

Minutes of Meeting of the Stockholders of the Leeds Domestic Waterusers Association, held Thursday, January 5, 1978, at 8:00 p.m.

Members of the Board of Directors present: Ross C. Savage, W. W. Schweer, Glynn Davenport, Don Fawson and Ray Beal.

The meeting was called to order at 8:00 p.m. by President Ross Savage.

At the outset of the meeting, Ross Savage explained that there may be some in town who did not receive a notice of this meeting, and that this was undoubtedly occasioned by the fact that in the movement of stock certificates from one party to another as properties were sold, the change in name on the stock certificates was not taken care of properly. He emphasized the fact that it is important that this be accomplished, if at all possible.

Ross Savage reviewed the problems of the water system over the last few years, going into detail as to the real difficulties encountered this past summer when the flow from the spring was down. Bill Schweer diagramed on the blackboard the water system from the main line up to the metal tanks and back down into the main line, pointing out the areas where the flow was apparently restricted. He suggested that something would have to be done before we are faced with another summer, so that it would be unnecessary to "baby sit" the system practically 24 hours a day in order to keep water going to all of those involved. It was explained that a pressure restricting valve has been installed in the main line from the distribution box to Leeds, with the pressure set to hold back about 20-24 lbs. in order to give people in Silver Reef at least a minimum flow of water. Ross explained that to the mind of the Water Board, the most practical solution would be to put a separate line from the steel tanks direct to the distribution box and into the Leeds line at that point, and the suggestion was also made that probably the Silver Reef people would be wise to do the same thing. This would completely by-pass the problem area in the line from the water tanks where this line feeds back into the main line from the spring.

There was considerable exchange of questions and answers covering such points as the size of the proposed line, the property through which it would be laid, whether or not two lines (Leeds and Silver Reef) could be built into the same trench with some sort of a prorata cost being assigned to each, where the money would come from to do the job, the length of the line necessary, etc. After each of these questions had been answered, Lamar Sullivan made a motion that the Water Board be authorized to move forward with the project, and if circumstances arose whereby it was felt the necessity to call another meeting, this should be done or make some sort of a progress report at the annual stockholders meeting to be held in February. The motion was seconded and passed unanimously.

Ross Savage then went to the matter of the water right and property which Vere McMullin had offered for sale to the Water Company. Vere holds the right to 13-plus acres of water and owns at that location 18-plus acres of land which he is willing to sell for \$85,000.00. Ross explained that Vere was agreeable to working out a plan for payment over a reasonably lengthy period of time to satisfy the obligation. The question was asked from the floor as to the number of additional taps this much water would provide, and after some calculation Mr. Schweer advised that it would be approximately 53. It was further explained that there was no irrigation water with the land, so if all of the well right

water was moved away, the 18-plus acres would be entirely without water. There was a considerable question-answer exchange, such as would it be possible to leave a determined number of water hookups (or the equivalent in water) with the land, and it was felt that this possibly could be done, except for the fact that it would have to be handled in some way outside of the Waterusers Association regulations, as the company is only permitted to provide domestic hookups to homes being built within the corporate limits of Leeds.

A rough estimate was made as to the cost that would be necessary to assess on new hookups from this water, and it was felt that in order to recoup the cost of the water itself a charge of between \$1500 and \$2000 per hookup would be necessary, and this would not include any of the charges that might be necessary in order for a new hookup applicant to pay for his share of the existing water system with the improvements recently made. It was also felt that undoubtedly additional installation in the water system through town would be necessary in order to accommodate the delivery of that much more water in the system.

Several efforts were made to explain how the water would be transferred from the well in the vicinity of Conley Fields to the existing Leeds system, and it was felt that eventually everyone understood the process whereby the water right could be transferred from its present location to the Water Company's new well without anything more than a paper authorization from the Water Resources people.

Ervin Winsor made the motion, and Richard Pisarsky seconded it, that the Water Board be authorized to progress the matter with Vere on a tentative agreement to go ahead with the proposition and present the details at the annual meeting of the stockholders in February.

This more or less ended the Waterusers Association business, but in that those assembled also represented a substantial portion of the townspeople, Don Fawson reported on the progress to date on the volunteer fire department. He indicated that except for a few "bits and pieces", the equipment was in usable condition, the siren was working but some of the equipment necessary to make it function properly on signal from the dispatcher in St. George was not working properly and has been sent away for repairs or adjustment. He also stated that the fire hose and a few other things have been paid for but have not yet been delivered and this is expected at any time. He stated that the County has fulfilled their obligation of the funds they committed to help with the fire department, but that he is again going to appear at a County Commission meeting and request additional assistance in the coming year. Mr. Savage expressed the gratitude of the townspeople for the effort that has been put forth by several of the citizens of the Town and surroundings to bring the fire department up to its present state.

Meeting adjourned at 9:15 p.m.

Minutes recorded by

Alice R. Forsha  
Secretary

Minutes of the Meeting of the Board of Directors of the Leeds Domestic Waterusers Association, held Friday, January 20, 1978, at 7:00 p.m.

Members present: Ross Savage, W. W. Schweer, Clynn Davenport, Don Fawson, and Ray Beal

In addition to the members of the Board, also in attendance were Vere and Evelyn McMullin, whose attendance was occasioned by the proposal to purchase water rights and land from them. A rather extended discussion ensued as to the various possibilities for this acquisition, but it finally resolved to where the proposal to be presented at the stockholders meeting would be for the down payment to be \$5,000.00, with the balance to be paid off in 5 years at 8% interest. If for any reason additional time would be required, it was agreed that a 2-year extension of time would be built into the final agreement. The secretary was instructed to prepare a more detailed proposal to be presented at the stockholders meeting in February. It was determined that in order to have the sale of taps (calculated to be about 53) retire the debt and make a contribution to the water distribution system, it would be necessary to assess \$2,500.00 per hookup from the new water source.

The meeting was called primarily for the designation of qualified persons to review and approve the annual report to the Farmers Home Administration on the financial activities of the Association for the year 1977. The annual report was thoroughly reviewed and discussed by the Board members and approved. It was determined that the following stockholders would be asked to review the report in accordance with instructions from F.H.A.: R. Blaine Lundquist, Walter Eagar, and William Lakner. They will be contacted and asked to meet at the home of the secretary at 7:00 p.m., January 21st.

The date and time of the annual stockholders meeting was confirmed. It is to be at 8:00 p.m. on February 6th at the Town firehouse.

The secretary was asked to prepare a letter to the Utah State Board of Health giving the details on the four laboratory reports on the new well water which were indicated as satisfactory, and again ask for permission to put this water into the system. A copy of the letter should go to Steve Labrum at the Southwest District Health office in St. George.

The minutes of the meeting of December 6, 1977, were read. On motion of Bill Schweer, seconded by Don Fawson, they were approved.

Ross Savage reported that the gate in the Forest Service-BLM fence located by the water tanks had been installed, and the fence repaired. He also reported that he and Bill Schweer had practically completed the pump house, the only exception being the fitting of another piece of insulation in one of the openings for winterizing purposes.

In order to more completely cover the town for fire protection, Don Fawson asked for authority to put in additional standpipes, whereby the water company would furnish the materials and the volunteer fire department people would make the installations. The additional installations proposed are: One each near the homes of Don Goddard and Ross Savage (this for the reason that there was no accessible location in the water line between the two where one standpipe would serve the purpose), one in the vicinity of Blanche Eastman's home, one near the trailer park, and one in the vicinity of the Vic Roy home. This was approved.

There was also a discussion on how to give better service to the Ervin Winsor home, which is presently served by a half-inch pipe stubbed off from the line to Lula Sullivan. It was determined to wait for a little warmer weather before attempting to trench across the road to lay the necessary pipe.

A postcard from Ron Larsen was read relative to the matter of billing for the water charges at the Sorden residence (formerly the Ron Larsen home). The secretary was instructed to write to Mr. Larsen, with a copy to Mr. Sorden, stating what was necessary in order to transfer the water certificate and the matter of clearing up the outstanding indebtedness of \$45.20 for the service and penalty, which is now past due.

Ross Savage reported that Ron Thompson, the County Attorney, had an agreement from Ham Leigh of Tech-Sym Corporation to transfer the water certificate presently owned by Tech-Sym to the county, which now owns the Wells Fargo building and surrounding property, which includes the ruins and the Rice House.

Adjourned: 9:30 p.m.

Minutes recorded by

Alice L. Forsha  
Secretary

Minutes of the Annual Meeting of the Stockholders of the Leeds Domestic Waterusers Association, held Monday, February 6, 1978, at 8:00 p.m. There were present of the Board of Directors: Ross Savage, Ray Beal, Lynn Davenport and Bill Schweer. President Ross Savage conducted the meeting, and at the outset suggested that in that this was a meeting to be attended by all of the residents of Leeds, that this would probably be an opportunity to present any matters of general interest prior to going into the actual stockholders' meeting for the Leeds Domestic Waterusers Association.

Mr. Schweer announced that the Leeds Familiarization Booklet, along with a handout, would be completed shortly, with distribution to be made to all of the households of Leeds, the handout being intended for anyone making special inquiry incident to possible building or acquiring of property in Leeds.

It was further announced that the priest's quorum of the Leeds Ward has a project of hauling trash from residences to the dump. There will be a weekly pickup on Saturday and the charge will be \$2.00 a month. John Sullivan will be the contact on this project.

Admonishment was given to all who might be involved that when any remodeling or building alterations are contemplated, the plans for same should be submitted to the Planning Commission for approval prior to being submitted to the Building Inspector for the issuance of a building permit. This program was to be commenced the 1st of January of this year, and it was announced that Blaine Lundquist is chairman of the Planning Commission and is the one to contact relative to the submission of plans. President Savage again took the floor and reviewed the problem of the proper transfer of water certificates when property is sold, and admonished the stockholders to take care of these matters in such circumstances.

The minutes of the previous annual stockholders meeting, held February 10, 1977, were read. Fred Bryant moved that the minutes be accepted as read, Florence Pickering seconded the motion, which was voted on and carried.

President Savage presented a resume of the improvements and changes in the water system since the last stockholders meeting and the improved system is essentially complete with the exception of a few proper hookups yet to be made at the upper end of town. He also reported that as yet approval has not been granted by the State Health Department of the water from the new well. This necessitated the delay of completion of the automatic pumping control installation until such time as the water is approved for injection into the system. He further stated that he anticipates that the well water will be cleared up, as there have been four satisfactory laboratory results toward the end of the pumping period. If, however, this matter could not be cleared up, then he felt there would be no choice but to set up a chlorination or some other purification system, as it is absolutely necessary that this additional water be placed into the culinary system as promptly as possible.

The financial statement covering the activities of the past year, along with the budget for 1978, was read. Blaine Lundquist moved that the statement and budget be accepted, the motion was seconded by Vere McMullin, and approved.

The next order of business was the election of two board members to succeed Bill Schweer and Don Fawson. At the outset Fred Bryant inquired as to whether these two retiring board members would consider succeeding themselves. In each instance they were agreeable if the stockholders felt that their continued services would be desired. With that, nominations were opened. Those nominated were Ervin Winsor, Bill Schweer, Richard Pirsarsky, Don Fawson and Eldon Stirling. Ballots were distributed, with one ballot being included for each share held by those in attendance. The ballots were then collected and election judges were selected, as follows: Larry McMullin, John Daveapert and Joan Lundquist, with Ellen Savage as recorder. The totaling of ballots showed that Bill Schweer and Don Fawson were re-elected to the positions of board members.

The proposal of acquiring additional water through the purchase of a water right and land from Vere McMullin was made, along with a pay-back schedule over a period of five years, one on a monthly basis and a second one on an annual basis. The details of this matter as presented at the meeting are included as an addendum to these minutes. A rather lengthy discussion from many of those in attendance ensued. This included such items as the possibility of any objection to the transfer of water by the Utah Water Resources people, the number of additional hookups this would provide (53), who would be allowed to purchase the new hookups (would it be possible for them to be purchased on a speculative basis, etc.), clarification on just how much water was actually being purchased and could it be dispensed on a year-around basis, and the question of the most advantageous disposal of the land which would be purchased along with the water. Suggestions were made as to the possible annexation of this property to the town of Leeds and whether or not this could be legally done, the possibility of leaving a few taps to go with the property for possible establishment of a small light industrial district. The board was instructed to negotiate further with those involved and get more information to be presented to the stockholders; with another stockholders meeting to be called at the proper time for representation and finalizing of the proposal.

On motion of John Seiler, the meeting adjourned at 9:50 p.m.

Minutes recorded by

Alice R. Fursha  
Secretary

ADDENDUM TO MINUTES OF ANNUAL STOCKHOLDERS MEETING, FEBRUARY 6, 1978

Following is a brief of the proposal made by Vere and Evelyn McMullin to the Board of Directors of the Leeds Domestic Waterusers Association, incident to their offer for sale of 18 plus acres of land and 13.3 acres of water.

The price requested was \$85,000.00 for the land and the water, with an initial down payment of \$5,000.00 and the remainder to be repaid over a period of five years at an annual interest rate of 8%. The McMullins were also agreeable for an extension of an additional 2 years if, toward the end of the 5-year period, circumstances so dictated.

The following would be the repayment schedules on two different bases:

On a monthly basis, this would result in a payment of \$1,622.11 for each of 60 months, or a total interest payment of \$17,326.70, resulting in a total repayment of \$102,326.70.

On an annual basis, this would result in a payment of \$20,036.52 for each of 5 years, or a total interest payment of \$18,698.39, resulting in a total repayment of \$103,698.39.

With these figures projected, it would mean that a sale price of about \$1960.00 would be necessary for each of the approximately 53 additional water hookups that the amount of water involved would allow. In addition to this, a further amount of about \$500.00 would have to be assessed each water hookup to pay for such exigencies as the additional taps being added to the system would require.

Minutes of Meeting of the Board of Directors of the Leeds Domestic Waterusers' Association, held Tuesday, March 14, 1978.

Present: Ross Savage, Bill Schweer, Don Fawson and Ray Beal

The minutes of the meeting of the Board held Friday, January 20, 1978, and the minutes of the stockholders meeting held Monday, February 6, 1978, were read. On motion of Bill Schweer, seconded by Ray Beal, the minutes were approved as read.

In that this was the first Board meeting since the election, the matter of organizational responsibility was brought up, with particular regard to appointment of a president and vice-president for the ensuing period. Bill Schweer expressed the thought that if Ross Savage was agreeable or could be convinced, he should remain as president due to his knowledge of the water system generally and the new additions and installations. Ross expressed his cautious willingness to continue in the office but felt there would be considerable advantage to the president of the water association also being a member of the town board. Mr. Schweer felt that while there was substance to this feeling, this particular feature could be successfully accommodated by members in common with the two organizations serving as liason. In view of the foregoing, Bill Schweer moved that Ross Savage continue as president of the association, Don Fawson seconded the motion, which carried unanimously. In the matter of the vice-president, Don Fawson moved that Ray Beal be appointed vice-president, which motion Bill Schweer seconded, and it was carried unanimously.

Messrs. Schweer and Savage contacted John Palmer relative to the purchase of the additional water and land from the Vere McMullins. Palmer felt this was all right but that Farmers Home Administration and the Board of Water Resources should first give their approval. This approval has been received from each of these organizations so long as the purchase of the additional water doesn't encumber the present system. No request has as yet been made to the Water Resources people for the actual transfer of the point of diversion to the town well, and this would of course have to be accomplished before the additional water could actually be pumped. However, it was felt that this would be no problem.

The possible details of the acquisition of the McMullin water right and the paying off of the obligation was discussed at some length. Don Fawson felt it should be possible to pay off the complete obligation in less than the 5 years if the sale of the additional taps or income from other phases of the project would permit. It was felt, however, that the McMullins might insist that the 5-year term be retained, in view of the interest income from the sale price of the water and land. Various methods of selling the new taps, along with the responsibilities of the purchasers, and the number of taps that an individual could acquire, and the possible sale price of the new taps was discussed at some length, but no real conclusions were reached. It was felt that various alternatives should be presented in the form of a letter to the stockholders, and then call a stockholders special meeting and let them decide the sale price, the number of taps an individual could acquire, and various other aspects. Bill Schweer was assigned to prepare such a letter for circulation among the board members for approval or suggested changes.

The various conversations regarding the tap for the property acquired for the telephone terminal building were discussed. Ross Savage informed the telephone people as to who held the certificate and suggested they negotiate with the holders

*[Handwritten signatures and notes at the bottom of the page]*



of the certificate or send a letter of application for a new tap to the secretary of the Water Association. No commitment was made as to the issuance of a tap for the property.

On the matter of the penalty charged for delinquent accounts, the county attorney advised Ross Savage that the company was on rather thin ice in making the charge. He advised that if the delinquencies continued, that the water company was on good ground to notify the delinquent holders that if the back payments were not made, the water would be shut off, and then do it. The secretary was instructed not to make the penalty charge, at least in the immediate future. Approval was also given to the secretary to send letters of notice relative to the delinquent accounts.

On the matter of rights of way, etc. in connection with the installation of the new 6" water line direct from the tanks to the distribution box, the engineering was done by Creamer & Noble and a bill in the amount of \$259.00 was received and paid. The Forest Service have also been approached and no problem is anticipated there. A right-of-way authorization has been prepared for the signature of Dr. Moffat and Ross Savage instructed the secretary to prepare a transmittal letter for this approval form to Dr. Moffat.

On the matter of getting approval to inject the well water into the system, Ross Savage informed the Board that the State Health Department has asked that three satisfactory samples should be received and the intervals were noted on the sampling requirements. This is to be done after the well has been again disinfected. Ross indicated that the disinfectant for this job has been purchased.

A discussion also ensued relative to having the testing done by a commercial laboratory instead of sending it to the State, with the feeling that a more accurate and equitable testing could be accomplished. Mr. Savage has been in touch with the Ford Chemical Company in Salt Lake and they will run two lab tests per month for a monthly fee of \$35.00. It was tentatively felt that strong consideration should be given to having this done by a commercial laboratory because of the bias of the State Health Department relative to unchlorinated water systems.

A suggestion was made that some of the Association's savings could best serve the purpose by being put into time certificates. A review of the amounts in the various savings accounts was noted, and it was felt that \$20,000.00 could safely be transferred into one-year certificates, and in view of the higher interest on one-year certificates at a savings and loan company, it was felt this would be the desirable repository for the funds. The secretary was authorized to make this transfer at the proper time.

A suggestion was voiced on the matter of putting a pipeline into the cemetery of sufficient size to permit the planting and maintenance of lawns in the cemetery. It was felt that in view of so many other aspects of a water main in this direction presently being considered, that it would be well to discuss this whole matter with the Town Board before any further action is taken.

Don Fawson suggested that additional standpipes to be used in connection with fire protection in the town should be installed, one between Blaine Lundquist's new home and the Pickering home, one near Merlin Sullivan's new home, and one on the old water line near the Glenn Beal home. Mr. Fawson also showed the town map, with the fire hydrants, etc. indicated on it, which will eventually be presented as part of the package relative to the fire insurance matter.

On motion of Ray beal, seconded by Bill Schweer, meeting adjourned at 10:45 p.m.

Minutes recorded by

*Alice R. Fursha*

Minutes of the Meeting of the Board of Directors of the Leeds Domestic Waterusers Association, held Tuesday, April 25, 1978, at 8:00 p.m.

Present: Ross Savage, Ray Beal, Bill Schweer and Clynn Davenport

The minutes of the meeting held Tuesday, March 14, 1978 were read. On motion of Ray Beal, seconded by Bill Schweer, the minutes were accepted as read.

Inquiry was made of the secretary as to the receipt of the easement document from Dr. Moffat on the routing of the pipeline through his property. On advice that the document had not been received, the secretary was instructed to write a letter to Dr. Moffat advising that the installation had already been made and the property restored to the complete satisfaction of Loyal Frandsen, and to ask that the easement document be executed and returned to the water company.

Notice was given to the Board members that Richard Pisarsky had leased some property from Ethyl George in the vicinity of her home and in the process of plowing the land had torn out about 65-70 feet of the 1" galvanized water line going to the cemetery. The secretary was instructed to write Pisarsky a letter asking that he repair the damage, using the same type pipe as was torn up, i.e., 1" galvanized pipe rather than any other kind, and to state in the letter that if he has any questions on the matter he should contact some of the Board members.

Bill Schweer read the letter he had prepared to the stockholders relative to the acquisition of the McMullin water right and property, and it was decided that a stockholders meeting should be called for Tuesday, May 9th at the Fire House, with the hope of getting a feel at least (or better yet actual commitments) from the stockholders relative to the acquisition of new taps from the additional water right. The secretary was instructed to prepare and send the letter to the stockholders promptly.

With regard to the use of the actual property, a letter of intent has been received from Bondate Company expressing an interest in the lease, with option to purchase, of 5 acres of the property. Also Richard Pisarsky has made verbal contact expressing an interest in the lease of 10 acres of the property. The matter of charges to be made on the property leased was discussed at some length and it was felt that professional advice should be sought in the matter, with a possible contact to be made with Lane Wilcken in this regard.

The matter of possible annexation of the property was also reviewed, and with the feeling that the County Commission was the first place to start, Ross Savage was to contact Murray Webb with regard to an appointment with the County Commission on the matter. It is felt that a variance as to the County zoning would be necessary to change it from its present zoning to one of the industrial zones. It was also felt that a contact with the adjoining property owners, as well as the property owners between the current town limits and the McMullin acreage, would also be necessary, with the hope of getting approval for the proposed annexation.

Ross Savage had contacted Steve Creamer as a result of Creamer's suggestion to June Forsha, on the matter of securing water from other people holding existing water rights. Creamer was to contact Gerald Stoker asking for a review of the present status of all water rights in this drainage area, to see if some unused rights might be available. The possibility was also explored of acquiring water rights from adjoining drainage areas and having them transferred to this one. Creamer is to report back the result of his findings.

The three situations in the community wherein the normal association-patron relationship has been exceeded (the trailer park, the duplex, and the Armstrong situation) were discussed at some length. It was noted that three taps had been tentatively reserved to take care of these situations. Bill Schweer is to contact Shirl Kimball with regard to the trailer park and other matters, and specific action with regard to the other two situations was not decided upon.

On the matter of the Craig Sullivan request for a tap, a letter to the Board written by Shirl Kimball was read. In that there is not sufficient water to permit the issuance of another tap, the secretary was asked to write a letter to Craig Sullivan explaining the situation and at the same time advising him of the possibility of the securing of the McMullin water, which would probably make a tap available for him as well as others if desired.

The secretary advised the Board that \$20,000.00 of the savings had been moved into one-year time certificate at St. George Savings & Loan at an interest rate of 6.5% annual interest, with an annual yield of 6.72%. Ross Savage was asked to stop in at the St. George Savings & Loan office to sign the ledger sheet for the safety deposit box wherein the actual certificate has been placed. It was also determined that the certificates for the two shares of Irrigation Company water should also be placed in the safety deposit box. The box was actually secured free of charge as a result of a deposit being made in excess of \$10,000.00.

June Forsha presented to the Board the suggestion of Steve Creamer relative to the possibility of paying off with a lump sum payment of possibly \$20,000.00 the \$5.00 per household hookup at the Silver Reef, this to make a better climate for the acquisition of financing on the best possible terms for the improvement of the Silver Reef system as contemplated by the residents. Considerable hesitancy was expressed on the part of the Board members, but no real expression was made one way or the other, and it was felt that the matter should be aired at the next stockholders meeting for an expression from the stockholders themselves. Clynn Davenport did express the thought that the \$20,000.00 proposed payment would take care of approximately one fifth of the cost of the new water purchase and could serve as "front end money" for this purpose in this transaction.

The secretary advised the Board that a note had been included with the last water payment from Carol Gleave, asking that all future statements be sent to the Russells who are renting Carol's house. Ray Beal will contact the Russells on the matter and advise the secretary his findings, upon which further action will be based.

The proper handling of delinquent accounts was again reviewed. The secretary was instructed to credit Ray Brown \$48.00 on his assessment for the two days he worked, and that notice letter should be sent to all delinquents giving them 10 days to get their accounts settled or have the water shut off and the meter removed, this to be done when the bills are sent at the end of the month.

Ray Beal asked for a feeling from the Board on the matter of the Leeds Ward priests quorum taking on the project of cleaning up the road and patching the blacktop on North Main Street by the north ramp to the Interstate. He will look over the situation rather specifically and report on the approximate cost of such a project. He was encouraged in the matter with the assurance that it would be authorized if the cost was anywhere within reason.

On motion of Bill Schweer, seconded by Clynn Davenport, meeting adjourned 10:45 p.m.

Minutes recorded by Alice L. Forsha, Secretary

Minutes of the Meeting of the Stockholders of the Leeds Domestic Water Users Association, held Tuesday, May 9, 1978, at 8:00 p.m. Present of the Board of Directors: Ross Savage, Ray Beal, Bill Schweer, Clynn Davenport, Don Fawson

In that the announcement for this meeting was the first newsletter that had been identified as such and mailed, inquiry was made as to the number who had actually received it. It appeared as though all hands were raised. Those assembled were advised that there would be no regular schedule for the issuance of subsequent newsletters but they would be sent out as the need arose. In the light of the content of the newsletter, Fred Bryant voiced the thought that he understood that the decision was made at the previous stockholders meeting for the directors to work out the arrangements and go ahead and finalize the purchase of the McMullin land and water right, and that this meeting was actually called for the purpose of selling taps. However, Ross Savage informed the stockholders that this meeting was actually called to find out, with finality, that the planned purchase of the land and the water could be made to "go".

Bill Schweer presented a series of suggested uses and propositions on the land part of this purchase. One matter was to zone the 18 plus acres to light industrial and go through the necessary steps, including acquisition of property to make it contiguous to the town boundaries, for eventual annexation into the town. There have been some inquiries in the matter of locating a commercial operation. The most active seems to be the Bondate Company, with liaison being accomplished by Paul Rodet, who is with the State Industrial Department. They have in mind acquiring about 5 acres and building suitable buildings for offices and research and development facilities connected with the various products they make and anticipate making, i.e., building components, irrigation pipes, ditch linings, etc. The matter of whether to sell outright or to lease the land was held in limbo pending further study and investigation.

The residents of "Hidden Valley" (Owens, Friedel and Webb) seem to favor this particular plan as it would mean some number of jobs available where perhaps some of the local residents could secure gainful employment.

The County Attorney was contacted and he detailed the steps to be gone through to accomplish annexation. None of these seem to present any really difficult problems. The County Commissioners were contacted and they were very favorable to the industrial zoning and annexation plans. Gerald Stoker of the Cedar City office of the Utah State Water Rights division was contacted and he could foresee no particular problem in transferring the well right from its present location into the existing town well. Hence, technically and mechanically, it would appear that there are no real hindrances to the tentative plans as set forth above.

The minutes of the previous stockholders meeting, held February 6, 1978, were read, which elicited some questions and discussion on various aspects. Merlin Sullivan pointed out that during the previous stockholders meeting Larry McMullin had offered to buy all of the taps made available through this purchase at \$2,000.00 per tap, which offer was not given in detail in the minutes of the meeting. Also the question was raised that if the repayment cost of the loan on the basis of the sale of taps was figured at about \$2,000.00, what was the additional \$500.00 for? This was explained by Messrs. Schweer and Savage, and it was also

explained that it was not the intent to make this investment in land and water and to sell it out in its entirety to one purchaser, thus leaving the local residents who may want to purchase a culinary connection (anticipating their children building homes on part of the residence property) in the same situation they are now, with no culinary water available and no more really in the offing. After this discussion, Fred Bryant moved that the minutes be accepted as read, the action was seconded and the voting on the acceptance was unanimous.

Don Fawson again raised the matter of making doubly sure that the purchase of this additional water and land could not in any way become a burden on the present stockholders of the water company. To obviate this, it was felt that arrangements could be made, in the event it was necessary to default on the proposition, that the McMullins could reposess that portion of the land and property that had not already been sold and paid for. Various plans for the sale of the taps to spread the sale over a period of 5 years were discussed, the most feasible one seeming to be the allocation for the sale of 10 taps per year for the purpose of building houses in that period. If the 10 taps per year for the purpose of building houses were not sold, then the unsold quota for that year could be sold on a speculative basis to anyone desiring to purchase them.

A discussion ensued as to how to get an indication as to the number of these taps at the price quoted that could be sold to those who were present at this meeting. It was concluded to make it informal and just pass a paper around for each family represented to say "yes" if they desired to purchase one of the hookups. When the paper was returned it was indicated there were 15 people present who would desire to make this purchase.

Various other suggested proposals for the sale of the taps were aired, such as making the price a little more reasonable for the immediate future and then raising the price to \$2500 or perhaps even higher at a yet to be designated future time, to encourage getting some money into the purchase account early in the period. Nothing was finalized in this regard.

The Board of Directors was authorized to go ahead and finalize the contract with the McMullins and take definite steps toward getting the point of diversion of the water from the existing location into the town well and to set up the mechanics whereby the taps can actually be sold.

Time was then allotted to June Forsha to present a proposal suggested by Creamer & Noble, the engineers handling the improvement of the water system for Silver Reef. It was explained to the stockholders present that the governmental sources of financing have a rule of thumb whereby water users should pay between \$8 and \$12 per month for the normal allotment of culinary water. This payment should cover the maintenance of the system and the pay-back required for repayment of any loan money which would be necessary. The engineer felt that the obligation of \$5 per hookup or for each 50,000 gallons of water used, to the domestic water company would throw the payback of the Silver Reef residents substantially above the monthly amount enumerated. Hence, the suggestion was made that the stockholders of the domestic water company be approached and offered up to \$20,000 cash payment to buy back the obligation of this \$5 per Silver Reef hookup for the use of the water line from the spring to the distribution point for the Silver Reef system. Various statistics were quoted, i.e., interest accruing each month being more than the present payments being made on the per hookup basis, some educated judgment on the anticipated growth in the Silver Reef development, etc. Merlin Sullivan raised the negative suggestion that he thought \$20,000 was pretty cheap to pay for all of the hard work (carry-

Minutes of May 9, 1978, continued.

ing pipe on backs up hills and canyons) that the local residents had invested in the construction of the existing pipeline. Don Fawson pointed out that irrespective of all of this hard work and investment, the \$20,000 represented about half of the entire cost of the installation of the system at the time it was built, including the salaries paid to those who carried the pipe, etc. It was explained that the Silver Reef residents were not in a position as yet to make a definite offer on this basis, but the inquiry was made more to "test the water" to see if such a proposal would be accepted in the event this money was put into the budget and acquired. June Forsha made the observation that it would undoubtedly be necessary for the Directors to talk to their lawyer on this matter and probably bring any final and substantive offer back to another meeting of the stockholders before anything could be finalized. It was felt there was a general feeling of optimism in the matter of accepting the proposal, but also recognized that finalizing such a proposition was some distance in the future.

Bill Miller, also a resident of Silver Reef, made a rather low-key appeal for support in this matter, stating that as all of the townspeople knew, the residents of Silver Reef were in real trouble through no fault of their own insofar as water is concerned, and it was felt that help would be needed from all concerned, and it was his hope that it would be forthcoming when it was needed.

Wilma Beal made the motion that the meeting adjourn, Herb Janson seconded the motion, and the meeting adjourned at 9:45 p.m.

Minutes recorded by

Alice L. Forsha  
Secretary

Minutes of the Meeting of the Board of Directors of the Leeds Domestic Waterusers Association, held Thursday, July 13, 1978, at 8:00 p.m.

Present: Ross Savage, Bill Schweer, Glynn Davenport, and Don Dawson of the Board.

Mr. and Mrs. Carr were present at the beginning of the meeting. Mr. and Mrs. Carr were in attendance at the meeting for the purpose of clarifying an application they had made some years ago for a domestic sanitary water hookup. They presented a copy of their letter of application and a letter they received from Walter Eagar, secretary of the Association, advising that no hookups were then available but that they were No. 2 on the list for a hookup when such did become available. They noted that several had been issued since that time but none to them. Ross Savage advised them that there appeared to have been some problems in the record keeping at that time and confirmed with the Secretary that there was nothing in the files to indicate that the Carrs had made application or were on any list. Bill Schweer asked the purpose of the second tap and was advised that they had intended to assign it to the lot between themselves and the street and either use the lot for one of their children's home or to sell it. This raised the question as to the RA-2 zoning ordinance as the ground area in question was less than 1/2 acre. The Carrs were advised that the matter would have to be considered and that they would be informed of the conclusions reached in this regard.

The problem occasioned by Blaine Lundquist seemingly ignoring the rules and the decision which had been given him, by going ahead anyway and making living quarters out of the stable building and barn next to his new home and putting an extension of the water line from his new home into his second new home was discussed at great length. A suggestion was made that the whole matter be discussed with John Palmer to see what should be done to resolve the matter. It was also noted that Blaine had a contract to build a duplex for the Ludlows on the old Charles Allen property south of the church, even though zoning ordinances prohibit the building of multi-family residences. It was pointed out that the zoning ordinances were very specific in this prohibition, even though a duplex was demolished on the same lot to make way for the construction of the new building.

Even though this was a Water Board meeting, the problem of the Orle Davenport's plans and building permit were also discussed, with no definite conclusions being reached. In that three of the last four lab reports from water samples examined have been returned as unsatisfactory, a lengthy discussion ensued as to what to do about the problem. It was concluded that arrangements would be made to have the lab work done, starting now, by Ford Chemical Company, a private laboratory in Salt Lake City, and that no further samples would be sent to the state until some conclusions have been made.

Ross Savage reported on the matter of the water right for 0.50 second feet continual flow which had been applied for by Jack Howells, (who represents Western Equities, a predecessor company to Tech-Synd). Steve Creamer advised Ross that he had had two telephone conversations with Han Leigh and was certain that part of the whole picture could be worked out satisfactorily and that a letter to Han Leigh was being prepared for Ross's signature. Ross advised that when he got the letter, he would want the Board to see it before it was sent, as it would undoubtedly contain at least a preliminary detail of furnishing a tap to Marjorie Howell and of taking care of the problems of Silver Reef. The matter of what to

Ross Savage reported on the matter of the water right for 0.50 second feet continual flow which had been applied for by Jack Howells, (who represents Western Equities, a predecessor company to Tech-Synd). Steve Creamer advised Ross that he had had two telephone conversations with Han Leigh and was certain that part of the whole picture could be worked out satisfactorily and that a letter to Han Leigh was being prepared for Ross's signature. Ross advised that when he got the letter, he would want the Board to see it before it was sent, as it would undoubtedly contain at least a preliminary detail of furnishing a tap to Marjorie Howell and of taking care of the problems of Silver Reef. The matter of what to

do about Vere and Evelyn McMullin's water and land situation was discussed at great length, and it was concluded that it didn't appear that the McMullin water would actually be needed or could in fact really be used if the half second foot continuous flow well right was actually secured. This is because of the rather limited land available for building within the dictates of the zoning ordinances. Glynn Davenport was assigned to make an appointment with the McMullins and that he, Bill Schweer and Ross Savage would meet with them and discuss the matter. It was concluded that the McMullins would be asked if they would be willing to accept an earnest money payment of about \$2,000.00 to hold their offer in abeyance until about February 1, 1979 (Steve Creamer had stated that he was rather sure that the half-second-foot matter would be concluded before Christmas).

The minutes of the meeting of April 26th and the stockholders meeting of May 9th were read. On motion of Don Fawson, seconded by Bill Schweer, the minutes of these two meetings were accepted as read.

A draft of a letter to the Irrigation Company proposing a splitter box installation at the spring, along the lines suggested by Steve Creamer, was read. Bill Schweer voiced the feeling that he very much disliked getting anything that concise in writing at this stage of the game. The letter draft proposed a division of 60% to culinary and 40% to irrigation splitter box to be installed at the spring. The matter will be held in abeyance pending further developments.

Delinquent accounts on current bills and assessments were again discussed, with the following assignments being made. Ross Savage was to talk to Richard Pisarsky on his assessment and the materials bill for replacing the damaged cemetery pipeline. Bill Schweer was to talk to Jim Haslam on his delinquent water bill and assessment. It was felt that the meter should be removed from the Wheeler house if it has not already been done. No assignments were made with regard to the delinquent assessment of Russell Peine or of the Armstrong matter.

Walter Egar had stated that permission had been granted some time ago for him to use the water allotment on the inactive tap of his son, Lee Egar, and he had talked to Ross Savage about it. It was concluded that permission would be given for Walter to do this, even though the proposition was sort of a grey-area matter, and he would be so notified. It was further concluded that the practice the secretary had been using of allowing the total allotment on taps owned by an individual in assessing charges after the quarterly reading of the meters was in order and should be continued.

Approval was given to Don Fawson to buy a pipe cutter for the Water Company, replacing one which had disappeared some time ago. Approval was also given for the storing of the material in Ross's field in the old cultural hall to get it in out of the sun and weather.

An offer made by Richard Pisarsky to furnish the necessary pipe and equipment and plantings for around the fire house was approved, and authority was given to use the tap owned by the Town for the old cultural hall for this purpose.

The request received from the telephone company for authority to lay the new cables in various locations was reviewed. It was suggested that great caution be used by them when digging in the vicinity of water lines.



Minutes of July 13, 1978, continued.

Authority was also granted to Ross Savage to acquire signs to designate the location of the 8<sup>th</sup> line in the vicinity of Glenn Beal's residence, where a great deal of heavy equipment of the mining company has been operating and will probably continue to be operated.

On motion of Bill Schweer, seconded by Don Fawson, the meeting was adjourned at 11:00 p.m.

Minutes recorded by

Alice R. Forsha  
Secretary

Minutes of the Meeting of the Board of Directors of the Leeds Domestic Waterusers Association, held Saturday, October 14, 1978, at 8:00 p.m.

Present: Ross Savage, Clynn Davenport, Bill Schweer, Ray Beal and Don Fawson.  
Also present were William Miller and June Forsha.

The minutes of the meeting held July 13th were read and approved.

The problems with getting a clearance on the water from the well were discussed at some length, and the steps which have been taken in the way of disinfecting, etc., were outlined. Ross Savage expressed the opinion that the time had probably come where consideration should be given to chlorinating the well water, but it was decided that Ford Chemical would again be contacted for suggestions, short of chlorination, before anything formal is undertaken in this regard.

A meeting on chlorination of drinking water is to be held by the E.P.A. at Cedar City, October 31, for those involved in southern Utah. It was decided that Ross Savage and Bill Schweer would attend this meeting, which is to be an all-day meeting at the S.U.S.C.

It was reported that in widening the road just below the Glenn Beal residence, the 5-M people had pretty much covered up a wastewater drain culvert from Glenn Beal's property back into the irrigation ditch. It was felt that the culvert should either be extended or relocated, and Ray Beal was assigned to check into the matter further.

The real urgency of the meeting being called at this time was to prepare various agreements involving the residents of Silver Reef, the Leeds Domestic Waterusers Association, and Tech-Sym Corporation, incident to the possibility of securing the 0.50 cfs from the old application of Western Equities. The various aspects of these agreements were discussed and Bill Schweer wrote them out when it was generally agreed by all present that they were in suitable form, and the Secretary was directed to type them out. Copies of these agreements are attached.

The request made by Hyrum Green for an extension of his application for a tap for a house to be built on the property now occupied by the cherry orchard was discussed and it was agreed to extend the time until May 1, 1979. The secretary was directed to write to Mr. Green notifying him accordingly. It was to be stated in the letter that the securing of the connection must be finalized by that time, with all of the other pertinent details completed, or it would be necessary to make the assignment of the tap thus held to the next party in line on the waiting list.

The letter directed to Vere and Evelyn McMullin dealing with the extension of the time period for finalizing the decision on the land and water purchase from them was re-read. The Secretary was instructed to rewrite the letter, changing the expiration of the option period until April 1, 1979.

On motion of Clynn Davenport, seconded by Bill Schweer, the meeting adjourned at 10:20 p.m.

Minutes recorded by

Alice L. Forsha  
Secretary

C O P Y

Date \_\_\_\_\_

Mr. Henry H. Leigh  
Tech-Sym Corporation  
401 United Bank Building  
Phoenix, Arizona 85012

*Letter mt. sent*

Dear Mr. Leigh:

Leeds Domestic Waterusers Association agrees to deliver

the .10 cfs of water owned by Silver Reef Estates, plus two additional taps of 40,000 gallons per month, and to augment this as necessary to maintain this flow year around.

The above agreement in its entirety is contingent upon

the transfer and approval of the 1/2 cfs continuous flow well right from Tech-Sym Corporation to the Leeds Domestic Waterusers Association, as identified under Utah State Engineers Office

Application No. 37136 (81-787).

Ross C. Savage, President

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Leeds Domestic Waterusers Association this \_\_\_\_\_ day of \_\_\_\_\_, 1978.

C O P Y

Date \_\_\_\_\_

*Letter not sent*

Mr. Henry H. Leigh  
Tech-Sym Corporation  
401 United Bank Building  
Phoenix, Arizona 85012

Dear Mr. Leigh:

1. Silver Reef Estates agrees to form a legal organization to govern and administer all aspects of their water and water system.
2. Upon formation of the above organization, Silver Reef Estates agrees to assume all of the rights and obligations formerly the responsibility of Tech-Sym Corporation, as set out in the Compromise Agreement dated 16 April 1969 between the Leeds Domestic Waterusers Association and Westec Corporation (Tech-Sym), with the exception of the furnishing of funds for the purchase of an accurate water meter formerly agreed to by Tech-Sym.
3. Silver Reef Estates agrees to furnish two domestic water taps of 40,000 gallons each per month for a parcel of 2.87 acres of property owned by Henry Leigh contiguous to the present Silver Reef Estates, and also agrees to furnish one domestic tap of 40,000 gallons per month for a parcel of property owned by Marjorie Howell in the general area of the Silver Reef Estates.
4. It is understood that any expense incurred in physically providing and metering water to the above named properties will be assumed by the owners of those named properties.
5. The above agreement in its entirety is contingent upon the transfer and approval of the .50 cfs continuous flow well right from Tech-Sym Corporation to the Leeds Domestic Waterusers Association, as identified under Utah State Engineers Office Application No. 37136 (81-787).

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In Behalf of the Residents of  
Silver Reef