

# UINTAH TRANSPORTATION SPECIAL SERVICE DISTRICT

## UTSSD SPECIAL PUBLIC MEETING

June 2, 2025 - Starting at 7 AM

Uintah County Commission Small Conference Room

152 E 100 N, Vernal, UT 84078

### ATTENDING

Board Members: Shawn Labrum, Ryan Cook, Mark Raymond, Sonja Norton

Excused - Bob Leake

County Commissioners: Willis LeFevre, John Laursen, Sonja Norton

Additional Attendees: Jon Stearmer (Kunz), Joel Brown, Robin O'Drescoll, Cheryl Meier, Wayne Simper, Joe Gardner, Loren W. Anderson, Mike Wilkins, Jamey Smuin, Shaun Murray, Joe McKea, Julie Joy-Hundley

Minutes recorded and written by Administrative Assistant Julie Joy-Hundley

### Agenda

- UTSSD to discuss Mineral Lease Funds for the District with the County Commissioners

Shawn Labrum opened the meeting at 7:02

### Overview

Uintah Transportation Special Service District (UTSSD) requested a meeting with the Uintah County Commissioners. The main topic of discussion is the ongoing challenges UTSSD has faced in negotiating an asset transfer agreement with the Uintah Special Service District One (USSD1) since the separation of the districts. UTSSD is seeking the County Commissioners assistance in potentially reallocating mineral lease funds to compensate for lack of action from USSD1 regarding the asset transfer agreement in order to fund UTSSD after separation from USSD1.

## Key Topics

### **Asset Transfer Agreement Negotiations**

- UTSSD has been trying for over a year to work out an asset transfer agreement with USSD1, but they have been "spinning their wheels" without much progress.
- UTSSD feels there is little incentive for USSD1 to transfer funds, despite the fact that USSD1 has received approximately \$48 million in the past two years on the Transportation Districts behalf.
- UTSSD's legal counsel, John Stearmer, provided a detailed timeline of the negotiations, including attempts to meet with USSD1, draft an agreement, and hold joint meetings.
- The main issue seems to be that USSD1 has not felt obligated to transfer any funds to UTSSD, despite UTSSD's belief that they require funds to operate and support on-going as well as future projects.

### **County Commission's Role and Authority**

- The County Commissioners, particularly Willis LeFevre and John Laursen, clarified the legal and political independence requirements for special service districts.
- They explained that the County Commission's role is limited to the allocation of mineral lease funds and the districts have discretion over how to spend the allocated funds.
- The County Commission cannot directly intervene in the day-to-day operations or financial decisions of the special service districts.

### **UTSSD's Financial Situation**

- UTSSD board member Ryan Cook outlined UTSSD's current financial position, stating they have approximately \$7 million in uncommitted operating capital.
- They have committed funds to several ongoing transportation projects, including the Independence Area Road, Red Wash Road, and 7500 East projects, there are additional projects up and coming as well.
- UTSSD is concerned about their ability to cover current projects and take on additional projects with their limited funding; last month Transportation's allocations were only \$2,000.

### **UTSSD's Request to the County Commission**

- UTSSD is requesting the County Commission to consider reallocating mineral lease funds to compensate for their losses and provide them with enough "seed money" to move forward with transportation projects.
- They believe they are entitled to recoup the \$23 million they initially brought to the partnership with USSD1, as well as funds committed to projects that USSD1 is no longer supporting.

### **Conclusions and Next Steps**

- The County Commissioners acknowledged the need to better understand USSD1's financial accounting and expenditures of the \$48 million in funds received.
- They indicated they would have more questions for USSD1 during their upcoming meeting at 9:45 AM.
- The County Commissioners recognized their limited authority in directly intervening in the districts' affairs, but suggested they could affect future decisions and allocations of mineral lease funds.
- UTSSD will continue to pursue their request for a reallocation of mineral lease funds to support their transportation projects and financial stability.

Shawn Labrum closed the meeting at 7:42 AM