



MINUTES

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENTAL QUALITY APPROPRIATIONS

SUBCOMMITTEE

LEGISLATURE

Tuesday, October 15, 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. Lee B. Perry
Rep. Casey Snider
Rep. Keven J. Stratton
Rep. Logan Wilde

Members Absent:

Rep. Phil Lyman

Staff Present:

Mr. Ivan D. Djambov, Finance Manager
Lacey K. Moore, Financial Analyst
Ms. Nancy Skidmore, Committee Secretary

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

Senate Chair Hinkins called the meeting to order at 1:23 p.m.

1 . Approval of Minutes

MOTION: Rep. Christofferson moved to approve the minutes of the August 20, 2019 meeting. The motion passed with a vote of 13 - 0 - 6.

Yeas-13

Rep. C. Albrecht
Rep. S. Barlow
Rep. S. Chew
Rep. K. Christofferson
Rep. S. Handy
Sen. D. Hinkins
Sen. J. Iwamoto
Rep. K. Kwan
Rep. L. Perry
Rep. C. Snider
Sen. D. Thatcher
Rep. L. Wilde
Sen. R. Winterton

Nays-0

Absent-6

Rep. S. Harrison
Sen. D. Ipson
Rep. P. Lyman
Sen. R. Okerlund
Sen. S. Sandall
Rep. K. Stratton

2 . A Performance Audit of the Repayment Feasibility of the Lake Powell Pipeline

Ms. Lacey Moore, Financial Analyst, Office of Legislative Fiscal Analyst (LFA), introduced the Audit and possible committee actions.

Mr. Benn Buys, Auditor Manager, Office of the Utah Legislative Auditor General (OLAG), made a presentation.

[2-A Performance Audit of the Repayment Feasibility of the Lake Powell Pipeline](#)

Mr. August Lehman, Auditor Supervisor, OLAG, made a presentation.

Rep. Chew asked Mr. Lehman to define impact fees.

Mr. Lehman responded.

Rep. Harrison asked if impact fees are compared nationally. She also asked if water usage in Washington County was compared to national rates in their assessment.

Mr. Buys directed the committee to the audit report to answer this question. Page 19 shows impact fees for Washington County. Page 21 shows water rate comparisons.

Mr. Lehman continued with his presentation.

Sen. Iwamoto asked why Washington County's future needs for water and availability for water in Lake Powell were not addressed in the audit.

Mr. Buys responded.

Sen. Iwamoto asked about drought impact.

Mr. Buys responded.

Sen. Iwamoto ask for clarification on the graph concerning the pipeline on page 8.

Mr. Buys responded.

Sen. Iwamoto asked about the bond rating and the dollar amount of the Transportation Fund.

Mr. Buys responded.

Rep. Albrecht asked about page 8, the designated route, and whether the Kaibab Paiute Tribe was going to take delivery of the water.

Mr. Buys was not sure and suggested that the Division of Water Resources be asked this question.

Chair Hinkins asked about money for the pipeline allocated to Arizona and whether it could go to the Kaibab Paiute Reservation.

Mr. Lehman said that there has been discussion on this issue.

Rep. Harrison asked for clarification on the scope of the audit. She asked if the auditors had considered how much the projected water rate increase would decrease water usage in Washington County, and what is the largest amount that Utah taxpayers could be responsible for.

Mr. Buys responded.

Mr. Eric Millis, Director, Utah Division of Water Resources, (DWRe), addressed previous questions asked by Sen. Iwamoto, Rep. Albright, and Rep. Harrison.

Mr. Todd Adams, Deputy Director, DWRe, made clarifications.

Rep. Christofferson asked clarifying questions about ranges of costs for the pipeline including inflation.

Mr. Millis responded.

Mr. Ivan Djambov, Finance Manager, LFA, explained the request for action on the recommendations of the audit.

Sen. Iwamoto asked about the urgency of making this decision.

Chair Hinkins said that there was no deadline but leadership had asked for a decision.

Sen. Okerlund commented that this issue had been studied and had gone through a lengthy and positive audit. He continued that the more time that is spent on this decision the price for the pipeline continues to go up. He proposed to go forward with the motions.

Rep. Harrison expressed concern about making a decision before there is a robust look by the auditors on whether the pipeline was needed and asked if other means had been maximized for the growing population in this area.

MOTION: Sen. Okerlund moved that the Washington County Conservancy District is taking appropriate steps to consider a Lake Powell Pipeline repayment plan that considers the financial impact on taxpayers and water users while generating enough revenue in the event of an economic downturn. 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
Rep. K. Kwan
Sen. R. Okerlund
Rep. L. Perry
Sen. S. Sandall
Rep. C. Snider
Rep. K. Stratton
Rep. L. Wilde
Sen. R. Winterton

Nays-2

Rep. S. Harrison
Sen. J. Iwamoto

Absent-3

Sen. D. Ipson
Rep. P. Lyman
Sen. D. Thatcher

MOTION: Rep. Albrecht moved that the Board of Water Resources is taking appropriate actions to clarify and formalize the repayment process prior to funding for those items over which they are given statutory authority for the LPP. The motion passed with a vote of 15 - 1 - 3.

Yeas-15

Rep. C. Albrecht
Rep. S. Barlow
Rep. S. Chew
Rep. K. Christofferson
Rep. S. Handy
Sen. D. Hinkins
Sen. J. Iwamoto
Rep. K. Kwan
Sen. R. Okerlund
Rep. L. Perry
Sen. S. Sandall
Rep. C. Snider
Rep. K. Stratton
Rep. L. Wilde
Sen. R. Winterton

Nays-1

Rep. S. Harrison

Absent-3

Sen. D. Ipson
Rep. P. Lyman
Sen. D. Thatcher

MOTION: Rep. Christofferson moved that the Board of Water Resources is taking appropriate actions to clarify down payment expectations for participating districts. The motion passed with a vote of 15 - 1 - 3.

Yeas-15

Rep. C. Albrecht
Rep. S. Barlow
Rep. S. Chew
Rep. K. Christofferson
Rep. S. Handy
Sen. D. Hinkins
Sen. J. Iwamoto
Rep. K. Kwan
Sen. R. Okerlund
Rep. L. Perry
Sen. S. Sandall
Rep. C. Snider
Rep. K. Stratton
Rep. L. Wilde
Sen. R. Winterton

Nays-1

Rep. S. Harrison

Absent-3

Sen. D. Ipson
Rep. P. Lyman
Sen. D. Thatcher

3 . Accountable Budget Review Process - Oil, Gas, and Mining

[3-Accountable Budget Review Process - Oil, Gas, and Mining](#)

Mr. Djambov made a presentation.

Mr. John Baza, Director, Utah Division of Oil, Gas and Mining made a presentation.

Chair Hinkins asked why the coal severance tax is paying 100 percent on mine reclamation when less than 10 percent of mines being reclaimed are coal mines.

Mr. Baza responded.

Chair Hinkins asked why green technology is not regulated.

Mr. Baza responded.

Rep. Christofferson asked if bonding is required in reclamation.

Mr. Baza responded.

Rep. Snider, asked clarifying questions about the issuance of permits.

Mr. Brian Steed, Executive Director, Department of Natural Resources (DNR), responded.

Rep. Barlow asked if the number of permits for drilling were increasing.

Mr. Baza said that number of permits are down.

Rep. Barlow asked if the division has too many inspectors.

Mr. Baza responded.

Chair Hinkins asked if they could consolidate divisions to receive permits.

Rep. Albrecht complemented the division because the process is simple and straight forward.

4 . An In-Depth Budget Review of the Department of Natural Resources

[4a-Accountable Budget Review Process - DNR Administration](#)

Mr. Brian Dean, Deputy Auditor General, OLAG, introduced the audit.

[4b-An In-Depth Budget Review of the Department of Natural Resources](#)

Mr. David Gibson, Auditor Supervisor, OLAG, presented the audit.

Mr. Gibson and Mr. Dean addressed questions from the committee.

Mr. Gibson continued his presentation.

Rep. Snider asked clarifying questions about fees.

Mr. Dean responded.

Sen. Okerlund asked questions about wildlife division fee structures and revenue compared to other states.

Mr. Gibson and Mr. Dean responded.

Mr. Gibson continued his presentation.

Chair Hinkins asked how they track out-of-state boats.

Mr. Gibson responded.

Rep. Wilde asked how many assets the department has overall.

Mr. Dean responded that they have the second most in the state behind UDOT.

Sen. Sandall asked about the collection mechanism for invasive species fees and recreational boating in Utah, and how it differs from other states.

Mr. Gibson and Mr. Dean responded.

5 . Committee Actions

[8-VOTING Results, 10-15-2019](#)

Mr. Djambov introduced Accountable Budget options and actions. The committee will have the opportunity to vote on Entities's Base Budget Approval.

MOTION: Rep. Chew moved to postpone the base budget appropriation for the Division of Oil, Gas, and Mining pending the legislative audit.
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. L. Perry
Sen. S. Sandall
Rep. C. Snider
Sen. D. Thatcher
Rep. L. Wilde
Sen. R. Winterton

Nays-0

Absent-3

Rep. P. Lyman
Sen. R. Okerlund
Rep. K. Stratton

MOTION:

Rep. Chew moved to request the Division of Forestry, Fire, and State Lands allocate the staff and the resources necessary to create and make the central index available to the public, as directed by the statute, and report to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee its plans and progress during the 2020 General Session. 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. L. Perry
Sen. S. Sandall
Rep. C. Snider
Sen. D. Thatcher
Rep. L. Wilde
Sen. R. Winterton

Nays-0

Absent-3

Rep. P. Lyman
Sen. R. Okerlund
Rep. K. Stratton

MOTION:

Rep. Barlow moved under Joint Rule 3-2-101 and e-2-402 to authorize legislative staff to prepare and number the base budget bill for the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee, to be presented to the Executive Appropriations Committee no later than the third Wednesday in December, in preparation for the 2020 General Session. Staff shall include in the bill: 1. The accountable process budget changes adopted today; 2. Ongoing General Fund appropriations defined in the current year's appropriations acts; 3. Federal Funds, Dedicated Credit, Restricted fund and account amounts that are the lesser of the current year ongoing appropriations or agency budget requests; and 4. Adjustments to nonlapsing balances, transfers, and other dependent amounts as calculated (see table on page 5). In consultation with the co-chairs of the appropriation subcommittee or the co-chairs of the Executive Appropriations Committee staff may make any technical changes necessary including balancing between the General Fund and Education Funds order to balance the overall budget. The motion passed with a vote of 17 - 0 - 2.

Yeas-17

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. L. Perry
Sen. S. Sandall
Rep. C. Snider
Rep. K. Stratton
Sen. D. Thatcher
Rep. L. Wilde
Sen. R. Winterton

Nays-0

Absent-2

Rep. P. Lyman
Sen. R. Okerlund

6 . Fiscal Note and Budget Item Follow-up Report

[7-Fiscal Note and Budget Item Follow-up Report](#)

Mr. Tim Dinehart, Financial Analyst, LFA, explained items that the committee could take action on.

MOTION: Rep. Kwan moved to request the Division of Forestry, Fire, and State Lands present performance measures with specific goals to assess the success of each project related to the Jordan River Recreation Park funding to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee during the 2020 General Session. The motion passed with a vote of 14 - 0 - 5.

Yeas-14

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
Sen. S. Sandall
Rep. C. Snider
Rep. L. Wilde
Sen. R. Winterton

Nays-0

Absent-5

Rep. P. Lyman
Sen. R. Okerlund
Rep. L. Perry
Rep. K. Stratton
Sen. D. Thatcher

MOTION: Rep. Snider moved to request the Public Lands Policy Coordinating Office report on their planned uses of any nonlapsing balances related to stabilizing their agency to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee during or before the 2020 General Session. The motion passed with a vote of 14 - 0 - 5.

Yeas-14

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
Sen. S. Sandall
Rep. C. Snider
Rep. L. Wilde
Sen. R. Winterton

Nays-0

Absent-5

Rep. P. Lyman
Sen. R. Okerlund
Rep. L. Perry
Rep. K. Stratton
Sen. D. Thatcher

7 . Fee-Data Accuracy Evaluation - DEQ, Agriculture, and Energy Development

[9-Fee-Data Accuracy Evaluation - DEQ, Agriculture, and Energy Development](#)

Mr. Dinehart explained the agenda item.

Rep. Christofferson made comments on the value of fee data accuracy related to cutting costs.

Chair Hinkins commented on the cost of fees.

8 . Adjourn

MOTION: Rep. Christofferson 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. K. Christofferson
Rep. S. Handy
Rep. S. Harrison
Sen. D. Hinkins
Sen. D. Ipson
Sen. J. Iwamoto
Rep. K. Kwan
Sen. S. Sandall
Rep. C. Snider
Rep. L. Wilde
Sen. R. Winterton

Nays-0

Absent-5

Rep. P. Lyman
Sen. R. Okerlund
Rep. L. Perry
Rep. K. Stratton
Sen. D. Thatcher

Chair Hinkins adjourned the meeting at 3:41 p.m.