

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division

MINUTES

Thursday, September 3, 2015

Members Present

Keith Heaton	Chairman
Richard Ellis	State Treasurer
Claudia Jarrett	Six County Association of Governments
Bruce Adams	Southeastern Utah Association of Governments
Steve Farrell	State Board of Water Resources
Gregg Galecki	State Board of Water Quality
Naghi Zeenati	State Transportation Commission
Ron Winterton	Uintah Basin Association of Governments
Jim Matson	Five County Association of Governments
Michael McKee	Uintah County
Jae Potter	Carbon County

Staff and Visitors

Tamera Kohler	Housing and Community Development
Candace Powers	Housing and Community Development
Gayle Gardner	Housing and Community Development
Shad West	Housing and Community Development
Cristine Rhead	Housing and Community Development
Kimberley Schmeling	Housing and Community Development
Katherine Smith	Housing and Community Development
Mike Hansen	Housing and Community Development
Shannon Ellsworth	Housing and Community Development
Kyle Slaughter	Housing and Community Development
Nathan Hall	Division of Drinking Water
Beth Wondimu	Division of Water Quality
Susan Eisenman	Attorney General's Office
Michael Bryant	Southeastern Utah Association of Governments
Emery Polelonema	Six County Association of Governments
Brian Carver	Bear River Association of Governments
Nolan Davis	Milford City
Pat Brady	Green River City
Luci Francis	Rockville/Springdale Fire Protection District
Jeff Albrecht	Savage Surveying
Dustin Deaton	Salina City
Jessamyn Deaton	Salina City
Gregg Todd	Duchesne City
Kim Savage	Savage Surveying
Ryan Savage	Savage Surveying
Dale Coulam	Ivins City
Chris Hart	Ivins City
Richard Moser	Town of Apple Valley
Makayla Bealer	Milford City

Wayne Hardy
Cody Christensen
Nick Lyon
David Sorensen
Jonathan Johansen
Brian Barton
Scott Bartholomew
Kerry Steck
John C. Jensen
Jeffrey Cox
Doug Nielsen
Jesse Ralphs
Amy Ivie
Jim Anderson
Ralph Okerlund
Ashley Soltysiak
Alex Buxton
Eric Johnson
Kelly Crane
Ray Owens

Milford City
Uintah Basin Association of Governments
Sanpete County Special Service District #2
Sanpete County Special Service District #2
Johansen & Tuttle Engineering
Jones & DeMille Engineering
Sanpete County Special Service District #2
Sunrise Engineering
Sunrise Engineering
USDA Rural Development
Gray Canyon Energy
Six County Infrastructure Coalition
Healthy Environment Alliance of Utah
Zion's Bank Public Finance
Blaisdell, Church & Johnson
Ensign Engineering
Town of Joseph

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, September 3, 2015 in the Department of Environmental Quality's Board Room at the Multi-Agency State Office Building, 195 North 1950 West, Salt Lake City, Utah and was called to order at 8:30 a.m. by Chairman Keith Heaton.

ADMINISTRATIVE ITEMS

Financial Review

Candace Powers reviewed the status of the funds for today's meeting. There are nine new projects and one pending project.

Review of Agenda Items

Candace Powers reviewed the agenda items with the Board members.

I. INTRODUCTIONS

Chairman Heaton welcomed everyone and asked Board members and staff to give introductions.

II. APPROVAL OF MINUTES

Chairman Heaton requested a motion to approve the minutes from the August 6, 2015 meeting

Claudia Jarrett made and Naghi Zeenati seconded a motion to approve the minutes of the August 6, 2015 meeting as corrected by the staff. The motion carried unanimously.

III. NEW PROJECTS

1. Salina City (Sevier County)

Salina City presented a funding assistance request for a \$1,288,000 loan for 30 years at 2.5% interest and a \$5,148,000 grant (total \$6,436,000) for culinary water improvements consisting of the purchase of 300 acre-feet water right, constructing a 1 million gallon water tank, installing

1,500 feet of pipe, replacing valves and air vacs, incorporating radio read meters in the second half of the city, 15 fire hydrants, a SCADA system, upgrading the chlorination building, main line flow meters and valves, drilling a new well, and running 6,800 feet of pipe from the new well to the system.

The applicant stated that this project was to be done in three phases as identified in the master plan. The three phases have been combined in this project.

The applicant indicated that Salina City has experienced unforeseen commercial growth. The City may consider raising commercial rates. Residential rates were raised 2 -3 years ago.

The Board discussed funding options.

Mike McKee made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$4,290,000 loan for 30 years at 2.5% interest and a \$2,146,000 grant (total \$6,436,000).

There was further discussion by the Board.

Gregg Galecki made and Steve Farrell seconded a substitute motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$3,218,000 loan for 30 years at 2.5% interest and a \$3,218,000 grant (total \$6,436,000). The motion failed with four ayes (Winterton, Jarrett, Farrell, Galecki) and 6 nays (McKee, Matson, Zeenati, Ellis, Adams, Potter).

The Board considered and voted on the original motion.

Mike McKee made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$4,290,000 loan for 30 years at 2.5% interest and a \$2,146,000 grant (total \$6,436,000). The motion carried with Galecki, Farrell, Winterton opposed.

2. Green River City (Emery County)

Green River City presented a funding assistance request for a \$331,585 grant for water, sewer, and drainage improvements consisting of constructing four separate 8-inch PVC water line segments totaling 3550 feet, replacing two broken concrete sewer lines with 3,200 feet of 8-inch PVC sewer pipe, paving 32,250 square feet of city streets and installing 1,300 feet of 15-inch RCP storm drain pipe. The applicant is contributing \$331,600 cash.

The applicant indicated that the sewer lines are old concrete lines and are failing. The city has raised the sewer and water rates.

The Board noted the guidelines concerning applicant MAGI. The applicant MAGI is quite high.

Bruce Adams made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$331,585 grant. The motion carried unanimously.

3. Moab City (Grand County)

Moab City submitted an application to CIB for \$918,000 in grant funding to construct a new waste water treatment plant.

The applicant withdrew their request for funding from CIB and will proceed with funding through the Division of Water Quality.

4. Milford City (Beaver County)

Milford City presented a funding assistance request for a \$21,250 grant for developing a master plan for future system improvements to include a collection of water system features, with GPS map-grade equipment, the development of maps, map books, and GIS files for future use by the City. A detailed five point analysis of the current culinary water system will be performed to evaluate the City's water source, water rights, treatment, storage and distribution. The applicant is contributing \$21,250.

The applicant indicated that the most recent master plan for Milford City was over 20 years ago. The influx of industrial, mining and energy projects in the vicinity of the city presents the possibility of increased growth. The City plans to develop a culinary water master plan to identify the capacity and limitations of the existing system and plan for future growth.

The Board expressed concern about the \$2,500 in the budget for funding assistance and administration expenses.

Claudia Jarrett made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$20,000 grant.

After further discussion, a substitute motion was made.

Bruce Adams made and Naghi Zeenati seconded a substitute motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$21,250 grant. The motion carried unanimously.

5. Sanpete County Special Service District #2 (Sanpete County)

The Sanpete County SSD #2 presented a funding assistance request for a \$600,000 grant for the purchase of seven fire fighting vehicles. The three type 2 engines will be placed in Moroni, Sterling and Mt. Pleasant, a 1-Ton Brush Truck Type 5 mini will be placed in Wales, a 1-Ton Pumper Brush Truck will be placed in Gunnison, and each 1-Ton Brush Truck Type 6 vehicle will be placed in Spring City and Fountain Green. The applicant is contributing \$600,000 cash.

The applicant indicated that Sanpete County SSD #2 provides fire protection for all federal, state, county and city lands comprising 1590 square miles with a current population of over 28,000 people. The vehicles being requested are smaller vehicles that are specialized for the area.

The Board asked if the matching funds are in place.

The applicant stated that the \$600,000 has been saved.

The Board commended the applicant for their foresight in saving 50% of the cost of these vehicles and suggested implementing a standby fee for all residents to prepare for future vehicle purchases.

Gregg Galecki made and Steve Farrell seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$600,000 grant as requested. The motion carried unanimously with Claudia Jarrett abstaining. Mike McKee was absent for the vote.

6. Ivins City (Washington County)

Ivins City presented a funding assistance request for a \$125,000 grant for developing a plan and analysis of impact fees for secondary water, sewer, parks, public safety, streets and storm water. The applicant is contributing \$125,000 cash.

The applicant stated that impact fees are collected for water, secondary water, storm water, sewer, streets, parks and public safety based upon the Impact Fee Facilities Plan (IFFP) and Impact Fee Analysis (IFA) which were last updated in 2006 and 2008. The plans and analyses should be updated every 5 years to be accurate and accommodate new growth and development.

The Board expressed appreciation for the applicant's forward thinking but was concerned about the high cost of this study with no mention of the cost in the public hearing minutes.

The applicant indicated the plan will include a master plan and impact fee analysis.

The Board discussed the funding request.

Naghi Zeenati made and Claudia Jarrett seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$125,000 grant. The motion carried unanimously.

7. Rockville/Springdale Fire Protection District (Washington County)

The Rockville/Springdale Fire Protection District (RSFPD) presented a funding assistance request for a \$20,000 grant for a feasibility study and master plan to evaluate current conditions of the RSFPD through an analysis of management processes, a review of its facilities and apparatus to establish needs relative to their existing condition and viability for use in the future, staffing levels, and service delivery and performance. The plan will also assess future demands and identify operational models that can deliver desired levels of service at the most efficient cost looking at both short and long term strategies. The RSFPD is contributing \$9,400 cash toward the project, Rockville is contributing \$600 cash, and Springdale is contributing \$10,000.

The applicant indicated that this type of study has never been done. The District provides service for residents and park visitors over 16 square miles. The firefighters have been an all-volunteer department but would like to provide some compensation for the 24/7 on call firefighters. The applicant would like to provide a unified vision with scientific data.

Mike McKee made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$20,000 grant. The motion carried unanimously.

8. Town of Apple Valley (Washington County)

The Town of Apple Valley presented a funding assistance request for a \$1,318,000 loan for 30 years at 1.5% interest and a \$659,000 grant (total \$1,977,000) for street improvements to include the removal of an existing bridge and building a new 70 foot wide X 60 foot long bridge on Highway 59 that connects the north and south sides of Apple Valley. The project includes

roadway improvements which include new curb and gutter (6,322 linear feet), sidewalk (26,610 square feet), storm drain (850 linear feet) and intersection improvements. The roadway will be double chip sealed (126,072 square yards). The project also includes ADA compliant ramps and landscaping. The applicant is contributing \$20,000 cash.

The applicant stated that the main access to the Town is from Highway 59 across a small narrow bridge which has become a safety issue due to structural integrity and lane width. The new bridge will be placed next to the existing bridge in order to facilitate the alignment of the road and then the old bridge will be removed.

The Board expressed concern about funding the enhancement of private property and inquired as to whether the applicant had applied for off system bridge replacement program funds.

The applicant indicated that this bridge was not listed in the off system bridge program.

The Board indicated their effort to stay consistent with the current approved interest rate.

Naghi Zeenati made and Ron Winterton seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$1,318,000 loan for 30 years at 2.5% interest and a \$659,000 grant (total \$1,977,000). The motion carried unanimously.

9. Town of Clarkston (Cache County)

Clarkston Town presented a funding assistance request for a \$10,000 grant to update the existing plan that was completed in 2001, including evaluating storage and source capacity, water rights, and completing a hydraulic model. The applicant is contributing \$10,000 cash.

The applicant indicated the plan would determine the needed improvements including water rights, water sources, water storage, water treatment and water distribution for the water system that supplies Trenton, Clarkston and Newton with drinking water. A camera will be used on a portion of the spring lines to map where improvements are needed.

Naghi Zeenati made and Steve Farrell seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$10,000 grant . The motion carried unanimously.

IV. PENDING PROJECTS

1. Town of Joseph (Sevier County)

Joseph Town presented a funding assistance request for a \$40,000 grant for a utility master plan to examine water systems, roads, storm drains, and secondary water that will be placed in a report and used for planning purposes. The study will take an in-depth look at deficiencies of each utility by physical observation, engineering models and research. The applicant indicated matching funds of a \$40,000 grant will come from the Division of Drinking Water.

The applicant indicated town roads are mostly double chip seal and several are in poor condition. It has been over five years since the last water master plan was performed. This plan will analyze storm drainage throughout the town and look at the areas of concern for drainage and consider a pressurized secondary water system to conserve culinary water.

The Board discussed funding options.

Bruce Adams made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$40,000 grant. The motion carried unanimously.

V. BOARD MEMBER ISSUES

1. Book Cliffs Power Line Project Discussion

The Board expressed concerns about the power line project.

The Board discussed the benefits to private business which is not in the Board's purview and suggested that it might be prudent for the Board to take a step back and discuss the legalities.

Legal Counsel to the Board indicated that it would be helpful to review the statute and code and be clear on the rules. Care should be given that the fund is not a device to pass through monies to the private sector.

The Board acknowledged that this was approved as 'Suspend and Fund' but as there may be specific questions, legal counsel shall work through those questions.

The Board expressed concern that the fund is experiencing smaller revenue and care should be given to fund statutorily approved projects. For projects that are uncertain, funding should be considered through the private sector. Mineral lease monies are to be used for planning, construction and maintenance of public facilities and the provision of public services and to provide traditional local governmental services such as law enforcement, public health, and governmental facilities.

The Board expressed concern that this two mile phase of the Book Cliffs power line will cost \$1.8 million and will not increase the amount of electricity customers receive.

The applicant indicated their intent to do everything legally and correctly and expressed their certainty that this project is eligible.

The attorney for the Coalition further stated that the project was analyzed thoroughly for the legalities prior to presenting the project to the Board.

The Board acknowledged their prior approval for the project, but feels that the opinion of legal counsel is needed on each phase of the project before construction begins as this type of project is very complex.

The Board requested that the applicant provide a more complete picture of the project and again stated that it would be wise to look more thoroughly at these big projects and act responsibly on the decisions made with the diminished revenues.

The applicant suggested that the Board consider a closed session at the funding meeting on October 1, 2015.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be a funding meeting Thursday, October 1, 2015 in the Department of Environmental Quality's Board Room at the Multi-Agency State Office Building, 195 North 1950 West, Salt Lake City.

The meeting adjourned at 11:30 a.m.

Submitted by:
Cristine Rhead