

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES

Thursday, July 2, 2015

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
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

Excused

Richard Ellis	State Treasurer
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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
Katherine Smith	Housing and Community Development
Michele Vobora	Housing and Community Development
Brenda Brown	Housing and Community Development
Kimberley Schmeling	Housing and Community Development
Mike Hansen	Housing and Community Development
Shannon Ellsworth	Housing and Community Development
Thom Roberts	Attorney General's Office
Kim Peterson	Central Valley Town
Dave Nielsen	Central Valley Town
Garrick Willden	Jones and DeMille Engineering
Cody Christensen	Uintah Basin Association of Governments
Douglas Nielsen	Sunrise Engineering Inc.
Robert Worley	Sunrise Engineering Inc.
Lynn Wall	Wall Engineering
Ryan Savage	Savage Surveying
Wade Fautin	Marysvale Town
Lynn Ashby	Delta City Fire Department
Bruce Curtis	Millard County Fire District
Gayle Bunker	Delta City

Dean Draper
Kent Barton
Korry Soper
Mike Bennett
Matthew Reber
Steve Frischknecht
Randall Cox
Rick Northington
Linda Northington
Vernon Hooper
Jerry Nelson
Debbie Nelson
Nancy Strickland
Dallas Murray
Dickson Taylor
Jason Broome
Brian Barton
Greg Todd
Amy Ivie
Marcus Keller
Eric Johnson
Michael Bryant
Russell Frandsen
Bryan Thiriot
Brian Carver
LaNiece Davenport
Andrew Jackson
Debbie Hatt
Roger Jones
Russ Cowley
Carmen Bailey
Jeff Walker
Roger Aagard
Redge Johnson
Laurie Brummond
Allen Roberts
Mike Noel
Andrew Gruber
Ralph Okerlund

Millard County Fire District
Manti City
Manti City
Sanpete County
Sanpete County
Sanpete County
Town of Sterling
Pinon Forest Special Service District
School Institutional Trust Lands Administration
Johnson Water Improvement District
Johnson Water Improvement District
Forsgren Associates Inc.
Jones & DeMille Engineering
Duchesne City
US Department of Agriculture
Zions Bank Public Finance
Blaisdell, Church & Johnson
Southeastern Utah Association of Local Governments
Legislative Fiscal Analyst
Five County Association of Governments
Bear River Association of Governments
Wasatch Front Regional Council
Mountainland Association of Governments
Southeastern Utah Association of Local Governments
Bear River Association of Governments
Six County Association of Governments
Public Lands Policy Coordinating Office
Fountain Green City
Fountain Green City
Public Lands Policy Coordinating Office
Uintah Basin Association of Governments
? Kane County Water Conservancy District
Kane County Water Conservancy District
Wasatch Front Regional Council
Six County Infrastructure Coalition

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, July 2, 2015 in the Department of Environmental Quality's Board Room at the Multi-Agency State 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 seventeen new projects and one supplemental request.

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 June 11, 2015 meeting.

Claudia Jarrett made and Naghi Zeenati seconded a motion to approve the minutes from the June 11, 2015 meeting. The motion carried unanimously.

III. NEW PROJECTS

1. Johnson Water Improvement District (Duchesne County)

Johnson Water Improvement District presented a revised funding assistance request for a \$244,000 grant for a new office and shop building. The project consists of constructing a 2,880 square foot building to include a reception area, clerk office, manager office, conference room, break room, restrooms and storage. The shop will be 6,000 square feet with 4 bays for storage of supplies and equipment. The applicant is contributing \$244,000 to the project.

The applicant indicated that the existing office is 600 square feet with an 864 square foot open shed and a small 576 square foot garage on the property with no equipment storage, parking or adequate office space.

The Board asked about the need as indicated for retail space and four bays for equipment storage.

The applicant stated that the area is growing and the retail space is for a separate entrance for customers.

The Board acknowledged the applicant's cash contribution and discussed funding options.

Claudia Jarrett 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 \$244,000 grant. The motion carried with Mike McKee absent for the vote.

2. Central Valley Town (Sevier County)

Central Valley Town presented a funding assistance request for a \$2,835,000 grant for the reconstruction of 2.260 miles including North Main Street and Central Boulevard to include rotomilling, pulverization, cement treatment, geogrid, gravel and asphalt. The project will also provide a surface treatment for Sevier River Road and South Main Street, paving on 400 North Street and surface sealing on Center Street. The applicant is contributing \$40,000 to the project.

The applicant indicated that Central Valley Town receives \$38,000 in B & C Road funding per year and have been spending \$28,000 per year on maintenance. The applicant indicated that the roads in this project have been prioritized.

The Board expressed concern about the high engineering fees associated with this project.

The Board stated that this was a large funding request and asked if the project could be done in phases.

The applicant stated that doing this project in phases would raise the cost of mobilization.

The Board referred to other road funding which included grant and loan and asked if they could take part of the funding as a loan.

The applicant indicated that they could take \$270,000 in loan funding.

The Board discussed funding options.

Claudia Jarrett 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 \$270,000 loan for 10 years at 0.0% interest and a \$2,565,000 grant (total \$2,835,000). The motion failed with four ayes (Jarrett, Farrell, Winterton, McKee) and five nays (Adams, Zeenati, Potter, Galecki, Matson).

After further Board discussion a substitute motion was made.

Gregg Galecki made and Mike McKee seconded a substitute motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$400,000 loan for 10 years at 0.0% interest and a \$2,435,000 grant (total \$2,835,000).

After further Board discussion a second substitute motion was made.

Mike McKee made and Jim Matson seconded a second substitute motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$250,000 loan for 10 years at 2.5% interest and a \$2,585,000 grant (total \$2,835,000).

After further Board discussion a third substitute motion was made.

Bruce Adams made and Naghi Zeenati seconded a third substitute motion for a \$1,417,500 loan for 10 years at 0.0% interest and a \$1,417,500 grant (total \$2,835,000). The motion failed with three ayes (Potter, Adams, Zeenati) and six nays (Jarrett, Farrell, Winterton, McKee, Galecki, Matson).

After considerable Board discussion, the Board voted on the second substitute motion.

Mike McKee made and Jim Matson seconded the second substitute motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$250,000 loan for 10 years at 2.5% interest and a \$2,585,000 grant (total \$2,835,000). The motion carried with six ayes (Farrell, Galecki, Jarrett, Winterton, Matson, McKee) and three nays (Adams, Zeenati, Potter).

3. Delta City (Millard County)

Delta City presented a funding assistance request for a \$777,000 loan for 20 years at 0.0% interest and a \$1,810,000 grant (total \$2,587,000) to build a new fire station including 4 pull through truck bays, 4,200 square feet of office space, restrooms and training rooms with 4,000 square feet of storage and training space above the office space.

The applicant stated that Delta City Fire Department is an all-volunteer fire department and provides fire protection service for 8,000 people in a 30 mile radius surrounding Delta City and areas of western Millard County. The current station (built in the 1960s) is too small. The Delta Fire Department has researched various fire stations and has chosen the proposed design and size to follow the plan of the Richfield City fire station.

The Board inquired about the number of fire trucks owned by the department.

The applicant indicated that the Delta Fire Department has 11 trucks.

The Board acknowledged that fire protection is a basic need and 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 \$777,000 loan for 20 years at 1.5% interest and a \$1,810,000 grant (total \$2,587,000). The motion carried unanimously.

4. Fountain Green City (Sanpete County)

Fountain Green City presented a funding assistance request for a \$129,525 grant for park improvements consisting of building a 910 square foot block building with a metal roof as a concessions area and restroom for the city park. The building will be built to comply with ADA standards. The applicant is contributing \$5,000 cash.

The applicant stated that the park is frequently used during the summer. The existing 80 year old restrooms have backed-up frequently and are not wheelchair accessible.

The Board inquired about the other applicant cash.

The applicant indicated that the local cash is in place but the Eccles funding is currently being applied for.

The Board discussed funding options.

Claudia Jarrett 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 \$129,525 grant. The motion carried unanimously.

5. Town of Sterling (Sanpete County)

Sterling Town presented a funding assistance request for a \$300,000 grant to rebuild 11,877 linear feet of existing roads by pulverizing, laying asphalt and chip sealing. The applicant is contributing \$5,000 cash.

The applicant indicated they have been providing maintenance efforts but the roads have deteriorated and stated that the proposed road improvements should last quite a while.

The Board discussed funding options.

Ron Winterton 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 \$300,000 grant. The motion carried unanimously.

6. Manti City (Sanpete County)

Manti City presented a funding assistance request for a \$1,536,000 loan for 25 years at 0.0% interest and a \$1,536,000 grant (total \$3,072,000) to construct a Multi-Recreational Facility/Sports Complex including a new, four-plex softball and baseball field complex with soccer fields, fencing, parking areas, restrooms, concessions, lighting, reconstructing 1,500 feet of 800 North Street and the relocation of an overhead power line.

The applicant indicated that Manti City has over fifty city athletic teams. Some teams play home games in a neighboring community due to the lack of fields and some youth soccer teams play in an undedicated area of Manti City's Cemetery.

The Board inquired about the location.

The applicant indicated that they have been in discussions but have not finalized the location for the new facility.

The Board discussed funding options.

Mike McKee 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 \$1,536,000 loan for 30 years at 1.5% interest and a \$1,536,000 grant (total \$3,072,000). The motion carried unanimously.

7. Sanpete County Municipal Building Authority (Sanpete County)

Sanpete County MBA presented a funding assistance request for an \$895,000 grant for fairgrounds improvements to include the demolition of the old fairgrounds grandstand and the construction of a new 2500 seat grandstand, demolishing the old concession/restroom and constructing a new concession/restroom building, constructing a new announcer's booth, remodeling an existing restroom, a new sound system, concrete work and fencing.

The applicant indicated that the fairgrounds are used extensively and that the existing wooden grandstand is 90 years old which has become a safety issue. The applicant indicated that SHPO has been contacted and has given approval for the demolition of the grandstands.

The applicant also stated that the existing concession area does not have a cooking area or sink.

The Board discussed project funding.

Bruce Adams made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as an \$895,000 grant. The motion carried unanimously with Claudia Jarrett abstaining.

8. Town of Marysvale (Piute County)

The Town of Marysvale presented a funding assistance request for a \$1,185,000 grant for Phase I of a road and drainage project to include rotomilling 164,190 square feet, 13,876 linear feet burrow ditch, installing 2,088 square feet of concrete cross gutters and chip sealing 5,010 square feet of town streets. The project will also lay 5,980 square feet of asphalt over the town hall parking lot. In addition, 8,000 tons of untreated road base will be used to repair driveways and refresh rotomilled areas, and 400 linear feet of Jersey barrier guardrail will be installed along with traffic control.

The applicant indicated that some of the roads are in very bad shape and stated that the project would add 15 to 20 years of useful life to the existing asphalt roads.

The Board expressed general concern that communities are coming to the CIB Board as the preferred lender for funding entire road systems. Historically such projects would be funded 50% loan and 50% grant but recently communities request 100% grant. There is not enough money available to do this. The Board needs to look carefully at each project and be prudent with regard to funding.

The Board asked about what seemed to be excessive engineering costs for this project.

The applicant indicated that the project is very complicated and time consuming to oversee.

The Board discussed the project and funding options.

Gregg Galecki made a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$500,000 loan for 20 years at 0.0% interest and a \$685,000 grant (total \$1,185,000).

The Board discussed phasing the project and funding options.

Mike McKee 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 \$600,000 grant.

After further discussion, a second substitute motion was made.

Gregg Galecki made and Bruce Adams seconded a second substitute motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$300,000 loan for 10 years at 0.0% interest and a \$300,000 grant (total \$600,000). The motion carried with Claudia Jarrett and Naghi Zeenati opposed.

9. Kane County Water Conservancy District (Kane County)

Kane County Water Conservancy District presented a funding assistance request for a \$350,000 loan for 30 years at 1.0% interest and a \$525,000 grant (total \$875,000) for a new office and warehouse building to include a new 3,182 square foot office building to meet ADA requirements with a 2,847 square foot partially finished basement and a 3,200 square foot steel warehouse and shop to be built on the same five acre lot. The applicant is contributing \$7,500 cash.

The applicant is currently renting a second story office in a building in Kanab that is over 40 years old. The building does not meet ADA requirements. The storage facility would keep the backhoe, trucks, fusing machines and other small equipment safe and out in the elements. The applicant owns 5 acres of land for this project.

The Board noted the land and applicant cash and discussed funding options.

Bruce Adams made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$350,000 loan for 30 years at 1.0% interest and a \$525,000 grant (total \$875,000). The motion carried unanimously.

10. Kane County Recreation & Transportation Special Service District (Kane County)

Kane County Recreation & Transportation SSD presented a funding assistance request for \$139,000 to purchase Class B & D road easements on SITLA (School and Institutional Trust Lands Administration) property. The project consists of obtaining permanent easements on 119.483 miles of Class D roads and .2146 of a mile of Class B roads across SITLA property.

The applicant indicated that easement acquisition is critical to transportation and access within the County.

The Board discussed the funding.

Claudia Jarrett made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the October 1, 2015 funding meeting as a \$139,000 grant. The motion carried unanimously.

11. Association of Governments (Resource Management Planning)

This project is to facilitate resource management planning including but not limited to 27 areas indicated in HB 323. This project shall also facilitate protection, conservation, development and managed use of resources that are critical to the health, safety and welfare of the citizens of each county in each region, and

the State of Utah as a whole. This resource management planning project is to consider the entirety of the state including the 70% of federal and state owned acreage.

This project shall include the acquisition of expertise through any and all sources to establish relevant findings through data and solidify objectives for desired future conditions, outline general policies and guidelines to accomplish goals, and coordinate with neighboring counties on common interests. The project is to regionally develop the resource management plan to reflect local perspectives and desires for the natural resources, landscapes, and uses being managed and share those plans for statewide use.

The applicants are the seven Associations of Governments: Bear River Association of Governments, Five County Association of Governments, Six County Association of Governments, Southeastern Utah Association of Local Governments, Uintah Basin Association of Governments, Mountainland Association of Governments, and Wasatch Front Regional Council.

The Board recognized the issues from the abundant federally owned lands in many areas and indicated a desire to assist where possible.

The Board discussed funding of this project and suggested suspending the Board's rules and funding Resource Management Plans for each regional AOG. The Board also requested that each application be amended to show the projected scope of work to be accomplished through the AOG .

Mike McKee made and Jim Matson seconded a motion to vote separately to fund each of the seven Associations of Governments for the Resource Management Projects. The motion carried unanimously.

1. Bear River Association of Governments - \$150,000 grant

Claudia Jarrett made and Mike McKee seconded a motion to suspend the rules and fund the Bear River Association of Governments resource management planning project as a \$150,000 grant. The motion carried unanimously.

2. Five County Association of Governments - \$250,000 grant

Ron Winterton made and Claudia Jarrett seconded a motion to suspend the rules and fund the Five County Association of Governments resource management planning project as a \$250,000 grant. The motion carried with Jim Matson abstaining.

3. Six County Association of Governments - \$300,000 grant

Gregg Galecki made and Jae Potter seconded a motion to suspend the rules and fund the Six County Association of Governments resource management planning project as a \$300,000 grant. The motion carried with Claudia Jarrett abstaining.

4. Southeastern Utah Association of Local Governments - \$200,000 grant

Ron Winterton made and Jim Matson seconded a motion to suspend the rules and fund the Southeastern Utah Association of Local Governments resource management planning project as a \$200,000 grant. The motion carried with Bruce Adams abstaining.

5. Uintah Basin Association of Governments - \$300,000 grant (\$100,000 per county)

Jae Potter made and Jim Matson seconded a motion to suspend the rules and fund the Uintah Basin Association of Governments resource management planning project as a \$300,000 grant. The motion carried with Ron Winterton and Mike McKee abstaining.

6. Mountainland Association of Governments - \$150,000 grant

Steve Farrell made and Jim Matson seconded a motion to suspend the rules and fund the Mountainland Association of Governments resource management planning project as a \$150,000 grant. The motion carried unanimously.

7. Wasatch Front Regional Council - \$250,000 grant

Claudia Jarrett made and Naghi Zeenati seconded a motion to suspend the rules and fund the Wasatch Front Regional Council resource management planning project as a \$250,000 grant. The motion carried unanimously.

IV. SUPPLEMENTAL REQUEST

1. Pinon Forest Special Service District (Duchesne County)

On May 29, 2015 the CIB staff was contacted by Pinon Forest SSD concerning the purchase of water shares for the bulk water project. The applicant requested time on the July 2, 2015 meeting to discuss a second supplemental funding package to purchase water rights as a \$100,000 loan for 20 years at 1.5% interest and a \$100,000 grant (total \$200,000) with a request to suspend the rules and fund. This is the second supplemental funding request on this project. With this additional funding the total cost of the project will be a \$525,000 loan for 20 years at 1.5% interest and a \$527,072 grant (total \$1,052,072).

The Board discussed the history of this project.

On February 6, 2014, Pinon Forest SSD's funding request was advanced to the Priority List as a \$336,000 loan for 20 years at 1.5% interest and a \$336,694 grant (total \$672,694) for water system improvements – bulk water station. The project consists of the purchase of an existing water well site, the installation of well equipment, electrical improvements, 4 each 10,000 gallon water storage tanks, a booster pump station, a bulk water dispenser station, and site improvements to conform to the Department of Environmental Quality standards for public drinking water. The project was funded as requested.

On November 17, 2014 the CIB staff was contacted by the applicant concerning the bids for this project which have exceeded the authorized funding amount and the applicant requested time on the December 11, 2014 CIB meeting to discuss supplemental funding.

The applicant presented a funding assistance request for an \$89,000 loan for 20 years at 1.5% interest and a \$90,378 grant (total \$179,378) in supplemental funding. The bids for the project came in higher than expected. The well depth was increased from 450' to 600' deep and the pump station was altered from a 10' X 10' frame building to a 15' X15' masonry building allowing for secure storage of current equipment and tools. The project was funded as requested.

On July 2, 2015 Pinon Forest SSD presented a request to purchase water rights.

The applicant indicated that originally Pinon Forest SSD planned on leasing water rights from neighboring governmental entities. An increase in demand for surplus water rights was not available for lease. The

applicant stated that a private source which has senior rights on Currant Creek (date to 1911) have been located in the area that has been identified as a prime future water source for their district. The final purchase price is \$200,000.

The Board discussed the second supplemental funding for this project.

Naghi Zeenati made and Steve Farrell seconded a motion to suspend the rules and fund this project as a \$100,000 loan for 20 years at 1.5% interest and a \$100,000 grant (total \$200,000). The motion carried unanimously.

V. BOARD MEMBER ISSUES

1. The August 6, 2015 CIB Meeting will conflict with the Rural Summit August 6 -7, 2015 in Cedar City.
2. Jeff Holt has indicated the possibility of a tour of Oakland Bay on July 23, 2015. Contact Keith Heaton if interested in going.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be Thursday, August 6, 2015 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 12:10 p.m.

Submitted by:
Cristine Rhead