

**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
SEPTEMBER 10TH, 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 10th, day of September 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: Ferril Heaton 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 Ferril Heaton, Mike Kenner, Steve Shrope, McKay Chamberlain, and David Schmuker. Dirk Clayson and Ben Clarkson were not present. 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. Commissioner Patty Kubeja participated by phone. George and Susan Kroll were also in attendance.

AGENDA ITEM NO. 1: APPROVAL OF MINUTES: MOTION: McKay Chamberlain made a motion to approve the August 13th, 2026 meeting minutes. Ferril Heaton seconded it. The vote was unanimous in the affirmative.

AGENDA ITEM NO. 2: DUCK CREEK WATER SYSTEM and DUCK CREEK WASTEWATER SYSTEM:

a. Legacy Group/DC Chamber of Commerce: Mike Kenner reported that the Duck Creek Chamber of Commerce would like to use the one acre lot where the dumpsters are currently sitting to build the restrooms. They have painted the existing building and fixed it up as much as they can right now. Mike Noel said that we would need an estimate of the value of the property before we can turn the property over to them. We will discuss this item more in our meeting next month.

b. Alton Town Water Study: Mike reported on the water study that Sunrise Engineering prepared for Alton Town. They recommended putting in a six inch meter by the KCWCD

which would provide enough hookups to accommodate future growth and development. Sunrise Engineering prepared a report that would help the District recoup some of the costs associated with the existing infrastructure installations. This amount is approximately \$500,000. We can probably get a 30 year loan at 0% to 1% interest. This would increase the fee to approximately \$40-\$45 a month . This is a very inexpensive fee compared to the majority of water users throughout the state of Utah and in Kane County. Having this meter upgrade would also provide fire protection.

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

(a) Jackson Flat Reservoir water update: Mike reported the reservoir is at 51% capacity. The rainstorms we received allowed for a short span of pumping from well #1. Well #2 was turned off due to the large amount of debris coming down the creek, and the fact that the well water pumping level was at or below the pump. The Sherry Belle Trail is being resurfaced in October. There have been an abundance of puncture burr stickers and other weeds along the trail, even though they were sprayed extensively last year.

(b) Stella Vista Observatory Building Project- The County Commissioners are very supportive of moving forward with this project and helping fund \$110,000 of the infrastructure to get it started. The contractor has started on the ground work for the SVO building site. Mike met with the City Manager and they have agreed to a development contract that will save us \$15,000 on the building project. The city attorney Kent Burgraff is working on a draft agreement for this project. The District will be responsible for the 8" water line going to the bathrooms and the hydrant. We are requesting an extension to use the funds from the Outdoor Recreation Grant. We expect it to be granted for a year.

AGENDA ITEM NO. 4: JOHNSON CANYON WELL PROJECT: **(a)** Mike reported that we won't be starting this project until October. We have two grants to construct the building and the pipeline. We will use a 4 inch pipe to serve the people that are already north of the main line. Our guys plan to install the pipe, but we may go out to bid on the building.

AGENDA ITEM NO. 5: EAST KANE COUNTY WATER SYSTEM: **(a) New Paria and West Clark Bench:** Mike reported we got a clean water sample test result from the New Paria well #2. The radium levels are within the state and federal standards and we can now put the new well online. Mike asked Sunrise Engineering to meet with Bob Jones, who is the developer for Powell Springs. This is another project we won't start working on until the fall.

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 -\$33,209.78. We are waiting on a reimbursement of \$173,420.26 which would leave a balance of \$140,210.48. The various Public Treasurer's Investment Funds (PTIF) balances total \$1,574,316.68. We have collected 21% 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 \$1,115,000 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: David Schmuker made a motion to approve the financial statement, check register, payment of bonds and bills, and check #s 21122 to 21189. Steve Shrope seconded it. The vote was unanimous in the affirmative. The board considered all of the financial numbers correct as of September 10th, 2026 presented at the September 10th, 2026, meeting.

PTIF Project Escrow's	\$ 691,865.10
Enterprise Fund – Checking # 5110788	\$ -33,209.78
PTIF Enterprise - #3697	\$ 3,129.12
PTIF Muni Escrow- #3891	\$ 52,853.38
PTIF Stabil.Cap./Replacement - #3889	\$ 82,087.17
PTIF Total Bond/Res. Accts.	<u>\$ 1,436,247.01</u>
Sub-Total Checking/Savings	\$ 2,232,972.00
Accounts Receivable	\$ 418,015.36
Total Other Current Assets	<u>\$ 496,058.89</u>
Balances/All Funds	\$ 3,147,046.25

AGENDA ITEM NO. 7: COVE RESERVOIR: (a) Progress Report-draft EIS: Mike reported the legislature is holding \$9 million dollars in matching funds for the Kane and Washington County Water Conservancy Districts. NRCS will fund the engineering as soon as we get the Record of Decision completed and approved. We need to get an updated bid for the project, but hopefully the numbers haven't gone up. High fuel costs may affect the costs to build the reservoir.

(b) Public Meeting: September 30th, 2026 @ 6pm. Mt. Carmel Rock Church;

This will most likely be the last public meeting regarding the Cove EIS before the ROD is published.

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

b. Lobbyist contract: Mike reported that our lobbyist Greg Hughes is proposing we give him an increase of \$5,000/month which is \$60,000/year. With the challenges ahead regarding the matching costs that we may need to start the dam next year, Mike recommended that we fund the lobbying efforts of Mr. Gregory Hughes.

MOTION: Steve Shrope made a motion to sign a new contract to include an increase of \$5k a month with our lobbyist Greg Hughes. David Schmuker seconded it. Vote was unanimous in the

affirmative.

MOTION: Steve Shrope made a motion to go into closed session. McKay Chamberlain seconded it. Vote was unanimous in the affirmative.

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

AGENDA ITEM NO. 9: BOARD CHAIRMAN REPORT: Clay Hansen

(a) Bylaw Review

(b) Closed Session if needed

(c) Next Meeting Date: October 8th, 2026, 6:00 P.M. @ Kane County Water Conservancy District.

MOTION: McKay Chamberlain made a motion to adjourn. Steve Shrope seconded it. The meeting was adjourned at 7:36 P.M. on September 10th, 2026 per a unanimous vote.

APPROVED:

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

Michael E. Noel – General Manager, KCWCD - Date

Amanda Buhler- Board Clerk, KCWCD - Date