

**MINUTES OF THE GENERAL MEETING
and
OF THE BOARD OF TRUSTEES OF THE
KANE COUNTY WATER CONSERVANCY DISTRICT
HELD AT THE DISTRICT OFFICE
725 EAST KANEPLEX DRIVE
KANAB, UTAH 84741
JULY 10TH, 2025**

The general meeting 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 10th day of July, 2025 at 6:00 P.M. Board Member Ben Clarkson welcomed board members, employees, and public attendees to the meeting. Ben 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 and OPENING PRAYER: Ben Clarkson offered the opening prayer. 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 Schmuker. Commissioner Patty Kubeja was excused. KCWCD management and staff in attendance included: General Manager, Michael Noel, and Office Manager Amanda Buhler. Contract employees in attendance included Jennifer Stewart and Dirk Clayson. Members of the public who attended the meeting were Jim Rawleson, member of the public from Orderville Town and Linda Alderman Briscoe presenting information on the Sherry Belle Trail history walk.

AGENDA ITEM NO. 1: APPROVAL OF MINUTES: There was a board discussion regarding the May 8th, 2025 minutes. Clay said he thought a motion was started by Mike Kenner in the June 12th board meeting. Clay said that because it prompted a discussion about the .75 cent increase that Mike Kenner opposed, the motion should be included in the minutes. Ben and the board recommended and agreed to make the changes to the June 12th minutes regarding Mike Kenner voicing his opposition to the rate increase. Mike Kenner retracted his motion and said he did not feel comfortable making the motion. Ben commented there was a discussion about what was missing and added and that it did not reflect what Ben had said in the May meeting. McKay said he felt like what was written about the discussion between Mike and Ben was satisfactory. Mike asked the chairman if he could comment. Ben said yes. Mike said that every meeting is recorded from beginning to end. That recording is made available to anyone that would like to listen to the meeting in its entirety. Mike also stated that the minutes are a highlight and briefing of the projects and main points of the meeting. Ben asked that his name be added to the comment made in the April board meeting under Director's comments about the \$1 billion water reuse project that WCWCD is doing.

Jennifer corrected the April minutes and added Ben's name to the comment about the water reuse project involving Washington County. The Board was sent the unedited version of the May minutes by accident. Ben presented Jennifer the comments he wanted to add to the May minutes. Jennifer

said she will make the changes to the minutes based on what Ben directs her to do. The board will be sent the edited May 8th board meeting minutes before our next board meeting in August.

MOTION: Clay made a motion to edit and resend the May 8th, 2025 minutes. McKay seconded it. Vote was unanimous in the affirmative.

The board discussed the June 12th, 2025 minutes earlier in the meeting. Ben asked for edits to be made regarding the executive session closed meeting he called for in May. The edit was made during the meeting by Amanda and Jennifer.

MOTION: David made a motion to approve the June 12th edited minutes. Clay seconded it. Vote was unanimous in the affirmative.

AGENDA ITEM NO. 2: JACKSON FLAT RESERVOIR AND KANAB IRRIGATION
COMPANY COORDINATION:

(a) Jackson Flat Reservoir water update: Mike reported he is nervous about the lack of rain so far this summer. The reservoir is 73% full and last year at this time it was 72%. McKay reported he doesn't have much pressure even with the pressure valve he put on. Dirk also reported his pressure is lower than the last few years. McKay mentioned there are people on the lower end that are not turning their water off and it takes longer to build up pressure in his line. The Kanab Irrigation Company met on June 5th and they talked about users taking more water than their shares allow. The irrigation board talked about authorizing the District to take action under state law for theft of water. The KCWCD agreed to take on that responsibility. Amanda will revisit the minutes from the irrigation meeting and get final clarification from their board at their next meeting. There was a discussion about the 24th of July celebration, including the donations and people involved in the activities that day. The District sponsors the activity but the majority of the donations are from the LDS North and South stakes, Kane County, Garkane Energy, and Sam and Mandy Noel and family. Mike asked if someone would call South Central for a donation. Ben brought up opening the 2nd access road through Cox's property. Ben said he would talk to Chris Church about the easement and removing any personal property in the way of the easement. Mike asked that we advertise for the attorney position to hire for representation in the Water District.

(b) Recreation and Operational Report: Linda Briscoe reported that all but one sign is installed for the Sherry Belle Trail History Walk. Linda is having another post made. Seth will put the last one in when it's ready. Linda would like to make a packet including the information on the signs for the elementary students to study. She is also working on a study of all the birds including pictures that have been sited in and around the reservoir. The board thanked Linda for the work she did to create and complete the project. Dirk recommended a picture be taken of Linda and the board to be submitted to the newspaper. Amanda set up a time for Friday, July 11th, 2025 at 11 a.m. Mike reported that Linda Brisco submitted an invoice for \$2000 for her work on the history walk. However, there was no approval from the board to pay Linda for her work on the project. Clay recommended that we ask recreation and transportation if they can help pay this bill. Mike will talk to the recreation and transportation committee about helping to pay the bill for Linda's work.

MOTION: David made a motion to allow Dirk to draft and send a letter asking the property owners to remove any personal property from the access of the easement. Clay seconded it. The vote was unanimous in the affirmative.

Amanda will advertise the additional road access in the newspaper.

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

AGENDA ITEM NO. 3: COVE RESERVOIR EIS: Mike reported that they had a meeting today. There are only a few more items left on the draft EIS. The draft biological report is close to being completed. There was a protest from the Moapa Indians concerning noise, but we should be able to get that resolved. George Elliot, the engineer for WCWCD called about a week ago on behalf of Zach Renstrom and asked questions about funding and details regarding the reservoir. Mike made some calls and found out the Cove Reservoir Project is the #1 priority water project in the state of Utah as far as NRCS funding goes. We have approximately \$290,000 of estimated expenses left to pay as we work to finish the EIS. Mike recommended to Zach Renstrom that we call Water Resources and ask them for an additional \$500,000. The district recorded needed land purchase at \$5000 per acre. In order to acquire the additional parcels for the reservoir, we need an additional \$400,000 or more for Cove Reservoir land. We have spent about \$600,000 to date for the property purchases.

Mike Kenner asked who is dumping the clay on the District's property. Jim Rawleson reported that Terry Griffith's moving the clay to the district's property north of Orderville. Dirk will talk to Terry about removing the clay and stop dumping it on our property. Jim Rawleson asked what the timeline is on completing the reservoir. Mike reported that the estimated timeline will be as soon as the national director gives final approval and signs off on the final EIS documents, that gives us authority and the funding up to 60% - 70% or \$30 million dollars. NRCS could also give some engineering design prior to the actual funding package. It will not get started until next year and could take two more years to complete. .

AGENDA ITEM NO. 4: JOHNSON CANYON WELL: Mike reported traveling to Johnson Canyon with Nate Wallentine to look at the progress on well #4. Mike reported that we did indeed receive the grant for \$918,000 and a 2% loan 30 year loan for \$2 million, Mike said we will definitely not need the entire \$2 million loan to finish the well. The intent language that Mike had placed in the 2024 legislative session Bill of Bills, specifies the need for a grant for the KCWCD well. To save funds, we are proposing to build the pump house ourselves. We could purchase a wooden structure or build a solid wooden building ourselves. The wood building will be constructed to blend in with other buildings in the area. There will be a PRV valve put in for Well #3 and Well #4 so that water users north of the new well can be served. The new well will supply enough water to expand our current Johnson Canyon system from 590 to 3200 connections. As the discussion moved toward the new Willow Town (1250 proposed connections) and the large number of new connections to be served from the Johnson Canyon system, Mike disclosed that his step son-in-law Chad Stahli and his partners are building the Willow Town Subdivision. The discussion turned to the fees.

AGENDA ITEM NO. 5: EAST KANE COUNTY WATER SYSTEM (New Paria and West

Clark Bench): Mike reported that the construction company that built the West Clark Bench high pressure water pump, reported that the pump didn't work. They are still working on fixing it. David Schmucker has been driving out to the system two times everyday to turn water into the tank and then turn the water off when the tank is full. We are having him do it so that the tank will be as full as possible in case of a fire. Mike just heard about this today and he called the contractor. The contractor said they had installed the pump, but it failed to run. Their SCADA system has never been completed because the booster pumps are not operational. Pat Bendall said he hasn't heard from anyone about a time to turn on the SCADA and get the pumps operational on SCADA. Mike said we can run it without the high pressure pump, but he said he can't run it without a permit from the state. Mike said he would rather have David filling the tanks each day so that we had enough storage in case there's a fire. The contractor said he'll have the part by next week. Mike told David to keep turning it on and off each day and keep it full until we get it fixed. David asked if there's enough money to gravel the road because the road is pure dust and making a mess for the homeowners. We need to gravel the road anyway going up to the tank. We also will buy extra meters with any left over money.

MOTION: Clay made a motion to use any surplus money from the Clark Bench Project to gravel the road and buy extra water meters. Ferril seconded it. The vote was unanimous in the affirmative.

AGENDA ITEM NO. 6: FINANCIALS:

Clay asked about the wage garnishment for Seth. Amanda reported that when she prepares payroll it automatically deducts the amount from Seth's check and puts it into a liability account and then Amanda cuts the check to pay Mike. McKay will sign that check from Seth. Ben asked about the \$9,000 check to Kinetic Solutions. Amanda reported this is for updating the 321 backup system to satisfy the Utah.gov state mandate to upgrade the server to the website on the new system. Craig Baird is also working on the security system.

Clay asked who the attorney is that works for Triple A Utah Water Right Council that the District paid. Amanda reported that Ken Tuttle (who previously worked for Sunrise Engineering in Millard County and is a water rights specialist who worked for us for 10 years) is working on our water rights matrix under the new name. Mike reported he keeps our water rights from expiring and notices any needed protests to us. John Schutz is also an attorney that we work with on water rights legal issues. We're trying to extend our Andalex Water Rights and turn some of them over to the Washington Water Conservancy District.

(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 \$3,961.76 and the various Public Treasurer's Investment Funds (PTIF) balances total \$2,424,431.01. We have collected 102% 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 \$1,055,000 in tax revenue to date from the Kane County Treasurer. We currently have received 104% of the total projected tax revenue. The actual yearly tax revenue will most likely be more than we projected to receive, as we like to be conservative with our estimates. 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: Clay Hansen made a motion to approve the financial statement, check register, payment of bonds and bills, and check #s 19997 to 20073. McKay Chamberlain seconded it. The vote was unanimous in the affirmative. The board considered all of the financial numbers correct as of July 10th, 2025 presented at the July 10th, 2025, meeting.

PTIF Project Escrow's	\$ 1,235,678.70
Enterprise Fund – Checking # 5110788	\$ 3,961.76
PTIF Enterprise - #3697	\$ 17,882.08
PTIF Muni Escrow- #3891	\$ 407,447.30
PTIF Stabil.Cap./Replacement - #3889	\$ 433,553.85
PTIF Total Bond/Res. Accts.	<u>\$ 1,565,547.78</u>
Sub-Total Checking/Savings	\$ 3,664,071.47
Accounts Receivable	\$ 450,938.16
Total Other Current Assets	<u>\$ 313,851.12</u>
Balances/All Funds	\$ 4,428,860.75

AGENDA ITEM NO. 8: DIRECTOR'S REPORT:

(a) **Board Member Issues:** David Schmuker reported that there have been old tires, pipe and junk dumped on our right of way along the road going to the water tank in New Paria. He recommended we get that cleaned up before people complain and possibly put a chain with a lock across the road and give property owners a key.

Ben also reported that the bylaws state that the board makes recommendations for board member positions. There have been 3 applicants so far reported by Commissioner Kubeja. Travis Capson, Jeff Hafen, and Steve Shrope. The advertisement and opening for the position closes on Monday July 14th. The board will make a recommendation and present their name to the Commissioners. Mike Kenner reported they fixed the culvert on the ATV Trail where the sewer line was installed and they're working on the matting to help with the regrowth of vegetation where construction was performed. Mike feels good about Steve Shrope and the connection he has working on the Kanab City Council. He will have to disclose that he works for Southern Utah Title Company and may handle some of the transactions. Mike said Jeff Hafen would also be good as a board member with his background working for Garkane Energy and his involvement with being on other councils. Travis Capson seems knowledgeable in many areas including water development but may not have been in the Kanab area long enough to get up to speed in a rapid manner.

EXECUTIVE SESSION: MOTION: Clay Hansen made a motion to go into executive session for a presentation related to property purchase. Dirk will give a brief presentation.

The board will also discuss personnel issues. David Schmuker seconded it. The vote was unanimous in the affirmative.

MOTION: Mckay made a motion to go out of executive session. Clay seconded it. The vote was unanimous in the affirmative.

MOTION: David made a motion to move forward with Dirk and negotiations he has presented on a property purchase and Mike and Ben will sign the documents on the acquisition of property. Ferril seconded it. The vote was unanimous in the affirmative.

MOTION: David made a motion to give Mike permission to find a lawyer to handle legal issues for the Water Conservancy District. Clay seconded it. The vote was unanimous in the affirmative.

MOTION: David made a motion for Dirk to move forward with negotiations on the Heaton Property. Mckay seconded it. The vote was unanimous in the affirmative.

MOTION: Ferril made a motion to adjourn. Mike Kenner seconded it. The meeting was adjourned at 10:35 P.M. on July 10th, 2025, per a unanimous vote.

(b) Next Meeting Date: August 14th, 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