

(Draft - Awaiting Formal Approval)

**MINUTES OF THE
WATER ISSUES TASK FORCE**

Monday, November 14, 2011 – 1:00 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. Melvin R. Brown
Rep. Susan Duckworth
Rep. Kay L. McIff
Rep. Michael E. Noel

Members Absent:

Sen. Aaron Osmond
Rep. LaVar Christensen
Rep. Douglas Sagers
Rep. Larry B. Wiley

Staff Present:

Mr. J Brian Allred, Policy Analyst
Mr. Nathan W. Brady, Policy Analyst
Ms. Tracy J. Nuttall, Associate General Counsel
Ms. Wendy Bangerter, Legislative Secretary
Ms. Lori Rammell, 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 1:07 p.m.

MOTION: Sen. Jenkins moved to approve the minutes of the September 20, 2011 meeting. The motion passed unanimously. Senator McAdams and Representative Duckworth were absent for the vote.

Rep. Painter reported that he would make a presentation on Wednesday before the Natural Resources, Agriculture, and Environment Interim Committee from the Water Issues Task Force.

Rep. Painter also stated that a written report was being drafted by staff and, once approved by both chairs, would be distributed to the members of the Committee and the members of the Task Force.

2. Update on Nonprofit Code Draft Legislation

Mr. Steven Clyde, Attorney, Clyde Snow & Sessions, PC, distributed and discussed proposed changes to Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act.

Mr. Fred Finlinson, Water Coalition, spoke in favor of the proposed changes to the code and the improvement the new draft changes represent. He suggested the Task Force consider additional changes regarding the sale and transfer of stock.

Mr. Sterling Brown, Utah Farm Bureau, expressed appreciation for the process leading to the proposed code changes. He recommended focus be placed on those issues that are already in agreement and that additional time not be taken to consider further changes.

MOTION: Rep. McKiff expressed appreciation to those who prepared the draft for their efforts and recommended that the draft be used as a starting point for further work to be done in the future. The motion passed unanimously.

3. Lake Powell Pipeline Alternative Financing Options - Statewide Water District

Ms. Nuttall introduced the option of a statewide water district as an alternative to funding the Lake Powell Pipeline (LPP) project, and reviewed the associated advantages and disadvantages.

Rep. Painter distributed and explained a graph "Rough Estimate of a 15% Earmark on Future Sales Tax Growth."

4. Lake Powell Pipeline Project Business Plan

Mr. Dennis Strong, Director, Division of Water Resources, gave a slide presentation "LPP Bond Payment and Revenue," which reviewed bonding, impact fees, and tax revenue projections for funding the LPP project. He explained that in past studies it was determined that a larger portion of water usage was for outside use. He said that programs to reduce outside water usage without changing landscaping practices have nonetheless resulted in significant savings. He emphasized the need to continue discussions regarding funding the LPP project.

Mr. Ron Thompson, Washington County, Water Conservancy District, gave a slide presentation "Water for Today and Tomorrow." He showed growth and impact fee projections and the district's anticipation of the fees fully funding the LPP project costs. He discussed water conservation efforts in Washington County and the importance of the LPP project to the rapidly-growing community.

Ms. Christi Nuffer, Citizens for Dixie's Future, spoke in opposition to the LPP project. She spoke in favor of further research regarding responsibility for repayment of the project and, specifically, how it will be repaid if growth does not meet projections. She encouraged the Task Force to present a business plan.

Mr. Zachary Frankel, Executive Director, Utah Rivers Council, encouraged the Task Force to consider less expensive alternatives to deliver water to Washington County that are not now being considered. He spoke in favor of users paying for their use of water and phasing out tax subsidies. He also spoke in favor of an aggressive water conservation goal.

Ms. Barbara Toomer, Board Chair, Disabled Rights Action Committee, spoke in favor of a water conservation plan. She spoke against additional taxation.

Mr. Steve Erickson, Great Basin Water Network, spoke in favor of having a water conservation plan before committing to more taxes. He spoke against bonding for the LPP project.

Ms. Linda Hilton, Crossroads Urban Center emergency food pantry, requested that the Task Force present a business plan. Persons with the "low-income citizen coalition" raised their hands to show their concern for the increasing of taxes due to bonding.

MOTION: Rep. Noel moved to support, beginning in the 2014 budget year, the earmarking of 15 percent of the estimated increase in sales tax revenues to fund the Lake Powell Pipeline project.

SUBSTITUTE MOTION: Rep. Brown moved to recommend that the Legislature consider using up to 15 percent of the estimated future sales tax increase to fund water development projects in Utah. The motion passed with Rep. Duckworth voting in opposition.

5. Other Items / Adjourn

MOTION: Sen. Knudson moved to adjourn the meeting. The motion passed unanimously.
Sen. McAdams was absent for the vote.

Chair Painter adjourned the meeting at 3:48 p.m.