

**PERMANENT COMMUNITY IMPACT FUND BOARD MEETING**

Department of Workforce Services  
Housing and Community Development Division  
Salt Lake City, Utah  
Virtual Meeting Held via Zoom Webinar  
June 11, 2020

**Members Present**

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

**Staff and Visitors**

Keith Heaton	Housing and Community Development
Candace Powers	Housing and Community Development
Gayle Gardner	Housing and Community Development
Brenda Brown	Housing and Community Development
Pam Sjostrom	Housing and Community Development
Aubrey Larsen	Housing and Community Development
Jordan Katcher	Housing and Community Development
Paul Moberly	Housing and Community Development
McKenna Marchant	Housing and Community Development
Alison Garner	Attorney General's Office
Christina Davis	Department of Workforce Services
Benn Buys	Office Legislative Auditor General
Lane Farr	Office Legislative Auditor General
Skyler Davies	Division of Water Quality
Bill Prater	Bond Counsel
Randy Larsen	Gilmore & Bell
Margaret Lautaimi	Department of Workforce Services
Debi Carty	Department of Workforce Services
Jesse Ralphs	Sunrise Engineering
Ryan Savage	Savage Albrecht Engineering
Karl Rasmussen	ProValue Engineering
Devan Shields	Sunrise Engineering
Eric Major	Jones & DeMille Engineering
Kevin Yack	Uintah Basin Association of Governments
Gary Zabriskie	Five County Association of Governments
Michael Bryant	Southeastern Utah ALG
Brian Carver	Bear River Association of Governments

Scott McComb	Bear River Association of Governments
Glenna Nelson	Wellington City
Mayor Joan Powell	Wellington City
Dana Van Horn	Spanish Valley Water & Sewer District
Dennis Blackburn	Wayne County
Wayne Peterson	Leeds Town
Andrew Dutson	Town of Lynndyl
Dusty McCormick	Maeser Water Improvement District
Brandon Stirland	Graham Fire
Matt Perea	Wellington City
Greg Todd	Duchesne County
Justin Atkinson	Sunrise Engineering
Mike Hawley	Jones & DeMille Engineering
Clyde Watkins	Duchesne County Water Conservancy District
Ben Coray	Sunrise Engineering
Tracy Munson	UDOT
Bart Jenson	Jones & DeMille Engineering
Ron Winterton	Duchesne County

## **WELCOME**

The Permanent Community Impact Fund Board (CIB) Virtual Meeting was held on Thursday, June 11, 2020 via Zoom Webinar and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

## **I. ADMINISTRATIVE ITEMS**

### ***Briefing***

#### **1. Upcoming Meeting dates and Locations**

July 9, 2020 – Virtual Meeting via Zoom Webinar

August 6, 2020 – Virtual Meeting via Zoom Webinar

#### **2. Financial Review [01:18]**

Candace Powers reviewed the status of the funds for today's meeting and referred to the price of mineral commodities, noting the Board is tasked to keep the fund revolving. At this time there are 48 applications that have been received and are being reviewed. For today's meeting, there are six projects for final funding consideration for fiscal year 2020, one pending project and one supplemental request.

## **II. WELCOME AND INTRODUCTIONS [04:30]**

Chairman Hardy welcomed everyone and asked for a roll call of Board members.

Note: David Damschen indicated a late arrival for this meeting.

## **III. APPROVAL OF MINUTES [06:55]**

Chairman Hardy requested a motion to approve the minutes from the May 7, 2020 meeting.

**Tooter Ogden made and Jack Lytle seconded a motion to approve the minutes of the May 7, 2020 meeting. The motion carried with Gregg Galecki, Naghi Zeenati, Tooter Ogden, Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen, Bruce Adams in favor and David Damschen absent for the vote.**

#### **IV. PRIORITY PROJECTS** [09:58]

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. Wellington City (Carbon County) [10:00]

Wellington City's funding request was advanced to the Priority List as a \$218,000 loan for 15 years at 1.0% interest and a \$217,000 grant (total \$435,000). This project will consist of purchasing a Rosenbauer 60" cab Cummins 450 HP diesel engine, Allison 3000 EVS transmission with a 1500 GPM Waterous fire pump and 1000 gallon water tank fire truck.

**Total Funding Request: \$435,000 (\$218,000 loan for 15 years at 1.0% interest and a \$217,000 grant).**

**Dean Baker made and Gregg Galecki seconded a motion to fund this project as advanced to the Priority List. The motion carried with Gregg Galecki, Naghi Zeenati, Tooter Ogden, Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen, Bruce Adams in favor and David Damschen absent for the vote.**

*David Damschen arrived at 8:50 am*

##### 2. Town of Lynndyl (Millard County) [11:25]

The Town of Lynndyl's original funding request was advanced to the Priority List as a \$554,000 loan for 30 years at 0.0% interest and a \$554,750 grant (total \$1,108,750). This project will consist of demolishing a two bay garage and rebuilding a 3,623 SF addition with 3 bays (two are double deep), an 11'4"x10' equipment storage room and office and restrooms. *The remaining portion of the building will be upgraded to meet ADA standards while preserving the historical significance of the building. The modifications will include filling in an unused basement, dropping an upper level floor to be level with the elevation of the rest of the building, replacing 2 exterior doors and 18 windows, replacing the HVAC system and remodeling the kitchen.*

The Town of Lynndyl's application was discussed at the April 2, 2020 CIB review meeting. They are presenting a revised funding request for the fire station portion only with funding as a 65/35 split; a \$315,000 loan for 30 years at 2.0% interest and a \$585,000 grant (total \$900,000). The Town intends to only include the fire station portion of the project and a few minor upgrades to the existing community center as funding allows.

**Total Funding Request: \$900,000 (\$315,000 loan for 30 years at 2.0% interest and a \$585,000 grant).**

The applicant was to discuss the variation in payments made by the fire district in regard to the funding scenarios submitted as it was indicated a 50/50 funding scenario in the same total amount decreases the fire district payments.

Chairman Hardy reminded the Board in the recent audit it was noted that the Board has given more grant funding than prior years, and reminded the Board it is tasked to keep the fund revolving.

The Town of Lynndyl's representation will be Mayor Andrew Dutson.

The applicant stated the town hall/fire station is a combined use facility which minimizes maintenance costs and the fire district has agreed to contribute \$250,000 to the loan payments. The Town of Lynndyl applied but did not qualify for CDBG funding this year so the scope was reduced. The applicant noted they were told by CIB staff that projects should be complete and usable. The community center renovation portion has been reduced but will include ADA compliance and other code items. The Town will make a portion of the loan payment not covered by the fire district which affects the payment the Town must make. The amended request represents an affordable loan payment.

Chairman Hardy noted the payments represented in the Board's proposal and Town's proposal are within \$1000.

The applicant acknowledged the total difference, but stated the Town's proposed request cuts the Town's payment portion in half.

Chairman Hardy asked if the fire district would pay differently depending on the terms the Town gets from the Board.

The applicant stated the fire district agreed to assume a \$250,000 portion of the loan and if the loan is a larger, the Town will pay more. The fire district will be paying their portion of the loan in the first two years and the Town would continue the payments for the term of the loan in the 65% grant 35% loan requested.

The Board noted the funding was approved at 50/50 for the larger amount. A 50/50 scenario on the revised request; a \$450,000 loan 30y @ 0% would be a \$15,000 annual payment and the payment on their revised loan request of \$315,000 loan at 2.0% interest would be \$14,064. The payment on the original request was \$18,000.

**Dean Baker made and Jack Lytle seconded a motion to fund this project as a \$450,000 loan for 30 years at 2.0% interest and a \$450,000 grant (total \$900,000).**

It was noted that the payment on a \$450,000 loan at 2% to be approximately \$20,000.

**Gregg Galecki made and Naghi Zeenati seconded a substitute motion to fund this project as a \$450,000 loan for 30 years at 0.0% interest and a \$450,000 grant (total \$900,000).**

The applicant expressed concern that their annual portion of the payment in a 50/50 mix would not be affordable.

The Board asked if the fire district might provide a greater amount of the expense as they are a special service district that services all of Millard County.

The applicant indicated they have had multiple discussions with the fire district regarding a larger financial role in the project. The fire district preferred a standalone fire station and there was hope they would contribute a larger portion. The Town believes a combined use facility is much easier to maintain. The Town's portion will be for the community center expenses.

The Board expressed confusion about the fire district payments and referred to the application indicating the fire district would pay \$11,100 but not \$8,000.

The applicant indicated the fire district has not agreed to an \$11,000 payment but to a \$250,000 portion of the loan reiterating it is their intent to pay \$250,000 within two years.

Chairman Hardy indicated a bond payment is required from the applicant. Though the fire district & the Town may have an agreement, it is incumbent on the Town to pay \$15,000 or \$14,000 depending on the terms and determine how the district's \$250,000 is utilized to make the payments.

Bill Prater, Bond Counsel to the Board, noted a prepayment applies on the back end of the loan and would affect the term of the loan but not the annual payments. If the fire district is paying \$250,000, it could be placed in a segregated escrow and utilized to make payments for the term of the bond. The Town's annual payment would be incumbent on the Town.

The applicant stated they will consider what the Board offers and approach the fire district to certify that the arrangement will work.

Chairman Hardy referred to the substitute motion of a \$450,000 loan for 30 years at 0.0% interest and a \$450,000 grant.

The Board noted the applicant should consider various funding options and return on a subsequent CIB meeting with more clarity.

**Mike Dalton made and Tooter Ogden seconded a second substitute motion to place this project on the Pending List to allow the Town of Lynndyl time to clarify funding and payments. The motion carried unanimously.**

### 3. Wayne County Municipal Building Authority (Wayne County) [41:50]

Wayne County Municipal Building Authority's funding request was advanced to the Priority List as a \$262,000 loan for 30 years at 0.5% interest and a \$784,000 grant (total \$1,046,000). This project will consist of building a 120'x60' fire station with 3 truck bays, a kitchen, training area, office, storage, men's and women's restroom/change areas and site work.

The original application was submitted as Wayne County Fire District. The applicant for funding is changed to Wayne County Municipal Building Authority. The project and funding is the same.

**Total Funding Request: \$1,046,000 (a \$262,000 loan for 30 years at 0.5% interest and a \$784,000 grant).**

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

### 4. Roosevelt City (Duchesne County) [43:50]

Roosevelt City's funding request was advanced to the Priority List as a \$2,536,000 loan for 30 years at 2.5% interest. This project will consist of building a 2 million gallon potable water tank with connection to existing water mains and chlorination facility to include excavation and preparation of existing ground to accommodate the necessary forming of footings, sidewalls, and roof. Minor additional trenching will be necessary to connect the existing water transmission mains to the proposed tank and upgraded chlorination facility. Minor maintenance would occur during the operation of the water tank and connecting transmission lines. The purpose of the project is to provide needed storage for the City system and improvements to allow the City to meet long term domestic and fire flow demands.

Roosevelt City is requesting reconsideration of funding as a \$1,268,000 loan for 30 years at 0.5% interest and a \$1,268,000 grant (total \$2,536,000). It is noted their MAGI is .92%.

Roosevelt City introduced representation to include Ryan Clayburn, City Manager and Water Source Director; Mayor JR Burg; Kirby Wolfinger, Public Works Director; Randy Robb, Treasurer; Eric Major of Jones & DeMille Engineering; Kurt Mower, Finance Director; and Senator Ron Winterton.

The applicant clarified the project. It will allow gravity feed for distribution whereas currently, they have wells that pump water into the Hayden 300,000 storage. The current tanks are in the lower and mid zones. The 2,000,000 gallon Victory water tank maintains reduced water storage to allow a constant flow coming in and out according to usage and the tank may be coming off the Roosevelt system.

The Chairman suggested an adjustment to water rates based upon the DEQ review which reflects the affordability of a loan.

The applicant stated their economy experiences instability due to mineral revenue uncertainty and reminded the Board of Duchesne County's ranking as a mineral producing county.

The Board indicated loan funding is based on water rates and the Board discussed this project at length during the review meeting. How was the revised financing package determined by Roosevelt?

The applicant stated that being a producing county they should receive a fair funding package and indicated they will have to raise their rates to support the existing system and there will be future improvements required. A lower rate and better package may prevent having to come to CIB for subsequent other projects.

The Board noted that the letter Roosevelt submitted appears to change the project as it was presented in May. Does Roosevelt still have adequate water storage as Lisa Nelson's report indicated, and what is the ranking of this project based upon the sustainable need of the consumer in an economic downturn and loss of business in the area.

The applicant stated that there is adequate storage in the lower zone but the demand is greater in the upper zone. The 60 year old Page Bench tank may be taken off line. All of these factors create a higher urgency for the water system due to little fluctuation in residence leaving the area.

The Board asked if there had been recent water rate increases.

The applicant stated there was a rate increase in 2012.

Chairman Hardy referred to the five years of funding awarded to Duchesne County. They have received 209% of contributed revenue with 67% grant and 33% loan. The Board has adopted policy to be more consistent in how funding will be allocated. The audit indicated the Board's more generous funding of late. The revenue is diminishing due to reduced production representing limited grant resources. Grant funding should be allocated reasonably and responsibly to keep the fund revolving. No applicant should assume priority for a grant and loan mix as the recent audit highlighted the Board's responsibility to use standardized criteria when reviewing all applications and not be based upon the ranking of mineral producing counties.

Senator Winterton spoke to the fact that a large amount of funding to Duchesne County was for the Victory Pipeline which serves 2/3 of the residents of Duchesne County. He acknowledged the need to keep the fund revolving which must include helping the areas impacted. Roosevelt is doing this project before it becomes an emergency. The Board should acknowledge this as an investment in the impacted areas. He questioned the 2.5% interest to Duchesne County noting a non-producing county received 0% or .5%. He indicated that the unemployment rate in Duchesne is 9% and might get to 12% in the next 24 months.

The Chairman thanked Senator Winterton and asked if there were any other questions from the Board.

The Board referred to increasing the water rates; the last increase was 8 years ago and asked if there are plans to raise the rates.

The applicant indicated it had been discussed at the council meeting as the water and sewer infrastructure was reviewed looking to the new budget year. It is likely those rates will be increased accordingly. However, this project is too large to self-fund.

Mr. Zeenati referred to the Chairman's comments in regard to the Board's responsibilities to the fund and Senator Winterton saying the Board needs to be fair. The project was approved as a loan at 2.5% interest and Roosevelt's revised request suggests a 50/50 split at .5% interest. That is a significant change from last month to this month.

The applicant indicated a 1% interest loan may be accommodated.

The Chairman noted that the interest rate should be a consideration for producing versus non-producing counties as 2.5% interest is the current ceiling.

Commissioner Dalton indicated the low MAGI is concerning. The Board has reviewed a lot of projects for different areas in the Basin and the MAGI has been considerably higher. Awarding a grant to an applicant with a .92% MAGI, instead of helping the other small areas in the Basin we may be harming them giving grant funds that now cannot be given to applicants in greater need. The applicant could accommodate all loan with a reduced interest rate.

Commissioner Lytle indicated the MAGI may not reflect the current situation and noted even a .5% interest comes out of the Bonus Fund.

**Jack Lytle made and Irene Hansen seconded a motion to fund this project as a \$1,268,000 loan for 30 years at 0.5% interest and a \$1,268,000 grant (total \$2,536,000)**

The Board asked staff the year the calculation of the MAGI was based upon. Candace Powers confirmed the calculation is based upon 2018 statistics.

The Board discussed various interest rates and payment scenarios.

The Board expressed concern that the engineer on the project is Jones and DeMille and Senator Winterton is employed suggesting a potential conflict of interest.

Senator Winterton indicated he does public relations for Jones and DeMille, but today he is representing District 26 as a Senator. He introduced himself as Senator because that is what he is today.

The Chairman called the question.

**Jack Lytle made and Irene Hansen seconded a motion to fund this project as a \$1,268,000 loan for 30 years at 0.5% interest and a \$1,268,000 grant (total \$2,536,000) as revised. The motion carried with David Damschen, Jack Lytle, Dean Baker, Irene Hansen, Bruce Adams and Jonathan Hardy in favor and Gregg Galecki, Naghi Zeenati, Tooter Ogden, Kyle Stephens, and Mike Dalton opposed.**

5. Wellington City (Carbon County) [01:19:32]

Wellington City presented a funding assistance request was advanced to the Priority List pending revised Public Hearing minutes for a \$1,000,000 grant and a \$1,000,000 loan for 30 years at 1% interest (total \$2,000,000). This project will consist of sewer improvements to include repairing approximately 6,400 linear feet of failing concrete sewer pipes in Main Street/Highway 6, replacing approximately 19,600 linear feet of failing Vitrified Clay Pipe (VCP) throughout the core of the sewer system and replacing approximately 4,800 linear feet of failing PVC Pipe that was improperly installed and/or bedded.

**Total Funding Request: \$2,000,000 (\$1,000,000 loan for 30 years at 1% interest and a \$1,000,000 grant) pending revised minutes to show a discussion with the public of project scope and cost for the fund request.**

Wellington City introduced representation to include Mayor Joan Powell and Jesse Ralphs as project engineer.

Mayor Powell acknowledged the request for revised minutes and indicated the city recorder was to resubmit the revised minutes noting they were posted.

Jesse Ralphs stated that at the public hearing there was reference to the application packet which is a public document.

Chairman Hardy noted that even if no one is present, the project discussion should be indicated in the minutes as those minutes are the public document. The funding was conditional upon revised minutes reflecting the discussion of the project.

The applicant will send the minutes today and noted that the USDA funding has been authorized.

**Naghi Zeenati made and Kyle Stephens seconded a motion to fund this project as advanced to the Priority List with funding conditional on the submission of revised minutes indicating project discussion. The motion carried unanimously.**

6. Spanish Valley Water & Sewer Improvement District (Grand County) [01:26:32]

Spanish Valley Water & Sewer Improvement District's funding request was advanced to the Priority List as a \$1,588,000 loan for 30 years at 1% interest. This project will consist of design and constructing two interceptor segments totaling 5,250 feet of new 12-inch sewer main; install and configure new sewer meter equipment at three existing discharge points to the Moab collection system; replace 3,350 feet of existing 6 inch with 8 inch sewer main in the Highlands area and replace 850 feet of existing 8 inch sewer main in the Shumway area to address capacity issues.

**Total Funding Request: \$1,588,000 (\$1,588,000 loan for 30 years at 1% interest).**

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

## **VI. PENDING LIST**

### **1. Town of Leeds ( Washington County ) [01:28:27]**

The Town of Leeds presented a funding assistance request and was placed on the Pending List until status and confirmation of the UDOT grant could be verified and a public meeting loan discussion could be held. The project funding request is for a \$120,000 grant. This project will consist of installing 24" storm drain pipe on Main Street from Center Street to discharge point and 18" storm drain pipe from 200 North to Center Street with catch basins every 500 feet.

At the April 2, 2020 CIB meeting it was noted that the Town of Leeds and UDOT do not have an agreement for funding at this time.

**Mike Dalton made and Dean Baker seconded a motion to place this project on the Pending List for clarification of UDOT funding and consideration of loan funding. The motion carried unanimously.**

**Total Funding Request: \$120,000 grant.**

The Town of Leeds representation includes Mayor Wayne Peterson and Karl Rasmussen of ProValue Engineering.

The Town received notification in a letter from UDOT dated May 28, 2020 indicating the project was reduced to \$342,000 and UDOT would commit \$210,000 to the project (60%), the Town would contribute \$12,000 cash with a request to CIB of \$120,000 for the remaining 40% of the project.

**Naghi Zeenati made and David Damschen seconded a motion to fund this project as a \$120,000 grant.**

After further Board discussion concerning consistency and noting the applicant's financial review was positive, a substitute motion was made.

**Dean Baker made and Gregg Galecki seconded a motion to fund this project as a \$120,000 loan for 10 years at 0.5% interest.**

The applicant stated this funding will address 100% of the road and drainage issues but loan funding may be difficult in the current economic climate noting no discretionary income.

Chairman Hardy called the question.

**Dean Baker made and Gregg Galecki seconded a substitute motion to fund this project as a \$120,000 loan for 10 years at 0.5% interest. The motion carried with David Damschen, Gregg Galecki, Tooter Ogden, Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton, Irene Hansen, and Bruce Adams in favor and Naghi Zeenati opposed.**

## **VII. SUPPLEMENTAL REQUEST**

### **1. Maeser Water Improvement District (Uintah County) [01:40:01]**

At the April 2, 2020 CIB Board Meeting, the Board approved a funding request for a \$375,000 loan for 30 years at 0% interest and a \$125,000 grant (total \$500,000) to the Maeser Water Improvement District for the construction of a metal building project. This project will consist of building a 4,800 SF (60' x 80') metal building with a restroom, mezzanine and 5 overhead doors to store District equipment. (The sewer truck has water storage so indoor storage is necessary to prevent freezing). There will also be a 24" x 24" x 36" catch basin, a 4" PVC SCR-35 sewer pipe and 2 new sanitary sewer cleanouts to be installed on site by Maeser Water Improvement District.

Dusty McCormick, District Manager and Keith Despain of CRS Engineering were present to discuss the project.

The applicant noted the original request was a 50/50 split but received 75% loan. The project was bid out and though they received what the applicant feels are favorable bids for the project, there is a budget shortfall. The applicant briefly discussed the economic situation in the Basin indicating their request for the supplemental funding to be all grant. This project will also provide safe space for the District's currently unprotected and valuable equipment.

The Board suggested the supplemental funding be allocated in the same ratio as the original funding which represents a \$31,000 grant and a \$90,000 loan 30 years at 0% interest.

The applicant noted the bond hearing for the loan has been held which represents a loan up to a certain amount and additional loan funding may increase the amount beyond what has been approved through this process. The applicant also stated they are from Uintah County; the highest producing county and typically an applicant from this area gets 80% grant to 20% loan. He did not see the justification of why Maeser should take a 75% loan and a 25% grant. There is financial uncertainty in regard to the 35 year old system and upgrades.

The Board noted the low bid was \$547,000 (high bid \$615,000) and the funding request is now \$621,000. Why the greater amount of funding versus the low bid and is there consideration of reducing the project scope.

The applicant indicated the bids were 10% higher than anticipated, there is a need \$35,000 in power upgrades to bring the utilities up to required standards and there is an additional \$35,000 for drainage issues to be mitigated to approve the building permit. They had not considered cutting back on the project scope.

**Irene Hansen made and Dean Baker seconded a motion to approve the supplemental funding as a \$121,000 grant as requested.**

The Board suggested the supplemental funding be approved in the original funding terms.

**Gregg Galecki made and Mike Dalton seconded a substitute motion to fund this supplemental request as a \$90,000 loan for 30 years at 0.0% interest and a \$31,000 grant (total \$121,000). The motion carried with David Damschen, Gregg Galecki, Naghi Zeenati, Tooter Ogden, Jack Lytle, Dean Baker, Kyle Stephens, Mike Dalton in favor; and Irene Hansen and Bruce Adams opposed.**

**IX. BOARD MEMBER DISCUSSION and/or ACTION ITEMS** [02:03:36]**CIB Loan Deferral Report**

The CIB staff has not received any additional deferral requests since last meeting. The Canyonlands documents have been approved by their Board. Other requests are anticipated.

**ADJOURNMENT**

The next meeting of the Permanent Community Impact Board will be July 9, 2020 via Zoom Webinar at 8:30 a.m.

The meeting adjourned at 10:35 a.m.

Submitted by:  
Pamela Sjostrom  
Candace Powers