

**MINUTES OF THE
WATER ISSUES TASK FORCE**

Thursday, November 3, 2005 – 9:00 a.m. – Room W125 House Building

Members Present:

Sen. Peter C. Knudson, Senate Chair
Rep. David Ure, House Chair
Sen. Patrice Arent
Sen. Beverly Ann Evans
Sen. Thomas V. Hatch
Rep. Roger E. Barrus
Rep. David N. Cox
Rep. Margaret Dayton
Rep. James R. Gowans
Rep. Brad King

Members Absent:

Sen. Mike Dmitrich
Rep. Ben C. Ferry
Rep. Michael T. Morley

Staff Present:

Mr. J Brian Allred, Policy Analyst
Mr. Mark B. Steinagel, Policy Analyst
Mr. Chris Parker, Associate General Counsel
Ms. Emily Brown, Associate General Counsel
Ms. Glenda Whitney, Legislative Secretary

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

1. Task Force Business

Chair Ure called the meeting to order at 9:08 a.m. Sen. Dmitrich was excused from the meeting.

Chair Ure passed around a book written in 1903 titled, "*Report of Irrigation Investigation in Utah, U.S. Department of Agriculture*" for the Task Force to view.

MOTION: Sen. Evans moved to approve the minutes of the October 20, 2005 meeting. The motion passed unanimously.

2. Proposed Water Company Amendments

Rep. Ure reviewed proposed changes to Utah Code Section 73-3-3.5, "Application for a change of point of diversion, place of use, or purpose of use of water in a water company made by a shareholder" that was distributed in the mailing packet.

Mr. Gerald Kinghorn, Attorney, Parsons, Kinghorn, & Harris, suggested studying the wording in the amendments and expressed concern on how the language would work in practice.

Mr. Fred Finlinson, Coalition (Utah Water Coalition), said the Coalition did not have a recommendation regarding the amendments.

Mr. Phillip E. Lowry, Attorney, Howard, Lewis, & Petersen, spoke in support of the bill.

Mr. Jerry Olds, State Engineer, identified areas of concern and made clarifications to the draft amendments.

Mr. Warren Peterson, Attorney, Waddington & Petersen, made recommendations to the draft.

Chair Ure asked staff to draft legislation on this issue for consideration at the next meeting.

3. Sales Tax Diversion for Water Projects and Water Financing

Ms. Brown distributed and reviewed draft legislation, "Sales Tax Diversion for Water Projects and Water Financing." She noted that the legislation will be presented to the Natural Resources, Agriculture, and Environment Interim Committee on November 9, 2005. She explained that the bill amends the Sales and Use Tax Act to address the expenditure of certain state sales and use tax revenues.

Mr. Finlinson expressed concerns related to the requirements for sales of water before work starts. He spoke in support of the concepts in the bill.

Chair Ure indicated that action on the legislation would be postponed until the next meeting in order to give members of the Task Force time to review it.

4. Groundwater Management Plan

Chair Ure referred to draft legislation, "Groundwater Management Plan" that was included in the mailing packet. He noted that the bill authorizes the state engineer to create a groundwater management plan.

Mr. Finlinson distributed and reviewed a memorandum "Reuse and Groundwater Amendments" of recommended changes to the legislation.

Mr. Olds responded to questions and made clarifications to the draft.

MOTION: Sen. Hatch moved to amend "Groundwater Management Plan" as follows:

On line 138: After "engineer" delete "may" and insert "shall".

On line 138: After "impacts" delete "on the local community" and insert "to an individual water user or a local community".

The motion passed unanimously. Sen. Evans was absent for the vote.

Mr. Peterson explained the procedure for judicial review in an appeal regarding property rights.

Mr. Parker addressed some concerns over the implication of the Administrative Procedures Act's application to suits challenging a groundwater management plan.

Mr. Mike Brown, Escalante Valley Water User, said he would like more local control over groundwater decisions.

Mr. Finlinson requested that the Task Force consider the Coalition's proposed amendments.

Chair Ure asked staff to make the recommended amendments to draft legislation "Groundwater Management Plan" and bring it back for further discussion at the next meeting.

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5. Other Business / Adjourn

The next meeting of the Task Force was scheduled for November 22, 2005 at 2:00 p.m.

MOTION: Rep. King moved to adjourn. The motion passed unanimously with Sen. Knudson absent for the vote.

Chair Ure adjourned the meeting at 11:18 a.m.