

Kanab City Council Meeting
May 28, 2019
26 North 100 East
Kanab City Council Chambers
6:30 PM

In Attendance: Mayor Pro Temp Jeff Yates, Council Members Celeste Meyeres, Arlon Chamberlain, Byard Kershaw, Recorder Joe Decker and Attorney Jeff Stott. Mayor Robert D Houston and Council Member Michael East were excused.

Mayor Pro Temp Jeff Yates called the meeting to order and roll call was taken. Prayer was offered by Jeff Stott and the pledge was led by Arlon Chamberlain.

Approval of Agenda: A motion was made by Byard Kershaw and 2nd by Celeste Meyeres to approve the agenda for May 28, 2019. Motion passed.

Approval of Minutes: A motion was made by Celeste Meyeres and 2nd by Byard Kershaw to approve the minutes from May 14, 2019. Motion passed.

Approval of Accounts Payable Vouchers and Check Register: A motion was made by Celeste Meyeres and 2nd by Arlon Chamberlain to approve the accounts payable vouchers and check register dated May 28, 2019 in the amount of \$139,313.08. Motion passed.

Public Comment Period: Charlie Saba explained at the County Meeting that morning Joe Decker talked about an expansion of the City, as his hearing is bad he didn't hear most of it and wondered if Mr. Decker could explain what he was talking about. Jeff Yates described they will hold off until the next meeting to explain that.

John Hiscock commented in regard to the Southern Red Sands project and the City's consideration of water for that proposal. It is his understanding that the City Government and City Council is the steward of the resources under its control and the water rights that the City holds are one of those resources to be used wisely, not only for now, but for the City and the residents into the future. There are a lot of questions in his mind about where the City is in its consideration of the proposal from Southern Red Sands. There have been statements made but there seems to be a lot of confusing information out there. The Kane County Water Conservancy District has now executed an agreement with Southern Red Sands to provide for half of the water that they have requested. That agreement contains very detailed language about what the City's part in providing the other half of that water is or may be. The District also stated that it would not enter into an agreement until the City has made their decision and yet they have. That tends to suggest that either the City has already made a decision or the District has simply gone ahead without consideration for the City's decision which it stated would take place. Also at the March 26th meeting at City Council, Mayor Houston stated that there would be a presentation made by a hydrologist from UGS that would occur at a later meeting. Then on April 9th Mr. Hiscock asked whether that presentation would take place and Mayor Houston

assured it would and that it would be a public presentation and that the City would reach no decision on the request of Southern Red Sands until after that presentation had taken place. Just last week it has come to his attention that the hydrologist from UGS has provided some calculations to the City of Kanab, some very limited calculations. Mr. Hiscock spoke to the hydrologist that morning and asked whether a presentation on his part or someone from his office had been scheduled by the City of Kanab and he told him it had not been discussed nor had been scheduled. What he thinks is important about the UGS calculations that have been made is that the calculations are very limited in extent. They stated that they did not take in account the recharge rate of the aquifer, the water coming in versus water coming out. They stated they did not consider other withdrawals or pumping from the aquifer. They stated that they did not consider any transmissivity of the aquifer that might be relevant to fracture zones or canyons that they viewed. Their calculations were based on an assumption that this was just a big sponge uniform throughout its extent. What he would like to request is that the City follow through on its promise to the public that it be scheduled to have a public presentation by the UGS hydrologist, that there be time in that meeting for the public to pose questions to the hydrologist and have those questions answered. Furthermore beyond that, he suggested the City have a formal Public Hearing on this issue because there's so much at stake and there are so many citizens that are interested in the issue. Mr. Hiscock feels the City should actually be opposing the water use here not considering the water use or considering taking part in it, but given the evidence that's on the table now, opposing any changes in point of diversion by the Conservancy District or other entities that threaten the City's water resources.

Emily Martin seconded everything John had said. She has lived in California in an area where the City of Los Angeles got their water for their City. It has been an ongoing battle, once they get the water they want to hold on to it and they want more. Springs quit flowing and trees began to die, her fear for Kanab and this great little town would go through all sorts of chaos and problems if the City decided to sell their water to SRS. She feels we are so lucky to have what we have here now and asked that the City does not approve the sale as in the long term it will be nothing but a headache. Ms. Martin explained we really need a public hearing so the public can understand better.

Sky Chaney explained he represents the Taxpayer Association of Kane County and that they understand the City is in the process of deciding whether or not to sell our drinking water to Southern Red Sands for their proposed frac sand factory. Based on the serious risk of losing our water supply in the future, his organization is asking the City to refuse to sell the water to SRS. They ask that the City make a priority of protecting the water rather than being known as the Mayor and City Council who sold out Kanab's water. Beyond simply refusing to sell the water they are asking the City to protect the aquifer that supplies the Kanab water wells. In order to do this, they ask the City legally protest the diversion of water that has already been approved by the Kane County Water Conservancy District. By preventing SRS from drilling wells above ours, you will be helping to insure that families and businesses of Kanab will have water in the future. Mr. Chaney presented a 2016 water needs assessment that was submitted by the Utah Division of Water Resources as part of the licensing of the Lake Powell Pipeline. This report states, "Kane County Water Conservancy District's reliable supplies of water are

projected to be in deficit by 2035 when they would be exceeded by total water use.” This report makes clear that we have a limited amount of supply in our Navajo Sandstone Aquifer. Please act with wisdom and do vigor to protect our water and our lifestyle and our families here in Kanab and into the future.

Sharon St. John explained she researched sand mining and found descriptions of people that have encountered sand mining where they live, “The silica sand can blow and can create impacts up to 20 miles away. Breathing silica sand is a health hazard. At this mining site they drilled several wells to extract water. The shallowest well dug was 600 feet deep extending to the aquifer below and depleting the water there.” Ms. St. John learned from another website that listed the harmful effects of frac sand mining: it causes erosion, harms wildlife and adversely effects tourism. She read a statement from a person who owns a tree farm one mile away from the sand mine in Wisconsin: “The weekly blasting away of the hillsides sends shockwaves shaking homes and outbuildings along with our nerves. Visible cracks appear in the walls of buildings and private wells are monitored for collapse and contamination. The sand mine only guarantees repair to properties lying within a half mile of the mine.” She explained that she doesn’t know if the situations she has described would be similar to the situation that is being planned here. But she thinks the fact that she doesn’t know would mean the Council wouldn’t know either. No way to know unless there were a lot more facts and a lot more information. She suspects the worst which is pretty terrible. What is the benefit to Kane County after destroying more than 10,000 acres of land, she asked. No reason to believe that the destruction would be limited to the 640 acres of land they proposed. The Red Knoll and the area around it are home to very ancient Juniper Trees. This area is also home to mule deer and various other animals. Leveling ancient trees and rock formations that have been there for millions of years will create nothing but a waste land. Living in this beautiful area is a privilege. Tourism would be affected as it is the basis of this town. No Southern Utah visitors come to this area to gaze upon a mine.

Jeff Yates explained that Kanab City does not have the regulatory authority to stop the Southern Red Sands project as it is not within City limits.

Glen Parrent read from the February 11th minutes, stating the part where Mayor Houston explained this project is coming at a good time as there needs to be work done to two of the City’s water tanks and this project could help fund that. Mr. Parrent explained that the previous speaker expressed what would be destroyed all for two water tanks. His question to the City Council, has a hydrologist been hired in the 60 days since the presentation and are they working on a report now. Jeff Yates explained, yes and that there is a report.

Laura Klina thanked the City Council for listening to the public’s concerns. Her husband and her are residents of Kanab and also water rights owners and have concerns for the ultimate outcome of the Southern Red Sands project. She kindly requested for transparency and integrity and a request for a public hearing over the Southern Red Sands Project on behalf of all of those who are less confident to voice their concerns. The decision by the Water Conservancy District to sell their half of water required for this project was behind closed doors

and felt deceiving to the public and she felt powerless. She would like to have faith in the appointed representatives to keep information open as they would like to vocalize what they think is best for their shared town. And not succumb to the results and consequences made by a few who feel they know what's best. She asked the Council to please allow the community to participate in this decision.

Richard Jenkinsen explained he moved here from Moab a few years ago and still gets the Moab newspaper. Recently, county commissioners from Uintah came to the Grand County meeting and said "We want to open a paved road through the book cliffs because we need tourism because our fracking industry has gone bust." Assuming they can mine if they want to as it is on SITLA land, let them take the sand to Vernal and wash it there. It would still employ truck drivers and others, but don't sell our water. Mr. Jenkinsen expressed he wouldn't even sell Kanab water to the Red Cross much less to fracking. We are in the desert and in the 19th year of a drought.

Jim Walls wanted to communicate one thing to the Council which as a citizen of Kanab he participates in local elections for the City Council to look after his interests. He feels he doesn't know anything at all about the benefits and has some serious concerns about the disadvantages of this project with sand mining and water sale. But he looks to the City Council as his representatives in this town to inform themselves and to protect his interests as a citizen as he thinks other people have tried to express in the meeting. He just doesn't have a good feeling about this project. Mr. Walls came from Kansas in his youth and about seventy years ago they started pumping the water out of one of the biggest fresh water aquifers in the world to help the farms and today it is about 1/10th of the size it started out seventy years ago. It takes 800 years for the water to percolate from the Rockies down to the Kansas aquifer. That was one point made at the meeting nobody knows how fast our aquifer fills up so that seems like that is an important fact that should be found out. Mr. Walls expressed his point was he feels there should be more information about this to make an intelligent decision as he looks to the Council to do the hard work and get this information in the form of a Public Hearing and the geologists report and any other information that they could get.

Jo Ann Rando Moon explained she is urging the City to reconsider selling the water. Last year the Water Conservancy District reduced amount of water that was available to each resident in the county and increased their prices. Also she is requesting that the City offer the public a presentation with the geologist present so that everyone can ask the most important questions.

Will James, owner of Dreamland Safari Tours, explained he has been a resident of Kanab for about ten years. He echoed a lot of the sentiments of people that have already spoke and sees this project as one of the most pernicious things that has come around. He doesn't understand why we would take our beautiful scenery 52 train cars at a time and pump it down a hole. He thinks that this is reckless behavior and feels like saying we don't have any control over SITLA land and facilitating an advancement over this project are two different things. He expressed the City Council is obviously playing a role in this and to just say "Well it's not our thing" really isn't fair. Mr. James continued with saying that they already know that the City Council wants to

rule on things like the Grand Staircase Escalante National Monument which is purely symbolic and outside of City boundaries so we can't say we aren't going to make symbolic gestures outside of City boundaries because suddenly it's out of our jurisdiction when it is in our favor or inside groups favor so to speak. He feels like this is a disaster on so many levels and it will expand to 12,000 acres, these people did not make claims on the BLM land surrounding the state land. It won't only be 600 acres destroyed as even that is too much in this beautiful area dependent on tourism. Mr. James expressed he is constantly encouraging clients to stay in Kanab and people don't stay in Kanab to stay in the hotels they stay to do the outdoor activities and all of that trickles down. So on the one hand, he explained he is feeding the golden goose and on the other hand it seems the powers that be are plucking the feathers one by one. This is a major water concern until they get a guarantee that there is no margin for error here. He asked what is the acceptable room for error when the risk is potentially losing the town of Kanab and its water supply. We've seen reports about the Lake Powell Pipeline saying we're running out of water and on the other hand we're saying let's accelerate that depletion. We can't play facts one way and play facts another. Massive destruction is in the cards once the money starts being made there would be all kinds of speculation. The cons of this project is that every citizen in this area loses maybe small ways or in big ways. Employees qualified to work for this project will come from everywhere else. The revenues will go out of Kanab. There are individual families with deep conflicting issues. It is appalling to him that there is a head County Commissioner who is involved in this. The pros and cons are everyone loses and some very select families get fantastically rich while everyone loses and that is not an acceptable trade off for him and they have rights as well. Scenery and public lands will be destroyed and he knows that no one wants to see that. Mr. James wondered if the government is being honest as it seems like things are being hidden. The Water Conservancy District discussions were all done under executive session and he wondered why all of the secrecy if this is all in the right and everything is above board. Certainly a public hearing is in order as there is no reason to jeopardize Kanab's water and diminish the tourism industry without everyone being able to weigh in.

Rich Csenge expressed he has read the letters to the editor and things in the paper about this project and has spoken with Andy Gant and Chad Staheli and he is concerned. One of the Council Members, Michael East's company has worked really hard to install fiber optic in our community. We have an economy that can thrive on highly paid-well educated types of jobs that will not harm the environment and won't require the jeopardization of our water supply. The fiber optic is in the ground. Mr. Csenge expressed as a community we don't need to lunge at each speculative job proposal. We can be careful and deliberate and look at the resources we have that can bring prosperity to the community. He advised the Council to take a go-slow approach and listen to the risks.

Discuss – Vote on adoption of the FY 2019/20 Tentative Budget: Joe Decker explained he sent the budget out to the Council members a week ago and has not tweaked it yet. Once he gets the final numbers for revenue for May he will adjust it. There are various different funds that the City has:

- General Fund (general operations; includes parks, planning and zoning, public safety, etc.)
- Water and Sewer Fund (enterprise fund ran exactly like a business)
- Storm Water Fund (also an enterprise fund)
- Wild Land Fire Fighting Fund (revenue fund, enterprise fund)
- Perpetual Care Fund (perpetual care for the Cemetery)
- We have about four Capital Projects Funds as well.

All of these funds are equal to about five and a half million to six million dollars. But, each one is broken down individually. Mr. Decker explained he likes to give the actual amounts for previous years with budgets, where we are at to date and what our future budget is for the next year. The revenue over expenditure will change within the next month as we finish out the fiscal year. For next year, there is about \$3.27 Million budgeted for revenues and about \$3.274 budgeted for expenditures. Once the budget is finalized those numbers will be identical. Mr. Decker explained the spreadsheet for the budget which included having more conservative numbers in the revenue accounts as it is easier to go to the department heads and say that there is a little more money to spend instead of having them cut back 10%. He continued by going through the General Fund Revenue, General Fund Expenditures and the Recreation Fund. The Debt Service Fund has revenue and expenditures identical. Mr. Decker explained there are two bonds retiring out within the next year. One being the street beautification and the other is the 300 South Storm Water project which was when UDOT did the highway. The Impact Fee Fund has brought in about \$70,000 in fees which will be used for specific projects within the plan. The little bit of money left in the Skate Park fund will be used for lighting and landscaping there. Mr. Decker then went on to explain the New Capital Projects (Fund 45), Existing Repairs (Fund 46), Airport FAA Projects (Fund 42), Fire Station #1 Remodel Fund and the Wild Land Fire Fund (Fund 37). The Water and Sewer Fund has \$1.483 million in revenue budgeted. If we were to replace water meters it would be out of the Capital Outlay Fund. It would be about \$2.1 million dollars to replace every water meter in the City. The meters we have now have a ten year lifetime put in 2008, and they are having to hand read almost 50% of the meters each month. Unfortunately, there was not a replacement program put in so now we will have quite the expense in just replacing meters. This fiscal year the last payment for the Rancho water tanks was paid. In the next year we are currently pursuing financing options to replace the north tanks. He explained hopefully this year that can happen. Mr. Decker continued by saying there are various grants the City has put in towards the tanks. It would be almost \$4 million to replace the tanks. It is something that has to be done and the City is looking at upsizing them to fit future growth. The Storm Water Fund is an enterprise fund and is new this year. The City is putting \$100,000 each year to this fund and has put in grants for future projects to prepare. The last one is the Perpetual Care Fund which is money that comes from anyone that gets buried there and it is left alone to collect. Once the Cemetery is filled up the City Council can make a decision to stop receiving payments on it and use the fund balance to purchase property for a new cemetery if needed.

Jeff Yates expressed needing to have something in the budget for the rehab of the Heritage Museum after the sewer back up of 2019. Mr. Decker explained that would go into the Capital Project fund. Mr. Yates explained he would like about \$75,000 allotted towards that. Jake Dutton expressed that amount might not be enough for the whole rehab. Mr. Decker explained

that he will run some numbers and find out exactly how much it would cost to fix the basement there. \$100,000 to \$125,000 needs to be dedicated as well. Celeste Meyeres explained her wish list would be to fund and get ahead of as many vital infrastructure things as the City can. She mentioned adding an aerator to the Ranchos sewer or getting a step up on the storm water management. She doesn't know if UDOT would fully fund or if they could get some funding for safer sidewalks and crossings. Joe Decker explained that he has been vocal in trying to get UDOT to put in crossings and the studies they have done don't warrant them. He is still pushing for a crosswalk on the 100 South area. The last thing on Mrs. Meyeres wish list would be clear and large signs pointing people towards the pool and park. Mr. Decker explained that is happening. Arlon Chamberlain asked about the drainage system that would go from Escobar's out towards the motel. Mr. Decker explained that he has secured a grant from UDOT as part of that funding. The motel is also supposed to pay for their part of it and is still supposed to do it. They are nine months in on their building permit and haven't done anything yet. He has talked to Jake about it and it can be done but just not sure they have the time. As good of a job the City workers do there just isn't as many of them as there should be. Mr. Decker explained that a little bit of money is put in for sidewalks each year. Celeste Meyeres requested putting more money into the road fund as there is quite a bit that could go into the Ranchos and she also talked about adding a bike lane to the Ranchos roads as well. Joe Decker explained he is going to take all of the info said and start to plug numbers and see what can be done.

A motion was made by Byard Kershaw and 2nd by Arlon Chamberlain to adopt the tentative budget of the fiscal year 2019/20. Motion passed.

Byard Kershaw motioned to adjourn.

Mayor

Recorder