

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Community and Culture
Division of Housing and Community Development
Salt Lake City, Utah

MINUTES

Thursday, May 7, 2009

Members Present

Bevan Wilson	State Transportation Commission (Acting Chairman)
Richard K. Ellis	State Treasurer
Claudia Jarrett	Six County Association of Governments
Michael McKee	Uintah County
Joe L. Piccolo	State Board of Water Quality
Michael Milovich	Carbon County
Maloy Dodds	Five County Association of Governments
Kathleen Cooper	Uintah Basin Association of Governments
Bruce Adams	Southeastern Utah Association of Governments
Craig Johansen	State Board of Water Resources

Excused Members

Gordon D. Walker	Chairman
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Staff and Visitors

Keith J. Burnett	Department of Community and Culture
Gayle Gardner	Department of Community and Culture
Sanobi Johnson	Department of Community and Culture
Candace Powers	Department of Community and Culture
Luaine Furgason	Department of Community and Culture
Katherine Smith	Department of Community and Culture
Colette Merrill	Department of Community and Culture
Shad West	Department of Community and Culture
Thom Roberts	Attorney Generals Office
Michael Georgeson	Division of Drinking Water
Gary O. Zabriskie	Five County Association of Governments
Beth Wondimu	Division of Water Quality
Chesley Christensen	Mount Pleasant Town
Karl Wilson	LaVerkin City
David Taylor	Fairview City
Charles Evans	Central Valley Town
Rod Mills	Bluff Town
Jack Stoyanoff	North Emery Water
John Iverson	Sunrise Engineering
Susan Lewis	Enoch City
Brent Blackner	Beaver City
Garrett McMullen	Jones & DeMille Engineering
Ryan Jolley	Jones & DeMille Engineering
Ed Shaw	Boss Engineering

Bryan Sherwood
Stanley Wood
Dennis Blackburn
Danette Sides
Jerod Jersey
Kenneth Fleck
Darwin Jensen
Phillip J. Leslie
Marc Edminster
Phil Lowe
Scott Kettle
John Keyes
Brian Barton
Robert Judd
Larry Anhder
Lamont Smith
Alex Buxton
Mark Habbeshaw

Milford City
Wayne County
UTAC
Austin Special Service District
Austin Special Service District
Energy West Mining Company
Centerfield City
Leslie Associates Engineering
Lewis Young
San Juan Health Services District
Francis Town
Francis Town
Jones & DeMille Engineering
Utah Aquaculture Association
Nibley City
Kane County
Zions Bank Public Finance
Kane County

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held May 7, 2009, in Salt Lake City, Utah, at the Utah State Library Division and called to order at 8:30 a.m. by Acting Chairman Bevan Wilson.

ADMINISTRATIVE ITEMS

Staff stated Gordon Walker was absent and that Bevan Wilson was asked to serve as chairman for today's CIB meeting.

Financial Review

There are insufficient funds in both the Mineral Lease and Bonus Accounts to cover the current grant and loan requests in this funding cycle.

Review of Agenda Items

Keith Burnett and Gayle Gardner reviewed the agenda items with board members.

INTRODUCTIONS

Acting Chairman Wilson introduced Craig Johansen as a newly appointed CIB Board member representing the State Board of Water Resources. Acting Chairman Wilson then asked the other Board members and staff to give introductions.

APPROVAL OF MINUTES

Chairman Wilson requested a motion to approve the minutes of April 2, 2009.

Michael Milovich made and Michael McKee seconded a motion to approve the minutes of April 2, 2009 as presented. The motion carried unanimously.

NEW PROJECTS

1. Mt. Pleasant City (Sanpete County)

Mt. Pleasant City presented a funding assistance request for a \$300,000 grant and an \$800,000 loan for 20 years at 0.0% interest (total \$1,100,000) to install a pressure-reducing station, installing a 10-inch transmission pipe parallel to the existing 10-inch transmission pipe to meet State Design Rules and replacing smaller diameter piping with 8-inch diameter piping in the industrial park areas, hospital, downtown district and the high school area.

Claudia Jarrett made and Kathleen Cooper seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$300,000 grant and an \$800,000 loan for 20 years at 0.0% interest (total \$1,100,000).

The Board asked the applicant if they could take a 100 per cent loan for their request. After some discussion a substitute motion was made.

Michael McKee made and Bruce Adams seconded a substitute motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$1,100,000 loan for 30 years at 0.0% interest. The motion carried unanimously with Michael Milovich absent from the vote.

2. Austin Community Special Service District (SSD) (Sevier County)

Austin Community SSD presented a funding assistance request for a \$878,000 grant and a \$180,000 loan for 25 years at 0.0% interest (total \$1,058,000) to initiate proposed improvements to the culinary water system including new back-up well, replacing the existing 4" pipe with 8" PVC at 2500 North, Hwy 118 and Washburnville Road; replacing 110' of lead jointed, cast iron pipeline and upgrading a 60 year old, 30,000 gallon storage tank with a 100,000 gallon water storage facility.

The applicant submitted a revised request for a \$439,000 grant and an \$180,000 loan for 25 years at 0.0% interest (total \$619,000). They have received federal stimulus monies for the balance of the project. They stated an increase in water rates will be their revenue source to pay back the loan

After some discussion the funding package was revised to a \$275,000 grant and a \$344,000 loan for 30 years at 0.0% interest (total \$619,000).

During the review, the applicant expressed concerns regarding the median adjusted gross income (MAGI) utilized on the Division of Water Quality (DWQ) review. Applicant should coordinate with Michael Georgeson at the Division of Water Quality concerning any adjustment.

Michael Milovich made and Maloy Dodds seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$275,000 grant and a \$344,000 loan for 30 years at 0.0% interest (total \$619,000). The motion carried unanimously.

3. Town of Central Valley (Sevier County)

Town of Central Valley presented a funding assistance request for a \$1,040,000 grant and a \$260,000 loan for 20 years at 0.0% interest (total \$1,300,000) to construct a 200,000 gallon storage tank, adding transmission and distribution pipelines, replacing smaller pipelines and adding or replacing fire hydrants.

The Board asked the applicant if they could take more loan for their request.

After some discussion the funding package was revised to a \$500,000 grant and an \$800,000 loan for 30 years at 0.0% (total \$1,300,000).

Michael McKee made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$500,000 grant and an \$800,000 loan for 30 years at 0.0% interest (total \$1,300,000). The motion carried unanimously.

4. Centerfield City (Sanpete County)

Centerfield City presented a funding assistance request for a \$467,352 grant and a \$252,000 loan for 30 years at 0.0% interest (total \$719,352) for Phase 2 of a regional water improvement project including the construction of a 350gpm micro-filtration treatment plant treating water from Six Mile Creek with a 22,000 foot pipeline to the regional blending station completed in Phase 1.

The review from Department of Environmental Quality (DEQ) staff indicated the request as submitted along with the other grants and loans necessary to finance Phase 2 would result in a monthly water bill equal to 2.29% of MAGI. Even with this high monthly water bill the applicant is willing to take the financing as requested.

Joe Piccolo made and Michael Milovich seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$467,352 grant and a \$252,000 loan for 30 years at 0.0% interest (total \$719,352). The motion carried unanimously.

5. Bluff Service Area (San Juan County)

Bluff Service Area presented a funding assistance request for a \$1,688,000 grant and an \$840,000 loan for 30 years at 0.0% interest (total \$ 2,528,000) to construct a new septic tank effluent sewer system, a new wastewater treatment system, and a drip dispersal disposal system at Cottonwood Wash for variable daily flows to meet current and future wastewater conditions.

It is contemplated that this project will be funded by both the Board of Water Quality (BWQ) and the CIB. Because of uncertainties on the design and cost of the project, the BWQ has not reviewed and taken final action on this project. The earliest this project will be reviewed will be in July/August of 2009.

Staff recommended placing this project on the Pending List.

Bruce Adams made and Richard Ellis seconded a motion placing this project on the Pending List for consideration at a future CIB meeting. The motion carried unanimously.

6. Enoch City (Iron County)

Enoch City presented a funding assistance request for a \$60,000 grant to analyze existing infrastructure, providing a prioritized list of critical projects including analysis of storm drainage, sewer, roads, sidewalks, culinary water, secondary water, lighting, monuments, parks, trails, recreation sites, public buildings, bridges and operations.

Joe Piccolo made and Maloy Dodds seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$60,000 grant. The motion carried unanimously.

7. LaVerkin City (Washington County)

LaVerkin City presented a funding assistance request for a \$38,750 grant to study storm and irrigation water and the 100 East road design project.

Maloy Dodds made and Joe Piccolo seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$38,750 grant, contingent upon this being an eligible project. The motion carried unanimously.

8. Beaver City (Beaver County)

Beaver City presented a funding assistance request for a \$24,000 grant to analyze the existing culinary water system including water rights, water sources, water storage and distribution facilities based on current and projected growth demands.

Michael Milovich made and Claudia Jarrett seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$24,000 grant. The motion carried unanimously.

9. Town of Hatch (Garfield County)

The Town of Hatch presented a funding assistance request for a \$200,000 grant to look at demolishing the existing community center, site preparation, the construction of a single story wood-framed building approximately 2,200 square feet for use as a community center, city office and town council chambers.

The applicant stated they may potentially receive additional Community Development Block Grant (CDBG) funds from the federal stimulus package. Approval of those additional funds will not occur until mid May of 2009. If those additional funds are forthcoming the applicant will reduce its request to the CIB.

After some discussion the funding package was revised to a \$120,000 grant and an \$80,000 loan for 25 years at 0.0% interest (total \$200,000).

Michael Milovich made and Michael McKee seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$120,000 grant and an \$80,000 loan for 25 years at 0.0% interest (total \$200,000). The motion carried unanimously with Maloy Dodds abstaining due to a conflict of interest.

10. Town of Francis (Summit County)

The Town of Francis presented a funding assistance request for a \$130,512 grant and a \$508,000 loan for 25 years at 0.0% interest (total \$ 638,512) to construct a 4,225 square foot building to be used as a council room to conduct town business. This will be a replacement of the 40' X 10' construction trailer currently being used.

The Board asked the applicant if they could take this request as all loan. After some discussion the Board revised the funding request to a \$639,000 loan for 30 years at 0.0% interest.

Michael Milovich made and Richard Ellis seconded a motion the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$639,000 loan for 30 years at 0.0% interest. The motion carried unanimously.

11. Nibley City Municipal Building Authority (MBA) (Cache County)

Nibley City presented a funding assistance request for a \$370,000 loan for 25 years at 3.5% interest to add an additional 1,900 square feet to the proposed new Nibley City elementary school to be used as a meeting room for the city council, planning commission and other public meetings.

The Board indicated that issues of ownership and usage of the building via a written agreement between the applicant and the elementary school will be required prior to the closing of the loan. The applicant stated the agreement is currently being negotiated.

Maloy Dodds made and Joe Piccolo seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$370,000 loan for 25 years at 3.5% interest. The motion carried unanimously with Bruce Adams and Michael McKee absent from the vote.

12. Milford City (Beaver County)

Milford City presented a funding assistance request for an \$18,000 grant to study renovating the current library or construct a new building to best meet the needs of library patrons and residents.

Claudia Jarrett made and Maloy Dodds seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as an \$18,000 grant. The motion carried unanimously with Michael McKee absent from the vote.

13. Escalante City (Garfield County)

Escalante City submitted a funding assistance request for a \$30,000 grant to design and landscape planning in the development of a Park Master Plan to include Town Center Park, Mohr Christiansen Park and the Historic Racetrack/Rodeo Grounds.

No representative in attendance regarding this application. The Board directed staff to inform the applicant a representative must be present in order for the application to be heard. The Board's policy is not to act on an application when a representative is not present.

Joe Piccolo made and Maloy Dodds seconded a motion placing this project on the Pending List for consideration at a future CIB meeting. The motion carried unanimously.

14. Wayne County (Wayne County)

Wayne County presented a funding assistance request for a \$39,000 grant to study the reason(s) the aquaculture industry, which has been a major resource for the county, has declined in the State of Utah and to determine equitable steps to revitalize and diversify the market.

The Board questioned the eligibility of this project.

Claudia Jarrett made and Maloy Dodds seconded a motion placing this project on the Pending List for consideration at a future CIB meeting.

Upon further discussion concerning this project a substitute motion as made.

Michael Milovich made and Michael McKee seconded a substitute motion to deny this project without prejudice. The motion carried with 9 Aye (Milovich, McKee, Ellis, Dodds, Cooper, Adams, Piccolo, Wilson, Johansen) and 1 Nay (Jarrett).

PENDING PROJECTS

1. Kane County (Kane County)

On 12/4/08 Kane County presented a funding assistance request for a \$15,084,850 loan for 20 years at 2.5% interest to build a 200-bed jail facility with sheriff's office.

The applicant stated there is a severe overcrowding issue. There was also a suicide which was compounded with flaws with the existing jail.

The Board expressed concerns with the budgeting items. The Board suggested the applicant look for outside funding and the operational costs reworked. The Board also stated that questions need to be answered from the legislature regarding what the state will commit to when funding jails.

On 3/17/09 the CIB staff received a package from Kane County containing a letter addressing the operational costs issues and a revised application reducing the amount of loan funds being requested to a \$7,500,000 loan for 25 years at 0.0% interest.

The Board asked the applicant if they could sustain the expenses of this facility and asked them to provide a break away analysis for this project.

After some discussion the CIB staff recommended the Board advance a \$7,500,000 loan for 30 years at 2.5% interest to the Priority List with the understanding the Board may only be able to finance a portion of the request.

Maloy Dodds made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2009 funding meeting as a \$7,500,000 loan for 30 years at 2.5% interest with interest only payments for the first five years, with the understanding the Board may only be able to finance a portion of the request. The motion carried unanimously.

2. Town of Kanosh (Millard County)

On 1/15/09 The Town of Kanosh presented a funding assistance request for a \$900,000 grant to construct road repairs to a three quarter mile stretch of 100 North which includes roto-milling 95,000 square feet of existing pavement, mixing with 8,900 tons of road base and laying 4,000 tons of 6" thick asphalt

Richard Ellis left the meeting at this time.

The Board suggested the applicant put a load limit on the road or approach Black Rock Quarry for mitigation regarding the road repairs.

After some discussion the Board suggested the applicant take this funding request as a loan and placed them on the Pending List to determine a revenue source for repayment.

On 3/28/09 the CIB staff received a revised application from the Town of Kanosh reducing the amount of funds being requested.

The Board asked the applicant if they could take half loan and half grant for this project. The applicant stated they could not.

Joe Piccolo made and Michael Milovich seconded a motion placing this project on the Priority List as a \$45,000 grant and a 45,000 loan for 10 years at 0.0% interest (total \$90,000).

After some discussion the funding package was reduced to a \$70,000 grant and a substitute motion was made contingent on \$70,000 in matching funds.

Michael McKee made and Maloy Dodds seconded a substitute motion placing this project on the Priority List as a \$70,000 grant. The motion carried with 8 Aye (McKee, Dodds, Jarrett, Johansen, Wilson, Ellis, Cooper, Adams) and 2 Nay (Piccolo, Milovich).

SUPPLEMENTAL REQUESTS

1. North Emery Water Users Special Service District (SSD) (Emery County)

On 4/5/07 North Emery Water Users Special Service District presented a funding request for spring development and installation of approximately 24,000 linear feet of HDPE water transmission line.

The Board authorized a \$895,000 grant and a \$500,000 loan for 20 years at 0.0% interest (total \$1,395,000) for this project at the 4/5/07 Board meeting.

On 4/16/09 the CIB staff received a package from the North Emery Water Users Special Service District requesting time on the 5/7/09 Board meeting agenda to discuss the possibility of receiving \$190,000 in supplemental funding on the same terms and conditions as the original funding package.

Joe Piccolo made and Bruce Adams seconded a motion to suspend the rules and fund this request as a \$130,000 grant and a \$60,000 loan for 20 years at 0.0% interest (total \$190,000). The motion carried unanimously.

SPECIAL CONSIDERATION REQUEST

Acting Chairman Wilson requested a motion to hear the Special Consideration Requests.

Michael Milovich made and Maloy Dodds seconded a motion to hear the Special Consideration Request. The motion carried unanimously.

1. East Carbon City (Carbon County)

East Carbon City presented a funding assistance request for an \$83,120 grant to remove the media in the filter chamber from the two circa 1985 treatment units, sandblasting and repainting two steel tanks which contain the media and clarifier, replacement of underdrain system, damaged valves and pumps to accommodate immediate demand increase.

Michael Milovich made and Joe Piccolo seconded a motion to suspend the rules and fund this request as an \$83,120 grant. The motion carried unanimously with Craig Johansen abstaining due to a conflict of interest.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be held on June 11, 2009, starting 8:30 a.m., at the Cedar Breaks Lodge, 233 Hunter Ridge Road, Brian Head, UT.

The meeting adjourned at 12:50 p.m.

Submitted by:
Sanobi Johnson