MINUTES OF COMBINED COMMISSION WORKING & REGULAR SESSION MEETING HELD MONDAY, JULY 8, 2024, BEGINNING AT 9:00 A.M. IN DUCHESNE, UTAH

Present –

Commissioner Irene Hansen, Commissioner Tracy Killian, Commissioner Greg Miles, Deputy Attorney Tyler Allred, Clerk-Auditor Chelise Jessen, Public Works Director Mike Casper, Public Works Deputy Director Clint Curtis, Economic Development Director Deborah Herron, Deputy Clerk-Auditor Lexie Young, Deputy Clerk-Auditor Becky Broadhead, Human Resource Payroll & Benefits Administrator Jamie Park, Human Resource Generalist Tommi Mascaro, Recorder Shelley Brennan, Emergency Management Director Josh Phillips, Deputy Assessor Ginger Johnson, Public Defender Director Michelle Hull, Public Defender Assistant Tamra Yazzie, Deputy Public Defender Bric Slade, Sheriff Travis Tucker, Central Utah Water Conservation District (CUWCD) General Manager Gene Shawcroft, CUWCD Assistant General Manager Mike Whimpey, CUWCD Board Trustee Brad Wells, Duchesne County Residents Jeff Chugg, and Christoper Tabbee, and Commission Executive Assistant Melissa Hughes is taking the meeting minutes.

Opening Comments
(9:00 a.m.)

Chairperson Hansen welcomed everyone to the meeting.

Pledge of Allegiance
(9:01 a.m.)

Fourth of July Discussion
(9:02 a.m.)

The parties discussed the Fourth of July Parades and Celebrations they attended. The towns and cities are so patriotic, making the Commissioners proud. On the 4th, Commissioner Miles attended the Bluebell Celebration, where they retired the flag and honored individuals for their service. Commissioner Hansen attended the Duchesne City parade, and Commissioner Killian attended the Neola parade. On Saturday, the 6th, Commissioner Killian and Commissioner Miles attended the parade in Tabiona.

Presentation of Employee of the Month
(9:05 a.m.)

Human Resource Director Judy Stevenson presented the July Employee of the Month Award to Public Defender Assistant Tamra Yazzie. Public Defender Director Michelle Hull introduced herself and described her new role and department. She read the nomination letter she submitted for Ms. Yazzie. Ms. Yazzie thanked everyone for the award. Deputy Public Defender Bric Slade introduced himself and described his background. Each Commissioner commended Ms. Yazzie for her hard work and dedication to ensuring the new department has what is needed to be successful.

Public Works Update
(9:17 a.m.)

Public Works Director Mike Casper gave an update on existing projects and upcoming work. The chip-sealing projects are going well. Red Creek (CR 1) is now complete. They will move to Neola, Roosevelt, Altamont, Ledge Lane (CR 287), Cedarview Cemetary Road (CR 282), and Rock Creek. Most of the roads in the township of Neola are scheduled to be chipped-sealed. The crusher had some issues last week caused by metal. It is up and running now. They picked up the 2-ton truck last week; they are waiting for the bed to be installed. The new zipper should be delivered today, and the grader will be delivered tomorrow. The Commissioners appreciated Director Casper and his crew's hard work with the projects.

Discussion & Consideration of Ordinance No. 24-411; An Ordinance Amending Ordinance Nos. 93-116, 03-210, 06-246, and 07-252 Adopting Title 3 Chapter 3 of the Duchesne County Code Establishing Rules and Regulations for Fire Protection within Duchesne County
(9:24 a.m.)

Deputy Attorney Tyler Allred presented the ordinance and explained the changes that have been made. The parties discussed additional amendments. Emergency Management Director Josh Phillips asked questions about the online application process and how to

update the information to include all cities. The parties discussed the ordinance. *Commissioner Miles made a motion to approve Ordinance No. 24-411; An Ordinance Amending Ordinance Nos. 93-116, 03-210, 06-246, and 07-252, Adopting Title 3 Chapter 3 of the Duchesne County Code Establishing Rules and Regulations for Fire Protection within Duchesne County as amended. Commissioner Killian seconded the motion. Commissioner Miles voted aye, Commissioner Killian voted aye, and Commissioner Hansen voted aye. The motion passed.*

Discussion & Consideration of Lease Agreement with Ovintiv USA Inc.
(9:43 a.m.)

Deputy Attorney Tyler Allred presented and explained Ovintiv's request. The lease agreement has expired, and a decision needs to be made regarding a future agreement. The County can sign another lease or an operating agreement and share the profit and loss with Ovintiv. The parties discussed the request and options. *Commissioner Killian made a motion to partner with Ovintiv USA Inc. and authorize the chair to sign the operating permit. Commissioner Miles seconded the motion. Commissioner Killian voted aye, Commissioner Miles voted aye, and Commissioner Hansen voted aye. The motion passed.*

Central Utah Water Conservancy District (CUWCD) Truth in Taxation Presentation
(9:52 a.m.)

Gene Shawcroft, CUWCD's General Manager, introduced himself, Mike Whimpey, the Assistant General Manager, Shelley Brennan, and Brad Wells, board members. He then presented a Truth in Taxation County Report for fiscal year 2024-2025. In the packet, there is a map of the boundaries, information for the CUP Bonneville Unit features, how the district benefits the public, the revenues budget overview, the certified rate vs. an authorized rate tax revenue, the cost for an average household, some of the unanticipated/emergency replacement projects, the projected capital replacement expenditures in the Duchesne area, WTP Reserve Revenue vs. Capital Replacement Expenditures. There is a difference of $5.8 million between the certified tax rate of 0.000380 and the authorized tax rate of 0.0004. The report shows that the average household value in Duchesne County is $257,000. The certified rate estimated at 0.000387 would equal $36.99. The proposed rate of 0.0004 would equal $38.94, which is a $1.95 annual tax increase to maintain the rate at 0.0004. The Truth in Taxation Public Hearing is in Roosevelt, UT, on August 26th at 6:00 pm and in Orem, Utah, on August 27th at 6:00 pm. The Final Budget hearing will be on August 28th at the board meeting at 1:00 pm.

Recess 10:25 a.m. to 10:37 a.m.

Commissioner Miles made a motion to recess. Commissioner Killian seconded the motion. Commissioner Miles voted aye, Commissioner Killian voted aye, and Commissioner Hansen voted aye. The motion passed.

Discussion & Consideration of the Board of Equalization (BOE) Adjustments
(10:38 a.m.)

Clerk-Auditor Chelise Jessen presented a list of properties that needed value added after the 2024 tax roll was closed. Before closing the roll, the Assessor completed several checks between the programs, and everything seemed correct. The list of properties has been corrected as BOE changes. *Commissioner Miles made a motion to accept the BOE adjustments as presented. Commissioner Killian seconded the motion. Commissioner Miles voted aye, Commissioner Killian voted aye, and Commissioner Hansen voted aye. The motion passed.*

Auditors Office – Vouchers
(10:39 a.m.)

Clerk-Auditor Chelise Jessen presented the July 8, 2024, vouchers, check numbers 165672 through 165747, for $681,368.19. The parties reviewed the vouchers submitted. *Commissioner Miles made a motion to approve the vouchers for July 8, 2024, as presented. Commissioner Killian seconded the motion. Commissioner Miles voted aye, Commissioner Killian voted aye, and Commissioner Hansen voted aye. The motion passed.*

Recorder's Office – Tax Adjustments
(10:44 a.m.)

Recorder Shelley Brennan presented the tax adjustments for the Recorder's Office. Parcel 8340, the acreage has been incorrect since 2000 for a credit of $267.74. *Commissioner Killian made a motion to approve the tax adjustment as presented. Commissioner Miles seconded the motion. Commissioner Killian voted aye, Commissioner Miles voted aye, and Commissioner Hansen voted aye. The motion passed.*

Consideration of Minutes for Combined Commission Meeting held July 1, 2024
(10:50 a.m.)

The parties reviewed the combined Commission meeting minutes for July 1, 2024. *Commissioner Miles made a motion to approve the minutes for July 1, 2024, as presented. Commissioner Killian seconded the motion. Commissioner Miles voted aye, Commissioner Killian voted aye, and Commissioner Hansen voted aye. The motion passed.*

Consideration of Minutes of the Special Meeting for a Quarterly Disposition Auction held July 1, 2024
(10:56 a.m.)

The parties review the special meeting minutes for July 1, 2024. *Commissioner Killian made a motion to approve the special meeting minutes for July 1, 2024, as presented. Commissioner Miles seconded the motion. Commissioner Killian voted aye, Commissioner Miles voted aye, and Commissioner Hansen voted aye. The motion passed.*

Discussion of Possible Subjects for the Next Meeting
(10:59 a.m.)

Discussion & Consideration of County Volunteers
(11:00 a.m.)

Human Resource Generalist Tommi Mascaro presented a list of general and County fair volunteers. *Commissioner Miles made a motion to approve the fair volunteers as presented. Commissioner Killian seconded the motion. Commissioner Miles voted aye, Commissioner Killian voted aye, and Commissioner Hansen voted aye. The motion passed.*

Calendaring & Weekly Update on Events
(11:04 a.m.)

Human Resource Update
(11:10 a.m.)

Human Resource Director Judy Stevenson gave an update on the department. Interviews are scheduled, and several open positions are available. The Building Department employee has started, and the Corrections Officers will start soon.

Closed Meeting – Strategy Session to Discuss: The Character, Professional Competence, or Physical or Mental Health of an Individual
(11:21 a.m.)

Commissioner Killian made a motion to go in and out of a closed meeting for a strategy session to discuss: The Character, Professional Competence, or Physical or Mental Health of an Individual. Commissioner Miles seconded the motion. Commissioner Killian voted aye, Commissioner Miles voted aye, and Commissioner Hansen voted aye. The motion passed.

Back in Session
(12:12 p.m.)

No action is to be taken.

Recess 12:13 p.m. to 2:00 p.m.

Commissioner Miles made a motion to recess until the 2:00 p.m. Public Hearing. Commissioner Killian seconded the motion. Commissioner Miles voted aye, Commissioner Killian voted aye, and Commissioner Hansen voted aye. The motion passed.

Public Hearing 2:00 p.m. – Ordinance #24-407: Enacting Provisions in the Duchesne County Zoning Ordinance Associated with Flare Gas Power Generation
(2:00 p.m.)

Present –

Commissioner Irene Hansen, Commissioner Tracy Killian, Deputy Attorney Tyler Allred, Project Specialist Josh Felter, Recorder Shelley Brennan, Community Development Director Mike Hyde, Community Development Deputy Director Mike Gottfredson, Economic Development Director Deborah Herron, Greg Simms, Kelsey Carter and Jeff Crozier with Javelin Energy Partners, Senator Ron Winterton, Planning Commission Chair Connie Sweat and Planning Commission member Thomas Winterton, Shawn Welch, and Sarah Axelrod with Crusoe Energy Systems, Jacob Woodland with Wasatch Energy Management, Heather Ivie with Kinder Morgan, Duchesne County resident Lori Winterton, and Commission Executive Assistant Melissa Hughes is taking the meeting minutes.

Present via Zoom–

Commissioner Greg Miles, Leslie Pearson with Finley Resources – Uinta Wax, JD Kesler with Parsons Behle & Latimer, attorney for UPA, Don Bromley with Ovintiv, Tiesha, Deputy Clerk-Auditor Lexie Young, Jeff Chugg, Scott Duncan with XCL, 435-219-0963

Community Development Director Mike Hyde explained that Duchesne County proposes to amend its zoning ordinance to define flare gas, flare gas power generation, and flare gas facilities, specify in which zoning districts such facilities are allowed, and specify how their anticipated impacts are to be mitigated. It is recommended that flare gas power generation facilities be allowed with a conditional use permit in the Commercial, Industrial, A-10, A-5, and A-2.5 zoning districts. These facilities would be prohibited in the R-1 and R-1/2 zoning districts.

The proposed ordinance requires flare gas power generation facilities to be set back at least 1,320 feet from primary or secondary residences or buildings open to the public. To mitigate noise impacts, a flare gas power generation facility must be designed to avoid more than 35 decibels increase above ambient levels but not to exceed 60 decibels. Flare gas power generation facilities must also comply with Section 3-1-4 (G) (1) (d) of the County's Nuisance Ordinance, which defines a nuisance as: *"The use of any mechanical device, operated by compressed air, steam, gasoline or otherwise, unless the noise created is in connection with work being done by authorized agencies or an agricultural activity and/or is effectively muffled between the hours of nine-thirty o'clock (9:30) P.M. and seven o'clock (7:00) A.M.*

Flare gas power generation equipment must be installed on professionally designed industrial vibration isolators or other vibration reduction technology to minimize high-frequency vibration concerns.

The ordinance cannot apply retroactively to flare gas power generation facilities already established in the County. Its provisions will not apply if a citizen elects to build a home or a building open to the public within 1,320 feet of an existing flare gas power generation facility.

The proposed ordinance was first reviewed during a public hearing conducted by the County Planning Commission on May 1, 2024. Upon hearing numerous concerns and requests for an extension of time to review and comment on the ordinance, the Planning Commission recessed their public hearing until June 26, 2024, to allow for further study of the regulatory options.

During the review period, several suggestions were made by the industry partners, such as the Utah Petroleum Association, Crusoe Energy Systems LLC, Ovinti, Javelin Energy Partners, WEM, and Holland & Hart LLP. When the Planning Commission reopened its public hearing on June 26, 2024, no one appeared to speak in opposition to the ordinance. Believing that the ordinance strikes an appropriate balance between residential and industry interests, the Planning Commission recommended unanimously that the ordinance be approved.

Public Comments

(2:11 p.m.)

Shawn Welch, with Holland & Hart LLP, here on behalf of Crusoe Energy Systems LLC, stated his address and spoke in favor of the ordinance. He commented on ordinance #24-407 line 105 – Flare Gas Power Generation facilities must be set back at least 1,320 feet from the nearest primary or secondary residence or building open to the public to provide a noise and vibration buffer unless the owner(s) of said residences or buildings consent in writing to a lesser distance and said consent is submitted with the conditional use permit application. He reiterates what Community Development Director Mike Hyde and Community Deputy Director Mike Gottfredson said. He attended the Planning Commission meetings and he appreciates the interaction and communication that has been had with Crusoe Energy Systems LLC. He has no issues with the ordinance and thanked the parties for working with them and hearing their concerns.

Sarah Axelrod, representing Crusoe Energy Systems LLC out of Denver, CO., spoke in favor of the ordinance. She thanked the parties for their time, thoughtfulness, and patience

while investigating the issues. She said that Crusoe Energy Systems LLC is excited to continue the work in the basin and be good neighbors for the residents.

The Commissioners thanked Crusoe Energy Systems LLC for cooperating and providing input for the ordinance.

Commission Discussion
(2:18 p.m.)

Commissioner Hansen thanked the staff for the work completed on the ordinance. Commissioner Killian asked if the staff had received complaints from the residents. Community Development Director Mike Hyde stated no.

Regular Session
(2:20 p.m.)

Commissioner Killian made a motion to approve Ordinance #24-407, as recommended by the Planning Commission, with the amendment to line 105. Commissioner Miles seconded the motion. Commissioner Killian voted aye, Commissioner Miles voted aye, and Commissioner Hansen voted aye. The motion passed.

Public Hearing 2:10 p.m. – Ordinance #24-409: Enacting Provisions in the Duchesne County Zoning Ordinance Associated with Oil and Gas Drilling and Production
(2:21 p.m.)

Present –

Commissioner Irene Hansen, Commissioner Tracy Killian, Deputy Attorney Tyler Allred, Project Specialist Josh Felter, Recorder Shelley Brennan, Community Development Director Mike Hyde, Community Development Deputy Director Mike Gottfredson, Economic Development Director Deborah Herron, Greg Simms, Kelsey Carter and Jeff Crozier with Javelin Energy Partners, Senator Ron Winterton, Connie Sweat Planning Commission Chair, Planning Commission Member Thomas Winterton, Shawn Welch and Sarah Axelrod with Crusoe Energy Systems, Jacob Woodland with Wasatch Energy Management, Heather Ivie with Kinder Morgan, Duchesne County resident Lori Winterton, and Commission Executive Assistant Melissa Hughes is taking the meeting minutes.

Present via Zoom–

Commissioner Greg Miles, Leslie Pearson with Finley Resources – Uinta Wax, JD Kesler with Parsons Behle & Latimer, attorney for UPA, Don Bromley with Ovintiv, Tiesha, Deputy Clerk-Auditor Lexie Young, Jeff Chugg, Scott Duncan with XCL, 435-219-0963

Community Development Director Mike Hyde explained that the zoning ordinance amendments found in Ordinance 24-409 are proposed due to the rapid expansion of oil and gas drilling and production facilities on private (fee) land in Duchesne County, with the associated impacts on residents and roads in agriculture and rural residential areas. These proposed amendments are summarized below:

Amends the definition of "Oil and Gas Drilling Facilities/Production" to "Oil and Gas Drilling and Production Facilities," which include well pads and their associated equipment, compressor stations, and water handling facilities;

Amends the "Oil and Gas Drilling and Production Facilities" use in the table of uses to now require a conditional use permit in all zoning districts. Currently, these facilities are permitted outright in the A-10, A-5, Commercial and Industrial zones. A majority of the county lands are zoned A-5, and most oil and gas drilling and production facilities have thus not required a conditional use permit;

Amends the oil and gas drilling and production facilities section to require administrative conditional use permits for wells (not yet spudded) and compressor stations or water handling facilities (where construction has not commenced) in all zoning districts and;

Codifies the traffic estimation and road infrastructure improvement process outlined in the Duchesne County Transportation Master Plan, which was adopted by Resolution in 2017 (and thus did not have the force of law). This will require a traffic impact analysis to

determine if the oil and gas operation will generate "extraordinary use" and what mitigation measures are needed to prepare access roads to accommodate this use. Decisions associated with road improvement requirements will be made by the County Road Department Supervisor, with an appeal to the County Commissioners available in case of disagreement.

As stated in the findings document, it is not the intent of the County to establish an impact fee.

The proposed Ordinance received an initial Planning Commission review on April 3, 2024; the matter was recessed until June 26, 2024, and then recessed indefinitely until a pending road study is completed and stakeholders are given eight (8) weeks to review the results of that study and the proposed ordinance. The County Commission has determined that this indefinite recess constitutes a negative recommendation under section 8-3-3 B. 9. e. of the Duchesne County Zoning Ordinance.

Public Comments
(2:30 p.m.)

Jake Woodland, with Wasatch Energy Management as a stakeholder and also representing the Utah Petroleum Association (UPA) as the Uintah Basin Sub-Committee Chair, stated that the concerns about the ordinance have been expressed in the Planning Commission meetings. Conversations about road impacts have been ongoing for nearly three years. As an industry, there is frustration; in any meeting, when there is an action item, the industry returns the requested data in a timely manner, only to have it not acted on for nearly three years. He would like the County Commission to follow the guidance that the Planning Commission set forth and postpone the decision until reasonable and prudent data can be analyzed. He is also concerned with the statement on the second page of the request for action form: *As stated in the findings document, it is not the intent of the County to establish an impact fee.* He said that the definition of an "Impact Fee," as written in the letter from UPA dated June 18, 2024 (also in the packet) "Impact Fee" is "a payment of money imposed on new development activity as a condition for development approval to mitigate the impact of the latest development on public infrastructure. The Impact fee statute may not be avoided simply by calling a fee something else.

Commissioner Killian asked Community Development staff if the current road master plan addresses the industry's impacts. Community Development Director Mike Hyde stated that the current Transportation Master Plan report recognizes that "Impact fees may be imposed only after Duchesne County complies with the requirements of Title 11, chapter 36a of the Utah Code." Since this ordinance establishes a process for negotiation associated with road improvement that may need to be done, does that constitute an impact fee? That is a question that the attorneys need to look into.

Jake Woodland – agrees that the county and the industry need to work together as they have in the past. He is concerned that the draft ordinance is vague, arbitrary, and capricious. He said there has to be clarity for the shall and shall not in the ordinance. He requested the County Commission to follow the recommendation of the Planning Commission and recess the item until the study is complete and the stakeholders are given time to review the results.

Commissioner Killian spoke about the impact of a super pad and the number of trucks it takes. It will impact the roads. He also talked about the jail and the inmates, with the drilling locations by the jail if something went wrong. There wouldn't be enough time or resources to remove the inmates from the jail.

Commissioner Miles asked Jake Woodland what language in the draft ordinance was arbitrary and capricious. Mr Woodland said there was insufficient time to go through the ordinance line by line. He said the information had been covered in the Planning Commission meetings, and he would suggest reviewing the minutes of those meetings.

Connie Sweat, Planning Commission Chair and LEPC member wanted to address the 200 inmates who would need to be evacuated. There is an agreement with the school district to use the buses in case of an emergency to transport the inmates.

Thomas Winterton, a member of the Planning Commission, said the ordinance is needed, but it is not complete and needs clarification. He suggested following the Planning

Commission's recommendation and postponing the ordinance until the information is received and reviewed.

Scott Duncan with XCL Resources recommended following the Planning Commission's recommendation. He wants to clarify that the industry is trying to hold things over until the ordinance is cleaned up. He thinks an extension would allow for better clarity, communication, and relationship between the County and the industry.

Commissioner Hansen expressed her appreciation for XCL Resources, their partnership, and their support to the county.

Lori Winterton, a county resident, thinks the County is mistreating the industry. She has worked with the oil field, and they are willing to go above and beyond to help the area.

Greg Simms, with Javelin Energy, said the industry is at the table and is willing to work with the County. He would like a truck route to help keep the trucks on the desired path. He gave examples of the businesses that would be affected if the industry left the area. He wants to work together on the ordinance. More time is needed to get it right.

JD Kesler, attorney for UPA with Parsons Behle & Latimer, would like more time before the ordinance is passed. He said the industry would like to come together and work on the ordinance. He spoke about Commissioner Miles's question about the arbitrary and capricious language. He suggested changes that are needed before the ordinance is passed.

Don Bromley, with Ovintiv, would like more time to review the data. He wants to work together for the best solution.

Commission Discussion
(3:24 p.m.)

Commissioner Hansen appreciates the industry and her time working with them. The Commission and the industry can continue negotiating to find the best solution.
Commissioner Miles appreciates all of the comments, special attention, and engagement. He wants to clarify that the Special Service District is sponsoring the Master Transportation update, not the Commission. A solution is needed, and he is not opposed to giving more time.

Commissioner Miles made a motion to consider the Planning Commission's failure to make a timely recommendation as a negative recommendation and move the discussion to the County Commission level. Commissioner Killian seconded the motion. Commissioner Miles voted aye, Commissioner Killian voted aye, and Commissioner Hansen voted aye. The Motion passed.

Commissioner Killian made a motion that the public hearing be recessed until July 29, 2024, at 2:00 p.m. and held at the County Event Center. Commissioner Miles seconded the motion. Commissioner Killian voted aye, Commissioner Miles voted aye, and Commissioner Hansen voted aye. The motion passed.

Commissioner Hansen explained how the working session would be conducted and that the industry could give input and recommendations for the ordinance.

Adjournment
(3:58 p.m.)

Commissioner Killian made a motion to adjourn the meeting at 3:58 p.m. Commissioner Miles seconded the motion. Commissioner Killian voted aye, Commissioner Miles voted aye, and Commissioner Hansen voted aye. The forum adjourned.

Read and approved this on the 15th day of July 2024.

Irene Hansen

Irene Hansen
Commission Chair

Chelise Jessen

Chelise Jessen
Clerk-Auditor

Minutes of the meeting prepared by Commission Executive Assistant Melissa Hughes