

UGS BOARD MEETING
Department of Natural Resources
Utah Geological Survey
1594 West North Temple, Suite 3110, Salt Lake City
Thursday, August 17, 2017

The meeting of the UGS Board was called to order at 8:35 a.m.

ATTENDANCE

Board members: Marc Eckels – Chair, Pete Kilbourne, Dave Garbrecht, Rick Chesnut, Elissa Richards.

UGS Staff: Rick Allis, Mike Styler, Jodi Patterson, Mike Hylland, Tom Chidsey, Mike Vanden Berg, Kim Kirkland, and Grant Willis.

NEW BOARD MEMBERS AND CURRENT REAPPOINTMENT, SWEARING IN

Dave Garbrecht, Rick Chesnut-new members, Pete Kilbourne and Marc Eckels-current members

APPROVAL OF MINUTES

Pete Kilbourne motioned to approve the minutes as written. Elissa Roberts seconded the motion. The Board voted and the motion carried.

DIRECTORS REPORT

Open Public Meetings Act

Discussed requirements of the Act, some items confidential, Board approval of Proposals to check for code compliance, followed by their approval usually via email. Rick suggested that at each Board Meeting as an action item Board reviews Proposals again. Section 3(A) post notice in building and (B) submit to local media of general circulation, will initiate same for UGS immediately, not a regulatory department so not a lot of public attendance but public may ask questions. If it is a policy issue then it must be added to the next Board Meeting as an Action Item upon Chairman's approval. Chairman sets limits and questions asked. Rick discussed time guidelines and policies. Rules about Closed Meetings criteria needs quorum, two-thirds of those present to close meeting, these are usually personnel issues but also Crawford Award to be openly discussed and talk freely about submissions. Rick pointed out rules regarding Conflict of Interest.

Report for UGS Board Meeting, August 17, 2017.

Financial Update

Rick discussed the summary of the FY17 closing numbers, a summary of our initial FY18 operating budget, and the table of contract proposals. Eighty percent of our expenses are employees.

FY17 closed with total revenue of \$8.2 million and \$7.7 million of expenses. Of the net surplus of \$572k we expect to lapse \$115k, and carry-forward to FY18 \$456k. We started the year with a \$186k carry-forward. As previously stated, our financial goal is to build the year-end carry-forward back to about \$1 million so that the UGS can withstand unexpected declines in Mineral Lease revenue and/or external revenue (federal + dedicated credits). This is likely to take about 5 years based on present funding trends.

The draft FY18 budget indicates revenue and expenditure in balance, and a similar carry-forward at year-end as at the start. The expected external revenue is down slightly (FY17 had over \$200k of pass-through expenditure which inflated the total revenue). The pattern in previous years is for some externally funded projects to not earn the expected revenue, and some new work to come in which was not included in the initial operating budget. The possible Newfield project, and a top-up to our FORGE geothermal project are possibilities for new revenue later this year.

Staffing is not expected to change significantly. Our present FTE count averages between 67-68, 4 – 5 temporary interns with minimal benefits. We expect one retirement per year, and opportunities to review the expertise required for new hires.

Our primary issue is clarifying the mechanism of carrying-forward surpluses. The present state code which requires a portion to be considered as General Funds and potentially lapsed penalizes the UGS because of the uncertainties and timing of Mineral Lease revenue at the end of the fiscal year. Chairman Eckels discussed the variability of mineral lease revenue.

Presentations by UGS Staff

Tom Chidsey gave an overview of the field trip highlights.

Rick explained reasons for discussion of Michael Vanden Berg's Newfield Proposal as it pertains to rules of contracting with a private entity, University of Utah, EGI.

Michael gave background of Newfield Proposal as an unconventional oil and gas potential project. Geologic characteristics of the areas are the job of the UGS. All data will be publically available upon completion of final report.

Grant Willis discussed incorporation of Paleo into Mapping and the importance of preservation of Paleo sites.

Jim Kirkland spoke of Utah Code 79.3.202 and 79.3.5 and the importance of protecting our rich paleontological resources.

Marc adjourned the meeting at 11:43 am.