

# Utah Rep. Mike Noel hid potential conflicts as he sought Lake Powell pipeline water for land he owns, group says in new complaint

Rep. Mike Noel, the Utah Legislature's most ardent booster of the taxpayer-funded Lake Powell pipeline, holds sizable yet undisclosed financial interests giving him a direct personal stake in the controversial billion-dollar water project, according to new claims filed Friday by an environmental group.

The state's application to build the 140-mile pipeline to move Colorado River water to communities across southern Utah includes a spur intended to carry 3.5 million gallons a day into Kane County's Johnson Canyon. There, documents indicate, the water would be pumped underground to recharge an aquifer that has fed agricultural users.

Not mentioned in those state filings, however, is Noel's ownership of 700 acres near that very spot, along with any disclosure of his holdings of [substantial water rights](#) in Johnson Canyon, located a few miles east of Kanab.

[Utah Rivers Council](#), a nonprofit that advocates for Utah's watersheds, claims in a 38-page complaint filed Friday with Utah Attorney General Sean Reyes and U.S. Attorney John Huber that the pipeline spur could easily boost the value of Noel's land and support its development.

Yet, the group claims, the powerful Kanab Republican has lobbied heavily for the costly project without properly disclosing those potential conflicts as required by state law.

In an interview Friday with The Salt Lake Tribune, Noel rejected the idea that the project would benefit him, arguing he already has access to water sufficient to subdivide his land.

“But that’s not what I’m doing. I’m growing hay,” Noel said. “I bought that land 36 years ago. I’m on the same ranch growing the same amount of hay on the same amount of acreage.”

## **Claims of unreported lobbying**

But complicating the picture, the Utah Rivers Council claims, is Noel’s position as executive director of the Kane County Water Conservancy District, which is under contract to receive 5 percent of the Lake Powell pipeline’s flow, with the rest going to Washington County.

“Mr. Noel has three roles: as a legislator; water district manager; and as a substantial property owner who has been involved with real estate development,” said the group’s executive director Zach Frankel.

“He wears three hats at any given time and we can’t tell which one he is wearing,” Frankel said. “If he is lobbying legislators to advance [the pipeline] for his water district, he has conflicts. The public needs to know who he is representing. This needs a [full vetting through investigation](#) into which roles Mr. Noel has been engaged in.”

State law also requires Noel — as the public official running a water district — to file sworn statements with the attorney general disclosing potential conflicts between his official duties and personal interests.

According to the Attorney General’s Office, Noel has filed no such statements since at least 2006. But Noel says he hasn’t filed the statements, because he doesn’t have to. He says no conflict exists.

The Utah Rivers Council complaint also alleges he has acted as a “paid” lobbyist, citing his \$120,000 salary, for his water district when he repeatedly

argued on Capitol Hill that Kane County needs water that only the pipeline can meet. And there's little question Noel is a vocal backer of the project.

“The fact that we need this water project is absolutely true. It's essential,” Noel said at the Aug. 22 meeting of the legislative Water Development Commission. “I think it's one of the most important projects in the state of Utah because of the growth that's occurring in southern Utah.”

“The payback on this project is absolutely tremendous,” he said, claiming the pipeline's water would support 8,300 new businesses, 90,000 jobs and \$3.2 billion in wages.

Noel [recently announced his retirement](#) from Capitol Hill after serving 16 years in the Utah House, where he gained influence as chairman to the powerful Rules and Natural Resources, Agriculture and Environment committees, and a member of the state's Water Development Commission.

Noel is considered a hero to many county commissioners, who see him as a champion for rural Utah and against federal “overreach” over public lands and “special interest” environmental groups bent on restricting traditional land uses.

The latest claims come on the heels of two other sets of [allegations lodged by activist groups over Noel's land holdings](#). The Utah Rivers Council complaint is based partially on an analysis of the state Division of Water Resources' application to the Federal Energy Regulatory Commission, which is the main permitting agency for the pipeline.

Buried deep in the state's 6,000-page FERC application, is a description of the 6.96-mile spur, a buried 24-inch-diameter pipeline that would carry Kane County's share of the water into Johnson Canyon.

The side conveyance would start at the Grand Staircase-Escalante National Monument's former western boundary and follow U.S. Highway 89 before it

“would cross under Highway 89 and run north parallel to the Johnson Canyon Road, terminating at the site of a future water treatment facility at ground level elevation,” the application says.

## Lake Powell pipeline Route

This map, from a 2008 scoping document produced by the Federal Energy Regulatory Commission, shows the proposed route for the 139-mile Lake Powell pipeline, which if built would carry Colorado River water from Lake Powell to 13 southern Utah communities. New allegations have surfaced alleging that state Rep. Mike Noel, an ardent advocate for the \$1.5 billion-plus pipeline project, has failed to disclose his ownership of properties in Johnson Canyon that would benefit from water delivered through a spur on the pipeline, diverting water northward to the land (seen at the end of the western end of the red portion.) The map shows which parts of the pipeline would be used to convey water and others that would also be part of a hydropower system, generating electricity with turbines. In December, FERC said it needed to review whether it had the authority to issue a permit for the entire pipeline, or simply the portions involving hydropower.

[Leaflet](#) | Tiles © Esri — National Geographic, Esri, DeLorme, NAVTEQ, UNEP-WCMC, USGS, NASA, ESA, METI, NRCAN, GEBCO, NOAA, IPC

Source: Utah Division of Water Resources, Federal Energy Regulatory Commission



Pipeline



Hydropower

According to the Utah Rivers Council, that terminus is located close to Noel’s property, which is about two miles up the canyon from the highway. His parcels — owned under the names Noel Properties LLC, CSM Agriculture LLC

and Michael and Sherry Noel Living Trust — abut the creek's east bank where it meets Flood Canyon, the namesake of Noel's ranch.

Frankel also contends Kane County's participation in the pipeline makes little sense given the project's massive cost, currently estimated at between \$1.1 and \$1.8 billion. That price tag means the district's obligation could be as high as \$90 million, he said, not including interest spread over a 50-year repayment period.

Noel, however, said Kane's share would be closer to \$25 million because it's only on the hook for the spur and the pipeline's 60-mile segment, not the entire 140-mile run to St. George.

Though he's retiring from the House, Noel will retain his position on the four-member management committee overseeing the Lake Powell Pipeline, which state lawmakers authorized in 2006, assigning the Division of Water Resources to plan, design and build it.

The state's application to FERC for a permit to build the pipeline, meanwhile, has stalled over a question of federal jurisdiction.

By law, Washington and Kane counties are supposed to repay all the state's pipeline costs if it is built, but critics contend they can only cover such massive debt obligations through astronomical water rate increases, along with hikes in impact fees and property taxes, which could wind up suppressing demand for the water.

State law also obligates lawmakers to divulge possible conflicts to their colleagues while voting on specific legislation. The Utah Rivers Council said its review of the legislative record found Noel did not mention his assets prior to a series of votes associated with the pipeline.

The council's complaint accuses Noel of engaging in "a pattern of intentional misinformation" to sell lawmakers and the public on the pipeline. His claims

that Kane County will need the Lake Powell water are allegedly contradicted by data in the state's own official assessment of its water needs, which indicate much of Kane County has adequate supplies.

“The water to be delivered by the [pipeline] to Kane County is not needed to meet the area's needs,” the URC complaint states. “Because of Mr. Noel's decade of lobbying activity at the Utah Legislature, few Utah legislators are aware that the water from the [pipeline] will be delivered to a relatively unpopulated, rural area in Kane County known as Johnson Canyon, which has a population of fewer than 300 people.”

Noel contends the pipeline water will eventually be delivered to Kanab, as well as a growing subdivision east of town. The water will be off-loaded to a treatment plant at a spot near his property, he said, only because that's where project engineers concluded was the best location.

The water would not be pumped underground, according to Noel, but instead used for culinary purposes in Johnson Canyon and piped west into Kanab. Pumping it underground would render the water useful only to farmers, who are not likely be able to pay for it, he said.

Population projections show Kanab, home to 60 percent of Kane County's residents, is expected to grow from 5,000 to 12,000 residents by 2060, according to the [state water-needs assessments](#). Analysts for Utah Gov. Gary Herbert, meanwhile, estimate only 11,000 residents for the entire county by 2060.

But pipeline proponents also say more water is needed to support the county's expanding recreation economy. Tourism is booming around Kanab, where three new hotels have been completed and two are under construction. About 440,000 tourists stay overnight in Kane County yearly and other 3 million pass through on their way to national parks.

[Kane County Water Conservancy District](#), which was established in 1992 and



has had Noel at the helm for 22 years, remains a small water supplier in Kane County.

According to the FERC application, the water district has a “very limited customer base” and Kanab, the county’s only large town, has developed its own water supply system that could meet future needs, even as town officials annex more territory.

Although all county residents help finance the water district through property taxes, the district currently provides water to a few sparsely populated but rapidly growing areas. The biggest is Cedar Mountain, where out-of-state second-home owners have developed subdivisions surrounded by Dixie National Forest. Those highlands in Kane County’s northwest corner are too remote to receive Lake Powell water.

[Johnson Canyon](#) appears to be the only place in Kane County that would use the pipeline water, Frankel argues. Documents indicate the population is expected to rise to about 500 by 2060, yet the 4,000 acre feet of water the pipeline would deliver is enough for 16,000 to 24,000 people.

“He is going to saddle this tiny water district with so much operating debt it will barely be able to function,” Frankel said. “The next step is, the district will go to the state and say, ‘Whoops, we made a mistake, will you take over the debt?’ ”

As currently designed, the proposed pipeline route crosses lands recently stripped from southern reaches of the Grand Staircase monument, whose reduction Noel had pushed both with legislation he sponsored and possibly in face-to-face meetings with Interior Secretary Ryan Zinke last year as Interior reviewed Utah’s Grand Staircase and Bears Ears monuments.

The Staircase redraw, made according to Zinke’s recommendations to President Donald Trump, is expected to ease the pipeline’s regulatory hurdles.

Noel's Johnson Canyon properties are just outside the monument's southwest boundary. One 40-acre parcel was removed from the monument in a carve-out under Trump's Dec. 4 decision to reduce the monument by half.

A recent analysis by the environmental group [Western Values Project](#), WVP, highlighted that excluded parcel, alleging [Noel may have used his influence](#) to have it carved out and that he has managed the water district in ways that benefit him and family members.

Noel counters that he is being targeted by activists because he advocates for local and state control of public lands, which he believes should be more available for motorized use, grazing and the oil, gas and coal industries.

“If you look at the players, the ones accusing me of not reporting the property — which is a farce — every one has a connection to an activist group of people,” Noel said. “[Hansjorg Wyss](#) [a Swiss-born philanthropist based in Wyoming who is known for supporting progressive causes] had donated to them.”

WVP's key funder is the Washington-based [New Ventures Fund](#), according to the group. URC currently gets no funding from Wyss, Frankel said.

Noel insists he never asked for the land carve-out and that he does not expect the parcel's removal from the monument would boost its value.

But Frankel noted that the parcel would now be far easier to subdivide should Noel choose to develop the land.