

**MINUTES OF THE BOARD OF TRUSTEES
KANE COUNTY WATER CONSERVANCY
DISTRICT GENERAL MEETING
KANAB, UTAH
NOVEMBER 12th, 2020**

The general meeting of the **BOARD OF TRUSTEES OF THE KANE COUNTY WATER CONSERVANCY DISTRICT** was held via conference call at the Kane County Water Conservancy District Office Kanab, Utah, and board members homes on the 12th day of November at the hour of 6:00 P.M. Board President Tony Chelewski facilitated the general board meeting. A roll call was made at the beginning of the board meeting. Board Members in attendance stated present.

THE MEETING OPENED WITH THE PLEDGE OF ALLEGIANCE: The board members of the KCWCD present for the conference call meeting were Tony Chelewski, McKay Chamberlain, Mike Kenner, Ben Clarkson, Michael East and Ferril Heaton, Merlin joined late. Dirk Clayson was excused for medical reasons. Jo Phillips and Nate Wallentine representing Sunrise Engineering, were also on the call. Mike Noel, Amanda Buhler, and Jennifer Stewart were at the KCWCD office on the call. Kane County Attorney Rob Vandyke representing Kane County was also on the call. The other residents from the public on the conference call included: Helena Jorgenson representing Sun News, and Sky Cheney representing himself.

AGENDA ITEM NO. 1: APPROVAL OF MINUTES: Board Members reviewed and approved the minutes for the October 8th, 2020 meeting. **MOTION:** Ferril Heaton made the motion. Michael East seconded it. Vote was unanimous.

AGENDA ITEM NO. 2: FINANCIALS: Amanda reported on the financials, including assets, liabilities, and the financial balance sheet. Amanda explained we are about 37% through the year. The miscellaneous and the water revenue is a little higher because there have a lot more people on the mountain and the some of the differences are a result of the timing on when the grants come in and when the tax revenues come in December and January. There were several connection and impact fees in Duck Creek and Johnson Canyon areas. We budgeted 15 new installs for Duck Creek and 10 for Johnson Canyon for FY 2020/2021. With only half the fiscal year completed we already have 15 new connections in Duck Creek with 3 more in the process and 11 new connections in Johnson Canyon. Mike reported that we have never raised taxes and the mil levy has gradually gone down in the 24 years that Mike has been the Executive Director. The original mil levy was .001 mil. As of today, the mil levy is .000577 and it will continue to go down. Our water revenues, impact fee revenues, connection revenues, far exceed the property tax revenues. For last year we received \$952,000 in property tax revenues while we received \$2.352 million in water fees, connection fees, and impact fees. The new growth which is coming mostly from Cedar Mountain has allowed us to continue to increase our property tax revenue while reducing the overall all levy on individual property. We are now experiencing significant growth east of Kanab on the Johnson Canyon system. The new growth adds significant tax revenue to our budget without hurting existing property owners. Amanda reported on the check register, identifying several important checks and deposits. Board members will review and initial the bank statements at our next in person board meeting.

MOTION: Michael East made a motion to approve the financial statement, check register, payment of bonds and bills, and check #'s 15108 through 15232. Ferril Heaton seconded it. Vote was unanimous in the affirmative. The following bank balances were reviewed and deemed correct as of the November 12th, 2020 meeting.

Enterprise Fund - Checking #5110788	\$ 54,301.87
PTIF Enterprise - #3697	\$ 48,311.71
PTIF Muni Escrow #3891	\$ 168,058.25
PTIF Stabil.Cap./Replacement #3889	\$ 311,058.25
PTIF Total Bond/Res. Accts.	\$2,502,471.99
PTIF Cove Reservoir	\$ 70,683.00
Sub-Total Checking/Savings	\$3,154,885.15
Accounts Receivable	<u>\$ 811,797.18</u>
Total Other Current Assets	\$ 236,740.70
Balances/All Funds	\$ 4,203,423.03

APPROVAL OF BUDGET NUMBERS FOR EMPLOYEE COST OF LIVING

INCREASE: Amanda reported that when we approved the budget at the June budget hearing Mike requested that we should hold off on an employee cost of living increase at that time due to the unknown impacts of the economic impacts of the corona virus and the overall economic impacts to Utah state budgets. Mike felt that we should hold off on the raise and then reevaluate the decision at the end of the year. Mike and Amanda reported that water revenues and new connection growth are both substantially up which gives us the room to move forward with a 3% cost of living increase for each employee. **MOTION:** Michael East made a motion to approve the employee cost of living increase of 3% as was budgeted for and be retroactive to July 1, 2020. McKay Chamberlain seconded it. Vote was unanimous in the affirmative.

AGENDA ITEM NO. 3: JOHNSON CANYON SYSTEM: Mike reported that Kanab City area is lacking in building lots and much of the growth is moving east of Kanab. The Johnson Canyon PRV's have had trouble opening and closing due to mineral buildup. We have resolved the issues and they are working now. Our SCADA system can be operated from our certified operators' phone and monitored from the office in real time. We have the most modern and updated technology called with our ITRON meters which allows us to accurately track water usage and to check the usage, leaks, overread and meters. The recorders can then be downloaded in a cradle which automatically prints out the readings for billing. We have not heard anything about the line extension east of Johnson Canyon.

AGENDA ITEM NO. 4: JACKSON FLAT RESERVOIR PROGRESS REPORT-KANAB

IRRIGATION COMPANY: Mike reported that the water level is at 42% and we are pumping out 2000 GPM or about 4 CFS. Last year we were at 56%. Mike reported the recreation project is moving along. There will be strength training equipment, a playground area and sand volleyball. We dredged out an area by the boat loading ramp and added an additional 30 feet of concrete to the end of the ramp making it easier for larger boats to launch from the ramp. The fishing derby was a phenomenally successful event again this year. We had 85 people that signed up for the competition. Traeger Johnson 13 years old from Kanab caught the \$1000 tagged fish.

There were a lot of \$100 fish and a \$500 fish that were also caught. There are still many tagged fish in the reservoir that can be caught until March 2021.

AGENDA ITEM NO. 5: DUCK CREEK VILLAGE WASTEWATER PROJECT: Jo Phillips reported that they completed the bond closing for both the water quality board and division of drinking water board. Jo reported they had a phone conference with Commission of Funding from Water Quality Board, and they awarded the district the grant funding for the capital facilities impact fee plan and impact fee analysis that was originally requested about a year ago. We are working with Precision Contractors to approve submittal for the construction work that will begin this Spring. Contractors have tried to purchase the materials this year while costs are still low and so that we are ready to go as soon as the weather allows in Spring of 2021. We still need one small portion of funding for the District's self-participation portion of the funding package. It covers the extension of the improvement outside of the easement on the wastewater system. Mike has been working on that to get that piece put in place. As soon as that is completed then all the funding will be pulled together and we will be ready to go. Jo explained that back in 2006 the state of Utah approached the water district and identified a concern of the proliferation of septic tanks in the Duck Creek area and the concern of contaminants going into both surface and ground water. They asked the conservancy district to sponsor a planning study to find out what the issues were and what the solutions could be. The district accepted that and has been a good steward in resolving the issues with wastewater on the mountain. Mike Kenner commented that the timing of this project is amazing with so much growth and commercial development since the covid-19 epidemic. Mike Noel stated that the county has and will benefit greatly because of this project and because of the water development on the mountain.

AGENDA ITEM NO. 6: COVE RESERVOIR PROJECT: Mike reported that the progress on this project is excellent. The public meeting will be held on December 9th. NRCS released the draft EA to the federal and state agencies. To date, there has been no negative feedback on this project. We may not be able to have a public meeting because of the mask mandate. But we will have a zoom meeting for people to log in and participate. Our attorney Rob Vandyke said we can have board members come as long as we are wearing masks and socially distanced 6 feet apart. There have been some landowner meetings, but we have not committed to purchase any land as funding for land purchases is not available until the FONSI is signed by NRCS. Mike met with Doran and Lois Lamb at their home and reservoir. Mike and Doran rode together to Doran's property so Mike could see what it looked like and what appraisal category it would fit into. The meeting went very well. Our economic analysis and cost benefit ratio are good. The aquatic resources reports have been updated and geologists review is completed. The direct mailings and draft plan EA will be sent out to those who request it. Our final review will be on November 30th, 2020. The virtual open house will be in December.

AGENDA ITEM NO. 7: LAKE POWELL PIPELINE: Mike reported that ever since we pulled out of the EIS there is a false narrative out there that we are no longer involved, in the project. This information is false. There was a meeting on the extension of the water rights and our attorney John Mabey represented the district at that meeting. We still have 4000-acre feet of water in Lake Powell which is dedicated to the LPP. That water is still available to us. We have

no obligations right now of any monies on the project, but we do have the ability to tie into a valve that will be located east of Johnson Canyon.

AGENDA ITEM NO. 8: GOLF COURSE PROGRESS REPORT-DAVID KIDD: Mike reported that we had a phone conference progress meeting last night. The David McClay Kidd name and brand are rated one of the top 10 golf course pro-designers in the world according to golf digest, golf world and several other publications. David is from Scotland and his father took care of the golf course and the grounds where the British Open is played. He is married to a professional golfer from England. He has the contract to completely redesign the Entrada Golf course in St. George. We signed a \$75,000 contract for our design and he has already completed a preliminary design layout for the course. He has several different layout options he has presented. This course will be a destination golf course. There have been a lot of positive comments and enthusiasm from people in the community. Mike reported that this will be a beautiful entry to our area on the southside of Kanab. We discussed putting in a clubhouse putting green and potentially a pitch and putt par 3 to warm up before people play a round of golf. This is a part of our overall recreation plan. Our analysis based on numerous facts and information from courses of this type all over the world is that it will be able to support itself and contribute money to our overall recreation funds. We have approached the County Commission about using some of the TRT taxes funding through the CIB. Because Kane County is a coal producing County, we have a much greater ability to obtain grants from the coal monies from the state of Utah.

EXECUTIVE SESSION: MOTION: Merlin Esplin made a motion to go into executive session for the purpose of discussing a personnel issues with one of our employees the cost-of-living increase for district employees and Mike Noel's legal fees. Michael East seconded it. Vote was unanimous in the affirmative.

MOTION: Merlin made a motion to go out of executive session. Michael East seconded it. Vote was unanimous in the affirmative.

AGENDA ITEM NO. 9: DIRECTORS REPORT: Mike reported that we are going to have to hire a long-term employee on Cedar Mountain. The next tentative board meeting will be on December 10th, 2020, 6 P.M. at the Kane County Water Conservancy Office via conference call for board members. Meeting was adjourned at 7:30 P.M. **MOTION:** Michael East made a motion to adjourn the meeting. Ferril Heaton seconded it. Vote was unanimous in the affirmative.

APPROVED:

Tony Chelewski--Chairman KCWCD Board of Trustees Date

Michael E. Noel -Executive Director KCWCD Date

