

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

Room 210 Senate Building

January 29, 2015

Members Present: Sen. David P. Hinkins, Chair
Rep. Mike McKell, Chair
Rep. Kay J. Christofferson, House Vice Chair
Sen. Jim Dabakis
Sen. Margaret Dayton
Sen. Scott K. Jenkins
Sen. Peter C. Knudson
Rep. Scott Chew
Rep. Susan Duckworth
Rep. Brian M. Greene
Rep. Stephen G. Handy
Rep. Timothy Hawkes
Rep. Ken Ivory
Rep. Justin Miller
Rep. Michael E. Noel
Rep. Lee B. Perry
Rep. Marc K. Roberts

Members Excused: Sen. Ralph Okerlund
Sen. Kevin T. Van Tassell

Staff: Mr. Ivan D. Djambov, Fiscal Analyst
Mr. Brian Wikle, Fiscal Analyst
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.

Chair McKell called the meeting to order at 8:08 a.m.

1. APPROVAL OF MINUTES

There were no minutes to approve.

2. UNFINISHED ITEMS FROM THE PREVIOUS AGENDA

Mr. Ivan Djambov, Fiscal Analyst, addressed a question asked by Rep. Christofferson during the previous meeting about the details of the expenditure categories "Other" and "Miscellaneous" found on page 9 of the Issue Brief "Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee, Overview." Mr. Djambov presented a pivot table with the details from the Data Warehouse, Division of Finance.

The analyst also provided information based on a question asked by Rep. Perry in the January 27, 2015 meeting, "What are the charges by the Internal Service Fund over time?" Mr. Djambov distributed a handout showing charts detailing "Number of Vehicles and Fleet Costs, DNR," "Fleet Cost per Vehicle and per Mile, DNR," "DHMR Charges and cost per FTE, DNR," and "DTS Desk Top Support Charges and Cost per FTE, DNR" with a brief explanation.

3. DEPARTMENT OF AGRICULTURE AND FOOD, BASE BUDGET REVIEW

Commissioner LuAnn Adams, Department of Agriculture and Food (UDAF), distributed the handouts, "Utah Agriculture and Food" and "2014 Insect Report." She used a slide presentation and reported on the 2014 legislative audit of the Utah Association of Conservation Districts (UACD). She stated they are following the recommendations outlined in the audit. The goal of UDAF for 2015 is to keep the agriculture industry strong and to expand economic opportunities for farmers, ranchers, and associated businesses.

Mr. Scott Ericson, Deputy Commissioner of Agriculture, discussed a short history of UACD, mentioning changes which have occurred over time. He commented on current funding, UDAF's response to the legislative audit, challenges, and solutions.

Mr. Travis Waller, Director, Division of Regulatory Services, summarized the services offered by the division and commented on the following program areas: Food Safety, Weights and Measures, Dairy, Egg and Poultry Grading, and Bedding and Upholstery. The purpose of the division is to protect both industry and consumer interests. Their vision is to become a national leader in food safety, public health, fair commerce, and professional workforce innovation.

Mr. Robert Hougaard, Director, Division of Plant Industry and Conservation, discussed both sections of the division but focused mainly on the Plant Industry. Much time and effort has been spent on controlling several beetle species, one of which, the Japanese Beetle, has been eradicated. In addition, he touched upon the seed program which monitors seed quality for organizations having a vested interest in seed and seed performance.

Mr. Cody James, Director, Division of Animal Industry, reported that the division is tasked with protecting Utah's livestock industry from theft and disease. Their programs promote and insure animal health and productivity - helping to increase the value of livestock. Mr. James thanked the committee for funds to purchase and install an animal health tracing program and an electronic livestock inspection program. Based on the findings of reviews of Utah's Meat and Poultry Inspection Program, Utah has distinguished itself as the leading state meat inspection program in the nation.

Mr. Weston Judd, State Chemist and Director, Division of Laboratory Services, described the division as the guardian of the food supply. Their mission is to provide chemical and microbiological laboratory testing of agricultural and food products to support the regulatory mission of the department. Their overall objective is to protect Utah's consumers, farmers, and industry. Mr. Judd reviewed recent accomplishments, performance measures, and current issues. He also highlighted the benefits of a new lab building.

Mr. Jed Christensen, Director of Marketing and Economic Development, reported on several successful promotional activities and accomplishments, including a new interactive website allowing companies to continually update information about their products.

4. DEPARTMENT OF NATURAL RESOURCES, BASE BUDGET REVIEW

Mr. Djambov presented a brief overview of the Department of Natural Resources' (DNR) portion of COBI reporting their total budget for FY2016 is \$194 million. He also mentioned issues and performance measures.

Mr. Mike Styler, Director, DNR, distributed "Utah Department of Natural Resources, Annual Report for 2013-2014 and 2015 Directory of Services" and a handout detailing the mission, accomplishments, and challenges of DNR and its divisions. He introduced division directors in attendance and used a

slide presentation highlighting the Utah Watershed Restoration Initiative, completed projects (2005-2014). The committee and others discussed the initiative.

Mr. John Baza, Director, Division of Oil, Gas, and Mining, stated that employees take great pride in facilitating responsible resource conservation and economic development in Utah. He presented a chart showing average monthly prices for crude oil and natural gas and mentioned that reductions in oil prices have happened in the past. While consumers benefit greatly from the reduction, production, local economies, and state and local governments are negatively affected, especially if the prices remain low.

Mr. Rick Allis, Director, Utah Geological Survey, reported that with the diminished royalties from the drop in oil and gas prices, the impact for FY 2016 will be about \$1.4 million down from what was received the last few years. They are anticipating a 20 percent reduction in staff to meet the drop in revenue which will leave a negative impact for FY 2016.

Mr. Baza suggested that a way to prepare for the existing shortfall is to have surplus funds set aside at the state level in times of plenty so that funds are available when times are lean.

Mr. Allis informed the committee that water levels and stream flows are being affected in the Snake Valley and that the hydrology of Tule Valley is probably connected; this provides a basis for Utah's strategy of negotiating with Nevada on the water issues.

Mr. Fred Hayes, Director, Division of Parks and Recreation, stated that the state parks are healthy; funds have been spent upgrading facilities and trying to entice people to visit. Visitation increased by nearly 11 percent in 2014. He touched upon strategic planning for the future, focusing on three primary objectives: (1) maintenance and care of physical facilities, (2) outstanding service to customers, and (3) development of the state park business.

Mr. Eric Millis, Director, Division of Water Resources, reported on Utah's snow pack as of January 28, 2015. In addition, he reported on reservoir storage and the outlook for temperatures and precipitation through April 2015.

Mr. Brian Cottam, Director, Division of Forestry, Fire, and State Lands, discussed catastrophic wildfire reduction strategy. He reported on major policy issues and challenges due to low water levels. Mr. Cottam mentioned the Weber River litigation, the Great Salt Lake Union Pacific causeway, and Phragmites projects, pointing to the good progress made at Bear Lake, Utah Lake, and the Great Salt Lake.

Mr. Greg Sheehan, Director, Division of Wildlife Resources, presented a video detailing the positive financial impacts that the Division of Wildlife Resources brings to local communities. Hunting, fishing, and wildlife contribute approximately \$2.9 billion annually. Utah's Watershed Restoration Initiative has successfully restored more than a million acres of habitat while reducing the risk of catastrophic wildfires. Mr. Sheehan acknowledged their employees for the great work they do in the field with wildlife, landowners, and the public at large. He touched upon Sage Grouse, Northern Gray Wolves, the Utah Prairie Dog, and Quagga Mussels.

MOTION: Rep. Handy moved to adjourn. The motion passed unanimously. Chair McKell adjourned the meeting at 10:55 a.m.