

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING
 Department of Workforce Services
 Housing and Community Development Division, Salt Lake City, Utah
MINUTES
 April 29, 2022

Members Present

Keith Heaton	Chairman
Bruce Adams	Southeastern Utah Association of Local Governments
Jack Lytle	Uintah Basin Association of Governments
Dean Baker	Uintah County
Garth "Tooter" Ogden	Sevier County
Marlo Oaks – <i>Via Zoom</i>	State Treasurer
Jerry Taylor – <i>Via Zoom</i>	Five County Association of Governments
Kyle Stephens	State Board of Water Resources
Jim Webb	State Board of Water Quality

Members Excused

Scott Bartholomew	Six County Association of Governments
Naghi Zeenati	State Transportation Commission

Staff and Visitors

Candace Powers	Housing and Community Development
Brenda Brown	Housing and Community Development
Paul Moberly	Housing and Community Development
Zach Leavitt	Housing and Community Development
Aaron Waite	Attorney General's Office
Christina Oliver	Housing and Community Development
Brittany Hardy	Department of Workforce Services – Finance
Jordan Katcher	Housing and Community Development / CDO
Aubrey Larsen	
Greg Todd	Duchesne County
Kyle Gubler	LaVerkin City
Michael Hawley	Jones & DeMille Engineering
Bart Haslam	Uintah County
Jeffrey Baker	Jones & DeMille Engineering
Ben Mower	Ballard City
Ron Winterton	State Senate
Bart Jensen	Jones and DeMille Engineering
Brian Gorum	Uintah Fire Suppression Special Service District
Marcus Perry	Lapoint – Tridell
Jeremy Raymond	Uintah Fire Suppression Special Service District
Tyler McKee	Lapoint Tridell Fire District
Cheryl Meier	Uintah Transportation Special Service District
Bryan Meier	Sunrise Engineering
David Rust	Uintah Basin Association of Governments
Justin Atkinson	Sunrise Engineering
Blaine Worrell	Sunrise Engineering
Aaron Averett	Sunrise Engineering
Keith Despain	Vernal City

Doug Hammond
 Tyler Faddis
 Kevin Yack
 Laurie Brummond
 Skye Sieber
 Skyler Davies
 Matt Tippetts
 Zac Covington
 Michael Noel
 Travis Campbell

Vernal City
 Jones and DeMille Engineering
 Uintah Basin Association of Governments
 Uintah Basin Association of Governments
 Division of Drinking Water
 Division of Water Quality
 Daggett County Municipal Building Authority
 Bear River Association of Governments
 Kane County Water Conservancy District
 Uintah County

Via Zoom

Gary Zabriskie
 Eric Major
 Anson Clarkson
 UB Media
 Darlene Reilley
 Eric Rube
 Heather Pattee
 Tamera Dockstader

Five County Association of Governments
 Jones and DeMille Engineering
 Kanab

 UB Media
 Duchesne
 Division of Drinking Water
 Southeastern Utah Association of Local Governments

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, April 29, 2022 at 1385 South State, Room 157, Salt Lake City, Utah and was called to order at 9:00 a.m. by Chairman Keith Heaton.

Keith Heaton was honored as Chairman of the Permanent Community Impact Fund Board. This will be his final meeting as Chairman. Mr. Heaton has been exemplary as the CIB Chairman for last two years. He was presented a token of appreciation for his service and given a standing round of applause.

I. ADMINISTRATIVE ITEMS

Briefing [3:45:8]

1. Upcoming Meeting dates and Locations

TBD – This is the last meeting of fiscal year 2022 and the last meeting of this Board as currently constituted. After May 4, 2022 the statutory composition of the Board will change. It will take time for new Board members and a new Chair to be confirmed. Appreciation was expressed for the current composition; including the representatives of the Board of Water Resources and the Board of Water Quality for their expertise.

Applications for FY2023 are due June 1, 2022 by 5:00 pm.

2. Financial Review [6:08]

Candace Powers reviewed the statutory purpose regarding mineral lease funds and the funds for today's meeting; revenues available as of today's date are sufficient with a significantly higher amount of loan availability than grant. CIB revenue is from a percentage of mineral resource development on Federal land; public funds but not tax revenue. The Board's standard interest rate is/has been 2.5%. The Board is tasked with maximizing the long-term benefit of these funds.

3. Review of Agenda Items: [5:49]

There are 4 new applications, 2 supplemental funding requests, 1 pending project and 1 special consideration request.

II. WELCOME AND INTRODUCTIONS [8:24]

Chairman Heaton expressed his appreciation for staff for the expedient accommodation of this second meeting in 3 weeks noting that the HCD/CIB staff is a small team.

Chairman Heaton welcomed everyone requested that the Board introduce themselves.

III. APPROVAL OF MINUTES [17:30]

Chairman Heaton requested a motion to approve the minutes from the April 7, 2022 CIB meetings.

Tooter Ogden made and Dean Baker seconded a motion to approve the minutes of the April 7, 2022 meeting. The motion carried unanimously through roll call vote of those present.

IV. NEW PROJECTS [12:10]

4.1 Ballard City (Uintah County) [15:22]

Ballard City presented a funding assistance request for a \$1,514,000 grant and a \$1,514,000 loan for 15 years at 0.5% (total \$3,028,000) for 1500 East street improvements Phase 2 & 3. This project consists of establishing an additional East-West corridor in Ballard City at 1000 South crossing Cottonwood Creek and the reconstruction of 1500 East. The existing 1500 East roadway would include roto-milling the pavement to a depth of 2 inches, excavating and building up the roadway shoulder with subbase and base layers, curb, gutter and sidewalk, Hot Mix Asphalt (HMA) placed on the widened shoulders and an overlay on the existing milled surface to meet AASHTO standards along the corridor. The intersection at 1000 South will be reconstructed to accommodate the construction of a *new* 1100-foot roadway from the intersection along 1000 South to the County line, drainage with AASHTO standard paint striping and signage. [Project total \\$3,028,000.](#)

The applicant indicated this road project has been discussed for many years due to the truck traffic on Highway 40 which goes south through Ballard City. Traffic to multiple schools utilize this roadway. This project will provide shoulders and sidewalks for safety. The road was originally constructed in the 1960's as a dirt roadway then subsequently paved. The roadway also accommodates multiple oil and gas wells and traffic. The applicant referred to the mapped roadways which colorized the phases of the project. The plan is to connect 1500 East to 800 South. There are currently no East/West corridors for several miles across Cottonwood Creek from Lagoon Street to Poleline Road. This project is Ballard's portion to make that happen.

Commissioner Lytle stated this is a great project. Roosevelt City, Ballard City and Uintah County and Duchesne County are coming together in the final project. The funding request is within the Board's funding tool with a 10-year term.

The applicant indicated the revenue source would be B&C revenue so a 10-year term would be good. The Joint Highway funding has been secured but will be available in 2024 which will reimburse a portion of the CIB loan.

Commissioner Ogden asked the applicant about their reference to the possibility of converting federal funds to state funds which may reduce the project costs.

The applicant indicated that converting federal to state funds has occurred on some Joint Highway Committee projects and if this is funded by CIB they will pursue converting to state funds. It is not certain. UDOT must have a project with federal and state funds in the area to accept that exchange. The road is a major collector.

Dean Baker made and Jack Lytle seconded a motion fund this project as a \$1,514,000 grant and a \$1,514,000 loan for 10 years at 0.5% (total \$3,028,000). The motion carried unanimously through roll-call vote.

4.2 Uintah Fire Suppression Special Service District (Uintah County) [25:06:00]

Uintah Fire Suppression Special Service District presented a funding assistance request for a \$3,125,000 grant and a \$348,000 loan for 30 years at 0.0% (total \$3,473,000) for the Tridell Fire Station & Community Center. This project consists of the construction of a new 150 x 75 square feet 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. **Applicant cash \$10,000. Project Total \$3,483,000.**

The applicant submitted an earlier application but determined the financial situation prohibited proceeding at that time. The current financial situation allowed some applicant cash and they have a wildland program that is self-funded but as wildfires continue across the area, that revenue source will support this project. They have coordinated with Uintah County to combine with a community center. The majority of the building will be as a fire station with a community center component. In the Tridell-Lapoint and Avalon are unified to respond to fire issues. The producing well count is currently 3074 with potential to increase. The service area is 2000 square miles with approximately 5000 residents and a yearly average call volume of 74. The existing station was built in 1980 and does not meet current needs. This project will meet current and future needs. Historically, the Uintah Fire Suppression SSD project funded by CIB have included a cash match. This project will include \$10,000 in cash and they have spent \$40,000 for an acre of land and \$10,000 for preliminary design. They could accommodate an annual payment of \$15,000.

Mr. Webb noted the 12% contingency in the application and asked if that was sufficient.

The applicant indicated there is a contingency built into the individual components of the project. As costs are fluctuating, they have considered other types of construction that could bring costs down. They will seek to make the Board's offer of funding accommodate the project.

Commissioner Ogden noted that a pledge of mineral lease revenue can only be for a term of 15 years if that is selected as a revenue source for loan repayment. He asked how many calls the District had been on and other funding sources. What will happen to the current facility?

The applicant indicated the volume of calls are increasing each year. The largest revenue source will be from the Wildland Program. They have contacted the County as they are a combined project and may enter into a lease agreement with the County. The current facility will be demolished to accommodate the new facility. It was reiterated that an annual payment could be \$15,000; up to \$20,000. They have created a Wildland Fire program which includes a full-time wildland fire fighter and they have purchased a brush truck to be available for calls nationwide. There is an agreement with the State of Utah, DNR to respond to fires and the District will invoice the State of Utah.

Revenue source impact was explained.

Mayor Baker asked if they pledged the mineral lease revenue for 15 years and saved their Wildland Fire revenue for the last 15 years to make a 30-year term, would that be possible.

This would be possible with an eligible dedicated revenue source without a term limit. The revenue source dictates the maximum term.

Commissioner Lytle asked about a loan/grant mix for 30 years to accommodate their affordable payment which indicated a 24% loan

The applicant noted that \$30,000 is the maximum annual payment.

Commissioner Ogden noted that the Wildland Fire program revenue is not consistent and expressed concern about pledging that revenue source.

The applicant indicated that in a boom/bust area it is difficult to project any constant revenue. The SSD Board has never taken debt due to that inconsistency. This project is necessary and has been designed to accommodate this community for years to come. The wildfire program was initiated as a revenue source. There are contingencies built in, but a \$30,000 payment would be difficult.

Commissioner Lytle asked how they plan to accommodate the revenue in the Wildland Fire program; equipment rental or wages. Where will the revenue come from?

The applicant indicated the Wildland Fire program will respond with engine crew to *federal land* fires with the ability to go single resource if needed. There is a contracted rate and they have calculated 5 to 6 runs of 14-day shifts would bring sufficient revenue to cover a loan repayment. They will respond to fires across the country wherein there would be a 25% margin after covering the various innate expenses.

Mayor Baker reviewed the payment would be for a \$500,000 loan for 30 years at 0.5% or 0% interest.

The applicant expressed concern with the uncertain revenue over a 30-year period and asked the Board to consider as much as possible in grant funding noting the District will try to make it work. They have avoided taking on debt but there is a true need for this project.

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.

4.3 Uintah Transportation Special Service District (Uintah County) [56:10:5]

Uintah Transportation Special Service District presented a funding assistance request for a \$3,532,000 grant for Redwash Road improvements. This project consists of 4.4 miles of roadway design, realignment, drainage, pavement, shoulder improvements and rights of way to the north end of Redwash Road to meet AASHTO standards. The existing roadway will be realigned, pavement pulverized, and the milled asphalt and base materials will be mixed, compacted and utilized in the sub-grade of the new roadway, additional imported granular borrow will be utilized as the sub-base of the new roadway with untreated base course as the base of the roadway. Hot mix asphalt will be placed as the surface course of the roadway. *A chip seal coat is anticipated the year following the reconstruction of the roadway and is included in the project cost.* AASHTO standard paint striping, and signage for improved safety and functionality. Applicant cash \$3,000,000. Uintah County \$2,000,000 Class B Road Funds. Project total \$8,532,000.

The applicant indicated the Redwash Road is a major collector. 8.2 miles of the roadway was previously improved by the District and federal funding. They are seeking funding from this Board to complete the remaining 4.4 miles. The realignment will be along the Green River to move the roadway away from the

river where the shoulders are deteriorating and address drainage issues. The UTSSD will contribute approximately \$3,000,000 cash, Uintah County will contribute up to \$2,000,000 from B road funds and they have a letter of cooperation. The remaining 41% of the estimated costs are being requested from CIB. The project connects Highway 40 to Highway 45 to alleviate heavy truck traffic on Highway 40. If the project is completed for less than the estimated cost, the County would contribution would be reduced. There is contingency in the estimate to accommodate increasing costs.

Commissioner Adams noted the other sources of funding suggesting this is a reasonable request.

Commissioner Taylor asked about the age of the road being pulverized in this project.

The applicant indicated it is a native asphalt road paved in the 1960's. It was not constructed to accommodate the increased heavy traffic of today. This is a major collector for hauling minerals off of federal land with a direct connection to mineral lease revenue and will reduce the travel route by 21 miles and will reduce the impact on other roads. It was noted in reference to the \$60-dollar break-even price of a barrel of oil; with today's technology that price is reduced to \$45 per barrel.

Commissioner Ogden asked with the impact from the trucks traveling those roads, is there any contribution from the companies?

The applicant answered no. They argue they are contributing through their mineral lease revenue. The companies are a great partner for the County and help in other areas having recently donated a fire truck to the fire department.

Bruce Adams made and Jerry Taylor seconded a motion to fund this project as a \$3,532,000 grant as requested citing a unique project exemption. The motion carried unanimously through roll-call vote.

5.4 Vernal City (Uintah County) [1:12:28] 10:27 am

Vernal City presented a funding assistance request for a \$2,992,000 grant and a \$2,000,000 loan for 30 years at 0.5% (total \$4,992,000) for the downtown streets and utilities project. This project consists of street and utilities improvements on Vernal Avenue at the intersection of Main Street (HW 40) and Vernal Ave (HW 191) to include improvements to sewer lines, new manholes, 8-inch water lines, new water service connections, new fire hydrants, replacing electrical utilities and associated pavement repair. Vernal Avenue (HW 191 north of Main Street) will also be reconstructed to include curb, gutter and sidewalks. [Project total \\$4,992,000.](#)

Fun Fact: In the audio at time point 1:15:11 during the lengthy briefing of this project, it sounds like someone was snoring. Chairman Heaton noted the funding request is within the approved funding tool range.

The applicant indicated Vernal City does not receive PILT or any other mineral lease funding directly. They have done planning for the project with CIB funds and had significant public engagement which resulted in identified public improvements. This project is a portion of the larger plan. They are seeking funding for other components of the downtown project. A Community Reinvestment Area (CRA) was established and those funds will be used where appropriate. They have been approved for other funding and have a UDOT grant to assist with Vernal Avenue but those funds will not be available for two years. The County and City are contributing ARPA funds. The revenue source for the loan will be transportation sales tax but will use general sales tax as backup.

Commissioner Ogden noted Vernal City has increased water & sewer rates and held a good public hearing. He appreciated the project as one that CIB should truly be funding.

Tooter Ogden made and Jack Lytle seconded a motion to fund this project as a \$2,992,000 grant and a \$2,000,000 loan for 30 years at 0.5% (total \$4,992,000).

Commissioner Lytle commended the applicant for working to bring a good project to the Board and for working through the review process within the AOG.

Tooter Ogden made and Jack Lytle seconded a motion to fund this project as a \$2,992,000 grant and a \$2,000,000 loan for 30 years at 0.5% (total \$4,992,000). The motion carried unanimously through roll-call vote.

VI. PENDING PROJECTS [1:23:11]

6.1 Daggett County Municipal Building Authority (Daggett County)

Daggett County Municipal Building Authority's funding request was placed on the pending list at the September 2, 2021 CIB meeting to allow **the entity to clarify the project and possible ARPA funding**. The request was for a \$779,000 loan for 30 years at 0.5% and a \$4,411,000 grant (total \$5,190,000). This project consists of water system improvements to include an adjustable flow regulation tank stabilizing flow and redundancy for source water to the 50 year old water treatment plant, a new *'pilot'* treatment plant with a metal building and associated building infrastructure in the same area of the existing plant to determine optimum water treatment processes including micro/ultra-filtration, granular activated carbon, ultraviolet treatment, or an updated version of the existing coagulation/filtration system and for required redundancy, new pipelines, pumps and associated telemetry work, a treatment plant septic system, HVAC, electrical work, furnishings necessary for the function of the building and rights of way.

The applicant indicated they did apply for ARPA funding but were not funded. They have a new application submitted to the Division of Drinking Water for their ARPA funding program. They are requesting what was originally requested and noted the mobilization and transportation costs for this project are higher.

Ms. Skye Sieber, Division of Drinking Water indicated the application submitted by Daggett County to DDW will be heard at the June 8, 2022 DDW Board Meeting. DDW has some ARPA funding for which Daggett County qualifies and has a reasonable chance of receiving that funding. The Daggett application submitted to DDW was for \$5,184,000 and the funding cap for the ARPA funding is \$3,500,000. Additional funding would need to come from another source.

It was noted that funding authorized by the Board may subsequently be reduced in the percentages by staff if less funding is needed. Funding cannot be increased by staff.

Treasurer Oaks wished to clarify that if CIB funds the entire project, does DDW assume the project has been funded and would not offer funding?

Commissioner Lytle indicated he is the Daggett County Commissioner affiliated with the water and sewer programs. They were not funded with prior ARPA funding and they need to keep the project moving. DDW will hopefully consider the maximum grant and then the CIB funding may be reduced to seek maximum affordability. Their water rates are relatively high.

The applicant stated the request for funding came to CIB first as the Division of Water Quality's meeting is later.

It was noted CIB could authorize full funding contingent on the DDW funding decision.

Mayor Baker affirmed the Dutch John water rates are high. He suggested approving the requested amount as all grant from the large infrastructure fund and after DDW determines their funding, the amount could be reduced to what was required to complete the project.

Dean Baker made and Kyle Stephens seconded a motion to fund this project as a \$5,190,000 grant from the large infrastructure fund citing emergency response for the exemption.

Marlo Oaks made and Tooter Ogden seconded a substitute motion to fund this project as a \$779,000 loan for 30 years at 0.5% and a \$4,411,000 grant (total \$5,190,000). The motion carried through roll call vote with Jack Lytle abstaining.

Commissioner Lytle expressed appreciation for the CIB staff and Board.

VII. SUPPLEMENTAL REQUESTS [1:40:55]

7.1 LaVerkin City (Washington County)

LaVerkin City requested time on the April 29, 2022 CIB meeting to discuss supplemental funding for this project in the form of a \$250,000 loan for 25 years at 1.0% for the utilities and roadway improvements funded June 3, 2021 as \$321,000 Grant, \$1,245,000 Loan 25 yr. @ 1% (total \$1,566,000).

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.

Revised project total: \$2,106,200.

The applicant indicated construction bids came in higher than expected due to inflation and rising construction costs.

Tooter Ogden made and Jack Lytle seconded a motion to authorize the supplemental request of a \$250,000 loan for 25 years at 1.0%. The motion carried unanimously through roll call vote.

Chairman Heaton asked the applicants introduced themselves as they had traveled some distance to be in attendance.

The applicant acknowledged their stated he had started his travel at 4:00 am in the morning and expressed appreciation to the Board.

7.2 Mona City (Juab County) [1:43:25]

Mona City requested time on the April 29, 2022 CIB meeting to discuss supplemental funding as a \$28,000 loan for 30 years at 0.5% and a \$22,000 grant (total \$50,000) for culinary water pipe replacement funded October 3, 2021 as a \$103,200 grant and an \$132,000 loan for 30 years at 0.5% (total \$235,200).

This project consists of water system improvements to include replacement of approximately 3500 linear feet of 6-inch, 4-inch and 2-inch pipe with 8-inch culinary water pipe, 29 each meter service connections, approximately 14 S-inch valves and road repair.

New applicant cash total \$122,600. Revised project total: \$407,800.

Construction bids came in higher than expected due to inflation and rising construction costs.

Jack Lytle made and Jerry Taylor seconded a motion to fund the supplemental request as a \$28,000 loan for 30 years at 0.5% and a \$22,000 grant (total \$50,000). The motion carried unanimously through roll call vote.

Chairman Heaton asked the applicants introduced themselves.

The applicants introduced themselves and expressed appreciation to the Board.

VIII. SPECIAL CONSIDERATION [1:46:16]

When a project is listed on an agenda as ‘special consideration’, the project requires a majority vote of the Board to then be included as a discussion item on that agenda.

The Chairman requested a briefing on the project before voting to consider hearing the project as part of today’s agenda.

In July 2021, the Permanent Community Impact Fund Board reviewed and authorized the Kane County Water Conservancy District’s request for a \$10,000,000 loan for 30 years at 1.0% to fund the McLay Kidd Golf Course. The golf course project included a parcel of SITLA owned property which was subsequently awarded to a different project.

The current request is to purchase 73.54 acres of private property adjacent to Jackson Flatt reservoir which is intended to become asphalt walking and biking paths; a trail system.

The applicant has requested a ‘Special Consideration’ for the project to be considered and discussed at the April 29, 2022 CIB meeting. The request is for a \$1,240,000 loan for 30 years at 1.0%. It was noted that the KCWCD held a public hearing on April 26, 2022 wherein most attendees were in support of the project.

It was asked if Kane County Water Conservancy District as constituted, could develop recreational projects with District funds. It was indicated that Robert Van Dyke, attorney for the District provided an opinion stating *‘the District is legally authorized to purchase land for the purposes of conservation and development of water and land resources and is fully justified in making the proposed land purchase.’*

Chairman Heaton asked if Aaron Waite, legal counsel to the Permanent Community Impact Board had additional comments wherein Counselor Waite indicated he is reviewing Mr. Van Dyke’s letter but had not completed his review.

Commissioner Lytle suggested hearing Mr. Waite’s review prior to Board action.

Commissioner Adams suggested hearing the project and act subject to the legal review.

Commissioner Lytle concurred with Commissioner Adams suggestion.

Treasurer Oaks indicated it is important that the application process be followed. The compelling reason is not a compelling reason for the CIB at this point.

Marlo Oaks made a motion to deny hearing the project as not meeting the Special Consideration criteria.

A substitute motion was made prior to the original motion receiving a second.

Bruce Adams made and Jerry Taylor seconded a motion to hear the request for Special Consideration. The motion carried with Jim Webb, Tooter Ogden, Kyle Stephens, Jerry Taylor and Bruce Adams in favor and Marlo Oaks, Dean Baker and Jack Lytle opposed.

8.1 Kane County Water Conservancy District (Kane County) [1:51:50]

Kane County Water Conservancy District requested time on the April 29, 2022 CIB Meeting to discuss land acquisition as a \$1,240,000 loan for 30 years at 1.0%. This project consists of the purchase of approximately 74.53 acres of private property in Kanab, Utah recorded as Parcel K-13-11 adjacent to the Jackson Flat Reservoir complex for the anticipated construction of a trail system which will expand the existing five plus miles of asphalt walking and biking paths.

It is the intent of Kane County Water Conservancy District to fund design and construction of paved and unpaved trails, picnic facilities, parking, and other amenities.

The applicant stated that according to his attorney, if the Board did not hear the project, it would be the first time in the history of the Board they didn't hear something that was on the agenda.

Of note: A project listed on the agenda under Special Consideration, which circumvents established protocol for funding applications, requires a majority vote of the Board to proceed with a discussion of that project.

The applicant indicated the property to be purchased is adjacent [to Jackson Flatt Reservoir] and part of a 633-acre recreation area developed over 25 years. It was stated that the Kane County Water Conservancy Board supports the project. KCWCD made proposal for the property a year and a half ago at \$17k per acre. Today it is appraised for \$50K. KCWCD does not intend to flip the property or change the use.

Chairman Heaton asked who currently owns the property.

The applicant indicated the Cloyd Chamberlain family owns the Acclaim Property LLC and they have a purchase option with a 60-day window to acquire funding. Commercial funding would be more difficult with a higher interest rate.

Chairman Heaton referred to the SITLA land mentioned by Mr. Noel that would be developed by a Georgia firm in his introduction; is that property adjacent?

The applicant stated the SITLA land is adjacent and also a sandpit owned by the BLM which KCWCD hopes to acquire.

Treasurer Oaks referenced the vote which was required to consider this project on today's agenda indicating that earlier comments from the applicant stating 'The Board had never denied a project being on the agenda' and admonished caution in the stating so. The Board had a vote to determine whether the project would be discussed on today's agenda.

The applicant stated the CIB lawyer told the KCWCD lawyer that it would be the first time that an item on the agenda was not voted to be heard.

Mr. Waite, Assistant Attorney General and legal counsel to the Board acknowledged his conversation with Mr. VanDyke and specifically talked about R990-8-5 concerning Special Consideration and compelling reasons. He clarified that in the time he has represented the Board, matters that have come on special consideration have been voted on by the Board and considered by the Board. He did not speak to the history. *[Mr. Waite has represented the Board since July 2021.]*

Commissioner Taylor asked about the acclaim property and existing trails and asked if KCWCD is going to develop those trails and tie back into the reservoir.

The applicant indicated they would develop those trails which go in various directions and have been part of the Zion Trail System.

Chairman Heaton asked what the revenue source would be for the development of the trails.

The applicant indicated they would seek a grant through Outdoor Recreation and some of the development would be done by KCWCD.

Commissioner Taylor noted that everyone at the public hearing was in favor of this project and asked if there were constituents opposed to the project.

The applicant indicated no one opposed was at the public hearing though it was widely publicized. He noted there are new residents that are opposed to much of what is occurring in Kane County.

Commissioner Taylor indicated that citizens have contacted the Board with their comments but would earnestly suggest those citizens let their voices be heard at the available public hearings.

Chairman Heaton indicated there are processes and procedures. When those processes are honored, things work equitably and good decisions can be made. When the process is usurped, there is a level of chaos. With this project, there has been chaos and that is why there is appropriate deliberation. It does place an extra burden on this Board when the standard protocol is not followed. He referenced the CIB application list noting when projects come in as special consideration, it is difficult when there is not an imminent threat. Imminent threats, (emergencies) are regarding health and welfare. This project was challenging. The CIB meetings are not the public hearings which take place at the local level; decisions should be made at the local level with a consensus of local elected officials about what projects come forward to this Board. He suggested there be an effort to curtail some of that to the local process.

Commissioner Adams noted that the Board seeks to lend funding to keep the fund revolving. This project should have a little higher interest rate than sewer, water and road projects.

Mr. Webb (not a Board member when the golf course was approved) asked if this was part of the golf course property. What were the funding terms and does this project have the support of the county commissioners? There were constituent letters in dissent of the projects.

The applicant indicated the golf course was a loan at 1% interest and he believed the county commissioners were in support of this project. The Board members on the KCWCD Board are appointed by the county commission but they act independently representing drainages. The District works closely with DEQ and DDW. It was also stated the dissenting opinions do not represent the citizenry at large.

Mr. Stephens referenced the KCWCD funding request to Outdoor Recreation and indicated the letter from Kane County Water Conservancy District was addressed to SITLA.

The applicant indicated they have submitted funding requests to Outdoor Recreation but not specifically for the land purchase. They will request funding for the development of the land for recreation. The letter was mis-addressed to SITLA; it was intended for CIB.

Commissioner Ogden asked about the Conservancy District's affiliation with a trail project. How does that relate to water projects and is KCWCD going to receive revenue from this project? It was indicated

the golf course project would commence immediately. The CIB authorized funding contingent on additional information which was never received. When is this project intended to commence?

The applicant stated the main problem with moving forward with the golf course was the SITLA land. SITLA had 3 applications and they selected one of two development projects. *[The applicant did not address when the project would commence.]*

Mr. Webb asked if the property included water rights.

The applicant stated there were no water rights, but KCWCD has 600-acre feet of water rights.

Commissioner Lytle expressed concern based on some of the Mr. Noel's correspondence with CIB staff and Board and what was interpreted as Mr. Noel's disgruntlement. He expressed frustration with Mr. . Noel's demeanor. He noted what Mr. Noel has done for the State of Utah, counties and individuals, but hoped Mr. Noel would also recognize what the CIB does. The tone he used with the CIB both written and verbal was inexcusable. It might have been due to the passion Mr. Noel carries for everything he does. Though KCWCD felt the application was expedient, it was difficult to see the exigency in the need for the Board to hear this project as a special consideration. *The Board considers sewer, water, fire departments etc. as needs.*

The applicant, Mr. Noel indicated he does not hold grudges and apologized.

Commissioner Lytle also noted he does not hold grudges. When Mr. Noel feels the need to speak up, he speaks up. Commissioner Lytle was impressed to speak up as well. He asked if the project at hand was to protect the open space.

The applicant indicated this land is for recreation which the KCWCD Board has always supported. This is a green space project. A trail is named after Mr. Noel's wife; the Sherry Belle Trail.

Commissioner Taylor noted this property is next to the SITLA property and asked if there would be homes built there.

The applicant stated the proposal is to build 500-600 homes. Nearby there are trails, a county dump, rodeo grounds and there is a plan for an amphitheater. It is zoned rural/agriculture but the SITLA piece has been zoned R8 (*High density residential areas where single-family and multifamily dwellings are commingled and certain open areas where similar residential development will be a viable land use.*)

Commissioner Adams stated this project is not like sewer, water but is a unique project and suggested a 30-year loan at 2.5% interest.

Bruce Adams made and Jerry Taylor seconded a motion to fund the Kane County Water Conservancy District land purchase as a \$1,240,000 loan for 30 years at 2.5%.

Commissioner Ogden requested that the motion be contingent on a review by the Permanent Community Impact Fund Board attorney.

Mayor Baker requested clarity as to the revenue source to repay the loan.

The applicant indicated there is revenue from the hydro-plant, revenue from a house rental on the property which includes a ranch and revenue from irrigation rights.

Prior to the loan closing, the applicant must show a dedicated annual revenue source bearing 125% of an annual payment.

Bruce Adams made and Jerry Taylor seconded a motion to fund the Kane County Water Conservancy District land purchase as a \$1,240,000 loan for 30 years at 2.5% contingent on a legal review by the AG's office. The motion carried unanimously through roll call vote.

Mr. Noel apologized to those present for getting fired up and expressed appreciation for the Board and the funding.

Chairman Heaton stated that the staff works very hard to ensure that the policies and procedures implemented by the Permanent Community Impact Fund Board and the standards that the State has in place are upheld. When special consideration and such things happen, staff must assure the 't's' are crossed and the 'l's' are dotted. He has worked with staff for many decades and they don't bring their bias to the table, but take pride in their work. They take their responsibility as stewards of the public funds very seriously. He noted applicants are serious about their project, but staff has a line to hold and they do that. They do not have a vote and do not deny projects, but make sure that applications are in place and have been done appropriately. Until that happens, the application does not come before the Board. "We don't waste the applicants time nor do we waste the public dollars." It has nothing to do with liking people or not, though inevitably that comes up all the time. For the public record, the staff is professional at all times. "As you speak with your constituents and public as you come forward with applications, please keep that in mind and treat the staff with the respect they deserve as professionals."

Commissioner Lytle also thanked the staff for the professionalism that is brought to the Board and the effort that it takes; "I know you are not appreciated as you should be sometimes". He expressed his appreciation for the efforts of staff, Chairman Heaton and the Board. He acknowledged the service of Mr. Stephens of the Board of Water Resources and Mr. Webb from the Board of Water Quality; those seats will no longer be on the Permanent Community Impact Fund Board.

Ms. Christina Oliver, Director of Housing and Community Development recognized Keith Heaton. He is a powerful force and has been with the Department for 26 years; a wonderful person whose shoes are impossible to fill. "Good luck and you will be sorely missed by staff and everyone in the community. Thank you."

Chairman Heaton indicated it has been an honor to work with passionate and dedicated people. It is an honor to serve with the Board. He is excited for the future and will continue to work with many of the Board as Seven County Infrastructure Coalition Director doing great things.

Commissioner Adams hopes Chairman Heaton will finally get paid what he's worth.

9. Board Member Discussion and/or Action Items

9.1 CIB Board Meetings – TBD

ADJOURNMENT [2:31:28]

The next meeting of the Permanent Community Impact Board to be determined.

The meeting adjourned at 11:45 am.

Submitted by:
Candace Powers