

**MINUTES OF THE
WATER ISSUES TASK FORCE**

Wednesday, August 24, 2011 – 2:00 p.m. – Room 450, State Capitol Building

Members Present:

Sen. Peter C. Knudson, Senate Chair
Rep. Patrick Painter, House Chair
Sen. Margaret Dayton
Sen. Scott K. Jenkins
Sen. Benjamin M. McAdams
Rep. Susan Duckworth
Rep. Kay L. McIff
Rep. Michael E. Noel
Rep. Douglas Sagers
Rep. Larry B. Wiley

Members Absent:

Sen. Aaron Osmond
Rep. Melvin R. Brown
Rep. LaVar Christensen

Staff Present:

Mr. J Brian Allred, Policy Analyst
Mr. Nathan W. Brady, Policy Analyst
Mr. Tracy J. Nuttall, Associate General Counsel
Ms. Wendy Bangerter, 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 Knudson called the meeting to order at 2:10 p.m.

MOTION: Rep. Painter moved to approve the minutes of the July 19, 2011 meeting. The motion passed unanimously. Rep. Sagers was absent for the vote.

2. Mutual Water Companies

Sen. Dayton explained the efforts of the Mutual Water Company working group. She stated that the task so far has been in reviewing the law and noting those areas that may need some revision. She noted there are several groups already meeting regarding the issues of water. She recommended combining efforts of the State Water Development Commission with the Water Issues Task Force to increase efficiency of all those involved in all the water groups meeting.

Mr. Steve Clyde, Attorney, Clyde Snow & Sessions, PC, commented on the differences between the executive branch and the legislative branch working groups. He agreed that much of the discussion of both groups does overlap, although each group has its own focus and the groups of attendees does differ.

Rep. Painter commented that as chair of the State Water Development Commission, he feels that a consolidation might be in order. He encouraged Sen. Dayton to return with a more specific plan, including input from the other players.

Sen. McAdams noted the narrow scope of study the task force has been given, which could be altered with a consolidation.

Mr. Fred Finlinson, Utah Water Coalition, stated that the formation of the Task Force gives the legislators more opportunity to be more informed on water issues and the potential for more active participation in future action.

3. Lake Powell Pipeline and Bear River Development Funding

Mr. Allred, Policy Analyst, distributed and reviewed information regarding the funding of the Lake Powell Pipeline Project.

Sen. Jenkins agreed that a new revenue source for water is needed and since the Lake Powell Pipeline Project is a multiple district project, he spoke in favor of a thin tax that is very broad.

The Task Force discussed the benefits of a fee or tax to the statewide population. It was noted that completed water projects are required by statute to repay the state through impact fees.

Mr. Ron Thompson, Washington County Water Conservancy District, explained the impact of the Quail Creek project in Washington County to increase the population and meet the needs of that population. He emphasized that water infrastructure is the lifeline of civilization. He stated that most of the inexpensive water projects in the state have already been built and that most could not have been built without front money from the state. He gave a presentation indicating water supply and demand in Washington County Water Conservancy District and how the Lake Powell Project would impact Washington County.

Mr. Richard Ellis, Utah State Treasurer, explained efforts to shore up the water usage funding. He explained Utah's increased usage of debt, the current debt capacity, and the available debt capacity. He explained the state's efforts to never exceed that capacity and to keep flexibility in the debt management plan to cover unforeseen events and needs. He commented that because of the current management practice, Utah enjoys a AAA rating. He warned of impacts to the state's credit rating and said that the state's debt burden is getting high and needs to be paid down for a couple of years before taking on more debt. He spoke in favor of considering the feasibility of a public/private partnership to fund large water projects.

Chair Knudson spoke in favor of giving the Executive Appropriations Committee a forewarning of upcoming requests for funding future water projects.

5. Other Items / Adjourn

The next meeting was scheduled for September 20, 2011 at 3:30 p.m.

MOTION: Rep. Painter moved to adjourn the meeting. The motion passed unanimously. Rep. Sagers was absent for the vote.

Chair Knudson adjourned the meeting at 3:43 p.m.