

**SAN JUAN TRANSPORTATION SPECIAL SERVICE DISTRICT
MEETING MINUTES**

**Monday ▪ September 09, 2024 ▪ 7:00 p.m.
117 S Main, Monticello, UT**

1. Call to Order - The special meeting of the San Juan Transportation Special Service District was called to order by Chairman Kirk Crowley at 7:01 p.m., on Monday, September 9, 2024. The following persons were present for all, or portions of the meeting.

Transportation District Board Members

Chairman: Kirk Crowley

Vice Chairman: Michael Haviken

Secretary/Treasurer: Shane Shumway

Eric Grover

Mike Christensen

Clerk: Cindi Holyoak

Special Service District Administrator: Kelly Pehrson

Visitors

Todd Adair

2. Consider Board Member Nomination - Administrator Pehrson gave a little background on the functions and responsibilities of the Transportation District. He said he's been the administrator for the Transportation district for approximately 10 years now and the funding this board governs comes from oil and minerals on public land. He continued to explain that the fee revenue as well as lease revenue goes to the federal government and then they send back a portion of that. He said the amount of revenue has really fluctuated over the years and dropped significantly from when he first started, dropping from close to four million a year, down to, roughly, about \$360,000. He said this money is intended to be used for road work within San Juan County, for which by-laws have been created to direct the funding process, which has been benefiting the incorporated cities within the county with much needed funds for road maintenance, gutters, and some engineering. **Motion was made by Shane Shumway to nominate Mike Christensen as a board member. The motion was seconded by Erik Grover, and passed unanimously.**

3. Minutes Approval: Motion was made by Michael Haviken to approve the minutes of the June 10, 2024 meeting. The motion was seconded by Shane Shumway. The motion passed unanimously.

4. Board Updates: Administrator Pehrson discussed previous CIB loans and the application process and how the funding goes through the Transportation District and is then appropriated to

the cities. He said it is time to begin thinking about another project and combining applications for Monticello, Blanding, and Bluff. There was discussion about how the funds should be used for all county roads. Shane Shumway added that his Father-in-Law and Mike's Father-in-Law, Balvin Black that started the Transportation Special Service District with the intent of developing and maintaining roads to increase tourism, oil production, and mining. With the hope that these ventures would help the economy of the county, and that maybe the needs of the cities should be secondary or align with this goal.

Todd Adair said he has a \$350,000 project to upgrade a crossing by Perkins Ranch which is difficult to cross when it floods. He would like to pursue funding for this which is outside of SRS parameters. Administrator Pehrson said the first question the Board will ask is if all Federal partners on the flood damaged road have been explored for possible funding, such as EWS and Jones & DeMille Engineering, Inc. Todd said he has tried to leverage some of the Federal funding but was unsuccessful but the crossing needs to be passable for oil and gas because the alternate route is through Devil's Canyon and Dover Creek which is an 80 mile detour. Details of the project were discussed.

Chairman Crowley said he has asked Administrator Pehrson if he would be willing to talk to the Monticello City Council about the purpose of the board and what might be available. Administrator Pehrson said he thought he may be able to attend in October. There was discussion about staffing changes at the cities and the county and the 2024 projects that may still need to be funded. Administrator Pehrson summarized the last two years of funding: 2023, we matched 203,000 of Blanding's projects but I don't know if they got more in 2024. I would have to look at the minutes. Blanding or Monticello City received \$124,000, and probably similar to that for 2024, and Bluff in 2023, spent \$14,000 of \$55,000. So, somewhere in that ballpark I would imagine for 2024. The County Road Department receives \$350,000 in SRS funding. Once the entity spends the required amount, then they are reimbursed for the agreed amount.

Shane Shumway suggested the possibility of having each city pass a resolution in support of more mineral and oil development that could be taken to the BLM and other land controlling entities because that is where the money is generated - on public lands. Michael Haviken said the Town of Bluff held a meeting to stop oil drilling in a particular area due to the proximity of the town's aquifer and the desire to protect the drinking water. He believes this meeting took place a number of years ago. Administrator Pehrson suggested that the Board draft a resolution for him to take to the cities when he speaks to the Councils. The Board was in favor of this idea. Administrator Pehrson said he would have one drafted for the next agenda.

5. Financial Review: Administrator Pehrson included a balance sheet for the board to review with the following summary:

\$43,255.62 in the checking account
\$1,121,837.19 in the SRS fund
\$2,782,954.72 in the mineral lease funds
Total assets: 3.9 million.

Liabilities:

Loan of \$500,000 is down to \$203,000
CIB Bond of \$2.1 million is down to \$894,000
Total liabilities: \$1,097,000

Equity:

3200 fund balance: 810,797.07
3250 committed capital projects: 1,350,000.00
Contribution (distribution) to fund balance: 723,151.46
Total Equity: 2,883,948.53

Profit/Loss: Total mineral lease income

Jan 1 - Sept 9, 2024:
State Mineral Lease Payment: \$307,145.88
Federal Payments: \$312,231.96
Interest Income: \$94,642.10
Capital 63B Interest Income: \$22,474.4
Total Income: \$117,116.50

Expenses:

Legal & Accounting: \$2400
Professional Services: \$9650.00
Insurance: \$100
Board Stipend: \$650
Operating Costs: \$542.88
Pay to other Governmental Units:
Total Expenses: \$723,151.46

Net Income: \$563,143.22

Total Contribution (distribution): \$563,143.22

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5. Consider Accounts Payable: All payments for approval were included in the packet for review. Motion was made by Michael Haviken to approve the payables, as presented. The motion was seconded by Shane Shumway and passed unanimously.

Michael Haviken: Aye

Erik Grover: Aye

Shane Shumway: Aye

Kirk Crowley: Aye

The motion passed unanimously.

6. Project Updates/Discussion:

Administrator Pehrson said he will have an analysis prepared for a CIB application for another 5 million dollar loan which can be used for new construction or overlay only.

Michael Haviken reported that Jones & DeMille is working on some engineering for erosion problems on Calf Canyon Road, the county also did some patching during the summer and the Town of Bluff is going forward with an RFP to hire an engineer for schematic drawings for the replacement of the old county road that runs through East Bluff, and they are working on a 5 year pavement plan. He said most of the budgeted funds will be spent on design.

Kirk Crowley reported that Monticello City is assessing all roads to determine priorities. Administrator Pehrson said he will get the amount left for Monticello to spend.

Todd Adair said he would bring the SRS project to the next meeting to request \$350,000. He said the county is declaring a State of Emergency with the governor. A couple of roads were lost in Spanish Valley with the flooding, so the declaration will make funding much easier. The downside is that repairs can only bring roads up to the condition they were prior to the floods, so they will not be improved. Todd suggested Administrator Pehrson talk to the governor about that. Todd said the damage estimate is 1.5 million.

7. Upcoming Meeting Schedule: Nov 25, 2024 7:00 PM

8. Other Business: There was no other discussion.

9. Adjournment: Motion was made by Michael Haviken to adjourn the meeting at 7:53 p.m. The motion was seconded by Shane Shumway and passed unanimously.

Attest: /s/Cindi Holyoak

Approved: /s/ Kirk Crowley, Chairman 11/25/2024