

**PERMANENT COMMUNITY IMPACT FUND BOARD MEETING**

Department of Workforce Services  
Housing and Community Development Division  
St. George, Utah

**MINUTES**

November 2, 2023

**Members Present**

Kirt Slaugh	State Treasurer's Office
Naghi Zeenati	State Transportation Commission
Dean Baker	Uintah County
Jerry Taylor	Five County Association of Governments
Bruce Adams	Southeastern Utah Association of Local Governments
Scott Bartholomew	Six County Association of Governments
Jack Lytle	Uintah Basin Association of Governments
Greg Miles	Duchesne County
Laura Hanson	Governor's Office of Planning and Budget

**Members Virtual**

Ralph Brown	Sevier County
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**Members Excused**

Curtis Wells	Chairman
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**Staff and Visitors**

Candace Powers	Housing and Community Development
Heather Poulsen	Housing and Community Development
Jennifer Domenici	Housing and Community Development
Paul Moberly	Housing and Community Development
Christopher Pieper	Attorney General's Office
Brittany Hardy	Department of Workforce Services
Kaylee Beck	Department of Workforce Services
Gary Zabriskie	Five County Association of Governments
Greg Jensen	Uintah County Landfill
Jimmy Johnson	San Juan County Health
Farley Crofts	San Juan County Health
Burke Torgerson	Lyman Town
Jeremy Raymond	Uintah Fire Suppression Special Service District
Bret Reynolds	Uintah Fire Suppression Special Service District
Brian Gorum	Uintah Fire Suppression Special Service District
Mark Hales	Pierce Distributing
Brad Horrocks	Uintah County
Clayton Holt	San Juan County Health
Nate Wiberg	Five County Association of Governments
Michele Jolley	Richfield City
Gary Barney	Central Valley Town
Charles Evans	Central Valley Town
Ben Coray	Sunrise Engineering
Makayla Bealer	Town of Milford
Les Whitney	Town of Milford
Kendrick Thomas	Richfield City
Jamison Christensen	Jones & DeMille Engineering
Daven Quarnberg	Aurora City
Al Jensen	Aurora City
Parker Vercimak	Jones & DeMille Engineering
Charles Evans	Central Valley Town

Bryan L. Burrows  
Cody Christensen  
Skyler Davies

Richfield City  
Five County Association of Governments  
Utah Division of Water Quality

**VIRTUAL:**

April Gardner  
Sarah Nielsen  
Clint Johnson  
Ron Winterton  
Tamara Dockstader  
Kevin Yack  
Greyson Collins  
Gennie Bird  
Tyler Timmons  
Brady Edwards  
Bret Reynolds  
Zeke Atwood  
Keith Heaton  
Kristen Mogen

Department of Workforce Services  
Department of Workforce Services  
Aurora City  
Duchesne County / Utah Senate  
Southeastern Utah Association of Local Governments  
Uintah Basin Association of Governments  
  
Uintah County  
Six County Association of Governments  
Richfield City  
Civco Engineering  
Uintah County  
Seven County Infrastructure Coalition  
Richfield City

**WELCOME AND INTRODUCTIONS**

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, November 2, 2023 and was called to order at 9:04 a.m. by Chairman Naghi Zeenati. Chairman Curtis Wells is excused.

**I. BRIEFING** [2:07]

**1. Up-coming Meeting Dates & Location – December 7, 2023 – Salt Lake City, UT**

**2-3. Financial Review** [3:20]

DWS Financial Manager Kaylee Beck discussed revenue and expenses. Historically, the average receipt per month was approximately \$5 million per month. Today there is a balance of approximately \$500,000 total mineral lease and bonus. This does not include October and November revenue deposits but the first two months of FY2024 were lower than last year. Finance will research dormant PTIF accounts to recapture unused funds. October revenue is not yet available. DWS finance does not get data reports as to leases or production from the private companies generating this revenue.

Mr. Slaugh asked if there were trends to indicate the fluctuation of revenue.

Ms. Beck stated there is not a report to show production; the revenue fluctuates but September was particularly low.

Mr. Slaugh requested some follow up to indicate to the Board what is happening with the revenue.

Ms. Beck indicated they have contacting the agencies that actually receive the revenue wherein they have provided no clarity as to fluctuating revenues; they only report the amounts and provided no additional support.

*It was indicated that Utah is still producing commodities but it is on private or State lands; federal land is locked disallowing new leases resulting in a reduction in revenue to the mineral lease fund. Existing leases have not been closed therefore some resources from companies on federal land continue to come in.*

Commissioner Miles noted information from the Division of Oil, Gas & Mining indicates that leases on federal land were 56.3% and in 2023 they were 22% so there has been a significant decline. Permits are being issued on private, tribal and some state lands. There is also a significant decline in coal revenue due to the “war on coal”. He noted the special service district in Duchesne received zero revenue last month and would like to see how those monies are allocated.

Ms. Beck indicated they would look into the deposits and the process at State Finance. She indicated there were some adjustments from last year which affect the balances this year.

Commissioner Adams stated there are coal resources in Southern Utah and that revenue will eventually stop unless there is a way to use coal that meets the approval of the administration. He suggested a breakout on coal.

At this time, Mr. Evan Curtis was introduced representing the Governor's Office of Planning and Budget on behalf of Laura Hanson and Commissioner Lytle introduced himself.

### **III. APPROVAL OF MINUTES** [13:14]

Chairman Zeenati called for a motion to approve the minutes from the October 5, 2023 CIB Funding Meeting.

**Jerry Taylor made and Bruce Adams seconded a motion to approve the minutes of the October 5, 2023 CIB meeting. The motion carried unanimously.**

The available revenue and applications were noted.

Commissioner Lytle noted the diminished revenue and asked for suggestions or recommendations from staff.

*The fund revenue is difficult to predict and the need has increased for funding good projects. CIB has received larger funding requests [submitted and funded] recently. The current application list also includes some large requests wherein the total of the requests is greater than usual in one trimester; requests this trimester total approximately \$104,323,028. If the Board could determine priority needs, projects that cannot be funded currently could then seek other sources of funding to avoid price and interest rate increases. This is a Board decision.*

Commissioner Miles suggested that given the current circumstances, the vast majority of the funding should be allocated as a loan to allow funds to return to the Board.

Commissioner Bartholomew indicated there isn't even revenue to loan and noted the difficulty presented.

*The available revenue through September is extremely limited; revenue is deposited each month. The bonus account revenue must be loaned with an interest rate and the balance today is only \$494,000. The mineral lease revenue balance is \$45,000. [The major infrastructure set aside is mineral lease revenue]. The Board can loan out of all accounts but the bonus account must bear an interest rate.*

Commissioner Lytle referred to the Daggett County water project in Dutch John which may not utilize all the CIB funding; a portion could be returned. There may be other projects which might not require all the appropriated funding.

*Most project funding is in process and it is uncertain if any will come in under budget wherein the funds would be returned; there are a few projects which have not started. The Board may suggest a time limit that the projects commence in a timely manner or the funds will be reallocated.*

Mr. Slauch referred to previously awarded projects may require some of the new revenue and asked what the possible amount of available revenue might be in February for the current requests. He noted that if the Board had allocated funding as a loan, there would be the additional revenue from repayments.

Commissioner Lytle noted that if the Board suggests all loan for all projects, many projects will withdraw their requests, look for other funding or not do the project. It would be preferable to keep a grant and loan funding package to support these projects acknowledging the diminishing revenue and the needs of the entities.

Commissioner Brown noted that each of the projects have gone through the process of getting priority at the city level, county level, AOG level then to the Board. The CIB Board may not understand the priorities of each of the little communities and those priorities should be considered.

Commissioner Taylor commented that with approximately \$21 million perceived by the funding meeting and

\$14 million in requests, the Board would have to put everything on hold for more than a year.

*The Board could review all applications and at the funding meeting, some projects would have to be denied. On February 1 and June 1, additional new project applications will be received and the Board will have to deny some projects.*

Commissioner Taylor indicated that a delay would likely cause the project costs to increase. He noted that having been a mayor of a small town, without CIB it would be difficult to provide the necessary infrastructure.

Mr. Slaugh stated there have been conversations with GOPB to see if there are any State funds available for critical infrastructure projects that need to continue. CIB has funded so many of these over the years that they have become reliant on the funding that comes through CIB. He will pursue other avenues to help rural Utah as CIB will not be able to fund as they have in the past.

*The Board may proceed with the current process and may have more information by February as to where to direct some of the entities.*

Mr. Slaugh indicated that if there is other funding, it would not be available until next year.

[39:30] Chairman Zeenati welcomed Heather Poulsen as the program specialist with CIB.

Chairman Zeenati acknowledged the applicants at today's meeting and given the current revenue situation allowed any to voluntarily withdraw their request.

#### **IV. NEW PROJECTS** [40:54]

##### **4.1. Uintah County Municipal Building Authority (Uintah County)** [42:00]

Uintah County Municipal Building Authority presented a funding assistance request for a \$517,000 grant for a landfill compactor. This project consists of the purchase of a new Bomag BC873RB landfill compactor with a Cummins X15 336 kW quad-pump-drive and electronic travel pedal to replace the 2006 Bomag Compactor utilized to optimize landfill operations considered the only machine equipped to evenly disperse and compact waste and stabilize the landfill's debris areas by shredding, tearing, and pressing together waste, increasing the density and maximizing space, allowing the landfills to accommodate more waste in a limited space. Applicant Cash \$517,000.

*\*Proposed funding tool loan/grant scenario:*

*MIN \$404,000 Loan, 10y @ 1.0% | \$113,000 Grant*

*MED \$455,000 Loan, 10y @ 2.5% | \$62,000 Grant*

*MAX \$507,000 Loan, 10y @ 3.5% | \$10,000 Grant*

Commissioner Brad Horrocks noted the diminished revenue and acknowledged the good that CIB does for rural Utah and the State of Utah. He indicated the Uintah landfill needs a new compactor.

Commissioner Taylor asked what they have planned if they don't get funding from CIB.

The applicant indicated they would continue repairing the circa 2006 compactor and try to locate other sources of funding.

Mayor Baker asked what percentage of landfill comes from the oil and gas industries in the area.

The applicant stated it is difficult to get an actual percentage as the refuse comes in the garbage truck but is estimated to be approximately 50%.

Commissioner Bartholomew asked the cost per ton to operate the landfill and if the fees could be increased to cover the cost of the equipment.

The applicant stated the cost is \$20 dollars a ton in the County and from Daggett County it is \$30 per ton. Contaminated soils are \$40 per ton. The fees were raised a while ago; there has been a lot of illegal dumping in the hills so it is easier than the extra \$5. They try to keep prices down.

Commissioner Lytle referred to the funding tool recommendation which includes some loan.

The applicant indicated it would be very difficult to make a loan payment within their existing budget. They are currently going through a 'truth and taxation' review for the county. A loan may be possible.

Mr. Zeenati asked if they had researched other funding.

The applicant indicated a consideration was given to revitalization funds but there is a lot of competition for those funds. It is unknown if the equipment company offers financing or what the interest rate would be.

Mayor Baker referred to the reduced funds noting this is a request from a [revenue] producing county but asked if they could accommodate a loan with a 0% interest rate; approximately \$52k annual payment over 10 years.

The applicant indicated that would be possible.

**Dean Baker made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$517,000 loan for 10 years at 0.0% citing \*special circumstances. The motion carried unanimously.**

#### 4.2 Uintah Fire Suppression Special Service District (Uintah County) [55:32]

Uintah Fire Suppression Special Service District presented a funding assistance request for a \$1,330,000 grant for the Naples Fire Department Ladder Truck. This project consists of the purchase of a Pierce-Custom Enforcer Aerial HD Ladder 107' ASL truck including necessary equipment to replace the 1991 ladder truck bought used by Naples City in 2007. Applicant Cash \$400,000.

*\*Proposed funding tool loan/grant scenario:*

*MIN \$333,000 Loan, 15y @ 0.0% | \$997,000 Grant*

*MED \$459,000 Loan, 15y @ 1.5% | \$871,000 Grant*

*MAX \$586,000 Loan, 15y @ 2.5% | \$744,000 Grant*

The applicant acknowledged the reduced revenue stating that the Uintah Fire Suppression SSD is 95% funded by mineral lease revenues. UFSSSD is not a taxing entity which places a burden on the District when mineral revenue goes down. This request is to purchase a ladder truck for Naples City which responds to 80% of oil and gas wells anywhere in the county. The current ladder truck is used for these calls which is usually on dirt roads and the current truck is not built for dirt roads. The request is for a single axle shorter truck that could have closer access on dirt roads noting some fires require getting above the flames to extinguish the fire. This ladder truck will be used mainly off road and there is 2-3 years manufacturing time for the truck.

Commissioner Lytle asked the applicant how many oil fields calls they receive over a five-year period.

The applicant indicated they receive over 70 calls on fires and 120 call outs per year from the oil fields. Their area goes from Naples to Grand County.

Commissioner Miles asked if they had received competitive bids for the fire truck and asked about the reference to the Ute Tribe; if they have a contract with the Ute Tribe for fire suppression.

The applicant indicated they received only one bid as that is the only company that makes the single axle truck required. Uintah County does have an agreement to respond to fires on tribal lands.

Commissioner Bartholomew asked why a ladder truck is needed.

The applicant indicated that fires at the oil sites are usually regarding 40-foot tall 800/1000-barrel capacity tanks and the way to extinguish a fire on those tanks is to get above them to apply water. Calls are usually an all-day-event. FEMA has the ACTION grant and they have applied for those competitive grants for pumper trucks and tenders without success. They may try again in the spring. The current bid from Siddons Martin Emergency Group (Pierce) is through the State bid process.

Mr. Zeenati asked how long the quote is good for.

It was indicated the contract is good through the end of December. There may be another price increase.

Commissioner Bartholomew asked if they could accommodate a loan.

The applicant indicated a loan was discussed at the public meeting stating it would be difficult. The District is making payments on the Tridell Fire Station/Community Center funded by CIB but if the funding was as a loan, they would present the package to their Board for approval.

Mayor Baker noted they have gone through a reasonable comment period concerning this project. Naples City has a volunteer fire department. This is a large request supports oil, gas and production in Uintah County.

**Greg Miles made and Scott Bartholomew seconded a motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$1,330,000 loan for 15 years @ 0.0%.**

Mayor Baker stated their funds are tight and didn't think they could make those loan payments.

**Dean Baker made and Jack Lytle seconded a substitute motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$1,330,000 grant citing a unique project.**

Commissioner Lytle 'asked' if the loan payments would commence when they received the truck.

The representative from Siddons Martin commented that the truck would need to be paid for...

Commissioner Lytle indicated the funds are tied up for approximately 3 years until the truck is delivered wherein payments may commence and asked if there was a system to make the commitment without tying up the funds then commit the funds when the balance is required upon delivery of the truck. He also asked if the Siddons representative was buying the truck, what is the best deal he would look for.

The representative from Siddons Martin noted that if the funds were committed now as a pre-pay it reduces the cost on the apparatus. He acknowledged money is a big factor. The last 5 apparatus ordered through him had no funds as a down payment. They set aside money for the three years it takes to build the apparatus. The prepay option using the whole \$1.3 million would have some savings associated.

Commissioner Lytle indicated he is thinking of the fund and asked if there is a way to prorate what comes out of the fund over the course of three years, without encumbering the entire amount all at once.

Mr. Slauch was not certain that was possible. The CIB money could be placed in a revolving loan fund and then fund as draw requests were made but in that scenario, a determination would have to be made to restrict the amount the Board could award. Currently, when the Board makes a commitment, the funds are then tied up. He noted the interest is 5% on the funds that remain in the CIB PTIF so prepaying does not have a benefit.

Commissioner Lytle acknowledged the truck manufacturer would be making money on a prepayment. CIB is better off holding the committed funds.

Mr. Slauch noted the need but supported funding projects at the median tool range which in this case is 65% grant. CIB money is to mitigate the effects of production and this project is a benefit.

**Kirt Slauch made a second substitute motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$459,000 loan for 15 years @ 1.5% and an \$871,000 grant (total \$1,330,000). There was no second.**

The Chairman called the question on the first substitute motion.

**Dean Baker made and Jack Lytle seconded a substitute motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$1,330,000 grant citing a unique project.**

Commissioner Lytle noted he seconded Mayor Baker's motion for all grant but the motion by Kirt Slaugh makes good sense for the fund. The District is providing services through 5 fire stations so this would be a shared piece of equipment. The District's revenue is 95% mineral lease revenue and asked about financial participation from entities receiving the service.

The applicant stated they were created in 2006 by the County, the cities opted to join so the fire protection is for the county and all municipalities. They participate as they can. Vernal City covers HR and finance for a fee. Of the mineral lease revenue going to Uintah County, the fire district receives 20% of that federal mineral lease revenue.

Mayor Baker indicated that Naples City built the Naples City Fire Station and will be making payments for another 20 years and they assist where possible. He expressed appreciation for the fire district and their support of the County.

The Chairman called the question again on the first substitute motion.

**Dean Baker made and Jack Lytle seconded a substitute motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$1,330,000 grant citing a unique project. The motion failed with Jack Lytle and Dean Baker in favor and Kirt Slaugh, Scott Bartholomew, Greg Miles, Jerry Taylor, Ralph Brown, Bruce Adams and Naghi Zeenati opposed.**

Commissioner Lytle suggested the second substitute be brought back to the table. Mr. Slaugh reiterated the second substitute which would be a lesser payment than 100% loan at 0%.

**Jack Lytle made and Kirt Slaugh seconded a second substitute motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$459,000 loan for 15 years @ 1.5% and an \$871,000 grant (total \$1,330,000). The motion carried with Dean Baker opposed.**

Commissioner Lytle told the applicant the Board is doing what they can and hopefully there will be other resources going forward and thanked the District and volunteers who support the District for all they do.

*It was noted that project #1 was placed on the priority list with funding outside the tool range and requires an exemption.*

Mayor Baker asked why it requires an exemption and *it was noted that the award was a 0% loan and the tool recommends an interest rate.*

Mayor Baker expressed his understanding that when the tool was developed, producing counties would get 0% or at most 0.5%.

Mr. Moberly indicated that regarding producing counties, the interest rate is reduced but not fixed at a certain amount; the funding tool has a built-in weighted factor for production which reduces the amount of interest rate but the interest rate was not capped or defined specifically.

Mr. Slaugh noted the suggested funding with a 0% interest rate has an annual payment of \$51,700. The funding tool median recommendation with some grant and some loan at 2.5% has an annual payment of \$51,988; close to the same payment if the funding tool recommendation was selected.

Mr. Zeenati also did not have a recollection of an established percentage rate for those reasons.

Mayor Baker suggested a \*'special circumstances' as the exemption.

#### 4.3. Aurora City (Sevier County) [1:47:00]

Aurora City presented a funding assistance request for a \$400,000 loan for 7 years at 1.0% and a \$480,000 grant (total \$880,000) for the Road Resurfacing Project 2024. This project consists of micro surfacing, drainage improvements and shouldering to include 136,000 square yards of micro surfacing, 2 drainage boxes, 1 drainage box sluice gate, repair of approximately 32 concrete cross gutter/culverts, 100 linear feet of pipe culvert, striping, 100 square yards of asphalt soft spot repair, 800 linear feet of surface ditch, engineering, NEPA, permitting, financial consultant and bonding expenses. Applicant cash \$82,000.

*\*Proposed funding tool loan/grant scenario:*

*MIN \$256,000 Loan, 15y @ 0.0% | \$624,000 Grant*

*MED \$344,000 Loan, 15y @ 1.0% | \$536,000 Grant*

*MAX \$432,000 Loan, 15y @ 2.0% | \$448,000 Grant*

The applicant indicated this project will resurface the streets which have been fixed after the water project was completed and will address drainage issues. They will place their B&C road revenues in an account to address road maintenance issues and make loan payments.

Commissioner Bartholomew asked about micro surfacing and what is the intent for maintenance.

The applicant stated micro surfacing is a slurry seal on the road with an expected 9-10-year life whereas chip seal has 7-8-year life; it saves lifting manholes and their hope is that they can complete this project in conjunction with the County which is also working on County roads around Aurora.

**Scott Bartholomew made and Ralph Brown seconded a motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$400,000 loan for 7 years at 1.0% and a \$480,000 grant (total \$880,000).**

Mayor Baker asked why the interest rate is 1.0%; suggesting 2%-3%.

**Dean Baker made a substitute motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$400,000 loan for 7 years at 2.5% and a \$480,000 grant (total \$880,000).**

The applicant indicated a 1.0% interest rate allows coverage of the annual loan payment with B&C funds.

Mayor Baker acknowledged their request. Money is tight, there are many applicants and the Board needs a return; 1.0% is not enough now so it should be 2.5%.

The Board noted that Aurora is in Sevier County which is a producing county.

Mayor Baker stated that the interest rate can go up on producing counties.

Mr. Slauch noted the funding tool takes production into consideration. If the tool needs adjustment, then the Board can revisit it.

Mr. Zeenati further acknowledged the term of the loan is 7 years; a lesser term connotes a better interest rate.

Mayor Baker withdrew his motion.

The Chairman called the question on the original motion.

**Scott Bartholomew made and Ralph Brown seconded a motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$400,000 loan for 7 years at 1.0% and a \$480,000 grant (total \$880,000). The motion carried with Dean Baker opposed.**

Break

#### 4.4 Central Valley Town (Sevier County) [1:55:35]

Central Valley Town presented a funding assistance request for a \$134,000 grant for the purchase of a new backhoe. This project consists of the purchase of a new Caterpillar Model 420 CF Backhoe Loader.

*\*Proposed funding tool loan/grant scenario:*

*MIN \$100,000 Loan, 10y @ 0.0% | \$34,000 Grant*

*MED \$110,000 Loan, 10y @ 1.0% | \$24,000 Grant*

*MAX \$120,000 Loan, 10y @ 2.0% | \$14,000 Grant*

The applicant stated they wish to upgrade the 1980 backhoe indicating the last time it broke down, it took 2



months to find parts and they had to borrow a back hoe.

Mr. Slauch asked if they could make a payment of \$12,000.

The applicant indicated they would not be able to make a payment. They have road projects to be accommodated; one is funded but the other requires a 30% match. Sevier County is constructing a by-pass road and one of the road projects is connecting the by-pass wherein they are uncertain as to their funding for that.

Mr. Slauch asked if the Board authorized a loan, would they withdraw their request.

The applicant stated they could not accommodate any loan.

Commissioner Lytle asked approximately how many hours they use on the machine.

The applicant indicated the meter log is not working on the equipment. There have not been large projects lately. They borrow equipment or would have to rent a backhoe. The lease programs they have found would not fit with what they require.

**Jack Lytle made and Dean Baker seconded a motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$134,000 loan for 10 years. The motion carried unanimously.**

Commissioner Brown indicated he lives in Central Valley and been on the water board for 18 years – before it was Central Valley Town. He understands the program and this a vital piece of equipment for the town for repairs, etc. He would move to fund in the median range of the tool as a \$110,000 loan for 10 years at 1.0% and a \$24,000 grant (total \$134,000).

Commissioner Lytle indicated he would amend his motion and Dean Baker supported the amendment.

**Jack Lytle made and Dean Baker seconded a motion to place this project on the Priority List for funding at the February 1, 2024 funding meeting as a \$110,000 loan for 10 years at 1.0% and a \$24,000 grant (total \$134,000). The motion carried unanimously.**

#### 4.5. Richfield City (Sevier County) [2:04:17]

Richfield City presented a funding assistance request for a \$7,225,000 loan for 30 years at 1.0% and a \$7,225,000 grant (total \$14,450,000) for a new pool facility. This project consists of the construction of a 27,500 square foot pool facility and Lion's Park improvements to include a 5845 square foot entry and admin building, a 21,469 square foot pool and equipment area, 5,990 square foot pool and appurtenances, pool play equipment, kitchen equipment to include tables, chairs and appurtenances, removal of existing basketball courts and playground, construction of new playground, basketball courts, paved parking lot, 100 feet of concrete cross gutter, 1300 square yards of 4" concrete flatwork, 20 square yards 6" concrete flatwork, 1620 feet of curb and gutter, drainage boxes and piping, pavement marking paint, signage, 5 each pedestrian ramps, site utilities, landscaping and associated excavation, irrigation, tree removal, new splash pad, Lions Park Pavilion and park rehabilitation, building design, engineering and construction administration.

*\*Proposed funding tool loan/grant scenario:*

MIN \$9,682,000 Loan, 30y @ 0.0% | \$4,768,000 Grant  
MED \$11,127,000 Loan, 30y @ 1.5% | \$3,323,000 Grant  
MAX \$12,572,000 Loan, 30y @ 2.5% | \$1,878,000 Grant

The applicant indicated they applied last trimester, but pulled it because they had time and thought it would help the fund. The pool facility serves Piute, Wayne and Sevier Counties. They have a swim team and the pool is used by all three schools in the area. There are two charter schools that use the pool as well. There are several other events at the pool including veterans. When it is closed, it is difficult on the veterans and those who do rehabilitation. They have saved \$1,000,000 and they are shovel ready and would like to start in the spring. The pool has been there since 1929 and has been repaired as needed. Elected officials have always tried to address the issue of the pool but funding has prohibited the renovation. There is no other funding

available and it is the heart and soul of the community; has been for years. The applicant noted that CIB has helped other towns with community centers. Richfield City does not have a community center so the pool has been the community center. They are not asking for anything more than what has been done for other smaller communities. Richfield is a rural community and there isn't a great tax base. The property tax has been increased but the majority of the increase will fund the police department. They have spoken to legislators. There are a lot of people moving into the area without a lot of means and they don't want to charge a large amount for citizens to use the pool.

Mr. Zeenati acknowledged the public hearing minutes which included testimonials in support of the pool. The Board is compassionate in regard to this project and the challenge of funding. There has not been a discussion of the funding assistance from neighboring towns, schools, hospitals and businesses.

The applicant stated there was a county wide vote for bonding to build the school rec center a few years ago and it failed. The school district is participating with financing the swim meets etc. The pool is a draw for visitors but there are no funding partners in the community at this time. IHC and Snow College contribute in support and they are favor of the pool for the community. There is support but it is difficult to partner with a State funded college and school districts. The existing pool is costing \$400k per year – if they shut the pool and saved those expenses for the construction of a new pool, it would take 35 years to save the \$14 million and over time it would be more expensive.

Commissioner Lytle asked for clarification as to whether the school districts or college were participating financially; upkeep or maintenance.

The applicant stated there is an interlocal agreement with the school district and the city; the school can use the pool and the city can use the school facilities.

Commissioner Lytle referred to the minimum funding tool recommendation; a \$9,682,000 Loan for 30y @ 0.0% and a \$4,768,000 Grant and asked what an appropriate exemption would be if the project was funded outside the tool recommendation.

The applicant indicated they would work with that funding package.

Commissioner Lytle indicated that it is a concern that the community was asked to support a bond referendum for the project and chose not to do it.

The applicant stated that Richfield residents supported it but it was not supported Countywide.

Commissioner Brown indicated the pool is used for hospital therapy. The health department and counseling centers have submitted letters of support referring to the facility as more of a health center.

Mr. Slaugh asked if the hospital was providing financial support noting therapy is billable.

The applicant stated they asked IHC but were told they are a non-profit organization and do not have the funds. They have looked at all options, funding sources and legislators. Funding has been offered for other projects to allow Richfield to some money to put toward the pool.

**Bruce Adams made and Dean Baker seconded a motion to fund the project as an \$11,127,000 loan for 30 years @ 1.5% and a \$3,323,000 grant (total \$14,450,000). The motion failed with Dean Baker, Ralph Brown, Bruce Adams and Naghi Zeenati in favor and Kirt Slaugh, Scott Bartholomew, Jack Lytle, Greg Miles and Jerry Taylor opposed.**

Mr. Zeenati indicated that payment is within the range that the applicant stated was affordable.

The Board members acknowledged the project as a good project but with the status of revenue in the fund, could not support prioritizing funding for a pool at this time.

The applicant indicated the project is ready to proceed. The applicant stated this project is infrastructure; not sewer or water but is part of the infrastructure of the community and asked why the Board does not consider this infrastructure.

Commissioner Bartholomew noted that there are difficult decisions and the CIB is affected by a diminished revenue. He noted that the project includes a lot of amenities; a kitchen, playground, basketball courts, splash pad...

The applicant indicated they are only seeking funding from the CIB for the pool component. They will do the park improvements.

Commissioner Bartholomew referred to the county bond which failed and asked if they had considered a bond for only the Richfield area.

The applicant stated this project could not be accommodated with the interest on private financing which is 6-7%.

Commissioner Miles responded to the question of this being infrastructure noting that infrastructure includes facilities that provide for the health, safety and welfare of the citizens. Mental health issues are but keeping sewer from flowing into a lagoon is a priority.

The applicant expressed confusion as to how the CIB funds work and asked the Board to provide ideas as to how to make it work. The applicant indicated they could not afford to go to the open market at the current interest rates; it would be irresponsible to the city.

Mr. Zeenati suggested a reduced scope of the project or phasing the project.

The applicant noted that taking off the splash pad would reduce the project by \$200k only. They have considered phasing but there would be issues with phasing. The pool project has been designed as efficiently as possible with placement of the various components. The applicant indicated the new pool will not cost more to maintain than what the current pool maintenance expenses are.

Kendrick Thomas of Jones & DeMille engineering referred to the existing playground and basketball court stating they are in the location where the pool is to be constructed. If the Board could authorize \$3 million it may allow the foundation bid and then return in 9 months for the remaining construction.

*CIB does not fund partial projects; all funding is in place prior to closing the loan. Phases must be for 'stand-alone' components.*

[2:41] Mr. Slauch expressed concern with approval of funding without knowing what the proposal is suggesting a new application for the phase. He acknowledged the project is essential to the applicant but if the Board funded this project, funding would not be available for a sewer emergency or water system problem. The Board cannot commit funding for a pool as there are essential projects that need the limited funding.

[2:42:45] Commissioner Taylor expressed concern that there is no other funding assistance from the entities that use the pool.

[2:43:32] The applicant stated that there is no industry in Sevier County to participate as in Duchesne County. If this is not something the Board will ever consider funding then there is no point in returning with an amended application. The existing pool will not last and asked if the Board would consider funding the project as a \$14,000,000 loan.

[2:44:58] Mr. Zeenati stated if there was sufficient revenue, this project would likely be funded. The revenue is not there and the Board will not be able to fund many projects for a while. This project cannot be funded as well as several other projects. He suggested they could come back.

[2:46:37] Commissioner Adams asked if the Board needed to place the project on the pending list for them to come back.

[2:46:43] Mr. Zeenati stated the Board has tabled the project and they may come back with new ideas or additional funding participation at a later date.

#### 4.6. Milford City (Beaver County) [2:47:44]

Milford City presented a funding assistance request for a \$986,000 loan for 30 years at 1.0% and a \$986,000 grant (total \$1,972,000) for wastewater improvements. This project consists of wastewater improvements to include Phase 1 construction of a new Lift Station 1, pump system and control panel, new lift station building, emergency generator and switch, electrical, improvements to lift station 2 including control updates, repair pipe and appurtenances, replacing lift station roof, rehabilitating the clay liner in lagoon Cell 2, replace inlet, new headworks metering station, replacing approximately 8,000 feet of failing 8", 10", 12" and 15" interceptor piping and associated manholes and service laterals, new lift station building, and electrical. Applicant Cash \$189,500.

*\*Proposed funding tool loan/grant scenario:*

*MIN \$553,000 Loan, 30y @ 0.0% | \$1,419,000 Grant*

*MED \$750,000 Loan, 30y @ 1.5% | \$1,222,000 Grant*

*MAX \$947,000 Loan, 30y @ 2.5% | \$1,025,000 Grant*

The applicant stated that the wastewater system is aging. The last project was in 1995 which did not address all the wastewater issues. The city's main lift station which was built in 1975 is barely operating. The control building is settling and the entrance door does not open completely. There are several areas experiencing issues. This is Phase 1 of a larger project and improvements needed with the understanding of the current revenue. In the October 17, 2023 Milford City public hearing extensive information was provided. Rate increases are planned over the next several months.

Skyler Davies, Division of Water Quality indicated there is a review in the packet. It has been presented well and they are phasing the project. The first phase would be affordable as a loan as indicated in the DWQ evaluation. The larger project would present a financial burden. The DWQ has allocated all of their funding through the fiscal year and has no revenue to contribute. There may be funding later for the future phases.

Mr. Zeenati asked why they had not provided improvements from 1975 to 1995?

The applicant stated they did what they could during that time frame funding was difficult. The Town also outgrew the system and parts for the older system were not available.

Mayor Baker asked if they had capital improvement funds and/or a capital improvement plan to monitor the system. The system was not maintained noting it should have been as things only get worse.

The applicant indicated that in 2015 an engineer did a study when they noticed the settling but it continued to get worse. They do have capital improvement money which is the applicant cash contributed to in this project. They just completed a water project and will establish a capital improvement fund to maintain that. The current staff cannot be accountable for what was or was not done historically. Moving forward, it is the intent to monitor maintenance and funding.

Commissioner Miles noted there appears to be no debt capacity in their budget. How would they accommodate a loan?

The applicant stated that in the public hearing, it was noted there will be rate increases.

Commissioner Lytle asked Skyler Davies if DWQ had requirements for sewer rates.

Mr. Davies stated that DWQ has requirements as was stated in the review for this project:

*In accordance with Utah H.B. 269, the Water Quality Board now requires as a condition of receiving financing or grants for improvements to a capital asset that a community commit to adopt a capital asset management plan. The Division encourages the PCIB to consider a similar special condition for funding wastewater or sewer*

infrastructure.

**Dean Baker made and Bruce Adams seconded a motion to place this project on the priority list as a \$986,000 loan for 30 years at 2.5% and a \$986,000 grant (total \$1,972,000). The motion carried unanimously.**

4.7. Town of Lyman (Wayne County) [3:08:00]

The Town of Lyman presented a funding assistance request for a \$1,946,000 grant for road improvements. This project consists of the construction of road and drainage improvements to include asphalt overlay of existing roads, base course and double chip seal of existing gravel roads, installation of new signage and pavement markings as needed, grading and drainage improvements, restoration of disturbed areas, testing and engineering. Applicant cash \$30,000.

*\*Proposed funding tool loan/grant scenario:*

*MIN \$1,110,000 Loan, 15y @ 0.0% | \$836,000 Grant*

*MED \$1,304,000 Loan, 15y @ 1.5% | \$642,000 Grant*

*MAX \$1,499,000 Loan, 15y @ 3.0% | \$447,000 Grant*

The applicant indicated it has been many years since any major improvements were made to the roads. They have utilized their road funds to do crack sealing on roads that were prioritized but no major overlay. The B & C road revenue is approximately \$25,000 annually which is the only income of the Town. Some has been set aside which has not be utilized and it is undecided as to which roads they will do. The reduced revenue was noted.

Commissioner Adams asked how much they receive in road funds.

The applicant indicated it is approximately \$25,000 annually; an increase is proposed in the coming year.

Next year's road revenue increase was discussed; a balloon payment in January then a 4% increase of the current allocation.

Mr. Slauch discussed the annual payment on an \$836,000 loan and asked if that was affordable and if not, would they withdraw and look for another source.

The applicant stated they could not afford the funding tool minimum and could not make the payment.

Evan Curtis asked if this project is to do all the roads in the town.

The applicant indicated it is to do all the roads.

Mr. Slauch asked if there are no businesses, how essential is it to improve all the streets.

The applicant stated that most of the roads are paved and they are deteriorating. They experienced flooding last year which has also caused road damage.

Commissioner Adams suggested they come back with a proposal for perhaps half the town's roads which would have a lower payment.

The applicant indicated it was decided to do the whole project as it would be more difficult to do a part of the project once the equipment is on site.

Commissioner Miles asked if their engineer provided a good overview of the roads; are there some roads that would be ok with a chip seal.

The applicant indicated the plan was to either chip seal or overlay the roads. The engineers did look at the road and would apply the same process as the existing road pavement and may try to upgrade some of the roads.

Commissioner Lytle noted that the engineering was 21% of the project; engineering is usually 10-15%. If the project could be phased, that would be advisable.

Mayor Baker suggested a \$110,000 loan at 0.5% and with that, the Town can determine what to address and the exemption would be hardship and the payment would be \$11,305 for 10 years.

The applicant stated the offer of \$110,000 loan at 0.5% would be reviewed by the Town's board.

Commissioner Bartholomew indicated that if they commit all the B & C road funds to pay off this loan, how will they maintain it and if the project was below \$100,000, will a contractor be willing to bring equipment down to Wayne County.

The applicant stated that they considered the mobilization by a contractor and that is why they asked for the whole project. There are good contractors in Town so it may be ok. The payment is the most difficult part.

**Dean Baker made and Greg Miles seconded a motion to place this project on the Priority List for funding at the October 5, 2023 funding meeting as a \$110,000 loan for 10 years at 0.5% with a requirement to define the scope of work for which the funding will be utilized. The motion carried unanimously.**

#### 4.8 San Juan Health Service District Local Building Authority (San Juan County) [3:29:40]

San Juan Health Service District Local Building Authority presented a funding assistance request for a \$27,361,000 loan for 30 years at 0.5% and a \$6,841,000 grant (total \$34,202,000) for a San Juan Hospital in Monticello. This project consists of the construction of a new 41,090 square foot hospital in Monticello to include site clearing, excavation, utility relocation, concrete footings and foundation, brick exterior, structural steel roof, roof deck and ladder, interior carpentry and millwork for built in nurse station, base cabinet, island vanity, dining counter, desk, roofing, insulation, entrance canopy, north canopy, dock canopy, restrooms and appurtenances, kitchen and appurtenances, fire protection appurtenances, plumbing, HVAC, electrical, asphalt paving, striping, loop road, curb, gutter, sidewalk, enclosure wall and gate, Central Plant Building, landscaping and signage, utilities and drainage, permitting and bonding. Applicant Cash \$2,000,000.

*\*Proposed funding tool loan/grant scenario:*

MIN \$26,678,000 Loan, 30y @ 0.0% | \$7,524,000 Grant  
MED \$30,098,000 Loan, 30y @ 2.0% | \$4,104,000 Grant  
MAX \$33,518,000 Loan, 30y @ 3.5% | \$684,000 Grant

The applicant stated they had been to the GOPB website and though there are 210 funding opportunities, only 5 not counting CIB represent funding for hospital projects including USDA. They have applied to USDA and did not get funded but in a follow up with USDA, the funding is for water and sewer projects and noted that historically, only 2 hospitals have received funding. The USDA representative has been working on 2 hospital applications for 3 years representing an application cast of approximately \$300k and it is not likely they will receive funding. Interest for a guaranteed loan is 4.5% and 6%. The best scenario is to earn the money; set the money aside to get this project done. They have been setting aside funding \$1 million per year to build the hospital. But they cannot keep up with inflation. The hospital is critical for rural areas and the systems in their current facility need replacement. They can commit to a substantial payment on a low interest loan. They could accommodate all loan with a low interest rate or a loan/grant combination. The low CIB revenue was noted but it is hoped to get a plan in place as the current facility is 65 years old. They have a sales agreement on 15 acres of property which they are waiting to do a 1031 on that property. (A 1031 exchange is a swap of one [real estate](#) investment property for another that allows [capital gains taxes](#) to be deferred.) They will be closing on that property for the hospital.

Commissioner Adams suggested funding 100% loan at 0.5% over the next three funding cycles; \$12 million in February, June and October 2024 which would enable the hospital construction to commence. They can take all loan if the interest rate is low.

The applicant asked if they could proceed with geo technical work with their own funds realizing the funding may not come expressing concern about inflation.

Commissioner Lytle asked if any of the hospital tax in the county was coming to this District.

The applicant stated they levied a property tax for the District which is one of their revenue streams.

Commissioner Lytle asked what the interest rate threshold would be.

The applicant stated that on a \$34 million loan at 1% would be a \$1.3 million-dollar annual payment. It was hoped that the payment would be \$1 million annually. Above 1% would be difficult.

Commissioner Miles referred to the engineering amount in the application \$2,478,000 and asked if that would cover all the geotechnical studies, etc. for this project. Is there anything else required prior to construction?

The applicant indicated it would cover those expenses. They don't require CIB funding to start construction. If the funding for the project was confirmed, they would work with their applicant cash to ensure when the funding is available, they would be ready for construction. The experience with project management is that the only way to make a project this large come within budget is to be extremely meticulous with the planning of the project. They have to guarantee success on this project; they will not seek supplemental funding on this project.

Commissioner Miles expressed concern about obligating funds as the revenue is not available now and cannot be guaranteed.

Mr. Slauch expressed concern about obligating funds. It is uncertain when or if the federal lands are open for resource development due to powerful lobbies in and outside of the State to prohibit that revenue generation. It is difficult to foresee \$12 million being available for one project each of three funding meetings. The Board receives requests for funding very essential projects which do not have other funding sources either expressing reluctance to commit to the District wherein they do a lot of work and there is not a high probability to be funded through CIB.

*It was noted that when a project is approved, funding cannot be reimbursed until the project is bid and the loan is closed. Also, CIB does not fund a project that cannot be completed with the funding available which is a policy to prevent uncompleted projects.*

Commissioner Bartholomew asked about tribal contributions and if they could come back to the Board in a year when perhaps there is an increased revenue.

The applicant stated to access tribal funding the project must have tribal affiliation and the Health District does not. It was also noted the CIB is the last option for funding. Other funding is out of reach for San Juan County and every delay means higher costs and jeopardizing healthcare.

Commissioner Taylor expressed concern with committing the funding into the future.

Commissioner Bartholomew acknowledged the need and difficulty and asked if they would like to withdraw their application or if they would prefer the Board place the project on the pending list at this time.

**Scott Bartholomew made and Ralph Brown seconded a motion to place this project on the on the Pending List.**

Mayor Baker asked if CIB could commit the first \$12 million contingent on sufficient revenue.

Mr. Zeenati reiterated that there must be sufficient funding to complete the project.

Mr. Slauch suggested this is not a project that can be phased. There is also uncertainty as to whether there will be \$12 million in February.

Commissioner Lytle referred to the number of requests for this trimester which is \$104 million. If the project was placed on the pending list it could be reviewed in 6 months regarding funding, but noted it may be difficult.



Commissioner Taylor acknowledged the importance of this project to rural Utah, but there is concern about available funding for all the projects and suggested working closely with San Juan Health to see if this is the priority for funding above other projects.

Commissioner Adams noted that as this project waits, there will be funding requests for lesser dollars and it is uncertain that CIB would have the funding if there is not a commitment. He suggested at the October 5 meeting that CIB stops applications for a while like other water & sewer funding agencies do. Unless CIB does something similar, the funds will not be able to build. A hospital is important and San Juan is currently in a 70-year-old hospital which does not have tele health and all the technology necessary. There is a lot of maintenance while saving for a new hospital. He suggested a halt on applications through February and approve a portion of the hospital funding in February – it would stay in the fund but be committed. If a commitment is not made, it will not be possible to fund any of this project and a hospital is a very important project.

Mr. Slauch noted that there was a moratorium on applications, the Board would be 'kicking the can' on those projects. It is difficult and there are good projects like this one but it is preferable to fund 14 other projects than one hospital project. All the projects presented today were important as all made a good case for their project. The only good way to proceed is to decide which projects will not be funded which is not an easy process.

Commissioner Bartholomew indicated Gunnison Hospital is continually expanding their facility; where are they getting the revenue to expand that is different than the San Juan Hospital.

The applicant indicated that the Gunnison Hospital is a governmental facility and they have been to the CIB for funding for additions. The San Juan Hospital cannot be fixed; it does not have the 'bones' to add on to. The project has been scaled to the minimum size needed. Then the new building can be added onto.

Mr. Slauch suggested joining with IHC to facilitate the hospital facility necessary.

The applicant stated they have a formal affiliation agreement with Intermountain Healthcare and do a lot of services for IHC. The IHC has stated they will NOT build more brick and mortar in rural Utah and they are not going to invest that kind of money.

Commissioner Adams suggested that the Board approve some funding in February, then June, then October noting water and sewer projects have other resources for funding.

Mr. Slauch stated the water and sewer funding agencies are out of money.

Commissioner Adams asked why the CIB is not following suit and funding all the projects that have been submitted and putting a hold on new applications.

Mr. Slauch stated the Board is funding all they can.

Commissioner Adams indicated that CIB is funding what the water and sewer boards cannot fund. The Board can put an amount for the hospital on the priority list and see what happens at the funding meeting; decide then what can and cannot be funded. Over several cycles enough funding can be built to fund the hospital. If the Board does not try to help fund this project over the next year, we will be in the same situation a year from now.

Commissioner Lytle acknowledged the difficult situation and asked about the applicant's tax rate; what has been saved from taxes and from the services provided as capital? Could the tax rate be increased? The need is apparent but this is a large request for any project. Would the suggested \$11 million per trimester for this project be placed in a separate account such as the infrastructure set-aside?

Commissioner Adams indicated it would be a commitment of a portion of the revenue in increments. Today an amount would be on the prioritization list for commitment in February.

Commissioner Lytle noted the Board will still be declining funding to some applicants as the Board would



prioritize this project at the cost of others and that is the difficult conversation.

Chairman Zeenati referred to the motion on the table.

**Scott Bartholomew made and Ralph Brown seconded a motion to place this project on the on the Pending List.**

*More Board concerns were voiced and it was noted that a project can be on the pending meeting for 6 months. Funding is not allocated until the Board discusses the project at a subsequent meeting but will be listed on the financial document at each meeting.*

Commissioner Taylor asked about the construction timeline.

The applicant stated if the funding were approved, the design documents would be completed and the project would be bid out in the fall. Construction would commence in the spring and it would take 18 months to build the project with occupancy in November of 2026.

**Scott Bartholomew made and Ralph Brown seconded a motion to place this project on the on the Pending List. The motion carried unanimously.**

*Most Board members acknowledged the difficulty in having the funding for this project. The applicant was encouraged to contact staff with updates and with funding options or a change of scope.*

**5. Large Infrastructure Projects                      N/A**

**6. Pending Projects                                      N/A**

**7. Supplemental Requests                              N/A**

**9. Board Member Discussion and/or Action Items**

**9.1 CIB Board Meeting – December 7, 2023, Salt Lake City**

**LUNCH AND ADJOURNMENT** [4:21:40]

The next meeting of the Permanent Community Impact Board will be December 7, 2023 in Salt Lake City, Utah.

The meeting adjourned at 1:46 pm.

Submitted by:  
Candace Powers