

**MINUTES OF THE
WATER ISSUES TASK FORCE**

Tuesday, November 22, 2005 – 2:00 p.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. Ben C. Ferry
Rep. James R. Gowans
Rep. Brad King

Members Absent:

Sen. Mike Dmitrich
Rep. Michael T. Morley

Staff Present:

Mr. J Brian Allred, Policy Analyst
Mr. Chris Parker, Associate General Counsel
Ms. Emily Brown, Associate General Counsel
Ms. 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.le.utah.gov.

1. Task Force Business

Chair Ure called the meeting to order at 2:05. Sen. Dmitrich was excused from the meeting.

MOTION: Sen. Arent moved to approve the minutes of the November 3, 2005 meeting. The motion passed unanimously. Sen. Evans, Rep. Dayton, and Rep. Ferry were absent for the vote.

Rep. Ure turned the chair over to Sen. Knudson.

Rep. Cox referred to proposed legislation "Groundwater Management Plan." He stated that at the previous meeting he wanted an amendment to the bill that would address protecting individuals who protest an issue to keep them from having to defend themselves in procedures brought against the denial.

2. Draft Legislation - Water Company Amendments

Rep. Ure discussed draft legislation, "Water Company Amendments." The bill allows a shareholder who is requesting a change to a water right to recover damages in an action against the water company.

MOTION: Rep. Ure moved to adopt "Water Company Amendments" as a task force bill. The motion passed unanimously. Rep. Ferry was absent for the vote.

3. Draft Legislation - Sales Tax Diversion for Water Projects and Water Financing

Rep. Ure reviewed draft legislation, "Sales Tax Diversion for Water Projects and Water Financing." The bill addresses the expenditure of certain state sales and use tax revenues.

MOTION: Rep. Ure moved to amend the bill as follows:

Line 224: Delete "97%" and insert "94%"

Line 243: Delete "3%" and insert "6%"

The motion passed unanimously. Rep. Ferry was absent for the vote.

Mr. Fred Finlinson, Coalition (Utah Water Coalition), distributed a memorandum outlining the Coalition's suggested changes to the legislation. He requested that the Task Force consider amending line 246 as follows: delete "100% of" and after "dedicated credits" insert "in excess of \$150,000."

Rep. Ure recommended that staff draft Mr. Finlinson's request in the form of an amendment for consideration during standing committee hearings in the 2006 General Session.

Ms. Merritt Frey, Utah Rivers Council, distributed "Public Community Water Systems." She stated that Bear River development is not yet needed and indicated that the proposed funding mechanism is unfair and encourages waste.

Mr. Warren Peterson, General Counsel, Provo River Water Users Association, discussed the Provo Reservoir Canal enclosure project which is an example of just one of the projects that would be financed through funds made available by both lifting the sales tax cap and by the allocation of surplus funds.

Mr. Denton John, Portage, Utah, stated he has not received any notification of meetings from anyone in the state regarding proposed water projects. Communication for those impacted the most is very poor. He expressed concern with the broad authority that has been granted to the state engineer.

Rep. Ure explained that the proposed legislation only provides money to the Division of Water Resources. It does not address specific projects to be developed.

Sen. Arent questioned whether earmarking is the best method of financing. She did not question the validity of some of the projects, but stated she was not yet comfortable enough to support the legislation.

MOTION: Rep. Ure moved to adopt "Sales Tax Diversion for Water Projects and Water Financing" as a task force bill, as amended. The motion passed with Sen. Arent voting in opposition.

4. Draft Legislation - Groundwater Management Plan

Rep. Ure discussed draft legislation, "Groundwater Management Plan" which authorizes the state engineer to create a groundwater management plan for any groundwater basin or aquifer. He distributed a list of proposed amendments to the bill.

Mr. Finlinson reviewed the Coalition's recommended changes to the bill. He noted, however, that Subsection (iv) on page 3 of his handout should be deleted.

MOTION: Sen. Hatch moved to support the concept of the proposed amendments submitted by the Coalition and Rep. Ure. Staff was directed to incorporate the amendments into the bill to be addressed during the 2006 General Session. The motion passed unanimously.

Rep. Dayton distributed a list of her proposed amendments to the bill.

Mr. Peterson explained that the amendments address Rep. Dayton's concern that a mechanism be in place for sufficient public input to the state engineer as plans are developed.

Mr. Mike Brown, Escalante Valley Water Users, expressed his support for Rep. Dayton's amendments.

Mr. Mark Allen, citizen, spoke in support of the proposed amendments. He asked that Wallsburg Valley be one of the first test cases for a groundwater management plan.

MOTION: Rep. Dayton moved to adopt her proposed amendments with the following changes: In Subsection (5)(a)(iii) delete "each" and insert "the" and in Subsection (5)(d)(i)(A) delete "prepared" and insert "proposed." The motion passed unanimously.

Mr. Mike Styler, Executive Director, Department of Natural Resources, congratulated the Task Force for their efforts and hard work.

5. Draft Legislation - Water Issues Task Force

Rep. Ure discussed draft legislation, "Water Issues Task Force" which would reauthorize the Task Force for one more year.

Mr. Finlinson outlined the issues the Coalition requested be included in the bill.

Rep. Ure indicated that other suggested changes to the bill should be sent to Emily Brown, Associate General Counsel.

MOTION: Sen. Evans moved to reauthorize the Water Issues Task Force. The motion passed unanimously.

6. Other Items / Adjourn

Mr. Jerry Olds, State Engineer, thanked the Task Force for its efforts over the last two years. He said the legislation drafted by the Task Force is based on very sound principles and will serve the public well.

The task force chairs thanked the members, staff, and the public for their work.

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

Chair Knudson adjourned the meeting at 3:50 p.m.