

**PERMANENT COMMUNITY IMPACT FUND BOARD MEETING**

Department of Workforce Services  
Housing and Community Development Division  
Salt Lake City, Utah  
Electronic Meeting via Zoom Webinar

**FINAL**

August 6, 2020

**Members Present**

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

**Excused**

Kyle Stephens	State Board of Water Resources
Mike Dalton	Five County Association of Governments

**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
Paul Moberly	Housing and Community Development
Kayl Smith	Housing and Community Development
Jordan Katcher	Housing and Community Development
Aubrey Larsen	Housing and Community Development
Rebecca Banner	Housing and Community Development
Alison Garner	Attorney General's Office
Margaret Lautaimi	Department of Workforce Services
Debi Carty	Department of Workforce Services
Christina Davis	Department of Workforce Services
Skyler Davies	Division of Water Quality
Skye Sieber	Division of Drinking Water
Heather Pattee	Division of Drinking Water
Zach Leavitt	Six County Association of Governments
Kevin Yack	Uintah Basin Association of Governments
Will Wright	Uintah Basin Association of Governments
Brian Carver	Bear River Association of Governments
Zac Covington	Bear River Association of Governments
Scott McComb	Bear River Association of Governments
Gary Zabriskie	Five County Association of Governments
Nate Wiberg	Five County Association of Governments
Kimberly Madsen	Legislative Fiscal Analyst

Clayton Berg	Siddons-Martin Emergency Group
Unknown	Utah Tar Sands Resistance
Deeda Seed	Center for Biological Diversity
Greg Todd	Duchesne County
Daniel Mauchley	Duchesne County
Brandon Johnson	Farnsworth Johnson
Jeanette Johnson	Blaisdell, Church and Johnson
Jesse Ralphs	Sunrise Engineering
Jason Blankenagel	Sunrise Engineering
Justin Atkinson	Sunrise Engineering
Devin Shields	Sunrise Engineering
Ben Coray	Sunrise Engineering
Jeff McCarty	Sunrise Engineering
Bart Jensen	Jones and DeMille Engineering
Kendrick Thomas	Jones and DeMille Engineering
Michael Hawley	Jones and DeMille Engineering
Marcus Keller	Zions Bank
Mark Anderson	Zions Bank
Ron Winterton	Senator - Duchesne County
Joshua Bank	Naples City
Aaron Averett	Sunrise Engineering
Lindsey Briceno	Green River City
Maria Sykes	Green River City
Travis Bacon	Green River City
Steve Neeleman	East Zion Special Service District
John Casperson	East Zion Special Service District
Gordon Walker	East Zion Special Service District
Larry Sander	East Zion Special Service District
Chief Brad Freeman	East Zion Special Service District
Bruce Rowley	Town of Levan
Mayor C. Christiansen	Town of Levan
Chris Harrild	Cache County
Taylor Jensen	Cache County
Dale Coulam	Ivins City
Kurt Mower	Roosevelt city
Landon Troester	Utah Attorney General's Office
Devin Magleby	Monroe City
Anne Harvey	
Michael Davis	
Coby Willis	
Stanley Holmes	
Ted Franklin	
Darrell Fordham	
<a href="mailto:Sanderslary1950@gmail.com">Sanderslary1950@gmail.com</a>	

## Attendee's via Phone

18019xxx875	14357xxx147	14358xxx295	12068xxx442	18019xxx188	14357xxx988
14359xxx750					

## **WELCOME**

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, August 6, 2020 via Zoom Webinar and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

### **I. ADMINISTRATIVE ITEMS**

#### **1. Up-coming Meeting Dates and Locations**

September 3, 2020 CIB Review Meeting – Zoom

October 1, 2020 CIB Funding Meeting – Format to be determined

#### **2. Financial Review: [0:57]**

Candace Powers reviewed the status of the funds for today's meeting.

Chairman Hardy indicated the financials represent what has been placed on the Priority List and the tool's proposed funding. The proposed funding is being driven by the community's affordability through the unallocated funds in the entity's audit. The financial document will likely contain different funding through the Board's discussion today. The funding financial tool is being refined to balance additional criteria and will be reviewed at the September meeting.

The Board suggested the applicant's funding request should be indicated on the left side of the review sheet noting scientific research of information left to right. The proposed funding package should be indicated after the requested funding and the Board can discuss the project and funding.

The Board requested more discussion concerning the funding tool.

#### **3. Review of Agenda Items:**

There are 6 new projects.

### **II. WELCOME and INTRODUCTIONS [11:26]**

A roll call was conducted in regard to Board attendance. Kyle Stephens and Mike Dalton were excused from today's meeting.

### **III. APPROVAL OF MINUTES [13:40]**

Chairman Hardy requested a motion to approve the minutes from the July 9, 2020 funding meeting.

**Naghi Zeenati made and Tooter Ogden seconded a motion to approve the minutes of the July 9, 2020 CIB Meeting. The motion carried unanimously.**

### **IV. NEW PROJECTS**

#### **4.1 Naples City (Uintah County) [14:26]**

The City of Naples presented a funding request of \$1,735,000 (a \$ 434,000 loan 20y @ 0.0% and a 1,301,000 grant) for the construction of a storm water preservation, road crossings and safety project. This project consists of maintaining an existing open flood channel in the boundaries of Naples City, Vernal City, and Uintah County for the length of the Central Canal to collect storm water runoff flood control as the Ashley Central Irrigation Company intends to pipe the complete length of the Central Canal in Ashley Valley. This will include open cut and slip line roadway crossings on a number of streets for storm water and flood control channel preservation, vegetation removal and reshaping of the channel, extending the existing storm drain culvert east of Highway 40 approximately 3,500 feet toward the east with a 54" diameter HDPE pipe and to enclose the storm drain channel in other areas to facilitate future roadway projects. Naples City is the applicant as the largest portion of the project is at 2500 South in Naples. The applicant is contributing \$99,000 cash from Verna, Uintah County and Naples.

Proposed:

\$ 1,735,000 Loan 30y @ 1.5%

Dean Baker disclosed he is the Mayor of Naples City.  
Joshua Bake, Aaron Averett and Aaron Jensen represented Naples City.

The applicant noted that Naples City, Vernal City and Uintah County have been using the Central Canal for storm water conveyance. The canal company will be piping the canal. Two storm water studies were performed (2017 and 2019) to determine cost effective storm water preservation. A new system would be cost prohibitive. Utilizing the existing channel, maintaining it for storm water preservation, was the most cost effective option for a valley-wide storm water system. There are 22 road crossings; 11 in Uintah County, 7 in Vernal and 4 in Naples. The funding request is for the road crossings and flood channel preservation. Some of the channel needs to be reshaped to handle flood water flows. There is a 3500 foot culvert extension in Naples City at 2500 South just east of Hwy 40. Then construction timeframe is to begin in the fall of 2020 with completion in the spring of 2022.

The Board requested clarification of the financial arrangement of the project between the City, County and Ashley Central Irrigation Company.

The applicant indicated JUB is the engineer for the canal company and Naples City has hired Sunrise Engineering to engineer their project. The projects and funding is separate, but doing the projects simultaneously will decrease expenses. No funding will be allocated to the Ashley Central Irrigation Company, and will only finance storm water preservation within this project.

The Board commended the applicant for the detailed minutes provided with the application. It was noted that the UDOT Region 3 has committed the allocation of \$150,000 toward this project and asked about the status of the \$561,000 in NRCS funds.

The applicant indicated there is a signed agreement but NRCS requires an environmental process prior to releasing funds. The process is 75% completed and it is expected the funds will be allocated in November. The bulk of the funding is for the portion in Naples City at 2500 South just east of Hwy 40. The other funding from Uintah County and Vernal City is match for their portion of the project. The \$561,000 from NRCS is from a fund for flood control projects. The Board of Water Quality was not contacted for funding this project as it did not tie to a water quality issue. This canal has been utilized historically for flood control and the right to continue using this channel remains but the maintenance will be the responsibility of the three entities; Uintah County, Vernal and Naples.

The Board noted that the estimated costs for clearing and grubbing were high and asked if the canal company would be sharing the cost in the common areas of flood and irrigation piping.

The applicant noted that the entities have been fortunate that there has not been a significant storm event, as some of the areas along the channel have been neglected resulting in vegetation and sediment impeding the channel. To achieve the desired water conveyance, significant improvement is required. The canal company is doing their piping project independently but simultaneously. On 2500 South, the canal company and Naples will share the channel with independent piping and the canal company will cover their portion which is cost effective for both entities.

The Board noted the efforts of Naples City to navigate a necessary and timely project working with a private entity within the CIB guidelines for a cost effective result and asked for clarification as to what the CIB funding would be covering independent of UDOT and NRCS.

The applicant indicated that the request to CIB is \$1,735,000 of the \$2,545,000 project. The funding is to Vernal, Naples and Uintah County. No funding is being allocated to the canal company.

**Gregg Galecki made and Tooter Ogden seconded a motion to place this project on the Priority List for final approval at the October 1, 2020 funding meeting as an \$868,000 loan for 20 years at 0.5% interest and an \$867,000 grant (total \$1,735,000).**

CIB staff requested clarity as to the components that will be covered with CIB funding.

Aaron Jensen stated the NRCS funds with the matching funds of \$99,000 will be for reshaping, clearing and resizing of the channel for flood water conveyance. The CIB funding is for the 2500 south 54" storm water extension which is approximately \$820,204.80 as estimated (*reference to canal crossing summary*) and the \$814,950.00 estimate.

The Board requested the motion include all other funding be secured prior to reimbursements.

**Gregg Galecki made and Tooter Ogden seconded a motion to place this project on the Priority List for final approval at the October 1, 2020 funding meeting as a \$868,000 loan for 20 years at 0.5% interest and a \$867,000 grant (total \$1,735,000) contingent on all other funding secured. The motion carried unanimously through roll-call vote.**

*[1:07:00] The Uintah Transportation project was discussed after 4.3 due to technical difficulties.*

#### 4.2 Uintah Transportation Special Service District (Uintah County) [01:28:37]

The Uintah Transportation Special Service District presented a funding request of \$4,944,000 for road improvements and asphalt management. This project is for road improvements to include repair, repaving, drainage and lane striping throughout the County to include hot mix asphalt, crack seal, chip seal and related pavement applications **on 55 miles of roadway** and approximately 10 miles of 2 inch thin asphalt overlay on various roads where a chip seal is insufficient for heavy truck traffic.

The application request was for grant funding of \$4,944,000.

Proposed:

\$ 2,225,000 Loan 15y @ 0.5%

\$ 2,719,000 Grant

Cheryl Meier and Mike Hawley represented the Uintah Transportation Special Service District.

The applicant indicated the District is assisting the County with road improvements on 55 miles of roads. The County has 1400 miles of B roads between paved and gravel to maintain. This project consists of pavement repair, overlay, chip seal etc. The District funding is currently low; wholly supported by mineral lease funds. The B and C road funds to the County are insufficient to meet the demands of the impacts. The County will perform the in-kind work which is estimated to be \$3,200,000 a year. The UTSSD is requesting \$4,944,000 in CIB grant funding to help supplement the County efforts. The District recently paid off \$8.6 million in CIB loans which depleted their reserves.

It was noted that when the District has less money, the CIB also has less money as the source is the same.

The Board asked about information in the public hearing minutes concerning the annual debt service of \$800,000 also noted in the CIB application by the applicant.

The applicant stated that as a result of conversations with CIB staff, the total debt capacity was indicated as unallocated funds but also what could reasonably be afforded. (It was confusing.) The District indicated unallocated funds or funds left over at the end of 2019 which is the correct amount but in regard to affordability, \$75,000 would be a more reasonable annual payment.

The Board asked if the oil and gas companies participated in the maintenance of the roadways or if it has been suggested.

The applicant indicated that industry does not participate though there has been some discussion from the county on some projects.

The CIB staff noted that UTSSD did use the correct number which comes from their annual audit. It is understood that the unallocated funds do not represent an annual payment, but do represent a small component of affordability.

The Board asked if the project could be scaled down to require less grant funding.

The applicant stated they could scale back the project to the most critical parts to make it affordable, but the maintenance is several years behind.

The Board noted the applicant's retiring debt and the unallocated funds noting the proposed funding is similar to typical funding packages the Board has authorized for road maintenance suggesting the applicant discuss scaling back the project prior to authorizing funding. The Board asked about the applicant's B and C road funds.

The applicant stated the District does not receive B and C road funds but the County does and uses those funds to maintain the infrastructure. The County would pledge some of those funds to this project. The applicant will see what the CIB would offer, then discuss the possibility of scaling back the project if necessary.

**Naghi Zeenati made and Tooter Ogden seconded a motion to place this project on the Priority List for final approval at the October 1, 2020 funding meeting as a \$2,225,000 loan for 15 years at 0.5% and a \$2,719,000 grant (total \$4,944,000).**

The applicant noted the estimated in-kind contribution of \$3,200,000 by the County for pavement failure repair and asked that the Board consider the project to be an \$8,600,000 project for a 55/45 split of funding.

The Board discussed alternate funding of 40% loan and 60% grant and the motion was amended.

**Naghi Zeenati made and Tooter Ogden seconded the amended motion to place this project on the Priority List for final approval at the October 1, 2020 funding meeting as a \$1,978,000 loan for 15 years at 2.0% and a \$2,966,000 grant (total \$4,944,000). The motion carried unanimously through roll-call vote.**

#### 4.3 Green River City (Emery County) [01:10:30]

Green River City presented a funding request of \$121,000 for the Canal Commons off-site infrastructure. This project is part of a larger redevelopment plan for site improvements to accommodate affordable housing and greenspace in preparation for city growth including engineering, survey, sewer main, manholes, culinary water main, gate valves fire hydrants and roadway repair to the Canal Commons site in Green River. The applicant is requesting a \$121,000 grant.

Proposed:

\$ 121,000 Loan 30y @ 1.5%

Mayor Travis Bacon, Maria Sykes, Lindsey Briceno and the staff of Epicenter represented Green River City.

The applicant stated this project is a critical City component to facilitate the larger Canal Commons project of critically needed affordable housing. Epicenter has been a great partner on this project. The Olene Walker Housing Loan fund recently awarded funding for this affordable housing project. The CIB funding is to facilitate public utilities to the area.

Chairman Hardy reiterated the \$121,000 is for the City's portion of eligible costs. The Board commended the public hearing and asked the status of funds from other funding sources.

The applicant stated they applied for CDBG funding in January, but most of the other funding was not in place so they did not qualify for CDBG funding. The Zions Bank funding is a construction loan which is in the preliminary process and in December, they will know if Federal Home Loan funding is awarded noting it would be difficult to take on more debt.

The Board asked who owns the land where the housing project will be located and will it be sold to developers.

The applicant indicated the 4 acres of land, valued at \$111,000 was donated to Green River City and it was determined it would be suitable for this housing project.

Chairman Hardy stated that the Olene Walker Housing Fund has fully underwritten this housing project as it's constituted and reiterated the project cannot take on more debt.

**Gregg Galecki made and David Damschen seconded a motion to place this project on the Priority List for final approval at the October 1, 2020 funding meeting for final approval as a \$121,000 grant. The motion carried unanimously through roll-call vote.**

*Treasurer Damschen noted the CIB does not fund economic development. The CIB funding is for Green River infrastructure.*

#### 4.4 East Zion Special Service District (Kane County) [01:53:52]

East Zion Special Service District presented a funding request of \$368,189 for a fire station pre-fab building, remodel and access improvements. This project includes the purchase of an existing 48' x 48' metal building with foundation, heating and electrical located 5 miles up North Fork Road in Mt. Carmel to include design, engineering and construction of a 672 square foot building addition to include a training room, office, rest room and equipment storage, and paving driveway access around the building. The applicant is requesting a \$368,189 grant.

Proposed:

\$ 313,000 Loan 30y @ 1.0%

\$ 55,189 Grant

Chief Brad Freeman, Steve Neeleman, John Casperson, Larry Sander and Gordon Walker represented the East Zion Special Service District.

The applicant referred to the area as having a lot of brush and timber with a minimal area of escape in the event of a fire and the closest fire station is an hour away. They have accommodated equipment,

some of which is stored at the home of the fire chief. Ponderosa Ranch has donated land valued at \$100,000 to the East Zion SSD and the SSD will be purchasing the building currently being rented for the storage of the vehicles. The East Zion homeowners association has donated land for road access and the front of the station, the driveway and a road out to the main roadway will be paved. The building will be remodeled to include a restroom, training room, office, and equipment storage. It is anticipated that in the future, the emergency service to the area will be increased at this location.

Chairman Hardy indicated one of the factors the funding tool considers is revenue from producing counties. The previous projects from producing counties included a percentage of loan and asked about taxable properties included in the special service district area as a revenue source.

The applicant indicated there are approximately 500 but the District fire coverage is a larger area of the State. The District has a limited fire budget after purchasing the necessary fire trucks.

The Board acknowledged the need for fire protection in this area and the generosity of the area homeowners to donate property for the roadway. The Board asked if the area coal mine is able to assist and asked about the District's current fleet of trucks.

The applicant noted the Alton Coal mine has increased production and has added workers but half the county has been allocated to the Grand Staircase which shut down development. Though it is a rich area, it is mostly BLM and national park area. The District has a 2004 brush truck, a refurbished ladder truck, a refurbished pumper truck and a new water truck designed by the District noting they have experienced recent fire calls in the area.

The Board commended the efforts of the District in regard to creating the enhanced capacity to address fires and asked how many fire fighters they currently have on the roster and asked about billing for response to emergencies.

The applicant stated they have 6 fire fighters and are trying to increase that number. The Chief lives in Hurricane which is an hour from the fire station. The District holds trainings each month. They do not bill for emergency response as they do not have enough EMS trained personnel. It is the goal to get licensed with an EMR first responder medically trained which requires working capital and then they can charge for response.

The Board commended the efforts to build fire service in the area. The District stated their budget to be approximately \$80,000 wherein a \$200,000 loan would represent an annual payment of \$8,000 would be 10% of the annual budget.

The applicant indicated they only had \$8,000 remaining in last year's budget after insurance and other expenses noting one fire fighter broke a foot, two volunteer firefighters left. They are seeking other funding to accommodate a full time fire fighter for the SSD.

**Dean Baker made and Irene Hansen seconded a motion to place this project on the Priority List for final approval at the October 1, 2020 funding meeting as a \$313,000 loan for 30 years at 0.5% and a \$55,189 grant (total \$368,189).**

After further Board discussion concerning the size of the community and affordability a substitute motion was made.

**Bruce Adams made and Tooter Ogden seconded a substitute motion to place this project on the Priority List for final approval at the October 1, 2020 funding meeting as a \$100,000 loan for 30**

**years at 0.5% and a \$268,189 grant (total \$368,189). The motion carried with David Damschen, Gregg Galecki, Naghi Zeenati, Irene Hansen, Tooter Ogden and Bruce Adams in favor; Dean Baker opposed and Jack Lytle absent for the vote.**

#### 4.5 Town of Levan (Juab County) [2:37:18]

The Town of Levan presented a funding request of \$150,000 for the purchase of a new ambulance. This project includes the purchase of a 2020 Horton 453F Type I 4WD Custom Ambulance to include liquid spring suspension, grill guard with warn winch, strip and lettering.

*Proposed:*

\$ 150,000 Loan 15y @ 2.5%

Mayor Corey Christensen and Bruce Rowley represented the Town of Levan.

The applicant indicated they have been providing ambulance service for 20 years with volunteers. The ambulance service is self-supported with a population of 880 in the Town. They have been able to buy equipment but do not have funds to purchase the new ambulance. The existing ambulance has motor issues and \$15,000 was spent last year on maintenance of the vehicle. The coverage area is 350 square miles with 50 miles of State roads and freeway and Yuba State Park which has 5,000 visitors per week and surrounding mountain areas. 75% of calls are outside the community of Levan. A \$100,000 EMS grant was applied for and awarded but the EMS was not fully funded and the grant was reduced to \$54,900. The intent was to also get a new gurney and loading system, but with the reduced grant, they will not purchase those items this year. The cost of the ambulance without those items is \$204,930 which the EMS and CIB funding would cover. There is a road bond they are paying and expressed appreciation for Mr. Rowley's efforts for the ambulance service.

The Board noted there would be \$16,000 in loan debt to be retired in the next two years and the applicants proposed affordability was \$5,000 per year.

**Gregg Galecki made and Naghi Zeenati seconded a motion to place this project on the Priority List for final approval at the October 1, 2020 funding meeting as a \$150,000 loan for 15 years at 0.5% with a 2 year principal payment deferral. The motion carried through roll-call vote with Jack Lytle abstaining.**

#### 4.6 Cache County (Cache County) [02:47:55]

Cache County presented a funding request of \$93,552 for urban and rural areas assessment, cost of services and regional collaboration plan. This project will compile information in regard to urban and rural assessments and will include data inventory, land use growth assessment, criteria, service capacity and future service patterns, services assessment, resources and alternatives, cost of service review, public engagement, policy gap assessment, coordination platforms and a regional collaboration plan. The applicant is contributing \$93,552 cash.

*Proposed:*

\$ 93,552 Grant

Tayler Jensen, Chris Harrild and Craig Buttars represented Cache County.

The applicant noted this is a combination of 3 plans which will guide the vision for the County for the next 20 years. They currently are working on their general plan and will accommodate these plans simultaneously.

**Naghi Zeenati made and Bruce Adams seconded a motion to place this project on the Priority List for final approval at the October 1, 2020 funding meeting as a \$93,552 grant. The motion carried with Jack Lytle absent for the vote.**

**IX. BOARD MEMBER DISCUSSION and/or ACTION ITEMS [02:52:30]**

**9.1 CIB Board Meetings**

CIB Board Meeting September 3, 2020 – Zoom Webinar

**9.2. CIB Loan Deferral Report [02:52:50]**

No deferral requests have been received.

**9.3 CIB *Throughput Application Format Approval* [02:53:03]**

The Board approved the FY21 Throughput Application Format Phase I and Phase II.

Chairman Hardy noted the CIB has not received an application for Throughput funds. There are two phases of funding; Phase I is for administrative funding. Phase II is for project funding. The purpose of this discussion is for Board approval of the application format.

The Throughput application draft was discussed and it was noted that Phase I in regard to administration funding is represented in blue and Phase II for project information required is noted in black. Most of Phase I will also be required in a Phase II project application. The template was formatted from a large transportation application and reviewed for content. It is quite different from the simpler CIB application and has been reviewed to assure all information is current and is now presented for Board approval to allow use. State statute regarding the Throughput fund is noted at the beginning of the application form. There are 6 eligible throughput projects noted in statute.

Chairman Hardy stated that in 2019, the legislature mandated the first project to come before the Board must be a bulk commodities ocean terminal. The only applicants for this fund must be political subdivisions of the State and there is a four county group that is forming an inter-local entity and they may apply for up to 2% of available funding to do due diligence for a project before requesting the project funding.

It was noted that Throughput Infrastructure Funds are different than mineral lease funds and do not bear the same restrictions. Examples of the administrative 2% use includes analytic components of a proposed project, peer review etc. before an actual project comes to the Board for funding.

It was again noted that Phase I is what is presented in blue and Phase II is in black on the application which includes statements relative to making an informed decision by the Board.

Mr. Galecki noted that at the Water Quality Board, staff introduces a project and the Board has the ability to request items needed to make a decision. Could this be part of the process?

Chairman Hardy indicated there may be separate meetings in regard to Phase II which would include the CIB financial advisors and special consultants to the Board to assist in review and it will be an iterative process. Until there is more information, it would be difficult to determine how many meetings are required or how long the process will be. The application template and discussion is to lay the groundwork with the caveat that this is what the CIB is requesting now, while reserving the right to request additional information to clarify the project and what the legislature has directed in statute.

Mr. Galecki stated the process appears to be good and allows sufficient vetting.

Chairman Hardy stated that the application form is ready but the bulk of the work will occur when the Board receives more information through this application process. It is unknown how much time or expertise will be necessary to clarify a project. The Board is authorized in statute to review applications for use of the Throughput funds and this is the beginning of that process.

Mr. Zeenati asked if this is the Port of Oakland we are discussing.

Chairman Hardy indicated we are setting up the application. It is up to a collaborative inter-local agency to submit an application and describe exactly what they want to have happen. It is the understanding they are still looking at that project.

Treasurer Damschen stated that considering the exhaustive experience of this Board and the prospective inter-local entity have in major infrastructure projects like an ocean bulk terminal, this is a good start and acknowledged the staff's efforts.

Chairman Hardy called for a motion to approve the application.

**Naghi Zeenati made and Tooter Ogden seconded the motion to approve the proposed Throughput Application Form for use. The motion carried unanimously.**

### **9.3 CIB Audit and Policy Change Discussion – Chapter II [03:15:09]**

“A discussion of Chapter II of the 2020 Legislative Audit to establish policy recommendations”

#### **2.1 Auditor Recommendation: CIB Board Should Implement Policies Ensuring Funds Alleviate Impact** **STAFF RECOMMENDATION:**

- Revised guidelines require the applicant to clearly define the public purpose of the project.
- The October 1 2nd Trimester Application will include a section for the applicant to identify how the project alleviates impacts on ~~traffic~~, public infrastructure, public finance, federal land, employment and safety. The project may not be solely economic development, but should have a positive effect on the entity's fiscal health.

**Mayor Baker** indicated the Board needs to consider the effects of mineral extraction.

**Chairman Hardy** noted it is understood that the Board has to consider the impact of mineral extraction on federal lands; but there is no set definition for the *alleviation*.

**Mr. Zeenati** noted that the effect of health and clean air should be considered for communities. Projects should alleviate those impacts.

**Ms. Powers** noted safety is listed.

**Mayor Baker** again stated that mineral development needs to be included.

**Commissioner Ogden** noted the Board helps rural communities across the State and didn't feel it should be tied into mineral impact. (*the audio was unclear*).

**Chairman Hardy** indicated that in statute the reference states any community impacted directly or indirectly is eligible for funding. This should include taxable base *or* how much federal land exists. They are already eligible. Communities that have a lot of public lands as part of their County are impacted. It is a constraint on their finances as they don't have a taxable base to support a project in their community. That can be eligible for alleviation of impact.

**Mayor Baker** stated that entities with a lot of federal lands are impacted, but those areas with mineral extraction is also an impact and that should set the stage on how applicants come in and what they ask for; if it shows that kind of an impact. I think that's a key factor.

**Chairman Hardy** noted this will be what an applicant has to state on their application. This Board makes the decision if or how the project is funded.

**Ms. Powers** stated there are counties directly impacted by mineral extraction and other counties have those trucks driving on their roadways as an indirect impact. They have no resources or extraction but that is an impact. This revenue is because those resources are being developed and priority is to be given, as stated in statute, to those who produce the revenue noting those counties also get a portion of that revenue allocated directly to them.

**Chairman Hardy** suggested replacing traffic with public infrastructure and adding public finance as an impact.

Ms. Powers changed the recommendation language to impacts on public infrastructure, public finance, federal land, employment and safety.

There will be a place on the application where the applicant identifies the project's impact to the Board.

**2.2 Auditor Recommendation:** *The Permanent Community Impact Board should review the project size, scope, intended beneficiaries, and budget of proposed projects and make a determination that the project is a good value for the community in alleviating impact.*

**STAFF RECOMMENDATION:**

- The revised application will note cost per capita: entity population divided by cost of the project.
- The revised application now requires applicant to list allocation for operation and maintenance capability.

The Board had no comments.

**2.3 Auditor Recommendation:** *the Permanent Community Impact Board should require in policy that all applicants clearly identify their project's intended purpose and impacts to the community and that applicants provide evidence that there is clear impact alleviation.*

**STAFF RECOMMENDATION:**

- Application guidelines have been revised to require clarification of the project's intended purpose and the alleviation of impacts regarding ~~traffic~~, public infrastructure, public finance, federal land, employment or safety in the project description.
- The Board will consider the projects improvement on ~~traffic~~ public infrastructure, public finance, federal land, employment and safety (public lands cannot be taxed; employment ebbs and flows with mineral lease development in some areas).

The definition of alleviation of impacts was revised; the word *traffic* was omitted and *public infrastructure* and *public finance* added.

**2.4. Auditor Recommendation:** *the Permanent Community Impact Board staff should monitor applications to ensure that each project's intended purpose is clearly stated and demonstrates how the project will alleviate impact before it is presented to the Board.*

**STAFF RECOMMENDATION:**

- The **APPLICATION** will be modified for FY21 - 2<sup>nd</sup> Trimester to include guidance questions:
  1. Are there mineral revenue development impacts that affect ~~traffic~~, public infrastructure , public finance, federal land, employment or safety
  2. How might this project ease the burden of ~~traffic~~, public infrastructure, mineral resource development or federal land issues?
  3. What is the percentage of federal land in the county?
  4. Who are the prime beneficiaries of this project?

*"The Permanent Community Impact Fund Board established the definition for alleviation of impacts to include consideration of public infrastructure, public finance, federal land, employment and safety."*

**Gregg Galecki made and Tooter Ogden seconded a motion to approve the staff recommendations as revised at today's meeting. The motion carried unanimously through a roll call vote.**

Chairman Hardy suggested a discussion on the application financial tool.

Mayor Baker noted that the loan proposal of 1.5% on the Naples project in Uintah County was a surprise as he thought Uintah was locked in at .5% or 0%.

Chairman Hardy indicated the tool is based on a number of factors to raise and lower the rate. A producing county status does reduce the interest rate as well as increased federal lands.

Paul Moberly of the Community Development Office and funding tool aficionado noted the interest rate is currently affected by production class, public lands class, population, and then the MAGI of the applicant and annual budget. In the case of Naples, the interest rate was affected relative to the MAGI.

Chairman Hardy stated that the tool will be revised to provide a broader range of outcomes rather than a fixed number in terms of interest rate and loan/ grant mix depending on the factors. The tool will be further revised for next month to provide an increased range of outcomes and then utilize the financial information to set up a project within that range.

Mr. Moberly reviewed the tool with the Board and displayed the range of suggested options. There will be a range of loan/grant mix options based on the County, production class and public lands. On the application/applicant side, it will be based somewhat on MAGI and on project type. Example: Recreation or culture projects would bear an increase on the loan floor and ceiling. Health, safety and welfare projects which alleviate impacts such as water, sewer and roads would have a lower loan floor and ceiling.

Mr. Galecki indicated the affordable factor was important and the indicators of what the applicant was currently paying in debt service.

Mr. Moberly noted the revision is a shift from how the tool was previously created but will provide information for the Board to make consistent decisions. For this meeting, the proposed funding was calculated from a percentage of the unallocated fund balance. It may be a reference point for the Board on the yellow review sheet along with other data points. He requested feedback from the Board on other data points they would like to consider in making a funding decision. Applicant information will include the applicants request on both the application and the yellow review sheet.

Chairman Hardy noted the tool appeared to reward communities with significant debt and penalized communities with strong financial health. This should not be the defining factor on funding. As the tool is refined, the financial information may be used to make an informed funding decision noting that some communities should raise fees and taxes to accommodate necessary infrastructure. The goal is to achieve some consistency in funding similar projects, and should be less driven by an entity's financial statement.

Mayor Baker acknowledged the efforts and commended the continued effort to achieve consistency.

Mr. Zeenati acknowledged the information being put forth in regard to the project, resources of the applicant and affordability aiding the Board in making informed funding decisions. The applicant will have some idea of potential funding and the Board will also have an awareness of what they can afford.

Chairman Hardy stated there will be more information next month.

**ADJOURNMENT** [3:56:02]

The next Permanent Community Impact Board Funding Meeting will be held on September 3, 2020 via Zoom Webinar and will begin at 8:30 a.m.

The meeting adjourned at 12:45 p.m.

Submitted by:  
Candace Powers