

**MINUTES OF THE
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE**
Wednesday, October 21, 2009 – 2:00 p.m. – Room 210 Senate Building

Members Present:

Sen. Dennis E. Stowell, Senate Chair
Rep. Roger E. Barrus, House Chair
Sen. Allen M. Christensen
Sen. Margaret Dayton
Sen. Karen W. Morgan
Rep. Rebecca Chavez-Houck
Rep. Jack R. Draxler
Rep. Ben C. Ferry
Rep. Kerry Gibson
Rep. James R. Gowans
Rep. Neal B. Hendrickson
Rep. Fred R. Hunsaker
Rep. Michael E. Noel

Rep. Patrick L. Painter
Rep. Phil Riesen
Rep. Ryan D. Wilcox
Rep. Bradley A. Winn

Members Absent:

Rep. Melvin R. Brown
Rep. Brad L. Dee
Rep. John G. Mathis

Staff Present:

Mr. J Brian Allred, Policy Analyst
Mr. Christopher R. Parker 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.leg.utah.gov.

1. Committee Business

Chair Barrus called the meeting to order at 2:20 p.m.

MOTION: Rep. Draxler moved to approve the minutes of the September 16, 2009 meeting. The motion passed unanimously. Sen. Christensen, Rep. Ferry, Rep. Gibson, and Rep. Riesen were absent for the vote.

2. Update on H.R. 1925, "America's Red Rock Wilderness Act of 2009"

Mr. Mike Mower, State Planning Coordinator, said the bill pending in Congress is concerning to state leadership. He reviewed comments made by Congressman Rob Bishop in opposition to the bill.

Mr. Paul Neuenschwander, Chief of Staff for Lt. Governor Greg Bell, distributed a letter from Governor Gary Herbert to Rep. Raul Grijalva, Chairman of the Subcommittee on National Parks, Forests and Public Lands. The letter outlines the state's concerns and urges collaboration between all parties involved.

Chair Barrus referred to letters from the National Education Association and the Utah State Office of Education expressing opposition to H.R. 1925.

MOTION: Sen. Dayton moved that the Committee go on record opposing H.R. 1925. The Committee will send a letter to the governor and Utah's congressional delegation expressing its opposition. The motion passed with Rep. Chavez-Houck voting in opposition. Sen. Christensen, Rep. Ferry, Rep. Gibson, and Rep. Riesen were absent for the vote.

3. Department of Natural Resources Water Rights Study

Mr. Mike Styler, Executive Director, Department of Natural Resources, distributed the report "Endangered Species Mitigation Fund – FY 2009," which is required by statute to be given to the Committee.

Mr. Styler stated the Executive Water Task Force has met several times and received input from many individuals. He said a subcommittee was established to review canal safety and what might be the role of the state and local canal companies. He outlined the recommendations of the Task Force.

Mr. Kent Jones, State Engineer, expressed his support for the work of the Task Force.

4. Draft Legislation, "Groundwater Recharge and Recovery Act Amendments"

Rep. Noel explained that the bill has received the support of the Executive Water Task Force and the State Water Development Commission. He said the bill gives water conservancy districts the opportunity to store water and receive a recharge certificate for that water.

Mr. Dallin Jensen, Parsons Behle & Latimer, pointed out that changes in the legislation allow an applicant to receive a certificate for a completed recharge and recovery project.

Mr. Fred Finlinson, Utah Water Coalition, commented that the coalition has worked very closely with Rep. Noel on this issue. He urged the Committee's favorable consideration.

MOTION: Sen. Dayton moved to pass 2010 General Session draft legislation, "Groundwater Recharge and Recovery Act Amendments" as a committee bill. The motion passed unanimously. Rep. Ferry, Rep. Riesen, and Rep. Winn were absent for the vote.

5. Draft Legislation, "Water Storage Projects"

Rep. Noel stated the proposed bill addresses problems in the statute concerning water storage projects and developing water for public use.

Mr. Jensen explained what steps must be followed to address proof and certification of water storage projects.

Mr. Jones expressed support for the bill.

MOTION: Rep. Painter moved to pass 2010 General Session draft legislation, "Water Storage Projects" as a committee bill.

Rep. Noel pointed out Kane County has a water storage project. He is the Executive Director and General Manager of the water district which would benefit from the legislation. Rep. Noel said he did not believe it was a conflict of interest, but wanted the information noted on the record.

The Committee voted on the motion, which passed unanimously. Rep. Ferry and Rep. Riesen were absent for the vote.

6. Salt Lake Chamber of Commerce Energy Resources Policy Update

Mr. Robin Riggs, Salt Lake Chamber of Commerce, distributed "Draft Recommendations from the Energy Resources Task Force Convened by the Salt Lake Chamber." He outlined the chamber's proposed recommendations for economic development, energy development, energy efficiency, regulation, siting

facilities, and environment.

Ms. Kathleen Sgamma, Independent Petroleum Association of Mountain States (IPAMS), pointed out that the energy development section of the document distributed by Mr. Riggs does not contain reference to the development of natural gas and conventional oil. She suggested that they be added to the list.

Mr. Riggs agreed with Ms. Sgamma. He said the chamber strongly supports the continued exploration and production of traditional fossil fuels in the state.

7. Energy Advisor Report and Legislative Review of State Energy Policy

Ms. Dianne Nielson, Energy Advisor to the governor, distributed a copy of her presentation "Energy Advisor's Annual Report 2009." She pointed out that Utah's energy goals and challenges are affordable energy, a sustainable economy, strengthening energy security and independence, and reducing emissions. She outlined what has been accomplished so far.

Mr. Christopher Thomas, Policy Director, Heal Utah, noted that interdependence between energy and water is significant. He asked if the Legislature wanted to make water use a consideration in the state's energy policy.

Chair Barrus asked Mr. Thomas to provide him with proposed language to be considered.

Mr. Benjamin Larson, University of Utah law student, emphasized the importance of continued legislation to benefit the future car buyers in the state to make CNG cars available to those who are not as economically advanced as others.

8. Petroleum Industry

Mr. Lowell Braxton, Utah representative, IPAMS, distributed a copy of his presentation "Utah Oil and Gas Development" and a booklet "Utah's Independent Natural Gas Producers." He pointed out that uncertainty in the federal leasing process is diverting investment away from Utah. He requested that the Committee draft a letter to Secretary Salazar outlining its concerns.

Rep. Noel asked about leases that were withdrawn completely because they were considered to be too close to or within national parks. He asked that a list of the leases and a map of their location be provided.

Chair Barrus requested that the information be provided to the committee chairs for distribution.

MOTION: Rep. Gibson moved that the Committee send a letter to Secretary Salazar expressing concern over the leases that were withdrawn and also the way some of them have been partially reinstated. He requested that help be received from Governor Herbert's administration to make sure the explanation is given and carried to Washington, DC.

Mr. Lee Peacock, Utah Petroleum Association, indicated that Governor Herbert is endeavoring to set up a meeting with Secretary Salazar. The governor has requested that letters of support and recommendation from as many people as possible be provided to him to deliver to Mr. Salazar. Mr. Peacock said his organization would like the letter to focus more on resource management plans and the fact that actions in Washington are

directly and negatively affecting drilling operations in the state.

Sen. Morgan requested that the information that was requested regarding the leases be sent with the letter to Secretary Salazar.

The Committee voted on the motion, which passed unanimously. Sen. Stowell, Rep. Gowans, and Rep. Riesen were absent for the vote.

Chair Barrus stated the letter would be prepared and provided to committee members for their review.

Ms. Kathy Van Dame, Wasatch Clean Air Commission, expressed concern with the air quality in the Uintah Basin. She recommended that the Committee read the entire executive summary of the IPAMS report which indicates there are some exceedences of both ozone and PM 2.5 predicted by the models.

Mr. Mike McKee, Uintah County Commissioner, mentioned that it is important that the letter be sent as soon as possible.

Mr. Mark Ward, Utah Association of Counties, said it would be helpful if the letter also made reference to the 2003 settlement agreement that occurred between the state of Utah, Utah Association of Counties, and the School Trust Lands Administration and the Department of Interior.

Ms. Sgamma pointed out that the IPAMS study found that the Uintah basin does not exceed any air quality standard and is not projected to do so through 2012.

9. Wildland Fire

This issue will be discussed at the November meeting.

10. Other Business / Adjourn

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

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