

**Focus**

**OIL, GAS & ENERGY**  
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The planned 111 Main Office Tower will sit at the corner of Main Street and 100 South in downtown Salt Lake City, adjacent to the new Utah Performing Arts Center.

## New downtown Salt Lake tower to soar 23 stories

Hamilton Partners has announced plans for another major office complex in downtown Salt Lake City. To be known as the 111 Main Office Tower, the development will be directly adjacent to the new Utah Performing Arts Center and across the street from the City Creek shopping center.

The building will be 23 stories high and was designed by architectural firm Skidmore, Owings & Merrill, which designed the John Hancock Center and Willis Tower (formerly the Sears Tower) in downtown Chicago. It will have 462,350 square feet of office area with a typical floor size of 20,000 square feet in a column-free design featuring floor-to-ceiling glass and nine foot ceilings.

ings.

Parking, access, functionality and design will be integrated from the foundation through the facade to capitalize on a unique opportunity to bridge the gap between City Creek and the rest of downtown. As an extension of the City Creek and Gallivan projects, 111 Main will have access to public open space, shopping, retail and residential opportunities within walking distance.

"This beautifully designed architectural icon reflects the strength of Utah's prime urban center in Salt Lake City," said Chris Kirk, senior director of office and invest-

see 111 MAIN pg. 22

## SITLA finalizes amended deal with Anadarko

**John M. Rogers**  
*The Enterprise*

The controversy surrounding the agreement between the School and Institutional Trust Lands Administration (SITLA) and Anadarko Petroleum Corp. is settled. At least for now.

The SITLA board of trustees voted unanimously at its Sept. 26 meeting in St. George to approve a new agreement with Anadarko that includes an amendment to delay exploratory mineral lease activities within the 18,000-acre Bogart Canyon area of the South Book Cliffs until 2016. The original agreement would have allowed Anadarko to begin operations almost immediately on 90,000 acres of Book Cliffs land, including Bogart Canyon.

The amended agreement came in response to strong objections raised by hunting and fishing groups opposed to energy exploration in the roadless Bogart Canyon area. The offices of Gov. Gary Herbert and U.S. Rep. Rob Bishop (R-Utah) also joined the fray in opposition to the original deal.

Despite the new agreement, SITLA board members remain concerned about the long-term implications of how the public school system will be fairly compensated for potential mineral development on its large land holding in the Book Cliffs. Board members endorsed the concept of creating an advisory committee to make recommendations to SITLA and Anadarko to address impacts to sensitive natural resources. SITLA board chair Steve Ostler assigned board members Jim Lekas and Tom Bachtell to work with the agency to develop specific recommendations of the committee's com-

see SITLA pg. 22

## Private sector takes lead on air quality, task force told

**Brice Wallace**  
*The Enterprise*

The public sector could learn a bit about helping air quality by following the lead of some private-sector organizations, a legislative committee was recently told.

At its September meeting, the Legislature's Economic Development Task Force was briefed about public- and private-sector activities under way to improve air quality

along the Wasatch Front. The task force, in the final stages of preparing its final report later this fall, is charged with looking at air quality issues and how they are tied to economic development in the state.

The task force has heard testimony that corporate recruitment efforts are hampered by poor air quality when representatives of companies considering Utah for operations visit the state on inversion days.

Ryan Evans, vice president of business and community relations for the Salt Lake

Chamber, said of visiting companies, "it's not that they expect the problem to be fixed, necessarily, overnight. But it's that they want to see a plan. They want to see that the state is taking action on air quality."

A report about state agency sustainability activities reveals that the state is "not only pushing air quality efforts but implementing them in their own house," he said.

But the chamber's "Clean Air Cham-

see AIR QUALITY pg. 22





## MityLite launches revamp of its corporate identity

MityLite, the Orem-based manufacturer of meeting, event and banquet furniture, has introduced a new corporate identity including a new logo, tagline and website. “MityLite, Durability By Design” keeps in place the manufacturer’s brand.



The brand identity of the commercial furnishings manufacturer has undergone relatively minor updates since the company’s founding in 1987. “MityLite has always exemplified a high level of professionalism in how we interact with our customers. That combined with the increasing sophistication and design implications our products have on a customer’s facility, really demanded a brand update to better reflect who we are,” said MityLite vice president of marketing Spencer Posey. “From a strategic standpoint, and taking into consideration our strong market leadership and sales growth, it was time to go bold with a new look for the company.”

MityLite’s market base features a broad customer mix, including hospitality, education, public assembly, government and worship.

Commenting on the expansion into the restaurant furnishings market, CEO John Dudash added, “Combined with aggressive new product development, enhanced marketing, and a sales focus that’s backed by a customer-first philosophy, MityLite has the tools and experience to provide added value to customers within the hospitality and restaurant markets. Our broadened foodservice and dining product lines coupled with an increased focus on design further solidifies MityLite as a single source for durably designed furniture that helps make our clients’ jobs easier.”

## MGIS will offer malpractice insurance to local doctors

The MGIS Co. Inc. (MGIS) and Freedom Specialty, a Nationwide Insurance company, has announced entry into the Utah medical malpractice insurance market. For more than 40 years, MGIS has provided a broad range of insurance products and services uniquely designed for physicians throughout the U.S., but this is the first time the products have been available to Utah doctors. Headquartered in Salt Lake City since 1997, MGIS will partner with Freedom Specialty to provide Utah physicians malpractice insurance.

With the recent acquisition of the former Utah Medical Insurance Association by MMIC Insurance Inc., a Minnesota insurance company, and the subsequent move of that company’s headquarters and leadership away from Utah to Minnesota, MGIS saw a strong need and opportunity to expand its footprint in its home state.

“MGIS has a rich history of working with physicians, who are currently experiencing major change and uncertainty, and now

more than ever they need to feel secure and protected over the long term,” said Jeff Brunken, president of MGIS. “By bringing this unique malpractice program to Utah doctors, our goal is to not only provide the highest quality insurance program at the lowest cost, but have them look to us as their local, trusted insurance partner who only has their best interest in mind.”

“As the ‘neighborhood’ insurance provider, we couldn’t be more excited to bring our expertise to Utah’s physicians,” said Brunken. “Having all underwriting decisions and the entire MGIS leadership team – from sales to operations – all based right in our doctor’s home turf enables us to deliver more effective and personal service. More than 40 years of experience serving physicians has given us a deep, genuine understanding of their needs and interests. We look forward to putting all of that to work here in the Utah malpractice arena, for the benefit of doctors and patients alike.”

## Speaker: Business must learn to adapt

**Brice Wallace**  
*The Enterprise*

“So now we have warehouses full of turkey feathers and plastic baby pants. It just doesn’t get much worse than that.”

That’s certainly not a typical comment during a business presentation, but Charles E. “Gus” Whalen Jr. uttered those words while making a point during a recent talk in Ogden.

Speaking at Bank of Utah’s annual Fall Author Breakfasts last week, the author, chairman of the Warren Featherbone Co. of Gainesville, Ga., and leader of the Warren Featherbone Foundation stressed the importance of adaptability for companies facing challenges. The Warren Featherbone Co. has faced several during its 130-year existence, along the way moving far from its original duties of manufacturing stays for women’s corsets from turkey feathers.

The first crisis hit in 1938, when the company, with a complete monopoly in that industry, discovered that the development of plastic would spell a zero percent market share for the company in the future.

“The Dakota Indians have a marvelous expression to describe this situation: ‘If the horse is dead, dismount,’” Whalen said. “That’s what they say. And, you know, we just don’t want to get off our dead horses, ever.”

But that crisis led to oppor-

tunity as the company evolved to produce a plastic, waterproof diaper cover — innovative at the time. “We didn’t know a thing about the baby-clothes business. That was not our business. But survival was our business,” he said.

Eventually, the company produced baby clothes. But that industry became dominated by Chinese companies. Faced with a choice of moving the company to China in order to remain competitive, instead it sold that business to another firm.

The Warren Featherbone Co. has seen its focus shift from corset stays to textiles, from banking and agriculture, to education.

“We are no longer in the baby clothes business. But we’re no longer in agriculture. We’re no longer in [producing] whips. We’re no longer in featherbone. We’re no longer in machine gun belts for the B-17. We’re no longer in shoe covers for the Atomic Energy Commission. We’ve been in more businesses than you can imagine, that we’re no longer in,” Whalen said.

Regardless of the product, the Warren Featherbone Co.’s claim to fame has always been manufacturing, and the Warren Featherbone Foundation is “in business to remind America of the importance of careers in manufacturing for young people and the importance of manufacturing.”

Whalen said he recently saw one report indicating that 3 mil-

lion manufacturing jobs lost in the U.S. in recent years could return “if we had people with the skills to take those jobs, so that is the big issue.”

He lamented that from 2001 to 2010, 42,000 U.S. manufacturing factories closed and 5.5 million people lost their manufacturing jobs. With such losses, the nation loses its ability to create economic wealth through manufacturing as well as its sense of democracy, he said.

“That is what fires me up more than almost anything, is that we have to get a handle on that,” he said. “And I think that there are some indicators that we are.”

Whalen’s books include *The Featherbone Principle*, *The Gift of Renewal* and *Hooked at the Roots*, and his Ogden talk touched on several topics, including the need for people to understand their interdependence. No one is truly independent, he said, likening communities to the stands of giant Sequoia trees in California that reach as tall as 310 feet but are supported by intertwined root systems averaging less than 3 feet deep.

“The way it works is the way I think it works right here in Ogden,” Whalen said. “Those little bitty roots connect with each other just beneath the surface of the earth. They support each other and they are supported by others in their community.”

## Chamber hands out annual honors

The Salt Lake Chamber of Commerce celebrated its past, present and future by honoring the legends of Utah’s business community at the 126th annual meeting in September.

“The Salt Lake Chamber brings together dedicated businesses and talented people to make our economy stronger,” said Lane Beattie, president and CEO of the chamber. “Our honorees truly are legends and this was a great opportunity for us to thank them for their tireless commitment to make our state the best place to do business.”

The chamber honored G&A Partners as the Small Business of the Year. By any measure, G&A Partners, a comprehensive human resource outsourcing and administrative provider, had a terrific year, growing by 75 percent. Chamber membership has been at the heart of G&A Partners’ growth strategy by participating in the Great Salt Lake Business Expo and the Utah Small Business Summit, according to Beattie. G&A regional vice

president of sales and operations, Aaron Call, also served as chair of the Capitol Club in 2012.

Wells Fargo Bank was honored as the Corporate Partner of the Year. Wells Fargo is one of the strongest supporters of the Salt Lake Chamber. In 2011-12, David Golden, executive vice president and manager of Wells Fargo Commercial Banking Group’s Mountain Division, served as chair of the Board of Governors. He now co-chairs the Chamber’s Utah Transportation Coalition. Each year, Wells Fargo sponsors numerous chamber events, including the Athena International awards luncheon.

Dayne’s Music Co., the oldest music store in the West and second oldest in the United States, was honored as the Entrepreneur of the Year. As one of the first members of the chamber, Dayne’s Music is also Utah’s oldest retailer and one of the oldest family-run businesses in the entire nation with 150 years under its belt. The store once carried a variety of musical

instruments but now concentrates on piano sales as Utah’s exclusive Steinway dealer.

The Community Partner of the Year award was presented to the Economic Development Corp. of Utah (EDCUtah). Economic development is the rising tide that lifts all boats and that is the focus of the EDCUtah. Once a part of the Salt Lake Chamber, EDCUtah plays a critical role in recruiting businesses to the state by touting all the advantages Utah has to offer. The state’s unemployment rate is among the lowest in the nation thanks in part to the efforts of EDCUtah, the chamber said.

The chamber also honored six as Chamber Champions. Ray Dardano of Marlin Business Bank, Karen Gunn of Salt Lake Community College, Janet Jorgensen of *Salt Lake Magazine*, Dave Loach of IC Group and Tim Wheelwright of Durham Jones & Pinegar P.C. were selected for their individual contributions to the success of the Salt Lake Chamber.



# R&O will build Cancer Society's Hope Lodge

The American Cancer Society in Utah has announced its selection of local contractor R&O Construction as the builder of its newest Hope Lodge.

R&O has experience building state-of-the-art health care clinics as well as nonprofit outpatient hous-

ing facilities. Its previous project background, combined with its skill and dedication to quality and timely service, make it the ideal builder of the Hope Lodge, according to ACS officials.

"Contracting with R&O Construction is a major step forward in

bringing the Hope Lodge to cancer patients in the Intermountain West," said Pam Higginson, vice president and Hope Lodge campaign director for the ACS Great West Division. "We look forward to uniting together to ease some of the burdens placed on our neighbors and community members battling cancer as we build a place of refuge, relief and healing."

The Hope Lodge will be a 63,000 square foot home away from home for cancer patients and their caregivers who travel to Salt Lake from rural Utah and surrounding states for treatment. By offering a free place to stay, the Hope Lodge allows cancer patients who may otherwise choose to forego treatment because of travel costs and associated expenses to focus on their treatment plan and path to healing and recovery.

"The Hope Lodge Campaign Board is committed to bringing this much-needed resource to those fighting cancer," said Katie Eccles, Hope Lodge campaign chair. "Our selection of a builder means we are one step closer to ensuring that

people from all over the region get the care they deserve, without having to worry about where they will stay or how they will afford the extra expenses."

The Hope Lodge will be built at 100 S. and 400 E. in downtown Salt Lake City and will be the first of its kind to serve the Intermountain West, which includes Utah, Nevada, Arizona and Wyoming. It will include 42 private suites and serve nearly 800 patients annually.

"It is always satisfying to join a cause that will better the lives of thousands over time," said Dale Campbell, president of R&O. "We know there is an urgent need for a Hope Lodge in Salt Lake and that it will serve many deserving people. It's an honor to be a part of making this much-needed facility a reality in our community."

The Hope Lodge fundraising campaign is an \$18 million venture, \$13.2 million of which has been donated thus far.



The American Cancer Society has chosen the contractor to build its new Hope Lodge at 100 S. 400 E. in downtown Salt Lake City.

## UofU engineers receive \$16 million grant to simulate coal-powered power plant

University of Utah engineers will use a five-year, \$16 million grant to conduct supercomputer simulations aimed at developing a prototype low-cost, low-emissions coal power plant that could electrify a mid-sized city. The goal of this "predictive science" effort is to help power poor nations while reducing greenhouse emissions in developed ones.

The grant by the U.S. Department of Energy's National Nuclear Security Administration is enabling UofU researchers Philip J. Smith and Martin Berzins, along with university President David W. Pershing, to establish the Carbon Capture Multidisciplinary Simulation Center. All three are professors in the university's College of Engineering.

The researchers will use supercomputers to simulate and predict performance for a proposed 350-megawatt boiler system that burns pulverized coal with pure oxygen rather than air. The design — which never has been built — captures carbon dioxide released during power generation.

Through computer modeling, researchers will address uncertainties that could arise in building such a power plant. They hope their findings will expedite deployment of clean, economical power to developing nations, where near-

ly 1.2 billion people lack electricity, and help industrialized nations meet increasingly stringent emissions standards, like those recently proposed by the Environmental Protection Agency. The work also will establish the UofU as hub of a predictive science.

Plans have yet to be made regarding when or where a prototype of the new coal power plant design will be built by the European company that designed it.

"This is a very important award for the university — not only because of its size, but because it builds on the strength of our faculty and staff in energy, uncertainty, parallel computing and visualization," said Pershing, a distinguished professor of chemical engineering. "It will provide critical funding for students to study these topics on some of the world's largest supercomputers."

Stemming from the ban on nuclear testing, predictive science allows engineers to virtually test and manage nuclear weapons, as well as all-new technologies such as power plants, before they are built. This enables officials to check the safety, security and reliability of the U.S. nuclear stockpile and new technologies without physical testing.

"Society made projections off of 'gut feel,' and now it's asking

science to compute what will happen, so we're making decisions off of computed results," said Smith, a professor of chemical engineering and director of the new center.

Berzins, a professor of computer science, added, "These simulations and others like them will make use of computers that are expected to be able to perform a million-trillion operations per second in the next decade or so, or as many operations per second as a billion personal computers today."

The majority of the grant will enable students, faculty and staff to develop and run software on Department of Energy supercomputers.

"For perspective, that's using half a million to 1 million computer processors at once on one problem for several days," said Smith.

The UofU will subcontract with coal reaction and advanced math experts from Brigham Young University and University of California, Berkeley.

This grant builds upon the UofU's experience in predictive science, particularly its previous 13-year effort — also funded by the National Nuclear Security Administration — for simulation studies of accidental fires and explosions.



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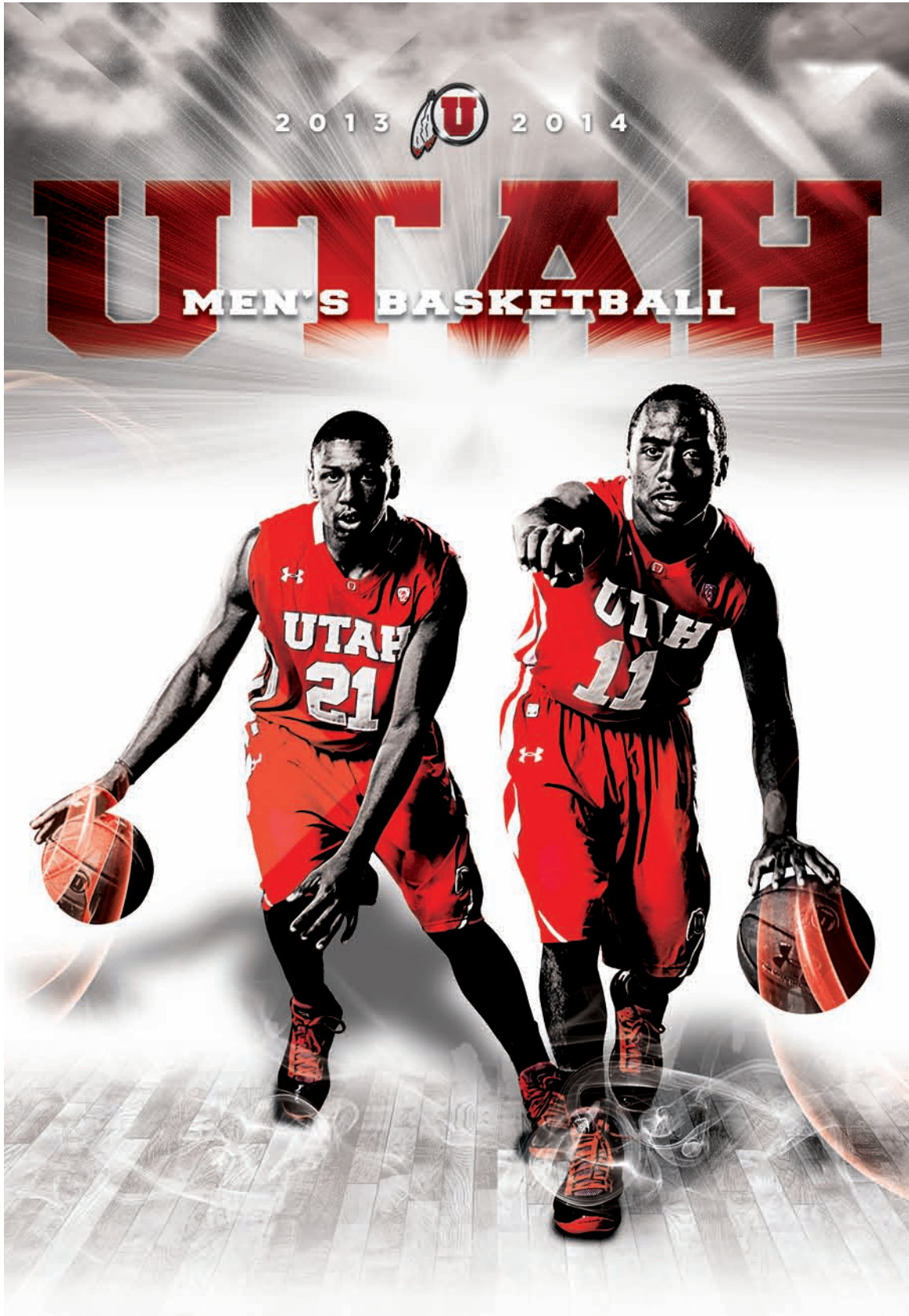
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## IHC selects Cerner Corp. as IT management partner

With a shared vision to improve quality and make health-care costs sustainable, Utah's Intermountain Healthcare and Missouri-based Cerner Corp. have announced a multi-year strategic partnership.

Drawing on Intermountain's pioneering work in quality improvement and data analytics and Cerner's expertise in information technologies, the multi-year partnership will implement the Cerner electronic medical record and revenue cycle solutions across all of Intermountain's hospitals and clinics.

"This alliance will help Intermountain to continue its focus on providing high quality care," said Dr. Charles Sorenson, president and chief executive of Intermountain. "It will help us prepare for a future where we must focus even more on providing the best possible care for our patients at a cost that is sustainable."

Cerner is the best-positioned supplier of clinical information systems to accelerate key functionality available to Intermountain's clinicians now while building on Intermountain's legacy of innovation to support the delivery of high-value care in the future. With Cerner's investment in modern technology and open exchange of data, Intermountain has selected a partner that shares its vision of transforming healthcare to enhance quality and efficiency.

Broader than the intent and efforts of U.S. healthcare reform, both companies are committed to an approach that focuses on involving everyone in achieving better health – hospitals, physicians, patients, insurance companies, and others. Both companies know that advanced information technology will play a critical role in achieving that vision. Intermountain has been a leader for over four decades in the development and use of clinical information systems to improve care.

"Several decades ago, when I was just starting out, I would go to Intermountain to listen and learn," said Neal Patterson, chairman and chief executive of Cerner. "Intermountain has a globally recognized focus on systematically working to increase quality and decrease cost. Intermountain's vision around shared accountability represents the future of healthcare."

Understanding that the future of healthcare requires us to make meaningful changes, leaders from both organizations are committed to finding ways to advance the science and practice of medicine and

to improve patient care. Moreover, Cerner and Intermountain have been nationally recognized as innovation leaders, receiving acknowledgement in 2013 by *Forbes* and *InformationWeek*, respectively, as two of the most innovative companies in the U.S.

The collaboration between Intermountain and Cerner will look to fully leverage Intermountain's important work, including its industry-leading clinical processes and data warehouse. It also will seek to build a new set of tools for a post-fee-for-service world in areas such as activity-based costing. Several key Cerner leaders and staff will relocate to Salt Lake City to be led by Cerner executive vice president Jeff Townsend.

"Over the last year, I have had a chance to spend time with Neal and the Cerner team," said Dr. Brent James, chief quality officer at Intermountain. "We share a common vision to improve care for populations of people. This partnership will accelerate our efforts to provide core functionality to our caregivers as we create new innovations to transform healthcare. By integrating the Cerner system with our electronic data warehouse, we will continue to drive improvements in healthcare quality."

## Western Gardens opens two new reception centers

The owners of Western Gardens in Utah have opened doors to two new star wedding venues.

Atrium Weddings reception center and Ivy House Weddings reception center have both received five star ratings from Salt-LakeWeddingReviews.com for service and environment. In a Salt Lake Wedding Reviews interview, Michael Clayton, co-owner of Atrium and Ivy House was asked "what made you decide to build Wedding Venues after years of working in garden supplies?"

Michael Clayton, co-owner said, "We already have buildings, and parking lots. It seemed like a logical business decision. Our only expense would be to build the reception center as an addition to our facility. Yes, our utility bill would increase, but everything else has already been paid for. This allows us to offer a 5 star wedding experience to brides for a fraction of the cost. We don't have to charge a fortune to make a profit."



# Industry Briefs

## ASSOCIATIONS

• The **Salt Lake Chamber** has named **Dr. Linda Leckman** of Intermountain Healthcare as the 2013 Athena Award recipient, and **Jennifer Danielson**, Regence BlueCross BlueShield of Utah; **Jennifer Godfrey**, Salt Lake CAP Head Start; **Mary Kay Griffin**, CBIZ MHM; and **Susan Mayo**, Wells Fargo, have earned Pathfinder Awards. The awards will officially be presented Nov. 12 at the 37<sup>th</sup> annual American Express Women & Business Conference and Wells Fargo Athena Award luncheon, presented by the Salt Lake Chamber Women's Business Center. Leckman is vice president of Intermountain Healthcare and chief executive officer of Intermountain Medical Group, which consists of 185 clinics, more than 1,000 physicians and more than 5,200 employees. The Pathfinder Awards are presented annually to community leaders who create new paths that promote the development and recognition of women in business.

## BANKING

• **Mountain America Financial Services**, a South Jordan-based wholly owned subsidiary of Mountain America Credit Union, based in West Jordan, has appointed **Jared Johnstone** as president. Johnstone will be responsible for overseeing the company's life, home, auto and commercial insurance agencies; tax services and other financial services; evaluating new business opportunities; managing relationships with current business partners and developing strategic plans. He previously was the vice president of deposit operations and business services for Mountain America, where he administered all of the credit union's deposit programs.



Jared Johnstone

Johnstone joined Mountain America in 1991. He was the researcher and program coordinator for the company's entry into the small-business banking market in 2002. Since that time, he has consulted with nearly 40 other credit unions in helping design and establish small-business banking services.

## FOOD

• **ForeverGreen Worldwide Corp.**, a nutritional foods company based in Orem, has hired **Jack B. Eldridge** as chief financial officer. A licensed CPA, Eldridge was director of finance/international controller for Neways International for 10 years and has international experience with several large companies, including Novell and Rio Tinto. Eldridge has his undergraduate degree in accounting and graduated with a Master of Business Administration.

## OUTDOOR RECREATION

• **Ski Utah's Interconnect Tour** is celebrating its 30<sup>th</sup> anniversary this year. Groups ranging from three to a maximum of 12 can ski with guides who lead both Deer Valley and Snowbird departing tours. New for the 2013-14 season, private trips can be completely customized to suit the wishes of the skiers.

• **Park City Mountain Resort** during the 2013-14 will celebrate half a century of skiing, snowboarding and an intimate connection with one of the world's great ski towns. It was originally known as Treasure Mountain, then Park City Ski Area and finally as Park City Mountain Resort.

• **Ski Utah**, the marketing firm owned and operated by the 14 Utah ski resorts that make up the Utah Ski and Snowboard Association, has a few changes in store for the upcoming season. One is a Skiutah.com makeover. First-time visitors to the website will be greeted by a "Welcome to

Utah" page, while return visitors will be served up snowfall totals and other content. Ski Utah's blog team contributes to the website daily by providing packing tips, family tips, not-to-miss food, secret powder stashes and more. Another Ski Utah activity is its second annual magazine. The publication features insider tips, travel advice, lodging information, resort stats and more. The magazine is poly-bagged with *Outside's* December issue and *Mountain* magazine's winter issue, being distributed mainly in the New York and Los Angeles areas. The firm also offers its Ski Utah app. Snow totals for all 14 Utah resorts are available, as well as resort-specific six-day forecasts for all 14 resorts, road status updates, trail maps and a ski counter to keep track of any day skied in Utah.

## REAL ESTATE

• **Innovative Real Estate Cos.**, based in Houston, has hired **Michael Augustine** as president of **Innovative Real Estate Development**, chief investment officer and partner. Augustine is based in Park City. Augustine's experience includes work in student and conventional multifamily development, operations and acquisitions. Most recently, he was national student housing director at the Bainbridge Cos., where he was responsible for development of Campus Circle Tallahassee. Innovative Real Estate Development will develop new communities and seek acquisitions to add to the firm's growing portfolio.



Michael Augustine

## RETAIL

• **Spring Mobile**, the Utah-based retailer of AT&T wireless phones, recently acquired A-Link Wireless, a 22-store AT&T wire-

less dealer with retail locations throughout California, Arizona and New Mexico. The acquisition marks Spring Mobile's largest to date, bringing the company's total store-count to 120 across 11 states, and adding more than 70 new employees. It also marks Spring's entrance into Southern California and New Mexico with 13 new retail locations in Los Angeles and San Diego, and one in Albuquerque. In addition, the acquisition will nearly double the store-count in Arizona by adding eight new locations throughout Phoenix and Tucson. All 22 acquired locations will join Spring Mobile's West market, under the leadership of sales director Jon Betts.

"We began this year with a very aggressive retail growth goal, and in pursuit of that goal, we are excited to announce the acquisition of A-Link Wireless and the addition of its 22 retail locations," said Jason Ellis, Spring Mobile president. "As with past acquisitions, we expect to meaningfully increase sales and inventory levels, and at the same time, continue to provide the best AT&T wireless services to our customers."

## SERVICES

• **Savage**, a supply chain management services company based in Salt Lake City, has announced that **Crystal Call Maggelet** has joined the company's board of directors. Maggelet has experience in industrial supply chain services and expertise in the oil and gas markets through her tenure with FJ Management Inc., which includes Big West Oil. Maggelet is chief executive officer and president of FJ Management, formerly known as Flying J Inc., and founder of Crystal Inns Hotels & Suites. She also has been a member of the FJM board for 30 years and currently serves as its chair, in addition to serving on other boards.

## SPORTS

• **Sun River Golf Club**, St. George, has announced a **grand reopening** of its 7,000-yard golf course will be Oct. 19. Renovations to the course, home of the 2013 Southern Utah Open, were completed in August. Renovations include adding 18 tee boxes; relocating and adding eight stand traps; and installing a state-of-the-art irrigation system, with new drainage.

## TECHNOLOGY/LIFE SCIENCES

• **Domo**, a software-as-a-service (SaaS) company based

in American Fork, has hired **Catherine Wong** as senior vice president of engineering. Wong, who has technology and engineering management experience,



Catherine Wong

joins Domo from Adobe and Omniture, where she started 13 years ago as a software engineer. She advanced through other positions in product management, product integration, technical architecture and engineering management. Wong has been awarded patents in data segmentation, data visualization and SaaS data collection. She holds a bachelor's degree in computer science from Brigham Young University.

## TRANSPORTATION

• **SkyWest Inc.**, based in St. George, has appointed **Ronald J. Mittelstaedt** and **Keith E. Smith** to the board of directors of SkyWest Inc. and its subsidiaries, SkyWest Airlines Inc. and ExpressJet Airlines Inc. Mittelstaedt is chairman and chief executive officer of Waste Connections Inc., a company he founded in 1997 and took public the following year. Waste Connections has become the third largest company in the North American solid waste and recycling industry, employing more than 7,000 nationwide. Mittelstaedt also established the RDM Positive Impact foundation in 2004 to improve the lives of underprivileged and at-risk children. Prior to his career in waste management, he spent three years in the air freight industry. He currently serves as chairman of the board for Waste Connections Inc. and as a board member of Pride Industries. Smith is president, CEO and director of Las Vegas-based Boyd Gaming Corp., which has 22 operations in eight states and more than 25,000 employees. Smith is an industry veteran with nearly 30 years of gaming experience. He joined Boyd Gaming in 1990 and held various executive positions before being promoted to COO in 2001. In 2005, Smith was named president and elected to the company's board of directors and in 2008, he assumed the role of CEO. Smith serves as chairman of the Los Angeles branch of the Federal Reserve Bank of San Francisco. He also served as chairman of the American Gaming Association, the Nevada Resort Association and vice chairman of the Las Vegas Convention and Visitors Authority.

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# Fed's decision not to taper was a big surprise to Wall Street

The Federal Reserve's decision to not taper their bond purchases came as a big surprise to many analysts and experts on Wall Street. While the scope of how much they would taper varied between economists, the consensus was for a pullback of \$10-15 billion per month of longer-term bond purchases. However, the committee's decision against the taper was claimed to be data-driven as the economic activity did not justify reducing support. While I view this as a positive situation overall, it also exposes some interesting developments in the underlying economy.

Given that the Federal Reserve is the largest purchaser of bonds in the marketplace, it's no surprise that the markets react so in-tune with their projections. If they alter their purchases in either direction the effects could be seen almost instantaneously. We saw initial reactions after Chairman Ben Bernanke's comments about "possible tapering" back in May of this year. As a result, the market drove the 10-year Treasury bond yield to

nearly 3 percent in August from less than 2 percent in May.

Now, just to be clear, tapering does not necessarily mean a rise in interest rates across the board. The Fed has implemented many policy tools to help buoy the economy. These include manipulating short-term bank borrowing rates, and longer term rates for areas like mortgages. These tactics are all done on the open markets, buying and selling securities to influence the different rates. The reason for mortgage purchases is fairly obvious given the housing crash in 2007 and the fact that the housing market is a huge piece of the economy. Supporting it through asset purchases has become a staple of Fed policy over the past few years. However, their overall efforts were designed to drive down borrowing costs for corporations and consumers alike in order to stimulate economic growth. Given the scope of the Fed's extraordinary support efforts, the question on everyone's mind is what happens when they exit?

That was the initial reasoning behind Bernanke's hint at a possi-

ble tapering; the Fed wanted to see the market's reaction, in my view. I believe that the dramatic increase in market rates was beyond what the Fed had anticipated, however. Plus, although the Fed ultimately did not deem it a prudent time to pull back their support, it does not mean that the economy isn't improving. Unemployment has dropped from over 10 percent to 7.3 percent, auto sales are on track to hit annual sales not seen since 2007, corporations are posting record profits in many cases and the equity markets are having a banner year thus far. In all, there are a number of positive developments to be optimistic about.

So then, why no taper if things are going so well? In my view, one of the key reasons is the housing market. While there have been dramatic improvements in areas like building permits, home sales and even price increases, the market does not yet appear to be on solid footing. One key metric is the percentage of home sales bought via cash-only (no financing). So far this year, over 50 percent of the total U.S. home sales were cash-only purchases, according to Goldman Sachs economists, which is up dramatically from

about 20 percent pre-crisis.

These are typically not your first-time home buyers, but are rather investors who are naturally more focused on cash flow and ROI (return on investment). In fact many of the large financial firms on Wall Street have been buying up properties in droves, mainly in distressed areas like California, Nevada and Florida. Which is even more interesting, considering that those areas posted some of the largest home price gains since the crisis. These firms are not in the market to buy and hold homes to live in them; they want a profit as quickly as possible. So what happens when they realize those profits and send those homes back on the market? According to *The Wall Street Journal*, the largest home owner on Wall Street right now is The Blackstone Group, which holds over 30,000 homes, to put things into perspective. The atypical buyer is simply not the main demographic in the housing market right now, according to these figures. Furthermore, although we had the highest level of existing home sales in over six years in August, many real estate economists think it was an artificial boost that won't happen

again for a while. They claim that the increase was due in large part to home buyers rushing to close deals started back in June, out of fear of rising rates. They also note that the supply of new homes and demand from buyers is on a declining trend. The bottom line is: the data simply doesn't confirm that the housing market is on firm enough ground for the Fed to begin allowing mortgage rates to creep higher.

Now, I'm certainly not trying to make the argument that the housing market will *never* come back; I for one don't have any idea what that market will look like in, say, five years from now. I am stating however, that based on the data, it is not the recovery that many perceive. There are many underlying issues still left to deal with, one of which being the Fed's support in the market. Naturally, this is a market of high importance and the last thing the Fed wants to do is be the culprit that sends it backwards by tapering and potentially raising mortgage rates. Some experts calculate that the housing market is over 50 per-

see PAPPAS next page



MATTHEW PAPPAS



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A Reason to Believe



# All airlines are the same, it's their people that are different

As you may know, I'm a regular flyer. About 200 flights a year. Mostly on major airlines, but because I'm more interested in flying nonstop than getting travel miles or points, I take whatever airline is most convenient for my schedule.

One recent Friday I found myself flying Alaska Airlines from Atlanta to Portland.

There are only a few Alaska gates, and they're hard to find, in Delta-dominant Atlanta Hartsfield Airport. FYI: Alaska is part of the same SkyTeam co-op airline alliance as Delta. That's where the similarity ends.

The Alaska ticket agents were amazingly friendly. Actually smiling, laughing, engaging, helpful *and* friendly. I hope airline employees at your airport act that way!

NOTE WELL: Yes, there's an occasional ticket agent or two that are friendly and helpful, and there are some friendly, helpful agents in Charlotte, N.C., that I've known for more than a decade. But these Alaska people were amazing.

I engaged them in a few minutes of lighthearted conversation and asked them what the hiring criterion was. That's when the startling admission came, "We're actually Delta employees who were hand-picked and retrained."

Handpicked and retrained. What does that tell you?

WAIT A MINUTE! Retrained? It's the same computer system and the same baggage criteria. Just cross out "Delta" and substitute "Alaska," right? Right.

"We were trained to greet and treat customers in a different way," said one of the agents. "You know — smile, chat, be friendly, thank

customers as you look them in the eye, and not use certain unfriendly words and phrases like 'policy' and 'all set.'"

Wow! There's a concept.

Yes, I boarded the plane happily and on time. Yes, the flight attendants matched the ticket agents' and the gate agents' friendliness. In-flight service — all five hours of it — was excellent. NOTE: These days flight attendants emphasize they are there for "your safety" and never say the word "service," let alone the word "friendly."

These flight attendants were gently professional, and friendly; not assertively demanding — almost rude when telling me and others to "turn off electronic devices." I fell asleep between ordering and receiving food. Next thing I knew, a flight attendant was gently rubbing the side of my arm, and smiling as she helped me put my food in place. Classic.

Well, that would have been the end of the story had I not spent the weekend with a 10-year Alaska Airline employee. I told him about my experience and he just smiled.

I asked him what makes Alaska different.

Here is his eye-opening response about the big things Alaska does better than other airlines:

- It starts before training. It's all about who they hire. It's about finding the BEST people. They have some process of pre-identifying the right people.

- No test at time of hiring. Interviews are human to human. They ask questions and go with

gut feelings.

- They select people they believe will be hard workers. People who they believe will go beyond what's expected. "North" of what's expected.

- They select people they believe have a natural inclination to take ownership. People who are caring and friendly.

- They select passionate people who love what they do.

- They don't just train front-line employees; they train all employees. They have found that front-line people are buoyed by internal employees if attitudes are consistently positive throughout the company.

Why is this eyeopening? Because it's not fancy! It's nothing new. It's not complicated. It's natural. It's not costly. It's human.

You know the rest, right? Alaska Airline's leadership and management is "by example," not "by the book." All employees feel valued and are happy to serve. And customers love it. It's humanized and natural. It's caring people serving traveling people in need.

Well, why don't all airlines do this? Long list of reasons. Too numerous and way too negative to mention here. This is a business lesson, not an airline reprimand.

HARD QUESTIONS: What's your culture? How consistent is

attitude throughout your corporate environment? How is that affecting your morale? And more important: how is that affecting your customers?

Jeffrey Gitomer is the author of 12

best-selling books including *The Sales Bible* and *The Little Red Book of Selling*. His new book, *21.5 Unbreakable Laws of Selling*, is now available.

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JEFFREY GITOMER

## CORPORATE EARNINGS REPORT

The following are recent financial reports as posted by selected Utah corporations:

### Dynatronics

Dynatronics Corp., based in Salt Lake City, reported a net loss of \$44,371, or 2 cents per share, for the fiscal year ended June 30. That compares with a loss of \$23,535, or 1 cent per share, for the prior fiscal year.

Net sales for fiscal year 2013 totaled \$29.5 million, down from \$31.7 million in fiscal year 2012.

The company did not break out fourth-quarter results.

Dynatronics manufactures, markets and distributes medical devices, orthopedic soft goods and supplies, treatment tables and rehabilitation equipment.

Kelvyn H. Cullimore Jr., chairman and president, said that about 20 percent of the reduced year-over-year sales was attributable to a capital equipment manufacturer that changed its distribution paradigm and that the reductions in sales of distributed medical supplies during the year also includes the impact of a large customer that discontinued operations in early 2012.

"On a positive note, sales of our proprietary manufactured products actually increased over the prior year, with significant gains in sales of the new Dynatron SolarisPlus family of products," Cullimore said. "These gains offset lower sales of some of our other proprietary products."

### Pioneer Oil and Gas

Pioneer Oil and Gas, based in South Jordan, reported a net loss of \$45,160, or 1 cent per share, for the fiscal third quarter ended June 30. That compares with a net loss of \$174,281, or 2 cents per share, for the same quarter in 2012.

Revenues for the most recent quarter totaled \$277,326, up from \$204,709 in the year-earlier quarter.

## PAPPAS

from previous page

cent of the entire U.S. economy!

I do however believe that rates overall are undoubtedly headed higher in the longer term as the economy continues to grow, which should be viewed as a positive! Higher rates typically mean a faster growing economy. I also see the Fed's recent decision as a positive one. While we still have a long way to go, there is a lot to be optimistic about. We have seen fundamental improvements in the economy and the markets, despite the easy money backdrop. I simply do not agree with the notion that the financial markets are being artificially held up by the Fed's policies. The increase

in liquidity has not, by and large, entered the economy, indicative of the low inflation in prices, wages and a stable M2 money supply. The stock markets have had a great year and look poised to continue their growth based on their positive fundamentals, including cash levels, earnings and renewed stability in areas like China. Now that the fear of potential rising rates is off the table for the near-term, even asset classes like bonds could see some possible upside in the near term. This could be another moment of opportunity for investors.

Matt Pappas is a financial advisor with the Cottonwood Group of Wells Fargo Advisors LLC, a wealth management team with offices in Salt Lake City and St. George.

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# Calendar

## October 8, 6-8:30 p.m.

**“Sustainable Resources,”** part of the Sustainable Startups Series. Features panelists from EcoScraps, PK Clean and Momentum Recycling. Location is The Leonardo, 209 E. 500 S., Salt Lake City. Cost is \$15 at the door. Details are at <http://www.eccutah.com/sustainable-startups-series>.

## October 9-11

**Venture Capital in the Rockies.** Keynote speakers will be Josh James, founder and chief executive officer of Domo, and Chris Waddell, a Paralympic skier. Location is Montage Deer Valley, Park City. Three-day conference is \$1,296. One-day local conference (Utah residents only, for Oct. 10) is \$895. Registration and details are at [www.vcirfall.com](http://www.vcirfall.com).

## Oct. 10, 11:30 a.m.-1 p.m.

**“iPad Basics & Beyond,”** a Sandy Area Chamber of Commerce event. Debbie White, an Apple specialist from Expercom, will present facts, tricks and other useful information about using and customizing the iPad. Location is the Salt Lake Community College Miller Campus, Miller Professional Development Center Building, Room 105, 9750 S. 300 W., Sandy. Free. Details are at <http://business.sandychamber.com/events/>.

## October 11, 6 p.m.

**Utah Technology Council Hall of Fame Gala,** a black-tie event honoring accomplishments of the Utah technology industry. Networking reception begins at 6 p.m., following by 7 p.m. dinner and program. Keynote speaker will be Shantanu Narayen, president and CEO of Adobe Systems Inc. Location is the Grand America Hotel, 555 S. Main St., Salt Lake City. Details are available at (801) 568-3500.

## Oct. 15, 9 a.m.-2 p.m.

**“It Won’t Happen To Us ... Preparing Utah One Small Business at a Time” Symposium.** Event will feature local community and industry leaders focusing on preparing business for recovery following disaster. Includes speakers, vendors, prizes and entertainment, with lunch provided. Presented by the Utah Chapter of the Association of Contingency Planners. Location is Workers Compensation Fund, 100 W. Towne Ridge Parkway (9720 South), Sandy. Cost is \$10. Details are at [utah.acp-international.com](http://utah.acp-international.com).

## Oct. 16, 8:30 a.m.-4:30 p.m.

**“Strategic Thinking and Leadership” Forum,** hosted by CEObuilder and Bank of American

Fork. Mark H. Hansen, assistant professor of organizational leadership and strategy, department of organizational leadership and strategy at the BYU Marriott School, will discuss the strategic thinking of Dwight D. Eisenhower, Omar N. Bradley and Bernard L. Montgomery during World War II’s Battle of the Bulge. Location is Bank of American Fork, Riverton Branch Conference Room, 2691 W. 12600 S., Riverton. RSVPs are requested by Oct. 14 and can be completed by contacting Heidi Carmack Pfaffroth at [Heidi.carmack@bankaf.com](mailto:Heidi.carmack@bankaf.com) or (801) 642-3139. Everyone is welcome, but the afternoon discussion may be closed for members only if sensitive matters are discussed.

## Oct. 17, 7 a.m.-1:45 p.m.

**2013 NAIOP Connect Bus Tour,** to learn about commercial real estate activity and opportunities along the Wasatch Front, plus a tour to visit select properties for a first-hand view of South Valley retail, office and industrial developments. Registration can be completed at <http://bit.ly/NAIOPConnectBT2013>. Details are available by calling (801) 486-6763.

## October 17, 6 p.m.

**Sandy Area Chamber of Commerce Titan Awards,** honoring individuals and businesses in the community as leaders, innovators and philanthropists. This year’s honorees are Dell Loy Hansen, Jesselie Anderson and Sen. Wayne Niederhauser. Location is Little America Hotel, 500 S. Main St., Salt Lake City. Activities include a 6-7 p.m. reception, with the program and banquet starting at 7 p.m. Cost is \$200 for individual chair; \$1,250 for a table of eight for chamber members and \$1,500 for nonmembers. Sponsorships are available. Details are available at [www.thetitanawards.com](http://www.thetitanawards.com) or by calling (801) 566-0344.

## Oct. 18, 7:30 a.m.-6 p.m.

**2013 nanoUtah Conference,** hosted by the University of Utah and the Nano Institute of Utah. Conference begins at 8 a.m. with remarks by Tom Parks, vice president for research at the U.; Richard B. Brown, dean of the College of Engineering at the U.; and keynote speaker Dennis Discher, professor of chemical and biomolecular engineering at the University of Pennsylvania. Conference will feature several nanotechnology-related sessions on topics including materials and characterization, devices and sensors, energy and environment, nanomedicine and commercialization; research presentations; a poster session and exhibit booths. Location is the Utah

Science Technology and Research (USTAR) initiative’s Sorenson Molecular Biotechnology Building at the U. Cost is \$175; \$65 for students. Details are at <http://www.nanofab.utah.edu/nanoutah13/>.

## Oct. 22, 7:15 a.m.-3 p.m.

**Eighth annual Utah Procurement Symposium,** presented by the Governor’s Office of Economic Development (GOED). Designed for companies interested in government contracting. Event includes speakers, breakout sessions, a vendor fair and networking opportunities. Location is South Towne Exposition Center, 9575 S. State St., Sandy. Price before Oct. 15 is \$50 for single attendees and \$40 for companies. Details and registration are at <http://business.utah.gov/contracting/PTAC>.

## October 22, 8:30 a.m.

**“First-Ever Construction Technology Forum, Elevating Into 2014.”** Event includes speakers, a panel discussion and networking. Keynote presentation titled “Technology Forecasting” will be by James Benham, founder of JB Knowledge Technologies Inc. Other presentations focus on mobile data management, disaster recovery and IT solutions monitoring, e-procurement and fleet management, and data management and business intelligence. Designed by Rocky Mountain ConTech. Hosted by AboutTime Technologies and ProCon Solution. Location is Noah’s Conference Center, 322 W. 11000 S., South Jordan. Cost is \$79 for CFMA members, \$99 for nonmembers. Details and registration are at <http://tinyurl.com/kuthvfk>.

## October 22, 9-11 a.m.

**“Meet the Money People,”** presented by Utah Valley University’s Small Business Development Center. Event will introduce people to current finance options for starting or growing a business. Location is the UVU Business Resource Center, 815 W. 1250 S., Orem. Free. Registration can be completed by calling (801) 863-8230 or [www.meetthemoney-people.com](http://www.meetthemoney-people.com).

## October 24, 8 a.m.-5 p.m.

**Utah Broadband Tech Summit,** presented by the Utah Broadband Project, a joint effort of the Governor’s Office of Economic Development (GOED), the Utah Public Service Commission (PSC) and the Department of Technology Services’ Automated Geographic Reference Center (AGRC). Event will feature presentations and group discussions on topics including broadband planning for local/regional broadband needs, broadband impacts on industry sectors,

and economic development for high-tech businesses. Location is the Utah Valley Convention Center, 220 W. Center St., Provo. Details are at <http://broadband.utah.gov/about/events/2013summit/>.

## Oct. 24, 10 a.m.-1:30 p.m.

**“Hidden Rewards in Energy Management — Medical Office Building Symposium,”** presented by the Building Owners and Managers Association (BOMA) of Utah. Guests speakers include Cody Steward, energy adviser to Gov. Gary Herbert; Jany Guyer Paine, ETC Group; Kevin Emerson, Utah Clean Energy; Zach Brown, Questar; Roger Hamlet and Steve Connor, Colvin Engineering Associates; and Chris Helmers, Rocky Mountain Power. Location is the Doty Education Auditorium, 5121 S. Cottonwood St., Murray. Cost is \$30 for BOMA members and member guests, \$50 for nonmembers. Details and registration are available at [www.BOMAUtah.org](http://www.BOMAUtah.org).

## October 24, 6 p.m.

**Chamber West 50th Anniversary Gala.** Emcee will be KUTV’s Sterling Poulson. Location is Hilton Salt Lake Airport, 5151 Wiley Post Way, Salt Lake City.

## October 29-Nov. 5

**Salt Lake Chamber trip to Eastern Europe.** Includes visits to Prague, Czech Republic; Vienna, Austria; and Budapest, Hungary. Cost is \$2,799. Details are available by contacting Maria Nelson at (801) 328-5047 or [mnelson@slchamber.com](mailto:mnelson@slchamber.com).

## October 30, 11 a.m.-3 p.m.

**Veteran Job, Benefits and Business Symposium,** designed for veterans, active duty military members, Guard and Reserve members and their spouses. Event features breakout sessions and business development and employment workshops. Location is South Towne Expo Center, 9575 S. State St., Sandy. Free. Details are at <http://business.utah.gov/news/events/150/>.

## November 2, 6 p.m.

**108th Annual Utah Manufacturers Association Awards & Installation Banquet.** Begins with 6 p.m. social, followed by dinner at 6:45 p.m. and features presentation of Manufacturers of the Year. Location is Little America Hotel, 500 S. Main St., Salt Lake City. Cost is \$195 per couple, \$800 for a table of 10 people. Details are available by emailing [uma@umaweb.org](mailto:uma@umaweb.org).

## November 12

Thirty-seventh annual **American Express Women & Business Conference and**

**Wells Fargo Athena Awards Luncheon,** presented by the Salt Lake Chamber Women’s Business Center. Event includes speakers and breakout sessions. Location is the Little America Hotel, 500 S. Main St., Salt Lake City. Cost is \$75. Details are at <http://www.slchamber.com/page/sandbox/view/womenandbusiness>.

## November 12, 6-8:30 p.m.

**“Sustainable Business,”** part of the Sustainable Startups Series. Event will feature companies embracing sustainability as an ethos. Features panelists from Adobe, Black Diamond and Powdr Corp. Location is The Leonardo, 209 E. 500 S., Salt Lake City. Cost is \$15 at the door. Details are at <http://www.eccutah.com/sustainable-startups-series>.

## Nov. 13, 7:30 a.m.-5 p.m.

**Workshops for Export Compliance Professionals,** hosted by the Salt Lake Chamber, U.S. Commercial Service and World Trade Center Utah. Location is the Salt Lake Chamber, 175 E. 400 S., Suite 600, Salt Lake City. Cost is \$175. Registration deadline is Nov. 8. Details are available by contacting Emily Rodriguez of WTC Utah at (801) 532-8080 or [emily@wtcut.ut](mailto:emily@wtcut.ut).

## Untangle acquires Cymphonix

Untangle Inc., a network software and appliance company, has announced the acquisition of Midvale-based Cymphonix Corp., enhancing its bandwidth management and application control offerings. The acquisition also expands Untangle’s reach into larger businesses and schools. For Cymphonix, the deal provides access to additional technology, web-based infrastructure and investment capital.

“As a leader in the SMB (server message block protocol) market, Untangle has always followed a customer-centric, web-driven approach for its IT offerings,” said Bob Walters, CEO of Untangle, which is based in Sunnyvale Calif. “We intend to bring this same spirit of simplification to the comprehensive network traffic analysis and control solution offered by Cymphonix in the medium business market.”

Cymphonix was founded in 2004 and its products will continue to be marketed and sold by Cymphonix via its website and from channel partners.



# Resorts gearing up and adding benefits for upcoming ski season

Utah's ski resorts are gearing up for the 2013-14 winter season, armed with more pass benefits, on-mountain activities, snowmaking, high-speed lifts and convenience.

Among the ticket and pass changes taking place this year are:

• **A Day of Arrival Ticket Deal:** Alta and Snowbird are offering 50 percent off day tickets within 24 hours of arrival. The guest must register online before arrival.

• **Big Cottonwood Pass:** Brighton Resort and Solitude Mountain Resort have teamed up to introduce the Big Cottonwood Pass with access to over 3,700 acres of terrain, 130-plus trails and 15 lifts. The scenic SolBright trail connects the two resorts. Available for \$999, the joint pass is valid at both resorts throughout the entire season with no blackout dates and includes night skiing at Brighton.

• **New Pass Benefits:** Alta, Deer Valley, Park City Mountain Resort and Snowbird have teamed up to offer season pass holders an exciting new benefit. Qualifying season pass holders at the four resorts can enjoy three days each of free lift access at each of the other three mountains. With a Snowbird or Alta season pass, skiers also

get free ridership on UTA Ski Bus routes and Trax, 50 percent off day passes at Aspen/Snowmass, Jackson Hole, Mammoth, Squaw Valley/Alpine Meadows, Whistler Blackcomb, Durango Mountain Resort, Red Lodge Mountain, Homewood Mountain Resort and Wachusett Mountain Ski Area, and discounts to on-hill amenities.

• **The Epic Pass.** Now under Vail Resorts, Canyons Resort is offering an Epic Pass for \$709, with unlimited skiing and riding at Canyons, Vail, Beaver Creek, Breckenridge, Keystone, Arapahoe Basin, Eldora, Heavenly, Northstar and Kirkwood. The Epic Pass includes five days each at Verbier, Switzerland; Arlberg, Austria; and now Les 3 Vallées, France.

• **The Mountain Collective:** Alta was one of the four inaugural destinations last season in the Mountain Collective and for the 2013-14 season has combined with Snowbird. The Mountain Collective is an alliance of independent resorts. For \$379, those who join the Mountain Collective receive two free days and an unlimited 50 percent off lift tickets, plus lodging deals at each of six destinations: Alta/Snowbird, Aspen/Snowmass, Jackson Hole, Mammoth Mountain, Squaw Valley/Alpine Meadows and

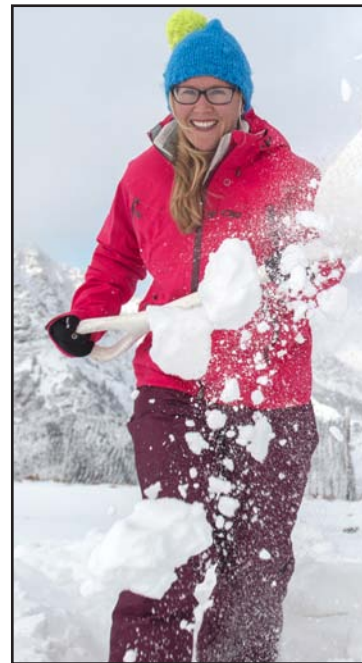
Whistler Blackcomb.

• **The Powder Alliance:** Snowbasin has joined with several other resorts in the West, to create the Powder Alliance. The resorts offer three free days of skiing to anytime pass holders from other participating Powder Alliance areas, plus special offers on lodging, rentals, buddy tickets and more. The resorts are Snowbasin Resort, Crested Butte, Sierra-at-Tahoe, Stevens Pass, Timberline, Schweitzer, China Peak, Mountain High, Arizona Snowbowl, Mt. Hood Skibowl, Angel Fire Resort, and Bridger Bowl.

On-hill improvements this year include those at:

• **Snowbird:** The resort is putting in the only new chairlift in Utah. The original Gad 2 chairlift, from 1971, is being replaced with a high-speed, detachable quad designed to cut the ride time in half. Snowbird is also expanding their Cat Skiing for Nature operations to open up more terrain without the traverse. Cat Skiing for Nature was introduced to the resort last season and gives clients access to the Mary Ellen Gulch, the backside of Mineral Basin.

• **Deer Valley Resort:** The resort is building a new ski run on Little Baldy Mountain called "Gnat's Eye" for the upcoming



Emily Moench, communications manager at Snowbird, greets the recent early-season snowfall.

on Flagstaff Mountain.

• **Solitude Mountain Resort:** The resort has spent the summer regrading and widening the SolBright trail that connects Solitude to Brighton Resort. The SolBright trail will now be accessible for all levels of skiers and riders, which is expected to be a huge benefit for the Big Cottonwood season pass holders.

• **Brighton Resort:** The resort is implementing a hands-free, RFID (radio frequency identification) access ticket system this summer, which will allow access through entry gates to get on the lifts. The system is the same one that Solitude uses and allows the two resorts to partner on the new Big Cottonwood pass. A new girls-only terrain park will open for the 2013-14 season. Brighton is working with Grete Elliassen, a professional freeskiier, to design the girls-only park.

• **Snowbasin Resort:** By building a fourth well, Snowbasin increased its snowmaking capacity to over 615 acres. More snowmaking will mean that the resort can open more terrain earlier in the season for their guests. The resort also is partnering with

see SKI RESORTS pg. 22

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## Opinion

# A modern television rarity: An intact and functional family

Thursday is pizza day at the office. The company buys and everyone on the staff — except those on a golf course somewhere — gather in the conference room for grease and conversation.

For the first few weeks that I joined the gang, I had to clam up when the talk would inevitably turn to “Duck Dynasty.” I had yet to be indoctrinated.

Is it real or fake? Are they only rich because they star in a TV show? Did they have beards before the show started? Why would attractive women marry these hillbillies? The dad has a master’s degree. Do they dress like that when they’re not on TV? Nobody’s that redneck. And so the discussion went.

What they are talking about, of course, is the wildly popular cable TV show about the Robertson clan of Louisiana. I decided I’d better get up to speed. I found the A&E listing on my DirectTV lineup and tuned in to a couple of episodes. Even my refined wife laughed right out loud. I got on the Internet and read up on the history of the Robertson family and was surprised at what I found.

“Duck Dynasty’s” fourth season premiered Aug. 14 with 11.8 million viewers,

making it cable’s most-watched nonfiction telecast ever. Last season the program averaged 8.4 million viewers.

For the uninitiated, the “Duck Dynasty” story line — all true — has the family becoming wealthy from their family-operated Duck Commander business in West Monroe, La. The company makes products for duck hunters, primarily the duck call named Duck Commander, a revolutionary design patented by family patriarch Phil in 1972.

The business began in a family shed, where Phil spent 25 years making duck calls from Louisiana cedar trees. He did about \$8,000 the first year. His son Willie became the company’s CEO in 2006. Under his leadership the family business has grown into a multi-million dollar company. And, yes, they were already wealthy when A&E came calling.

The Robertson men, brothers Phil and Si and Phil’s sons Willie, Jase and Jep, all work for the family business and are known for their long beards. Phil and his wife, Kay, have a fourth son, Allen, the oldest, a minister who is the only clean-shaven one of the bunch.

The Robertsons are, by their own admission, rednecks. They are simple, hard-

working and unpretentious. In their world, camouflage and coveralls not only are work clothes, they also double as formal wear.

Media critics have been speculating as to why the show is so popular — and some, such as *Rolling Stone* magazine, say the show and the characters are nothing but a big con. I don’t think they get it. Yeah, the episodes are scripted. The story lines are pretty standard sitcom. But the characters are totally authentic. Once the cameras start rolling the Robertsons take it from there. The spontaneity is real and refreshing.

These people are unapologetically religious. Anytime the script calls for a meal, family members join hands and pray over the food. They believe that when you marry, you really do become one flesh. Their families are intact and functional, and the show celebrates these simple values.

These guys are also politically incorrect and unapologetic about that, too. They happily go into the woods to shoot, skin and cook their dinner. And unlike most television sitcoms these days, the fathers are not bumbling idiots. They are respected by their kids. And grandfather Phil is respected by his grandkids.

The characters are all self-deprecating and don’t mind being the butt of the joke — because it is clear they are all in on the joke

and having a great time with it. But I think it’s down-to-earth hominess that draws the big audiences. That’s missing in a lot of American homes that are broken by divorce or headed by single parents. In the case of the Robertsons, this hominess is bolstered by their faith.

Father and grandfather Phil is the backbone of this intact family. He really does have a master’s degree in education but was often drunk and in trouble after he quit teaching to run a bar. He eventually found his way to church and Christianity transformed him. He professes his faith openly and tries to live his life by Bible principles.

Remember “The Waltons”? It was the most popular TV show of its generation and virtually every episode showed the family around a dinner table saying grace. It was their togetherness that drew in viewers. And that’s the draw for “Duck Dynasty.” In an entertainment culture sick with sexual innuendo and driven by every dysfunction imaginable, Duck Dynasty is a breath of fresh air. Besides, it’s funny. TV critics just don’t get it.

“Goodnight, John-Boy.”

John Rogers is the managing editor of *The Enterprise*. You can contact him at [john@slenterprise.com](mailto:john@slenterprise.com).



JOHN M. ROGERS

## Another case of the minimum wage hurting low-income workers

Despite evidence from around the world that minimum wage laws can price low-skilled workers out of jobs, the U.S. Department of Labor is planning to extend minimum wage coverage to domestic workers, such as maids or those who drop in from time to time to do a few household chores for the sick and the elderly.

This coverage is scheduled to begin in January 2015 — that is, after the 2014 elections and nearly two years before the 2016 elections. Politicians show a lot of cleverness in protecting their own interests, even if they show very little wisdom as far as serving the public interest.

If making household workers subject to the minimum wage law is expected to produce good results, why not let those good results begin early, so that voters will know about them before the next election?

But, if this new extension of the minimum wage law opens a whole new can of worms — as is more likely — politicians who support this extension want to insulate themselves from a voter backlash. Hence artfully choosing January 2015 as the effective date, to minimize the political risks to themselves.

The reason this particular extension of the minimum wage law is likely to open a can of worms is that both household workers and those who employ them will face more complications than employers and employees in industry or commerce.

First of all, ill or elderly individuals who need someone to help them from time to time are not like employers who have a

business that regularly hires people and may have a personnel department to handle all the paperwork and keep up with all the legal requirements when government bureaucrats are involved.

Often the very reason for hiring part-time household workers is that some ill or elderly individuals have limited energy or capacity for handling things that were easy to handle when they were younger or in better health. Bureaucratic paperwork and legal technicalities are the last thing they need to have to add to their existing problems.

The people being hired to do household chores also have special problems. Often such people have limited education, and may also have limited knowledge of the English language.

Why make it harder for ill or elderly people to get some much-needed help in their homes, and harder for low-skilled people to get some much-needed jobs?

Despite all the talk about how we need more people with high-tech skills, there is also a need for people who can help clean a home or carry groceries or do other things that need doing, and which do not require years of schooling. As the elderly become an ever growing proportion of the population, there will be a growing demand for such people.

More precisely, there would be more jobs for such people if the government did not step in to complicate the hiring process and price potential workers out of jobs, with minimum wages set by third parties who do not, and cannot, know what the economic realities are for either the ill and the elderly or for those whom the ill and the elderly

wish to hire.

Minimum wage laws in general are usually set with no real knowledge of the economic realities and alternatives for either employers or employees. Third parties are simply enabled to indulge themselves by imagining what is “fair” — and pay no price for being wrong about the actual economic consequences.

That is why countries with minimum wage laws usually have much higher rates of unemployment than those few places where there have been no minimum wage laws, such as Switzerland or Singapore — or the United States, before the first federal minimum wage law was passed in 1931.

Government interventions in labor mar-

kets have already created needless complications, and not just by minimum wage laws. The welfare state has already taken out of the labor market millions of people who could perform work that would be well within the capacity of inexperienced young people or people with limited education.

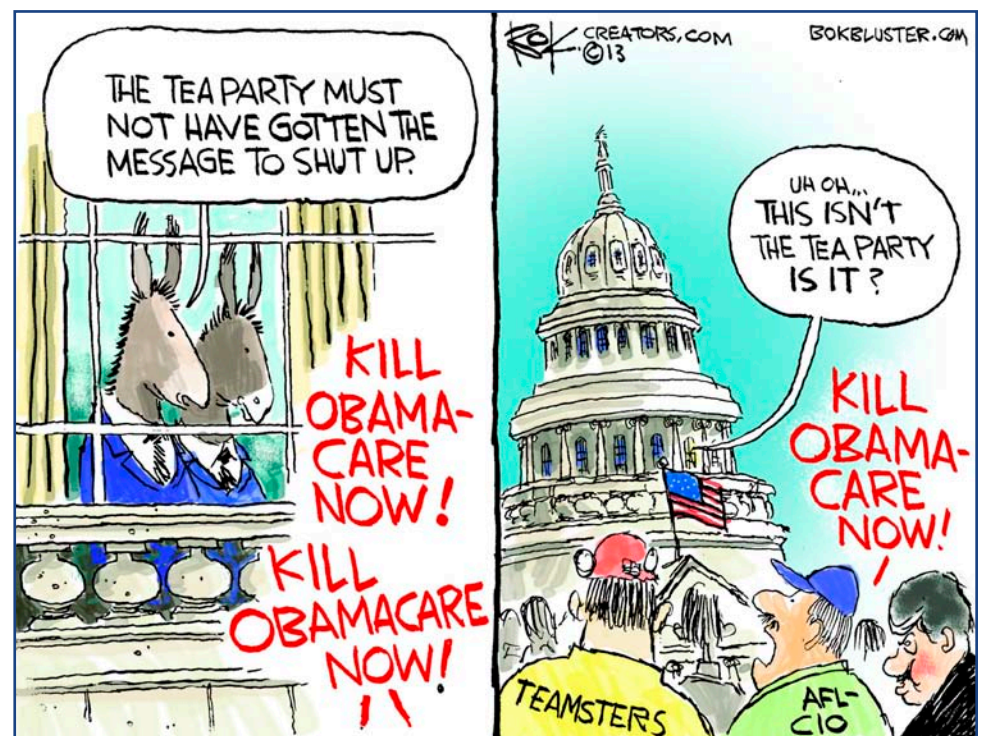
With welfare, such people can stay home, watch television, do drugs or whatever — or else they can hang out in the streets, often confirming the old adage that the devil finds work for idle hands.

Thomas Sowell is a senior fellow at the Hoover Institution, Stanford University. His website is [www.tsowell.com](http://www.tsowell.com).

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THOMAS SOWELL





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## Can oil shale be the next energy boom?

Estonian company thinks it has overcome economic and environmental hurdles and plans huge Utah operation

**John M. Rogers**  
*The Enterprise*

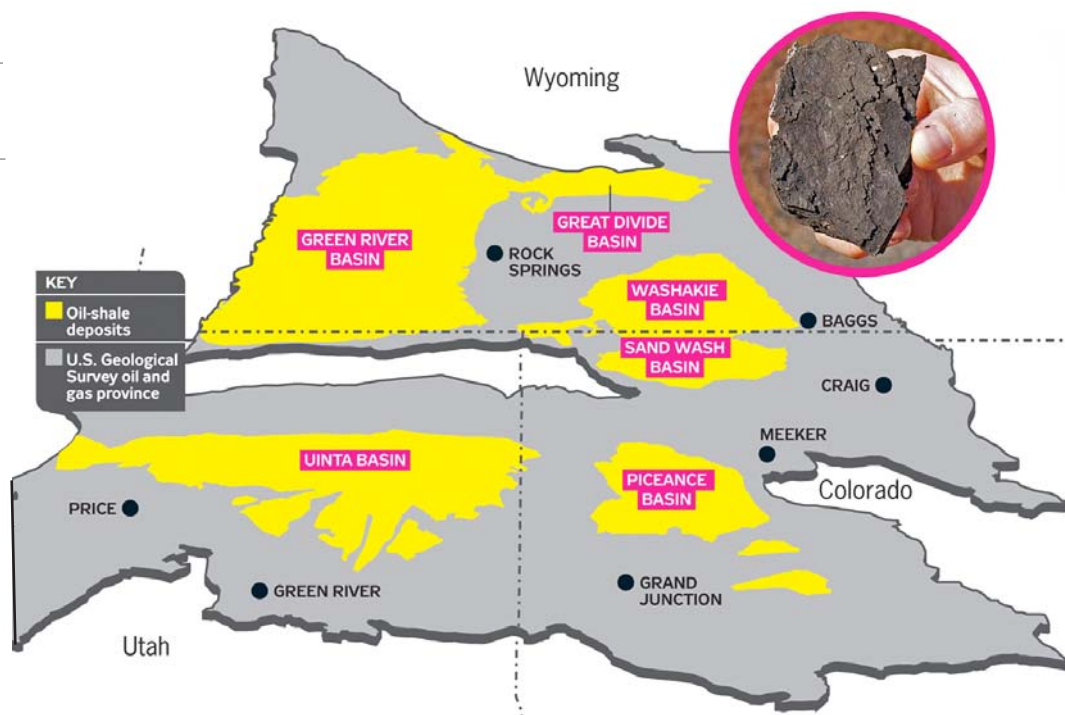
An Estonian government-owned company is making plans for a huge oil-shale extraction operation in Uintah County. But controversy surrounding the company just won't go away. Despite the promise of thousands of jobs and an oil boom previously unseen in Utah, critics point to Enefit American Oil's environmental track record and say, "Stay home."

But company officials point to more recent history and claim the company has learned how to extract oil and run its business in a way not to damage the environment. That hasn't stopped the environmental movement from vowing to fight Enefit's move to Utah.

Enefit's push to develop Utah's oil shale resources stepped into a new phase in August as began the process of seeking permission to build a 19.5-mile utility corridor from its project area in eastern Uintah County to a power plant and an existing oil pipeline. The company hopes to begin mining and building a shale-processing plant in 2016 and piping 25,000 barrels of crude daily to Salt Lake City refineries by 2020, according to CEO Rikki Hrenko. Last year and continuing into 2013, the company began exploratory drilling and some oil has already been extracted from Utah shale at the company's research and development facility in Germany, Hrenko said.

"It doesn't come overnight, there's a lot of work to be done, but we're moving forward," said Hrenko, whose firm acquired the shale assets of Oil Shale Exploration Co. two years ago. Enefit is seeking to become the first company to turn a profit on Utah oil shale, which exists in great abundance but has yet to yield commercially viable petroleum after decades of trying.

The Bureau of Land Management



*Oil shale was deposited in two large lakes millions of years ago during the Eocene epoch. It now lies beneath wide swaths of present-day Colorado, Utah and Wyoming.*

has initiated an environmental review of the right-of-way Enefit needs for its proposed utility corridor, which would connect its mine and processing plant to the Bonanza Power Plant outside Vernal. The corridor would also carry a 16-inch pipeline to Chevron's east-to-west line that runs 11.5 miles north of the mine, as well as an 8-inch natural gas line, a 30-inch water line and a second 138-kilovolt power line. The pipelines would run underground.

"We need power and water to construct the facility. Right now it's completely undeveloped. The lines go into together all in one right-of-way so we have minimal disturbance," Hrenko said.

Utah political leaders are eager to see oil shale and tar sands tapped, but environmentalists remain skeptical of the "unconventional" energy development's impacts on the landscape, air quality and water resources. Critics like Western Resources Advocates suspect getting oil from shale could consume as much energy as it would yield and "will create far more problems than it will solve."

Enefit's process requires strip min-

ing and heating kerogen-bearing ore, which emits greenhouse gases as the solid hydrocarbons embedded in the rock vaporize.

But Hrenko stressed that Enefit's "retort" process uses no water, although some will be needed for dust control and returning spent shale to the mine for reclamation. She assured that the reclaimed mine will be contoured to fit the natural topography and reclamation will proceed quickly so that the mine pit will never be larger than a few hundred acres.

The company said it believes it can recover up to 2.6 billion barrels from its Utah holdings, which underlie private, state and federal land. The first phase targets 13,000 acres of private leasehold on the south end of the project area.

Most Estonians acknowledge that their oil-shale industry has had a troubled past, but they insist their tiny nation has made significant improvements to the way it mines and processes the oil shale. A few decades ago, the industry was an environmental disaster, according to most observers.



**Focus** | OIL, GAS & ENERGY**'Fracking' sparks talk of oil shale boom - and outrages environmental movement**

Fracking! Just the word sends shudders through the environmental community. It even gives die-hard pro-U.S. oil production proponents cause to wonder. But an oil boom launched by fracking has led energy leaders to take a second look at harnessing the potential of oil shale, a fossil fuel that energy firms largely abandoned the hope of harnessing in the 1980s.

No commercially viable method of producing oil shale has yet been demonstrated, but American Petroleum Institute CEO Jack Gerard turned heads this summer when he predicted a game-changing technological breakthrough could allow the use of oil shale.

Gerard's remarks caught many by surprise as doubts abound on oil shale's future.

"To date, what we've seen is 100 years of promises and taxpayer funds for projects that have all gone belly up," said Ellynnne Bannon, a spokeswoman with spending watchdog group Checks and Balances Project.

Environmentalists abhor the prospect of trying to harness oil shale, which would involve extracting oil that is contained in rocks. Extraction methods so far use a considerable amount of fossil fuels and water, which is scarce in the West.

Yet before fracking — which injects a high-pressure mixture of water, sand and chemicals into tight rock formations to cap-

ture oil hidden under the rocks — many had thought accessing the oil and gas buried deep underground was too expensive.

Now — largely because of fracking — the U.S. is projected to overtake Saudi Arabia to become the number one oil producer

in the world by 2020.

Fracking allows drillers to tap more natural gas, helping drive U.S. prices from \$13.19 per million British thermal units in June 2008 down to \$3.14 per million Btu as of August, according to the U.S. Energy Information Administration. That has industry and lawmakers alike bullish on finding technological breakthroughs to develop other energy sources once thought too expensive to access.

The developments are likely to put further political pressure on President Barack Obama to allow more fossil fuel access, particularly given the slow U.S. economy.

Gerard thinks oil shale could be the next bonanza.

"Oil shale alone in three western states is three times the proven reserves of what Saudi Arabia holds

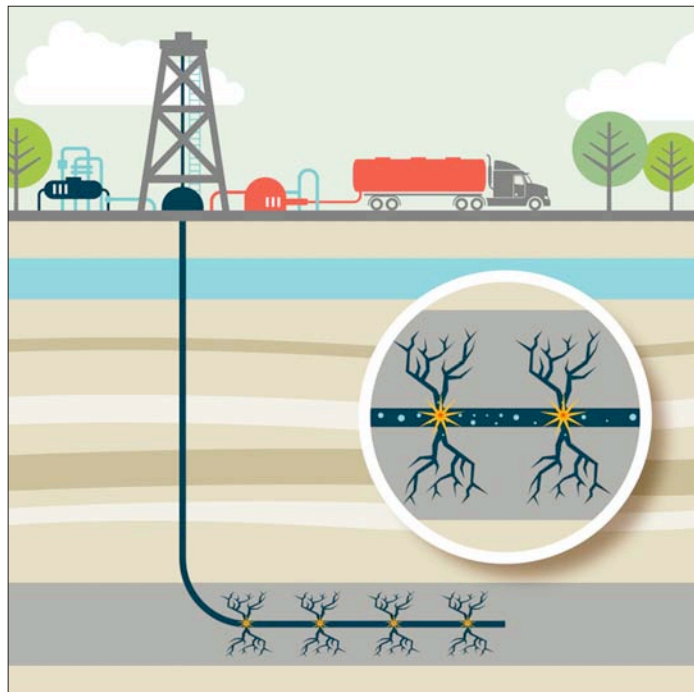
today. The key to it is to access the ability to develop it, to find the technologies to extract it for domestic consumption and even potential exports going down the road," Gerard said.

Tapping oil shale would mean heating rocks under intense pressure to separate the fuel contained within them. Energy firms have had some success in doing this in Estonia, but the practice is heavily subsidized.

A handful of firms are operating in the U.S. on research, development and design leases from the Interior Department. But many others have wound down or ended their U.S. oil shale activities.

The Obama administration's approach so far has been to offer funds for research and development of oil shale, but not commercial leases, a policy praised by Bobby McEnaney, a senior lands analyst with the Natural Resources Defense Council. "There is no sort of known way to get it out of the ground. So I think the administration is approaching this from a cautious perspective," McEnaney said.

But Rep. Doug Lamborn (R-Colo.) thinks the administration is going too slowly. He said he is likely to reintroduce legislation in this Congress that would call on the Interior Department to open up more land for oil shale development.



*What is it? Fracking — properly called hydraulic fracturing — involves the high-pressure pumping of water, sand and chemicals into deep oil-bearing strata to release oil and gas that is then retrieved back up the same well for processing.*

**see FRACKING pg. 15**

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# Focus | OIL, GAS & ENERGY

## You own your place, but do you own the gas and oil rights?

Many private landowners are surprised to find they don't own all of their property. This problem is often demonstrated in connection with oil and gas development activities.

Some background: All privately owned land derives from initial public ownership. But the various laws under which public land is initially "privatized" can have drastic effects on landowners down the line, as can the language of prior deeds in the chain of title. Such effects are almost always permanent, and may not manifest themselves for decades.

In Utah, perhaps one-sixth of the state consists of so-called "split estate" land, where the federal government, the state of Utah or a private party reserved the mineral rights to the land. Split estate lands can be found anywhere from million-dollar home lots in Deer Valley to pastures and undeveloped range lands in the Uinta Basin. The other Western states share this phenomenon. In fact, 48 percent of the "private" land in Wyoming has split estates, where the mineral rights have been reserved by the U.S., by the state or by a former private owner. It's somewhat difficult to find private land in Wyoming that isn't split estate.

Legally, the reserved mineral estate is "dominant" over the surface estate, which means that the mineral owner (or its lessee) can use as much of the surface estate — free of charge — as is reasonably needed to explore for and develop the reserved



DANIEL JENSEN

minerals within the land. In the oil and gas context, this means constructing well drilling sites, access roads, pipelines, power lines and other improvements. This often comes as quite a shock to the owners of split estate land — especially with the current increase in oil and gas drilling in the United States — who have no idea that their land may be disturbed and permanently occupied for mineral development purposes.

When a split estate owner receives notice that mineral operations are going to be conducted on his land, the usual reaction is to ask: "How they can do this on my private property?" After learning about severed mineral interests and dominant and servient estates, affected surface owners often turn next to their policy of title insurance. But even if there is one, title policies universally exclude any coverage for mineral rights, and thus can actually provide a false sense of security to split estate surface owners. The reality is that

a determined mineral operator can indeed disturb and permanently use the surface estate, without compensation, assuming the operator can obtain the necessary zoning and operating permits and approvals; it's really just a matter of whether that's done the easy way or the hard way. (More about that below.)

The harsh common law rule of mineral dominance has been softened a bit by increasingly strict judicial decisions about what kinds of surface disturbance are "reasonable" by the mineral operator. There is a clear trend toward requiring the mineral owner to conduct operations in a way that allows the greatest possible use of the surface, and requirements that reasonable and practical alternatives to minimize damages to the surface must be pursued. If the mineral owner crosses the unwritten gray line and makes any unreasonable use of the surface, he becomes a trespasser as to the unreasonable use and can be held liable for damages. For this reason, it is common practice for mineral owners to enter into a surface use agreement with the surface owner that spells out what kinds of uses may be made of the surface in exchange for a promise to pay for such uses. The surface owner gets compensation that he is not otherwise legally entitled to receive — as well as indemnification and

other contractual benefits — while the mineral owner gets protection from being held in trespass because of possible unreasonable use of the land, knowing instead exactly what can and can't be done on the property.

The Utah Legislature recently enacted the Surface Owner Protection Act to help streamline this longstanding and often contentious problem. The act does nothing to change the common law rule of mineral estate dominance, but does codify some of the relevant common law principles and does require a good faith effort to reach an agreement with the surface owner before oil and gas operations can begin. If the operator and the surface owner cannot come to an acceptable surface use agreement — the "easy way," so to speak — the operator can utilize regulatory procedures to obtain approval to explore and drill on the land, even over the objections of the surface owner, by, among other things, providing to the Utah Division of Oil, Gas and Mining a bond to protect the surface owner against unreasonable damage to the land. This approach is often referred to as "bonding on" (the "hard way," so to speak, because it causes negative relations with the surface owner and

see JENSEN pg. 21



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## Focus | OIL, GAS & ENERGY

# Emery County seeks first new Utah refinery in 40 years

In June the Governor's Office of Economic Development cleared the way for the first oil refinery to be built in the U.S. in almost 40 years when its board gave a large tax credit to a joint venture of two investment firms for a project in Utah.

By a unanimous vote, GOED's board agreed to a \$12.7 million post-performance credit for Emery Refining LLC, funded by London-based finance firm Bridgehouse Capital Ltd. and Woodrock & Co., a Houston-based investment bank.

Emery Refining plans to build a \$225 million plant four miles west of Green River in Emery County capable of processing 15,000 barrels of crude oil a day. Construction is expected to start this summer on land north of Interstate 70 and east of U.S. Highway 6, according to Jeff Horrocks, chairman of the Emery County Commission.

It isn't clear how the crude will be transported from wells in the Paradox and Uinta basins in Colorado and Utah. Given that there are no pipelines in the area, trucks would be an option. Nor is it certain how the refinery will affect the five refineries that already operate in the state. When the refinery is built, it will be the first to be constructed in the U.S. since 1976. Refiners have preferred to expand existing plants rather than build new ones.

"Very rarely do you see a capital investment of [\$200 million-plus dollars] on

a rural project. It will fundamentally change the nature of that community," GOED board member Jerry Oldroyd said.

Bridgehouse's investment portfolio

includes stakes in real estate, information technology, telecommunications, energy, natural resources and marine engineering companies, according to officials.

Woodrock's website cites company expertise in investment banking, corporate development, venture capital and finance.

Rock River Resources LLC, a Houston-based division of Emery Refining, would build and operate the refinery. Jeff Beicker, Rock River's chief operating officer, said the refinery "is an investment in the future of Utah — putting people and technology to work to meet the future energy needs of the state and the region."

Rock River has been working with state and Emery County officials for three years. Also in July, the Utah Division of Air Quality signed off on a permit for the refinery, said Brock LeBaron, deputy director of air quality.

"It's a very small refinery. It's very clean," LeBaron said.

Under its agreement with the state, Emery Refining has pledged to pay more than \$99 million in new wages. The refinery's 125 employees would earn at least 100 percent of Emery County's annual average wage. That works out to \$42,744, according to the Bureau of Labor Statistics.

GOED also expects Emery Refining to pay more than \$60 million in new state taxes over the 12-year life of the agreement.

"This will assist with rural job creation in both the Paradox and Uinta basins," Cody Stewart, Gov. Gary Herbert's energy advisor, said in a statement in July.



## Whose Property is it Anyway?

**Understanding your land and mineral interests is critical!**

Complications can arise when property rights intersect with mineral development activities. Whether you're the developer or the landowner, Parr Brown encourages you to seek the advice of experienced legal counsel prior to making decisions involving land and natural resource interests.

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# Focus | OIL, GAS & ENERGY



## Satisfaction with utilities declines

Business customer satisfaction with electric utility communications has increased, while overall satisfaction has declined, according to J.D. Power and Associates' 2013 Electric Utility Business Customer Satisfaction Study released in August.

The study is based on interviews with representatives of more than 25,700 U.S. businesses that spend at least \$250 monthly on electricity. More than 90 utility brands serving a total of more than 11.7 million business customers are included in the study. Overall customer satisfaction is measured by examining six factors: power quality and reliability, billing and payment, corporate citizenship, price, communications; and customer service.

Overall satisfaction among electric utility business customers averages 647 (on a 1,000-point scale), decreasing by 10 points from 2012. Satisfaction decreases in all factors except communications, which increases by four points year over year. The largest decreases in satisfaction are in customer service (down 18 points), corporate citizenship (down 18), and billing and payment (down 15).

"Even with the multiple weather events and an increase in the average outage time, satisfaction with power quality and reliability has decreased only three points," said John Hazen, senior director of the energy utility practice at J.D. Power and Associates. "In addition to customer service, the area in which utilities are facing significant criticism is in corporate citizenship, where business customers are critical of utility efforts to develop energy supply plans for the future as well as utilities showing business leadership in local communities."

However, positively impacting satisfaction with power quality and reliability, electric utility companies are demonstrating new ways to ensure open lines of communication with their customers by offering service outage updates via text messaging, social media and email, which yield significantly higher satisfaction levels than any other outage communication type.

In addition to providing information through multiple channels, electric utility companies are also proactively communicating with their business customers during outages, which positively impacts satisfaction as well. Power quality and reliability satisfaction among the 11 percent of business customers who received proac-

tive communications from their utility during an outage is 754, compared with 654 among those who received no communications from their utility.

## FRACKING

from page 12

Lamborn's Pioneers Act would have Interior open 2 million acres for commercial oil shale development with a federal royalty rate of 5 percent. It passed the House with 237 votes, 216 of which were Republicans, but did not receive a vote in the Senate.

Lamborn said the Obama administration has kept too much land off-limits to oil shale development. He said that has deterred investment, making it harder to strike a technological breakthrough. "There's tremendous potential there. It's not yet in a commercially viable stage, but it is at least something that should be allowed to move forward in the research and development stage," he said.

Potential can be elusive, said McEnaney, who noted that many energy firms have backed out of oil shale development. He said Chevron has largely abandoned its re-

search, development and design lease, and noted that Shell is curtailing its activities.

Bannon said many Coloradans are suspicious of oil shale promises after Exxon left overnight in 1982 in what became known as "Black Sunday." The company had entered Colorado hoping to harness oil shale, but failed, and took more than 2,000 jobs when it left. "I think there's a lot of people who have lived through the boom and bust, and they're naturally skeptical," Bannon said.

Still, McEnaney said the domestic energy boom might also have emboldened fossil fuel-friendly lawmakers to trumpet oil shale's possibilities. "So long as you have this what I would call mythical expectation that Colorado would be some Saudi Arabia of oil shale, this probably isn't going away," McEnaney said.

Energy firms are taking a "wait and see attitude before spending any big bucks to move the industry forward," said Glenn Vawter, executive director of the National Oil Shale Association.

***"We have a customer-first mentality, from the ownership on down to the guy that provides the equipment and does the repair in the field."***

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**Brent Poulton, Power Systems General Manager, Wheeler Machinery Co.**



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**Focus** | OIL, GAS & ENERGY

# Utah Municipal Power Systems

*Listed Alphabetically*

page 1

Municipality Name	Contact Phone Number	Number of Customers	Power Usage*	Mayor	Affiliation**
Beaver City	(435) 438-2451	1,807	32.007	Mark Yardley	UAMPS
Blanding City	(435) 678-2791	1,626	27.169	Toni Turk	UAMPS
City of Bountiful	(801) 298-6100	16,525	283.018	Joe Johnson	UAMPS
Brigham City	(435) 734-6600	7,439	154.380	Dennis Fife	UAMPS
Eagle Mountain City	(801) 789-6684	5,903	72.252	Heather Jackson	UAMPS
City of Enterprise	(435) 878-2221	600	9.034	S. Lee Bracken	UAMPS
Ephraim City	(435) 283-4631	2,475	27.911	David Parrish	UAMPS
Fairview City	(435) 427-3858	774	8.562	Jonathan Benson	UAMPS
Fillmore City	(435) 743-5233	1,149	33.328	Eugene Larsen	UAMPS
Heber Light and Power	(435) 654-1581	10,120	147.992	Charleston: John Whiting Heber: David Phillips Midway: Connie Tatton	UAMPS
Holden Town	(435) 795-2213	215	1.882	Jim Stephenson	UAMPS
Hurricane City	(435) 635-2811	5,745	106.368	Thomas B. Hirschi	UAMPS
Hyrum City	(435) 245-6033	2,495	77.923	Dean Howard	UAMPS
Kanosh Town	(435) 743-5121	257	2.231	Ray Whitaker	UAMPS
Kaysville City	(801) 546-1235	8,530	138.890	Steve Hiatt	UAMPS
Lehi City	(801) 768-7100	14,360	238.411	Bert W. Wilson	UAMPS
Levan City	(435) 623-1959	413	5.395	Russel Mangleson	UMPA
City of Logan	(435) 716-9000	18,091	471.012	Randy Watts	UAMPS
Manti City	(435) 835-2401	1,400	20.178	Natasha Madsen	UMPA

\* Usage listed in Millions of Kilowatt Hours. UAMPS members usage for FY 2011-2012, UMPA members usage for 2012

\*\*Affiliation: UAMPS = Utah Associated Municipal Power Systems

UMPA = Utah Municipal Power Agency

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# Utah Municipal Power Systems

*Listed Alphabetically*

page 2

Municipality Name	Contact Phone Number	Number of Customers	Power Usage*	Mayor	Affiliation**
Meadow Town	(435) 842-7128	175	1.887	Mervin Beckstrand	UAMPS
Monroe City	(435) 527-4621	1,016	8.852	Kirk Nilsson	UAMPS
Morgan City	(801) 829-3461	1,553	20.158	Jim Egbert	UAMPS
Mt. Pleasant City	(435) 462-2456	2,181	20.658	Sandra Bigler	UAMPS
Murray City	(801) 264-2664	16,750	429.367	Dan C. Snarr	UAMPS
Nephi City	(435) 623-0822	2,221	73.777	Mark Jones	UMPA
Town of Oak City	(435) 846-2707	272	3.235	Michael Staheli	UAMPS
Town of Paragonah	(435) 477-8979	259	1.953	Contance Robinson	UAMPS
Parowan City	(435) 477-3331	1,435	15.144	Donald Landes	UAMPS
Payson City	(801) 465-5200	5,851	114.274	Richard Moore	UAMPS
Price City	(435) 637-5010	5,099	82.176	Joe Piccolo	UAMPS
Provo City	(801) 852-6820	35,563	800.027	John Curtis	UMPA
Salem City	(801) 423-2770	1,980	33.718	Randy Brailsford	UMPA
City of Santa Clara	(435) 673-6712	2,053	36.429	Rick T. Rosenberg	UAMPS
Spanish Fork City	(801) 798-5000	10,831	237.501	G. Wayne Anderson	UMPA
South Utah Valley Electric Service District	(801) 465-8020	3,192	51.408	Elk Ridge: Hal Shelley Woodland Hills: Steve Lauritzen	UAMPS
Spring City	(435) 462-2244	566	3.013	Eldon Barnes	UAMPS
Springville City	(801) 489-2700	10,230	247.573	Wilford Clyde	UAMPS
City of St. George	(435) 634-5800	26,925	630.324	Daniel D. McArthur	UAMPS
Washington City	(435) 656-6300	5,775	98.153	Kenneth Nielson	UAMPS

\* Usage listed in Millions of Kilowatt Hours. UAMPS members usage for FY 2011-2012, UMPA members usage for 2012

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# Oil Refineries in Utah

Ranked by Capacity in Barrels per day

Refinery Name	Address Phone	Owner	Capacity	Management
Salt Lake City Refinery	474 West 900 North Salt Lake City, UT 84103 801-521-4840	Tesoro	58,000 bbl/d	Justin Lawrence Manager, Human Resources
Salt Lake Refinery	2351 North 1100 West Salt Lake City, UT 84116 801-539-7200	Chevron	48,000 bbl/d	Greg Gabel Refinery Manager
North Salt Lake Refinery	333 West Center Street West Bountiful, UT 84054 801-296-7700	Big West Oil	35,000 bbl/d	Mark Keim Plant Manger
Woods Cross Refinery	1070 West 500 South Woods Cross, UT 84087 801-299-6605	Holly Frontier Corp.	31,000 bbl/d	Mike Wright Vice President Refinery Manager
Woods Cross Refinery	2355 South 1100 West Woods Cross, UT 84087 801-298-3211	Silver Eagle Refining	10,200 bbl/d	Jerry Lockie Plant Manager

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Cedar City, UT 84721  
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**Salt Lake City**

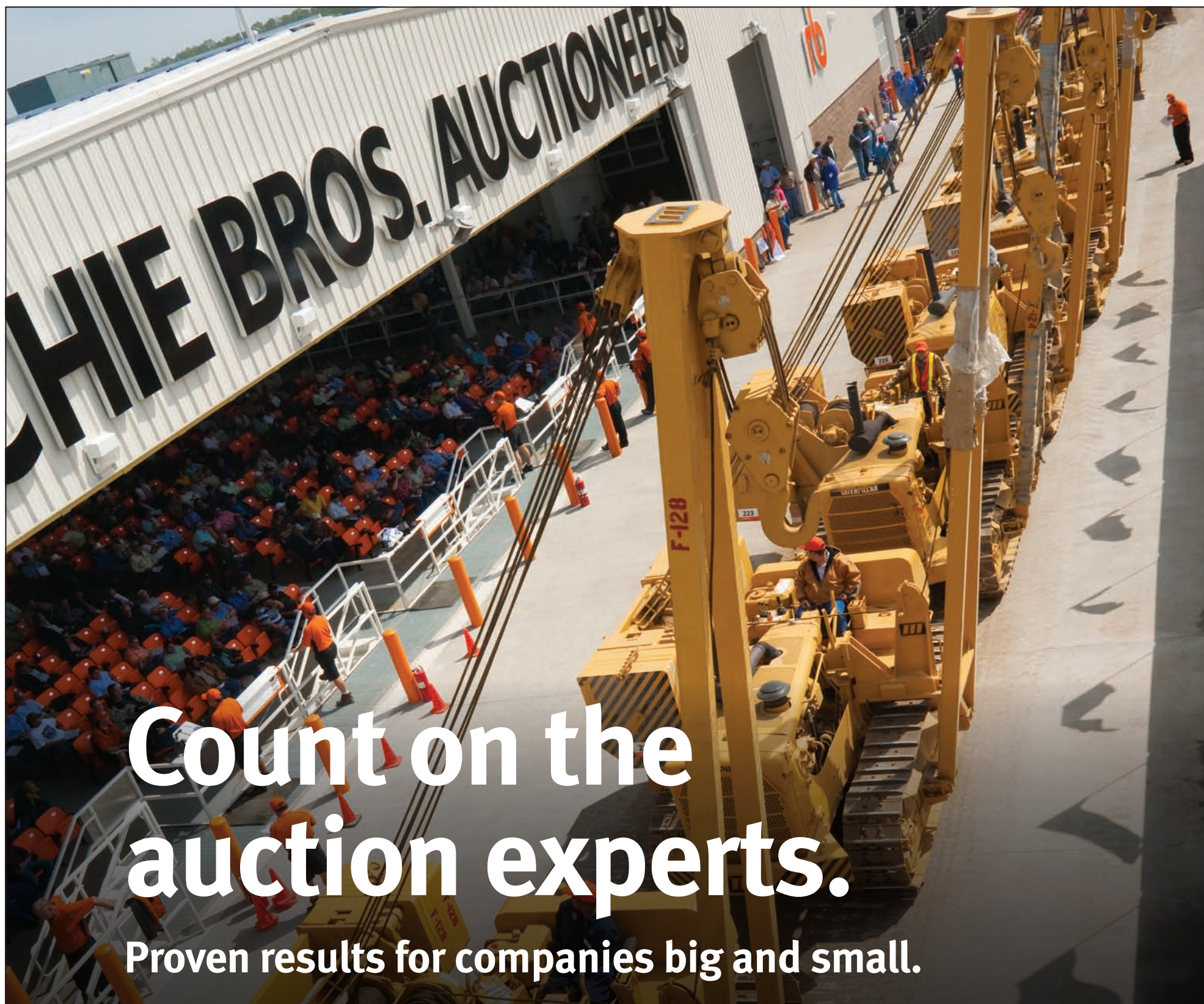
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## JENSEN

from page 13

takes longer to complete, thus delaying the operator's plans). Note that the Surface Owner Protection Act applies only to oil and gas operations, and not to the development of other kinds of minerals from split estate lands. Furthermore, the act does not apply to the most common instances of split estate ownership: private surface and federal minerals, and private surface and state minerals. It only applies to instances of private surface and private minerals. However, there are other federal and state regulatory provisions that authorize use of split estate surface lands for mineral development through the permitting process by (among other things) providing to the relevant agencies a detailed description of what activities and disturbances will occur and posting a reclamation bond to cover the full cost of reclaiming those disturbances. Consequently, a mineral operator can eventually obtain approval to conduct operations on all types of split estate land, through patient compliance with the permitting requirements, notwithstanding opposition by the surface owner.

So for the surface owner, the primary consequence of owning split estate land is permanent vulnerability to mineral exploration and development. If the split estate was created by a private party in the chain of title, it might be possible to buy out the mineral reservation and end the threat of mineral disturbance. But that's not an option where the reserved minerals are owned by the United States or the state of Utah, who by law cannot sell the reserved mineral rights. In theory, the surface owner has no basis to complain about mineral operations on the land, because the surface owner presumably paid less for the land, knowing that it came without mineral rights and with the risk of mineral development by someone else. However, most split estate owners are unaware that they own anything less than all right, title and interest to their land. Indeed, you might be surprised to find that somewhere in the chain of title to your home, someone (the U.S., the state or a private party) reserved the mineral rights, but most urban homeowners are protected from split estate consequences by the simple fact that a mineral operation would never be permitted under the relevant zoning ordinances.

Those looking to buy a cabin site, a ranch, a hunting property or any land in a rural setting, though, would be well advised to first review the chain of title to see if such land has split estates. A decision to acquire split estate land, and the market value of the land, should take into account factors such as geology (i.e. mineral potential), local zoning, intended land use, and risk tolerance.

Utah's natural resources attorneys are familiar with split estate land issues and can provide assistance from both the mineral operator and surface owner perspectives.

*Daniel A. Jensen is a shareholder with the law firm of Parr Brown Gee & Loveless. He can be reached at [djensen@parrbrown.com](mailto:djensen@parrbrown.com).*

## ESTONIA

from page 11

There are still vast piles of waste in Estonia, and dozens of square miles remain torn up by strip mining. There used to be severe air pollution and water quality problems. These environmental issues are the lasting legacy of a devastating stretch of history for Estonia, which was repeatedly abused by its much larger neighbors. The Soviets invaded, then the Nazis, then the Soviets again, with each set of tyrants outdoing the last in brutality. Once the Soviets consolidated power and ruled Estonia like a colony, they built giant oil-shale power plants that were not kind to the environment.

"And, of course, another thing is the typical Soviet attitude, which was that 'We are the kings of nature so we take what we like.' It's not like what nature gives us," said Tonis Merest, Enefit environmental developmental manager.

Despite claims of a cleaned-up Estonian

mining industry, Utah environmentalists are deeply skeptical about the promises. They also worry the operation will consume too much water in the nation's second driest state.

"These will become wastelands," said Raphael Cordray of Peaceful Uprising/Utah Tar Sands Resistance, speaking about areas of Uintah County. "They won't be recoverable."

Environmentalists also assert an oil-shale operation also will affect the Wasatch Front because refineries will expand to handle the crude oil.

"Water is too precious," Cordray said. "We have alternatives. We don't need to do this."

But Enefit says a new process just going on-line in Estonia greatly reduces water-use concerns. When it comes to pollution-causing air emissions, Igor Kant, CEO of Estonia's Oil & Gas Plant, said, "We don't have any problems. We don't need water. It's one of the biggest advantages of this technology."


Utah officials who toured Estonian facilities came away impressed with the latest oil-shale technology. "The biggest use of water will be the dust control that will be needed in the area," said state Sen. Kevin Van Tassell, R-Vernal.










Another issue of oil-shale mining, however, is waste and torn-up landscapes. "They leave behind destructiveness," Cordray said.

According to Enefit, the company has learned to reduce and recycle waste. It plans to re-bury most of the waste where the shale is mined and re-landscape with vegetation, just as it's doing now in Estonia.

Estonia, a country of 1.3 million people, gets more than 90 percent of its electricity needs from oil shale — by far the world's most shale-dependent country. Estonia's shale industry directly employs about 6,500 people, or 1.1 percent of the country's workforce, and accounts for up to 3 percent of the nation's economy, according to the Ministry of Economic Affairs.

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## AIR QUALITY

from page 1

pions" program offers examples, which Evans acknowledged might be best-case scenarios, of how the private sector is implementing programs to help with air quality. Among them:

- More than 30 organizations are using alternative-fuel or hybrid vehicles. A fleet conversion improves air quality but can save an organization overall fleet costs from \$2,000 to \$26,000 per vehicle.

- One company is saving up to \$70,000 annually through teleconferencing and video conferencing.

- Another company is saving \$250,000 annually through a variety of energy-efficiency upgrades.

- Another company is saving from \$5 to \$50 per employee when the company pays for their transit passes because the company is avoiding costs for real estate and fees for managed parking.

- A large company is saving \$1.5 million annually in fuel costs through measures to reduce the amount of time its vehicles are running while idle.

- Another company has cut its need for nearly 40,000 square feet of office space by implementing scheduled telecommuting activities.

- Another company is saving 1 million gallons of fuel annually through route changes suggested through GPS technology.

Rep. Patrice Arent, D-Salt Lake City, said public-sector best practices include having "green teams" to outline steps that improve air quality, appointing leaders in sustainability, purchasing hybrid vehicles, conducting energy audits, implementing trip-reduction plans, encouraging telecommuting, having flexible work

schedules to get vehicles off roads in heavy traffic periods, and implementing bicycle sharing programs.

"The key is consistent action, letting the employees know that their daily actions matter," Arent said.

Bryce Bird, director of the Utah Division of Air Quality, said poor air quality has the obvious effect of impacting people's health. "The other thing is does impact is our ability to attract businesses," Bird said. "It is an issue that, when we see our headlines throughout the country as having on certain days the worst air quality, that that certainly is a challenge. And, unfortunately, it's hard to get the other message out to overcome that, that on the other 95 percent of the days we have excellent air quality. When it's bad, it's very bad, and it's something that we do need to address and we're focusing on that."

Utah's situation is unique, he said, with a population of about 2 million people in a "constrained valley" susceptible to inversions. Vehicles are the primary culprit for producing the troublesome emissions.

"What we're finding is, once a vehicle is up and operating at operating temperatures, the emissions that we're concerned about are very low. The pollution control equipment on the car is very effective at capturing and controlling emissions," he said. "What we find is, during the first few minutes that the vehicle's operating, that's when the majority of the emissions from any given trip actually occur. Our focus needs to be on avoiding that first trip of the day, so as we look at telecommuting, as we look at carpooling, as we look at public transportation, again focusing not as much on the length of the trip or the miles traveled, but the real fo-

cus is avoiding those cold starts."

The task force, appointed for two years, concludes its work by filing a report with several legislative committees in November. Its Oct. 17 meeting will focus on recommendations to be included in the report. Arent said she also hopes to have some legislative proposals ready by that meeting. Task force chairman Rep. Brad Wilson, R-Kaysville, said he expects the report to include some "very specific" recommendations and others "that are really high-level, so we'll just see, and some of those will make it into legislation and some of them won't."

Rep. Jim Bird, R-West Jordan, voiced concern about recommendations that might harm small businesses, especially those needing to use their vehicles. Bryce Bird had noted that 30 percent of Wasatch Front traffic involves people going to and from work, while 70 percent involves business activities such as delivering goods or services or people on recreational or convenience trips.

"The problem that I see with this is, you have people that have to be in their cars for a living, that can't take transit, that can't be on buses," Jim Bird said. "For example, in my insurance agency, we go to people's homes and we do our presentations kneecap to kneecap, eyeball to eyeball, at the kitchen table. You can't get there from here, a lot of times, on the transit system.

"We have to be very cognizant of that, I believe, because we can say we need to get more cars off the road, we need to telecommunicate, we need to do all of these things. That's wonderful for big corporations, but for small businesses, we're putting them out of business with regulation. I think we need to be careful of that."

**puppies.** At Snowbird is Marty, a Czech German Shepherd named after Marty Hoey, a Snowbird ski patroller who passed away climbing Mt. Everest. Park City Mountain Resort now has Lilly, a Labrador-pointer mix.

- **Glassblowers.** Sundance will feature artists-in-residence from Tlaquepaque, Mexico, transforming discarded bottles into glassware for the Sundance restaurants and artwork that is sold in the Sundance Art Studio. The studio features classes daily in pottery, painting, jewelry making and photography.

- **SkiMums.** Snowbird is launching a new blog called SkiMums. It is about moms taking care of themselves and having a great time on the mountain. The SkiMums will meet on Mondays and the group will periodically ski with an instructor and other days adventure on their own.

## SITLA

from page 1

position and charter.

The amended contract will allow time for Herbert's and Bishop's offices, and other interested parties to explore federal land trade opportunities they believe may have equal or greater land value and mineral revenue potential to compensate Utah's public education system.

In a separate motion, the board also unanimously voted to support this broader federal land exchange effort. SITLA's diverse real estate portfolio includes tens of thousands of acres captured within environmentally sensitive federal domain, hindering the agency's ability to develop and generate revenue from these lands.

"In order to fulfill its fiduciary responsibility to public schools and other beneficiaries, it is clearly in the best interest of the agency to be actively engaged in this process," said Ostler. "SITLA intends to fully cooperate with Congressman Bishop's broader consolidation effort. We are also anxious to see if the process can provide an exchange proposal equal to or better than the agency's current land position in the Book Cliffs."

SITLA's largest beneficiary group, the education community, recognizes the revenue potential of the original Anadarko agreement. The Utah State Board of Education discussed the issue at its September 6 meeting and heard passionate comment from all sides of the issue, including Congressman Bishop and Lt. Governor Greg Bell. In the end, board members voted unanimously to endorse the original SITLA deal as the best decision for public schools. They realized the potential to grow the Permanent School Fund and increase annual distributions to public schools.

"The current distributions from the \$1.6 billion Permanent School Fund provide one percent of Utah's enormous education budget. That one percent equates

to \$38 million this year, and we all know how precious every dollar is to Utah's public schools," said Jennifer Johnson, Utah Board of Education member. "The average school receives nearly \$40,000 annually and these funds are the most rapidly-growing and most locally-controlled dollars available to schools." Johnson added these discretionary funds are used to address the greatest academic need of a school as identified by each individual school community council.

"If Utah's school trust lands had always been managed under SITLA's current business model, the fund would provide a much larger percentage of the education budget today. The Utah Legislature recognized the wisdom of creating this model in 1994 and since then we've seen tremendous growth in both the Permanent School Fund and annual distributions," said Johnson.

While SITLA is committed to the compromise agreement, the agency maintains that mineral development and recreation do not necessarily preclude each other, and refer to the historic management of Bogart Canyon as an example.

"Despite oil and gas development in Bogart Canyon during the 1970s and 80s, the area is considered pristine because wells and accompanying roads within the area have been mitigated properly," said SITLA board member Jim Lekas. "Anadarko, with its excellent record of even more modernized and sophisticated stewardship practices, has committed to pursue similar results."

"Trust lands are not public lands, and we must do a better job of educating the general public about SITLA's work and purpose," said Ostler. "While we understand Utahns have an interest in all Utah lands, the 8 percent of the state managed by SITLA must be managed to benefit public schools, universities, schools for the deaf and blind, and other institutions, and not specific interest groups or the public-at-large."

## SKI RESORTS

from page 9

Burton Snowboards to build a dinosaur Riglet Park and Learn to Snowboard program for ages 3-6. A Rossignol Experience System is being introduced as the rental outlet and will feature all the new Rossignol Experience equipment.

- **Alta's Rustler Lodge:** Alta's premier lodge is getting a makeover this summer. It includes new guest rooms with gas fireplaces, new indoor and outdoor Jacuzzis, a new sauna, three new spa-treatment rooms and a new pedicure-manicure room.

Several resorts are offering special discount packages:

- **Deer Valley:** The Ski, Stay & Dine Package allows guests to enjoy the resort's cuisine, luxury accommodations, skiing and service along with a 20 percent savings on lodging and lift tickets at participating properties. The pack-

age includes a \$50 dining certificate valid any of Deer Valley Resort's owned and operated evening restaurants.

- **Sundance:** Those booking a stay in a mountain cottage can receive two free lift passes per night of stay, which also includes night skiing and the Sundance Nordic Center. Sundance also offers an opportunity to experience the Sundance Film Festival by letting visitors enjoy screenings in the Sundance Screening Room, as well as in Park City.

- **Alta:** The "First Sleep-around," set for Dec. 5-8, is a package offering guests three nights of lodging, with a different lodge each night. It includes daily breakfast, on-mountain lunch and dinner, three days of skiing, demo skis each day and a tour of the mountain on the first day.

Also new for the 2013-14 season are:

- **New search-and-rescue**

## 111 MAIN

from page 1

ments for Cushman and Wakefield Commerce, chosen as the leasing agency for the complex. "111 Main's premier business address will provide tenants with the opportunity to work in the heart of downtown, just steps away from exclusive shopping at City Creek, cultural events including the new adjacent Utah Performing Arts Center, plentiful parking, public open space and mass transit."

Preliminary designs include seismic engineering standards and increased energy conservation measures, along with numerous technological considerations such as redundant data and electric feeds from independent substations, voice and data lines with fiber optic capabilities and a location for tenant generators. The

building will also offer state-of-the-art and customizable security systems with turnstiles and 24-hour manned security.

The development is scheduled to break ground in the summer of 2014 with planned occupancy as early as mid-year 2016, said Bruce Bingham with Hamilton Partners.

The Illinois-based commercial real estate firm also developed 222 Main — the 22-story, \$125 million office building located just a block away on the west side of the street that is currently 85 percent occupied. Completed in December 2009, it was also designed by Skidmore, Owings & Merrill.

"Business activity is strong in Utah and Salt Lake City in particular," Bingham said. "We think this building will come on at a time that will respond to demand in the market for class A office space."





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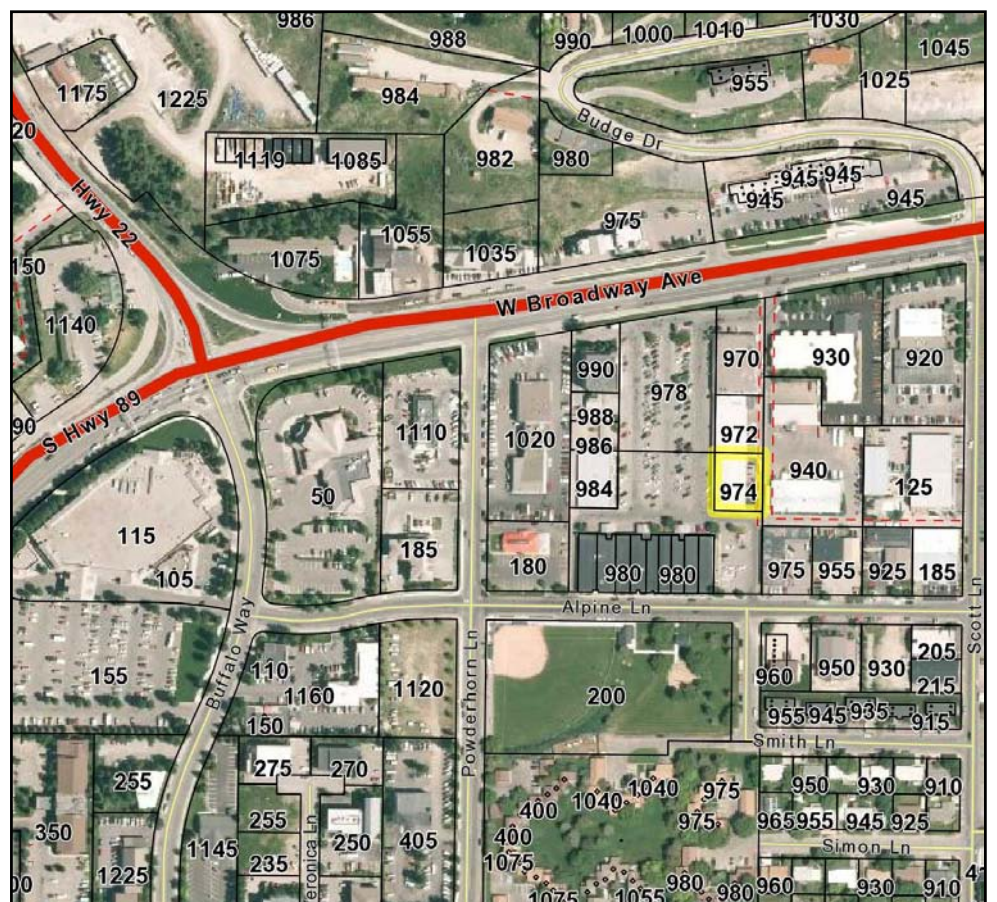
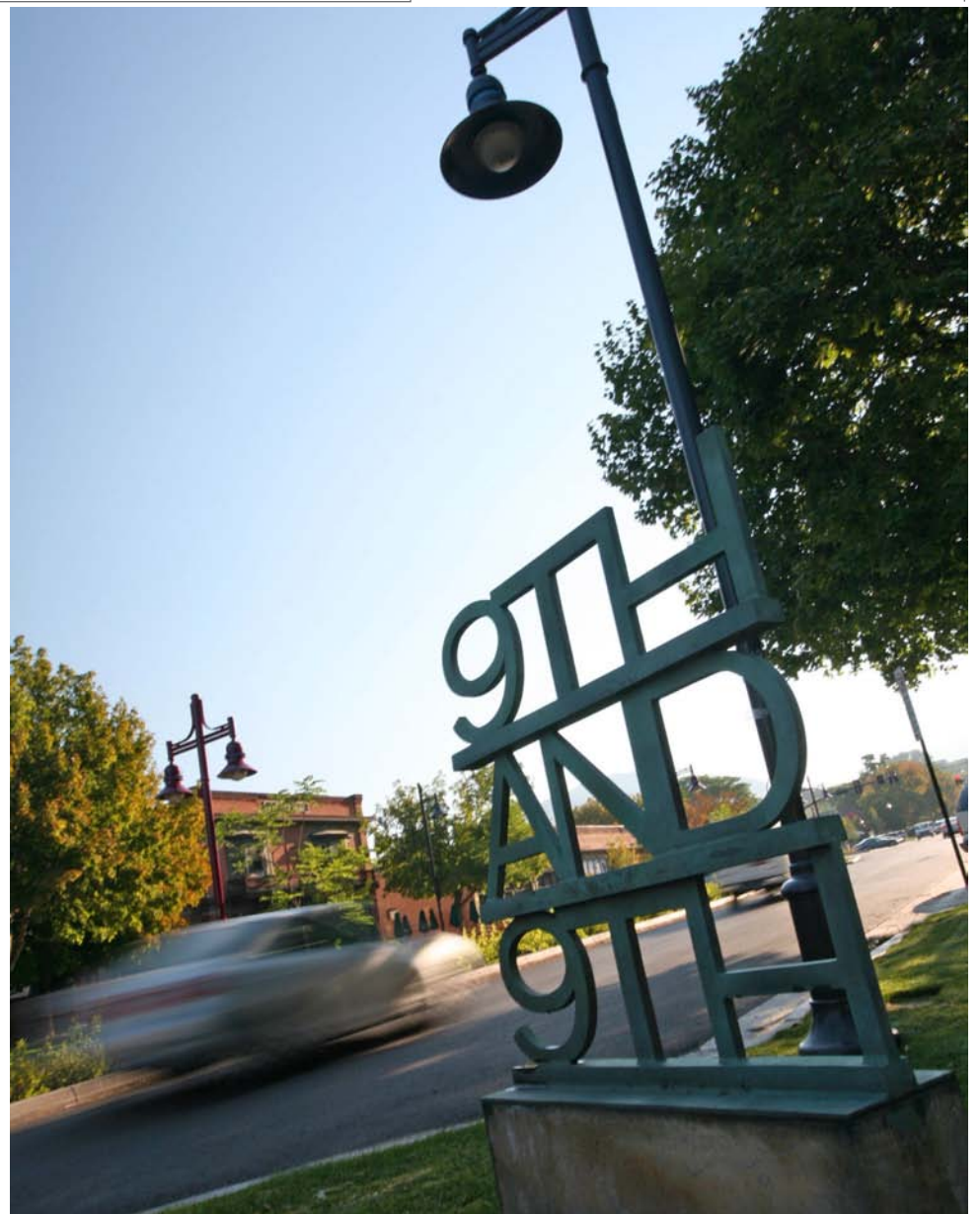
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