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PERMANENT COMMUNITY IMPACT FUND

**June 5-6-2025 ~ POLICY MEETING ~ MINUTES**

Kooshareem & Richfield City, Utah

**Members Present**

Curtis Wells	Chairman
Laura Hanson	Governor's Office of Planning and Budget
Bill Winfield	SERDA
Naghi Zeenati	State Transportation Commission
Kirt Slauch	State Treasurer
Dean Baker	Uintah County
Jerry Taylor	Five County Association of Governments
Scott Bartholomew	Six County Association of Governments
Ralph Brown	Sevier County

**Excused Board Members**

Greg Miles	Duchesne County
Jack Lytle	Uintah Basin Association of Governments

**Staff and Visitors**

Candace Powers	Housing and Community Development
Heather Poulsen	Housing and Community Development
Paul Moberly	Housing and Community Development
Justin Anderson	Attorney General's Office
Skyler Davies	Division of Water Quality
Heather Pattee	Division of Drinking Water
Kaylee Beck	Department of Workforce Services
Brittany Hardy	Department of Workforce Services
Tyler Timmons	R6 Six County Association of Governments
Jade Powell	SERDA
Christine Watkins	SERDA - Utah Legislature
Korrin Olson	SERDA
Greg Jensen	Sevier County
Mike Mower	Governor's Office
Stephen Lisonbee	Governor's Office
Dennis Worwood	Emery County
Willis LeFevre	Uintah County
Carl Albrecht	District 70 Representative
Larry Jensen	Carbon County
Willis LeFevre	Uintah County
Brian Barton	Jones and DeMille Engineering
JaLyne Roundy	R6 Regional Council
Louise Zeenati	Washington County
Kevin Yack	Uintah Basin Association of Governments
Michael Mowes	Housing & Community Development – CDO

**Virtual Attendees**

Bill Prater	Bond Counsel
Sarah Nielson	Department of Workforce Services
Ron Winterton	State Senate/Duchesne County

The Permanent Community Impact Fund Board (CIB) Policy Discussion Meeting was held on Thursday, June 5, 2024 at the Kooshareem Community Center ~ 71 North Main Street ~ Kooshareem, Utah and was called to order at 1:03 p.m. by Chairman Curtis Wells.

Meeting documents: [https://hcd.granicus.com/ViewPublisher.php?view\\_id=1](https://hcd.granicus.com/ViewPublisher.php?view_id=1)

**June 5, 2025 1:03 pm**

Chairman Wells thanked Sevier County for the great lunch.

The Oath of Office will be first followed by the Throughput / Mexico Port Roundtable; the Financial Outlook and the Policy Book discussions as time permits.

**Oath of Office, Justin Anderson, AG's Office**

[1:44] Justin Anderson of the AG's Office had the board repeat the Oath of Office. *Taking the Oath of Office is required under the Utah Constitution Article 4 Section 10 that officers of the State of Utah take the oath.* The oral oath was administered followed by each Board member signing the Oath of Office document before the notary in attendance.

JaLyne Roundy, R6 Regional Counsel notarized the Oath of Office documents.

**Rail Update – Seven County Infrastructure Coalition (SCIC)** [3:32]

Commissioner Greg Jensen, Sevier County and SCIC Board Member provided an update. *(Director Keith Heaton, Commissioner Greg Miles and Commissioner Jack Lytle were in Washington D.C. for the signing of documents pertinent to the rail project.)* He noted there was a Supreme Court ruling in support of the Uintah Rail project which the SCIC has navigated many obstacles all the way to the Supreme Court. Thursday, May 29, 2025 the court ruled in favor.

Brian Barton, Jones and DeMille Engineering spoke as the engineering firm employed by SCIC. The Court decision has two parts; to restore the final EIS that was processed by the Surface Transportation Board (STB); it has been deemed as sufficient. There was a 5 Justice majority on NEPA classifications. There is a legislative process now which will get this project statutorily approved.

Mr. Slauch asked what the executive order allow and if there is a risk this could have any further delays.

Mr. Barton indicated the executive order instructs the federal agencies to expedite their processes to move forward. The legal footing of the project is strong but there is uncertainty in the courts. There are still rights of way with the Forest Service which has issued a record of decision; in place until the STB decision was withdrawn. There is still a way to go. In 2018, SCIC requested \$27,900,000 to pursue the project and have been fortunate to come this far without seeking more from CIB. There are still hurdles and SCIC may need additional funding.

Ms. Hanson asked once everything is *greenlit*; what is the timeline to construction then operation. And at what point in the process will CIB be paid back?

Mr. Barton stated it is anticipated that 2025/2026 will be the design and construction may commence in 2026-2028. In 2028 the hope is to be operational. Repayment to CIB may be this fall; it will be expedited. The rail and the capacity for transport out of the Basin is going to open other possibilities.

Mr. Barton noted the rail will be a common carrier wherein many commodities may be transported.

Commissioner Jensen stated that the private market is aware of this potential transportation facility and more markets and opportunities have been considered.

Commissioner Winfield referred to the increase in production that was noted and asked what years of production were they using noting it is already ramping up.

Mr. Barton indicated there are a lot of gulf coast refineries that are taking the project.

Mr. Slauch noted there will be more employees; what is the plan for housing?

Mr. Barton indicated there is ongoing discussion with the USU Vernal Campus to educate workers and housing is being discussed. As it now a reality, those entities who solve housing and education can engage.

Mr. Slauch asked if other industries have indicated interest.

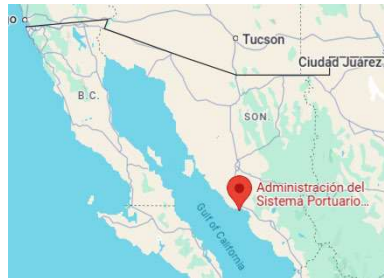
Mr. Barton stated that agriculture and manufacturing are interested and the private market is aware.

The Board thanked SCIC for the update.

**Throughput / Mexico Port Roundtable Discussion [24:50]**

Brian Sommers, President of Utah Mining Association presented to the Board. He expressed appreciation to Chairman Wells and the CIB board for the opportunity and provided a synopsis of the potential deep-water coal port. The present administration is supportive of coal production and has rolled back some of the restrictions. The legislative representatives in rural Utah have supported bills for energy & natural resource. He spoke of critical minerals; 40 of the 50 critical minerals that are on the current list are found in Utah. The energy and mineral development have good economic and job impacts for the State of Utah. Coal provides the vast majority of energy for the state followed by natural gas wherein Utah has some of the least expensive, reliable power in the country. He spoke to Utah's four coal-fired power plants noting two of the plants have had their retirement dates pushed out indefinitely. Utah may continue using these plants. The State will take over the IPP plant; solicit proposals to allow private operators to operate that plant which will benefit Utah consumers. The electrons could also be on the grid. He credited the Utah Legislature for all they have done to benefit affordable power in Utah.

1/3 of Utah coal is exported overseas mostly to Japan. They have high-functioning coal plants and prefer the clean Utah coal. Currently the coal is shipped to the ports of Stockton where smaller boats are loaded to fill the larger ships outside the port. The Port of Richmond is a deep-water port, has hardly any storage and is used to top off the ships then they go to Japan. A lawsuit brought by the Sierra Club against the export of coal. The Richmond Port operator made a voluntary agreement with the City of Richmond to stop exporting coal after 2026 wherein there are few options for exporting the Utah coal. Mineral Lease funds could not be used outside the state so the Throughput Infrastructure Fund was created in 2016 via a trade of \$53,000,000 in mineral lease revenue to the transportation fund (UDOT) and transportation funds were provided to create the Throughput Fund to facilitate investment in out of state projects with the Oakland Port in mind. The Oakland Port is still possible but is hampered by ongoing lawsuits. Some in Oakland do not want coal transported through the port. The Port of Guaymas in Mexico has been noted as a viable option located in the Mexican state of Sonora below Arizona.



It is an existing deep water port in the Sea of Cortez. There are rail connections to the port but the internal infrastructure is not sufficiently equipped with coal handling equipment and other equipment to unload a unit train. Savage has submitted proposals to facilitate the equipment and storage construction. Savage, a multinational logistics company is a Utah company headquartered in Midvale and is willing to do this project. They operate three ports in Mexico and have connections with the Mexican government. They would build the internal infrastructure and manage this project working with all port operators to manage the inflow and outflow to the Port of Guaymas.

The throughput infrastructure fund would be used for port improvements through Savage. Utah would then control one of the burrs within the Port solely for Utah products. Other users would be charged a per-ton fee which would repay the loans. SB187 at the last legislative session reinforced what constituted an infrastructure project, provided for a mining project and the port project. Chairman Wells was involved with those negotiations and the changes that were made stated that one of the first two projects that were to be funded by the Impact Board *"shall be a bulk commodities ocean terminal project. financed through a mixture of grant and loans, of which no less than 20% of the project costs funded by the impact board is grants."* This was changed a bit so it could be grant and loan so the economics could 'pencil out'. The statute also states *"Upon receipt of an application ..."* and then the existing language requiring the creation of a new interlocal was removed in order to apply for the funds because there is an existing interlocal that is in the process of putting an application together.

Chairman Wells thanked Mr. Somers for his presentation and asked if there were questions from the Board.

Commissioner Bartholomew indicated a port project was presented to Sanpete and Sevier Counties two years ago and at that time, there were questions and it appeared it had been dropped. The counties have not been included and some of the previous questions are still unanswered – Utah won't own the project; it will be owned by the Mexican Government?

Mr. Somers stated there are still negotiations with the port operator and ownership is currently unknown. It is likely to be a contractual *launching* contract which is how Savage runs their terminals in Mexico noting their contracts with other facilities are multi-decade contracts.

Commissioner Bartholomew expressed support of a deep port. Sanpete County's economy depends on the coal industry but asked if Mexico is the best place to put \$50 million dollars. The rail proposal that has been mapped through Juab and Sanpete into Sevier County to support industries was abandoned to focus on the deep ports and he suggested focusing on the rail project.

Mr. Somers stated Utah needs to ship coal out of the country to meet the market. The Utah coal market may improve with the increased need for power but the growth market is through exports. It would be preferred to ship through California as it is closer and domestic. There is continuing litigation with no end in sight and no support for coal through the US coastal ports.

Commissioner Bartholomew appreciated all the efforts to bring IPP back online. He indicated there was a load of coal highjacked by the cartel; it does happen. He encouraged a United States alternative and asked if the ruling in the Supreme Court for the SCIC rail change the outlook?

Mr. Somers noted the ruling only impacts the Uintah Railway. The crude shipped on that railway will be going to the Gulf which is where the refineries are located that handle the waxy crude. Gulf ports are not useful as the markets for coal are in the Pacific. Improvements to the Port of Guaymas would open opportunities for other commodities going to the Pacific nations. Imports through the port could include rare earth minerals. San Juan County is producing more rare earth minerals than any other County in the nation and are importing and processing minerals from all over the world. They are removing the radioactive elements and rare earth minerals from materials such as monazite and can utilize this port.

Mr. Slauch stated that the Permanent Community Impact Board is protecting the State's interest; the revenue in the Throughput comes from State funds. This project appears to support a few people and regions. He would not support giving a windfall to Savage. It does not protect the State's interests down in the Mexico Port. He would need to understand the ownership and the contracts that were in place and how that best serves the State's interest – thoroughly – before any motion to appropriate. Questions include: If other states want to utilize that railway, who gets to capitalize on the infrastructure that Utah has invested in. CIB is the venture capital partner for this. Mexico doesn't necessarily grant ownership of that terminal A. What long term guarantee is there that they won't request a fee to access the infrastructure Utah paid for.

Mr. Somers indicated there will have to be a formal application for the funds vetted through HCD staff. Today is an overall discussion. The details will be provided but it is helpful to know the concerns so the application can address those concerns.

Chairman Wells welcomed comment from the legislators that are in attendance and could respond to some of the questions. He thanked those in attendance to include Stephen Lisonbee, Senior Advisor for Rural Affairs and Michael Mower, Senior Advisor of Community Outreach and Intergovernmental Affairs. He invited Senator Albrecht and any other stakeholders to the table for comment.

Commissioner Taylor stated that Kane and Garfield have some of the largest coal reserves and asked if there is a future there?

Senator Stevenson indicated there can be a future; they need to work with the BLM to get lease sales out on federal land and operations approved. There need to be valid and existing rights within the area with those operations grandfathered in. Mines that are grandfathered in maintain the valid and existing rights regardless of administration.

*Introductions included [ Jensen], Dennis Worwood, Emery County Commission; Representative Christine Watkins; Representative Carl Albrecht.*

Representative Albrecht spoke to the Kaiparowits Plateau in Garfield County which was locked up in 1996 during the Clinton Administration. *(Grand Staircase-Escalante National Monument)*. It has an abundance of the highest BTU, low sulfur coal of anywhere in the world. The Clinton administration did not reserve any of the resource for an emergency purpose for the United States but it may be addressed in the current administration. Regarding the port project, the west coast has not been cooperative so they are looking at Mexico. There is ownership concern as to the Mexico Port. The coal market is the Pacific Rim nations and the export is significant to Carbon, Emery, Sevier, Sanpete, eventually Garfield and Kane. The details of the port will be clarified before an application is submitted to this board. This informational only.

Mr. Zeenati acknowledged the concerns of Commissioner Bartholomew and Mr. Slauch. He has observed the research, negotiations and lawsuits regarding the Oakland Port and in *his humble opinion* - he would rather negotiate with the cartels of Mexico than California. Utah resources are very important to the rest of the United States. Utah would love to utilize the deep-water port in Oakland and would cost the least to prepare and utilize. At least Mexico is ready to negotiate.

Ms. Hanson noted that with the increase of artificial intelligence, the emerging needs for energy are skyrocketing and all forms of energy are needed. Hunter and Huntington both have capacity for energy so should Utah be exporting the resources when there is an increasing need for energy? And how much of the coal resource still exists?

It was noted that Rocky Mountain Power is affiliated with PacifiCorp. A lot of policies are set by people who prefer green energy. Interestingly, when solar power is mixed with coal power it all becomes green. Huntington and Hunter ramp up and down to fill in the void of renewables. This requires a turbine to keep the proper frequency on the line. They are not operating at capacity due to the management of the companies that own the utility. There is talk about severing those ties.

Ms. Hanson asked if that severing occurred, would Utah ramp up?

The power plants are not designed to go up and down; *the system was explained*. The plants would be more efficient if they could run consistently. A big data center might pump 250 megawatts noting the biggest proposal that the current company will entertain is 25 or 30 megawatts.

Commissioner Jensen indicated there is very little mineable coal left in Carbon County. *If we allow the coal industry to export for more money, how long before Utah has no coal to run the power plants. The remaining coal is hard coal; the easy coal has been mined. It is more expensive to mine. The Lila Canyon mine is closed now. There is coal in the Sufco Mine and perhaps more. The ups and downs of coal use is problematic. Coal does get a higher price overseas. There have been numerous discussions over the past few years; all of the counties want something to happen. He has been encouraging an application to be submitted for the port.*

*[Unknown speaker]* In answer to the question about how much coal is left; Fossil Rock and Bronco mines are opening up leases which may last 20 years. There is discussion about rare earth minerals which are found in association with coal – it's in the rock and if there is a way to harvest that it will be more marketable to mine the coal.

*[Representative Albrecht?]* noted that coal plants are meant to run steady, but currently run up and down depending due to solar and wind. This requires a lot of maintenance to be adjusted for the up and down. Regarding AI and datacenters; many want to locate in Utah as the cost of power is lower. *The metering of AI was explained as per SB132*. Rocky Mountain Power, the Coops, the Governor's Office and the Legislative leadership worked on the bill which provides a good solution for a closed private generation system under a private generation contract. IPP is going to provide 1900 more megawatts of coal power. *Of note - LA is building an 800-megawatt gas plant; eventually hydrogen and have turned down 1900 megawatts*. IPP is going to require more coal and there are coal reserves available.

Ms. Hanson asked why Utah would want to export our resource when there are increasing needs here. A better financial return on exporting?

Mr. Somers indicated it is more lucrative; there is a difference the way coal is sold overseas versus a power plant. Utah has gone through a rough few years and the export market provides long-term contracts with a steady demand and pricing. The coal producers will find coal if there is a long-term contract. The easy coal may be gone but there are much better mining methods now; *Utah still has coal*. If the coal plants are allowed to run as they are designed to run, it would provide the power needed to attract industry.

Ms. Hanson asked if there are other products beyond coal that could be shipped out of the port; are there other partnership agreements? What exactly is being purchased? Is Utah investing in Savage or are we buying/building actual infrastructure at this port?

Mr. Somers noted there is the mining side and the processing side. Many processing facilities are not in the US. Other minerals are processed overseas and can use the port. There are opportunities for future development including containerized shipping. **The money would be used to improve the infrastructure within the port and provide for a storage facility on site. The majority of the funding would be to purchase coal handling equipment. It is uncertain if the port would allow outright ownership or a long-term contract. In terms of the equipment, that would be through contract with Savage. Savage is using \$15 million of their own money for this project.** Governor Cox held a symposium which included the governors of Wyoming and Idaho. There may be a collaborative with those states that are also experiencing export issues.

Commissioner Winfield noted he is more concerned about what comes into Utah than working with Mexico on the port. He suggested looking at the plan and then debating among the board.

Senator Albrecht indicated Spain and Portugal wanted 100% renewable energy. Subsequently the power grid went black for 12 hours; they had no protection for their power grid. Utah has protections in place as a result of a bill that requires all forms of energy.

*Mr. Zeenati suggested the port be renamed the Port of Utah.*

[Senator Stevenson?] spoke to the coal mines that are declining; Bronco, Wolverine and Fossil Rock noting it is on SITLA and it is easier to permit on SITLA land than on federal land. It is hopeful that more rational permitting will improve coal revenue etc. Utah has the potential to export due to having the export facilities which would improve revenue and create jobs. This is why they are looking forward to submitting an application for the Board to consider.

Chairman Wells asked about the expected timeline for an application. It was noted a Throughput application can be heard at any scheduled CIB meeting but an application should be submitted to allow the board time to review.

[*Senator Stevenson?*] indicated SERDA would be formally submitting the application; September is what they will try for.

Chairman Wells asked if there would be a special session that would affect the Throughput fund.

There will be a special session in August but a Throughput discussion was not indicated.

Mr. Slauch asked if the application would include legal opinions; through the AG or other legal advisors. CIB would need to know for sure that everything the Board is being asked to do has been vetted and is legal.

Senator Stevenson indicated that would be a critical part that HCD will play as being the administrative support for the Board. HCD is to go through that vetting and use their assistant attorney's general to answer those question. It will also give the applicant time to address questions the staff raised that they could go back and assess those things before it brought to the Board.

Representative Watkins indicated there are few rural legislators so they do a lot of educating/explaining. She also feels like there is currently support to get some things accomplished.

Commissioner Taylor referred to green energy asking if the State was solely relying on green energy today, where would we be?

[Representative Albrecht] We would have to rely on solar in the day and pray the wind blows at night.

Representative Watkins referenced a discussion about shutting the power plant down and she told people up north that if they shut down the power plant over 2 million people would be without power.

Chairman Wells thanked everyone for the discussion and making the time to attend.

**Break until** 3:24 pm.

*It was noted that possibly at the September meeting the other discussion items; CIB Loans taxes bonding; Policy Book discussion (as necessary) may be reviewed.*

#### **CIB Application List & Utah Project Portal** [1:49:03]

Ms. Hanson noted there has been a lot of constant work on the portal to prepare it for the Board.

Shay Morrison noted the requested changes. All appropriate towns, cities and counties are in the portal. Special Service Districts are a bit more complicated and may be entered manually. Staff has provided spreadsheets. All AOG staff and directors have administrative accounts for the portal as well as Laura Hanson. It is not necessary for the full Board to have admin accounts as they can view all the data.

Ms. Hanson suggested Paul Moberly and Heather Poulsen should have administrative accounts.

Mr. Morrison noted the portal shows CIB funding eligibility; 2026 would be the current eligible year and it shows entities, county etc. The Portal can map the projects and has an analytics page.

Mr. Slaugh asked if the portal will show priority for a region.

Mr. Morrison indicated the portal shows priority based on how the community has entered it. When an AOG collects projects, individual communities rate and rank their projects 'high', 'medium', or 'low' and then a county has traditionally prioritized those. When they enter a project in the portal they do have to prioritize 1, 2, 3, 4 etc.

Ms. Hanson noted that every entity gets their own list right now, but a county priority or an AOG priority could be added. A region could pick their #1 project, not five #1 projects. A column could be added for that.

Mr. Slaugh noted the CIB 'Rainbow Sheet' prioritizes revenue by county and suggested the priority should be made by county.

Ms. Hanson noted that currently it's prioritized by entity, but **a new column could allow the County to prioritize.**

Mr. Morrison stated Jones and DeMille have been easy to work with and can alter the portal as needed. The projects are added by each entity and they can select CIB as the funding source. A link allows CIB to select CIB projects. It asks if they have other funding and shows funding history. The AOG's are admins and the admin will get an email showing a submission. The admin views and can approve or make notes suggesting changes before populating the CIB list. There is a five-year view which shows completed projects – projects that have come through CIB and lists projects that are a specific type, cost, where located etc.

Mr. Slaugh asked if the portal contained regional totals; AOG or County.

Mr. Morrison indicated it is searchable by entity, county, funding source, priority, project type but is not yet searchable by date.

Ms. Hanson stated the portal has not been finalized but can be revised to do most anything.

Mr. Barton stated the portal was built upon CIB needs. There have been conversations with Laura Hanson and CIB staff to get close to what is ideal. CIB is going to be a model for other agencies thinking of adding their infrastructure to this system.

Mr. Slauch asked if funding date of the project is currently shown.

Mr. Morrison noted the current information is the previous five years of CIB projects by trimester, but not the specific date. It is possible to put that in if the data was available.

Mr. Slauch indicated having the trimester when funded would be sufficient.

Mr. Morrison noted that when an entity enters information in the portal it will show which trimester the application will be made.

Ms. Powers asked if there would be a way to withdraw the project from the portal if they are not going to proceed?

Mr. Morrison referred to the CIB's rule that the CIB application list cannot be amended and indicated there is a mechanism *to lock* the list from being altered by the entity. It would not allow deletion or addition to that list. The AOG or CIB staff could delete a project. There is also an emergency entry option; select CIB as the funder and there is drop down for special consideration. It would be tagged separately. He suggested that all applicants attach their engineers estimate as there have been discussions as to how to make this a planning tool and not a wish list; it would be helpful to switch to a trimester basis of entry where the portal will be open for entities to enter projects every 3-4 months to allow projections and the cost estimates would be more accurate. If projects are entered in March with an estimate but do not apply until February, the cost estimates are less accurate.

Ms. Hanson expressed appreciation for the mapping part of the portal. She thanked all for the work they have done. Anyone can log in at <https://utahprojects.org>.

Chairman Wells suggested it could have a big impact on the Board's ability to prioritize and plan.

Mr. Barton encouraged feedback to fine tune the Utah Project Portal so it can truly assist the processes.

Mr. Zeenati asked if the portal was open to anyone.

Mr. Morrison indicated some of the portal is open but to add a project, it requires a log in.

**Thursday, July 5, 2025 Policy Meeting Sessions adjourned at 3:51 pm.**

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## **Friday, July 6, 2025 Policy Meeting Sessions commenced at 9:09 am.**

82 East 600 North – R6 Regional Council Building

Chairman Wells called the meeting to order at 9:09 am.

### **AOG Regional Planning Discussion:**

Ms. Hanson discussed the combining of the CIB Regional Planning to the AOG's with GOPB.

There are other programs that fund positions within the AOG's which include a GOPB Technical Planning Assistance Grant program, and a partnership with the League of Cities and Towns (ULCT) called the Local Administrative Advisor program. Setting aside CDBG which is federal, there are three technical assistance positions at the AOG's which the state is funding. There are separate contracts and checks from the state. It has been noted that it is challenging to discern which contract funding should be allocated from. It is not efficient to have three contracts and checks from the state. Two of those are through GOPB which are easily consolidated for grant administration simplicity and suggested rolling the CIB planning funding into the GOPB contract with each AOG; a single contract. CIB would still have to approve those funds. [The Board approves the program funding for 5 years with an annual AOG contract.]

It is proposed that there be an intergovernmental MOU wherein DWS would transfer the money to GOPB and GOPB would issue a single check to the AOG's through a single contract. The work would not change but it simplifies things administratively. She suggested it would specify where the funding came from and the AOG would still report.

It was asked if there would be separate FTE's for all of those functions and it was noted each AOG is structured a little bit differently within the AOG.

Ms. Powers stated that currently CIB disperses the funds quarterly; would that continue?

Ms. Hanson indicated that right now they provide the funding in 2 tranches; one at the beginning and one at the end of the fiscal year. It can be discussed.

Tricia Davis Winter, HCD Director stated there have been discussions with legal counsel and others on combining the scope of work and making sure that the scope of work would outline all of the different duties. The scope of work would essentially go through GOPB; there would be an MOU with GOPB which is still being worked through.

Ms. Hanson stated there would be collaboration with HCD/DWS as to expectations, deliverables and working with finance as to reimbursements. It was noted that GOPB currently provides 90% upfront and the remaining 10% at the end.

Ms. Powers noted that contracts renew in July; a decision is recommended.

Ms. Hanson indicated it will make it a whole lot easier on the AOG's to not have to manage 3 different contracts.

Chairman Wells asked if the AOG's were supportive.

R6 indicated the AOG's are very much in support. It would simplify the financial side a lot. Laura has presented it to Travis Khyll, the R6 executive director and other AOG directors.

Commissioner Taylor indicated his support; it helps the AOG.

Ms. Winter stated the goal is for efficiency to combine contracts and collaborate on the scope of work.

Mr. Slauch supported the concept noting that maintaining several positions doing similar things just so there is an audit trail to the funding source; that is inhibiting them from being efficient.

Ms. Winter noted that having one contract will also help with monitoring and technical assistance from GOPB and DWS.

Justin Anderson, legal counsel to the Board indicated there is a concern that certain terms may be deal breakers. Perhaps give conditional approval pending acceptable terms. It can be ratified in September. It allows CIB to enter into the agreement under conditional approval.

**Laura Hanson moved and Naghi Zeenati seconded a motion to consolidate the PCIB regional planner program with the other technical assistance programs to the AOG's that the State supports. *In September, it will be ratified as to the contract details.***

Ms. Powers asked CIB would be doing their contract for the FY2026 in July.

Ms. Hanson indicated this is conditional approval so the combined contract will be executed in July and retroactively ratified in September. She will provide a graphic to share in September.

Chairman Wells indicated the motion is to provide conditional approval and ratify in September and called the question.

**Laura Hanson moved and Naghi Zeenati seconded a motion for conditional approval to consolidate the PCIB regional planner program with the other state funded technical assistance programs to the AOG's to be ratified in September. The motion carried.**

Ms. Hanson expressed appreciation for allowing the discussion and approval today which she stated will support efficiency.

#### **Discuss & Finalize FY2026 Funding Tool.** [16:27]

Paul Moberly provided a brief review of the tool FY2025 with the Board. 61% of the projects funded were outside the funding tool recommendations. The Board funded 'as requested' 53%. All grant funding was 51%. The average project size was \$3 million.

Ms. Hanson noted the percentage of projects funded outside the tool is increasing; over half. It is the smaller communities' projects with no revenue or ability to repay a loan that are often funded outside the funding tool. Should that demographic be weighted differently? The Board has been making the right decisions so maybe some points need to move from one area of the tool to another; whichever piece would increase the small community points.

Mr. Slauch indicated that when it is very easy to get a grant, it creates what he called a 'moral hazard'. It may increase the grant requests from small communities. He likes having to go outside the tool for those communities. It should not become an expectation.

Ms. Hanson stated that is true.

Mr. Moberly suggested the tool should reflect the general will of the Board. The first iteration was designed to reflect the will of the Board. There was a much tighter funding area. This version has a point system based on factors. It is not necessarily a bad practice for the Board to fund outside the funding tool range; the tool does not replace the Board.

Ms. Hanson noted that production is weighted with 32 points. All the other considerations are small amounts.

Commissioner Taylor indicated he would like to see every community have 'skin in the game'. Financial or community labor etc.

Mayor Baker noted that small communities come in for meters or something similar and the Board gives all grant. The water rates could be increased a small amount and most often that would cover the meters or make a loan payment. Even that would be 'skin in the game' to help with the project.

Commissioner Bartholomew indicated that Fayette has no paid staff and when something breaks, a local will bring his backhoe; the Mayor will pitch in. They do the snow work etc. The CIB does not take that into account. If the communities are contributing labor, it should be noted.

Mr. Slauch suggested the Board should look at the in-kind donation as part of the application process.

Commissioner Bartholomew suggested to get all grant, a community should do some amount of work.

Chairman Wells indicated there is some complexity; it varies per project. CIB funding is a subsidy, but if an entity has some 'skin in the game' everyone feels better. How that would be mandated is tough. It has been discussed a few times.

Commissioner Taylor noted that is a question the Board should ask everyone requesting all grant; what is your community bringing. We acknowledge the need, but what is the community doing to help. Historically, communities would help – they didn't have a CIB. If we give all the time, they will find projects.

Chairman Wells stated it is less efficient with the fund.

Mayor Baker suggested the AOG's ask the community what they are doing to facilitate or assist with the project instead of always the Board.

Chairman Wells It could be something on the application indicating their contribution; to have the applicant consider it as they apply – what can the community do regarding the project.

Commissioner Taylor agreed; what is the community doing. He referenced the Fayette mayor who takes his backhoe out to fix a water issue.

Mr. Zeenati related a story of a mayor that came to the board who had been using his backhoe for 16 years as the Mayor to snowplow the town. The backhoe had broken and he came to the board just wanting enough to fix the backhoe so he could continue. He told the board he had been mayor for 20 years because no one else would take the job. Those are stories that are important for the board to know; that is skin in the game.

Ms. Hanson noted it is great conversation and the board should remember to ask about skin in the game.

Chairman Wells indicated once the board gets through the tool review, the policy and goals listed on the agenda yesterday, will be discussed. Policy may get overlooked in the policy retreat; what does the board want to change in policy and process.

Ms. Powers noted the application does have a line for in-kind; they can list monies. It must have a verifiable cost. It can be amended to list support in the way of backhoes, community time, etc. It may not have a dollar amount; "see below" can be listed if it does not have a dollar amount. It can also be encouraged through the planners funded by GOPB and CIB.

Chairman Wells noted that communities without additional revenue but with community assistance via manpower and tools, could be indicated. If a community is contributing labor and time, it is an accountability to support grant funding.

Mr. Zeenati noted this is his last meeting but wanted to comment that often the board often spends an hour on the discussion of a \$345,000 grant and 5 minutes to discuss an award of millions. He suggested a bit more balance in the system.

Mr. Slauch stated it is important for every applicant, no matter how small or big, they should have justification. His concern is that the board gets upsized projects with a lot of bells and whistles that people don't need. If you're going to CIB for 2 million dollars, why not ask for 2.5 million and include all the bells and whistles. The board should ask some tough questions with more time spent on larger requests.

Mr. Zeenati noted most applicants come because they need CIB assistance, not simply a handout. He also suggested production should not necessarily determine the funding. The funding tool does not always work for the community.

Mr. Slauch suggested the funding tool is more helpful in considering projects for richer counties; they have options. Funding outside of the funding tool is reasonable for the very small counties that do not have a lot of options. It

should not be an expectation for a small entity to receive all grant. There is a balance – help the communities without making them dependent. All entities should explore all options; other funding, downsizing, etc. If CIB did not exist, entities would figure it out.

Commissioner Taylor noted when he was a mayor, they had just put in a new water line which washed out and needed to be put back in the ground. NRCS told them to go ahead and put the line back in, keep track of invoices and they would provide the funding. Later they indicated there was no money. If the community had not been able to come to CIB, the little community would have been out of funds.

Commissioner Winfield suggested there needs to be a little research into the projects; the board may give them some of the funding as grant wherein the entity can fund the remainder because they do not have a loan to pay back. Also, some projects are larger than they need to be referring to the big communities that receive 4 million in grant and 4 million in loan and they contribute 4 million of their own funds to build an extravagant project. Perhaps those need more scrutiny; they should borrow the entire amount so funds are returned for future use. Most of the small communities need the funding and they are scared to make their request. Thompson Springs is putting in their SCADA system with community unpaid labor.

Chairman Wells asked to review the funding tool weighting.

Mr. Moberly noted the points add up to 100 as follows as established by the board in 2024. The changes in 2025 are noted:

- PRODUCTION 32 (county level)
- PUBLIC LANDS % 15 (county level)
- POPULATION 8 (entity)
- CURRENT TAXES 5 (entity)
- PROJECT TYPE 12 (+3 points for water or sewer)
- RATES AS % OF MAGI 5 (entity/zip code; 2022)
- PRIORITIZATION 5 (county & entity)
- DEBT SERVICE % 8 (entity)
- OUTSIDE FUNDING % 5 (entity)
- MAGI 5 (entity)
- REV TO AWARD 2 (county)

Chairman Wells suggested a change on the existing points. The Public Lands consideration is not weighted enough. The intention for this revenue is to offset the payment in lieu of taxes (PILT) issue. The counties with more public lands are more disadvantaged; public lands should be close to production.

Mr. Moberly suggested the board could remove some factors and add those points to public lands.

Chairman Wells stated production and public lands should be top as the intention of these funds is to offset property taxes that could not be collected from federal lands.

Mr. Slaugh suggested project type is important as well.

Ms. Hanson noted there are 5 points for project prioritization; the prioritization is unclear so those points could be reduced.

Mr. Moberly noted that population is size; the wealth is MAGI, current taxes, water rates.

Chairman Wells indicated that Garfield County is a good example where public lands are important; the county has resources but cannot access those for the production points.

Mayor Baker stated that money is to go back to areas impacted by mineral extraction.

Chairman Wells is referring to the intent of the original legislation was to offset property taxes that could not occur due to federal land. Not trying to diminish production factor and those points are valid. Public lands points should be higher.

Ms. Hanson suggested the 5 points for prioritization be moved to public lands.

Commissioner Brown referred to 'skin in the game' and suggested Outside Funding is low. Perhaps more points for outside funding as incentive.

Chairman Wells suggested the factors be changed and codified with a motion and vote.

A reduction in points for Project type was suggested.

Ms. Hanson stated if it is a small community whose well has gone dry and there is a risk of not having water, that's a big deal. Project type points are important.

Chairman Wells suggested the points could be reduced, not omitted. Public lands should be close to 30 points.

Ms. Powers asked about rationale for debt service. Perhaps that is weighted high.

Mr. Moberly noted that some categories could be eliminated to make up the points.

Chairman Wells asked what three should be eliminated.

Mr. Zeenati and Ms. Hanson suggested debt service.

Mr. Slauch noted that if factors are eliminated, those factors should be highlighted as part of the board review. The board does not want to harm the communities that do a good job of planning for their capital replacement and are managing debt versus communities that come in as an emergency that are overexposed to debt making a case for grant because they can't assume more debt. [It was noted that the category of debt service is points given for debt.] He concurred it should be removed from the point system.

Chairman Wells and the board referred to the revenue to award ratio and suggested those points be added to public lands.

Mr. Slauch noted that the revenue to award was intended for entities that have no production but continue to come to the board. Some of the categories now removed will require the board to note.

Mr. Moberly stated that with those changes, the public lands have 30 points. Prioritization, debt service and rev to award were eliminated and added to Public Lands.

- PRODUCTION 32 (county level)
- PUBLIC LANDS %  $15 + 5 + 8 + 2 = 30$  (county level)
- POPULATION 8 (entity)
- CURRENT TAXES 5 (entity)
- PROJECT TYPE 12 (+3 points for water or sewer)
- RATES AS % OF MAGI 5 (entity/zip code; 2022)
- ~~PRIORITIZATION~~ ~~5~~ -Added to public lands
- ~~DEBT SERVICE %~~ ~~8~~ -Added to public lands
- OUTSIDE FUNDING %  $5 + 5 = 10$
- ~~MAGI~~ ~~5~~ -Added to outside funding.
- ~~REV TO AWARD~~ ~~2~~ -Added to public lands

Chairman Wells indicated the changes are good as a more accurate representation and asked if there were any other thoughts on weighting.

Commissioner Brown indicated that 'Outside funding' is 5 points and asked if the board concurs.

Mayor Baker suggested an increase for 'Outside funding'.

Ms. Hanson asked where additional points would come from.

*Referencing 'Outside Funding', a suggestion to ensure there was skin in the game would be to possibly limit the award to a percentage of project cost.*

Ms. Hanson stated in regard to a percentage of funding; the 'guy with the backhoe' that shovels the town at no cost, then comes in to get funding to repair the backhoe – the backhoe & time could be the skin in the game. The Board would need to determine the value of the time and use of the equipment.

Chairman Wells questioned where extra points could come from to allocate to 'outside funding'. He suggested dropping population to 0.

Mr. Moberly suggested taking from MAGI; there are two factors that deal with fiscal ability of the community; taxes and MAGI.

Chairman Wells noted the support for increasing outside funding and it should be explored now.

Mr. Moberly indicated the MAGI 5 points could be added to the outside funding 5 points.

Chairman Wells supported the reallocation.

Ms. Hanson suggested the board try the changes for a year and then revisit again.

Chairman Wells consulted with legal counsel to determine if the changes to the funding tool required a motion and vote of the Board.

Mr. Anderson, legal counsel to the board stated that if the board is changing what applicants rely on when applying, it may not be a required action but it is a recommended action.

Chairman Wells called for a motion to approve the changes discussed and recommended by the board. to the funding tool.

**Jerry Taylor made and Bill Winfield seconded a motion to adopt the revised funding tool changes FY2026.**

Ms. Hanson noted all the effort made by the board to consider the types of communities the board wants to support and often discusses the details of each community at the meetings. Perhaps as the projects come for funding and the board discusses the projects, the board might remember most all the details have been discussed and accounted for in the funding tool so the board does not need to 'sweeten the deal' further than what the tool recommends.

Commissioner Bartholomew asked if the funding tool recommendations are the answer, why does the board meet.

Ms. Hanson acknowledged it is a tool and the board will not follow exactly what it says every time....

Chairman Wells referred to the funding tool as a compass, but the board decides which route to take. It isn't the intent to disregard input from the board.

Mr. Zeenati stated tools are good in the hands of the professionals. *"If you don't know how to use the tool, don't even go to Home Depot to buy one."* The CIB board members come from different backgrounds and expertise and together as a human team, make decisions. No tool can override human discretion; circumstances can change.

Mr. Slaugh acknowledged there are many factors and the board is tasked with final decisions. He then expressed concern that the board tends to gravitate toward the minimum funding tool recommendation and suggested the tool range should be smaller; tighten the range. There are very few instances where the Board authorizes the top range.

Mayor Baker indicated that when he views the board package, he sees the tool recommendations, but he would like a separate sheet of how it was ranked in the tool.

Chairman Wells noted that the points were indicated on the agenda notes and yellow review sheet.

Ms. Hanson asked if the applicants see the tool range before they determine what to ask for.

Mr. Slaugh stated they shouldn't see that.

Mr. Moberly indicated the AOG's have a simplified version wherein they can share with the applicant what the ranges are.

Ms. Hanson stated she is not certain whether that is good or bad for an applicant to know what the tool recommends.

Chairman Wells noted that applicant review of the tool was discussed at the last funding meeting as a request was what the tool suggested. It is more efficient for the CIB to have the request 'dialed in'. It is the boards discretion to determine the funding but it is helpful for the applicant to submit a fair request.

Chairman called the question.

**Jerry Taylor made and Bill Winfield seconded a motion to adopt the revised funding tool enhancements FY2026. The motion carried.**

**Small planning grants review – FY2025** [1:12:55]

*The board has authorized the Community Development Office Team (Currently Paul Moberly and Michael Mowes) to receive and review small planning grants – those requests under 50,000. Complete planning applications are put through an interview process. The funding may be expedited within 60 days and the board can review larger project requests.*

**SMALL PLANNING GRANTS AWARDED FY2025**

- Emery County -Emery County General Plan \$ 25,000
- Manti City -Sewer Master Plan \$ 32,500
- Mona City -Sewer Master Plan \$ 32,500
- Richfield City -General Plan & Transportation Capital Plan \$ 30,000
- Perry City -Perry City Parks Master Plan \$ 20,000
- Cache County -Feasibility Study on Senior Center Facility \$ 25,000
- Enoch City -2400 N/I-15 Interchange/Main St./I-15 Underpass Feasibility Study \$ 50,000
- Virgin Town -Storm Water Drainage Master Plan Study \$ 50,000
- Eureka City -Eureka City Roads Master Plan \$ 26,800

**Small Planning Grant Funding Total: \$291,800**

If the application is complete, the applicant is contacted for a review of the project. After the review, the eligible entity with an eligible project application will receive the funding award.

Mr. Slaugh asked who receives the funding from a planning grant; who is the entity paying? The CIB funds planning at the AOG.

Ms. Hanson indicated as she has worked with many communities and AOGs, some require technical expertise that is outside the AOG's capabilities and/or there may be a workload issue. The community may want a third-party expert. It is acknowledged that CIB does provide funding assistance for planning and the AOG planning can assist with smaller projects - \$3,000 or under.

Mr. Slaugh referred to the Emery County general plan and asked if the AOG's could provide a general plan. He acknowledged some plans such as stormwater drainage require expertise but perhaps some of the plans could have been accommodated by the AOG.

Ms. Hanson indicated that general plans take a level of expertise and can be a 12-month process which is often a big lift.

Mr. Mowes, Community Development Office specialist referenced a plan for Park City where the staff and community was involved; volunteers did several components. But a large portion was facilitated by a consultant that compiled the final plan. A lot of specifics and specialty items are not available to a city or even at the AOG level.

Mr. Moberly suggested if there are no changes the board would like to implement, the small planning program will continue for FY2026.

**CIB Water and Sewer Reviews & Understanding DDW & DWQ** [1:21.00]

Chairman Wells invited the Department of Environmental Quality representatives to present.

- CIB Water Projects – DEQ Review & understanding Heather Pattee
- CIB Sewer Projects – DEQ Reviews & understanding Skyler Davies

Mr. Davies and Ms. Pattee provided a presentation concerning the water and sewer application reviews for CIB.

They explained MAGI (Median Adjusted Gross Income) which is how they determine eligibility for grant or subsidy in the programs. The Division of Drinking water gathers and updates the data periodically.

DDW pulls the data from the State Tax Commission. It is posted on the DDW website. CIB uses that MAGI. Water and sewer rates are a percentage of MAGI; *The minimum rate for grant consideration is 1.4% of MAGI for DWQ and 1.75% for DDW.*

When a CIB application has water or sewer components the application is sent to DDW or DWQ for their review which is provided in the board packet. Included in that review they make a recommendation to fund but leave the funding determination to the board. 99% of water and sewer projects are good projects that need to occur. They require plans and specifications to be submitted for review and approval. An engineer is required to design the project; professional engineers will provide due diligence. Errors are usually noted on planning documents.

DWQ does periodic inspections during project construction.

The minimum rate for grant consideration is 1.4% of MAGI for DWQ. There is also a financial need indicator and financial need analysis which take alternate factors such as employment data, poverty status, income and 10-year population trend into consideration.

It is uncertain as to how the 1.4% was determined. It may have been an EPA recommendation.

DDW uses the affordability percentage of 1.75% of MAGI. Project cost is additional debt which may exceed the 1.75% and grant funding is considered. The 1.75% has been the same for decades.

DDW's definition of a disadvantaged community is if their local MAGI is 80% of the State or less; if their average water bill is 1.75% of local MAGI or higher. They try to make the projects as affordable as possible.

DDW incentivizes tiered rate structures. DWQ is less so as it is difficult to determine with sewer; it is encouraged but not required.

DWQ review includes a mapped location, a background, project need, description, cost estimate / proposed funding package, financial options table, staff comments and an appendix with a financial summary including financial burden.

DDW financial summary is similar. An interest rate may be suggested to keep the water bill as close as possible to the 1.75% threshold.

DWQ funding availability for this year has not finalized. It may be \$20-\$30 million dollars and as history shows and they usually receive \$80 million in applications.

DDW funding has dropped significantly. DDW received a significant amount of money solely for lead line replacement and emerging contaminants.

DDW and DWQ may see their federal funding budgets reduced this year. The revolving fund is very important. The fund has a requirement to keep revolving so much of it must be allocated as a loan.

A review of the types of DDW projects can fund was discussed.

DDW Responsibilities include:

- *Inspection of drinking water system facilities*
- *Review of engineering and source protection plans*



- *Issue plan approvals and operating permits*
- *Construction funding and technical assistance*
- *Response to emergencies affecting drinking water*
- *Oversight of cross-connection control and operator certification programs*
- *Monitoring and compliance with SDWA Rules and regulations*

All projects are required to submit plans and specifications so the engineering department can provide plan approval. An operating permit is awarded when the project is completed. DDW has an emergency response team for emergencies.

DWQ oversees the protection of waters of the state, water quality for everything prior to the drinking water system, and everything after it leaves the building. Responsibilities include:

- *Inspection of water reclamation facilities*
- *Review of engineering plans*
- *Issue construction, operating, and UPDES permits*
- *Provide best practices for stormwater systems*
- *Construction funding and technical assistance*

Funding of projects may include applicant cash and other funding agencies. Priorities for funding a project include public health improvement, project need, potential for improvement and population affected.

To be funded, an entity must have an asset management plan in place. A small community can fit the plan to their needs. Larger communities will have more in-depth asset management plans.

Funding is available for facility planning and studies and construction for projects that have a water quality or drinking water nexus. They fund design advances, then the cost is rolled into the project. DDW and DWQ do loans, principal forgiveness (*a term used for federal funds*) and hardship grants.

The new funds are much reduced, and the programs will have to be more discerning on future projects. Going forward, most all components will have to be made in America.

If a project is submitted to CIB for emerging contaminants issues, it is noted that DDW has funding for addressing specific contaminants. DDW will note that as a CIB application is reviewed.

If the pressure in a system is too high, a pressure releasing valve will be required. Operators should be certified in backflow prevention; backflow prevention is mandated in rule and may be subject to a fine.

SCADA metering is not required, but is recommended. There are many manual readers still on systems.

If a system is not metered, DDW encourages systems to be metered and may financially assist if possible. The legislature has requested water-use data and metering provides better data.

## ***BREAK***

The board members suggested this training cover all boards.

Mr. Anderson stated the requirement is that every member of a board takes the training once a year. If everyone on the CIB board has already had the training, it would not be required at this meeting.

Though most have had the training, the training was provided for the board.

## **Open Meetings Act, Ethics, Grama, Per Diem, Conflict of Interest; Justin Anderson, AG's Office** [1:57:55]

Mr. Anderson discussed ethics and grama. If the board has any questions concerning ethics or grama, they should contact their counsel.

Key points on **Ethics**:

- Don't vote on any items there is a private interest in.
- Avoid the appearance of a conflict.

Key points on **Gram**:

- Public information can be released
- Private or protected information cannot be released.

There are nuances, so if there are questions, contact legal counsel. Recent changes to Grama is that there is no longer a state records committee; it is now an administrative law judge.

OPMA guides how business is done publicly.

Key points on **OPMA**:

- Provide notice if there is open deliberation and public vote for any action.
- Does not include a chance social gathering
- Quorum is a simple majority; not just two members if no action is taken.
- Notice must be at least 24 hours prior to the meeting unless for an emergency.
- Notice must be reasonably specific.
- Must be a written (minutes) and audio (recording) of the meeting. Reasonably specific – who voted and how they voted, who commented and their comment.
- Electronic meetings require a resolution and have the ability to communicate electronically.
- Closed meetings must be noticed and are for specific reasons. Contact legal counsel.
- Violations – the board may be sued.

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Chairman Wells concluded the 39<sup>th</sup> annual CIB Policy Sessions. There has been good feedback on yesterdays meeting; the setting was great. He offered a special 'Thank You' to all who organized the event. Thank you to staff for all the work to support the board on the road. Thank you to Sevier County for hosting. Thank you to R6 Regional Counsel.

Commissioner Bartholomew thanked the planners of R6, JaLyne Roundy, Ralph Brown and all who arranged for everything.

#### **ADJOURNMENT**

Friday, June 6, 2025 Policy Meeting Sessions adjourned at 11:35 am

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Submitted by:  
Candace Powers