

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING
 Department of Workforce Services
 Housing and Community Development Division, Salt Lake City, Utah
MINUTES
 October 7, 2021

Members Present

Keith Heaton	Chairman
Bruce Adams	Southeastern Utah Association of Local Governments
Naghi Zeenati	State Transportation Commission
Jack Lytle	Uintah Basin Association of Governments
Dean Baker	Uintah County
Garth "Tooter" Ogden	Sevier County
Marlo Oaks	State Treasurer
Jerry Taylor	Five County Association of Governments
Glade Nielsen	Six County Association of Governments
Kyle Stephens	State Board of Water Resources

Members Absent
TBD*State Board of Water Quality***Staff and Visitors**

Candace Powers	Housing and Community Development
Brenda Brown	Housing and Community Development
Paul Moberly	Housing and Community Development
Zach Leavitt	Housing and Community Development
Christina Oliver	Housing and Community Development
Aaron Waite	Attorney General's Office
Amber Banfill	Town of Big Water
Eric Major	Jones and DeMille Engineering
Ben Mower	Ballard Water and Sewer Improvement District
Nathan Strait	Central Utah Counseling Center
Richard Anderson	Central Utah Counseling Center
Daven Quarnberg	Aurora City
Parker Vercimak	Jones and DeMille Engineering
Justin Atkinson	Sunrise Engineering
Brent Chamberlain	Kane County
Michael Bryant	Southeastern Utah Association of Local Governments
Danny Van Wagoner	Southeastern Utah Association of Local Governments
Geri Gamber	Southeastern Utah Association of Local Governments
Jonah Christensen	Centerfield City
Ron Torgerson	Koosharem / Elk Meadows Special Service District
Jade Powell	Southeastern Utah Association of Local Governments
Branden Stephenson	Sunrise Engineering
Stan Adams	Sunrise Engineering
Gregg Todd	Duchesne County
Kevin Yack	Uintah Basin Association of Governments
Will Wright	Uintah Basin Association of Governments
David Rust	Uintah Basin Association of Governments
Paul Cozzens	Iron County
Ron Winterton	Duchesne County / Senator

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Skyler Davies
 Gary Zabriskie
 Evan Bolt
 Zac Covington
 Paul Burgon

Division of Water Quality
 Five County Association of Governments
 Monticello City
 Bear River Association of Governments
 Elk Meadows Special Service District

Via Google

Carrie Brinkerhoff
 Ben Coray
 Christina Davis
 Reed Erickson
 Tyler Faddis
 Mario Gonzalez
 Jeanette Johnson
 Paula Noyes
 Christina Oliver
 Heather Pattee
 Jade Powell
 Jesse Ralphs
 Deeda Seed
 Devan Shields
 Skye Sieber

Town of Bicknell
 Sunrise Engineering
 Department of Workforce Services
 Iron County
 Jones and DeMille Engineering

 Blaisdell, Church and Johnson
 Wellington City
 Housing and Community Development
 Division of Drinking Water
 Southeastern Utah Association of Local Governments
 Sunrise Engineering
 Center for Biological Diversity
 Sunrise Engineering
 Division of Drinking Water

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, September 2, 2021 at 1385 South State, Room 157, Salt Lake City, Utah and was called to order at 8:30 a.m. by Chairman Keith Heaton.

I. ADMINISTRATIVE ITEMS

Briefing [1:00]

1. *Upcoming Meeting dates and Locations*

November 4, 2021 – Red Cliffs Lodge, Moab, Utah

December 2, 2021 – Salt Lake City

2. *Financial Review*

Candace Powers reviewed the status of the funds for today's meeting and a brief explanation of the calculation tool which may require reconsideration of funding for some projects.

3. *Review of Agenda Items:* [1:22]

There are 17 priority projects for final funding consideration and 2 supplemental funding requests. The Board is tasked with making sound financial decisions for the applicant and the fund to keep the fund revolving as stated in statute.

II. WELCOME AND INTRODUCTIONS [05:31]

Chairman Heaton welcomed everyone and introduced the Board. The Water Quality Board representative to the CIB has not been appointed and the vacancy was noted.

Chairman Heaton recognized the Regional Planners and Affiliates at the meeting as an extension of the staff to the Board. He expressed appreciation for the representation of the Attorney Generals Office; Aaron Waite is legal counsel to the Permanent Community Impact Fund Board.

Commissioner Bruce Adams was acknowledged for his efforts in the cause of breast cancer awareness.

III. APPROVAL OF MINUTES [30:34]

Chairman Heaton requested a motion to approve the minutes from the September 2, 2021 meeting.

Jack Lytle made and Jerry Taylor seconded a motion to approve the minutes of the September 2, 2021 meeting. The motion carried unanimously through voice vote.

[13:01] David Damschen was honored for his service as State Treasurer on the Permanent Community Impact Fund Board. Mr. Damschen expressed his appreciation of the Board and the important work of its members for the citizens of rural Utah.

Chairman Heaton expressed appreciation for the fiscally conservative voice of then Treasurer Damschen on the Board.

IV. PRIORITY PROJECTS 16:20]

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. Multiple projects may be funded within one motion of the Board if there are no changes to the funding package.

4.1 Sevier County Municipal Building Authority [17:24]

Sevier County's funding request was advanced to the Priority List as a \$1,448,000 loan for 30 years at 1.0% and a \$2,172,000 grant (total \$3,620,000). This project consists of renovation and construction of the Central Utah Counseling facility at Richfield to include the construction of a new 7,700 square foot clinical office, a 2500 square foot day treatment building and a 2808 square foot expansion to the existing residential facility to include architectural, geo technical, engineering and associated demolition for the expansion of services and the inclusion of a mobile crisis outreach team (MCOT) to serve the Six County area.

Prioritized Funding: \$3,620,000 (a \$1,448,000 loan for 30 years at 1.0% interest and a \$2,172,000 grant) *The prioritized funding is not within the approved range.*

Chairman Heaton noted there needs to be clarification of the applicant. Sevier County Municipal Building Authority is the applicant with the beneficiary being Central Utah Counseling as tenant of the new facility. The ownership of the facility cannot be transferred to Central Utah Counseling without receiving fair market value.

Bill Prater, CIB Bond Counsel provided information concerning the establishment of the appropriate borrower, the transfer of property regarding CIB loans. When projects are approved, a loan authorization letter is prepared and submitted to the funding recipient and the entity's bond counsel prepares the necessary documents. Mr. Prater reviews the documents to certify they are consistent with CIB policies and guidelines. The borrower must have a dedicated revenue source to pay the bond. *If the revenue is property taxes or general funds, there must be a bond election.* In the case of a building, there isn't a revenue source such as water rates. The structure within statute is a lease revenue bond; the funding is loaned to a building authority of the sponsor. Sevier County Building Authority leases the project to the County. Thus, the revenue source is the lease payment. The County itself cannot enter into a long-term obligation – be it a bond or a lease – without a bond election. The lease from the building authority to the county is annually renewable so it is not a long-term debt. A county might decide not to pay the debt as they are not legally required to so which creates an insecurity so a lease revenue bond is the only type of bond the Board does where there is an actual mortgage on the property. CIB could foreclose on the property and sell it to pay off the loan. Example: The building authority issues the bond - the county signs the lease and then subleases to a fire district. The fire district pays the county, the county pays the building authority, the building authority pays on the loan. The issue with the Sevier County MBA and Central Utah Counseling is the sublease is going to be to someone the CIB could not lend to as an

approved governmental entity on the list of applicants that CIB could fund. It can be done, but the issue is the Board cannot do pass-through inexpensive government funding to benefit someone the Board cannot lend to and there is a large grant component to be passing through to Central Utah Counseling. It was indicated that when this loan is paid in full, the county would merely deed the property to Central Utah Counseling. As the Board could not directly lend to Central Utah Counseling and Central Utah should not have title to the project.

Commissioner Lytle asked if the MBA could be the recipient, the county could ensure it is paid and it cannot be transferred to the entity in this circumstance.

Mr. Prater indicated it is up to the county as to what they do but referenced the 'Doug Short' line of supreme court cases that prohibit a governmental entity from transferring property to a non-governmental entity unless they receive full fair market value for the transfer. When the loan is paid in full and Central Utah Counseling then gets title to the building it is counter to the 'Doug Short' analysis.

Commissioner Ogden indicated that Sevier County is comfortable with Sevier County MBA being the applicant as Central Utah Counseling has been functioning in the area for many years and is expected to continue. Sevier County bond counsel has reviewed the issue and the county would be obligated to pay the loan if the lease from Central Utah Counseling is not able to make that obligation.

The applicant stated Central Utah Counseling is not a private entity, but an interlocal agency-a governmental agency. The counties are legally responsible to provide mental health and substance abuse treatment and came together to form the Central Utah Counseling agency. It is similar to a special service fire district, road department, etc. They will not take ownership of the building. It will be a Sevier County building.

Treasurer Oaks suggested ARPA funding as mental health is eligible.

The applicant stated the ARPA is administered through the State Division of Substance Abuse and Mental Health. They cannot apply directly but have received \$200,000 to remodel rooms at a facility in Nephi. There is a finance directors meeting for mental health authorities which will discuss staffing dollars but no brick and mortar discussions in that meeting; they will pursue the possibility of additional ARPA funding.

Chairman Heaton indicated funding is outside the Board's authorized funding tool range requiring an exemption.

Prioritized Funding: \$3,620,000 (a \$1,448,000 loan for 30 years at 1.0% interest and a \$2,172,000 grant) *The prioritized funding is not within the approved range*

Naghi Zeenati made and Kyle Stephens seconded a motion to fund this project as advanced to the Priority List noting special circumstances as the exemption.

If a funded entity receives ARPA funding for the project, the amount of CIB funding may be reduced in the same percentages the Board authorized by staff.

Naghi Zeenati made and Kyle Stephens seconded a motion to fund this project as advanced to the Priority List noting special circumstances as the exemption. The motion carried unanimously through roll-call vote.

Chairman Heaton requested a motion to approve Projects 2 – 8 as advanced to the Priority List to include plans and specifications requirements to be submitted for water projects.

4.2 Town of Koosharem (Sevier County) [31:38]

The Town of Koosharem's funding request for Electronic Water Meters (SCADA) was advanced to the Priority List as a \$63,624 grant. This project consists of replacing the existing meter reading system which has been deemed obsolete with approximately 196 new electronic sensor devices including frost proofing insulation of the new meters. The applicant is contributing \$10,000 cash. Project total \$73,624.

Prioritized Funding: \$63,624 grant. *The prioritized funding is below a loan threshold of \$100,000.*

4.3 Duchesne City (Duchesne County)

Duchesne City's funding request for a Four Plex Sports Complex was advanced to the Priority List as a \$3,850,000 loan for 30 years at 0.5% and a \$600,000 grant (total \$4,450,000) This project consists of improvements and the construction of a new four-plex sports field complex at 400 South to include high school level baseball and softball facilities, a soccer/football field, fencing and gates, parking areas, restrooms, concession stand, bleachers, batting cage, sprinkler system, scoreboard and scorekeepers tower, lighting, drainage, utilities, walking path, landscaping and curb. The applicant is contributing \$50,000 cash. Project total \$4,500,000.

Prioritized Funding: \$4,450,000 (a \$3,850,000 loan for 30 years at 0.5% interest and a \$600,000 grant) *The prioritized funding is within the approved range.*

4.4 Duchesne City (Duchesne County)

Duchesne City's funding request for a Volunteer Fire Station Addition was advanced to the Priority List as a \$165,000 loan for 30 years at 0.5% and a \$164,000 grant (total \$329,000). This project consists of expanding the existing fire station with a 60 X 21-foot metal addition with a second floor, external stairway to include an office, a training room, physical training center, a vented turnout room, lockers, utilities and a new generator. CDBG: \$139,031. Project Total: \$468,031.

Prioritized Funding: \$329,000 (a \$165,000 loan for 30 years at 0.5% interest and a \$164,000 grant) *The prioritized funding is within the approved range.*

4.5 Centerfield City (Sanpete County)

Centerfield City's funding request for a Water Rights Purchase was advanced to the Priority List as a \$314,000 loan for 30 years at 0.5% and a \$607,000 grant (total \$921,000). This project consists of the purchase of 130 acre-feet of available water rights at approximately \$7000 per acre foot to protect the existing spring and well water and meet current and future water demands.

Prioritized Funding: \$921,000 (a \$314,000 loan for 30 years at 0.5% interest and a \$607,000 grant) *The prioritized funding is within the approved range.*

4.6 Emery County Local Building Authority

Emery County Local Building Authority's funding request for the purchase of 2 Ambulances was advanced to the Priority List as a \$200,000 grant. This project consists of the purchase of two 2021 North Star 154-1 ambulances on 2022 Ford F350 4X4 ambulance prep diesel chassis. The applicant is contributing \$200,000 cash. Project total \$400,000.

Prioritized Funding: \$200,000 grant. *The prioritized funding is NOT within the approved range and special circumstances was stated (August 5, 2021) as the exemption.*

4.7 Town of Big Water (Kane County)

The Town of Big Water's funding request for the purchase of a New Marshall Vehicle was advanced to the Priority List as a \$ 60,000 Grant. This project consists of the purchase of a 2021 Chevrolet Tahoe 4WD 4dr commercial vehicle for Marshall use. The applicant is contributing \$60,000 cash. Project total \$80,000.

Prioritized Funding: \$60,000 grant. *The prioritized funding is below a loan threshold of \$100,000*

4.8 Kane County Municipal Building Authority

Kane County Municipal Building Authority's funding request for the Administration Building and Kanab Center Renovations was advanced to the Priority List as a \$1,936,000 loan for 30 years at 0.5% and a \$264,000 grant (total \$2,200,000). This project consists of renovations to the historic school building known as Kanab Center Building B to include roof renovation, insulation, new drywall, renovate flooring and bleachers, new backboards, and breakout spaces on the stage level. Renovations to the Kane County Administration Building include expanding the existing Commission Chambers, a new HVAC system and new bathrooms with water efficient fixtures. (Audio/visual equipment has been deemed to be ineligible as a capital expense for CIB funding. Capital expenses include items affixed to the building with a viability of 10 years or longer.)

Prioritized Funding: \$2,200,000 (a \$1,936,000 loan for 30 years at 0.5% interest and a \$264,000 grant) *The prioritized funding is within the approved range.*

Jack Lytle made and Jerry Taylor seconded a motion to fund projects 2-8 as advanced to the Priority List for funding to include plans and specifications requirements to be submitted for water projects. The motion carried unanimously through roll-call vote.

4.9 Iron County Municipal Building Authority

Iron County Municipal Building Authority's funding request for a New Fire Station @ Newcastle was advanced to the Priority List as a \$200,000 loan for 30 years at 1.0% and a \$200,000 grant (total \$400,000). This project consists of constructing a new 100-foot by 50-foot, 2500 square foot metal building with 2 truck bays, office, training area, kitchen, restrooms and storage area including concrete pad, framing, roof panels, insulation, electrical, plumbing and associated appurtenances to function as a fire station in the unincorporated community of Newcastle located in the southwestern area of the County. The applicant is contributing \$100,000 cash. CDBG \$200,000. Project total \$800,000.

Prioritized Funding: \$400,000 (a \$200,000 loan for 30 years at 1.0% interest and a \$200,000 grant) *The prioritized funding was outside the approved range; a hardship exemption was cited.*

The applicant indicated that after reviewing the engineer's estimates and noting construction costs, supplemental funding is requested for the Iron County Newcastle Fire Station Project as a \$50,000 loan and \$50,000 grant.

Revised funding total is \$500,000 (a \$250,000 grant and \$250,000 loan 30y @ 1.0%) *The funding request is outside the approved range; a hardship exemption was cited.*

Bruce Adams made and Jack Lytle seconded a motion to fund this project as a \$250,000 loan for 30 years at 1.0% and a \$250,000 grant (total \$500,000) with a hardship exemption. The motion carried unanimously through roll-call vote.

4.10 Town of Bicknell (Wayne County)

Wayne County's funding request for the 2021 Road Improvements was advanced to the Priority List as a \$280,000 loan for 10 years at 0.5% and a \$280,000 grant (total \$560,000). This project consists of road improvements to 6 roadway locations including an overlay on 100 South between 200 East and 400 West and hot mix asphalt and base course for the reconstruction of 400 West between Main Street and 250 South; 100 West between 100 South and 150 South and Main Street to 50 North; 200 North between 300 West and 400 West to include drainage; 100 North from 400 West to 450 West, remove and replace concrete driveways, reconstruction of 14 valve boxes and associated signage and utility relocation. The applicant is contributing \$15,000 cash. Project total \$575,000. *The funding is a reduced amount to phase the project and accommodate an affordable payment.*

Prioritized Funding: \$560,000 (a \$280,000 loan for 10 years at 0.5% interest and a \$280,000 grant) *The prioritized funding is outside the approved range.*

Naghi Zeenati made and Jerry Taylor seconded a motion to fund this project as placed on the Priority List. The motion carried unanimously through roll-call vote.

The applicant requested time to address the Board. The original funding request was for \$964,000. The Board reduced the authorized funding to \$560,000. The ARPA funding is not available for road projects. The applicant is requesting the Board's reconsideration of the total project funding amount as a \$193,000 loan for 10 years at 0.5% and a \$771,000 grant (total \$964,000). There was concern with the cost of engineering in the project. The amount of the loan is difficult within the amount of B&C road revenue received.

Chairman Heaton asked if the project could be phased.

The applicant said the \$560,000 authorized by the Board might cover one road and with a \$280,000 loan would require all of the B&C road revenue for payments.

The Board asked what type of usage the roads receive.

The applicant indicated one road is an access road to the Boulder Mountain and the traffic wear is from visitors. Bicknell is responsible to maintain the public road with limited B&C revenues.

The Board asked if the road was a County road and is the County providing funding assistance.

The applicant indicated that they approached the County for help but they are not participating and the road is not a County road.

Commissioner Adams stated he lives in a county which has similar impacts to roads. The existence of public lands and tourism often causes increases to costs for police, road maintenance, EMS, fire department etc. with no federal financial assistance. 66% of Utah is government owned property and can't be taxed for infrastructure improvements. He would make a motion to fund the entire project.

Mr. Waite, Legal Counsel indicated that the item is on the agenda and an approved motion can be reconsidered when there is a quorum.

Commissioner Adams asked about B&C road revenue suggesting a commitment of half of what the applicant receives as an amount of revenue dedicated to a 10-year CIB loan allowing some maintenance funds.

The applicant indicated they receive \$38,000 B&C revenue annually.

Naghi Zeenati made and Bruce Adams seconded a motion to rescind the motion for \$560,000 (a \$280,000 loan for 10 years at 0.5% interest and a \$280,000 grant) to fund this project. The motion carried unanimously through roll-call vote.

Commissioner Lytle referred to the applicant's intent to reduce engineering expenses for this project. The applicant affirmed that intent.

Bruce Adams made and Naghi Zeenati seconded a motion to fund this project as a \$193,000 loan for 10 years at 0.5% and a \$771,000 grant (total \$964,000) citing a financial hardship exemption. The motion carried unanimously through roll-call vote.

The applicant is to reduce the cost of engineering for this project and thanked the Board for their reconsideration of funding the project.

4.11 Ballard Water and Sewer Improvement District (Uintah County)

Ballard Water and Sewer Improvement District's funding request for the 1500 East Second Culinary Source and Waterline Project was advanced to the Priority List as a \$ 177,000 Loan 30y @ 0.5% and a \$ 413,000 Grant (total \$590,000). This project consists of water system improvements to 1500 East and a second source connection to include installing approximately 6080 linear feet of 8-inch C900 PVC pipe, connections to existing waterlines, 25 each 3/4-inch water service connections, 9 gate valves, 6 fire hydrants, 1 new meter vault and associated connections and asphalt pavement repair. The applicant is contributing \$100,000 cash. Project total \$690,000.

Prioritized Funding: \$590,000 (a \$177,000 loan for 30 years at 0.5% interest and a \$413,000 grant) *The prioritized funding is within the approved range.*

The applicant requested time to discuss the project and funding noting costs have increased and there are more valves and meters required for the project. They would like to increase the funding request to \$800,000 prior to funding approval. **Revised funding: \$800,000 (a \$240,000 loan for 30 years at 0.5% interest and a \$560,000 grant)** The applicant indicated the increased funding will be allocated for budget items in the construction.

Dean Baker made and Kyle Stephens seconded a motion to fund this project as a \$240,000 loan for 30 years at 0.5% and a \$560,000 grant (total \$800,000).

The Board noted the existing MAGI for the Ballard Water and Sewer District is below the benchmark of 1.75%. A rate increase should be considered.

Dean Baker made and Kyle Stephens seconded a motion to fund this project as a \$240,000 loan for 30 years at 0.5% and a \$560,000 grant (total \$800,000) to include a clarified budget and scope of work. The motion carried unanimously through roll-call vote.

Chairman Heaton indicated that the Board is increasing funding authorizations at this meeting and verified there will be sufficient funding for the increased allocations. Applicants are to consult with staff in advance of the funding meeting if there are changes in funding requests.

4.12 Neola Water and Sewer Improvement District (Duchesne County) [1:13:13]

Neola water and Sewer Improvement District's funding request for Sewer Improvements was advanced to the Priority List as a \$455,000 loan for 30 years at 0.5% and a \$ 455,000 Grant (total \$ 910,000). This

project consists of sewer system improvements to included slip lining approximately 2500 feet of sewer line, cleaning and camera inspection of 9,500 feet of sewer, installation of screening, SCADA, metering, and effluent structures at the lagoons as well as other necessary improvements and repairs throughout the wastewater system to address sewer system deficiencies, groundwater infiltration, root intrusion, and deteriorating facilities with appropriate repair, replacement and/or lining of existing pipes and new manholes to comply with state requirements.

Prioritized Funding: \$910,000 (a \$455,000 loan for 30 years at 0.5% interest and a \$455,000 grant) *The prioritized funding is within the approved range.*

Naghi Zeenati made and Jerry Taylor seconded a motion to fund this project as a \$455,000 loan for 30 years at 0.5% and a \$455,000 grant (total \$910,000). The motion carried unanimously through roll-call vote.

4.13 Monticello City (San Juan County) [1:14:11]

Monticello City's funding request for the Spring Creek Water Collection project was placed on the Priority List as a \$258,000 loan for 30 years at 0.5% and a \$1,000,000 Grant (total \$1,258,000). This project consists of purchasing 1570.4 acre-feet of available Spring Creek water rights.

Prioritized Funding: \$1,258,000 (a \$258,000 loan for 30 years at 0.5% interest and a \$1,000,000 grant) *The prioritized funding is below the approved range and a financial hardship exemption is cited.*

Tooter Ogden made and Jack Lytle seconded a motion to fund this project as advanced to the Priority List; a \$258,000 loan for 30 years at 0.5% and a \$1,000,000 grant (total \$1,258,000) citing a financial hardship exemption. The motion carried unanimously through a musical roll-call vote.

4.14 Elk Meadows Special Service District (Beaver County) [1:16:44]

Elk Meadows Special Service District's funding request for the 2022 Water Improvements project was placed on the Priority List as a \$ 3,450,000 loan for 30 years at 2.5%. This project consists of water system improvements to include land purchase for and construction of a 250,000-gallon storage tank, a system-wide SCADA network and new radio-read meters, replacement of the 5000 linear feet of existing pipeline and booster stations in the Triple Chair Springs area and Puffer Lake Springs area, Pinnacle Club improvements to include 2700 linear feet of 8-inch culinary water line, 6 valves, 5 hydrants and associated appurtenances, fencing and necessary drainage.

Prioritized Funding: \$3,450,000 loan for 30 years at 2.5% interest. *The prioritized funding is above the approved range and an administrative exemption is cited.*

The applicant requested time on the October 7, 2021 agenda to discuss loan terms and expressed appreciation for what the Permanent Community Impact Fund Board provides for rural Utah. Elk Meadows Special Service District is comprised of 350 homes, townhouses and condominiums in Beaver Canyon and the tax base from the area provides services throughout Beaver County. The culinary water system is aging and growth has stressed the existing system. The funding will address fire standards and code. A 2.5% interest loan was approved for this project, but it is difficult to afford the payment indicated. Water rates were recently increased but will need to be increased further to accommodate the loan. The applicant is requesting an interest rate reduction to 1.0%.

Bruce Adams made and Jerry Taylor seconded a motion to fund this project as a \$3,450,000 loan for 30 years at 1.0% citing an administrative exemption.

The Board indicated the area is primarily second homes.

Dean Baker made and Marlo Oaks seconded a substitute motion to fund this project as a \$3,450,000 loan for 30 years at 2.0% citing an administrative exemption.

Chairman Heaton noted the CIB is to keep the fund revolving and referred to the cost to the fund when the loans are made at a very low interest rate. He noted the Board's intent to help rural communities and the tremendous impact of federal land. This Board has been a lifeline for those communities, but to continue to be that lifeline, as mineral extraction goes down, the return to the fund should be considered as well.

Mr. Zeenati referred to the extensive Board discussion in consideration of this project in regard to it being a resort community and a higher interest rate resulted. A similar project in Washington County received a 4.5% interest rate. The area should accommodate a reasonable interest rate for this type of area.

Naghi Zeenati made and Tooter Ogden seconded a second substitute motion to fund this project as a \$3,450,000 loan for 30 years at 1.5% citing an administrative exemption.

Treasurer Oaks added without CIB the entity would go elsewhere to fund a project and the interest rate would be greater and noting a 2.5% interest rate is generous. Anything below that is under market.

Commissioner Lytle asked if the applicant had researched other funding sources.

The applicant did not have specific quotes from other lending sources, but acknowledged it would be higher.

The Chairman called the questions on the second substitute motion.

Naghi Zeenati made and Tooter Ogden seconded a second substitute motion to fund this project as a \$3,450,000 loan for 30 years at 1.5% citing an administrative exemption. The motion carried with Tooter Ogden, Glade Nielson, Jerry Taylor, Bruce Adams and Naghi Zeenati in favor and Marlo Oaks, Dean Baker, Jack Lytle and Kyle Stephens opposed.

4.15 Mona City (Juab County) [1:29:21]

Mona City's funding request for the Culinary Water Pipe Replacement project was placed on the Priority List as a \$132,000 loan for 30 years at 0.5% and a \$103,200 grant (total \$235,200). This project consists of water system improvements to include replacement of approximately 3500 linear feet of 6-inch, 4-inch and 2-inch pipe with 8-inch culinary water pipe, 29 each meter service connections, approximately 14 8-inch valves and road repair. The applicant is contributing \$100,800 cash.

Prioritized Funding: \$235,200 (a \$132,000 loan for 30 years at 0.5% interest and a \$103,200 grant) *The prioritized funding is within the approved range.*

Jerry Taylor made and Tooter Ogden seconded a motion to fund this project as a \$132,000 Loan for 30 years at 0.5% and a \$103,200 Grant (total \$235,200) contingent on DEQ review of plans and specs. The motion carried unanimously through roll call vote

The Chairman requested a motion on projects 16-17.

4.16 Garfield County (Garfield County)

Garfield County's funding request for the Garfield Hospital Improvements in Panguitch was placed on the Priority List as a \$1,132,545 grant. This project consists of expanding the 1975 Garfield County 15-bed

critical access hospital with the construction of a new operating room, a smaller c-section operating room and renovating the existing operating room to include central processing and a pharmacy to meet OSHA standards. The applicant is contributing \$1,132,545 cash.

Prioritized Funding: \$1,132,545 grant. *The funding request is outside the approved range; a hardship exemption was cited.*

4.17 Wellington City (Carbon County)

Wellington City's funding request for the 2022 Water Improvements was placed on the Priority List as a \$1,861,000 loan for 30 years at 0.5% and a \$ 3,952,000 Grant (total \$ 5,813,000). This project consists of culinary water improvements to include design and engineering for an 8-inch pressure reducing station, approximately 12,260 linear feet of 12-inch pipe, 8 each 12-inch gate valves, an 10-inch pressure reducing station, reconnect 5 existing hydrants, approximately 20,865 linear feet of 8-inch pipe and bedding, 77 each 8-inch gate valves, direction drilling for railroad crossing, 18 new hydrants, 350 radio read meters and assembly and associated pavement disturbance and replacement. *The applicant is contributing \$50,170 cash. DDW funding: a \$717,000 grant and a \$1,000,000 loan.*

Prioritized Funding as stated in the October 7, 2021 motion: \$5,813,000 (a \$1,861,000 loan for 30 years at 1.5% interest and a \$3,952,000 grant) *The prioritized funding is within the approved range.*

Bruce Adams made and Tooter Ogden seconded a motion to fund projects 16 and 17 as stated.

Commissioner Taylor expressed appreciation for the Board in rural areas including Garfield County which has 93% public lands.

In regard to the reduction of PILT, the BLM can verify if the provision of a CIB grant to a County would result in a reduction.

Bruce Adams made and Tooter Ogden seconded a motion to fund projects 16 to Garfield County Municipal Building Authority and 17 to Wellington City as stated. The motion carried unanimously through roll-call vote.

RECESS [1:36:40]

[1:37:00] Chairman Heaton indicated the Board is requested to revisit the previous motion. Garfield County will be the awarded entity and Wellington City's interest rate is 0.5%.

Bruce Adams made and Tooter Ogden seconded an amended motion to fund projects #16 to Garfield County and #17 to Wellington City with a .5% interest rate. The motion carried unanimously through roll-call vote.

6. Pending

7. Supplemental Requests

7.1 Aurora City (Sevier County) Original funding April 8, 2021 [1:38:52]

On April 8, 2021 the Board authorized a \$795,000 loan for 30 years at 0.5% and a \$1,855,000 grant (total \$2,650,000). This project consists of culinary water system improvements to include the construction of a new well and well house with pump controls and equipment next to the existing well, the installation of 3,900 feet of 10" pipe to the existing chlorine and system storage tanks, constructing a new 350,000-gallon concrete water storage tank with fencing and gates above Aurora next to the existing tanks, the installation of 2,100 linear feet of 8-inch loop line on the south west side of the City, replacing a 4-inch line with an 8-inch line at the intersection of 200 west and South Main Street to provide increased

hydraulic capacity, installing SCADA meters at city parks, the cemetery, and City buildings and associated earthwork, road repair, canal crossing and associated appurtenances.

The applicant requested time on the October 7, 2021 meeting to discuss supplemental funding. Bids for this project came in approximately \$400,000 above the Engineer's Estimate of Probable cost.

Supplemental Request:	TOTAL FUNDING
\$ 400,000 Total CIB Request	\$ 3,050,000 Total CIB Funding
\$ 120,000 Loan 30y @ 0.5%	\$ 915,000 Loan 30y @ 0.5%
\$ 280,000 Grant	\$ 2,135,000 Grant

Naghi Zeenati made and Bruce Adams seconded a motion to fund the supplemental request of a \$120,000 loan for 30 years at 0.5% and a \$280,000 grant (total \$400,000). The motion carried unanimously through roll call vote.

The applicant indicated Aurora's 15000-gallon minimum water usage has been reduced to 10000- gallon minimum water usage to facilitate water system revenue.

Mr. Zeenati asked if the funding will be sufficient and asked if the project was ready to proceed.

The applicant noted the bids came in at \$150,000 over the original budget. The request will include 10% contingency to cover construction inflation. They are ready to proceed.

The Chairman called the question on the motion.

Naghi Zeenati made and Bruce Adams seconded a motion to fund the supplemental request of a \$120,000 loan for 30 years at 0.5% and a \$280,000 grant (total \$400,000). The motion carried unanimously through roll call vote.

7.2 Southeastern Utah Association of Local Governments

On March 4, 2021, the Board suspended the rules and funded the New Administration Building, Food Bank, Weatherization Office as \$ 6,936,000 Grant. This project consists of the construction of a new 14,250 square foot administrative office building and a 10,830 square foot warehouse and garage to be utilized by SEUALG, Weatherization and the Carbon County Food Bank near 400 South Fairgrounds Road, Price, Utah. This project will include site design, survey, weatherization transit hub, concrete, concrete finishing, asphalt, drainage, parking, curb and gutter, pavement marking, signage, landscaping, fencing, utilities, storm water retention, equipment and appliances.

The HUD requirements disqualified the CDBG \$300,000 grant awarded for engineering.

Supplemental Request:	TOTAL FUNDING
\$ 300,260 Grant	\$ 7,236,260 Grant

Ms. Gamber expressed appreciation to the Board.

Commissioner Adams encouraged Ms. Gamber to give the history.

Ms. Gamber indicated that the process included the top tier of the State of Utah to pursue CDBG funding. Jones and DeMille had provided the estimate for the project for the application to CIB and Jones and DeMille was paid for that service. New CDBG staff asked clarifying questions and HUD indicated that since Southeastern Utah Association of Local Governments is not a state agency, the

process was different regarding the Jones and DeMille provision of the estimate. The State Procurement office assisted SEUALG, the committee selected Jones and DeMille from the four bids submitted and SEUALG informed Jones and DeMille. Subsequently, HUD disallowed the engineering costs because the estimate was provided by Jones and DeMille. They request the \$300,260 cost of the estimate be funded by CIB to allow Jones and DeMille to proceed. The new CFR will be a challenge for rural Utah as an engineering firm may not want to submit an estimate if they cannot bid on the larger project. (200 CFR rule).

Mr. Zeenati asked how Southeastern Utah Association of Local Governments is not a state agency?

Ms. Gamber said they are not a legal State Agency. If they were to pursue funding through the legislature, it is required that they go through a State Agency to make a request for State or Federal funding. They are a legal entity, but not a State Agency. The CDBG funding could be eligible if they re-bid the whole project. They had announced Jones and DeMille Engineering and decided to ask CIB for the additional \$300,260.

Commissioner Lytle questioned if the \$300,260 has already been spent, would it be eligible for CIB funding.

Ms. Gamber stated the money has not been spent, but the contract has been awarded to Jones and DeMille.

Dean Baker made and Tooter Ogden seconded a motion to fund the supplemental request of a \$300,260 grant.

Marlo Oaks suggested the funding be provided as a \$300,260 loan for 30 years at 1%.

It was noted there is no revenue source for SEUALG to accommodate a loan. The ALG is funded by discretionary grants which are restricted in their use.

The Chairman called the question.

Dean Baker made and Tooter Ogden seconded a motion to fund the supplemental request of a \$300,260 grant citing a unique project as the exemption. The motion carried unanimously through roll call vote.

Commissioner Ogden noted that most everyone struggles with the CDBG grant program.

Chairman Heaton concurred and indicated the AOG's are there to help the rural communities navigate the application process. The CDBG funding is always grant funding which does a lot of good. The State is fortunate to have CIB to help all of the rural communities. Federal funding is cumbersome.

Mayor Baker suggested recognition of Commissioner Adams wife.

Commissioner Adams introduced his wife, Christine Adams. They have been married 53 years and are *going to try and make it work*. She is a breast cancer survivor of 7 years. *(applause)*

8. Special Consideration

9. Board Member Discussion and/or Action Items

9.1 CIB Board Meetings – November 4, 2021, Moab, Utah.

Ms. Powers indicated there is an overnight stay November 3, 2021 which will be covered by CIB.

Additional nights are available at the expense of the guest. The flyer provided to the Board should be completed and returned to Ms. Powers today. A count will be provided to Red Cliffs Lodge. The next CIB meeting is December 2, 2021.

Some Board members noted possible conflicts and requested the meeting be a hybrid in person and digital.

9.2 CIB ARPA Update

Chairman Heaton expressed appreciation to Commissioner Bruce Adams for the presentation at UAC to support an ARPA funding allocation through CIB.

Commissioner Adams indicated that working with the Legislature is complicated. There is a lot of outside work to facilitate an understanding. Appreciation was conveyed to Commissioner Brent Chamberlain for his assistance. There is a good chance for ARPA funding to come through the Permanent Community Impact Fund Board. He stated there will information concerning support by the end of October, but the funds will not be appropriated until 2022 with possible project applications in March/April.

Mr. Stephens inquired as to when the funding must be allocated and spent.

All funds awarded must be obligated by December 31, 2024 and spent by December 31, 2026.

Chairman Heaton acknowledged that the funding would go out as grants and expressed appreciation to staff who would be tasked with the logistics.

9.3 CIB Savings Options

Chairman Heaton discussed the options for setting forth a savings component for funds. It would be on a trimester basis. The Board could establish a percentage or a set amount at the beginning or end of each trimester which would occur at the funding meeting. Funding comes into the fund on a monthly basis, so at the beginning of a trimester the funds are uncertain. Historically, any excess funding at the end of a trimester would be moved to the major infrastructure fund. Establishing an endowment was discussed previously wherein that funding would only be allocated as a loan and/or for certain types of projects.

Ms. Powers noted there is a savings apparatus in place:

R990-8-8. Major Infrastructure Set Aside Fund.

A. Creation of Fund

- 1. There is hereby created within the Permanent Community Impact Fund the Major Infrastructure Set Aside Fund.*
- 2. The Purpose of this Fund is to allow the Board to participate and fund major transportation and other significant infrastructure studies and projects where the Board participation may exceed five million dollars (\$5,000,000).*

B. Transfer of Monies to the Fund

- 1. At each funding meeting, after action is taken on all projects on the prioritization list, the Board shall consider whether to transfer any money in the Permanent Community Impact Fund to the Major Infrastructure Set Aside Fund. The Board may transfer such amounts as it deems appropriate, in its discretion, based on motion and a majority vote of the Board.*

Mr. Zeenati stated there does not need to be another method established as the existing system has worked well historically.

Chairman Heaton acknowledged there is a system in place.

Treasurer Oaks asked for clarification concerning the options from Zach Leavitt.

Mr. Leavitt stated the options are a percentage amount or a fixed dollar amount – the amount can be placed in the major infrastructure fund wherein the Board can require funding be allocated as a loan which ensures the revolving nature of the fund.

Mayor Nelson noted the mechanism in place and asked what would be the advantages of the new options versus the existing mechanism?

Mr. Leavitt indicated the change would be setting up an automatic capture of a percentage or set dollar amount. Staff could then make it happen as the Board has established those parameters.

Chairman Heaton clarified that the funding at the end of a trimester would connote the total amount available to set aside. The Board may also establish additional limits such as the funding will only be as a loan. The Board may make the decision to set aside a percentage or a dollar amount and those funds would be moved to the set aside account. The remaining funding would then be what is available for the usual applications. It would occur every trimester to assist the fund to increase.

Mayor Nelson clarified - the point is to set up a system to automatically capture funds into the set aside.

Commissioner Lytle commended being proactive noting flexibility as an important part of what the Board does in regard to granting and loaning. Funds could be transferred in as well as out. Or projects that are anomalies go on the pending list and at the end of the fiscal year, the Board has discretion to fund those projects and how with the available funds. He suggested a more comprehensive discussion at a policy retreat.

Chairman Heaton indicated it is the responsibility of the Board to distribute the funds in a responsible and judicious way with the objective to allocate the funds and not to build an endowment. In statute, the Board is tasked to maintain a permanent and revolving fund.

Ms. Powers stated the interest is the same wherever the funds are located. The Permanent Community Impact Fund is not a savings bank but a lending bank. It was the Board's decision to establish the major infrastructure set aside which has been referred to as the rainy-day fund.

Chairman Heaton indicated it will be a discussion topic at the retreat next June or the Board could make a motion to take the balance or a portion and put it into the major infrastructure set aside.

Commissioner Adams offered to have the 2022 retreat in Monticello.

Ms. Powers indicated the 2022 retreat to be in Kanab.

Chairman Heaton indicated the 2022 Policy Retreat will be in Kanab and suggested the 2023 Policy Retreat be in Monticello as offered.

Treasurer Oaks spoke to the timing of the ARPA decision; an allocation of \$200,000,000 will affect how the CIB spending and saving is dealt with as ARPA would allow the Board to save mineral lease funds.

Chairman Heaton tasked the RPP's with reviewing the CIB application list for the water and sewer projects, eligible for ARPA, which would benefit from applying for ARPA. Who might be in a position to move forward with an eligible project to expedite the funding within the established time frame.

Commissioner Lytle suggested an interim policy meeting in April or when there is more information.

Jack Lytle made and Tooter Ogden seconded a motion to table the discussion on savings options pending an interim policy discussion. The motion carried unanimously through roll-call vote.

9.4 Closed Session [2:32:09]

The Board may consider a motion to enter closed session pursuant to Utah Code Ann. § 52-4-205(1)(c).

Jack Lytle made and Dean Baker seconded a motion for the CIB Board to enter into a closed session. The motion carried unanimously through roll-call vote.

Enter Closed Session: 11:18 am

Exited Closed Session: 11:26 am

Marlo Oaks made and Naghi Zeenati seconded a motion for the CIB Board to exit the closed session. The motion carried unanimously through roll-call vote.

ADJOURNMENT

The next meeting of the Permanent Community Impact Board will be November 4, 2021 to be held at Red Cliffs Lodge, Moab, Utah starting at 8:30 am.

The meeting adjourned at 11:46 am.

Submitted by:
Candace Powers