

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES

Thursday, December 13, 2018

Members Present

Jonathan Hardy	Chairman
David Damschen	State Treasurer
Bruce Adams	Southeastern Utah Association of Local Governments
Garth (Tooter) Ogden	Six County Association of Governments
Steve Farrell	State Board of Water Resources
Naghi Zeenati	State Transportation Commission
Gregg Galecki	State Board of Water Quality
Ron Winterton	Duchesne County
Jack Lytle	Uintah Basin Association of Governments

Excused Members

Dean Baker	Uintah County
Michael Dalton	Five County Association of Governments

Staff and Visitors

Candace Powers	Housing and Community Development
Keith Heaton	Housing and Community Development
Gayle Gardner	Housing and Community Development
Brenda Brown	Housing and Community Development
Cristine Rhead	Housing and Community Development
Alison Garner	Attorney General's Office
Skyler Davies	Division of Water Quality
Lisa Nelson	Division of Drinking Water
Debi Carty	Division of Workforce Services
Katherine Smith	Housing and Community Development
Christina Davis	Division of Workforce Services
Shiloh Syrett	Bryce Canyon City
Jean Seiler	Bryce Canyon City
Steve Pruden	Tooele City
Bret Reynolds	CIVCO Engineering, Inc.
Paul Hansen	Tooele City
Lynn Stevens	San Juan Mental Health Substance Abuse Special Service District
Bryan Meier	Uintah County
Cheryl Meier	Uintah County
Greg Miles	Duchesne County
Newell Harward	Wayne County
Adus Dorsey	Wayne County
Debbie Winn	Tooele City
Shannon Wimmer	Tooele City
Glenn Caldwell	Tooele City
Keith Jensen	Wales Town
Zach Leavitt	Six County Association of Governments

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Travis Kyhl	Six County Association of Governments
Kevin Yack	Uintah Basin Association of Governments
Marcus Keller	Zions Bank Public Finance
Nancy Strickland	School Institutional Trust Lands Administration (SITLA)
Michael Hawley	Jones & DeMille Engineering
Bart Jensen	Jones & DeMille Engineering
Kendrick Thomas	Jones & DeMille Engineering
Jacob Sharp	Castle Valley Special Service District
Justin Atkinson	Sunrise Engineering
Mike Hansen	Rural Community Consultants
Skye Sieber	Community Development Office
Alex Buxton	Zions Bank Public Finance
Aubrey Larsen	Community Development Office
Jordan Katcher	Community Development Office
Brad Horrocks	Uintah County
Ryan Beam	Center for Biological Diversity
Aaron Wade	Gilmore Bell
Darin Robinson	Jones & DeMille Engineering
Brian Carver	Bear River Association of Governments
Jason Burningham	Lewis Young Robertson & Burningham
Christopher Child	JRCA Architects
Scott Bartholomew	Sanpete County
WaLon Brinkerhoff	Town of Tropic
Cassie Chynoweth	Town of Tropic
Mike Wilson	CRS Engineers
Tammy Squires	San Juan County Mental Health
Matt Tippetts	Daggett County Service Area #1
Mike Hensley	Daggett County Service Area #1

WELCOME

The Permanent Community Impact Board (CIB) meeting was held on Thursday, December 13, 2018 at the DWS Admin South Building, 1385 South State Street, Salt Lake City, Utah and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

I. ADMINISTRATIVE ITEMS

Briefing

Up-coming Meeting Dates and Locations

Friday, January 11, 2019 - DWS Office, 1385 South State Street, Salt Lake City.

Financial Review

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

Review of Agenda Items.

There are ten new projects to be discussed, one project for Special Consideration which involves the purchase of a building, Board Member discussion regarding the location of our next Policy Retreat, and Board Member discussion with regard to the SCIC response to Zions Public Finance Rail Summary questions.

II. WELCOME AND INTRODUCTIONS

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

III. APPROVAL OF MINUTES

Chairman Hardy requested a motion to approve the minutes of the November 8, 2018 meeting.

Tooter Ogden made and Jack Lytle seconded a motion to approve the minutes of the November 8, 2018 meeting. The motion carried with Naghi Zeenati abstaining as he was not in attendance at November 8, 2018 meeting. (David Damschen absent from the vote)

Chairman Hardy noted that a request was made to move the Special Consideration project to the beginning of the meeting due to the long distance the applicant needs to travel. Chairman Hardy requested a motion to hear this request.

Ron Winterton made and Steve Farrell seconded a motion to hear the Special Consideration project from San Juan County Mental Health. The motion carried with David Damschen absent from the vote.

V. SPECIAL CONSIDERATION

1. San Juan County Mental Health (San Juan County)

San Juan County Mental Health – Substance Abuse Special Service District presented a funding assistance request for a \$350,000 loan for 30 years at 2.5% interest to purchase a home to be used for a Day Treatment Facility in Blanding, Utah. The applicant is requesting the Board suspend the rules and fund the project at today's meeting.

The applicant stated there is a home for sale less than half a block from the current outpatient facility with an open floor plan and a large kitchen that would adequately meet the needs of a day treatment facility. One bathroom would need a small remodel to make it ADA accessible and the garage would be converted into a large room to accommodate groups. The facility would only be used during the day and there is adequate parking at the home. The neighbors have agreed to the outpatient facility.

Ron Winterton made and Gregg Galecki seconded a motion to suspend the rules and fund this request as a \$350,000 loan for 30 years at 2.5% interest. The motion carried with David Damschen absent from the vote.

IV. PRIORITY PROJECTS

1. Uintah Transportation Special Service District (Uintah County)

Uintah Transportation SSD presented a funding assistance request for a \$4,531,000 grant for the Ouray Bottoms Road. The project consists of raising the entire Ouray Bottom Road corridor 3 feet between the Green River Bridge and the White River Bridge by pulverizing the existing asphalt, mixing it with the underlying base material, importing granular fill to build the subgrade structure and widen the shoulders, 12" of granular borrow and 8" untreated base course as the base, 6" of hot asphalt mix as well as drainage structures/culverts.

The applicant indicated that the economy in Uintah County is primarily oil and gas which has been somewhat down. They are trying to diversify the economy and one avenue is tourism. When this road is closed, it is a 92 mile detour. It is detrimental when the road is closed. By raising the Ouray Bottom Road 3 feet, a safe corridor will be provided which can remain open during high flood water events. In January of this year, Uintah County applied for funding from the Joint Highway Committee – Off System Bridge Fund and received \$2.27 million to replace the White River Bridge. It will bid in July and be completed by December 2019. Ouray Bottom Road is part of the Seep Ridge Road that extends down to the Grand County line. There are 2846 active oil and gas wells accommodated through this corridor. The road will be raised and culverts will be placed to accommodate excess water. With the improvements to the White Water Bridge which include raising the bridge, the approaches will also need

to be raised and they will do the road improvements at the same time. The County is matching the Joint Highway Committee funding.

The Board asked how frequently the road floods.

The applicant indicated it started in 2011-2012 and it has been close other times.

The Board acknowledged there will always be issues on that road due to the convergence of rivers and the Flaming Gorge Dam. The Board asked for clarification on the location of roads and bridges and asked if there was a way around the low spot of the road that will be raised.

The applicant explained the location of the Green River Bridge which is higher and not being replaced and the White River Bridge which is lower and is the bridge being replaced. They have looked at rerouting but a reroute would increase the mileage. There is already structure in place on the Ouray Bottom Road that will be built up to raise the roadway.

The Board noted that the fund currently has little grant funding available and plenty of loan funding.

Naghi Zeenati made and Gregg Galecki seconded motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$2,266,000 loan for 15 years at 2.5% interest and a \$2,265,000 grant (total \$4,531,000).

The applicant stated this is a much needed project and they are working through a lot of existing debt and suggested a 0% interest rate.

Chairman Hardy acknowledged the suggested 0% rate but indicated that most of the available funding is in the interest bearing fund.

The Board noted similar projects which have been funded with 50% loan/50% grant and asked what type of road is the Ouray Bottoms Road.

The applicant indicated it is a county road. The White River Bridge is a county bridge which has received the Joint Highway Committee funding.

Legal Counsel asked if the applicant had talked to the Ute Tribe about this project.

The applicant has not communicated directly with the Ute Tribe. The County has a 200 foot recorded right of way through this section and will stay within the right of way. They do have a letter of consultation from SHPO.

Commissioner Winterton suggested a 0% loan due to the contributions of the County to the mineral lease account.

Ron Winterton made and Bruce Adams seconded a substitute motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$2,266,000 loan for 15 years at 0.0% interest and a \$2,265,000 grant (total \$4,531,000). The motion failed with Bruce Adams, Ron Winterton, Jack Lytle in favor; Gregg Galecki, Naghi Zeenati, Tooter Ogden, Steve Farrell opposed; and David Damschen absent from the vote.

The Chairman called the question on the original motion.

Naghi Zeenati made and Gregg Galecki seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$2,266,000 loan for 15 years at 2.5% interest and a \$2,265,000 grant (total \$4,531,000). The motion carried with Gregg Galecki, Naghi Zeenati, Tooter Ogden and Steve Farrell in favor and Bruce Adams, Ron Winterton and Jack Lytle opposed. (David Damschen was absent from the vote.)

2. Castle Valley Special Service District (Emery County)

Castle Valley SSD presented a funding assistance request for an \$848,000 loan for 6 years at 2.5% interest and an \$850,000 grant (total \$1,698,000) for a 2019 Consolidated Capital Project. This project will consist of improvements to asphalt city streets and city surface and sub-surface storm water drainage systems in Elmo, Cleveland, Huntington, Castel Dale, Orangeville, Clawson, Ferron, and Emery. In Orangeville and Huntington, culinary water lines will be installed and/or replaced. In Castle Dale and Huntington, a main sewer line will be installed. The applicant is contributing \$15,000 cash.

The applicant explained the structure of these projects and the general obligation bond which has been utilized. \$848,700 is the remaining amount on the 2009 general obligation bond. It is the intent to update the capital facility plan, identify future projects and put it to a vote in the fall for another general obligation bond to continue facilitating the community projects. The Castle Valley SSD includes eight communities located in western Emery County. Generally all the projects funded through the CIB are completed in the next construction year.

Ron Winterton made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as an \$848,000 loan for six years at 2.5% interest and an \$850,000 grant (total \$1,698,000). The motion carried unanimously.

3. Sanpete County (Sanpete County)

Sanpete County presented a funding assistance request for a \$116,000 grant to obtain permanent easements on 46 miles of Class D roads across Utah School and Institutional Trust Lands Administration (SITLA) property.

Of the 62 miles of Class D roads across SITLA property, 16 miles will be acknowledged by SITLA without compensation. The 46 miles of roads were established after SITLA acquired the underlying properties, which necessitates compensation to SITLA for corresponding permanent easements. SITLA will prepare perpetual easement agreements for recording. CIB does not reimburse for SITLA administration.

The applicant stated it is crucial to protect lands and keep roads open.

Ron Winterton made and Tooter Ogden seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$116,000 grant. The motion carried unanimously.

4. Town of Wales (Sanpete County)

The Town of Wales presented a funding assistance request for a \$104,000 loan for 20 years at 0% interest and a \$500,000 grant (total \$604,000) for a Public Safety Building. This project will consist of constructing an 80' x 85' steel building with 3 drive-through engine bays, an office/training area and equipment storage. The Town of Wales has acquired the land and accommodated the building plans.

The applicant indicated they have a great fire department which has responded to 5 major wildland fires this year. The Town population is 302 and they have 22 active members in the department. The current structure built in the 1980's houses 6 vehicles and is inadequate. The applicant indicated that the District provides funding for the vehicles. The building will be owned by the Town and the Town funds the turnout gear etc. They apply for grants each year to acquire additional turnout equipment. The district

has a budget of \$69,000 which comes from sales and use tax. The Town of Wales does not have retail business.

The Board asked what will be the use of the existing building.

The applicant indicated that the building will store the backhoe, dump truck and snow plow.

Gregg Galecki made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$104,000 loan for 20 years at 0.0% interest and a \$500,000 grant (total \$604,000).

Commissioner Winterton commented that the previous project from Uintah County Transportation was funded at 2.5%

Ron Winterton made and David Damschen seconded a substitute motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$104,000 loan for 20 years at 2.5% interest and a \$500,000 grant (total \$604,000). The motion carried unanimously.

5. Bryce Canyon City (Garfield County)

Bryce Canyon City presented a funding assistance request for a \$765,000 loan for 30 years at 2.5% interest and a \$765,000 grant (total \$1,530,000) for the construction of a Community Recreation Center. This project will consist of constructing an 11,840 square foot facility that will provide a weight lifting room, a gymnasium, restrooms and mechanical spaces for recreation purposes and community events.

The applicant indicated they are in the process of purchasing a new fire truck which will be housed in the bay currently occupied by weight equipment. This equipment is used by Bryce Canyon residents and other communities. The City has paid for preconstruction architecture, design engineering, and environmental for a community facility which will be ready to bid in January. The building will be constructed in the spring of 2019.

Naghi Zeenati made and Ron Winterton seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$765,000 loan for 30 years at 2.5% interest and a \$785,000 grant (total \$1,530,000).

The Board expressed concern about this type of project as opposed to a water or sewer line and suggested users of the facility contribute to the construction costs. Possibly TRT funds could accommodate a 70% loan and 30% grant.

Bruce Adams made and Tooter Ogden seconded a substitute motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$1,071,000 loan for 30 years at 2.5% interest and a \$459,000 grant (total \$1,530,000).

The applicant indicated they do not currently charge for the use of the equipment but a fee has been discussed for use in the new building. A gymnasium is useful in the community as Bryce Canyon gets about 3 months of summer.

The Board suggested utilizing TRT funds or applying for outdoor recreation grants.

The applicant indicated they have researched the outdoor recreation grants but those do not pay for buildings. The municipal TRT tax may be utilized next year and a RAP tax for parks may also be on the ballot next year. The City, partner communities and the County's first project was to build a new shuttle

parking and staging area so that they could run the shuttle service outside of Bryce Canyon National Park. The City has accommodated the financial expenses of that project. The City and the County are partners in the Public Safety Building which currently houses the community equipment and the emergency response equipment for the County. The last two winters the building has also housed the IHC's community mobile clinic. These are financial constraints to the City budget which is why the request is for a 50/50 split.

The Board asked about other gymnasium facilities in the area.

The applicant indicated the nearest high school was in the Town of Tropic.

The Chairman called the question on the substitute motion.

Bruce Adams made and Tooter Ogden seconded a substitute motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$1,071,000 loan for 30 years at 2.5% interest and a \$459,000 grant (total \$1,530,000). The motion carried unanimously.

6. Bryce Canyon City (Garfield County)

Bryce Canyon City presented a funding assistance request for a \$20,000 grant for a general plan. This project consists of creating a plan to review the changing population, businesses and the general development of the City with a view to encourage growth while maintaining the vision of the rural atmosphere, meeting the state legal requirements and protecting private property rights. The applicant is contributing \$20,000 cash.

The applicant stated that as a gateway city to Bryce Canyon, they are seeking direction for the future.

Bruce Adams made and Steve Farrell seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 funding meeting as a \$20,000 grant. The motion carried unanimously.

(10 Minute Break)

7. Town of Tropic (Garfield County)

Tropic Town presented a funding assistance request for an \$11,000 grant for a project updating the general plan and zoning ordinances to reflect the current population and businesses and alignment with state statute for future growth and development. The applicant is contributing \$11,000 cash.

The applicant stated their existing plan is 22 years old. The Town of Tropic has a population of 513 and they are the largest of the surrounding communities.

The Board asked about the difference in costs of the Bryce Canyon City plan and the Town of Tropic plan.

The applicant indicated that the Community Development Office had done a report with good demographic work which is available and will be utilized in the Town of Tropic update.

Naghi Zeenati made and Jack Lytle seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 funding meeting as an \$11,000 grant. The motion carried unanimously.

8. Tooele City Municipal Building Authority (Tooele County)

Tooele City MBA presented a funding assistance request for a \$9,000,000 loan for 30 years at 2.5% interest for construction of a new Public Safety Building. The project consists of constructing a 22,549 square foot building that meets current seismic standards to include evidence storage, interview rooms, briefing rooms, training/community areas, offices, restrooms and mechanical areas and a 2,547 square foot ancillary building to store unassigned police vehicles which includes SWAT vehicles (bus, van, etc.), over-sized evidence storage and police dog kennels as well as kennels for animals picked up when animal control is not on duty.

The applicant stated public safety is a community priority and the police department has outgrown the 'temporary' building they have occupied for 30 years- formerly an auto parts store. The building is not up to code or ADA compliant to accommodate the 42 full-time employees. They have recently raised taxes; the first tax increase in 36 years, spent \$450,000 to acquire the land and have accumulated a funding reserve. The population of Tooele City is close to 35,000.

The Board acknowledged the need for this project and commended the process which included the public.

Bruce Adams made and David Damschen seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$9,000,000 loan for 30 years at 2.5% interest.

The Board asked about the administration expenses included in the application.

The applicant indicated that the administration expenses were for the financial advisor, bond counsel and the issuance of title insurance. The 2.5 acres of land for the proposed building included homes that have been purchased for \$450,000 located behind the city hall and will be utilizing \$1,238,308 cash saved for this project. The current police facility is a prime retail location on Main Street which will subsequently be appraised and sold.

The Chairman called the question.

Bruce Adams made and David Damschen seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$9,000,000 loan for 30 years at 2.5% interest. The motion carried unanimously.

9. Daggett County Service Area No. 1 (Daggett County)

Daggett County Service Area No. 1 presented a funding assistance request for a \$227,000 grant for road reconstruction and improvements Phase 1. This project will consist of reconstructing and widening 2.26 miles of existing dirt roadway in the unincorporated area of Daggett County near Manila (E Rainbow Way, S Trout Drive, S Gorge Drive, S Meadow View Drive, E Machinaw Street and E Brook Lane) to provide a 22' wide road including drainage culverts, driveway approaches and other improvements to accommodate widening of the gravel roads. The applicant is contributing \$27,000 in gravel.

The applicant stated that the SSD is responsible for maintenance of 2.5 miles of roads servicing 44 lots. The roadways are narrow which creates a safety issue. The District collects between \$4,000- \$5,000 a year through property taxes which help maintain the roads but cannot make improvements. They were going to do a double chip seal, but that would be too costly. This project will include widening the roadways to 22 feet and they have the rights of way to accommodate the widening. They will also work with UDOT to improve a connection to the State highway.

The Board acknowledged that the project is what can reasonably be maintained.

Ron Winterton made and Gregg Galecki seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$227,000 grant as presented.

The Board stated this project is Phase 1 and asked if the applicant would be back for Phase 2 double chip seal.

The applicant said they will leave that option open. The material will be placed so that in the future, there could be double chip seal over this surface.

The Board asked if this was a recreational subdivision or part time residents.

The applicant indicated there are both full time and part time residents. The roads are plowed in the winter by the Special Service District. Rainbow Way and Captains Cove come directly off the State highway. These improvements will provide a safer access for the school buses. Flaming Gorge Special Service District has supplied the gravel for this project from a gravel crushing project they accommodated.

The Chairman called the question.

Ron Winterton made and Gregg Galecki seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$227,000 grant as requested. The motion carried unanimously.

10. Wayne County (Wayne County)

Wayne County presented a funding assistance request for a \$90,000 grant for reconstruction of the Wayne Wonderland Airport Runway. This project will consist of airport runway improvements to include a geotechnical evaluation of existing soils on the 5700' x 75' runway to facilitate a full reconstruction to include pavement removal, excavation, 12" subbase course, crushed aggregate base course, bituminous prime coat, 2.5" hot mix asphalt surface, paint striping, and pipe culverts for drainage. The applicant is contributing \$27,125 cash. Other funding includes an FAA \$2,265,759 grant and the Division of Aeronautics \$117,125 grant.

The applicant indicated the end of the runway was damaged when a heavy airplane landed to assist a downed DWR piper cub plane 25 years ago. Wayne County is paying on an existing loan and does not have extra resources.

The Board acknowledged the condition of the runway, the applicant cash and the sources of other funding.

Naghi Zenati made and Tooter Ogden seconded a motion placing this project on the Priority List for funding consideration at the February 7, 2019 Funding Meeting as a \$90,000 grant as presented. The motion carried unanimously.

I. BOARD MEMBER DISCUSSION and/or ACTION ITEMS

1. Seven County Infrastructure Coalition – Written Response to Zions Rail Summary Questions

Chairman Hardy referred the Board to the documents provided in the Board packet concerning the questions and response from the Coalition. SCIC is in Washington, D.C. this week meeting with the Surface Transportation Board (STB) concerning this project.

The Board asked Mr. Alex Buxton, Zions Bank Public Finance for a brief synopsis.

Mr. Buxton referenced the initial \$6.5 million funding which was contingent on responses to questions. Those responses have been received in memo form and reviewed by Zions. The responses will also be reviewed by CRS engineering for their rail technical expertise. It was acknowledged that some questions cannot be answered until further study.

The Board asked about the timeline for the STB responses.

Mr. Buxton indicated that SCIC would discuss the timeline for STB responses. STB is to facilitate environmental review etc. and could have regulatory approval by 2020.

Chairman Hardy stated he has referred SCIC to the Governor's federal liaison, Gordon Larsen, who may facilitate meetings and assist on the federal level. SCIC will provide updates and a draft contract has been provided to SCIC which is to be discussed at their Board meeting tomorrow.

Commissioner Lytle stated at the SCIC meeting tomorrow there will be updates concerning the meetings in Washington.

Mr. Galecki suggested clarification of milestones for the Phase 1 within the \$6.5 million funding.

Chairman Hardy stated the contract has a detailed scope of work and deliverables which can be sent to the Board but the Board does not normally review contracts. The milestones were provided by SCIC and there are deliverables and timelines in the rail contract. The original SCIC administrative contract has a remaining balance and the Board placed an additional annual amount on the Priority List for final approval at the February 7, 2019 funding meeting. The \$6.5 million for the rail study received approval at the November 8, 2018 meeting. The contract has been included in the Board packet. The scope of work to be accomplished was reviewed.

Commissioner Adams expressed concern about the entity from Texas who spoke at the November 8, 2018 meeting and asked why that person was at the meeting.

Chairman Hardy stated part of the due diligence review was to identify alternatives to the rail concept for getting product out of the Uintah Basin. This was another possible option.

Commissioner Adams indicated this individual did not receive the scrutiny which SCIC received and asked where he came from and why he was at the meeting.

Mr. Damschen stated that Don Foote, a member of the SITLA Board, introduced the gentleman and Treasurer Damschen invited him. SCIC is wholly funded by this Board. That gentleman was from the private sector and has terminals in the Gulf Coast. The Coalition is hoping to make those connections. He did point out there is private capital if a project is doable. Anytime government is involved in something that can be viewed as competition for the private sector there should be conversations. This gentleman indicated he had met with the Coalition and his perspective was that he was viewed as competition. If someone in the private sector feels they are viewed as competition by a government entity, it is concerning.

Commissioner Adams referred to the earlier statement by Commissioner Horrocks that the Uintah Basin has twenty eight hundred wells producing oil and gas. There is no objection to the private sector coming in, but where have they been? The State is anxious to get those trucks off the road and get that product moved some other way.

Mr. Damschen stated that indications are, those trucks will continue even if the rail is built. Chairman Hardy referred to responses from the Coalition addressing the trucks and that the Salt Lake market will likely continue to utilize trucks as the least expensive option. The rail project is about increasing volume to access other markets. Even in the analysis submitted by RL Banks, they identified the truck option to Salt Lake as the cheapest option no matter what rail route got identified.

Alison Garner referred to page 10 of the SCIC's answers to Zions questions, item #5: The RL Banks study assumed that Utah oil producers will continue to supply 80,000 barrels per day to the Salt Lake refineries and the document is in BoardDocs.

Commissioner Lytle noted that increasing the volume of production doesn't exist without an alternative.

Commissioner Winterton concurred that the private sector should be involved but the private sector utilizes public facilities; trucks over 191 to the rail. The taxpayer supplies the infrastructure for public ventures and the existing infrastructure won't take an additional 300,000 barrels down that highway. He stated that the Basin has more reserves than the Far East and rail is one solution but won't get all the trucks off the road coming to the Salt Lake Valley, but the Salt Lake refineries are at capacity.

Chairman Hardy noted the Board can place the Coalition on an agenda to address outstanding questions but many questions will be addressed through updates and milestones along the way.

Commissioner Ogden asked if the Coalition was going to finish answering today's questions such as are they going to Craig, Colorado. What if they can't get the environmental through or something happens in Colorado? Is this first phase going to provide answers?

Chairman Hardy stated the timeline is outlined in the contract with deliverables by June 2019 and there will be progress reports on Phase 1. The Board will then discuss the next phase of this project. In June the Board will discuss whether further investment is warranted. Questions will be answered along the way through updates and it can be a standing item of discussion. The project's Phase 1 has been approved with deliverables. The information will keep flowing.

Keith Heaton appreciated the conversation and perspective. The Chairman and CDO has scheduled a monthly meeting with the Infrastructure Coalition to discuss the progress and address any additional questions that have not been answered and will share with the Board as appropriate. The intent of the Coalition is to have a route designated by the end of next month. It is a role of government to facilitate the good work the private sector does and this will be a railroad that would hopefully be open to any producer in the basin that is looking to move product. It is expensive but has a lot of potential. The Board is authorizing a lot of money for this and communities such as Wales have a budget of \$50-60,000 annually and the Board asks them to take an extra thousand dollar a year payment which is 10-20% of their annual budget. But millions of dollars could enhance the fund which these small towns depend on. It's a fine balancing act that this Board is taking on and the judiciousness of the Board is appreciated. There is a lot of information to absorb and we appreciate and commend you for that effort.

Chairman Hardy asked if there were any further questions for Alex and if the Board would like a monthly report.

The Board had no more questions today, but would appreciate a monthly report.

Chairman Hardy indicated it will be a standing agenda item with a longer discussion of the deliverables and the next phase in June.

2. Location for our Policy Retreat in June 2019

Chairman Hardy referred to the possibility of going to Kane County this year because Commissioner Matson was on the Board and a project funded by the Board was going to be completed. The status of completion will be determined. Options for the retreat are encouraged and it will be discussed at the next meeting.

The discussion of options for the retreat included Corvallis, Oregon where Treasurer Damschen's daughter will be graduating, the Daggett County jail with plenty of sleeping accommodations, Daniels Canyon Lodge, The Homestead, Monticello, Sevier, Sanpete and Salt Lake...

Chairman Hardy acknowledged the volunteered ideas. He noted there are many beautiful areas in rural Utah and expressed appreciation for the hospitality of the areas the Board has previously been. Options will be provided for discussion at the next meeting and will be an action item to finalize a location.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Friday, January 11, 2019 at the DWS office, 1385 South State Street, Salt Lake City, Utah at 8:00 a.m.

The meeting adjourned at 11:40 a.m.

Submitted by:
Cristine Rhead
Candace Powers