

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES

Thursday, October 1, 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
Richard Ellis (by phone)	State Treasurer

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
Kimberley Schmeling	Housing and Community Development
Brenda Brown	Housing and Community Development
Mike Hansen	Housing and Community Development
Shannon Ellsworth	Housing and Community Development
Thom Roberts	Attorney General's Office
William Prater	Bond Counsel
Nathan Hall	Division of Drinking Water
Beth Wondimu	Division of Water Quality
Michael Bryant	Southeastern Utah Association of Local Governments
Lynn Wall	Wall Engineering
Randall Cox	Town of Sterling
Roger Aagard	Fountain Green City
Nick Lyon	Sanpete Fire District
Kent Barton	Manti City
Ryan Savage	Savage Surveying
Pat Brady	Green River City
Dale Coulam	Ivins City
Dallas Murray	Johnson Water Improvement District
Ed Shaw	Best Engineering
Gary Zabriskie	Five County Association of Governments
Douglas Nielsen	Sunrise Engineering
Ryan Jolley	Jones & DeMille Engineering
Daren Anderson	CRS Engineers

Gil Hunt	Town of Bicknell
Philip Barlow	Hildale City
Kim Peterson	Central Valley Town
Michael Hawley	Jones & DeMille
Dave Nielsen	Central Valley Town
Linda Hansen	Ensign Engineering
Ralph Okerlund	Six County Infrastructure Coalition
Luci Francis	Rockville/Springdale Fire Protection District
Rick Bailey	Grand County
Jared McKee	Tridell Lapoint Water Improvement District
Veronica Bullock	Grand County
Raymond Barlow	Hildale City
Richard Barlow	Hildale City
Richard Barlow Jr.	Hildale City
Elizabeth Tubbs	Grand County
Stan White	Grand County
Diana Carroll	Grand County
Jeff Holt	BMO Capital Markets Corp.
Lynn Jackson	Grand County
Alex Buxton	Zion's Bank Public Finance
Nancy Strickland	School Institutional Trust Lands Administration
Brian Carver	Bear River Association of Governments
Zac Covington	Bear River Association of Governments
Steve Frischknecht	Sanpete County
Ron Riggs	Town of Hatch
Jewel Kloth	Best Engineering
Pat Kearney	Town of Torrey
Dustin Deaton	Salina City
Jeff Albrecht	Salina City
Garrick Willden	Jones & DeMille Engineering
Eric Johnson	Blaisdell, Church & Johnson
Nic Dunn	Department of Workforce Services
Gayle Bunker	Delta City
Mike Noel	Kane County Water Conservancy District

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, October 1, 2015 in the Department of Environmental Quality's Board Room at the Multi-Agency State Office 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 twenty-eight projects for final funding consideration, two projects requesting special consideration, and board issues at this meeting.

I. WELCOME AND 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 September 3, 2015 meeting.

Claudia Jarrett made and Ron Winterton seconded a motion to approve the minutes of the September 3, 2015 meeting as corrected. The motion carried unanimously.

III. PRIORITY PROJECTS

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

1. Johnson Water Improvement District (Duchesne County)

Johnson Water Improvement District's funding request was advanced to the Priority List as a \$244,000 grant for the construction of a new 2,880 square foot office building and a 6,000 square foot shop building including a reception area, clerk office, manager office, conference room, break room, restrooms and 4 bays for storage of supplies and equipment.

Total Funding Request: \$244,000 grant.

2. Town of Central Valley (Sevier County)

Town of Central Valley's funding request was advanced to the Priority List as a \$250,000 loan for 10 years at 2.5% interest and a \$2,585,000 Grant (total \$2,835,000) for 2.260 miles of street improvements consisting of reconstructing North Main Street and the Boulevard with roto-milling, pulverization, cement treatment, geogrid, gravel and asphalt. The project will also provide a surface treatment for Sevier River Road and South Main Street and paving on 400 North Street. Center Street will be surface sealed.

Total Funding Request: \$2,835,000 (\$250,000 loan for 10 years at 2.5% interest and a \$2,585,000 grant).

3. Delta City (Millard County)

Delta City's funding request was advanced to the Priority List as a \$777,000 loan for 20 years at 1.5% interest and a \$1,810,000 grant (total \$2,587,000) to build a new fire station with 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.

Total Funding Request: \$2,587,000 (\$777,000 loan for 20 years at 1.5% interest and a \$1,810,000 grant).

4. Fountain Green City (Sanpete County)

Fountain Green City's funding request was advanced to the Priority List as a \$129,525 grant for park improvements consisting of building a 910 square foot building to include a concessions area and restrooms in the city park with 8 foot high block walls, a metal roof, metal doors, stainless steel plumbing fixtures and skid-proof floors built to comply with ADA standards.

Total Funding Request: \$129,525 grant.

5. Town of Sterling (Sanpete County)

Town of Sterling's funding request was advanced to the Priority List as a \$300,000 grant for street improvements consisting of rebuilding 11,877 linear feet of existing roadways, pulverizing, laying asphalt and chip sealing.

Total Funding Request: \$300,000 grant.

Chairman Heaton requested a motion to fund projects #1 - #5.

Gregg Galecki made and Naghi Zeenati seconded a motion to fund projects #1 - #5 as advanced to the Priority List. The motion carried unanimously.

6. Manti City (Sanpete County)

Manti City's funding request was advanced to the Priority List as a \$1,536,000 loan for 30 years at 1.5% interest and a \$1,536,000 grant (total \$3,072,000) for a recreation facility-sports complex consisting of constructing a new four-plex softball and baseball field complex with soccer fields, fencing, parking areas, restrooms, concessions, lighting, the reconstruction of 1,500 feet of 800 North Street and the relocation of an overhead power line.

The Board asked about the status of the Eccles Foundation grant.

The applicant indicated that the Eccles funding is pending other funding being in place and stated that the amount has been reduced from \$500,000 to \$250,000, but other funding is being acquired.

The Board suggested the project be placed on the Pending List. The applicant may wish to proceed with the purchase of property which would be considered as in-kind.

The applicant indicated they understood the Board's current position. Some modifications may also be made to the project and they would contact their other funding partners.

Claudia Jarrett made and Gregg Galecki seconded a motion to move this project to the Pending List 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.

The Board revisited the Manti project discussion after project #26 to provide a favorable recommendation to secure possible outside funding.

Mike McKee moved and Steve Farrell seconded a supplement to the motion to provide written support for the project. The motion passed unanimously.

7. Sanpete County Municipal Building Authority (Sanpete County)

Sanpete County MBA's funding request was advanced to the Priority List as an \$895,000 grant for fairgrounds area improvements consisting of demolishing the old fairgrounds grandstand and constructing a new 2500 seat grandstand; demolishing the concession booth/announcer's booth and constructing a new 1000 square foot concession/restroom building, a new announcer's booth, remodeling the existing restroom, a new sound system, concrete work and fencing.

Total Funding Request: \$895,000 grant

Mike McKee made and Steve Farrell seconded a motion to fund this project as advanced to the Priority List. The motion carried with Claudia Jarrett abstaining.

8. Kane County Water Conservancy District (Kane County)

Kane County Water Conservancy District's funding request was advanced to the Priority List as a \$350,000 loan for 30 years at 1.0% interest and a \$525,000 grant (total \$875,000) for a new 3,182 square foot office to meet ADA requirements with a 2,847 square foot partially finished basement and a 3,200 square foot warehouse building.

Total Funding Request: \$875,000 (\$350,000 loan for 30 years at 1.0% interest and a \$525,000 grant).

Naghi Zeenati made and Bruce Adams seconded a motion to fund this project as advanced to the Priority List. The motion carried unanimously.

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

Kane County Recreation and Transportation SSD's funding request was advanced to the Priority List as a \$139,000 grant to purchase permanent easements on 119.483 miles of Class D roads and .2146 of a mile of Class B roads across School Institutional Trust Lands Administration (SITLA) property.

Total Funding Request: \$139,000 grant

Claudia Jarrett made and Ron Winterton seconded a motion to fund this project as advanced to the Priority List. The motion carried with Jim Matson abstaining.

10. Town of Ballard (Uintah County)

Town of Ballard's funding request was advanced to the Priority List as a \$30,500 grant for a Transportation Master Plan to integrate with the existing plans of Roosevelt City, Uintah Transportation Special Service District and UDOT. The plan will include refinement of roadway standards and include a three year pavement preservation plan to help determine maintenance schedules.

Total Funding Request: \$30,500 grant.

11. Oak City (Millard County)

Oak City's funding request was advanced to the Priority List as a \$12,500 grant for a general plan update including culinary water, waste water, storm drainage, irrigation, city owned streets, power and recreation.

Total Funding Request: \$12,500 grant.

12. Town of Hatch (Garfield County)

Town of Hatch's funding request was advanced to the Priority List as a \$25,000 grant for a utility and drainage study consisting of mapping the town boundaries, a simple site survey for grading and drainage information, a survey of the existing water system information, review of existing septic system and proposed alternatives for treatment. The plan would also provide a drainage plan for future curb and gutter and storm drain.

Total Funding Request: \$25,000 grant.

13. Beaver Fire District #1 (Beaver County)

Beaver Fire District #1's funding request was advanced to the Priority List as a \$207,000 loan for 15 years at 0.0% interest and a \$200,000 grant (total \$407,000) to purchase a 2015 Ferrara MVP 1,000 Gallon Pumper with equipment and decals.

Total Funding Request: \$407,000 (\$207,000 loan for 15 years at 0.0% interest and a \$200,000 grant).

14. Town of Springdale (Washington County)

Town of Springdale's funding request was advanced to the Priority List as a \$15,000 grant for a Transportation Master Plan to address future development, growth, and issues associated with an increasing number of visitors to Zion National Park, evaluate viable transportation options, plan for expansion of user systems and ensure compliance with all code requirements.

Total Funding Request: \$15,000 grant.

15. Town of Torrey (Wayne County)

Town of Torrey's funding request was advanced to the Priority List as a \$345,000 grant to purchase approximately 2.66 acres of property including buildings adjacent to the park and town hall/firehouse for the purpose of consolidating and enlarging the town hall, park and pavilion, and providing secure storage and workshop areas for equipment.

Total Funding Request: \$345,000 grant.

Chairman Heaton requested a motion to fund projects #10 - #15.

Naghi Zeenati made and Ron Winterton seconded a motion to fund projects #10 - #15 as advanced to the Priority List. The motion carried unanimously.

16. Town of Bicknell (Wayne County)

Town of Bicknell's funding request was advanced to the Priority List as a \$50,000 grant to purchase an E36 T4 ZTS Bobcat Compact Excavator (mini excavator) and a 2 axle tilt deck trailer.

Total Funding Request: \$50,000 grant.

17. Morgan County (Morgan County)

Morgan County's funding request was advanced to the Priority List as a \$200,000 loan for 10 years at 2.5% interest for road Improvements consisting of asphalt patching, leveling course, overlay, seal coats and crack sealing of 28,440 lineal feet (5.4 miles) of roadway surfaces and shoulders of Old Highway Road, Morgan Valley Drive, Richville Lane connector and Croydon Road.

Total Funding Request: \$200,000 loan for 10 years at 2.5% interest.

18. Salina City (Sevier County)

Salina City's funding request was advanced to the Priority List as a \$4,290,000 loan for 30 years at 2.5% interest and a \$2,146,000 grant (total \$6,436,000) for culinary water improvements consisting of purchasing 300 acre-feet of water rights, constructing a 1 million gallon water tank, installing 1,500 feet of pipe, replacing valves and air vacs, incorporating radio read meters in the second half of the city, adding 15 fire hydrants, incorporating a SCADA system, upgrading the chlorination building, adding main line flow meters and valves, drilling a new well, running 6,800 feet of pipe from the new well to the system.

Total Funding Request: \$6,436,000 (\$4,290,000 loan for 30 years at 2.5% interest and \$2,146,000 grant).

19. Green River City (Emery County)

Green River City's funding request was advanced to the Priority List as a \$331,585 grant for water, sewer, and drainage improvements to include constructing four separate 8-inch PVC water line segments totaling 3,550 feet, replacing two broken concrete sewer lines with 3,200 feet of 8-inch PVC sewer pipe, paving 32,250 square feet of city streets and installing 1,300 feet of 15-inch RCP storm drain pipes.

Total Funding Request: \$331,585 grant.

20. Milford City (Beaver County)

Milford City's funding request was advanced to the Priority List as a \$21,250 grant for the creation of a water master plan for future system improvements including a collection of water system features with GPS map-grade equipment, the development of maps, map books, and GIS files for future use by the city and a detailed 5-point analysis of the current culinary water system to evaluate the city's water source, water rights, treatment, storage, and distribution system.

Total Funding Request: \$21,250 grant.

Chairman Heaton requested a motion to fund projects #16 - #20.

Steve Farrell made and Jim Matson seconded a motion to fund projects #16 - #20 as advanced to the Priority List. The motion carried unanimously.

21. Sanpete County Fire Improvement District #2 (Sanpete County)

Sanpete County Fire Improvement District #2's funding request was advanced to the Priority List as a \$600,000 grant for the purchase of 7 Wildland Urban Interface Vehicles. Type 2 engines will be placed in Moroni, Sterling and Mt. Pleasant. A 1 Ton Bush Truck Type 5 mini will be placed in Wales. A Pumper will be placed in Gunnison, and a 1 Ton Brush Truck Type 6 vehicle will be placed in both Spring City and Fountain Green.

Total Funding Request: \$600,000 grant.

22. Ivins City (Washington County)

Ivins City's funding request was advanced to the Priority List as a \$125,000 grant for an impact fee plan and analysis of secondary water, sewer, parks, public safety, streets and storm water.

Total Funding Request: \$125,000 grant.

23. Rockville/Springdale Fire Protection District (Washington County)

Rockville/Springdale Fire Protection District's funding request was advanced to the Priority List as a \$20,000 grant for a feasibility study and master plan to evaluate management processes, review facilities and equipment, and establish needs relative to their existing condition and viability for use in the future including staffing levels, service delivery and performance. The plan will also assess future demands and identify operational models that can deliver desired levels of service at the most efficient cost looking at both short and long-term strategies.

Total Funding Request: \$20,000 grant.

24. Town of Apple Valley (Washington County)

Town of Apple Valley's funding request was advanced to the Priority List as a \$1,318,000 loan for 30 years at 2.5% interest and a \$659,000 grant (total \$1,977,000) for road improvements. This project consists of removing the existing bridge and building a new 70 foot wide X 60 foot long bridge on Highway 59 that connects the north and south sides of Apple Valley. The project includes roadway improvements consisting of a new curb and gutter (6,322 linear feet), sidewalk (26,610 square feet), storm drain (850 linear feet) and intersection improvements. The roadway will be double chip sealed (126,072 square yards). The project also includes ADA compliant intersection ramps and landscaping.

Total Funding Request: \$1,977,000 (\$1,318,000 loan for 30 years at 2.5% interest and a \$659,000 grant).

25. Town of Clarkston (Cache County)

Town of Clarkston's funding request was advanced to the Priority List as a \$10,000 grant for a water master plan. The plan consists of updating the existing plan that was completed in 2001, including evaluating storage and source capacity, water rights, and completing a hydraulic model.

Total Funding Request: \$10,000 grant.

Chairman Heaton requested a motion to fund projects #21 - #25.

Naghi Zeenati made and Gregg Galecki seconded a motion to fund project #21 - #25 as advanced to the Priority List. The motion carried unanimously.

26. Town of Joseph (Sevier County)

Town of Joseph's funding request was advanced to the Priority List as a \$40,000 grant for a utility master plan. The project consists of a study to examine water systems, roads, storm drains, and secondary water that will be placed in a report and used for planning purposes. This study will take an in-depth look at deficiencies of each utility by physical observation, engineering models and research.

Total Funding Request: \$40,000 grant.

Jae Potter made and Bruce Adams seconded a motion to fund project #26 as advanced to the Priority List. The motion carried unanimously.

The Board revisited Manti with discussion of providing written intent.

27. Town of Marysvale (Piute County)

Town of Marysvale's funding request was advanced to the Priority List as a \$300,000 loan for 10 years at 0.0% interest and a \$300,000 grant (total \$600,000) for a road and drainage project, Phase 1.

The applicant contacted the CIB staff on August 28, 2015 with a request for reconsideration of the funding authorized by the Permanent Community Impact Fund Board at the July 2, 2015 review meeting.

The funding request for reconsideration is for a \$685,000 grant to roto-mill *164,190 square feet, burrow ditch *13,876 linear feet, and install *2,088 square feet of concrete cross gutters. The project will also lay 6,100 square feet of asphalt at the town hall parking lot. *8,000 tons of untreated base course will be used to repair driveways.

**Unknown quantities in the revised project.*

Total Revised Funding Request: \$685,000 grant.

The applicant stated that half of their roads were resurfaced 7 years ago and they are in need of maintenance. It is difficult to maintain the whole town with approximately \$48,000 in B & C road funding. The applicant stated that the roads identified for improvements are heavy traffic roads or those that would be a nuisance if returned to gravel. Other less important roads will return to gravel. Their intent is to get the roads to a condition where the town would not have to require help.

The Board asked the applicant to clarify what was omitted to reduce the cost from the original scope.

The applicant stated the jersey barriers were omitted, major chip seal was omitted, the drainage slope was altered, and curb and gutter removed. The scope now covers the critical needs.

The Board commended the town for scaling the project and reprioritizing the roads, but expressed concern about returning some roads back to gravel as indicated by the applicant.

The Board referred to 'Proposition 1', a tax revenue offering for cities and towns, which would allow them to participate in additional tax revenues.

The applicant indicated they were not aware of that possibility.

The Board acknowledged the limited B & C road fund allocation.

Claudia Jarrett made and Jim Matson seconded a motion to fund this project as a \$685,000 grant.

The Board engaged in further discussion suggesting that consideration be given to prior funding packages for roads and suggested an option for consistency by providing a grant and loan mix.

Bruce Adams made and Jae Potter seconded a substitute motion to fund this project as a \$100,000 loan for 10 years at 0.0% interest and a \$585,000 grant (total \$685,000). The motion failed with four ayes (McKee, Galecki, Adams, Potter) and 6 nays (Winterton, Matson, Jarrett, Zeenati, Farrell, Ellis.)

The chairman called the question on the original motion.

Claudia Jarrett made and Jim Matson seconded a motion to fund this project as a \$685,000 grant. The motion carried with Gregg Galecki opposed.

28. Grand County Municipal Building Authority (Grand County)

Grand County MBA's funding request was advanced to the Priority List as a \$4,380,000 loan for 30 years at 2.5% interest and a \$400,000 grant (total \$4,780,000) for remodeling the county jail and dispatch center to bring the facility up to building code, fire code and jail standards. The remodel

includes electronic security, hardware, electrical systems, lighting, fire prevention, plumbing, cell doors, mechanical control systems, weather proofing, structural issues, video conferencing, culinary service area, dispatch, ingress and egress.

The original request for funding was presented and reviewed at the August 6, 2015 review meeting.

The CIB staff received a letter dated September 15, 2015 from the Grand County MBA requesting time on the October 1, 2015 agenda to discuss an alternative funding package from the applicant as a \$2,328,000 loan for 20 years at 2.5% interest and a \$2,327,000 grant (total \$4,655,000).

Total Revised Funding Request: \$4,655,000 (\$2,328,000 loan for 20 years at 2.5% interest and a \$2,327,000 grant).

The Board indicated that the funding package authorized at the August 6, 2015 review meeting and placed on the Priority List for funding was consistent with CIB jail funding.

The Board referred to alternate funding options.

The applicant indicated that the jail is funded through the County general fund and stated that the project has been sized to reflect the minimum necessary renovations and the maximum repayment scenario.

The Board asked about planning for the future replacement of the entire jail.

The applicant indicated this renovation is intended to keep the existing jail viable for the next 25 years and at that time the County would be prepared to move forward with replacing the facility.

The Board asked if there were any other resources for funding this project.

The applicant indicated that no other funding resources are available. This funding is for construction and remodel only and stated that the County will assume the cost of transportation and housing of inmates at another location during the construction period through an agreement with Emery County.

The Board suggested a 30 year term as an affordable option.

The applicant indicated that a 20 year term would be more within the viable life of the project. The revised option from the County represents a financial package which the County could handle to move forward and save for replacement of the facility.

The Board's bond counsel indicated that by statute, project funding terms cannot exceed the useful life of the building.

The Board acknowledged that a fundamental responsibility is to provide safety to the community.

The Board discussed the funding option.

Mike McKee made and Naghi Zeenati seconded a motion to fund this project as a \$2,328,000 loan for 20 years at 2.5% interest and a \$2,327,000 grant (total \$4,655,000). The motion carried unanimously.

IV. REQUESTS FOR SPECIAL CONSIDERATION

Chairman Heaton requested a motion to hear three projects for Special Consideration.

Claudia Jarrett made and Steve Farrell seconded a motion to hear the three projects on the agenda for Special Consideration. The motion carried unanimously.

1. Housing and Community Development Division – Rural Planning Group FY2016

The Rural Planning Group funding request was deferred to the November 5, 2015 review meeting.

2. Hildale City (Washington County)

Hildale City presented a funding request for a \$1,490,500 grant for emergency flood mitigation consisting of channel excavation at the Canyon Street Wash Crossing and constructing a bridge spanning 24 feet wide (two-lane with sidewalk) across the flooded wash to give a clearance for the floodway, installing precast culverts to engineer flood control and allow flood collection above the culvert at the crossing to help mitigate flooding and repairing the September 14, 2015 flooding damage to Willow Street.

The applicant stated that during the unexpected, tremendous rain and flooding, Short Creek experienced walls of water and flash flooding which carried sand, boulders, trees, brush and other debris down the canyons into the washes and Short Creek causing major damage. The applicant recalled the events of that day and stated that the crossing is a vital artery of transportation in and out of Hildale and substantial repairs are required for the health and safety of the community.

The Board acknowledged the unexpected nature of this event and the subsequent urgency of this request. The Board also referred to a low community MAGI.

The Board expressed sincere condolences to the community and families for their loss.

Claudia Jarrett made and Jim Matson seconded a motion to fund this project as a \$1,490,500 grant. The motion carried unanimously.

3. Tridell-Lapoint Water Improvement District (Uintah County)

Tridell-Lapoint Water Improvement District received funding on October 3, 2013 as a \$727,000 loan for 30 years at 1.5% interest and a \$6,543,000 grant (total \$7,270,000) for water system improvements.

On September 18, 2015 the CIB staff received a request for consideration for a change in the scope of work to utilize a remaining budget amount of approximately \$150,000 to demolish the maintenance/ storage building destroyed by fire two years ago and construct a basic storage building with insulation and electrical on a concrete slab floor approximately 30' x 40'. This change in scope would allow TLWID to get existing equipment and necessary supplies for the function of the District.

The applicant stated that if the testing for asbestos comes back negative and further mitigation is not required, a larger 50' X 60' building may be possible.

The Board discussed the use of funds and the change of scope in relation to the funding.

Jim Matson made and Ron Winteron seconded a motion to approve the change of scope of work and allow use of the remaining project funding. The motion carried with Mike McKee abstaining.

V. BOARD MEMBER ISSUES

1. Fund Balance – New Applications

A list of the new applications for the 2nd Trimester 2016 was distributed to each Board member. The Board indicated that placing the Manti City project on the Pending List and deferring a project to the next meeting has allowed all projects on the Priority List to be funded for the first trimester.

The Board should continue to make thoughtful decisions as the 2nd trimester projects are reviewed.

2. Infrastructure Set-Aside Balance

The Board referred to the reduced revenue and the infrastructure set aside rule which allows a portion of revenue balances to be moved to the infrastructure set aside fund each trimester.

Commissioner McKee suggested a discussion at next month's meeting referring to lower revenues which are approximately 50% of what they have been and acknowledged that the Board would need to make tough decisions.

Mr. Galecki commented that two years ago the price of a barrel of oil enabled significantly more revenue.

Commissioner Potter suggested a possible revenue projection of all counties' mineral resources. He suggested prioritizing projects through the Regional Planning Program or the Rural Planning Group.

Commissioner Adams referred to what was funded at today's meeting and what has been submitted for the next trimester and concurred that the Board would have to make difficult decisions.

The staff referred to the trimester process which was created to review projects for three months, then give careful consideration to priorities and available revenue at the funding meeting. The large infrastructure fund was created with no mandated set aside. The rule leaves it to the Board's discretion.

Commissioner Adams noted that road improvements are among the major requests and expressed concern about the lack of awareness of "Proposition 1" - an opportunity for those small counties to share in tax revenues for road improvements.

Commissioner McKee referred to federal law which states that priority should be given to the areas of impact. He recognized the positive effect of what is provided for less impacted entities, but reiterated the guidelines of the federal statute.

Commissioner Potter again referred to the infrastructure set aside fund which was also to help even out the ups and downs of the energy cycles. Infrastructure will always be an issue and should continue to be part of the discussion within parameters of the law.

Thom Roberts, legal counsel to the Board, provided clarification of the infrastructure rule stating that at any time the Board may transfer funds back to the general community impact fund. The

rule the Board adopted allows for adding to or returning money from the set aside fund into the community impact fund for any purpose.

Commissioner Jarrett stated the need to fund critical roads and that it is the counties decision to apply. Grand County and Marysvale both considered their finances and came back with their affordable alternative. The Board should also consider affordability.

Commissioner Adams posed the question: What are the most important things to fund with limited revenue? What are the higher priorities?

Commissioner Potter concurred that consideration should be given to prioritize projects with available revenue. He referred to a study by UDOT which indicated that one double tanker is the equivalent of 5000 cars and suggested consideration should be to all transportation solutions including rail and pipelines.

Commissioner McKee recognized the difficulty in choosing priorities for an applicant. The communities have the better sense of what they need but the Board has the tough calls to consider the available revenue.

Mr. Zeenati referred to the Community Impact Board Policy Manual and indicated that the Board should read and follow the policy manual.

Chairman Heaton acknowledged that members of the Board come from different backgrounds, but represent the Permanent Community Impact Board and Fund – tasked with allocating funds. Applicants will request funding for what *they* prioritize. It is the Board's fiduciary responsibility to decide how and for what, utilizing your experience, open and frank to make the right decisions. Chairman Heaton stated having the utmost respect for the Board. The fund is very important to all the State. The Board's cohesive and thoughtful service is important and he expressed confidence that the Board will continue to do it well.

3. Large Infrastructure Project Discussion

In-depth discussion on projects may be held during the November 5, 2015 meeting. There will be a list of consideration and discussion items.

The questions will be listed for review and the Board may add to the list. Before bonds are issued for the projects, the applicant shall come back for final board approval before moving forward.

Mr. Ellis stated that infrastructure criteria should be established. Applications should be complete before the application for review by the Board. He also referred to future infrastructure project funding and stated that today's actions by the Board indicate the Board is not planning on funding large projects for a number of years. Without action to set aside funding, there will be no funding. He stated the Board needs to set aside now for future projects and follow set criteria for submitting and funding. Should there be a cap? All permitting should be completed. He urged the Board to share ideas and suggestions with staff, compile a list, and have a discussion.

Chairman Heaton suggested that a document be sent out for review prior to the November meeting.

Commissioner McKee agreed it would be helpful in preparing for the next meeting and referred to the Uintah Basin Energy Conference wherein financial projections were provided.

Chairman Heaton stated that the Rural Planning Group will have a presentation at the November meeting.

4. Suggestions for the next CIB Retreat in June

- Bruce Adams – Monticello will host the 2016 retreat at the wonderful community center.
- Ron Winterton – Duchesne is one step ahead...
- Mike McKee – Vernal has a brand new conference center! Sometime the CIB should meet out there.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, November 5, 2015, starting at 8:30 a.m. at the Red Cliffs Lodge, Mile Post 14, Highway 128, in Moab, Utah.

The meeting adjourned at 11:20 a.m.

Submitted by:
Cristine Rhead