

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES

January 6, 2022 - ZOOM

Members Present

| | |
|----------------------|--|
| Keith Heaton | Chairman |
| Bruce Adams | Southeastern Utah Association of Local Governments |
| Naghi Zeenati | State Transportation Commission |
| Dean Baker | Uintah County |
| Garth "Tooter" Ogden | Sevier County |
| Marlo Oaks | State Treasurer |
| Jerry Taylor | Five County Association of Governments |
| Glade Nielson | Six County Association of Governments |
| Kyle Stephens | State Board of Water Resources |
| James Webb | State Board of Water Quality |
| Jack Lytle | Uintah Basin Association of Governments |

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 |
| Aubrey Larsen | Housing and Community Development |
| Jordan Katcher | Housing and Community Development |
| Aaron Waite | Attorney General's Office |
| Skyler Davies | Division of Water Quality |
| Skye Sieber | Division of Drinking Water |
| Heather Pattee | Division of Drinking Water |
| Shay Morrison | Six County Association of Governments |
| Tyler Timmons | Six County Association of Governments |
| Zac Covington | Bear River Association of Governments |
| Will Wright | Uintah Basin Association of Governments |
| Michael Bryant | Southeastern Utah Association of Local Governments |
| Weston Barlow | Hildale City |
| Brittany Hardy | Department of Workforce Services |
| Kaylee Beck | Department of Workforce Services |
| Stacey Herpel | Housing and Community Development |
| Ben Coray | Sunrise Engineering |
| Steven Anderson | Town of Mayfield |
| Garrick Willden | Jones and DeMille Engineering/Mayfield Water Operations |
| Jed Maxwell | Salina City |
| Russell Funk | Heber City |
| Matt Brower | Heber City |
| Garrick Wilden | Jones and DeMille Engineering; Town of Mayfield |
| Davis Schmuker | Town of Big Water |
| Jacob Sharp | Castle Valley Special Service District |
| Merrial Johansen | Johansen Tuttle Engineering |
| Derek Anderson | Heber City |
| Harrison Johnson | Hildale City |
| Ron Winterton | Duchesne County |
| Keith Despain | CRS Engineering |

Alex Buxton
Monica Hilding
Jeanette Johnson
Mario Gonzalez
Justin Atkinson
Jeff McCarty
Aaron Averett
Mark Anderson
Greg Todd
Brittany Hardy
Sarah Nielson
Christina Davis
Stan Holmes
Gordon Walker

Zions Public Finance
Utah Environmental Progress
Blaisdell, Church & Johnson, LLC
Sunrise Engineering
Sunrise Engineering
Sunrise Engineering
Sunrise Engineering
Zions Public Finance
Duchesne County
Department of Workforce Services
Department of Workforce Services
Department of Workforce Services
Utah Sierra Club

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WELCOME 9:10 am

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, January 6, 2022 via Zoom Webinar and was called to order at 9:10 a.m. by Chairman Keith Heaton.

Chairman Heaton noted the determination of the meeting format was a result of possible weather issues and current Covid restrictions. Chairman Heaton read the following statement:

"I, Keith Heaton, Chairman of the Permanent Community Impact Board, have determined that the January 6, 2022 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 dealing with contagion issues due to variants of Covid 19.*
- 2. The Agency offices are in Salt Lake County, which is currently a county with a high level of transmission.*
- 3. A vast majority of Agency staff and the members of the Board are teleworking to avoid unnecessary contact with others.*
- 4. A large gathering for the purpose of this meeting after larger gatherings of the season may present additional contagion issues for the Board and applicants*
- 5. The Commission uses an electronic platform which allows interested Parties to view the meeting, hear discussions dated this 6th day of January, 2022.*
- 6. Travel across the State of Utah the week of January 6, 2022 for Board members and Applicants may be difficult and hazardous.*

I. ADMINISTRATIVE ITEMS [1:15]

1. Up-coming Meeting Dates & Location – February 3, 2022 – 1385 South State, SLC, UT

2-3. Financial Review & Review of Agenda Items [1:32]

Technical difficulties were noted. Candace Powers reviewed the status of the funds for today's meeting. There are two new project applications for funding, two large infrastructure projects and one pending project. The projects discussed at a review meeting are placed on a priority list for final funding approval at the February 3, 2022 funding meeting. The mineral lease fund balance is sufficient to fund the requests this trimester. The Board is tasked with providing reasonable funding terms within the guidelines of the funding tool for applicants as well as to keep the fund revolving. The Bonus Fund

must be allocated as an interest-bearing loan. It was noted that CIB Application Tutorials may again be scheduled in March and April.

**The funding tool recommendations are indicated in green.*

Roll call attendance was taken. It was noted that Bruce Adams has not yet accessed the meeting.

III. APPROVAL OF MINUTES [15:00]

Chairman Heaton requested a motion to approve the minutes from the December 2, 2021 meeting.

Naghi Zeenati made and Jack Lytle seconded a motion to approve the minutes of the December 2, 2021 meeting as presented. The motion carried with Bruce Adams absent from the vote.

IV. NEW PROJECTS

4.1. Castle Valley Special Service District (Emery County) [16:06]

The Uintah Transportation Special Service District presented a funding assistance request for a \$1,000,000 loan for 6 years at 1.5% and a \$1,000,000 grant (total \$2,000,000) for the 2022 Consolidated Capital Projects. This project consists of drainage construction in Elmo, Cleveland, Huntington, Castle Dale, Clawson and Ferron; street improvements in Elmo, Cleveland, Huntington, Castle Dale, Orangeville, Clawson, Ferron and Emery; secondary water improvements in Castle Dale; culinary water system improvements in Orangeville and Ferron; a middle water settling pond construction in Emery. The applicant is contributing \$16,000 cash. Project total \$2,016,000.

**Proposed loan/grant scenario:*

| <i>Minimum</i> | <i>Median</i> | <i>Maximum</i> |
|----------------------------------|------------------------------------|------------------------------------|
| <i>\$800,000 Loan 15y @ 0.0%</i> | <i>\$1,000,000 loan 15y @ 1.0%</i> | <i>\$1,200,000 loan 15y @ 1.5%</i> |
| <i>\$1,200,000 grant</i> | <i>\$1,000,000 grant</i> | <i>\$800,000 grant</i> |

The applicant stated the District represents 8 cities and towns in Emery County and through dialogue with mayors of those cities and towns, determine water, sewer, drainage and road projects needed in the community. The projects are consolidated into one annual request to CIB.

Mr. Stephens indicated the request in their public hearing was \$1,100,000 loan and asked for clarification.

The applicant indicated that annual request is similar each year and last year the award was for a \$1,100,000 thus that amount was stated in the public hearing minutes. They are asking for a 50/50 grant loan this year.

Commissioner Bruce Adams accessed the meeting at 9:35 am.

Naghi Zeenati made and Tooter Ogden seconded a motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$1,000,000 loan for 6 years at 1.5% and a \$1,000,000 grant (total \$2,000,000). The motion carried unanimously through roll call vote.

4.2 Town of Mayfield (Sanpete County) [23:30]

The Town of Mayfield presented a funding assistance request for a \$125,000 loan for 30 years at 0.0% and a \$375,000 grant (total \$500,000) for the 2021 water system improvements. This project consists of constructing the Lower 12 Mile pump house and power connections, Park Well building improvements, town well soft start system and improvements, SCADA upgrades, transmission line flushing, 6-inch PVC pipe installation, fittings, trenching, 6-inch ductile iron pipe, gate valve, 150 linear feet of HDPE culvert, catch basin, fencing, concrete flatwork, construction staking and associated engineering.

**Proposed loan/grant scenario:*

| <i>Minimum</i> | <i>Median</i> | <i>Maximum</i> |
|----------------------------------|----------------------------------|----------------------------------|
| <i>\$170,000 Loan 30y @ 0.0%</i> | <i>\$220,000 loan 30y @ 1.0%</i> | <i>\$270,000 loan 30y @ 1.5%</i> |
| <i>\$330,000 grant</i> | <i>\$280,000 grant</i> | <i>\$230,000 grant</i> |

The applicant stated the drought caused spring sources to dry up and the well water is high in nitrates. They want to repurpose a spring which historically was the primary water resource for the lower portion of the town. This project concerns the Lower 12-mile Spring which is inactive. It was designated under the influence of surface water perhaps due to the proximity to 12 Mile Creek. It was later determined that the water did not come from the river side and may have come from a fault near the spring and in a subsequent test it was determined to have zero surface water influence. This project is to rehabilitate that spring as it produces over 100 gpm. Adding spring water to the towns culinary water system will bring the culinary water into compliance reducing nitrates

The applicant indicated there are approximately 564 residents. The population has doubled since the 1970 census and property is being developed for subdivisions and homes.

Mr. Zeenati asked for clarity concerning 'under the direct influence of surface water' and asked about connection fees and rate increases.

The applicant stated there should be no surface water going into the spring causing contamination. The surface water designation is 0 to 10 and this spring received a 0. The fees were upgraded in August 2021. The costs are tiered and the base rate is \$30.00 per month with increases for each additional 1500 gallons. There are 267 connections. Connection fees are established for new connections.

Commissioner Lytle noted the .97% MAGI and asked about Mayfield Estates in regard to this project.

If the applicant's current proposal is accepted with some loan, a potential rate increase would bring the MAGI to 1.47%. [1.75% is the benchmark DDW MAGI]. If the project were funded with 100% grant, there would be no change to the current .91% MAGI. Mayfield Estates is new. This year the water treatment plant had to be utilized as the available spring water wasn't enough to mix with the well water to reduce the nitrate levels.

Mayor Baker asked about gallons included in the water base rate and if there was an impact fee to accommodate new connections made to the system.

The applicant indicated \$30.00 is a base fee and the gallons used add to that base fee. The impact fee for new connections is currently \$2400.00.

Commissioner Ogden noted the minimum funding recommendation of a \$170,000 loan for 30 years at 0.0% and a \$330,000 grant which represents only \$15.00 more in the annual payment than what the applicant is requesting.

Tooter Ogden made and Jerry Taylor seconded a motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$170,000 loan for 30 years at 0.0% and a \$330,000 grant (total \$500,000).

Dean Baker made and Kyle Stephens seconded a substitute motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$250,000 loan for 30 years at 0.0% and a \$250,000 grant (total \$500,000). The motion failed with Marlo Oaks, Jim Webb, Dean Baker, Jack Lytle and Kyle Stephens in favor and Tooter Ogden, Glade Nielson, Jerry Taylor, Bruce Adams and Naghi Zeenati, and Keith Heaton opposed.

Chairman Heaton called the question on the original motion.

Tooter Ogden made and Jerry Taylor seconded a motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$170,000 loan for 30 years at 0.0% and a \$330,000 grant (total \$500,000). The motion carried with Marlo Oaks, Tooter Ogden, Glade Nielson, Jack Lytle, Kyle Stephens, Jerry Taylor, Bruce Adams and Naghi Zeenati in favor and

Jim Webb and Dean Baker opposed.

Break [54:35]

5. Large Infrastructure Projects

5.1. Salina City (Sevier County) [54:56]

Salina City presented a funding assistance request for a \$6,981,000 loan for 30 years at 1.0% and a \$6,981,000 grant (total \$13,962,000) for wastewater improvements. This project consists of sewer improvements including replacing backup generator and upgrading instrumentation at the existing lift station, constructing a new lift station, 4000 linear feet of 6-inch PVC force main, 3900 linear feet of 10-inch PVC gravity line, replacing 44,100 feet of sewer mains, 191 manholes, 344 service connections and cleanouts, replacing affected sewer laterals from the property line to the sewer main, a new headworks building, screens, metering, instrumentation and wash station and culinary water service line to the new headworks building. The applicant is contributing \$200,000 cash. There was a DWQ Design Advance of \$400,000. Project total \$14,562,000.

**Proposed loan/grant scenario:*

| <i>Minimum</i> | <i>Median</i> | <i>Maximum</i> |
|------------------------------------|------------------------------------|------------------------------------|
| <i>\$3,631,000 Loan 30y @ 0.5%</i> | <i>\$5,027,000 loan 30y @ 1.0%</i> | <i>\$6,423,000 loan 30y @ 1.5%</i> |
| <i>\$10,331,000 grant</i> | <i>\$8,935,000 grant</i> | <i>\$7,539,000 grant</i> |

The applicant stated that a portion of the wastewater system was upgraded several years ago. The project will start as soon as it is funded. There will be a design/permitting phase in the middle part of 2022, plans, plan review, with the project bidding in approximately a year from now. It is more efficient to do the whole project, but it could be phased as suggested but is more efficient to do one design, one permitting and one contractor. The funding for the construction portion would be in 2023. The \$200,000 applicant cash is from COVID relief funds provided to the community. Water and wastewater are eligible for those funds. The City applied for the Governor's Office ARPA funds without success in the first round. The sewer rates have been raised approximately \$1.00 per year for the last five years; last year it was \$2.00. There was an impact fee study resulting in impact fee rates being raised to \$2900.00. Due to the increased costs for construction, this project will likely require an additional increase to accommodate the 1.4% MAGI.

Commissioner Adams noted the Division of Water Quality design advance and asked if the applicant had gone to DWQ for the funding of the full project.

The applicant indicated they went to the Water Quality Board in October for the design advance. There was additional discussion about their ability to fund more of the project, but it was stated their funding was limited. Several scenarios were discussed by the Board including splitting the project. The Board deferred a decision to wait for a CIB decision.

Commissioner Adams was not pleased with the deferred wait and see approach. It would be preferred that funding assistance was defined in a shared or proposed funding package by DWQ.

Chairman Heaton noted the difficulties in defining possible alternative funding citing discussions with DEQ several years ago to improve the collaboration but no better solution was determined. The relationship with DEQ is exceptional including a MOA with DEQ to accommodate their reviews of water and sewer projects. Their funding is complicated. The CIB funding is different.

Ms. Powers stated the CIB staff and DEQ staff do communicate extensively as applications come in. There are very large water and sewer projects the DWQ and DDW have committed funding to over the next 4-5 years. The CIB and DEQ should not both provide full funding for the same project though they can and do co-fund large projects. DWQ did not have available funding for this project except for the planning advance. CIB and DEQ have a good working relationship.

Skyler Davies stated DWQ has new money signed into law but the requirements more difficult and complicated. DWQ is still learning about the new funding. Funds prior to the new infrastructure funding had been obligated to very large projects. Unless the Board's met simultaneously for review and funding of project, it remains difficult to predict what one Board will/can do.

Commissioner Adams acknowledged this is a needed project for the community and suggested CIB fund a portion; a \$7,000,000 loan for 30 years at 0.5% interest and they could ask for the remainder from DEQ noting the project is not going to begin for another year.

Bruce Adams made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$7,000,000 loan for 30 years at 0.5% with a recommendation to seek the remaining balance from an alternative funding source.

Mr. Webb is on the Water Quality Board and he indicated the project was discussed. This project was ranked high on the DWQ priority list but the funding was not available as much of the DWQ funds have been committed to other projects.

The applicant indicated one of the concerns was to get the design and permitting completed prior to pursuing construction funding. This project as with most projects, includes design, permitting and construction.

Mayor Nielson stated that Salina is impacted by traffic and usage that flows through. He commended the planning evident in this project and the fee structure.

Commissioner Ogden suggested the CIB and DWQ should work together on funding the projects and asked what DWQ could afford.

Mr. Webb responded as he did not have a monetary amount in mind but the Water Quality Board would be willing to assist. The project is a higher priority but it was uncertain as to whether they could allocate \$7,000,000. The DWQ allocated \$400,000 as a 'design advance'. Additional funding from DWQ will depend on what CIB does.

Treasurer Oaks asked what a phased project would be.

The applicant stated it would be less efficient to break up the project. They could proceed with the full design and a portion of the construction being funded. Subsequent funding could be allocated later but it would be uncertain if the whole project could be completed.

Commissioner Adams offered to change his motion to offer up to a \$13,962,000 loan depending on funding from DWQ or perhaps \$10,000,000 with the stipulation of getting the remainder from DWQ expressing uncertainty about what DWQ could or would do.

Chairman Heaton stated Salina is the crossroads of coal trucking and is in Sevier County which is the 2nd highest revenue producer. Producers normally get a better grant/loan ratio. The community has a heavy debt level.

Treasurer Oaks said 100% loan with an interest rate of 0.5% places the MAGI at 1.84%.

The applicant stated Salina could not take all loan.

Mr. Zeenati suggested that as there are many questions, the project should be placed on the pending list.

Chairman Heaton acknowledged placing the project on the pending list would allow the applicant to clarify other funding.

Naghi Zeenati made and Jack Lytle seconded a substitute motion to place this project on the Pending List to allow clarification of funding and/or phasing the project.

Mr. Webb and Skyler Davies indicated it may not be possible to add this project to the upcoming Board agenda. Salina City has not requested funding from DWQ for the whole project; only the design advance.

The Chairman asked Mayor Maxwell about the timeline of the project.

The applicant indicated inflation will continue to affect the project. When we applied for the design grant from DWQ, there was only \$1,400,000 for a possible loan. There have been impact fee and rate increases. The lines have been cleaned and scoped to see where the deficiencies are. Salina City has been working closely with DWQ staff. If the project was funded in June, it would be tight but they could keep the project on track.

Chairman Heaton noted that it is likely CIB will have sufficient revenue to fund this project as requested.

Mr. Zeenati stated the Board could fund the project at any meeting by suspending the normal rules and funding the project when there is clarity.

The applicant asked if a portion of the project could be funded by DWQ, could CIB fund the remainder of the project?

Skyler Davies stated it is beneficial if the DWQ Board funds a separate piece of the project versus a percent of the project as the DWQ funding is federal funding with federal requirements. [

The Chairman commended the good discussion and noted the substitute motion and second on the table.

Treasurer Oaks asked for clarification on the ARPA requests by this applicant.

The applicant indicated the \$200,000 applicant cash is the local COVID relief funds to the City, but \$1,000,000 was requested through the Governor's office which has not been funded. It is on the list. The first-round selection was in November 2021 and there is discussion of re-funding the ARPA funds.

Commissioner Lytle noted additional ARPA funding may not be available until July 1, 2022.

Commissioner Ogden suggested if DWQ granted their available \$1,400,000, it would reduce the CIB grant amount to \$5,581,000. He acknowledged that Salina City is impacted with coal trucks coming through Main Street and it was stated the funding tool does consider that impact.

Chairman Heaton indicated project funding is incumbent on CIB funding availability at the end of the trimester. The request is a fair request from Salina City.

Aaron Waite, legal counsel to the Board clarified ARPA and the City's use wherein ARPA was clearly directed at sewer and water. The Governor's Office was allotted \$50 million in one-time funding. The Legislature would need to authorize additional funding but Salina should not rely on their million-dollar ARPA application.

The Chairman called the question.

Naghi Zeenati made and Jack Lytle seconded a substitute motion to place this project on the Pending List to allow clarification of funding and/or phasing the project. The motion passed unanimously through roll call vote.

5.2 Heber City (Wasatch County) [1:42:12]

Heber City presented a funding assistance request for an \$18,458,000 loan for 30 years at 0.0% and a \$2,051,000 grant (total \$20,509,000) for sewer and pressurized irrigation improvements Phase I. This project consists of **sewer system improvements** to include 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 curbstop valves, 10 drain assemblies and associated appurtenances and engineering. Applicant cash \$1,295,000. Project total \$21,804,000.

**Proposed loan/grant scenario:*

| <i>Minimum</i> | <i>Median</i> | <i>Maximum</i> |
|-------------------------------------|-------------------------------------|-------------------------------------|
| <i>\$14,562,000 Loan 30y @ 2.0%</i> | <i>\$16,613,000 loan 30y @ 2.5%</i> | <i>\$18,664,000 loan 30y @ 2.5%</i> |
| <i>\$5,947,000 grant</i> | <i>\$3,896,000 grant</i> | <i>\$1,845,000 grant</i> |

The applicant stated this is a needed project. The irrigation improvement project is a public improvement project and does not support private irrigation companies. The intent is to leverage the sewer rates and pressurized irrigation rates as a revenue source to cover the loan. A recent study identified approximately \$80 million in needed water and sewer improvements . This first phase represents the most significant needs. The infrastructure is over 70 years old. They have implemented rate increases to provide the revenue for the improvements. It is the intent that final plans will be ready for May 2022 construction. The construction will take approximately two years; half in 2022 and the rest in 2023. They have discussed the project with DDW, DWQ and CIB. Their culinary water improvements have been submitted to the Division of Drinking Water for funding. DWQ did not have the available funding. Heber City is a gateway to the Uintah Basin and they are impacted by truck traffic.

Mr. Zeenati asked the status of the applicant cash and asked if they have applied for ARPA funding.

The applicant indicated the applicant cash is to hire a consulting engineer. They did apply for federal ARPA funding and received \$2,000,000. They have received the first tranche of \$1,000,000 with the second tranche coming later this year. They applied to the State of Utah and have been awarded an additional \$3,000,000 available later this year.

Mr. Stephens noted the public hearing discussion of CIB was minimal; the hearing opened at 7:12 and closed and 7:13; a small amount of time for such a large project. In reference to the secondary irrigation, the Legislature has appropriated funding for metering secondary water and asked if they had considered that funding.

The applicant acknowledged the public hearing lasted a minute, but there have been discussions of these improvements from 2019-2021 as the Council's top priority. The Council and public have been fully informed. Heber City has not approached Water Resources for funding for this particular project, but for other projects outside the scope of this project.

Commissioner Lytle expressed concern that the AOG review in letter format from Mountainland AOG had little information. He asked about population growth and stated Wasatch County is not a producing county bit they have impacts.

The application is on the CIB application list. Heber has grown about 45% in the last decade with an annual increase of approximately 4.5%. Heber is among the fastest growing communities in the country though this infrastructure project is not created by growth; it is a downtown area with older infrastructure. Their ARPA funding will expand the scope of Phase I. The \$3,000,000 will be allocated proportionally to this project but does not change the funding request presented to CIB. It will expand the project further

Mr. Oaks asked about the revenue source to pay off the loan.

The applicant indicated sewer and irrigation revenue would be allocated to pay the loan.

The Heber City sewer MAGI would be .65%. The benchmark sewer MAGI is 1.40%.

The applicant noted they anticipate additional large projects coming that will also require financing. Heber City operates a sewer collection system. The sewer treatment system is operated by Heber Valley Special Service District and there will be a 45% rate increase to cover their costs.

Naghi Zeenati made and Marlo Oaks seconded a motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$16,613,000 loan for 30 years at 2.5% and a \$3,896,000 grant (total \$20,509,000) to include the DWQ recommendations that *plans and specifications for the sewer system project should be reviewed and approved by the Division of Water Quality prior to advertising the project for bids and a plan of operations, Operation and Maintenance Manual, and As Built Drawing must be submitted to the Division of Water Quality prior to completion of the project.*

Commissioner Adams stated that traditionally the Board has not offered grants to counties that do not produce mineral lease revenue noting that Wasatch County is #29 of 29 counties and brings no revenue.

Bruce Adams made and Tooter Ogden seconded a substitute motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$20,509,000 loan for 30 years at 2.0%.

Mayor Baker concurred with the loan amount but asked if the interest rate could be 4.0%.

Chairman Heaton indicated the Board could loan at 4.0% but the standard has been 2.5%. The funding tool does consider county production in the funding calculation.

Mayor Baker then suggested a 2.5% interest rate.

Commissioner Adams amended his motion to a 2.5% interest rate.

Bruce Adams made and Tooter Ogden seconded an amended substitute motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$20,509,000 loan for 30 years at 2.5%.

Mr. Zeenati questioned the motion referencing the purpose of the funding tool is to provide a reasonable funding scenari. He noted the indirect impacts of mineral lease development in truck traffic through Heber City.

Commissioner Lytle suggested the DWQ requirements be included in the substitute motion.

Mayor Baker stated that Heber, Park City and Salt Lake are impacted by truck traffic. And all are from non-producing counties.

The Chairman called the question on the amended substitute motion.

Bruce Adams made and Tooter Ogden seconded an amended substitute motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$20,509,000 loan for 30 years at 2.5% citing an administrative exemption to include the DWQ recommendations that *plans and specifications for the sewer system project should be reviewed and approved by the Division of Water Quality prior to advertising the project for bids and a plan of operations, Operation and Maintenance Manual, and As Built Drawing must be submitted to the Division of Water Quality prior to completion of the project.* The motion carried unanimously through roll call vote.

The applicant referred to the inclusion of DWQ requirements of approving plans prior to bidding the project. The contract method Heber City is pursuing is a *CMGC contract* which brings the contractor on during the design to help reduce costs in the final project. It was stated that Heber City would get the approval of DWQ prior to construction, but prior to bidding is problematic and also asked if the Board would reconsider a lower interest rate for this project.

Chairman Heaton indicated the project will be on the Priority List for funding in February. The applicant may submit a formal request to the staff for amendments to the proposed funding prior to the funding meeting and final funding approval.

Skyler Davies referred to the Design/Build issue and noted the language on the DWQ review sheet is standard language; a *CMGC may be acceptable prior to construction*. The CIB policy is to use state purchasing for projects over \$1,000,000. DWQ can work with the applicant to accommodate the CMGC process.

Ms. Powers noted an exemption is required. It was noted that the exemption would be administrative.

Commissioner Lytle suggested Heber review state procurement and the CIB policies regarding procurement and state purchasing and the Board will follow the DWQ recommendations in regard to CMGC.

6. Pending Projects

6.1. Big Water Municipal (Kane County) [2:21:00]

On November 4, 2021, Big Water Municipal presented a funding assistance request for a \$750,000 grant for a new pumper fire truck. This project consists of the purchase of a Pierce Enforcer Pumper PUC with a 6-person cab, 1500 GPM pump, 1000- gallon water capacity, foam system, rescue style body and a 5000-watt generator.

From the November 4, 2021 CIB Meeting Minutes:

Chief Barnett stated his original proposal was for three refurbished trucks; a ladder truck, a pumper truck and a hybrid type truck but thought that the Board would not fund refurbished vehicles.

Chairman Heaton indicated the Board prefers to fund new equipment but for small rural communities, refurbished vehicles may be the viable choice. He noted Salina is taking a truck out of their fleet and Sigurd may be acquiring that truck. The Board may fund a refurbished truck in the right circumstances, indicating there may be some misinformation from vendors.

The applicant stated Page, Arizona has given Big Water two fire trucks over the past few years. A new fire truck would be wonderful, but the need for the Town of Big Water is for a ladder truck, a pumper truck and the smaller hybrid pumper truck. With the authorization of this new pumper fire truck, they would still be requesting additional funding for a ladder truck as one new truck does not totally meet their need.

Chairman Heaton stated the Board could place this project on the pending list to allow time for Big Water to clarify the project.

Naghi Zeenati made and Kyle Stephens seconded a motion to place this project on the Pending List to further clarify the project. The motion carried unanimously through roll call vote.

On January 6, 2021, Big Water Municipal presented a revised project and funding assistance request for a \$160,000 loan for 15 years at 0.5% and a \$300,000 grant (total \$460,000) for two used fire trucks. The revised project consists of the purchase of two DOT Compliant used firetrucks: a 2012 Pierce Impel PUC Rescue Pumper for \$295,000 and a 2008 E-One/International Pumper for \$165,000.

The applicant stated that the more practical course is to purchase two used fire trucks rather than one new truck. There is a one-year warranty, but they have been assured that these trucks will last 10 years or longer. The standard of most fire departments is to phase out fire trucks after 20 years.

Commissioner Ogden acknowledged new trucks are expensive and he has no problem with refurbished fire vehicles as fire trucks last a long time if they can get the parts needed.

Tooter Ogden made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the February 3, 2022 funding meeting as a \$189,000 loan for 30 years at 0.5% and a \$271,000 grant (total \$460,000). The motion carried unanimously through roll call vote.

7. Supplemental Requests

8. Special Consideration

9. Board Member Discussion and/or Action Items

9.1 CIB Board Meetings – February 3, 2022 - 1385 South State, SLC.

ADJOURNMENT [2:29:00]

The next meeting of the Permanent Community Impact Board will be February 3, 2022 at 1385 South State, Salt Lake City, Utah.

The meeting adjourned at 11:40 am.

Submitted by:
Candace Powers