1. **Welcome/Pledge of Allegiance** (Lynn Sitterud)

3. **Consideration to ratify and approve a payment to CE Brooks** (Mike McKee)

   Note: The agenda order was altered by the board.

   As you will remember, at the July 3rd meeting we considered all invoice turned in by the end of June. Connie Brooks, who is doing a little legal work for us, was not able to meet that deadline. CIB said they would still accept her invoice. Kristi went ahead and prepared the check and submitted it but since it wasn’t included in the group of invoices approved at the last meeting, we needed to ratify the expense of $354. The work was related to rail rights-of-way.

   **Motion to approve** the $354 payment to CE Brooks made by Commissioner Horrocks, seconded by Commissioner Lytle. Unanimously approved 6-0-1 absent.

4. **Consideration to pay BLM $100,000 for cost recovery on an Environmental Review**

   In the July 3rd meeting there was a discussion concerning the letter received from BLM wherein they request $4.6 Million for cost recovery for work performed during the course of the rail project. Everyone believed that to be an exorbitant amount. Consequently, Executive Director McKee set up a meeting with the State BLM Director. Others joined the meeting by phone including Tribal participants. During the meeting BLM was asked to reconsider the amount being requested. It was explained to BLM the various entities already hired onto the project to conduct the environmental review. BLM was unaware of that fact. BLM explained that since this project, ultimately, was a for profit project, they were required by law to collect cost recovery for the review process.
We discussed redundancy and the fact that the project should not have to pay for redundancy. Because, at present, there are multiple states involved in the rail routes a total of 5 BLM offices would be conducting reviews. After the discussion, the BLM participants offered to review the information received believing they might be able to reduce the amount requested.

Executive Director McKee explained to the board that the project is currently entering the “Scoping Phase” of the environmental process. It is possible, during this phase, that one or more of the routes may be taken off the table. As an example, if the Craig route were to fall out that would reduce the review process by half. No one knows at this point, but that could potentially change BLM’s level of participation and review.

But, as we move forward, BLM needs a deposit toward the review process before they will start. That would be the $100,000 being requested today.

Commissioner Lytle: Have you had a public lands attorney review this BLM request, and if so, are you all on the same page in terms of this approach to BLM?

Executive Director McKee: The attorneys have looked this over.

Mark Hemphill: We don’t want BLM to delay the project and refuse to participate and have it turn into a lawsuit. We don’t want to give them $4.6 Million. The thought is that 99% of the BLM land is encompassed in the Craig and Wells Draw routes. If we can knock those out in scoping and end up with just Indian Canyon then we only have 4 or 5 miles of BLM land for review. If he Emma Park Road alignment can be utilized that would eliminate all BLM land. At that point BLM would cease to be a cooperating agency.

The Tribal participants are trying to decide how best to weigh in and help this process. Another issue is that the STB (Surface Transportation Board) has not worked very well with BLM and it has caused some hard feelings. We will need to sit down with STB and encourage them to cooperate with BLM. The Notice of Intent was delayed one month because STB didn’t handle it well with BLM. We need to help smooth out that process.

The Tribal Business Council wants to help with this. They, too, believe that BLM’s $4.6 Million proposal is excessive. The Tribe is behind the project and would like to encourage BLM and STB to work together. The Tribe is thinking they would like to go to Washington D.C. and meet with the number two person at BLM and possibly go even higher with a Department of the Interior official.

Executive Director McKee: The bottom line is we don’t want to lose schedule and if we pay the $100,000 now, and there is money remaining, BLM will return the balance.

Mark Hemphill: What we want to do is get control over this situation.

Commissioner Horrocks: He asked Mark Hemphill if he saw the next step being a trip to Washington D.C.?

Mark Hemphill: He stated that he is waiting on more feedback and they need to decide which politicians would be best to visit with. Who would be most beneficial to have involved? We, also, need to see where the Tribe wants to go on this.

Commissioner Horrocks: He asked Mark Hemphill to please consult with him, Commissioner Miles, and Mike McKee before moving forward and making any further arrangements.
Executive Director McKee: The Executive Director reminded the board that it had approved travel for this group, for rail business, in a prior meeting. So, if there ends up needing to be a Washington D.C. trip, the board has already approved it.

Commissioner Hopes: One other thing on BLM, as this moves forward, he would like them to consult with Commissioner Bill Stringer (Uintah County, prior BLM Field Office Manager). He has extensive BLM experience and we should use his political knowledge in this area.

Mark Hemphill: He would like to suggest that he and Mike McKee go to meet with Commissioner Stringer.

Executive Director McKee: He stated that he already has a call into Commissioner Stringer in order to set up such a meeting.

Motion to approve the payment of $100,000 to BLM as a cost recovery deposit was made by Commissioner Miles, seconded by Commissioner Ogden. Unanimously approved 6-0-1 absent.

Additional Discussion occurred after approval:

Commissioner Ogden: The hope is that after the trip to Washington and some negotiations some of the BLM deposit will be returned?

Mark Hemphill: The Tribe’s position is that we shouldn’t have to pay any of this. That will be their starting negotiation position.

Commissioner Lytle: His position is that if all they pay to BLM is the $100,000, he is good with that.

Executive Director McKee: He expressed this thought that if all BLM cost them was $100,000, then they were very fortunate.

Commissioner Hopes and Lytle: Has the BIA requested anything for cost recovery?

Executive Director McKee: The original budget had $500,000 for cost recovery for both BIA and BLM.

2. Discussions related to Uinta Rail, other projects, and project budgets

Brian Barton put the updated rail project budget on the projector screen. Note the $21.4 Million budgeted is to get us to the end of this project. In the budget, $500,000 was allocated for cost recovery. BLM’s request for $4.6 Million is $4.1 Million more than was budgeted. Everyone has worked hard to figure out how to reconcile this budget, if that ends up actually being the amount we have to pay to BLM (even though we believe it will be much less). We must resolve this budget today and get it submitted to CIB. They will not release any more funds until they have this budget.

Brian Barton: So, as you look at this revised budget, Column A, the first column, is the budgeted amount originally submitted to CIB. The $21.4 Million was our best assumption at that time. The original budget was finalized in May. The next Column B is the breakdown of the larger budget amounts in Column A. Column C represents the changes in the projections trying to accommodate BLM’s request on cost recovery and reconcile the budget.

NOTE: to hear the complete board discussion on these budget items, go to 19:00 on the audio recording of this Special Meeting posted on the Coalition website, www.scic-utah.org.
After the budgetary discussion was complete, there was a discussion about PFAL (Project Finance Advisory, LTD) the financial advisor for this project. A question was asked as to whether the amount budgeted for them was a fixed amount. The response was that they were on an "on call" basis. When we request their input, we get billed for their time. At any point, if we wonder if the commercialization of the project is going in the right direction, we can ask for their input.

There was additional discussion as to how to reflect BLM’s request for $4.6 Million when no one believed that amount would ever be paid to them. The final decision was to leave the originally budgeted $500,000 for cost recovery and put the balance of the BLM request in the “Contingency” line, along with a note that this was possibly allocated for BLM cost recovery.

Executive Director McKee wanted to make sure the public understood that this original budget had been approved last fall, and finalized this spring. The adjustments being made today with the various line items was to accommodate the possibility of the BLM cost recovery request and reflected changes with the project as it grows.

Commissioners requested copies of the revised budget and suggested that all of these changes be reviewed with Doug Rasmussen, the accountant.

Brian Barton: This document, when finished today, will be given to the CIB and generally describes the activities that will be completed for inclusion in the contract.

The revision of this budget has included a vigorous board discussion. There were additional questions on right-of-way planning. The board was informed that the budgeted amount for right-of-way planning was for soft costs, i.e. surveying. Any legal review would be paid out of the legal expense line item. The actual purchasing of rights-of-way would be done by Drexel Hamilton.

Commissioner Horrocks: He asked Mark Hemphill if he saw any duplicating expenses in the Budget?

Mark Hemphill: He stated that the goal is to get commitment on critical project properties as soon as possible. In a non-governmental project that is the first thing that happens. Because of the required public process, we are just getting to that task. As soon as the route is finalized and rights-of-way can be purchased, the unhappy landowners will have answers and that will help everyone get on with the project. We don’t have a real project until rights-of-way are secured. Our goal is to bring this project in under budget and give some money back to the CIB.

5. Motion to enter closed/executive session pursuant to §52-4-205 (Litigation, personnel, real estate purchase, commercial info under §59-1-404) was made at 11:06 a.m. by Commissioner Horrocks, seconded by Commissioner Ogden. Roll call vote and unanimously approved. 6-0-1 absent. Commissioners in attendance participated, along with Mike McKee, Brian Barton, Eric Johnson, and Mark Hemphill.

Roll call vote for the closed session was as follows:

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

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Special Meeting Minutes July 17, 2019
Duchesne  Board Member  Yea X  No ___
Emery  Board Member  Yea X  No ___
San Juan  Board Member  ABSENT
Sevier  Board Member  Yes X  No ___
Uintah  Board Member  Yea X  No ___

6. **Motion to re-enter open session** was made by Commissioner Horrocks, seconded by Commissioner Ogden. Roll call vote and unanimously approved 6-0-1 absent.

Roll call vote to re-enter open session was as follows:

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7. **Motion to adjourn**

A **motion to adjourn** was made by Commissioner Miles. Unanimously approved 6-0-1 absent.
A motion to approve the July 17, 2019 special meeting minutes was made by Commissioner Hopes, seconded by Commissioner Sitterud.

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

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Co-Chair: Brad Harrocks

Co-Chair: Lynh Sitterud

(COALITION SEAL)

ATTEST:

Eric T. Johnson (Legal Counsel)