



South Big Horn Conservation District
SPECIAL BOARD MEETING – Thompson Lateral Pipeline
MARCH 25, 2026

The Special board meeting of the South Big Horn Conservation District was held Wednesday, March 25, 2026, at the Farm Service Center with the meeting starting at 7:00PM. The meeting was called to order by George Kelso. Those in attendance were George Kelso, Linda Hamilton, Eddie Johnson, Howard Wildman, Walt Hibbert via phone and Ashley Coenen, District Manager. Guests include Barbara Burbridge, Thomas Loewen, Boyd Van Fleet via phone, Anna Brown & Don Weeks.

BUSINESS DISCUSSED:

Barbara Burbridge began the meeting by presenting the TRO from Judge Bill Simpson that was signed on March 25, 2026. Currently Boyd Vanfleet, Ken Rempel, Barbara Burbridge, Thomas Loewen & Rodney Galusha are still the Board of Directors for the Shell Canal Company. A copy of the TRO was given to the district. Barbara stated that water is scheduled to be in the ditch on April 7th and they do have a lot to do to get ready, consistency is critical during this time for everybody on the canal.

George brought up a couple issues, one is that a portion of the grant, approximately \$38,000 is expiring April 15, 2026, and the second being where we are headed with the contract. Some confusion came up about the state easement where questions from the OSLI was wondering why there was three pipelines going into the trench instead of two. SBHCD had a brief discussion with OSLI this morning 3/25, OSLI thought that what was going in the trench was a stock water pipeline for Boyd to put stock tanks on his grazing lease and the Thompson Lateral, while the SBHCD was under the impression that it was the two pipelines that come from the Thompson Lateral diversion that included a 15" & a 21" pipeline, not the stock water. OSLI needs to look at the irrigation pipeline that would be for Boyd because they did not have record showing it was approved. OSLI will work with Boyd to get this situation figured out.

Boyd stated approximately six years ago he received his first notice from OSLI to put the stock water line and irrigation line in, and it did not require an easement because it is attached to his grazing lease. He has an approval of approximately six years ago and was asked to get a newer approval because of a NRCS RFP and he did receive that approximately three years ago. He left messages, with Erica and Colton with no response from either as of 3/24. He asked them to review their own files where he'd been previously approved. He states that the OSLI knows that there is two pipelines going into the trench because Erica is the one that asked them for the agreement of management of the two irrigation pipelines. So the stock tanks can simply be fed off of his irrigation pipeline because that is the only time water is available. He states again, he has approval and was previously granted consent to put in the irrigation pipeline and stock line and the map is in the exact same location. He states that part of the confusion is that Erica with

OSLI came on board after the consent was already granted to him two times previously. He did ask Erica and her subordinate to go check their own files.

Question: Eddie asked Boyd had got an email from Erica today 3/25 or yesterday 3/24? Boyd states he got nothing from her today 3/25. Eddie said from what we were told today was that there is the stock tank that's done, but they couldn't find any records of the secondary irrigation pipe. Boyd states that the request for both and that if Erica acknowledges the one it was in the same request and she knows that the intent was the secondary pipe because she is the one that asked for the management agreement which led them to getting the agreement for her which the SBHCD has a copy of. Boyd is going to look through his records and dig up those previously consents and is saying the OSLI consented to those requests years ago. Eddie stated that was not the impression we got from Erica when we spoke with her today, and that there was no third line being that larger 16" pipe. (15"). Boyd states again, Erica is aware of because she is the one who asked for the management agreement of how those two pipes are to be coordinated that's why Ken and Boyd notarized that agreement that SBHCD should have. That was in reference into Erica asking for it three months ago. Eddie states there is some confusion somewhere that we're not understanding. OSLI is telling us there is easements and the improvement is on the stock water and then one other pipe for the Thompson Lateral. Boyd states he will bring in the approvals that were done before she was in the OSLI before Erica was there.

Tom Loewen asked Boyd if he could share the email where he sent it to Erica, so that they could share it with the SBHCD.

Howard stated that Erica made it sound like there is an improvement that didn't need an easement, but an irrigation pipeline that does not stop through State Lands needed an easement. Barbara states that, that should be the Shell Canal Thompson Lateral Pipeline that needed an easement not Boyd's.

Howard stated again that if it did not benefit State Lands, it needed an easement.

Eddie asked if they had heard anything else on the WWNRT grant. Barb stated no that they don't meet until the first of May and the money doesn't come through until July.

Barb mentioned that they could do the digging for the new trench during irrigation season because it will not affect the lateral that the water will be running in the ditch.

Question: Linda asked if they can be in progress with the Thompson Lateral and still receive the WWNRT funds?

Barb said she did not know the answer to that, but if they do have to that they can time it and that they have the flexibility to time it so they can do that after they get the funds and at one point the Shell Canal Company talked about doing most of the work in the fall, but since they know the route is not going to affect the open ditch they will do work as they have time. Barb

states that the route of the pipeline that will be on Boyd's property is not farmed its all-desert land.

George stated that he questioned whether the SBHCD could move forward with a contract with the legal stuff that is going on with Shell Canal Co and not knowing when its going to end.

Barb states that the TRO puts back into place the board, so there is no issue with them signing a contract or continuing to do business and that was most of the point the judge made today during the hearing.

Linda states that her concern might be that if the judge ruled the other way on this and goes the other way with it or it drags on for a while, where do we stand? It puts us in a bad position to be involved in something that's got litigation and attorney things involved.

Linda also stater another concern of hers is that they have had so many different bylaws, the SBHCD doesn't really know which ones they are operating on, with or why.

Barb states that at the Annual meeting a year ago, they voted to reinstate the original bylaws from 1974 and there are several things in there that don't meet state statute, as the ones that they adopted in 2016 don't either. The 2016 bylaws are written for a water district, which Shell Canal is not, they are a non-profit corporation. There are several things in those bylaws that are not applicable to what the SCC is. One of the goals that the SCC has this year is to correct the bylaws and correct some of those issues, which hasn't been done yet, so as of right now they are operating under the 1974 bylaws that were passed legally, and they have documentation for that.

Tom Loewen showed George Boyds approval letter from the OSLI that had an attached map, 18-inch pipeline with a gravity water line for stock irrigation and irrigation. The district manager made a copy of the letter and put it in the file. Since Boyd has been applying with NRCS and keeping that current as he's needed to, so Boyd will bring in more updated documents. Linda states that even if he has those documents, he needs to show those to the OSLI and let the state approve it or make sure they are legit documents for his irrigation pipeline.

Ashley discussed the WWNRT funds, stating that in her experience with grants you have had to have their approval and a contract signed before any project starts. Ashley recommended since the SCC is on a timeline to spend the approximate \$37,000 with WDEQ, they call WWNRT to make sure purchasing any material ahead of receiving any funds will not cancel that funding. Barb states that Boyd has had those conversations with Bob Budd and that it shouldn't be an issue.

Boyd discusses the letters from the OSLI, stating that he has been approved to install the irrigation pipeline and the stock water pipeline. He states that NRCS has those approvals in their files as well. Ashley recommends that Boyd send those documents to Erica just to get it

bumped back up in her email, so we can get approval from OSLI to get two irrigation pipelines installed in the same trench.

Eddie states that he doesn't know how the SBHCD can go forward right now at this time, since we are short on time with a portion of the money. Until the SBHCD sees the OSLI permission to install two irrigation pipelines in one trench, we don't think we can go forward with signing a contract.

George states that he also struggles with moving forward until things with the OSLI are straightened out. It is also a concern with all the distraction that the rest of the turmoil creates, whether we're doing any good moving forwards, or should we put it on hold until the legal stuff gets settled.

Barb asks if the SBHCD is saying to put the whole thing on hold because some members of the SCC tried to hold an illegal meeting and elect a new board, even though the judge said they can't do that and the seated board remains in effect.

George states that it's not on those terms, it's just that there has been so much turmoil, which has made things difficult, and has made it difficult for the SBHCD board to do anything. The SBHCD is concerned about getting a successful project with the added turmoil that's now going into the courts. He explains that SBHCD is at risk if this project doesn't go to completion and that any money that is dispersed, we have to pay back to the state, which in turn we must ask SCC for and can they return that money, anything that we reimburse them for.

Linda states that we applied for this grant in December 2021, the money wasn't allocated until around September 2022, so the SBHCD has been trying for almost four years just to get to this point.

Eddie states that for the last year or since he had got on the SBHCD board that there has been a tremendous amount of communication trying to find out what SCC was going to do with this project and nothing had been until recently. We have had four years and now we are up against the deadline for a small portion of the money and now it's a rush and we have had to get items cleaned up that was required for us to be able to move forward. Then last week, we finally start getting some of the stuff that we have been asking for. Even with getting the information from the OSLI, we are still concerned about the legal issues going on with SCC. This is a good project, but Eddie would like to see the board and the members of SCC get together and work it out.

Ashley read the October 2018 letter from the OSLI that was given to Monte Bush for an NRCS application for Boyd, this letter was still in the process of approval from OSLI. Boyd states he does have a more updated letter of approval that Jake has.

Barb fills Boyd in about the SBHCD board being concerned about moving forward with a contract for the Thompson Lateral project with the legal issues going on. Boyd wants to know what the concern is.

Linda states her concern is even though Barb, Boyd, Tom, Ken and Rodney are back in full power, how long will that last.

Boyd states that it's not they are going to lose power, but they are going to have a full injunction. The judge granted the temporary injunction saying no further interference and then in a month they will have a full hearing for a permanent injunction.

Ashley states that part of the concern is if the we signed a contract and the SCC purchased the pipe and then the pipe is sitting there waiting for the WWNRT grant and if the new SCC board gets approved, what's going to happen and at that point is the grant going to get cancelled, is it still moving forward, is it all in limbo?

Boyd states there is an obligation for the SCC to proceed with the project and that was clearly voted on in their meetings, so any new board would have to carry out their fiduciary duties. Boyd states that part of his settlement with SCC three years ago was that the Thompson Lateral would be taken care of.

Boyd states since his pipeline has nothing to do with the Thompson Lateral project, he will consent to postpone his pipeline, and Shell Canal can move forward, and Erica's concern can be dismissed.

Ashley asks Boyd if he is not going to bury his pipeline inside the same trench as the Thompson Lateral. Boyd states he will put his pipeline wherever he wants on state lands since he has the approval.

Boyd states he will write a consent that he is postponing until everyone is clarified and Shell Canal can move forward with the Thompson Lateral Project.

Eddie states that the contract would read that there would be one 21" pipeline in the trench for Shell Canal's purpose. The stock water is no point off SCC; SCC bought a right of way for a 21" pipeline and has nothing to do with any other pipelines.

Eddie states that Boyd will need to send the SBHCD a note stating he will remove his pipeline from the same trench as the Thompson Lateral pipeline and it needs to be notarized.

Ashley suggests that in the contract it needs to say something like if legal issues happen and a new board is appointed that this project is going to be complete, and if not complete then the SCC will pay the SBHCD back or WDEQ back the approximate \$37,000.

Ashley lets everyone in the meeting know that the total project awarded was \$349,399 and that WDEQ will cover up to 60% which is \$209,639.40 and the SCC will have to cover the remaining 40% and anything that goes above the \$209,639.40. As of right now, \$37,737.87 expires April 15, 2026.

Anna Brown asks when the deadline for the \$140,000. Ashley responds with November 2026 but would need the project to be complete by October so the district has time to submit reports to WDEQ.

Howard made a motion to approve getting the contract sent out. Eddie seconded. Motion carried.

Linda made a motion to adjourn the meeting. Howard seconded. Motion carried. Meeting adjourned at 9:06PM.


George Kelso, Chairman

4-7-26


Ashley Coenen, District Manager

4-7-26