

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

Minutes

Wednesday, September 3, 2014

Members Present

Gordon D. Walker	Chairman
Richard Ellis	State Treasurer
Jeffrey Holt	State Transportation Commission
Claudia Jarrett	Six County Association of Governments
Bruce Adams	Southeastern Utah Association of Governments
N. Gawain Snow	State Board of Water Resources
Kent Peatross	Uintah Basin Association of Governments
Jae Potter	Carbon County
Michael McKee	Uintah County
Jim Matson	Five County Association of Governments
Gregg A. Galecki	State Board of Water Quality

Staff and Visitors

Keith Heaton	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
Michelle Vobora	Housing and Community Development
Nick Baker	Housing and Community Development
Mike Hansen	Housing and Community Development
Katherine Smith	Housing and Community Development
Brenda Brown	Housing and Community Development
Kimberley Schmeling	Housing and Community Development
Amy Bridan	Housing and Community Development
Thom Roberts	Attorney General's Office
Bret Reynolds	Civco Engineering
Troy D. Ostler	Civco Engineering
Alan Roper	Millard County
Ron Winterton	Duchesne County
Daron Smith	Millard County
Rhonda Forde	Questar Gas
Brad Simons	Questar Gas
Ben Pocock	Hanna Water & Sewer District
Matt McAllister	Mountainland Supply
Jacob Sharp	Castle Valley Special Service District
Richard Reeb	Bluff Service Area
Doug Parsons	East Carbon City
Darrel Leamaster	Johansen & Tuttle Engineering
Merial Johansen	Johansen & Tuttle Engineering
Jesse Johnson	Division of Drinking Water
Dwayne Brown	Salina City

Earl Gardner
Roy Prows
Mike McCandless
Linda Clark Gilmor
Rex Harrison
Rick Carlton
Gil Hunt
Rachel Legree
Mike Seely
Michael Bryant
John Mackey
Eric Johnson
Dixie Jones
Mac Reber
Nick Castleton
Cody Christensen
Ralph Okerlund
Brian Carver
Shari Phippen
Brian Barton
Russell Frandsen
Cecil Roberts
Kelly Crane
Alex Buxton
J. Michael Hansen
Richard Barlow
Douglas Nielsen
Kory Moosman
Joan Powell
Paul Larsen
Brian Raymond
Kent Allred
Michael Bryant
Emery Polelonema

Kanosh Town
Kanosh Town
North Emery Water Users Association
Millard County
Horrocks Engineering
Juab County
Bicknell Town
Gordian Group
Juab County
Southeastern Utah Association of Local Governments
Division of Water Quality
Blaisdell & Church
Hanna Water & Sewer District
Hanna Water & Sewer District
Eureka City
Uintah Basin Association of Governments
Jones & DeMille Engineering
Bear River Association of Governments
Nibley City
Jones & DeMille Engineering
Legislative Fiscal Analyst
Hanna Water & Sewer District
Ensign Engineering
Zion's Bank Public Finance
Nine Mile Canyon Coalition
Hildale City
Sunrise Engineering
Wellington City
Wellington City
Brigham City
Daggett County
Rocky Ridge Town
Southeastern Utah Association of Local Governments
Six County Association of Governments

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Wednesday, September 3, 2014 at the Department of Workforce Services Building, Conference Room #157, 1385 South State Street, 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 seventeen new projects listed for review on the agenda.

Review of Agenda Items

Candace Powers reviewed the agenda items with the Board members.

I. INTRODUCTIONS

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

II. APPROVAL OF MINUTES

Chairman Walker requested a motion to approve the minutes for the August 7, 2014 Board Meeting.

Claudia Jarrett made and Gawain Snow seconded a motion to approve the minutes from the August 7, 2014 Board meeting as written. The motion carried unanimously.

III. NEW PROJECTS

1. East Carbon City (Carbon County)

East Carbon City presented a funding assistance request for a \$120,000 loan for 20 years at 1.5% interest and a \$191,000 grant (total \$311,000) for new water meters. This project consists of installing 749 new "smart" water meters in East Carbon City. The applicant is not contributing any funding to this project.

The applicant stated that East Carbon City and Sunnyside City were consolidated in January 2014. Sunnyside City has electronic read meters and East Carbon City currently has manual meters. The applicant desires to upgrade the East Carbon manual meters to radio read meters to help with the accuracy in water usage and billing. The applicant indicated that the radio read meters would save time and be more efficient.

The Board expressed concern that this request may be a "wish" more than a need for the city.

Richard Ellis made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$311,000 loan for 20 years at 1.5% interest.

After further discussion by the Board a substitute motion was made.

Claudia Jarrett made and Jae Potter seconded a substitute motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as requested: a \$120,000 loan for 20 years at 1.5% interest and a \$191,000 grant (total \$311,000). The motion failed with 3 ayes (Jarrett, Potter, Matson) and 7 nays (Ellis, Snow, Galecki, Holt, Adams, Peatross, McKee).

The Board expressed support for the original motion.

The original motion was made by Richard Ellis and seconded by Jim Matson placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$311,000 loan for 20 years at 1.5% interest. The motion carried with Claudia Jarrett opposed.

The applicant asked if the Board might defer the first payment for two years allowing them to clear one of their existing loans.

Jeff Holt made and Jim Matson seconded an amendment to the original motion to include a 2 year deferral of principle payments. The applicant will pay interest only for the first two years. The motion carried unanimously.

2. East Carbon City (Carbon County)

East Carbon City presented a funding assistance request for a \$256,000 grant for culinary water system improvements. This project consists of repairs to the 30 year old water treatment plant and the 62 year old Grassy Trail Reservoir to include new control valves, modifying the dam outlet structure (required by Utah Dam Safety inspections), clearing the drainage channel and repairs to the East Carbon water treatment plant to include the installation of a 10' X 15' steel generator housing and a new diesel electric

generator, replacing 2 control valves, replacing 8 pneumatic actuators, a new plant air compressor and air dryer and a chlorine generator. The applicant is not contributing any funding to this project.

The Board asked if the applicant had researched or contacted any other sources for funding stating that the Division of Water Resources has a program for the replacement of dams if there is a safety issue.

The applicant indicated that they have not contacted the Division of Drinking Water.

The Board expressed support for this project.

Gawain Snow made and Claudia Jarrett seconded a motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$256,000 grant . The motion carried unanimously.

3. Wellington City (Carbon County)

Wellington City presented a funding assistance request for a \$151,000 grant to restore the 50' tall 41' diameter 500,000 gallon Wellington City water tank to include applying 9,080 square feet of interior coating, 7,760 square feet of exterior coating and installing an electronic SCADA system to read the water capacity in the tank. The applicant is contributing \$10,000 to the project.

The Board indicated that this was a maintenance issue and asked if there was a plan for handling maintenance issues.

The applicant indicated that the city administration is new and not aware of a maintenance fund.

The Board asked the applicant about current water rates and rate increases.

The applicant did not have that information.

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

Claudia Jarrett made and Jim Matson seconded a motion placing this project on the Pending List for consideration at a future CIB meeting. The motion carried unanimously.

4. Hanna Water & Sewer District (Duchesne County)

Hanna Water & Sewer District presented a funding assistance request for a \$630,000 grant for water system improvements to the Annie Mae Water Supply Project. Included in the project will be site work, piping, controls and a 0.75MG concrete water storage tank. The applicant is contributing \$50,000 to the project.

The applicant stated that this project is to provide storage capacity for peak day and fire protection in the upper pressure zones of Hanna's water system that have no storage. This storage tank will bring the water storage into compliance with the Division of Drinking Water standards. The Division of Drinking Water has authorized the use of \$180,000 in remaining funds from a larger water project authorized in 2010.

Claudia Jarrett made and Gawain Snow seconded a motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$630,000 grant. The motion carried unanimously.

5. Salina City (Sevier County)

Salina City presented a funding assistance request for \$23,500 in grant funding for a 2014 Water Study to update Salina's water master plan, developing a water system impact fee, and updating the City's GIS mapping system. The applicant is applying to the Division of Drinking Water for matching funds.

Gawain Snow made and Michael McKee seconded a motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$23,500 grant contingent on proof of matching funds. The motion carried unanimously.

6. Millard County (Millard County)

Millard County presented a funding assistance request for a \$2,789,000 loan for 20 years at 0.0% interest and a \$931,000 grant (total \$3,720,000) for natural gas transmission lines. The project consists of the installation of intermediate high pressure (IHP) gas main lines including excavation, installing 2", 4", and 6" lines, testing, meters, rights of way and replacing asphalt in unserved Millard County cities and communities. This area includes the Sutherland/Abraham area (157 residences), the South Track area (60 residences) and the Flowell area (46 residences) which rely on propane for heating. The applicant is contributing \$931,000 to the project.

The Board expressed concern that the project may provide a direct benefit to a private company.

The Board indicated that this is not a typical CIB project and may be a misuse of CIB funds and indicated that perhaps Questar should fund this project.

The applicant deferred to Questar Gas who responded that they do not do construction and new developments and stated that this project is similar to a developer building the infrastructure.

The Board indicated that though this is a good project, it is not within the purview of CIB funding and suggested that the applicant seek private funding for this project.

Jeff Holt made and Gregg Galecki seconded a motion to deny this project. The motion carried unanimously.

7. Town of Kanosh (Millard County)

The Town of Kanosh presented a funding assistance request for \$100,000 loan for 20 years at 0.0% interest and a \$200,000 grant (total \$300,000) for a power line rebuild from Kanosh to Meadow. The project consists of upgrading and replacing 6.52 miles of 50 year old, undersized electrical feeder line poles and hardware from Kanosh to the Meadow substation with 40-foot class 4 poles and 350 foot ruling span raptor framed. The applicant is contributing \$2,000 to the project.

The applicant stated that the Kanosh Town electrical feeder line is 50 years old and needs upgrading, the poles are undersized and the span lengths over-long to meet current strength requirements. The applicant indicated that there is only \$30,000 revenue a year to go towards line maintenance. They have an agreement with Flowell Electric Association for maintenance and construction.

The Board expressed concern that the agreement indicates the Flowell Electric Association will operate, maintain and construct new facilities but the applicant indicated that the Association is not doing the upgrade. The Board suggested the applicant seek other sources of funding.

The applicant indicated that the interest rate on a private loan would make payments difficult and they do not want to raise the rates which would burden the residents. The applicant further indicated they have not contacted the Utah Association of Municipal Power Systems (UAMPS) for possible grant funding.

The Board expressed concern about this type of project and CIB funding. The Board indicated that the project appears to be a maintenance issue for which the applicant should be responsible.

Jeff Holt made and Michael McKee seconded a motion to deny this project. The motion carried unanimously.

Thom Roberts, legal counsel to the Board, left the meeting.

8. North Emery Water Users Special Service District (Emery County)

North Emery Water Users SSD presented a funding assistance request for a \$405,000 grant for culinary water system pressure improvements. This project consists of replacing the booster pumps, motors, piping and electrical services at the Gardner Booster Pump Station; replacing valves, piping and air/vacuum relief valves at the Gardner PRV Station and the Lawrence Line PRV station; a new vault, piping and valves at the UP&L PRV Station, Lawrence Tank PRV Station, Lawrence Altitude Valve Station and the Airport Road PRV Station; replacement of various pressure reducing valves and additional air and vacuum relief valves within the District's distribution system. The applicant is contributing \$5,000 to the project.

The applicant stated that recent flooding along the Huntington Creek has caused damage to pressure control valves and pump locations. Several miles of pipe are out of use. Flood waters exceeded the vaults access hatch height and the stations experienced both water and sediment damages. The booster pumps have been rendered inoperable.

The applicant indicated that the nine pressure-reducing valve stations in this project were originally constructed in the early 1970's and without these improvements, water distribution will be diminished. The applicant does have a maintenance fund, but system revenue is decreasing. The applicant stated that legislative and NRCS sources of funding have been applied for but they have not received any other funding.

The Board discussed financial options for this project.

Richard Ellis made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$203,000 loan for 20 years at 0.0% interest and a \$202,000 grant (total \$405,000). The motion carried unanimously.

9. Castle Valley Special Service District (Emery County)

Castle Valley SSD presented a funding assistance request for a \$700,000 loan for 6 years at 1.5% interest and a \$2,000,000 grant (total \$2,700,000) for constructing a new, 5,000 square foot, 1.0 MGD capacity water treatment plant. The plant will have on-site sodium hypo chlorination generation for disinfection and equipment, including effluent pumps, flow meters and a SCADA system to be located at 115 West Mill Road in Ferron, Utah to replace the existing 33 year old water treatment plant. The applicant is contributing \$18,000 cash, \$27,000 in-kind (Feasibility Study) and \$60,000 in land to this project.

The applicant indicated that the Ferron City water treatment feasibility study was completed in March of 2014 recommending the existing plant be replaced. The new 1.0 MGD plant is to be constructed at the site of the existing 1967, 300 gpm capacity plant located in Ferron City.

The Board discussed financial options for this project.

Michael McKee made and Gregg Galecki seconded a motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$1,350,000 loan for 25 years at 1.5% interest and a \$1,350,000 grant (total \$2,700,000). The motion carried unanimously.

10. Juab Special Service Fire District (Juab County)

The Juab Special Service Fire District presented a funding assistance request for a \$468,000 loan for 30 years at 0.0% interest and a \$701,700 grant (total \$1,169,700) for a new fire station at Rocky Ridge. This project consists of constructing a new 80' X 96', 7,680 square foot 4-bay fire station to include a training room, showers, laundry facilities, offices and storage room to be located at 192 East Rocky Ridge Road in Rocky Ridge and service approximately 80 square miles of the northern most part of Juab County. The applicant is contributing \$10,500 to the project.

The applicant indicated that Rocky Ridge does not have a fire station and that Juab Special Service Fire District is currently storing 8 Fire Trucks at a cost of \$16,800. The fire personnel train in leased warehouse space.

The Board asked if the applicant had established an impact fee for new construction.

The applicant indicated they do not have an impact fee, but use taxes.

The Board asked if the applicant had the authority to levy an impact fee.

The applicant stated they did.

The Board discussed funding options.

Claudia Jarrett made and Jae Potter seconded a motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$585,000 loan for 30 years at 0.0% interest and a \$584,700 grant (total \$1,169,700).

After further discussion, a substitute motion was made.

Michael McKee made and Gregg Galecki seconded a substitute motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$585,000 loan for 30 years at 1.5% interest and a \$584,700 grant (total \$1,169,700). The motion carried unanimously.

11. Eureka City (Juab County)

Eureka City presented a revised funding assistance request for a \$21,020 grant for cemetery road improvements to include grading, hauling 1,200 tons of roto-mill, gravel for road base and the compacting of the road surface. The applicant is contributing \$48,600 to the project.

The applicant indicated that the cemetery road is narrow and people park on the road in front of the cemetery which requires a walk to the grave site across a cattle guard. A fence has been moved which will allow the widening of the road. The applicant has secured a source of gravel to be used as road base requiring the available roto-mill to be hauled from Mona to Eureka. This project includes the replacement of the fence.

The Board expressed concern about previously authorized funding to the applicant and the provision of additional funding as well as the issue of timely loan payments on existing loans.

The applicant indicated that accounts will be current this month.

Claudia Jarrett made and Kent Peatross seconded a motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$21,020 grant. The motion carried unanimously.

12. Mona City (JuaB County)

Mona City was scheduled on the agenda to present a funding request for a \$325,000 grant for water system improvements. The project consists of installing 7,000 linear feet of 10" waterline from the storage tanks to the distribution system and replacing 1,100 linear feet of deteriorating 8" cast iron pipe within the current system and pavement repair. The applicant is contributing \$325,104 to the project.

The CIB staff received a request from Mona City to defer the application to a later date.

13. Town of Tropic (Garfield County)

The Town of Tropic was scheduled on the agenda to present a funding request for a \$155,000 loan for 30 years at 0.0% interest and a \$155,000 grant (total \$310,000) for Dr. Goode Springs Development. The project consists of redeveloping Spring Creek at the Dr. Goode Spring Creek collection area to clear root intrusion, replacing the collection lines and adding new collection lines, installing riprap armoring along the banks and installing a new concrete lid and hatch to meet current Division of Drinking Water standards. The applicant is contributing \$10,000 to the project.

The Town of Tropic contacted the CIB staff requesting their application be withdrawn.

14. Bicknell Town (Wayne County)

Bicknell Town presented a funding request for a \$150,000 grant for street improvements. This project consists of crack sealing approximately 6 miles, patching failing sections, then chip sealing those 6 miles of Bicknell Town streets. The applicant is contributing \$10,000 to project. Wayne County Special Service District #1 is contributing \$50,000.

The applicant indicated that many streets have not been treated for years and some have never been treated. The streets are deteriorating. The applicant stated that "B" and "C" road funds are very limited and the town's budget is very small.

The Board acknowledged the limited resources of communities.

Michael McKee made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the October 2, 2014 funding meeting as a \$150,000 grant. The motion carried unanimously.

15. Hanksville Town (Wayne County)

Hanksville Town presented a funding assistance request for a \$282,360 grant for the Old Rock Church restoration. This project consists of restoring the Old Rock Church at 30 South Center Street by installing a new roof structure with a vaulted truss system using the same architectural design as the original structure, installing new steel shake shingles, steel soffit and fascia, fiberglass insulation, electrical wiring and a drywall ceiling. A seismic analysis will be performed and new shear walls installed. New doors and windows will be installed that will have the original design and look and sealing the entire building. The applicant is contributing \$10,000 to the project. Wayne County is contributing \$20,000.

The applicant stated that the community is very concerned and invested in saving this building. It is the only historic building left in town. The applicant contacted the State Historical Preservation Office (SHPO) concerning this project. The State Historical Preservation Office has responded with concerns and questions regarding the planned changes to the building.

The Board asked the applicant if they had addressed the concerns indicated by SHPO.

The applicant did not have official representation at the meeting prepared to address those issues.

The Board expressed concern that without official representation prepared to answer questions concerning this application and SHPO's concerns, the application should be placed on the Pending List.

Claudia Jarrett made and Gregg Galecki seconded a motion placing this project on the Pending List. The motion carried unanimously.

16. Hanksville Town (Wayne County)

Hanksville Town presented a funding assistance request for an \$82,521 grant for equipment purchases. This project consists of purchasing a used Case 580 Super M Backhoe and 4WD tractor and a new Kubota B Series 4WD tractor with a mid-mount mower attachment. These pieces of equipment will be used for town maintenance. The applicant is contributing \$5,000 to the project.

The applicant stated that their current tractor is over 55 years old. The town does not own a backhoe and rents a backhoe and operator to provide water and sewer repairs, new utility connections and the opening and closing of graves.

The Board indicated that more information was needed from an official representative and suggested that this project be placed on the Pending List.

Gregg Galecki made and Gawain Snow seconded a motion placing this project on the Pending List. The motion carried unanimously.

17. Brigham City (Cache County)

Brigham City was on the agenda to present a funding request for a \$40,000 grant for a General Plan Update. This project has been referred to the Rural Planning Group.

18. Nibley City (Cache County)

Nibley City was on the agenda to present a funding request for a \$10,000 grant for a General Plan Update. This project has been referred to the Rural Planning Group.

The Board indicated that prior to a lunch break, the request for Supplemental Funding from the Bluff Service Area for the study of the flood mitigation options be reviewed.

IV. Supplemental Funding

1. Bluff Service Area (San Juan County)

The supplemental request for a \$34,916 grant consists of funding a study of the flood mitigation options analysis requested by the Board at the May 29, 2014 CIB meeting to include; Calf Canyon detention pond on the Stowell property; SITLA property; a detention pond upstream from the upper 7th East Culvert; channeling the Calf Canyon drainage west to discharge into Cottonwood Wash; increasing the channel/culvert capacity for Calf Canyon, Amphitheater and 7th East with erosion protection as needed with **no** realignment of 7th East or realign 7th East for larger channel; or do nothing and allow landowners to address the problem. The applicant is contributing \$16,000 in local cash to the project.

The applicant indicated that when the Board authorized funding at the May 29, 2014 CIB meeting, the authorization did not include any funding for the study portion of the project.

The Board indicated that it was their intent to provide funding for a thorough study and discussed rounding the grant amount to \$35,000.

Excerpt from the May 29, 2014 CIB minutes: ...*The Board suggested that by increasing the available funding for studying the issues, a better solution may be provided. The Board suggested authorizing sufficient funding to complete a “Chinese menu” study allowing multiple options for the correct remedy. The Board suggested the applicant work with staff, but did not define an amount for more study.*

Michael McKee made and Bruce Adams seconded a motion to suspend the rules and fund this request as a \$35,000 grant. The motion carried unanimously.

Thom Roberts, legal counsel to the Board, returned to the meeting.

19. Six County Infrastructure Coalition (Uintah, Duchesne, Carbon, Emery, San Juan, Daggett)

Six County Infrastructure Coalition (SCIC) presented a funding assistance request for a \$5,000,000 grant for an infrastructure study project. This project consists of technical support to collect and compile a database of infrastructure resources for six counties within Eastern Utah to include highways, pipelines, rights of way and railroad lines; cataloging all existing utility infrastructure (gas, sewer, electric, telephone) to include current and future tax revenues, mineral lease revenues, etc.; environmental studies, petroleum industry studies, testing and laboratory equipment and development of infrastructure projects.

The applicant indicated that this plan is for SCIC to identify and plan for, procure the funding for, permit, secure rights-of-way, and assess the infrastructure assets of the entire area. This study and subsequent project will benefit the region and the State.

The Board asked if there was an engineering firm that could handle such an extensive study.

It was indicated that there are perhaps 10 in the nation. An RFQ will be sent out. The SCIC officials will consider their options and outside planners will be hired for this study. The Rural Planning Group is not able to take on a project of this magnitude, yet. The applicant indicated that progress reports will be provided periodically.

The Board stated that millions of dollars were spent on the St. George Pipeline. Is \$5,000,000 enough?

After further Board discussion, a motion was presented.

Jim Matson made and Gawain Snow seconded a motion to suspend the rules and fund this request as a \$5,000,000 grant. The motion carried unanimously.

Chairman Walker requested a motion for the Board to discuss the proposed Special Consideration request for funding for the Six County Infrastructure Coalition.

Gawain Snow made and Jae Potter seconded a motion to hear a request for Special Consideration from the Six County Infrastructure Coalition. The motion carried unanimously.

V. Special Consideration

1. Six County Infrastructure Coalition (Uintah, Duchesne, Carbon, Emery, San Juan, Daggett)

Six County Infrastructure Coalition presented a funding assistance request for a \$50,000,000 grant for a Railroad Loan Reserve Trust Fund. This project consists of prepaying a “credit scoring amount” of 5-7% of the face amount required to obtain available funding for a municipal rail project. The estimated cost of the rail spur is currently set at between \$2-3 billion, which then sets up the range for the credit score, of between \$100mm and \$210mm. In order to set aside the amount that may be required for the credit scoring assessment, SCIC is requesting that the CIB designate a Railroad Loan Reserve Trust Fund and immediately set aside \$50,000,000 to begin the funding of that requirement.

The applicant stated that funding is available from the federal government to subsidize municipal rail systems in the United States. The 'Rail Road Rehabilitation Improvement Fund' has been on the books for 35 years. Federal dollars have been approved and funding is available to all states, but the requirement of matching funds is a difficult hurdle.

The Board stated that this is a very large amount and would certainly require a serious consideration of the needs of other applications and projects.

The applicant and the Board concurred that the challenge would be to provide support for the needs of applicants with much needed projects and to make the necessary decisions concerning projects that may be not as critical.

The Board asked if there would be mineral lease revenues sufficient to cover the requirement of the 'credit scoring amount' or matching funds.

The discussion included projections of deferring project funding and the possibility of costs for this project increasing over time.

The Board acknowledged that this is a tremendous opportunity that may not be possible or more cost prohibitive in the future and will definitely require a lot of forward thinking. The Board asked what the timeline would be.

The applicant stated that first, there will be the study of the infrastructure of the whole area and with that information, the possibility of municipal rail would evolve and be developed. The applicant stated that other funding may also be offered and encouraged as the project proceeds and the railroad would be owned by whoever participates in funding. The applicant also stated that the study would include consideration of other infrastructure possibilities.

The Board stated that the capacity to accommodate this started before many were on the Board. The Board is creating a tremendous and positive impact on the State's infrastructure.

The applicant indicated that the Board can permit and provide for the project to happen and the infrastructure will pay for itself. The state is looking at a potential \$123 billion in economic activity.

The applicant further indicated that the Governor has indicated support but that this type of funding is 'not on the State ledger'. The applicant also indicated that UDOT is overseeing permitting.

The Board inquired as to how soon these matching funds need to be in place, and what occurs if the project does not move forward?

It was indicated that the permitting would take 2 ½ to 3 years. At that time, the application for federal funding will occur. If this project does not move forward, this funding request can be withdrawn.

After further discussion by the Board, a motion was made.

Kent Peatross made and Jae Potter seconded a motion to suspend the rules and fund this request as a \$50,000,000 grant. The motion carried unanimously.

Adjournment

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, October 2, 2014 starting at 8:30 a.m. in the Department of Environmental Quality Board Room at the Multi-Agency State Office Building, 195 North 1950 West, Salt Lake City, Utah.

This meeting adjourned at 2:35 p.m.

Submitted by:
Cristine Rhead