

Meeting of the Board of Directors of the Leeds Domestic Waterusers Association, held Tuesday, January 19, 1982, at 8:00 p.m.

Present: President George Foulds, Mark Ludlow, John Seiler, Dave Hudson and Ray Beál.

The financial report for the preceding period was presented, and on motion of Mark Ludlow, seconded by John Seiler, was approved as prepared. The yearly financial report to be presented at the annual stockholders meeting was also considered and was approved as to form. The value of inventory to be shown was considered and George Foulds will make an actual physical count and report to the Secretary. The Secretary is also to check again on the balance due the McMullins.

The Secretary reported that of the six offers for water connections, no responses were received. A second letter was sent after the deadline date, with an enclosed self-addressed return envelop, and a sheet with one box indicating they desired the tap and another box indicating they did not want the tap and asking that they check one box or the other and return it. Only one response was received, which was negative. As of this time there are no more applicants on the waiting list and the only offer which will work out to be positive is the one made to Vere and Evelyn McMullin, and they have indicated they will make the purchase at the time the next payment on the water and property comes due (March).

The Secretary reported that the official certification has been received from the State Engineer covering the "proving up" on the McMullin water, which document is in the process of being recorded. It was also reported that an acknowledgment has been received from the State Engineer on receipt of the paper work for the 0.50 cfs water award, with the notice that it would probably be several months before further action would be taken, in that another physical inspection of the facilities would be necessary.

The minutes of the preceding meeting were considered. On motion of John Seiler, seconded by Dave Hudson, they were approved as written.

The Secretary noted that announcements of the annual stockholders meeting to be held on February 1 have already gone out to all stockholders.

No special instructions were given to the Secretary on the filling out of the annual water use report, other than to use the total gallonage drawn from the master meter readings for the 12-month period. The Secretary will complete the report and submit it to the State Engineer.

The agenda for the annual stockholders meeting was set up as follows: After a call to order and inquiry as to receipt of notice of the meeting, the Secretary will read the minutes of the previous stockholders meeting, the financial statement covering actual expenditures and income for the past year and proposed budget items for the coming year, and the annual balance sheet. John Seiler will discuss the accomplishments of the past year, then Mark Ludlow will present the proposal the Association has received incident to the request to furnish water for the Dixie Cove Estates, and George Foulds will discuss plans for the coming year, i.e., betterments, changes, etc. The last order of business will be the election of Board members to replace George Foulds and John Seiler, whose terms are expiring and who have no desire to become candidates for a further

term. An additional item for the stockholders meeting agenda will be a brief explanation by Don Fawson of the official circumstances as regards the relationship of fire department personnel and the property affected, which came to light through a seminar held recently for fire department personnel with regard to the general subject of arson or suspected arson.

There was a rather extended discussion on the property in Conley fields which was a part of the McMullin water purchase and the proper disposal of the 16+ acres. It was the unanimous feeling of the Board that while the property plays no important part in the actual operation of the LDWA, it is a potentially valuable asset and should not be "given away" just to be rid of it. Ray Beal was asked to contact Mr. Keller, who has in the past expressed an interest in the property and who presently lives in one of the houses in Conly fields, to see if he still has interest in the purchase, and the Secretary was to contact Lane Wilcken incident to having the property appraised. It was noted that Vere McMullin had indicated a willingness to talk to any proposed purchaser about the sale of some of his water if it would assist in advantageous disposal of the acreage.

In that this will be the last regular monthly meeting of the Board with George Foulds and John Seiler as active members, Mark Ludlow made a motion that an official record be made in the minutes expressing appreciation for the great service performed by George and John during their entire term of office. Mention was made specifically of the great dedication shown and the untold hours devoted, along with the physical effort to isolate and clear up the bacterial problem during the past summer, and for the plans made in very professional style for the changes in plumbing at the tanks to enable the storage facilities to function properly, and thus hopefully to prevent any repeat performance of the conditions that occurred this past summer.

Adjourned: 10:10 p.m.

Annual Meeting of the Stockholders of the Leeds Domestic Waterusers Association, held Monday, February 1, 1982, at 8:00 p.m. in the Leeds Town fire house.

Present: President George Foulds, Mark Ludlow, John Seiler, Dave Hudson and Ray Beal. There were 33 persons in attendance, representing 26 shares of stock.

President George Foulds called the meeting to order and, on inquiry, ascertained that all present had received proper notice of the meeting.

The Secretary read the minutes of the previous stockholders meeting. Sheila Hudson moved that the minutes be accepted as read, seconded by Ross Savage, and unanimously approved.

At this point Don Fawson made a presentation with regard to the responsibilities of property owners and the responsibilities and authority of fire department personnel in the event of fire. Don Fawson noted that his presentation was the result of Leeds fire personnel having attended a 24-hour seminar held by the State Fire Marshal recently in St. George, which seminar pointed out various aspects of the relationship between fire department personnel and property owners in the event of a fire. Boiled down, the fire chief or his next in command (in the event of the fire chief's absence) literally own the property involved until circumstances and conditions permit a different relationship. In case of a death in the fire, it is automatically considered as homicide until otherwise proven, and in case of suspected arson the property cannot be returned to its owner until an actual inspection by the State Fire Marshal or his designee. After several questions and answers involving items brought up by Mr. Fawson, it was concluded that the situation was understood.

The Secretary read the financial report showing the actual expenditures and income for the past year and the budget proposed of both income and expenditures for the coming year. There were questions from the floor on various aspects, with the big (unknown) quantity being the anticipated revenue (\$25,000.00) from the sale of the new taps this year--the facts being that offers have been made on six taps with real prospects indicating that only one will actually be sold and no waiting list. After the explanations and discussion, Bill Schweer moved that the financial statement and balance sheet be accepted as written, seconded by LaMar Sullivan and approved by voice vote.

John Seiler reported in great detail the accomplishments of the Association during the past year, substantially as follows: The clearing up of a water contamination problem, which took much, much effort over a period of several months during the summer and consisted of extensive sampling at various steps in endeavoring to locate the source of the contamination and corrective measures taken and personally delivering the samples to the laboratory at Cedar City. These corrective measures consisted in part of flushing the lines (several times), disinfecting with chlorine powder various segments of the system, disconnecting and plugging the old unused line from below the steel tanks to the valve box, the draining of the steel tanks and flushing them, the operation of the well in order to supply the water direct to the fire tank (the concrete tank) while the steel tanks were being drained and cleaned, and the determination without question of the need to replumb the steel tank system, installing a top-of-the-tank overflow in the large steel tank to induce water circulation in that tank in order to prevent stagnation of the water in the tank which appeared to be the real source of the water contamination during the heat of the summer. This last

statement is made with reasonable assurance in that after the steel tanks were drained and flushed and the delivery mains also flushed, the contamination problem ceased and has not since recurred. There has not been a contamination problem in the well water since the first clearing up of the problem some time ago. Other accomplishments in the past year also included repairs of a major leak in the delivery line to Bonanza Flat, installation of a 3" Clayton pressure regulating valve which required remodeling to have it serve the specific purpose, which valve came from the Silver Reef Service District, the installation appearing to eliminate the hammering condition which had been a problem in the 4" main above the fire tank and in the delivery system to Bonanza Flat. The creek channel was cleaned in the vicinity of the water main crossing where there had been a possible problem of flood damage, which channel clearing appears to have solved the problem, at least for the time being, and taken the raising of the water line across the creek at that point off of the emergency list. The foregoing are all in addition to the usual routine maintenance matters, i.e., changing defective meters, etc. Another important accomplishment was the finalizing of the proving up on the award of water purchased from the McMullins, and the submitting of the application and acknowledgment of its receipt by the State Engineer of the proving up papers on the additional 0.50 cfs award. In addition to the sampling mentioned above, inorganic water samples were taken from both the spring and the well with the State laboratory reporting the mineral content well below acceptable levels in all instances in the water from both sources; also samples for radiological testing are now in the process and are on schedule.

At this point a motion was made by VerNell Carr to express thanks and gratitude from the stockholders to the Board for the great efforts they have put forth during the past year and the real meaningful accomplishments resulting in a condition of well-being and peace of mind on the part of the stockholders.

Mark Ludlow presented the details of a proposal that has been received from Murray Webb, et al, for LDWA to furnish culinary water to the Dixie Cove subdivision in the vicinity of Harrisburg. In simple terms, the Dixie Cove people would trade a well right to LDWA requiring a change in point of diversion in an amount substantially in excess of the amount of water that would be furnished by LDWA to Dixie Cove, with the Dixie Cove installing all of the necessary delivery system between the fire tank and their subdivision, with the required installation of intermittent fire hydrants and interconnection back into the Leeds system at the lower end. An ensuing discussion from those present of major proportions, including a lengthy recitation of the provisions of the original 1923 decree on the spring with accusations being made of wrong-doing by the Board, indicated that there was a gross misunderstanding by some of those present as to just what was involved. Some seemed to feel that the Dixie Cove people had been assured that an agreement with LDWA was assured. When it was finally explained that this whole thing was preliminary and that nothing could be done in furthering it until it was approved by a stockholders' vote, matters quieted down and Mark Ludlow finished his presentation, which included a recitation of at least some of the advantages and the disadvantages of such an agreement.

George Foulds detailed the proposed plans for betterments to the system in the coming year. The only item definitely proposed and included in the budget in repair and maintenance will be the replumbing of the steel tanks to prevent water stagnation in the big tank and to be able to isolate the two tanks for maintenance and repair purposes. It was pointed out that this work is almost a "must" in the hopes that it will prevent repetition of the contamination problem which surfaced during the past summer. Other items which are important but which

Annual Stockholders Meeting, February 1, 1982, continued.

could not be accomplished unless the financial situation improves greatly are: (1) Replacement of the Frank Allen line, (2) elevate the 4" line at the creek crossing, (3) sandblast and paint inside and out the steel tanks, (4) insulate the steel tanks, (5) purchase additional water meters, (6) finish covering the concrete tank with earth, and (7) cover the bare spots in the 4" steel line coming from the spring. If all of these optional items were to be accomplished, the cost would be in the vicinity of \$24,000.00. At this point there was further discussion as to how the Association would be able to meet its financial obligations during the coming year from income that is in prospect. Importance was again placed on the sale of new taps and also the advantageous sale of the 16+ acres in Conley fields which was part of the McMullin water package.

The last item of business was the election of two Board members to replace George Foulds and John Seiler, account their terms expiring. On specific inquiry, each of them indicated that their personal circumstances would prevent their being a candidate for reelection. Three nominations were made, i.e., Fred Friese, Elmer Carr and LaMar Sullivan. On motion, the nominations were closed at this point. Ballots were passed out (one for each share of stock held by those present) and request made for an indication of the feeling of the stockholders with regard to the Dixie Cove water proposition. The judges were Bill Schweer, indicating the votes, Katherine Foulds and Charlotte Seiler recording them, and John Seiler tabulating on the blackboard. The election results were as follows: Fred Friese 19, Elmer Carr 29, LaMar Sullivan 14, resulting in the election of Elmer Carr and Fred Friese to fill the Board vacancies. The Dixie Cove proposition vote resulted in 9 no and 2 yes.

On motion, George Foulds adjourned the meeting at 9:45 p.m.

At an after-meeting of the new Board, Mark Ludlow moved that Elmer Carr be appointed as President of the Board, which was unanimously approved. Ray Beal moved that Mark Ludlow remain as Vice-President, which was unanimously approved. It was also unanimously approved that the regular monthly meeting would be held on the 2nd Tuesday of the month instead of the 3rd Tuesday as now.

Meeting of the Board of Directors of the Leeds Domestic Waterusers's Association, held Tuesday, 09 February 1982, at 8:00 p.m.

Present: President Elmer R. Carr, Mark Ludlow, Ray Beal, Dave Hudson and Fred Friese

The minutes of the previous meeting were presented, and on motion of Mark Ludlow, seconded by Ray Beal, were approved as written. Inquiry was made as to the status of the annual water use report. It was reported that the report had been completed and sent in to the State Engineer.

Ray Beal noted that because of the election and changes in the membership of the Board, he had not yet contacted Mr. Keller with regard to his interest in the purchase of the 16+ acres in Conley fields. This matter will be progressed at an early date. The Secretary reported the results of Lane Wilcken and some of his associates making an appraisal on the property. It was reported that without water the value would be rather insignificant, ~~XXX~~ ~~XXXXXX~~ possibly a maximum of \$2,500.00 an acre, but with water (either irrigation or culinary or both) the value would be greatly enhanced, depending on the amount of water made available, actually many times the dry ground appraisal. The natural lay of the ground is almost ideal for subdivision-type development as very little would have to be done in the way of grading.

The financial report for the preceding period was considered, and on motion of Dave Hudson, seconded by Mark Ludlow, was approved.

The Secretary explained to the degree that it was explained to him, the method of assessing power charges by U.P.&L. for the operation of the well. In the past Cal-Pac has been charging on a monthly basis, which during most months is the minimum charge of \$140+; U.P.&L. will consider the matter on an annual basis, which will thus significantly reduce the charges for power, in that billing will be made for the actual power used without regard to the monthly minimum and at the end of a year the account will be balanced. It is noteworthy that the minimum monthly payment arrangement will have run its course in May 1982.

The Secretary reported the visit made by Murray Webb, wherein he left blueprints of the proposed water line to Dixie Cove Estates, and the later visit with Bill Bain (managing partner for Dixie Cove Estates) and Steve Creamer. The visit with Bain and Creamer brought out that it was the intention all along of the developer to pay the \$2500 per connection charge for each of the 28 lots when they were sold, in addition to the granting of the 80 acre feet of water to be transferred from the Dixie Cove well to LDWA well. The possibility of the developer paying some front money in the area of pre-paying 10 taps was discussed, and Bain indicated he felt this could be accomplished but it would be necessary for him to discuss the matter with his partner before it could be committed. He will write a letter amending his original letter if this latter matter can be accomplished.

The various items that need doing were discussed, the most compelling of which would be the re-plumbing of the service to and from the steel tanks in order to accomplish water circulation in the 60,000-gallon tank. It was felt that an inspection of as much of the water system as possible at this time of year should be made so the new Board members can become familiarized. It was decided that the inspection would be made on Saturday afternoon.

Pete Carr inquired as to the existence of any drawings which may locate the pipeline from the spring to the splitter box where the two systems divide, and the Secretary indicated he felt there was such a print and he would look for it.

Fred Friese noted that Frank Allen had indicated displeasure over the fact that nothing has as yet been done with his water service improvement, but it was explained that this could not be accomplished until there was money available to do it and there were other areas of need, i.e., the McMullin payments and the re-plumbing of the steel tanks, that must take precedence. The urgency of the Allen situation was recognized and it will be accomplished at the first opportunity.

The possibility of the requirement to replace the pump at the well with a much larger capacity device was discussed, and the Secretary noted that the forms for proving up on the water seemed to be moving along through the channels on the basis of no new pump being mandated. If these "proving up" papers continue along the processing route as it now appears that they will, the replacement of the pump will not be necessary for the acquisition of the 0.50 cfs well right.

Adjourned: 9:15 p.m.

Meeting of the Board of Directors of the Leeds Domestic Waterusers Association, held Tuesday, March 9, 1982, at 8:00 p.m.

Present: President Elmer R. Carr, Ray Beal, Dave Hudson and Fred Friese

The minutes of the preceding meeting were considered, and on motion of Dave Hudson, seconded by Fred Friese, were approved as written.

The financial report for the previous period was presented, and on motion of Ray Beal, seconded by Dave Hudson, was approved.

The proposed requirement of the State Board of Health for certification of all public water system operators was discussed. A letter sent by the Silver Reef Special Service District, addressing the subject, was read and the letter of explanation directed to the Association was handed to a Board member with a request that it be read and passed along so that all could become familiar with it. Anticipating that public hearings would be called on this matter, no action was requested on the part of the Association for the present.

The log of activities for the past month was detailed, as follows: (1) Inspection of water system, Feb. 13th; (2) Feb. 15, flushed fire hydrants all through the town, then checked measurements at the concrete tank; (3) Feb. 16th, replacement samples taken and carried to Cedar City lab; (4) Feb. 17th, second replacement sample taken and carried to Cedar lab; (5) Feb. 27th, covered exposed water line just beyond Mormon point; (6) Mar. 1st, installed 4" PVC line from about 40' between the old bypass valving system below the steel tanks so that the line can be flushed and empty into Leeds Creek; did excavation in vicinity of steel tanks so that definite plans can be laid on revising the plumbing to bring about water circulation and ability to isolate the steel tanks; (7) March 2nd, regular samples taken; (8) March 8th, received report of sample taken Feb. 25th by Southwest District at Ludlows; it was satisfactory.

An official proposal has been received from Bill Bain, managing partner of Dixie Cove Estates subdivision, which in substance requests water to be furnished through the Leeds pipeline from the well to the cement tank and then in his (Bain's) pipeline to serve a potential of 28 households in the Dixie Cove subdivision. It was felt that a meeting of the Board and other interested townspeople should be had with Bill Bain and possibly Steve Creamer to confirm the content of the letter and get answers to other questions which may come up in the meantime.

The secretary reported that Vere McMullin was willing to sell 6 3/4 shares of irrigation water (3 shares of B water and 3 3/4 shares of A water). With this specific information, Lane Wilcken appraised the water value as \$3,000.00 for the 3 shares of B water, and \$18,750.00 for the 3 3/4 shares of A water. Ray Beal reported his contact with Mr. Keller, who had at one time indicated an interest in purchasing the property, who informed Ray that he had no interest in the property without water and it was his feeling that Vere wanted too much money for the water offered.

Pete Carr noted that there were some boulders in locations in the vicinity of the steel tanks that would have to be moved to enable the trenching to be done and he advised he would take his Jeep with the winch on it and move the rocks.

Adjourned: 9:25 p.m.

Proceedings of a Special Meeting to consider an offer made by William Bain of Dixie Cove Estates to the Leeds Domestic Waterusers Association for the acquisition of culinary water from the LDWA system to serve a potential of 28 connections at Dixie Cove Estates. The meeting was held March 19, 1982 at 6:00 p.m. at the Forsha residence.

Those present were: Of the LDWA Board, President Elmer R. Carr, Mark Ludlow and Fred Friese; George Foulds, immediate past president of LDWA, and John Seiler, immediate past board member; June M. Forsha, secretary; William W. Schweer and Ross C. Savage, past presidents of the Board and concerned citizens of Leeds and presently chairman and member of Leeds Planning Commission; William Bain, developer of Dixie Cove Estates; and Steve Creamer, Washington County engineer.

In that correspondence had been directed to June Forsha and previous personal contacts had been made with George Foulds, John Seiler and June Forsha by Steve Creamer, Murray Webb and William Bain, Forsha briefly reviewed the history of the contacts and reported on his recollections of the understandings beyond information contained in the correspondence, substantially as follows:

Dixie Cove will construct an 8" PVC line from the concrete fire tank of LDWA to a point where the line intersects the road to Conley fields and a 6" line south of that point to the steel tanks at Dixie Cove development. The line would be built and paid for by Dixie Cove and would become the property of Dixie Cove with the obligation of maintenance. LDWA would be authorized to serve the 16+ acres it owns in Conley fields with culinary water from this line, should circumstances so develop. It was understood initially that Dixie Cove would build a connection from their pipeline into the existing Leeds service on Main Street, which arrangement was not included in the most recent correspondence, as it turned out that this was a misunderstanding. The importance of this cross-connect was discounted, however, in the minds of LDWA for the reason that cross-connections between the west side and east side water mains along Main Street are already in place. It is further understood that no monthly charge would be assessed Dixie Cove until such time as water was actually connected to households in the subdivision, at which time LDWA would receive payment for each of the actual connections on the same basis as residents of Leeds proper. The 10 hookups for which payment of \$25,000.00 would be made at the outset would be the first ones assigned, and beyond that point each additional hookup would be paid for at \$2,500.00, with all other obligations being the same as for the original ten.

Bill Bain indicated that he was agreeable to all of the features delineated above but it was really his understanding that he would deed to LDWA the 8" water line and that an 8" tee and valving would be installed at the end of the 8" installation so that a line could be built to cross-connect with the Main Street system if this was at any future time desired.

On the question of the possibility of others desiring to connect to this system, whether it be on the 8" line or the 6" line, it would be Bain's desire that he be allowed to recoup some of his costs of the installation and hopefully eventually to assume one third of the cost with the possibility of two thirds being paid by others who could use the system. Color Country (LaVarr Webb) is presently in negotiations with Bain on such an arrangement. It was the definite commitment, however, that LDWA would have use of the line for its property without additional payment.

Steve Creamer hoped that LDWA would assume ownership of the entire system and really that practical purposes would be better served if substantially all of the property south of Silver Reef to and including Dixie Cove and east to but not including the county frontage road paralleling the north-bound lanes of I-15 were annexed to the town of Leeds. This would include the 5-M mining property, Conley fields, Color Country, and the intervening BLM land, in addition to that portion of the Bonanza Flat area between the town limits and 5-M property. Bill Bain indicated that he would heartily endorse this arrangement and felt it would be a "plus" for all those concerned. Others present felt the desirability of such an arrangement but recognized some problems, particularly with construction of streets up to the subdivision ordinance standards of the town as concerns Conley fields and Color Country and their environs.

It was recognized that if the stockholders of LDWA approve this matter in principle, it could be concluded by either an annexation process or a separate agreement for water service somewhat along the lines of the Silver Reef arrangement with LDWA, and in any event would require the advice and services of LDWA attorney John Palmer.

Further suggestions and refinements were substantially as follows: If Color Country eventually participated, it would be expected that they too would transfer an agreed amount of well right to LDWA. An installation of some sort would be necessary at Dixie Cove storage tanks or at some intermediate point along the line to handle any excess water pressure problems, in that there is a significant difference in elevation of LDWA concrete tank and the Dixie Cove storage tanks. Steve Creamer further explained that there would be several valves installed along the line to facilitate any repairs or additional service connection installations, thus eliminating the possibility of excessive water waste from the LDWA tank.

It was anticipated that LDWA would furnish residential hookup meters for the Dixie Cove connections but the actual installation would be done by Dixie Cove. Bill Bain assured that assuming it would take 45-60 days to finalize this arrangement, if the decision was favorable, that he would have the \$25,000.00 up-front payment so there would be no delay in this regard. The "lot sale" statement made in his letter was to make it unnecessary for him to borrow the money at excessive interest unless it was absolutely required. He felt that the sale of one lot was practically imminent when the assurance of quality culinary water was made.

Ross Savage expressed concern over getting the commitments on water from the LDWA over extended in the event that the well pumping might affect some prior water rights in the area. It was agreed that such an eventuality would be most undesirable and most felt that it would be improbable for the reason of assurances given by Bryce Montgomery that the LDWA well water body was not connected with springs or underground water below, coupled with the experience of having pumped the LDWA well for approximately five months during the extreme dry year several years ago and the constancy of the water level which was maintained in the well. Steve Creamer suggested that there would still be a potential solution to this "unlikely" problem by mixing Dixie Cove well water with LDWA water, which mix would pass state health standards on a 2 part Dixie Cove to 1 part Leeds basis. This would, of course, require some further plumbing installation. It was Creamer's opinion that the present pump at LDWA well would be able to supply the needs of everything thus far

discussed, even possibly the Color Country addition by "fudging" a little in the latter case.

The Water Board members and others discussed methods by which the matter could best be presented to LDWA stockholders, varying from a personal contact with each stockholder for explanation and vote to the calling of a stockholders meeting on the usual basis where proxy votes are not permitted. It was determined that the issuing limitation of ten taps per year should be continued and that all additional taps, including the Color Country, Conley fields and any other connections, except LDWA property, would be paid for on the basis of \$2,500.00 per connection and be included in the 10 tap yearly limitation.

The Board members decided on a meeting at approximately 3:00 p.m., March 20th, to consider all of the foregoing and make plans for moving the matter along. This arrangement was agreeable to all present and the Secretary was instructed to make a record of these proceedings and keep all concerned currently advised.

Meeting adjourned: 7:15 p.m.

Meeting of the Board of Directors of the Leeds Domestic Waterusers Association, held Saturday, March 20, 1982, at 3:15 p.m.

Present: President Elmer R. Carr, Mark Ludlow, Ray Beal and Fred Friese. Also present was Bill Schweer.

This meeting was sort of a follow-up meeting to that which was held last night with a quorum of the Water Board and members of the Planning Commission and the previous Water Board, to talk over items which had been raised and questions answered by Mr. Bain and Mr. Creamer, regarding the proposal of the Dixie Cove Estates.

Many questions were raised, i.e., will Dixie Cove storage facilities be adequate, who will replace inoperative water meters, will the proposal of Dixie Cove Estates mean the transportation of their (Dixie Cove) water through the Leeds system to the point of take-off or otherwise, what about the matter of actual annexation, etc. It was concluded that first of all the Planning Commission would have to consider the matter of annexation and make recommendations to the Town Board. After this matter has been resolved, then the Water Board would determine how to present the case to the stockholders. In the meantime, Elmer Carr, Board president, will contact John Palmer about various items with regard to legality, etc.

Adjourned: 4:30 p.m.

March 30, 1982

TO ALL LEEDS DOMESTIC WATERUSERS ASSOCIATION SHAREHOLDERS:

At the annual Leeds Domestic Waterusers Association stockholders meeting held Monday, February 1, 1982, the budget for the coming year was presented with the explanation that the sale of additional water taps of ten (10) for the coming year, at a monetary value of \$25,000.00, was very much in doubt since none had been sold since September of 1981, and those on the waiting list, after being contacted, had not bought any. This leaves the September 1, 1982 payment of approximately \$10,000.00 on the McMullin contract in the possibility of being in arrears.

Subsequently it was announced that an offer had been made by Dixie Cove Estates, a real estate development in the Harrisburg area, for the use of the LDWA well and a connecting pipeline for servicing this development. The offer was amended by their letter of March 1, 1982, to read partially as follows:

"Dixie Cove Estates will install, at their expense, approximately 6300 feet of 8 inch waterline and 9400 feet of 6 inch waterline to service 28 homesites of five acres or more each.

"Dixie Cove Estates will transfer 80 acre feet of well permit to the LDWA from their presently approved well permit.

"Dixie Cove Estates will commit to a regular hookup for each lot in the project (\$2,500.00 each) at time of construction. Dixie Cove Estates will through the sale of a lot prepay for 10 connections (\$25,000.00) which we will recover from the sale of lots at a later date.

"Dixie Cove Estates will commit 50,000 gallons of storage to this water in tanks presently installed."

As there is no indication that we will sell any of our water taps at \$2,500.00, there will be a shortage of funds in reserve to make the September payment on the McMullin contract. Although there are funds in a money market certificate and by cashing in this certificate the September payment could be made, no reserve money would then be available for any emergency that might arise, such as a major break in any Leeds water line.

This leaves only three alternative positions left in order to avoid default on our debt payment. They are:

First: Take the offer of Dixie Cove Estates and contract with them for the use of our well and pipe to their connection as they request, under a firmly drawn contract clearly outlining the conditions of the agreement.

The advantages of this would be:

A. Immediately upon signature of the contract it would put \$25,000.00 in the LDWA's bank account, thus providing funds to make two payments on the McMullin contract plus an additional \$5,000.00 reserve.

B. The transfer of 80 acre feet of water well permit would mean the addition of approximately 53 water taps of 40,000 gallons each to the LDWA water system, less of course the eventual use of 28 of these taps by the Dixie Cove Estates, or an ultimate increase of 25 taps to the system. These taps would be at the current rate of 40,000 gallons per month per tap.

C. Under the terms of the contract which, by advice of our attorney, we would sign, the water concerned would not be any of our water but would be theirs, only transferred to our system. They would be paying for using our well and some of our pipeline for their water, the payment being 25 water taps, plus the connection fees of \$2,500.00 each, plus payment of the monthly LDWA rate whatever it might be. Also they would be responsible for their own system and all connecting, maintenance, billing, etc. that would be necessary when they sold their lots and the buyers started building. We would not be selling any water to any customer outside the city limits of Leeds.

D. The running of an 8 inch waterline through the Conley field area could greatly increase the value of the 16 acres of land transferred to the LDWA at the time of the McMullin sale. This would make the property much more marketable than it is at present without any water. The 8 inch line was proposed for this use, and that, too, would be included in the Dixie Cove contract.

The disadvantages that might occur could be:

A. Should the Dixie Cove Estates fail to sell the lots and also therefore the water taps, in the next year's time we would be in a similar position as we are now, except that it would be within one and one-half years and three payments of the settlement of the McMullin contract.

B. There would be a question, which would be brought up at the required public hearing, on the transfer of their well permit to our well and that it might affect the water table in our well area, thus having an effect on the prior water rights of others in the same area. The State Geologist on the Utah State Water Resources Board, however, is of the opinion that this would not be so with this amount of additional water use only.

C. It might open up the request of other developers, to ask for LDWA to supply them with water. This could only be handled on a case-by-case basis and, if the conditions were the same, only the well capacity of our well would make any more such actions possible.

Second: The second alternative to make possible the completion of the payments on the McMullin contract would be to immediately increase the monthly use rate to all existing water tap holders from \$12.00 per month to \$30.00 per month per tap until the obligation is paid off. Of course, upon sale of any additional water taps, or of all the required number of taps available at \$2,500.00 each, this would reduce the increased rate and eventually return all the extra funds paid to the shareholders. A fair method of making this return would have to be worked out.

Third: A possible third alternative would be to borrow the money on the open market to make the payments, but at the present interest rate of approximately 20 percent per annum, and since we are paying McMullins 8 percent per annum, this would be completely impractical.

Fourth: Lastly, it has been suggested that Leeds Town annex the whole area affected, but too many complications would arise and no benefits could possibly be obtained by Leeds so doing at this time. Therefore, this has been turned down by the Leeds Town officials.

Why is Dixie Cove Estates wanting to make this arrangement with LDWA when they already have a well permit for 163.2 acre feet of water? The reason is that the water from their well, which has already been drilled and tested, contains a greater number of sulfates than the Utah Health Department allows for domestic drinking water. To treat this water to bring it up to State Health standards would require a complex reverse osmosis process, which both Washington County and of course Dixie Cove Estates would like to avoid. But Dixie Cove Estates will and can build such a system if they do not make an agreement with Leeds.

We have heard suggestions that in these trying circumstances we should go to the McMullins and request that they adjust their requirements as to the terms of the contract to make it possible for LDWA to default on such payments as might be necessary and make less than contract payments (possibly just interest) until conditions again permit reverting to contract terms. Your Board strongly disfavors this approach as an unjust advantage being taken of neighbors and friends. We have a legal and binding contract with obligations of both parties specifically spelled out. We have passed the stipulated two-year cancellation provision period, and thus have no legal way out other than to abide by the terms of this contract. The present situation was entirely unanticipated. Thus no one is to blame. However, this fact does not alter the legal and binding obligation of the Association. Either of the two methods suggested in the foregoing will, it is felt, satisfy the contract requirements, one relatively painless but containing some minor risks, the other somewhat less than painless. If anyone has in mind other alternatives which will still satisfy the contract requirements, these are earnestly solicited by your Board.

Therefore, in light of the facts above, we the LDWA Board, are calling a shareholders meeting on April 12, 1982, at 8:00 p.m. in the Leeds Fire Department building to consider this situation and bring it to a vote.

We were very disappointed at the small number of shareholders at the February 1st meeting of the Association. We hope that at least a majority will appear at this meeting because it can and will affect us all financially.

LEEDS DOMESTIC WATERUSERS ASSOCIATION BOARD
OF DIRECTORS

Glenn Ray Beal
Elmer R. Carr
Fred R. Finney
Dave Hudson
Orville Walcott

Robert Woods, Bill Hall and Merlin Sullivan. Assignments will be made to have these meters specifically checked with the view of changing them out in the event such should be necessary.

Carl Seierup noted that he had met recently with a representative of the League of Cities and Towns in his capacity as Mayor and had been advised that there was a possibility that a block grant could be received which would pay a substantial portion of the cost of renovating the steel tanks (sand blasting and refinishing). There would need to be some special handling given the case, but it was anticipated that the portion of the cost which should be paid by the Association would be approximately 10% of the cost of the job. It was moved by Russell Peine to authorize the use of up to \$1,000.00 as the Association share of such renovation and Carl Seierup will progress the matter further. This was seconded by Lamar Sullivan and unanimously approved.

President Beal noted that Bill Schweer had talked to John Palmer in the matter of conveyance of title to a portion of the land and water being purchased from Veir and Evelyn McMullin. The lawyer recommended that a deed be made and recorded at this time conveying 2/5 of the water and land, and that three additional deeds be prepared, each conveying 1/5 of the land and water to be placed in escrow, to be released (one per year) after each annual payment is completed, until such time as the contract has been fully completed. The question yet to be resolved would be the matter of what the McMullins' attitude would be in the event of a default on any future payments. It appears that the contract provides for a process of foreclosure, but it was planned that the McMullins will be contacted and the matter will be discussed. It was noted that the amount yet due on the contract was \$43,909.54, and it was later determined that that amount was before interest accumulations were added. President Beal was later informed that with interest the amount would be \$49,316.40..

The Secretary reported that he had advised Bill Bain of Dixie Cove Estates and Engineer Steve Creamer that the proposal received from them had been turned down by the stockholders at a meeting called for the purpose of voting on the matter. The Secretary was later contacted by Creamer, wondering what could have gone wrong as it seemed like such an ideal situation to solve problems, not only confronting Dixie Cove but also LDWA. A brief explanation was made, after which Creamer wondered if the purchase of the property being purchased in connection with the water by LDWA, with authorization for water connections, would change the picture any in that the County simply did not want a reverse osmosis water system if there was anything that could be done to avoid it. After some discussion, it was decided that Creamer would approach Bill Bain on the basis of purchasing the 16+ acres with commitments as needed for eight water connections for a price of \$50,000.00 for the land and \$2500.00 for each water connection when needed to be added to the original proposal which was declined by the stockholders. No response to this added matter had been received up to this time, but it was requested that when an answer was received, it be passed on to the Board members for consideration.

Other miscellaneous items were discussed, i.e., various thoughts on the possible sale of additional water connections, the running of an 8" line from Main Street to the LDWA property in the event annexation could be accomplished, the source for the purchase of water meters (consideration will be given to the purchase of Corad meters same as used by Silver Reef). This will be checked with George Foulds before anything definite is done.

Adjourned: 10:00 p.m.

Minutes of a Joint Meeting of the Board of the Leeds Domestic Waterusers Association and the Town Board of the Town of Leeds was held Tuesday, May 11, 1982, to conduct the business of selecting a Secretary of LDWA and a Clerk for the Town (same person), to replace June M. Forsha, resigned, and other items of joint interest.

Present: President Ray Beal, Lamar Sullivan and Russell Peine of the LDWA Board; Mayor Carl Seierup (also a member of the LDWA Board), Wilma Beal, Bailey Muir and Don Fawson of the Leeds Town Board.

It was noted that requests had been received from Louise and Eldon Stirling and from Lorna Muir to be appointed Association secretary and Town Clerk. In that two requests were received, it was decided to conduct a secret ballot, which was done, with the following results: Louise and Eldon Stirling, 3 votes; Lorna Muir, 4 votes. In view of the balloting results, a call was made to Lorna Muir to come to the meeting and assignment was made to notify Eldon and Louise Stirling of the results of the balloting.

June M. Forsha noted that in the first three years of being Association Secretary and Town Clerk, the two typewriters which were the personal property of the Secretary broke down through use on Association and Town business, at which time approval was given to buy the present electric typewriter. A request was made that, in view of the appointment of a new Secretary and Clerk, the approval be given to have these personal typewriters repaired at the expense of the Town and the Association on a 50/50 basis. This approval was given, and it was anticipated that the total expense will be less than \$100.00.

LEEDS DOMESTIC WATER USERS ASSN.

"PURE MOUNTAIN SPRING WATER"

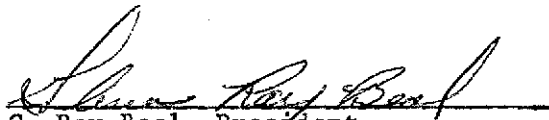
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May 31, 1982

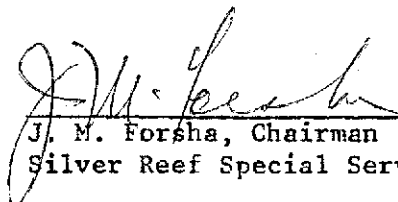
*add to
minutes*

Silver Reef Special Service District

It is agreed that in exchange for the 3" Clayton pressure regulating valve which was the property of the Silver Reef Special Service District, formerly used for maintaining pressure in the Silver Reef water system and now installed in the manhole adjacent to the concrete storage tank of LDWA to regulate and increase the flow of water into the storage tank, the Leeds Domestic Waterusers Association does convey to the Silver Reef Special Service District in complete settlement for the Clayton valve the table lamp, the steno-grapher's chair, and the Aceliner stapler which have been the property of the Leeds Domestic Waterusers Association.


G. Ray Beal, President
Leeds Domestic Waterusers Association

Accepted by:


J. M. Forsha, Chairman
Silver Reef Special Service District

The regular monthly meeting of the Leeds Water Users Association was held on June 8, 1982 at 8:00 PM. The meeting was called to order by president Ray Beal.

Some of the meters are not working properly and must be checked. Those scheduled for checking this week are Fred Freise, Roger Mauer, Bill Hall, Merlin Sullivan, Sheril Kimball and Robert Wood. It has been decided the Merlin Sullivan meter has been running backward.

The Health Department will be in town on Monday, June 14, 1982 to meet with the Mayor and George Foulds concerning the block grant to be used for repairs and sand-blasting of the water tank.

The safety deposit box at Heritage Savings and Loan will be shared with the Town. We will pay one half the rent (\$10.00 per year) which is \$5.00.

A motion was made by LaMar Sullivan and Seconded by Russel Peine that the wages for the secretary be increased from \$75.00 per month to \$100.00. It passed unanimously. The increase will begin with the June, 1982 wage.

A map of the entire valve system for the water system was shown by Ray Beal. LaMar Sullivan will have copies made for each member of the water board, and one will be kept in file.

The map of the McMullin property will be taken to have the legal description made into five equal lots, beginning at the NE boundary line. A plat map will be requested dividing the property into the five portions.

The payment soon due to Vere and Evelyn McMullin was discussed. It was suggested that interest only be paid. We will wait to see if the variance by the planning commission and Town Board will be made changing the two acre building stipulation.

It was voted that we will make the September payment.

A motion was made by Russel Peine and Seconded by LaMar Sullivan to advertise in the local news papers that water taps are now available. Lorna Muir put the ad in the Spectrum and the Washington County News.

Chlorination of the tanks has been completed by George Foulds and Ray Beal.

Motion to adjourn was made by John Hudson and seconded by Russell Peine.

Meeting was adjourned at 9:30PM.

Leeds Water Board
July 13, 1982
Meeting began at 8:45 PM

The meeting was called to order by President Ray Beal. Members in attendance were Carl Seierup, LaMar Sullivan and President Ray Beal. The minutes of the previous meeting were reviewed and approved. The financial statement was also approved.

Only two responses have been received from the advertisements in the papers for the availability of town water taps. They were not from qualified people.

Loren Lee was present to request approval for his annexation of 13.5 acres to the city. He will need three taps. He now has buyers for the three lots that will be created. Three taps will be held available for him to be used before December 1982.

Lee will run a 6 inch water line ⁶⁴⁴ 409 feet from Don Fawson's property line to accomodate the 13 acres. This will be deeded to the Water Association.

A home will be built on the middle lot and will buy a tap as soon as the annexation and re-zoning have taken place.

Motion was made and passed to accept Mr. Lees proposal for water lines under stipulations between LDWA and Subdivision developers, as stated in minutes of March 1981.

There is to be a \$200.00 connection fee as well as the \$2,500.00 tap fee. This is payable at the time the building permit is purchased.

Mr. Lee also asked for permission to install the water and power lines in the same trench to cut down on cost of digging a separate trench. It was noted that the power company will lay the power line and putting the two lines in one trench is general practice. Ray Beal will look into the details of this and report at the next regular meeting.

It was discussed whether or not all lots should share the cost of the new line and was decided the \$200.00 fee, which is charged to all new building permit purchases, will take care of that cost.

Percolation tests have been run and are on record in Mr. Labrum's office at the State Health Department.

No more than 10 taps will be sold to one person at a time.

LaMar Sullivan presented the descriptions of the lots of Vere McMullin property to Ray Beal. Ray will review them. They will need the surveyor's seal and then can be typed on deeds and presented to Mr. McMullin for his approval and signature.

Meeting was adjourned.

LEEDS WATER BOARD

August 13, 1982
Meeting began 8:15

The August Meeting of the Leeds Domestic Water Users Association was called to order by President Ray Beal. Members present were Dave Hudson, LaMar Sullivan, Russell Peine and Carl Seierup. The meeting for this month was held on Friday so that all members could be present..

The Minutes were approved as presented. The Financial Report was also approved.

There is a serious problem with contamination in the water. The last sample report was not good. Measures must be taken as soon as possible to correct this problem. The problem seems to be coming from the splitter box and LDWA will share the costs with Silver Reef for Chlorination of the tanks and lines.. Dave Hudson will talk with Mr. Foulds to see what can be done at the splitter box, or wherever the problem is coming from. The corrections need to be done before the chlorination is done.

It has been brought to the boards attention that we need to replenish the supply of water meters as well as spare parts for repairing the meters we have and are using. Russ Peine will check on prices for meters that can be rebuilt and report at the next meeting.

We have a grant of \$8,965.00 for sandblasting and painting the water tanks. The beginning contract is for \$9,950.00. Carl Seierup presented a contract agreement for the board to review. John Williams will advise us in this matter.

The plat map and Warranty Deeds for the Vere McMullin property was brought back. It has been divided into 5 equal portions. They were prepared by Feral Campbell, a registered land surveyor of Utah. We would like the deeds placed in Escrow and be released at the time of payment.

Ray Beal will investigate the proposal of selling the ground with water. He will ask Lane Wilkin for an appraisal of this property.

A letter of appreciation will be sent to Feral Campbell for the work he did on the plat map and deeds. He did this work for us at no charge. A token of appreciation will be sent in December.

The meeting was adjourned.

LEEDS DOMESTIC WATER USERS ASSOCIATION
September 17, 1982
8:20

The regular meeting of the Leeds Water Board was called to order by President Ray Beal. Members present were LaMar Sullivan, David Hudson, Russell Peine.

The minutes were approved as presented. The financial report will be reviewed at the next regular meeting.

Ray Beal presented to the board the agreement for sand blasting the water tanks. This project will be brought up at the next meeting. It was also brought up that the tanks and well need to be prepared for winter.

Two taps needed attention. Blanche Eastman and Joann Hafen.. These will be checked out by Russ Peine.

The meter at the new home of Carl Howard needs to be installed. Eldon Stirling will install it when the board has everything ready. Ray and Russ will assist.

Ray stated that Bill Schweer is willing to buy two taps now to assist us with our financial problems and sell the taps back to us when we are out of debt. The Board will wait and see if this will be needed.

Mr. & Mrs. Vere McMullin have signed the deeds to the property and three of those will be recorded on Monday, October 4, 1982. The other two deeds will be taken to Southern Utah Title Company to be held by them until the next payments have been made and those parcels have been paid off. The McMullins were happy with the division of the property.

Gloria Gubler has asked the water board if she can purchase a tap on a time payment plan. The present way to purchase a tap is ninety days to pay in full after a \$100.00 deposit has been made. Ray will contact Gloria and have her meet with the board to set up a contract stating down payment and monthly payments.

The December payments were discussed again and different ways were discussed to raise the money for them. At this period of time the company will be out of money. A motion was made by Russell Peine and seconded by Dave Hudson that we begin to look for a sale of the land and water that we purchased from Vere McMullin. A stockholders meeting will be called for and this plan presented to them. Other things to be presented at this meeting will be:

- a. Financial Statement
- b. Appraisal of the land and water
- c. Amount still owing to McMullin
- d. Do we sell what we have purchased?
- e. If we sell this water, how many taps will we still have left?
- f. Amount of taps from Vere McMullin property was set at 52 taps.

George Foulds repaired the pipe at the splitter box this month and Ray Beal replaced the meter at the old Miller home just below the home of Russell Peine.

Our next meeting we will prepare an agenda for the Stockholders meeting. Board meetings will be held on the second Friday of each month until further notice.

Meeting was adjourned at 10:00

October 1, 1982

A special meeting of the LDWA was called to order by president Ray Beal with LaMar Sullivan, Russ Peine, Dave Hudson and Carl Seierup present. Also present at the request of President Beal were Vere McMullin, Ross Savage, Pete Carr and Bill Schweeer.

The purpose of this special meeting was to discuss a letter received from the attorney for W.G. Baines. He made a request for water service that was denied by the water board at a previous time and is now threatening suit if that request is not granted.

Mr. Bain claims ownership of 17 shares of primary water and 12 $\frac{1}{2}$ shares secondary water in the Leeds Irrigation Company.

According to Mr. Savage, all water for Harrisburg was sold and deeded many years ago. The water was transferred and certificates issued to residents of Leeds.

No one has lived in Harrisburg area for forty years.

An appointment will be made with John Palmer for Wednesday, October 6, 1982. Ross Savage will prepare information he has on the previous transfers to present to Mr. Palmer.

Also discussed was the need for an agend of things that need to be done on a regular basis to maintain the pumps, wells and line. Ray Beal made a request that the previous members of the board provide this information for the present board.

Meeting was adjourned with the next meeting scheduled for the third Friday of October. All meetings will be held on Friday so that all memebers can be present.

Submitted by Lorna Muir, Secretary.

October 19, 1982
Leeds Water Users Association

Regular meeting of the LDWA was held with President Ray Beal presiding. Members present were LaMar Sullivan, Dave Hudson, Carl Seierup.

Minutes were accepted as written. The Financial Statement was also accepted.

The meter at Blanche Eastmans home has been changed. The well has been checked and the pump was run. The well, pump, etc., will need to be winterized. Bill Schweer, Russ Peine and LaMar Sullivan will take care of this.

A report on the meeting with Attorney John Palmer was given. He was not sure of exactly what Mr. Baine was asking for and called Mr. Baines attorney. It doesn't appear to be culinary water taht is being requested. We will wait for Mr. Baines to make the next move. He will have to prove his ownership of any water shares.

Gloria Gubler must check and see if she is within the city limits before a tap can be sold to her. Other taps requested for sale were Bill Schweer, 2 taps, Ross Savage, 1 tap and Max Moffitt, 1 tap. Mr. Moffitt has sent \$500.00 down payment for his tap and will send monthly payments for eleven more months.

The blasting contract for the water tanks will be let in mid November. We do not have the \$,000.00 to give toward the contract. \$8,500.00 is the amount of the grant, so cost must be kept within that figure. If the grant will put us under any obligation to change our system to a chlorination system, we do not want it.

We have had another bad water sample and follow up samples were sent in. We will have the sample bottles sterilized before the next set is sent. Silver Reef is chlorinating their system today and we may geet some seepage of the chlorine into our system.

We will wait to see how many taps we can sell before we decide whether or not to sell the McMullin ground and water.

The meeting was adjourned.

MINUTES LEEDS DOMESTIC WATER USERS ASSOCIATION
November 13, 1982

The meeting was called to order by President Ray Beal. Those present were Dave Hudson, LaMar Sullivan and Russel Peine.

The minutes were accepted as corrected.

George Foulds and Dave Hudson have winterized the pump. A breather valve needs attention. It is suspected this is where our contamination is coming from. There could be a crack in the pipe or could be a bad valve. A new breather is needed. John Seiler will be asked to help with this project.

Carl Seierup will be instructed to go ahead with the blasting bids for the tanks. A motion was made to put the bids out for blasting two steel water tanks. The tanks must be sterilized afterwards. We must see if the contractor that blasts the tanks will do this or if we will have to do it.

There was no further business.

Meeting was adjourned.