money from the rainy day fund up to \$1 million. The motion passed unanimously. Reps. Anderson, Brown, and Cox were absent during the vote.

5. Cool Spaces 2002 - Trees for the Urban Forest - Ms. Ruth Steed, TreeUtah, distributed information on the program which is an Olympic Legacy project. Funding is from a federal appropriation and community and business partnerships. Ms. Steed discussed the cooling effects of trees and their impact on energy costs. The National Aeronautical and Space Administration's (NASA) Thermal Heat Island Project has shown that temperature readings in Salt Lake City are much lower where trees are planted. Home energy costs can be reduced 30% by planting trees around a house.

MOTION: Rep. Carlson moved to adjourn the meeting at 4:55 p.m. The motion passed unanimously.