

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

Tuesday, January 24, 2017 • 8:00 am • 210 Senate Building

Members Present:

Sen. David P. Hinkins, Senate Chair
Rep. Ken Ivory, House Chair
Rep. Scott H. Chew, House Vice Chair
Sen. Jim Dabakis
Sen. Margaret Dayton
Sen. Don L. Ipson
Sen. Peter C. Knudson
Sen. Ralph Okerlund
Sen. Evan J. Vickers
Rep. Kay J. Christofferson
Rep. Susan Duckworth

Rep. Brian M. Greene
Rep. Stephen G. Handy
Rep. Timothy D. Hawkes
Rep. Karen Kwan
Rep. Michael E. Noel
Rep. Lee B. Perry
Rep. Marc K. Roberts
Rep. Keven J. Stratton

Staff Present:

Mr. Ivan D. Djambov, Fiscal Analyst
Mr. Alexander R. Wilson, Fiscal Analyst
Ms. Greta Rodebush, Committee Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at le.utah.gov.

Chair Hinkins called the meeting to order at 8:04 a.m.

1. Introductions

Rep. Ivory offered some introductory remarks about the new administration's interest in shifting power from the federal government to the states and the roll Utah can play in that process.

2. Approval of Minutes

MOTION: Rep. Duckworth moved to approve the minutes from June 16, 2016, September 22, 2016, and September 23, 2016. The motion passed with a vote of 16-0-3.

Voting in the affirmative were:

Hinkins D, Ivory K, Chew S, Dabakis J, Dayton M, Ipson D, Knudson P,
Okerlund R, Vickers E, Christofferson K, Duckworth S, Greene B, Handy S,
Hawkes T, Kwan K, Perry L

Absent or not voting were:

Noel M, Roberts M, Stratton K

3. Subcommittee Overview

Mr. Ivan Djambov, Fiscal Analyst, Office of the Legislative Fiscal Analyst (LFA), reviewed the following meeting materials and demonstrated how to use various budgeting tools.

c-Linked NRAEQ Base Budget Bill (SB0005)

d-COBI 2017 - Natural Resources, Agriculture, and Environmental Quality

e-Historic Trends Tools

f-Report on How the Funding Appropriated for FY 2016 was Used

g-Intent Language for Performance Measures

h-Options to Consider When Reviewing the Base Budgets

Sen. Dayton inquired about the "Options to Consider When Reviewing the Base Budgets" list. Mr. Djambov indicated that about one-fourth of the suggestions on the list came from the departments and the divisions and the remainder from the Office of the Legislative Fiscal Analyst.

4. Natural Resources Overview

Mr. Michael R. Styler, Executive Director, Department of Natural Resources (DNR), presented the report. DNR staff distributed the "Utah Department of Natural Resources 2017 Annual Report" along with a packet of information highlighting the divisions' major accomplishments, policy issues and challenges, and plans of action.

Mr. Styler showed a short video on Utah's watershed issues.

Mr. Tyler Thompson, Director, Watershed Restoration Initiative (WRI), spoke about the program and WRI's federal partnerships.

Mr. Styler highlighted a number of "in the news" items pertaining to Utah's natural resources. He responded to committee questions regarding bio mass fuels, abandoned mine closures, and water levels of the Great Salt Lake.

Mr. Styler showed a short video on Forestry, Fire and State Lands.

Rep. Duckworth expressed her appreciation for the informative field trips the subcommittee members participated in during the 2016 Interim.

Rep. Timothy D. Hawkes spoke on the causeway breach on the Great Salt Lake.

5. Oil, Gas, and Mining Base Budget

Mr. Ivan Djambov, Fiscal Analyst, LFA, presented the base budget overview for the Division of Oil, Gas, and Mining (OGM).

Rep. Ivory expressed an interest in hearing about any requests the division might have of the new administration that would support the development of energy and more state autonomy.

Mr. John Baza, Director, Division of Oil, Gas, and Mining, indicated that OGM had been working closely with its federal contacts, Congress, and national organizations in this regard and submitted transitional papers as to what the new administration could do to help improve energy development in Utah.

Sen. Jim Dabakis asked about the future of coal. Mr. Baza talked about the importance of coal and the vast amounts of coal that are still in the ground yet to be mined.

Sen. David P. Hinkins spoke to the issue.

Mr. Ivan Djambov, Fiscal Analyst, LFA, continued his presentation on the OGM budget.

Mr. John Baza gave an overview of OGM that included a slide presentation.

5-Oil, Gas, and Mining Handout

Mr. Baza responded to questions about having additional resources available when the future improves, active drilling rig counts, well-plugging, salaries and wages, air quality and alternative sources of energy.

Mr. Ivan Djambov, Fiscal Analyst, LFA, concluded his presentation on OGM.

6. Utah Geological Survey Base Budget

Mr. Ivan Djambov, Fiscal Analyst, LFA, presented the base budget overview for the Utah Geological Survey.

Mr. Rick Allis, Director, Utah Geological Survey, presented the report that include a slide presentation. He was joined by Ms. Jodi Patterson, Financial Manager, Utah Geological Survey. Mr. Allis responded to committee questions.

7. Office of Energy Development Base Budget

Mr. Alex Wilson, Fiscal Analyst, LFA, presented the base budget overview for the Office of Energy Development.

Dr. Laura Nelson, Executive Director, Office of Energy Development, made a presentation. She was joined by Ms. Michele Paskar, Finance Manager, Office of Energy Development. Dr. Nelson also recognized Mr. Rob Simmons, Deputy Director, Office of Energy Development.

7-Office of Energy Development Presentation

Rep. Ivory requested some additional budget information and asked for a wish list on how the federal government could help spur development in Utah by restoring the federalism balance.

In the interest of time, Chair Hinkins suggested that OED be placed on Thursday morning's agenda, which would allow Dr. Nelson time to complete her presentation.

8. Other Business

MOTION: Rep. Perry moved to adjourn. The motion passed with a vote of 14-0-5.
Voting in the affirmative were:
Hinkins D, Ivory K, Chew S, Dabakis J, Dayton M, Ipson D, Christofferson K,
Greene B, Handy S, Hawkes T, Kwan K, Perry L, Roberts M, Stratton K
Absent or not voting were:
Duckworth S, Knudson P, Noel M, Okerlund R, Vickers E

Chair Hinkins adjourned the meeting at 10:58 a.m.

Sen. David P. Hinkins, Senate Chair

Rep. Ken Ivory, House Chair