

Minutes of the Annual Meeting of the Stockholders of the Leeds Domestic Water Users Association, held Monday, February 5, 1979, at 8:00 p.m.

Present of the Board of Directors: President Ross Savage, Bill Schweer, Don Fawson, and Glynn Davenport. Also present was Steve Creamer of the engineering firm of Creamer & Noble. President Savage polled all of those present, and it was determined that all had received the official announcement of the annual stockholders meeting. The minutes of the meeting of the stockholders held May 9, 1978, was read. On motion of Bill Schweer, seconded by Richard Pisarsky, the minutes were approved as read.

Ross Savage related in brief detail the occurrences leading up to the possible acquisition of an additional 0.50 second foot continuous flow well right for this water company. Steve Creamer, working with the Silver Reef community on methods of correcting their water system deficiencies, became aware of the proposal of the Leeds culinary company to purchase the land and water of the McMullins, and stated that he thought water could be acquired in this drainage area at a substantially smaller cost. After researching in the State Engineer's office, he discovered an unprocessed water application made by Western Equities (now Tech-Syn) for this 0.50 second foot of culinary water, which application held first priority on the list for this area. After meeting with the Board of the Leeds Company, Creamer contacted Henry Leigh of Tech-Syn in Phoenix and worked out an arrangement whereby Leigh would sign over the application to this company, provided they would furnish him one additional tap assigned to a parcel of property he owns adjacent to the Silver Reef Estates subdivision, a tap to property in the vicinity owned by Marjerie Howell and her family, and assurance that this company would provide the Silver Reef community with such additional water as might be necessary up to the .10 of a second foot, which amount was authorized by contract to be transported in the Leeds pipeline. This agreement has been accomplished and is now in the approval process at the State Engineer's office. Steve Creamer advised that he is most optimistic that this additional water will be approved and advised further that Doc Hanson, the State Engineer, would be in this vicinity on February 28th and would like to meet with the Board of this company.

Merlin Sullivan raised the question as to whether or not this 0.50 second foot of water was in addition to that water which was presently owned by the mining company, and it was explained that it was a well right and would be a new request in no way connected with any other water right. The question of the possible effect this additional right would have on other wells and springs was discussed, and as to how any negative effects would be proven. Mr. Creamer advised that this proof would be difficult and it would have to be accomplished on a normal water flow season. Question was asked as to the effect this new application would have on the matter of acquiring the McMullin water right and land, and Ross Savage explained that an option had been secured from the McMullins until April 1st, by which time it is hoped definite action will be known on the new application and then a decision can be made as to what to do about the McMullin water and land. The stockholders were advised that the Silver Reef community was an important contributing factor to the likely acquisition of this new water, and that it

would not have been at all possible without their complete cooperation and encouragement.

Reese Savage reported the current circumstances on the new well and the difficulties encountered in clearing up the unsatisfactory laboratory reports on the water from the well. He advised that this has now apparently been accomplished through a disinfecting process and that steps would now be taken to get State Board of Health permission to approve this water to be injected into the water system when needed. Reese further stated that if, for whatever reason, we again encounter unsatisfactory samples, it would be necessary to set up a system of chlorination or some other disinfecting process to take care of the condition.

Bill Schweer explained in detail the circumstances leading up to boundary difficulties through errors in previous surveys, involving property owned by the water company on which the large cement tank now is located and property of Glenn Beal directly across the road from the storage tank. After explaining all of the circumstances, approval of the stockholders was given to issue Glenn Beal a quitclaim deed covering this encroaching property, so that the title to his property could be entirely clear.

Bill Schweer explained to the stockholders present the details of the plans the Silver Reef community has for the necessary improvement to their water delivery system. The anticipated cost for this improvement would be about \$95,000.00, the payback for which would be \$10.00 per month per property in the Silver Reef development. This amount, along with the \$5.00 per month per active household obligation of Silver Reef to this Company, would put the payback on this improvement above the \$8.00-\$12.00 amount normally acceptable by government lending agencies. The Silver Reef community has offered a payment of \$20,000.00 cash to buy off this \$5.00 per month obligation per active household. Mr. Schweer gave comparative statements and stated that in his mind the offer made by Silver Reef was desirable and expressed the importance of cooperation now existing between the two communities and the importance of this cooperation continuing. It was concluded that this matter should be voted on by secret ballot and would be accomplished at the same time as the voting on the new Board members for the Company would be accomplished. Mr. Schweer further explained that the Silver Reef community was agreeable to deed over the ownership of the 30,000 gallon storage tank they own adjacent to the larger storage tank of this Company, this to be in addition to the \$20,000.00 cash payment.

Merlin Sullivan raised the question on the supplemental water to be assured the Silver Reef community and it was explained that this would be only to build up the water as might be required to a maximum of the .10 second foot, and it was not the intention of the agreement that this would rob the stockholders in the Leeds community of their requirements so far as culinary water was concerned.

It was further explained that the offer made by the Silver Reef community would in no way affect their continuing obligation to share in the expense of the maintenance and repair of the jointly-used pipeline facility, and that also they would share on a per capita basis on the pumping costs when it might be concluded that well water would be necessary to offset the supplemental water to the Silver Reef community.

The meeting was opened for nomination of candidates for election to fill the three Board member positions whose terms expire at this time. The nominees

Minutes of February 5, 1979, continued.

were as follows: Ross Savage, Clynn Davenport, Richard Pisarsky, Eldon Stirling, John Seiler and Lyman Fluckiger. The ballots were distributed to the stockholders present with the following results:

Ross Savage	11 votes
Clynn Davenport	12 votes
Richard Pisarsky	13 votes
Eldon Stirling	18 votes
John Seiler	18 votes
Lyman Fluckiger	6 votes

The judges of the election were Nancy Pisarsky, Paul McNutt and Florence Pickering, and they declared the winners to be Eldon Stirling, John Seiler and Richard Pisarsky.

The count on the matter of accepting the offer made by Silver Reef was as follows: Yes, 22; No, 1; Not voting, 3. Hence, this proposition carried.

The annual financial statement for the Leeds Domestic Waterusers Association for the year 1978 and the proposed budget for the year 1979 were presented and discussed. In that there were no questions on any of the aspects, motion for acceptance was made by Don Fawson, seconded by Glenn Beal, and unanimously approved.

Don Fawson advised that the fire inspector had been down on the previous Thursday and after checking the facilities had suggested that he felt an insurance rating of 8 could be assured, and possibly even 7 for the residents of Leeds, and probably an 8 for the residents of the Silver Reef community.

On motion of Lyman Fluckiger, seconded by Dena Allen, the meeting adjourned at 9:50 p.m.

Immediately following the formal meeting, the newly elected Board members, along with the two carry over Board members, convened and elected Bill Schweer to be President and Eldon Stirling to be Vice President for the coming year.

Minutes recorded by

Alice R. Fawson
Secretary

Minutes of the Meeting of the Board of Directors of the Leeds Domestic Water Users Association, held March 13, 1979, at 8:00 p.m.

Present: President W. W. Schweer, Eldon Stirling, John Seiler, Richard Pisarsky and Don Fawson of the Board of Directors. Also present were Clynn Davenport and Ross Savage.

In the interests of time, it was decided to postpone the reading of the minutes of the previous meeting until the next meeting. Bill Schweer reported on the meeting held with representatives of the State Engineer's Office in Salt Lake City on March 8th. Mr. Staker, Deputy State Engineer, and Gerald Stoker from the Cedar City water rights office, were in attendance, along with Ross Savage, Bill Schweer, John Seiler and June Forshia. Also in attendance was Steve Creamer of Creamer & Noble Engineers of St. George. The State Engineers were very sympathetic to the request for them to act favorably on the application for the half second foot well right, but stated that in view of the moratorium in effect in this drainage area, an additional geological survey would probably be necessary, and it was agreed that they would order such a survey, not only to reconsider the alluvial water but also have a study made of the bedrock water capacity which apparently had not been as actively studied as the alluvial water in this area. It was explained that the new well was drilled into the bedrock for the greater part of the depth of the well and that with the pumping of the well two summers ago the water level remained at 235 ft. and was unaffected by the pumping which was done. Mr. Staker stated that he would recommend to State Engineer Dee Hanson that the new study be undertaken in the near future, then a public meeting would be advertised and held so that any protests could be considered. They felt this could be accomplished before the end of April. It was recommended by Mr. Staker that prior to the public hearing, contact be made with all of the water right holders other than those involving Leeds Creek, so that if at all possible there would be no protests at the hearing. The importance of this was emphasized. Those in attendance came away from the meeting with the feeling that the State Engineer really wants to help but does have the problem of lifting the moratorium to take care of granting this particular request and saying no to other requests that are on file. Staker recommended that water rights holders between Anderson Junction and the Harrisburg district be the ones to concentrate on for the above mentioned purpose.

Bill Schweer will make a list of those persons holding non-Leeds Creek water rights in this particular drainage area so that contact can be made prior to the public hearing.

Clynn Davenport reported that he had been contacted by Orvin Neilson, wondering if the water company would be interested in purchasing his well right, and it was decided that he should be contacted as to the specifics of any offer he would make. It was also decided that a couple of members of the Board should again contact Vere and Evelyn McMullin, laying the cards on the table as to the time problem which is developing, and see if they would have any interest in further extending the option period on their property for another month or six weeks. It was felt that this should be a "no pressure" request.

Bill Schweer reported that Renald Jepson of the Utah State office would be here on March 19th at 4:00 p.m. to go over the physical facilities of the water system, with particular regard to the accurate metering of the water. In this regard, Bill Schweer advised that Bill Robinson was working on a by-pass to be in-

installed in the distribution box around the meter for the Leeds water. He also advised that an air bell would be installed by Bill Robinson near the cement tank on the line that goes to the homes in Benzona Flat. It is felt that this latter installation will eliminate the "hammering" which occurs in the line into this area.

It was decided to officially start the water year with April 1st. The meters will be read as of the end of March and prior to that time any necessary repairs will be made to all of the defective meters so that an accurate reading after April 1st will be assured. Don Fawson will take care of the repairing and replacing of the meters and will have Ensign Griffiths assist.

Various alternatives were discussed with regard to facilities for the storage of the materials inventory of the Company, which is presently being taken care of in a little shed on Ross Savage's property as well as in an open storage area, also on Ross's property. The use of the cultural hall was considered but it was felt that was not secure and that perhaps arrangements could be made to build a small structure connecting to the rear of the fire house, to take care of this storage requirement. The matter will be studied and considered at another meeting.

John Seiler made a motion that reimbursement should be made from the Association funds to pay for the transportation and meal expenses of those of the Association who attended the meeting in Salt Lake City on March 8th. This was seconded by Don Fawson and approved.

Adjourned: 8:50 p.m.

Minutes of the Meeting of the Board of Directors of the Leeds Domestic Waterusers Association, held Tuesday, May 8, 1979, at 8:00 p.m.

Present: President W. W. Schweer, Eldon Stirling, John Seiler, Richard Pisarsky and Don Dawson. Also present were Mayor Clynn Davenport and Ross Savage.

The minutes of the annual stockholders meeting of February 5, 1979 and the meeting of the Board of Directors held March 13, 1979 were read. On motion of John Seiler, seconded by Don Dawson, both of these minutes were approved.

Bill Schweer reported that contact had again been made with Vere and Evelyn McMullin and, with no pressure being exerted, the McMullins were agreeable to extending the time for decision with regard to their land and water for 45 days, which would be May 15th. He advised also that Orvin Neilson had been contacted but seemed to be completely uninterested in disposing of any of his water right through the usual procedures. Neilson stated he was giving consideration to assisting in the development of the Bluth or the Lee properties, or both, and it might be that if the Leeds Domestic Waterusers Association was agreeable to producing some of his water right from the town well to the Bluth or Lee property, he might be able to work out an arrangement whereby some water might be accessible to LDWA.

Report was given that all of the meters have been gone through and repaired or replaced prior to the end of March, and that the water year would begin with April 1st. Advice was also given that the materials for the by-pass and the air bell have been received and assembled and are ready for installation. It is now just a matter for the time to put these things in.

Bill Schweer advised that at this meeting a decision of the Water Board should be definitely made as to whether or not to purchase the water right and land from the McMullins. He stated he had jotted down a few items under the headings of goals, methods of getting water, items we should avoid, and procedures we can end up with, and encouraged any suggestions for changes, eliminations or additions to these proposed statements of desires. The goals mentioned were (1) to provide taps for property owners of Leeds so they can build or sell part of their property, and (2) provide taps for business so Leeds can improve its tax base. The proposed methods of getting water were delineated as follows: (1) Acquire the half second foot presently in process, (2) purchase the McMullin land and water, (3) in the future allow developers to assign water to the LDWA for distribution through its pipeline system, with the understanding that water rights for the LDWA might be a by-product of this procedure, and (4) devise ways of being authorized to use the 2 shares of irrigation water owned by LDWA, with the possibility of acquiring additional irrigation shares as may from time to time become available for purchase and convert these to culinary water. Under the heading of things to avoid, the following suggestions were made: (1) Control the dispensing of taps to assure that no more will be sold in a year than will be required for the payment to the McMullins for the water, (2) insure that the taps will be sold for the benefit in general of the Town as a whole and its residents, and not for the exclusive benefit of any developer to the disadvantage of the Town and its residents, (3) don't expand our responsibilities beyond our ability to cope with them. This last was clarified to mean that if any unusual expense would be required to furnish water to a certain property, it would be expected that the property owner would stand the expense of such installation. Under the heading of procedures, the following recommendations were made and approved by the Board: (1) Sell no more than 10 taps per year, (2) maintain separate

lists of tap applicants, one residential and one business, so that if an opportunity for a desirable business should be presented, it would not be necessary for the business to wait until all of the residential requirements had been satisfied, (3) no more than 2 taps per family, (4) no requirement to build right away, (5) need not designate where the building is to be built, so long as it is within the confines of Leeds, (6) taps to cost \$2,500.00 plus the cost of meter, piping and labor from the designated water main. It was recognized that in this latter instance it would possibly be necessary to revise the by-laws, which now obligate the LDWA to pay certain of the expenses for connection to a new customer, (7) a monthly charge of \$5.00 on unused taps, \$10.00 when the tap actually went into service.

Richard Pisarsky raised the question as to the possibility of a private individual (having run a water line a significant distance for his own personal service) recouping some of the expense of the running of that line if someone else wished to connect into it at some intermediate point. Ross Savage advised that it was his understanding that ~~John Palmer had advised~~ that whenever water is delivered through a section of pipe, that pipe becomes in effect the property of the LDWA. He further suggested that if a pipe of a capacity larger than that which would be necessary to service the one residence was installed, that some procedure should be set up whereby the person paying for that "over capacity" pipe should be able to recapture some of the expense if another desires to tap into that particular section of pipe. In that there were several points in this whole discussion that seemed to be a little unclear, it was felt that before any policy was finalized on that immediately above, a further discussion should be held on the specific subject.

In view of the apparent interest on the part of 5-M Corporation for the McMullin land and water, Bill Schweer contacted Jerry Glazier, president of 5-M, and inquired as to whether 5-M was most interested in the land or the water. Jerry Glazier advised that it was the land, which would serve as sort of a buffer between the Town and the mining company. He was asked what he felt 5-M would be agreeable to pay for the land, and he (Glazier) later contacted Bill Schweer advising that as a starter they would offer \$12,000.00. Inquiry with other possible real estate transactions within the town was made and it was determined that property in this area without water had a much higher value established than that which was offered by Glazier. It was felt, however, that the 5-M offer would still be open for further negotiation.

The Water Board was polled individually with regard to the purchase of the McMullin property and water. The vote was a unanimous yes. However, the vote of John Seiler and Eldon Stirling was somewhat less enthusiastic than that by the other Board members.

Ross Savage advised that while he now has no official voice in the management of the LDWA, beyond that of being a stockholder, he wanted to call attention to the fact that when it was necessary to use the well on a regular basis to provide culinary water in the necessary volume, a standby set of pumping equipment should definitely be readily available, the thought being that if (as an example) the electric motor should burn out, it would likely take weeks or perhaps even months to have a replacement secured and installed. It was generally felt that the proper standby equipment should be a submersible type pump which could expeditiously be placed in the well itself and activated after the presently installed equipment was removed from the well casing. It was agreed that it would be very desirable that steps be taken in this direction.

Minutes of May 8, 1979, continued.

Another item briefly discussed was the desirability of establishing some sort of a special water rate where "out of the ordinary" circumstances prevail, i.e., the trailer court problem, furnishing water for livestock, multiple residences on one tap, etc.

The meeting then reverted to making plans for the combination LDWA stockholders and Town meeting which is planned for next Saturday evening. It was decided that in that Mayor Clynn Davenport will not be in town, that Bill Schweer would conduct the meeting, and that some of the presentations would be parceled out to other Board members of the LDWA and the Town and of some of the established commissions in the Town.

The letter received from Washington County, advising of a 6-month moratorium on any subdividing or developments within a 2-mile radius of any incorporated community was read, which letter among other things recommended that each incorporated community should review rather specifically the property within this 2-mile radius and establish a set of plans or desires as to what the community would like to have happen in the way of development, etc. in any of this surrounding property. It is understood that the county will adhere strictly to this 6-month moratorium, which will allow the incorporated communities to study the matter and present to the county their recommendations as to their desires. After the six months has lapsed, if the county receives a request for development in the areas in question, the desires of the incorporated community will be controlling provided the community is in a position to take the necessary steps for annexation and provide the necessary services for the proposed development. If no specific plan is set forth for a parcel of property in this perimeter and the county receives a request for development in that area, they will proceed on the usual basis as has been the case prior to the moratorium.

In a meeting with Steve Creamer recently, dealing on another subject, the ramifications of the foregoing county letter were briefly discussed, and Creamer made a few suggestions as to how the community could protect itself and its desires through the workings of established ordinances. He stated that if it was the desire of the Town Board, he would be glad to review all of the established ordinances dealing with this general subject and make some suggestions on revisions that might be desirable to insure or encourage the proper rate of growth and the quality of any developments, along with the financial ramifications involving any proposed developer or the Town.

It was decided that all of these matters would be aired at the meeting on Saturday, that the Master Plan would again be reviewed and the desires of the citizens would again be solicited, not only as to the dictates of the Master Plan but also the zoning ordinance or any other policy matter so that the operation of the Town would be as near as possible the way the residents of the Town would desire it. All of this would be background for the formation of another questionnaire to be taken to all of the residents of the Town and the immediate surrounding areas, the results of which would control any revisions that might be desirable in the Master Plan or any of the present ordinances.

As a final item of business, Don Fawson asked permission to purchase sufficient paint so that all of the fire hydrants in town could be repainted. It was thought that perhaps James Haslam could be assigned the task of actually painting the hydrants. Approval for this action was unanimous.

On motion of Don Fawson, seconded by Eldon Stirling, the meeting adjourned at 11:00 p.m.

Minutes recorded by:

Alice L. Forsha
Secretary

NOTICE

The Association Board Home Meeting and Leads Domestic Waterworks should have meeting as hereby scheduled for Saturday, 12 May 1970, at the Leads Mine Hall at 5:00 p.m. All Leads and Leads area residents are urged to attend. Subject Matter will be discussed as follows:

1. Resolution of a policy concerning future developments and annexations in the Leads area.

2. Final decision regarding the proposed purchase and bonding of Waterworks Board's facilities in scope of Leadland water located in Maiden Valley. This is urgent matter and we have been unable to give the customary ten day written notice.

We wish to run this town the way you want it. Please attend so that we may incorporate your ideas into our planning.

LEADS HOME MEETING
LEADS DOMESTIC WATERWORKS ASSOCIATION

Minutes of this meeting filed in town minute book.

Minutes of Water Board Meeting held Wednesday, June 6, 1979, after the fire department meeting, at 9:00 p.m.

Present: Bill Schweer, President, Eldon Stirling, Vice-President, Don Fawson and John Seiler. Richard Pisarsky was absent, account out of town.

Meeting was held to plan installation of the lower stop valve and meter by-pass valve in the distribution box, and the air bell which will be installed in the cement enclosure near the fire service tank. All materials are ready for this work. It is also planned to do preliminary work preparatory to eliminating the #6 pressure relief box and moving it to a location near the Oak Grove spring, to act as a splitter box to split out water belonging to the irrigation company and return it to the Leeds Creek.

Later entry: Eldon Stirling and Bill Schweer installed the air bell on Friday, 8 June 1979 (1½ hours). Bill Schweer, Ross Savage and John Seiler installed the stop and by-pass valve and did preliminary work on the splitter box on Saturday, 9 June 1979 (7 hours).

Minutes recorded by Bill Schweer

Minutes of Water Board Meeting, held Wednesday, 20 June 1979, at 9:00 p.m.

Members present: Bill Schweer, President, Eldon Stirling, John Seiler, Don Fawson, and Richard Fisarasky.

Items discussed were as follows:

Mr. Lundwall wants water to his house. He presently owns a tap. Location is 825 ft. south of 2" standpipe at Victor Roy's and 275 ft. from road into his house. Question is, should town assist in this project, and if so, to what extent? If was decided that if Mr. Lundwall will install the pipe, Leeds will buy 2" schedule 40 PVC pipe to his property 825 ft. approximately from the standpipe across from Victor Roy's. The meter will be at the edge of South Main Street. Mr. Lundwall will buy pipe across all private land. The fire department will install 2" standpipe at endge of South Main.

Plans for the work of removing #6 pressure reducing box and installation of the splitter box at the spring were discussed. Work on this box will not begin until after the 4th of July.

The installation of the air bell on Washburn standpipe was considered. The fire department gave the "go ahead" on installing this air bell. If valve is hard to shut off with the air bell in place, a new dresser "T" will be installed for the bell.

The application for a water tap made by Pete Carr in 1973 was considered. It was decided that his original application will be honored and he will be allowed to purchase one of the \$1,000.00 taps.

Problems concerning special uses of water taps (such as 3 houses on 2 taps, etc.) were considered. No decisions will be made on this prior to consulting with our legal counsel.

Minutes recorded by Bill Schweer

Minutes of the Meeting of the Board of Directors of the Leeds Domestic Waterusers Association, held Tuesday, September 4, 1979, at 8:15 p.m.

Present: President Wm. Schweer, John Seiler, Don Fawson, Richard Pisarsky and Eldon Stirling. Also present were Ross Savage and LaVarr Webb.

LaVarr Webb took time at the beginning of the meeting to make a presentation of the problem he has encountered with water for his subdivision lying to the south of Conley fields. He owns a well right, which amounts to one third of a one second foot irrigation right, the other two thirds belonging to Orvin Neilson and the LDWA (the latter having recently purchased it from Vere and Evelyn McMullin. He advised that because of a trespass situation, they will not be able to use water from the well in which water has been located. He has had drilled five dry holes and has been informed that because of the geological structure beneath the property on which the subdivision is located, there is no chance that water will be located beneath their property. One of the suggestions he had to resolve his problem is to deed to the LDWA his well right and have the LDWA make available to his subdivision such culinary water as they feel they could assign. He was informed that there are many problems in connection with a proposal of this kind, what with the dictates of the by-laws, articles of incorporation, etc., but that the members of the Board will give the matter consideration and let him know as soon as possible. Webb advised that he is being pressured by the 5-M people to sell the subdivision property to them and that he needs some sort of reply to them within two weeks. He was advised that any answer on his request, because of the complications involved, within a two-week period would be near impossible. Webb then left the meeting.

Minutes for the meeting of the Board of Directors of May 8, 1979, the combined town meeting and stockholders meeting of May 12, 1979, the meetings of the Board of Directors of June 6 and June 20, 1979 (none of which had been previously formally presented) were read and approved. Some of the department encountered at the joint town meeting and stockholders meeting was reviewed, and it was decided that in the event of a repeat performance of anything of this nature, the meeting will be called to order and if the call is not heeded the person or persons involved in the lack of deportment will be physically ejected from the meeting.

The letter from Maxwell Bentley, attorney for the irrigation company, wherein request was made that the splitter box separating the culinary from irrigation water be placed at the lower end of the line, was read. The secretary was instructed to prepare a letter for the president's signature, advising that no record could be found of any such agreement and that it was felt that the purposes of most people could be better served by placing the splitter box at the location indicated in our original letter to Bentley.

The matter of the extension of the water main in order to serve the Lundwall property was reviewed. While it had been initially decided to buy 2" pipe for this extension below Victor Roy's property, it was felt that it would be better to install 4" line, even though the present line which would feed this extension was of smaller diameter. Don Fawson is to contact Lundwall with regard to this decision. It is understood that Lundwall will arrange for installation of the pipe to the specifications of the LDWA, with LDWA providing the pipe to the point where it would enter the Lundwall property.

Attorney John Palmer had prepared a proposed contract covering the purchase of the McMullin water and property by LDWA. Some members of the Board took exception

to the language in certain sections of the contract, and it was decided to review the whole matter with the McMullins and have the objectionable features resolved so that the contract can get in a form agreeable to all parties.

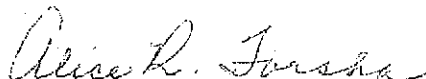
Consideration was given to the rules to be used in connection with issuance of new culinary water connections made possible through acquisition of water in the McMullin transaction. Various possibilities were discussed as to whether or not a monthly charge would be made against these new hook-ups. Consideration was given to making a charge of 1/2 the usual monthly fee (\$5.00 per month), but it was felt that no unnecessary stumbling blocks should be placed in the way of the sale of these new taps in view of the fact that payment to the McMullins would be necessary at six-month intervals in the stipulated amounts. It was therefore decided that no monthly charge would be assessed against these taps until actual connection was made to the water main. The following rules were then approved: (1) No more than 10 taps per year to be issued, (2) have two lists, one for business and one for residential, (3) sell no more than 2 taps per family, in addition to what they now have, (4) no requirement to build right away, (5) cost to be \$2,500.00 per tap plus cost of meter, pipe and labor, (6) no monthly charge to be made until actual connection to the water system, (7) to obtain a tap the name must be on the waiting list, (8) applicant must be a property owner in Leeds. At the appropriate time the secretary will send out letters offering taps to the first ten applicants on the list and giving a time limit of 90 days, by which time the transaction is to be finalized or their name will be removed from the list and an offer made to the next in line. If there is an application for a commercial hookup, it is the intention to consider this as being on a separate list so that the matter can be handled expeditiously.

Dealing with possible solutions to the problems involving culinary hookups for the duplex, the Jacobs home and the trailer park, Bill Schweer stated he would give this matter further consideration as to resolution of these problems and bring recommendations back to a future board meeting.

The plans and specifications for the improvement of the water system for Silver Reef were reviewed and generally approved. It was felt, however, that an accurate compound water meter should be installed as part of this system improvement. It is the intention of the LDWA to likewise install a compound meter in their portion of the system. With the understanding that a compound meter will be installed in the Silver Reef system, the secretary was authorized to prepare a letter for the president's signature to the engineer and to the Silver Reef Special Service District approving the plans and specifications.

Meeting adjourned at 11:35 p.m.

Minutes recorded by



Secretary