



SEVEN COUNTY INFRASTRUCTURE COALITION
MEETING MINUTES
May 15, 2020 at 8:30 a.m.
Electronic Meeting
(435) 219-1362

Board Members Present: Casey Hopes (Carbon County), Jack Lytle (Daggett County), Greg Miles (Duchesne County), Lynn Sitterud (Emery County), Willie Grayeyes (San Juan County, joined 15 minutes into the public meeting), Garth (Tooter) Ogden (Sevier County), and Brad Horrocks (Uintah County)

Also, in attendance: Mike McKee, Eric Johnson, Brian Barton, Mike Hawley, Doug Rasmussen, Kristi Sharp, Heather Hoyt, Melissa Cano, Kevin Keller, Mark Hemphill, Pam Juliano.

Attended telephonically: All

Absent: None

Others Present: Commissioner Irene Hansen, Commissioner Bart Haslem, Kelly Carter, Devin Pehrson, Jeremy Patterson, Mitch Holditch, Richard Bartel, Bob Bach, Mark Michell, Greg Todd, Tim Fisher, Troy Ostler, Reed Page (Please notify staff at 435-219-1362 of any spelling corrections.)

NOTE: Due to the Coronavirus, dial-in participation was offered. Dial-in numbers were as follows:

Join Zoom Meeting

<https://zoom.us/j/93958643668>

Meeting ID: 939 5864 3668

One tap mobile

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1. Welcome and introduction (Lynn Sitterud)

Commissioner Sitterud opened the meeting and asked for a motion to go into closed (executive) session.

2. Motion to enter closed (executive) session pursuant to Section 59-1-404 related to real estate acquisition, potential litigation, professional competency and trade secrets was made by Commissioner Hopes, seconded by Commissioner Lytle.

Roll call vote 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 ___	No ___	Absent
Sevier	Board Member	Yea X	No ___	
Uintah	Board Member	Yea X	No ___	

Unanimously approved. 6-0-1 absent.

NOTE: Using a Zoom break out room the applicable board members and staff joined at a separate electronic location for closed session. The public remained at this electronic location. The board rejoined after closed session was complete.

Motion to leave closed/executive session made by Commissioner Lytle, seconded by Commissioner Horrocks. Approved. 6-0-1 absent.

3. Public Comment (Lynn Sitterud).

Public comment was limited to electronic submission at 7countyutah@gmail.com Comments were forwarded to the Board Members and summarized in the meeting minutes. A complete copy of comments can be requested at the email address provided herein.

The only comment received was from Stan Holmes who requested information about the status of the Central Utah Rail Project and the role of the Sevier County Commission in both projects. He, also, asked when an updated RFP for the satellite logistics project would be posted?

4. Approval of Meeting Minutes for April 17, 2020 (Lynn Sitterud)

Motion to approve April 17, 2020 meeting minutes by Commissioner Ogden, seconded by Commissioner Horrocks. Approved. 6-0-1 absent.

Roll call vote, to make sure every electronic vote was counted, 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 ___	No ___	Absent
Sevier	Board Member	Yea X	No ___	
Uintah	Board Member	Yea X	No ___	

Approved 6-0-1 absent

5. Report on San Rafael Research Lab.

Commissioner Sitterud stated that due to the lack of funding from the State Legislature they have been seeking other funding sources. They are close to putting out a request for proposals for constructing the nuclear lab. They continue to work toward a contract with the English company they believe will be their first customer.

6. Report on Satellite Transportation Hub.

Commissioner Ogden stated that with Covid19 this project was moving slowly. Jack Hedge, the Inland Port Director, was looking to release the draft business plan. This should help the public better understand the project. The following geographical areas have expressed interest in the hub – Box Elder, Tooele, Carbon and Duchesne, and Beaver and Emery. His county (Sevier) is still working on concepts for a trucking transportation hub because of the freeway interchanges located nearby.

7. Report on Uinta Basin Railway Project.

Commissioner Miles took the lead on this discussion. He reiterated that there are so many moving parts on this project and so much that goes on behind the scenes to keep moving this forward. He appreciated everyone that works tirelessly. There are still studies that need to be done. He stated that he believes this project will benefit the whole State of Utah and not just the eastern part of the state.

8. Executive Directors Report.

Director McKee began by referring the board back to last November and Resolution 2019-11D concerning cost recovery with the BLM on the Eastern Utah Regional Connection. That agreement is now fully signed and he just wanted to inform the board and make this part of the official record. Work on that project has begun.

He next spoke about a letter received from the Ute Indian Tribe, dated May 11, 2020, concerning “Involvement of the Ute Indian Tribe in Developing Commercial Terms for the Uintah Basin Rail Project”, signed by Chairman Luke Duncan. He was very appreciative of the letter and read it, in full, for the board and public to hear. The letter is posted on the Seven County

Infrastructure Coalition website, www.scic-utah.org. To read it, once at the website, go to the “Meetings” tab, then select May, 2020.

Next, Director McKee mentioned that they had been working on budgets. The rail schedule is very aggressive so they are trying to make sure the monies are properly allocated within budget categories as the project moves along. They have had to make some budget line adjustments, which will be discussed later in the meeting. It is the hope to have everything signed and ready to go by the end of the year – but, that may be a little aggressive.

Another change that has been made is to move Strategic Communications from HDR’s responsibilities to Jones and DeMille. This should be a seamless transition and should be completed by May 11th. There should be some budget savings. Melissa Cano, who has been the lead on Strategic Communications, will continue the work she is doing. There will be more focus on local advertising and communications.

Director McKee next recognized the board members and the work they are each doing on various projects. There is a lot going on – right-of-way planning, Sage Grouse mitigation, Forest Service permits, cultural resources and rock art, to name a few. There are resource values that are being looked at and reviewed. It is understood that the draft Environmental Impact Statement (EIS) from the Surface Transportation Board (STB) should be coming out later this summer. There will be another opportunity for the public to give comment at that time.

As concerns the Research Center, our thanks go to Commissioner Sitterud and the Emery County Commissioners, along with Commissioners Hopes and Ogden who collectively are working to promote this research center.

In reference to the Eastern Utah Regional Connection project, there will be boots on the ground today as Phase 2 begins. It is moving along. Currently, biological assessments are being worked on.

Time was turned over to Kevin Keller, with HDR. To date, he stated, we have submitted environmental baselines, technical memorandums on biological resources, aquatic resources and cultural resources. Currently, they are working on the Sage Grouse Mitigation Plan, Section 106 Cultural Resources, in conjunction with the Surface Transportation Board, Utah SHPO (State Historical Preservation Office) and with the Ute Indian Tribe. They are starting to look at the permitting requirements, there are many, working with the U. S. Army Corp of Engineers and the U. S. Environmental Protection Agency. They are making really good progress with the Surface Transportation Board requirements. Their technical team really appreciates all of the support they get from the Seven County Commissioners and Executive Director McKee.

Commissioner Ogden asked if they were still within budget on the rail project and if they were still within schedule? Director McKee stated that they are doing really good at keeping within budget. As to scheduling, they had hoped for a Certificate of Construction by December of this year. They knew that was extremely aggressive and it still might happen, but the draft EIS won’t be out until late summer, possibly until the end of September. If that happens it will push the permit into the first of next year. The Surface Transportation Board is driving this schedule.

Kevin Keller confirmed that Director McKee was correct. The Surface Transportation Board (STB) has been taking a really hard look at this project. HDR has turned over a lot of filed data and technical reports to the STB that they are now working through. Once the Draft EIS is released there will be public hearings and meetings. All of these things take time. So, it may be February 2021 before there is a final, approved environmental document.

9. Engineers Report

Brian Barton began talking about the rail project and budgets. One of their assignments is to proactively track the projects, consultants, and perform budget control. Brian turned time over to Mike Hawley.

Mike Hawley referred Commissioners to the tracking tools he had sent them prior to the meeting. He specifically called their attention to Milestone 1 and Milestone 2 for the CIB funding received for the railroad project. These schedules show the percent complete on each project and all of the expenses to date. Currently, they are 57% complete with Scope of Work utilizing 55% of the budget. They are trending slightly ahead as far as budget is concerned. Initially, the budgets extended to December 2020. Because of the difference in our current time table, as discussed by Kevin Keller, we have adjusted our final EIS end date to June 2021, which is beyond the originally expected time frame by several months. Overall, we are ahead of schedule and under budget.

Commissioner Ogden stated that it is very important they not get to the end of this project and run out of funds. This project must be built and it looks like everyone is doing an excellent job of controlling the funds. Due to Covid19, the State is experiencing a financial short fall and there will probably not be an opportunity to go back for additional funds for a couple of years. He expressed that they may have to tighten belts but this is the number one project.

Mike Hawley added that in addition to this budget there is a contingency fund of a little more than a million dollars. Overall, at this point, the project is doing very well.

Commissioners Horrocks and Lytle both expressed appreciation to Jones & DeMille and HDR for monitoring this project so carefully.

Brian Barton stated that all of the consultants have worked very hard to keep the original budgets submitted for this project and plan to continue with deliverables through June of 2021. They continue to work on the San Rafael Research Center. It is a unique project with unique components. It will be a great thing for Castle Country and for the rest of the state, once we get this testing facility enabled. They are continuing to work on strategic planning as far as the facilities and implementation.

Things have been pretty quiet with the Navajo Mountain Road project. Currently, the Navajo Tribe is busy dealing with Covid19 issues. Commissioner Grayeyes thanked Brian Barton for his comments and said that he was indeed correct. The focus of the Navajo Nation and communities has been the pandemic. They have been hit hard. The Navajo Nation is expecting to receive \$600 Million dollars to help combat the virus impacts. One of the recommendations is to use some of this funding for infrastructure such as water, roads and broadband. He is hopeful

some money might be set aside for this road project. He is also hopeful some money might get allocated for water infrastructure.

Brian Barton continued noting that they are looking at some concept planning for a natural gas, nitrogen fertilizer facility to possibly be located in the Carbon County area. This will be discussed in more detail later in the meeting.

His team has also been working to refine the project ranking matrix. It is a great tool and they look forward to using it on the Natural Gas Fertilizer Facility concept. He hopes, in the next couple of meetings, to conduct a workshop to help the Commissioners better understand the planning tools they have at their disposal. As Seven County looks at obtaining funding for future projects these planning tools become very important.

10. Resolution 2020-05A – Discussion and consideration of Amendment No. 2 with Drexel Hamilton – Rio Grande Pacific and, also, adding the Ute Indian Tribe as a signatory party to the agreement.

Executive Director McKee began by reminding the board that approximately a year ago they entered into an agreement with Drexel Hamilton/Rio Grande Pacific. At that time, it was anticipated that eventually the Ute Indian Tribe would become an additional partner. The agreement stated that there would be up to 5 years allowed to commercialize the project. In addition, it had another provision allowing up to 1 year (June 1, 2020) to demonstrate they could move the project forward and make it viable. June 1, 2020 is fast approaching, in fact only 16 days away. We believe we should all move forward and an amendment to the original MOU extending this date be adopted. This proposed, amended MOU has a second paragraph that Drexel Hamilton has asked be stricken and negotiated in a separate agreement. Then, in addition to extending the date, the Ute Tribe would like to be added as a signatory to the agreement.

Covid19, along with Russia and Saudi Arabia, have had a negative impact on oil and gas prices. But despite this challenge everyone feels positive about the project and plans are still to move forward with the rail project. Because of this set back, it is proposed to move the June 1, 2020 date to March 31, 2021. Drexel Hamilton has approved the Amended MOU with the removal of item number 2.

Commissioner Lytle had a question concerning the Ute Tribe's interest and participation as a principal signer of the MOU. Is the Tribe willing to move forward with this if item number 2 is removed?

Eric Johnson, attorney for Seven County, explained that the request is to drop item number 2 and extend the date of the current MOU. That would allow everyone to sit down with the developer and with the Ute Indian Tribe and to get a fuller agreement in place with additional terms that the Tribe has suggested. There really has not been enough discussion about what the language should look like in making the Ute Indian Tribe a party to the agreement. It is proposed that these discussions could move forward in the next week or so.

Mark Michel, with Drexel Hamilton, next weighted in. He wanted everyone to know that they had no problem with the Tribe being added as a partner to the MOU. But, the recitals in the MOU would need to be edited to reflect the addition of a new party. They would like to reiterate that before moving forward today, they would request item number 2 be stricken and dealt with in a separate agreement. With that change, they would ask that the date of June 1, 2020 be advanced to March 31, 2021.

Next, the Tribe's representatives on the call were asked to share their thoughts. Devin Pherson spoke representing the Tribe. He reminded everyone that they had only just received the revised MOU a few minutes ago. They would ask for additional time to review the document to make sure the language the Tribe had contemplated was in there and to provide feedback. The Business Committee will also need time to review this and offer their comments and feedback. He didn't think it was going to take a long time and they would try to be sensitive to the Coalition's June deadline.

Commissioner Horrocks asked if it was possible to adopt the MOU as concerns the date extension today, for Drexel Hamilton, then address adding the Tribe as a signatory? Mark Michel responded that they would be alright with that as long as they could see the date extended today. Then, next week everyone could work on the meat of the agreement, at which time the Tribe's needs could be articulated and its interests and concerns memorialized.

Commissioner Lytle addressed a question of Devin Pehrson. He asked if Devin saw the value in just extending the date of the MOU today? How would they see this moving forward for the short-term? Devin responded that making the June 1st deadline and making all the changes to the MOU might be tight for them. The Business Committee had expressed two primary concerns with the initial MOU. If the item spoken of by Drexel Hamilton was struck and the provisions initially noted by the Tribe were addressed that didn't seem like a lot of deviation and change and should be something that could be reviewed quickly. He could recommend for the council to support this, as long as contractual agreements continued to develop and take shape.

Director McKee made a suggestion. It seemed that everyone was on the same page. We are wanting to extend the agreement and create an agreement that works well for all of the partners. We may need a little time to craft that agreement. But we want to move forward. We need to extend the time but we need just a little time to pull that language together. There has to be enough trust among all of us to work toward this common goal. If need be, we could call a special meeting to finish this up.

Commissioner Grayeyes asked where the State of Utah stood concerning this project? Director McKee stated that, generally, the State of Utah has been very supportive of the project. Further, the Coalition is a political subdivision of the State of Utah. Commissioner Grayeyes affirmed that answer and stated that the Ute Indian Tribe is a sovereign nation.

Devin Pehrson responded stating that the Tribe is engaged with the federal government, which has a trust responsibility, and the government has an obligation to act in the Tribe's interest as a trustee. He went on to say that they are engaged with the federal government through the Surface Transportation Board and other federal agencies. But, the interest in the railroad is

multi-faceted in that the Tribe is the sovereign and the government is an agency. But the Tribe is not a public agency and is not required to follow the same public disclosure requirements. The Tribe doesn't operate under State law, similar to the Navajo's situation. So, they have a lot of flexibility to negotiate the Tribe's position with the private sector and proponents of this project and the private developers. The Tribe has been engaged with these parties since pretty early on, when the seeds of the railroad were planted. They have tried to determine what would be in the best interest of the Tribe and the Tribe's membership as this project is taking shape.

Director McKee added that he would come back to his original question, looking for a recommendation. He stated that he heard loudly that the Tribe would like an opportunity to review this MOU. They don't want this just in words but in action. They, also, would like an opportunity to help craft and develop this agreement. What he was hearing was that everyone just needed a little more time.

Commissioner Miles wondered if there would be any value in approving the Amended MOU today, as it is presented, then work out the details with the Tribe which he believed everyone recognized was long overdue?

Commissioner Lytle stated that if we were to extend the current MOU for the sake of Drexel Hamilton/Rio Grande, recognizing that full ratification would be contingent upon the Tribe's full involvement and the need to go through the Tribal Council, is there a way to move this forward with contingencies? It seems that our goal right now is to extend this so we don't come up against the June 1st deadline.

Commissioner Horrocks asked, if this agreement expires June 1st and we do not write a letter to terminate the agreement, then things just continue forward as usual, correct? Mark Michell answered saying he believed that was correct. This is a 5 year agreement with a 1 year out to allow Seven County an opportunity to discontinue if they were not satisfied at this point. At the end of that first year, if Seven County wanted out then they would have to serve notice to that effect. Unless a notice to terminate is provided, the MOU stays in full force for the period of 5 years. The attorneys may have a different view, but their view is that without a notice to terminate everything keeps moving forward.

Commissioner Horrocks suggested that they could just keep moving forward until Mr. Pehrson is able to provide the Tribe's language to be included in the agreement. So, it seems like there is no urgency to move forward today until the Tribe has an opportunity to consider this and respond.

Eric Johnson stated that he agreed that the MOU continues unless some affirmative action is taken. If no action is taken today then everything continues until such time as action is taken.

Mark Michell added that from their perspective and security, they would like the date pushed out to March 31, 2021. To not do that basically puts them on a 30 day tether on a continual basis. It is also their intention to bring a definitive agreement to the table in the next few days, with all parties involved to include the Tribe. That would then be the governing document that would go forward and the MOU would cease to exist, once they got a full agreement signed.

Extending the date to March 31st would give plenty of time for the markets to stabilize and become buoyant again. During that time, they have full faith and confidence that all parties will have ample time to negotiate in good faith on the full agreement. They would seek to have that completed by the end of summer. Having an additional party at the table would realistically mean it takes a little more time to complete the agreement.

Commissioner Lytle asked Devin Pehrson if anything being proposed today was in opposition to the Tribe's letter read earlier? He believed it was important that nothing in the MOU be seen as antagonistic to the Tribe's positions stated in the letter.

Devin Pehrson answered that the letter highlighted 2 points of concern. Extending the MOU today with the same provisions might be perceived as a blatant disregard of the Tribe's expressed concerns.

Mark Michell asked Mr. Pehrson to remind him specifically of the 2 concerns as he did not have the letter in front of him. Mr. Michell went on to say, if he remembered correctly, the Tribe wanted to be a signatory with recognition of the Tribe's terms that would be memorialized in the agreement. Rio Grande does not have any problem with those things and they have no desire to make any alterations to the Tribe's term sheet. The question becomes today, how do we allay the Tribe's concerns in a way that is agreeable to both sides?

Commissioner Lytle stated that his reason for initiating this conversation was to determine if anything could happen today to move this forward. Mark Michell asked Devin Pehrson if they removed paragraph (item) 2, he thought that addressed most of the Tribe's concerns, then adding the Tribe as a signatory should produce a document with which everyone could move forward.

Devin Pehrson responded that Mr. Michell had represented the bulk of their concerns. There were still issues with communications and discussions, what certain parties could and could not discuss with each other. That was another sticking point for them. But he wanted everyone to be aware that he was not in a position to agree to anything today. He could offer suggestions and help reclarify statements made in the letter, but after that all he could do was take this back and present it to the Business Council. So, he believed, removing those two issues would go a long way to satisfying the council's request.

Mark Michell stated that he totally understood that position and suggested to the Seven County board that Drexel could agree to the MOU with item number 2 removed, then allow the Tribe the time it needs to go over the MOU, as it has requested.

Director McKee said that he would recommend, in light of what everyone had said, that nothing be done today. He thought it was clear that everyone respected the various positions and there would be benefit to giving the Tribe a couple of days to go over all of this and then bring it back before this board.

Commissioner Horrocks suggested if they could reach agreement on this then they could call a special meeting so they could get this wrapped up timely. Mark Michell stated that they could be fine with doing that.

Commissioner Miles added that he did not believe there was any intention, on the part of Seven County, to go shopping for a new private partner. He believed Drexel’s position was secure. He wondered if they could set a date for a special meeting right then? Mr. Mitchell stated that Drexel could support that idea. Commissioner Miles stated that he would like to see this wrapped up before the June 1st deadline. His goal would be to provide a level of comfort for both Drexel Hamilton and for the Tribe.

Commissioner Lytle asked Devin Pehrson if this would meet his needs? Mr. Pehrson replied that this was more favorable over trying to ram something through today. Please remember that he cannot promise anything but that he would do his best to get a revised agreement before the Council as soon as possible. Mitch Holditch, an attorney for the Ute Tribe, weighed in that a quick review of the MOU did not reveal any substantial issues. So, he supported the things Devin Pehrson had said and they would do everything they could to meet that deadline.

Commissioner Miles made a motion to schedule a tentative special meeting for May 29th at 10 a.m. to address adopting the amended MOU. Resolution 2020-05A will be postponed until that time. A second was offered by Commissioner Hopes.

Roll call vote, to make sure every electronic vote was counted, 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 ___

Approved 7-0-0 absent

11. Resolution 2020-05B – Discussion and consideration of ratifying contract with Jonathan Stearmer.

Director McKee began the discussion by saying that Mr. Stearmer had previously been used to perform legal work relating to right-of-way and Sage Grouse planning. This would be an extension of the work we had previously done. This would predominately be for the rail project Sage Grouse planning and mitigation and would not exceed \$10,000. There is a special Legal Work Fund that this money would be taken out of. Today, we are seeking to ratify this contract with Jonathan Stearmer.

Commissioner Ogden asked if this will complete what we are needing him to do for this project? Director McKee responded that this should complete all we need him to do and we will probably not need the full \$10,000.

Resolution 2020-05B authorizing the ratification of a contract, not to exceed \$10,000, with Jonathan Stearmer was made by Commissioner Lytle, seconded by Commissioner Horrocks. Unanimously approved. 7-0-0 absent.

Roll call vote, to make sure every electronic vote was counted, 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 ___

12. Resolution 2020-05C - Discussion and consideration of budget line adjustments for the Uinta Basin Railway Project.

Executive Director McKee began by stating that, initially, there was a budget for the rail project that was approved by the Community Impact Fund Board (CIB). Over time money has been moved between categories to facilitate what we have been doing. In addition to the initial budgeted amount, there is a contingency fund of over one million dollars.

Time was next turned over to Brian Barton to discuss line item adjustments. Earlier, when Mike Hawley presented the budget sheets, you may have noted that there were several cost tracking categories. At the beginning of a project you project the amount of the budget that will be needed in each category. As the project progresses there is always a need to adjust those allocations to fit the actual project. In doing this responsibly, risk has to be considered. Where in the project is the greatest amount of risk?

Time was turned over to Mike Hawley who went top to bottom reviewing the Milestone 1 and Milestone 2 budgets noting the required adjustments. At the end of this discussion he stated that the total project budget is \$26,879,513 and the contingency fund is \$1,020,486.

Director McKee took over the discussion noting that the budget was in outstanding shape. Today, he wanted to bring the board up to speed on the budget and the line item adjustments. The budget is constantly being evaluated and in a state of flux. He is seeking board approval for the line item changes, as set forth by Mike Hawley.

Resolution 2020-05C allowing and approving budget line adjustments for the Uinta Basin Railway Project was made by Commissioner Grayeyes, seconded by Commissioner Horrocks. Unanimously approved. 7-0-0 absent.

Roll call vote, to make sure every electronic vote was counted, 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 ___

13. Resolution 2020-05D - Discussion and consideration of allowing the Executive Director and Finance Director to make budget line adjustments, as needed, as long as category totals are not exceeded.

Accountant, Doug Rasmussen began this discussion. In addition to an approved budget, which all board members had a part in creating, they are trying to streamline daily financial operations. Per Utah Code, a board can move budgeted line items and expenditures from one line to another. Also, the code allows for a policy to be adopted authorizing certain individuals to make those line item adjustments. They are not looking to change the overall approved budget amount, merely proposing that Director McKee and the Financial Director have the authority to make those line item adjustments, as needed. They would also propose the resolution include that any adjustments be brought back before the board for ratification.

Executive Director McKee added that this accomplishes, on an ongoing basis, what they just did in the prior resolution (Resolution 2020-05C). Rather than bring every adjustment before the board as it happens, they'd like the authority, similar to many County budgets, to annually notify the board of these line item adjustments and ratify them annually. Of course, they could bring them before the board more often, if that was the board's preference.

Brian Barton added that as they go through these projects there is a need to consistently monitor the budgets and make changes and adjustments when and as needed.

Commissioner Horrocks stated that he could see the need but he wondered if they couldn't at least email the co-chairs and seek approval of changes as they went along?

Commissioner Miles stated that he didn't know why this need existed where they met monthly and could review the budget needs as presented on a monthly basis.

Commissioner Hopes agreed and did not see the urgency of making this change. He wondered why they couldn't just make the adjustments on an ongoing basis. The code allows for them to operate with line items in the negative as long as they are fixed by the end of the year.

Director McKee stated that he was comfortable with just bringing the adjustments in at the end of the year or more often, whatever the board preferred. They were just trying to be extra transparent. They were concerned that the board might want to be more hands on as they made adjustments instead of just bringing them forward at the end of the budget cycle. If the board is

okay giving them the flexibility to make these adjustments as they go along, then they are fine with that.

Commissioner Hopes stated that he didn't know how other counties do it, but in his county if money is shuffled around in department budgets they are notified and the it is approved in a public meeting, sometimes at the end of the year.

Commissioner Miles asked Doug Rasmussen if this created a general ledger nightmare for them? Mr. Rasmussen responded that while it does create adjustments that need to be made, unless there is a lot of them, on a regular basis, it does not impact the financials. It doesn't take that long to do these adjustments on a monthly basis. This is already provided for in the Utah Code. It allows for these changes to be made, as needed, then to just bring them back to the board. We just wanted to make sure the board was aware these adjustments were being made. This resolution would provide the opportunity for line item adjustments to be made and then brought back for approval. Just to be clear, they are not changing the total adopted budget. These line item adjustments can be done at any time and if the board would like to approve them at the end of the year, that would be fine.

Commissioner Grayeyes suggested the resolution be clarified to refer to "budget line item adjustments". Mr. Rasmussen stated that could be clarified.

Commissioner Ogden suggested it just be left alone. He didn't see that there was a major issue. As Commissioner Hopes had stated, many counties just made these adjustments at the end of the year. If something comes up that the board needs to know about it can easily be dealt with in the monthly meeting.

Commissioner Miles agreed. He thought these adjustments should just be dealt with as they go along, that it was not a big issue.

Director McKee gave the example that later in this meeting the board was going to be asked to approve an application to the Surface Transportation Board, along with a couple of task orders. So, if the board wants to continue this way, with these being brought up monthly, then they could continue to do that. If the board wants them to just move forward and present these for approval at the end of the year, they could do that also.

Commissioner Ogden stated that his preference would be to do these on a monthly or quarterly basis. Commissioner Lytle would also support monthly or quarterly. Commissioner Miles asked if this could just be a part of the regular monthly financial reports?

Doug Rasmussen stated that this could be done monthly, it would create transparency and help the board be aware of these financial moves. As long as they stay within the original adopted budget, they don't need to adopt these changes by resolution.

Commissioner Hopes agreed with Mr. Rasmussen's proposal and said it would be his recommendation. To him, it felt like the resolution was asking them to give up control of the budget, allowing them to move money wherever and whenever, without board approval. So, it

would be his recommendation that reporting any adjustments just be part of the monthly financial report. Commissioner Miles concurred.

Director McKee stated that what he needed to know was if the board was comfortable giving them a little flexibility, as expenses came up with these various projects, or did it want to be consulted before every change or adjustment.

Commissioner Lytle added that if he understood the code correctly, they were okay making changes within specific categories. There would have to be some extra effort, as concerns the order in which things happen as checks are written and prepared. This would allow for monthly ratification as we move along.

Commissioner Ogden stated that it seemed to him like they were discussing fixing something that was not broken. They already met monthly and made financial decisions. He would suggest just leaving it alone.

Director McKee suggested they just table the proposal and provide the info to the board as needed.

A motion to reject Resolution 2020-05D was made by Commissioner Hopes, seconded by Commissioner Ogden. Unanimously approved. 7-0-0 absent.

Roll call vote, to make sure every electronic vote was counted, 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 ___

14. Resolution 2020-05E - Discussion and consideration of a preliminary concept feasibility review and project ranking matrix evaluation for a natural gas nitrogen fertilizer facility.

Executive Director McKee began saying that there is a potential natural gas project that they might want to review and look at. There is a lot of natural gas within our Coalition counties and right now natural gas is extremely cheap. As we look at ways to enhance use of natural gas there are those who are looking at the possibility of taking natural gas overseas, with another possibility being to take it down through Mexico. Reed Page, a private consultant, has donated some time to the Coalition helping to evaluate natural gas usage possibilities. We have been contemplating concepts and possibilities. Time was turned over to Brian Barton to share some of their findings.

Brian Barton stated that they have talked about exploring various possibility projects and doing some preliminary cost estimates. So, one of the things they have looked at is nitrogen product manufacturing processes and technologies. As they did so they looked at who are the industry experts, what is the capacity of natural gas pipelines, what is the market access, where are potential customers located, and what are the implications to air quality? If we decide to move forward on any of these ideas, of course, they would have to be run through the matrix.

Reed has been very helpful as we try to strategize and figure out what preliminary projects and costs might look like. This resolution proposes up to \$10,000 to hire Mr. Page to do additional work, but we don't think it will take any where near that amount.

Commissioner Sitterud asked if fertilizer was already being made with natural gas or is this a brand-new idea? Brian Barton said it's an approved technology, although not being used in this area.

Commissioner Lytle asked if it is the same thing being done in Rock Springs with the pipelines going out of the Uinta Basin? Brian said that Reed was looking into that and they would be following up with him.

Commissioner Miles asked if there was a big need for fertilizer on the market? Is the market already flooded with product? Is there room for another project of this type?

Brian Barton stated that these are all things they would look at in this initial study.

Director McKee stated that as they were discussing possibilities with Mr. Page, they discussed getting natural gas to China, overseas markets, and other possibilities. Reed's belief was that a nitrogen facility might be one of the best opportunities to market natural gas locally. They, also, discussed taking natural gas from wells without having to flare it and create some revenue opportunities. In the past there have been discussions indicating an interest in seeking out ways to market natural gas. So, the overall idea behind this study was to look for ways to market natural gas.

Commissioner Horrocks said that he likes the idea but thinks, as board members, 2 or 3 of them should step up and do some of the research on this themselves. He stated that he knew they didn't have a lot of time but some personal investigation would save the Coalition some money. He suggested taking the next 30 days, before the next meeting, and see what we can find out ourselves. Commissioner Lytle concurred.

Commissioner Hopes wondered if they had enough "band width" to even consider another project? Are there too many projects already underway?

Commissioner Sitterud asked if they could clarify the exact project? Is the purpose to prove that fertilizer can be made using nitrogen economically? What exactly were they intending to study?

If the purpose is to prove something, possibly they could use the Research Center. Everything is there ready to go.

Director McKee reminded the board of prior meetings where there were presentations on natural gas projects. These may never be projects for Seven County but one of the things they are created to do is research – studies and planning. And, they have access to Reed Page, an expert in this area. Reed really understands the markets so it just seems to make sense that they take advantage of his expertise and evaluate the potential for a natural gas plant. Is there a market for one? One thing we do know is that we have a lot of natural gas in this area. In our discussions, Commissioner Bart Haslem mentioned that gas coming off these wells should be some how captured and we should look at creating a market for it. It would be another economic opportunity for our communities. The idea was not for Seven County to necessarily take on another project, but possibly they could gather enough information to seed a community project.

Mike Hawley said he thought all of these were great questions. Jones & DeMille would look at hiring Reed Page as a sub-consultant. They would look at various options and opportunities. They would compile a list of resources. They could rank projects in the matrix and then based on their findings do a presentation for the Coalition board. At that point they could determine whether a project was right for Seven County or if it should be passed on to another entity or county.

Commissioner Bart Haslem asked and was given the floor. He said that as he was talking with people about products that could be moved on the rail, discussions turned to what products, other than oil, could be moved. They discussed that it probably won't be long before they stop the flaring of natural gas which led to discussions on ways to use natural gas. Natural gas being turned into nitrogen is not a new process. With natural gas at \$3.00 you can manufacture a lot of nitrogen with a 16 to 18% project margin. He stated that he would be willing to do some more research and bring his findings back to the board. This came up because they were looking for ways to move some of this natural gas out of the Basin.

Commissioner Grayeyes stated that this seemed like a good opportunity and he would be in favor of moving forward with a study and made a motion. Commissioner Miles stated that he believed this was a very important topic and if there was money in the budget to do this kind of study, he could support it. If not, possibly move forward letting Commissioner Haslem do a little more research. He seconded Commissioner Grayeyes motion.

Commissioner Horrocks stated that USDA had all kinds of grants for things like this. Instead of spending our money on this, let's see if we could get a grant to pay for the study. This is a great idea to pursue but let's see if we can do it with a different source of funds.

Commissioner Ogden agreed. If there are other monies available, let's look at that first. Money is going to get tight and he'd hate to see the Coalition get spread too thin.

The question was asked, if the Coalition pursued the study, what would be the funding source? Mike Hawley stated that it would probably be taken out of the General Planning Budget.

Commissioner Lytle asked if there might be someone in the private sector who'd already done this work and research? He is supportive of Commissioner Horrocks suggestion and possibly this should be tabled for a month and let some of them pursue some of these ideas. See what they can find out on their own. Gather some information and bring it back to the next board meeting before we begin a formal process.

Commissioner Miles stated that he liked the ideas being presented and thought they should really look at whether this could be done in conjunction with the Research Center.

Co-Chairman Sitterud reminded everyone that they had a motion and a second to consider. Commissioner Grayeyes requested to amend his motion to include pursuing funding first through USDA, then if not possible, use General Planning Funds.

Commissioner Lytle asked if he understood correctly that the motion was amended to include first seeking USDA funds? If so, did the Commissioner making the second agree with the amendment? Commissioner Miles withdrew his second of the motion. Commissioner Sitterud stated there was now a motion seeking a second. Not hearing a second for the motion, the motion died for lack of a second.

Commissioner Lytle made a motion to table this resolution and see if they could follow Commissioner Horrocks suggestion to gather more information themselves and having a presentation next month from either Commissioner Horrocks or Commissioner Haslem. If that didn't provide us with enough information then we could pursue obtaining the services of Reed Page.

A motion to table Resolution 2020-05E, pending additional research, was made by Commissioner Lytle, seconded by Commissioner Ogden. Approved. 6-1-0 absent.

Roll call vote, to make sure every electronic vote was counted, 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 ___	No X
Sevier	Board Member	Yea X	No ___
Uintah	Board Member	Yea X	No ___

15. Resolution 2020-05F – Discussion and consideration to ratify the DRAX agreement for the Energy Research Center.

Attorney Eric Johnson began by explaining that DRAX was a company out of England that has an energy generating plant powered by biomass. They have need for testing related to their facility. There are only 2 labs in the world able to do this testing. One is in South Africa and the other is our Research Center in Emery County. The way DRAX does things is that they enter into a general framework agreement. Then as they actually have work for to be done there would be work instructions and a sub-agreement that the work is actually done under. This would be a revenue stream for the Research Center. DRAX has signed the Framework Agreement and it has been signed by Executive Director McKee.

There are two things to point out in the agreement. One is that they asked for insurance in the amount of 5 million pounds. We explained to them that our insurance was in dollars. We forwarded them our policy and they have accepted it, although they did not change the language in the agreement to reflect that. The other thing is that they did not want us to make a big deal about this. We pointed out that the agreement had to be approved in an open and public meeting, but other than that we would not publicize it. They agreed to that, also.

Commissioner Sitterud added that this was the contract they had been working on since the inception of the Research Center.

Commissioner Miles asked if they were able to explain what the biomass product was? Commissioner Sitterud stated that in England, DRAX originally had a coal fired power plant. Then the government shut down coal fired plants. So, they are pulling a wood product out of the Gulf of Mexico, Mississippi, Louisiana, and Arkansas then shipping it by boat to England in order to keep the plant operating until they can find a suitable fuel mix the government will approve. So, they will send us bags of fuel and we will test the fuels reporting back the BTU's and fuel characteristics.

Director McKee wanted to clarify that this initial agreement was just the framework for how they would do business. Then, each time they sent a bag of fuel to test there would be a separate contract. Each of those separate contracts would supersede provisions in the Framework Agreement. This is a great opportunity for the Research Center and will bring long-term work and revenue.

A motion to accept Resolution 2020-05F, was made by Commissioner Miles, seconded by Commissioner Hopes. Unanimously approved. 7-0-0 absent

Roll call vote, to make sure every electronic vote was counted, 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 ___

16. Resolution 2020-05G – Discussion and consideration of a filing fee, for approximately \$92,701, payable to the Surface Transportation Board for a Petition of Exemption.

Director McKee began by saying that as they move forward with the rail project the ultimate goal is to receive a Certificate of Construction from the Surface Transportation Board. As a part of that process a Petition of Exemption is required. The filing fee for this exemption is \$92,701, payable to the Surface Transportation Board. A draft EIS will not be issued until this Petition for Exemption is filed. We will be asking for the filing fee to be waived, but we must pay it up front and will not know for sure if we will get the money back.

A motion to adopt Resolution 2020-05G, was made by Commissioner Lytle, seconded by Commissioner Ogden. Unanimously approved. 7-0-0 absent

Roll call vote, to make sure every electronic vote was counted, 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 ___

17. Discussion and consideration of monthly expenses.

Accountant Doug Rasmussen presented invoices and expenses in the amount of \$1,329,477.98. Director McKee stated that he had concerns about some invoices from ICF. Several invoices presented for payment were from last year. He requested the accounting staff double check those and make sure they were proper.

SEVEN COUNTY INFRASTRUCTURE COALITION PAYMENT APPROVAL					
May 15, 2020 at 8:30 a.m.					
Electronic Participation Only					
Vendor	Check #	Invoice #	Amount	Description	Grant
CIVCO Engineering, Inc	1662	2020219	7,970.00	I-70 Transportation Corridor - Engineering	Book Cliffs Transportation Corridor
Bureau of Land Management	1663	UTU-94230	100,000.00	Eastern Utah Regional Connection EIS	State Legislature Funding (UDOT)
Smuin, Rich & Marsing	1664	41817	3,619.59	Consulting Per Contract - April 2020	General
Heather Hoyt	1673	May 5, 2020	1,031.04	Administrative Hours	General
Jones & Demille	1666	0122485	17,947.46	Program Management and Engineering	General
Jones & Demille	1666	0122487	7,348.90	Leland Bench Utilities - Engineering Services	General
HDR	1667	1200264334	280,000.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Engineering Services - Phase 2
HDR	1667	1200264334	320,000.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Baseline Environmental Services - Phase 2
HDR	1667	1200264335	49,000.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Strategic Communication Services - Phase 2
HDR	1667	1200264336	6,900.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - O&M Planning - Phase 2
Jones & Demille	1668	0122486	56,980.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Program Management Services - Phase 2
Jones & Demille	1668	0122486	16,943.66	Uinta Rail Line - Engineering	Uinta Basin Railway Project - Mapping Services - Phase 2
Jones & Demille	1668	0122486	94,610.00	Uinta Rail Line - Engineering	Uinta Basin Railway Project - ROW Planning - Phase 2
R.L. Banks & Associates	1669	Invoice 3	17,252.50	Uinta Rail Line - Review of Financial Modeling and Commercialization	Uinta Basin Railway Project - Financial Advisory Services - Phase 2
ICF Jones & Stokes, Inc	1670	0146651	160,923.26	Uinta Rail Line - NEPA Consulting	Uinta Basin Railway Project - Baseline Environmental Services - Phase 2
Venable LLP	1671	2221593	89,611.60	Uinta Rail Line - Legal Services	Uinta Basin Railway Project - STB Regulatory and Other Legal Services - Phase 2
Emery County - LBA	1672	4/14/2020, 04/24/20, 04/30/20, 04/30/20	4,133.97	Molten Salt/Research Center Facility - Utilities	Energy Research Center
ESRI	1674	25952468	2,505.00	Software - Web Mapping Portal	General
Surface Transportation Board	1675		92,701.00	Uinta Rail Line - Filing Fee - Petition of Exemption	Uinta Basin Railway Project - Federal Agency Cost Recovery Fees - Phase 2
Total Payment Approval			\$ 1,329,477.98		

Motion to approve the monthly expenses in the amount of \$1,329,477.98, was made by Commissioner Grayeyes, seconded by Commissioner Miles. Unanimously approved. 7-0-0 absent.

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 next directed the board to the financial reports to include the Balance Sheet, followed by the Profit and Loss Statements thru 3-31-2020.

Motion to accept the financials as presented was made by Commissioner Grayeyes, seconded by Commissioner Lytle. Unanimously approved. 7-0-0 absent.

Roll call vote, to make sure every electronic vote was counted, 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 ___

Mr. Rasmussen asked the board to take special note of the Quarterly General Ledger Detail sheets. The law requires they be provided these ledgers quarterly for review. Please contact them if you have any problem opening the files.

Mr. Rasmussen addressed Commissioner Mile's earlier suggestion that line item adjustments be addressed during the financial report. This would be, in the future, where he would suggest having that discussion, if that meets Commissioner Miles needs. Commissioner Miles stated that this would adequately address his suggestion.

Next, Mr. Rasmussen asked the board if there were any questions on the Project Detail Sheets. Being none, that completed the financial report for the month of May, 2020.

18. Open Meeting and Conflict of Interest Board Training.

Attorney Eric Johnson began by addressing the annual training required on the Open and Public Meetings Act. This past October the Governor issued Executive Order 2020-5 addressing this act. It basically said that for an electronic meeting an anchor location is no longer required and the meeting can be entirely electronic. It also provided that there does not need to be a posted public notice at the anchor location and principal office. It allows things to be done a little differently than normal. Normally, we post an agenda at least 24 hours in advance, at the principal office, and the notice is then posted on the Utah Public Notice website with a copy sent to a newspaper of general circulation. Now, as previously stated, the notice does not have to be posted at the principal office during this state of emergency.

In addition, we are required to provide a means for the public to observe the open portion of the meeting either live, by audio or by video. If public comments will be accepted, we must provide a means by which they can ask questions and make comments electronically. And, so for us, we have provided an email address for public comments. When public comments are received,

during the course of the meeting or shortly thereafter, staff will provide those comments to all the board members.

Next, Eric addressed Conflict of Interest found in Section 67-16 of the Utah Code Annotated. The State has three provisions in this section of the code. One for municipalities, one for counties, and one for State and all other political subdivisions, of which the Coalition is one. The primary point of this statute is that neither the elected officials nor the employees of the Coalition may use their public positions to gain a private benefit. Specific examples are given in the code and can be reviewed by reading Section 67-16 Utah Code Annotated. Mr. Johnson will send out a Conflict of Interest Notice that contains these pertinent code sections and a Conflict of Interest form that board members and staff can fill out and return to Heather and Kristi so they will be on file.

19. Motion to adjourn

A motion to adjourn was made by Commissioner Lytle, seconded by Commissioner Ogden.

A motion to approve the May 15, 2020 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)