

**MINUTES OF THE MILLARD COUNTY
ECONOMIC DEVELOPMENT ASSOCIATION
AT THE COUNTY OFFICES IN DELTA
THIS 6th DAY OF MAY, 2020**

BOARD MEMBERS PRESENT:

Roger Killpack..... Chairperson
Mark Huntsman..... Vice-Chair
Greg Roper..... Board Member
David Styler..... Board Member
John Higgins..... Board Member
Jon Finlinson..... Board Member
Nick Killpack..... Board Member

BOARD MEMBERS NOT PRESENT:

Matt Loe..... Board Member

ALSO PRESENT:

Stuart Clason..... UAC
Patrick Mullen..... UAC
Commissioner Dean Draper.....
Paula Dewsnup..... Economic Development Secretary

1. Welcome

The meeting was called to order at 1:00. Chair Roger Killpack conducted. All in attendance were welcomed.

2. Approval of October 24, 2019 Minutes

Mark Huntsman made the motion that the October 24, 2019 minutes be accepted as written. John Higgins seconded the motion. Motion carried.

3. Changes to Board composition & function - Roger Killpack

Roger Killpack said recently there has been a new law that has been passed called SB-95 and with that comes changes to the board. With the new law there is five requirements that must be met to have a board.

1. County Representative
2. Representative of a municipality in the county
3. Workforce development representative
4. A private-sector representative
5. A member of the public that lives in the county

We will amend our By-Laws in the next meeting to reflect these changes. Nick Killpack from Delta City and Michael Winget from Fillmore City as representatives of the two largest municipalities in the county. We will need to add a representative of work force services. Commissioner Draper will make contact with them. A big part of the boards involvement is to act as sounding board, help with projects and decisions to create a vision.

4. UAC representative - Stuart Clason

Roger said Scott Barney resigned and took a new position in Salt Lake. It opened up the position to have a new director, and after some discussion the Commissioners decided to have UAC come in and take the position.

Stuart Clason introduced himself to the board, I am from Louisiana and moved to Salt Lake to be the director for economic development then transitions to work in the Governor energy office, doing conventional energy work. Last year we focused on Emery and Carbon County, doing the economic development and setting up projects. It was very successful to the point where the Commissioners their got in touch with Commissioner Draper and asked if Millard County would be a fit. Millard County has a lot to teach us, but the over all intent is not to come in to the community and say we should do this but how do we leverage the land spot, but to use the opportunity that is here.

Patrick Mullen introduced himself to the board I work for UAC and specifically over seeing the opportunities zone program, it is funded by the GOED Office. I work mainly for the private capital trying to bring the vast network that we have built. I work with James Sorenson a private investors mainly from the Community reinvestor act Bank. What Stuart brings is the vast knowledge of being the economic director on the ground and what I add is if and when its appropriate to the external funding mechanism and help bridge that gap and use the opportunity zone and make the most of it.

Stuart said were not going to create jobs private companies will. We will help build up the private investment sector to help with that. You have to know who you are and what you want and then you go do the things that fit it in. We work for Millard County and the first thing that we moving towards is what will be impact full and sustainable and going to fit with the existing landscape of this community, no one does great work on their own. You have to have some life breathed into your community, growth needs to be in a appropriate way, if your not growing your dying there is a balance. That is why I am glad there is this board so the board can guide us and help us with that balance.

Mark Huntsman asked about the relationship with the enitiy, in the contract it doesn't have an reference to the board. So what role will have with the board have moving forward and the second question I have can you speak to any trend data and how are you going to speak to Millard County.

Stuart said at the time when the agreement with Millard County was executed, we knew that recognizing the role of the committee would be useful. SB-95 requires counties to have a committee and there are a lot of counties that don't have a standing committee, so I am excited that this exists.

When you did have an economic director he would use this board to get feedback and present talks. So I would envision this board as an intra-county part of what we are doing to act as a soundboard and giving direction and assistance.

Mark Huntsman said the way that the MEDA board was in the past it was a non-binding and strictly advisory to the Commission. The Senate bill 95 changes that and I'm not sure if the county has made any adjustments to how to do motions and other things or how this board was to be in alignment with the Bill, so there must be some housekeeping taken place.

Commissioner Draper said this is the beginning of this and nothing has been done to make any adjustments other than we determined it was in the best interest of the county to bring in these two gentlemen to help make some of these changes.

5. Impact of SB-95 - Roger Killpack

Roger said there was recently a bill that was passed called SB-95 and what it is, is a Rural County Grant Program that will be overseen by the rural partnership board and administered by the Office of Rural Development. It has a \$200,000 grant that can be used annually for projects such as workforce development, business recruitment, infrastructure, industrial building development and capital facilities improvements.

Stuart said if we identify opportunities where we can grow existing employment or projects build on there available and use SB-95 growth will happen from a state-wide perspective.

6. Update of current economic development activity - Commissioner Draper

Commissioner Draper went over some of the current projects with the board. Utah and the Federal Government administer the Utah testing training range of Dugway. The boundaries come to the south end of Juab and does not extend into Millard, however the testing that they require security for example if you are in Callio there is a possibility of them shutting down the roads for up to ten days and on those occasions they will be on BLM land.

The crickets is divided into 18 sections basically on the eastern range of Millard and the STILA property have identified something beyond gravel that they like but won't tell us any more than that.

Clear Lake is not an irrigating ground but if you take the Milford Highway and go east there is a slope and in the center of that slope is the largest geothermal area in the state. They have had a few companies look at to develop it but have not gone forward. It is easier for them to do things over by the big Sulfur Dale down in Beaver County where they have a plant all ready in operation.

The greatest concentration of that is around the power plant. There are multiple entities that have

made public announcements of their intention to do business there. A lot of the things that they are doing are not to be discussed in detail yet, but there is few things that I can discuss with you today, one of them is Wyoming they have a 5,000 acre farm. It is owned by the Am Shoot company, they have partnered with the Federal Government and are building a direct current line from Rawlings to the IPP area. It is designed to carry 3,00 Mega Watts. They will have there own convertor station in the area of desert mountain road it will be near the Juab-Millard County road on private land. The AC Line will impact us because they are not going to build the AC line as the same time as the DC line but if you put in a AC line between Delta and Las Vegas any one can hook into the AC line with out a convertor station then it can be shipped back up to the IPP plant. This is all being worked out and not is firm if and when it becomes available it can be used in the Los Angeles space, all that it would do is the AC Line would bring it back north but they are hoping to use the DC line that IPP utilizes not, now these are things that are likely to happen.

Trans west express will begin its power line and our last communication from both ends will work to the middle that will bring in a influx of people to build there convertor stations and power lines.

ECG had been out with SILTA land south east of IPP for the last 15 years. They have partnered up with energy da France who is the largest power company on the planet. They are hoping that they can put some projects together and work with UPP and IPA who owns IPP. They are new technology in power and we are about to become the focus of those. It was announced that Mitsubishi will be with hydrogen gas, they will locating up in the IPP areas and working with LA and Magnum holding. The magnum salt dome is the only useable one out side of the southern United States.

Mitsubishi has told us that they are going to come in and work with converting water into hydrogen and oxygen, so there will be a 30-70 blend of hydrogen gas and natural gas to operate the two new gas units at IPP. Over a 20 year period they hope to have their technology come thru. So those two gas units would work 100 percent on hydrogen gas. The establishment of that industry they have put out there have put some items that they intend to participate in; creation of hydrogen gas, Flo batteries, and salt domes. Salt domes create a cavern up to four sizes of the Empire state building, if you pump it full of air are you can have a technology called compressed air energy. Which brings that air out to run things and creates electricity to work after the sun goes down but the surplus that is created is what pumps it into the ground.

There will companies and corporations etc. who will come in on the coat tails of these industries that will locate in the area of IPP. They will be bringing new technology that has not been invented with the idea to invent it. One of the things that has been brought to our attention is the change in the labor force that will take place out at IPP with the coal units being decommissioned. The figures are 20% of them will transition with gas. When talking to inities that have all looked at wanting to come and put some type of manufacturing business in Millard county, if you don't have a work base or a work population. We have the best potential work population out there for transition.

The county is currently going to improve 14 miles of the Brush Well man road, starting at IPP and going west up to the Juab County line. We put in for the grant the same time that Juab did hoping to take this all the way to the Callo turn off, the difference on why we got the it and they didn't is the person that reviewed split the grant. The decision was made because it was a matching grant the

count only had to put up \$410,000 up to obtain 8 million grant. We will cut four inches of asphalt off of the existing highway and we will take those shavings out into the sugarville/Sutherland area and re pave the roads with those. It is a cheap way to asphalt your gravel road, it will be 14 miles of new highway, and we can apply for this grant yearly.

Jones Road will be likely the next one that will be done. As things develop up and around IPP people will want to live in Delta and some will be lucky enough to find someplace in Oak City. We expect in time to go from two lanes to four lanes because of the traffic that will be involved.

We have an announcement from IPP that they will shut the coal units down on June 30, 2025. They will go over to the hydrogen gas units. The change that will come from at that point. You have seen the controversy over the bookmobile there is going to be more because of out revenue. We have different ways that we can deal with those, the way that the state laws are set up is that the county or school district or any tax collection entity can receive taxes in 2021 is what they received in 2020. If you don't have new growth or somebody doesn't come in to add to that you stay at that level if you don't then you have a truth in taxation meeting and it will make our budget to where we don't have to do that. The county has taxed for a number of years a higher rate than they should but it was still in the legal limits set up by the state. That was put together as a rainy day fund in anticipation such as the coal units being taken down. In the county that has continued it depends on value. Inflation has had its hand on everything. That amount is designated by the state, it is only year worth of operating capital. We have to return it or use it elsewhere as we collect it.

When 2025 comes nothing significant is going with things that will directly be responsible to IPP on a tax revenue, you won't see the new tax revenue from them till 2026. If something does not interfere and they are able to take their plans to for intention all of their new equipment becomes working in 2025 and taxable in 26. There are things that are involved in that year as almost as it was like in 1985. In Millard County the revenue will spike and endless possibilities but we have to manage that in between and that will become a very interesting situation.

We have had contact from multiple companies wanting to install solar panels in the county. There are multiple people that if they have power line that got a letter or phone call from someone wanting to develop solar and arranged leases. It has been our experience if you want to put in a solar farm it has to be in a neighborhood substation form. Rocky Mountain Power does not want to pay the cost of \$100,000 per mile to install the transmission line, they want to be close to them, so putting a solar farm out 20 miles west of Fillmore in the middle of nowhere with no substation won't happen.

We have had inquiries about windfarms, there is one on record that comes from a project called Orion. They want to take wind generation out west of Kanosh into the Twin Peaks area of the county, it is a big project that they are wanting to put in.

Under Federal regulation if you contact the FFA they have no problem with you putting solar panels in just about anywhere but the Department of Defense look at it a completely different way the wind turbines interfere with their radar. Some projects have gone and spent millions of dollars and have done everything right and still have been told no by the DOD.

Sevier lake and Peak Mineral got the go ahead from the department of interior. They are the poster child for Nation Wide for how the department of interior can work hand in hand with a private industry to develop natural resources. They were supposed to begin construction three months ago and have no because they have encountered environmental protection agency problems, it has put them a year behind. So they are still getting everything put together to do that.

We have five major power players that want to come in up around IPP one is Potash plant on the Lake among others. They all want to start at the same time which would mean 2,000 laborers in the county at the same time. Fortunately the schedules are staggered so won't have that huge influx but we expect some of them to overlap. We will have to make adjustments with the two cities on how to take care of that many people that will need a place to live. The man camp out at IPP was used 40 years ago, there is trailer parks, if the do end up coming at the same time. We will have to change some of the counties regulations to accommodate them.

There is sometime a sentiment of something is better than nothing and that is not always the case. So there are some industries that would result in collecting revenue, that we have never had before but the infrastructure impact that they would create will negate what we would try to bring in. Lets assume that on 4500 S for some reason became the focus of development and the county was able to bring in one million a year of new tax revenue but the county is responsible for the road. That's a million dollar a mile to bring them up to truck traffic and there is ten miles out there. From the county point of view there are some things with infrastructure that those become factors that we weigh while doing this its called the opportunity zone. You all know Foothill blvd and how it meet highway 50 between here and Fillmore it follows form that point north up past Oak City, Lynndyl and Leamington. You are not in the opportunity zone from that point south but going up over Scipio and down to Kanosh you are. That is what was based on census but you have to total up every body from Scipio to Kanosh and everybody from Lynndyl to Hinckley and the numbers are about the same. The opportunity exists in one and doesn't in the other and they are looking a vehicle to change and that change won't happen immediately.

Back to Magnum for a moment, that salt cavern can hold Butane, propane, hydrogen diesel, gas just about any liquid. There were about 40 different corporation in Bel Mount Texas when I was there and they had to put a height restriction on infrastructure. You could not put a new pipe in handling systems about 50 feet about ground so they had to go below ground and the next available permit was six years ago and you could a new pipe in 292 feet below the surface because everything above that was full. The sector of the county up there would turn the west of the county into a bedroom city if nothing at the same time. We don't want to see all of the farm ground become subdivisions this are things that are being weighed in the balance. These are things that the County Commission is taking a look at.

This will grow and I want to explain a little bit of your similarity to County Planning and Zoning Commission. The Planning commission is required by state law that if someone wants to come in and change a zone from range to forest to agriculture we have to have public hearings and the planning commission has to give favorable recommendation. They can not grant it if is not given that authority. The favorable recommendation then goes to the board of the County Commissioners and 99% of the time they give us the right recommendation but if we get a wild hair they can say that

they are in favor but we still are not going to do it. This board will experience the same thing. You guys will do a lot of stuff that will be 99% acceptable to the commission.

From my stand point I am delighted to have you guys as part of the think tank of the county. We should be able to come up with some good stuff.

7. Other Business

The board had a discussion about when the next meeting would be held. It was decided that they will change the days to the third Wednesday of the month starting next month.

Stuart said he would get together a infrastructure housing work force plan for the board and go over it with them at the next meeting to develop it and move things forward.

There wasn't any other business to discuss.

8. Adjournment

Meeting was adjourned at 2:40 pm.