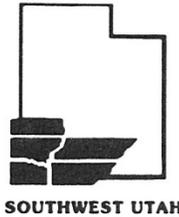


Five County Association of Governments

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MINUTES

FIVE COUNTY ASSOCIATION OF GOVERNMENTS

STEERING COMMITTEE MEETING

WEDNESDAY, JUNE 16, 2021

1:30 P.M.

**IRON COUNTY COURTHOUSE BUILDING; CONFERENCE ROOM
68 S. 100 E.; PAROWAN, UTAH**

MEMBERS IN ATTENDANCE IN-PERSON

Commissioner Wade Hollingshead, Chair
Commissioner Jerry Taylor, Vice Chair
Commissioner Paul Cozzens
Commissioner Andy Gant
Commissioner Gil Almquist
Mayor Nolan Davis
Mayor Todd Robinson
Dale Brinkerhoff
Tyler Fails

OTHERS IN ATTENDANCE IN-PERSON

Heath Hansen
Adam Snow
David Busk
Bryan Thiriot
Gary Zabriskie
Allison McCoy
Alyssa Gamble
Jennifer Mitchell
Trevor Mitchell
Matt Staheli
Dan Cluff

REPRESENTING

Beaver County Commission Representative
Garfield County Commission Representative
Iron County Commission Representative
Kane County Commission Representative
Washington County Commission Representative
Beaver County Mayoral Representative
Iron County Mayoral Representative
Iron County School Board Representative
Beaver County School Board Representative

REPRESENTING

U.S. Senator Mike Lee
Congressman Chris Stewart
Utah Department of Workforce Services
Five County AOG Executive Director
Five County AOG Deputy Director/CED Director
Five County AOG Chief Financial Officer
Five County AOG Community Planner
NaturaSolve
NaturaSolve
NaturaSolve
NaturaSolve

I. WELCOME BY CHAIR.

Beaver County Commissioner Wade Hollingshead, as Chair, welcomed everyone to the newly remodeled Iron County Courthouse building and thanked Iron County for hosting the Steering Committee meeting in the beautiful building that has been redone. He opened the meeting at 1:31 p.m. after having confirmed that a quorum of the Steering Committee was present in person. It was stated by Mr. Gary Zabriskie that all Steering Committee board members were given the option, if necessary, to participate in this meeting electronically via a telephone conference call. [It is noted for the record that no members took advantage of the conference call-in option during the meeting].

The Chair asked Iron County Commissioner Paul Cozzens to lead the group in the Pledge of Allegiance.

II. MEETING MINUTES FROM THE APRIL 14, 2021 MEETING – REVIEW AND APPROVE.

Following the reciting of the Pledge, the Chair presented Agenda Item #III. which is considering the approval of the draft minutes from the April 14, 2021 Steering Committee meeting, which took place in Beaver City at the City Office building. The Chair asked if anyone had anything to bring up relative to the minutes, and seeing that there were none, called for a motion to approve.

Commissioner Andy Gant made a motion to approve the April 14, 2021 Steering Committee meeting minutes, as presented. Mayor Nolan Davis seconded the motion.

The Chair called for a vote. The motion passed unanimously with all nine Committee members in attendance voting in favor.

III. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG).

A. NOMINATION OF BOARD MEMBER TO SERVE ON THE UTAH SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT STATEWIDE POLICY COMMITTEE

Commissioner Hollingshead introduced Agenda Item #IV.A. to the Board and was then asked by Commissioner Paul Cozzens if he could say a few things. The Chair gave the floor to Commissioner Cozzens who stated that he had a quite a lot that he *could* say about this matter. He said, “this Board [the Steering Committee] *nominated me to the Board* [the CDBG Policy Committee] *quite a long time ago and said that basically the governor will not appoint him.*” He then said, “*Rather than going on further, I will read a quote from Neal A. Maxwell, who was someone I admired a lot, who said: “Satan need not get everyone to be like Cain or Judas; he only needs to get able men to see themselves as sophisticated neutrals.”* Commissioner Cozzens stated, “*I am not a sophisticated neutral, I speak my mind, I represent my constituents, and I always will, and so if that rubs people wrong...*”.

At that exact point in his statement Commissioner Cozzens stopped what he was saying and made a motion to nominate Iron County School Board member Dale Brinkerhoff to serve on the Utah Small Cities Community Development Block Grant Statewide Policy Committee. Commissioner Gil Almquist seconded the nomination. Seeing no further nominations, nominations were then closed by the Chair.

Seeing no discussion on the nomination, the Chair called for a vote. The motion passed unanimously with all nine Committee members in attendance voting in favor of the nomination of Mr. Dale Brinkerhoff.

Mr. Brinkerhoff thanked the Steering Committee for their nomination but reminded them that he was not looking for a job but said he likely has more time than anybody on this planet, so he said it is easy him to do it. He also said if somebody else wants the position, he would be happy to slide his chair back and resign before they all even leave the meeting. The Chair told Mr. Brinkerhoff that he will do a great job.

B. METHOD OF DISTRIBUTION OVERVIEW FOR FY 2022

Ms. Alyssa Gamble, Community Planner at the Association, presented information to the Committee about the method of distribution process, which is how the state of Utah distributes Community Development Block Grant Funds to AOGs during our last update of the method of distribution it was requested that we revisit the topic in three years and that time has come. She said last time it was over a year-long effort with coordination and participation from all of the AOGs to make a recommendation to the policy board. Alyssa said that this year, unfortunately, we do not have quite that timeline, and the AOGs and State CDBG staff will only have one working meeting in July and then there will only be one more Steering Committee meeting in August where she can report back and update on the matter and make additional recommendations. She said the State Policy Board would like to move on the update to the method of distribution in September. Alyssa told the Committee members that it is staff's recommendation that the Steering Committee ask the state of Utah to postpone any update to the method of distribution for the time being, because of the short timeline and the inadequate time to appropriately review potential impacts from any proposed changes. She said that this past year so much time has been spent on Covid CDBG funds, that the state of Utah just has not had the time to give this matter its due diligence, and we think that that is reflected across other AOGs as well. Alyssa recommended postponing any changes for the foreseeable future and maintaining the current methods in place. She said that she would be happy to go into it in detail for the Committee if the members want a breakdown of how it is currently distributed. Alyssa recommended that the Steering Committee authorize the Chair to send, on behalf of the body, a letter to the State CDBG Policy Board stating the Steering Committee's opinion. Commissioner Almquist asked if the Method of Distribution was determined locally or was dictated from the top down. Mr. Gary Zabriskie stated that this Method of Distribution is from the top down and will set in policy a formula that will be used to determine how much each region receives from the big pot of CDBG money that comes into the state and how it is allocated. He said that about three years ago there was a proposal that would have significantly changed the formula on how it would be distributed. He said that the proposed formula would have grossly affected the Wasatch Front Regional Council and the Five County Association and Governments in a negative way; to the tune of about \$500,000 taken away from the Five County Association allocation and about a million dollars would have come out of the Wasatch Front allocation. Those funds would have been redistributed to the other regions, primarily to the Six County and Uintah Basin AOGs. The other AOGs were mostly held harmless including the Bear River AOG and Mountainlands AOG who would have basically received the same funding. Mr. Zabriskie said it was because of the formula and the criteria that they were choosing included things like the percentage of homes in that region that are pre-1940. He said to the Committee that you must realize with Washington and Iron County, when you know how many homes are being built right now, and how many were built post-1940, which in Washington County, it is pretty

much all of them, percentagewise. He said when compared to Carbon County where a good percentage of the homes, probably fifty percent of the homes, or more, were built pre-1940 and they have not grown that much. He said that they might have twice the number of homes there but not like 10 times, or 50 times. He said that this was just one of the criteria, and there were other criteria that greatly concerned us then, and if we are going to go back to that discussion, and what happened three years ago that almost passed, then we need adequate time to discuss, analyze and debate any possible changes. Mr. Zabriskie said that fortunately, there were enough representatives on the Policy Board last time, including Commissioner Taylor, who voted to hold off for a while, and come back in the future and discuss this. He said that we are now at that future and suddenly that time frame has been scaled down to like two months and we do not believe it can happen properly in such a shortened timeframe. He said we likely need a year for staff from around the state from each of the AOGs and the CDBG Policy Board members to come up with any proposed changes to the Method of Distribution, and the Five County AOG staff believes that the criteria should not be constructed to have a pre-determined outcome.

Ms. Gamble said that basically, there are three levels of decision making where funding is distributed: 1) when funds come to the state from the U.S. Department of Housing and Urban Development to the state of Utah; and then 2) the state Policy Board using an adopted Method of Distribution allocates funding to each of the AOGs that participate in the Utah Small Cities Community Development Block Grant program; and then 3) at the AOG level it has our own local decision-making, the Rating & Ranking Criteria, which is the what the next agenda item she will be talking about.

Commissioner Almquist made a motion to authorize the chair, to sign a letter on behalf of the Steering Committee asking that the status quo, in the method of distribution, be maintained for now; and that any future conversations be delayed by at least one year. The motion was seconded by Commissioner Gant.

Seeing no discussion on the nomination, the Chair called for a vote. The motion passed unanimously with all nine Committee members in attendance voting in favor and the Chair stated that he will sign such a letter.

C. RATING & RANKING UPDATES & PROCESS

Ms. Gamble said that this is our local decision-making for the Community Development Block Grants and are the policies and procedures that we instruct applicants about, whether they are counties, cities, or towns. She said that the policies and procedure guide informs our region's applicants on how to apply, and then determines how they are rated and ranked. Ms. Gamble said that each year we update these policies and procedures, considering the previous application cycle and any challenges we ran into, and any comments from the communities or the public. She explained that she was simply giving an update on what that process is and that we will be holding a 30-day comment period as well as a public hearing in July. She said that the public, hearing will be scheduled at the AOG offices, on Tuesday, July 27, 2021. She said that she will also be emailing all the mayors and commission members to just inform them of the proposed changes and updates. Ms. Gamble told the Steering Committee members that she would be happy to go over any of the proposed changes. She said most of them were clerical, but there are a handful that we are looking at increasing some of the available funding.

Mr. Zabriskie said that the reason for raising the amount of funds for a particular project for a long time it was a maximum of a \$150,000, then we went to \$200,000 and then you can get \$300,000 over two years, with \$200,000 in the first year, and \$100,000 in year two. Ms. Gamble said that we are looking at a couple of different maximum amounts available with funding primarily to prioritize projects that are serving a larger number of beneficiaries, projects that will serve an entire community and are also increasing a two-year project total to \$350,000. She said that it is expected that the CDBG dollars will continue to leverage to other funding such as CIB for particular types of projects, if CIB can fund those. Mr. Zabriskie said some of the projects we use CDBG for, CIB does not fund, things like housing projects and projects for non-profits as a passthrough. He said that CDBG can be used to leverage funding like the Olene Walker Housing Loan Fund. Mr. Zabriskie said that we would like to do fewer, but more significant projects, than a lot of little projects. Mr. Zabriskie also said that what will be presented to the Board by Alyssa and Nate in August will be a result of feedback from the county commissioners and mayors, as well as comments from the public who are invited to comment as well. He said that through this open process staff can draft the local method of distribution for the Five County region.

The Chair asked if any on the Committee had any questions for Alyssa and seeing that they did not, thanked Alyssa for presenting to the Committee.

IV. FY2021 FINAL BUDGET REVISIONS PRESENTATION AND PUBLIC HEARING.

The Chair invited Allison McCoy, Chief Financial Officer at the Association, to present information on the final budget revisions for FY2021. Ms. McCoy indicated there was not much in the way of major revisions except for two program budgets which, due to Covid-19 federal funding, caused the final budget to go up almost three million dollars. She said that one was a program of housing assistance which helps people affected by Covid to pay their rent; and the other one was the CDBG Covid funding to help businesses keep employees and help the Southwest Utah Public Health with inoculations. Mr. Zabriskie stated that the Community Action Program (CAP) is on page 27 of the fiscal year 2021 budget pages and that it shows new money such as the \$1,857,000 to CAP was not there beginning of the fiscal year, it came in mid-year. Ms. McCoy highlighted a few other items like the Aging programs which received an additional \$135,000.

The Chair called open the advertised public hearing for the Final Budget Revision to the FY2021 Budget and asked if there was anyone from the public with concerns or comments [it is made known for the record that the final draft revised budget was available on the Five County AOG website and at the receptionist's desk in the lobby of the AOG's Tonaquint Center office building. Both of those locations were announced in a formal public notice on the Utah Public Meeting Notice and in the Spectrum Newspaper 10 days prior to the meeting.]

The Chair, seeing that there was no one present from the public to comment, closed the Public Hearing.

V. APPROVAL OF FY2021 FINAL BUDGET REVISIONS.

The Chair moved on to Agenda Item # V. Mr. Zabriskie informed the Steering Committee members that the Finance Committee, which is one commissioner from each county, met just prior to the Steering Committee meeting and after reviewing the FY2021 Final Budget Revisions voted unanimously to recommend that the Steering Committee approve the FY2021 Final Budget with revisions as presented.

The Chair then called for a motion.

Commissioner Almquist said that based on the recommendation of the Finance Committee, and the discussions of the Steering Committee, he moved to approve the fiscal year 2021 Final Budget with revisions presented prior to the public hearing. Commissioner Almquist's motion to approve was seconded by Mayor Davis.

The Chair, seeing no discussion requested, called for a vote. The motion passed unanimously with all nine Committee members in attendance voting in favor.

VI. FY2022 PROPOSED BUDGET PRESENTATION AND PUBLIC HEARING.

The Chair invited Ms. McCoy to present the FY2022 Proposed Budget. Ms. McCoy said that the budget dropped back down to around \$10 million, that is close to the same amount that it has been in the recent past [before Covid]. She said we have not received notice of any additional funding from the new act, the second stimulus act, so we are not sure what is going to come in there. Ms. McCoy said that when she started here seven years ago the budget was around \$7 to \$8 million so it has grown just a bit, discounting the temporary increases from Covid funding last year. She asked if anyone had any questions. A question was asked to explain Indirect Costs. Ms. McCoy explained the process by which the Indirect Cost percentage is calculated. She explained that many of our funding agencies and programs require us to provide a copy of our certified Indirect Cost Plan and the percentage.

Seeing that there were no further questions for Ms. McCoy, the Chair called open the advertised public hearing for the FY2022 Proposed Budget and asked if there was anyone from the public with concerns or comments [it is made known for the record that the proposed budget was available on the Five County AOG website and at the receptionist's desk in the lobby of the AOG's Tonaquint Center office building. Both of those locations were announced in a formal public notice on the Utah Public Meeting Notice and in the Spectrum Newspaper 10 days prior to the meeting.]

The Chair, seeing that there was no one present from the public to comment, closed the Public Hearing.

VII. APPROVAL OF FY2022 BUDGET.

The Chair moved on to Agenda Item # VII. The Chair informed the Steering Committee members that the Finance Committee met just prior to the Steering Committee meeting, and after reviewing this FY2022 Proposed Budget, voted unanimously to recommend that the Steering Committee approve the FY2022 Proposed Budget as presented.

The Chair then entertained a motion.

Commissioner Taylor moved to approve the fiscal year 2022 Proposed Budget as presented prior to the public hearing and recommended by the Finance Committee. Commissioner Taylor's motion to approve was seconded by Commissioner Cozzens.

The Chair, seeing no discussion requested, called for a vote. The motion passed unanimously with all nine Committee members in attendance voting in favor.

VIII. UPDATE ON FRAUD/RISK ASSESSMENT PROCESS.

The Chair turned the floor over to Executive Director Bryan Thiriot who explained he had emailed earlier to the Committee members a copy of the fraud risk assessment. He said this is the second year that the Five County AOG is having to do the fraud risk assessment, and the only change from last year to this year is that we do have a formal audit committee, that is our Finance committee, so those Commissioners act in that role. Mr. Thiriot said we added another 20 points so our total this year is 305 out of 395. He said with that improvement we are still in the moderate fraud risk assessment. He said in December he must submit this to the state auditor, just as counties and cities need to do as well. Mr. Thiriot said that if we want to make an improvement, we can always have the Steering Committee members take training that will give us another 20 points. A question was asked about cash receiving and deposits and why it was not scored. Mr. Thiriot said he missed that and would add that onto the score which will increase it, so we are moving in the right direction. He said that there is something to be said for being moderate. He said we could be at a low risk but does not think there is much difference, in his opinion, between the low and the moderate, as these are just benchmarks. Mr. Thiriot said it was safe to say there is not a big risk, instead there is a low to moderate risk.

IX. AREAWIDE CLEARINGHOUSE REVIEW & ACTION.

The Chair turned the floor over to Mr. Zabriskie, who presented two separate A-95 Areawide Clearinghouse Reviews. Mr. Zabriskie explained that when the School and Institutional Trust Lands Administration (SITLA) has a proposed activity, such as a land sale, lease, or other project such as livestock watering improvements on leased Trust lands, the region, in our case the Five County Association of Governments is notified and then we contact the primary affected entities and get their concerns and comments that we then present the projects to the Steering Committee to vote on. They can choose to support, conditionally support, or not support a proposed action by SITLA.

The first project that Mr. Zabriskie presented was a planned sale of 354 acres of Trust land in Beaver County in the Wah-Wah Valley. It will be done through the regular SITLA auction process. The county was contacted, and they did not have any concerns nor opposition to the sale. The second project, a late arrival, was a range improvement project as a proposed livestock watering improvement with 7,500 feet of water piping and watering troughs in Garfield County. The county was contacted, and they stated that the project was one which the County supports as grazing is one of the basic industries in the county.

The Chair then entertained a motion.

Commissioner Taylor made a motion that the Steering Committee support SITLA's two projects presented, one in Beaver and one in Garfield County. Commissioner Taylor's motion was seconded by Mayor Davis.

The Chair, seeing no discussion requested, called for a vote. The motion passed unanimously with all nine Committee members in attendance voting in favor.

X. CIB APPLICATIONS REVIEW BY STEERING COMMITTEE.

The Chair turned the floor over to Mr. Zabriskie, to present CIB Applications for review by the Steering Committee. He explained that this is the first trimester of fiscal year 2022 for the Utah Permanent

Community Impact Fund Board (the CIB) and these applications were due on the first of June. Mr. Zabriskie said that the CIB Board starts hearing these in July of this year. He explained that each trimester is a four-month long period, so an application that was made on June 1st, will be heard in front of the CIB either in July, August, or September, and then the fourth meeting, in this case October, is the funding meeting.

Mr. Zabriskie said that the state CIB office received ten applications from this region by the June 1, 2021 deadline. He said the ten projects are: two water projects from Elk Meadows Special Service District; Henrieville for a general plan update; Garfield County for hospital improvements; Tropic town for a sewer impact fee study; Kane County MBA to remodel their Administrative Building to make better space for the County Commission and also make improvements to the gymnasium building at the county's Kanab Center; the Kane County Water Conservancy District for a new golf course they are proposing near the Jackson Flat Reservoir; Big Water town to buy a new Town Marshal's car, wanting a 4x4 vehicle because a lot of the roads out there are not good; Iron County is has applied to expand the fire station in New Castle, Utah. Mr. Zabriskie said that they do have one, but it is small and not really a functional fire station out there. He said it was expanded one time with CDBG dollars and that provided a little bit more space. He said that this CIB funding will be leveraged with new CDBG dollars that were just awarded. Commissioner Cozzens explained that they do not have enough storage space to take care of other trucks, so they have to put them in a potato barn, and they need to drain them in the winter so that they don't freeze. And the final project is the Virgin Town which is looking at receiving a planning grant for a drainage master plan, because they have never had a comprehensive study on flood control in the community. Mr. Zabriskie reminded the Steering Committee members of an e-mailed letter they likely received from a person in the county that is opposed to this project that wanted to have that made known to the board. He said that a copy of that letter was provided in front of each member in case they hadn't seen it.

Mr. Zabriskie said that we have these ten projects, and this board has traditionally either supported a project, remained neutral on a project, or not supported a project. He said a good example of when this committee felt compelled to remain neutral in the past with, was when the Iron County Water Conservancy District wanted to do a feasibility study of bringing water from Pine Valley (in western Beaver County) into Iron County. It was a project that Iron County supported but Beaver County was adamantly opposed to. The Steering Committee felt that in that case it was a good time to punt like in a football game. At that time the Steering Committee decided to just remain neutral on that project application, and let it go up to the CIB Board with information that there was opposing views amongst our counties. Mr. Zabriskie explained that another time was the old Rockville Bridge in which there was a CIB request for \$300,000 to repair the Rockville Bridge, and the county, and some of the other communities felt, it would be better to spend that money towards building a modern, higher capacity, bridge somewhere nearby, that would tie into other parts of the county, and it would be a better use of money. Mr. Zabriskie said at that review this Committee decided to not support that project. He explained that historically this has not been simply a rubber stamp, and never should be, as this committee is given, by the CIB, the opportunity and the obligation to discuss and vet these projects. He went on to say that it does not mean the Steering Committee is making a funding decision for them, but if a project is something you fundamentally do not believe is a priority, then you have that option to so decide. Mr. Zabriskie said that he presents all applications to the Committee, using the project descriptions provided by the applicant, and that he remains neutral and lets the Steering Committee decide its level of support. He said he put a synopsis of each of the projects in the Steering Committee packet that he sent out last week and if the members had any questions, he would do his best to answer them. Mr. Zabriskie said that he thinks he

knows most of the applications quite well as he worked with most of them, and helped them when they were putting their applications together.

The Chair asked if anyone had any questions for Mr. Zabriskie. The Chair noted that he is only aware of the one letter in opposition and wanted to make a note in the record that it is the only that one he has heard of, about the requested loan for the golf course there in Kane County being questioned. He said he had not heard anything about any of the other applications. Mr. Zabriskie explained that there was a reason there are two separate applications from Elk Meadows Special Service District. One of the projects is for just one specific area in Elk Meadows that needs improvements so they formed a Special Improvement District (SID) for that, and that one area alone will be paying for that particular loan, because it's not benefiting the whole Elk Meadows SSD area, whereas the second project is improvements throughout the entire Elk Meadows SSD area upon the mountain that will be paid for by every property owner in the SSD. The Chair asked about the funding for the Kane County Water Conservancy District. Mr. Zabriskie said that they are asking for \$10 million dollars, as a loan for 30 years of 1%. The Chair asked whether this funding is for a private company? Mr. Zabriskie said that the applicant will have to own the land and, by rule, CIB dollars cannot be passed through to a private company. He also said that besides the dollars being requested, there is in-kind contributions to this project including land, including 98 acres of SITLA land, 40 acres of BLM land, and 70 acres of private land. Mr. Thiriot asked Mr. Zabriskie to reiterate what they are asking for. Mr. Zabriskie explained it is a 100% loan in the amount of \$10 million from the CIB, for 30 years at 1%, and there are some local funds from the Water Conservancy District and some in-kind commitments of the land. Commissioner Almquist asked Commissioner Gant, what the main driver was for the golf course, asking if it was tourism? Commissioner Gant answered that it would be transient room tax (TRT) money that theoretically would end up funding it, so it has got to be a tourism-related. Commissioner Gant said that this is a tough one because what is a local tourist destination golf Course interaction? He said it is not fully understood, and that is where they are as a Commission, unclear how that fits. Commissioner Gant said he is aware that the Conservancy District has done some studies. He said they have gotten a couple of well-known consultants who do a lot of golf pro-formas around the country, so they are probably reputable. He said, however, we just do not know how those comparables apply directly in Kane County. The Chair asked who will own this golf course, and will it be private. He said he was asking because there is a lot of chatter nowadays about government owning golf courses. Mr. Zabriskie again reminded the Steering Committee members that if this is being funded with a CIB loan, it must be owned by a public entity and cannot be passed through to a private business. He said it must be owned and maintained by a government entity or a special district. Commissioner Gant stated that the Kane County Water Conservancy District bylaws do allow for that in the public benefit clause in those bylaws, so it can be owned by the District. Mr. Zabriskie again said that it would have to be, because the bond must be made to an eligible public entity, so it must be owned and maintained by a public entity and cannot be passed through to a for-profit company. Commissioner Gant said there are several things that have not been negotiated yet, neither with Kane County nor Kanab City. He said there is no Memorandum of Understanding (MOU) exists yet between the Water Conservancy District and the rest of the entities to see how the TRT funds would be used, so that is yet to be addressed. Mr. Dale Brinkerhoff questioned, in light of the current drought, whether this is a good year to make a beautiful green golf course in Kane County. Commissioner Gant said that the timing could not be worse with all the drought, and they are actually talking now, if they can get funding, to maybe delay it and see what the water situation plays out. He said that the Conservancy District technically has paper rights to the water, they have twice what they need, right there in the reservoir right beside the golf course, but what is on paper and what is actually in the reservoir is different. The Chair asked what is in the reservoir right now, percentage-wise? Commissioner Gant said they are sitting right now at 70% but said it is a relatively small reservoir.

It was asked where the water comes from that fill the dam. Commissioner Gant said that there is a dam just north of Kanab, on Kanab Creek that they pipe down to the reservoir. Mr. Brinkerhoff said that drinking water rights are like eating deer tracks. He said they do not satisfy your your thirst or your hunger. Commissioner Gant said that is a legitimate concern. He said that Mr. Mike Noel has the support of his Conservancy Board but does not yet have anything official with the irrigation company. He said that the County has both an irrigation group, and the Conservancy District, that are actively involved in water distribution in the area. Commissioner Gant said he has not heard of any real pushback from the irrigation company. He said at this point, Kane County itself does not really have a direct say with the Conservancy District. Commissioner Gant asked what impact the Steering Committee has in this process? Mr. Zabriskie said that when the Steering Committee votes on the CIB applications for projects it is vetting, after a thorough discussion of all the issues if needed, the staff will report to the CIB Board that the AOG governing body supports, remains neutral or does not support a project. Commissioner Gant said no doubt this project would be a benefit to the community, and it will be a great project if operations and maintenance is sustainable. He said some golf courses do. He did say that the same design company built one where he grew up in Bandon, Oregon, in a tiny little community on the coast up there, that has been a massive success for that community. Mayor Davis asked Mr. Zabriskie if the ownership will have to stay public forever. Mr. Zabriskie said he understood, but asked the Steering Committee to not quote him, that if it is owned by government entity in Utah that they would most likely have to sell it at market rate, but because it would be funded with a bond would be complicated, to say the least. The Chair asked Commissioner Gant if this was basically a destination Golf Course. Commissioner Gant answered absolutely, there will be no surrounding housing. Mr. Zabriskie said it was his understanding that it was possible at some point a hotel may be incorporated there at the location, and some other things, but that has just not yet gelled and will not until there is a golf course. Commissioner Almquist asked how many times has the CIB approved something like this and it never happened, or they started on it, and it didn't quite get to the end of the row, so to speak? He asked how many times an applicant quit in the second inning and the CIB got their money back. Commissioner Cozzens gave an example of the Cedar City Aquatic Center addition, for a proposed recreation center in Cedar City. He said that Cedar City applied for CIB funding, but they pulled their CIB request because, number one, there was a referendum being done to defeat the project, which was successful in being put on the ballot in November; and number two, the estimated project cost came in at \$10 million instead of the \$6.8 million anticipated, so they decided to pull it. Mr. Zabriskie said that when this project goes in front of the CIB, regardless of how the Steering Committee votes, whether you support, not support, or remain neutral, which is the discussion and vetting that needs to take place here, all the projects, not just this one, are going to be thoroughly scrutinized by the CIB Board. Mr. Brinkerhoff asked where the CIB funding for this would come from. Mr. Zabriskie stated that because of the larger dollar amount requested this will come from what is called the Major Infrastructure Fund. Commissioner Cozzens stated that, with all due respect to his friend Mike Noel, that when you look at the other nine applicants, when you look at Henrieville General plan, the Garfield County Hospital operating room and other improvements there at the hospital, the Iron County rural fire station needs, those are proper for government to do those things. He said to him golf courses should be private. Mr. Zabriskie said that it is understanding that the CIB has provided funding for golf courses in other areas of the state. He said that the CIB primary stated purpose is to mitigate impacts direct or indirect from mineral extraction on federal lands in Utah, that is the purpose of the CIB dollars. He said that perhaps you could say that by creating additional jobs for people in Kane County, that is now being impacted by the coal being extracted from within the County, that having those jobs helps provide additional income so the family can afford to live there. Mr. Zabriskie said that public safety probably one of the highest level of needs with fire protection and police protection, but that you also need adequate drinkable water, which would be likely be number one, since it obviously does no good to have fire stations

and equipment without water to fight fires. He said if you then go down the line of needs, including a hospital, something like that would be way up there. He said community centers might be down the priority quite a bit, but they are still valuable because people can go to the community center to get socialization and other benefits. Commissioner Cozzens stated that he would try to be consistent, because if the committee members remember, he did vote to not support the Recreation Center expansion to the Cedar City Aquatic Center CIB application when it was presented to the Steering Committee for review.

The Chair stated, with that in mind, he was entertaining a motion by the Committee on these applications, and whether the Committee wants to do all of them all at once or going through them individually. He said whoever makes motion could choose to include all, or separate one or several, and do those as a separate motion or combine in one motion. Commissioner Cozzens again stated that he does not like the idea of something that seems more private to him, even though it is not, but feels it is way down the list of things that this money is used for and is also maybe a matter of poor timing. Mr. Zabriskie reminded everyone that right now, we are all just coming out of a pandemic, and a lot of counties, districts and communities are going to be trying to get caught up on capital improvement needs. He also said that there is an unknown quantity of what is going to happen with mineral extraction on federal lands. He explained that money coming for loans comes from lease payments for the right to explore federal lands for potential for mineral extraction. He said that loans, per se, do not come from the ongoing production when they are pumping oil out or taking coal out of the ground. He said those lease payments go into what is called the Bonus Fund. He said what is called the mineral fund is a tax on ongoing production of minerals and the portion the CIB receives from that can either be granted out or loaned out. The Chair asked about the original golf course and if it was connected to Kanab City. Commissioner Gant said that Kanab City had a little nine-hole course that did okay for a lot of years. He said that they privatized it by selling it off and the new owners that took it over had some financial issues in their corporate structure, so it failed.

Mayor Davis made a motion that the Steering Committee be shown “in support” of nine CIB of the ten applications as presented, with the exception of the Kane County Water Conservancy District golf course project, on which the Steering Committee shall be shown as “remaining neutral”. Commissioner Cozzens seconded the motion.

Seeing that there was no further discussion needed, the Chair called for a vote. The motion passed unanimously with all nine Committee members in attendance voting in favor.

XI. PRESENTATION ON DROUGHT RESEARCH IN THE REGION.

The Chair turned the floor over to Jennifer Mitchell, CEO and founder of NaturaSolve, who gave a little background on their company. She explained that their product is currently being used overseas because it works in oil remediation, which is something she demonstrated to the Steering Committee. Their company owns the formula for the natural stuff that is supposed to be in soil but is many times missing. She explained that their product is all organic. She said that what is supposed to be in soil and waterways needs to be replenished. Their product is just bacteria and fungi like compost is, but they have just speed up the process. She said that when you have awesome bacteria, you also have a more rapid destruction of green waste. Ms. Mitchell said they are currently doing a research project with Utah State University but said the most important thing about their product is what it can do over time. She said in the first six weeks, it can condition the soil to reduce the water demand by 30%. She said that is the most amazing

thing about their product relative to Utah's needs right now. More information on their product is found on their website located at: <https://naturasolve.com/> . The Chair thanked the group for coming and in making the interesting presentation.

XII. UPDATE ON THE FIVE AND SIX COUNTY CONGRESSIONAL BRIEFING ACTIVITY.

Commissioner Taylor explained that we are still going ahead. In the middle of August we will have our Congressional staff coming out from Washington DC to go through issues that we're facing here in Utah. On public lands, which is, you know, right now is there's plenty of issues on public land from fires. Commissioner Taylor said that he knows people call them wildland fires, but he said he calls them forest fires because they are burning up our forests. He said that we have issues with the monuments and other issues, but we are still moving forward. Dale Brinkerhoff asked what areas are being toured this year. Commissioner Taylor said that they are going to spend time in Sevier County, and time in Garfield County. He said that they will stay overnight in Washington County. They will also be visiting the Alton Coal Mine. Executive Director Bryan Thiriot said that as soon as they can get an agenda, they will get it out to all Steering Committee members so you will know what is happening, once that is completed. Commissioner Taylor said that they have raised quite a bit of money, which is good. He said that every county is participating as well as Kanab City and even the Kane County Water Conservancy District contributed. He said that good things are happening and that it is highly productive and said we couldn't ask for a better year to have them out here to see what the drought is causing, what the fires have caused, and the controversy over whether you leave a monument the same or actually increase it. Commissioner Taylor asked if there were any more questions. There were none. The Chair thanked Commissioner Taylor for the update.

XIII. CONGRESSIONAL STAFF UPDATES

Heath Hansen, Senator Mike Lee's office, explained that Secretary of the Interior Deb Haaland gave her report on the monuments to President Biden. He said that report has not been released publicly, but reports have emerged. She has recommended that the President restores the boundaries. He said Senator Lee and the rest of the delegation sent a letter to President Biden asking for a meeting with him and asking for the report to be made public prior to him making anything proclamation, but we haven't gotten any word on whether they are going to honor that request. Mr. Hansen said that right now as we speak, Senator Lee is co-chairing a hearing in the Senate Energy and Natural Resources Committee. They are hearing testimony on a few bills and one of which is Senator Lee's PILT Act that would require the Department of Interior to more accurately evaluate how much federal land is worth to hopefully get some more PILT funds coming to Utah. He said that Representative Kevin Stratton from the Utah Legislature is in Washington, DC right now testifying on behalf of that bill. Another bill is being heard, is the Human Powered Travel in Wilderness Act that would give local managers the ability to allow bikes on certain trails wilderness. Also, yesterday Senator Lee introduced the Native Species Protection Act. This is a bill that was inspired by you Utah Prairie Dog. This is a result of all the problems Iron County has had with that species. This bill would prohibit the federal government from regulating any species under the Endangered Species Act that is only found within the borders of a single state. He said that so many of the species that are endangered and threatened, right now, are actually only found within the borders of a single states and Senator Lee believes it is unconstitutional for the federal government to be regulating a species that is not interstate, because the whole premise of the whole justification of the Endangered Species Act is the interstate commerce clause of the Constitution, so if there is no interstate concerns

then our state government should be able to regulate it. He said that the senator has introduced a bill that would allow Utah to manage species that are only found in Utah. Mr. Hansen said that when Senator Lee first introduced it, it was just him and now we've got Senators Paul Cruz and in Senator Jim Inhofe joining in, we are starting to gain some support for that.

Mr. Hansen mentioned before Senator Lee is working on NEPA reform efforts through the Unshackle Act which he introduced again in this Congress. He said that the Senator is not on the Environment and Public Works Committee in the Senate, but he's been working with some of the members on that committee and he has got some of his bill into the Senate's Surface Transportation Bill. So, some of the reforms that he wants to make to NEPA, they would apply to only the U.S. Department of Transportation and to the Federal Highway Administration, so it's not as broad as we would like it to be. We would like to apply all that to the entire federal government, but we see it as progress and there is some bipartisan interest in. The last thing Mr. Hansen mentioned was that Senator Schumer has announced that he intends to bring up S1 which is the bill they call it the Voting Rights Bill. Senator Lee believes that this is a bill to ensure the Republicans never win another election. Mr. Hansen said that as of right now, Senator Manchin is the only thing that's preventing that bill from passing the Senate. He said it is basically turning over Federal elections to the dictates of bureaucrats in Washington, DC and will no longer allow states to determine times and locations of elections that will be determined by the federal government at all levels. Mr. Hansen said that Senator Lee's exact words were that *"this bill was written, in Hell, by the Devil Himself"*.

Adam Snow, Congressman Chris Stewart's office, thanked Commissioner Taylor, and the others involved for the support on the Five and Six County ride that will take place in August. He said that they were going to borrow from the legislative side to work on some of that. He says this activity is really, really big deal and they have got some good support from people with the Democrats, coming from the east coast to come out for that. He said that bills that the Congressman is focusing on right now including national security. HR 1 is in the house, and it is S1 in the Senate. He explained that there is usually just under 10,000 bills and two years of congress. He said the democrat leadership in both houses numbered these "voting rights" bills as number one. He said that by numbering it HR 1 was this means it is the House leadership's number one priority. The only reason why I would have to worry too much about Center management being killed from. He said from a big picture look at national security, when talking about HR 1, he said to look at what we have had with the beef industry hack, and the oil pipeline hack, and we have had multiple government agencies hacked as well as major tech companies, that should be at the forefront of protection, and they are hacked on a regular basis. He Congressman Stewart said that one cannot believe anything that Putin says to President Biden. The Congressman said that this is Russian sponsored terrorism, cyberterrorism, really. He said that they absolutely are hired by the Russian government, and they are trained by the Russian government. It may not be a Russian agent employed by them, but they are supported in, and surrounded by the Russians. If you want to federalize the nation's elections, if we thought last November was bad, imagine all one system across the entire United States and if everything else can be hacked that absolutely could be and then you would have the end of the Republic. Nobody would have faith in the elections ever again. He said that currently the reason we can have even some semblance of faith in our elections is it is almost impossible to hack that 535 different House and Senate elections simultaneously, plus all the county and state elections all at one time. He said it is because they use different systems and that is what helps keep our system of elections more reliable, and much safer, than if they were to be federalized under one system for the federal government. He said he had covered enough on national security. He said that there were other bills on deck that he is still pushing heavily in the house, but not really expecting to go anywhere. He said that these bills the Congressman is trying to gain support for when the Republicans flip the house. There are three bills that set up a glide path of 20 years to a balanced budget, and national debt, the deficit and debt reduction.

He said that there are local interests being worked on including the SR7 and the I-15 interchange which has a funding request in. He also said the Congressman is working on the issues with wild horses.

XIV. STATE AGENCY UPDATES

Mr. David Busk, with the Utah Department of Workforce Services, said he would give a quick employment situation update. He said that everyone already knows employers are starving for employees, trying to find workers. Our counties are 2.7% to 2.8% unemployment rates, with the exception of Garfield County, which is at about 5.6%. He said this is way better than where it was a year ago, when it was 26% in Garfield County. He said we have had a pretty strong recovery so far. He said that extended unemployment benefits will be ending on June 26th. He went on to give a picture of what that the employment situation currently looks like. He said that in the state of Utah there is 28,000 people on unemployment and about 14,000 of those are on the temporary extension programs. He said if we took all the 28,000 people are on unemployment and put them to work somewhere, we would still have 50,000 to 70,000 jobs posted in just in and our labor exchange system. He said there is a good bunch of people that are still actively searching in the workforce. He said that they are working with employers to help them figure out what the best recruitment strategy is for them in this tight labor market. He said some of it is about the wage part and some of it is about work/life balance. Employers continue to struggle to find the right people. The Chair thanked Mr. Busk for his update.

XV. UNIVERSITY UPDATES

There were no representatives from either University present. Mr. Henrie Walton had contacted the Association staff before the meeting and asked to be excused due to his need to be up at interim meetings of the Utah Legislature at the same time as the Steering Committee meeting. A number of the Steering Committee expressed a desire to hear from Mr. Walton about the status of the move underway to remove the name "Dixie" from the University.

XVI. LOCAL AFFAIRS DISCUSSION

There were no local affairs brought up.

XVII. ADJOURN

Commissioner Wade Hollingshead, as Chair, seeing that there was no further business to be conducted, and at his discretion without debate, adjourned the meeting at 3:34 p.m.