



SEVEN COUNTY INFRASTRUCTURE COALITION
MEETING MINUTES

August 8, 2019 at 1:00 p.m.

Permanent Community Impact Fund Board Offices
DWS Administration South Building
1385 South State Street, Room 157
Salt Lake City, Utah
(435) 219-1362

Board Members Present: Casey Hopes (Carbon County), Jack Lytle (Daggett County), Irene Hansen (sitting in for Commissioner Miles, Duchesne County), Willie Grayeyes (San Juan County), Garth (Tooter) Ogden (Sevier County), Lynn Sitterud (Emery County) and Brad Horrocks (Uintah County)

Also, in attendance: Mike McKee, Eric Johnson, Brian Barton, Doug Rasmussen, Kristi Sharp, Shaun Johnson, and Mark Hemphill

Attended telephonically: N/A

Absent: Greg Miles

Others Present: Senator David Hinkins, Senator Ron Winterton, Kevin Keller, Diego Carroll, Steve Jaussi, Zane Atkinson, Ed Hatch, Mike Miles, Commissioner Bart Haslem, Troy Oster, Pam Juliano, Mike Christensen, Aaron Averett, Sylvia Wilkins

1. Welcome/Pledge of Allegiance (Brad Horrocks)

2. Public Comment (Brad Horrocks)

Comments of Darrell Fordham: Representative for Argyle Wilderness Preservation Alliance. Mr. Fordham expressed frustration at the lack of information being provided concerning the Uinta Basin Railway Project. His group was able to persuade the Surface Transportation Board to extend the scoping period as the Preservation Alliance is still waiting on documents it has requested. They are unable to scope comments until those documents have been received. They are frustrated with Duchesne County as well because their taxes have gone up 10% on property that is virtually worthless due to this proposed railway project. He thanked the board at the end of his comments

Comments of Melissa Peck: Property Owner. She really feels this project will be a boom and bust project. The Counties involved will be on the hook to repay all these loans. It will cripple these counties. She alleged that the board was trying to push the project through before the next

election. She stated that they needed to slow the process and consider both sides of the argument. From her perspective it is all negative and no positive. She thanked the Board.

3. Approval of July 3, 2019 Minutes

There was no discussion on this item.

Motion to approve July 3, 2019 meeting minutes by Commissioner Hopes, seconded by Commissioner Sitterud. Unanimously approved 5-0-2 absent.

Approval of Special Meeting July 17, 2019 special meeting minutes

There was no discussion on this item.

Motion to approve July 17, 2019 special meeting minutes by Commissioner Hopes, seconded by Commissioner Sitterud. Unanimously approved 5-0-2 absent.

4. Presentation of the Annual Audit

The Annual Audit report was made by Michael Miles of Aycock, Miles & Associates. It is the audit of the 2018 financial books.

Smuin, Rich and Marsing's books were "superb". As a board, it was found that you approved all financial transactions required by law. The Balance Sheet looked great. The only improvement we could recommend would be to have a million dollars in unrestricted cash so you wouldn't have to float checks while waiting for reimbursement to finish paying vendors.

It is unique to see an entity with \$149 Million and only 1% spent! There is a comment which has already been sent in writing to your accountants. It is as follows, in addition to approving every transaction during the meetings, we would like at least one member of the board to inspect the bank statement, each month, to make sure the only expenses clearing the bank are those approved by the board.

Another comment concerned the grant/project spreadsheet that Kristi keeps. It is very good, but if she could identify each reimbursement and how it ties back to the invoices and spreadsheet it would be helpful.

Otherwise, the results of the audit were great.

5. Presentation by the Baldizon Diaz Corporate Group

This group specializes in compact, affordable energy storage and they are looking to bring a business to the United States. Annually, there are billions of dollars spent on preventing loss due to grid failure. An example of the cost of failing to do this would be Puerto Rico which during the last severe hurricane season was without power for many months. This cost lives and millions of dollars to local businesses. If there had been a distribution and power storage system much of this could have been avoided.

Energy independence requires the grids to be safer. Secure energy storage saves lives and dollars. Our company's goal is to allow people and businesses to have more dependable energy.

What their company is proposing is a microgrid in a box which is easy for people to install...plug and play. This would allow users to have power even when the grid is down. No more disruptions of service and income. The ability to store energy for emergencies is essential.

This company's services are similar to that of Intermountain Electronics, only on a smaller scale. Big corporations like Facebook and Amazon spend a lot on backup energy storage to ensure their clients can always access their services. This product would allow smaller businesses and individuals to do the same. The current market for this product would be California, Texas and Nevada, but there is no reason the product could not be manufactured in Eastern Utah. This would involve the construction of a manufacturing facility and possibly some research.

6. Executive Director's Report

In connection with the report your just heard from Dr. Baldizon, there has been some discussion about doing other kinds of research at the Research Center. This may be a future option.

Director McKee turned the time over to Commissioner Sitterud to update the Board on the Research Center. There is a bid out for a company to re-assemble the coal combustion machine. The bids were received by Emery County Commission and their County Attorney is in the process of preparing a contract. It is expected the re-assembly will begin within a week in an effort to make the January 1st deadline to be up and operating. It was suggested that the Board consider a field trip to the Research Center in the near future. Commissioner Sitterud expressed his appreciation for all the help they have received from Senator Hinkins.

Commissioner Horrocks gave a short rail update. He stated that they are having consistent early morning meetings by phone. They are working on right-of-way proposals.

7. Discussion and consideration of Navajo Mountain to the Seven County Project List

The time was turned over to Brian Barton to discuss this project. Commissioner Grayeyes has been asking us to look into the Navajo Mountain Project. This would be a road improvement project and Seven County's part would be to take some early 2017 conceptual work and update it, along with working with the State of Utah and the Navajo Nation to produce the project. The project would also include a road extension from Navajo Mountain to a small, remote community called Oljato. This is on the Utah side of the Utah/Arizona border. Lake Powell is to the North and Page, Arizona to the East. They all had a great meeting with the Navajo Mountain Chapter leadership. This road would help connect medical and educational services to the rest of the State.

Commissioner Grayeyes next spoke. He stated that he appreciates everyone who has met to discuss this project. This has been in the works for 30 to 40 years and it is time it got done. This is a project for the most southern part of San Juan County. This is an extremely remote

community. The only access currently is a road going South. When he leaves from there it takes 4 hours to get to Monticello. Staff that work at the school have homes and relatives in Utah and that is a long way for them to drive. The route being proposed would reduce travel by 1.5 to 2 hours, depending on the final road surface. The road cost was originally estimated at \$36 Million. Over the years, the cost estimate has gone as high as \$50 Million. Currently, it is thought to be around the \$36 Million mark. In his conversations with the Governor, he was told the State could possibly do as much as 50% the cost of the project.

There are two potential routes. One about 14.5 miles and the other about 21 miles long. The road would basically go from Monument Valley to Navajo Mountain. The challenge is two large washes or canyons that have to be crossed.

Senator Hinkins stated that he was working to get some funds allocated but probably not until the next legislative session. The Senator stated they are also working on a cell tower on Navajo Mountain to improve communications for the high school and community.

Commissioner Grayeyes stated that they are an economically closed community. The addition of this road might make travel and tourism possible for the area.

Commissioner Lytle asked whose jurisdiction would the road fall under? County, State, etc.?

Commissioner Grayeyes joked that it probably depended on who put in an extra dollar!! But, actually, he stated that if it's on the Navajo Nation then it automatically becomes the jurisdiction of the BIA (Bureau of Indian Affairs).

Director McKee stated that today they were looking for the Board to approve adding this project to the Seven County Project List. The cost of this road is great and will probably have to be funded from several sources. But, that said, there are some conceptual kinds of things that the Coalition could do to help this project gain some momentum. We'd like to see this moved to the Priority List.

Commissioner Lytle asked if the project was ready? Had there been any scoring done on it? Or does the vote today mean that it would go on the docket to be scored?

Brian Barton stated that the project needed further evaluation. Right now, we are at the Board Notification stage. Once we are past this stage, then it goes through the rating and ranking process. Once that happens the project will come back before the board for further approval.

A motion to approve Resolution 2019-08B to add a road between Navajo Mountain and Oljato, in San Juan County, to the Project List, was made by Commissioner Grayeyes, seconded by Commissioner Lytle. Unanimously approved 7-0-0 absent.

8. Discussion and consideration of amending the ICF Contract.

Attorney Eric Johnson addressed this matter. Back in May the Board approved \$241,000 for ICF, the environmental group working for the Safety Transportation Board to do the environmental work on the rail project. ICF came back to us stating that they thought they would need an additional \$2.8 Million. In May, Eric misunderstood and put the total amount

needed by ICF at \$2.8 Million. In reality, it was \$2.8 Million in addition to the \$241,000. So, the amended contract today is to clarify that issue and show that ICF is requesting an additional \$2.8 Million, bringing their total to \$3,082,435.36. As stated in the Resolution, this is an estimated amount based on several factors still unknown.

This resolution is to clarify the amount requested in the ICF Contract. This amount is correctly represented in the budget.

Commissioner Lytle asked if the original resolution was available for comparison and review?

Attorney Johnson stated that it was not.

Commissioner Grayeyes asked if they needed to rescind the first resolution before adopting this one? Or are they merely amending the prior resolution to reflect this additional amount?

Director McKee stated that the preference was just to amend the original resolution.

Motion to approve Resolution 2019-08A by Commissioner Ogden, seconded by Commissioner Grayeyes. Unanimously approved 7-0-0 absent.

9. Budget authorization for installment payment up to \$1 Million to BLM.

Director McKee reminded the board that previously BLM had sent a letter concerning cost recovery for work they will do on the rail project. BLM, at that time, said they were anticipating approximately \$4.66 Million in costs for the project. Director McKee met with the State BLM staff and asked them to review and reconsider that amount. They have done so and have lowered the amount by about \$1.5 Million. That is still a large amount but as the project moves forward, it is expected that amount will drop even lower. Previously, at the July Special Meeting, the Board authorized a partial payment of \$100,000 to get them started. The way that BLM works is that there has to be money on deposit for them to draw from as they do work. We still get invoices so we can approve the expenditures, as they make draws against the deposit. Where it can be a lengthy process for us to get money from the CIB, Director McKee asked the board to authorize up to \$1 Million for the BLM. The Director would work with either or both of the co-chairman to oversee these distributions. This makes the new not to exceed estimate from BLM about \$3.1 Million.

Motion to approve a budget pre-authorization for up to \$1 Million dollars for BLM appropriate cost recovery with approval by Executive Director McKee and either Co-Chairman was made by Commissioner Lytle, seconded by Commissioner Hopes. Unanimously approved 7-0-0 absent.

10. Engineers Report.

Brian Barton stated that there was a lot going on with the rail project. Right now, they are focusing on mapping which will provide the answers needed for the EIS (Environmental Impact Study) that is still being worked on. HDR has been moving ahead as quickly as possible. They are trying to be proactive and answer questions as they come up. Right-of-way acquisition and property access is all part of that equation.

10. Engineers Report continued.

They are still doing planning and work on the Leland Bench Project. They are working on rights-of-ways and planning for needed utilities.

Commissioner Horrocks stated that there are a lot of moving parts with these projects and it's hard to stay on top of everything. He stated that he really appreciated Commissioner Miles and the others who have spent hours on these projects.

11. Financial Report

The information presented reflects invoices and expenses thru July 31, 2019. The total amount of invoices to approve for payment was \$808,628.13.

SEVEN COUNTY INFRASTRUCTURE COALITION FINANCIALS					
August 8, 2019 at 1:00 p.m.					
1385 South State Street, Conference Room 157, Salt Lake City, UT 84115					
Vendor	Check #	Invoice #	Amount	Description	Grant
CIVCO Engineering, Inc	1487	2019340	3,731.72	I-70 Transportation Corridor - Engineering	Book Cliffs Transportation Corridor
ETJ Law	1498	1511	1,685.57	Legal Services - General and Expense Reimbursements	General
ETJ Law	1498	1513	1,000.00	Molten Salt/Research Center Facility - Legal Services	General
ETJ Law	1498	1514	1,077.14	Leland Bench Utilities - Legal Services and Travel Reimbursement	General
Smuin, Rich & Marsing	1489	40263	4,610.80	Consulting Per Contract - July 2019	General
Mike McKee	1490	July 1 - July 30, 2019	288.16	Director's Travel/Expenses	General
Heather Hoyt	1491	July 20, 2019	2,606.18	Admin Hours, Travel, Office Supplies	General
Jones & Demille	1492	0120553	1,758.25	Engineering, Planning, Coordination	General
Jones & Demille	1492	0120542	4,839.73	Leland Bench Utilities - Engineering	General
HDR	1493	1200206261	175,000.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Engineering Services - Phase 2
HDR	1493	1200206261	200,000.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Baseline Environmental Services - Phase 2
HDR	1493	1200206262	63,000.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Strategic Communication Services - Phase 2
Jones & Demille	1499	0120554	781.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Program Management Services - Phase 1
Jones & Demille	1499	0120554	22,200.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Program Management Services Phase 2
Jones & Demille	1499	0120554	126,940.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Mapping Services - Phase 1
Jones & Demille	1499	0120554	6,870.99	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Right-of-Way Planning - Phase 1
ICF Jones & Stokes, Inc	1495	0140355	117,504.19	Uinta Rail Line - NEPA Consulting	Uinta Basin Railway Project - Baseline Environmental Services - Phase 2
ETJ Law	1496	1512	11,000.00	Uinta Rail Line - Legal Services	Uinta Basin Railway Project - Legal Services - Phase 1
Venable LLP	1497	2119598	63,734.40	Uinta Rail Line - Legal Services	Uinta Basin Railway Project - Legal Services - Phase 1
Total Payment Approval			\$ 808,628.13		

Discussion on the expenses was as follows:

Doug Rasmussen made the presentation. He wanted to recognize Krsti Sharp and Shaun Johnson from his firm (Smuin, Rich and Marsing). Shaun is very sharp when it comes to computers and technology. They are trying to implement a process that would make reviewing the invoices easier for the Board members. The new process will allow Commissioners to select and open an individual invoice from an individual vendor. So, instead of getting one huge file where you have to scroll through all or nothing, the new process would allow you to pick and choose what you want to look at.

Director McKee stated that the first financial file sent, earlier this month, was not able to be opened. They could open the first page but none of the backup documentation. Next, when Kristi sent the second file, he was able to open it.

Shaun Johnson stated that the new files needed to be opened using Adobe Acrobat. No special version, but just that program. To use any other program would result in just the first page being opened.

Director McKee said that a training could be offered at the next meeting, if the Board wanted to try this new process.

Commissioner Horrocks stated that his computer must have been set up correctly because he didn't have any problem opening the new files.

Doug Rasmussen stated that that was the secret. Having the computer set up correctly so that Adobe Acrobat opened the file. At the next meeting they will help everyone be able to do that because the new process is a great improvement over what they are currently receiving.

Doug went on to say that the expenditures for the month of July totaled \$808,628.13.

Commissioner Lytle asked if it might be possible to print the invoices double sided?

Director McKee stated that he had gone through every invoice. He stated that he had asked Doug and Kristi to take extra time examining the invoices. Doug stated that they had done that and had found a \$3 discrepancy on an invoice and a few expenses they questioned.

Commissioner Horrocks stated that he really appreciated the level of scrutiny they had used in reviewing the invoices. He recognized the \$3 discrepancy and acknowledged that one of the questions was the purchase of trail mix on one invoice. He didn't feel either of those were enough to keep them from approving the invoices that day.

Doug stated that they were mostly clarifications and they would pursue the answers. If there were any changes, he expected they would show as credits on the next invoice.

Commissioner Horrocks stated that he, too, had examined all the invoices, especially those involving the rail project.

Commissioner Ogden stated his concern at how fast they were going through money and hoped there would be enough to complete the rail project.

Motion to approve the expenses for payment in the amount of \$ 808,628.13 was made by Commissioner Grayeyes, seconded by Commissioner Hopes. Unanimously approved 7-0-0 absent.

Roll call vote for expenses for payment was as follows:

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

Carbon	Board Member	Yea X	No ___
Daggett	Board Member	Yes X	No ___
Duchesne	Board Member	Yea X	No ___
Emery	Board Member	Yea X	No ___
San Juan	Board Member	Yea X	No ___
Sevier	Board Member	Yea X	No ___
Uintah	Board Member	Yea X	No ___

Doug Rasmussen then led the board in a discussion about the Financial Statements to include the Balance Sheet, Income Statement, and Profit and Loss Statement for June 30, 2019.

As required by law every quarter, the Detailed General Ledger was reviewed. This Ledger covered transactions from the months of April, May and June of 2019.

Motion to accept the Balance Sheet and Income Statement was made by Commissioner Lytle, seconded by Commissioner Sitterud. Unanimously approved 7-0-0 absent.

Roll call vote for the Balance Sheet and Income Statement was as follows:

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

Carbon	Board Member	Yea X	No ___
Daggett	Board Member	Yes X	No ___
Duchesne	Board Member	Yea X	No ___
Emery	Board Member	Yea X	No ___
San Juan	Board Member	Yea X	No ___
Sevier	Board Member	Yea X	No ___
Uintah	Board Member	Yea X	No ___

Finally, Doug Rasmussen discussed the balances for each of the Coalitions grant projects, the original award, the amount spent and the remaining balance. This is an information item and does not require a board vote.

Commissioner Lytle asked if they were good within each of the grant contracts as far as expenditures went?

Director McKee stated that he had talked with Kristi about this and they were. They had recently signed a new rail appropriation contract with CIB for \$3 Million to be spent over the next 4 years (\$750,000 per year). The money is allocated and available to expend.

Commissioner Hopes then asked about the pipeline project. He noted that the project was closed but there was a remaining balance. He asked if those remaining funds go back to CIB?

Doug stated that they would double check that the grant was closed out after which they would adjust the balance to zero. And, yes the funds return to CIB.

Commissioner Lytle asked, relative to the auditor's findings, on this next set of checks, if they would begin the process of reviewing the bank statements?

Doug stated that he had talked with Director McKee about his reviewing the bank reconciliations.

Director McKee offered that with all of his current responsibilities it would be nice if there was a board member willing to help with this.

Commissioner Horrocks stated that he was not volunteering for the job, but he would like to have them sent to him for his review.

Doug stated that there just needed to be one board member, someone other than his accounting firm, reviewing the bank statements. He suggested Commissioner Hopes or Sitterud as they are geographically located close to his office to facilitate the review process.

Commissioner Horrocks suggested they move forward with Commissioner Hopes reviewing them, with Commissioner Sitterud available to help. He would do so, also. If it gets to be a burden, they may all need to take a turn.

Commissioner Hopes next asked about the \$210,000 let in the Bookcliff's grant? Director McKee added that the project was ongoing and there was, also, a UDOT grant of \$3.2 Million allocated for that project, bringing the total to \$3,410,000. The \$210,000 was money provided by the Transportation Special Service District and the CIB. The scoping on the project is currently with the BLM and it is bogged down at the moment. He went on to say that they are trying to get a meeting with the Moab BLM office in order to get the project moving forward again.

12. Attorney Board Training

Public Private Partnership Policy – this policy was originally adopted by the Coalition Board in 2017. This policy is authorized within the State procurement code, but as an interlocal entity Seven County is exempt from the State procurement code. Hence, there is a need to adopt a

procurement policy of our own. All the Board needs to be aware of right now is that we have this policy adopted and active.

Coalition Organization – The Coalition was officially approved by the Lieutenant’s Governor’s Office on August 28, 2014. The first Board Meeting was in September of 2014 at which time Attorney Johnson was directed to prepare policies and procedures. They were first approved in November, 2014. After review and comments from the CIB staff they were updated and revised. The last update was January of 2016. In your packet is a copy of the Coalition’s Policies and Procedures.

Ethics Policy – specifically within those Policies and Procedures please note Section 3.9 which is the Ethic’s Policy. This section notes that the Coalition abides by the Utah Ethics Act. On any of our projects, if a board member has an interest in any entity working on a project, it must be brought to the Chair’s attention. The Ethics Act requires this and he would further recommend such a board member should recuse themselves on any matter concerning that entity.

Director McKee asked if there was a Conflict of Interest Declaration form for Board members to fill out?

Commissioner Lytle suggested that annually they should do such a declaration.

Eric stated that we have not done so in the past but it probably should be done. He will send a declaration to each board member to fill out, sign and return.

Commissioner Horrocks noted that the title on the Policies and Procedures stated that is was a Six County Coalition. Where they are now Seven County should that be updated?

Due to the restricted time element the training was ended and will continue during a future meeting.

13. Motion for closed (executive) session pursuant to §52-4-404 (Litigation, personnel, real estate purchase, commercial info under §59-1-404) was made at 2:35 p.m. by Commissioner Grayeyes, seconded by Commissioner Sitterud. Roll call vote and unanimously approved. 5-0-2 abstain.

Commissioners Ogden and Lytle recused themselves from the litigation portion of the closed session. They were invited back in after the litigation discussion.

Roll call vote for the closed session was as follows:

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

Carbon	Board Member	Yea X	No ___
Daggett	Board Member	Yes __	No ___ Abstain
Duchesne	Board Member	Yea X	No ___
Emery	Board Member	Yea X	No ___
San Juan	Board Member	Yea X	No ___
Sevier	Board Member	Yes __	No ___ Abstain
Uintah	Board Member	Yea X	No ___

14. Motion to re-enter open session was made at 3:20 p.m. by Commissioner Lytle, seconded by Commissioner Hopes. Roll call vote and unanimously approved 7-0-0 absent.

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

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

Carbon	Board Member	Yea X	No ___
Daggett	Board Member	Yea X	No ___
Duchesne	Board Member	Yea X	No ___
Emery	Board Member	Yea X	No ___
San Juan	Board Member	Yea X	No ___
Sevier	Board Member	Yea X	No ___
Uintah	Board Member	Yea X	No ___

15. Motion to adjourn

A motion to adjourn was made by Commissioner Grayeyes by acclamation.

A motion to approve the August 8, 2019 meeting minutes was made by Commissioner _____, seconded by Commissioner _____.

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

Carbon	Board Member	Yea ___ No ___
Daggett	Board Member	Yes ___ No ___
Duchesne	Board Member	Yea ___ No ___
Emery	Board Member	Yea ___ No ___
San Juan	Board Member	Yea ___ No ___
Sevier	Board Member	Yea ___ No ___
Uintah	Board Member	Yea ___ No ___

Co-Chair: Brad Horrocks

Co-Chair: Lynn Sitterud

(COALITION SEAL)

ATTEST:

Eric T. Johnson (Legal Counsel)