

February 5, 2015

Meeting began at 7:00 p.m.

Present: Bill Muse, Mayor; Gladys LeFevre, Steve Cox, Cindy Wilson, Tom Jerome, Council Members; Judi Davis, Clerk.

Public Present: Ashley Coombs, Alan and Anna Scott, Ray Nelson and Denise Pennington, Susan and David Heaton, Farlan and Mary Behunin, Alyssa Thompson, Mark Nelson, John and Marsha Holland, Peter Benson and Tina Karlsson, Ace Kvale, Walt Gove.

Pledge of allegiance

Gladys made a motion to approve the minutes of the January 8 meeting. Cindy seconded. The vote was unanimous.

John Holland presented the annual **Highway 12 Committee report**. The committee's purpose is not marketing but to conduct projects of value. He distributed the written report. Bill Geil and Keith Watts are our representatives and split the duties and attend the meetings. The economic study was completed and can be found online at scenicbyway12.com. (Constance Lynn and Mike Nelson came.) Funding for projects is getting tighter. The route guide has been updated and is being reprinted. Interpretive signs are being maintained. They are participating in the State Scenic Byway program to see how they do. They are working on the Tourist Oriented Directional Signs program, which he explained. (Katie Austin, Shane Coleman, and Max Shrives came.) New legislation which could allow the TODS program to happen is being watched. John reviewed the budget. He has been here for 16 years and things have changed. (Dennis Bertucci came.) There is more traffic, and UDOT is willing to help. (Jimmy Catmull and Josh Ellis came.) Our representative to the meetings should be reporting back to the Council and should also touch base with us before their meetings if necessary.

Tina discussed **recycling**. They are in the third phase of recycling. They need infrastructure and need to figure out their relationship with the Town. They are categorized as a business and are operating on Town property. They hire someone to haul the recyclables out of town and have been able to cover that cost. It is just a community service. Could they have more structure and utilities at this site? (Donna Owen came.) They are not collecting materials now and are waiting for a baler. The only places they can take the materials are in St. George or places up north, so, wherever they take it, they have to travel on freeway. She asked if they need an area that is zoned for their activity? They would like to have a partnership with the Town.

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Brent Cottam will let them put a baler behind the store, and they will then haul the bales to the current site. Boulder Recycles has received a donation for the baler and will pay it back. There is no non-profit or LLC structure set up. The County is a stumbling block, but if the town will support them, the County may be more helpful. The state has a Recycling Marketing Development Zone program, and she believes they help with infrastructure for recycling in communities. She is doing a little more research on it. In most recycling programs, the municipalities are involved. She has tried to find a definition of a partnership but hasn't been successful. They feel they are not a business but are a service. Tom thought it would be good to know if the state has recycling centers. Constance said that, if the materials are baled, it would be more attractive for someone else to take it, but we would rather have someone locally haul it. Steve asked if BCA would be able to help. That is up in the air.

They need an agreement or understanding with the Town since they are on our property. They would like a space where the baler and storage are in one place, as the bales are heavy. Ryan Haws will help move them for now. We need to get our attorney's input. Tina thinks that, if they have an agreement/partnership with the Town they would have a better chance for finding other sources of funding. Cindy is in favor of the recycling program and thinks we should formally support it. She suggested forming a recycling committee that would fall under the umbrella of the town.

Gladys is all for recycling, but at this time is hesitant for the town to get involved in something that she perceives should be a private business. Her personal feeling is that people who use a service should pay for it-- it shouldn't be the taxpayer-- and that people who use the recycling service and also the landfill should pay for it. She's not opposed to the program but feels the users should pay for it. Tina stated that, because it takes pressure off the dumpsters, the County should help. As taxpayers, we do pay for that service. Josh agrees with Gladys, but thinks that, because taxpayers are paying for garbage, either everything refuse based should be paid for by the taxpayers or none of it should be. If people had to pay for use of the dumpsters, they would probably use the recycling option. He questions why one would be taxpayer covered and the other wouldn't be. He'd like to see both options pay-for-use, but it can't be that way because the County is involved.

Tom would like to see the recycling group put together a business plan showing expected expenses and income. If there is a shortfall, we could see what it would cost us. There are two problems: 1) we need to find a place to take it, and 2) we need to know how much will be received from recycling. Could we show the County how much we're saving them and have them reimburse us? A lot of homework needs to be done before we jump in. Tina said that, until they received the loan for the baler, the program was completely self-sufficient. Tom would like to see the project defined. Gladys wondered if we should put pressure on the County, but then asked what if it costs more to recycle

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than to haul it to John's Valley?

Cindy asked if they want an electrical hookup here and if they want an official relationship (agreement) with us to let them stay. What more do they want than real estate and electricity? Tina replied that there is a cost for the whole infrastructure of getting power to the baler. She wondered if, for now, the Town would let them hook up to the electricity that is already on this property, then they could look at the cost of getting their own power. Tom advised against dedicating any piece of land in perpetuity to anything but suggested that we have some agreement to help them find an alternate site if necessary. Constance said what they are looking for now is support from the town, and Tina would like it to be an official statement. Tom wondered if we could draft a letter to other towns in the County to see if we can all cooperate. Tina will draft that letter. We'll get Mark's feedback.

Alan Scott lead a discussion on the **distillery** he and his wife are proposing. After giving background on the project, he fielded questions from the Council. In the earlier presentation, Alan had proposed that they would like eventually to have a local outlet for travelers to buy their product, and Tom asked if he saw that outlet being attached to the distillery itself. The response was that, by law, it has to be attached to the distillery. He would like it to be on or near Highway 12. Tom asked if the building would need to be over 30 feet high and what is the size of the proposed building. Alan responded that the distillery in Ogden is smaller than this room and that it would need to be 15-20 feet high. It can be higher, but that is not their plan. They would need 1,800-2,000 sq. ft., with a maximum of 2,500. The maximum square footage including outbuildings would be 4,000.

Bill has read that the use of water would be high. Their use would be 750,000 gal./year. Alan stated that he has talked with Boulder Farmstead and that they assured him they have that capacity. One of the problems with Torrey is that they didn't know if they had the water. Steve asked about the waste water and the source and type of energy they would use. Alan: they use water in the cleaning processes, and any chemicals they would use would be safe for food production. They will neutralize the waste water before it is disposed of, so there is no concern with it going into the septic system. The bulk of what is in the waste water is organic. There will be a waste stream that will hopefully be animal feed. In the process, they will take grain, water and yeast, ferment it, make alcohol, distill the alcohol to make a product, and what will be left is a large amount of grain with water in it which can be used as a feed, or they can run it through a press to remove the water and use the grains as feed. The remaining water would be rich in organic material. With or without the water, it can go to farmers for feed. The animals love it, as it is high protein and is a high quality product. It can also be put directly on a field to enrich the soil. That product has been made from a natural fermentation process and has nothing in it but grain, water and yeast.

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The last bit of waste from the process is the yeast. There are some more volatile alcohols called heads which would taste like rubbing alcohol (isopropyl.) They aren't sure what they will do with that part of the waste stream. They are looking for a way to responsibly dispose of it. It may be possible to make it into an organic cleaning product. It is low volume (2.5 gal./100 gal. product), so they could collect it, haul it off, and pay for disposal somewhere else. There will be some ethyl alcohol which is volatile that will come from the process, but everything is enclosed and it will not be just sitting around in vats. Another byproduct is carbon dioxide, but as long as they ventilate the area, it just goes out to the atmosphere.

Steve asked what the energy source is. It will be an electric steam boiler. Bill asked if they would have silos for grain. If they get to the point that they need silos, they will be lucky. There may in time be a need for one so they could receive grain by the truckload if they can't get it locally. It would be one 12' diameter by 30' (more or less) hopper. Bill commented that this area doesn't grow grain, and Farlan confirmed that sand won't produce grains. Alan said they can use potatoes or fruits. Farlan stated that there was a brewery near where Mary grew up and it was hard to tell that it was even there. Alan stated that the group in Torrey looked for everything that could possibly go wrong. He and Anna are here to address those concerns. Bill asked what volume of large truck traffic they expect. They anticipate one semi/month with three maximum, depending on their success. Bill asked about the fire hazard. Anna stated that ethanol is a byproduct. They will use a sprinkler system and will work with the fire marshal to make sure he is comfortable with whatever system they use. They also have to work with the Federal TTB, who heavily regulate them. The product is treated as taxes—every drop created has to be accounted for. They have looked at at least five sites, and most have some problems.

Questions were then accepted from the public. Mike Nelson asked what their level of commitment to the community is. Alan asked, beyond using their life savings and moving here? That would be up to the community, because they can't tell people what to grow. They want to use local products as they are available. Mike asked if they would use GMO's. Alan said they want to use organic, non-GMO products. They want to do it here and have it be a local grain-to-glass product. Anna said that initially they would have to bring grain in, but hopefully soon local growers will be willing to supply them with what they need. Alan stated that USDA will offer rural economic incentive grants for upgrades that result in value-added products.

Donna asked if there would be retail sales on site? Anna—yes, but they can sell only their own products. It is a Type 5 package agency. Utah State law allows producers of alcohol to sell only their own products. Donna: can you wholesale it to others for retail? Anna: Their only wholesale buyer is Utah DABC. Donna: but a liquor store could get it through DABC? Anna: Yes. Another rule is that they can't live next to or in the distillery. They

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also have to have secure storage and impeccable records. Walt asked how many visitors they anticipate? They have no idea, but expect that many people would travel to see it. Anna suggested five per day, five per week, they have no idea. Ray asked if they would give tours? Probably. Tom asked if their primary purpose is distilling, not tourism. Absolutely.

Constance understands that they hope to support local agriculture by using local products. She is part of the Boulder Skills Foundation which promotes agriculture for the food it produces for consumption by people. She asked if our community vision doesn't revolve around resiliency. Josh would like a distillery as well as all the other things. Anna believes they are not mutually exclusive and that it's not an either/or choice. She suggested that people bottle all they can, and they would buy the surplus. While their research isn't finished, Anna said their needs would only be about 300 acres under cultivation, leaving plenty of arable land for other crops. They would also work with surrounding communities for their needs.

Katie stated that she likes to buy her hay locally and not haul it in, and there is not a lot of land going to waste. She doesn't believe that we have an ordinance that allows a distillery and asked if they were planning to change that. Alan responded that they are looking at several parcels, most of which are not commercial. He said they are looking for our advice on what is needed to have this kind of business. They don't want to change the ordinances if we don't want it. That's why there are here—to introduce this new idea and to find out what the feeling is, whether we are willing to put things in place to allow it to happen. Cindy: why should we jump through hoops for your business? Anna: Because you'd like us to be here. Alan: they would provide economic activity, increased tax revenue, future jobs. Cindy: future and promises are nebulous—she'd like to see something in writing. She is also concerned about the amount of waste water. Eighty percent of the water goes into the product, and what wastewater they have will be treated and is acceptable by state regulations. The “heads” have to be dealt with responsibly. This is a highly regulated venture.

Ray thinks the town would be interested in seeing in writing what their plans are for the waste materials, both in the ground and in the air. Mark Nelson feels this is not a commercial business, it is a manufacturing business, and we would have to change the ordinance to create a manufacturing zone. He doesn't think it represents what Boulder is and feels their project would erode the character of Boulder because it is more tourist oriented than agriculture. Anna agreed that it will bring change, but they will follow the rules. If we don't want change, they won't fit. Donna supports light industry. They are already invested and are part of the community. She thinks it sounds good and that we need something new. She asked people to be open minded and feels that it fits into what we have.

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Tom said it is fine to say we don't want anything to change. Our economy is cattle and tourism. To be resilient, we have to send something out and bring money back. Are we saying we want to be self-sufficient? Even the early settlers sent products out in exchange for nails and other things that they couldn't produce themselves. If we don't create something that we can send out in exchange for money, the only economic gain we will have is tourism. Tourism could fail, and we need to produce products that we can trade, and this is an easy one to do.

Josh feels that it is odd to call this manufacturing. To him it fits better in the widespread definition of agriculture, which includes the processing of goods. He feels we have a crisis, with the third unspoken element of the economy being retirement money, which has driven land prices up. The ranching heritage is good, but rich absentee landowners are the only people who can afford the land, and they hold it as an asset to trade later in life. We should use this opportunity to get value from the land. Let's take a closer look at it. Mary feels Josh is wrong—when they moved here they bought one cow at a time and gradually built up a herd. If these people can bring something to Boulder that will bring jobs, she's all for it. Alan and Anna said they can't guarantee jobs at first, but when they're established and if it grows, they hope to provide four to five year-round jobs. They don't want to create an expectation without knowing what the future will bring.

Pete said that, long ago when the roads were bad, it wasn't possible to ship things out, but we can ship products out now, especially this non-perishable product. Much of the big ag is gone and the lands are lying fallow. This is an opportunity for some of that land to be used. Alan responded that one reason they want to do it here is to use local products that wouldn't otherwise leave town; otherwise, they would do it somewhere else where there is truck traffic and infrastructure. Walt, regarding the discussion on retirement, feels it's not so much how do we bring money in as it is how do we keep the base here? Tom said the problem is not retirement people who are here so much as it is absentee landowners. Those people could lease their land to someone who would farm it. Alan and Anna would move here if they had a business here.

Cindy doesn't think we have enough irrigation water to produce the raw materials and farming equipment is expensive. It's hard for a small farmer to make it here. Alan acknowledged that they were aware of that, and that's where they see the USDA grants that are available for a value-added workflow coming into play. They are willing to participate in that process. Anna commented that alfalfa is very water intensive, but that other things they could use don't use as much water. Alan stated they will also buy raw materials from other places in the state, such as Brigham City peaches.

Bill said that we had received a feel from the community and asked the Council where we go from here. Tom: they've done their research, answered our questions, and it would be an economic benefit to the town. He's in favor of it. Steve is in favor of the project.

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Gladys believes that all we have to address now is the zoning. The first step is to find a piece of property and make application to the Planning Commission for a rezone. Cindy is opposed to the project. Regarding the process, Alyssa said they should approach the Planning Commission. If they have a commercial site, the use would only have to be added to the Table of Uses through the public hearing process, a recommendation made to the Council, and the Council would go through the same process, voting to approve or not approve the application after a public hearing. If a commercial property can't be found, they would need to apply for a rezoning of the parcel they want to use. Bill is in favor of the project. In response to concerns, Alan assured the group that they don't have any silent partners. Bill reiterated that we need an expert, and this is the first thing that has come up that seems reasonable. Tom feels we need to be more diverse. Alan would like us to commit now by signing the Local Consent form, but if we can't support it, they will back off. We will talk with our attorney about signing it.

Gladys became the voice of the meeting at Bill's request. She called for a motion to accept **Ordinance 15-1**, Amending the Zoning Ordinance and Further Defining Acceptable Temporary Uses. Tom made the motion, Cindy seconded, and the vote was unanimous.

We need to create and fill a **new position**. We need a groundskeeper for these grounds and a maintenance person for the tract park. We could make one position and include the custodian job with it to make the job more attractive, or we can leave it as is and make either one or two outside jobs. Tom has averaged about 107 hours/year doing the town grounds, and Steve has spent about 25 hours/month from March through October at the Tract Park. The custodian works about 8 hours/month. We will need a maintenance fund for tools, fuel, etc. After some discussion, it was decided that we will advertise for two contractors, a groundskeeper and a Tract Park maintenance person. We will pay \$14/hour.

Judi conducted **open meeting training**.

The budget was compared against year-to-date actual income and expenditures for the second quarter.

Alyssa asked for advice on Temporary Use Permits, which run for 120 days. As she was preparing her TUP application for the summer Community Market, she realized that it goes longer than 120 days. She wondered if it would be possible to change the ordinance to list Community Market in the commercial zone as a permitted use on the Table of Uses. Tom: because the Market is an ongoing yearly business proposition that runs for several months, it really doesn't fit in the temporary use category. Alyssa will submit that application, including food carts in the application as the result of more discussion.

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The list of **checks issued** for January was reviewed. Cindy made a motion to approve the expenditures, Tom seconded, and the vote was unanimous.

The Fire Department has new equipment to compress air into their own tanks with their new self-breathing apparatus. The Tree Board will be coming to the Council next month to ask for funds for a guest speaker. There isn't money budgeted for it, but he'd like the flexibility to move money around with the approval of the Council.

Tom mentioned that the pothole on Lower Boulder Road was repaired and is holding. Steve talked to Terry Delay who is doing gravel pits. He thinks our best option is to work with the County, who would own the permit and crush the gravel, and we would buy the gravel from them. They need to assign someone the pit, and it would be easiest for the County to have the pit and we would work with them. Gladys will mention it to Dell. We will need gravel for the Tract Park.

The Council has received a letter of resignation from Tom Jerome effective as of the March Town Council meeting. When the vacancy occurs, we will announce it and ask for people who are interested in filling the position to submit their names in writing to the Town Clerk. After two weeks the Council will choose someone to fill it, and that person will finish Tom's term.

Cindy made a motion to adjourn. Tom seconded. The motion was unanimous.

Meeting adjourned at 10:00 p.m.

Minutes prepared by Judith Davis, Town Clerk