

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES

Thursday, February 4, 2016

Members Present

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

Staff and Visitors

Jonathan Hardy	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
Brenda Brown	Housing and Community Development
Kimberley Schmeling	Housing and Community Development
Katherine Smith	Housing and Community Development
Paul Moberly	Housing and Community Development
Kyle Slaughter	Housing and Community Development
Thom Roberts	Attorney General's Office
Susan Eisenman	Attorney General's Office
Nathan Hall	Division of Drinking Water
Beth Wondimu	Division of Water Quality
Gary Zabriskie	Five County Association of Governments
Brian Carver	Bear River Association of Governments
Emery Polelonema	Six County Association of Governments
Michael Bryant	Southeastern Utah Association of Local Governments
Cody Christensen	Uintah Basin Association of Governments
Lynn Stevens	San Juan County
Ryan Savage	Circleville Town
Tammy Squires	San Juan Counseling
Greg Newton	Mona City
Ken Bassett	Vernal City
Dan Hawley	Jones & DeMille Engineering
Craig Giles	Smithfield City
Tom Kuhlmann	Hurricane Valley Fire Special Service District
Paul Farthing	Hurricane Valley Fire Special Service District

Dean Cox
Rick Reeb
Bill Balaz
John Potter
Jewel Kloth
Eric Johnson
Geordin Gass
Bryan Kimball
David Hatch
Ryan Goodrich
Rob Dotson
Brian Barton
Dustin Atkinson
Duane Shepherd
Troy Ostler
Adam Massey
Alex Buxton
Marcus Keller
Amy Ivie
Dirk Clayson
Kelly Stowell
Alison Anderson
Jack Monnett
Mike Christianson
Dave Roberts
Susie Becker
Mike Hansen
Shannon Ellsworth
Ralph Okerlund

Washington County
Bluff Service Area
Tetra Tech
Friends of Historic Spring City
Best Engineering
Blaisdell, Church & Johnson
Circleville Town
Ephraim City
Ashley Valley Water and Sewer Improvement District
Ashley Valley Water and Sewer Improvement District
Enoch City
Jones & DeMille Engineering
Sunrise Engineering
Uintah Transportation Special Service District
CIVCO Engineering
Uintah Transportation Special Service District
Zion's Bank Public Finance
Zion's Bank Public Finance
USDA – Rural Development
Kane County Municipal Building Authority
Kanab City
Spring City
Spring City
Civic Science
Henrieville Town
Zion's Bank Public Finance
Jones & DeMille Engineering
Jones & DeMille Engineering
Six County Infrastructure Coalition

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, February 4, 2016 at the Multi-Agency State Office Building, 195 North 1950 West in Salt Lake City, Utah and 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.

Review of Agenda Items

There are twenty projects for final funding consideration, two supplemental requests, two projects for special consideration, and Board discussion items on today's agenda. Santa Clara City has withdrawn their funding request.

I. INTRODUCTIONS

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

II. APPROVAL OF MINUTES

Chairman Heaton requested a motion to approve the minutes from the January 7, 2016 meeting.

Claudia Jarrett made and Naghi Zeenati seconded a motion to approve the minutes from the January 7, 2016 meeting as corrected. The motion carried unanimously.

III. PRIORITY PROJECTS

All projects advanced to the Priority List were reviewed by the Board at previous meetings. The information below is a summary of the requests as advanced to the Priority List.

1. Carbon County Municipal Building Authority (Carbon County)

Carbon County MBA's funding request was advanced to the Priority List as a \$552,500 grant for the construction of three regulation-sized soccer fields, a restroom/maintenance equipment/storage/concession building, parking lot, sprinkler system, fencing, sidewalk, landscaping, utilities and lighting at the Carbon County Fairgrounds.

Total Funding Request: \$552,500 grant.

2. San Juan County Municipal Building Authority (San Juan County)

San Juan County MBA's funding request was advanced to the Priority List as a \$1,500,000 loan for 30 years at 1.5% interest and a \$3,000,000 grant (total \$4,500,000) for construction of a multi-use, 20,000 square foot health services facility in Blanding to accommodate the San Juan Health Services including the San Juan Health Department for wellness checks, WIC Services, records retention and office space, and San Juan Counselling for outpatient mental health and substance abuse services. This facility will centralize these services for residents of San Juan County. The project also includes tables, desks, chairs, flagpole, signage and landscaping.

Total Funding Request: \$4,500,000 (\$1,500,000 loan for 30 years at 1.5% interest and a \$3,000,000 grant).

3. Town of Henrieville (Garfield County)

The Town of Henrieville's funding request was advanced to the Priority List as a \$60,000 grant for the purchase of an S650 T4 Bobcat skid-steer loader with accessories and two REVO 16 Channel 960H security systems which include 2TB hard drive, 8 each high resolution 700TVL cameras, 22" LED monitors and 100' night vision to accommodate fire station security.

Total Funding Request: \$60,000 grant.

4. Mona City Local Building Authority (Juab County)

Mona City MBA's funding request was advanced to the Priority List as a \$180,000 loan for 20 years at 2.5% interest and a \$178,000 grant (total \$358,000) for construction of a 7,000 square foot community center on 1-acre of property at 140 East 100 South to include city offices, city council, storage space, a Class 4 justice court with judge and clerk offices, and a community/senior center facility with a kitchenette, flagpole, parking area, communication systems and furnishings.

Total Funding Request: \$358,000 (\$180,000 loan for 20 years at 2.5% interest and \$178,000 grant).

Chairman Heaton requested a motion to fund projects #1 - #4 as advanced to the Priority List

Ron Winterton made and Naghi Zeenati seconded a motion to fund projects #1 - #4 as advanced to the Priority List. The motion carried with Jae Potter abstaining on #1 and Bruce Adams abstaining on #2.

5. Hurricane Valley Fire Special Service District (Washington County)

Hurricane Valley Fire SSD's funding request was advanced to the Priority List as a \$1,000,000 loan for 30 years at 2.5% interest and a \$500,000 grant (total \$1,500,000) for the construction of a new 9,100 square foot fire station with three apparatus bays, dispatch, office, kitchen, storage, laundry and sleep areas to be located at State Road 9 and Coral Canyon Boulevard to service Hurricane and Washington City, Utah.

Total Funding Request: \$1,500,000 (\$1,000,000 loan for 30 years at 2.5% interest and a \$500,000 grant).

6. Hurricane Valley Fire Special Service District (Washington County)

Hurricane Valley Fire SSD's funding request was advanced to the Priority List as a \$995,000 loan for 20 years at 2.5% interest for the purchase of a Pierce 107' Ariel mounted heavy duty ladder truck with equipment.

Total Funding Request: \$995,000 loan for 20 years at 2.5% interest.

The name of the applicant on projects #5 and #6 will be changed to Washington County Municipal Building Authority.

The Chairman requested a motion to fund projects #5 and #6 in the name of Washington County Municipal Building Authority as advanced to the Priority List.

Jae Potter made and Steve Farrell seconded a motion to fund projects #5 and #6 as advanced to the Priority List. The motion carried unanimously.

7. Duchesne County Special Service District #2 (Duchesne County)

Duchesne County SSD #2's funding request advanced to the Priority List as a \$2,500,000 grant for the pulverizing and reconstruction of 5.2 miles of Arcadia Road from Felter Intersection to Highway 40. The roadway shoulders will be widened and the roadway realigned to meet safety standards where needed. The project includes 28,972 cubic yards of borrow, 63,360 square yards of micro surfacing, 63,360 square yards of chip seal. A total of 207,000 square yards of geogrid will be used. The project also includes 150 feet of guardrail and other traffic safety elements such as signage and delineators. In addition, a power line will be relocated.

Total Funding Request: \$2,500,000 grant.

8. Fruitland Special Service District (Duchesne County)

Fruitland SSD's funding request advanced to the Priority List as a \$10,000 grant for a feasibility study to consider annexing Valle Del Padres into the district service area which would include adding 60 water connections to the system with an additional water source and the potential need for additional water storage facilities. The study would allow the District to make decisions based on cost estimates, alternatives and required funding for future water system improvements.

Total Funding Request: \$10,000 grant.

The Chairman requested a motion to fund projects #7 and #8 as advanced to the Priority List.

Bruce Adams made and Jae Potter seconded a motion to fund projects #7 and #8 as advanced to the Priority List. The motion carried unanimously.

9. Santa Clara City (Washington County)

Santa Clara City's funding request advanced to the Priority List as a \$343,000 loan for 10 years at 2.5% interest and a \$142,000 grant (total \$485,000) for reconstruction of 0.74 miles of Old Highway 91 from 200 East in Ivins City to the Swiss Village in Santa Clara. The project will widen a single traffic lane in both directions and add bicycle lanes, shoulders and include left and right turn lanes at an intersection. Capacity of the road will not be changed with these improvements. The project includes 26,961 square yards of 4.5 inch roto milling, 21,951 square yards of pulverized pavement, 5,236 cubic yards of untreated base course, 13,543 feet of curb and gutter, 587 square yards of sidewalk, 303 feet of chain link fence and 4,427 square feet of gravel. The project includes utilities, storm drain and landscaping.

This project was withdrawn. Applicant determined CIB financial assistance for this project was no longer required.

10. Town of Circleville (Piute County)

The Town of Circleville's funding request advanced to the Priority List as a \$250,000 loan for 10 years at 2.5% interest and a \$250,000 grant (total \$500,000) for Phase 2 road improvements to continue Phase 1 and complete 141,799 square yards of chip seal and 600 square yards of 3 inch hot mix asphalt repair of the town roads.

Total Funding Request: \$500,000 (\$250,000 loan for 10 years at 2.5% interest and a \$250,000 grant).

11. Vernal City (Uintah County)

Vernal City's funding request was advanced to the Priority List as a \$933,000 loan for 30 years at 0.0% interest rate and a \$933,376 grant (total \$1,866,376) to facilitate water and sewer utility improvements. Water system improvements include purchasing a radio reader meter reading program for 3,200 water connections. Sewer system improvements include relining 14,500 linear feet of 6 inch and 8 inch sewer line, 1,200 linear feet of 10 inch sewer line and 900 linear feet of 15 inch sewer line. The project will add 4 manholes and repair disturbed asphalt.

Total Funding Request: \$1,866,376 (\$933,000 loan for 30 years at 0.0% interest and a \$933,376 grant).

12. Ashley Valley Water and Sewer Improvement District (Uintah County)

Ashley Valley WSID's funding request was advanced to the Priority List as a \$250,000 loan for 30 years at 2.5% interest and a \$250,000 grant (total \$500,000) for the installation of 2,500 feet of 8 inch gravity sewer line with 9 new manhole covers from 1000 South and 1350 West to Robinwood Lane.

Total Funding Request: \$500,000 (\$250,000 loan for 30 years at 2.5% interest and a \$250,000 grant).

The Chairman requested a motion to fund projects #10 - #12 as advanced to the Priority List.

Jim Matson made and Ron Winterton seconded a motion to fund projects #10 – #12 as advanced to the Priority List. The motion carried unanimously.

13. Castle Valley Special Service District (Emery County)

Castle Valley SSD's funding request advanced to the Priority List as a \$1,000,000 loan for 6 years at 2.5% interest and a \$945,000 grant (total \$1,945,000) for street improvements in Elmo, Huntington, Castle Dale, Clawson, Ferron and Emery; drainage improvements in Elmo, Cleveland, Huntington, Castle Dale, Orangeville, Clawson, Ferron and Emery; and a water line replacement in Orangeville.

Total Funding Request: \$1,945,000 (\$1,000,000 loan for 6 years at 2.5% interest and a \$945,000 grant).

14. Enoch City (Iron County)

Enoch City's funding request advanced to the Priority List as a \$10,000 grant for the development of a storm drain master plan. The plan would include city limits and the Enoch City annexation declaration boundary which includes a build-out area of 5,945 acres.

Total Funding Request: \$10,000 grant.

15. Ephraim City (Sanpete County)

Ephraim City's funding request advanced to the Priority List as a \$346,000 loan for 25 years at 2.5% interest and a \$346,000 grant (total \$692,000) for the installation of a new HDPE waterline inside of a trans-mountain 7,100 foot long tunnel. This installation will be done while repairs to the tunnel are made by a joint effort of Ephraim City and other partners.

Total Funding Request: \$692,000 (\$346,000 loan for 25 years at 2.5% interest and a \$346,000 grant).

16. Smithfield City (Cache County)

Smithfield City's funding request advanced to the Priority List as a \$64,400 grant for the updating and development of five plans including the city's general plan, water master plan, storm drain master plan, transportation master plan, and impact fee and rate analysis.

Total Funding Request: \$64,400 grant.

17. Kane County Municipal Building Authority (Kane County)

Kane County MBA's funding request advanced to the Priority List as a \$2,200,000 loan for 30 years at 2.0% interest and an \$885,000 grant (total \$3,085,000) for the construction of new City offices and a senior citizen center located at the multipurpose civic complex in Kanab.

Total Funding Request: \$3,085,000 (\$2,200,000 loan for 30 years at 2.0% interest and an \$885,000 grant).

The Chairman requested a motion to fund projects #13 - #17 as advanced to the Priority List.

Naghi Zeenati made and Claudia Jarrett seconded a motion to fund projects #13 - #17 as advanced to the Priority List. The motion carried with Jim Matson abstaining on project #17.

18. Uintah Transportation Special Service District (Uintah County)

Uintah Transportation SSD's funding request advanced to the Priority List to reallocate the approved funding for the 2015 South Vernal Truck Route – Phase 1 of \$14,284,000 (\$6,000,000 15-year loan at 1.5% interest and \$8,284,000 grant) to the 2016 Leland Bench Road improvements. The request for reallocation of existing funding also includes a supplemental request for a \$685,000 grant. Total funding for the Leland Bench Road improvements project: \$14,969,000 (\$6,000,000 15y @ 1.5% loan and \$8,969,000 grant).

Total New Funding Request: \$685,000 supplemental grant.

19. Iron County Municipal Building Authority (Iron County)

Iron County MBA's funding request advanced to the Priority List as a \$700,000 supplemental loan for 25 years at 2.5% interest and an extension of the original loan terms from 20 years to 25 years to remodel a 9,000 square foot building which will house the Adult Probation and Parole Agency. Total funding for the building: \$3,700,000 loan for 25 years at 2.5% interest.

Total New Funding Request: \$700,000 supplemental loan for 25 years at 2.5% interest.

20. Spring City (Sanpete County)

Spring City's supplemental funding request was advanced to the Priority List as a \$285,000 loan for 30 years at 2.5% interest and a \$290,000 grant (total \$575,000) in supplemental funding for the Historic Old School restoration. These funds will be used to complete the final phase of construction. Total CIB funding to the Spring City Historic Old School Restoration project: \$1,222,350 (\$610,000 loan for 30 years at 2.5% and \$612,350 grant).

Total New Funding Request: \$575,000 supplemental (\$285,000 loan for 30 years at 2.5% interest and \$290,000 grant).

The Chairman requested a motion to fund projects #18 - #20 as advanced to the Priority List.

Mike McKee made and Gregg Galecki seconded a motion to fund projects #18 - #20 as advanced to the Priority List. The motion carried unanimously.

IV. SUPPLEMENTAL REQUESTS

1. Bluff Service Area (San Juan County)

Bluff Service Area presented a supplemental funding request for a \$139,555 grant for the West Bluff Flood Mitigation project prompted by archaeological issues. This supplemental request will enable on-site archaeological monitoring and mitigate the effects of an archaeological discovery of human remains while implementing the approved flood mitigation plan along US highway 191. The project includes an archaeological testing program prior to resuming pipeline trench excavation within the 30-foot wide pipeline right-of-way for a distance of 130 feet, additional engineering, site form preparation monitoring, reports, site maps and boundary survey which will be filed with San Juan County.

The applicant indicated that the Abajo consultants were contacted and the State Historic Preservation Office (SHPO) was subsequently notified of the discovery of bones while digging the trench in Bluff. It was determined the bones were human and work was halted until the remains were removed. An archaeological report was filed.

The Board legal counsel, Thom Roberts, indicated that if remains are discovered cessation of work is required. SHPO shall devise a plan. It is the Board's duty to assist in mitigating adverse effects. If SHPO indicates there is no adverse effect, then work may resume. If there is an adverse effect, it needs to be determined if the work should proceed.

The applicant indicated that a pot-hole study is being conducted. Excavators for the project are still on site and down time will be in the expenses of this project.

The Board expressed concern about large engineering expenses for this project.

The Board indicated that part of the motion would include reporting and oversight. Bi-weekly reports will be given to CIB as the work progresses.

Total Funding Request #1: \$139,555 supplemental grant.

2. Bluff Service Area (San Juan County)

Bluff Service Area presented a supplemental request for a \$171,452 grant for the redesign of the upper detention pond for embankment stabilization. There will be an updated HEC-HMS model to include redesign of the 7th East concrete channel and driveway crossings, design of the erosion protection for Calf Canyon drainage banks which includes structural analysis and revised concrete channel lining with rebar reinforcement, revising the original IFC (issued for construction) plans, engineer's opinion of probable cost, and updated construction specifications for the new design to accommodate rights of way issues.

Total Funding Request #2: \$171,452 supplemental grant.

Mike McKee made and Steve Farrell seconded a motion to fund the East and West Bluff Supplemental Requests #1 and #2. The motion carried unanimously.

V. REQUESTS FOR SPECIAL CONSIDERATION

Chairman Heaton requested a motion to hear presentations on two Requests for Special Consideration.

Naghi Zeenati made and Steve Farrell seconded a motion to hear two Requests for Special Consideration. The motion carried unanimously.

1. Castle Dale City (Emery County)

Castle Dale City presented a request to change the recipient of the 2015 funding allocation for a new City Hall to the "Castle Dale Building Commission." Total funding authorized in 2015: \$3,238,000 (\$1,619,000 loan for 30 years at 2.5% and \$1,619,000 grant).

Bruce Adams made and Ron Winterton seconded a motion for authorization to change the funding recipient to the "Castle Dale Building Commission." The motion carried unanimously.

2. Long Valley Sewer Improvement District (Kane County)

On June 13, 2013 the CIB Board approved a \$1,150,000 loan for 30 years at 0.0% interest and a \$1,150,000 grant (total \$2,300,000) for relining lagoon #4 with a clay liner, adding an additional lagoon, repairing damaged transfer structures and broken pipes and providing new pipes, connections to include 32,000 linear feet of 8" sewer pipe, 8,000 linear feet of 4" sewer pipe, 66 service connections, 100 sewer manholes, river and highway crossings and subsequent road repair. The Division of Water Quality Board authorized matching funds.

The applicant requested time on the February 4, 2016 CIB agenda to discuss a revised scope of work to construct a storage facility with a portion of the remaining funds to replace the storage facility that was removed during the course of this project.

Jim Matson made and Ron Winterton seconded a motion to revise the scope of work to use the remaining \$80,000 for a storage facility. The motion carried unanimously.

VI. BOARD MEMBER DISCUSSION

1. Six County Infrastructure Coalition Report on Infrastructure Study Discussion

The Six County Infrastructure Coalition requested time on the February 4, 2016 CIB agenda to discuss the project.

Commissioner McKee indicated that in 2014, the Board authorized \$5,000,000 in grant funding and said that good things are happening. He requested that Senator Okerlund, as the executive director of Six County Infrastructure Coalition (SCIC) and Eric Johnson, legal counsel for SCIC, provide a report on the activities to the CIB Board.

Director Okerlund provided an update on the Coalition and stated that progress has been made this year. He stated that in a few months the study will be completed looking at opportunities in the Eastern part of the State. He stated that engineering has begun for the Book Cliffs Transmission Line Project and they are working through legal issues. Other projects are being looked at and the intent is to have projects in place with loans and revenue sources that are self-sustaining. They are waiting for the completion of the study to prioritize needs. They are looking at opportunities for federal funding and public/private partnerships.

Chairman Heaton referred to the two different loans/grants to the Six County Infrastructure Coalition. The first grant of \$5 million was for an Eastern Utah inventory of facilities and infrastructure that is being worked on now. The second grant/loan was for the Book Cliffs transmission line. He asked if those are the only two projects that this Board has funded for the Six County Infrastructure Coalition.

Director Okerlund indicated that was correct.

Mr. Zeenati asked if the original partners are still supporting the transmission line or have any new partners been added.

Director Okerlund stated that due to the downturn in oil prices, some of the original partners on the transmission line have pulled out of that project. The remaining partners have guaranteed their participation and the 25% grant, 25% match and 50% loan funding from the CIB is being leveraged with that private partnership. The Coalition is moving forward with the private funding.

Mr. Zeenati asked if the Coalition would come back and ask CIB for more money because of fewer partners.

Director Okerlund indicated the Coalition would withdraw from the project. The funding for the project would have to be borne by those guaranteed partners in place at this point.

Commissioner Winterton stated that the \$5 million given to the Coalition to start with was for a study but also for the administration; the staff of the Coalition. He indicated his perception that funding was part of the operations and compared it to the rural planners. He wished to convey his understanding that the Board approved the operation of the Coalition. He indicated that to his recollection, it had been clarified when the Coalition received the \$5 million. He requested that it be on the record.

Eric Johnson provided a breakdown of the first project: indicating that the initial funding was approved in September of 2014. The Coalition came back to this Board, in April of 2015 to clarify that the \$5 million dollars was for the infrastructure study and also administration. The contract was modified at that time to expressly state that it included administration; \$2,000,000 is for administration and \$3,000,000 is for planning. Eric indicated that Seth Oveson, the county clerk/auditor for Carbon County acts as the finance director and that all of the actions and expenditures of the Coalition are approved by the Coalition Board and submitted to the CIB [staff] for reimbursement. The Coalition policies and procedures were approved by the Coalition Board in December 2014 and modified last month on procurement procedures. At the end of 2015 because expenditures of the Coalition had exceeded more than \$500,000, a full audit was approved by the Coalition Board and an auditor shall be appointed.

Chairman Heaton asked if the audit was underway or in the process.

Mr. Johnson indicated that he is not involved in the details indicating that the Coalition Board did authorize an audit.

Chairman Heaton stated that he is aware of delayed pay requests which may be due to the fact that this is a new organization with new policies and procedures and asked if there were still issues.

Mr. Johnson indicated that Mr. Oveson is the person who primarily handles pay requests. He said that reimbursement issues were brought to his attention for his assistance by providing the adopted and Coalition approved policies, procedures and budgets but he stated he has not been involved in details.

Director Okerlund also reiterated that the Coalition is a new organization and issues are being worked through to comply with the rules and regulations of State Finance. He stated that the staff has worked very well in trying to resolve issues. There have been several meetings in an effort to work through issues. There have been some questions on Mr. Johnson's requests where the Coalition has an attorney/client privilege; we have to be careful what we say. Most of the issues are resolved on payment of submittals from the engineering firm and most of the issues concerning administrative costs and thanked the staff.

Commissioner Potter asked if there was a time when the CIB Board could approve those funds to be released to the treasurer into a Six County Coalition account, being a legal entity within the State, being fully compliant with State law including a yearly audit to alleviate reimbursement difficulties.

Chairman Heaton stated that it's not typically done.

David Damschen (State Treasurer) questioned the practical accomplishment with an escrow account for the Coalition. The funds once dedicated by this Board are in an escrow and specified for the project.

Commissioner McKee stated there have been bills submitted that have gone months before reimbursement. He indicated the process could be streamlined by authorizing funds into an escrow for SCIC as a legal political subdivision of the State. He stated that unless there's some illegal reason, the Board could do that.

Thom Roberts indicated that the process utilized for this entity is standard with regard to funding. The money is put into a separate account with payment made by way of reimbursement. This process must be followed which aligns with State financial laws and practices, overseen by the State Treasurer; John Reidhead, Director of State Finance; and Kimberley Schmeling, the Division's Budget Officer. Those State procedures have to be followed. The process certifies that the money is spent as authorized without having 30 additional staff. The CIB Board has those processes and procedures for reimbursement which align with the State Financial Office practices overseen by the Treasurer and department accountants.

Chairman Heaton indicated a concern that it could be perceived that special consideration was being given to any entity.

Commissioner Adams stated the problem is when people would submit a bill and six months later they still haven't been paid.

Thom Roberts indicated it was his understanding that the issue is about whether the documentation submitted with the bill is sufficient for the State to support the submission. Bills are paid when the requirements of the State Finance department with regard to specificity and clarity are met. The staff can't bypass the state rules.

Commissioner McKee stated that progress has been made but there are still some outstanding issues, and referred to the SCIC as unique in the way it does business. He stated that Coalition policies and procedures meet all requirements of State Law and as long as the requirements of the law are met and the Coalition Board authorizes it, they should be able to do it.

Mr. Roberts agreed and indicated his understanding that it is also the position of staff. The Community Impact Board is a State entity and subject to and required to follow the State Law regarding procedures, finance laws and verification. The staff as employees of the Housing and Community Development Division, are required to follow the same rules and regulations regarding documentation before any checks can be cut. He indicated that to his knowledge, the staff is not holding things up or treating things any differently with regard to what is required. Hopefully it will get streamlined and everybody can get better at providing the proper documentation and payments can be expedited.

Jonathan Hardy (HCD Director) speaking for HCD indicated that a lot of progress has been made. Ninety percent of the process has been addressed. Staff is working hard to identify those areas where the documentation will line up and payments can be processed. He also stated that as administrators of the fund, we would not be comfortable abdicating what we view as our responsibility in reviewing the payments in accordance with the statutes and laws of finance. He indicated that the Coalition is not handled differently than other applicants. It is the role of staff to review requests and verify compliance.

Commissioner McKee again indicated that he would like an escrow account set up to have funds available for travel, fuel and credit cards to do the business of this unique organization.

Mr. Hardy stated that most of the projects CIB funds are construction projects and reimbursing submitted invoices is simple. With administration, documentation is needed to justify a billing. For contracts with administrative costs, documentation is requested to clarify the costs. We are willing to help SCIC meet those documentation requirements.

Commissioner McKee stated that the Coalition is different and requested a \$30,000 advance be placed in an escrow account and dealt with on a reimbursement basis. He referred to state officials and even the Governor having a credit card and not having to submit for reimbursement from the State.

Mr. Damschen indicated that we place funds into a separate account to create a firewall. These funds are handled most efficiently through the accounting procedures which the staff follows. This is a dedicated process of accounting procedures following the law and protecting everyone.

Mr. Zeenati inquired as to whether this was the only project with delayed payment issues.

Mr. Hardy indicated that with all the funds administered through Housing and Community Development, additional documentation has been requested. Most projects funded by CIB are simplified invoices for construction projects. With administrative expenditures, there is a list of details needed. The same standard applies to all. This is a larger contract than most HCD contracts.

Mr. Johnson indicated that there has not been a challenge with payment to the electrical project, but challenges have been with planning and administration on the initial \$5 million dollars. Though procedures are familiar to staff, the Coalition and staff might meet to go over the processes.

Commissioner McKee indicated that as a board member of SCIC, he is not requesting even a credit card.

Commissioner Jarrett indicated that CIB pays administration for a project. This is different in that we're paying for the administration of the Coalition. The Coalition is doing projects under the Coalition but the concern relative to administration for the Coalition is that the CIB has never paid administration to a group, only projects. This might be where the issues are stemming from and asked for patience.

Chairman Heaton indicated that the CIB Board is supportive of the Coalition and what they have been trying to accomplish. The Coalition has been a different experience and the chairman expressed hope that issues will be resolved working with Director Okerlund and his staff and continue doing things according to state law.

Mr. Roberts noted that the Coalition did change the scope of work. The original scope for the \$5,000,000 was for planning and a study of what infrastructure was needed in the Six County Coalition area. A change of scope was made to allow for administration. He suggested a clarification in regard to whether the Board intended to fund SCIC with regard to the development and presentation of new projects or whether the Board intended to fund the Coalition as an ongoing enterprise including lawyers and other people to develop projects. The question of scope seems to be an issue and accounting needs to be clear as to what account the reimbursement should be made.

Mr. Hardy said that staff has reviewed the minutes from the meeting where the \$5,000,000 was assigned and there is nothing further specified in the minutes, but indicated that the minutes could be discussed at a future meeting.

Commissioner McKee added a perspective that the intention of the Board and Chairman Walker, in various conversations was to set up the organization for what was needed.

Chairman Heaton stated that intent is a difficult thing to gauge. A number of those Board members are no longer on the Board. The scope of work is clear but without great detail. There is a budget and scope of work and it appears the intent of that is being met. He expressed appreciation for the time the Coalition spends on their projects. He acknowledged the support of the Board and HCD is supportive and willing to assist in that mission. Appreciation was expressed for their time and suggested an update at the June meeting when there would be more time to discuss any unresolved issues.

Director Okerlund stated that the Coalition will be a great partner for the CIB Board and all of the State with the ability they are going to have to be able to do some things that need to be done in the eastern part of the State.

Commissioner Jarrett suggested that it would be helpful to the Board if the Coalition would break down the procedures in how they plan on handling the billing for their projects. It would help the Board to know how these particular intricacies will be addressed.

Chairman Heaton thanked Director Okerlund and Eric Johnson for their time.

2. New Applications for the 3rd Trimester of FY2016

The thirteen submitted new applications for the 3rd trimester were briefly discussed and the Board decided to hold one meeting in May for the review of all 3rd trimester applications.

3. Infrastructure Funding Set-Aside

The Board discussed the set-aside policy and referred to the remaining balance after all projects were funded for the 2nd trimester FY2016. It was alluded to as a rainy-day fund.

It was clarified that the funding in the Infrastructure Set-aside Fund is Mineral Lease Funds and not Bonus Funds so it is available as a grant or a loan.

The Board acknowledged the need to be cautious using this fund as production is down and new revenues are diminished. The Board should carefully determine needs and wants.

The Chairman asked for a motion to set aside a remaining portion of the 2nd trimester FY2016 balance which would be \$8,000,000 into the Infrastructure Set-aside Fund.

Gregg Galecki made and Naghi Zeenati seconded a motion to place \$8,000,000 into the Infrastructure Set-aside Fund. The motion carried unanimously.

4. Rural Planning Group

Members of the Rural Planning Group (RPG), Kyle Slaughter and Paul Moberly, provided an update of projects and efforts concerning the Rural Planning Group.

The Rural Planning Group's vision for rural Utah is to increase self-reliance, self-determination and preparedness for rural communities to weather the economic swings. The RPG projects include a zero growth study and impacts on communities, tools and other micro studies. They suggested sending out a monthly email report on their activities and planned projects to Board members.

5. Meeting Schedule

The applications received would not require three meetings this trimester. The Board determined that one review meeting would be adequate before the funding meeting in June. After some discussion, it was suggested that the March and April meetings be cancelled. The applications submitted for the 3rd trimester of FY2016 would be reviewed on May 5, 2016.

Gregg Galecki made a motion and Naghi Zeenati seconded the motion to cancel the March and April board meetings. The motion carried unanimously.

It was further indicated that the September CIB board meeting would be changed from September 1, 2016 to September 8, 2016 to accommodate the Uintah Basin Energy Summit on September 1, 2016.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, May 5, 2016 in the Department of Environmental Quality's Board Room at the Multi-Agency State Office Building, 195 North 1950 West, Salt Lake City.

This meeting adjourned at 11:17 a.m.

Submitted by:
Cristine Rhead