

Minutes of the regular meeting of the Daggett County Commission/Redevelopment Agency Board, Tuesday, December 31, 2013. Commissioners Steglich and Perry were present and Commissioner Blanchard was excused. Vicky McKee, County Clerk, was present as board secretary. The meeting was called to order at 9:00 A.M. by Chairman Steglich.

Also present were: Brian Raymond-Economic Development, Rod Mangum and Keri Pallesen-Auditor/Recorder.

There was no one present with old business nor citizens comments.

The minutes of the December 24, 2013 meeting were provided by the County Clerk's office for review and approval. Motion by Mrs. Perry to approve the minutes of the meeting as provided. Seconded by Mr. Steglich, all in favor.

The Open Invoice Report was provided by the County Auditor's office in the amount of \$11,397.89 for review and approval. Motion by Mrs. Perry to approve the Open Invoice Report as presented. Seconded by Mr. Steglich, all in favor.

There was no correspondence provided by the County Clerk for today's meeting.

The matter on the agenda for the agreement for the use of the snowcat will be continued.

Mrs. Pallesen had provided Resolution #13-27, TO REOPEN CALENDAR YEAR 2013 BUDGET. Mrs. Pallesen stated that the resolution covers the changes that had been approved by the Commission after the Public Hearing held on December 10, 2013 but she had not had the resolution completed for approval at that time. Motion by Mrs. Perry to approve Resolution #13-27 as provided. Seconded by Mr. Steglich, all in favor.

Motion by Mrs. Perry to approve to go In & Out of the Redevelopment Agency portion of the meeting at 9:10 A.M. Seconded by Mr. Steglich, all in favor.

Rod Mangum was present to request an additional extension for the settlement of his agreement with the County Redevelopment Agency for Block 6, Lot 20. He stated that he thought he was ready to settle with the county but was informed that the county was not ready to settle until after the end of the year per Dave McDonald through his conversations with Warren Blanchard. He does not have a permanent mortgage in place but has permanent financing through Dave McDonald. He is still working on permanent financing through a bank. Mr. Raymond stated that he has documents but is not 100% sure that they are final. He has received new forms from the County Attorney but they have not been approved by the Commission. Mr. Mangum has a Certificate of Occupancy and Mr. Raymond stated that he thought he was trying to get financing to pay off the Construction Loan. If Mr. Mangum settles with the county now it would require another settlement with the mortgage company on the house. Mr. Steglich stated that he does not feel the county is ready to go forward as there is not an attorney present at the meeting and the county may be holding things up as much as Mr. Mangum is. Mr. Raymond recommends for the county to grant an extension until the end of February to give Mr. Mangum time to finalize everything. Upon review and discussion, motion by Mrs. Perry to approve another extension for Rod Mangum until Friday, February 28, 2014. Seconded by Mr. Steglich and he encouraged Mr. Mangum to work on the project as much as possible.

With regards to old business, Mr. Steglich questioned the issue with Dan Stephens and Flaming Gorge Rec. Mrs. McKee reported that upon receiving information from the

State Tax Commission that there was a new business outlet located at 111 2nd, Dutch John, her office had sent a letter to Dan Stephens on November 26th questioning the status but as of this date there has been no response. Mr. Steglich stated to keep this matter in the fore-front so it can be addressed with Mr. Stephens. The issue with Flaming Gorge Rec. Service is that there two parcels with delinquent taxes. One parcel is being leased from Daggett County and the other is the old hospital property that they are purchasing. Mr. Steglich stated that he would contact Mr. Thompson regarding this.

The regular portion of the meeting was continued and Mr. Steglich read the email from David Hartvigsen, stating that the county's Change Application for 8,000 acre-feet of water was approved as submitted. He had met with David Hartvigsen and Dee Hansen, Prior State Water Engineer, yesterday. They had stated that the way the approval was written up by the State Engineer makes it almost impenetrable but there could possibly still be opposition that could drag it out for about one year. There are two things that need to happen. 1. Wait until the end of February to see if there are any oppositions filed, and 2. Start negotiations for the storage fee with the Bureau of Reclamation. The way the PPI Agreement for payment of the storage fee is written states that PPI will pay the first \$20.00 per acre foot, Daggett County would pay the second \$20.00 per acre foot and then PPI would be responsible for anything above that. The county is hoping that the negotiations can bring that amount down to the \$20.00 per acre foot which could mean \$160,000.00 out of \$640,000.00 anticipated revenues. Dee Hansen, State Water Engineer, feels that the water was given to the county to help with the responsibility of Dutch John so the Bureau might be willing to negotiate. There would also be a one-time fee of \$13.00+ per acre foot to take the water out of the system. Mr. Hartvigsen has sent an email to the Bureau of Reclamation requesting to schedule a meeting to start negotiating the process. There will need to be a NEPA process that PPI will be responsible to pay for. The study has already been done and they are hoping to be able to piggy back on that. The county will request that PPI pay the \$46,000.00 owed now since the application has been approved and Mr. Steglich stated that he is willing to forego the \$80,000.00 until the appeal date expires and BOR negotiations are complete. Mrs. Perry was in agreement. Mrs. Perry stated that during a conversation with Dave McDonald, he had stated that he knew the guy that was given authorization to negotiate with Daggett County and the county could have received \$200.00 per acre foot for the water. Mr. Steglich responded that prior to the agreement with PPI, the attorneys (Craig Smith and David Hartvigsen) had conducted research on what water was leasing for and after their research they had recommended for the county to accept \$80.00 to \$90.00 per acre foot for a lease. In comparison, right now, it could cost as much as \$40,000.00 per acre foot to buy culinary water in Colorado. The county has fifteen days to complete a plan and negotiate with the BOR and PPI. By the end of 2017, leasing the water could bring in \$640,000.00 per year into the county budget. David Hartvigsen is therefore requesting permission to go ahead with this which was granted by the Commission. It was determined that Daggett County, David Hartvigsen, Craig Smith and Dee Hansen will be involved with the negotiations.

With no further business, the meeting adjourned at 9:35 A.M

/s/ Vicky McKee

/s/ Jerry Steglich

/s/ Karen Perry

