

**MINUTES OF THE GENERAL MEETING
OF THE BOARD OF TRUSTEES OF THE
KANE COUNTY WATER CONSERVANCY DISTRICT
HELD AT THE DISTRICT OFFICE
725 EAST KANEPLEX DRIVE
KANAB, UTAH 84741
DECEMBER 14TH, 2023**

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 14th day of December 2023 at 6:00 P.M. Our annual Christmas Party Dinner was held at 5:00 P.M. Board of Trustees Vice Chairman Ben Clarkson welcomed board members, employees, and public attendees to the meeting. Ben Clarkson 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: The board members and employees of the KCWCD participating in the meeting were: Board Chairman Ben Clarkson, and board members, Michael East, Mckay Chamberlain, Ferril Heaton, David Schmuker, Clay Hansen, and Mike Kenner. KCWCD management and staff in attendance included: General Manager, Michael Noel, and Office Manager Amanda Buhler. Contract employees in attendance included Jennifer Stewart, and KCWCD Attorney Rob Vandyke. Dirk Clayson was excused. **Members of the Public Attending the Meeting:** Commissioner Patty Kubeja and her husband attended our meeting until she had to excuse herself to attend another meeting. Jonathan Kerr representing the performing arts group in Kanab.

AGENDA ITEM NO. 1: APPROVAL OF MINUTES:

MOTION: Michael East motioned to approve the November 9th, 2023 minutes. David Schmuker seconded it. The vote was unanimous in the affirmative.

AGENDA ITEM NO. 2: FINANCIALS:

(a) Amanda Buhler, KCWCD office manager, and General Manager Mike Noel reported on the financials, including assets, liabilities, and the financial balance sheets. The State Bank of Southern Utah Enterprise checking account shows -\$68,331.66 and the various Public Treasurer's Investment Funds (PTIF) balances total \$2,964,108.46. The district is holding \$74,923.70 in checks for reimbursement. The actual current balance of the checking account is \$6,592.04. The income statement shows we are about 42% through FY 2022/2023. We have collected 46% of the projected budgeted water fees for FY 2023-2024.

(b) Amanda Buhler reviewed the check register with the board and called attention to various key transactions on the register. In FY 2022-2023, there were 46 new connections installed in the Johnson Canyon system and 20 new connections in the Duck Creek system. New connections updated as of today are 9 connections in the Johnson Canyon system and 8 connections in the Duck Creek water system.

(c) Amanda reported that we recently received \$87,000 in tax disbursements and we will be receiving the bulk of our tax disbursements over the next two months. 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 to them. Mike reported we did receive the \$100,000 grant from the state RTP from 2020.

MOTION: Michael East made a motion to approve the financial statement, check register, payment of bonds and bills, and check #s18371 through 18464. Ferril Heaton seconded it. The vote was unanimous in the affirmative. The board considered all of the financial numbers correct as of December 14th, 2023 presented at the December 14th, 2023, meeting.

Enterprise Fund – Checking # 5110788	\$ - 68,331.66
PTIF Enterprise - #3697	\$ 94,508.24
PTIF Muni Escrow- #3891	\$ 271,296.37
PTIF Stabil.Cap./Replacement - #3889	\$ 397,055.25
PTIF Total Bond/Res. Accts.	<u>\$ 2,347,990.88</u>
Sub-Total Checking/Savings	\$ 3,042,519.08
Accounts Receivable	\$ 880,510.35
Total Other Current Assets	<u>\$ 354,862.49</u>
Balances/All Funds	\$ 4,277,891.92

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

(a-b) The Jackson Flat Reservoir water levels for today were at 70% of the reservoir capacity. Last year at this same time it was 67%. Two years ago at this time, it was 73%. Well #1 is off and well #2 is running 430 GPM. There is 1195 GPM going into the reservoir. The Creek Flow is 740 GPM. Mark and Mike have both called and left messages, but we still haven't received the transformer.

(c-d) The maintenance building progress is moving along nicely. Mark and Roger are doing a great job. We are waiting on parts to finish installing the rest of the doors. The electrician told Mark he will start working on the conduit for the electrical. We are waiting until next spring to apply the spray foam insulation when the outside temperatures are warmer. The manufacturer recommends that the foam insulation only be applied when outside temperatures are above 60 degrees fahrenheit.

Dan McClendon is letting us rent his foam applicator machine to spray in the insulation. Mark, Roger, Seth and Patrick will do the insulation work. We're in good shape financially on the building thanks to our guys doing much of the work. Mike reported that the economic opportunity board approved a \$50,000 grant. It cannot be used however for the pickleball courts. Mike met with Sunrise Engineering and two recreation specialists that presented several ideas for outdoor recreation around the reservoir. They will also come and present their ideas to the Board in the near future. (e) Mike reported the Irrigation Company voted unanimously for secondary metering on the town system. The meters have been ordered and our guys will install them this winter. Amanda reported that the irrigation setters were ordered and the crew will be making the barrels out of plastic culvert material like they do on the culinary water systems. Mike reported that the secondary metering will free up 500 water shares, because most people won't use more than one acre-foot of water. The Irrigation Company could credit people that have both irrigation shares and home shares

with additional irrigation shares or they could sell their shares to others in the community that want to connect to the system.

(f) Amanda reported that U.S. Fish and Wildlife brought us 15,000 smaller trout, 7,000 midsize trout and 15,000 Crappies

(g) Thanksgiving Turkey Trot- Amanda reported there were 334 runners this year which is 100 more than last year. The Kanab High School Cross Country Team is very appreciative to the District for allowing them to benefit from this event.

(h) Stellar Vista Observatory-Attorney Rob Vandyke prepared the MOU and briefed the board members on specific items relating to the SVO use of the property. The SVO use of the facility at any given future time or date will not be allowed to take precedence over other activities happening at the reservoir. The final MOU establishes Phase 1 which entails an observation deck with a pergola and parking area. It will also include the development of the final plan for the building and some limited construction if and only if the district is satisfied that sufficient funds are available and can be transferred to the district to complete the construction. There will be a lease agreement with terms and conditions that will defer to the greatest extent possible, all times, dates and periods of use of the SVO facility to the KCWCD. **MOTION:** Michael East made a motion to approve the MOU between KCWCD and SVO including the edits suggested by the board and signed by General Manager Mike Noel and Board Chairman Ben Clarkson. McKay Chamberlain seconded it. Vote was unanimous in the affirmative.

Ben welcomed the visitor who introduced himself as Jonathan Kerr. He is a resident of Kane County and represents a group of people in the area involved in performing arts and are interested in starting a non-profit organization. They wanted to know if the board is interested in allowing their organization to build a performing arts center on reservoir property. Jonathan attended on behalf of Mariah Wheeler who could not be at the meeting tonight. Mike offered to meet with him and any other individuals involved in performing arts and music to ascertain what exactly they are planning to do on Jackson Flat Recreation Area property.

AGENDA ITEM NO. 4: COVE RESERVOIR EIS:

(a) Mike reported there was a Cove meeting today. The grant application involving Washington and Kane County was sent in last week to the Utah State Legislature. Mike feels optimistic that we will still get the \$10 million dollars from the American Recovery and Reinvestment Act grant. We are having a hard time communicating with the NRCS economic analyst. The rules and requirements keep changing every time there's a meeting. It was explained today that there are benefits to using recreation as part of the cost benefit analysis. This would increase the overall C/B ratio as the recreation C/B is about 13:1. The NRCS recently notified us that all three reservoir uses must have at least a C/B of 1:1 or better. M&I, Agriculture and Recreation have to stand on their own. Mike explained the way out of this is that if we get the \$10 million dollars from the legislative grant program secured and then work toward a 30-year low interest loan for the balance of funds if needed. Washington County would probably be willing to participate with us on the loan grant and most likely fund the majority of the loan as the major use of their water is for culinary. Mike feels that even if we have to go 50/50 loan/grant on the project, we can still afford to do it. We are still working on the MOU with Washington County. They are very supportive of the project. We will continue to work on a water use plan that is beneficial to both water district users. There will be

certain times of the year they will want as much of the water as they can get. It will not be during the growing season.

AGENDA ITEM NO. 5: JOHNSON CANYON:

(a) Water rights purchase: Mike reported the change application is submitted and they have all the data and documents. Ken Tuttle reported to Mike that he spoke with the regional engineer and they are starting the 30-day publication process. If the division receives any protests then there could possibly be a hearing and the decision could take another 60 to 120 days or more.

AGENDA ITEM NO. 6: DUCK CREEK VILLAGE/CEDAR MOUNTAIN LONG VALLEY WATER SYSTEM:

(a) Mike reported we put together a proposal to take some of the clay out of the old reservoir and the analysis results were good quality material. Mike spoke with a gentleman who is tearing out the power plant in Page. He asked Mike if he had any use for pure bentonite. He said they have a total of 36-3800 lb.bags which is almost 70 tons of pure bentonite. Mike asked how much it would cost to have it delivered to Cedar Mountain. The bid to deliver 36 bags or 70 tons would be around \$8,000.

AGENDA ITEM NO. 7: EAST KANE COUNTY WATER SYSTEM: (New Paria and West Clark Bench)

(a) Mike reported the engineering plans and specs are all completed. Mike said he got them in the mail today. Sunrise will now set up a date for bid submittals.

AGENDA ITEM NO. 8: DIRECTOR’S REPORT:

(a) No board member issues

(b) Mike read a resolution opposing a SEC proposal to allow private entities to purchase use of BLM property for recreation wildlife and other non-consumptive uses. Current uses such as grazing and mining and timber harvesting and hunting could be eliminated if this proposal were allowed to pass. **MOTION:** Clay made a motion to approve Kane County Water Conservancy District Resolution # 2023-8. Michael East seconded it. Vote was unanimous in the affirmative.

MOTION: Michael East made a motion to adjourn. David Schmuker seconded it. The meeting was adjourned at 8:45 P.M. on December 14th, 2023, per a unanimous vote.

Next Board Meeting Date: January 11th, 2024 @ 6:00 P.M. Kane County Water Conservancy District Office

APPROVED:

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

Michael E. Noel –General Manager KCWCD **Date**