

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

Room 25 House Office Building
January 30, 2012

MEMBERS PRESENT: Sen. David Hinkins, Co-Chair
Rep. John G. Mathis, Co-Chair
Sen. Casey Anderson
Sen. Gene Davis
Sen. Margaret Dayton
Sen. Ralph Okerlund
Sen. Kevin T. Van Tassell
Rep. Roger E. Barrus
Rep. Susan Duckworth
Rep. Brad J. Galvez
Rep. Michael E. Noel
Rep. Lee Perry
Rep. Dixon M. Pitcher
Rep. Stephen E. Sandstrom
Rep. Christine Watkins

MEMBERS EXCUSED: Sen. Margaret Dayton

MEMBERS ABSENT: Rep. Keith Grover, Vice Chair

STAFF: Mr. Ivan Djambov, Fiscal Analyst
Ms. Linda Service, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Chair Hinkins called the meeting to order at 8:02 a.m.

1. There were no minutes to approve.

2. DIVISION OF OIL, GAS, AND MINING

Analyst Presentation

Mr. Ivan Djambov, Fiscal Analyst, briefly commented on the Budget Brief, "Division of Oil, Gas, and Mining." The division regulates exploration for the development of Utah's oil, gas, coal, and other mineral resources. When exploration and developmental activities are completed, the division ensures that oil and gas wells are properly abandoned and mining sites are satisfactorily reclaimed. He recommended a total FY 2013 appropriation of \$12,344,000. The intent language provides that appropriations for the Division of Oil, Gas, and Mining totaling \$400,000 shall not lapse at the close of FY 2012. Mr. Djambov also noted the Issue Brief, "Oil, Gas, and Mining Fees," shows there are no fee changes.

Agency Presentation

Mr. John Baza, Director, Division of Oil, Gas, and Mining, assisted by Ms. Paula Dupin-Zahn, Financial Manager, reviewed a slide presentation. The five functional responsibilities within the division are: (1) the oil and gas regulatory program, (2) the coal regulatory program, (3) the minerals regulatory program, (4) the abandon mines hazard alleviation program, and (5) administration. Mr. Baza highlighted the

accomplishments of the division in 2011 and then responded to questions from members of the subcommittee.

3. DIVISION OF WATER RESOURCES

Analyst Presentation

Mr. Djambov reviewed the Budget Brief, "Division of Water Resources." The Division of Water Resources is considered to be the water resource authority for the state, assuring the orderly planning, development and protection of Utah's water. The division does this through conservation, planning, and financial assistance programs. There are no funding requests. The recommendation for the FY 2013 budget is \$5,906,000. There is one request for non-lapsing intent language totaling \$200,000.

Mr. Djambov commented on the Budget Brief, "Water Resources, Revolving Construction Loan Fund." The construction fund may pay for construction, engineering, investigation, and inspection of water projects to conserve the water resources of the state for the best interests of the citizens. The fund is used to build smaller projects for incorporated entities such as private irrigation and water companies. The budget consists of a transfer of \$3,800,000 from the Conservation and Development Fund for state-mandated dam safety improvements. The Analyst responded to questions from the subcommittee members.

Agency Presentation

Mr. Dennis Strong, Director, Division of Water Resources, was assisted by Mr. Jim Egbert, Financial Budget Officer. As Mr. Strong summarized the document, "Water for Utah, A Review of Duties and Funding Programs of the Division and Board of Water Resources, January 2012," he focused on the four aspects of the division's mission: planning, conserving, developing, and protecting Utah's water resources. He informed the members of the subcommittee that the division is spending the monies allocated for the state-owned Bear River Development Project and Lake Powell Pipeline Project gathering permits and rights-of-way. In order to determine what the state's position should be concerning state-owned water projects and the broader funding needs, Mr. Strong suggested the subcommittee turn the decision making process on these projects over to the Utah Water Development Commission to offer recommendations. He answered questions posed from subcommittee members.

4. PUBLIC LANDS POLICY COORDINATION OFFICE

Analyst Presentation

Mr. Djambov discussed the Budget Brief, "Public Lands Policy Coordination Office." The Public Lands Policy Coordination Office (PLPCO) coordinates the state's interests on public lands issues and acts to ensure that state and local interests are considered in the management of public lands. In cooperation with the Division of State History, PLPCO ensures that surveys and excavations of the state's archaeological and anthropological resources are undertaken in a coordinated, professional, and organized manner through administration of the state archaeological survey and excavation permitting system. There are no requests for additional funding or non-lapsing intent language.

Agency Presentation

Ms. Kathleen Clarke, Director, PLPCO, was assisted by Ms. Sandy Naegle who oversees the budget for the office. Ms. Clarke commented on the struggles and conflicts that occur when interacting with federal agencies. The purpose of PLPCO is to assemble these concerns and then strongly voice the position that the state is going to take relative to those activities. Ms. Naegle addressed two issues: (1) request for \$400,000 in carry over allowance for litigation purposes, and (2) concern regarding the projections of the restricted account from which the funding comes.

Sen. David Hinkins, Co-chair

Rep. John G. Mathis, Co-chair