MINUTES OF THE GENERAL MEETING
AND THE
BOARD OF TRUSTEES OF THE
KANE COUNTY WATER CONSERVANCY DISTRICT
HELD AT THE DISTRICT OFFICE
725 EAST KANEPLEX DRIVE
KANAB, UTAH 84741
JULY 9TH, 2026

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 July 2026 at 6:00 P.M. Board Chairman Clay Hansen welcomed board members, employees, and public attendees to the meeting. Clay 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 at the beginning of the board meeting. The board members and employees of the KCWCD participating in the meeting were: Board Chairman Clay Hansen, Board Members Mike Kenner, Steve Shrope, Mckay Chamberlain and Ferril Heaton. Board Member David Schmuker was not present for the board meeting. KCWCD management and staff in attendance included: General Manager, Michael Noel, and Board Secretary and Office Manager Amanda Buhler and KCWCD attorney Shea Owens. Contract employees in attendance included General Manager's Secretary, Jennifer Stewart, Consultant Dirk Clayson and Commissioner Patty Kubeja participated in the board meeting by phone. Taylor Button attended the meeting in person.

<u>AGENDA ITEM NO. 1:</u> APPROVAL OF MINUTES: MOTION: Steve Shrope made a motion to approve the June 11th, minutes. Ferril Heaton seconded it. The vote was unanimous in the affirmative.

<u>AGENDA ITEM NO. 2:</u> DUCK CREEK WATER SYSTEM AND DUCK CREEK WASTEWATER SYSTEM: Taylor Button, a part time resident on Cedar Mountain, asked the board to facilitate the removal of his water meter and stop billing him. He owns two lots adjacent to each other in Swains Creek. One lot is difficult to access. There was a discussion about Mr. Button paying up front for his meter costs to surrender his meter. KCWCD attorney Shea Owens will draft a potential buyout offer and acceptance criteria to change the meter agreements in the Board Policy.

<u>AGENDA ITEM NO. 3:</u> JACKSON FLAT RESERVOIR AND KANAB IRRIGATION COMPANY COORDINATION:
(a) Jackson Flat Reservoir water update: Mike reported the reservoir is at 64% capacity. This is the lowest the water has ever been at this time of year. The Kanab Irrigation Company plans to turn off the irrigation water one day a week and store the water to be able to finish the growing season. There are several shareholders using water outside of their approved allocations. The company and the KCWCD staff are working with the irrigation board to resolve these issues.

(b) July 24th celebration- the plans for the event are finalized. There are two bands coming to perform. The KCWCD staff will serve hamburgers and hot dogs for all attendees. The Kaibab Stake and Kanab Stake usually helps with the planning, and funding for the food served at the event.

(c) Stella Vista Observatory Building Project- the bid award meeting went very well with the contractor, architect, SVO leadership and KCWCD General Manager working through the plans and specifications for the building and grounds. The KCWCD crew will help with the installation of the water line, electrical line and the septic tank and line. KCWCD will also continue to help with the construction where we can.

(d) Easement for UDOT on well property:
MOTION: Ben Clarkson made a motion to authorize Mike to facilitate and sign the easement documents for Garkane Power Company to acquire an underground powerline across KCWCD property. UDOT will pay KCWCD for the permanent easement which will be held by Garkane Power Company. Ferril Heaton seconded it. The vote was unanimous in affirmative.

AGENDA ITEM NO. 4: JOHNSON CANYON WELL PROJECT: (a) Mike reported that Brent Gardner is working with Sunrise Engineers on the final development plans for the new well and the new water delivery pipeline that will allow for the blending of water from well #3 and well #4. Mike will continue to get the project finalized with the funding received from the Division of Drinking Water and from the Utah Legislature.

AGENDA ITEM NO. 5: EAST KANE COUNTY WATER SYSTEM: (a) New Paria and West Clark Bench: Mike reported we're waiting on the second water sample test result from the New Paria well #2. Mike asked Sunrise Engineering to meet with Bob Jones the developer for Powell Springs, but they have not done it yet. This is another project we won't start working on until the fall. Clay asked about the charges on the credit card for water samples. Amanda explained the water has to be sent overnight for testing purposes on the radionucleotides accuracy.

AGENDA ITEM NO. 6: FINANCIALS:
(a) Mike and Amanda reviewed the PTIF Accounts and financials. The State Bank of Southern Utah Enterprise checking account has a balance of -$22,818.64. We are waiting on a reimbursement of $84,177.65 which would leave a balance of $61,359.01. The various Public Treasurer's Investment Funds (PTIF) balances total $1,794,816.52. We have collected 114% 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 20 new connections in Johnson Canyon, 13 connections in Duck Creek and 1 connection in the East Kane County Water System.
(**c**) Based on current projections, we expect to receive $1,090,000 in tax revenue for FY 2025/2026.

The actual yearly tax revenue will most likely be more than we projected to receive, as we have always estimated new connections very conservatively in our tax revenue projections. The board members reviewed and signed off on the checking account register. Amanda asked all attending board members to sign the bank statements that she provided for them.

MOTION: Steve Shrope made a motion to approve the financial statement, check register, payment of bonds and bills, and check #s 20953 to 21034. Ben Clarkson seconded it. The vote was unanimous in the affirmative. The board considered all of the financial numbers correct as of July 9th, 2026 presented at the July 9th, 2026, meeting.

PTIF Project Escrow's	$ 721,312.03
Enterprise Fund – Checking # 5110788	$ -22,818.64
PTIF Enterprise - #3697	$ 3,108.34
PTIF Muni Escrow- #3891	$ 318,252.31
PTIF Stabil.Cap./Replacement - #3889	$ 81,541.99
PTIF Total Bond/Res. Accts.	$ 1,391,913.88
Sub-Total Checking/Savings	**$ 2,493,309.91**
Accounts Receivable	$ **405,788.07**
Total Other Current Assets	**$ 498,223.99**
Balances/All Funds	**$ 3,397,321.97**

AGENDA ITEM NO. 7: COVE RESERVOIR:

(a) Closed session to discuss draft EIS and Property Purchases:

MOTION: Ben made a motion to go into a closed session for the purpose of discussing the Draft EIS for the Cove Reservoir and for the possibility of selling surplus property within our service areas. McKay Chamberlain seconded it. Vote was unanimous in the affirmative.

MOTION: Ben Clarkson made a motion to go out of closed session. Ferril Heaton seconded it. The vote was unanimous in the affirmative.

MOTION: Steve Shrope made a motion that the general manager Mike Noel assess and evaluate what price to list lots for sale as discussed in closed session. Ferril Heaton seconded it. The vote was unanimous.

Mike Kenner and Ben Clarkson both abstained from voting on the subject motion.

Chairman Clay Hansen reported that it is his finding that although the two board members Mike Kenner and Ben Clarkson abstained from voting on the motion to sell properties owned by KCWCD, based on their real estate broker licenses and conflict of interest with property purchases and property listing and selling, it is still in the best interest of the district to sell the property.

Attorney Shea Owners reported that Stellar Vista needs to install pipe and the District uses hdpe pipe, but Kanab City uses C900 pipe and has a policy that they only use C900 because they do not own a fuser. Shea recommended and agreed with Kent Burgraff that Mike and possibly Steve Shrope and the Kanab City Manager discuss what pipe they want to use and how they want to proceed. There will need to be a policy exception or change of policy and authorization if they decide to install hdpe pipe. The District has let Kanab City borrow the fuser and would continue to let them borrow it if necessary.

(b) Request for additional funding-Eocene and Alpha Engineering: Mike reported that Eocene and Alpha Engineering asked for an additional $147,000 in additional funding to complete the EIS.

AGENDA ITEM NO. 8: GENERAL MANAGER'S REPORT:

(a) Cove Reservoir site visit review with NRCS: Mike reported the site visit went very well.

Mike, Dirk Clayson, Brent Gardner (Alpha Engineering) and Clay Hansen (Board Chairman) KCWCD met with Utah NRCS State Director Emily Fife. Ms. Fife is presently on assignment in Washington D.C. along with several of her staff and also with District Conservationist Kristy Hatch Westwood. The purpose for the visit was to see the proposed project site on the ground and to make sure that we have the support of the Washington Staff in completing the EIS.

(b) Blue Castle Holdings Report-Green River: Attorney Jon Schutz is working on this.

<u>AGENDA ITEM NO. 9</u>: BOARD CHAIRMAN REPORT:
(a) Bylaw Review
(b) Closed Session if needed
(c) Next Meeting Date: August 13th, 2026, 6:00 P.M. @ Kane County Water Conservancy District.

MOTION: Ferril Heaton made a motion to adjourn. Ben Clarkson seconded it. The meeting was adjourned at 8:36 P.M. on July 9th, 2026 per a unanimous vote.

<u>APPROVED:</u>

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Clay Hansen- Chairman, Board of Trustees, KCWCD - Date

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Michael E. Noel – General Manager, KCWCD - Date

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Amanda Buhler- Board Clerk, KCWCD - Date