

SEVEN COUNTY INFRASTRUCTURE COALITION

AGENDA

July 13, 2018 at 10:00 a.m.

751 E. 100 N., Price, Utah

(435) 636-3214

- | | |
|---|-----------------------------|
| 1. Welcome/Pledge | Jae Potter |
| 2. Minutes | Jae Potter |
| 3. Public Comment (limit 3 minutes) | Jae Potter |
| 4. Finance Director Report and approval of expenses | Smuin Rich & Marsing |
| 5. Executive Director Report | Mike McKee/
Marc Eckels |
| A. Rail Study Update | |
| B. Mtgs with CIB staff | |
| C. Thorium Research Lab | |
| D. Leland Bench Utilities | |
| E. Eastern Utah Connector | |
| 6. Resolution appropriating \$10,000 for Jordan Cove/Western States Rural Natural Gas Initiative | Mike McKee/
Jordan Clark |
| 7. Infrastructure Update | Jones & Demille |
| 8. Closed (executive) session pursuant to §52-4-205
(potential real estate acquisition, trade secret related to procurement, personnel competency) | Eric Johnson |
| 9. Motion to adjourn | Jae Potter |

*In accordance with the Americans with Disabilities Act, the Coalition will make reasonable accommodations to participate in the meeting. Requests for assistance can be made by contacting Carbon County Administrative Offices at (435) 636-3214 at least 48 hours in advance of the meeting to be held.

*The order of agenda items may change to accommodate the needs of the Coalition Board, the staff, and the public.

*This meeting may be held electronically via telephone to permit one or more of the Coalition Board members to participate

Entity: Seven County Infrastructure Coalition

Body: Governing Board

Subject: Public Works

Notice Title: Agenda

Meeting Location: 751 E 100 N

Price 84501

Event Date & Time: July 13, 2018
July 13, 2018 10:00 AM

Description/Agenda: SEVEN COUNTY

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Jordan Cove/Western Mike McKee/

States Rural Natural Gas Initiative

Jordan Clark

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Notice of Special Accommodations:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Lori Perez at 435-636-3228.

Notice of Electronic or telephone participation:

Contact Lori Perez at 435-636-3228.

Other information:

Contact Information:

Lori Perez
(435)636-3228
Lori.Perez@carbon.utah.gov

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SEVEN COUNTY INFRASTRUCTURE COALITION
MEETING MINUTES

June 8, 2018 at 10:00 a.m.
751 E. Main, Price, UT 84501
(435) 636-3214

Present: Phil Lyman, Ken Burdick, Brad Horrocks, Jack Lytle, Ken May, Lynn Sitterud
Also in attendance - Mike McKee, Eric Johnson, Seth Oveson, Dan Hawley
Absent: Jae Potter
Attended telephonically: N/A

1. Welcome / Pledge of Allegiance (Phil Lyman)
2. Meeting Minutes of May 11, 2018 meeting (Phil Lyman)

Motion to approve May 11, 2018 minutes by Commissioner Jack Lytle, seconded by Commissioner Ken May. Unanimously approved 6-0-1 absent.

3. Public Comment (Phil Lyman)

Public comment – none.

4. Finance Director Report and approval of Expenses (Seth Oveson)

The following invoices were presented for approval.

Vendor	Invoice Number	Amount	Description
Mike Mckee	April 13 – May 4	195.60	Director Travel - April
Mike Mckee	May 4 – May 30	1,529.69	Director Travel - May
ETJ Law	1360	6,500.00	Legal Services
ETJ Law	1361	27,001.46	Uinta Rail Line - Legal
Seth Oveson	10011	1,250.00	Accounting & Admin Services
CIVCO Engineering, Inc	2018226	47,297.72	I-70 Transportation Corridor
Jones & Demille	0118254	10,356.05	General Planning (Category 8)
Jones & Demille	0118253	10,186.10	Uinta Rail Line
Jones & Demille	0118252	12,897.67	Leland Bench Utilities
Jones & Demille	0118255	2,405.00	Planning Duchesne to Carbon Pipeline
R.L. Banks & Associates	1	32,582.71	Uinta Rail Feasibility Study
Utah Media Group		370.00	RFQ Financial Director
Total Payment Approval		\$152,572.00	

Motion to approve by Commissioner Ken Burdick, seconded by Commissioner Brad Horrocks. Unanimously approved 6-0-1 absent.

Question by Commissioners Horrocks and Lytle on the oil pipeline study and when it will be finalized and using Marc Eckels on rail/oil pipeline to study target markets / refineries. This was raised last month and the CIB is aware that this will come from the oil pipeline study for Duchesne / Carbon. Current estimate is between \$10,000 to \$20,000. Eric Johnson indicated that legal expenses were higher in May because of concerns about CIB funds to be spent on rail extending into Colorado. In addition, legal met with Utah Attorney General to get a clear answer on whether the through put funds must be used or not.

5. Resolution selecting Financial Director – Smuin Rich Marsing (Mike McKee)

If Smuin Rich Marsing is retained as Financial Director then they cannot act as auditor moving forward. Seth Oveson said the bid is in reasonable range. The board concurred with creating a 5-year contract with Smuin Rich Marsing.

Motion to approve by Commissioner Jack Lytle, seconded by Commissioner Lynn Sitterud. Unanimously approved 6-0-1 absent.

6. Resolution supporting safe uranium development (Mike McKee)

Commissioners Phil Lyman and Ken May spoke in favor of the resolution and the importance of uranium mining on the Colorado Plateau.

Motion to approve by Commissioner Ken May, seconded by Commissioner Ken Burdick. Unanimously approved 6-0-1 absent.

7. Resolution approving RFQ on Rail EIS/Engineering (Mike McKee)

The rail project is a multi-stage for EIS & Engineering. This resolution is authorizing finalization and publication of the RFQ. Eric Johnson thanked Venable and Engineering firms for all of their work on the input on the RFQ.

Motion to approve by Commissioner Jack Lytle, seconded by Commissioner Ken Burdick. Unanimously approved 6-0-1 absent.

8. Resolution supporting San Juan strategic plan/trails (Mike McKee)

The Executive Director indicated that San Juan County would like to use some BEAR grant funds for the trails. There is a possibility to match with other funds. This is a resolution in support.

Motion to approve by Commissioner Ken Burdick, seconded by Commissioner Jack Lytle. Unanimously approved 6-0-1 absent.

9. Executive Director Report (Mike McKee)

Rail Study Update:

Video clips were shared from the recent Uinta Basin HydroCarbon Conference which included 1) Matt Cooley of Newfield, 2) Chris Sutton of Crescent Point, and 3) Adam

Sayers of Axia. Potential production of 200k to 300k BOPD (Barrels of oil per day) as opposed to only 80k BOPD today. Brad Horrocks shared how very open the oil producers were and that they said the oil is available and they need help from government. A draft of the Rail study will be available in July, and the Coalition anticipates sharing study results with the CIB. There will be a meeting with the Governor on Monday. In addition, Kathleen Stacks (Office of Energy in Colorado) is setting up a meeting with Governor Hickenlooper. In addition, there was a meeting at Kylie Cannon with the Build American Bureau on RRIF loan. The Coalition should qualify as a rural borrower at half the federal borrowing rate, which presently would be about 1.6%. Mike indicated that there will be a meeting with the Tribes again once the Rail Feasibility Study results are finalized.

Thorium Energy Center of Excellence:

A meeting was held with the Governor's Office of Energy Development. A meeting is scheduled with the Legislative Interim Committee for Utilities, Energy & Technology. There is an upcoming meeting with AlphaTech and all of the commissioners are invited to attend should they choose to do so. Ken May and Jack Lytle indicated they would like to attend.

Leland Bench:

Obtaining final demand volumes for power, water and natural gas. Phase II full buildout plans are being drafted. Timeframe is to be up and running by 2nd quarter of 2021.

10. Resolution supporting Western States Rural Natural Gas Initiative (Mike McKee)

Jordan Clark, Office of Energy Development, explained the need for additional infrastructure for natural gas and for coal to give better access to Pacific Rim markets via Jordan Cove / Coos Bay and Ensenada Mexico. A meeting was held two years ago with representatives from Japan. Mike McKee mentioned that U.S. natural gas is inexpensive and in Asia it is comparatively expensive. Ken May said in the past there has been real difficulty getting Utah products, and especially minerals, shipped off the west coast and asked about opposition. Jordan Clark said good multi-state support, such as this, should help. Mr. Clark indicated that trade with Mexico is increasing and that Mexico is a strategic partner for our natural resources and that China has indicated they no longer want to rely solely on Russia for natural gas and they would prefer to buy from the U.S. if it is available.

Motion to approve by Commissioner Jack Lytle, seconded by Commissioner Brad Horrocks. Unanimously approved 6-0-1 absent.

11. Monthly Infrastructure Report/Study Update (Dan Hawley)

Mr. Hawley indicated that Jones and DeMille are coordinating on Leland Bench Utilities. They have worked with Don Hamilton on natural gas. And, they are looking at other rail line options.

12. Resolution approving Municipal Advisor – Lewis Young Robertson Burningham (Mike McKee)

Eric Johnson indicated that there were 4 RFQ responses for Municipal Advisor and Zions was selected in January. Zions has asked to withdraw as the Municipal Advisor. He also indicated that to date Zions has not provided any support in the capacity as Municipal Advisors. Mr. Johnson proposed the Resolution approving Lewis Young Robertson Burningham (LYRB), whose bid is actually \$50/hr less than Zions, as the Coalition's Municipal Advisor. Commissioner Lytle asked if LYRB is able to start right away and Eric indicated they are ready to start right away.

Motion to approve by Commissioner Ken Burdick, seconded by Commissioner Jack Lytle. Unanimously approved 6-0-1 absent.

13. Closed (executive) Session pursuant to §52-4-205 (Eric Johnson)

No closed session was held

14. Motion to adjourn (Phil Lyman)

It was noted that Ken May was given the Lifetime Achievement Award from the Governor and the Commissioners congratulated Ken on the honor.

Motion to adjourn by Commissioner Ken May, adjourned by acclamation.

Motion to approve meeting minutes by Commissioner _____, seconded by
Commissioner _____.

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

Carbon	Board Member	Yea ___ No ___
Daggett	Board Member	Yea ___ 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 Phil Lyman

Co-Chair Jae Potter

(COALITION SEAL)

ATTEST:

Eric Johnson



SEVEN COUNTY INFRASTRUCTURE COALITION

Financials

July 13, 2018 at 10:00 a.m.
 751 E. Main, Price, UT 84501
 (435) 636-3214

Vendor	Invoice Number	Amount	Description
R.L. Banks & Associates	2	31,525.00	Uinta Rail Feasibility Study
Venable	1968167	7,000.00	Uinta Rail Feasibility Study
CIVCO Engineering, Inc	2018281	32,498.40	I-70 Transportation Corridor
Smuin, Rich & Marsing	38044	2,810.00	Audit Field Work/GASB-34 Conversion
Smuin, Rich & Marsing	37924	2,800.00	Audit Field Work
Mike Mckee	June 2018	248.93	Directors travel June 2018
Seth Oveson	10012	1,250.00	Accounting June 2018
Jones & Demille	0118452	5,620.58	Leland Bench Utilities
Jones & Demille	0118451	919.42	Duchesne to Carbon Pipeline
Jones & Demille	0118450	9,223.38	Uinta Rail Line
Marc T. Eckels	SCIC 6-26-2018	23,441.11	Crude Oil Consultant
Total Payment Approval		\$117,336.82	

APPROVED AND ADOPTED this July 13, 2018.

Motion to approve expenses by Commissioner _____, seconded by Commissioner _____.

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

Carbon	Board Member	Yea ___ No ___
Daggett	Board Member	Yea ___ 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 Phil Lyman

Co-Chair Jae Potter

ATTEST:

Eric Johnson

(COALITION SEAL)

**RESOLUTION NO. 2018-07A
SEVEN COUNTY INFRASTRUCTURE COALITION**

July 13, 2018

RESOLUTION APPROPRIATING \$10,000 FOR THE WESTERN STATES
RURAL NATURAL GAS INITIATIVE STUDY, INCLUDING JORDAN COVE
LNG PORT, AND RELATED MATTERS.

WHEREAS, the Uinta and Piceance Basins produce a significant amount of natural gas, which has sold at a discount compared to the Henry Hub spot price in 2017; and

WHEREAS, the Utah Governor's Office of Energy Development and the Colorado Office of Energy are jointly working together to evaluate how to better access additional markets for natural gas, including the Pacific Rim; and

WHEREAS, currently a proposed port facility in the Coos Bay, Oregon area known as the Jordan Cove LNG facility is being considered together with facilities to economically transport LNG to the proposed port; and

WHEREAS, the proposed port would be the first LNG facility on the Pacific Coast to open access to Rocky Mountain natural gas to the Pacific Rim markets;

WHEREAS, natural gas is an important mineral produced in the Seven County Infrastructure Coalition; and

WHEREAS, improved transportation infrastructure should result in increased revenues to Utah state and local governmental bodies, which are derived from sources such as severance taxes, mineral lease revenues, SITLA revenues, etc.

WHEREAS, based on research and studies performed by the Seven County Infrastructure Coalition or for governmental bodies within the Coalition boundaries, improved transportation and handling infrastructure can be expected to not only increase the amount of production of minerals within Utah, but to also increase the amount paid per unit for the production or mining of such resources; and

WHEREAS, in June 2018, the Seven County Infrastructure Coalition expressed its support for the study and development of infrastructure, in particular the Western States Rural Natural Gas Initiative, to enhance both the price of natural gas produced within Utah, as well as the amount of natural gas produced in Utah; and

WHEREAS, in harmony with the Utah Office of Energy Development that Coalition desires to appropriate \$10,000 for the Western States Rural Natural Gas Initiative study.

NOW THEREFORE, IT IS HEREBY RESOLVED by the Governing Board of the Seven County Infrastructure Coalition to appropriate \$10,000 for the Western States Rural Natural Gas Initiative to study the responsible development of improved transportation and handling infrastructure for natural gas produced in the Uinta Basin and in the Piceance Basin, including the Jordan Cove LNG facilities, which will help assure additional markets for natural gas and should enhance the prices paid for natural gas produced in Utah. The Governing Board of the Seven County Infrastructure Coalition which consists of the following Utah Counties - Carbon, Daggett, Duchesne, Emery, San Juan, Sevier and Uintah – directs the Executive Director of the Coalition to transmit this resolution and the Board’s support to both the Utah Governor’s Office of Energy Development and to the Colorado Office of Energy and to other interested governmental agencies and private entities.

APPROVED AND ADOPTED this July 13, 2018.

Motion to approve resolution by _____, seconded by _____.

SEVEN COUNTY INFRASTRUCTURE COALITION VOTING:

Carbon	Board Member	Yea ___ No ___
Daggett	Board Member	Yea ___ 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 Jae Potter, Carbon County

Co-Chair Phil Lyman, San Juan County

(COALITION SEAL)

ATTEST:

Eric Johnson, Clerk and Legal Counsel



CORPORATE

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435.781.1988

COALITION PROGRESS SUMMARY

June 2018 Board Meeting

Date: July 11, 2018

From: Brian Barton, PE; Michael Hawley, PE; Daniel Hawley

Below is a summary of Coalition projects and the exciting progress made over the past month along with focus areas moving forward through July 2018 with each project. Budget estimates are on a month basis.

PETROLEUM PIPELINE | 1610-304

Work related to this project has slowed down. Any new information related to this project can be scheduled for review by project team consisting of Marc Eckels, TMI, Harris Group, and Jones & DeMille Engineering.

Upcoming Tasks—

- Discussions with Carbon & Duchesne Counties

Estimated Budget <\$1,000

EASTERN UTAH REGIONAL CONNECTION | 1606-265

Partnering meetings are ongoing. The project team continues to discuss public outreach efforts and strategies. The project timeline has been delayed a few months based on local needs.

Upcoming Tasks—

- Attend project team meetings
- Strategic Planning

Estimated Budget <\$1,000

LELAND BENCH UTILITIES | 1711-271

Work on this project over the next few weeks will include working with Vince Memmott with Uintah Advantage about final demands required by the power, water, and gas utilities. A monthly update with Uintah Advantage will be held July 11th. The team will discuss technical questions with Uintah Advantage as part of this meeting. In a phone call with Vince Memmott the week of June 1, 2018 Vince provided numbers for the three power utilities relating to Phase 1 and that additional engineering on their end is needed for Phase 2 (Full Buildout). Schedule for this project is to have utilities to the upgrader site by 2nd quarter of 2021.

Upcoming Tasks—

- Prepare Water Resources Loan Application
- Determine Natural Gas Line Corridor and Alignment
- Update project design criteria for each utility. Coordinate with Uintah Advantage for Demands
- Transmission Power Decision
- Ongoing Discussions with Tribe and other providers.
- Consider withdrawal of CIB application for electrical power.
- Ongoing Coordination with StarPoint Enterprises

Estimated Budget <\$9,000

Our team is working with Bowen Collins (BCA) to define the water pipeline engineering scope assignments. BCA is a carry-over from work previously completed in the area.

Ongoing discussions with utility providers including Moon Lake Electric, and the Ute Tribe are needed to determine the best options for the power line and who would be provided the power to the area.

The Gas and Water utility projects will be treated as additional phases for this overall project. Concept planning is underway to review scope, schedule, and cost for each utility.

We have worked to develop various maps for the different utilities and spoken with interested energy development partners who could become additional customers for the utilities.

This project will continue to be a primary focus over the next month.

Uinta Basin Rail Line | 1803-227

We are providing support to RL Banks as they perform a financial feasibility analysis on the rail line. Several discussions were held throughout the month of June with RL Banks to review the rail line alignment. Conceptual alignment drawing files and GIS data has been shared with them. We will also be working to update technical design criteria prepared for this project.

Our team is compiling a scope, schedule, and cost breakdown of the tasks included in the \$30M request to CIB. Ongoing federal funding coordination with Pam will continue. A meeting with CIB to discuss the application is scheduled for July 11, 2018.

The project team will be working with Director McKee as we look to bring in other consultants to assist with design, environmental, and revenue generating analysis for the project as laid out in the CIB application.

Project is a priority focus.

CATEGORY 8, ONGOING SERVICES | 1612-013

There are various phases associated with the ongoing services project for the Coalition. Below is a summary of the primary phases underway for the past month as well as efforts anticipated over the next few weeks:

➤ **Technical and Board Tools:**

This project consists of several phases and includes work for initial project review through the scoring matrix. We have been putting much of our efforts into updating the Coalition website to reflect new projects being reviewed by the Coalition such as the Uinta Basin Rail and Ridge Road. Discussions on these projects are preliminary and more information is needed to perform an in-depth review of the projects.

Ongoing website updates are in progress to provide more detailed information to the board and educate the public on projects and Coalition direction.

➤ **Thorium:**

Our team continues to work with molten salt power generation entities and local governments to determine the most feasible locations for such a facility within the Coalition boundary, based on infrastructure availability. We will work with Dr. Memmott with BYU to prepare a technical memo showing project assumptions and work completed for this concept project. A meeting was held in Emery on July 10, 2018 to discuss this project in more detail.

➤ **Daggett & Uintah Trails Plan:**

Ongoing technical coordination is anticipated with the project delivery team of Civco and Sunrise.

➤ **CIB Coordination:**

We are working to find ways to deliver information to CIB board members to keep them up to speed more efficiently. Project applications will be reviewed, discussed, and presented to the CIB in coming months.

➤ **General Technical and Strategic Support for Executive Director:**

We continue to provide general support for Director McKee for presentations, outreach, funding partner development, technical needs, mapping, etc. Many meetings have been held with key producers, funding agencies, property owners, and other entities to accelerate the success of the Coalition's projects.

Upcoming Tasks—

- Conceptual Alignment Development
- Work with RL Banks to develop design criteria for technical memo
- Environmental Analysis
- Ongoing funding partner coordination
- Coordination with various subconsultants for project.
- **Estimated Budget <\$12,000**

Upcoming Tasks—

- Ongoing Coalition Board tools update - \$1,500
- Update website project flow chart and individual project sites. - \$1,500
- Technical Memo development for Molten Salt Reactor Project - \$1,000
- Additional coordination for Molten Salt Reactor Project and meetings in Emery – 2,500
- Coordinate conceptual potential revenue assumptions for Leland Bench Utilities, and Uintah Rail Line with Cody Deeter - \$3,000
- Ongoing general coordination with CIB staff - \$500

Estimated Budget <\$10,000



We appreciate the opportunity to work with the Seven County Infrastructure Coalition as it works to improve economies and infrastructure throughout its boundaries and beyond. Please feel free to contact us with any questions.

