

KANE COUNTY WATER CONSERVANCY DISTRICT RESOLUTION NO. 2023- 8

A RESOLUTION OPPOSING THE SECURITIES AND EXCHANGE COMMISSION'S PROPOSED RULE TO AMEND THE NYSE LISTED COMPANY MANUAL TO ADOPT LISTING STANDARDS FOR NATURAL ASSET COMPANIES; SR-NYSE-2023-09

WHEREAS on October 4, 2023 the U.S. Securities and Exchange Commission ("SEC") published in the Federal Register a public notice entitled "*Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend the NYSE Listed Company Manual To Adopt Listing Standards for Natural Asset Companies*" (hereinafter the "Proposed Rule" or "Proposed Change"); and

WHEREAS the Kane County Water Conservancy District ("District") Board of Directors has reviewed the Federal Register notice, containing the Proposed Rule, and the District has several concerns regarding this Proposed Rule and its stated purpose; and

WHEREAS the District's purpose, as a Special District governed by and with the authorities set forth in Utah Code 17B-2A-1002, is to (among other things) "provide for the conservation and development of the water *and land* resources of the state; control and make use of all unappropriated waters in the state and to apply those waters to direct and supplemental beneficial uses including domestic, manufacturing, irrigation, and power; be essentially for the benefit and advantage of the people of the state; indirectly benefit all industries of the state; directly benefit lands to be irrigated; directly benefit lands now under irrigation by stabilizing the flow of water in streams and by increasing flow and return flow of water to those streams and; promote the comfort, safety, and welfare of the people of the state"; and

WHEREAS the District is therefore involved in various issues and projects that involve (among other things) agriculture, grazing, forestry, water and energy development both on BLM and USFS managed lands as well as on private lands; and

WHEREAS the SEC's Proposed rule ventures into the regulation or management of agriculture, mining, logging, or energy development, to justify why the Proposed Rule is "protecting investors and in the public interest", and is well beyond the mission and expertise of the SEC that relate to the regulation of securities, as stated in Section 6(b)(5) of the Securities Exchange Act of 1934; and

WHEREAS the State of Utah has adopted an "any-of-the-above energy approach" meaning "there is room for all types of energy production and distribution" both conventional and renewable; and

WHEREAS Utah is a "public land state" so the continued success of economic and recreational activities such as grazing, logging, and OHV use are critical to the State's success; and

WHEREAS the SEC has defined Natural Asset Companies (NACs) as ... “a corporation whose primary purpose is to actively manage, maintain, restore (as applicable), and grow the value of natural assets and their production of ecosystem services. In addition, where doing so is consistent with the company’s primary purpose, the company will seek to conduct sustainable revenue-generating operations”; and

WHEREAS the SEC has defined Sustainable operations as activities that do not cause any material adverse impact on the condition of the natural assets under a NAC’s control and that seeks to replenish the natural resources being used; and

WHEREAS the SEC has defined “unsustainable activities” as activities “that cause any material adverse impact on the condition of the natural assets under its control, and that extract resources without replenishing them (including, but not limited to traditional fossil fuel development, mining, unsustainable logging, or perpetuating industrial agriculture); and

WHEREAS The Proposed Rule states that the NAC will be prohibited from engaging directly or indirectly in unsustainable activities and will be prohibited from using its funds to finance such unsustainable activities; and

WHEREAS the SEC’s proposed rule clearly conveys “management authority” of all the assets to a NAC without giving explanation or authority cited to support how one administrative agency, in this case the SEC, can convey management of federal resources; and

WHEREAS the District recognizes the importance to the county economy that public lands be properly managed for fish, wildlife, livestock production, timber harvest, recreation, energy production, mineral extraction, water resources, and the preservation of natural, scenic, scientific, and historical values;

NOW THEREFORE BE IT HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF THE KANE COUNTY WATER CONSERVANCY DISTRICT, IN AND FOR KANE COUNTY, STATE OF UTAH, AS FOLLOWS:

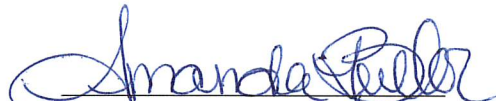
1. The District opposes the implementation of any rule that would restrict and/or eliminate land access for purposes of recreation, hunting, OHV use, water and energy development or other multiple-uses of the land
2. The District opposes the implementation of the NYSE’s Proposed Rule if the SEC’s finalized Rule allows NACs to purchase BLM Conservation Leases as “ecological performance rights.”
3. The District encourages the SEC to reexamine what it considers “unsustainable activities.”
4. The District encourages the SEC to reexamine these portions of the Proposed Rule that pertain to Section 6(b)(5) of the Securities Exchange Act of 1934 to ensure that it hasn’t exceeded its rulemaking authority

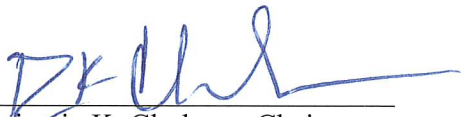
5. The District supports the “wise use, conservation, and protection of public lands and their resources, including well-planned management prescriptions.”
 6. The District supports public lands to be “managed for multiple uses, sustained yields, prevention of waste of natural resources, and to protect the health, safety, and welfare of the public.”
 7. The District supports Utah State’s position of this Proposed Rule, through its Public Lands Policy Coordinating Office (“PLPCO”).
 8. This Resolution is effective immediately.
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-- End of Resolution --

ADOPTED this 14th day of December, 2023.

ATTEST:


Amanda Buhler
District Office Manager


Benjamin K. Clarkson, Chair
Board of Trustees
Kane County Water Conservancy District