

# Enhanced Oil Recovery Commission



## Enhanced Oil Recovery Commission

### Special Meeting/Teleconference Minutes

December 7, 2011, 2:00 PM

Laramie, WY

#### **Commission Members Present:**

Peter Wold, Chairman

Bruce Williams, Vice Chairman

Eli Bebout

Tom Fitzsimmons

#### **Commissions Members Not Present:**

Betty Fear

Bern Hinckley

#### **Commission Staff:**

Kathy Olson, EORC Staff Assistant

#### **Enhanced Oil Recovery Institute Staff:**

David Mohrbacher, Director

#### **I. Call To Order**

Chairman Wold called the meeting to order.

#### **II. New Business**

##### **a. Summarize results of budget presentation**

Chairman Wold summarized the results of the budget presentation to Governor Mead. Present at the governor's meeting were Peter Wold, David Mohrbacher and Kathy Olson. The UW representatives requested that they sit in on the EORC presentation. Present from UW were President Tom Buchanan, Doug Vinzant and Don Richards. Chairman Wold outlined to the Governor and his staff what successes EORC has had over the last biennium and the program we would like to implement during the next biennium. Director Mohrbacher outlined the supplemental budget request of \$1.8 million.

The focus of the budget discussion became the issue of moving David Mohrbacher and half of Kathy Olson's salary from the School of Energy Resources budget to the EORC budget. Tom Buchanan indicated that this type of move would not work for the University. He continued by saying if the Institute was

going to be housed at the University and continue to receive their support, that they had to have some sort of control and that control had been represented by the salary that was being paid out of the School of Energy Resources and that David Mohrbacher reported to Mark Northam. President Buchanan indicated that the EORC and the University of Wyoming were effectively a partnership that managed EORI. He added that if the salaries were to be moved to the EORC budget, then UW would need to charge EORI office rent, utility costs, and administrative overhead costs; much as the university charges other independent agencies for those costs.

The Governor then asked for an Executive Session where the Governor, Peter Wold, David Mohrbacher and Tom Buchanan would be the only ones present. The discussion continued with Peter Wold and Tom Buchanan giving their perspective viewpoints on the salary issue to the Governor. Governor Mead asked Peter Wold if the University had interfered with the workings of the Institute and the Commission. Peter Wold responded that they had not; but, when Mark Northam had asked David Mohrbacher to participate in a trip to China, the Commission had overruled and requested that David Mohrbacher work with Wyoming projects only. Governor Mead advised Peter Wold and President Buchanan, if there are any issues that come up where the Commission feels that the School of Energy Resources or the University is in any way interfering with the work of the Institute, he wants to know about it immediately. Governor Mead indicated that he recommends that salaries be budgeted and paid as they currently are. The Governor continued to say that he was not going to recommend the EORC supplemental budget request be approved. David Mohrbacher added that the Governor also mentioned if we want additional funding it would be most effective to go back to the University to request it, probably through the School of Energy Resources.

Commissioner Bebout expressed his disagreement but asked how far EORC wants to take this issue. The EORC would have to think about whether he should bring it up on the floor of the JAC and whether they would want to make a strong statement and how far they want to take it.

**b. Review budget reduction requirements**

Director Mohrbacher reported that there has been a request by the Governor's office to come up with three scenario's for reducing our budget, a 2%, 5% and 8% budget reductions which includes the Technical and Research as well as the Commission and Support sections of the budget.

**c. Review recommended budget cuts**

Director Mohrbachre outlined the reductions as primarily being unfilled staff positions, one being a part time research assistant position and two others being a Research Scientist (or Post Doc) and a GIS Technician. On the Commission side, a percentage of the unfilled clerical position would not be filled. Mr. Mohrbacher continued by saying if we have to take cuts in those salaries there would be a reduced effort in some projects but not elimination of total effort in each area.

Commissioner Bebout explained that the State's Standard budget has gone from about \$1billion when he started working in the legislature ten years ago to \$2.7billion today. He gave the background as to the reasons for this growth in the budget.

A motion was made by Commissioner Bebout to approve the recommended budget cuts as proposed and the motion was seconded by Commissioner Fitzsimmons. Motion passed.

Chairman Wold requested that Kathy Olson send the final budget cut documents to the EORC prior to sending them to the UW admin.

**d. Review options – Provide info to the State Budget Office (Submit directly or through University)**

Kathy Olson reported that Peter Wold requested Kathy to look into independently submitting the EORC budget data directly into the State budget system called IBARS rather than having UW enter the information for us. Kathy discussed the options with Janet Lowe, Assoc. VP of Administration at UW, and it is a possibility for us to be fiscally independent in this regard, however, it does require training of EORI staff. Janet explained that there are other fiscal areas that this may affect. Janet suggested David and Kathy meet with her and her staff after the budget session to discuss this further.

Kathy also mentioned she is evaluating how EORI employee's fringe benefit and salary increases are to be handled within the state and UW budget processes. The communication has primarily been through UW as the fiscal agent. She has requested Eric Easton review the statute to verify that UW is indeed the fiscal agent for EORC. Mr. Mohrbacher requested that Kathy update the Commission as this unfolds.

**III. Confirm date for next meeting**

Chairman Wold mentioned that he will not be able to attend the meeting on Jan 24-25, 2012, but could attend the following week or after. A new proposed date of Jan 31 for the TAB meeting and Feb 1 for the EORC meeting in Denver was tentatively set. Kathy Olson will follow up with the venue, TAB and EORC members to determine if the new date works for everyone.

Chairman Wold asked if Bruce Williams could stand in for him at the JAC budget presentation. Chairman Wold asked Eli Bebout to attend as well. Eli agreed to attend.

**IV. Adjournment**

Chairman Wold adjourned the Special Meeting at 3:00 PM.