

Draft Only  
Approval Pending  
**SUMMARY of  
PROCEEDINGS**



**JOINT MINERALS, BUSINESS AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**

---

---

**COMMITTEE MEETING INFORMATION**

October 22-23, 2015  
Jonah Business Center, Room L54  
Cheyenne, WY

**COMMITTEE MEMBERS PRESENT**

Senator Michael Von Flatern, Cochairman  
Representative Thomas Lockhart, Cochairman  
Senator James Lee Anderson  
Senator Hank Coe  
Senator Stan Cooper  
Senator Chris Rothfuss  
Representative Jim Byrd  
Representative Richard Cannady  
Representative Harlan Edmonds  
Representative Gerald Gay  
Representative Norine Kasperik  
Representative Lloyd Larsen  
Representative Allen Sommers  
Representative Tom Walters

**LEGISLATIVE SERVICE OFFICE STAFF**

Matt Obrecht, Legislative Counsel  
John Roth, Staff Attorney  
Kelley Shepp, Research Analyst

**OTHERS PRESENT AT MEETING**

Representative Blackburn

Please refer to **Appendix 1** to review the Subcommittee Sign-in Sheet for a list of other individuals who attended the meeting.

*The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document and these materials are on file at the Legislative Service Office. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at [lso@wyoleg.gov](mailto:lso@wyoleg.gov). The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at <http://legisweb.state.wy.us>.*

## EXECUTIVE SUMMARY

The Joint Minerals, Business and Economic Development Interim Committee (Committee) met for two days in Cheyenne. The Committee discussed the Wyoming Business Alliance Tour 23, Wyoming's outreach to Asia, the University of Wyoming School of Engineering and Integrated Test Center (ITC), a report and proposed legislation from the Joint Subcommittee on Economic Development, Wyoming Business Council reports, the State Treasurer's report on the Industrial Development Bond Program (IDB), Wyoming Safety Improvement Funds annual report, Wyoming Pipeline Authority, proposed legislation on Carbon, Capture, Storage and Sequestration Permits, Wyoming Oil and Gas Conservation Commission (WOGCC), Department of Environmental Quality (DEQ) proposed legislation, proposed SPARC legislation, an update on the Clean Power Plan (CPP) and landfill remediation programs.

The Committee voted to sponsor the following legislation: 16LSO-0177-Small Business Innovation Research-Matching Funds, 16LSO-0057-Carbon Capture, Storage and Sequestration Permits, 16LSO-0105-Cease and Transfer Program Local Government Funding, and 16LSO-0080-NRC Agreement State Authorization Amendments.

## CALL TO ORDER AUGUST 27, 2015

Co-Chairman Von Flatern called the meeting to order at 8:30 am. The following sections summarize the Committee proceedings by topic. Please refer to [Appendix 2](#) to review the Committee Meeting Agenda.

## APPROVAL OF MINUTES

Minutes from the August 27-28, 2015 Committee meeting were approved.

## WYOMING BUSINESS ALLIANCE-TOUR 23

Bill Schilling, Wyoming Business Alliance (WBA), discussed a handout on Tour 23, included as [Appendix 4](#). Mr. Schilling gave a brief history of Tour 23, an initiative to discuss economic development strengths and goals in every county in Wyoming. He discussed the background of the tour and provided an overview of the goals, process and attendees of the meetings. Mr. Schilling described some of the meetings held throughout the state and some of the goals of individual counties, including increasing technology services, cultural services, downtown development and internet access. Mr. Schilling also discussed the next steps of Tour 23, including an upcoming presentation at the Governor's Business Forum. Mr. Schilling also informed the Committee that the WBA will be releasing a state report on Tour 23 in December. The discussion then focused on ensuring the WBA has local buy-in on economic development projects moving forward.

## WYOMING OUTREACH TO ASIA

David Wendt, Jackson Hole Center for Global Affairs, discussed his recent visit to the Shanxi Province of China, included in [Appendix 3, tab 2](#). Mr. Wendt outlined the background of both his professional career and his organization. Mr. Wendt discussed Wyoming's efforts to work with the Shanxi Province to collaborate on developments in coal, natural gas and other mineral resources, including technology, production ideas and carbon capture and storage. He also discussed the recognition between Wyoming and Shanxi Province leaders of the importance of issues surrounding cleaner coal strategies moving forward. Mr. Wendt encouraged the Committee to explore efforts to attract Chinese funding for projects utilizing Chinese technology and Wyoming coal.

**Public Comment**

M. Lee Hasenauer, former Laramie County Commissioner, discussed Environmental Protection Agency (EPA) regulations that impact Wyoming and encouraged the Committee to ensure that any partnership with foreign countries will benefit Wyoming's coal industry.

**UNIVERSITY OF WYOMING SCHOOL OF ENGINEERING UPDATE**

Dr. Michael Pishko, University of Wyoming College of Engineering Dean, provided an update of the College of Engineering and the Engineering building project, included as [Appendices 5 and 6](#). Dr. Pishko discussed new faculty hires and the increase in the number of students attending the College of Engineering. He also described efforts to introduce entrepreneurship into the curriculum along with increasing participation of K-14 students in STEM. Dr. Pishko then discussed the building design plans for the new Engineering building. He discussed the desire in preserving the architectural appearance of the new building, and that this consideration has the potential to require deductions in other areas to keep the project on budget. The Committee then discussed the proposed plan for the new Engineering building.

**INTEGRATED TEST CENTER UPDATE**

Rob Hurlless, UW Enhanced Oil Recovery Institute (EORI) updated the Committee on the Integrated Test Center (ITC), included as [Appendix 3, tab 4](#). Mr. Hurlless described the ITC as a good example of a partnership between public and private entities. He then discussed the background of the project and the process for selecting and constructing the ITC. Mr. Hurlless described XPrize, who will be the first tenant of the ITC which will be located at the Dry Fork Station near Gillette. Mr. Hurlless then discussed the funding and eight year operating schedule of the ITC.

**Public Comment**

Shawn Taylor, Wyoming Rural Electric Association (WREA), discussed the various funding sources for the ITC. He also discussed the participation of the various entities in finding a location and a tenant for the ITC.

Jason Beggar, Wyoming Infrastructure Authority (WIA), discussed the WIA's involvement with the ITC. He also outlined the Memorandum of Understanding that was signed between the School of Energy Resources (SER) and the WIA regarding the ITC. Mr. Beggar discussed the agreement the WIA is working on to contract out managerial duties for the ITC.

**REPORT AND PROPOSED LEGISLATION FROM JOINT SUBCOMMITTEE ON ECONOMIC DEVELOPMENT**

Representative Kasperik and Shawn Reese, Wyoming Business Council (WBC) discussed the report prepared by the Joint Subcommittee on Economic Development, included as [Appendix 3, tab 5](#). Representative Kasperik explained the history and focus of the Joint Subcommittee and described meetings held to date and topics that were discussed at those meetings. Representative Kasperik also discussed 2015 SF 138-Small Business Innovation Research-Matching Funds, which was introduced during the last legislative session. She then discussed current proposed legislation 16LSO-0177-Small Business Innovation Research-Matching Funds, and recommended that the Committee sponsor the bill during the upcoming legislative session. Mr. Reese also discussed the legislation and described some concerns that were expressed regarding the bill in the previous legislative session.

**Joint Minerals, Business and Economic Development Committee – Summary of Proceedings**

Senator Rothfuss discussed the proposed legislation stating that the intent is to provide matching grants to small businesses that qualify for grants under the federal Small Business Innovation Research (SBIR) program. Senator Rothfuss described the requirements of the program including requiring companies to stay in Wyoming for ten years. The Committee then had extensive discussion of whether the program will allow for the State to recover grant money if a company is successful or sells to new ownership before the ten year period is completed. They also discussed whether a successor company should assume the terms of the grant if the original grant recipient sells the company. The Committee also discussed accounting for funds repaid to the state. LSO staff recommended the Committee add language to the bill specifying the appropriate account for returned funds. Upon Committee inquiry, Mr. Reese discussed how the WBA calculates economic benefit of jobs created under the program. LSO staff discussed a memo describing constitutional considerations of the bill, included in [Appendix 3, tab 5](#). LSO staff also advised the Committee of potential Constitutional issues raised by the bill draft.

### **Public Comment**

Chris Brown, Wyoming Economic Development Association (WEDA), believes this legislation will add a tool to the economic development bag, and stands in support of the bill.

### **Committee Action**

Senator Von Flatern motioned for the Committee to sponsor the bill which was seconded by Representative Byrd. The motion passed on a voice vote. The motion for the Committee to sponsor the bill with amendments was carried on a roll call vote with all members voting in favor except Representative Edmonds, Representative Gay and Representative Larsen voting no. The bill was amended as follows:

1. Money repaid to the State under the program is to be deposited in the SBIR account;
2. A statutory citation was changed;
3. The bill would require repayment of the funds if the entity receiving funds, or its successor in interest, sever the nexus with the State of Wyoming.

## **WYOMING BUSINESS COUNCIL**

Shawn Reese, WBC, presented reports to the Committee, included in [Appendix 3, tab 6](#). Mr. Reese gave the Committee an overview of the Business Ready Community Program (BRC), including project types, funding sources, jobs created and a possible rule changes to the BRC program. Mr. Reese also discussed annual reports for the Wyoming Small Business Investment Credit Program, the Wyoming Energy Conservation Improvement Program, the Wyoming Mineral to Value-Added Program and the Main Street Communities Program.

## **STATE TREASURER'S REPORT ON THE INDUSTRIAL DEVELOPMENTAL BOND (IDB) PROGRAM**

Mark Gordon, Wyoming State Treasurer, presented a letter to the Committee on the Industrial Developmental Bond Program (IDB), included as [Appendix 7](#). Currently, there are two IDB's outstanding and no new applications are pending. Both of the investments are current on their payments and the Treasurer's Office continues to monitor both IDB's. Treasurer Gordon also discussed rules and regulations in connection to the IDB program which became effective in August 2014.

## **WYOMING SAFETY IMPROVEMENT FUND ANNUAL REPORT**

John Ysebaert, Department of Workforce Services, presented a report on the Wyoming Safety Improvement Fund, included in [Appendix 3, tab 7](#). Mr. Ysebaert provided the Committee with an

overview of the program which was created in 2012. The program is funded through the Workers' Compensation Industrial Accident Fund and is appropriated \$500,000 per biennium. Mr. Ysebaert described that the program offers employers grants up to \$10,000 and requires a ten percent copay for the enhancement or implementation of workplace safety programs, or to help purchase safety equipment. Mr. Ysebaert also explained that employers have to be contributors to Workers' Compensation in good standing to apply for this program. He also explained that the Department of Workforce Services works hand-in-hand with employers to make sure they are making the improvements required under the program.

Hayley McKee, Public Information Officer with the Department of Workforce Services, discussed how the intent of the program is to change the culture of safety in Wyoming. Ms. McKee discussed how the Department promotes the program and may look at issuing a press release on the program in the future.

### **MEETING RECESS**

The Committee recessed for the day at 4:55 pm.

### **CALL TO ORDER (AUGUST 27, 2015)**

Cochairman Von Flatern called the meeting to order at 8:30 am.

### **WYOMING PIPELINE AUTHORITY UPDATE**

Brian Jeffries, Wyoming Pipeline Authority (WPA), provided the Committee with a summary regarding the activities of the WPA, included in [Appendices 8 and 9](#). Mr. Jeffries described current prices for natural gas in Wyoming and factors that may impact those prices. He also gave the Committee information regarding the importance of natural gas exports from Wyoming and the status of projects that affect the ability to export natural gas. Mr. Jeffries also gave a review of crude oil infrastructure in and around Wyoming. He provided a summary of the key items currently being addressed by the WPA. Upon Committee inquiry, Mr. Jeffries described pipeline corridors in Wyoming.

### **CARBON CAPTURE, STORAGE AND SEQUESTRATION PERMITS (16LSO-0057)**

Todd Parfitt and Kevin Frederick, Department of Environmental Quality (DEQ) discussed 16LSO-0057-Carbon Capture, Storage and Sequestration Permit, included in [Appendix 3, tab 9](#). Mr. Frederick explained the changes to the bill that had been made since the last meeting. This legislation clarifies the process of determining whether an oil and gas recovery operation is injecting carbon dioxide for the purpose of long term storage as compared to enhanced oil recovery operations. Upon Committee inquiry, Mr. Parfitt and Mark Watson, Wyoming Oil and Gas Conservation Commission (WOGCC), discussed how the legislation gives the Supervisor of the WOGCC the authority to determine when long term storage and danger to drinking water occur. The Committee had extensive discussion of the bill.

#### **Public Comment**

Greg Schnacke, Denbury, has worked through the language of the bill and believes it is appropriate. Mr. Schnacke supports the bill and believes it protects operators that do not want to transition to long term storage.

Bruce Hinchey, Wyoming Petroleum Association, also spoke in support of the bill.

#### **Committee Action**

Representative Byrd moved the bill which was seconded by Representative Larsen. The motion carried on a roll call vote with all members voting in favor except for Representative Gay, who voted no.

---

#### **Joint Minerals, Business and Economic Development Committee – Summary of Proceedings**

---

## WYOMING OIL AND GAS CONSERVATION COMMISSION UPDATE

Mark Watson, WOGCC, presented the Committee with an update on WOGCC activities, included as [Appendix 10](#). Mr. Watson discussed proposed projects through 2018. He also discussed the redesign of WOGCC's website to make it more accessible for the public and the media. Additionally, the WOGCC will be updating their database which will increase their data mining capability and lower the time it takes to create reports required by the EPA. Mr. Watson discussed a fee increase to fund the new system and stated that when the system is complete it will increase efficiency and free staff for other functions. Mr. Watson then discussed proposed rule changes, changes to bonding requirements and fee increases.

### **Public Comment**

Bruce Hinchey, Petroleum Association of Wyoming, appreciates what Mr. Watson is doing on the website and database update. He encouraged the WOGCC and the Department of Revenue to use the same system/form for reporting purposes.

Amber Wilson, Wyoming Outdoor Council (WOC), discussed concerns with flaring including the waste of finite resources, loss of revenue to the state and pollution. Ms. Wilson encouraged the Committee to consider removing severance tax exemptions associated with flaring. She also encouraged the Committee to consider requiring separate rules for flaring and venting.

## DEQ PROPOSED LEGISLATION

### ***Cease and Transfer Priority List-16LSO-0083***

Todd Parfitt and Luke Esch, DEQ, discussed 16LSO-0083-Cease and Transfer Priority List, included as [Appendix 3, tab 11](#). Mr. Esch described that the DEQ had worked with the State Land and Investment Board (SLIB) to make changes to the bill. Mr. Esch then discussed the remaining projects on the list and the reorganization of the priority list. There are currently thirty-two projects on the list and the remaining balance in the cease and transfer program is approximately six million dollars. Senator Coe moved the bill which was seconded by Representative Kasperik. The motion carried on a roll call vote with all members voting in favor of the bill.

### ***Cease and Transfer Program Local Government Funding-(16LSO-0105)***

Representative Larsen and LSO staff member John Roth discussed 16LSO-0105-Cease and Transfer Program Local Government Funding, included as [Appendix 3, tab 11](#). Representative Larsen discussed that the genesis of this draft bill and 16LSO-0152 comes from concerns for small landfills' ability to pay for cease and transfer programs. Representative Larsen discussed that this legislation would allow SLIB to fund 100% of the total cost of cease and transfer activities in the form of grants and loans to local operators, after they have exhausted all reasonably available funding sources. The Committee had extensive discussion of what are all reasonable available funding sources. Representative Larsen discussed the provision in the bill that requires SLIB to base this determination on whether the local operator has any additional funding sources reasonably available to allocate to project costs, and whether they are charging sufficient gate or use fees to fully fund the operational costs of transfer facilities constructed under the program and is eligible for any additional state or federal grants. Mr. Parfitt expressed a concern that the bill puts the responsibility of determining reasonably available funding sources on DEQ.

### ***Cease and transfer local government funding- 2 - (16LSO-0152)***

Representative Larsen and John Roth discussed 16LSO-0152-Cease and Transfer Local Government Funding-2, included in [Appendix 3, tab 11](#). Representative Larsen explained that this bill allows SLIB

to fund local operators with a service area less than 4,000 individuals with grants and loans up to 100% of the total cost of all cease and transfer activities. However, the amount of grants awarded may not exceed 75% of the total cost; the remaining 25% would have to come from loans. The Committee had extensive discussion about both 16LSO-0105 and 16LSO-0152. Representative Larsen encouraged the Committee to move forward with sponsoring 16LSO-0152.

**Public Comment**

Mary Crosby, Wyoming Solid Waste and Recycling Association (WSWRA) discussed the proposed legislation and a handout, included as **Appendix 3, tab 11**. Ms. Crosby supports 16LSO-0105 explaining that some solid waste facilities would not be able to come up with 25% of the total project cost. Ms. Crosby believes the important part of the legislation is allowing SLIB to fund 100% of total project costs. Ms. Crosby stated that WSWRA is concerned with language in 16LSO-0152. Specifically, WSWRA is concerned about the term service area and believes using population would be more appropriate. Mr. Parfitt agreed that using population would be more appropriate than service area.

Cindy Langston, City of Casper Solid Waste Manager, stated that she is in support of 16LSO-0105. Ms. Langston believes it opens the program up to communities that may not meet the criteria for the program otherwise.

**Committee Action**

Representative Larsen moved 16LSO-0105 which was seconded by Senator Anderson. The motion carried on a roll call with all members voting in favor of the bill.

**NRC Agreement State Authorization Amendments (16LSO-0080)**

Todd Parfitt and Kyle Wendtland, DEQ, and Eva La, Attorney General's Office, discussed 16LSO-0080-NRC Agreement State Amendments, included as **Appendix 3, tab 11**. Mr. Wendtland discussed the general modifications to the agreement which include changing language in the bill to make it consistent with Nuclear Regulatory Commission (NRC) language. He also explained changes in the bill that would allow the DEQ to regulate unlicensed users which is compatible with NRC language. Mr. Parfitt explained that the DEQ is projected to take over the program in four to five years. He also explained that they are still in the process of hiring personnel for the program.

**Public Comment**

Johnathan Downing, WMA, described meeting with the DEQ to discuss changing language in the bill to be consistent with the NRC and is in support of the bill.

**Committee Action**

Senator Anderson moved the bill which was seconded by Senator Cooper. The motion carried on a roll call vote with all members voting in favor of the motion.

**Other DEQ Issues**

Todd Parfitt and Kevin Frederick, DEQ, updated the Committee on the former Atlas Missile sites in southeast Wyoming, included in **Appendix 3, tab 11**. Mr. Frederick discussed the handout including the seven missile sites and clean-up efforts at each site. Mr. Frederick then discussed the water quality and contamination at each of the sites. Mr. Frederick also discussed trichloroethylene concentrations in groundwater at each of the sites.

## **SPARC LEGISLATION (16LSO-0104)/CLEAN POWER PLAN UPDATE**

Representative Kasperik and LSO staff discussed 16LSO-0104-State Power Accountability and Reliability, included as [Appendix 3, tab 11](#). Representative Kasperik discussed the provisions of the bill including restricting the implementation of rules or regulations to comply with the Clean Power Plan (CPP) without legislative approval. Representative Kasperik explained that this legislation will ensure that both the public and the Legislature are involved in the creation of any state implementation plan to comply with the CPP. Senator Rothfuss expressed concern that this legislation will make it appear that Wyoming will not comply with the CPP and may trigger a federal implementation plan being put in place.

Director Parfitt expressed concerns with this legislation noting that the CPP is currently in a 90 day comment period and the state does not know what the federal implementation plan will look like. Director Parfitt also discussed the litigation of states suing the EPA. Director Parfitt encouraged the Committee to make this an interim topic to give all interested parties time to understand the final federal implementation plan and allow Wyoming to discuss how to move forward. He also discussed the possibility of Wyoming filing for an extension for implementing the CPP. He discussed the three things a state must show to get an extension including demonstrating that the state is considering a plan, justifying why additional time is needed and to demonstrate how the state has engaged the public in the discussion. The DEQ supports the Committee studying this topic over the interim.

Al Minier, Public Service Commission (PSC), also expressed concern that the legislation addresses more elements from the proposed rule than the final rule. He also discussed potential problems funding the state plan in the next few years. Mr. Minier urged the Committee to consider this issue as an interim topic.

### **Public Comment**

Joe Milczewski, Black Hills Corporation, encouraged the Committee to resist on moving this legislation forward. Mr. Milczewski believes that the timeline between now and the proposed implementation of the CPP will allow for time to consider other options.

Jody Levin, Rocky Mountain Power, echoed the concerns noted by Mr. Parfitt and Mr. Minier. Ms. Levin supports the Legislature having a role in creating a state plan and believes discussing this issue as an interim topic would be beneficial.

Shawn Taylor, WREA, echoed the concerns of the others. Mr. Taylor believes that the Legislature and industry should be engaged in this process. He also discussed ways to reach out to the public to engage them in this process.

Johnathan Downing, WMA, agreed with the sentiments of the other speakers. Mr. Downing expressed his willingness to be involved in this process as it moves forward.

M. Lee Hasenauer, former Laramie County Commissioner, expressed concerns with the EPA and their intrusion in Wyoming. Mr. Hasenauer encouraged the Committee to not comply with the CPP.

### **Committee Action**

Representative Kasperik moved the bill which was seconded by Senator Anderson. The motion failed on a roll call vote with Cochairman Von Flatern, Senator Anderson, Senator Coe, Representative Edmonds, Representative Kasperik voting in favor and Cochairman Lockhart, Senator Cooper, Senator Rothfuss,



Representative Walters, Representative Sommers, Representative Byrd and Representative Gay voting "no".

#### **LANDFILL REMEDIATION PROGRAMS**

Cindie Langston, City of Casper Solid Waste Manager, updated the Committee on the City of Casper's landfill remediation activities, included as **Appendix 11**. Ms. Langston expects to meet with DEQ and finalize the remediation plan in the next few weeks. Ms. Langston encouraged the Committee to appropriate additional funds to the cease and transfer program in order to fund landfill closures.

#### **MEETING ADJOURNMENT**

There being no further business, Co-Chairman Von Flatern adjourned the meeting at 4:45 pm.

Respectfully submitted,

Senator Michael Von Flatern, Co-Chairman

# Committee Meeting Materials Index

Appendix	Agenda Item	Appendix Description	Appendix Provider
1	Committee Sign-In Sheet	Lists meeting attendees	Legislative Service Office
2	Committee Meeting Agenda	Provides an outline of the topics the Committee planned to address at meeting	Legislative Service Office
3	Committee Notebook	Provides handouts, background material and research to Committee members	Legislative Service office
4	Wyoming Business Alliance	Wyoming Business Alliance Tour 23	Wyoming Business Alliance
5	University of Wyoming School of Engineering Update	Letter regarding the University of Wyoming College of Engineering & Applied Science Report	University of Wyoming
6	University of Wyoming School of Engineering Update	Engineering Building Project Update	University of Wyoming
7	State Treasurer's Report on the IDB Program	Letter regarding the IDB program	State Treasurer's Office
8	Wyoming Pipeline Authority Update	Summary of topics to addressed by the WPA	Wyoming Pipeline Authority
9	Wyoming Pipeline Authority	Wyoming Pipeline Update	Wyoming Pipeline Authority
10	Wyoming Oil and Gas Conservation Commission Update	Wyoming Oil and Gas Conservation Commission report	Wyoming Oil and Gas Conservation Commission
11	Landfill Remediation Programs	Letter regarding landfill remediation activities	Cynthia Langston