

**PERMANENT COMMUNITY IMPACT FUND BOARD MEETING**

Department of Workforce Services  
Housing and Community Development Division, Salt Lake City, Utah  
Virtual Zoom Webinar  
January 7, 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
David Damschen	State Treasurer

**Staff and Visitors**

Keith Heaton	Housing and Community Development
Candace Powers	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
McKenna Marchant	Housing and Community Development
Brook McCarrick	Attorney General's Office
Christina Davis	Department of Workforce Services
Skyler Davies	Division of Water Quality
Skye Sieber	Division of Drinking Water
Heather Pattee	Division of Drinking Water
Nate Hall	District Environmental Engineer
Margaret Lautaimi	Department of Workforce Services
Debi Carty	Department of Workforce Services
Marcus Keller	Zions Bank Public Finance
Commissioner Todd	Duchesne County Municipal Building Authority
Conae Black	Green River City
Gordon Walker	Kane County
Jeanette Johnson	Blaisdell, Church and Johnson LLC
Kevin Yack	Uintah Basin Association of Governments
Will Wright	Uintah Basin Association of Governments
Gary Zabriskie	Five County Association of Governments
Brian Carver	Bear River Association of Governments
Anona Yardley	Bear River ALG
Zach Leavitt	Six County Association of Governments
Ryan Savage	Savage Engineering
Michael Bryant	Southeastern Utah Association of Local Governments
Tyler Timmons	Six County Association of Governments

Brian Barton  
Darin Robinson  
Carson DeMille  
Aaron Averett  
Justin Atkinson  
Ron Winterton  
Jerry Taylor  
Dusty Monks  
Dickson Taylor  
Clyde Watkins  
David Avery  
Don Logston  
Darrel Leamaster  
Liz Holt  
Merrial Johansen  
Jeff Richens  
Cory Christiansen  
Jason Brown  
Matt Robinson  
Pam Sheridan  
Kelly Chappell  
Randy Christensen  
Tyler Faddis  
Michele Jolley  
David Ogden  
Bryce Hansen  
Keith Logan  
Dennis Blackburn  
Steve Lutz  
Ryan Goodrich  
Wade Heaton  
Andy Gant

Jones & DeMille Engineering  
Jones & DeMille Engineering  
Jones & DeMille Engineering  
Sunrise-Engineering  
Sunrise-Engineering  
Duchesne County  
Garfield County  
Johnson Water Improvement District  
Johnson Water Improvement District  
Johnson Water Improvement District  
East Carbon City  
East Carbon City  
Johansen & Tuttle Engineering  
East Carbon City  
Johansen & Tuttle Engineering  
Price River Water Improvement District  
Water Work Engineers  
Beaver City  
Beaver City  
Town of Scipio  
Ensign Engineering  
Mona City  
Mona City  
Richfield City  
Richfield City  
Richfield City  
Richfield City  
Wayne County  
Wayne County  
Ashley Valley Water Improvement District  
Kane County  
Kane County

Other Attendees:

1206\*\*\*\*442

1801\*\*\*\*312

## **WELCOME**

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, January 7, 2021 via Zoom Webinar and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

## **I. ADMINISTRATIVE ITEMS**

### ***Briefing***

#### **1. Upcoming Meeting dates and Locations**

February 4, 2021 – Virtual Meeting via Zoom Webinar

March 4, 2021 – Virtual Meeting via Zoom Webinar

#### **2. Financial Review [01:05]**

Candace Powers reviewed the status of the funds for today's meeting.

### 3. Review of Agenda Items:

There are 6 projects for funding consideration, and 1 large infrastructure project application, 1 supplemental request and 1 special consideration. Projects discussed at this review meeting will be placed on the Priority List for final funding approval on February 4, 2021.

### II. WELCOME AND INTRODUCTIONS [04:21]

A roll call was conducted for Board attendance. David Damschen & Jack Lytle were noted absent at the time of roll call.

### III. APPROVAL OF MINUTES [06:40]

Chairman Hardy requested a motion to approve the minutes from the December 10, 2020 meeting.

**Naghi Zeenati made and Tooter Ogden seconded a motion to approve the minutes of the December 10, 2020 meeting. The motion carried by voice vote with David Damschen and Jack Lytle absent for the vote.**

### IV. NEW PROJECTS [7:22]

Chairman Hardy noted the variance between the CIB funding tool and the Department of Environmental Quality recommendations and the use of MAGI to determine affordability in regards to funding. The CIB funding tool considers affordability to a lesser degree. For consistency with water and sewer projects, the Board should consider the DEQ criteria. The DEQ considerations may be incorporated into the CIB funding tool, but would require modifications. As the Board reviews today's water and sewer projects, the Board should be mindful of the DEQ guidelines. The median funding scenario indicated in today's packet is what the tool currently provides.

Chairman Hardy recused himself for the discussion of Johnson Water Improvement District and Keith Heaton chaired the meeting for this discussion.

*Jack Lytle Logged on at 8:47am*

#### 4.1 Johnson Water Improvement District (Duchesne County) [09:35.6]

Johnson Water Improvement District presented a funding request of \$1,748,150 for water system improvements on the Pleasant Valley Loop line. This project consists of water system improvements on the Pleasant Valley Loop system to include survey, geotechnical support and design for 24,900 linear feet of 8-inch PVC pipeline from South Myton Bench along the Pariette Rd and 13500 South to improve flow to approximately 30 connections with the associated valves and fittings, rights of way, canal and creek bores, culvert repair, 4 air vac release valves, 6-inch pressure release valve on the Pleasant Valley line to improve water quality and pressure.

The applicant has requested a \$700,000 loan for 30 years at 0.0% and a \$1,048,150,000 grant from CIB and is contributing \$100,000 applicant cash.

Project total \$1,848,150

*Funding Median Range:*

*\$ 857,000 Loan 30y @ 1.0%*

*\$ 891,150 Grant*

Dickson Taylor, Dusty Monks, District Board members and Sunrise Engineering represented the Johnson Water Improvement District.

The applicant stated the District has 950 total connections; close to 900 are active and serve residents in Duchesne and Uintah Counties with 8% of connections in Uintah County. Historically a large percentage of water was sold to resource production companies which has subsidized the system to keep rates low.

This project is to loop the system in Pleasant Valley and may provide new connections but the main purpose is to bring the system up to drinking water standards. The line was installed in 1971 as an 8-inch line and reduces down to a 2-inch line causing a pressure drops below drinking water standards. This line is to meet culinary standards and allow additional connections.

Chairman Heaton noted that in the Pleasant Valley service area there are approximately 30 connections. Is that the number of direct beneficiaries of this project?

The applicant affirmed there are 30 direct beneficiaries, as well as livestock who rely up this service. There are 950 connection with 50-75 connections exist but do not take water and do not pay water fees. An extensive rate study was completed in February 2020 and a rate increase of 14% was presented for all customers. Two commercial users do not guarantee their water usage and buy at a higher rate per gallon basis. It is difficult for companies to predict water usage and the District maintains a monetary reserve to accommodate the unpredictable economy. Current impact fees are assessed at \$2,500/connection. A master plan was done in 2019.

The Board asked if chlorinated culinary grade water is being sent to livestock.

The applicant indicated that livestock is out in the desert and in the winter, water is accommodated through culinary grade water. The amount of livestock has increased over the last few years.

The Board noted the MAGI is below the 1.75% threshold at 1.27%.

**Gregg Galecki made and Tooter Ogden seconded a motion to place this project on the Priority List for final approval on February 4, 2021 funding meeting as a \$436,150 grant and a \$1,312,000 loan for 30 years at 1% (total \$1,748,150).**

After further Board discussion a substitute motion was made.

**Jack Lytle made and Irene Hansen seconded a substitute motion to place the project on the Priority List for final approval on February 4, 2021 funding meeting as a \$891,150 grant and a \$857,000 loan for 30 years at 1% (total \$1,748,150).**

The Board asked about the commercial subsidy mentioned by the applicant and asked if the commercial business might be lost.

The applicant acknowledged uncertainty regarding future economics and use of federal lands for oil production. A lot of newer wells are on private land.

The Board noted that within the application review, the applicant stated the affordability would not be an issue due to the rate increase and or without the growth of the commercial water usage. The Board is tasked with keeping the fund revolving and the fund revenue is down. There are new standards for water systems and this board will likely see a number of water funding requests.

The Board asked the applicant to discuss the choice of this project as their immediate need.

The applicant stated in regard to the master plan, a priority list was created. This is a 50-year old line and heavily used for commercial purposes which impacts the connections on this project.

The Chairman called the question.

**Jack Lytle made and Irene Hansen seconded a substitute motion to place the project on the Priority List for final approval on February 4, 2021 funding meeting as a \$891,150 grant and a \$857,000 loan for 30 years at 1% (total \$1,748,150). The motion carried with Jack Lytle, Dean Baker, Kyle Stephens, Irene Hansen, Bruce Adams and Naghi Zeenati in favor and Gregg Galecki, Tooter Ogden and Mike Dalton opposed. David Damschen was absent for the vote.**

[46:00]

*Jonathan Hardy resumed as Chair.*

#### 4.2 East Carbon City (Carbon County) [46:15]

East Carbon City presented a funding request of \$1,825,000 for a new water treatment plant. This project consists of the construction of a new 1.5 MGD (million gallons per day) treatment plant and accessories, backwash tank and pumps, on-site sodium hypo chlorination and an energy conservation system to include a geo-thermal hot system and solar panels for power generation.

The applicant has requested a \$912,000 loan for 20 years at 1.0% and a \$913,000 grant from CIB. The applicant indicates a USDA loan for \$912,000 and USDA grant 913,000.

Project total \$3,650,000

Median Proposed:

\$ 502,000 Loan 30y @ 0.5%

\$ 1,323,000 Grant

David Avery, Chuck Abeyta, Don Logston, Gary Keddington, Liz Holt, Merrial Johansen and Darrel Leamaster represented East Carbon City.

The applicant stated this project started two years ago in a discussion with the USDA wherein support was indicated. Recently, USDA put the East Carbon funding request on hold in respect to a concern with East Carbon having too many assets. Those East Carbon assets/funds are restricted but for now, the USDA funds are on hold. The total project cost is \$3,600,000 wherein the funding from both USDA and CIB is needed to complete this project.

The Board clarified that the USDA funding has not been secured and asked about using the tipping fees as revenue to pay for the water project.

The applicant stated that the USDA funding is not secure and may wish to ask for CIB funding to cover the entire cost of the project but they are still in discussion with USDA. The tipping fee *(the charge levied upon a given quantity of waste received at a waste processing facility)* revenue from the landfill may be used for loan repayment.

The Board asked if the Division of Drinking Water has been approached for funding and the applicant indicated they have not discussed funding with DDW. The Board questioned the current project with a capacity of 1.5 million gallons which is less than the existing 2-million-gallon tank and a possible shortfall.

The applicant stated that the size of the city and industrial use has decreased.

The Board recommended this application be placed on the pending list until confirmation of USDA funding.

**Jack Lytle made and Mike Dalton seconded a motion to place the East Carbon City Water Treatment Plant application on the pending list in lieu of USDA funding clarification.**

The Board referred to the MAGI being above the 1.75% and suggested approaching the Division of Drinking water for a possible hardship grant.

It was noted that a project on the pending list may be placed on any subsequent CIB meeting when the issues are resolved and a decision can be made.

*David Damschen Logged on at 9:37 am*

Chairman Hardy called the question.

**Jack Lytle made and Mike Dalton seconded a motion to place the East Carbon City Water Treatment Plant application on the pending list in lieu of USDA funding clarification. The motion carried with David Damschen abstaining.**

4.3 Price River Water Improvement District (Carbon County) [01:14:50]

Price River Water Improvement District presented a funding request of \$1,600,000 for sewer improvements to include nutrient removal. This project consists of improvements to waste water treatment including chemical treatment for emergencies, modifications to aeration systems, additional instrumentation and control systems, replacing outdated equipment, outfall building, concrete, various gates, clarifiers, clarifier drives, piping and appurtenances.

The applicant has requested an \$800,000 grant and an \$800,000 loan for 20 years at 0.0% with a Division of Water Quality \$800,000 grant and an \$800,000 loan for 20 years at 1.0%.

Project total \$3,200,000.

Median Proposed:

\$ 520,000 Loan 30y @ 1.0%

\$ 1 080,000 Grant

Jeff Richens and Cory Christiansen represented the Price River Water Improvement District.

The applicant indicated that in 2015 the State imposed new standards on phosphorous and future changes to inorganic nitrogen levels. This project will allow the District to meet compliance on those standards and they have received a variance from DWQ until January 2023. A rate increase is not anticipated to accommodate this project.

The Board asked about the status of DWQ funding and questioned the 40% contingency indicated on the estimate.

The applicant indicated the project and funding will be considered at the DWQ meeting on January 27, 2021. Contingency is estimated on the total project cost and is higher as a result of construction demands for meeting DWQ standards across the state and the variables of what a contractor will charge to work on their project. The sewer impact fee outside the city limits is \$1250 and within city limits it is \$852. Impact fees were not changed when the rate increase was made. This system upgrade is to meet the new standards and not for growth. The most recent impact study was between 2011 and 2012.

It was noted that DEQ guidelines for sewer is 1.40% of MAGI and water is 1.75% of MAGI.

The Board asked about the reference noted in the minutes; questions asked and answered with no detail provided.

The applicant indicated there was no public in attendance at the public hearing though a review of the project application was voiced. The project was discussed over the past 5 years and the application was

approved on June 2, 2020. The public does not attend unless a rate increase is announced. They have published articles in the local newspapers to educate and share information with the public. The rates were increased in January 2019 and affordability has been reviewed and is sustained at current rate.

The Board asked about the impact to project if the DWQ Board does not allocate funding.

The applicant indicated they are optimistic that the DWQ funding will be approved.

**Bruce Adams made and Kyle Stephens seconded a motion to approve an \$800,000 loan for 20 years at 0.0% and an \$800,000 grant, contingent on DWQ funding.**

The Board suggested an amendment to the motion as the loan should bear an interest rate.

**Bruce Adams made and Kyle Stephens seconded a motion to amend and approve an \$800,000 Loan for 20 years @ 0.5% and an \$800,000 grant, contingent on DWQ funding.**

After additional Board discussion, a substitute motion was made for the whole project cost suggesting that DWQ may not have better terms.

**Gregg Galecki made and David Damschen seconded a substitute motion to approve a \$3,000,000 loan for 30 years at 1.0% and a \$200,000 grant (total \$3,200,000).**

The applicant preferred a 20-year term and suggested 50% loan and 50% grant.

After additional Board discussion concerning CIB being the funding source for water and sewer projects; CIB funding should be allocated to diverse projects. The substitute motion was amended and the Chairman called the question.

**Gregg Galecki made and David Damschen seconded an amended substitute motion to place this project on the Priority List for final approval at the February 4, 2021 funding meeting for final approval as a \$1,600,000 loan for 20 years at 1.0%. The motion carried with David Damschen, Gregg Galecki, Tooter Ogden, Dean Baker, Mike Dalton, Irene Hansen and Naghi Zeenati in favor, and Jack Lytle, Kyle Stephens and Bruce Adams opposed.**

*Break 10:15 am*

#### 4.4 Beaver City (Beaver County) [1:46:55]

Beaver City presented a funding request of \$986,000 for water system improvements to include the Bear Canyon Spring Development. This project consists of developing Bear Canyon Spring to increase flows by 40-50 gpm to include permitting, engineering, installing approximately 5,000 linear feet of 6-inch spring transmission line to the city water tank, silt fence, tree removal, gates, fencing and posts, seeding, spring collection manhole, junction manhole, impermeable liner, filter fabric, fill and riprap and the construction of a heated well building around the Head House Well to utilize the well during winter months, well casing inspection and cleaning and lowering pump bowls.

The applicant has requested a \$493,000 loan for 20 years at 1.0% and a \$493,000 grant and is contributing \$50,000 cash  
Project total - \$1,036,000.

Median Proposed:

\$ 405,000 Loan 30y @ 1.0%

\$ 581,000 Grant

Jason Brown, Matt Robison, Marcus Keller and Darin Robinson represented Beaver City.

The applicant stated the existing springs in the area were redeveloped in 2011. The spring has been monitored for 4 years and the spring flow has reduced by 20%. In July 2020 in anticipation of the improvements needed, a water rate increase was accessed.

Chairman Hardy noted the DEQ analysis indicates that a full loan is affordable and asked for applicant comment.

The applicant acknowledged the analysis, but there will be future projects to be accommodated so they are asking half grant and half loan.

The Board requested clarity from DEQ in regard to their assessment and IPS points.

Skye Sieber from the Division of Drinking Water explained IPS refers to the Improvement Priority System which are points accessed during the sanitary survey and indicate items that need to be corrected. When deficiencies are corrected and documentation provided to DEQ, the points are removed.

The Board about a timeline to make corrections and if there are penalties.

Ms. Sieber indicated there are time considerations given with no penalties. Each situation and deficiency is individually evaluated. Facility corrections require a quicker turnaround while monitoring corrections may take a longer period of time.

The Board requested clarification on the applicant's current water rate, current population and anticipated growth.

The applicant indicated the current rate is \$35 per 10,000 gallon minimum with an increasing 4-tier rate structure beginning at \$0.40 and increasing to \$1.80 per 1000. The service population is 3,100 with an anticipated 2% growth. A base-minimum increase has been approved over the next 3 years for the larger consumers, but the 4-tiered rate will remain the same. They have the necessary water rights. The current impact fees are assessed at \$6,500/connection.

The Board asked for clarity regarding double mobilization expenses and the status of the Forest Service approval.

The applicant indicated there are two different locations for this project; the spring location is up on the mountain and the well building location is lower. Forest Service approval is anticipated in May with construction beginning with the well building in July and August.

**Mike Dalton made and Jack Lytle seconded a motion to place the project on the Priority List for final approval on February 4, 2021 funding meeting as a \$493,000 grant and \$493,000 loan for 20 years @1.0% (total \$986,000).**

Chairman Hardy noted that funding consistency should be the Board's priority but projects discussed today have received varied funding packages though he does not know how to overcome the disparate actions. The Chairman called the question.

**Mike Dalton made and Jack Lytle seconded a motion to place the project on the Priority List for final approval on February 4, 2021 funding meeting as a \$493,000 grant and \$493,000 loan for 20 years @1.0% (total \$986,000). The motion carried unanimously through roll call vote.**

#### 4.5 Town of Scipio (Millard County) [2:02:42]

The Town of Scipio presented a funding request of \$300,000 for water system improvements. This project consists of flow and pressure improvements to include drilling a new well to include conductor and production holes, casings, tubes, filter material surface seal, storm drain line, splash box, concrete manhole, new well house, installing 1,500 linear feet of 8-inch water line, 350 linear feet of 6-inch water line along 200 East from 400 North to 600 North, closing the water line loop along 200 North and installing a SCADA master meter to monitor usage.

The applicant is requesting a \$200,000 grant and a \$100,000 loan for 30 years at 0.5% interest and has indicated a USDA grant of \$1,000,000 with \$187,779 applicant cash.

Project total \$1,487,779.

*Median Proposed:*

\$ 100,000 Loan 30y @ 1.0%

\$ 200,000 Grant

Pam Sheridan and Kelly Chappell represented the Town of Scipio.

The applicant indicated they are seeking to accommodate state water compliance. Putting a meter on the tank is one of the requirements and is in conjunction with a new well. This also includes hooking on to the main waterline at its current termination point for a consistent loop to improve fire flow and water pressure. Impact and water fees have been increased in the past two years and a water master plan has been created.

The Board commended the public hearing minutes but suggested a listing of council member names if they are present to clarify the support for the project. The Board asked about the status of applicant cash and USDA funding.

The applicant indicated the Town has received the USDA grant. The Town will be responsible for approximately \$285,000.

The Board noted there is an existing loop already on the line.

The applicant stated that the existing loop line goes from a 6-inch line to ¾-inch. This project would bring the line back to 6-inches to complete the loop.

**Greg Galecki made and Naghi Zeenati seconded a motion to approve a \$200,000 grant and a \$100,000 loan for 30 years at 0.5%.**

The Board asked if this project would remove the IPS points from the existing deficiencies noting an effort for CIB funding to help with those deficiencies.

The applicant stated there was a deficiency for the screen on the spring line which has been resolved.

Heather Pattee, Division of Drinking Water, explained the points on the Scipio water system. Failure to monitor occurred in January -March of 2020 which is 45 IPS points and will expire March 2021. 5 IPS points to update their source protection plan which is not part of this project and the remaining 15 points were for deterioration on roof on storage tank and not part of this project.

The Chairman called the question.

**Greg Galecki made and Naghi Zeenati seconded a motion to place the project on the Priority List for final approval on February 4, 2021 funding meeting as a \$200,000 grant and a \$100,000 loan for 30 years @0.5% (total \$300,000). The motion carried unanimously through roll call vote.**

*Break: 10:57 a.m.*

#### 4.6 Mona City (Juab County) [2:12:40]

Mona City presented a funding request of \$1,950,000 for a new water tank. This project consists of constructing a new one million-gallon concrete water tank to include design and engineering, 100 linear feet of 12-inch water pipe, gate valves, pipe tie ins, backfill, water proofing, electrical and SCADA. The applicant is requesting a \$975,000 loan for 20 years at 1.0% and a \$975,000 grant and is contributing \$50,000 cash.

Median Proposed:

\$ 1,092,000 Loan 30y @ 1.0%

\$ 858,000 Grant

Randy Christensen and Tyler Faddis represented Mona City.

The applicant indicated they have found deficiencies and with anticipated growth, it was determined that more capacity would be required. In 2018 they implemented a water rate increase of \$3.00 annually over five years. They have also spent \$150,000 on upgrades to wells and lines. The number of city connections has increased.

The Board suggested funding this project as indicated in the median range.

**Naghi Zeenati made and Jack Lytle seconded a motion to place the project on the Priority List for final approval on February 4, 2021 funding meeting as a \$858,000 grant and a \$1,092,000 loan for 30 years at 1.0% (total \$1,950,000). The motion carried unanimously through roll call vote.**

#### 5. NEW LARGE INFRASTRUCTURE PROJECTS [2:19:34]

5.1 Richfield City presented a funding request of \$12,348,000 for sewer lagoon rehabilitation. This project consists of the engineering, permitting and reconstruction of the south primary and secondary sewer lagoon cells. Schedule 1 includes rip rap, clay liner, soil, sludge removal, embankments, transfer structure, splitter box, 750 linear feet of 18-inch PVC sewer pipe, primary inlet reconstruction, transfer pumping, site dewatering, staking and road repair. Schedule 2 includes 17 sewer manholes, 2,600 linear feet of 12-inch PVC pipe, 45 linear feet of 8-inch PVC pipe, concrete and road repair. Applicant will provide and replace the South lift station

The applicant is requesting a \$4,940,000 loan for 20 years at 1.0% and a \$7,408,000 grant.

Median Proposed:

\$ 4,384,000 Loan 30y @ 1.0%

\$ 7,964,000 Grant

Dave Ogden, Michele Jolley, Carson DeMille, Tyson Hansen and Keith Mogan represented Richfield City.

The applicant indicated there are over 7800 citizens and the community is growing and they are planning for the future. They have self-funded several needed projects and as part of this project, Richfield City will provide and replace a south lift station.

Chairman Hardy referred to the DEQ review which suggests the applicant could accommodate more loan funding.

The applicant stated that after financial review a necessary increase in sewer and water rates by \$4.00 for residential which will begin in January 2021 thru 2025. They have a sewer bond payment which will increase over twice the annual payment in 2024. They will also increase the base rate by \$1.00 a year through 2025 to allow the increased bond payment. Rates may need an additional increase to accommodate this current project.

Commissioner Ogden indicated this project is on very boggy ground noting that in 1983 the liners were not installed correctly. The Department of Health issued a letter indicating the seepage rate is 2 times higher than the allowable seepage rate.

The Board asked why the lagoon leak issues have not been addressed earlier and also asked if this could wait another year.

The applicant stated that they thought the 70-acre primary pond was working but a pipe collapsed and they moved the waste to the south pond. The 70-acre primary cell pipe was replaced and it was then noticed that the cell was nearly full. This project is to provide waste treatment for the next 20 years. If the pipe had not collapsed, the cell would have lasted a few more years. They do consider this project to be an emergency due to the cell nearing capacity without consideration of a population increase. The applicant in-kind is to replace the south lift station which is not functioning properly.

The Board asked for clarification on when the last rate study and increase was completed, as well as the rate for impact fees and when was the last update to the master plan.

The applicant indicated they compare with other communities of similar size though the last rate increase was in 2015. The current sewer impact fee \$615/connection and water impact fee \$1,900/connection. The sewer impact fee will be updated as this project will necessitate an increase. The most recent sewer master plan was 2018 and water was 2012.

The Board acknowledged the applicant's financial efforts for the lift station and other projects and referred to the DEQ review.

**Gregg Galecki made and Dean Baker seconded a motion to approve a \$6,200,000 loan for 20 years at 1.5% and \$6,148,000 grant.**

**Tooter Ogden made and Naghi Zeenati seconded a substitute motion to approve a \$4,940,000 loan for 20 years at 1.0% and a \$7,408,000 grant.**

The Board requested clarification as to where the allocation of funding would be accommodated noting the balance in the large infrastructure fund.

Chairman Hardy noted there have two large infrastructure project requests placed on the Priority List for approval at the February 4, 2021 meeting. The Board will determine the allocation of funding for the two large infrastructure projects noting that funds could be allocated out of the Bonus account.

The Board suggested the motion include the provision noted by the Division of Water Quality to review plans and specification prior to the solicitation of bids.

**Tooter Ogden made and Naghi Zeenati seconded the substitute motion as amended to approve a \$4,940,000 loan for 20 years @1.0% and a \$7,408,000 grant (total 12,348,000) and DWQ review and approval of plans and specification prior to solicitation of bids. The motion failed with David**

**Damschen, Tooter Ogden, Mike Dalton, Bruce Adams and Naghi Zeenati in favor and Jonathan Hardy, Gregg Galecki, Jack Lytle, Dean Baker, Kyle Stephens and Irene Hansen opposed.**

Chairman Hardy called the question on the original motion amended to include the DWQ recommendation of plan review and approval prior to bidding and a 1.0% interest rate.

**Gregg Galecki made and Dean Baker seconded the amended substitute motion to place the project on the Priority List for final approval on February 4, 2021 funding meeting as a \$6,200,000 loan for 20 years at 1.0% and \$6,148,000 grant (total 12,348,000) and DWQ review and approval of plans and specification prior to solicitation of bids. The motion carried unanimously through roll call vote.**

**VII. SUPPLEMENTAL REQUESTS** [2:46:32]

**7.1 Wayne County** (Wayne County)

Wayne County submitted a supplemental request for a \$225,000 grant and a \$75,000 loan for 30 years at 0.5% (total \$300,000) for the New Fire Station at Torrey. The original funding allocation was made June 11, 2020 for a \$784,000 Grant, and a \$262,000 loan for 30 years @ 0.5%. This project will consist of building a 120'x60' fire station with 3 truck bays, a kitchen, training area, office, storage, men's and women's restroom/change areas and site work.

Dennis Blackburn, Steve Lutz, and Ryan Savage represented Wayne County.

**Bruce Adams made and Naghi Zeenati seconded a motion to approve the supplemental request for a \$225,000 grant and a \$75,000 loan for 30 years at 0.5% (total \$300,000).**

The Board asked if the stucco and rock in the original estimate had been added back to the project scope

The applicant stated the stucco and rock have not been included to accommodate affordability.

The Board requested clarification on the cost of engineering and the resulting estimate.

The applicant stated the original estimate was prepared in January 2020 and construction costs have increased. A number of items were removed to reduce costs.

The Chairman called the question.

**Bruce Adams made and Naghi Zeenati seconded a motion to suspend and fund a supplemental request by Wayne County for a \$225,000 grant and a \$75,000 loan for 30 years at 0.5% (total \$300,000). The motion carried unanimously through roll call vote.**

**VIII. SPECIAL CONSIDERATION** [2:53:09]

Chairman Hardy requested a motion to hear a request from Ashley Valley Water Improvement District for Special Consideration.

**Naghi Zeenati made and Mike Dalton seconded a motion to consider the Special Consideration request from Ashley Valley Water Improvement District. The motion carried unanimously through voice vote.**

8.1 Ashley Valley Water and Sewer Improvement District (Uintah County) [2:53:48]

August 8, 2019

Ashley Valley Water and Sewer Improvement District presented a funding assistance request for a \$1,567,000 grant and a \$522,000 loan for 30 years at 0% interest (total \$2,089,000) for 500 West Sewer Improvements. This project will consist of extending wastewater services to 29 homes along 500 West and will include 6,380 LF of 8" PVC sewer main, 17 manholes, 10,935 SF asphalt replacement for driveways and 100 LF of fence replacement.

**Jack Lytle made and Bruce Adams seconded a substitute motion to suspend the rules and fund this project as a \$1,045,000 grant, with a \$1,044,000 loan (total \$2,089,000) for 30 years at 0% interest with a 2-year payment deferral. The motion passed with Ron Winterton, Dean Baker, Jack Lytle, Bruce Adams and Jonathan Hardy in favor and Gregg Galecki, Mike Dalton, Naghi Zeenati, and Tooter Ogden opposed.**

The Ashley Valley Water and Sewer Improvement District requested time on the January 7, 2021 CIB meeting to discuss using the remaining 257,930.51 from the 500 West project.

The revised project is to convert a recently abandoned water line to a sewer line that would be tied into the lift station at the north end and extended to the closest sewer line at the south end adding additional flow capacity and redundancy to the system in this area. Manholes that are starting to show signs of wear would be replaced or repaired along with associated piping. The estimated cost is \$249,450.

**Naghi Zeenati made and Kyle Stephens seconded a motion of approve the use of remaining funds to accommodate the change in scope. The motion carried unanimously through roll call vote.**

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

9.1 CIB Board Meetings [2:57:35]

CIB Funding Meeting, February 4, 2021 – Zoom Webinar

9.2 CIB Board Discussion – Procurement Requirement and Use of State Purchasing [2:57:51]

Chairman Hardy indicated the Board has adopted the policy to require the use of State Purchasing for funding awards of \$1,000,000 or above.

Ms. Powers referred to the flow chart provided by Chris Hughes, Director of State Purchasing, to help clarify the work flow utilizing State Purchasing for funding allocations exceeding \$1,000,000. State Purchasing does not select the vendor. State Purchasing will assist with solicitation and the applicant will be responsible for vendor selection. If a CIB funding recipient wishes to consider a vendor not listed by State Purchasing, there may be an exemption option to utilize a preferred vendor.

Mayor Baker suggested the flow chart be part of application.

Ms. Powers replied that State Purchasing guidance information will be included with the CIB Summary of How to Apply for CIB Funding.

Commissioner Lytle requested clarification regarding selecting a vendor that deviates from the State Purchasing recommendation; justification for their choice.

Chairman Hardy indicated it is the entities responsibility to view, score and select. State Purchasing will ensure the solicitation is proper for posting and review the evaluation documents.

Ms. Powers noted that the chart provided by State Purchasing will be utilized to prepare an iteration to be included in the CIB guidelines.

Commissioner Dalton clarified that the \$1,000,000 threshold is for the total project cost, not a single item. He reiterated the statement by State Purchasing that this would not place a time burden on the applicant.

Chairman Hardy stated the Board has established the policy that *all projects* receiving funding from CIB must follow State Procurement Code. Projects over \$1,000,000 are required to utilize State Purchasing for solicitation posting, compiling responses and review scores in tandem with the entity. The entity (applicant) will make the selection. This policy is in effect as of January 2021, which then applies to all projects funded at the February 4, 2021 meeting.

Ms. Powers indicated the State Procurement Code is the standard established by the Board. The use of State Purchasing is required for projects over \$1,000,000 as established by the Board. All revisions to policy will be included in the annual policy manual provided in June 2021.

Treasurer Damschen indicated he has worked on a lot of procurements both in his 11 years in the Treasurer's office and 20 years in the banking industry. There is a vendor relationship defined in code that is with the State's Municipal Advisor and the best experience in procuring the State's Municipal Advisor was when the State Purchasing Division was utilized. They always provide helpful insight and support and they are immersed in and understand procurement code. State Purchasing can add tremendous value to the process.

Chairman Hardy indicated the entity will document their compliance with following the State Procurement Code and in projects over \$1,000,000, utilizing State Purchasing prior to the commencement of reimbursements. It was also noted that the Board established the policy that the CIB application lists will be provided May 1, 2021 and will not be amended.

## **ADJOURNMENT**

The next Permanent Community Impact Board Funding Meeting will be held February 4, 2021 via Zoom Webinar at 8:30 a.m.

The meeting adjourned at 12:00 p.m.

Submitted by:  
Pamela Sjostrom  
Candace Powers