

 SEVEN COUNTY INFRASTRUCTURE COALITION

MEETING MINUTES

April 16, 2021 at 10:00 a.m.

Carbon County Commission Chambers

751 East 100 North

Price, Utah

 (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), Garth (Tooter) Ogden (Sevier County) and Brad Horrocks (Uintah County)

**Also, in attendance**: Mike McKee, Eric Johnson, Brian Barton, Mike Hawley, Kristi Sharp, and Heather Hoyt

**Attended telephonically**: Willie Grayeyes (San Juan County), Melissa Cano, Kelly Carter, Kevin Keller, Keith Heaton, Deeda Seed, Jake Easton, Nathan Hall, Zach Leavitt, and Michelle Vassel

**Absent**: None

**Others Present:** Senator Ron Winterton, Troy Ostler, Commissioner Greg Todd, Jean Dickinson, and Jeff Hartley (Please notify staff at 435-219-1362 of any spelling corrections or if you were present and not listed.)

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

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**1. Welcome, introduction and Pledge of Allegiance** (Greg Miles)

**2. Public Comment (Greg Miles**)

Public comment was be accepted verbally, during the meeting, telephonically by Zoom, and by electronic submission at hhoyt@7county.utah.gov. Electronic written comments will be forwarded to the Board Members. All comments will be summarized in the meeting minutes. A complete copy of any written comments submitted may be requested at the email address provided herein.

Time was turned over to Melissa Cano who gave instruction on how to participate verbally and by Zoom.

Commissioner Grayeyes commented concerning the proposed letter to be written to President Biden concerning the ban on fracking. He wanted to make sure it was mentioned that the Navajo Nation was opposed to any drilling in close proximity to Native archeological sites or next to ground water aquifers. Chair Miles thanked him for his comments and noted that this issue would be further discussed as an agenda item later in the meeting.

For the April 16, 2021 meeting, there were no other written or verbal comments made or submitted.

**3.** **Approval of Meeting Minutes for the March 19, 2021 meeting.** (Greg Miles)

There were a few grammatical corrections to the minutes which will be made. In addition, on Page 2, in the last paragraph, 60 to 90 days was corrected to read 90 to 60 days.

**Motion to approve the March 19, 2021 minutes as corrected** was madeby Commissioner Lytle, seconded by Commissioner Ogden.

Chair Miles called for the vote. The motion to approve the March 19, 2021 minutes, as corrected, passed unanimously.

**4.** **Report on San Rafael Research Lab**

Commissioner Sitterud reported that 3 or 4 months ago they sent out a request for bids. The project was the construction of Phase 1 of the Molten Salt Lab. All of the bids exceeded the amount of money they had allocated for the project. Recently, they reworked the bid request to include work on both Phase 1 and Phase 2 of the project. They received and opened 3 bids. The first bid far exceeded the funds allocated for the project. Bid 2 was right on target and bid 3 was under budget. The project was awarded to BHI out of Vernal, Utah. They were the lowest responsive bidder. They are now meeting with Jones and DeMille getting ready to begin the construction.

On the coal side, they are finished with the DRAX testing.

That concluded the report on the San Rafael Research Lab.

**5. Report on Satellite Transportation Hub**

Commissioner Ogden began by saying that they only meet quarterly, so he didn’t have a lot to report. He did want everyone to know that a bill had passed at Legislature giving them additional money for the Satellite Transportation Hub.

Chair Miles added that during the Transportation Conference held in Vernal last week, there was a ceremonial signing.

That concluded the report on the Satellite Transportation Hub.

**6. Report on Uinta Basin Railway Project**

Commissioner Horrocks began by noting that as the railroad is getting closer to becoming a reality, people in the community are starting to get real excited and talk more about it. It’s looking like the rail might provide a lot more opportunity than just moving oil and gas out of the Basin. The Uintah Basin has a lot of natural resources and agriculture that will be able to take advantage of this opportunity. It’s looking like this rail project will make us more economically diverse. Part of the success is the result of the team we have doing public outreach. They have done a tremendous job.

Chair Miles echoed Commissioner Horrock’s comments saying they are seeing the same thing happen in Duchesne County. People are starting to dial in on potential opportunities. Pam Juliano had a great idea that it was time to start updating members of the legislature and the Governor’s staff. We recently met with the Governor’s staff and filled them in on a lot of things. In the next couple of weeks, we will look at setting up meetings with the legislators.

**7. Executive Directors Report**

Director McKee began by saying how much he appreciated the prior comments on the rail project. The project is really moving along and picking up speed.

As you may be aware, ICF is the independent contractor hired to work on the EIS (Environmental Impact Statement). Consistently, we have been spending around $30,000 a month for the work they are doing. But, since we are nearing the end of the process, for April and May, expenses for ICF will probably be around $300,000. Later in this meeting we will be amending the contract with ICF. It is expected the EIS will be finalized toward the end of the summer.

On April 29th, Commissioner Grayeyes has invited everyone for a site visit in San Juan County. There will be tours of the various projects they are working on and lunch will be provided. It would be helpful to know how many Commissioners are planning to attend. If there is a quorum, we will have to handle this site visit a little differently.

Commissioner Grayeyes added that they will begin between 10 and 11a.m. Brian Barton, with Jones and DeMille, has been helping to coordinate this event. Contact has been made with the Lieutenant Governor’s office (Deidre Henderson). It appears she, along with some of her staff, will be attending. That is very exciting. They will be talking about the proposed connection road and the water delivery project from the San Juan River to the top of Piute Mesa. They want to show her the landscape where previously there use to be productive farms. Due to the lack of water these farms have been forced out of production. They would like to explore ways to revitalize these farms which will require irrigation. They also want to talk about recharging the underground aquifers, livestock watering, and wildlife.

It is possible that Representative John Curtis’ office staff may attend. Everyone is welcome. Also, Commissioner Grayeyes wanted everyone to know that he had written a letter concerning these projects to President Nez of the Navajo Nation, Garrett Silversmith, Executive Director of the Navajo Division of Transportation, and the Honorable Richie Nez, Chairman of the Resource and Development Committee.

Executive Director McKee next noted what an exciting project this was for the Navajo Nation. This project is starting to come together and there are a lot of federal funds available to help with these projects. The high level planning previously approved by the Coalition board will be vital to help move this along.

Chair Miles reflected on what an important project this was for the State and the Navajo Nation and how excited he was to put his support behind the projects.

Commissioner Grayeyes stated that with President Biden’s appropriation bills, this is the perfect time for these projects to come together and seek funding.

Next, Director McKee mentioned a letter dated March 26th from the Surface Transportation Board signed by Danielle Gosselin, Acting Director of the Office of Environmental Analysis conveying a fully executed copy of the Programmatic Agreement. This is a tremendous milestone for the rail project.

Next, Director McKee said they had a video he wanted to show in the interest of having a little fun. It was a newsclip, from a Denver news station, talking about North Face, a company specializing in outdoor gear and equipment. Recently, they refused to fill an order from a Texas oil and gas company for 400 jackets! North Face took the side of climate change activists saying that the oil and gas company’s positions were not compatible with its brand standards.

In response, the Colorado Oil and Gas Industry gave North Face an appreciation award. They bestowed an Extraordinary Customer Award on North Face noting that they used petroleum to make just about every product they produce, including their jackets! The incident has spun off a project called “Fueling Our Lives” to educate the public about all the things that are made from petroleum.

Commissioner Horrocks stated that they each have a responsibility to educate the public about everything produced from petroleum products. At the 2021 Oil and Gas Summit, in Uintah County, they are planning an education component. This has to start with each of us.

Chair Miles thanked everyone for a great presentation and finished by saying that they would be hard pressed to live without petroleum products.

That concluded the Executive Director’s report.

**8. Engineers Report**

Brian Barton began by referencing the summary that was distributed to the board members prior to the meeting. With the rail project they are deeply engaged coordinating all aspects of the project and overseeing the budgets. They are also working with ICF on a contract modification. HDR and Kevin Keller have done an awesome job keeping track of all the moving pieces and parts necessary to see this part of the project through to completion. Venable and Katherine Floyd have been great as well.

One of Jones & DeMille’s greatest challenges is keeping track of all the correspondence, emails, files and making sure, at the end of the day, there is an accurate record of the project. Strategic Communications with Melissa Cano is another big piece. Her job is to tell the story for the public and she has done a great job.

Mike Hawley weighed in on the budget. With the extended time required to complete the EIS, which could extend this part of the project into the fall, everything looks good and the budget should be able to stretch into the fall, if necessary.

Brian Barton resumed stating that in addition to the rail project they have been involved with the Navajo Mountain planning, water settlement discussions, and the transportation planning for southern San Juan County.

They continue to work with the ranking matrix and as projects get close to the top of the matrix they are brought back before the board.

Heather Hoyt shared that she had received an email, followed by a call, from David Damschen (Utah State Treasurer). He was totally amazed at the quality of the “Rural Matters” booklet produced by Jones & DeMille. Brian added that they had brought extra copies for each Commissioner to take back to their respective counties. They, also, have sent copies to the State Legislatures, key government staff and to the CIB board members and staff.

That concluded the Engineers report.

**9. Discussion and consideration of ratifying the Tribal Participation Agreement.**

Director McKee referred to the Programmatic Agreement mentioned earlier. One of the things called for in that agreement was the preparation of a Tribal Participation Agreement. Last month we talked about the need to do this and estimated the cost at $97,000. During the last month that agreement was ready and was signed. Today it is being brought before the board for ratification of the signature on the agreement.

**Motion to approve Resolution 2021-04A ratifying the Tribal Participation Agreement**was made by Commissioner Ogden, seconded by Commissioner Horrocks.

Chair Miles called for the vote. The motion to approve Resolution 2021-04A, passed unanimously.

**10.** **Discussion and consideration of** **a contract for legal services between Uintah County, Duchesne County, and the Coalition.**

Director McKee began by expressing his appreciation for Duchesne and Uintah Counties being willing to enter into these agreements.

Time was turned over to Coalition attorney Eric Johnson. Mr. Johnson began by explaining that this came about due to litigation, against the CIB (Community Impact Fund Board) and the Coalition, filed by Living Rivers and the Center for Biological Diversity. Both of these counties have offered to help with these legal expenses until such time as the Coalition has enough funds to pay them back.

Director McKee pointed out that both agreements have been signed by the respective counties and this resolution authorizes the signing by the Coalition. Director McKee also noted that he appreciated the CIB’s working with them on this matter.

**Motion to approve Resolution 2021-4B authorizing the signing of a contract for legal services between Uintah County, Duchesne County, and the Coalition** was made by Commissioner Horrocks, seconded by Commissioner Lytle**.**

Chair Miles called for the vote. The motion to approve Resolution 2021-04B, passed unanimously.

**11. Discussion and consideration of ratifying the amended HDR Master Service Agreement and Task Order.**

Director McKee began by stating that last month the board approved $97,000 for the Barnaby Ridge-Cress Survey, an amendment to the HDR Master Service Agreement. This month they are asking for another $97,000 for the preparation of the Tribal Participation Agreement. Today we are ratifying those additions to the Master Service Agreement.

**Motion to approve Resolution 2021-4C ratifying the HDR Master Service Agreement and Task Orders** was made by Commissioner Hopes, seconded by Commissioner Ogden.

Chair Miles called for the vote. The motion to approve Resolution 2021-04C, passed unanimously.

**12. Discussion and consideration of ratifying Amendment Number 3 to the original ICF Services Contract related to the *Uintah Basin EIS*.**

This item will amend the contract previously approved with ICF. The total amount that has been approved for preparation of the EIS is $3,671,135.26. We have incrementally requested funds along the way and today, with this request, the total spent will be at $3,532,000. This leaves approximately $139,000 to complete the project. The expenditure requested by Amendment Number 3 should get ICF through to the end of June or July with a little remaining, if needed.

Commissioner Hopes asked if this only carries them through the end of June or July, and the EIS will probably not be released until the end of summer, do we expect they will be coming back asking for the rest of the money? Director McKee responded, probably. We are still within the proposed budget and all of the amendments have clearly stated that these are estimated amounts. This is the most critical time of this process. We need to make sure ICF has what it needs so there is nothing delaying the final EIS.

**Motion to approve Resolution 2021-04D ratifying Amendment Number 3 to the original ICF Services Contract related to the *Uintah Basin EIS*** was made by Commissioner Ogden, seconded by Commissioner Sitterud.

Chair Miles called for the vote. The motion to approve Resolution 2021-04A, passed unanimously.

**13. Discussion and consideration of the updated UDOT Contract for the Eastern Utah Regional Connection (Seep Ridge Road).**

Director McKee began by reminding the board of prior discussions concerning the Eastern Utah Regional Connection or Seep Ridge Road. The Legislature had originally appropriated $3.2 million dollars for an EIS to extend that road south to I70. Then, in a future meeting, it was decided to put the EIS on hold and request to reallocate those funds for needed repairs on the road.

The Legislature agreed that the use of those funds could be expanded to include improvements and maintenance. This is the main road providing access to many oil and gas wells and recreation areas. Uintah County does not have the funds to make these critical repairs.

What is before the board today is the updated UDOT contract to allow for this expansion. There needs to be an authorization to sign the contract.

Commissioner Horrocks pointed out that he liked the fact that UDOT merely expanded the possible Scope of Work. It doesn’t preclude work on the EIS, but it allows for funds to be used for repairs and maintenance also. Both options are left open.

Director McKee agreed stating that he had read the UDOT contract and talked with Eric Johnson and they agree that if the Coalition wanted to move forward on the EIS, it could, or it could use the money for road improvements and repairs. Attorney Eric Johnson concurred with Director McKee’s assessment.

Commissioner Lytle asked if the monies were used for repairs, would the funds be administered by Uintah County or the Coalition? Director McKee said that was still to be worked out.

**Motion to approve Resolution 2021-4E authorizing the signing of the updated UDOT Contract for the Eastern Utah Regional Connection (Seep Ridge Road)** wasmade by Commissioner Lytle, seconded by Commissioner Horrocks.

Chair Miles called for the vote. The motion to approve Resolution 2021-04E, passed unanimously.

**14. Discussion and consideration of a natural gas pipeline planning project from Price to Castle Dale.**

Director McKee began by saying that when the Coalition was formed there were many potential projects proposed. This natural gas pipeline project was one of those proposed at that time. Back then this was not viewed as a priority project. Now, with the push to abandon coal this has become more of a priority.

Commissioner Sitterud added that we are not ready to push this project to the forefront but it’s time to dust if off and begin looking at it. We recently attended a meeting with Rocky Mountain Power. In the past there was not a lot of interest in pursuing natural gas. At this meeting there was a change of heart. Also, the CIB is not willing to add projects to their list during the course of a year, except through the annually approved priority list process. Taking that into consideration, we need to get this project back on the CIB list.

Commissioner Ogden asked if Dominion Energy had come to the table on this? After all, that is what they do, right? Commissioner Sitterud said that Dominion was not the focus at this time. Right now, they just wanted to get this project back on the CIB list.

Chair Miles added that this project was an example of responsible development. Currently, the plant uses diesel fuel to warm the boiler before burning coal and to stabilize the fire that burns the coal as needed. Natural Gas could be used instead and is a much more environmentally friendly and cost-effective fuel. It was pointed out that in the future there may be the possibility of a public/private partnership with this.

Commissioner Sitterud, again addressed Commissioner Ogden’s question about Dominion, adding that there is interest and funding at the State level for a mega development site around the power plant. The additional natural gas provided by a project of this sort would make such development possible. But, for right now, we just need to get this project added back to the Capital Improvements List. In the future, Dominion may come on board.

**Motion to approve Resolution 2021-04F approving a natural gas pipeline planning project from Price to Castle Dale be added to the CIB Capital Improvements List,** was made by Commissioner Sitterud, seconded by Commissioner Lytle.

Chair Miles called for the vote. The motion to approve Resolution 2021-04F, passed unanimously.

**15. Discussion and consideration of the Coalition sending a letter to President Biden in opposition to his enforcing a fracking ban.**

Director McKee turned the time over to Chair Miles who began by recognizing Commissioner Grayeyes comments made during the public comment portion of the meeting.

Director McKee next commented that there had been a news story about 375 elected officials who were asking President Biden for a ban on all fracking. The Utah Petroleum Association recognizes that fracking is controversial. Director McKee next read portions of Commissioner Grayeyes letter referenced earlier, stating the Navajo Nation’s opposition to fracking near ground water aquifers and sensitive cultural sites. Director McKee stated that he believed they could draft a letter that would include those concerns as well as the concerns of other board members.

Chair Miles added that this was a topic of discussion at his (Duchesne County) Public Lands Committee meeting earlier that day. They have talked quite a bit about it and would like to be part of telling the story. Other groups in the State may have a different perspective. He believes there is a misunderstanding within the general public about what fracking really does. When you frack, you are in a totally different formation from where ground water exists. Of course, you need to be careful not to drill anywhere near an aquifer or near cultural resources. The technology has improved so much in the past 5 years. Not only has the industry become more productive using this newer process, there is much less impact on water resources and less surface disturbance.

People need to recognize that this is how we get the fuel that powers America! If you ban fracking in the United States, you will be forced to get petroleum products from other countries who may not have the same ideals as ours in the United States. This could create a national security issue. Fracking has been proven to be safe and it is effective. If we have an all-out ban, we will end up walking everywhere we want to go. His belief was that we should approve the concept of the letter and then get to work at drafting it.

Commissioner Grayeyes stated that there must be safe practices. We should show an attempt to cooperate. The dollar sign will ultimately dictate the possibilities as to whether it hurts the environment or not. If the language in the letter could stress safety, he would feel better about it. For those communities down slope from an aquifer, if fracking does occur the drilling infiltrates the aquifer’s structure formed under ground.

Commissioner Ogden asked it they could word smith a different draft letter (then the one presented today) reflecting Commissioner Grayeyes comments? Director McKee stated that he thought that was a good idea and possibly they could get Melissa Cano to help with that process. Once the letter was finished, they would circulate it among board members for review. Obviously, Commissioner Grayeyes has some strong feelings that have to be taken in to account and respected.

Commissioner Horrocks suggested that they write the letter, then if there is unanimous consent, 100% agreement, they could move forward with signatures. If there is disagreement then this will need to come before the board at the next meeting.

As a final comment, Chair Miles added that there is a misconception by the public. Many believe they just put a big straw into the ground and suck out oil from a big underground pool. That is not the case. In order to get oil to come to the casing, for extraction, they must frack around the well. It’s not like the Jed Clampett days when “up from the ground comes the bubbling crude”! It’s a much more complex process than most people understand.

Commissioner Lytle clarified his understanding that this resolution would be authorizing the development of a letter as opposed to using the letter initially presented? Chair Miles confirmed that he was correct.

**Resolution 2021-04G supporting a letter to be sent to President Biden in opposition to his enforcing a fracking ban, after approval by the board,** was made byCommissioner Lytle, seconded by Commissioner Horrocks.

Chair Miles called for the vote. The motion to approve Resolution 2021-04G, passed unanimously.

**16. Discussion and consideration of monthly expenses**

Kristi Sharp with Smuin, Rich and Marsing presented the monthly expenses to the board in the amount of $496,168.76. She, also, thanked Commissioner Sitterud for taking time to sit with her and go over the books. She noted that there are 2 months of revenues received from doing the DRAX testing at the San Rafael Lab. This revenue comes in to the Coaltion and then is passed through to Emery County.

Chair Miles noted that there was a $20 dollar difference on the 2 months where DRAX payments were received. Kristi said she had noted this also and thought it was probably a bank fee. She will check it out to make sure.



**Motion to approve the monthly expenses in the amount of $485,460.59,** was made by Commissioner Hopes, seconded by Commissioner Horrocks.

Chair Miles called for the vote. The motion to approve the monthly expenses in the amount of $485,460.59 passed unanimously.

Kristi Sharp next referred the board to the Balance Sheet as of Februray 28, 2021 which showed the assets, liabilities, and equity, along with the Consolidated Profit and Loss and Individual Profit and Loss by Class. She stated that there was nothing unique or abnormal on these financials.

**Motion to accept the financials as presented for the month ending February 28, 2021** was made by Commissioner Ogden, seconded by Commissioner Lytle.

Chair Miles called for the vote. The motion to approve the financials for the month ending February 28, 2021 passed unanimously.

And, finally, the board was directed to pages that represent each individual project since inception with a statement showing expenses for each project and the funds remaining. If the project has been closed it shows as being zeroed out. In addition, these pages show any other expenses right up to today’s board meeting. These are for the board’s information and require no approval.

Commissioner Lytle brought up that money approved for the Daggett County planning project was not reflected on the project detail sheets. Kristi thanked him for bringing that to her attention and said she would get that taken care of.

This concluded the financial reports.

**17. Motion to enter closed (executive) session pursuant to Section 59-1-404 related to real estate acquisition, pending litigation, professional competency and trade secrets** was made by Commissioner Lytle, seconded by Commissioner Hopes at 11:35 a.m.

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

**NOTE: The board was all present in the Commission Chambers, except for Commissioner Grayeyes who joined by Zoom.**

**Motion to leave closed/executive session** was made by Commissioner Horrocks, seconded by Commissioner Lytle at approximately 12:55 p.m.

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 \_\_\_

Roll call vote, to make sure every electronic vote was counted, continued as follows:

 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

**18. Motion to Adjourn**

A motion to adjourn was made by Commissioner Hopes.

A motion to approve the April 16, 2021 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 \_\_\_

 Approved -0- absent

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Co-Chair: Casey Hopes

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Co-Chair: Greg Miles

 **(COALITION SEAL)**

ATTEST:

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Heather B. Hoyt