

**PERMANENT COMMUNITY IMPACT FUND BOARD MEETING**

Department of Workforce Services  
Housing and Community Development Division  
Duchesne City, Utah

**MINUTES**

June 6, 2024

**Members Present**

Curtis Wells	Chairman
Laura Hanson	Governor's Office of Planning and Budget
Bruce Adams	Southeastern Utah Association of Local Governments
Naghi Zeenati	State Transportation Commission
Dean Baker	Uintah County
Jerry Taylor	Five County Association of Governments
Scott Bartholomew	Six County Association of Governments
Jack Lytle	Uintah Basin Association of Governments
Greg Miles	Duchesne County
Ralph Brown	Sevier County

**Members Excused**

Kirt Slaugh	State Treasurer
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**Staff and Visitors**

Candace Powers	Housing and Community Development
Heather Poulsen	Housing and Community Development
Paul Moberly	Housing and Community Development
Christina Oliver	Housing and Community Development
Jennifer Domenici	Housing and Community Development
Christopher Pieper	Attorney General's Office
Skyler Davies	Division of Water Quality
Michael Grange	Division of Drinking Water
Keith Heaton	Seven County Infrastructure Coalition
Bill Cox	Town of Woodruff
Kevin Yack	Uintah County Association of Governments
Carl Conrad	Uintah County Association of Governments
Nate Zilles	Uintah County Association of Governments
Bart Jensen	Jones & DeMille Engineering
Lynn Sitterud	Emery County
Eric Major	Jones & DeMille Engineering
Jeremy Raymond	Uintah Fire Suppression SSD
Tyler McKee	LaPoint Tridell Fire Department
Aaron Averett	Sunrise Engineering
Butch Johns	Town of Dutch John
Deborah Herron	Duchesne County Economic Development
Bret Reynolds	CIVCO Engineering
Matt Tippets	Daggett County
Laurie Brummond	Uintah County Association of Governments
Kendra Hackford	Uintah County Association of Governments
Jesse Platt	Daggett County
Randy Asay	Daggett County
Todd Thorne	SERDA (Southeastern Utah Association of Local Governments)
Brian Barton	Jones & DeMille Engineering
Dan Hawley	Jones & DeMille Engineering

**Staff and Visitors Virtual:**

Brittany Hardy	Department of Workforce Services
Kaylee Beck	Department of Workforce Services
Sarah Nielsen	Department of Workforce Services
Ron Winterton	Utah State Senator
Wyatt Payne	Ensign Engineering
Gary Zabriskie	Five County Association of Governments
Cody Christensen	Five County Association of Governments
Deeda Seed	Center for Biological Diversity
Tyler Timmons	R6 Six County Association of Governments
Cade Penney	R6 Six County Association of Governments
Stacie Gass	Town of Circleville
Michael Davis	Naples City
Kelly Chappell	Ensign Engineering
Nate Wiberg	Five County Association of Governments
Mekeisia Westwood	Town of Circleville
Ryan	Naples City

**WELCOME & INTRODUCTIONS**

The Permanent Community Impact Fund Board (CIB) Meeting was held on Thursday, June 6, 2024 at the Duchesne County Centennial Events Center, 60 West 400 South ~ Duchesne Utah and was called to order at 9:11 a.m. by Chairman Curtis Wells. Chairman Wells thanked Commissioner Miles and Duchesne County for hosting the Permanent Community Impact Fund Board and staff, and for the June 5, 2024 tour of various sites and projects.

Commissioner Miles provided a small sample of Basin crude and explained that is where mineral lease revenue comes from as well as coal and natural gas. He welcomed all to Duchesne County. He also shared the story of how Starvation Reservoir. He stated that the AOG provided the snack buffet and the Board noted the abundance and expressed appreciation.

Chairman Wells thanked the staff for their support to the Board. It was noted that Kirt Slaugh could not attend the meetings.

**BRIEFING - ADMINISTRATIVE ITEMS** [0:08:17]

**1. Financial Review & Review of Agenda Items**

Candace Powers stated there is 3 priority projects and 3 supplemental requests on today’s agenda for funding consideration today. The available revenue represents revenue through April which is sufficient. *(New revenue is allocated monthly.)*

**III. APPROVAL OF MINUTES** [0:13:08]

Chairman Wells requested a motion to approve the minutes from the April 4, 2024 meeting.

**Naghi Zeenati made and Jack Lytle seconded a motion to approve the minutes of the April 4, 2024 meeting as presented. The motion carried unanimously.**

**IV. PRIORITIZATION PROJECTS**[0:13:45]

**4.1. Daggett County MBA – Community Health and Social Services Center (Daggett County)**

Daggett County Municipal Building Authority presented a funding request for a **\$1,447,000 loan for 30 years at 0.5% loan and a \$5,786,000 grant (total \$7,233,000)** for the Community Health and Social Services Building to include the construction of 18000 square foot building, design and engineering for 15000 sq. ft. of finished space, 3000 sq. ft. of unfinished space in the basement, elevator, utilities, furnishings, concrete work, drainage, signage, and pavement for the provision of primary medical,

optometry, dental, and mental health services, a large conference/multipurpose room, office space for the Tri-County Health Department, an exercise/physical therapy room and bonding. The project will be built on a 0.70-acre site north of the Daggett County Courthouse Building.

**Prioritized Funding: \$7,233,000 (\$5,786,000 grant and a \$1,447,000 loan for 30 years @ 0.5%)**

Mr. Zeenati asked if there were any changes since the project was placed on the priority list and is the project shovel ready.

The applicant indicated that initially they requested an increased amount but they value engineered the project down 20% which is what is listed on the agenda today. The preliminary engineering is complete and are entering the final phase of design with construction scheduled to begin in the spring of 2025.

Commissioner Adams referred to the health care facility in San Juan noting the design for equipment which may not be received for a while.

**Naghi Zeenati made and Scott Bartholomew seconded a motion to fund this project as a \$1,447,000 loan for 30 years at 0.5% loan and a \$5,786,000 grant (total \$7,233,000) citing a 'financial hardship' exemption. The motion carried with Jack Lytle and the chairman abstaining.**

#### 4.2 Town of Woodruff – Road Improvements (Rich County) [20:20]

The Town of Woodruff's Road Improvement Project was placed on the Priority List as a **\$191,392 grant and a \$373,000 loan for 10 years @ 1.0% (total \$564,392)** for road improvements to the main roads within the Woodruff Town limits including approximately 835 linear feet (2200 SY) of road reconstruction to include removal of remaining existing asphalt and treating the existing base with cement for a "cement treated base", installing a 2.5" layer of HMA, approximately 10,500 linear feet (26,900 SY) of pavement restoration to include patching potholes and a 2" overlay and approximately 4,000 linear feet (10,270 SY) of preventative pavement treatment as a chip seal coat.

**Prioritized Funding: \$564,392 (\$191,392 grant and a \$373,000 loan for 10 years @ 1.0%)**

The applicant requested time on the June 6, 2024 agenda to discuss funding. In April, the CIB made the funding recommendation. The payment for the loan is \$39,000 annual payment. The Town's annual B&C road revenue is only \$17,000. There is not sufficient revenue to make the recommended payment.

Commissioner Adams noted Rich County has not come to CIB recently.

**Bruce Adams made and Jack Lytle seconded a motion to fund this project as an \$564,392 grant citing a financial hardship exemption.**

Mr. Zeenati clarified that there is still sufficient revenue to accommodate this change. It was noted there is sufficient revenue.

Ms. Hanson noted the trend to pay back loans using B&C road revenue wherein those same funds are used to maintain the roads creates a cycle that is not sustainable and supports providing the flexibility of a grant to allow future maintenance.

The Chairman called the question.

**Bruce Adams made and Jack Lytle seconded a motion to fund this project as an \$564,392 grant citing a financial hardship exemption. The motion carried with the chairman abstaining.**

#### 4.3 Town of Circleville – Road Improvements (Piute County) [27:24]

The Town of Circleville's road improvement project was placed on the Priority List as a **\$2,600,000 grant** for crack seal and chip seal 9.5 miles of paved streets in Circleville utilizing 1,081,600 square feet of crack seal and chip seal materials, paving 1040 East from Highway 89 to 470 South with 3457 cubic yards of 8-inch basecourse and 2,844 tons of 3.5-inch hot mix asphalt (HMA), 11,111 cubic yards of granular barrow, applying 2,600 tons of 2-inch HMA, grading borrow ditches for drainage improvements, stabilizing road shoulders, engineering, and bonding.

**Prioritized Funding: \$2,600,000 grant**

**Naghi Zeenati made and Ralph Brown seconded a motion to fund this project as a \$2,600,000 grant citing a financial hardship exemption. The motion carried with the chairman abstaining.**

**5. Large Infrastructure Projects**                N/A

**6. Pending Projects**

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#### **7. SUPPLEMENTAL REQUESTS [28:58]**

##### 7.1 Seven County Infrastructure Coalition – Planning, Admin & Operations Phase 3 (Multi County)

Seven County Infrastructure Coalition presented a supplemental funding assistance request for a \$1,500,000 grant for planning, administration and operations phase 3. (*Original funding approved in 2014-2015 - \$5,000,000; Phase 2 Supplemental Funding April 2019 - \$3,000,000 (4 tranches of \$750,000)*). This project consists of planning components to include: Identify and implement important regional infrastructure projects, including highways, pipelines, railways, public utilities, energy resources, and other projects beneficial to the public; Provide administrative personnel, services, insurance, equipment, and other operating expenses; Facilitate public board meetings; Compile plans for important regional infrastructure projects; Provide planning and engineering services; Procure public and private funding; Provide services and secure permits and environmental authorizations; Secure and preserve public rights-of-way; Pursue public-private partnerships (P3s) to execute infrastructure projects; Prepare and maintain a database of infrastructure assets throughout the region; Manage the finances of the organization; Evaluate the economic implications of projects; Provide a financial adviser; Address legal matters; Respond to requests for information (GRAMA, etc.); Prepare and update a capital improvement list; Provide annual reports to the CIB board; Coordinate regularly with CIB staff and the Board.

Phase I funded in 2014-2015 as a \$5,000,000 grant; Phase 2 funded in April 2019 as a \$3,000,000 grant.

The applicant expressed appreciation to Duchesne County for their hospitality and to the Board for their support. The SCIC has pursued projects that other entities of the State find challenging. The Coalition was formed to bring income back into the State in multiple ways and one of the projects is the railroad. There are many national and international entities interested in the rail project. SCIC is working closely with a private partner on the rail project. They all federal permits in place but subsequently the Surface Transportation Board permit was challenged through the D.C. Circuit Court where judges withdrew that permit. There is an appeal to the Supreme Court and a decision is anticipated to consider in the next 2-3 weeks before summer recess. This case is concerning NEPA and the Circuit Court is split. Without any clear definitions from the Supreme Court, the Circuit Courts are allowed to approve or deny any project they want. It is the opinion of SCIC it needs to be curtailed or the country cannot do any major infrastructure projects and the SCIC intent through the Supreme Court is to put some parameters on NEPA. A defined decision by the Supreme Court will help clarify NEPA and they are also pursuing legislative options. SCIC intends to complete the rail project and repay the CIB grant.

Ms. Hanson acknowledged the importance of the rail project to the communities and CIB has invested a lot of money in this project thus far. But there are water, sewer, roads and fire projects needed right now. She asked if SCIC has approached the seven counties within the coalition to step up and fund the

entity going forward.

The applicant acknowledged the demands in rural Utah indicating this is an investment. As SCIC is successful with these projects, communities become less dependent on CIB and other funding sources. Also, the counties have committed time, resources and funding and stated SCIC has received double the CIB funding from other funding sources for all projects in their purview noting there is a lot happening behind the scenes through the Coalition which most state entities would not be able to do. SCIC is grateful for the partnerships established over the 10-year period and appreciates the Board's patience and trust acknowledging the amount of financial support. There will be revenue coming back and stronger communities in the State of Utah.

Commissioner Lytle requested information about the incubation of projects through SCIC.

Mr. Heaton referred to the study the SCIC did with CIB funding considering the ability to take the Uintah wax and put it on a train and ship it somewhere other than Salt Lake City. Historically 99% of the wax has gone to the Utah refineries and those refineries paid up to 20% less than the market rate since it is a captive market but the SCIC study showed there is interest in the Uintah Basin crude outside of the local refineries. After the study, the private sector made contracts to ship this crude to the Gulf Coast. Petro chemicals are in everything and the Basin wax is a superior product; it burns cleaner and is also a lubricant and a cosmetic. The SCIC study increased the understanding of this quality product. The Coalition is committed to seeing the projects through to fruition and appreciates the Board's support. SCIC has done planning from San Juan to Daggett which is critical.

Commissioner Taylor acknowledged what the rail project means to the State of Utah and asked what would happen if the CIB does not fund this today?

Mr. Heaton provided a football analogy; there are 4 downs to move the ball 10 yards; 2-3 yards and then a big play. The work SCIC is doing is like that. They are making progress and are on the cusp of a big play. SCIC has other funding sources and projects which are smaller in scope. Without the CIB funding, SCIC would lope along and potentially run out of funding and would risk losing the rail wherein SCIC would not be self-funded and would have to continue relying on CIB and the Legislature etc. This is showing good faith that the State is behind this project.

Commissioner Taylor asked if SCIC is confident that the "team" on the field can bring this thing home?

Mr. Heaton indicated that SCIC has put their best foot forward and the law firm in Washington has done a very good job. Using public funds is taken very seriously and he believes the team has the best players.

Commissioner Bartholomew asked if the Supreme Court does not hear it, is the project done?

Mr. Heaton indicated the legislature is a viable direction and that is where this project will be approved. The transportation bill includes this project. If not, there is the redo of the environmental approvals.

Commissioner Adams commented the decision made in Washington about this project was troubling and offensive; a group not even from Utah gets to weigh in and convince the court of something that is happening in my state – my backyard. The best form of government is that closest to the people. What has happened in the courts is offensive.

Chairman Wells noted that when the Seven County Infrastructure Coalition was founded, they had a goal; the need is real; rails, pipelines, roads, infrastructure – those are the key things in development. Counties and small companies cannot afford to build this infrastructure. It is impressive that the Coalition has made it to this point and has a private partner. CIB's support is critical. This is an

investment that CIB has made stating the project is not a compromise of the environment or the land. This improves Utah, but it is not surprising that there is an effort to stop this project. He expressed his support of the project and improving Utah by getting these types of things built.

Mayor Baker agrees the CIB needs to move forward.

Ms. Hanson understands the importance of this project to Utah, but it is not CIB's role to engage in federal politics; the CIB role is to take the funds and allocate in the most appropriate way to support the communities in Utah. The fiduciary role of CIB is helping the communities in Utah as outlined in statute which is how can we do the most good for the communities in Utah with the funds we have available.

Chairman Wells commented that where the federal government dictates energy policy to the State and then rules that the policy changes depending on rulings in the courts, it is incumbent on the local people to act.

Mr. Zeenati referred to George Washington trying to establish/save a country wherein he was also undermined. He was told there was no way to win the war, but he does. The rail is not just for oil, gas or coal. Agriculture will also benefit.

Commissioner Taylor noted this will benefit many Utah cities and counties.  
Commissioner Lytle noted that politics have been brought to this project.

Chairman Wells noted Senator Ron Winterton wished to comment.

Senator Winterton indicated the Basin is now shipping more oil out of state to other refineries than to the Salt Lake refineries because of the waxy crude. It can be blended and produces many things; cellphones, medicines etc. The Highway 191 corridor is the inhibiting factor in providing this product. For the safety of the public, this rail project is important and expressed appreciation for Mr. Heaton, Jones and DeMille and others.

**Dean Baker made and Jerry Taylor seconded a substitute motion to fund this supplemental request as a \$1,500,000 grant. The motion carried with Jack Lytle, Greg Miles and the chairman abstaining.**

Commissioner Miles expressed appreciation for the comments and support and noted that more than 80% of the mineral lease revenue comes from these seven counties. The projects funded today are from areas that do not produce a lot of revenue but received large grants. Duchesne and Uintah County have paid millions to the Uintah Basin Rail Project outside of the CIB funding. The intellectual data that Seven County Infrastructure Coalition has acquired has been a benefit to the entire State and referred to some of the projects that have been possible through SCIC. He stated *"You know when you are over the target when you start taking fire"*.

*Break – Reconvened at 11:01 am*

#### 7.2 Emery County MBA – Huntington Senior Center (Emery County) [1:24:04]

Emery County Municipal Building Authority presented a supplemental funding assistance request for a \$350,000 grant for the Huntington Senior Center. *(Original Funding approved October 5, 2023 as a \$1,500,000 grant.)* This project consists of design, engineering, site clearing & preparation for the construction of a new 5,000 square foot senior center building in Huntington to include a commercial kitchen and equipment, parking lot asphalt, flatwork, curb and gutter, drainage boxes and piping, pavement marking and signage, 150 linear feet of water service line, 150 linear feet of sewer service line, utilities and lighting. Supplemental Applicant Cash \$350,000.

The applicant expressed appreciation for the original funding but the original scope was missing some components needed to include kitchen and a carport for meals on wheels. The building lot will require some additional work as well. Emery County will contribute additional funds and the Emery County Road Department will provide the gravel for the base needed for the building. The request to CIB is for an additional \$350,000 grant.

Commissioner Adams noted the financial participation from Emery County.

**Bruce Adams made and Ralph Brown seconded a motion to approve the supplemental funding as a \$350,000 grant. The motion carried with the chairman abstaining.**

7.3 Uintah Fire Suppression SSD – Tridell Fire Station and Community Center (Uintah County) [1:29:16]

Uintah Fire Suppression Special Service District presented a second supplemental funding assistance request for a **\$115,000 grant and a \$20,000 loan for 30 years @ 0.5% (total \$135,000)** for the Tridell Fire Station and Community Center. (Original funding April 29, 2022 - \$3,473,000 (\$2,973,000 grant, \$500,000 loan 30Y @ 0.5%); Supplemental Funding March 2, 2023 - \$1,950,000 (\$1,669,000 grant, \$281,000 loan 30Y @ 0.5%). This project consists of the construction of a new 150 X 75 square feet steel fire station and community center that will include four truck bays, a locker room, restrooms, an office, and a training/community room area, utilities, fire suppression system, to meet existing fire department and community needs on the west side of Uintah County. A second floor was added to the community side for future planning.

*The loan for this project has closed which would require a refunding bond bearing additional expense.*

The applicant expressed appreciation for the funding received to date. It was discovered that the parking lot would not meet the specifications needed for the size and weight of the fire trucks. The additional funding is to bring the parking lot base to the approved specifications plus the extra expense for legal as the loan has closed and the bond has been issued. The applicant then requested \$120,000 as a grant to avoid the additional legal expenses for the bond re-issue and associated time and expense.

**Jack Lytle made and Naghi Zeenati seconded a motion to approve the supplemental funding as a \$120,000 grant.**

Commissioner Miles asked the applicant if this was the final supplemental request for this project?

The applicant indicated it will be the last funding request for this project.

**Jack Lytle made and Naghi Zeenati seconded a motion to approve the supplemental funding as a \$120,000 grant. The motion carried with the chairman abstaining.**

**8. Special Consideration** N/A

**9. Board Member Discussion and/or Action Items**

9.1 FY2025 1<sup>st</sup> Trimester applications and meeting schedule. The projects could be discussed in two meetings wherein one of the monthly meetings could be cancelled. The meeting dates for consideration are July 11, August 8 and September 5.

Commissioner Adams suggested all applications be discussed at one meeting; the September 5, 2024 Meeting.

Ms. Hanson noted this would allow revenue to accumulate and concurred with the September 5, 2024 CIB Meeting.

Chairman Wells noted the consensus of the Board to review the FY2025 1<sup>st</sup> Trimester applications on

September 5, 2024 and the funding meeting will be October 3, 2024.

**ADJOURNMENT**

The next meeting of the Permanent Community Impact Board will be September 5, 2024 in Salt Lake City, Utah.

The meeting adjourned at 11:15 am.

Submitted by:  
Candace Powers