

## PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

### MINUTES

December 10, 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
Jae Potter	Carbon County
Michael McKee	Uintah County
David Damschen	State Treasurer's Office

#### **Staff and Visitors**

Jonathan Hardy	Housing and Community Development
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
Brenda Brown	Housing and Community Development
Kimberley Schmeling	Housing and Community Development
Michele Vobora	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
Paul Moberly	Housing and Community Development
Thom Roberts	Attorney General's Office
Nathan Hall	Division of Drinking Water
Brian Carver	Bear River Association of Governments
Michael Bryant	Southeastern Utah Association of Local Governments
Gary Zabriskie	Five County Association of Governments
Emery Polelonema	Six County Association of Governments
Cody Christensen	Uintah Basin Association of Governments
John Zilles	Roosevelt City
Joe Burdick	Roosevelt City
Kate Savage	Canyon Country Rising Tide
Ryan Snow	Roosevelt City
Chris Wilson	Utah Department of Transportation
Kendall Draney	Utah Department of Transportation
Ed Shaw	Best Engineering

Lamar Bartholomew	Town of Fayette
Jill Merritt	Peaceful Uprising, Utah Tar Sands Resistance
Tom Sorensen	Centerfield City
Jaden Sorensen	Centerfield City
Brett McCall	Centerfield City
Ryan Savage	Savage Surveying
Jeff Albrecht	Jones and DeMille Engineering
Ronald Keller	Fayette Town
Geordin Gass	Circleville Town
Michael Haaland	Circleville Town
Rick Rosenberg	Santa Clara City
Jack Taylor	Santa Clara City
Don Winterton	Duchesne County Special Service District #2
Mike Hawley	Jones and DeMille Engineering
Bonner Hardegree	Fruitland Special Service District
Mike Christianson	Civil Science
Jon Bronson	Zions Bank Public Finance
Daren Anderson	Caldwell Richards Sorensen Engineers
Scott Barney	Millard County
Eric Johnson	Blaisdell, Church & Johnson
Lynn Wall	Wall Engineering, Inc
Marcus Keller	Zion's Bank Public Finance
Richard Ellis	Utah Educational Savings Plan

## **WELCOME**

The Permanent Community Impact Board (CIB) was held on Thursday, December 10, 2015 at the Department of Workforce Services Office, 1385 South State Street, Room 157, Salt Lake City 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 seven new projects and Board discussion at this meeting.

### **Review of Agenda Items**

Candace Powers reviewed the agenda items with the Board members.

## **1. WELCOME AND INTRODUCTIONS**

Chairman Keith Heaton welcomed everyone and asked the Board members and staff to give introductions. Chairman Heaton welcomed and thanked former State Treasurer Richard Ellis for his six years of service on the CIB Board.

Chairman Heaton introduced Jonathan Hardy as the new Director of the Housing and Community Development Division and David Damschen, the acting State Treasurer.

## **IV. BOARD MEMBER ISSUES – (DISCUSSED)**

Chairman Heaton indicated that Housing and Community Development has developed a Memorandum of Agreement between the Utah Department of Transportation and the Housing and Community Development Division to facilitate street and road project reviews by UDOT. Chris Wilson was

introduced. He has done reviews of projects for today's meeting. HCD will provide UDOT compensation similar to the agreement with DEQ which provides reviews on water and sewer projects. The MOA is for FY2016 – FY2017.

The Chairman indicated that today's agenda includes street and road projects reviewed by the UDOT. There was a brief discussion of the MOA and the reviews.

The Chairman called for a vote to support the UDOT project review and MOA.

**Steve Farrell made and Jae Potter seconded a motion to approve the Memorandum of Agreement between Housing and Community Development and the Utah Department of Transportation. The motion carried with Naghi Zeenati abstaining.**

## **II. APPROVAL OF MINUTES**

Chairman Heaton requested a motion to approve the minutes from the November 5, 2015 meeting.

**Claudia Jarrett made and Naghi Zeenati seconded a motion to approve the minutes from the November 5, 2015 meeting. The motion carried unanimously.**

## **III. NEW PROJECTS**

### **1. Duchesne County Special Service District #2 (Duchesne County)**

Duchesne County SSD #2 presented a funding assistance request for a \$3,650,400 grant for Arcadia Road improvements consisting of pulverizing and reconstructing 5.2 miles of Arcadia Road from the Felter intersection to Highway 40. The roadway shoulders will be widened and the roadway realigned to meet safety standards. The project includes 28,972 cubic yards of borrow, 63,360 square yards of micro surfacing, 63,360 square yards of chip seal, and 207,000 square yards of geogrid will be used. The project includes 150 feet of guardrail and other traffic safety elements such as signage and delineators. A power line will also be relocated. The applicant is contributing \$2,433,000 to the project.

The applicant indicated that Arcadia Road is a heavily traveled major collector road serving the area southwest of Roosevelt. It provides critical access to this area and bears impacts of heavy truck traffic associated with oil exploration, aging pavement and inadequate base and sub base layers. There have been several failures in the pavement structure.

The applicant has spent significant amounts of their own funds to improve the infrastructure over the past few years. The corridor has deteriorated beyond the point where simple maintenance efforts can keep up.

The Board referred to the UDOT review on this project which indicates a need to address drainage issues.

The applicant's engineer stated that there is a 10% construction contingency to take care of drainage problems.

The Board asked if the applicant cash was in place.

The applicant indicated that the cash from Mineral Lease funds is in place.

The Board indicated that other road projects have been funded 50/50 and discussed matching the applicant cash of \$2,433,600.

**Mike McKee made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$2,500,000 grant. The motion carried with Ron Winterton abstaining.**

2. Roosevelt City (Duchesne County)

Roosevelt City presented a funding assistance request for a \$450,000 grant for the purchase of a new 1,000 gallon pumper fire truck with a DD13 diesel engine. The applicant is contributing \$100,000 cash to the project.

The applicant indicated that the current fire truck is 28 years old and is beyond its service life. The older truck is no longer NFPA compliant. The new truck will be a primary responder to Roosevelt, Ballard, the western half of Uintah County and the eastern half of Duchesne County including the Bureau of Indian Affairs, and the Ute Tribe.

The applicant indicated that the current price of the truck is \$531,265.00 until January of 2016.

The Board discussed suspending the rules and funding this project at today's meeting to facilitate the discounted price.

**Mike McKee made and Naghi Zeenati seconded a motion to suspend the rules and fund this request as a \$435,000 grant. The motion carried unanimously.**

3. Fruitland Special Service District (Duchesne County)

Fruitland SSD presented a funding assistance request for a \$10,000 grant for an annexation and feasibility study. The applicant is contributing \$10,000 cash to the project.

The applicant indicated that this feasibility study will be concerning the annexation of Valle Del Padres, a home owner association, into the district's area, adding 60 water connections to the water system and an additional water source. The study would allow the district to make decisions based on cost estimates, alternatives and required funding for future water system improvements.

The applicant stated that the District currently provides 330 culinary water connections for the residents of Fruitland. The current water system of Valle Del Padres is fed by an independent culinary system but their distribution lines do not provide fire flow protection, and are shallow and deteriorating.

The applicant indicated that the study will include a preliminary design and cost estimate to allow informed consideration to the possibility of annexation and future projects.

**Claudia Jarrett made and Steve Farrell seconded a motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$10,000 grant. The motion carried unanimously.**

4. Centerfield City (Sanpete County)

Centerfield City presented a funding assistance request for a \$150,000 loan for 5 years at 0.0% interest and a \$2,085,000 grant (total \$2,235,000) for road improvements. The road improvements will include 1 mile (26,889 square yards) of chip sealing and 3 miles (362,649 square feet) of roto mill and hot asphalt overlay.

The applicant indicated that Centerfield City has not had new pavement on the roads for thirty years and B & C funding has not been sufficient to maintain the roads. The roads are utilized by heavy truck

traffic. Some roads have deteriorated to the point that they will not hold together. Without CIB funding some roads will go back to gravel.

The Board reviewed the map provided by the applicant and referred to many being dead end roads and not likely to experience truck traffic.

The applicant indicated that all roads are deteriorating. They are looking at implementing a 10 year plan to maintain the road but are losing ground. Without funding, it will be a 25 year plan.

The Board acknowledged the difficulties with road maintenance but also indicated that there is reduced revenue in this fund.

The applicant indicated that \$1.70 per square foot was allocated to budget for contingencies.

The Board asked if this was the 1<sup>st</sup> phase.

The applicant indicated that the application included all phases with an estimated cost of \$6,000,000. This is phase 1 for roads that are the most deteriorated.

The Board expressed concern that the revenues available cannot pave every city road and referred to the funding that Sanpete County has received over the past five years versus what has been contributed to the revenue.

The Board discussed rejecting the project as submitted and suggested an assessment of truck routes.

**Jae Potter made and Ron Winterton seconded a motion to deny this project**

There was additional discussion by the Board, and a substitute motion was made to place this project on the Pending List.

**Claudia Jarrett made and Gregg Galecki seconded a substitute motion to place this project on the Pending List. The motion failed with Zeenati, Matson, Galecki, Jarrett and Damschen in favor and Farrell, Adams, Winterton, McKee, Potter and Heaton opposed.**

The Board discussed the UDOT review which indicated that a 2" overlay may experience reflective cracking and suggested 4" and suggested that the applicant re-evaluate the project.

The Board voted on the original motion.

**Jae Potter made and Ron Winterton seconded a motion to deny this project. The motion carried with Zeenati, Farrell, Adams, Winterton, McKee, Potter and Damschen in favor and Galecki, Matson and Jarrett opposed.**

##### 5. Town of Fayette (Sanpete County)

The Town of Fayette presented a funding assistance request for a \$480,000 grant for Phase II road improvements to include asphalt, chip sealing and roto milling 17,231 lineal feet of existing roadways, six asphalt approach slabs and six concrete cross gutters.

The applicant stated that the Board reviewed the whole project and requested the applicant complete the project in phases. On June 11, 2015, a \$450,000 grant for phase one was funded which has been

designed and is currently out for bid. The applicant indicated that 'Proposition One' was approved, and other funding may be coming in.

The applicant has attempted to make each phase independent of each other. Phase I will be for roto milling, etc. Phase II is primarily for chip seal.

The Board indicated phase one was very recently funded.

The applicant indicated that doing the phases together would save costs on mobilization.

The Board inquired as to phase III.

The applicant stated that phase III would conclude the project. The applicant has provided a maintenance plan.

The Board indicated that this fund could not grant 100% of road maintenance needs in all communities.

**Mike McKee made and Jae Potter seconded a motion to deny this project.**

There was further Board discussion.

**Claudia Jarrett made and Steve Farrell seconded a substitute motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$480,000 grant. The motion failed with Zeenati, Matson, Galecki, Jarrett and Farrell in favor and McKee, Potter, Adams, Damschen, Winterton and Heaton opposed.**

After further Board discussion indicating that phase I had not started, the deficit CIB revenue and the ability of the applicant to bring a new application at a later date, the original motion was voted on.

**Mike McKee made and Jae Potter seconded a motion to deny this project. The motion carried with Zeenati, Matson, Adams, Winterton, McKee, Potter and Damschen in favor and Galecki, Farrell and Jarrett opposed.**

#### 6. Santa Clara City (Washington County)

Santa Clara City presented a funding assistance request for a \$243,000 loan for 10 years at 2.5% interest and a \$242,000 grant (total \$485,000) for Old Highway 91 widening and improvements. The project consists of reconstructing approximately 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, add bicycle lanes and shoulders, and include left and right turn lanes at an intersection, 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. Capacity of the road will not be changed with this project. The applicant is contributing \$215,000 to the project.

The applicant indicated that this is the final phase of a project which began 20 years ago. This has been a safety issue. The design bids are complete.

The Board expressed appreciation for the applicant to provide cash to the project and the various funding partnerships involved in this project.

**Naghi Zeenati made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$243,000 loan for 10 years at 2.5% interest and a \$242,000 grant (total \$485,000).**

After further Board discussion a substitute motion was made.

**Claudia Jarrett made and Bruce Adams seconded a substitute motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$485,000 loan for 10 years at 2.5% interest. The motion failed with Adams, Potter, Galecki, Jarrett, and Winterton in favor and McKee, Farrell, Damschen, Zeenati, Matson and Heaton opposed.**

**Mike McKee made and Ron Winterton seconded a second substitute motion placing this project on the Priority List for funding consideration at the February 4, 2016 funding meeting as a \$343,000 loan for 10 years at 2.5% interest and a \$142,000 grant (total \$485,000). The motion carried with Potter, Zeenati and Jarrett opposed.**

#### 7. Town of Circleville (Piute County)

The Town of Circleville presented a funding request for a \$498,000 grant for Phase 2 road improvements. This project consists of completing 141,799 square yards of chip seal and 600 square yards of 3 inch hot mix asphalt repair of the town roads that began with Phase 1.

The applicant indicated that on April 2, 2015, the Board suggested phasing this project and the CIB awarded a grant of \$320,000. The applicant indicated that phase I is being completed and the chip seal portion will bid in early spring of 2016.

The Board indicated this to be a project similar to an earlier project on this agenda which was rejected.

The applicant indicated that half of the B & C road funds allotted are used in mobilization because of their remote location. The town has suggested that projects be combined with other entities to reduce the mobilization costs.

The Board discussed project funding.

**Naghi Zeenati made and Claudia Jarrett seconded a motion placing this project on the Priority List as a \$250,000 loan for 10 years at 2.5% interest and a \$250,000 grant (total \$500,000).**

The Board discussed similar projects at this meeting and a substitute motion was made.

**Jae Potter made and Mike McKee seconded a substitute motion to deny this project. The motion failed with Potter, Adams, Winterton and McKee in favor and Farrell, Damschen, Galecki, Zeenati, Jarrett and Matson opposed.**

The Board voted on the original motion:

**Naghi Zeenati made and Claudia Jarrett seconded a motion placing this project on the Priority List as \$250,000 loan for 10 years at 2.5% interest and a \$250,000 grant (total \$500,000). The motion carried with Adams, Potter and Winterton opposed.**

#### **IV. BOARD MEMBER ISSUES**

##### **CIB Policy Issues**

- 1) UDOT Street and Road Reviews

The Board referred to the discussion at the beginning of the meeting and the UDOT reviews. The Board appreciated the reviews.

The Board discussed the history of the CIB Board's willingness to fund road projects. This became possible when there was significant revenue available. The current revenue situation requires difficult decisions by the Board. It was a prudent decision at today's meeting to stay within the funding available.

The Board suggested that staff assist where possible to let applicants know the status of the funds.

Kimberley Schmeling, financial officer for the CIB, stated that repayment income is good and commended the Board for their stewardship and growth of the fund, but indicated that revenues are down.

Mike McKee indicated that drilling is way down and oil is \$37 per barrel. Last year it was over \$100 per barrel. Drilling does need to continue, and will continue. There are various entities which create roadblocks to this revenue source.

Bruce Adams stated that San Juan County has similar entities opposed to leasing or developing the resources. This effect will be significant to this revenue source in that 67% of Utah is federal land. The revenues available to entities through this Board for important projects to their communities will be greatly diminished. There shall be great challenges and difficult decisions ahead for this Board and applicants.

## **ADJOURNMENT**

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, January 7, 2016 at the Department of Workforce Services Office Building, 1385 South State Street, Room 157, Salt Lake City, Utah.

The meeting adjourned at 11:15 a.m.

Submitted by:  
Cristine Rhead