

Minutes of the Uintah Basin Regional Council held on Feb 11 in Vernal

Attending: Randall Bennett, Mark Holmes, Paul Hitchcock, Dan Wheeler, Rich Buelte, John Wahl, Shelly Ivie, Tom Nordstrom, Wayne Dunbar, Mark Raymond, Bill Johnson, Bruce Todd, Tammie Lucero, Joe Pepper, Brian Raymond

Staff: Connie Shearwood, Russell King, Peggy Killian, Bob Gilbert, Connie Blaine, John Krantz

Guest: Johnnie Phillips

Randall welcomed everyone. Minutes were reviewed with no changes. Randall said that no word has been received on the ARRA stimulus healthcare grant yet. He asked Bob to give an update on the energy grant. Bob said the grant was awarded to the state in the amount of \$4.6 million. It is to be used predominantly for skills training programs in the renewable and clean energy programs. A key part for our area will be training natural gas technicians and skills need in the conversion of vehicles to use CNG (compressed natural gas). The programs will be offered in the Eastern Utah, hopefully by the fall of 2010 at the ATC and CEU. \$470,000 was allocated to Eastern Region over a three year period. The next meeting on the grant is on March 4, when folks from SLCC come out again.

Randall then asked for suggestions with regard to possible projects for the Council to undertake. Bill said the climate politically should include hydrocarbons and renewable projects. John said we need to remember the impact of the budget cuts on any project we undertake. The UBATC just had a \$30,000 cut in Custom Fit dollars, and we are hurting in our ability to serve people.

Brian said there is a software program available that can be used to identify businesses that are changing, growing, moving, etc. It involves having some people that go out and visit with businesses about their future plan, and possible incentives for them. Carbon/Emery County businesses have been able to bring quite a bit of incentive dollars back into their area by using a program like this. Executive Pulse is the name of the software. Tammie said they have talked about it, and like what it does, but haven't yet pursued it. A main feature is that it has a tracking system that helps with the information management and follow-up.

Bill asked if the Councils are going to go away as part of the DWS restructuring. Shelly said we are doing work right now on our structuring and advisory groups. We want to continue to have groups such as this, and to look at all industries/sectors. Randall said he has been involved with the state folks, and said we do a good, probably better than most, job of getting the industry folks to the table.

Randall suggested the Council work on being an Advisory Council to the energy grant. Several members expressed interest: Rich, Tammie, John, Dan and Bill

John Krantz, new Eastern Region economist, then introduced himself. Said the area is very interesting economically and geographically. He wants to look at and learn more where we are in terms of the recession, labor trends, and occupation and wage info for the Eastern region. He then reviewed the last few recessions. The present one is equal, though a little more severe, to the one that was in 1957. The current one is the worst in terms of total output lost. The data showed that Utah's unemployment rate is 6.7% vs the US economy of 10%. It seems to have bottomed out in the 3<sup>rd</sup> qtr of 09 and since then, has been turning up. Unemployment traditionally lags behind the positive increases in GDP. Retail sales and industrial production are going up again. Housing starts are flattening out, not showing much increase.

Utah trends below the US unemployment rate. Natl Bureau Economic Research will probably conclude the recession ends in Oct 09. Economic indicators (housing, output, employment) are showing that we are moving out of the recession. Mark R said they are working hard to ease the regulations from the federal departments on our local economy. We are meeting with Secretary Salazar to help him understand the importance of developing our own resources in Utah.

John presented information on Daggett Co: It is primarily government jobs (57%). Not much fluctuation. 30% of economy associated with Flaming Gorge and tourism. There is a little downward employment trend in Daggett for Leisure/hospitality.

Duchesne County: Growth period starting in 2004, phenomenal growth up until Jan 2009. Most of the new jobs created are still here. There was a 12% job loss in 2009.

Uintah County: There was almost no job loss since 2001. Great growth. 10% job loss in 2009. Oil and gas jobs in The Basin are 19-22% of direct jobs. In addition the area provides 67% of oil production, 69% of natural gas production for the State.

Unemployment rates in Basin counties closely trend the State of Utah. Sometimes lag a little. Duchesne County lost 1054 jobs from Sept 08 to September 09. Some trucking jobs are opening up – and have quite a few applicants. Uintah County lost 3121 jobs during the same time period. (Sept 08 to Sept 09). Of those, 1847 were in mining (oil and gas), and 442 in construction. Total job loss was near 19%. Increase in unemployment claims was 300% higher than the year before.

Application for Permits to Drill (APDs) are now being approved. Inspection fees have been increased. Mark H said that some businesses let workers go, and then when rehired, reduce the pay rates. Oil and gas companies have also renegotiated contracts for services at lower rates. People are fully employed, but wage rates have gone down.

John showed nonmetro job openings. Truck driving and construction manager had lots of openings traditionally. Then he reviewed the four and five star occupations, and the estimated annual openings in nonmetro jobs.

John said he welcomes contact from us. Randall thanked John for coming.

Dan provided a report from the Planning Committee: We met last week, and covered various items. Tammie has invited Samantha Julian, Governor's Energy Cluster Specialist, to come out and visit. We want to educate her on our oil and gas resources. She wants to be involved in all sources of energy. Then we discussed the CN.A program and DWS not supporting it because it is a 2 star occupation. Shelly said if it is a stepping stone for other opportunities, we are ready to fund it. But for a stand alone activity, we can't fund it. We can put job seekers into a worksite learning opportunity for them to explore the activity, as opposed to fully funding the student. We need to carefully spend resources. It is a two-star occupation, and DWS is more carefully selecting skills training – we can't afford to train people over and over. John added that there are a lot of students taking C.NA courses in high school. However, students are not incentivized to complete the training and pass the test. Dan said the Committee also encouraged everyone to watch out for other grants that may be useful and would be a good effort for our collaboration.

Shelly then gave an update on our department. We are anticipating training dollars for the upcoming year which starts July 1 to remain the same. We ran out of dollars so quickly this year. We are very attuned to what is going on and are looking for any funding sources, additional scholarships, grant funding, etc. We want to help people find and develop transferrable skills. We have older people who have been in the same industry all their lives, and now are having to move to something else.

We aren't as agile as we should be. We are restructuring and now have a new name for DWS' other group: Workforce Development Division. Our goal is to work more with employees to help them identify employees and skills that are needed. As well as to continue to collaborate with education and industry to discern skills needs and bring about workforce development. Shelly reviewed the new economic service area map of Utah. Shelly is now the Service Area Director. More info to come on the restructuring.

Randall asked if there was any other business. The meeting adjourned at 12:30 pm.