

Six-Seven County Infrastructure Coalition Meeting
February 6, 2015
Carbon County Event Center
Price, Utah

Final Minutes

Voting Board Members present: Bruce Adams, Mike McKee, Jae Potter, Keith Brady

Also present: Eric Johnson, Tami Ursenbach, Seth Oveson, Irene Hanson, Alan Walker, Dr. Scott Hill, Ryan Streams, Brian Barton

1) Welcome – Bruce Adams

2) Minutes - Bruce Adams

Jae Potter made a motion to approve the minutes from the December 3, 2014 meeting, Keith Brady seconded. Motion carried.

3) Discussion of Vision and Purpose of Coalition – Mike McKee

Mike McKee said as we come together, we should have a vision of how we want to make the Coalition work. We've set aside fifty million dollars for rail which at this time is not feasible. There are other forms of transportation that could be used and why not use these funds to help build the infrastructure for meaningful projects. We now have legal counsel and engineering on board. We hope to hire a director who could go and visit each County to focus our visions and plans as we move forward.

Jae Potter said there is power with uniting together and Eastern Utah economies have an opportunity to grow. These projects may not be in every Coalition County and they may impact non-member counties, but the opportunity is now. We need to take a long term view as Mike has said. The counties will have ownership and income from projects. The CIB is still funding projects, and seeing great returns. It behooves all of us to work together and look at the opportunities to expand. There are projects other than energy related but we also have more political influence in the State of Utah. We have great representatives that stand with us. We have a window of opportunity right now to see some good things happen to our economies.

Bruce Adams said there is real value in working together. We have energy resources from Daggett to San Juan Counties, all in Eastern Utah. It is good to unite and help each other manage these resources.

4) Discussion of Role of community Development Directors – Mike McKee

Mike McKee would like to recognize the Economic Development directors from each County and appreciate all that they do. They are extremely involved and an important part of the coalition. We need to make sure we are correlating, communicating and tying all the knots together so that it is collaborative and effective.

Jae Potter said as the Governor's Office of Economic Development hires a new director for Rural Economic Development, the rural Utah voice should become larger and different from the past. This is one more piece to the coalition and a new opportunity for representation for rural Utah.

5) Finance Director Report and approval of expenses – Seth Oveson

Seth Oveson reported that \$98,579.25 was received from the State of Utah for reimbursement for the rail line project. This money was the only activity. Mike McKee asked about the status of payment to Venable LLP. Seth received a check on Tuesday and he will be able to release the payments.

The money received was from UDOT and not from the CIB. There was one claim for CIB money which is still pending. IT was noted that part of the expense report information came in after the packets had been put together and distributed.

6) Resolution to approve insurance policy with UCIP – Seth Oveson

Seth Oveson – At the last meeting the coalition requested an insurance policy with UCIP. This information was provided and Resolution #2015-02-06A created. The cost will be \$9,503.00, annually.

The Resolution was reviewed. Bruce Adams disclosed that he is the chairman of UCIP.

Jae Potter made a motion to approve Resolution 2015-02-06A, the insurance policy with UCIP. Keith Brady seconded. Motion carried.

7) Resolution to approve contract with Jones & DeMille Engineering for Infrastructure Study – Bruce Adams

Brian Barton from Jones & DeMille said he appreciates being selected to work with the Coalition. They have been collaborating with Eric Johnson in writing a resolution that works for the Coalition. The proposed total for the contract was 1.74 million but it has been reduced to 1.69 million.

The only adjustment made to the agreement was the cost. Jones & DeMille have added several elements to the scope of work. These additions are outlined in the packet in Category 8. Brian reviewed the adjustments made to Category 8 and reiterated that projects come from planning and Jones & DeMille needs the ability to evaluate opportunities for the Coalition so that good decisions can be made.

This agreement is only for the infrastructure study but the Coalition has the option to use Jones & DeMille to do additional work beyond the study. The pipeline study is included in this agreement but the Coalition can hire other technical and engineering sources. The RFP is outlined for continuing professional services.

Brian was asked what reports would be given to the Coalition Board as the study progresses. Brian said that on a weekly basis the Board would receive a status update of where Jones & DeMille are at and what steps have been completed. On a monthly basis they would give a status update in the formal board meetings. At the end of the project there will be a final report and the written documents, GIS tools and conceptual cost estimating information will be available for assessment.

It was requested that each County receive a map identifying existing corridors and easements that connect with the next county. Brian said this will be part of the bigger plan. The idea now is to develop cooperation and collaboration amongst the counties. This study is to look at big possibilities and each County is part of that picture, later on each County will be provided with a map.

Brian said the next two months are important for data gathering. There are Basin specific issues, discussions will be important and should include GIS departments and Economic Developers in order to share critical information. We have a large area to look at but there are sub-regions within it that will have specific issues.

Jae Potter said it seems to be an ever changing field of opportunities and possibilities. This is why this study is important so that we are in the position to take on bigger projects because it is not just the infrastructure in the counties that we are working on but it is the collective region as a whole. If a company is brought in by the private sector then we are prepared of that kind of growth.

Brian was asked about the territory the study covers. Brian feels that it is important to gather the existing infrastructure information within the Six Counties but it is also important to understand Grand County's existing facilities. The scope of this plan includes the gathering of information in Grand County, so a full picture can be prepared.

Jae Potter mentioned the high resolution aerial photography that has been completed across the entire State. This is a powerful tool the engineers could use.

Brian wants the process to be very interactive. The GIS tool will allow adjustments to be made and notes to be added as the project proceeds. This will also include data transfer to those who have access. Jones & DeMille want the Coalition to see the data build over time.

Keith asked if the payment is made in a lump sum. Brian said the payments will be spread out in progressive payments as time passes. It is only listed as a lump sum for budgeting. Jae Potter pointed out that Exhibit C (Article 4 Payments to the Engineer) reads "the Lump Sum is payable in monthly progress payments as the work is completed and delivered".

Jae Potter made a motion to approve Resolution 2015-02-06B; approving and authorizing a contract with Jones & DeMille Engineering for infrastructure study and related matters, with the adjustment of price not to exceed 1.69 million with progress payments being made as to the services received. Keith Brady seconded. Motion carried.

8) Monthly Report on Infrastructures Study – Jones & DeMille

Included in agenda item #7

9) Presentation of Joint Industry Study on options for piping waxy crude oil – Alan Walker

It is clearly understood that any sensitive, critical or priority information will not be disclosed. This study will be an open process but some information will be protected.

Introductions were made by Alan Walker, director of USTAR Eastern Technology Outreach and Innovation Program, who has a background in Petroleum Engineering. He was accompanied by Environmental Scientist Ryan Streams an analyst for USTAR, and Chemical Engineer, Dr. Scott Hill from Utah State University.

The Utah Energy Research Triangle is currently conducting a study of waxy crude characterization at the University of Utah in conjunction with Utah State University and Brigham Young University. This study affects the Six Counties Coalition and the three counties between the Uintah Basin and Salt Lake City.

The funded amount for the study is \$128,333. This research is on schedule and expires at the end of February with a final report due in March. The study is not proprietary and it was asked that the data be emailed to the Coalition board members.

The preliminary results of the study were explained by Alan Walker.

The researchers would like to continue this study beyond February and are looking for \$200,000 in funding to continue for an additional 1 ½ to 2 years.

A question concerning patents was asked. They don't envision any patents because blending is done all the time in the industry. This research will optimize the money spend on transportation. Because public money is being used to gather the data, the information will be public. They are not focusing on any one project but what may evolve over time in the industry.

The Coalition appreciates Utah Energy Research Triangles' presentation and will evaluate the information given. Jae Potter said the funding is date sensitivity because at the end of the month, the researchers will move on to another project. There is a 60 to 90 day deadline for further funding.

10) Motion for closes (executive) session pursuant to §52-4-205

Eric Johnson asked for time before moving into the executive session. The March meeting is scheduled for March 6th in Price. He asked if the meeting needed to be moved to Salt Lake due to the Legislative Session. It was discussed and decided to keep it in Price for now.

Eric will call each board member before each Coalition meeting so that everyone understands what is on the agenda. Not everyone is receiving the email updates.

Mike McKee made a motion to leave the executive session, Keith Brady seconded. Motion carried.

Mike McKee made a motion to leave the executive session, Keith Brady seconded. Motion carried.

Mike McKee said if we are to consider funding the \$200,000 request then it should go to the CIB first and not as a grant request from the Coalition. They were all in agreement that it should go to the CIB. It was asked who funded the original grant and could the CIB fund part of it now. The problem is that the funding needs to be in place by the end of March.

Jae asked who would apply to the CIB, the research group is not eligible could we say we have a favorable recommendation. This is not a lot of money compared to the potential benefit. Eric will follow up with Alan and find out where their previous funding came from and why that entity is not going to fund it further. Eric will report back to the board and Gordon.

It was asked who could be in Salt Lake next week and meet with Gordon. It was decided that the Coalition Board co-chairs and Eric will meet on Thursday at 2:00 p.m. in Salt Lake City with Gordon.

11) Motion to Adjourn

Jae Potter made a motion to adjourn.

Bruce Adams, Co-Chair

Seth Oveson, Treasurer

Mike McKee, Co-Chair