

**MINUTES OF THE
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENTAL QUALITY
APPROPRIATIONS SUBCOMMITTEE**

Room 25 House Office Building

February 7, 2014

Members Present: Sen. David Hinkins, Co-Chair
Rep. John G. Mathis, Co-Chair
Rep. Mike McKell, House Vice Chair
Sen. Jim Dabakis
Sen. Margaret Dayton
Sen. Ralph Okerlund
Sen. John L. Valentine
Sen. Kevin T. Van Tassell
Rep. Jerry Anderson
Rep. Roger E. Barrus
Rep. Jon Cox
Rep. Susan Duckworth
Rep. Brian Greene
Rep. Ken Ivory
Rep. Michael E. Noel
Rep. Lee B. Perry
Rep. Larry B. Wiley

Staff: Mr. Ivan Djambov, Fiscal Analyst
Ms. Angela Oh, Economist
Ms. Linda Service, Committee Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

Co-Chair Mathis called the meeting to order at 8:04 a.m.

MOTION: Rep. Anderson moved to approve the minutes of the January 28, 2014 meeting and the January 29, 2014 meeting. The motion passed unanimously.

1. Division of Facilities Construction and Management

Jake Jacobson, Facilities Program Manager, Division of Facilities Construction and Management (DFCM), responded to a question from Rep. Perry regarding rental of a maintenance shed for the Division of Forestry, Fire and State Lands through DFCM.

2. Division of Oil, Gas, and Mining

John Baza, Director, Division of Oil, Gas, and Mining, introduced John Rogers, Associate Director, Oil and Gas Regulatory Program, and Paula Dupin-Zahn, Finance Manager. He noted no changes to the intent language and fees, with a minor increase in federal funding.

John Rogers discussed the building block for reconstruction of the oil and gas electronic database which includes a performance measure of decreased permitting time.

3. Public Lands Policy Coordination Office

Kathleen Clarke, Director, Public Lands Policy Coordination Office (PLPCO), commented on the potential listing of sage grouse on the Endangered Species List, pointing out that Utah has an aggressive program to conserve the sage grouse and halt further decline of the species. PLPCO is pursuing a variety of options, such as litigation and political efforts to eliminate the listing.

4. Office of Energy Development

Samantha Julian, Director, Office of Energy Development, introduced Michele Pasker, Finance Officer. During a PowerPoint presentation, Ms. Julian reviewed the following building block requests:

- Core Positions
 - ▶ Financial officer
 - ▶ Marketing and communications lead
 - ▶ Attorney General support services contract
- Energy Research Triangle
 - ▶ Faculty projects
 - ▶ Principal energy issues
 - ▶ Governor's energy leadership scholarships
- Participation on the Western Interstate Energy Board

5. Utah Geological Survey

Rick Allis, State Geologist and Director, Utah Geological Survey (UGS), introduced Jody Patterson, Financial Manager. He commented that the intent language and fees remain unchanged from last year with minor changes in federal funding. Mr. Allis distributed a handout titled "Estimated Costs for UGS Snake Valley Ground-Water Monitoring Network - FY2015" and addressed the building block request for ongoing monitoring of the Snake Valley.

6. State Fair Corporation

Mr. Djambov reminded the subcommittee of the mandate given to the State Fair Corporation when it was privatized to become self-sufficient. He commented on the following issues the new state fair leadership has dealt with:

- Implementation of a suggestion in their master plan to increase revenues by improving the grounds;
- Review of the corporation's master plan and operations by the Office of Legislative Auditors;
- Lower than projected visitation for the 2013 fair due to nine days of rain resulting in decreased revenue.

Mr. Djambov discussed concerns with regard to overall leadership:

- Lack of internal controls and financial planning;
- Over optimistic assumptions in their master plan, including a \$33,400,000 bond for construction projects;
- Assumption that state agencies will be willing to sign long-term leases for office space

Sen. Valentine voiced his displeasure over the financial status of the State Fair Corporation and indicated before he could vote for requests, he would need to see:

- Internal controls;
- Structural balance and a budget that makes sense;
- Use an RFP process;
- A disclosure as to what a proposed line of credit will be used for.

Michael Steele, Executive Director, Utah State Fair, introduced Andrew Stubbs, Chief Financial Officer, and distributed two handouts - "2013 Utah State Fair, Highs and Lows" and "The Great Utah State Fair." Mr. Steele requested \$750,000 for maintenance expenditures and showed a PowerPoint presentation. He responded to the issues brought forth by Sen. Valentine and Mr. Djambov and committed to addressing those areas of concern.

Josh Haines, Director, Division of Facilities Construction and Management, responded to concerns expressed by members of the subcommittee and stated the maintenance issues are being addressed by his division.

7. Species Protection Program

Henry Maddux, Department of Natural Resources, Director, Species Recovery Program, reviewed three requests:

- \$100,000 to help fund a barrier in Cedar City to fence the Cedar Ridge Golf Course;
- sensitive species data base;
- intent language to authorize non-lapsing funds of \$200,000 if the work is not completed by June 30, 2014

MOTION: Rep. Duckworth moved to adjourn. Co-Chair Mathis adjourned the meeting at 9:45 a.m.

Sen. David Hinkins, Co-Chair

Rep. John G. Mathis, Co-Chair