



Jason Llewelyn	Helper City
Gary Harwood	Helper City
Robert Bradley	Helper City
Eric Franson	Helper City
Ed Chavez	Helper City
Chad Brown	Helper City
Justin Johnson	Roosevelt City
Vaughn Ryan	Roosevelt City
Joe Burdick	Roosevelt City
Chris Thomsen	Roosevelt City
Dusty McCormick	Maeser Water
Daren Anderson	CRS Engineers
Aimee McKinley	CRS Engineers
Jeffrey Cox	Fairview City
Brian Barton	Jones & DeMille Engineering
Eric Johnson	Blaisdell, Church & Johnson
Don Edwards	Mt. Pleasant City
Amy Ivie	U.S. Department of Agriculture
Doug Nielsen	Sunrise Engineering
Byron Colton	Horrocks Engineering
David Blackham	Mt. Pleasant City
Monte Bona	Mt. Pleasant City
Steven Clark	Mt. Pleasant City
Paul Applegarth	Wasatch Academy

## **WELCOME**

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, May 7, 2015 at the Department of Environmental Quality's Board Room at the Multi-Agency State Office Building, 195 N. 1950 West, Salt Lake City, Utah and called to order at 8:30 a.m. by Chairman Gordon D. Walker.

## **ADMINISTRATIVE ITEMS**

### **Financial Review**

Candace Powers reviewed the status of the funds for today's meeting. There are five new projects, one project on the Pending List and four Supplemental Requests.

### **Review of Agenda Items**

Candace Powers reviewed the agenda items with the Board members.

## **I. INTRODUCTIONS**

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

## **II. APPROVAL OF MINUTES**

Chairman Walker requested a motion to approve the minutes from the April 2, 2015 meeting.

**Claudia Jarrett made and Gregg Galecki seconded a motion to approve the minutes from the April 2, 2015 meeting. The motion carried unanimously.**

## **II. NEW PROJECTS**

### **1. Uintah County Municipal Building Authority (Uintah County)**

Uintah County MBA presented a funding assistance request for a \$4,493,000 loan for 30 years at 0.0% interest and a \$4,491,106 grant (total \$8,984,106) for the construction of the Vernal Regional Airport Terminal Building. This project consists of the construction of a 12,000 square foot terminal building, an

expanded parking area which includes short and long term space, a rental car lot, green space, and a runway observation deck.

The Board expressed concern about the \$315 a square foot construction cost.

The applicant explained that federal requirements and TSA rules increase the expense.

The Board asked if there was FAA money available and if there would be commercial carriers.

The applicant indicated that there is a larger airport project concerning runway improvements etc. for which FAA funding may be reimbursed and that there are no commercial carriers at present.

The Board expressed concern about the large expansion with no commercial carriers. The Board asked if the applicant would collect a PFC (passenger facility charge) at this airport, and inquired about the \$100,000 indicated in the application for the TSA move.

The applicant indicated they would collect a PFC and indicated that it literally takes an act of Congress to approve the TSA move and that TSA charges to move their equipment. The \$100,000 is an estimate.

The Board indicated that the applicant is not contributing any funding to the project and discussed the potential operation and maintenance expenses of the airport. The basis of this request seems to be highly reliant on the mineral resource development in the basin. Is there an indication of other passenger usage?

The applicant indicated they are contributing 10 acres of land (\$550,000) and area businesses, residents and the tourist industry will utilize the airport. The terminal project may potentially facilitate getting the Denver Hub and wider air service.

The Board discussed the funding request and loan terms.

**Claudia Jarrett made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$4,493,000 loan for 30 years at 2.5% interest and a \$4,491,106 grant (total \$8,984,106). The motion carried with Mike McKee abstaining.**

## 2. Price City (Carbon County)

Price City presented a funding assistance request for a \$300,000 grant for the Desert Wave Pool Dome Replacement project consisting of replacing the existing 200' long X 42' high pool bubble dome, 2 revolving doors, 4 emergency exit doors with accessories and replacement of the pool bubble air handler unit. The applicant is contributing \$220,000 to this project.

The applicant indicated that the 35 year old pool has been maintained by covering of the pool with a dome at the end of the summer which defrays the cost of winterizing and also provides year-round use of the pool for swim classes, swim team use, school district use and National Guard training.

The Board inquired about the number of times the dome has been replaced.

The applicant stated that the dome has been replaced 4 times. The life expectancy of a bubble may be 15-20 years. The City is trying to approach the issue in an economic way.

The Board discussed the City's water and sewer project also on the agenda referring to the \$600,000 applicant cash as part of that request. The City could fund the pool dome project with the cash, and the Board could discuss funding options for the water and sewer project.

The applicant stated that the funds indicated on the water and sewer project are restricted user fees which have been added to match the water and sewer request.

The Board referred to a statement from the applicant stating that the fee structure does not support the maintenance and suggested that the fee structure be amended.

The applicant stated that they would be reviewing the fee structure.

The Board discussed the dome funding.

**Bruce Adams made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$300,000 grant. The motion carried unanimously.**

### 3. Price City (Carbon County)

Price City presented a funding assistance request for a \$600,000 grant for a water and sewer improvement project consisting of replacing approximately 1600 feet of 8-inch diameter water main on 400 South between 400 East and 700 East, including boring under the railroad to the southwest for another point of connection to the area south of the railroad. This connection will help improve fire flows and pressures in both areas of town. On 400 North, the applicant will also replace approximately 1600 feet of old and failing clay sewer pipe with new 8-inch and 10-inch PVC pipe from 300 East to 600 East. The disrupted road surface will be milled and overlain with asphalt. The applicant is contributing \$600,000 to the project.

The applicant indicated that the level of the reservoir is very low and that a reduction in water delivery has been discussed. The diminished water delivery produces a reduction in revenues.

The Board expressed concerns that the CIB is subsidizing water projects and keeping water rates low. The Price City MAGI is quite low. The Board stated that raising water rates will reduce water use.

The applicant indicated that they have discussed increasing the rates but the increase proposal will not cover a loan for this project which would require an additional increase.

The Board acknowledged the desire for low water rates but the Price City MAGI is very low per the DEQ guidelines.

The Board discussed project funding.

**Richard Ellis made and Gregg Galecki seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$600,000 loan for 20 years at 2.5% interest. The motion carried unanimously.**

### 4. Tabby Valley Parks and Recreation Special Service District (Duchesne County)

Tabby Valley Parks and Recreation SSD presented a funding assistance request for a \$200,000 loan for 30 years at 0.0% interest and a \$200,000 grant (total \$400,000) for park improvements to include constructing a 100' X 50' maintenance building, constructing a shade structure for the existing bleachers, expanding the riding arena bleachers to double the capacity and expanding the sprinkler system.

The applicant stated that Tabby Valley Parks and Recreation Special Service District was formed in 2002 and includes the areas of Tabiona, Hanna, and parts of Fruitland. The park is utilized 4-5 days per week. The seating is inadequate at the riding arena and a shade structure is needed for the bleachers. Storage of maintenance equipment is accommodated by two old shipping containers and sprinkling system improvements are needed. The function of the park is accommodated through donated help. The District has put up lights, fencing, arena sand, purchased a water truck for the arena, tractors and equipment to

work the arena but there is no secure storage. The Recreation Board meets at the school library and records are stored in people's houses.

The Board acknowledged the efforts of the District and discussed project funding.

**Gregg Galecki made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$200,000 loan for 30 years at 0.0% interest and a \$200,000 grant (total \$400,000). The motion carried unanimously.**

#### 5. Roosevelt City (Duchesne County)

Roosevelt City presented a funding assistance request for a \$307,000 loan for 30 years at 0.0% interest and a \$2,764,000 grant (total \$3,071,000) for a water, sewer and drainage project to include the design and construction of 7,060 linear feet of water lines, 1,900 linear feet of storm drain and 1,795 linear feet of sewer pipe. The project also includes roto-milling, compacting and placement of over 305,500 square feet of hot mix asphalt. Other street improvements include 25 approaches, 21 ADA pedestrian ramps and nearly 4,000 linear feet of curb and gutter and sidewalks. The project also includes the costs to construct a bridge culvert with sufficient capacity to pass the 100-year flows for the Dry Gulch watershed from 250 cfs to 1,170 cfs. The applicant is contributing \$240,000 to the project.

The applicant indicated that the project includes critical improvements to the road and deteriorating pipe.

The Board inquired about the prioritizing the new aquatic center which was approved over this project.

The applicant indicated that the aquatic center was a community effort involving a lot of fund raising.

The Board expressed appreciation that the water and sewer lines would be placed and then the road improved rather than in inverse order.

The Board discussed project funding.

**Mike McKee made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$307,000 loan for 30 years at 0.0% interest and a \$2,764,000 grant (total \$3,071,000).**

After further discussion a substitute motion was made.

**Gregg Galecki made and Richard Ellis seconded a substitute motion placing this project on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$1,530,000 loan for 30 years at 2.5% interest and a \$1,530,000 grant (total \$3,060,000). The motion failed with four ayes (Ellis, Galecki, Jarrett, Potter) and five nays (Zeenati, Adams, Matson, McKee, Winterton).**

The Board returned to the original motion.

**Mike McKee made and Jim Matson seconded the original motion placing this project on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$307,000 loan for 30 years at 0.0% interest and a \$2,764,000 grant (total \$3,071,000). The motion carried with Galecki, Jarrett, and Ellis opposed.**

#### **IV. PENDING LIST**

##### 1. Mt. Pleasant City (Sanpete County)

On April 2, 2015 Mt. Pleasant City presented a funding assistance request for a \$1,125,000 loan for 30 years at 0.0% interest and a \$1,125,000 grant (total \$2,250,000) for the construction of an 11,000 square

foot swimming pool with a retractable roof and a 2,400 square foot splash pad including equipment, installation, electrical connections and culinary water connections.

The applicant indicated that this project is phase one of a recreation plan with the intention of bringing together the communities of North Sanpete County, North Sanpete School District, the northern unincorporated areas of Sanpete County, and Wasatch Academy. North Sanpete High School and Wasatch Academy will use the pool for high school swimming competition. Mt. Pleasant Municipal Building Authority will be the lead entity. The funding will be through a lease revenue bond. Wasatch Academy has committed to \$30,000 per year for facility use.

The applicant stated that there will be the creation of the North Sanpete Recreation District which will provide a revenue stream for operations and maintenance. There will be a board of directors to guide and manage all recreation venues which will include the swimming pool and splash pad as well as a future recreation center.

The Board discussion of the project included concern about the size of the pool, operation and maintenance costs, the actual applicant entity and the county's involvement, who will manage the facilities, the participation of Wasatch Academy and if Mt. Pleasant had a written commitment from Wasatch Academy.

The Board asked what the timeline was for establishing a recreation district and what the plan was for subsequent phases.

The Board suggested that this project be placed on the Pending List for review at a future meeting in order for the applicant to respond to issues pertaining to the project.

**Ron Winterton made and Gawain Snow seconded a motion placing this project on the Pending List for consideration at a future CIB meeting. The motion carried unanimously.**

Mt. Pleasant City requested time at the May 7, 2015 CIB meeting to discuss the project and Board questions presented at the April 2, 2015 CIB meeting.

Mt. Pleasant City appeared before the Board to discuss funding assistance for a \$1,125,000 loan for 30 years at 0.0% interest and a \$1,125,000 grant (total \$2,250,000) to construct an 11,000 square foot swimming pool with a retractable roof and a 2,400 square foot splash pad including equipment, installation, electrical connections and culinary water connections.

The applicant indicated that the funding partners for the development of the pool are Mt. Pleasant Local Building Authority as owner and responsible entity for payment of the revenue bond with Mt. Pleasant City as the lessee who will pay \$45,000 per annum for the use of the splash pad and pool as part of its recreation program and Wasatch Academy as a sub-lessee who has committed to pay \$30,000 per year for use of the pool for its swim team.

The Board expressed extreme concern that the pool operation numbers indicate a negative budget according to information provided. The Board asked what the timeline would be for the formation of the North Sanpete Recreation District.

The applicant expressed strong belief that the budget is in balance and stated that the recreation district is being developed, but the city could handle it. Wasatch Academy is willing to operate and manage the pool as a sub-lessee and that any shortfall would be handled by Wasatch Academy.

The applicant indicated a commitment to pay from the general fund referring to the million dollar reserve for debt service and reiterated the intent of Wasatch Academy to commit \$30,000 annually.

The Board inquired about using the \$1,000,000 reserve fund for this project.

The applicant stated the reserve is technically a fund to cover other needs.

The Board suggested planning for potential economic downturn and referred to pools which have been financially supplemented for 30 years.

The Board discussed the project funding.

**Naghi Zeenati made and Gregg Galecki seconded a motion placing this project on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$1,125,000 loan for 30 years at 2.5% interest and a \$1,125,000 grant (total \$2,250,000). The motion carried with Ellis opposed.**

## **V. SUPPLEMENTAL FUNDING REQUESTS**

### 6/14/2012 Helper City (Carbon County) Water, Sewer and Drainage

#### 1. (Water System)

Helper City's funding request was awarded as a **\$7,000,000 loan for 30 years at 2.5%** interest to improve the existing water system which is old and undersized.

#### 2. (Sewer System)

Helper City's funding request was awarded as a **\$5,500,000 loan for 30 years at 2.5%** interest to make sewer improvements to the existing system which is circa 1950 and deteriorating. Some sections of the pipe are missing and much of the system is failing and does not meet state code.

#### 3. (Storm Drainage)

Helper City's funding request was awarded as a **\$7,000,000 grant** to create a storm drain network to properly route storm water.

### **Total Funding Request: \$19,500,000**

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|--------------------------------|--|
| 1. Water System improvements   | \$7,000,000 loan for 30 years at 2.5% interest |
| 2. Sewer System improvements   | \$5,500,000 loan for 30 years at 2.5% interest |
| 3. Storm Drainage improvements | \$7,000,000 grant                              |

**Robert Bessey made and Steven Simpson seconded a motion to fund the projects as advanced to the Priority List. The motion carried unanimously.**

In May 2015, Helper City requested time on the May 7, 2015 meeting to discuss the supplemental funding request for water, sewer and drainage system improvements.

### **Total Supplemental Funding Request is \$8,300,000.**

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|--------------------------------|---|
| 1. Water System Improvements   | \$3,150,000 loan for 30 years at 0.0% interest. |
| 2. Sewer System Improvements   | \$2,000,000 loan for 30 years at 0.0% interest  |
| 3. Storm Drainage improvements | \$3,150,000 grant                               |

### **Total Original and Supplemental Funding Requests is \$27,800,000.**

The Board expressed concern at the amount of the supplemental funding request and inquired as to why the project was so far over budget.

The applicant indicated the following:

- The Master Plan was written in 2011 and the engineering firm used unit prices that they had used on projects they had completed in 2010 and 2011. The first two projects were not bid until 2013 and prices had changed which increased construction costs.

- The existing roads are in poor condition requiring an unanticipated full road width replacement on most roads due to construction traffic.
- Non-listed issues occurred outside the Master Plan to include rock removal from the utility trench zones and sewer installation within resident's yards.
- Increased unit prices for culinary and sewer service main lines to the homeowner's property line.

The applicant indicated that to complete the project, supplemental funding is needed. The applicant has not investigated other funding sources.

The Board inquired as to whether the contractor was bonded for the project.

The Board discussed placing these projects on the Pending List while other funding sources were investigated.

The applicant indicated that contracts are in place to finish this last phase of the projects.

**Mike McKee made and Ron Winterton seconded a motion placing these three projects on the Pending List as a \$3,150,000 loan for 30 years at 0.0% interest - water, a \$2,000,000 loan for 30 years at 0.0% interest - sewer, and a \$3,150,000 grant - storm drainage (total \$8,300,000).**

After further discussion from the Board, a substitute motion was made:

**Naghi Zeenati made and Richard Ellis seconded a substitute motion placing these three projects on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$3,150,000 loan for 30 years at 2.5% interest - water, a \$2,000,000 loan for 30 years at 2.5% interest - sewer, and a \$3,150,000 grant - storm drainage (total \$8,300,000). The motion carried with Winterton, Jarrett, and McKee opposed.**

#### 4. Fairview City (Sanpete County)

On February 12, 2012 the CIB authorized funding as a \$400,000 loan for 30 years at 0.0% interest and an \$800,000 grant (total \$1,200,000) to remove the interior wood structure of the existing historical building, adding new windows, door, utilities, floors and interior walls to create space for the police department. There will be evidence and interrogation space, office space for various departments, a conference room, elevator, restroom and shower added to the existing building. Additional space will be constructed to the north of the existing building to house a library in the basement and main level city office space for employees, a break room, records room, judge's chambers, council room/court chamber, etc.

On June 14, 2012 the CIB authorized supplemental funding as a \$100,000 loan for 30 years at 0.0% interest and a \$100,000 grant (total \$200,000).

On February 3, 2015 Fairview City requested time on the May 7, 2015 CIB agenda to discuss a second supplemental funding request for the city hall renovation.

Fairview City presented a second supplemental funding request for a \$150,000 loan for 30 years at 0.0% interest and a \$250,000 grant (total \$400,000).

The applicant stated that the foundation of the building was constructed using roughly shaped stacked rocks with no mortar between the rocks and the foundation could not support the new construction. The north and south walls had settled about two inches into the supporting soils and the stone arches over the front windows had started to collapse. Structural engineers deemed the project unsafe so the old building could not be utilized. The City kept the stone and footprint of city hall.

The applicant stated that they didn't want to come to this board until the direction was certain and numbers could be put to the request which was in January of this year.

The Board acknowledged the community's efforts to match the original building and the desire to complete the project.

**Claudia Jarrett made and Mike McKee seconded a motion placing this supplemental request on the Priority List for funding consideration at the June 11, 2015 funding meeting as a \$150,000 loan for 30 years at 0.0% interest and a \$250,000 grant (total \$400,000). The motion carried unanimously.**

## **VI. BOARD MEMBER ISSUES**

The Board acknowledged Gordon Walker for his service, leadership and direction as he steps down from his position as the Housing and Community Development Division Director.

## **ADJOURNMENT**

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be Thursday, June 11, 2015 at the Carbon County Senior Center, 450 South Fairgrounds Road, Price, Utah.

The meeting adjourned at 11:20 a.m.

Submitted by:  
Cristine Rhead