

**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
OCTOBER 9TH, 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 9th, day of October 2025 at 6:00 P.M. Board Chairman, 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: Board Member Clay Hansen offered the opening prayer. The board members and employees of the KCWCD participating in the meeting were: board members Chairman Ben Clarkson, Mike Kenner, McKay Chamberlain, David Schmuker, Clay Hansen, Steve Shrope and Ferril Heaton participated by phone. 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 Commissioner Patty Kubeja.

AGENDA ITEM NO. 1: APPROVAL OF MINUTES: MOTION: Steve Shrope made a motion to approve the September 11th, 2025 minutes subject to the proposed amendments suggested by board member Clay Hansen and Ben Clarkson. David Schmuker seconded it. The 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 that we have more water in the reservoir than we had at this same time last year and that we fully expect the reservoir will be full by April of next year. The emergency water contract with the National Park Service has been completed. The total amount we are owed from the water taken out of the reservoir is \$106,250. While the contract was in place the Jackson Flat Reservoir pumps were never shut down to facilitate removal of water nor did the water sales to the NPS have any negative impact to the irrigators in the Kanab Irrigation Company. The pumps were never completely shut off and the irrigators had adequate water to run the system. Mike proposed that we pay Dirk Clayson \$4,000 for the water rights he volunteered to allow the district to use to help with the NPS Grand Canyon fire. Mike also proposed that we donate \$59,845 to Kanab Irrigation Company to pay the 2025 Garkane pumping fees, \$13,905 to pay for the new well #1 electric motor and bowls. The total proposed payment to give the Irrigation Company including the new pump and motor is \$73,750. The Garkane electric bill for pumping costs up to September was \$51,322.34 so the money left over after paying the electric bill would be

approximately \$6,000. Mike asked the board if the \$28,500 can be used to purchase a mower/grinder skid steer attachment to be used to cut and grind the large cottonwood trees that are overtaking large open areas adjacent to the reservoir. Selectively cutting large areas of these trees would enhance access to the lake and it would increase water supplies for the irrigation company. Ben Clarkson declared that he is a stock holder and water users in the Kanab Irrigation Company and McKay Chamberlain disclosed that he is a member of the Kanab Irrigation Company Board of Directors and a stock holder in the company. **MOTION:** Clay Hansen made a motion to approve the expenditures recommended by Mike. Dirk Clayson \$4,000 for water shares, Kanab Irrigation Company \$73,750 which includes payment for new pump and motor for well #1, \$13,905 and \$59,845 for pumping costs (electric power bill from Garkane Energy). Also to approve the purchase of the \$28,500 skid steer mower/grinder. David Schmuker seconded it. The vote was unanimous in the affirmative.

AGENDA ITEM NO. 3: JOHNSON CANYON WELL PROJECT:

(a) FINAL BOND CLOSING DATE- JOHNSON CANYON WELL #4:

Mike reported we are within 7 to 10 days away from closing on this. The water transmission pipeline is designed and ready to be constructed. Mike will get a bid for the design on the well house and our employees will build it. Chamberlain's office is setting up a closing date with the state after which we'll pay off Gardner Brothers.

AGENDA ITEM NO. 4: EAST KANE COUNTY WATER SYSTEM (New Paria and West

Clark Bench): Mike reported we have had a few problems with a high sulfate content, but it is not much higher than the existing well. The levels should clear up once we start pumping. We're working with the State of Utah, Division of Drinking Water. We may have to do some mitigation depending on how the tests come back. We need to send a letter stating there are no commercial users on the system. Mike is waiting on the Chemtech Ford report. Pat Bendel has been our SCADA representing Sunrise Engineering designed and maintains all of our SCADA on the Kane County Water Conservancy District systems. When he retired from Sunrise, we continued to employ him as our SCADA expert. Mike felt that we need to ask for all of the SCADA plans and specifications that operate on water systems. The New Paria well is ready to go online, but Pat has not finished with the SCADA. We need a final water test prescribed by the Division of Drinking Water to start using the well.

AGENDA ITEM NO. 5: FINANCIALS:

(a) Mike and Amanda reviewed the PTIF Accounts and financials. Mike explained the use and benefits of each PTIF Escrow account. Mike explained that the funds saved on these two projects could be used to buy extra water meters for future connections. The funds in the DC Wastewater PTIF are for installing the new perimeter fence. There was a discussion about using any leftover project funds to purchase a new larger backhoe to keep up with the maintenance of the lagoons and other needed jobs. The State Bank of Southern Utah Enterprise checking account has a balance of \$5,912.14 and the various Public Treasurer's Investment Funds (PTIF) balances total \$2,079,689.12. We have collected 30% of the projected budgeted water fees for FY 2025-2026.

(b) The check register was reviewed by the board. There were questions asked about various key transactions on the register. Currently, for FY 2025/2026 there are 8 new connections in Johnson Canyon, 4 connections in Duck Creek and 0 connections in the East Kane County Water Systems. There have been 179 irrigation town radio read meters installed on the Kanab Irrigation company lines to date.

(c) Based on current projections, we expect to receive \$1,090,000 in tax revenue for FY 2025/2026. We currently have received 3% of the total projected tax revenue. The actual yearly tax revenue will most likely be more than we projected to receive, as we have always acted very conservatively in our projection. 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 20246 to 20336. McKay Chamberlain seconded it. The vote was unanimous in the affirmative. The board considered all of the financial numbers correct as of October 9th, 2025 presented at the October 9th, 2025, meeting.

PTIF Project Escrow's	\$ 909,293.60
Enterprise Fund – Checking # 5110788	\$ -16,608.54
PTIF Enterprise - #3697	\$ 3,017.86
PTIF Muni Escrow- #3891	\$ 107,795.58
PTIF Stabil.Cap./Replacement - #3889	\$ 358,197.77
PTIF Total Bond/Res. Accts.	<u>\$ 1,583,133.81</u>
Sub-Total Checking/Savings	\$ 2,944,830.08
Accounts Receivable	\$ 486,684.15
Total Other Current Assets	<u>\$ 467,171.90</u>
Balances/All Funds	\$ 3,431,514.23

AGENDA ITEM NO. 6: DIRECTOR'S REPORT:

(a) EIS Cove Reservoir - Mike reported there was a bi-weekly meeting held last week, but NRCS was not in attendance due to the government shutdown. Mike held the meeting to afford the sponsors the opportunity to speak with our contractor, Eocene. The EIS is moving forward in a timely manner and Mike does not foresee any major delays up to the release of the public draft EIS projected for early spring of 2026. We should have a finished EIS draft by February or March. The biggest obstacle will be the funding. Mike is working with our congressional delegation to make sure there are funds in the NRCS Small Watershed protections, because it takes all the funds from the state of Utah to construct the dam. We have support from the Governor's office and Division of Drinking Water and others, so hopefully this will help us to get it done. The total expenditure the contractors have proposed is \$42 million. We have \$9 million already sitting in the state funds. The U.S. Park Service, Zion National Park was ordered to stop the request for a Section 7 Consultation under the Wild and Scenic Rivers Act. The superintendent responded with the letter to that effect.

(b) Board Member Issues: Policy #304 Review- Ben recommended removal of Section 3. The source selection section clarifies we're getting competitive bids on higher items over \$20,000. Amanda will take out greater than \$1000, but less than \$10,000. Our attorney, Shay Owens will review it.

(c) Selection of attorney for KCWCD- Mike reported there were three applicants. We selected Shay Owens based on his extensive background and experience. He has a good relationship with the Utah attorney general and the farmers. Mike will work out the details with Mr. Owens.

MOTION: Clay Hansen made a motion to retain Shay Owens as our general counsel for the Kane County Water Conservancy District with a base salary of \$1500/month. McKay Chamberlain seconded it. The vote was unanimous in the affirmative.

Board Members that are up for reappointment are Mike Kenner, Ben Clarkson, and Steve Shrope. Each board member will need to respond to Morgan Shakespear if they want to get reappointed to the District. They are asking those who would like to be reappointed to send their letter by the end of October.

(d) Next Meeting Date: November 13th, 2025, 6:00 P.M.@ Kane County Water Conservancy District

MOTION: Ferril Heaton made a motion to adjourn. McKay seconded it. The meeting was adjourned at 8:40 P.M. on October 9th, 2025, per a unanimous vote.

APPROVED:

Ben Clarkson- Chairman, Board of Trustees, KCWCD -Date

Michael E. Noel – General Manager, KCWCD - Date

Amanda Buhler- Board Clerk, KCWCD - Date