

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES

Thursday, August 8, 2019

Members Present

Jonathan Hardy
Garth "Tooter" Ogden
Bruce Adams
Ron Winterton
Gregg Galecki
Michael Dalton
Naghi Zeenati
Dean Baker
Jack Lytle

Chairman
Six County Association of Governments
San Juan County Commissioner
Duchesne County
State Board of Water Quality
Five County Association of Governments
State Transportation Commission
Uintah County
Uintah Basin Association of Governments

Excused Members

David Damschen
Kyle Stephens

State Treasurer
State Board of Water Resources

Staff and Visitors

Keith Heaton
Candace Powers
Gayle Gardner
Brenda Brown
Cristine Rhead
Pamela Sjostrom
Alison Garner
Bonnie Roberts
John Roberts
Jeremy Raymond
Bart Haslem
Tyler McKee
Randy Carter
Brad Horrocks
Dave Hatch
Ryan Goodrich
Lori Talbot
Johnny Parsons
Eric Larsen
Will Wright
Daniel Hawley
Anndrea Parrish
Lane Farr
Chance Kay
Nathan Hall
Curt Nielsen

Housing and Community Development
Attorney General's Office
Tabby Valley Parks/Recreation Special Service District
Tabby Valley Parks/Recreation Special Service District
Uintah Fire Suppression Special Service District
Uintah County
Uintah Fire Suppression Special Service District
Town of Kanarraville
Uintah County
Ashley Valley Water and Sewer Improvement District
Ashley Valley Water and Sewer Improvement District
Panguitch City
Monroe, City
Tri County Health
Uintah Basin Association of Governments
Jones & DeMille Engineering
Office of the Legislative Auditor General
Office of the Legislative Auditor General
Jensen Fire District
Department of Environmental Quality
Ensign Engineering

Justin Christensen
 Zach Leavitt
 Jeremy Carroll
 Troy Ostler
 Aaron Averett
 Rodger Ames
 Margaret Lautaimi
 Skye Sieber
 Devin Magleby
 Pam Leach
 Skyler Davies
 Jamison Christensen
 Cheryl Meier
 Christina Davis
 Jordan Katcher
 Aubrey Larsen
 Brian Carver
 Dee Draney
 Eric Johnson
 Joel Yellowhorse
 Kathleen Liuzzi
 Lisa Nelson
 Daniel Widdison
 Irene Hansen

Ensign Engineering
 Six County Association of Governments
 Elk Meadows Special Service District
 CIVCO Engineering Inc.
 Sunrise Engineering
 Duchesne County Special Service District #2
 Department of Workforce Services
 Community Development Office
 Monroe City
 Town of Rockville
 Division of Water Quality
 Jones & DeMille Engineering
 Uintah Transportation Special Service District
 Department of Workforce Services
 Community Development Office
 Community Development Office
 Bear River Association of Governments
 Elk Meadows Special Service District
 Blaisdell, Church and Johnson
 Blaisdell, Church and Johnson
 Utah Attorney General's Office
 Division of Drinking Water
 Utah Attorney General's Office
 Duchesne County Commission

WELCOME

The Permanent Community Impact Board (CIB) meeting was held on Thursday, August 8, 2019 at the DWS Admin South Building, 1385 South State Street, Room 157, Salt Lake City, Utah and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

I. ADMINISTRATIVE ITEMS

Briefing

1. Up-coming Meeting Dates and Locations

The next meeting is September 5, 2019 at the DWS Office, 1385 South State Street, Salt Lake City, Utah.

2. Financial Review:

Candace Powers reviewed the status of the funds for today's meeting.

3. Review of Agenda items

There are eight new projects and one supplemental request. This is the second meeting using the iLegislate Board packet.

II. INTRODUCTIONS

Chairman Hardy requested that Board members and staff give introductions.

III. APPROVAL OF MINUTES

Chairman Hardy requested a motion to approve the minutes from the July 11, 2019 meeting

Naghi Zeenati made and Dean Baker seconded a motion to approve the minutes from the July 11, 2019 meeting. The motion carried unanimously.

IV. NEW PROJECTS

1. Uintah Fire Suppression Special Service District (Uintah County) [06:05]

Uintah Fire Suppression Special Service District presented a funding assistance request for a \$1,110,000 grant and a \$370,000 loan 25 years at 0% interest (total \$1,480,000) for fire suppression equipment. This project consists of the purchase of 3 fire trucks to include one Enforcer top mount 4x4 with a 750 gallon water capacity pumper truck and two 4600 PIC Freightliners trucks with 3,500 gallon water capacity and 35 gallon foam capacity tanks.

The applicant stated that Uintah Fire Suppression Special Service District has been a fire district for 14 years. The 750 gallon capacity pumper truck will be centrally located at the Vernal City Fire Station and the 3500 gallon capacity water tenders with foam capability will be located at Tridell-LaPoint Fire Department to service the outer areas of the District. 10% of call volume deals with oil field related fires which often require foam capabilities. They do have quotes for the vehicles. The custom water pumper will take approximately 10 months to build and the water tenders up to 1 year. The current trucks are an average of 20 years old and if the fire trucks are well maintained, they will last up to 30 years.

The Board asked if the applicant had taxing authority.

The applicant indicated they do not have taxing authority. The majority of revenue comes from mineral lease funds. Other revenue sources include Forestry, Fire and State Lands in fighting Federal and State fires which is anticipated to pay for the loan along with savings. Mineral revenues are down and cuts have been made but truck replacements are overdue.

The Board noted the absence of financial information and financial analysis to determine affordability.

The applicant indicated that since they are not a taxing entity, the usual financial information is not available, but there should be updated information on the State Auditor's website. At this time, the entity has no debt.

Chairman Hardy clarified that the Board seeks to determine affordability with a financial analysis.

The applicant indicated a \$370,000 Loan for 25 years at 0% interest would be a \$31,000 annual payment which is affordable.

The Board asked if they had a "replacement fund".

The applicant indicated they have an emergency fund of approximately \$400,000 and receive grant funds from Homeland Security and the Forest Service Title 3 Funds.

The Board suggested a 50/50 split and also asked what happens to the old equipment.

The applicant indicated their Board has suggested 75% grant and 25% loan. A 50% loan would be more difficult. The older equipment will be offered to any agency in the County if there is a need and if not, it will be listed on the public website as surplus.

The Board asked if fires in the oil field are common and asked if the oil companies provide any fire suppression.

The applicant stated the oil companies rely on the District and the oil companies are billed for any response noting that oil field fires are unique requiring unique vehicles.

The Board referred to the applicant stating a \$31,000 annual payment was affordable. A \$740,000 loan for 25 years at 0% interest has a payment of \$29,000.

The applicant indicated that a \$29,000 payment would be affordable. In regard to equipment, they currently have a water hauler but with crude, foam capabilities are necessary. The County has allocated funding to the District to assist with debt; the cities have representation on the Board and have contributed in building fire stations and other ways.

The Board referred to the discount from the manufacturing company if the invoice was paid in full.

Mark Hales, Superior Equipment and Pierce Manufacturing, indicated if there is a pre-payment the discount could be approximately \$15,000 to \$30,000. Any pre-payment accrues 4.5% interest on the build time. Mark indicated buying new tenders assures they are NFPA certified reducing liability to the District.

The Board requested more financial information to be provided prior to a funding award.

Ron Winterton made and Tooter Ogden seconded a motion to place this project on the Pending List to allow applicant to provide financial information.

The Board asked if a delay would affect the equipment purchase.

The Applicant indicated it would not affect the price.

The Chairman called the question.

Ron Winterton made and Tooter Ogden seconded a motion to place this project on the Pending List to allow applicant to provide financial information. The motion carried unanimously.

2. Ashley Valley Water and Sewer Improvement District (Uintah County) [36:58]

Ashley Valley Water and Sewer Improvement District presented a funding assistance request for a \$1,567,000 grant and a \$522,000 loan for 30 years at 0% interest (total \$2,089,000) for 500 West Sewer Improvements. This project will consist of extending wastewater services to 29 homes along 500 West and will include 6,380 LF of 8" PVC sewer main, 17 manholes, 10,935 SF asphalt replacement for driveways and 100 LF of fence replacement.

The applicant stated they were approached with issues concerning the septic systems of some homeowners creating a matter of public health. They did a feasibility study to determine if sewer could be provided to the area. Through public comment and support the decision was made to provide sewer service and further stated this project needs to be addressed quickly.

Mayor Dean Baker indicated he sits on the Ashley Valley Water and Sewer Improvement District Board. The District is low on funds but is functioning with what they have.

Chairman Hardy referred to the DEQ Analysis which indicates a current monthly sewer rate of \$37.22 which is below the MAGI percentage and asked if a rate change is anticipated for this and future projects.

The applicant indicated that they are anticipating raising rates, but there is a downturn in the oil economy, limited growth and unknown costs. They anticipate an increase of rates as needed.

The Board asked how many new connections would be serviced with this connection and what the fees will potentially be.

The applicant replied that 29 homes will be connected. The connection/impact fee is \$2250.00. Residents will be responsible to coordinate hook up to the line by a contractor. A fee will be assessed to each home along the sewer line whether they hook up or not.

The Board suggested affordability would be half grant and a 30 year loan at 2.5% interest considering the low MAGI and retiring debt.

The applicant indicated that they felt the loan portion would be doable. They would like to accommodate this project before the spring runoff. They have paid \$1,500 for a feasibility study and \$500 for review of right-of-ways.

The Board again suggested half grant and half loan with a first payment deferral.

Naghi Zeenati made and Gregg Galecki seconded a motion to fund this project as a \$1,045,000 grant and \$1,044,000 loan (total \$2,089,000) for 30 years at 2.5% interest with a 2 year payment deferral.

Jack Lytle made and Bruce Adams seconded a substitute motion to suspend the rules and fund this project as a \$1,045,000 grant and a \$1,044,000 loan (total \$2,089,000) for 30 years at 0% interest with a 2 year payment deferral.

The Board acknowledged this is an urgent request to mitigate the failing septic systems but questioned the need for suspending the rules and funding today.

The applicant indicated they cannot incur costs prior to Board authorization, so they are requesting suspend and fund.

A second substitute motion was made.

Mike Dalton made and Tooter Ogden seconded a second substitute motion to suspend the rules and fund this project as a \$1,045,000 grant and a \$1,044,000 loan (total \$2,089,000) for 30 years at 1.0% interest with a 2 year principal deferral. The motion failed with Tooter Ogden and Mike Dalton in favor and Bruce Adams, Naghi Zeenati, Ron Winterton, Gregg Galecki, Jack Lytle and Dean Baker opposed.

The Chairman called the question on the first substitute motion.

Jack Lytle made and Bruce Adams seconded a substitute motion to suspend the rules and fund this project as a \$1,045,000 grant, with a \$1,044,000 loan (total \$2,089,000) for 30 years at 0% interest with a 2 year payment deferral. The motion passed with Ron

Winterton, Dean Baker, Jack Lytle, Bruce Adams and Jonathan Hardy in favor and Gregg Galecki, Mike Dalton, Naghi Zeenati, and Tooter Ogden opposed.

3. Monroe City (Sevier County) [01:04:50]

Monroe City presented a funding assistance request for a \$34,000 grant for the Lions Park Enhancement Project. This project consists of demolishing an old building on a .66 acre lot, debris removal, leveling and a 6' chain link fence installed along the perimeter and constructing a gravel parking lot. The applicant is contributing \$33,000 cash.

SHPO has reviewed the application and has determined the building to be demolished as part of this project has historical significance and requested photos and documentation be provided to SHPO.

The applicant indicated that the building was condemned in 2011. The property is a hazard and has been up for sale for over 5 years. Monroe City has now acquired the property and have discussed the building and its historical properties but it has been determined that it would not be feasible to renovate. The property is expected to enhance the Lions Park property as event parking.

The Board acknowledged the matching cash.

Bruce Adams made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding on October 3, 2019 as a \$34,000 grant.

The Board stated the building should be documented for SHPO.
The applicant indicated they would contact SHPO.

The Chairman called the question.

Bruce Adams made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding on October 3, 2019 as a \$34,000 grant. The motion carried unanimously.

4. Duchesne County Special Service District #2 (Duchesne County) [01:16:43]

Duchesne County Special Service District #2 presented a funding assistance request for a \$1,845,000 grant and a \$1,700,000 loan for 15 years at 0% interest (total \$3,545,000) for road improvements on Mountain Home Road. This project will consist of reconstructing 3 miles of Mountain Home Road to include borrow, granular borrow, untreated base course, 3/4" HMA, liquid asphalt, emulsified asphalt and chip seal coat. The project will also include 300' 18" irrigation/storm drain and three 5'x7' concrete drainage structures along the corridor with guardrail, signage and delineators. The new roadway will be realigned and shifted in some areas to meet current standards. The applicant is contributing \$145,000 cash.

The applicant indicated that Mountain Home Road has a lot of traffic including truck traffic so they want to realign the road, renew the guardrails, and add drainage and signage for safety.

The Board asked what could be accomplished on this project with only UDOT funding.

The applicant indicated they would complete approximately half. They would look at the realignment area first and do the project in phases. The intent in seeking CIB funding was to accommodate the whole project in one construction season.

The Board and staff clarified that the applicant is receiving \$1,700,000 in Joint Highway Funds from UDOT which they intend to use to pay the \$1,700,000 loan request from CIB.

The applicant indicated that is how the funding is planned.

Senator Winterton indicated the District is seeking to do the project ahead of the UDOT award and they would pay off the loan portion of the CIB request when the UDOT funding was available.

The Chairman asked if the applicant had secured all the rights of way on the alignment.

The applicant stated they do not have all rights of way but are in discussions and don't anticipate any issues. The property owners have indicated they will donate those rights of way but the design is not yet completed.

The Board asked what would be the plan if the Joint Highway Funding is not awarded.

The applicant stated they would be able to make the loan payments.

Dean Baker made and Mike Dalton seconded a motion to place this project on the Priority List for funding on October 3, 2019 as a \$3,545,000 loan at 1.0% interest for 20 years. The motion carried with Jack Lytle and Ron Winterton opposed.

5. Tabby Valley Parks and Recreation Special Service District (Duchesne County) [01:26:04]

The Tabby Valley Parks and Recreation Special Service District presented a funding assistance request for a \$40,000 grant for baseball field improvements. This project will consist of constructing two new 12'x30'x8' cement dugouts and a 12'x10'x8' storage unit each with metal roofs, a cement pad, new 150 capacity bleachers and a 4'x70' sidewalk from the parking area to the bleachers. The applicant is contributing \$15,000 cash. Duchesne County School District is contributing \$15,000 cash.

The applicant stated they are constantly upgrading their park facilities and this is the current need.

The Board asked if the amount requested would cover the total scope described as the project and if the District had taxing authority.

The applicant indicated that the request is based on bids from a contractor. They are a taxing district and in 2018, their budget was approximately \$93,000. They have two loans they are currently making payments on. They contract seasonally for maintenance, landscaping, etc. with the main expense being water usage.

Ron Winterton made and Mike Dalton seconded a motion to place this project on the Priority List for funding consideration at the October 3, 2019 funding meeting as a \$40,000 grant. The motion carried unanimously.

6. Elk Meadows Special Service District (Beaver County) [01:32:04]

The Elk Meadows Special Service District presented a funding assistance request for a \$220,000 grant and a \$220,000 loan for 30 years at 1.0% interest (total \$440,000) for a new

maintenance building. This project will consist of building a 70'x40' three bay metal building with storage room and bathroom. The applicant is contributing \$160,000 cash.

Commissioner Mike Dalton noted that he serves on this board as a voting member.

The Board acknowledged the applicant cash for this project.

Bruce Adams made and Jack Lytle seconded a motion to place this project on the Priority List for funding consideration at the October 3, 2019 funding meeting as a \$220,000 grant and \$220,000 loan (total \$440,000) for 30 years at 1.0% interest.

Dean Baker made and Ron Winterton seconded a substitute motion to suspend the rules and fund this project as a \$440,000 loan for 30 years at 1.0% interest.

The Board referred to the retiring debt within 3 years.

The applicant stated they are a resort community and any extra funding is used to pay down debt. They utilize road maintenance funds, connection fees, impact fees, etc., and they save to handle possible reduction in budget funds.

Naghi Zeenati made and Tooter Ogden seconded a second substitute motion to place this project on the Priority List for funding consideration at the October 3, 2019 funding meeting as a \$220,000 grant and \$220,000 loan (total \$440,000) for 30 years at 2.5% interest. The motion carried with Gregg Galecki, Mike Dalton, Naghi Zeenati, Tooter Ogden, Jack Lytle in favor and Dean Baker, Ron Winterton, Bruce Adams opposed.

The Chairman restated the motion to suspend the rules and fund this project and called for a vote.

Naghi Zeenati made and Tooter Ogden seconded a second substitute motion to suspend the rules and fund this project as a \$220,000 grant and \$220,000 loan (\$440,000) for 30 years at 2.5% interest. The motion carried with Gregg Galecki, Mike Dalton, Naghi Zeenati, Tooter Ogden, Jack Lytle, Ron Winterton in favor and Dean Baker, Bruce Adams opposed.

7. Town of Kanarraville (Iron County) [01:42:27]

The Town of Kanarraville presented a funding assistance request for a \$225,000 grant and a \$225,000 loan for 10 years at 1.0% interest (total \$450,000) for road improvements. This project will consist of resurfacing and widening 5.6 miles of roads west and east of Main Street to include chip sealing the Kanarraville Falls Trailhead parking lot with 3,800 CY road base (road widening), 642,000 SF double chip seal, 103,710 SF fog seal, 12,000 SF mill & overlay, raise low spots in the roadways and parking lot striping. The applicant is contributing \$100,000 cash.

The applicant indicated that their B&C road revenue is sufficient to cover the loan request. They hope to resurface the roads with this funding and then keep them maintained. They have a 10 year maintenance plan to be implemented going forward with the intent to keep the roads repaired and avoid requiring additional funding.

The Board suggested taking more of this request as a loan.

The applicant did a review of finances before making application and felt that with the maintenance plan they are proposing they would not be able to make a larger repayment and take care of planned road maintenance and repairs.

The Board asked if there a revenue source other than B&C funds to enable a longer loan term and lower the annual repayment.

The applicant confirmed there is revenue received through visitors to the Falls.

The Board referred to the \$98,000 spent on roads last year and asked how that was funded and which roads were improved.

The applicant stated that 200 South Street to Kanarra Falls and some of the parking lot was improved. This current project will include widening the roads for safety.

The Board suggested an amended interest rate for funding consistency.

Naghi Zeenati made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the October 3, 2019 meeting as a \$225,000 grant and \$225,000 loan (total \$450,000) for 10 years at 2.5% interest.

Dean Baker made and Ron Winterton seconded a substitute motion to place this project on the Priority List for funding at the October 3, 2019 meeting as a \$450,000 loan for 10 years at 1.0% interest.

The Board indicated that the loan payment would be \$47,000 and asked about the revenue from Kanarra Falls visitors.

The applicant stated that the Town has recently limited the number of daily visitors to 150 due to parking and crowding on the trail. The fee is \$12.00 per person which is approximately \$300 on the days the trail is open. The property is leased from SITLA to access and maintain the trail so approximately 10% of the revenue goes to SITLA. The trail is always open, weather permitting.

The Board asked if the applicant had approached SITLA to assist with improvements.

The applicant said that they had not.

The Chairman called the question to the substitute motion amended to suspend the rules and award funding at today's meeting.

Dean Baker made and Ron Winterton seconded a substitute motion to suspend the rules and fund this project as a \$450,000 loan for 10 years at 1.0% interest. The motion failed with Ron Winterton, Dean Baker, Gregg Galecki in favor and Tooter Ogden, Jack Lytle, Bruce Adams, Mike Dalton, Naghi Zeenati opposed.

The Chairman recalled the original motion for vote.

Naghi Zeenati made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the October 3, 2019 meeting as a \$225,000 grant and \$225,000 loan (total \$450,000) for 10 years at 2.5% interest. The motion carried with Mike Dalton,

Naghi Zeenati, Bruce Adams, Jack Lytle, Tooter Ogden in favor and Dean Baker, Ron Winterton, Gregg Galecki opposed.

8. Panguitch City (Garfield County) [01:57:00]

Panguitch City presented a funding assistance request for a \$60,000 grant for a comprehensive capital facilities plan. This project will consist of a capital facilities master plan that will include the culinary water system, irrigation system, roads, drainage and sanitary sewer systems. An inventory of existing features will be conducted and a GIS database developed to allow for existing and future demands of all facilities. The applicant is contributing \$60,000 cash.

Bruce Adams made and Naghi Zeenati seconded a motion to suspend the rules and fund this as a \$60,000 Grant. The motion carried unanimously.

VI. SUPPLEMENTAL FUNDING

Town of Rockville (Washington County)

On October 5, 2017 the Town of Rockville was awarded a 40,000 grant for road improvements to include repairing, patching and chip sealing 48,545 square yards of roadway in the Town limits. The original request to CIB included the use of Washington County Road Department to assist with the project using their equipment. Assistance from Washington County is no longer available.

The Town of Rockville is requesting an additional \$30,550 grant to accommodate the bid to complete the project for a total cost of \$141,000.

The Board acknowledged that that Town is contributing 50% of the funds.

Jack Lytle made and Bruce Adams seconded a motion to fund the supplemental request for this project as a \$30,550 grant.

Dean Baker discussed funding the whole project with a \$100,000 loan and the applicant funding the remaining \$41,000.

The applicant indicated the Town has done some engineering and incurred expenses for the project with the anticipated funds previously awarded.

Chairman Hardy requested clarification from the Board legal counsel, Alison Garner, regarding the reconsideration of the prior Board approval and the supplemental grant request.

Ms. Garner stated there has been a contract executed and money has been expended on that contract so there is no way to cancel the original contract barring a misuse of funds. The supplemental request shall be dealt with as presented.

The Board asked if they had an agreement with Washington County prior to the original application.

The applicant indicated that there was a verbal agreement and the County emailed costs for their roads department to assist with the project. Washington County has since discontinued their assistance to small towns. In 2017, when this project was funded, Washington County had committed, but subsequently withdrew their offer of assistance. If the supplemental request is not granted, they would not be able to do the entire project. The current bid is effective through the end of this year.

The Chairman called the question.

Jack Lytle made and Bruce Adams seconded a motion to fund the supplemental request for this project as a \$30,550 grant. The motion carried with Jack Lytle abstaining.

VII. BOARD MEMBER DISCUSSION and/or ACTION ITEMS

1. Funding Framework Discussion – follow up. [02:09:07]

Chairman Hardy referred to a prior discussion concerning the establishment of priorities for funding: want vs. need – mineral producer vs. low mineral producer, and for the Board to have a funding framework.

Staff provided matrix samples to help the Board envision more structure and give consistency to the funding decisions being made. Applying a matrix will help eliminate assumption and contribute to effective decision making.

1. Board members will receive a survey to help establish parameters and priority.
2. The staff will compile a historical analysis of past funding decisions.

2. The Board may consider a motion to enter closed session pursuant to Utah Code Ann. § 52-4-205(1)(c).

Chairman Hardy called for a motion to go into a closed session to discuss possible litigation.

Jack Lytle made and Mike Dalton seconded a motion to go into a closed session. A roll call vote was taken: Gregg Galecki aye, Ron Winterton aye, Dean Baker aye, Michael Dalton aye, Naghi Zeenati aye, Bruce Adams aye, Jack Lytle aye, Garth Ogden aye. The motion carried unanimously.

The time was 11:38 a.m.

Bruce Adams left the meeting at 12:15 p.m.

ADJOURNMENT

The next meeting of the Permanent Community Impact Board will be September 5, 2019 at the DWS Admin South Building, 1385 South State Street, Salt Lake City, Utah at 8:30 a.m.

This meeting adjourned at 12:40 p.m.

Submitted by:
Candace Powers
Cristine Rhead
Pam Sjostrom