

**MINUTES OF THE GENERAL MEETING
and
2025/2026 BUDGET HEARING
OF THE BOARD OF TRUSTEES OF THE
KANE COUNTY WATER CONSERVANCY DISTRICT
HELD AT THE DISTRICT OFFICE
725 EAST KANEPLEX DRIVE
KANAB, UTAH 84741
JUNE 12TH, 2025**

The general meeting and public hearing of the **BOARD OF TRUSTEES OF THE KANE COUNTY WATER CONSERVANCY DISTRICT** was held at the Kane County Water Conservancy District (KCWCD) Office, Kanab, Utah on the 12th day of June, 2025 at 6:00 P.M. Board Member Clay Hansen welcomed board members, employees, and public attendees to the meeting. Clay Hansen conducted a roll call at the beginning of the board meeting. Board members in attendance said present.

THE MEETING OPENED WITH THE PLEDGE OF ALLEGIANCE: The board members and employees of the KCWCD participating in the meeting were: Board Chairman Ben Clarkson and board members: Clay Hansen, McKay Chamberlain, Ferril Heaton, Mike Kenner, and David Schmucker. Commissioner Patty Kubeja representing Kane County attended the meeting. KCWCD management and staff in attendance included: General Manager, Michael Noel, and Office Manager Amanda Buhler. Contract employees in attendance included Jennifer Stewart who arrived 30 minutes after the meeting started. Dirk Clayson was excused.

Commissioner Patty Kubeja started this section of the meeting by announcing the county's policy requiring the advertisement of any new board member position in the public notice section , as well as on the (KCWCD) website if available. Patty had the advertisement period for the board position extended by an additional month. The application deadline is set for July 14th, with the aim of filling the position by August.

AGENDA ITEM NO. 1: APPROVAL OF MINUTES: McKay Chamberlain asked that the discussion between Ben and Mike for the May 8, 2025 meeting be revisited and summarized. The revised May 8th minutes will be resent and approved at the July 10th board meeting. There was a discussion on the 5 PM executive board meeting called by board chairman Ben Clarkson before the regular board meeting. It was discussed that it may not be legal. Clay did ask the Commissioner how we can rectify that.

Ben reported that he had a recording of the meeting. The financial report was moved to the end of the meeting upon Ben's request, and the Budget Hearing was moved to the beginning of the board meeting so that anyone from the public who wanted to attend the budget hearing could participate at the beginning of the meeting.

Mike reported that we had our hearing with the Division of Drinking Water and they unanimously

approved a \$918,000 grant and \$2,141,000 loan @ 2% interest. They also told us we were the best rural water company in the state on regionalization. Tim Davis is the new director of the Utah Department of Water Quality. When Mike was on the Utah State Water Regionalization Board, he asked Tim about how to get funding to fix the 1,000 TDS levels in our upper Johnson Canyon Well #3. Tim told him he had some left over ARPA money the district could apply for. It took two years for Gardner Brothers to mobilize at the site. During that time, Tim was reassigned as Director to the Great Salt Lake Project under Brian Steed as chief of staff for Congressman Chris Stewart. Mike will contact Drinking Water regarding the loan grant ratios. Mike brought up the Willow Town project. It is slated to serve 1495 connections in one square mile area. The cost benefit ratio will be much higher than servicing other areas in Johnson Canyon, because the project is in a one mile area which means more connections in a smaller area.

d. PUBLIC HEARING - 2025-2026 FINAL BUDGET: 6:25 PM

Clay Hansen announced that a motion was needed to open the 2025-2026 Budget Hearing for public comments.

MOTION: David Schmuker made a motion to go into public hearing. Ferril Heaton seconded the motion. The vote was unanimous in the affirmative.

Amanda gave each board member the amended budget and the actual budget for 2025-2026. There was no amendment made on the budget.

Clay Hansen read through the budget assumptions for the 2025-2026 final budget.

The organization has a strong viability due to consistent bond payments and reserves in place. The district secured a 3% rate on municipal bonds in the open market, which is non-taxable. The district's excellent record allows them to sell bonds easily. There are options to put money in the PTIF or pay off the land. The remaining balance on the Peterson property (the land) is around \$160,000 with payments of \$77,000 per year, and it pays off in 2029. There are no concerns about the district's overall budget. The budget has been reviewed extensively, and expenses have been reduced.

Mike Kenner proposed a motion that he would approve the budget without the .75 water rate increase for Duck Creek. Motion died for lack of a second. After further discussion David made a motion that passed.

MOTION: David made a motion to go out of public hearing. McKay seconded it. Vote was unanimous in the affirmative.

McKay asked if Mike receives overtime pay? Amanda answered that Mike does not get overtime. The question concerned the Christmas bonus that every employee receives. Mike's bonus includes Jennifer's bonus. Amanda will change the description to employee bonuses instead of overtime.

MOTION: David made a motion to approve the 2025/2026 budget and remove the .75 cent water

rate increase adjusting the budget by and minus \$20,300. McKay Chamberlain seconded it. The vote was unanimous in the affirmative.

AGENDA ITEM NO. 2: FINANCIALS:

(a) Amanda Buhler, KCWCD office manager, and General Manager Mike Noel reported on the financials, including assets, liabilities, and the financial balance sheets. State Bank of Southern Utah Enterprise checking account shows \$4,314.94 and the various Public Treasurer's Investment Funds (PTIF) balances total \$1,257,448.44. We have collected 91% of the projected budgeted water fees for FY 2024-2025.

(b) Amanda Buhler reviewed the check register with the board and called attention to various key transactions on the register. Currently, for FY 2024/2025 there are 17 new connections in Johnson Canyon, 18 connections in Duck Creek and 4 connections in the East Kane County Water System. There have been 179 irrigation town radio read meters installed to date. There are a handful of 2 inch meters that still need to be installed. They are on backorder.

(c) Amanda reported that we received \$1,076,581 in tax revenue to date from the Kane County Treasurer, and we currently have received 102% of the total projected tax revenue. The actual revenue will most likely be more that we projected to receive. The board members reviewed and signed off on the checking account register. Amanda asked all attending board members to sign the two bank statements that she provided for them.

MOTION: McKay Chamberlain made a motion to approve the financial statement, check register, payment of bonds and bills, and check #s 19915 to 19996. Ferril Heaton seconded it. The vote was unanimous in the affirmative. The board considered all of the financial numbers correct as of June 10th, 2025 presented at the June 10th, 2025, meeting.

PTIF Project Escrow's	\$ 1,257,448.44
Enterprise Fund – Checking # 5110788	\$ 4,314.92
PTIF Enterprise - #3697	\$ 191,177.61
PTIF Muni Escrow- #3891	\$ 361,040.68
PTIF Stabil.Cap./Replacement - #3889	\$ 431,963.42
PTIF Total Bond/Res. Accts.	<u>\$ 1,609,664.17</u>
Sub-Total Checking/Savings	\$ 3,855,609.24
Accounts Receivable	\$ 407,888.78
Total Other Current Assets	<u>\$ 313,851.12</u>
Balances/All Funds	\$ 4,577,349.14

AGENDA ITEM NO. 3: JACKSON FLAT RESERVOIR AND KANAB IRRIGATION COMPANY COORDINATION:

(a) **Jackson Flat Reservoir water update:** Mike reported there is no update on this agenda item.

(b) **Recreation and Operational Report:** nothing to report

(c) **Kanab Irrigation Secondary Metering Project Status:** nothing to report

AGENDA ITEM NO. 4: COVE RESERVOIR EIS: nothing to report on this project.

AGENDA ITEM NO. 5: JOHNSON CANYON WELL: Mike reported on this earlier in the meeting.

AGENDA ITEM NO. 6: EAST KANE COUNTY WATER SYSTEM (New Paria and West Clark Bench): Both projects are very close to being completed.

AGENDA ITEM NO. 7: ALTON WATER CONNECTIONS -SUNRISE ENGINEERING STUDY:

EXECUTIVE SESSION: MOTION: McKay Chamberlain made a motion to go into executive session for the purpose of discussing the Andalex Water Rights. Mike Kenner seconded it. Vote was unanimous in the affirmative.

MOTION: Ferril Heaton made a motion to go out of executive session. David Schmuker seconded it. Vote was unanimous in the affirmative.

AGENDA ITEM NO. 8: DIRECTOR’S REPORT:

(a) Board Member Issues:

MOTION: David Schmuker made a motion to adjourn. Ferril Heaton seconded it. The meeting was adjourned at 8:43 P.M. on June 10th, 2025, per a unanimous vote.

(b) Next Meeting Date: July 10th, 2025, 6:00 PM @ Kane County Water Conservancy District Office.

APPROVED:

Ben Clarkson- Chairman, KCWCD Board of Trustees - Date

Michael E. Noel – General Manager, KCWCD - Date