

0030

JCS General

From: Karl Houskeeper
To: Priscilla Burton
Date: 6/29/2005 9:26:47 AM
Subject: Fwd: Re: Sun Advocate

Article from Sun Advocate relative to Headwaters

From: Pam Grubaugh-Littig
To: Karl Houskeeper
Date: 6/29/2005 8:26:36 AM
Subject: Re: Sun Advocate

Thanks for the update. The letter went out yesterday noting that there is not a final determination.

>>> Karl Houskeeper 6/29/2005 8:23 AM >>>
Pam,

In an unrelated matter, Headwater Energy Services approached the council about obtaining a business license in the city of Wellington.

Representatives from Headwater explained that the company has obtained all permits except an air quality permit.

The business, located on Ridge Road, will accept coal from various sources, resize it, clean it and return the cleaned product to the source. Waste will go to a third recipient.

During the process, Headwater will not purchase any of the material processed. Instead, the original owner will retain ownership.

The mayor and councilmembers expressed their opinion that the business may need to be regulated by the Utah Division of Oil, Gas and Mining.

Headwater representatives said they had spoken with DOGM officials and were of the opinion that DOGM wasn't going to regulate their operations.

Houskeeper said that if DOGM didn't regulate Headwater, the city would require a bond for reclamation before they granted a business license.

However, the amount of that bond is not established by any city ordinance or statute.

Headwater said that they would post a non-cash bond for \$50,000.

Councilmembers said that a more appropriate amount would be \$100,000.

No amount was agreed upon by the city and company representatives.

Headwater still has to present the business to the city's planning and zoning board. The company plans to do so at the July 6 meeting. The city has scheduled a special council session after the planning and zoning meeting to review the business license.

CC: Priscilla Burton