

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Workforce Services
Housing and Community Development Division, Salt Lake City, Utah
Virtual Zoom Webinar
April 8, 2021

Members Present

Keith Heaton	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
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

Members Excused

Mike Dalton	Five County Association of Governments
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Staff and Visitors

Candace Powers	Housing and Community Development
Brenda Brown	Housing and Community Development
Pam Sjostrom	Housing and Community Development
Aubrey Larsen	Housing and Community Development
McKenna Marchant	Housing and Community Development
Paul Moberly	Housing and Community Development
Zach Leavitt	Housing and Community Development
Jennifer Edwards	Housing and Community Development
Nate McDonald	Department of Workforce Services
Deann Zebelean	Department of Workforce Services
Jerry Taylor	Garfield County Commission
Greg Todd	Duchesne County
Brook McCarrick	Attorney General's Office
Jonathan Hardy	Affordable Housing
Skyler Davies	Division of Water Quality
Ken Hoffman	Division of Water Quality
Skye Sieber	Division of Drinking Water
Heather Pattee	Division of Drinking Water
Shannon Allen	Town of Antimony
Roma Henrie	Town of Antimony
Tyson Jewkes	Ensign Engineering
Kelly Chappell	Ensign Engineering
Conae Black	Green River City
Jeremy Williams	Green River City
Travis Bacon	Green River City
Bryan Meadows	Green River City
Dan Rasmussen	Aurora City

Darren Quarnberg
Andy Rasmussen
Nancy Kennedy
Ryan Goodrich
Joe Phillips
Kyle Gubler
Blaine Worrell
Cliff Linford
Justin Jackson
Drew Geiger
Dave Dillman
Brooklyn Hall
Kent Wilkerson
Bill Coutts
Justin Atkinson
Taylor Nielsen
Marcus Keller
Kurt Mower
Jeanette Johnson
Nate Hall
Debi Carty
Gary Zabriskie
Nate Wiberg
Tyler Timmons
Travis Kyhl
Parker Vercimak
Brian Barton
Darin Robinson
Craig Nebeker
Justin Atkinson
Aaron Averett
Kelly Crane
Stan Holmes
Madeline Brubaker
I Mickelsen
Robyn Adamson
Kelly Mason
KUTV 2News
Clyde Watkins

Aurora City
Aurora City
Aurora City
Ashley Valley Water & Sewer Improvement District
LaVerkin City
LaVerkin City
Sunrise Engineering
Sunrise Engineering
Fairview City
Horrocks Engineers
Horrocks Engineers
Horrocks Engineers
Town of Mountain Green
Town of Mountain Green
Sunrise Engineering
Town of Mountain Green
Zions Public Finance
Roosevelt City
Blaisdell, Church & Johnson Law
District Environmental Engineer
Department of Workforce Services
Five County Association of Governments
Five County Association of Governments
Six County Association of Governments
Six County Association of Governments
Jones & DeMille Engineering
Jones & DeMille Engineering
Jones & DeMille Engineering
CRS Engineers
Sunrise-Engineering
Sunrise-Engineering
Ensign Engineering
Sierra Club

Other Attendees:

14352311618
12068524442

WELCOME

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

Chairman Heaton read the following statement:

"I, Keith Heaton, Chairman of the Permanent Community Impact Board, have determined that the April 8, 2021 meeting of the Permanent Community Impact Board will be held electronically without an anchor location. This determination is based on the following facts:

- 1. Utah is currently dealing with Covid 19, which has been determined to be a pandemic. Covid-19 is extremely contagious and can be deadly to those who contract it, especially those of advanced age and underlying health conditions.*
- 2. The Agency offices are in Salt Lake County, which is currently a county with a high level of transmission. This designation requires the wearing of masks and strongly recommends physical distancing.*
- 3. A vast majority of Agency staff and the members of the Board are teleworking to avoid unnecessary contact with others.*
- 4. The Board room is insufficient to allow social distancing and reasonably safe accommodation of the Commission and the Public.*
- 5. The Commission uses an electronic platform which allows interested Parties to view the meeting, hear discussions dated this 28th day of January, 2021.*

I. ADMINISTRATIVE ITEMS

Briefing

1. Upcoming Meeting dates and Locations

There will not be a May 2021 CIB Meeting.

June 3, 2021 – CIB Funding Meeting – Bryce Canyon City, Utah – Board In person; virtual for the public.

2. Financial Review [01:29]

Candace Powers reviewed the status of the funds for today's meeting. As a reminder, for projects over \$1,000,000, the Board requires the use of State Purchasing. The contact person at the Division of State Purchasing is Christopher Jennings.

3. Review of Agenda Items:

There are 7 projects for funding consideration, and 1 supplemental funding request. Projects discussed at this review meeting may be placed on the Priority List for final funding approval on June 3, 2021.

II. WELCOME AND INTRODUCTIONS [05:50]

A roll call was conducted for Board attendance. Mike Dalton was excused from today's meeting.

It was noted that Commissioner Jerry Taylor was in attendance and will be on the Board representing Five County Association of Governments upon confirmation.

Jonathan Hardy was recognized by the Board and staff with appreciation for his service to the Housing and Community Development Division and as Chairman of the Permanent Community Impact Fund Board.

Chairman Heaton referred to the DEQ recommendations noted on the reviews. The Board may include those recommendations in the motions for funding these projects. The tool is providing good consistency but the Board has the important role in discussing and approving a funding package.

Zach Leavitt was introduced as new CIB staff.

Jennifer Edwards was introduced as assistant director of Housing and Community Development.

III. APPROVAL OF MINUTES [23:00]

Chairman Heaton requested a motion to approve the minutes from the March 4, 2021 meeting.

Jack Lytle made and Naghi Zeenati seconded a motion to approve the minutes of the March 4, 2021 meeting. The motion carried unanimously through roll-call vote.

IV. NEW PROJECTS [24:46]

4.1 Aurora City (Sevier County) [24:56]

Aurora City presented a funding request of \$2,650,000 for 2021 culinary water improvements. This project consists of culinary water system improvements to include the construction of a new well and well house with pump controls and equipment next to the existing well, the installation of 3,900 feet of 10” pipe to the existing chlorine and system storage tanks, constructing a new 350,000-gallon concrete water storage tank with fencing and gates above Aurora next to the existing tanks, the installation of 2,100 linear feet of 8-inch loop line on the south west side of the City, replacing a 4-inch line with an 8-inch line at the intersection of 200 west and South Main Street to provide increased hydraulic capacity, installing SCADA meters at city parks, the cemetery, and City buildings and associated earthwork, road repair, canal crossing and associated appurtenances.

The applicant has requested a \$1,325,000 loan for 30 years at 1.0% and a \$1,325,000 grant (total \$2,650,000).

Median Proposed:

\$ 795,000 Loan 30y @ 0.5%

\$ 1,855,000 Grant

Project total \$2,650,000

Funding for this project as an 18% grant and 82% loan was allocated from USDA for this project which was declined by Aurora City.

Daven Quarnberg, Clint Johnson, Parker Vercimak and Darrin Robinson represented Aurora City.

The applicant indicated this project is needed for secondary water which may be in short supply by July and asked for consideration of funding this project at today’s meeting and a better funding scenario than their requested package. They implemented a rate increase earlier this year and their funding request would require an additional rate increase to the water rates. This project will increase water storage, provide the required fire protection and a new culinary well. It has been over 40 years since there was a new culinary water source and this project will provide the desired solution.

Chairman Heaton referred to the applicant’s indication of urgency; there was funding in place from the USDA which was declined by Aurora City.

The applicant indicated the repayment for the USDA-Rural Development funding made last fall was not affordable. They have done several projects with loan and grant from CIB. A reference was made to the mineral development in their area and the possibility of better terms from CIB. Jones & DeMille became involved and made recommendations to install the tank and drill the well outside the city limits adjacent to an existing 75-year-old well which needs to be replaced which is near the existing tank farm to save infrastructure costs. The studies for the Rural Development funding became outdated.

The Board indicated much of the State is presently in extreme drought and if that continues, many communities will be in need water system improvements. The median funding tool range would be an option and asked if that would be affordable.

The applicant stated that the median funding package would be affordable.

The Board noted the high initial 15,000-gallon base for water and suggested the initial per gallon base could be lower to conserve water and enable additional revenue for the water system improvements.

The applicant had a meeting with personnel at Rural Water Association to discuss water use and payment scenarios and there will be further discussions.

The Board acknowledged good public hearing minutes which forecasted the potential water rate increase. The Board asked about the terms offered by USDA-Rural Development for this project.

The applicant indicated the offer was a \$500,000 grant and a \$2,300,000 loan for 40 years at 1.5% interest.

The Board referred to the Fairview initial base for water which is 6,000 gallons and noted the existing debt being retired. There is \$20,000 for fencing in the estimate; is fencing around the water tank a compliance issue? The \$120,000 well house and the cost of the tank seems high.

The applicant discussed the 2 payments left which are covered in the debt service reserve indicating a new loan could be accommodated with the water rates potentially remaining where they are. The fencing is a safety issue as the current tank farm is on BLM land with several ATV and hiking trails in that area, a riding arena and animals graze around those tanks. The existing tanks are fenced. The well house costs include the electrical, piping, meters and new state requirements and recent cost increases affect the cost of the tank.

Bruce Adams made and Tooter Ogden seconded a motion to suspend the rules and fund this project at today's meeting as a \$795,000 loan for 30 years at 0.5% and a \$1,855,000 grant (total \$2,650,000). The motion requires that plans and specifications for the project be reviewed and approved by the Division of Water Quality prior to advertising for bids. The motion carried unanimously through roll call vote.

4.2 Fairview City (Sanpete County) [55:10]

Fairview City presented a funding request of \$2,929,500 for a sewer re-use project. This project consists of constructing a new lift station at the wastewater treatment plant (WWTP) to include pumps, motors, generator, 11,500 linear feet of 10-inch C900 PVC pressurized irrigation pipeline, a new 0.3 million-gallon concrete water storage tank, 6 air release stations, 3 drains, 2 pressure reducing valve vaults and SCADA upgrades to supply re-use water to the Fairview City cemetery.

The applicant has requested a \$ 1,465,000 loan 20y @ 0.5% and a \$1,465,500 Grant (total \$2,929,500).

Median Proposed:

\$ 1,055,000 Loan 30y @ 1.0%

\$ 1,874,500 Grant

Applicant Cash: \$100,000

Project Total: \$3,029,500

Justin Jackson, Dave Dillman and Brooklyn Hall represented Fairview City.

The applicant indicated this project is a mandated EPA requirement to address phosphorous. This is the most prudent solution to accommodate irrigation while reducing the phosphorous discharge. This project has been in the works since 2017 to find the best solution. This will be land disposal which is what the Fairview City plant is designed for. The system will be gravity flow with minimal O&M costs and mitigate water shortages. The project has been designed to accommodate the current growth of the area.

The Board noted that projects over \$1,000,000 must utilize State Purchasing.

Mayor Baker was inclined to approve the applicants request of a \$1,465,500 grant and a \$1,465,000 loan for 20 years at 0.5% but asked if the loan term could possibly be longer.

Skyler Davies from the Division of Water Quality indicated the life of this asset would likely exceed 20 years.

Commissioner Adams noted the terms of the funding tool, the population of Fairview and suggested the Board consider what the funding tool indicated.

Mr. Galecki disclosed that he lives in Fairview, but not on the sewer system. He commended the City for seeking to be water conscious and referred to the DEQ review which indicates grant funding as the MAGI is 1.92%. He suggested a reduction of the loan portion and reviewed funding scenarios through the funding tool.

Commissioner Lytle expressed concern about material costs as those costs have increased and asked when was the most recent estimate for the project.

The applicant indicated that a review of the estimate was in February and there is a 20% contingency in the budget. In this last week, the price of pipe has increased by \$2.00 per linear foot. It is difficult to solidify the costs at this time.

CIB staff noted that the estimate in the packet is dated May 2020 and suggested a new estimate prior to the funding meeting to assure enough funding for this project.

Dean Baker made Bruce Adams seconded a motion to place this project on the Priority List for funding at the June 3, 2021 funding meeting as a \$1,055,000 loan for 30 years at 0.5% and a \$1,874,500 grant (total \$2,929,500). The motion requires a current estimate prior to the funding meeting, a review of plans and specifications by the Division of Water Quality prior to advertising for bids and a plan of operations, operation and maintenance manual and ‘as built’ drawing submitted to DWQ prior to completion of the project. The motion carried unanimously through roll call vote.

4.3 Green River City (Emery County) [01:22:18]

Green River City presented a funding request of \$56,625 for a water improvement – distribution system evaluation project. This project consists of 6-month in-depth analysis of the 2002 water treatment plant in regard to various disinfection by-products (DBP) control strategies and technologies to develop and implement a strategy to reduce DBP’s to meet State standards and will include a distribution system model analysis of the existing distribution hydraulic model with suggested updates, calibration, evaluation and documentation; evaluation of pre-ozone to optimize total organic carbon (TOC) oxidation and reduce DBP formation potential and determine preliminary ozone system sizing, capital costs, and operations and maintenance; evaluation of granular activated carbon to optimize TOC removal and DBP control and the provision of a technology recommendation report.

The applicant has requested a \$56,625 grant.

Median Proposed:

N/A

Applicant Cash: \$56,625

Project Total: \$113,252

Travis Bacon, Conae Black, Bryan Meadows and Jeremy Williams represented Green River City.

The applicant did not comment but it was noted by staff that the matching funds have been requested from the Division of Drinking Water which does not meet until June 10, 2021. The CIB funding meeting is June 3, 2021.

Tooter Ogden made and Naghi Zeenati seconded a motion to place this project on the Priority List for funding at the June 3, 2021 funding meeting as a \$56,625 grant contingent on the

approval of match funding from the Division of Drinking Water. The motion carried unanimously through roll call vote.

Break

4.4 Town of Antimony (Garfield County) [1:29:34]

The Town of Antimony presented a funding request of \$1,500,000 for water system improvements – town well project. This project consists of purchasing water rights and drilling a new well to include a test and production well, a new well house, landscape restoration, asphalt patching, power, associated appurtenances and SCADA to meet state requirements for water source.

The applicant is requesting a \$500,000 loan for 30 years at 1.0% and a \$1,000,000 grant (total \$1,500,000).

Median Proposed:

\$ 600,000 Loan 30y @ 0.5%

\$ 900,000 Grant

Project Total: \$1,500,000

Shannon Allen, Roma Henrie and Kelly Chappell represented the Town of Antimony.

The applicant referred to a history of low water and the drought situation has increased the problem. The Town has discussed options and a source for funding. There are several meters that have been installed but not in use and there is a moratorium on new meters. They applied to USDA for funding last year but the USDA funding does not accommodate wells.

The Board asked about their *Improvement Priority System (IPS)* points with the Division of Drinking Water.

The applicant stated they have 5 IPS points. They were lacking a meter on one of the spring sources; the meter has quit working and is on order. There was an issue with cross connections but that has been cleared up.

The Board noted in the minutes the lack of a water rate increases for 25 years and asked if they had secured the necessary water rights and the location of the new well.

The applicant explained there was resistance to rate increases but there is more understanding of the need for rates to support the improvements necessary. They have not secured the water rights but there are viable options and is not an issue. There are two different locations in the Bench system being considered for the well and the property owners have been contacted. They will coordinate with land owners and there will be an agreement in place by the June meeting.

The Board asked about the depth of the well, if there is a sustainable yield of water and if there is a replacement fund established.

The applicant indicated the well will be approximately 650 feet deep, water rates will be increased and a replacement fund established. The current base water rate is \$24.00 per mo. The average bill is approximately \$27.00 for 30,000 gallons. Antimony has 122 residents and 152 water connections.

The Board said according to the MAGI, the water rates are low and suggested an increased loan is within the funding tool range.

Gregg Galecki made and Dean Baker seconded a motion to place this project on the Priority List for funding at the June 3, 2021 funding meeting as a \$900,000 grant and a 600,000 loan for 30 years at 0.5% (total \$1,500,000). The motion requires plans and specifications for the project be reviewed and approved by the Division of Drinking Water prior to advertising the project for bids. The motion carried unanimously through roll call vote.

Gregg Galecki was excused from the meeting.

4.5 Mountain Green Sewer Improvement District (Morgan County) [1:55:36]

The Mountain Green Sewer Improvement District presented a funding request of \$6,429,000 for a waste water treatment plant. 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 – 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. The applicant is requesting a \$6,429,000 loan for 30 years at 1.5%.

Median Proposed:

\$ 5,079,000 Loan 30y @ 2.5%

\$ 1,350,000 Grant

Applicant Cash: \$500,000

DWQ Loan: \$7,000,000

Project Total: \$13,929,000

Kent Wilkerson, Taylor Nielsen, Cliff Linford, Marcus Keller and Bill Coutts represented the Mountain Green Sewer Improvement District.

The applicant noted the funding received from the Division of Water Quality which will accommodate half of the project funding. They have recently raised sewer rates and Mountain Green has 4000 residents. This project will address the phosphorous discharge as well as accommodate long range growth. The MAGI is below 1.40%. The system is currently a lagoon system and they have purchased additional land to be able to expand and treat wastewater but the phosphorous rule change limits the volume that can be discharged on a yearly basis so the growth of the area limits the use of lagoons. This project will implement a mechanical treatment process; a biological nutrient removal plant. There will be some use of the lagoons. It is sized at 1.5 million gallons per day and based on growth rate will last for 27 years and will be expandable to 3,000,000 gallons per day with a 35-year project life.

The Board asked about the DWQ \$7,000,000 loan funding.

The applicant indicated it is set aside as depreciation expenses of the District. The \$7,000,000 was approved a month ago with Mountain Green to accommodate the rest of the project expense.

The CIB staff indicated the funding tool's suggested package takes into consideration MAGI, location (Morgan County) and budget and suggests a 2.5% interest rate.

Marcus Keller noted the project will address the phosphorous reduction and growth in Mountain Green which will affect the MAGI.

The Board asked what the commercial market rate is for these types of projects.

Mr. Keller indicated the current market rate for Mountain Green would be in the 2.5% range.

The Board referenced the mineral lease revenue from Morgan County which is minimal. The request of a \$6,429,000 loan for 30 years at 1.5% or 2.0% would be appropriate.

Bruce Adams made and Tooter Ogden seconded a motion to place this project on the Priority List for funding at the June 3, 2021 funding meeting as a \$6,429,000 loan for 30 years at 2.0%. The motion requires 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 through roll call vote.

4.6 Town of LaVerkin (Washington County) [2:13:04]

The Town of LaVerkin presented a funding request of \$1,566,000 for roadway improvements. This project consists of road improvements to 100 South to repair the asphalt, widen the road, storm drain piping, culinary waterline, gate valves, hydrant relocation and new hydrant, sewer manholes, sewer lines and curb & gutter, sidewalk and ADA access ramps, to accommodate a safe route to the elementary school and pavement will be added to the unpaved 470 West with curb & gutter and utilities beneath the new roadway. Pavement will be added to an unpaved 470 West, curb & gutter and utilities beneath the new roadway. *Ash Creek Special Service District will fund wastewater improvements.*

The applicant is requesting a \$ 1,097,000 loan for 20 years at 0.5% and a \$469,000 grant (total \$1,566,000).

Median Proposed:

\$ 1,245,000 Loan 15y @ 1.5%

\$ 321,000 Grant

Applicant Cash: \$89,200

Ash Creek SSD: \$85,100

Project Total: \$1,740,300

Kyle Gubler, Joe Phillips and Blaine Worrell represented the Town of LaVerkin.

The applicant indicated a yearly maintenance program wherein over the previous 10 years they have accomplished several road maintenance projects. This project's improvements are the top priority on the maintenance list. They will be seeking funding from the Division of Drinking water to cover the water improvements part of this project and they are securing the rights of way for this project.

The Board noted this is Hwy I9; a major corridor to Zions Canyon.

Naghi Zeenati made and Kyle Stephens seconded a motion to place this project on the Priority List for funding at the June 3, 2021 funding meeting as a \$1,245,000 loan for 15 years at 1.0% and a \$321,000 grant (total \$1,566,000). The motion carried unanimously through roll call vote.

After the motion, the applicant requested consideration of a longer term for the loan.

Chairman Heaton indicated that road funding is generally a shorter term to be within the life of the project but prior to the funding meeting, the term may be discussed for a possible revision prior to funding on June 3, 2021.

VII. SUPPLEMENTAL REQUESTS

7.1 Ashley Valley Water & Sewer Improvement District (Uintah County) [2:24:00]

Ashley Valley Water & Sewer Improvement district presented a supplemental funding request of \$140,000 for the 3500 South & Stubbs Sewer lift station replacement project. The original project

consisted of the replacement of two (2) lift stations with greater capacity and solids handling capability. The 3500 S Lift Station project will consist of a new 500 square foot building, upsizing the force main leaving the Lift station, new pumps and appurtenances, and demolition of the existing lift station. The Stubbs Lift Station project will consist of the construction of a new dry well vault, rehabilitation of the existing wet well, installation of two grinder pumps and appurtenances and necessary electrical and piping work. Both lift stations will require bypass pumping during construction and new sensors and controls, as part of this project.

Project Supplemental:

A new wet well had to be included in the project, rights of way caused relocation of components, additional property purchase, the wet well, dry well, control building and generator storage were redesigned, extension of utilities, additional fencing and pavement.

The applicant is requesting a \$140,000 loan for 30 years at 1.0%. The original loan funding was closed on May 28, 2020.

Original February 6, 2020 funding: \$660,000 loan for 30 years at 1.0%

Supplemental Applicant Cash: \$154,139

Revised Project Total: \$954,139

Ryan Goodrich represented Ashley Valley Water & Sewer Improvement District.

Jack Lytle made and Tooter Ogden seconded a motion to approve the supplemental request as a \$140,000 loan for 30 years at 1.0%. The motion carried unanimously through roll call vote.

IX. Board Member Discussion and/or Action Items [2:29:20]

9.1 CIB Board Meetings

CIB Funding Meeting, June 3, 2021 – Bryce Canyon City – Board only. Zoom Webinar for public.

CIB Annual Policy Sessions, June 3-4, 2021

CIB Review Meeting – July 8, 2021 TBD

The Board was encouraged to get their reservations to Pam Sjostrom. The meeting will be public via webinar.

9.2 SCIC Written Project Report – 2nd Tranche Contract Approval - \$750,000

Planning, Administrative, Operating Funding – Phase 2

Original approval April 4, 2019

The original authorization requires a report and Board approval for each tranche.

Commissioner Hansen noted that the Seven County Infrastructure Coalition works hard to solve major problems in the Seven County area.

Irene Hansen made and Naghi Zeenati seconded a motion to accept the SCIC report and approve the second tranche of \$750,000 in grant funds to Seven County Infrastructure Coalition. The motion carried unanimously through roll call vote.

ADJOURNMENT

The next Permanent Community Impact Board Funding Meeting will be held June 3, 2021 at Bryce Canyon City for the Board and via Zoom Webinar for the public at 8:30 a.m.

The meeting adjourned at 11:23:04 a.m.

Submitted by:
Candace Powers