



WATER RESOURCES, STATE FUNDS REDUCTION CONCEPTS

NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

We have been asked to provide a list of suggestions that could potentially reduce the appropriations from the General Fund to agencies overseen by the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee. This list was intended to be used as a starting point for committee's discussions and potential legislative actions.

We used the assumption that although the agencies overseen by this appropriations subcommittee are generally very efficient, there are additional ways to reduce the state appropriations, while allowing the public to receive the needed services. For example, in some instances a portion of the state funds can be replaced with other funding sources, such as user fees. Also, some of the functions currently performed exclusively by state entities can be done by private companies or other government entities if the statute would allow and if proper oversight be put in place.

We identified the following general categories where such potential state fund reductions could be made. For additional explanations and examples of these categories, please see Appendix A.

1. **User fees:** replace a portion of the General Fund appropriations with user fees.
2. **Increase self-checking and self-reporting:** require a greater portion of the inspections and testing currently done by state employees to be transferred to the regulated industry/public, who may be required to self-report or to hire a third-party for verifications.
3. **Allow competition:** allow private or other government organizations to compete against each other and the state for services currently provided solely by state agencies.
4. **Outsource services:** contract with private or other government entities to take over the services currently provided by state agency.
5. **Eliminate government intervention:** some services can be provided through delegated standards without a formal structure of state government directly involved. This puts the burden on the industry to provide the services while still allowing the state to set the standards.

The tables below list the programs of the Division of Water Resources and show the funding mix, expenditure categories, and staff and vehicles count by program.

In the first table, which shows the FY 2019 amounts by funding source (as included in the [Base Budget Bill, H.B. 5](#)), we have assigned in the first column (titled "Possible Action") one or more of above categories to the programs where applicable.

FY 2019 Base Budget by Program and Funding Mix

Line	Possible Action	Programs by Line Item	State Funds	Federal Funds	Ded. Credits	Restricted Funds
1		Water Resources				
2	User fees	Administration	709,900			
3		Board	34,000			
4		Cloudseeding			150,000	150,000
5		Construction		508,800		2,196,600
6		Interstate Streams	383,100			
7	User fees	Planning	2,731,200			878,800
8		West Desert Operations	5,000			

About one half of the base budget appropriations for the Division of Water Resources comes from state funds. The Legislature may consider the possibilities of offsetting some of the state funds with user fees, which may require implementing new fees.

Would the committee like to pursue any of these possibilities and direct staff to get more information?

The following pages contain details about the expenditures, FTE and Vehicles counts by program, as well as descriptions for each program, in order to provide a better understanding of what is currently budgeted to be "purchased" with the appropriations for FY 2019 in the Base Budget Bill.

Expenditures

Line	Programs in Line Item	Personnel Services	In-state Travel	Out-of-state Travel	Current Expense	DP Current Expense	Pass Thru
1	Water Resources						
2	Administration	441,900	3,100	5,000	193,500	16,400	250,000
3	Board	8,400	13,700	2,100	9,300	500	
4	Cloudseeding				300,000		
5	Construction	2,026,600	20,700	4,500	1,601,600	52,000	
6	Interstate Streams	159,300	2,300	17,200	6,000	1,800	196,500
7	Planning	2,453,100	13,900	9,300	1,217,700	91,600	124,400
8	West Desert Operations				5,000		

Staff and Vehicles

Line		FTE
1	Water Resources	
2	Administration	4
3	Construction	19
4	Interstate Streams	1
5	Planning	24

Mission: to plan, conserve, develop and protect Utah's water resources.

Programs Descriptions

Administration

Water Resources Administration provides leadership and support to the other programs in the division. This program also includes interstate stream and compact coordination, budget, accounting, and public information functions.

Board

The Water Resources Board oversees comprehensive water planning, protection of rights to interstate waters, and management of water resource project construction programs, as well as the loans from the revolving funds. The board consists of eight members, with no more than four from the same political party. One member is appointed from each major drainage basin.

Cloudseeding

Weather modification is considered a feasible means of augmenting the natural water supply. Utah enacted weather modification legislation in 1973, and an operational cloud seeding program started in 1976. The field program, which usually extends from November to April, is funded jointly by the state and local water interests. Statistical analysis of the cloud seeding program since 1976 has shown an average increase in precipitation of 10 percent at approximately \$2.20 per acre foot.

Construction

The Construction program provides technical assistance for managing the four revolving construction fund programs (for additional information, please refer to the division's capital budget). Engineers and geologists do investigations of applications for proposed projects, manage construction, and provide general public assistance.

Interstate Streams

Because control of much of Utah's water resources is affected by actions of other states and federal agencies, active participation in selected interstate and state/federal bodies is essential to protect Utah's interests. The division director serves as Utah's Interstate Streams Commissioner and represents the state on the following organizations: Upper Colorado River Commission, Bear River Commission, Western States Water Council, Colorado River Basin Salinity Control Forum and Advisory Council, Glen Canyon Adaptive Management Work Group, Colorado River Management Group, and Seven Colorado River Basin States Coordination Committee. Utah is entitled to about 1.4 million acre-feet per year of Colorado River water but is currently only using approximately 1 million. The program accounts for dues to those organizations, and for one person to monitor and prepare for meetings and negotiations.

Planning

The Water Resources Planning program is responsible for planning for and encouraging the best use of the state's water resources to serve the physical, economic, environmental, and social needs of the people of Utah. This program helps coordinate water resources planning between various governmental agencies; maintains programs with various agencies to obtain streamflow, climatological, snow telemetry, and water quality data; develops river basin models for state and local planning purposes and operational models for specific project feasibility studies. This program maintains the State Water Plan and 11 detailed basin plans covering the state. The plans describe water development opportunities and problems, and make recommendations for the future.

West Desert Operations

The West Desert Operations program funds the maintenance on the West Desert pumping plant, as required by UCA 73-23-3. The pumps are part of a \$60 million Great Salt Lake flood-control project that began in 1986. The pumps can lower the peak level of the lake about one foot per year. The division is maintaining the pumping facility through contracts with consultants and contractors, and regular inspection by agency staff, so they will be ready for operation if needed.

Appendix A

- 1. User fees:** replace a portion or all the General Fund appropriations with user fees. This will allow the state entity to continue the same level of services and staffing, while reducing the general tax dollars. It may or may not mean increasing fees to generate more revenue with which to replace the General Fund. An example of this is the Division of Parks and Recreation shifting the majority of its finding from the General Fund to parks visitors' fees.
- 2. Increase self-checking and self-reporting:** require a greater portion of the inspections and testing currently done by state employees to be transferred to the regulated industry/public, who may be required to self-report or to hire a third-party for verifications. This would potentially reduce the workload of the state agency, which would result in reduction in state staff and travel expenses. This could be similar to reporting and paying income taxes. The individual or corporation self-reports, with the understanding that reports are enforced through audits. Another example of this is the elimination of the state-mandated vehicle safety inspections for vehicle registration.
- 3. Allow competition:** allow private or other government organizations to compete against each other and the state for services currently provided solely by state agencies. Competition could breed innovation and increase the quality of services and/or reduce the costs to the industry/public paying for the services. An example of this is the Organic certification process.
- 4. Outsource services:** contract with private or other government entities for the services currently provided by state agency. Initially, the costs may remain the same, but it could be reduced over time, as competition to provide the services increases. Many services in state government are provided through contracting, and perhaps more could be. Examples of this is UDOT and road construction and This Is The Place Foundation managing the heritage park.
- 5. Eliminate government intervention:** some services can be provided through delegated standards without being a formal structure of state government. This puts the burden on the industry to provide the services while still allowing the state to set the standards. An example of this is industry certifications and industry standards, such as the Certified Public Accountant (CPA) and the Governmental Accounting Standards Board (GASB).