

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING
 Department of Workforce Services
 Housing and Community Development Division, Salt Lake City, Utah
 Bryce Canyon City, Utah
MINUTES
 June 3, 2021

Members Present

Keith Heaton	Chairman
Kirt Slaugh	State Treasurer
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
Jerry Taylor	Five County Association of Governments
Kyle Stephens	State Board of Water Resources
Garth "Tooter" Ogden	Six County Association of Governments
Gregg Galecki	State Board of Water Quality

Staff and Visitors

Christina Oliver	Housing and Community Development
Candace Powers	Housing and Community Development
Brenda Brown	Housing and Community Development
Pam Sjostrom	Housing and Community Development
Aubrey Larsen	Housing and Community Development
Paul Moberly	Housing and Community Development
Zach Leavitt	Housing and Community Development
Mckenna Marchant	Housing and Community Development
Debi Carty	Department of Workforce Services
Deann Zebelean	Department of Workforce Services
Brook McCarrick	Attorney General's Office
Skyler Davies	Division of Water Quality
Skye Sieber	Division of Drinking Water
Heather Pattee	Division of Drinking Water
Michael Bryant	Southeastern Utah Association of Local Governments
Will Wright	Uintah Basin Association of Governments
Gary Zabriskie	Five County Association of Governments
Nate Wiberg	Five County Association of Governments
Brian Carver	Bear River Association of Governments
Zac Covington	Bear River Association of Governments
Tyler Timmons	Six County Association of Governments
Liz Holt	East Carbon City
Greg Todd	Duchesne County
Ron Winterton	Duchesne County
Parker Vercimak	Jones & DeMille Engineering
Kelly Crane	Ensign Engineering
Lori Nay	Gunnison City
Cheryl Meier	Uintah Transportation Special Service District
Shannon Allen	Town of Antimony

Lisa Wells	Town of Hanksville
Kelly Chappell	Ensign Engineering
Jeff Pei	Town of Hanksville
Bert Harris	Kane County
Andy Gant	Kane County
Conae Black	Green River City
Bryan Meier	Green River City
Joe Phillips	LaVerkin City
Kyle Gubler	LaVerkin City
Cliff Linford	Sunrise Engineering
Justin Jackson	Fairview City
Drew Geiger	Horrocks Engineers
Brooklyn Hall	Horrocks Engineers
Kent Wilkerson	Town of Mountain Green
Bill Coutts	Town of Mountain Green
Marcus Keller	Zions Public Finance
Mark Anderson	Zions Public Finance
Parker Vercimak	Jones & DeMille Engineering
Brian Barton	Jones & DeMille Engineering
Craig Nebeker	CRS Engineers
Justin Atkinson	Sunrise-Engineering
Kelly Crane	Ensign Engineering
Japheth McGee	Zions Bank
Jennifer Fixsen	
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WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, June 4, 2021 at 26 South Main Street, Bryce Canyon City, Utah and was called to order at 8:30 a.m. by Chairman Keith Heaton. The Board and staff are in person and the public may attend via zoom.

I. ADMINISTRATIVE ITEMS

Briefing

1. *Upcoming Meeting dates and Locations*

July 1, 2021 – 1385 South State Street, Salt Lake City, Utah

August 5, 2021 – 1385 South State Street, Salt Lake City, Utah

2. *Financial Review* [06:43]

Candace Powers reviewed the status of funds for today's meeting which is sufficient for today's projects.

The mineral lease funds are generated through resource development of minerals on federal land.

There are 24 new project applications and 5 new small planning grant requests submitted for the first trimester of FY2022. The Small Planning Grant program (CDO review of planning grant requests under \$50,000) was initiated to thoroughly review applications, lighten the agenda and expedite funding.

3. *Review of Agenda Items:*

There are 8 projects for final funding consideration on today's agenda of which 4 have requested time to discuss funding.

II. WELCOME AND INTRODUCTIONS

Chairman Heaton welcomed everyone and a roll call was conducted in regard to Board attendance. Chairman Heaton acknowledged Kirt Slauch as the State Treasurer, Commissioner Jerry Taylor as the representative on the Board for Five County Association of Governments, McKenna Marchant with the Community Development Office, Skye Siebert representing the Division of Drinking Water, Deann Zebelean as public information officer with the Department of Workforce Services (DWS), Zach Leavitt with CIB staff and Kaylee Beck with DWS Finance.

III. APPROVAL OF MINUTES [21:03]

Chairman Heaton requested a motion to approve the minutes from the April 8, 2021 meeting.

Jack Lytle made and Naghi Zeenati seconded a motion to approve the minutes of the April 8, 2021. The motion carried unanimously.

IV. PRIORITY PROJECTS [24:26]

All projects advanced to the Priority List were reviewed by the Board at previous meetings. The information below is a summary of the requests as advanced to the Priority List.

1. Gunnison City (Sanpete County) [49:50]

Gunnison City's funding request was advanced to the Priority List as an \$880,000 loan for 10 years at 1.0% interest and a \$1,200,000 grant (total \$2,080,000). This project consists of design, engineering and geotechnical analysis and rebuilding 100 West, 400 West; curb, gutter, ADA ramps and drainage improvements on 200 East, overlay on 300 West, 400 West, Industrial Park Road and Cemetery Road, widening Cemetery Road and chip seal and double chip seal on Indian Road, 100 West and 200 West and associated storm drainage improvements to include catch basins and storm drain piping.

Prioritized Funding: \$2,080,000 (an \$880,000 loan for 10 years at 1.0% interest and a \$1,200,000 grant) The revenue source for loan repayment will be B&C road revenue funds.

The applicant noted that nothing has changed with the application since being placed on the Priority List and expressed appreciation for the Board's support.

Tooter Ogden made and Kyle Stephens seconded a motion to fund this project as advanced to the Priority List. The motion carried unanimously.

2. Kane County Municipal Building Authority (Kane County) [26:35]

The Kane County Municipal Building Authority's funding request was advanced to the Priority List as a \$1,314,000,000 loan for 20 years at 1.0% interest and a \$100,266 grant (total \$1,414,266). This project consists of the purchase and installation of a 6800 square foot metal building to serve as a road maintenance facility to include concrete work, utilities, finish and an hydraulic truck lift; the purchase and installation of a 720 square foot metal building and associated concrete work, runoff containment and evaporation pond for salt runoff to serve as a salt shed; the installation of an 807 square foot sander storage rack, utilities and appurtenances, two 4000 gallon fuel tanks and 1500 linear feet of 6-foot chain link fencing and gate along US-89 on 2.52 acres of property purchased from the Western Kane County Special Service District.

Prioritized Funding: \$1,414,266 (a \$1,314,000 loan for 20 years at 1.0% interest and a \$100,266 grant).

The applicant noted that nothing has changed with the application since being placed on the Priority List. They expressed appreciation for the Board's consideration and are eager to move forward with the project.

Bruce Adams made and Jack Lytle seconded a motion to fund this project as advanced to the Priority List. The motion carried unanimously.

3. Town of Hanksville (Wayne County) [27:54]

The Town of Hanksville's funding request was advanced to the Priority List as a \$200,000 loan for 10 years at 0.5% interest and a \$350,000 grant (total \$550,000). This project consists of design, engineering and geotechnical analysis and rebuilding 100 West, 300 West, 400 West and Industrial Park Roadways; sidewalk, curb, gutter, ADA ramps and drainage improvements on 200 East, overlay on 400 West and Cemetery Road, widening Cemetery Road and chip seal and double chip seal on Indian Road and 200 West and associated storm drainage improvements to include catch basins and storm drain piping.

Prioritized Funding: \$550,000 (a \$200,000 loan for 10 years at 0.5% interest and a \$350,000 grant).
Revised request: a \$451,000 Grant with \$100,000 applicant cash.

The applicant indicated they have verified B&C road revenues to be around \$13,000 per year and they have a road maintenance plan handbook and a financial plan. They have worked through financial scenarios and are not able to afford the prioritized funding package. This is a preventative maintenance project. They noted they would likely be back in 10 years for funding to do similar maintenance. They are requesting a \$451,000 grant and they have \$100,000 applicant cash.

The Board stated there was a lot of discussion of this project. Small town struggles are acknowledged and the approval vote for this project was mixed.

Chairman Heaton expressed concern that this is an 'all maintenance' project. It is hopeful that the economic situation will improve for Hanksville as well as for the Fund.

The Board referred to the applicant cash and suggested they keep the cash and suggested a \$100,000 loan. The cash could then be used to pay back the loan. The loan may come from the Bonus account which requires interest.

Dean Baker made and Jack Lytle seconded a motion fund this project as \$451,000 grant and a \$100,000 loan for 10 years @ 0.5% (total \$551,000). The motion carried with Kirt Slaugh opposed.

4. Fairview City (Sanpete County) [48:28]

Fairview City's funding request was advanced to the Priority List as a \$1,055,000 loan for 30 years at 0.5% interest and a \$1,874,500 grant (total \$2,929,500). 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.

Prioritized Funding: \$2,929,500 (a \$1,055,000 loan for 30 years at 0.5% interest and a \$1,874,500 grant).

Revised Request: An additional \$113,000 loan and \$202,000 grant with the same terms as before. \$3,344,500 (a \$1,168,000 loan for 30 years at 0.5% interest and a \$2,076,500 grant)

The applicant indicated the design and engineering has not changed. The construction materials have increased significantly. The increased funding request is to ensure the project can proceed without the need of supplemental funding later.

Dean Baker made and Naghi Zeenati seconded a motion to fund this project as a \$1,168,000 loan for 30 years at 0.5% interest and a \$2,076,500 grant (total 3,244,500) with the requirement of 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 with Kirt Slaugh opposed.

The Board discussed the diminishing mineral lease funds and the possibility of available infrastructure funding being authorized through the Permanent Community Impact Fund Board which is a mechanism in place for distribution to necessary infrastructure.

Brook McCarrick indicated that the Board cannot make decisions through a discussion that is not on the agenda. The State Treasurer is the custodian of all public monies. If the infrastructure monies are classified as public monies, the treasurer cannot place the monies in someone else's custody.

Treasurer Slaugh indicated the treasurer's office would maintain custody and invest it as an endowment.

The Board may have further discussion of available funds and sources.

5. Green River City (Emery County) [1:10:35]

Green River City's funding request was advanced to the Priority List as a \$56,625 grant. 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. Division of Drinking Water matching funds, \$56,625. Project Total \$113,252.

Prioritized Funding: \$56,625 grant.

Bruce Adams made and Tooter Ogden seconded a motion fund this project as advanced to the Priority List contingent on the approval of match funding from the Division of Drinking Water. The motion carried unanimously.

6. Town of Antimony (Garfield County) [1:11:32]

The Town of Antimony's funding request was advanced to the Priority List as an \$500,000 loan for 30 years at 1.0% interest and a \$1,000,000 grant (total \$1,500,000). 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.

Prioritized Funding: \$1,500,000 (a \$500,000 loan for 30 years at 1.0% interest and a \$1,000,000 grant).

The applicant indicated the project is to proceed with no changes and expressed appreciation for the Board's consideration.

Jerry Taylor made and Naghi Zeenati seconded a motion fund this project as advanced to the Priority List with the requirement that *plans and specifications for the project be reviewed and approved by the Division of Drinking Water prior to advertising the project for bids.* The motion carried unanimously.

7. Mountain Green Sewer Improvement District (Morgan County) [1:13:04]

Mountain Green Sewer Improvement District's funding request was advanced to the Priority List as a \$6,429,000 loan for 30 years at 2.0% interest. 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 contributing \$500,000, the Division of Water Quality is to approve a \$7,000,000 loan for a total project cost of \$13,929,000.*

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

Revised request: \$8,000,000 loan for 30 years at 2.0% interest.

The applicant indicated the design and engineering has not changed. The construction materials have increased significantly. The increased funding is for contingency to ensure the project can proceed without the need of supplemental funding later.

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

8. Town of LaVerkin (Washington County) [1:16:40]

The Town of LaVerkin's funding request was advanced to the Priority List as a \$1,245,000 loan for 15 years at 1.0% interest and an \$321,000 grant (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. The applicant is contributing \$89,200 cash and Ash Creek Special Service District is contributing \$85,100 for wastewater improvements.

Prioritized Funding: \$1,566,000 (a \$1,245,000 loan for 15 years at 1.0% interest and a \$321,000 grant).

Revised request: \$1,566,000 (a \$1,245,000 loan for 25 years at 1.0% interest and a \$321,000 grant).

The Board noted that the project includes utilities and roadway improvements. Though roadways generally do not last beyond 10-15 years, the utilities would last beyond the 25-year loan term.

The applicant confirmed that the project has not changed. The extended loan term will accommodate affordability.

Naghi Zeenati made and Kyle Stephens seconded a motion to fund this project as a \$1,245,000 loan for 25 years at 1.0% interest and a \$321,000 grant (total 1,566,000). The motion carried unanimously.

VI. PENDING PROJECTS

1. East Carbon City (Carbon County) [1:19:20]

On January 7, 2021 East Carbon City presented a funding request of \$1,825,000 for a new water treatment plant. This project consists of the construction of a new 1.5 MGD (million gallons per day) treatment plant and accessories, backwash tank and pumps, on-site sodium hypo chlorination and an energy conservation system to include a geo-thermal het system and solar panels for power generation.

The applicant requested a \$912,000 loan for 20 years at 1.0% and a \$913,000 grant (total **\$1,825,000**). The applicant indicated a USDA loan for \$912,000 and USDA grant 913,000. Project total \$3,650,000. Project total \$3,650,000

Median Proposed:

\$ 502,000 Loan 30y @ 0.5%

\$ 1,323,000 Grant

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

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

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

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

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

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

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

East Carbon City requested time on the June 3, 2021 CIB meeting to discuss the project with a revised request: **\$2,173,000 grant.**

The applicant indicated that USDA issues were difficult. They have applied to the Division of Drinking Water. The total price is now \$3,988,000; an increase of \$400,000.

Skye Sieber, Division of Drinking Water, indicated receiving a request for financial assistance from East Carbon City in April. It is recommended to go forward as a request for \$1,800,000. It was recently disclosed that their application to CIB was revised to cover the additional material costs.

Chairman Heaton noted the revised request is a \$2,173,000 grant and the project is on the DDW agenda next week. Ms. Sieber has indicated the funding is likely.

The Board indicated the original request as a loan and grant would be more in line. The loan has a good rate and it could be paid back over the course of 15 years. The grant would be allocated from the mineral lease fund which is quite depleted and suggested the funding be their original request of 50/50 loan and grant.

Ms. Sieber indicated the funding to be considered by the DDW Board is as the applicant presented. East Carbon could request more funding from DDW.

The Board suggested the possibility of an 70% / 30% ratio and suggested placing the project back on the pending list for clarification from the DDW Board.

Bruce Adams made and Jack Lytle seconded a motion to place this project on the Pending List.

The Board asked when the project is expected to begin.

The applicant stated they hope to begin in the Spring of 2022. Wwith the DDW split, they needed a grant from CIB and asked what funding they should request from DDW. The DDW will hold as a 50/50 funding scenario.

Chairman Heaton acknowledged the financial situation of small communities but indicated a 50/50 funding split is a more reasonable request. The MAGI is healthy enough to warrant loan and grant funding. The Chairman called the question.

Bruce Adams made and Jack Lytle seconded a motion to place this project on the Pending List as originally presented. The motion carried unanimously.

IX. BOARD MEMBER DISCUSSION AND/OR ACTION ITEMS [1:34:52]

9.1 CIB Board Meetings – July 1, 2021

ADJOURNMENT

The next meeting of the Permanent Community Impact Board will be July 1, 2021 at 1385 South State, Salt Lake City, Utah.

The meeting adjourned at 10:06 am.

Submitted by:
Candace Powers