



# MINUTES

## NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENTAL QUALITY APPROPRIATIONS

### SUBCOMMITTEE

LEGISLATURE

Tuesday, June 18, 2019 | 1:15 p.m. | 210 Senate Building

**Members Present:**

Sen. David P. Hinkins, Senate Chair  
Rep. Stewart E. Barlow, House Chair  
Rep. Scott H. Chew, House Vice Chair  
Sen. Don L. Ipson  
Sen. Jani Iwamoto  
Sen. Ralph Okerlund  
Sen. Scott D. Sandall  
Sen. Daniel W. Thatcher  
Sen. Ronald Winterton  
Rep. Carl R. Albrecht  
Rep. Kay J. Christofferson  
Rep. Stephen G. Handy

Rep. Suzanne Harrison

Rep. Karen Kwan  
Rep. Phil Lyman  
Rep. Lee B. Perry  
Rep. Casey Snider

**Members Absent:**

Rep. Keven J. Stratton  
Rep. Logan Wilde

**Staff Present:**

Mr. Timothy G. Dinehart, Fiscal Analyst  
Mr. Ivan D. Djambov, Fiscal Analyst  
Ms. Karen Allred, Committee Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

House Chair Barlow called the meeting to order at 1:19 p.m.

### 1 . Approval of Minutes

**MOTION:** Sen. Hinkins moved to approve the minutes of June 19, 2018, February 15, 2019, and February 20, 2019. The motion passed with a vote of 14 - 0 - 5.

Yeas-14

Rep. C. Albrecht  
Rep. S. Barlow  
Rep. K. Christofferson  
Rep. S. Handy  
Rep. S. Harrison  
Sen. D. Hinkins  
Sen. D. Ipson  
Sen. J. Iwamoto  
Rep. P. Lyman  
Sen. R. Okerlund  
Rep. L. Perry  
Sen. S. Sandall  
Sen. D. Thatcher  
Sen. R. Winterton

Nays-0

Absent-5

Rep. S. Chew  
Rep. K. Kwan  
Rep. C. Snider  
Rep. K. Stratton  
Rep. L. Wilde

### 2 . California Commerce Clause Legal Challenge Funding Reallocation

Mr. Djambov, Fiscal Analyst, Office of the Legislative Fiscal Analyst (LFA), explained the issues associated with the California Commerce Clause Legal Challenge Reallocation.

Mr. Mike Noel, former member of the Utah House of Representatives, provided background information on the California Commerce Clause Legal Challenge, which examines the legality of California's surcharge on coal fire electrons. He discussed the Attorney General's (AG) Office's Request for Proposal (RFP), contractor selection, agency communications, and reallocation of funds previously designated for the project.

Ms. Denise Dragoo, Attorney, Law Firm of Snell & Wilmer, explained that Snell & Wilmer was selected to prepare a lawsuit against the State of California patterned after a similar lawsuit won by North Dakota. She indicated that an appropriation was now needed to move the lawsuit forward.

Sen. Okerlund commented on the appropriations and RFP process, spending time frames, the need for better communication, and finding ways to fund the California Commerce Clause Legal Challenge. Mr. Djambov responded.

Rep. Christofferson commented that California is also restricting Utah's ability to use a port for transporting coal. He asked if this issue could be addressed at the same time. Mr. Noel responded.

Mr. Daniel Burton, Chief of Policy and Legislative Affairs, AG's Office, agreed with Mr. Noel's remarks and expressed support for the California Commerce Clause Legal Challenge. Chair Barlow and Sen. Hinkins inquired about funding resources within the AG's Office. Mr. Burton responded.

Rep. Albrecht commented on the legality of California's actions, correcting mistakes, and seeking a funding source for this project.

Rep. Kwan asked whether private companies are helping to pay for this litigation. Mr. Noel responded.

Rep. Handy asked how far along Snell & Wilmer had progressed in the legal challenge process before the funding issue became apparent. Ms. Dragoo responded.

Rep. Harrison asked if other states had embarked on similar litigation, and if so, what was the status of the litigation. Ms. Dragoo responded.

Sen. Iwamoto requested more information on how the project will be funded, with a response from Chair Barlow and Mr. Burton.

**MOTION:** Sen. Okerlund moved that the committee support efforts to find the funding that will allow the lawsuit to move forward. The motion passed with a vote of 14 - 2 - 3.

Yeas-14

Rep. C. Albrecht  
Rep. S. Barlow  
Rep. S. Chew  
Rep. K. Christofferson  
Rep. S. Handy  
Sen. D. Hinkins  
Sen. J. Iwamoto  
Rep. P. Lyman  
Sen. R. Okerlund  
Rep. L. Perry  
Sen. S. Sandall  
Rep. C. Snider  
Sen. D. Thatcher  
Sen. R. Winterton

Nays-2

Rep. S. Harrison  
Rep. K. Kwan

Absent-3

Sen. D. Ipson  
Rep. K. Stratton  
Rep. L. Wilde

### **3 . Accountable Budget Review Process - Division of Water Resources**

Mr. Djambov explained the accountable budget review process as outlined in H.J.R. 18, Joint Rules Resolution on Base Budgeting Provisions (2019 General Session).

Mr. Djambov explained the issue brief for the Division of Water Resources.

[3-Issue Brief - 2019 Interim - Water Resources](#)

Sen. Hinkins asked about the FY 2016 appropriation for Dam Safety. Mr. Djambov responded.

Chair Barlow introduced the new Department of Natural Resources (DNR) Executive Director, Mr. Brian Steed, and the new Department of Environmental Quality (DEQ) Interim Director, Mr. Scott Baird.

Ms. Candice Hasenyager, Assistant Director, Division of Water Resources, introduced Mr. Joel Williams, Assistant Director, Development Branch, and Mr. Jim Egbert, Finance Manager. Ms. Hasenyager made a power-point presentation about water resources that included the State's water plan, water conservation, and water protection.

Mr. Williams discussed the developments of the Board of Water Resources and the protection of water rights.

Ms. Hasenyager concluded with additional water opportunities.

Sen. Hinkins commented that Utah lacks proper water storage and asked if new reservoirs could be built or existing ones built up, with a response by Mr. Williams.

Sen. Okerlund asked about federal funding matches for dam safety and funding for the acceleration of dam safety, with a response from Mr. Williams.

Rep. Albrecht commented on the a washed out dam on the Sevier River, with a response from Sen. Hinkins.

Sen. Iwamoto commented on the Water Smart Grant and asked about the Lake Powell pipeline and the Bear River development. Mr. Williams and Ms. Hasenyager responded.

Rep. Christofferson asked about water storage and infrastructure, with a response from Mr. Williams and Ms. Hasenyager.

Rep. Harrison asked about water conservation funding and statewide water conservation goals, with a response from Ms. Hasenyager.

Rep. Snider asked about the Bear River project, with a response from Mr. Egbert.

Rep. Handy commented on Sen. Hinkins question about building more reservoirs, with a response from Ms. Hasenyager.

#### **4 . Accountable Budget Review Process - Utah Geological Survey**

Mr. Djambov explained the issue brief for the Utah Geological Survey (UGS).

##### [4-Issue Brief - 2019 Interim - Utah Geological Survey](#)

Mr. Bill Keach, Director, UGS, introduced Mr. Mike Hylland, Deputy Director, UGS, and Mr. Brian Steed, Executive Director, DNR. Mr. Keach gave an overview of the UGS that included challenges for FY 2020 and beyond.

Rep. Christofferson asked about the UGS plan for resolving the budget challenge, with a response from Mr. Keach and Mr. Hylland.

Sen. Winterton commented that the subcommittee needs to provide incentives to put drilling back on federal lands. Mr. Keach responded.

Rep. Albrecht commented that uranium claims could help with the financial challenge. Mr. Keach responded.

Sen. Sandall asked about revenue from state lands. Mr. Keach and Sen. Hinkins responded.

Rep. Lyman commented on the budget concerns of UGS and expressed his support for what UGS has done.

**MOTION:** Sen. Hinkins moved that the committee draft a letter to President Trump stating that the committee endorses the decision that 25 percent of our uranium has to be produced in the United States. The motion passed with a vote of 16 - 0 - 3.

Yeas-16

Rep. C. Albrecht  
Rep. S. Barlow  
Rep. S. Chew  
Rep. K. Christofferson  
Rep. S. Handy  
Rep. S. Harrison  
Sen. D. Hinkins  
Sen. D. Ipson  
Sen. J. Iwamoto  
Rep. K. Kwan  
Rep. P. Lyman  
Sen. R. Okerlund  
Rep. L. Perry  
Sen. S. Sandall  
Rep. C. Snider  
Sen. R. Winterton

Nays-0

Absent-3

Rep. K. Stratton  
Sen. D. Thatcher  
Rep. L. Wilde

## **5 . Accountable Budget Review Process - Species Protection**

Mr. Djambov explained the issue brief for Species Protection.

### [5-Issue Brief - 2019 Interim - Species Protection](#)

Mr. Christopher Keleher, Director, Species Protection, DNR, explained the Species Protection Account, which was established to protect any plant or animal species identified as sensitive by the state, or threatened or endangered under the Endangered Species Act. He discussed Utah's endangered fish recovery programs.

Rep. Snider asked clarifying questions about the species protection process. Mr. Keleher responded.

Sen. Hinkins asked about a plant that grows in the oil shale industry in the Uintah Basin, with a response from Mr. Keleher.

Sen. Winterton inquired about the delisting of the wolf, with a response from Mr. Keleher and Mr. Steed.

Sen. Okerlund asked if the work model for Sage Grouse could be used for the protection of other species. Mr. Keleher responded. Sen. Hinkins commented further, with a response from Mr. Keleher.

## **6 . Accountable Budget Review Process - DNR Pass Through**

Mr. Djambov explained the issue brief for the DNR Pass Through.

### [6-Issue Brief - 2019 Interim - DNR Pass Through](#)

## **7 . Accountable Budget Review Process - Predator Control Funds Transfer**

Mr. Djambov discussed the Predator Control Funds Transfer.

Sen. Hinkins asked about racoon control in the Avenues, with a response from Mr. Djambov.

Mr. Steed recommended that the Predator Control Funds be passed on directly to the Department of Agriculture and Food.

Mr. Kerry Gibson, Executive Director and Commissioner of Agriculture, agreed with Mr. Steed's recommendation.

## **8 . Other Business/Adjourn**

Rep. Snider asked about the need for an RFP for pass through items, with a response from Mr. Steed, Sen. Hinkins, and Mr. Djambov.

**MOTION:** Sen. Hinkins moved to adjourn. The motion passed with a vote of 14 - 0 - 5.

Yeas-14

Rep. C. Albrecht  
Rep. S. Barlow  
Rep. S. Chew  
Rep. S. Handy  
Rep. S. Harrison  
Sen. D. Hinkins  
Sen. J. Iwamoto  
Rep. K. Kwan  
Rep. P. Lyman  
Sen. R. Okerlund  
Rep. L. Perry  
Sen. S. Sandall  
Rep. C. Snider  
Sen. R. Winterton

Nays-0

Absent-5

Rep. K. Christofferson  
Sen. D. Ipson  
Rep. K. Stratton  
Sen. D. Thatcher  
Rep. L. Wilde

Chair Barlow adjourned the meeting at 3:46 P.M.