

**MINUTES OF THE
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE**
Wednesday, June 20, 2007 – 2:00 p.m. – Room W125 House Building

Members Present:

Rep. Roger E. Barrus, House Chair
Sen. Darin Peterson, Senate Chair
Sen. Dennis E. Stowell
Sen. Michael G. Waddoups
Rep. Melvin R. Brown
Rep. Glenn A. Donnelson
Rep. Jack R. Draxler
Rep. Kerry Gibson
Rep. James R. Gowans
Rep. Neal Hendrickson
Rep. John G. Mathis
Rep. Michael E. Noel
Rep. Patrick L. Painter
Rep. Phil Riesen
Rep. Stephen E. Sandstrom

Members Absent:

Sen. Gene Davis
Sen. Margaret Dayton
Rep. Sylvia S. Andersen
Rep. Carl W. Duckworth
Rep. Richard W. Wheeler

Staff Present:

Mr. J Brian Allred, Policy Analyst
Ms. Emily Brown, Associate General Counsel
Ms. Joy L. Miller, Legislative Secretary

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

1. Committee Business

Chair Barrus called the meeting to order at 2:20 p.m. Sen. Dayton and Rep. Duckworth were excused from the meeting.

MOTION: Rep. Donnelson moved to approve the minutes of the May 16, 2007 meeting. The motion passed unanimously.

2. State Energy Advisor Report

Ms. Dianne Nielson, State Energy Advisor, distributed three handouts: "Utah Energy Program Update," "Western Governors' Association Policy Resolution 07-16," and "The Western Governors' Association Energy Efficient Buildings Workshop." She gave a presentation updating the Committee on the Utah Energy Program. She reviewed the energy efficiencies that have either been implemented or are being considered.

Chair Barrus asked Ms. Nielson to provide information to the Committee on how she will move the state's energy policy forward. He stressed that all the state's natural resources be taken into account and asked if the large resources of oil shale in the state are being considered.

Ms. Nielson responded that there are important technical evaluations and good reason to support development of oil shale. She said the governor recognizes the need for a full and fair process in the evaluation of that resource.

MOTION: Rep. Painter moved to send a letter from the cochairs to Utah's congressional delegation expressing the Committee's opposition to HR 2337, federal energy legislation being considered by Congress. The motion passed with Rep. Riesen voting in opposition.

Rep. Noel asked to go on record that he is in opposition to any initiative that states global warming is man caused. He and Rep. Gibson indicated that the scientific data are not conclusive.

3. Nonprofit Water Companies

Mr. Warren Peterson, Waddingham & Peterson, gave a presentation "Business Organization Aspects of Irrigation Companies: What Do You Get When you Crossbreed Corporate Law with Water Law?" He outlined the characteristics that are typical of nonprofit water companies and made the following recommendations:

- allocate land conversion costs to those creating the costs rather than to water system owners/operators;
- make technical changes to the Revised Nonprofit Corporations Act;
- establish risk management tools for water providers;
- address the aging canal infrastructure; and
- protect water company water rights against partial forfeiture.

Rep. Painter stressed the need to define what a water share is. He said he has been working with the Coalition (Utah Water Coalition) to try to reach an agreement with the stakeholders.

4. Virtual Tour of State River Systems and Water Development Projects

Mr. Fred Finlinson, Coalition, gave a presentation on "Water in Utah: Understanding the Past. Planning for the Future." The presentation addressed the different river basins within the state and what Utah's water agencies are doing today to prepare for tomorrow. He noted that conservation is a priority. Mr. Finlinson pointed out that the Coalition continues to work on nonprofit and forfeiture issues.

5. Beryl / Enterprise Groundwater Management

Rep. Stephen Urquhart distributed a letter to the Committee that outlines the components of a groundwater management plan and a resolution proposed by the Association (Escalante Valley Water Users Association). The plan proposes five components:

- thorough consideration of adverse impacts on the local community and minimization of those impacts as much as possible;
- accurate economic and scientific information;
- state contribution to retirement of water rights;
- a key role for local stakeholders; and
- gradual implementation, if necessary, to protect the community and its citizens.

Mr. LaDel Laub, Association, introduced the members of the Association and gave a presentation on the proposed plan. The Association unanimously developed a conceptual plan in response to the state engineer's proposal for development of a groundwater management plan in their area. He said the plan is supported by both the Iron and Washington County Commissions and allows for a win/win resolution to the area's groundwater problems.

Mr. Mike Brown, Association, explained that they are voluntarily, not legally, asking to be able to change the amount of water that they have the right to pump.

Mr. Robert Holt, Association, said the Association determined that it would be better for all water users to survive than to have a certain percentage put out of business completely.

Mr. Jerry Olds, State Engineer, said he has met with the Association and commended them for their efforts. He expressed his commitment to work with the local water users.

6. Other Business / Adjourn

Commissioner Leonard Blackham, Department of Agriculture and Food, updated the Committee on the Department's efforts to address the Japanese Beetle. He said there has been good cooperation from the residents and the project is going well.

Mr. Mike Styler, Executive Director, Department of Natural Resources, introduced Mr. Dick Buehler as the new director of the Division of Forestry, Fire and State Lands.

MOTION: Sen. Stowell moved to adjourn. The motion passed unanimously. Sen. Waddoups, Rep. Donnelson, Rep. Gibson, Rep. Hendrickson, Rep. Riesen, and Rep. Sandstrom were absent for the vote.

Chair Barrus adjourned the meeting at 4:55 p.m.