

## PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

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

### MINUTES

Thursday, April 4, 2019

#### **Members Present**

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

#### **STAFF and VISITORS**

Keith Heaton	Housing and Community Development
Candace Powers	Housing and Community Development
Gayle Gardner	Housing and Community Development
Brenda Brown	Housing and Community Development
Cristine Rhead	Housing and Community Development
Katherine Smith	Housing and Community Development
Jordan Katcher	Housing and Community Development
Aubrey Larsen	Housing and Community Development
Nick Kiahtipes	Housing and Community Development
Skye Sieber	Housing and Community Development
Jacob Raymond	Housing and Community Development
Kayl Smith	Housing and Community Development
Alison Garner	Attorney General's Office
Christina Davis	Department of Workforce Services
Margaret Lautaimi	Department of Workforce Services
Debi Carty	Department of Workforce Services
Lisa Nelson	Division of Drinking Water
Skyler Davies	Division of Water Quality
Brian Carver	Bear River Association of Governments
Michael Bryant	Southeastern Utah Association of Local Governments
Zach Leavitt	Six County Association of Governments
Kevin Yack	Uintah Basin Association of Governments
Travis Kyhl	Six County Association of Governments
Larry Woodcox	Fountain Green City
Roger Aagard	Fountain Green City
Jerime Ivory	Fountain Green City

Willard Wood	Fountain Green City
Rod Hansen	Fountain Green City
Harlow Brown	Koosharem Town
Miles Nelson	Price City
Nick Tatton	Price City
Russell Seeley	Price City
Jesse Ralphs	Sunrise Engineering
Ryan Savage	Savage Albrecht Engineering
Greg Todd	Duchesne County
Kim Soper	Panguitch City
Bill Jackson	Grand County Road Department
Kevin Yack	Uintah Basin Association of Governments
Will Wright	Uintah Basin Association of Governments
Jenny Fairey	Diamond Valley Special Service District
Jon Bowler	Diamond Valley Special Service District
John Cazier	Diamond Valley Special Service District
Justin Atkinson	Sunrise Engineering
Melani Torgerson	Escalante City
Stephanie Steed	Escalante City
Kade Blackner	Beaver County Fire District #2
Les Whitney	Beaver County Fire District #2
Mike Holt	Fillmore City
Robert Worley	Sunrise Engineering
Kami Dearden	Fillmore City
Kevin Orton	Fillmore City
Nancy Strickland	School Institutional Trust Lands Administration
Kendrick Thomas	Jones & DeMille Engineering
Lori Talbot	Panguitch City
Lee Moon	East Duchesne Culinary Water Improvement District
Chet Clayburn	East Duchesne Culinary Water Improvement District
John Swasey	East Duchesne Culinary Water Improvement District
Clinton Moon	East Duchesne Culinary Water Improvement District
Chuck Richins	Horrocks Engineering
Jason Broome	Forsgren Associates
Michael McKee	Seven County Infrastructure Coalition
Conae Black	Green River City
Bryan Meadows	Green River City
Travis Bacon	Green River City
Japheth McGee	Zion's Bank Public Finance
Matthew Creamer	Richfield, City
Jade Powell	Southeastern Utah Association of Local Governments
Aaron Wade	Gilmore & Bell
Lynn Sitterud	Seven County Infrastructure Coalition
Rebecca Banner	Housing and Community Development
Brian Barton	Jones & DeMille Engineers
Rodney Rowley	Duchesne City
Jeanette Johnson	Blaisdell, Church & Johnson

## **WELCOME**

The Permanent Community Impact Board (CIB) Meeting was held on Thursday, April 4, 2019 at the DWS Admin South Building, 1385 South State Street, Room 157, Salt Lake City, Utah. The meeting was called to order at 8:30 am by Chairman Jonathan Hardy.

## **I. ADMINISTRATIVE ITEMS**

### **Briefing**

#### **Upcoming Meeting Dates and Locations**

May 2, 2019 – DWS Office, 1385 South State Street, Salt Lake City

June 13-14, 2019 -- Policy Retreat in Vernal at the Uintah Conference Center

### **Financial Review**

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

### **Review of Agenda Items.**

There are thirteen new projects, one Pending Project and one Special Consideration project.

Chairman Hardy discussed Senate Bill 159 which simplified the statutory language concerning the Bonus Fund interest rate. The Bonus Fund must still be allocated with an interest bearing loan. The Bill will be in effect on May 14, 2019.

The reconciliation of the Throughput Infrastructure Fund and the Transportation Investment Fund of 2005 is ongoing.

## **II. WELCOME AND INTRODUCTIONS**

Chairman Hardy welcomed everyone and asked Board members and staff to give introductions.

## **III. APPROVAL OF MINUTES**

Chairman Hardy requested a motion to approve the minutes of the March 7, 2019 electronic meeting.

**Naghi Zeenati made and Jack Lytle seconded a motion to approve the minutes of the March 7, 2019 meeting. The motion carried unanimously.**

## **IV. NEW PROJECTS**

### **1. Escalante City (Garfield County)**

Escalante City presented a funding assistance request for a \$326,000 grant to purchase a Rosenbauer Aerial Type One Fire Truck with an onboard extendable 78' ladder and a built-in waterway with a remotely controlled nozzle. The applicant is contributing \$26,190 cash. Garfield County is contributing \$100,000 cash and CDBG is contributing a \$200,000 grant

The applicant stated the thirteen person volunteer fire and rescue department provides fire suppression service for Escalante City, Garfield County, State Highway 12, Dixie National Forest, the Grand Staircase- Escalante National Monument and other public lands. The current 1983 Mack pumper with a pump is no longer serviceable and cannot be certified to meet required operational standards. The 1991 flatland truck does not have an engine brake system. The applicant has researched the truck requested which is the smallest ladder truck available

and would address the needs of the community as well as improve fire fighter safety and be able to traverse many types of roads throughout Garfield County.

**Bruce Adams made and David Damschen seconded a motion to place this project on the Priority list for consideration at the June 13, 2019 funding meeting as a \$326,000 grant. The motion carried unanimously.**

## 2. Town of Koosharem (Sevier County)

The Town of Koosharem presented a funding assistance request for a \$668,800 grant to install drainage and chip seal the town roads with the exception of State maintained roads. The project will consist of 9.12 miles borrow ditch, 23 miles of 18" culvert, 2.04 miles of single chip seal, and 4.3 miles of double chip seal.

The applicant indicated Koosharem Town utilizes B and C road funds to pay on existing loans. Subsequently, roads have fallen into disrepair. If the funding is awarded as a grant, the applicant may establish a maintenance program. Koosharem receives \$30,000 in B & C road funding annually.

The Board asked if they received a grant now, would they have enough funding accrued to maintain the roads without CIB assistance, and what is the amount of B & C road funding received.

The applicant anticipates accruing maintenance funds as Koosharem receives \$30,000 in B & C road funding annually. Other small towns are able to build up funds for road maintenance every 2-3 years on a rotating schedule.

The Chairman suggested an inventory of small towns who indicated they would not return to CIB for funding.

The Board asked if this project could be phased.

The applicant indicated the roads are in need of repair now and drainage is a major problem.

The Board stated that the property taxes currently collected are minimal and asked if property taxes could be increased noting that even with 100% grant, in 10 years, maintenance would still be an issue.

The applicant stated raising taxes is a possibility but the County has increased the RAP tax and the community is unhappy. It would be difficult accommodate another loan.

The Board stated that everyone would love paved roads, but it is not affordable. In San Juan County they have utilized a liquid technology application for their roads which appears to be working well at 1/10<sup>th</sup> the cost of paving. There may be other options to achieve the road repair and also a maintenance plan and asked if the project must be done this year.

The applicant indicated that the roads will continue to deteriorate. The drainage issues need to be addressed.

The Board asked about the cost of drainage only and asked if the Town had considered returning to gravel.

The applicant indicated it would be close to half of the funding request and going back to gravel has not been considered. The roads have been paved for close to 20 years and chip sealed twice. A map scheduling maintenance will be developed for maintenance rotation which would cost approximately \$40,000 every two years. The Town needs good roads to then maintain. A loan would require asking for funding again in 10 years.

The Board recognizes the effort to be responsible but CIB is not responsible for operation and maintenance of projects. This appears to be maintenance and suggested 50/50 grant and loan. Additionally, a loan should have been discussed in the public hearing.

The applicant stated that a loan has been discussed in many conversations as well as the public hearing though not directly reflected in the minutes. Drainage issues are a major and ongoing concern with the amount of moisture this year.

Chairman Hardy referred to building an ongoing operation and maintenance budget. If this Board provides funding as a grant, B&C road funding could accumulate but this is a core service that communities should accommodate. If the Board funds this as a loan, then the community is paying. Or there could be a tax increase to accumulate the maintenance costs as this is serving the community.

The Board asked when the existing loan would be paid in full suggesting a deferred first payment.

The applicant indicated the road bond was paid in full in December. There is a 30 year loan for the firehouse which is a \$6,000 annual payment.

The Board acknowledged that small towns need assistance, but even with 100% grant from the CIB today, the accumulated maintenance fund in 10 years would be approximately \$200,000. This grant is not going to ease the burden of the Town's road maintenance expenses. Perhaps some roads should go back to gravel, and the highly traveled roads could be maintained.

The applicant stated that gravel is a poor option, but may be necessary. They cannot be maintained while paying off debt.

The Board suggested half loan and half grant.

The applicant stated something needs to be done and they will accept what the Board may offer.

The Board suggested the project may be placed on the Pending List to allow the applicant to discuss the offer which could be a loan with a similar payment as a 75% grant and 25% loan. The applicant should research other funding sources and should establish a maintenance plan.

**Michael Dalton made and Ron Winterton seconded a motion to place this project on the Pending List.**

After further discussion a substitute motion was made.

**Gregg Galecki made and Bruce Adams seconded a substitute motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$168,000 loan for 10 years at 2.5% interest and a \$500,800 grant (total \$668,800). The motion carried unanimously.**

### 3. Duchesne City (Duchesne County)

Duchesne City presented a funding assistance request for a \$347,100 grant for the 1200 North Water Line & River Road Water line project. The project consists of installing 1,000 LF of 8" water line to connect River Road to Victory Pipeline and 2,700 LF to connect the 1200 North line to Old Farm and Scotch Pine subdivisions and appurtenances to complete the connections.

The applicant indicated they have known of this project for a few years. Central Utah Water has an aqueduct that has been in service for 39 years with little maintenance. Central Utah Water supplies Duchesne City's water. This would be the last step in completing the connections to Victory Pipeline as a secondary source. The Central Utah aqueduct also provides water to East Duchesne and Johnson Water which serve Roosevelt and Myton.

Chairman Hardy referred to the applicant timeline indicating the design began in January 2019 on this project. Expenses incurred prior to Board approval cannot be reimbursed through the funding.

The applicant understands and indicated they began the process to facilitate getting rights of way and easements. They have been working with East Duchesne on their project. They are still acquiring easements.

The Board referred to the in-kind amount of \$20,000 for easements and asked for clarification.

The applicant indicated they have had the survey done for the easements and the descriptions have been written. The paperwork is in process for the four different property owners on the 2700 foot line and one property owner on the 1000 foot line.

The Board referred to prior water project funding and asked about Duchesne City's water bill which should be around 1.75% of MAGI.

The applicant indicated the current monthly water bill is \$81.72. The Duchesne City water billing is 2.22% of MAGI.

Mr. Heaton referred to the East Duchesne Culinary Water District application and asked what the differences are and why there are different districts.

The applicant indicated that the East Duchesne is self-funding this part of the project and will not affect the Duchesne City project. East Duchesne Culinary Water District and Duchesne City are jointly acquiring the rights of way to utilize the same easement. Other districts receiving water from the aqueduct to be shut down are East Duchesne and Johnson Water going through the sparsely populated communities to Roosevelt. There are approximately 10 water systems throughout the County.

The Board asked if it would be possible to do the project in phases.

The applicant stated that if the CUP did the project in phases, there would be several phases for shutdown. Doing the whole project will enable only the aqueduct shutdown without loss of water service to residents as this project provides for the secondary Victory Pipeline distribution.

The Board asked if there was no secondary option for water, how long would water be shut down.

The applicant indicated it would be between 24 and 48 hours, approximately 30 different times if CUP makes all the intended repairs.

The Board referred to the East Duchesne Culinary Water District bringing \$200,000 applicant cash and requesting half grant and half loan and suggested similar funding for this project, reminding the applicant of the limited CIB grant funds.

The applicant indicated that East Duchesne Culinary Water District deals with only water; Duchesne City deals with water and all other city functions. Duchesne City has eight loans outstanding, most with CIB so they have had their "fair share of borrowing money."

**Naghi Zeenati made and Jack Lytle seconded a motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$347,100 grant as requested. The motion carried unanimously.**

#### 4. East Duchesne Culinary Water Improvement District (Duchesne County)

East Duchesne Culinary Water Improvement District presented a funding assistance request for a \$1,842,000 loan for 30 years at 2.5% interest and a \$1,841,000 grant (total \$3,683,000) for River Road/Blue Bench System Upgrades. The project consists of installing an additional 300,000 gallon tank at Utahn and 35,400 LF of 8" PVC C900 pipe and appurtenances to connect to existing water lines, including valves, pressure reducing valve fault, fire hydrants, a river crossing, a bore under State Highway, and easement acquisition. The applicant is contributing \$200,000 cash.

The applicant indicated they are participating with Duchesne City on the project, but EDCWID is self-funding. This application is approximately four miles from the Duchesne City project and completely separate. This project is North and East of the Duchesne City limits. There are 100 connections North in the Blue Bench area and a 160 thousand gallon tank. This project will add another 300,000 gallon tank at the same elevation to serve additional residents through a Duchesne City water line which is currently only an 8" concrete asbestos line. This will give additional storage and pressure.

The Board referred to the low MAGI percentage and the current water rate suggesting 100% loan with a possible water rate increase.

The applicant indicated this project does not necessarily increase the revenue stream and they are contributing \$200,000 cash and some loan.

**Naghi Zeenati made and Tooter Ogden seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$3,683,000 loan for 30 years at 1% interest. The motion carried unanimously.**

#### 5. Price City (Carbon County)

Price City presented a funding assistance request for a \$500,000 loan for 10 years at 2.5% interest and a \$500,000 grant (total \$1,000,000) for 2019 Street, Water and Sewer improvements. This project consists of reconstructing the roadway and waterline at 700 East between 100 South to 400 South utilizing 2,400 cubic yards of road base, 2,600 tons of asphalt, placing 900 linear feet of curb & gutter, storm drains and ADA corners. On 300 East there will be approximately 900 cubic yards of road base, 1,000 tons of asphalt, 50 linear feet of curb & gutter, storm drains, ADA corners, 1,200 linear feet of water main, 3 water main connections, 3 fire hydrants, 5 new service connections and a traffic loop replacement. On 4<sup>th</sup> Avenue there will be 125 cubic yards of road base, 250 tons of asphalt, 600 linear feet of water main, 1 water main connection, 1 new fire hydrant, 20 new service connections and 15 new sewer connections. The applicant is contributing \$700,000 cash.

This project will address the aging water infrastructure and is a priority on the Price City capital improvement list.

The applicant indicated that 300 East is a main road through town which goes past the university. There is an aging waterline under this roadway which frequently breaks causing outages to the college. The roadway and waterline will be improved simultaneously. At 700 East on the southeastern end of town the roadway needs to be reconstructed. At 4<sup>th</sup> Avenue and 300 East, the waterline and road surface will be improved. It is anticipated that doing these projects in this manner will be more cost effective.

The Board indicated the Price City water rates are low and suggested all loan for the project.

The applicant indicated the plan is to utilize B & C road funds for their loan request. The \$700,000 applicant cash is from water revenue.

Chairman Hardy suggested that a water rate increase could accommodate a loan for the water portion of the project.

The Board suggested a 75% loan and 25% grant.

**Ron Winterton made and Michael Dalton seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$750,000 loan for 15 years at 1.5% interest and a \$250,000 grant (total \$1,000,000). The motion carried unanimously.**

#### 6.. Green River City (Emery County)

Green River City presented a funding assistance request for a loan for \$100,000 for 5 years at 0.0% interest and an \$87,536 grant (total \$187,536) for the purchase of a mini excavator and a full tilt trailer, an F250 ¾ ton super cab truck with a utility bed, a ½ ton F150 crew cab truck and a DCA 125 KW Back-up generator. The applicant is contributing \$10,000 cash.

The applicant indicated the mini excavator will be used to open and close graves at the Elgin Cemetery acquired last year from the Grand County Cemetery Special Service District and the trailer would be to transport the excavator. The current work trucks utilized by the Public Works Department were acquired in 2002 and need to be replaced. The power generator is for emergency power to run the City's water supply.

The Board referred to the possibility of funding the generator through the emergency funds from EMS or the Division of Drinking Water, given the primary purpose is for backup for the water system. A 10 year loan was suggested which would have a similar payment of an existing debt which will be paid in full in two years.

**Gregg Galecki made and David Damschen seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$187,536 loan for 10 years at 2.5% interest with a two year deferral of the first principal payment.**

The Board discussed the term of the loan being longer than the life of the equipment and suggested a five year term.

**Bruce Adams made a substitute motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$100,000 loan for 5 years at 0.0% interest and an \$87,536 grant (total \$187,536) as requested. The motion failed due to a lack of a second.**

The Board again reiterated accommodating the funding of the generator through another source.

**Tooter Ogden made and Naghi Zeenati seconded a second substitute motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$120,000 loan for 10 years at 2.5% interest for the two vehicles, the mini excavator and trailer. The motion carried with Gregg Galecki opposed.**

#### 7. Grand County (Grand County)

Grand County presented a funding assistance request for a \$166,000 grant to obtain permanent easements on 60 miles of Class D roads across Utah School and Institutional Trust Lands Administration (SITLA) property.

CIB previously funded the acquisition of easements for Grand County Class B roads across SITLA property.

**Bruce Adams made and Ron Winterton seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$166,000 grant.**

The Board asked for clarification of perpetual easements.

The applicant is acquiring perpetual easements which means, if the land is sold, the easements stay as a public easement permanently. Easements have been accommodated through the HOV, but funding is insufficient to accommodate all Class B roads.

The Chairman called the question.

**Bruce Adams made and Ron Winterton seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$166,000 grant. The motion carried unanimously.**

#### 8. Fountain Green (Sanpete County)

Fountain Green City presented a funding assistance request for a \$660,000 loan for 25 years at 2.5% interest and a \$2,595,000 grant (total \$3,255,000) for a new public safety building. This project consists of building an 18,300 square foot facility that will include 3 fire truck bays, training space, kitchen, storage room, men's locker room, women's locker room, restrooms with decontamination appurtenances, city offices, meeting room, law enforcement office, library and multi-media space, city council and justice court. The applicant is contributing \$20,000 cash. CDBG is contributing \$125,000 in grant funding.

In 1984, Fountain Green acquired the current city building from North Sanpete School District. The building was the old elementary school built in the early 1900s. The existing fire station was built in 1954.

The applicant indicated that the old city hall building, which was previously an elementary school, has been sold for full appraisal value for the purpose of renovation and the proceeds will be utilized to accommodate the new building. The existing fire building is dilapidated. The city hall and the fire station will be combined. The fire department is entirely volunteers with 10 red cards and other qualifications. *(a Red Card is an Incident Qualification Card, not often actually red, generated from a training and qualification database run by federal and state agencies that work in cooperation with the National Wildfire Coordinating Group (NWCG)).* The sale of the city hall building is contingent on receiving funding for the new building. The \$330,000 from the sale will be utilized for approximately 7 years of payments on the new building after which other Fountain Green loans will have been paid in full making it possible to pay on the new building. In addition they have secured the CDBG grant which will purchase the lot for the new building. The plans are from a similar building in Elsinore.

The Board asked about funding from the fire district for this project.

The applicant indicated they are hoping to utilize monies from deployments for turnout gear, a cascade system and other needed items.

The Board asked who owns the fire department.

The applicant indicated the fire department is owned by the City. The fire district assists with equipment.

The Board suggested 50% loan and 50% grant.

The applicant indicated a possibility of 70% grant and 30% loan with longer terms, interest reduction or payment deferrals.

The Board referred to prior funding for similar projects.

**Naghi Zeenati made and Dean Baker seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$1,628,000 loan for 30 years at 1.0% interest and a \$1,627,000 grant (total \$3,255,000).**

The applicant indicated they could not accommodate a \$62,438 annual payment even with payment deferrals and asked what the payment would be if \$330,000 were paid at the beginning.

The payment would then be \$49,797 annually.

The applicant indicated the affordable payment is \$42,800 and they do not wish to raise taxes on the citizens of Fountain Green as there is not a lot of tax base for these much needed facilities

The Board discussed the affordable payment of approximately \$42,000 annually and determined a funding package.

**Bruce Adams made and Tooter Ogden seconded a substitute motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$1,100,000 loan for 30 years at 1.0% interest and a \$2,155,000 grant (total \$3,255,000). The motion carried unanimously.**

The Chairman accommodated a timely discussion of the pending project on the agenda.

## **V. PENDING PROJECT**

### **1. Seven County Infrastructure Coalition**

Planning, Administrative and Operating Funding – Phase 2

\$3,000,000 total

Chairman Hardy referred to the many discussions between the Coalition and staff to identify issues and reach an agreement of contract terms and conditions which includes annual updates from the Seven County Infrastructure Coalition before the Board. The annual contract will be for \$750,000 and for each of 3 more years an additional \$750,000 would be added to the contract for a total of \$3,000,000.

**Ron Winterton made and Naghi Zeenati seconded a motion to fund this project as a \$3,000,000 grant making \$750,000 available each year for four years with an annual progress report.**

Mr. Galecki clarified that the approval is for \$3,000,000 out of the mineral lease funds and suggested an alternative one year of funding \$750,000.

The Chairman asked the legal counsel to the Board if all \$3,000,000 would necessarily be taken out of the total mineral lease funds.

Ms. Garner indicated that the \$3,000,000 would need to be set aside and not available for funding other projects.

Mr. McKee indicated that this was discussed in Moab with the idea that the Coalition reports, but gives continuity of a 4 year commitment and requested that the entire \$3,000,000 is set aside.

There was considerable Board discussion concerning the \$3,000,000 contingent liability of the entire amount. There will be an annual review, but the entire amount is committed at this meeting.

Commissioner Dalton suggested if the entire \$3,000,000 is out of the fund today, then why not provide the entire \$3,000,000.

Chairman Hardy indicated that for 4 years the Board will be committed to this process, with the requirement of an annual review.

Senator Winterton suggested the funds be committed out of the Infrastructure Set-Aside Fund

Chairman Hardy indicated they did not apply for the Large Infrastructure Funds but the Board could vote to draw Infrastructure funds into the mineral lease account.

Commissioner Dalton suggested awarding only \$750,000 at today's meeting and prior to the next disbursement of \$750,000, they would have used the funding to develop something.

**Gregg Galecki made and Michael Dalton seconded a substitute motion to fund only \$750,000 today.**

Chairman Hardy said that either way, the Board will require an annual review and determine if there is a positive result or if modifications are required to renew the \$750,000. By committing \$3,000,000 the Board indicates commitment to the Coalition for four years.

**Jack Lytle made and Dean Baker seconded a second substitute motion to fund the \$750,000 per year with an annual review and renewal process with the proposed terms and conditions to include drawback of \$3,000,000 from the Major Infrastructure Set Aside Fund into the Mineral Lease Account. The motion passed with Gregg Galecki opposed.**

A \$750,000 contract will be issued. The Coalition will provide an annual update and review. The Board shall authorize each of the 3 annual \$750,000 tranches.

***(NEW PROJECTS continued)***

#### 9. Panguitch City (Garfield County)

Panguitch City presented a funding assistance request for an \$80,000 grant for recreational lighting. This project consists of purchasing lights for the baseball field and the outdoor rodeo arena. At the baseball field there will be two 70' poles with 5 light fixtures and 1 ball tracker light per pole and two 60' poles with 6 light fixtures and 2 ball tracker lights per pole. At the rodeo arena there will be four 70' poles and two 60' poles with 4 light fixtures per pole. Also included are the pre-cast bases for the poles, electrical component boxes, electrical wire inside of the poles, cross arms, and a wireless control system. The applicant is contributing \$35,000 cash and various other cash contributions totaling \$247,000.

The applicant indicated they have been working on the project for a year and have been able to secure most all of the grants. The "Baseball Tomorrow" grant will be awarded this month. If that funding is not available, they have another lighting source. They would like to work on the project in June. There is good community support. Panguitch City, Garfield County and community volunteers will install the lighting at the baseball fields and outdoor Rodeo Arena.

**Naghi Zeenati made and Michael Dalton seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as an \$80,000 grant. The motion carried unanimously.**

10. Beaver County Fire Service District #2 in Milford (Beaver County)

Beaver County Fire Service District #2 office in Milford presented a funding assistance request for a \$442,000 loan for 30 years at 2.5% interest and a \$443,108 grant (total \$885,108) for a new Fire Service Office Building in Milford. The project consists of demolition of an existing structure and building a 75'4" X 41'3-1/4" (3,091 sq. ft.) office and storage building in Milford that has 2 offices, a restroom, a break room, a conference room, a reception area, fire storage and a two bay garage with storage attached.

The applicant has acquired the property and will pay for the demolition of the existing building. The revenue source for the loan will be through taxes. They have contacted SHPO and there is no historical value to the existing building.

The Board expressed concern over the cost of the building which seems excessive for a fire station.

The applicant indicated the building will be an office building with two storage bays. When the fire station was constructed in 2004, there were no full time employees and storage was not anticipated. In 2007, a full time EMS director was hired under the fire district and sheriff's office. The fire chief has been there 35 years and moved to 9 different locations and there has not been office space.

The Board suggested increasing the amount of loan for the project.

The applicant indicated that 100% loan may create difficulty in accommodating other financial responsibilities as needed. They currently have 3 outstanding loans. They might accommodate an increased loan amount and asked what the interest rate would be.

**Ron Winterton made and Jack Lytle seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$664,000 loan for 30 years at 2.5% interest, and a \$221,108 grant (total \$885,108).**

The Board discussed a lower interest rate and various loan amounts.

**Naghi Zeenati made and Kyle Stephens seconded a substitute motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$664,000 loan for 30 years at 1% interest and a \$221,108 grant (total \$885,108). The motion carried unanimously.**

*Commissioner Mike Dalton acknowledged his affiliation with the Beaver County Municipal Building Authority Equestrian Project.*

11. Beaver County Municipal Building Authority (Beaver County)

Beaver County MBA presented a funding assistance request for a \$4,695,000 loan for 30 years at 2.5% interest and a \$2,499,146 grant (total \$7,194,146) for the Beaver Equestrian & Event Center. This project consists of constructing a 71,363 square foot steel building, footings and foundation, lighting, sound, heating and ventilation systems, concrete bleacher platforms, 1,800 retractable and stationary bleachers, restrooms, kitchen, concession stand, livestock paneling system, arena watering system, signage, outdoor lighting, utility connections including transmission line extension and expansion of the existing water well, and all necessary earthwork and landscaping.

The applicant stated this is a multi-use facility for the use of three communities including recreation departments, high schools, booster clubs, graduations, weddings, trade shows, etc. This will be a valuable facility as the community grows. It will add to quality of life and make the community attractive to the younger generation and families to stay in the area. This facility would open up a variety of year-round opportunities that are not currently available. The location of this facility is on property acquired from the State of Utah in 2006 located at the Minersville Lake Park which is a unique property. Beaver County has been fiscally conservative in budgeting and believes this is a good use of funds. As a revenue source, the mineral lease funds may be allocated from the waste management district which was allocated as start-up funding 20 years ago. The location has been finalized and combines a variety of recreational opportunities.

The Board acknowledged this entity has not frequently come to this Board for funding and noted the sizeable loan request.

**Bruce Adams made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$4,695,000 loan for 30 years at 2.5% interest and a \$2,499,146 grant (total \$7,194,146).**

Chairman Hardy noted that mineral lease funds as a revenue source are limited to a term of 15 years. It has been indicated that the mineral lease funds allocated to the waste management district would be diverted to this project.

The applicant indicated the project would be done as a lease revenue bond, though some of those funds may be utilized for payments, it will not be pledged as the revenue source.

The Board asked if there will be any private investors in the project.

The applicant stated that the only private participation will be the fees which are charged for stall rentals or use of the facility and they are working with their bond attorney to maintain the ability to issue tax exempt bonds.

The Board noted residents have been concerned about livestock being close to Minersville Reservoir and asked if water issues had been adequately addressed and also asked how far the facility was from the I-15 freeway.

The applicant indicated that the number of livestock using the facility is less than the existing amount of water flowing through corrals above the facility. They have solicited experts to study several sites for the project and this site is the best one for the project. It is 7 miles from I-15. Taxable bonds were also discussed.

Chairman Hardy noted that if we own taxable versus tax exempt it will affect the value of what the CIB is holding. It may be discussed with bond counsel concerning this issue.

The Board asked if rights of way, easements and properties have all been purchased and if they have approached other sources for grants.

The applicant stated the County owns the property and utilities are included. The transmission line would require an upgrade and they have been in discussions with Rocky Mountain Power. The applicant has approached the Office of Recreation about funding. A small grant of \$50,000 would be available for next year's funding cycle for the development of a trail head or horse stalls but not the event center.

The Board noted the applicant does not indicate cash in the project and asked what the plan would be for waste water from the facilities.

They applicant indicated they do have the land and have saved approximately \$750.00 of the prepared food tax that will be provided to purchase other items for the project. The facility will go through permitting through Southwest Public Health. There is a state park already there which hasn't had any issues with water quality. The project will be wholly sceptic and is 1000 feet from the water.

Chairman Hardy called the question.

**Bruce Adams made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$4,695,000 loan for 30 years at 2.5% interest and a \$2,499,146 grant (total \$7,194,146). The motion carried unanimously.**

## 12. Fillmore City (Millard County)

Fillmore City presented a funding assistance request for a \$760,000 loan for 15 years at 0.0% interest and a \$1,140,000 grant (total \$1,900,000) for construction of a new Airport Hangar Building. This project will consist of building a 100' X 120' hangar building that will include 2 offices, a lounge, 2 restrooms, 2 classrooms, storage area, 2 simulator rooms, utility room and work space for servicing airplanes. The project includes installing approximately 2000 lineal feet wastewater main pipeline to connect to the sewer main line to eliminate the existing septic tank and leach field wastewater facilities. The applicant is contributing \$45,000 in-kind land.

The applicant indicated there will be a private training school in the new building to create the revenue source for this project. The applicant will also be installing a \$500,000 sewer line to connect with military property for training.

The Board asked about the airport traffic.

The applicant indicated training schools use the facility to land and take off. The fire district wants to house planes during the fire season. Due to increased air traffic, there has been an uptick in the need for fuel. The existing hangar cannot accommodate the expanded need for maintenance. The current runway is 5,500 feet but the school will need an 8,000 foot expanded runway which will be in tandem with the new lighting requirements. They do not have a signed lease with the school at this time. The revenue for the improvements will be budgeted into the next fiscal year and they do have an MOU in place with the school.

The Board asked if there will be a tax increase to accommodate the loan repayment. There was no indication of financing options in the minutes held for this project.

The applicant is anticipating an increase in the tax base with the new businesses coming to the area. There was a discussion on the financing and the council agreed on the 60% grant 40% loan scenario with a 2.5% interest rate.

The Board indicated there is 2,300 square feet of office space, 500 square feet of work area which is 2800 square feet of finished area. There is 9,000 square feet of open hangar which still costs \$141 per square foot and that seems high.

The applicant indicated that is with bathrooms and training center, showers and kitchen area. The hangar doors are also the biggest cost plus the inclusion of utilities. The cost of the sewer utilities includes the removal of the septic tanks and the additional sewer line. There are six planes to be housed in the hangar.

The Board referred to the BLM utilizing the facilities during fire season and asked if the BLM was contributing funding to this project.

The applicant indicated that the BLM did provide upgrades to the airport last year. The BLM contracts to use the hangar. Other groups use the hangar and the addition will be to keep up with the growth in Millard County.

The Board discussed funding in regard to an affordable annual payment and suggested a 75% loan at 1.0% interest and 25% grant or 100% loan. The Board does not fund economic development which this appears to be.

The applicant indicated that funding other than half grant half loan would need to be discussed by the city council.

Chairman Hardy indicated that though it is a public facility owned by a public entity, the purpose for the hangar expansion is to accommodate private benefit. It is especially difficult to consider grant funding in this scenario.

**Naghi Zeenati made and Kyle Stephens seconded a motion placing this project on the Priority List for funding consideration as a \$950,000 loan for 30 years at 2.5% interest and a \$950,000 grant (total \$1,900,000).**

The Board referred to the list of prior airport funding indicating CIB usually funds a small portion of the total cost.

**Gregg Galecki made and Jack Lytle seconded a substitute motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$1,425,000 loan for 30 years at 2.0% interest and a \$475,000 grant (total \$1,900,000). The motion carried unanimously.**

13. Diamond Valley Fire Special Service District (Washington County)

Diamond Valley Special Service District presented a funding assistance request for a \$205,000 loan for 15 years at 2.5% interest and a \$200,000 grant (total \$405,000) for the purchase of an International 4x4 diesel Model 14 Type III Wildland Fire Engine and will have 4-doors for the crew size of four firefighters.

The applicant will be the Diamond Valley Fire Special Service District which is a local government district and they will also own the truck. They have a tax base which will be the revenue source for this purchase. The revenue source for this project is a Tax Revenue Bond.

The Board indicated that funds received for fighting outside fires could be saved to accommodate the cost of engine replacement.

The applicant indicated there is a lower bid of \$317,000 for the truck. They will be contributing \$62,500 cash and the remaining cost of \$274,500 is the new request to CIB as a 50% loan and 50% grant.

**Naghi Zeenati made and Michael Dalton seconded motion placing this project on the Priority List for funding consideration at the June 13, 2019 funding meeting as a \$138,000 loan for 15 years at 2.5% interest and a \$136,500 grant (total \$274,500). The motion carried unanimously.**

**VI. SPECIAL CONSIDERATION**

**Tooter Ogden made and David Damschen seconded a motion to hear a project for Special Consideration. The motion carried unanimously.**

1. Richfield City (Sevier County)

Richfield City made a request to change the scope of work on the 2019 Street Improvements project which was funded on February 7, 2019. Richfield City is seeking to expand the scope of work to include more improvements as the bids were lower than expected. The amount of funding awarded is \$4,050,000 (a \$2,025,000 loan for 10 years at 2.5% interest and a \$2,025,000 grant).

**David Damschen made and Naghi Zeenati seconded a motion to expand the scope of work on the 2019 Street Improvements project. This motion requires a new scope of work to be submitted to CIB. The motion carried unanimously.**

**VII. BOARD MEMBER DISCUSSION and /or ACTION ITEMS**

1. Policy Retreat Information – Vernal, Utah – June 12 -14, 2019

Information about the Policy Retreat is provided in the Board Member's red folders.

The Funding meeting and day one of the Policy Retreat will be Thursday, June 13, 2019 with a hosted dinner at the museum in Vernal. The Policy Retreat day two will be June 14, 2019 until noon.

## 2. Board Packet Tool Discussion - iLegislate demonstration

Naghi Zeenati discussed the new iLegislate electronic Board Meeting Tool utilizing the Peak Agenda. *(Though the banter was entertaining, the discussion did NOT include a demonstration as the archaic tools available in the meeting room did not accommodate an iPad interface.)*

iLegislate is an application with an expanded interface wherein the Board will be able to take notes, review items with ease, has more functionality, and is very user friendly. iLegislate has unlimited users which allows multiple programs within HCD to use.

Mr. Zeenati indicated you can highlight sections, see videos, make notations, keep twelve meetings on file, you can write down questions you want to ask at the meeting. You can also add pictures and maps.

The program has been reviewed by DTS and checked for security.

The May 2, 2019 CIB Meeting will be in BoardDocs, but the contract will expire soon. Board members will be contacted when the Peak Agenda will be available. The Board acknowledged the pursuit of a new Board tool.

## **ADJOURNMENT**

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, May 2, 2019 at the DWS office, 1385 South State Street, Salt Lake City, Utah at 8:30 a.m.

This meeting adjourned at 1:20 p.m.

Submitted by:

Cristine Rhead  
Candace Powers