

**MINUTES OF THE
WATER ISSUES TASK FORCE**

Thursday, August 11, 2005 – 10:00 a.m. – Room W125 House Building

Members Present:

Sen. Peter C. Knudson, Senate Chair
Rep. David Ure, House Chair
Sen. Patrice Arent
Sen. Mike Dmitrich
Sen. Beverly Ann Evans
Rep. Roger E. Barrus
Rep. David N. Cox
Rep. Ben C. Ferry
Rep. James Gowans
Rep. Brad King
Rep. Michael T. Morley

Members Absent:

Sen. Thomas V. Hatch
Rep. Margaret Dayton

Staff Present:

Brian Allred, Policy Analyst
Mark B. Steinagel, Policy Analyst
Chris Parker, Associate General Counsel
Emily Brown, Task Force Staff
Joy Miller, Legislative Secretary

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

1. Task Force Business

Chair Knudson called the meeting to order at 10:10 a.m. Sen. Hatch and Rep. Dayton were excused from the meeting.

MOTION: Sen. Arent moved to approve the minutes of the July 21, 2005 meeting. The motion passed unanimously with Rep. Morley absent for the vote.

2. Sales Tax Diversion for Water Projects and Water Financing

Rep. Ure distributed "Proposed Legislation on Sales and Use Tax Diversion." He explained that the proposal would provide that revenues generated by the 1/16 percent state sales and use tax in excess of \$17.5 million be deposited in the WRCD (Water Resources Conservation and Development) Fund for use in funding the Bear River development and the Lake Powell Pipeline. He asked that the Task Force provide input on the following questions:

- What should be the statutorily specified uses of the funds?
- Who should determine how, when, and to which projects the funds are allocated?
- If funds in a given year exceed the needs of the Bear River development and Lake Powell Pipeline, should the funds be used for other water projects financed through the WRCD Fund?
- Should participating entities be required to provide matching funds? If yes, how much?

Mr. Warren Peterson, Member, Board (Board of Water Resources), commented that after the Dam Safety Act was established, the Board adopted rules that the money could be used for grants with a 5 percent local match. When the money is not being used, it could be put in the revolving loan fund and used for other projects.

Mr. Fred Finlinson, Coalition (Water Coalition), indicated that he has not had the opportunity to review the

questions raised. The Coalition will discuss the issues at its next meeting and will bring back recommendations to the Task Force.

Mr. Walt Baker, Division of Water Quality, explained that 50 percent of the \$17.5 million goes into the WRCD Fund. The remaining 50 percent is split between the Drinking Water and Water Quality Boards. Excess funds could be used for culinary water systems for municipalities and wastewater facilities.

Mr. Jerry Olds, State Engineer, asked the Task Force to consider giving a small percentage of the funds to the Division of Water Rights to address some of the problems his staff is experiencing in dealing with all of the water administration issues throughout the state.

Mr. Jeffrey Steadman, Utah Rivers Council, expressed concern that these projects will deliver water to a handful of counties yet will require all citizens of the state to pay for them. He stated that other measures could be implemented without investing in the projects.

3. Water Reuse Requirements

Rep. Ferry explained that the Water Reuse working group met prior to today's Task Force meeting. He said the proposed legislation the group has been discussing is 95 percent complete. The draft will be distributed prior to the next meeting of the Task Force.

4. Groundwater Management

Mr. Finlinson distributed and reviewed "Proposed Principles for Groundwater Management Plans Legislation," a memorandum regarding "Ground Water Management," and "Ground Water Management Act Policy Statement." He suggested that, in its deliberations, the Task Force focus initially on using the principles of safe yield, administering groundwater rights, groundwater management plans, and overdraft of groundwater basins. He pledged the support of the Coalition in developing these policies.

Mr. Pat Shea, private citizen, said it is important to determine how future economic development can occur respecting agricultural traditions yet focusing on resolving these matters in an efficient way. He encouraged the Legislature to use the scientific research available to develop a solution.

Mr. Olds said he raised this very important issue in hopes of obtaining public debate. He asked to go on record that he has never said he wants to cut the water rights in the Beryl/Enterprise area by two-thirds. Groundwater should be monitored and withdrawals regulated to avoid migration of poor quality water into good quality water.

Mr. Chris Bramhall, Salt Lake City Attorney's Office, stated that allocating water on the basis of priority is a great concept and should be followed through in any management plans, but working it out in the details is very difficult. He agreed with the concept of safe yield.

5. Other Business/ Adjourn

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The next meeting of the Task Force was scheduled for Tuesday, Sept. 6 at 9:00 a.m.

MOTION: Sen. Evans moved to adjourn the meeting. The motion passed unanimously.

Chair Knudson adjourned the meeting at 11:35 a.m.