

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division
Salt Lake City, Utah
Electronic Meeting via Zoom Webinar

May 15, 2025

Members Present

Curtis Wells	Chairman
Bill Winfield	SERDA
Naghi Zeenati	State Transportation Commission
Greg Miles	Duchesne County
Dean Baker	Uintah County
Ralph Brown	Sevier County
Kirt Slaugh	State Treasurer
Jerry Taylor	Five County Association of Governments
Scott Bartholomew	R6 Regional Council
Greg Miles	Duchesne County
Laura Hanson	Governor's Office of Planning and Budget
Jack Lytle	Uintah Basin Association of Governments

Staff and Visitors

Justin Anderson	Deputy Attorney General
Tricia Davis Winter	Housing and Community Development
Jennifer Domenici	Housing and Community Development
Candace Powers	Housing and Community Development
Heather Poulsen	Housing and Community Development
Paul Moberly	Housing and Community Development
Korrin Olson	SERDA
Kaylee Beck	Department of Workforce Services
Brittany Hardy	Department of Workforce Services
Skyler Davies	Division of Water Quality
Christina Davis	Department of Workforce Services
Skyler Davies	Division of Water Quality
Bill Prater	Bond Counsel
Keith Heaton	Seven County Infrastructure Coalition
Nate Sechrest	Aries Mining
Ann H	

WELCOME & INTRODUCTIONS

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, May 15, 2025 via Zoom Webinar and was called to order at 8:03 a.m. by Chairman Curtis Wells.

Chairman Wells welcomed all to the virtual meeting which is a special meeting. In the 2025 legislative session, SB187 presented a new project to the Throughput Infrastructure List. Today, the Board will review the application and approve funding for this project.

2. BRIEFING

A. Up-coming Meeting Dates--June 5-6, 2025 CIB Funding and Policy Meetings to review policies and procedures will be hosted by Sevier County; Thursday Meetings will be in Koosharem, Utah and the Friday meeting will be in Richfield, Utah.

3. APPROVAL OF MINUTES

Chairman Wells requested a motion to approve the minutes from the April 3, 2025 CIB Meeting with a change of verbiage to remove the word 'admonished' and replace with 'encouraged'.

Naghi Zeenati made and Jack Lytle seconded a motion to approve the minutes of the April 3, 2025 CIB Meeting as corrected. The motion carried unanimously.

4. Throughput Projects (*see 35A-8-302 - 35A-8-309 statute below)

4.1 Millard County - \$11,000,000 loan for 7 years @ 4.5% Ares Mine ~ Fluorspar and Gallium Mining Project (Millard & Juab County)

This project consists of the Ares Mining Operations for the excavation, labor and associated sound industry efforts to facilitate the extraction of Fluorspar and Gallium in Millard and Juab Counties. Phase I will include secondary ventilation construction to install the ventilation system to support further excavation, initial ore trucking to transport initial ore to the processing site for early processing, installation of temporary processing screens to process the initial ore. Phase II includes plant design modification to enable separation of gallium concentrate from fluorspar ore, construction of lumps and flotation plant to replace initial screens for processing. Phase III will begin continuous mining operations and truck ore to the processing site, commission the lumps and flotation plant for full-scale ore processing and gallium concentrate output.

The applicant has submitted many files containing detailed information regarding this project which are available to the Board.

Chairman Wells indicated this mine has a significant deposit of fluorspar and gallium; critical minerals with economic and national security importance. The legislature passed SB187 that mandates the funding of this project with specific terms. Chairman Wells and Justin Anderson have worked with the applicant and the local political subdivision, Millard County, to facilitate their application to the Board. The Board is now tasked with review of the application and subsequent approval.

Naghi Zeenati asked if this is for Millard and Juab Counties.

Chairman Wells indicated the application is from Millard County and they have been involved in the process. The statute provides that a local political subdivision would need to sponsor the application, so Millard County has agreed to sponsor the application.

Justin Anderson provided information from the Aries attorney; the mine is in Juab and the processing facility is in Millard County.

Laura Hanson made and Bill Winfield seconded a motion to approve the project as requested and outlined in State statute.

Ms. Powers indicated the statute indicates the loan must be repaid in 7 years.

Laura Hanson made and Bill Winfield seconded an amended motion to approve the project as outlined in State statute as an \$11,000,000 loan for 7 years @ 4.5%.

Chairman Wells asked if legal counsel concurred with the motion.

Mr. Anderson concurred with the clarified motion noting this project is unique; Millard is the applicant with the funding distributed to Aries Mining.

Commissioner Taylor asked if Aries Mining is responsible for the loan payments.

Mr. Anderson stated that is correct; all the repayments [will be from Aries Mine].

Mr. Zeenati asked about repayment of the loan; would it be from proceeds from the mining.

Mr. Anderson indicated it would be from the revenue of the throughput project; the mine and the minerals that they're extracting.

Chairman Wells called the question.

Laura Hanson made and Bill Winfield seconded an amended motion to approve the loan as outlined in State statute for this project as an \$11,000,000 loan for 7 years @ 4.5%. The motion carried with Kurt Slaugh and Jack Lytle absent and the chairman abstaining.

Chairman Wells congratulated the applicant and noted the Board looks forward to a successful project.

Ms. Powers noted the amortization for the loan. Payments can occur at any time, but interest will start to accrue in May of 2026. The applicant must draw the funds *within two years from the day on which the impact board awards funding and reimburse the Throughput Infrastructure Fund in staggered payments during a period beginning three years from the day on which the impact board approves the loan or grant and ending seven years from the day on which the impact board approves the loan or grant.* The loan must be paid in full by 2031. CIB Staff will be working with the applicant to finalize the loan closing.

Mr. Zeenati referenced the 6-year amortization schedule which shows the loan to be paid off 7 years from today.

Ms. Powers indicated the statute states payments may be staggered during a period beginning 3 years from Board approval. Payments may fluctuate and the loan must be paid in full within 7 years of funding authorization. The Board may receive updates as payments are made at the discretion of the Chairman. Interest will accrue until payments are made and/or the loan is paid in full.

Commissioner Miles asked if they had shown evidence they have the revenue stream to be able to pay off the loan. He referred to the information provided in the packet which appears it is going to take some time to get the full process in place.

Nate Sechrest from Aries Mining stated there is sufficient revenue as the mine is set to open officially. They have reached the ore body. There are some mine safety processes to go through in order to officially open. He indicated they have pre-sales of a lot of the ore and the strategic Defense stockpile is seeking to buy at least 10 million dollars of ore over the next year. They are confident there will be sufficient revenue to repay the loan. In addition to that, they have pledged significant collateral to secure the loan.

Chairman Wells asked if there were other questions or comments.

Mayor Baker asked where the payments will be applied.

It was stated that the payments will be applied to the Throughput fund.

Chairman Wells noted the CIB is the administrator of the Throughput fund which is separate from the mineral lease funds.

Commissioner Lytle apologized for missing the vote due to technical difficulties and thanked Commissioner Miles for helping him. He asked if the principal will go back into the Throughput fund.

It was affirmed that all loan payments; principal and interest will be applied to the Throughput fund.

Chairman Wells asked if there were any other questions, comments or clarity needed. The Board will discuss the Throughput fund as well as policies and procedures at the June meeting.

Commissioner Miles expressed appreciation for the project, Millard County and Aries Mining and all those who are willing to make a project like this work for the State of Utah.

Commissioner Lytle agreed.

Chairman Wells stated it is a good example of public private partnerships. *The bill [SB187] ended in a good place and he thanked everyone. He asked if there was additional discussion concerning the June meetings.*

Commissioner Brown stated Sevier County is excited to host the June Meetings. He has received confirmation of only a handful of spouses attending the activities and if there are others, he asked to let Candace or Commissioner Brown know. The art class is going to be at the motel in the morning and the afternoon, participants will go out to the golf course for a golf lesson by the local golf pro. Friday a gentleman that does the Sevier County ATV Jamboree will take participants on an ATV ride. Not driving the machines, but in the side by side with a driver. He requested a final count to make certain there are enough vehicles and people to help.

Chairman Wells acknowledged the Board and applicant for taking the time for this special meeting. Thank you to Justin Anderson, Candace Powers and CIB staff for the effort the last 60 days on this application noting it came down to the wire to make sure everything was in order.

9. BOARD MEMBER DISCUSSION and/or ACTION ITEMS

9.1 CIB Board Meetings

CIB Board Meeting June 5, 2025 – Koosharem, Utah

CIB Board Policy Meeting June 5-6, 2025 – Richfield, Utah

ADJOURNMENT

The meeting adjourned at 8:27 am

Submitted by:

Candace Powers