

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

MINUTES

March 2, 2023 - ZOOM

Members Virtually Present

Curtis Wells	Chairman
Kirt Slauch	State Treasurer Designee
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 Designee
Scott Bartholomew	Six County Association of Governments
Jack Lytle	Uintah Basin Association of Governments
Ralph Brown	Sevier County (<i>pending confirmation</i>)

Staff and Visitors

Christina Oliver	Housing and Community Development
Candace Powers	Housing and Community Development
Brenda Brown	Housing and Community Development
Paul Moberly	Housing and Community Development
Heather Poulsen	Housing and Community Development
Michael Mowes	Housing and Community Development
Jennifer Domenici	Housing and Community Development
Cameron Carter	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
Tyler Timmons	Six County Association of Governments
Brock Jackson	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
Ben Billingsley	Moab City
Ron Torgerson	Town of Koosharem
Brennan Reese	Town of Koosharem
Cheryl Meier	Uintah Special Service District #1
Mike Hawley	Jones & DeMille Engineering
Jeremy Sorenson	Mountain Green Sewer Improvement District
Carly Castle	Moab City
Joette Langianese	Moab City
Chuck Williams	Moab City
Rob Patterson	Uintah Fire Suppression Special Service District
Stephanie Rose	Johnson, Patterson & Yellowhorse Law
Bret Reynolds	Flaming Gorge Fire Special Service District
Jeremy Raymond	Flaming Gorge Fire Special Service District
	Uintah Fire Suppression Special Service District

Tyler McKee	Uintah Fire Suppression Special Service District
Kurt Marchant	Ensign Engineering
Bill Davis	Town of Marysvale
Jon Christensen	Town of Marysvale
Cliff Linford	Mountain Green Sewer Improvement District
Chuck Williams	Moab City
James Dixon	Governor's Office of Economic Development
Richard Lory	Moab City
Bill Coutts	Mountain Green Sewer Improvement District
Darin Bushman	Piute County
Bill Davis	Town of Marysvale
Brittany Hardy	Department of Workforce Services
Kaylee Beck	Department of Workforce Services
Keith Heaton	Seven County Infrastructure Coalition
Sarah Nielson	Department of Workforce Services
Gary Zabriskie	Five County Association of Governments
Brittany Alfau	Bear River Association of Governments
Jeff McCarty	Sunrise Engineering
Tooter Ogden	Sevier County
Sam Passey	Uintah County Library
Will Wright	Uintah County Association of Governments
Kevin Yack	Uintah County Association of Governments
Jay Christensen	Mona City
Stan Holmes	Utah Sierra Club
Lionel Trepanier	Utah Tar Sands Resistance
R. Brown	
Robin Smith Davis	
Duchesne County	
Jones & DeMille	

WELCOME AND INTRODUCTIONS 9:00 am

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, March 2, 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.

A discussion of the 2.5% interest rate was requested at the last board meeting. The 2.5% interest rate has been established as the benchmark wherein the Board may authorize terms above and below that rate.

Mr. Zeenati referred to discussions with elected officials and engineers concerning the interest rate wherein he stated the reduced number of applications was due to the high interest rate.

Ms. Hanson referred to Mr. Zeenati's statement as an interesting point and asked if there was historical data to show a reduction of applications.

Mr. Zeenati said there were times when the Board received up to *14 projects every cycle*; recently there have been fewer applications which can be discussed in 2 review meetings.

Mayor Baker said it has been stated that an increase to 3.5% could not be accommodated by small towns. But some applicants do come to CIB as they can get a better rate than the open market. A rate increase would not prohibit the small communities from applying as the Board can discuss and provide affordable rates.

Mr. Slaugh said the maximum rate could be increased and the Board's discretion would be maintained which may reset expectations for all applicants.

Mr. Zeenati said CIB was to provide help to the communities that could not accommodate loans from public financial institutions. The market interest rate is higher. The Board is tasked with putting the funds to work on projects as statutorily required.

It was indicated at the last meeting that the interest rate the State could get was 3.3% with a AAA credit rating. The CIB discussed simply raising the ceiling rate to have a broader range of rates wherein the Board can determine an alternative interest rate.

Commissioner Lytle said raising the interest rate may provide a broader span foregoing the need for exemptions and the Board can determine alternatives. A 2.5% ceiling is well below market rate and a broader range is needed for some projects. The increased rate will not penalize the communities that need a lower interest rate.

Ms. Hanson said having more flexibility in the range would allow the Board to accommodate rates based on the situation. This fund is valuable for communities that would not have access to funding otherwise. An increase is prudent as the revenue is down in this fund. Increasing the rate would assist in keeping the fund revolving.

Mayor Baker concurred that an increase would provide flexibility.

I. BRIEFING [13:50]

1. Up-coming Meeting Dates & Location – April 6, 2023 – 1385 South State, SLC, UT

2-3. Financial Review & Review of Agenda Items [14:32.2]

This is the first review meeting in the 3rd Trimester of FY2023. The status of the funds for today's meeting was reviewed. There are five new project applications for discussion and two supplemental funding requests. The current revenue balance will not currently accommodate all applications as requested; revenue is provided monthly and at the June funding meeting, the revenue available will then be considered in regard to the priority projects.

The new projects discussed at this review meeting are placed on a priority list for final funding approval at the June 1, 2023 funding meeting. The supplemental requests may be funded today.

Mr. Slaugh asked what new revenue is expected prior to the funding meeting.

In December, the new revenue was approximately \$15 million (mineral lease and bonus) disbursed as in statute with CIB receiving 32.5%. In January, the revenue was approximately \$8 million. Loan repayments are annual and DWS finance is working to project those numbers. At the June funding meeting it may be safely assumed there will be more revenue. There are large projects this trimester that could be phased or could accommodate funding through public finance or other sources. More finite revenue may be available at the April meeting.

The Board should consider projects on merit and need at review meetings. At the funding meeting, the Board considers the revenue to award final approval of funding. Some projects may be denied or pending.

Commissioner Lytle concurred that at the review meetings, the projects are considered on merit; at the funding meeting, the comparison is then made to other projects and requests in regard to available funding. Projects previously funded make payments on different months so income from those payments could be available each month.

[22:58] Negotiation should not be an option.

Chairman Wells encouraged the Board to raise their hands to comment.

Ms. Hanson said it is a challenge negotiating grant versus loan and interest rates at the review meeting and then determining what *can* be funded at the funding meeting. Her preference is to prioritize but not determine the terms of the award until the funding meeting.

Mayor Baker said entities come to CIB as they get a better rate from CIB for big loans. With a little higher interest rate, they may seek other funding and leave available funding for the smaller communities and those that are impacted.

Staff tracks the revenue and will not allow the fund to actually go in the red. The meeting financials show projections given the known, unallocated revenue and the funding requests. Ideally, the terms are determined at the review meeting giving time for the entity to have further discussions at the community level as to affordability and/or seek other funding. The process has been effective for the Board and the applicant. At the review meeting projects are discussed on merit wherein the Board can deny any project and the entity may seek other funding or put it on the pending list.

Mr. Slauch stated determining the terms at the funding meeting would be the best and fairest since there are no revenue projections but that would be a very long meeting. Projects have been funded but have not started sometimes for several years so the actual CIB revenue is more than what is currently showing as available revenue; funding is committed but projects have not started. Projects should be vetted *[for readiness]* and told to wait and not tie up the money.

Commissioner Lytle asked Commissioner Adams for his opinion as he has been on the Board for a while.

Commissioner Adams said he was unaware of projects that have been authorized for funding that have not drawn on the money for several years. Maybe there should be a time limit wherein if the project is not started in a year, the funding authorization is rescinded. Also, the Board has funded very large projects to communities that are not impacted and could get funding elsewhere. He also indicated he was unaware of an upper limit on interest rates. The funding tool has that benchmark interest rate but the Board could offer any interest rate. The Board has referenced bank rates and has funded projects at a higher interest rate but now we get in the meeting and give them 0.5%.

Commissioner Lytle acknowledged that Daggett County has a delayed project; there was difficulty with bonding. There may be entities with approved funding that aren't prepared and there may need to be a system that prevents holding funding before everything is in order, but he was hesitant to have a deadline. An entity may think they are prepared but discover issues after approval. If there is money that can be rolled back into the fund we should be discussing it.

Delayed projects are reviewed by staff for updates.

Commissioner Miles agreed projects should be shovel ready when they apply. Questions such as if they own the property where they are going to build or whatever the case should be answered before coming before the Board. Also, this money comes from the extractive industries and the support of citizens of this state in recognizing the source is important to how the funding goes moving forward.

Commissioner Taylor agreed these projects to be shovel ready and prepared. Many of the projects reviewed aren't quite shovel ready and then when they finally go out to bid, they come back to CIB asking for more money. If the community is against extraction, they should look at other places for funding.

Chairman Wells suggested that often communities and subdivisions are reluctant to begin incurring soft costs before they understand that they have funding which is understandable though he appreciates and concurs with the comments from Commissioner Miles and Taylor. An entity can show the CIB Board they are serious and that it is a serious project by bringing forth true turn-key projects.

Mr. Slauch suggested the tool build in emphasis on shovel readiness and make it more apparent to the Board to determine where the applicant is in the process and when they expect to start utilizing the funding for the project. The Board could commit a minimal amount to allow entities to move forward with engineering, etc. without having to tie up the entire project amount.

Commissioner Taylor said the Board should help as many communities as possible but more consideration should be given to wants and needs and entities *should build reasonably*.

Commissioner Lytle said Daggett County has had conversations about projects. Their project delay is getting through the bonding and having to re-evaluate a few things. Projects may not have enough 'soft money' set aside for engineering. It may be up to \$100,000 to get the engineering and drawings done, then come back for the rest of the funding? Whatever the Board comes up with I think will help the Counties in determining if we are doing the *right thing* for the *right reason* at the *right time*.

This topic will be an agenda item for the policy retreat in June. Projects are listed on the CIB application list at the AOG wherein applicants indicate readiness to be on the one-year list and the purpose of the CIB application list is to determine if a project is truly ready for this year.

III. APPROVAL OF MINUTES [44:38]

Chairman Wells requested a motion to approve the minutes from the February 2, 2023 meeting.

Jack Lytle made and Greg Miles seconded a motion to approve the minutes of the February 2, 2023 meeting as presented. The motion carried unanimously with the chairman abstaining.

IV. NEW PROJECTS

4.1. Uintah Special Service District #1 (Uintah County) [45:44]

Uintah Special Service District #1 presented a funding assistance request for a \$2,559,000 grant for Seep Ridge Road Improvements. This project consists of the repair to the infrastructure on Seep Ridge Road through milling and lane leveling to correct areas of heaving and settlement which will include 2,540 tons of emulsified asphalt, 1,350,000 square yards of chip seal, 1,000 tons of HMA lane leveling to ½" MAX, 4,200 square yards of roto milling, 153 tons of crack seal and 6,693 gallons of pavement marking paint, preconstruction and construction engineering. The repairs to Seep Ridge Road would be tracked in Uintah County's ongoing system-wide condition assessment, maintenance plan and GIS database.

**Proposed funding tool loan/grant scenario:*

MIN \$743,000 Loan, 15y @ 0.5% | \$1,816,000 Grant
MED \$999,000 Loan, 15y @ 2.0% | \$1,560,000 Grant
MAX \$1,254,000 Loan, 15y @ 3.0% | \$1,305,000 Grant

The applicant indicated this project is shovel ready. Seven County Infrastructure Coalition has a legislative funding appropriation which will assist with the project. There will be some lane leveling, roto milling, chip seal. This project has been planned to facilitate the necessary corrections to the roadway. *The District has a partnership with Uintah Fire Protection in regard to recreation and the community center portion of the building which sits on a park with restrooms the USSD#1 manages. (See supplemental request.)*

The Board asked about future projects.

The applicant indicated they will be doing the third phase of Red Wash Road which is 4.4 miles. There

are some smaller highway projects, recreation and education projects coming also.

The Board noted there were 53 miles of roadway referenced in the public hearing minutes but this project will do 48.6 miles of chip seal and asked about the other 4 miles and do they have a maintenance plan.

The applicant stated the road is 53 miles but approximately 2 years ago they did the Ouray Bottoms road project and had remaining funding wherein they were able to extend the chip seal into the Seep Ridge road portion. Uintah County does have a database for their road maintenance plan in their GIS system. They have received favorable bids for this project within the available funding.

The Board asked about the funding appropriation from Seven County Infrastructure Coalition (SCIC) and why is the request for only grant funding.

The applicant indicated the funds are with Seven County Infrastructure Coalition and will remain with them and will receive reimbursements through SCIC. In regard to requesting 100% grant, the applicant suggested percentage of grant is similar to what the funding tool would show if they requested all the funding without SCIC.

The Board requested consideration of some loan to provide some revolving return to CIB and requested a review of the tool consideration for the entire funding for this project (\$6,656,000; would it be the same percentage of grant that the applicant is requesting.

Minimum \$2,929,000 loan \$3727,000 grant .5% 15 yr.

Medium \$3,595,000 loan \$3,061,000 grant 2.0% 15 yr

Max \$4,260,000 loan \$2,396,000 grant 3% 15 yr

The Board acknowledged this is a roadway with a lot of heavy truck traffic. If the funding is provided as a grant an exemption is required which would be 'special circumstance' based on what they have already accomplished.

Jack Lytle made and Dean Baker seconded a motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$5,559,000 grant citing a 'special circumstance' exemption.

The Board verified the legislative appropriation to extend the road has been repurposed for road improvements.

The Chairman called the question.

Jack Lytle made and Dean Baker seconded a motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$2,559,000 grant citing a 'special circumstance' exemption. The motion carried unanimously with the chairman abstaining.

4.2 Town of Koosharem (Sevier County) [1:09.26]

The Town of Koosharem presented a funding assistance request for a \$200,000 loan for 30 years at 1.5% and a \$1,150,000 grant (total \$1,350,000) a New Community Center. This project consists of land purchase adjacent to the existing town hall and the construction of a new pre-manufactured steel structure approximately 55 feet X 100 feet to include engineering and design, reinforced concrete footing and foundation, gas line service connections, electrical, plumbing for water and septic, paved parking lot, curb and gutter, septic system improvements, drainage, and interior finishes to house town hall offices, council chamber storage room, restrooms, and a recreation room with ADA parking accommodation.

The parcel of land that adjacent to the existing Town Hall is not currently owned by the Town; the existing owner is willing to sell the parcel should this project get funded. May be awarded to the building authority.

**Proposed funding tool loan/grant scenario:*

MIN \$986,000 Loan, 30y @ 0.0% | \$364,000 Grant
MED \$1,121,000 Loan, 30y @ 1.0% | \$229,000 Grant
MAX \$1,256,000 Loan, 30y @ 2.0% | \$94,000 Grant

The applicant indicated their community center is over 100 years old with a rock foundation and heated with a wood stove. A new community center is in their master plan and the building will include council chambers, offices and space for recreation. They are currently seeking the parcel of land as an optimal site.

The Board suggested if they don't have a final location and a price, the project is not shovel ready with firm costs.

The applicant stated the land is \$30,000 as noted in the application. There is land not in the center of town that Koosharem owns but the preference is for the parcel they are seeking to purchase but there is no contract yet. They have been using the elementary school which now requires liability insurance and the staff of the school is reluctant to stay after hours for community activities.

The Board acknowledged the difficulties inherent in small towns and there is little revenue for loan repayments.

Scott Bartholomew made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$200,000 loan for 30 years at 1.5% and a \$1,150,000 grant (total \$1,350,000).

The Board stated the request is outside the funding tool recommendation, and though important, recreation is not on the same level as roads, sewers and other necessary infrastructure. It is not feasible for every rural area to have a recreation center. The median recommendation of the funding tool was suggested with a \$43,000 annual payment.

The applicant stated they could not accommodate a \$40,000 annual payment. They could afford a \$18,000 annual payment and they have saved approximately \$300,000 for the project and would utilize that for annual payments while saving for future payments.

Kirt Slauch made a substitute motion to deny this project. The motion failed due to lack of a second.

Commissioner Brown indicated the Koosharem community is a close-knit group and they are secluded. He expressed his support for the project and for the funding request.

The Board referenced the project costs which is \$800,300 for the building and \$281,200 for site improvements and proposed a grant for the building only.

Dean Baker made a substitute motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$800,300 grant for the building only *citing a financial hardship exemption*. The motion failed due to lack of a second.

The Board acknowledged the value of a community center but it is not a critical need such as water lines, sewer, fire trucks. Could they phase the project? The board viewed the funding tool to accommodate a \$16,000 annual payment; a \$405,000 loan and a \$945,000 grant.

The applicant indicated they could accommodate that.

Jerry Taylor made and Naghi Zeenati seconded a substitute motion to place this project on the

Priority List for funding at the June 1, 2023 funding meeting as a \$405,000 loan for 30 years at 1.5% and a \$945,000 grant (total \$1,350,000). (rescinded)

The Board expressed concern that Koosharem could truly afford a loan and referred to the Koosharem application citing the tax rate which brings in \$7,000 annually. They have other debt.

The applicant stated that Koosharem has the lowest tax levy in the county of Sevier and they receive sales tax revenue which brings the revenue to approximately \$100,000 annually. They also have \$300,000 in savings for a capital project.

The Board referred to the land purchase and asked if it could be accomplished prior to the funding meeting; Is the project ready to utilize funding and proceed with construction?

The applicant owns land options for this project but the optimal location and parcel of land has not yet been finalized. There are good contractors available in the area to proceed with this project.

The Board expressed concern as to the Koosharem financial ability to accommodate additional debt and Commissioner Taylor *rescinded his motion*. The Board suggested a tax increase to accommodate this project.

The applicant stated the residents may support a tax increase.

The Board worried that entities proudly report low taxes, but also want the projects that tax revenue can provide *without "skin in the game"*.

Jack Lytle made and Laura Hanson seconded a substitute motion to place this project on the pending list until a final location and land is secured. (rescinded)

Commissioner Adams stated this action (pending) may prevent the project from being constructed during this construction season.

Commissioner Lytle *rescinded* his motion but requested a contingency in the original motion that the project is ready and the land secured.

Scott Bartholomew made and Laura Hanson seconded the amended original motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$200,000 loan for 30 years at 1.5% and a \$1,150,000 grant (total \$1,350,000) *citing a financial hardship exemption* with the requirement that a final location and land is secured. The motion carried with Laura Hanson, Scott Bartholomew, Jack Lytle, Dean Baker, Jerry Taylor and Naghi Zeenati in favor and Kirt Slauch, Greg Miles and Bruce Adams opposed and the chairman abstaining.

4.3. Moab City (Grand County) [1:48:00]

Moab City presented a funding assistance request for a \$3,970,000 loan for 20 years at 1.0% and a \$3,696,000 grant (total \$7,939,000) for Kane Creek Boulevard Reconstruction – 500 West to US-191. This project consists of engineering, design, survey and permitting and the reconstruction of 0.8 miles of Kane Creek Blvd between 500 West and US-191 to include removal of existing pavement, curb, gutter and sidewalk for the new installation of approximately 3810 tons of 4 inch asphalt, 8 inch base course, 7200 linear feet of new curb and gutter, 46,800 square feet of new sidewalk, intersection and driveway reconstruction, pavement marking and signage, curb inlets, drainage, 1,100 linear feet of 8 inch sewer line, 6 sewer lateral reconnections, 5 sewer manholes, 3600 linear feet of 12 inch waterline replacement, 25 water meter reconnection, bridge connector with crossing beacon, lighting, landscape and irrigation. Applicant Cash \$868,710.

**Proposed funding tool loan/grant scenario:*

MIN \$4,208,000 Loan, 15y @ 0.0% | \$3,731,000 Grant
MED \$5,002,000 Loan, 15y @ 2.0% | \$2,937,000 Grant
MAX \$5,796,000 Loan, 15y @ 3.5% | \$2,143,000 Grant

The applicant stated the road is an aging collector road which has large pot holes and aging chip seal, insufficient storm drainage, damaged or absent curb and sidewalk and aging water and sewer infrastructure. There will be a complete street design, green infrastructure, active transportation elements and pedestrian safety, improved drainage. This project will mitigate potential flooding issues.

Ms. Hanson referenced UDOT's State Infrastructure Bank (SIB) funding which is available to the entire state as a loan at 5% above the bond rate. Moab has a lot of tourist traffic and would qualify for the funds created by SB175; a new rural transportation improvement fund specifically for rural Utah road projects. Moab is an area that has more resources than other rural Utah areas wherein the inclination is to recommend other funding sources.

Mr. Slauch noted the funding tool median recommendation which is a 63% loan and 37% grant and an annual payment of \$389,283 asking if that payment would be affordable.

The applicant indicated this project will move forward with what funding package is authorized. Moab has other projects which need to be accomplished; CIB is the preferred source of funding for this project. Moab may seek those other funding opportunities for other projects in the next few years. Taking the higher funding package will inhibit the cities ability to proceed with other projects.

Mr. Zeenati referred to the opposition noted in the public hearing about creating more traffic and asked if those issues been resolved.

The applicant indicated the comment was from one of the councilmembers with concern for an alternative by-pass which may increase traffic but supports this project. Moab is contributing cash in the amount of \$868,710 from their capital projects fund.

Commissioner Adams suggested the minimum funding tool amount with an interest rate of 2.0% which would represent a payment of \$327,490.

Bruce Adams made and Greg Miles seconded a motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$4,208,000 loan for 15 years at 2.0% and a \$3,731,000 grant (total \$7,939,000).

Chairman Wells stated he is a citizen of Moab City and commended Moab for their interest in affordable housing projects in the City. This corridor is the future home of two of those affordable housing projects. The utilities and the pedestrian infrastructure are vital in ensuring safety for future residents and is a great example of the private sector working with the public sector in community solutions.

The Chairman called the question.

Bruce Adams made and Greg Miles seconded a motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$4,208,000 loan for 15 years at 2.0% and a \$3,731,000 grant (total \$7,939,000). The motion carried with Laura Hanson opposed and the chairman abstaining.

4.4 Mona City (Juab County) [2:06:13]

Mona City presented a funding assistance request for a \$103,000 grant for 2023 Road Improvements. This project consists of road improvements on 200 East as the main roadway to the elementary school which will widen the road and increase pedestrian safety to include 4,500 square yards of cement treated base, 800 tons of hot mix asphalt, reconstruction of 3 manholes and 6 water valves and 120

linear feet of 18-inch drainage culverts, engineering and surveying. Applicant Cash \$102,500. Mona City does not currently have a road maintenance plan.

**Proposed funding tool loan/grant scenario:*

MIN \$100,000 Loan, 15y @ 0.5% | \$3,000 Grant

MED \$101,000 Loan, 15y @ 2.0% | \$2,000 Grant

MAX \$101,000 Loan, 15y @ 3.0% | \$2,000 Grant

The applicant stated they cannot afford additional loan funding and may accommodate the project with the newly hired employees if the proposed funding is to be a loan.

Mr. Slaugh noted that the small loan which would require additional funding for the issuance of bonds.

There is an added cost for bonding but for loans around \$100,000, CIB has a generic bond which utilizes only the CIB bond counsel at a reduced rate.

Mr. Slaugh acknowledged their applicant cash for the project; they could not take a loan but have that amount of cash available.

The applicant indicated the cash is from a budgeted amount for roads and they have other roads in need as well.

Greg Miles made and Jack Lytle seconded a motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$103,000 grant *citing a financial hardship exemption*. The motion carried with the chairman abstaining.

4.5. Town of Marysvale (Piute County) [2:18:05]

The Town of Marysvale presented a funding assistance request for a \$100,000 loan for 30 years at 2.5% and a \$1,480,000 grant (total \$1,580,000) for a New Fire Station. This project consists of constructing a new 100' x 100' pre-fabricated steel fire station building to include concrete footings and foundation, concrete floor slab, asphalt paved parking, wheel stops, striping, 70 linear feet of 8-inch retaining wall, septic system and drainage with 4 pull through bays, bunk/fitness room, command office, fire lockers, wash room, and storage room, extending power, gas, culinary water and communication utilities to the building, to serve as the new Marysvale Town Fire Station located adjacent to the existing Marysvale Town Hall (property already owned by the town) to allow fire personnel to utilize the town hall kitchen and conference room. Project includes design, survey, construction management and permitting.

**Proposed funding tool loan/grant scenario:*

MIN \$940,000 Loan, 30y @ 0.5% | \$600,000 Grant

MED \$1,094,000 Loan, 30y @ 1.5% | \$446,000 Grant

MAX \$1,248,000 Loan, 30y @ 2.5% | \$292,000 Grant

The applicant stated the main portion of the fire station was built in the 1970's and rebuilt after a gasoline fire in 1995. In 2007, firefighters were working with a firework display and 600 firework mortar shells were ignited by static electricity; no fatalities and the building was returned to serviceable condition through volunteer efforts but remains damaged. 5 vehicles are stored in the 3-bay area slowing response times. They have increased their apparatus inventory as they provide wildland fire suppression on forestry land in Piute County. Some equipment must be stored outside and winterized. The proposed fire station will provide space for equipment and training.

The Board asked if the 100' X 100' building configuration was the most economical and if there is access in the back of the building for trucks to exit.

The applicant stated there will be a complete pass through with access on both sides to a feeder street and they will utilize county fill to the necessary surface.

The Board referenced the funding scenarios provided by the funding tool.

The applicant indicated they would take the Board's funding recommendation to the community for approval.

The Board indicated Marysville is mostly a recreational destination with a limited tax revenue. It may be difficult to accommodate their request for a loan. The minutes indicated there is an intent to get a few fire personnel certified for structure fires; are they are in training now?

The applicant stated Marysville has 14 carded fire fighters and 4 that are coming on that are wildland certified. 6 are interested in the structure class but are not trained. That class time is approximately 250 hours which is a difficult amount of time to budget with other full-time employment. Marysville is trying to increase volunteer personnel.

The Board acknowledged the issues of a recreational destination and the importance of having the equipment conveniently stored out of the weather and ready to respond. The Board asked if they could accommodate a \$100,000 loan.

The applicant stated they could accommodate some loan.

Scott Bartholomew made and Jerry Taylor seconded a motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$100,000 loan for 30 years at 2.5% and a \$1,480,000 grant (total \$1,580,000) citing a financial hardship exemption.

The need for this project and the hardship of additional debt was briefly noted wherein a substitute motion was made.

Bruce Adams made and Scott Bartholomew seconded a substitute motion to place this project on the Priority List for funding at the June 1, 2023 funding meeting as a \$1,580,000 grant citing a financial hardship exemption. The motion carried with the chairman abstaining.

5. Large Infrastructure Projects	N/A
6. Pending Projects	N/A

Break: 11:42 am to 11:49 am.

7. Supplemental Requests

7.1 Uintah Fire Suppression Special Service District Local Building Authority (Uintah County) [2:43:00]
Uintah Fire Suppression Special Service District presented a supplemental funding assistance request as a \$281,000 loan for 30 years at 0.5% and a \$1,669,000 (total \$1,950,000) for the Tridell Fire Station / Community Center funded on April 29, 2022. This project consists of the construction of a new 150 X 75 square foot steel fire station and community center that will include four truck bays, a locker room, restrooms, an office, and a training/community room area, utilities, fire suppression system, to meet existing fire department and community needs on the west side of Uintah County. Preliminary agreements are in place for the UFSSSD to acquire additional land adjacent to the existing building for the new fire station. The purchase of this property and the preliminary design for the proposed building have been born by the UFSSSD.

On April 29, 2022, the Permanent Community Impact Fund Board authorized a \$2,973,000 grant (14%) and a \$500,000 loan for 30 years at 0.5% to the Local Building Authority of the Uintah Fire Suppression Special Service District for the construction of a new 150 x 75 square foot steel fire station and community center.

Dean Baker made and Jack Lytle seconded a motion to fund this project as a \$2,973,000 grant and a \$500,000 loan for 30 years at 0.5% interest (total \$3,473,000) citing a financial hardship exemption. The

motion carried through roll call vote with Marlo Oaks, Dean Baker, Tooter Ogden, Jack Lytle, Kyle Stephens, Jerry Taylor and Bruce Adams in favor and Jim Webb opposed.

The applicant indicated their need for supplemental funding as the costs of construction have increased. The project was delayed due to a deed restriction on the property which has subsequently been lifted. They have an engineer and the contractor is in place. The financial numbers should be firm as of this date.

Mr. Slauch expressed appreciation for the firefighting service. He suggested funding as the median funding tool recommendation and when will the construction actually begin.

The applicant stated they are affected by the mineral revenue as well. It has fallen of late. If funding is allocated in the same terms as the original, the annual payment would be \$26,000 which is what they can accommodate. This is a needed structure in an underserved area of the county. The project is at 60% design. The design should be completed in 2 months wherein construction may begin June 1, 2023.

Jack Lytle made and Bruce Adams seconded a motion to fund the supplemental request as a \$281,000 loan for 30 years at 0.5% and a \$1,669,000 grant (total \$1,950,000). The motion carried with the chairman abstaining.

*March 2, 2022 TOTAL CIB with supplemental request:
CIB Loan 781,000 30y @ 0.5%
CIB Grant \$4,642,000
USSD#1 \$500,000.
Applicant Case \$10,000*

7.2 Mountain Green Sewer Improvement District (Morgan County) [2:55:00]

Mountain Green Sewer Improvement District presented a supplemental funding assistance request as a \$6,000,000 loan for 30 years at 2.0% for the Wastewater Treatment Plant project authorized on June 3, 2021. This project consists of the construction of a 1.5 million gallon per day (MGD) wastewater treatment facility (expandable to 3.0 MGD) to include retrofitting an existing lagoon for the biological nutrient removal process involving secondary clarifiers, tertiary filtration, effluent disinfection and will require the installation of 1500 linear feet of 12 to 15 inch Park Sewer Alignment sewer main, associated equipment, an 8,500 square foot office building, HVAC, site work and landscaping, SCADA, lab equipment, generator, 800 linear feet of fencing, a dewatering building and lift station upgrades.

April 8, 2021 Prioritized Funding \$6,429,000 loan for 30 years at 2.0% interest.

June 3, 2021 Revised with supplemental request of \$1,571,000 = \$8,000,000 loan for 30 years at 2.0% interest.

Kirt Slauch made and Bruce Adams seconded a motion to fund this project as an \$8,000,000 loan for 30 years at 2.0% with the requirement that plans and specifications for the project be reviewed and approved by the Division of Drinking Water prior to advertising the project for bids and a plan of operations, operation and maintenance manual and as built drawing be submitted to DWQ prior to completion of the project. The motion carried unanimously.

The District had originally planned for the project not to exceed \$13,929,000 but due to factors beyond their control, the bids came in much higher than estimated. In a second round of bidding bids were received from two qualified firms, the low bidder coming in at \$26,400,000. Value engineering and re-scoping of the design was then completed to further lower the bid to \$24,576,000. The construction timeline also increased from 18 to 24 months due to increased lead and shipping times for materials. This increased the construction engineering budget by \$124,000. Based upon this, the District decided to rebid the project. We still have \$7,000,000 of federal loan money in place, and the earlier awarded CIB funding of \$8,000,000. We are asking CIB for an additional \$6,000,000, for a total of \$14,000,000. If the rebid amount requires additional funds, the District will look to the private market for additional funding.

The applicant indicated this is the same project funded in June of 2021. The delay has been in rebidding the project. Last fall the bids came in almost double the estimate. The pandemic and the shortage of materials also caused issues. This project is because of the phosphorous rule change by the Water Quality Board which impacts the availability of contractors which are working on other projects to meet the rule change. They had pre-qualified 7 bidders with only two actually submitted bids and of those two, only one provided a qualified bid. They value engineered the scope to reduce the costs and have rebid the project receiving two bids which were similar. DWQ does not have any additional funds so the request to CIB is \$6 million and they anticipate getting the remaining funding through the open market.

The Board acknowledged the efforts and difficulties.

Naghi Zeenati made and Dean Baker seconded a motion to fund the supplemental request as a \$6,000,000 loan for 30 years at 2.0%. The motion carried with the chairman abstaining.

New Total CIB Funding: \$14,000,000 loan for 30 years @ 2.0%

8. Special Consideration

9. Board Member Discussion and/or Action Items

9.1 CIB Board Meetings – April 6, 2023 - 1385 South State, SLC.

9.2 Manila Fire Station Transfer - Funded 2012;

Board Approval: Flaming Gorge Fire and EMS District is requesting to incorporate the fire station facility under the District and issue a new bond for the balance: \$227,000.

The applicant indicated the building and the property would be collateral for the loan. This transfer will benefit the County, the District and the Town of Manila. The Town has been providing fire protection services through this fire station to the Town and the unincorporated area of the County. They will continue the loan payments through taxes.

Naghi Zeenati made and Scott Bartholomew seconded a motion to approve the fire station bond transfer from the Town of Manila to the Flaming Gorge Fire and EMS District. The motion carried with the chairman abstaining.

9.3 Optional Discussion of Interest Rate: Through the defined analysis of an applicant, a minimum and maximum allowed loan interest rate will be determined at the June Policy Discussions. *The potential interest rate for all applicants starts at the PCIFB benchmark rate (currently 2.5%) which was discussed at the beginning of the meeting.*

9.4 June 1-2 2023 CIB Policy Location Discussion.

The CIB annual policy sessions have been hosted by counties in rural Utah. Last year the Board was new and met in Salt Lake City in July.

The Board will provide suggestions and a location will be determined at the April 6, 2023 CIB Meeting.

ADJOURNMENT [3:17:10]

The next meeting of the Permanent Community Impact Board will be April 6, 2023 at 1385 South State, Salt Lake City, Utah and will be in person.

The meeting adjourned at 12:24 pm.

Submitted by:
Candace Powers