

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES

January 5, 2023 - ZOOM

Members Virtually Present

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

Staff and Visitors

Candace Powers	Housing and Community Development
Brenda Brown	Housing and Community Development
Paul Moberly	Housing and Community Development
Zach Leavitt	Housing and Community Development
Jennifer Domenici	Housing and Community Development
Christopher Pieper	Attorney General's Office
Skyler Davies	Division of Water Quality
Heather Pattee	Division of Drinking Water
Marie Owens	Division of Drinking Water
Shay Morrison	Six County Association of Governments
Tyler Timmons	Six County Association of Governments
Will Wright	Uintah Basin Association of Governments
Tamara Dockstader	Southeastern Utah Association of Local Governments
Brittany Hardy	Department of Workforce Services
Kaylee Beck	Department of Workforce Services
Stacey Herpel	Housing and Community Development
Alex Buxton	Zions Public Finance
Leo G. Kanell	Elk Meadows SSD
Shaun Kjar	Ephraim City
Doug Hammond	Vernal City
Quinn Bennion	Vernal City
Devan McKee	Vernal City
Keith Despain	Vernal City
Nick Tatton	Price City
Michael Kourianos	Price City
Miles Nelson	Price City
Jacob Sharp	Castle Valley Special Service District
Merrial Johansen	Johansen and Tuttle Engineering
Bryan Kimball	Ephraim City
Dent Kirkland	Delta City
John Niles	Delta City
Robert Worley	Sunrise Engineering
Devan Shields	Jones and DeMille Engineering

Dee Draney
David Rust
Ron Winterton
Jeanette Johnson
Justin Atkinson
Keith Heaton
Clyde Watkins
Mark Anderson
Brittany Hardy
Sarah Nielson
Christina Davis
Brittany Alfau

Elk Meadows SSD
Uintah Basin Association of Governments
Duchesne County
Blaisdell, Church & Johnson, LLC
Sunrise Engineering
Seven County Infrastructure Coalition
Duchesne County Water Conservancy District
Zions Public Finance
Department of Workforce Services
Department of Workforce Services
Department of Workforce Services
Bear River Association of Governments

WELCOME 9:00 am

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, January 5, 2023 via Zoom Webinar and was called to order at 9:00 a.m. by Chairman Curtis Wells.

The determination of the meeting format was a result of possible weather and travel conditions. All Board members were in attendance.

I. ADMINISTRATIVE ITEMS [0:02]

1. Up-coming Meeting Dates & Location – February 2, 2023 – 1385 South State, SLC, UT

2-3. Financial Review & Review of Agenda Items [0:34.6]

Candace Powers reviewed the status of the funds for today's meeting. There are seven new project applications for review and one supplemental funding request. The projects discussed at this review meeting are placed on a priority list for final funding approval at the February 2, 2023 funding meeting. The mineral lease fund balance is sufficient to fund the current requests.

The first page of the financial sheet shows the funding requests which are highlighted in yellow. The second page shows the total of entity funding requests for the trimester, the existing balance in the CIB accounts and a *projected total* if the Board authorizes funding for the projects as requested. (*Fund balance minus requests = projected balance. Interest bearing loan requests are initially shown in the Bonus columns but may be accommodated from the mineral lease fund.*)

Chairman Wells indicated that he has asked staff to work with Deputy Treasurer Slaugh to reformat the CIB financial reporting to a standard accounting format wherein a clarification of the existing format was not necessary.

Mr. Slaugh stated the explanation was due to questions he had concerning the existing format. He indicated he has no problem with the existing report which is adequate to inform the Board, though a simpler format may help those who have no financial background. Seeing how the numbers are calculated and some forecasting may be helpful.

Ms. Hanson expressed an understanding that there is sufficient funding for the existing funding requests on February 2, 2023.

Mr. Slaugh again stated that a new format might be more intuitive.

INTRODUCTIONS [11:00]

Chairman Wells requested Board members to introduce themselves.

III. APPROVAL OF MINUTES [13:40]

Chairman Wells requested a motion to approve the minutes from the November 3, 2022 meeting.

Naghi Zeenati made and Tooter Ogden seconded a motion to approve the minutes of the November 3, 2022 meeting as presented. The motion carried unanimously with the chairman abstaining.

IV. NEW PROJECTS

4.1. Vernal City (Uintah County) [14:22]

Vernal City presented a funding assistance request for a \$1,968,000 loan for 30 years at 0.5% and a \$3,000,000 grant (total \$4,968,000) for Phase I water system improvements in Vernal City to replace asbestos cement pipe which includes 12,125 linear feet of 8-inch PVC, 126 ea. ¾ inch water service connections, 17 ea. 1-inch water service connections, 8 ea. 2-inch water service connections, replacing 26 fire hydrants, tie-ins, asphalt restoration and associated appurtenances.

**Proposed funding tool loan/grant scenario:*

MIN \$1,590,000 Loan, 30y @ 0.5% | \$3,378,000 Grant
MED \$2,087,000 Loan, 30y @ 1.5% | \$2,881,000 Grant
MAX \$2,584,000 Loan, 30y @ 2.0% | \$2,384,000 Grant

The applicant indicated the water system has been assessed to prioritize improvements. This project includes the higher priorities to improve older infrastructure, asbestos lines and undersized lines. Other projects will be accomplished with other funding sources.

The Board referred to the low MAGI. The target MAGI is 1.75% and asked if Vernal City anticipates a rate increase to facilitate system improvements. Is there a maintenance improvement program in place for the water system?

The applicant indicated the rates were increased two years ago and again in July 2022. There are ongoing discussions in regard to establishing a replacement fund to help with anticipated costs. There will be additional rate increases; water and sewer are billed separately but both are part of the utility fund.

Dean Baker made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$968,000 loan for 30 years at 0.0% and a \$4,000,000 grant (total \$4,968,000).

Mr. Slaugh noted Uintah County is the top mineral producer but the funding tool has allowed for production wherein it suggests more loan than the previous motion.

Kirt Slaugh made and Laura Hanson seconded a substitute motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$2,087,000 loan for 30 years at 1.5% and a \$2,881,000 grant (total \$4,968,000).

The Board further noted the MAGI is low and the original motion was outside the funding tool.

Mayor Baker noted this project is to improve their system after years of neglect and Uintah is the top producing county. It was his understanding that the funding tool is supposed to suggest not more than 0.5% for producing counties.

Commissioner Lytle noted that if the funding is outside the tool, an exemption is required wherein Mayor Baker suggested a hardship exemption.

Chairman Wells called the question on the substitute motion.

Kirt Slaugh made and Laura Hanson seconded a substitute motion to place this project on the

Priority List for funding at the February 2, 2023 funding meeting as a \$2,087,000 loan for 30 years at 1.5% and a \$2,881,000 grant (total \$4,968,000). The motion carried with Kirt Slaugh, Laura Hanson, Scott Bartholomew, Jerry Taylor, Tooter Ogden, Bruce Adams and Naghi Zeenati in favor and Jack Lytle, Dean Baker and Greg Miles opposed with the chairman abstaining.

Commissioner Adams and Mr. Zeenati requested clarification that the highest producing counties were to receive a 0%-0.5% interest rate as they were not aware of that policy.

Mayor Baker stated it was his understanding that when the funding tool was being created, the discussion determined producing counties should receive a 0%-0.5% rate.

The Board indicated they were not aware of the policy that producing counties would receive a 0%-0.5% rate. Chairman Wells noted if further discussion is needed on that issue, it can be added to a future agenda.

4.2 Price City (Carbon County) [35.23]

Price City presented a funding assistance request for a \$140,000 grant culinary water system planning. This project consists of an analysis of the water system beginning commencing in 2023 to determine major upgrades and will include review of 12 miles of 90-year old transmission lines from Colton Wells to the water treatment plant, mapping existing utilities, field locating, visual inspection, cleaning and leak detection surveys and wall thickness testing; water treatment plant review and plan to update and address emerging contaminants, identify aging equipment for replacement, develop/refine asset management database, preliminary assessment of environmental issues, water rights, capacity development and consultation with DDW's treatment specialists. Anticipated completion in the spring of 2024. Applicant Cash \$40,000; Division of Drinking Water \$100,000.

**Proposed funding tool loan/grant scenario does not apply – plans require cash match.*

The applicant indicated the water treatment plant is 12 miles up the canyon which has had algae bloom issues. The springs have aging infrastructure; 80-100 years old. This project is to evaluate cost effective treatment plant and transmission line upgrades.

Bruce Adams made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$140,000 grant.

The Board noted their MAGI is low and suggested the applicant raise rates in anticipation of the major improvements necessary and asked about maintenance over the years.

The applicant referred to the Scofield Reservoir which is at 16% of capacity. It recently had a significant algae bloom wherein an employee did an incredible job to get the algae to settle and the water was not compromised; it is anticipated there will be a lot to do to better the system. There are approximately 3900 metered connections on the system and approximately 25% are commercial. They have some existing loans that will be paid off and they anticipate rate increases. The CIB assisted with lines from the treatment plant to the storage tanks so that is relatively new. Most of the anticipated improvements will be at the upper end.

The Board asked if they had a fund established for system improvements.

The applicant noted the water system is a separate enterprise fund which is only utilized for water system emergencies though the funds might be used to offset the costs of the necessary improvements. The applicant noted that the matching funds are available and approved for this planning project.

The Chairman called the question.

Bruce Adams made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$140,000 grant. The motion carried with the chairman abstaining.

4.3. Castle Valley Special Service District (Emery County) [51:45]

Castle Valley Special Service District presented a funding assistance request for a \$1,375,000 loan for 6 years at 1.5% and a \$1,200,000 grant (total \$2,575,000) for the 2023 Consolidated Capital Projects. This project consists of capital projects to include street improvements in Elmo, Cleveland, Huntington, Castle Dale, Clawson and Ferron; drainage improvements in Cleveland, Huntington, Castle Dale, Clawson and Emery; water system improvements in Elmo, Castle Dale, Orangeville and Ferron. Applicant Cash \$16,000.

**Proposed funding tool loan/grant scenario:*

MIN \$1,391,000 Loan, 30y @ 0.5% | \$1,184,000 Grant
MED \$1,648,000 Loan, 30y @ 1.5% | \$927,000 Grant
MAX \$1,906,000 Loan, 30y @ 2.5% | \$669,000 Grant

The applicant stated this is the 2023 series of projects that the District annually does in the cities and towns each year. They coordinate those projects with mayors and councils of the entities and they have a general obligation bond in place which covers the project loans in a short term with some smaller projects in each area. They are consistently upgrading and maintaining the infrastructure.

The Board acknowledged the established system for Castle Valley SSD projects.

Naghi Zeenati made and Bruce Adams seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$1,375,000 loan for 6 years at 1.5% and a \$1,200,000 grant (total \$2,575,000).

The Board noted the funding request is below the tool and the terms are above the funding tool recommendation.

Dean Baker made and Jack Lytle seconded a substitute motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$1,648,000 loan for 6 years at 1.5% and a \$927,000 grant (total \$2,575,000).

The Board expressed appreciation for the Castle Valley SSD process over the past 15 years. Their MAGI is high indicating they have increased their rates as needed to pursue the improvements and other communities might benefit from a similar program; knowing what they can afford and paying loans off quickly. Funding this in an alternative manner is not necessarily a good idea.

The applicant indicated they would need to go back to the financial advisor for assistance in assessing alternate funding. The District makes their request after analyzing what they can afford which fits into the bond payments over the 6-year term noting the request is very close to the funding tool minimum which would work with a 6-year term.

Mr. Slaugh and Mayor Baker suggested flexibility with funding in the median funding tool range and an increase of the loan term.

Mr. Zeenati indicated there are 5 communities benefiting from this project which may need to reassess and adjust the project or costs noting the minimum is close to what they have requested.

Jerry Taylor made and Scott Bartholomew seconded a second substitute motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$1,391,000

loan for 6 years at 1.5% and a \$1,184,000 grant (total \$2,575,000). The motion carried with Scott Bartholomew, Jack Lytle, Greg Miles, Jerry Taylor, Tooter Ogden, Bruce Adams and Naghi Zeenati in favor and Kirt Slaugh, Laura Hanson and Dean Baker opposed with the chairman abstaining.

4.4 Ephraim City (Sanpete County) [1:09:00]

Ephraim City presented a funding assistance request for a \$750,000 grant for the culinary water resiliency project. This project is Phase I and consists of replacing approximately 4.5 miles of 50-80-year-old culinary pipelines in Ephraim Canyon with approximately 23,600 linear feet of 12" diameter HDPE pipe and related appurtenances, permitting, inspection, testing and construction management. This pipeline is primarily located on Forest Service land and Ephraim City has existing easements in place. No additional easements are required for this project. Applicant Cash \$20,000. Federal Community Project Funding \$3,000,000.

**Proposed funding tool loan/grant scenario:*

MIN \$203,000 Loan, 30y @ 0.5% | \$547,000 Grant

MED \$278,000 Loan, 30y @ 1.5% | \$472,000 Grant

MAX \$353,000 Loan, 30y @ 2.5% | \$397,000 Grant

The applicant stated there are 17 miles of pipeline collecting from several springs into the pipeline and the newest section of the pipeline is approximately 40 years old with some sections 60-80 years old. They inspect the lines annually and fix where necessary. This section of pipe is at the end of its useful life. In 2016, the line in the tunnel was replaced and now this project will replace 4.5 miles of line with HDP pipe of a consistent size to prevent bottlenecks.

The Board clarified that the CIB request is 20% of the cost of the project though the funding request is outside the funding tool recommendation.

The applicant indicated that the federal funding is 80% of the funding and it has been awarded. The CIB funding is the final funding piece for the project can proceed.

The Board referred to the low water rates and asked when the last rate increase was implemented and if the recent growth is residential or commercial.

The applicant indicated that the rates were increased in July 2022 wherein the base rate was raised nearly 50%. The rates have been increased a number of times in the last 5 years as critical projects were being anticipated with the average bill approaching \$65 per connection per month. There may be additional rate increases to keep up with the infrastructure needs and the growth is both residential and commercial noting over the last two years, there have been over 1000 residential permit applications.

The Board referred to the DDW review showing a connection fee of \$22.00 but the discussion indicated the rates are nearly \$60 and asked for clarification.

The applicant referred to the DDW review showing a \$48.98 per month connection fee with current drinking water system expenses of \$22.02 per month per connection.

The Board noted a \$60 monthly bill is relatively high so why is the MAGI so low? What is the actual base rate and the fee schedule for the water system?

The applicant noted in 2022 the base rate was \$30 for the minimum usage with a proposed increase to \$45. There are 4 tiers in the water rates; the base rate and first tier fund the system.

The DDW review indicates a cost of \$48.96 per connection.

The Board referred to the 1000 new residential permits which will bear a connection fee for those

connections and asked how impact fees are structured.

The applicant indicated impact fees pay for the system upgrades but not for maintenance of existing infrastructure.

Kirt Slaugh made and Dean Baker seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$278,000 loan for 30 years at 1.5% and a \$472,000 grant (total \$750,000).

The applicant referred to the funding they received in 2016 for the tunnel pipeline replacement which was awarded as a 50/50 grant loan split. The project came in under budget so they did not utilize any grant funding. *(CIB allocates the loan funding first, then the grant.)*

The Chairman acknowledged the applicant comments and called the question.

Kirt Slaugh made and Dean Baker seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$278,000 loan for 30 years at 1.5% and a \$472,000 grant (total \$750,000). The motion carried with the chairman abstaining.

Break 1:32:46

4.5. Delta City (Millard County) [1:33:06]

Delta City presented a funding assistance request for a \$3,694,000 loan for 30 years at 1.0% and a \$3,693,000 grant (total \$7,387,000) for 2022 wastewater improvements. This project consists of sewer improvements to include upgrading Lift Station C by replacing the primary wet well, installing a backup wet well, installing a 7.5 HP duplex primary pump and 7.5 HP backup simplex pump, instrumentation and controls, lift station piping & valves, new backup generator with enclosure and a new force main under Hwy 6; new force main from station B to lagoons to include 8400 linear feet of 12 inch pipe, pipe bedding, four 2 inch air valve assemblies and four 12 inch plug valves; open trench pipe replacement to include 7200 linear feet of 8 inch pipe and fittings, 1800 linear feet of 10 inch pipe and fittings, 9000 linear feet of pipe bedding, 5600 linear feet of 4 inch lateral sewer pipe to property line, 112 cleanout, 34 manholes, sawcut/roto mill existing pavement and HMA surfacing; fold and form pipe replacement to include 10800 linear feet of 8 inch, 2700 linear feet of 10 inch, 1000 linear feet of 12 inch, 600 linear feet of 15 inch pipe installation, 168 service and lateral connections, spot repair and pavement repair. ARPA \$213,000.

**Proposed funding tool loan/grant scenario:*

MIN \$4,950,000 Loan, 30y @ 1.5% | \$2,437,000 Grant

MED \$5,688,000 Loan, 30y @ 2.0% | \$1,699,000 Grant

MAX \$6,427,000 Loan, 30y @ 2.5% | \$960,000 Grant

The applicant indicated they have sewer pipe nearing 100 years old which is deteriorating. They have had their sewer system cleaned and scoped producing maps that show the most critical needs. The necessary improvements will be in phases.

Laura Hanson made and Kirt Slaugh seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$5,688,000 loan for 30 years at 1.5% and a \$1,699,000 grant (total \$7,387,000).

The Board referred to the low sewer rates as indicated in the DWQ review but did acknowledge that Delta City has done a lot of work to assess the sewer system needs.

Tooter Ogden made and Scott Bartholomew seconded a substitute motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$4,950,000 loan for

30 years at 1.5% and a \$2,437,000 grant (total \$7,387,000). The motion carried with the chairman abstaining.

4.6 Town of Brian Head (Iron County) [1:41:38]

The Town of Brian Head presented a funding assistance request for a \$355,000 grant for the Snowshoe & Toboggan Fire Protection Water Line. This project consists of installing 3,030 linear feet of 8-inch ductile iron distribution line, 13 new fire hydrants, one pressure reducing station and one air vac station, 19 new 8-inch valves, four 22.5 ductile iron angle fittings, five ductile iron tees, one 8-inch ductile iron cap along Snowshoe Drive and Toboggan Lane in the Ski Haven Chalets subdivision which was annexed without water infrastructure. This project will accommodate fire protection and add redundancy to the Cedar Breaks Mountain Estates subdivision. \$509,870 ARPA Grant through Division of Drinking Water.

**Proposed funding tool loan/grant scenario:*

MIN \$189,000 Loan, 30y @ 2.0% | \$166,000 Grant

MED \$224,000 Loan, 30y @ 2.5% | \$131,000 Grant

MAX \$260,000 Loan, 30y @ 2.5% | \$95,000 Grant

The applicant stated this area was annexed into the town and did not have water infrastructure. The recent fire season exposed a need to provide water infrastructure for fire protection. The town installed the Mountain View water line a few years ago with CIB funding and they do have a special assessment but assessments bear a maximum of 1/3 of the property value. They will be implementing the Toboggan line with this funding request and the Division of Drinking Water has provided an ARPA grant for some of the expense.

The Board asked about the percentage of second homes in the area.

The applicant stated the town as a whole is 95% second homes, but more people are choosing to live full time.

The Board asked if the Snowshoe area is going to have a special assessment and/or connection fees and what is the rate for impact fees.

The applicant stated there is not a special assessment area (SAA) in place for the trunk line but there will be connection fees that will help fund the water tanks and water rights etc. The impact fee for water connection is approximately \$6000 with additional fees to cover meters and set up. The base rate for the water user fee is \$81.00 per month. The \$507,000 in ARPA funding from DDW is in place and they hope to bid the project in March for summer construction.

The Board asked if hookups to the trunk line be required of all the lots, how many homes are already built, and what is the difference between impact fee versus connection fee?

The applicant stated that anyone who has built on their lot would be required to hook up in 2-3 years; new builds would require immediate hookup. There are 8-10 homes already built, the impact fee is \$6,000 and the connection fee pays for the meter etc. Each of the lots are individually owned as this area was subdivided years ago. There is a statutory process to facilitate a special assessment or impact fee and the owners must agree; some want it while others are less inclined.

The Board noted that Brian Head is a beautiful area to own a home and it is likely those lots are quite expensive. The landowners could afford the infrastructure.

Scott Bartholomew made and Tooter Ogden seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$189,000 loan for 30 years at 2.0% and a \$166,000 grant (total \$355,000).

The Board asked about restrictions to building and the disposal of sewage?

The applicant stated historically they could get a septic permit and use water hauling. The Health Department is denying septic permits for water hauling in that area so they must have water lines. The trunk line will be brought closer to the properties and then they can do a special assessment area. There will need be a sewer system in the future which will exceed the amount recouped from an SAA which cannot be more than 1/3 of the property value.

Jack Lytle made and Kirt Slaugh seconded a substitute motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$260,000 loan for 30 years at 2.5% and a \$95,000 grant (total \$355,000).

The Board referred to the 13 fire hydrants included in the infrastructure application and asked if there is adequate fire flow to feed those hydrants. The project shows a trunk line of 3030 feet which means there is a hydrant every 233 feet.

The applicant indicated they do have sufficient flow. *The standard distance between hydrants is 300 feet.*

The Board referenced the ISO standard which is 1000 feet so a fire hydrant every 233 feet is a lot and there will be maintenance expenses. Is there sufficient water tank capacity to provide the fire flow?

The applicant indicated they have a maintenance and replacement program for the hydrants.

The Chairman added that CIB is an important funding source for areas of poverty where the tax base is lacking so the board should carefully evaluate higher net worth areas with a consolidation of wealth and capital as they should be accountable for their infrastructure. The Chairman called the question.

Jack Lytle made and Kirt Slaugh seconded a substitute motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$260,000 loan for 30 years at 2.5% and a \$95,000 grant (total \$355,000). The motion carried with the chairman abstaining.

4.7. Heber Valley Special Service District (Wasatch County) [2:08:00]

Heber Valley Special Service District presented a funding assistance request for a \$12,909,000 loan for 20 years at 1.5% for the Wastewater Treatment Facility Upgrades Phase I. This project consists of wastewater improvements to include a mechanical plant aeration upgrade with an additional aeration basin and solid waste system in the treatment lagoons, rebuilding the 1981 midway pump station and building a new pump station at the existing site, a new 1600 square foot laboratory building, a new 7,440 square foot farm shop & storage building and a new back-up generator. The HVSSD Treatment Facility is located at 1000 East Main Street in Midway Utah on the west bank of the Provo River.

Applicant Cash \$7,500,000.

**Proposed funding tool loan/grant scenario:*

MIN \$10,715,000 Loan, 30y @ 2.5% | \$2,194,000 Grant
MED \$11,812,000 Loan, 30y @ 2.5% | \$1,097,000 Grant
MAX \$12,909,000 Loan, 30y @ 2.5% | \$0 Grant

The applicant noted they do not discharge their water to the surface waters of the U.S.; they distribute their water across an alfalfa farm and the farm building associated with this project will house the expensive equipment utilized by the District to include swathers (*a self-propelled agricultural implement that harvests all types of hay*), balers, tractors, drills, etc. The laboratory building generates data and operates and controls the process for wastewater treatment within the facility. The entity considers those pieces to be wastewater related in regard to this project. A study was done by Aqua Engineering of the wastewater system and the rates and impact fees have been increased recently. They have long term planning for future improvements as the impacts of growth have been dramatic. This is phase 1 of two

projects. They will also need to remove the accumulated sludge from the ponds.

The Board indicated the MAGI is below the 1.40% threshold. The Board acknowledged a good public hearing and an innovative process for dealing with wastewater. Is the cash contribution indicated in the application in hand?

The applicant cash is from impact fees the District has collected and is in place. The District is not a taxing entity and they currently have no debt though it was acknowledged that to maintain infrastructure, it may require some debt. The loan request is a 20-year loan as they would prefer to pay off the debt more quickly and return to being debt free.

The Board noted that farm equipment is resilient and can handle being outdoors; the farm building is more of a want. The Board suggested a 30-year term to keep the payment lower with a higher interest rate noting the loan may be paid off more quickly.

Laura Hanson made and Kirt Slaugh seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$12,909,000 loan for 30 years at 2.5%.

The Board referred to this being Phase 1 and asked if their plan is to return to the Board with the future phases and is the District the farmer of the hay farm.

The applicant indicated the next phase will be in 10-12 years to expand the existing system for growth and the farm is where they dispose of the wastewater which is a side benefit and an important piece of the wastewater system.

The Board indicated that with an A rating, the public market rate for 20-year money is 3.85%. A 2.5% CIB loan interest rate represents a subsidy to the borrower.

The Chairman called the question.

Laura Hanson made and Kirt Slaugh seconded a motion to place this project on the Priority List for funding at the February 2, 2023 funding meeting as a \$12,909,000 loan for 30 years at 2.5%. The motion carried with Jack Lytle absent for the vote and the chairman abstaining.

7. Supplemental Requests

7.1 Elk Meadows Special Service District (Beaver County) [2:28:50]

Elk Meadows Special Service District presented a supplemental funding assistance request as a \$550,000 loan for 30 years at 1.5% for the sewer system improvements project authorized on October 7, 2021. The project consists of 27,884 linear feet of 8-inch sewer pipe, 489 linear feet of 10-inch sewer pipe, 470 linear feet of 12-inch sewer pipe, 487 linear feet of 18-inch sewer pipe, 59 concrete manholes, concrete sidewalk, curb and gutter replacement, pavement restoration and associated appurtenances. The project also consists of **secondary irrigation** to included 27,884 linear feet of 8-inch irrigation pipe, 489 linear feet of 10-inch irrigation pipe, 470 linear feet of 12" irrigation pipe, granular fill, 450 service connections, 8000 linear feet of ¾" lateral line, 450 curb stop valves, 10 drain assemblies and associated appurtenances and engineering.

At the September 2021 CIB Meeting, the Board prioritized a funding package as a \$3,450,000 loan for 30 years at 2.5% interest. At the October 7, 2021 CIB meeting, Elk Meadows SSD requested reconsideration of the proposed loan terms and the Board authorized a \$3,450,000 loan for 30 years at 1.5%. With January 5, 2023 supplemental: Project Total = \$4,000,000 loan for 30 years at 1.5%

The applicant stated the bids came in higher than available funding and they have rebid through local contractors. The project includes the source improvements, storage tank capacity and fire flow

improvements and the bids are still valid as the start date is indicated to begin after the snow melt.

Naghi Zeenati made and Bruce Adams seconded a motion to fund the supplemental request as a \$550,000 loan for 30 years at 1.5%. The motion carried with Jack Lytle absent from the vote and the chairman abstaining.

8. Special Consideration

9. Board Member Discussion and/or Action Items

9.1 CIB Board Meetings – February 2, 2023 - 1385 South State, SLC.

ADJOURNMENT [2:36:23]

The next meeting of the Permanent Community Impact Board will be February 2, 2023 at 1385 South State, Salt Lake City, Utah and will be in person.

The meeting adjourned at 11:43 am.

Submitted by:
Candace Powers