

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
 Housing and Community Development Division, Salt Lake City, Utah
 Electronic Meeting via Zoom Webinar
 Final
MINUTES
 October 1, 2020

Members Present

Jonathan Hardy	Chairman
Bruce Adams	Southeastern Utah Association of Local Governments
Naghi Zeenati	State Transportation Commission
Irene Hansen	Duchesne County
Jack Lytle	Uintah Basin Association of Governments
Dean Baker	Uintah County
Mike Dalton	Five County Association of Governments
Kyle Stephens	State Board of Water Resources
Garth "Tooter" Ogden	Six County Association of Governments
Gregg Galecki	State Board of Water Quality

Excused Board Members

David Damschen	State Treasurer
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Staff and Visitors

Keith Heaton	Housing and Community Development
Candace Powers	Housing and Community Development
Gayle Gardner	Housing and Community Development
Brenda Brown	Housing and Community Development
Pam Sjostrom	Housing and Community Development
Aubrey Larsen	Housing and Community Development
Jordan Katcher	Housing and Community Development
Paul Moberly	Housing and Community Development
Rebecca Banner	Housing and Community Development.
Ian Shumway	Housing and Community Development
Kayl Smith	Housing and Community Development
Alison Garner	Attorney General's Office
Brook McCarrick	Attorney General's Office
Daniel Widdison	Attorney General's Office
Landon Troester	Attorney General's Office
Christina Davis	Department of Workforce Services
Skyler Davies	Division of Water Quality
Bill Prater	Bond Counsel
Margaret Lautaimi	Department of Workforce Services
Debi Carty	Department of Workforce Services
Kimberly Madsen	Legislative Fiscal Analyst
Marcus Keller	Zions Bank Public Finance / Beaver FD
Mark Anderson	Zions Bank Public Finance
Jonathan Ward	Zions Bank Public Finance
Brent Christensen	Town of Annabella
Allison Leavitt	Monroe City

Jacee Barney	Monroe City
Johnny Parsons	Monroe City
Newell Hales	Salina City
Cade Hunter	Salina City
Jed Maxwell	Salina City
Craig Wright	Beaver Fire District
Jennifer Mcilnay	Beaver Fire District
Tyson Jewkes	Town of Circleville
Coby Willis	Town of Circleville
Kristi Westwood	Town of Circleville
Joshua Bank	Town of Naples
Aaron Averett	Town of Naples
Bart Haslam	Uintah Transportation Special Service District
Cheryl Meier	Uintah Transportation Special Service District
Conae Black	Green River City
Maria Sykes	Green River City
Travis Bacon	Green River City
John Casperson	East Zion Special Service District
Steve Neeleman	East Zion Special Service District
Larry Sanders	East Zion Special Service District
Brad Freeman	East Zion Special Service District
Gordon Walker	East Zion Special Service District
Tyler Jensen	Cache County
Ryan Goodrich	Ashley Valley Water & Sewer Improvement District
Trudy Wheeler	Jensen Water Improvement District
David Hatch	Ouray Park Water Improvement District
Paul Bitteman	Cedar City
Cody Grundy	Town of Loa
Lynn Sitterud	Emery County
Eric Johnson	Blaisdell, Church & Johnson
Jeanette Johnson	Blaisdell, Church & Johnson
Mike McKee	Seven County Infrastructure Coalition
Caleb Evans	Town of Minersville
Brenda Kozlowski	Town of Charleston
Kevin Yack	Uintah Basin Association of Governments
Will Wright	Uintah Basin Association of Governments
Scott McComb	Uintah Basin Association of Governments
Gary Zabriskie	Five County Association of Governments
Nate Wiberg	Five County Association of Governments
Jade Powell	Southeastern Utah Association of Local Governments
Brian Carver	Bear River Association of Governments
Zac Covington	Bear River Association of Governments
Zach Leavitt	Six County Association of Governments
Tyler Timmons	Six County Association of Governments
Mike Wilson	CRS Engineering
Keith Despain	CRS Engineering
Brian Barton	Jones & DeMille Engineering
Bart Jensen	Jones & DeMille Engineering /UTSSD
Daniel Hawley	Jones & DeMille Engineering / UTSSD
Mike Hawley	Jones & DeMille Engineering

Eric Major	Jones & DeMille Engineering / Ballard City
Jamison Christensen	Jones & DeMille Engineering / Monroe City
Kendrick Thomas	Jones & DeMille Engineering
Aaron Jensen	Sunrise Engineering
Jesse Ralphs	Sunrise Engineering
Jeff McCarty	Sunrise Engineering
Devan Shields	Sunrise Engineering
Ben Coray	Sunrise Engineering
Jason Blankenagel	Sunrise Engineering
Justin Atkinson	Sunrise Engineering
Pamela Juliano	RGPC
Ron Winterton	Senator – Duchesne County
Deeda Seed	Center for Biological Diversity
Daniel Mauchley	Duchesne County
Greg Todd	Duchesne County
Dale Coulam	Ivins City
Kurt Mower	Roosevelt City
JR Bird	Roosevelt City
Brandon Johnson	Farnsworth Johnson LLC
Justin Christensen	Ensign Engineering
Bruce Rowley	Town of Levan
C. Christensen	Town of Levan
Michael Davis	Vernal City
Ryan Clayburn	Roosevelt City
Unknown	Tar Sands Resistance
Darrell Fordham	Argyle Wilderness Preservation Alliance
Stan Holmes	Sierra Club
Ann Harvey	<i>No Coal in Oakland</i>
Ted Franklin	<i>No Coal in Oakland</i>
John Chartier	Utah Department of Environmental Quality
Nathan Hall	Utah Department of Environmental Quality
Brian Deeter	J-U-B Engineers
Dickson Taylor	Johnson Water Improvement District
Sarah Stock	Living Rivers
Bret Reynolds	CIVCO Engineers
Heather Pattee	Utah Department of Environmental Quality
Dan Van Wagoner	
Jenny Adams	
Jessica	
Other Attendees:	
1435****114	
1206****442	
1828****027	
1385****107	
1435****267	
1435****266	
1435****988	

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, October 1, 2020 via Zoom Webinar and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

Chairman Hardy read the following statement:

"I, Jonathan Hardy, Chairman of the Permanent Community Impact Board, have determined that the October 1, 2020 meeting of the Permanent Community Impact Board will be held electronically without an anchor location. This determination is based on the following facts:

- 1. Utah is currently dealing with Covid 19, which has been determined to be a pandemic. Covid-19 is extremely contagious and can be deadly to those who contract it, especially those of advanced age and underlying health conditions.*
- 2. The Agency offices are in Salt Lake County, which is currently in the State's yellow low risk category. This limits the size of public gatherings to fewer than 50 people and requires the wearing of masks and social distancing. People are encouraged to stay in their homes.*
- 3. A vast majority of Agency staff and the members of the Board/Commission are teleworking to avoid unnecessary contact with others.*
- 4. The Board/Commission room is insufficient to allow social Distancing and reasonably safe accommodation of the Commission and the Public.*
- 5. The Commission uses an electronic platform which allows interested Parties to view the meeting, hear discussions and provide written comment. For those who want to provide written comment to this meeting, they may do so by emailing Community@utah.gov."*

I. ADMINISTRATIVE ITEMS

Briefing

1. Upcoming Meeting dates and Locations

November 5, 2020 – Virtual Meeting via Zoom Webinar

December 10, 2020 – Virtual Meeting via Zoom Webinar

2. Financial Review [02:19]

Candace Powers reviewed the status of the funds for today's meeting and a brief explanation of the calculation tool which may require reconsideration of funding for some projects.

3. Review of Agenda Items:

There are 18 projects for final funding consideration, 1 new project, 1 supplemental request and 1 request for special consideration.

II. WELCOME AND INTRODUCTIONS [06:55]

Chairman Hardy welcomed everyone and a roll call was conducted in regard to Board attendance. David Damschen was excused for this meeting.

BOARD DISCUSSION [09:32]

Chairman Hardy noted that projects advanced to the Priority List for today's funding meeting with regard to the calculation tool recommendation and the funding the Board advanced at the review meetings. The funding tool was created in response to the Legislative Audit suggesting more consistency in funding awards for project applications. The Board may suggest exceptions to the recommended funding with a documented reason. A funding discussion may be necessary for some of today's projects.

Commissioner Adams noted that the projects have already been discussed, and though in some meetings there may not have been clarity from the tool, according to the financials there is sufficient funding. He suggested the finalized financial tool be utilized going forward.

Chairman Hardy noted the tool was in development and the Board discussed refinements to the tool which would be revisited at the funding meeting to evaluate those projects placed on the Priority List. The projects are on the Priority List and have not received final funding.

Commissioner Dalton referred to the funding of the two Beaver projects which both exceed the recommended funding and asked for clarification.

Chairman Hardy referred to the meeting notes wherein those funding packages above the loan range are indicated in orange and those below the loan range are indicated in red. Exceptions should be documented in each case.

Commissioner Lytle suggested a justification to provide funding as placed on the Priority List could be that the funding tool was transitional. Going forward, there will be more in-depth justifications for funding packages.

Chairman Hardy noted the tool was transitional until the September meeting and applications prior to that were going through the process in the refinement of the tool. The financial tool will be fully implemented in the 2nd trimester.

Mr. Zeenati inquired about the legality of changing funding packages at today's meeting.

Ms. Garner noted that the projects were placed on the Priority List and have not been funded. The Board provides final funding authorization at the funding meeting. Changes can be made.

Chairman Hardy also noted that exceptions can be made when the tool is in full use. In this meeting the blanket exception would reference the tool being in development during this trimester. The financial tool has been adopted so in the future, exceptions to the recommendation would be per project.

Mayor Baker indicated that when the tool was established, the Board would still have discretion over the funding packages.

Chairman Hardy stated the creation of the funding tool was a result of the Legislative Audit recommending more consistency. The Board can make an alternate determination but it should be the exception. There is flexibility in the tool and the Board can state exceptions when suggesting alternate funding.

Commissioner Ogden supported they authorize funding as placed on the Priority List today. Going forward, if a project is presented with a 2.5% interest rate and the tool provides a lower interest rate, would the Board be required to stay within the suggested range?

Chairman Hardy indicated the Board can always make adjustments to the tool and the policy. There are many options considered by the tool, but if the Board needs to fund with more loan, the tool could be adjusted with a higher maximum loan. The goal is consistency and fairness across the entire State so adjustments should be made to the tool versus making exceptions outside the tool. Adjustments may be made over time if there are other relevant factors to initiate a change. Applicants have received notification that the Board would be discussing the funding packages in regard to the range prior to final approval at today's meeting.

Commissioner Hansen stated we have been reviewing on Zoom, still in a pandemic and as the applicants have brought their projects to the Board, they don't know what their future revenue is going to

be. The Board should give consideration to reduced revenue in the Basin. This is not a normal time and we do need to be cognizant of the situation.

Chairman Hardy agreed there is a lot of uncertainty in regard to the financial situation of the applicants and the Mineral Lease Funds. What is allocated currently may not be replenished currently. If today's projects are funded as placed on the Priority List and are outside the consistent range now defined by the tool, the exception will be that the finalization of the tool was in process. The tool has now been accepted by the Board going forward.

III. APPROVAL OF MINUTES [30:34]

Chairman Hardy requested a motion to approve the minutes from the September 3, 2020 meeting.

Kyle Stephens made and Tooter Ogden seconded a motion to approve the minutes of the September 3, 2020 meeting. The motion carried unanimously through voice vote.

IV. PRIORITY PROJECTS [31:17]

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

1. Ballard City (Uintah County) [31:38]

Ballard City's funding request was advanced to the Priority List as a \$189,000 loan for 10 years at 0.5% interest and a \$439,500 grant (total \$628,500). This project consists of road improvements to improve .28 miles of roadway access and drainage into Serenity Park and the approach intersection into US Highway 40 to include approximately 800 cubic yards of granular borrow, 1300 cubic yards of untreated road base and 3/4" hot mix asphalt; 3,120 linear feet of curb and gutter with 4' sidewalk, 6 storm drain curb inlet with bicycle safe grates, 800 feet of 18" corrugated metal storm drain pipe, pulverize and mix 5800 square yards of pulverized existing asphalt and the installation of 37,500 cubic feet of ACO StormBrixx storm detention system structure.

Prioritized Funding: \$628,500 (a \$189,000 loan for 10 years at 0.5% interest and a \$439,500 grant)
The prioritized funding is within the approved range.

The revenue source for loan repayment will be B&C road revenue funds.

Gregg Galecki left meeting at 8:44 am.

Dean Baker made and Naghi Zeenati seconded a motion to fund this project as advanced to the Priority List. The motion carried with Tooter Ogden, Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen, Bruce Adams and Naghi Zeenati in favor and Gregg Galecki absent for the vote.

2. Town of Annabella (Sevier County) [33:48]

The Town of Annabella's funding request was advanced to the Priority List as a \$400,000 loan for 10 years at 0.5% interest and a \$933,333,000 grant (total \$1,333,333). This project consists of road and drainage improvements in the Town of Annabella to include 1.75 miles of chip seal over existing HMA roads, 1.82 miles of shoulder repair with 1.5" overlay, 5.32 miles of CTB with Double Chip Seal, 130 LF 6" cross gutter, 12 valves with collars, 4 manholes with collars and 1 street light for a total repair length of 8.89 miles.

Prioritized Funding: \$1,333,333 (a \$400,000 loan for 10 years at 0.5% interest and a \$933,333 grant). *The prioritized funding is within the approved range.*

The Board stated that as the funding was reduced to accommodate an affordable payment, the applicant was requested to provide a revised scope of work within the approved funding.

The applicant indicated that a reduced scope has been evaluated and established to meet the proposed funding amount and that scope will be provided today. B&C road revenue will be pledged to repay the loan.

Jack Lytle made and Tooter Ogden seconded a motion to fund this project as advanced to the Priority List contingent on the provision of the revised scope of work. The motion carried with Tooter Ogden, Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen, Bruce Adams and Naghi Zeenati in favor and Gregg Galecki absent for the vote.

3. Monroe City (Sevier County) [38:22]

Monroe City's funding request was advanced to the Priority List as a \$100,000 loan for 20 years at 0.5% interest and a \$60,000 grant (total \$160,000). This project consists of cemetery improvements to include expanding the current cemetery by 3.25 acres which adds 1,801 5X1 spaces south of the current cemetery, utilizing 1300 cubic yards of untreated base course to provide 24' wide roads, a new parking area, a directory kiosk, a Veterans Memorial, restroom facilities, removal of existing fencing and adding 920 linear feet of 5' chain link fencing and brace posts, landscaping and a sprinkler system. The applicant is contributing \$120,000 cash.

Prioritized Funding: \$160,000 (a \$100,000 loan for 20 years at 0.5% interest and a \$60,000 grant). *The prioritized funding is within the approved range.*

The applicant indicated the revenue source for loan repayment is perpetual care. The applicant's bond counsel must verify that the revenue source can be pledged prior to allocating funds.

Dean Baker made and Mike Dalton seconded a motion fund this project as advanced to the Priority List. The motion carried with Tooter Ogden, Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen, Bruce Adams and Naghi Zeenati in favor and Gregg Galecki absent for the vote.

Chairman Hardy indicated that subsequent projects may have funding packages outside the tool recommendation and noted the exemption may be the funding tool was transitional.

4. Salina City (Sevier County) [41:26]

Salina City's funding request was advanced to the Priority List as a \$213,000 loan for 15 years at 0.0% interest and a \$636,000 grant (total \$849,000). This project consists of replacing two outdated and unsafe Salina Fire Department fire trucks with 2 new fire trucks; a Pierce Commercial Kenworth T370 4x2 pumper which will have a ladder rack and a Pierce Commercial Kenworth T370 4x2 pumper which will have a winch and water cannon. The applicant is contributing \$46,000 cash.

Prioritized Funding: \$849,000 (a \$213,000 loan for 20 years at 0.5% interest and a \$636,000 grant). *The prioritized funding is below the minimum funding package of a \$289,000 loan for 15 years at 0.5% interest and a \$560,000 grant.*

The applicant indicated they will use general fund revenues for the repayment of the loan.

Mr. Prater noted that general funds cannot be used unless there is a bond election. Mr. Prater spoke to their bond counsel who indicated this would be an equipment lease revenue bond and the lease payments may come from through the general funds.

Tooter Ogden made and Naghi Zeenati seconded a motion to fund this project as advanced to the Priority List. Exemption: the funding tool was transitional. The motion carried with Tooter Ogden, Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen, Bruce Adams and Naghi Zeenati in favor and Gregg Galecki absent for the vote.

Gregg Galecki returned to the meeting at 9:22 am.

5. Local Building Authority of Beaver Fire District #1(Beaver County) [44:10]

The Local Building Authority of Beaver Fire District #1's funding request for a new fire brush truck was advanced to the Priority List as a \$191,000 loan for 15 years at 1.5% interest and a \$128,000 grant (total \$319,000). This project consists of the purchase of a Type 1/3 hybrid style International IHC 4800 Pumper Truck with capability to fight wildland and structure fires. The applicant is contributing \$70,638 cash.

Prioritized Funding: \$319,000 (a \$191,000 loan for 15 years at 1.5% interest and a \$128,000 grant).
The prioritized funding is above the maximum range of \$182,000 loan / \$137,000 grant.

The applicant indicated they will issue lease revenue bonds and utilize revenue from the fire revenue fund / property tax.

Commissioner Dalton suggested the brush truck and the ambulance funding for the Local Building Authority of Beaver Fire District #1 be funded in the minimum loan range as a *\$150,000 loan / \$169,000 grant*.

Chairman Hardy noted the objective is not to fund everything in the minimum range, but to fund projects *within* the range. This project is slightly above the maximum. The Board should be funding toward the maximum side if the tool is to be the guide because the mineral lease funds are scarce.

Commissioner Dalton referred to the previous project where the funding was below the minimum.

Chairman Hardy noted the Board is to keep the fund revolving and the audit noted the Board has been overly generous with grant funding.

The Board reviewed the funding placed on the prioritization list for this project and adjusted funding to be within the recommended scenario.

Mike Dalton made and Gregg Galecki seconded a motion fund this project as a \$150,000 loan for 15 years at 1.5% interest and a \$169,000 grant (total \$319,000). The motion carried unanimously through roll-call vote.

6. Local Building Authority of Beaver Fire District #1 (Beaver County) [53:50]

The Local Building Authority of Beaver Fire District #1's funding request for a new ambulance was advanced to the Priority List as a \$191,000 loan for 10 years at 0.0% interest and a \$64,242 grant (total \$255,242). This project consists of the purchase of a Ford AEV TraumaHawk Type 1 4WD custom ambulance with a 172" module body mounted on a 2020 Ford F450 4X4 dual rear wheel cab/chassis with a 16,500 gross vehicle weight rating.

Prioritized Funding: \$255,242 (a \$191,000 loan for 10 years at 0.0% interest and a \$62,242 grant)
The prioritized funding is above the maximum range of \$123,000 loan / \$132,242 grant.

Commissioner Dalton noted the tools median range and discussed payment scenarios.

Chairman Hardy indicated the 10 year term payment on \$191,000 is \$19,100 annually and on \$97,000 the payment is approximately \$10,241.

Revised Funding Request: \$255,242 (a \$97,000 loan for 10 years at 1.0% interest and a \$158,242 grant).

Mike Dalton made and Dean Baker seconded a motion fund this project as a \$97,000 loan for 10 years at 1.0% interest and a \$158,242 grant (total \$255,242).

Commissioner Dalton stated this funding revision is to bring the funding to within the median funding range with an increase in interest as a return to CIB.

It was noted that each increase in grant award subtracts from the mineral lease balance. The Chairman called the question.

Mike Dalton made and Dean Baker seconded a motion fund this project as a \$97,000 loan for 10 years at 1.0% interest and a \$158,242 grant (total \$255,242). The motion carried unanimously through roll-call vote.

7. Town of Circleville (Piute County) [1:04:58]

The Town of Circleville's funding request was advanced to the Priority List as a \$100,000 loan for 20 years at 1.0% interest and a \$250,000 grant (total \$350,000). This project consists of town park improvements to include a 24x44' pavilion, restrooms, metal building, sidewalks, a 40x40' playground and playground equipment, splash pad, pickle ball courts, horseshoe pit, ¼ mile walking path, landscaping, sprinkler and septic. The applicant is contributing \$75,000 cash and other cash \$25,000.

Prioritized Funding: \$350,000 (\$100,000 loan for 20 years at 1.0% interest and a \$250,000 grant).
The prioritized funding is below the minimum range of \$273,000 loan / \$77,000 grant.

The applicant indicated the revenue source will be tax revenues from the general fund. It was clarified that those funds may be utilized in the form of a lease revenue bond through the Town's building authority.

Naghi Zeenati made and Tooter Ogden seconded a motion to fund this project as advanced to the Priority List. Exemption: the funding tool was transitional. The motion carried unanimously through roll-call vote.

8. Naples City (Uintah County) [1:10:10]

Naples City's funding request was advanced to the Priority List as an \$868,000 loan for 20 years at 0.5% interest and an \$867,000 grant (total \$1,735,000). This project consists of maintaining an existing open flood channel in the boundaries of Naples City, Vernal City, and Uintah County for the length of the Central Canal to collect storm water runoff flood control as the Ashley Central Irrigation Company intends to pipe the complete length of the Central Canal in Ashley Valley. This will include open cut and slip line roadway crossings on a number of streets for storm water and flood control channel preservation,

vegetation removal and reshaping of the channel, extending the existing storm drain culvert east of Hwy 40 approximately 3,500 feet toward the east with a 54" diameter HDPE pipe and to enclose the storm drain channel in other areas to facilitate future roadway projects. Naples City is the applicant as the largest portion of the project is at 2500 South in Naples. The applicant is contributing \$99,000 cash, UDOT \$150,000 and NRCS \$561,000.

The applicant is requesting funding reconsideration.

Prioritized Funding: \$1,735,000 (\$868,000 loan for 20 years at 0.5% interest and a \$867,000 grant).
The prioritized funding is within the approved range.

The applicant indicated that through subsequent discussions with the other three entities involved in this project; Uintah County, Vernal City and Naples City suggested a reduction in the amount of loan funding. There is a reduction in the available funds from these entities and asked the Board for a reconsideration of the loan/grant. They have \$800,000 in applicant and other cash sources and suggested reducing the loan amount to \$473,000 and a grant of \$1,262,000.

Mr. Moberly indicated that cash is a factor in the tools calculations for each percent of outside funding, it shifts the loan amount down a quarter percent.

Chairman Hardy indicated the applicant has considered the cash contributions with greater impact.

Mr. Galecki referenced the payment on the prioritized funding of \$45,714 and the request would reduce the payment to \$21,700. Multiple municipalities are contributing. He suggested the Board approve the funding package which was placed on the Priority List noting the other grants acquired for this project.

Gregg Galecki made and Kyle Stephens seconded a motion to fund this project as advanced to the Priority List.

Mayor Baker stated that revenues are down and Naples reduced their workforce. The current budget prohibits a \$46,000 annual payment for 20 years.

Commissioner Haslam acknowledged the reduction of funding to the CIB and counties and noted the rest of the state has been affected by Covid-19, but oil and gas fell below \$30 a barrel. Unemployment in Uintah County is over double the rest of the state and their workforce has been reduced by 32 employees. The revenue is not there to make the higher payment, yet the project must happen or two highways may be lost (*going out to the field*). The White River Bridge was improved on the west side and this project is on the east side road that accesses oil fields.

Irene Hansen made and Jack Lytle seconded a motion to fund this project as a \$473,000 loan for 20 years at 0.5% interest and a \$1,262,000 grant (total \$1,735,000). The motion carried with Jack Lytle, Dean Baker, Kyle Stephens, Irene Hansen, and Bruce Adams in favor and Gregg Galecki, Tooter Ogden, Mike Dalton and Naghi Zeenati opposed.

Commissioner Ogden asked if the authorized funding was within the range of the tool.

Chairman Hardy noted that the minimum range for the Naples project was a \$764,000 loan and a \$971,000 grant.

9. Uintah Transportation Special Service District (Uintah County) [1:25:29]

The Uintah Transportation Special Service District's funding request was advanced to the Priority List as a \$1,978,000 loan for 15 years at 2.0% interest and a \$2,966,000 grant (total \$4,944,000). This project is for road improvements to include repair, repaving, drainage and lane striping throughout the County to include hot mix asphalt, crack seal, chip seal and related pavement applications on 55 miles of roadway and approximately 10 miles of 2 inch thin asphalt overlay on various roads where a chip seal is insufficient for heavy truck traffic.

Prioritized Funding: \$4,944,000 (a \$1,978,000 loan for 15 years at 2.0% interest and a \$2,966,000 grant). *The prioritized funding is below the minimum range of \$2,077,000 loan / \$2,867,000 grant.*

The applicant indicated the revenue source will be mineral lease funds.

Gregg Galecki made and Kyle Stephens seconded a motion to fund this project as advanced to the Priority List. Exemption: the funding tool was transitional. The motion carried with Gregg Galecki, Tooter Ogden, Dean Baker, Kyle Stephens, Irene Hansen, Bruce Adams and Naghi Zeenati in favor and Mike Dalton and Jack Lytle opposed.

Commissioner Lytle clarified his opposition to be for a reduced interest rate for a producing county.

10. Green River City (Emery County) [01:29:22]

Green River City's funding request was advanced to the Priority List as a \$121,000 grant. This project is part of a larger redevelopment plan for site improvements to accommodate affordable housing and greenspace in preparation for city growth including engineering, survey, sewer main, manholes, culinary water main, gate valves fire hydrants and roadway repair to the Canal Commons site in Green River.

Prioritized Funding: \$121,000 grant. *The prioritized funding is below the minimum range of \$31,000 loan / \$90,000 grant. \$31,000 is below the threshold for loan funding due to bond expenses.*

Bruce Adams made and Mike Dalton seconded a motion to fund this project as advanced to the Priority List. The motion carried unanimously through roll-call vote.

11. East Zion Special Service District (Kane County) [01:31:12]

East Zion Special Service District's funding request was advanced to the Priority List as a \$100,000 loan for 30 years at 0.5% interest and a \$268,189 grant (total \$368,189). This project includes the purchase of an existing 48' x 48' metal building with foundation, heating and electrical located 5 miles up North Fork Road in Mt. Carmel to include design, engineering and construction of a 672 square foot building addition to include a training room, office, rest room and equipment storage, and paving driveway access around the building.

Prioritized Funding: \$368,189 (\$100,000 loan for 30 years at 0.5% interest and a \$268,189 grant). *The prioritized funding is below the minimum range of \$137,000 loan / \$231,189 grant.*

The applicant indicated the district board will discuss the revenue source at their board meeting and a building authority may be set up to accommodate a lease revenue bond.

Mr. Prater stated that a generic bond, as with other bonds, requires a revenue source. The district has discussed a lease revenue bond and requires a building authority or there may be a fire assessment as a revenue source. Prior to issuing the bond, the district will verify which revenue source they will use.

Mr. Galecki indicated the authorized funding is \$16,000 below the minimum loan range and suggested an increase in the loan amount.

The applicant would prefer staying with the authorized amount. They will be doing road improvements and renovating an existing building to save costs. The land was donated which was a significant savings. Safety equipment is needed. Lumber has increased but the district will cover those increases.

Mr. Galecki suggested a loan of \$120,000 at 0.5% interest with an annual payment of \$4,317; an increase of \$720.

The applicant stated though that seems a small amount, the district needs equipment as well.

Bruce Adams made and Gregg Galecki seconded a motion to fund this as advanced to the Priority List. *Exemption: the funding tool was transitional. The motion carried unanimously through roll-call vote.*

12. Cache County [01:40:20]

Cache County's funding request was advanced to the Priority List as a \$93,552 grant. This project will compile information in regard to urban and rural assessments and will include data inventory, land use growth assessment, criteria, service capacity and future service patterns, services assessment, resources and alternatives, cost of service review, public engagement, policy gap assessment, coordination platforms and a regional collaboration plan.

Total Funding Request: \$93,552 grant.

Mike Dalton made and Naghi Zeenati seconded a motion to fund this as advanced to the Priority List. The motion carried unanimously through roll-call vote.

13. Ashley Valley Water and Sewer Improvement District (Uintah County) [01:42:00]

Ashley Valley Water and Sewer Improvement District's funding request was advanced to the Priority List as a \$843,000 loan for 30 years at 1.5% interest and a \$842,000 grant (total \$1,685,000). This project consists of expanding the existing water treatment plant with a 2 million gallon water tank, concrete pad, pipe connections, walkways, railings, stairways, ladders, SCADA upgrades, electrical controls and connections and a chemical feeder system and Jensen waterline improvements including 10" pipe lining and appurtenances and pavement repair.

Prioritized Funding: \$1,685,000 (an \$843,000 loan for 30 years at 1.5% interest and an \$842,000 grant). The prioritized funding is within the approved range.

Tooter Ogden made and Naghi Zeenati seconded a motion to fund this project as an \$843,000 loan for 30 years at 1.5% interest and an \$842,000 grant (total \$1,685,000).

Dean Baker made and Irene Hansen seconded a substitute motion to fund this project as an \$843,000 loan for 30 years at 0.5% interest and an \$842,000 grant (total \$1,685,000). The motion carried Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen, Bruce Adams, and Naghi Zeenati in favor and Gregg Galecki and Tooter Ogden opposed.

14. Jensen Water Improvement District (Uintah County) [01:44:30]

Jensen Water Improvement District's funding request was advanced to the Priority List as a \$338,000 loan for 30 years at 1.5% interest and a \$787,000 grant (total \$1,125,000). This project consists of water

system improvements to include installing a 10" water line at the Naples water tank feed and supply lines, moving an existing PRV to the 10-inch Sunshine Bench Line to increase water pressure, a 10" gate valve and a 12" gate valve, replacing 538 SCADA water meters throughout the system, replacing 7900 linear feet of 4" and 6" lines with 8" pipe and 6 gate valves and pipe bedding on the Lower Brush Creek pipeline to meet fire flow demands, rights of way negotiation and acquisition. This project may also include system improvements on 6000 North and/or GIS improvements as outlined in the master plan and PER if the funding is sufficient.

Prioritized Funding: \$1,125,000 (\$338,000 loan for 30 years at 1.5% interest and a \$787,000 grant). *The prioritized funding is within the approved range; the interest rate exceeds the approved range.*

Dean Baker made and Jack Lytle seconded a motion to fund this project as a \$338,000 loan for 30 years at 0.5% interest and a \$787,000 grant (total 1,125,000). The motion carried with Tooter Ogden, Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen, Bruce Adams, and Naghi Zeenati in favor and Gregg Galecki opposed.

15. Ouray Park Water Improvement District (Uintah County) [01:47:05]

Ouray Park Water Improvement District's funding request was advanced to the Priority List as a \$300,000 loan for 30 years at 0.5% interest and a \$1,200,000 grant (total \$1,500,000). This project consists of updating the components of the water system to include replacing 21,120 linear feet of undersized 2- and 4-inch water lines with 6" and 8" water lines, a pressure reducing station, 5 additional fire hydrants, upgrading the chlorinator station, and Master Meter and SCADA system improvements.

Prioritized Funding: \$1,500,000 (\$300,000 loan for 30 years at 0.5% interest and a \$1,200,000 grant). *The prioritized funding is below the minimum range of \$405,000 loan / \$1,095,000 grant.*

Naghi Zeenati made and Tooter Ogden seconded a motion to fund this project as a \$405,000 loan for 30 years at 0.5 % interest and a \$1,095,000 grant (total \$1,500,000).

Jack Lytle made and Dean Baker seconded a substitute motion to fund this project as advanced to the Priority List; a \$300,000 loan for 30 years at 0.5% interest and a \$1,200,000 grant (total \$1,500,000). The motion failed with Jack Lytle, Dean Baker, Irene Hansen and Bruce Adams in favor and Gregg Galecki, Tooter Ogden, Kyle Stephens, Mike Dalton, and Naghi Zeenati opposed.

The applicant stated they would prefer the funding prioritized by the Board which is nearly at their maximum of affordability.

The Chairman noted the difference in the payments for the two funding scenarios is approximately \$4,000 annually. The Chairman called the question on the original motion.

Naghi Zeenati made and Tooter Ogden seconded a motion to fund this project as a \$405,000 loan for 30 years at 0.5 % interest and a \$1,095,000 grant (total \$1,500,000). The motion carried Gregg Galecki, Tooter Ogden, Kyle Stephens, Mike Dalton, Irene Hansen, Bruce Adams and Naghi Zeenati in favor and Jack Lytle and Dean Baker opposed.

16. Cedarview Montwell Special Service District (Duchesne County) [01:54:54]

Cedarview Montwell Special Service District's funding request was advanced to the Priority List as a \$770,000 loan for 30 years at 0.5% interest and a \$1,430,000 grant (total \$2,200,000). This project consists of providing culinary water service to the Sharmel Acres and Page Bench areas (currently on wells) to include the construction of 15,500 linear feet of main lines, 600 linear feet of service laterals, 20

meters, 1 meter vault, 14 fire hydrants, 5 ea. 8" gate valves, 5 ea. 12" gate valves, associated appurtenances and related pavement repair.

Prioritized Funding: \$2,200,000 (\$770,000 loan for 30 years at 0.5% interest and a \$1,430,000 grant). *The prioritized funding is below the minimum range of \$814,000 loan / \$1,386,000 grant.*

Jack Lytle made and Irene Hansen seconded a motion to fund this project as advanced to the Priority List; a \$770,000 loan for 30 years at 0.5% interest and a \$1,430,000 grant (total \$2,200,000). Exemption: the funding tool was transitional. The motion carried unanimously through roll-call vote.

17. Cedar City Municipal Building Authority (Iron County) [01:57:54]

Cedar City's funding request was advanced to the Priority List as a \$6,200,000 loan for 30 years at 2.0% interest. This project consists of a gymnasium/fitness center addition to the Cedar City recreation center to include demolition, excavation, concrete, sidewalks, landscaping, masonry, steel frame building, overhead doors, entrances, restrooms, gym hardwood floor and Tara flex track flooring, fire extinguishers, basketball backstops, electric scoreboards, plumbing, HVAC, fences and gates, childcare area with appurtenances and applicable finishes.

Marcus Keller, Zions Public Finance stated that they will structure the loan as a lease revenue bond and likely utilize sales tax revenue. He suggested a reduction of interest rate to 1.5%.

The Board noted that the original request was for 2.5% and the Board reduced the interest rate to 2.0%.

Prioritized Funding: \$6,200,000 loan for 30 years at 2.0% interest. *The prioritized funding is within the approved range.*

Jack Lytle made and Naghi Zeenati seconded a motion to fund this project as advanced to the Priority List. The motion carried unanimously through roll-call vote.

18. Town of Loa (Wayne County) [02:01:40]

Loa's funding request was advanced to the Priority List as a \$675,000 loan for 30 years at 1.5% interest and a \$2,025,000 grant (total \$2,700,000). This project consists of replacing 17,000 feet of existing pipe with new 8" and 10" PVC pipe, system looping to increase capacity, replacing the existing 4" thin wall plastic pipe on Main Street, installing new meter setters with backflow prevention throughout the system, installing an integrated SCADA system to meter system usage and status of system components, gate valves, 4 new hydrants, associated appurtenances, easements and pavement repair.

Prioritized Funding: \$2,700,000 (\$675,000 loan for 30 years at 1.5% interest and a \$2,025,000 grant). *The prioritized funding is below the minimum range of \$1,053,000 loan / \$1,647,000 grant.*

Commissioner Ogden noted that Wayne County has 97% federal land with little revenue source.

Tooter Ogden made and Naghi Zeenati seconded a motion to fund this project as advanced to the Priority List; a \$675,000 loan for 30 years at 1.5% interest deferred payment for 3 years, and a \$2,025,000 grant (total 2,700,000).

Chairman Hardy indicated that the funding tool does take into account the amount of federal land.

Mr. Galecki noted the Town of Loa has requested a 3 year principle payment deferral.

Mr. Zeenati acknowledged the lack of revenue and the large amount of federal land. Commissioner Lytle asked how the public land is weighted in the funding tool.

Mr. Moberly indicated public land is a significant consideration in the funding tool. Those entities with little private land receive a 20% reduction in loan funding and the interest rate is also reduced.

The Chairman called the question.

Tooter Ogden made and Naghi Zeenati seconded a motion to fund this project as advanced to the Priority List; a \$675,000 loan for 30 years at 1.5% interest deferred payment for 3 years, and a \$2,025,000 grant (total 2,700,000). Exemption: the funding tool was transitional. The motion carried unanimously through roll-call vote.

V. NEW PROJECTS – LARGE INFRASTRUCTURE

1. Emery County Local Building Authority [02:07:50]

Emery County submitted a funding request of \$7,491,000 grant for renovations to the San Rafael Energy Research Center. This project includes renovations for the current San Rafael Energy Research Center to include entrance/office area plumbing, mechanical, electrical, demolition, partition walls, finishes and appurtenances, lab service area plumbing, mechanical, electrical, demolition, partition walls, finishes and appurtenances including bathrooms, locker rooms, etc., uranium lab plumbing, mechanical, electrical, demolition, partition walls, finishes and appurtenances, hot cell lab plumbing, mechanical, electrical, demolition, partition walls, finishes and appurtenances, molten salt research lab plumbing, mechanical, electrical, demolition, partition walls, finishes and appurtenances, sanitary sewer line, road repair, chiller room addition, engineering, land/easement acquisition and lab equipment including SEM and FIB electron microscopes, potentiostats, icp-oes systems, hot cell shielding and mechanical equipment, additional fume hoods, glove boxes and office equipping and project coordination. The project location is in Orangeville, Utah.

Proposed Funding from Major Infrastructure Fund

\$7,000,000 Grant

\$ 491,000 Loan for 30 years at 0.5% interest

The project application was submitted on the June 1, 2020 application deadline. Through numerous discussions, the applicant was changed to Emery County Local Building Authority. The CIB funded the purchase of the building on June 13, 2019 with a \$2,625,000 grant.

Senator David Hinkins, Commissioner Lynn Sitterud, Eric Johnson, Jeanette Johnson and Mike McKee represented Emery County LBA for the San Rafael Energy Research Center.

Commissioner Sitterud indicated this is to research thorium nuclear power. The plant in Canada and Denmark are old facilities and have exceeded their life span. India and China will be seeking the world market, but this facility will keep those isotopes in America. Others labs in the country are producing electricity. The Emery facility will be producing medical isotopes. The lab is split between the thorium molten salt research and coal combustion research for carbon fiber and hydrogen production. This facility is a cooperation of government and private entities and has partnerships with the University of Utah, BYU and Utah State. Colleges across the country may also have access.

It was noted that this project could be funded out of the Major Infrastructure Set Aside to accommodate grant funding and loan funds may be allocated from the Bonus account.

Commissioner Sitterud stated the Emery facility is being built for harvesting isotopes. The plant in Canada was between 40 or 50 years old and there is better technology.

Mr. Zeenati asked if they were subject to EPA regulations and Nuclear Safety Administration regulations.

Commissioner Sitterud stated the application has been turned in for the nuclear permit. It has been returned requesting additional information. The application will be resubmitted for the nuclear permit within the next few weeks. It is anticipated to be approved within 6 months.

Commissioner Ogden asked about maintaining the project.

Commissioner Sitterud stated contracts on the coal and hydrocarbon portion will bring resources to support the facility. The molten salt process and research will be a ways out. The coal combustion research is happening now and there may be contracts to do work for outside interests which will bring additional support. Carbon fiber and hydrogen research will be through the Universities and will be developed to assist in supporting the facility.

Mr. Galecki asked if they had looked for other funding sources stating this is a niche market and quite speculative. The state legislature provided \$1,000,000 and CIB funded a \$2,625,000 grant. *It is noted that Emery County has retiring debt in two years. The median range of funding indicates half grant and half loan.*

Commissioner Sitterud stated that the tax reform did not pass and Covid happened which further limited revenue for a number of hopeful projects so there is not legislative funding at this time. They have applied for federal funding and are in line for a small allocation paying the University of Utah for the coal combustion unit. The facility needs to be more complete to apply for other funding sources. CIB funding may help leverage additional federal funding. A 50/50 funding scenario could not be accommodated. Emery County will utilize Community Reinvestment Area (CRA) tax increment as the revenue source which would not accommodate half grant and half loan funding scenario. CRA is from solar and the contracts are being negotiated. Currently the CRA revenue is just under \$2,000,000 over the next 30 years. As the coal fired power plants close in Emery County, this type of power will come on line and this facility will find a better, cleaner use for coal.

Mr. Zeenati referred to several car manufacturers which are moving to electric or oxygen fueled cars and asked if this facility would help that type of industry with possible funding available through those companies.

Senator Hinkins noted there are companies with whom Emery County is discussing hydrogen production, fuel cells and possible uses as an energy option for vehicles.

Mr. Johnson further noted there is ongoing research in molten salt for improved battery capacity in vehicles.

Mr. Galecki asked if this project funding is final or will there be additional phases. He also referred to the excessive costs of mobilization for each portion of the project which comes approximately \$250,000.

Commissioner Sitterud stated this is a phase that would get the building completed and equipped. The Universities would then do their research. There may be phases down the road where they could add more testing as necessary. He had not noticed the mobilization issue and referred the question to Jones and DeMille Engineering.

Brian Barton, Jones and DeMille Engineering indicated that each of the elements is specialized and specialty contractors may be required.

Mr. Galecki referred to all the specialized equipment and asked about personnel and technicians to assist the specialized function of the facility. How will the facility be managed?

Commissioner Sitterud indicated that Emery County is currently working to select a qualified person and if the project is funded, it will be a more viable opportunity for that qualified person.

Bruce Adams made and Gregg Galecki seconded a motion to fund this project as a \$7,000,000 grant from the Major Infrastructure Set Aside Fund and a \$491,000 loan for 30 years at 0.5% interest (total \$7,491,000). The motion carried unanimously through roll-call vote.

VII. SUPPLEMENTAL REQUESTS

1. Town of Minersville (Beaver County) [02:47:55]

At the February 6, 2020 CIB Board Meeting, the Board approved funding request for a \$300,000 loan for 30 years at 1% interest and a \$400,000 grant (total \$700,000) to the Town of Minersville for the Water System Improvement project. This project consists of water system improvements to include developing an additional spring collection pipeline, renovating the spring pump system, constructing an additional chlorination room and chlorination system upgrades, replacing the existing pressure reducing valve (PRV) stations, upgrading multiple locations of cast iron pipe by installing 550 LF of 8" PVC C900 DR-18 Pipe and gate valves on 100 West from 300 South to 200 South; 650 LF 8" PVC C900 DR-18 pipe and gate valves on 500 South from 300 West to 400 West; installing 1,800 LF 10" PVC C900 DR-18 pipe and gate valves on 100 West from 300 South to 400 South, 400 South from 100 West to 200 West and 200 West from 400 South to 500 South; installing 1,800 LF 8" PVC C900 DR-18 pipe and gate valves transmission pipeline from booster to PRV.

The applicant indicated the bids exceed the available funding and is requesting additional funding in the same terms as the original to accommodate the increased cost. The scope of work has not changed.

Additional Funding Request: \$405,000 (\$175,000 loan for 30 years at 1.0% interest and a \$230,000 grant).

Mike Dalton made and Tooter Ogden seconded a motion to fund this project as requested for a \$175,000 loan for 30 years at 1.0% interest and a \$230,000 grant (additional \$405,000). The motion carried unanimously through roll-call vote.

VIII. SPECIAL CONSIDERATION

The Chairman called for a vote to hear the special consideration request.

Naghi Zeenati made and Jack Lytle seconded a motion to hear the Special Consideration request from The Town of Charleston. The motion carried unanimously.

1. Town of Charleston (Wasatch County) [02:49:45]

On June 13, 2019 the Town of Charleston received a \$1,165,000 loan for 15 years at 2.5% for the removal of current asphalt, road base and any road preparations to a depth of 18", then the addition of clay free road base with 2' shoulders and 3" asphalt to meet engineering specifications to 3/4 mile of Winterton Road and Winterton Circle.

Town of Charleston is seeking Board approval for a change of scope to do additional road improvements as indicated with the remaining funds.

Naghi Zeenati made and Tooter Ogden seconded a motion to approve the change of scope for the Town of Charleston. The motion carried unanimously through roll-call vote.

IX. BOARD MEMBER DISCUSSION AND/OR ACTION ITEMS [

9.1 CIB Board Meetings – November 5, 2020

Due to time constraints the following items will be discussed at a future Board Meeting.

9.2 *CIB Loan Deferrals Report – Update*

9.3 *CIB Legislative Audit & Policy Change Discussion & Approval – Chapter III*

9.4 *CIB Legislative Audit & Policy Change Discussion & Approval – Chapter V*

The Chairman moved to the next discussion item.

9.5 CIB Closed Session – the Board may consider a motion to enter closed session pursuant to Utah Code Ann. 52.4.205(1)(c).

Kyle Stephens made and Naghi Zeenati seconded a motion for the CIB Board to enter into a closed session. The motion carried unanimously through roll-call vote.

Enter Closed Session: 11:34 am

Exited Closed Session: 11:52 am

ADJOURNMENT

The next meeting of the Permanent Community Impact Board will be November 5, 2020 to be held virtually via Zoom Webinar starting at 8:30 am.

The meeting adjourned at 11:54 am.

Submitted by:

Pamela Sjostrom

Candace Powers