

LEEDS DOMESTIC WATERUSERS ASSOCIATION monthly meeting 8th Janusry 1987

Present: LeRoy Konold, Bob Cuff, Pres. Stan Roberts, V. Pres. Russell Peine, Susan Savage and Louise Stirling.

Conducting: Pres. Stan Roberts

Prayer: Russell Peine

MEETING WITH STATE WATER ENGINEER IN CEDAR CITY: Stan began the meeting by telling the board about a meeting he had attended in Cedar City where the State Water Engineer, Gerald Stoker, had talked. Stoker said at this meeting that as a private company we cannot accumulate water for future growth, that we must be using what water we have or it can be taken away from us. On the other hand a municipality can accumulate water for growth. This man said that in Leeds we have more irrigation water than we have acres to use it on and unless we use it, we could lose it.

MINUTES: Susan made a motion to accept the December minutes, Bob seconded and all approved.

FINANCIAL REPORT: Russell made a motion to accept the financial report, LeRoy seconded, and all approved.

BANK CHANGE: Stan said he had made some inquiries at a couple of local banks, the Williamsburg and the Zions. There are some service charges at Zions but Williamsburg doesn't charge for anything but the printing of the checks we use. At Williamsburg you can write 3 checks per month on a money market account without charge. To recieve interest on a checking account you must keep the balance above \$750.00. Susan suggested that Zions might be the more stable for more years, but it was brought out that Williamsburg is a very large company and is also a stable company for a lot of years. It was decided that a little more checking be done and everyone approved.

TONY BROOKS REQUEST TO BUY A TAP: Stan said he had received a call from aa representative for Tony Brooks. Brooks has property here and wanted to buy a tap even though his move here is some ten years away. Stan asked if the board would approve that type of sale. There was some discussion about selling to someone whose plans are that far down the road. Susan suggested that anyone who has land should be able to obtain water. Stan said he thought we should approve it since the land is in an approved sub-division area. Russ suggested that selling the taps should be on a first come, first served basis, and that it would not be fair to turn someone down who all ready has his land. Susan said that she felt as long as we stick to the

selling plan of no more than 10 taps per year that we are in full control of our water usage. Russ made a motion to accept these ideas and to sell Brooks a tap. Bob seconded, and all approved.

Le Roy asked if money from these kinds of sales would be set aside or just put in the account that we use from. (I don't remember hearing any definite answer to this and I didn't have one written in the minutes.)

Russ said that it looked to him like someone down in Silver Meadows Estates might be pouring footings and asked if anyone in that particular location had bought a building permit or a tap. They hadn't gotten either so Russ and Stan said they would investigate tomorrow. (Later note: They investigated next day and found the people were only clearing off a little of their land.)

LINE ON WEST CENTER TO CUFFS AND COVERING OF PIPE IN IRRIGATION DITCH AT REEF:

Russ asked about the 6 in. line that will be run up as far as Cuffs on West Center Street and also about the repair and covering of the line that runs through the irrigation ditch up at the Reef. He asked if there was any hurry to get those done right away and said he had a couple of things he had to finish and then he would be free to do them. The line that runs through the irrigation ditch is lying right on top of the ground and should be covered with concrete so it won't wash out again. The line on West Center should be done before spring. He asked if a fire hydrant would be needed and was told that probably one would. The line will run to where the cemetery line begins. He suggested getting together tomorrow morning around 9:00 a.m. and taking some measurements and it was agreed to do that.

ANNUAL SHAREHOLDERS NOTICE: The secretary asked what should be put in the annuals shareholders meeting notice as to the business to be conducted. She was instructed to tell the shareholders that the State Water Engineer, Gerald Stoker would be there to talk about the allocating any unused water for the state. The L.D.W.A. would like the shareholders opinions on Commercial Rates and will be instructing shareholders about no longer averaging water gallonage over the number of taps that a shareholder owns and also would like the shareholders to vote on reducing the minimum gallonage to 30,000 in order to acquire money for a larger storage tank, to help with up-keep and up-dating of lines and to be more fair to those people who consistently use less than 20,000 gallons.

RAISE FOR SECRETARY: The board approved a \$15.00 raise for the secretary to be effective the first of January 1987.

Bob motioned to adjourn, LeRoy seconded and all approved.

THE ANNUAL L.D.W.A. SHAREHOLDERS MEETING HELD ON 2nd FEBRUARY 1987.

President Stanley Roberts conducted and called the meeting to order at 8:10 p.m. Prayer was given by Vice President Russell Peine.

President Roberts asked about proof of notice and all stockholders present had received a notice.

The minutes were read by Susan Savage and the shareholders were asked if there were any additions or corrections. Wilma Beal made a motion to accept the minutes as read, Ross Savage seconded and approval was unanimous.

Stan Roberts introduced Gerald Stoker who is an assistant to the State Water Engineer. Stoker told us that people from the Washington County Area had petitioned to have the water rights in the state re-adjudicated. He explained that the water rights system throughout the state were badly outdated. The courts feel the need to re-adjudicate the system. And all ready Stoker and those working with him have located and mapped all the water rights throughout the state. He stated that when they come into a town and revise the water rights that sad things may happen. Our water rights here in Leeds could be limited to the amount of acreage that is being watered. It must be in use in order to keep it. If it is not being used we stand a chance of losing it and this has all ready happened in many towns in our state. The extra water would be given to a municipality. It was asked, if we should be so unfortunate as to lose one fourth of our water, where would it go? Stoker said it would go to whoever is next in line in need of water.

Stoker then said that he needed to go but would answer questions before he left is there were any.

It was asked, if a private company had purchased and paid for their water as we have, how could the state take it away? Stoker did not have a definite answer but said that it could be done and is being done. He said if the water is not used in a five year period then it can be taken.

It was asked if it is possible to lease the extra water to someone to use and so keep it. He thought that might be possible.

He was asked the difference between a private company and a conservancy district. He said a conservancy district is handled similar to a municipality. It was asked if it is possible for a private company to convert to a conservancy district. He thought that was possible. He said another option was to turn unused shares to the water company or the town and then file an intent of use for other purposes.

Someone said it looked like going municipal would solve most of the problems that had been brought up and Stoker said that was probably true.

Mr. Stoker ended his remarks and asked to be excused.

FINANCIAL REPORT: Stan asked the shareholders to look at the financial report that had been passed out and see if they had any question on it. Shirl Kimball asked if L.D.W.A. has liability insurance. He was told there is none. Stan read our accomplishments for 1986. He talked about the testing of water supplies and the terrible costs and said even though many towns were against all the testing it will go into effect in 1990.

He talked about the minimum rates. We have about 30 people who use less than 20,000 gallon consistently and he feels we need to up-date our water charges. Merlin Sullivan felt that the minimum gallonage should not be changed. He felt that because of what the people went through to get it that it should stand.

Shirl Kimball suggested each shareholder be charged a ground cost for using a meter and then add to that the cost of whatever water is used. It was suggested by someone else that when the state comes in to revise our system they will judge us by the master meter usage not by individual meter usage. Russell Peine stated that we would be judged by an all ready set government standard and not so much by the minimum we have set or what we are using. John Seiler said he thought they would go by the amount actually used, so if the town doesn't use it, it may mean losing it.

The comments were mostly against lowering the minimum. The shareholders present suggested leaving it at 40,000 gallon and putting the cost of the new storage on those people moving in who are making the new storage tank necessary.

The cost of the new tank was discussed as it was shown on the budget sheet.

William Schweer asked why we needed more storage and why we needed a million gallon tank? He was not given an answer as Alene Cuff asked why the L.D.W.A. meetings were not held at the town hall so the public could hear and discuss these things so this meeting wouldn't be so long?

Susan Savage explained to the shareholders that some people who use less than 20,000 gallon consistently are only part time residents. She said that if they lived in another community they would be paying more for that amount of water than they do here so she felt they were still getting a pretty good bargain. She feels that we need to do more homework and come up with better figures before we try to do anything about it.

Stan brought up commercial rates and said he felt that we should establish some.

Since the meeting had gotten quite long and people were beginning to leave, June Schweer suggested we have the election and then take up the rest of the business, and her suggestion was accepted.

Stan Roberts opened the floor for nominations.

Vere McMullin nominated Ray Beal, Susan Savage nominated Bob Cuff and he declined, Russell Peine nominated LeRoy Konold, Ray Beal nominated Ross Savage and he declined. Alene Cuff nominated Sheila Hudson and she declined. Ray Beal nominated Bill Schweer and he declined. Wilma Beal made a motion to close the nominations. It was seconded and nominations were closed.

Since there were only two names left on the board, namely, Ray Beal and LeRoy Konold, they were made our new board members.

Before the meeting adjourned Stan asked the people about the master meter bill and they unanimously thought the town should pay the bill.

The meeting was adjourned.

NOTE: New board decided to leave Stan in as president. The other members felt they could not do it justice because of lack of time.

LEEDS DOMESTIC WATERUSERS ASSOCIATION

Statement of Operation of Income and Expense Budget of 1987 and Proposed

	Budget of 1988	
	ACTUAL	PROPOSED
<u>OPERATING <sup>Income</sup> <del>EXPENSE</del></u>	<u>BUDGET 1987</u>	<u>BUDGET 1988</u>
Tap Charges	\$22517.19	\$23000.00
New Tap Purchases	12500.00	10000.00
Interest Earned	1213.39	1500.00
Miscellaneous	<u>1433.80</u>	<u>1100.00</u>
	\$37664.38	<del>\$35600.00</del> 35600.00
 <u>OPERATING EXPENSES:</u>		
Salaries-Offic-Taxes	\$ 3519.54	\$ 4000.00
Professional	2251.00	1500.00
Utilities	63.22	150.00
Repairs and Maintenance	909.17	950.00
Loan Repayments:		
FmHA (86 pymnt pd after 1-1-87)	2072.34	00000.00
(pynt of faith )	550.64	
(complete pymnt)	9323.14	
Utah Water Resources	<u>5100.00</u>	<u>5100.00</u>
	\$23789.05	\$ 5100.00
New Construction	<u>6824.25</u>	
	\$30613.30	\$15000.00
 <u>PROPOSED PROJECTS FOR 1988:</u>		
Sandblasting and repairing tanks (in process)		\$ 5500.00
Re-install master meter and control valve		150.00
Covering the water tank		5000.00
4" line at Creek Crossing		<u>2000.00</u>
		\$12650.00

PRESENT: Susan Savage, Ray Beal, Russell Peine, Stan Roberts and Louise Stirling. LeRoy Konold is away for a few weeks.

Stan conducted and called the meeting to order at 7:45 p.m.

Prayer: Ray Beal

Russell handed in some bills for covering the pipe in the irrigation ditch at the Reef and for the work and supplies being done on Northwest Center Street.

LOSSER HOUSE IN SILVER MEADOWS: Stan reported on the house in Silver Meadows owned by Rohn Losser that was brought up in the last meeting that was thought to be starting some work before getting any permits. He said he called the Health Dept. about them as they were starting to dig for a septic tank and he didn't think they had followed the proper procedures and he was right. The Health Dept. went out and checked on what was going on and charged the Lossers an extra \$50.00 since they had neglected to get a permit.

MINUTES: Russ made a motion to accept the minutes, Susan seconded and all approved.

FINANCIAL REPORT: Stan asked if anyone had questions on the financial report. A few items were discussed. The board members were told that the interest rate at both saving places was now the same.

Susan made a motion to approve the financial report, Russ seconded and all approved.

CHRIS ROBERTS TAP: Chris Roberts bought an L.D.W.A. tap and then wanted his money back, but we could not pay him back at the time. He has called again and wants to sell his tap. In back minutes it says a tap can be sold but only to a Leeds property owner and that is within the town limits. The board members were asked how they felt about it. The board all agreed that this is acceptable.

SHIRL KIMBALL RVPARK: Shirl is running an RV Park from only two taps. Stan suggested that he be required to pay  $\frac{1}{2}$  regular rates for each occupied pad. Russ asked is we can start requiring a commercial rate without first having the shareholders vote on it. Kimball claims he will have to go out of business if this happens. It was suggested we talk to Nuffer.

Russ felt something should be done about it and said that when we stop averaging the water used over a number of taps owned then it will cost quite a bit more for overage, except the averaging was never brought up at the annual meeting. It was suggested that a notice be sent out with the February bills informing shareholders that there will be no more averaging beginning with the meter readings on the first of April.

If they have questions they can talk to any board member about it.

Russ made a motion that this be done, Ray seconded and all approved. LeRoy not present.

BLOOMQUIST SERVICE DISTRICT: Webb, Burns, Blackburn, Mangum and Baines were all at the annual stockholders meeting and want to declare Leeds and surrounding area a service district and that would allow the L.D.W.A. to stay as is. The board members are a little fearful of the amount of control this group could have on the L.D.W.A. This group is meeting tomorrow and Stan thinks the board members should attend. Russ would like to know the pros and cons of a service district and also of a municipality. The board is concerned that these people may want too much control. They decided to go and see what is wanted.

Ray asked why the town has to go with anyone else and can the town become a conservancy district? There were questions about this and also about whether it would help even if it could.

It was felt that this group would like our water because the water available to them is not very good. They will also have to deal with the irrigation company. Susan suggested arranging a meeting with Nuffer and find out what he would have to say about all this. According to Stoker we have until the end of the year to make a decision. Stan wondered if we are in danger of losing the well. The board members thought that was possible. It was asked if the Reef could lose their water too and it was brought out that they are all ready a conservancy district. It was asked if we could become the same. It was thought not since they are not a municipality as we are.

It was proposed that we ask Nuffer if there is some way we can stay as we are and still save our water. It was suggested that Nuffer be asked to check out our situation and some possible solutions.

It was decided to meet with Webbs group and hear what they have to say. The meeting place is to be at Savages at 1:30 p.m. and the secretary is to come and take minutes.

Stan will make arrangements to talk to Nuffer.

SIGN FOR LINE IN IRRIGATION DITCH AT REEF: Susan was asked about the sign that is to be placed on line in the irrigation ditch at the Reef. She said she is working on it.

The pipe up there has been partly replaced and covered.



OLD TIME METERS: Those old water shares that were pledged to be paid on whether in use or not were brought up and board members were asked how they felt about them. There are three or four that are not being used but are paying the monthly fee. The board felt that it is really not fair to these people.

Ray made a motion that fees on old time meters be changed, to be treated the same as the present ones; if they are not in use they can be disconnected and need not be paid each month until they are in use again.

Russ seconded and an individual vote was taken: Stan--yes, Susan--yes, Russ--yes, Ray--yes. Voting of those present was unanimous. LeRoy will be asked his opinion in next meeting.

MEETING PLACE: Board members want the meeting place of the L.D.W.A. monthly meeting to be moved back to the town hall and Stan will take it up in the next town council. The question, "Do we want to invite the public?" was asked. Russ said he'd like to see the public come but does not feel they should be a part of the decision making. Most board members felt that the public did not necessarily need to be invited.

It was decided that it was all right for them to come but they should not participate in the decision making.

RURAL WATER ASSOCIATION MEETING: Stan asked if the L.D.W.A. would pay his registration fee of \$45.00 to go to a Rural Water Association of Utah meeting? Susan is to write a history of the L.D.W.A for Stan to present there.

Russ made a motion to pay the fee, Ray seconded and all approved.

DATE OF L.D.W.A. MEETINGS: It was decided to change the date of our monthly meeting to the second Friday of each month at 7:30 p.m.

WATER SAMPLE: This months water sample was 12-0.

Meeting was adjourned at 9:00 p.m.

L.D.W.A. ACCOMPLISHMENTS FOR 1986:

*As given in Yearly Shareholder meeting on 2nd. Feb. 1987.*

1. A new 6" line to Frank Allens was put in and completed.
2. A new line on East Center Street and Valley Rd. was also put in and completed and both are completely paid for.
3. A paper was drawn up to attach to the city annexation ordinance explaining the responsibility of developers as to the culinary water for their particular developments.
4. The problem with Val McMullin was resolved.
5. A resolution to do with monthly rates and impact fees for RV Parks and multiple dwellings has been drawn up.
6. The water analysis tests were taken this year out of the spring and out of the well head.

Specially called Meeting of L.D.W.A. with Webb and his group--14 Feb. 1987 at Susan Savages home.

Present--LaVarr Webb and Niel Blackburn, L.D.W.A. Pres. Stanley Roberts, L.D.W.A. V. Pres. Russell Peine, and Board Members, Susan Savage and Ray Beal and L.D.W.A. secretary, Louise Stirling.

LaVarr Webb began by saying there are three ways to preserve the Leeds water: (1) Beneficial Use, (2) Special Improvement District, and (3) go Municipal. Webb said he had investigated a Special Service District and felt that it was the most flexible. He felt that a special service district or municipality could be formed to include the town and the surrounding area which could be annexed. He had talked to Paul Graf about this but could get no information.

Blackburn said he had talked to Graf too, and Graf had said to forget it as the County Commission would never okay a special service district here.

Webb talked to Jerry Lewis and Lewis said the County does not like special service districts but Webb still feels it can be done.

Webb explained that Blackburn is to be their groups legal contact to work with Graf. He had asked Blackburn if he would take his fee from the money that would be contributed as fees that he, himself and other members of the group would be contributing and he had said that he would.

Webb and Blackburn had met with Ron Thompson, and asked him, "Can we shelter our water by forming a special service district?". He had said, "Yes, but he would not advise it as they should have their own district." Ron had said he would be glad to take the surplus but felt that would be foolish.

Webb turned the time to Blackburn.

Blackburn told us that Ron Thompson says their (the county?) power and scope are not large and strong enough to run a special service district. Thompson explained that a special service district can run any kind of a service that a city would need. Shareholders can put shares into a conservancy district to buy back at some future time but it is not too wise to have them held there. He said there are two things we can do: (1) Leeds city can acquire the water rights and then furnish water back to the shareholders, but that won't solve the problem with the irrigation company because if they won't sell or give their rights to the town then we still have a problem. (2) Form a special service district to include town residents and all areas outside town, then the special service district would handle all the services that the town needs.

Webb mentioned that Val McMullin wanted him (Webb) to help clean out the irrigation ditches but neither Webb or McMullin are able to do it, but in special service districts all improvements to be made or are needed can be bonded or charged to the people who are being served.

Russ asked if bonding wasn't pretty expensive and Blackburn said it could be. A special service district can have a revenue bond which is paid by water sales and hook-ups, golfing fees or proceeds from any service that the district provides and the revenue bond can be charged to the people who receive the services.

Blackburn stated that often developers can be persuaded to put up a guarantee to pay the bond then if the funds can't be brought in from some other place, the developer pays.

Russ said, "But what about conserving the water? Where would money come from to purchase water?" and he was told that it would come from the mill levy taxes so everyone in the district would help pay. Webb said because of this then people would pay according to the land they own. He said that any water being put to beneficial use will be okay but any extra should be put in the special conservancy district.

Webb went on to say that Merlin Sullivan strongly objects to converting irrigation water to culinary as he wants it for his own land. Someone asked if it is possible for Sullivan to conserve his own water for his own use if he pays his fair share toward the cost of any improvements. We were told that the conservancy district will buy all the shares they can but some will want to keep their own and as long as they pay their share of improvements of the district they can keep their water but still be included inside the district.

Russ stated that our well is designed as a dry year well and asked how we can solve the problem of getting potable water into our system if irrigation water can't be converted to culinary. Webb thought that Merlin is beginning to see that this is going to have to happen. He felt that those who want to convert could without hurting the Sullivans.

The question was asked, What powers does a conservancy district have to distribute water? Blackburn said that the town could give the district whatever powers they wanted it to have. He went on to say that there are numerous springs up and down our mountain range that belong to various people and a service district could search out the owners and approach them about purchasing them and is also better able to raise funds for this purpose. It was observed that a conservancy district also has the power to condemn water.

Webb then asked if the L.D.W.A. feels they want to pursue a conservancy district, if they do then Blackburn will continue in his efforts if he can be paid. Webb asked again how the L.D.W.A. feels about forming a conservancy district or going municipal. He said if L.D.W.A. feels that that is what they want to do then all the shareholders will need to be assessed so there will be money to run on. He further stated that Blackburn is investigating the feasibility of a district, is finding water sources, is making a map and is talking to people who are interested in this kind of plan.

Stan stated here that he felt our water supply will have to come from irrigation water. Webb said if we are interested his group will approach Sullivan and others about converting irrigation water to culinary. He further stated that there is plenty of water up the canyon but we'll need to work with the forest service to get lines run through forest land and canyons. He felt they just needed to talk to the right forest people. He stated that the forest service does require a certain amount of water left in the stream beds for wildlife.

Stan mentioned that the L.D.W.A. owns two shares of irrigation water but is unable to use it at the present time.

Russ explained to Webb and Blackburn that L.D.W.A. had come to listen to their plans and did not want to commit to anything this particular day.

Webb asked again if L.D.W.A. wanted them to pursue the course they have started.

Russ said that we realize something has to be done but that L.D.W.A. wanted to investigate every avenue before deciding. Webb replied, "Fine, just don't wait too long but get the water under some kind of umbrella now."

Blackburn said we certainly should try every avenue, even petitioning for our own district. Webb said a simple alternative is to turn municipal and to remember the improvements will be done by shareholders but made broader by including developers.

Webb said his group has talked of helping L.D.W.A. put in a submersible pump and he said they have two of these at the present time. They also have an 18,000 gallon tank that can be contributed. He was asked how much water they have and he told us they have 1/3 of a second foot for 9 acres, 4 A shares and 3 B shares of irrigation water and Lewis has some underground water and so has Val McMullin.

Webb asked if L.D.W.A. wanted his group to approach the irrigation company and was told to go ahead as that was going to have to be done. Webb said they are not asking for a commitment just some direction. Stan commented that he felt the people of the town were pretty evenly divided on the water issues. Russ said he

couldn't see the problem since whether we are a private company or a municipality the same people would be running both things just like now.

Webb thinks Leeds needs more planning. It needs to have a master plan and it needs more control of the area around it. He thinks a conservancy district can be wrapped around the town without disturbing the private system.

Susan said she likes the rights of the shareholders, since a private company has to have the votes from shareholders in major changes and Russ explained that the same is true of a special conservancy district, that major changes are made by vote. It was also mentioned that a municipality can more readily approach the state to get grants and loans that may be needed for improvements.

Ray brought up the debts of the L.D.W.A. and said the minute we change from a private company to anything else, all our debts become due immediately.

It was asked if the heads of a conservancy district are voted in and Blackburn said they are usually appointed but, it can be set up so they can be elected. He then said that a special conservancy district knows how to get money for the needs of the district.

Stan said he'd like to see some figures on how much water we stand to lose.

Webb said the big problem is absentee ownership, people who own land and water but never use either because they live elsewhere. It was also mentioned that the church owns two shares of irrigation water which it never uses. It was felt that the key to more needed water is the irrigation water company.

LEEDS DOMESTIC WATERUSERS ASSOCIATION MONTHLY MEETING 13th MARCH 1987

Pres. Stan Roberts conducted.

Present: Board members, LeRoy Konold, Ray Beal, Susan Savage; Vice Pres. Russell Peine, Pres. Stan Roberts and secretary, Louise Stirling.

Prayer: Russell Peine.

(Ross Savage and Shirl Kimball also were there.)

Stan Roberts brought an award of excellence given to L.D.W.A. by the Rural Water Association of Utah and we were told that it is the oldest approved company of this kind <sup>reported at the meeting</sup> and has been an approved system since 1962.

MINUTES: A few corrections were made in the minutes and then Ray made a motion to accept all three sets of minutes, Russell seconded and all approved. (The three sets included the yearly shareholders meeting held in February, the February monthly meeting and the special meeting held at Susan's home with the Webb's group.)

FINANCIAL REPORT: A question or two was asked about the financial report and a few explanations were made. Susan made a motion to approve them, LeRoy seconded and all approved.

KIMBALL'S R.V. PARK: Stan asked Shirl if he would like to say anything and he said he came to see why he was on the agenda. Stan told him that no other R.V. Park or trailer court in the county was being handled like his and Howard's and that Howard had agreed to some changes.

Kimball said that he really did not know anything about what is going on.

Stan explained that L.D.W.A. had been checking in a number of nearby towns to see how trailer courts were being handled and that he feels that it isn't right that more than one abode be served on one tap share and that he feels it is an unfair situation.

Kimball said that he has always been in favor of paying for whatever water is used and explained that he has been paying double because he is a commercial place. He said he is in favor of paying for water used on each individual meter and agreed it should not be averaged over several meters.

Stan said that he feels that each pad should pay a monthly rate. He said that Washingtons minimum rate was 5000 gallon a month and anything over that is charged as overage.

Kimball said in places like Washington the people own their own property and they pay a monthly fee for maintenance.

Russell stated that they have a master meter for the parks and then the people

are charged a set fee for utilities with a limit of one meter for each 25 pads and the owners are charged a set fee.

Kimball asked what L.D.W.A. had in mind.

Stan replied that year rounders should be treated like residents and should participate in monthly rates.

Kimball said that only one of his trailers has a washing machine and the rest go down town to wash. He said he waters his grass with irrigation water so as not to overuse the culinary water.

Stan said he feels we need to establish some commercial rates.

Kimball said he is against just checking with other towns as we are our own town, but he would not be against an equitable charge if it is needed for repairs and tanks, etc. He said they have put in a lot of time and money on his newer park but have had hardly any people come there. He said someone would have to determine what to pay and also what is considered a permanent resident. He also mentioned that there are several trailers around town at the present time that he considers illegal.

Le Roy said he thought that the permanents should pay 12.00 like everyone else, but that something else should be done for those who come and go.

Kimball asked if someone who stayed a year would be considered a permanent resident. LeRoy said he felt they should pay for each month they are there.

Stan explained that there are people who are planning on putting in something like 100 or more pads and that we need to do something about a commercial charge before these people come. He said we are trying to make some kind of plan to cover anyone in this type of business.

Kimball said he wants to do what is equitable but he feels that he cannot raise his rates.

Susan read what the by-laws said about rates. She also said that the system was set up for residents but that now we need some commercial rates and that we are not trying to be unfair but the needs of a commercial business are quite different than a residence.

Kimball reiterated that there are illegal trailers in town and asked questions about some of them, but he did agree that something should be done and said he would be willing to work with us. He said he does not want something for nothing and would like to help.

It was brought out that Carl Howard is in the same situation. Stan explained



that we really do need to establish a commercial rate in order to keep ourselves out of trouble when a larger R.V. Park may come in and will need water for a lot of R.V. pads. We need to be able to tell them exactly what our policy is.

Kimball excused himself at this point and left.

PROBLEM OF RE-ADJUDICATION: Stan said he had been trying to contact Nuffer all week but has been unable to reach him.

Ray had attended a meeting with Webb and Burns and he said they had set up a meeting in the next 15 days and felt that we needed to have our attorney at that meeting as there are some things coming from there that could give us some problems.

Stan said he would like to get Nuffer to write the state engineer and have him write us a letter telling us what we need to do to keep our water system as it is.

Susan said she would like to see something in writing and noted that it is strange that there has never been any kind of notification of a re-adjudication sent out to water systems in writing from the state telling what is going on and why. It was felt that the real push is coming from St. George. It was suggested that it seems as if someone is trying to push us into something that we may regret.

It was felt by everyone present that we need some exacting and official information straight from the State Water Engineer.

Stan asked if everyone felt that we should have Nuffer write to the state engineer and get specific information. He suggested each one write down the questions they want to know about and then he'll have Nuffer address these questions to the State Water Engineer in Salt Lake City and request a copy of rules and regulations on the re-adjudication.

There was quite a bit of discussion on the pros and cons of a municipality and on the advantages of our own company.

Susan wondered what would happen if we stayed a private company and signed the excess water over to the municipality and then as they sold the tap shares they would be turned back to the L.D.W.A.

Ray said one thing that bothered him if we should have to become a municipality

is that all our debts would immediately become due.

It was agreed by all present to send in a request to the State Water Engineer to have a definite ruling on this whole situation and a statement as to exactly what we can do or should do about it.

Ray made a motion to adjourn, LeRoy seconded and all approved.

L.D.W.A. MONTHLY MEETING HELD ON 10th APRIL 1987.

President Stan Roberts conducted and called the meeting to order at  
7:45 p.m.

Present were: Stan Roberts, Russell Peine, Susan Savage, Ray Beal, LaVarr  
Webb and Louise Stirling.

Prayer:

MINUTES: The board members were asked if they approved of the March minutes  
as written. There was one correction made and then Susan Savage made a motion  
to accept them, Russ seconded and all approved.

FINANCIAL REPORT: After looking over the financial report, Susan made a  
motion to approve them, Ray seconded and all approved.

L.D.W.A. HISTORY WRITTEN BY SUSAN SAVAGE: The history of L.D.W.A. that was  
written by Susan plus a picture of Stan receiving a plaque of excellence was  
sent to us by the Rural Water Association of Utah to put in a newspaper.  
LaVarr took it with him to put in the paper.

CHANGE OF BANKS: Stan had gone to the Williamsburg Bank and acquired some  
signature cards so that we can change our accounts from Dixie State and Heritage  
to Williamsburg. There is no charge for services there if we keep our acc-  
ounts in proper order. He asked if the board members approved of this.  
Susan asked if it is wise to keep all of our money in one bank and everyone  
thought it would be okay. Russ asked about interest and was told that interest  
is pretty much standard everywhere.

The board members were asked again if there were any objections. There were  
no objections and Russ made a motion to go ahead and make the transfer, Ray  
seconded and all approved.

RATES FOR EXISTING R.V.PARKS: The board was told that we need to make a  
definite decision on the rates for existing R.V.Parks in order to avoid  
future problems with other R.V.Parks that may come in. Stan suggested that  
all permanent trailers pay regular rates the same as any other residence. He  
was asked what would constitute a permanent residence. Stan suggested that  
any trailer that is there less than 15 days would be charged no rate but if  
they are there more than 15 days they pay the regular monthly rate.

It was asked who would keep track of all this and it was decided that Kimball and Howard would be the ones to police this action with a board member checking with them occasionally.

Webb suggested that there is one problem with an owner doing the collecting; he may set a higher price and take a little off the top. It was suggested that the owner should pay the bill and charge his clients accordingly, as people in the park should do their business with the owner. The owner shouldn't bill their people for water but should include it in the monthly rent.

It was decided that the permanent trailers should pay the minimum monthly rate of \$12.00 and that L.D.W.A. will bill the R.V.Park owner and this will begin May 1st. Susan made a motion to that affect, Russ seconded and all approved.

It was decided that any trailer that is parked there for 30 days would constitute a permanent residence.

A letter is to be sent right away to Kimball and Howard telling them of this decision. If they have questions they can talk to any board member.

READJUDICATION: Stan did talk to Nuffer and a letter was written for us by him to send into the State asking for some written instructions as to what is taking place concerning the readjudication and what we can or should do about it.

WEBB'S PROJECT: The time was turned to Webb. He has talked to all the people in the valley and they all feel that they need to tie into a service district or a municipal system or they will lose their water and they want to work out something with L.D.W.A.

Stan said that the purpose of the letter that was sent to the state is to find out exactly what we can do to help ourselves. Webb approved of this move but, said this is of no help to them.

He told us about the water rights that are owned by the people in the valley and said they would like to transfer their underground water into our system and put their surface water under the auspices of a municipal system along with ours. He went on to say that when they got the water rights for the valley that they were supposed to have 25 acres of ground under cultivation and 9 homes built, and that has never happened. If they could handle it like they would like to, they would find people to lease, cultivate and plant and put the water to good use, but they don't have time to do that. They have talked of running their water through a treatment plant and put in their own culinary system and may have to but, only as a last resort.

They have an 18,000 gallon tank and three submersible pumps which could be used by L.D.W.A. if needed. They, in the valley, would like to put in a 6" line right down the length of the valley and right past L.D.W.A.'s property. They have a bid for \$11,000.00 to put in that line.

Webb asked if they were to transfer their water to the Leeds system, would they have to pay a hookup fee to tie into the line, since they are furnishing their own water. He asked if they could be re-imbursed or would the town collect the money and use it. He would like L.D.W.A. to talk it over and make a decision. He said if they could get the money back then they would go ahead and borrow it, so as to get started on protection for their water. It was suggested that they would have to be annexed in order to do this and Webb said this is to be their next step.

He also told us that when the readjudication thing starts that we would be given time to appeal the action before the water is taken over, if that happens.

Webb asked if Stan thought it would be a good idea to approach the planning commission about annexation and Stan said that would be a good idea. Then Webb excused himself and left.

PIPE FROM BROKEN LINE: Ross Savage would like to buy the pipe taken out of the water line that was under the irrigation ditch at Silver Reef. That was approved and fifty cents a foot was suggested and approved. It was thought there is probably about 500 feet of it. Ray said if Ross didn't want that much then he would take what was left.

COUNTY ROADS: Stan said the county is repairing the road that goes past L.D.W.A. property and wanted to take some dirt off of our property to use in these repairs and were given permission to do so.

REPLACEMENT OF OLD METERS: It was brought to the attention of the board that the water meter at the town hall needs to be replaced as it has leaked for a long time and was unreadable this past month. It was felt that we need to start checking all of the old meters as they have been in a long time now and may not be too accurate anymore. Stan suggested they be replaced by a Rockwell brand that is sold by Scholzen and are guaranteed for 5 years. He said a two inch meter is rather expensive but, he feels the town hall meter needs replacing and asked if the board members would approve this. Everyone approved and Stan said he would see to it.

He said Scholzen has a new mechanism to check meters that costs about \$300.00 and thought it might be wise to buy one.

Ray made a motion to adjourn and all approved.

L.D.W.A. MONTHLY MEETING:

8th May 1987

Meeting called to order and conducted by President Stanley Roberts.

Prayer: Ray Beal

Present: Stan Roberts, Susan Savage, Russell Peine, LeRoy Konold, Louise Stirling, Ray Beal and Ross Savage.

MEETING TIME FOR SUMMER: Stan suggested that through the summer we start our meetings at 8:00 p.m. All approved.

MINUTES: Ray Beal made a motion to accept the April minutes, LeRoy Konold seconded and all approved.

FINANCIAL REPORT: Susan Savage made a motion to accept the financial report, Russell Peine seconded and all approved.

COVERING THE TANK: The first subject brought up was concerning the covering of the water tank. Stan said that since Russ has the time now to cover the tank he thought we should get it done. Russ asked if anyone had ever inquired about spraying it with plastic foam. Leroy said he had talked to a fellow about it and had been told that it is expensive and doesn't last long. LeRoy said this fellow told him that to cover it with a visquene plastic and then with dirt would be about the best thing to be done. Someone asked about gravel and if it would stay on or would it have to have something to hold it there. Ray said that maybe burlap and a granular material would do it. Ross suggested putting 2 or 3 rows of blocks around the edge and put in grass seed and then there would be no eroision.He also said we could use gravel. Russell suggested dirt with several inches of gravel.

Russ said the tank would have to be measured to find out how much material would be needed and to find out about how much it would cost. Russ asked if anyone knew how tall the tank is and Ross said he thought it is about 12 feet. Russ said if it is 12 feet high they would have to go out about 24 feet in order to have a 2 to 1 slope. Russ suggested that he and Ray make a cost study.

Stan suggested looking at the tank at Silver Reef and see how that one is done. He mentioned that he has been up to the tank daily because he can't seem to get it regulated properly so that it will stay at a fairly uniform level from day to day. He also feels that the tank needs a new gauge.

CHECK VALVE AT ALLEN'S: It was suggested that some of the board members get together on Tuesday next to put in a check valve on Frank Allens line and it was agreed to do that.

EXPLANATION OF LETTER FROM ST. WATER ENG.: Stan had a letter written by Atty.

Hatch to explain the answer to the letter that we had written to the State Water Engineer. In essence it said that we do have a chance of losing a portion of our water unless we go municipal. Stan said he felt that we would not lose the culinary or well water but feels we have a strong chance of losing some of the irrigation water. He has talked to Merlin and has suggested to him that L.D.W.A.'s two shares of irrigation water be put into the culinary system. Merlin gave him no answer. It was felt by those present that the irrigation shares that are being only partially used or not used at all are in real danger of being lost.

It was explained that the state is also cutting down the amount of water allowed for each acre of ground at this time. Quite a number of people in Leeds have more water than they need for the amount of ground they own and they have a strong chance of losing part of their water.

Stan suggested that people could deed their water to the town and then pay a rental on it that would be equal to the yearly assessment they now pay.

Susan asked if the taps we have yet to sell plus the fact that the minimum gallonage is 40,000 gallons would be considered excess water. Several thought it would. Most board members felt that the only way to go is municipal and that we must decide now if that is what we will do. Ray stated that we must do something with both the culinary and the irrigation. It was also stated that the irrigation people have not been receptive to suggestions to go municipal and it was not known what they intended to do, if anything.

Russ said he could see no other choice but suggested that everyone state the disadvantages they could think of and went on to say that one valid disadvantage would be the loss of control, even though the same people might be regulating it.

Ray said that now all the people (all the shareholders) control the water and that would change to just a few persons doing the controlling.

Ross suggested that the water be turned to the city, but retain a water board to do the regulating, as now.

Russ asked how many people in the city the size of St. George have control of the water before a problem is turned to a larger body of controllers. Also he wanted to know how many councilman a city can have or can they choose how many they want. I never heard any answers to these questions.

It was asked what would happen to those shares which have been bought and held but never used. The board felt they should be honored and considered at the

going price. It was felt that those people holding shares should be able to sell them and get their money back and it was felt that these people should be able to sell first before the town when new people come to buy. All felt this would be the fair way.

The L.D.W.A. loans, one from FHA and one from Water Resources, were brought up and it was stated that the town would take those right along with the rest of the system.

It was suggested that the town be asked what they would suggest in the way of rules and regulations in taking this system over and also request them to answer all the questions we now have about how the culinary water system would be handled by the town.

Russ felt that in the transfer agreement it should be stated very plainly that the \$2500.00 a share fee should be negotiable in cold hard cash.

SPECIAL CITY ORDINANCE: It was suggested that if the city does take over the L.D.W.A. system, there should be a city ordinance written against using an essential to life and living, like water to tax the people to make money for other city projects. It was suggested that we must build into the city agreement all the controls and policies that are necessary to honor the present water system.

SPECIAL SHAREHOLDERS MEETING: It was thought by some of the board that the shareholders should have a say in what will happen to the L.D.W.A. and so Stan asked if all the board would agree that a special shareholders meeting should be called to vote on whether to go municipal or not. Russ made a motion to the effect that we call a special shareholders meeting and take a vote about this problem. LeRoy seconded, and agreement was unanimous.

The secretary was instructed to get letters made up and ready to mail early the following week, Monday the 11th if possible, but no later than Tuesday the 12th.

Stan is to call the attorney and set up a date for the meeting. We wish to have an attorney present to explain the situation before a vote is taken and to answer any questions the shareholders may have.

HANLEY PROPERTY: Stan said the Hanley property was discussed in the city council meeting last night and some of these people contended that to require him to run a 6" line to his property is illegal. The attorney is to be called in to straighten it out.



Russ asked who would replace the existing 2" line with a 6" line. Hanley has been annexed and must put in a 6" line for his property but has no 6" line to hook into. It was stated that that area is a potential fortune in expenses for L.D.W.A.

ASPHALT TO BE REPLACED: The asphalt needs to be replaced by Carlyle Stirling's place and also across the road by Cynthia Schweer's place. Stan asked Russ to take care of it. It was L.D.W.A. that dug up these places so we must repair them.

Stan told us he had replaced two meters, one by Lynn Vargas' and one by Cynthis Schweer's. The yoke of Pack's meter also needs to be replaced.

LeRoy made a motion to adjourn, it was seconded and all approved.

SPECIAL L.D.W.A. meeting held on the 26th May 1987.

russell Peine, Vice President conducting and called the meeting to order at 7:40 when Attorneys Hatch and Snow arrived.

Prayer: Eldon Stirling.

Russell introduced Attorney Snow and Hatch and turned the time to Snow. Snow explained about the readjudication and just what it is. He said that it was the opinion of his fellow attorneys and himself that the town's water would be safer if it was turned over to the city and became a municipality. He further said that the State Water Engineer is more lenient with the statutes of a municipal than they are with a private company. Also, private companys are not allowed to accumulate water for possible future growth and municipals are.

He said there were a number of ways for the city to take over the water and the first is to declare the right of eminent domain and buy the water from the shareholders but said that was not too feasible for Leeds. Or they could file a condemnation suit and then the water company would assign the water to the city. They would assign the water rights to the city and the city would run the company and L.D.W.A. would be required to let go of the ownership.

He said that if the water were made municipal that they could form a water commission to act as an advisory board to the city. Then they would have the same rights as a municipality, only the shareholders would own a share of the city water rather than a share of a private company. The city could then accumulate more water or convert the irrigation water to culinary.

Russ asked about the liability of the notes held by L.D.W.A. and if they would become due. Snow said maybe they would or maybe they would only require a higher rate of interest from the city and allow them to pay off as we now are. Snow felt that they would extend pretty much the same ters to a municipal as to a private company. He felt we should check with FHA and Water Resources.

We are now a non-profit organization. It was asked if we could still have the same rights under a municipality as we now have. Snow said that it was possible and stated again that Stoker says there is some water at risk.

If water is taken from us, how does the state handle the reassignment of that water? Could we refile on it and request it back? It would be assigned to the next town on the filing list. Yes, you could refile but you would be put on the bottom of the list.

If it was reassigned would we receive compensation? No, the state owns all water rights and if you are not making good use of it, it will be picked up by the state and be reassigned to someone who needs it.

Leeds cannot have the right of domain until it becomes a municipality.

Has anyone wise all ready filed on our water and why is the state doing the re-adjudication? The state adjudicated every 10 to 15 years and ours is way overdue. Snow thought there were probably many filings waiting for our water. He said that we would have the right to contradict the findings of the readjudication but that can be chancey.

Over how long a period can the water not be in use and still be saved? Say it is used every other year, is that sufficient use? And how would the state know? Yes, that would probably be sufficient. The state has people whose job it is to keep track of water usage, also people who need it watch and report any non-usage to the state.

W. Schweer stated that he feels we do not have a great surplus of water.

Snow said that a municipal can put a moratorium on the water if they feel they cannot furnish water to any more incoming people, until they can accumulate more.

J. Schweer stated that Leeds has not been evaluated as yet and asked if other towns had private water companies and if so how have they handled this situation? She would like to contact them and ask them some questions. Snow did not know and said that he knew there were not many private companies in the state and they both agreed that L.D.W.A. is indeed a unique system.

The question of what criteria would be used in the evaluation, was asked. Who can we contact for figures? Snow said that probably Stoker could supply figures. It was asked if the culinary goes municipal will the irrigation also. Snow recommended that it should.

Snow said that in other towns the water is owned by the city, but they have water boards and a water master to handle it.

If the culinary goes municipal can the city require a developer to bring in sufficient new water to serve his development as the L.D.W.A. has encouraged them to do? Snow stated that if the city was short on water and could not furnish water to a builder that the city could place a moratorium on the building until water is obtained by the developer.

He was asked if the developer (such as Hanley) could be required to put in a six inch line and then another 6 inch line to replace the 2 inch line that he needs to connect to? Snow said that it is an acceptable practice to place the economic burden on the developer.

Would a city have as much control over the water as a private company? He said they would have every bit as much.

Would funds from the water be used for things other than water? Snow said that money has been raised this way in other towns and even though fees should go back into the system it isn't always done that way. But if impact fees are charged they must go back into the system.

Would we lose our 40,000 gallon minimum? Snow said that would depend on our elected officials.

Could our water rights if lost be placed in another drainage area? No, the water rights would stay in the same area but could go to someone else in that moratorium.

Santa Clara received a letter from the State telling them what would be done and what to expect from their evaluation, how come we haven't? He did not know but thinks we will receive one.

Do they evaluate first and then send us a letter giving us our choices with time to act or what can we expect?

Snow said he thought we would receive a letter telling us what they will do and then we can evaluate their findings and take our action. He felt the letter that answered ours should not be the official notice.

If we go municipal will we be required to chlorinate our good water? He did not know.

Is it the intent of this vote to turn the water over to the city without an agreement? He said the L.D.W.A. and the city should sit down together and make up an agreement that is agreeable to both sides.

Someone suggested that we have some facts and figures searched out and then have Stoker down again to explain and answer questions. Everyone seemed agreeable to this idea. Snow said they would be happy to search out the information if we wanted them to do that.

Russ suggested postponing this meeting for one month. In the ensuing time we would gather statistics and information and in two weeks have Stoker present these findings to the shareholders and then our vote to be in one month. This was agreed to by a big majority of those present. The meeting was adjourned.

MINUTES OF MEETING WITH GERALD STOKER ON JUNE 1 IN CEDAR CITY AT HIS OFFICE.

The first thing Stoker told us was that if some of our water was taken we would receive no compensation, because the state owns all water rights within the state. He was asked if there are any other filings on L.D.W.A. water. Stoker did not think there were any on the surface water but there are people who have applied for more water.

It was explained to Stoker that Leeds has recently had several new annexations attached. He was asked if these would count toward usage.

Stoker explained that the Irrigation Company owns the rights to the use of that water and they will have to take action on that water in order to save it. He said it would be a painful process to convert any irrigation water to culinary but it is possible. But the irrigation company could deed their water to the city in order to stockpile it for new annexation.

Stoker told us that shares of water that are not being used could be leased to other people. The state looks at amounts of acreage and amounts of water not at private shares. The present duty is 5 acre feet of water for each acre of land.

If the water goes municipal, what kind of control would they have on the water? Shareholders could turn their titles to shares to the municipality and then set up a commission to control the water. Stoker stated that a private company falls under the same rules and regulations as a municipal. A municipality can have as much control as a private company.

Would we be required to chlorinate if we go municipal? He thought not.

Can a municipality require a developer to furnish his own water? He thought a private company or a municipality should ascertain if there is enough water for a developer before approving any applications for water.

If the culinary went municipal and the irrigation did not and the irrigation was not using all their water would water go to the next person on the filing list? Irrigation would not go to the culinary but it could be deeded to a municipal and held and if that were not done it would be lost. It is use, not ownership that will count in the readjudication.

It was asked if the 40,000 gallon minimum would count against us in the readjudication. He said the 40,000 minimum does not relate to the readjudication, the board or municipality can set that.

He was asked if the funds brought in from water in a municipal could be used for other things than water. He said that is up to the people in charge. Stoker stated again, concerning the readjudication, that usage is the key. He said we should look at the decree and then compare usage.

He was asked if other towns have private companies and how they have handled this problem. He said that Virgin, Rockville, and Springdale all have private companies and that Springdale is thinking of going municipal.

He was asked why Santa Clara had received a notification and we had not. He said notice would be sent to the owners in Leeds and a public notice would be displayed and that is the same as was done in Santa Clara.

Stoker was asked if the state encourages going municipal. He stated that they do not take one side or the other but do require full usage of the water and if we cannot make full usage then going municipal would be the only way that we can keep our accumulated water, as municipals can accumulate water and do, whereas, a private company cannot.

It was asked if we could bring in an engineer to do some research for us before the adjudication? Stoker thought that could be done and said it was probably a good idea.

He was asked how Leeds fits into the readjudication? He said there was no deadline or actual date set but we should do what we need to do as quickly as possible. There will be a notice but he could not give a specific time. He was asked what the time table for the adjudication is at present time, is August 1 still the estimated time for Leeds? Stoker said they would like to make it as close to Aug. 1 as possible and that we should work with that date in mind.

He was asked if our well was granted for emergencies only? He said any well in our system could be used whenever it is needed.

He was asked if the state determines how much acreage is in use and how

they do that? He said they do and they use arial photos as a rule unless the photos are unclear.

The water uses will be done by an actual walking survey, then they get the acreage and then call in the water people, both irrigation and culinary and go over it and come to a decision as to the correctness of the readjudication.

Then, they compile the waterusers claims and if the state agrees with the results they will be filed with the district court and will settle with the district court on all points of usage. If the wateruser disagrees, he can protest and take his claim and refile and the state will re-evaluate.

After the state compiles the claims they will print a book. Every user will receive a book and will have 90 days to file or protest. After the claims compilations book is printed and protests have been made then the court will make the final decree.

Someone asked, "Is our water really at risk?" Stoker replied that in Santa Clara only two owners were up to actual acreage and all others were low on usage. He further said that Kanarraville is using full rights as is New Harmony but Mt. Carmel is only using 25% and they were given time to rectify that and they did. They plowed one hundred and sixty acres in a three week period.

Stoker was asked, "What is the status of filing on unused water for Leeds?" He said there were no new filings on the surface water and only on a limited basis for underground and that would be given on a priority basis.

How do the drought years figure into this? That problem is recognized and they can tell from indications in fields of when water was used.

He was asked about new ground and he said it must be within the described boundaries.

How is culinary water usage determined? It is figured that 180 people need 300 gallon per day and 300 stock--40 gallon per day. If you have 120 family

hook-ups you would have to show that you can use 120 hook-ups. He couldn't answer in specifics until they evaluate. If he had 3 hook-ups with only one consuming water he would be very concerned about the unused ones.

He was asked how we can preserve the unused hook-ups and he replied that they are in real jeopardy.

Ray Beal said that L.D.W.A. has let this happen to our town and that people in Leeds were asked to purchase some of the well rights and now may lose them and he felt we needed time to rectify that.

Stoker stressed to us that the state does not want to take our water and will work with us and they want our water rights protected. He said now land will count but it must be cultivated and planted. It all goes back to making beneficial use of the water.

He said that once the readjudication is started it is too late to start protecting, those plans must be in process in order to show intent. An application of intent must be filed.

Stoker will provide a copy of all Leeds water rights for us and send it to us and to our attorney.



1. Would notes held by L.D.W.A. immediately become due if we go municipal?
2. L.D.W.A. is a non-profit organization. Could we have the same rights under a municipality as now?
3. How does the state handle the reassigning of water that is taken? Could we refile on it?
4. If it is reassigned would we receive compensation?
5. Has anyone else filed on our water?
6. Over how long a period can the water not be in use before it is taken? Say it is used every other year, is that sufficient use? And how would the state know?
7. Do other towns have private companies and if so how have they handled this kind of situation?
8. What criteria will be used in the evaluation? Where can we get figures?
9. If the culinary goes municipal can the city require a developer to bring in sufficient new water to serve his development as the L.D.W.A. has encouraged them to do?
10. Would the municipal system have as much control over the water as a private company?
11. Could funds brought in from water be used for projects other than water?
12. Would we lose our 40,000 gallon minimum?
13. Could our water rights if taken from us go into another drainage area?
14. Santa Clara received a letter telling them what would be done and what to expect from the evaluation. Why haven't we?
15. Will they do the evaluation first and then send us a letter giving us our choices with time to act or what can we expect?
16. If we go municipal would we be required to chlorinate our good water?

*List of questions taken  
along at meeting with  
Gerald Staker - June 1 - 4:00 at Cedar*

LEEDS DOMESTIC WATERUSERS ASSOCIATION----MONTHLY MEETING----10th JUNE 1987

Conducting: Pres. Stanley Roberts

Present: Stan Roberts, Ray Beal, Susan Savage, Russell Peine, Louise Stirling, shareholders Fred Freise and Bill Schweer and also LaVarr Webb and Attorney Hatch.

Prayer: Ray Beal

Stan said that he and Bill Schweer had been going over the water certificates and they feel we don't have as much water as we thought. Stan turned the time to Bill and he went over the information on the Leeds Water Certificates with those present. His figures told us that our water rights came out to about 164 tap rights instead of the 256 we thought we had. We have sold 135 of those with 106 in use and 29 being held and are not being used. That leaves another 29 as surplus for growth.

He then went over Lorin Lee's development. Lee has had 6 different annexations totaling 74.57 acres in all. He feels that we don't have enough water to give to these people and to these kind of developments. He feels Lee should be told that he will need to furnish his own water for any further development.

Russ stated that if a developer comes in and wants to buy water from L.D.W.A. and he can't furnish it himself he will have to take one tap at a time the same as everyone else.

In going over the certificates they were found to have some discrepancies and limitations that we had not been aware of. It was generally felt that we are short on water. There was concern about those taps that have been sold but are not yet in use.

All felt that we needed to talk to a water attorney and ask some questions and get some clarifications on our water certificates. It was suggested that we contact Water Attorney Rick Hafen in Salt Lake City. Atty. Hatch suggested a letter but some thought we should call in order to save time.

Webb said that there is a lot of water available and we are in the process of losing it. Webb said the irrigation water can also be saved if it is deeded to a municipal the same as the culinary should be and he feels we should be moving more quickly than we are if we are to save our water.

Atty. Hatch said she would be willing to make the call to Hafen and have the certificates explained. Bill Schweer suggested we contact Steve Cramer and have him come up and give us some answers about the discrepancies and limitations in

the certificates. Bill volunteered to stop in and see Steve and get some answers to questions and ask him about an engineer.

Atty. Hatch asked if we'd like her to make the call to Atty. Hafen or would we rather a board member do it? Susan suggested that Atty. Hatch call with a board member listening in.

Ray is concerned about the shareholders losing their right to vote. Fred said that no other town that he knows of can compare to the gallonage and prices or control that L.D.W.A. furnishes and does not want to see it lost.

They talked about the process of condemnation in order to get more culinary water, but it was felt that shouldbbe done only as a last resort in an emergency situation.

Most of those present felt that when our present problem is put to a vote by the shareholders that the majority will vote for a municipal.

Hatch said that the shareholders would not only need to vote for a municipal to save our water but would have to agree to turn over their water rights to the town, probably without compensation.

Webb said he would like to know what will happen to those like his group who will deed their water to a city? What restrictions would be put on them, etc.? Russ said this is all ready written into the by-laws, they would be treated just like a developer who puts in and pays all expenses for his lines and then deeds those lines to the L.D.W.A. or municipal and then they take over.

Webb asked for and was given a copy of the by-laws and asked for a copy of the letter brought by Atty. Hatch with questions and answers on it.

There was a discussion about the advantages and disadvantages of a private company versus a municipal.

Susan asked Atty. Hatch if the shareholders in deeding their shares to the town could attach some conditions. Atty. Hatch said she doubted if that could be done.

Hatch said one reason that the state seems to be pushing municipals is so that the water within the state will be kept in the state.

Bill asked how all this water would be handled by a municipal and it was said that an agreement would have to be drawn up, but the first order of business is to save the water.

Going back to the call to be made to Atty. Rick Hafen it was agreed that the whole board would meet at Atty. Hatches office tomorrow morning and they will make a conference call to him. Then Hatch will draft a letter from the inform-

ation they receive from Hafen combined with the letter she brought tonight and the minutes taken at the meeting with Stoker. That letter of information, along with an absentee ballot for those who live far away, will be sent to the shareholders.

Questions the board would like to ask Hafen: 1-Clarify water rights, 2-Chlorination, 3-protection of irrigation water, 4-How do they base our company on usage, 5-Would 40,000 gallon minimum be protected, 6-Could Silver Reef as a Conservancy District hold our water for us?, 7-If vote goes against municipal what would be the best avenue to take?, 8-How much protection can be built into a transfer contract?

Russ made a motion to adjourn, Susan seconded and all approved.

LEEDS DOMESTIC WATERUSERS ASSOCIATION MONTHLY MEETING----10th JULY 1987

Prayer: Susan Savage

Present: Stan Roberts, LeRoy Konold, Russell Peine, Bill Schweer, Ray Beal, Susan Savage, and Louise Stirling.

MINUTES: Russell made a motion to approve minutes, Susan seconded and all approved.

FINANCIAL REPORT: Stan explained that all of our money, both checking and savings has been moved into one bank, the Williamsburg. Williamsburg does not charge a service charge and pays some interest on checking accounts. He also explained that the bill from Scholzen was for a new meter at the town hall. In making the change he found it was 1½" meter in stead of a 2" meter that everyone thought it was. He further said he thought we should start replacing the old meters in town with new ones as we have problems with them. He has replaced one at Dodges and put in a fourth one for Kimball. He asked the board how they felt about buying a half dozen new meters now to start the changes or if they felt we should wait to see what happens concerning L.D.W.A.'s future. The board members felt we should go ahead and get them as whatever happens they will be needed.

Ray made a motion to approve the financial report, LeRoy seconded and all approved.

WEBB PROPOSAL: Stan had the secretary read a proposal written by Webb and his people as to what they would be willing to do if they can be attached to Leeds township.

WATER TANKS: Stan has been checking the water tanks night and morning and feels that he now has them regulated about as well as it is possible to do. He reported that the inside of the 40,000 gallon tank is in really poor condition with paint chipping and hanging badly, though, there is nothing falling into the water as yet. The other tank still looks pretty good. He hopes we can get by until fall, but it will need attention soon. Russ asked how long the paint is supposed to last and Ray said about 15 years. Bill asked about the cement tank and was told it was still in good shape.

ATTORNEY'S BILLS: Stan said that Atty. Hatch had called him about our bill and said they are sending a bill for \$1700.00. This includes a little that the town is responsible for. Russ suggested that we call back and have the bills separated but Stan said they would be itemized. He said he would call and have

it separated if she hasn't already sent it. He said that Hatch had given us about a \$1000.00 discount.

Russ suggested that it might be better for the town and the water company to have separate attorneys and that we do a little research and get a water attorney.

Bill felt that our present attorneys do not seem to know as much about water problems as they should. Russ felt it would be smart to work closer with the Five County Assoc. but when we need a lawyer we better have one who knows about water.

Susan felt that we need to make a definite decision about this problem. Russ and Ray thought maybe we could get John Palmer back again.

Bill said he'd like to know exactly what has to be done to go municipal and stated that when our attorneys have been asked this question we have never gotten a straight forward answer. Bill is disturbed about all of the added annexations and worried that water cannot be furnished for so many new areas. He felt that we should get our documents in order so that there will be no danger of being sued if we feel we cannot furnish the water to new developers, etc.

Russ pointed out that L.D.W.A. has no say in the annexing process and it was felt by the board members that we should in order to control the water better.

CULVERT BY MEL GREENS: Stan told the board that something is going to have to be done about a culvert down by Greens on Berry Lane that was put in by the county. He thought probably a trench should be dug so that the fire hydrants can be moved over.

ATTORNEY: Several board members thought that John Palmer should be approached about being the attorney for L.D.W.A. again. Russ suggested calling Paul Graf and ask some questions and see how Rockville handled this or find out who their attorney is.

Russ made a motion to investigate the possibility of getting separate attorneys from the town and also about who to get. They talked of Palmer and also of Graf. LeRoy seconded the motion, all approved. Stan will call Graf and Susan will call Palmer.

LETTER TO ATTY. GENERAL: Stan said he is hoping to get the letter we've been promised from the Atty General in the next day or two so we can move on what to do. Susan said the Atty. General wanted to know the name of our attorney.

Webb said that the town council could vote to make us a municipal. Stan said he

asked Atty. Hatch about that and she said she didn't think they could and wouldn't advise it even if it should be possible.

Susan explained to the board that the Attorney General had said that we could lease our water to Silver Reef Conservancy District on a short term basis and then get it back as needed. Stan asked if we could accumulate water under those circumstances and Susan said she would have to ask. Concerning the re-adjudication she was told that any trailer hooked up to the water would be accepted as a dwelling. Also, they do take into account a fire system. She said that the Attorney General seemed to think that we do have several alternatives.

Bill felt that the tap shares that have been bought should be considered as in use.

LeRoy said that he has been told that leasing to another group is a poor way to go according to the county's advice and that we could be in danger of not getting the water back.

Stan explained that the county does not like conservancy districts and does not encourage them at all.

Susan told us that the Attorney General is taking time to investigate the small town water problems before he establishes a policy concerning handling these kinds of problems. Susan asked him about turning our water to Silver Reef and he said that was a possibility. There was some discussion about some questions that needed to be asked; about taps that have been purchased and are not being used at present, about a provision to apply for some kind of extension, if we tie in with Silver Reef, can we accumulate water for future growth and can they also take in the irrigation water.

POSTING MEETINGS: Ray said Mark Ludlow had asked him about why our last meetings had not been posted. The secretary took full responsibility for that. Mark said we cannot hold our meetings in a public building without posting them publicly. The secretary was assigned to put up a permanent public notice.

Ray made a motion to adjourn, Russ seconded and all approved.

NOTE: Things that Webb's group are willing to do if they can be annexed into Leeds township and attached to L.D.W.A. Copied exactly as it was handed in to us, follows:

**We put in pipe from Leeds to our property that Leeds can access to furnish water to Leeds property.**

**We have about 86 acre feet of underground rights that can be transferred to Leeds City. We could give or sell Leeds a portion of that water for the city's own use.**

**We have two submersible pumps either of which could be installed in the Leeds City well.**

**We must have an 87,000 gallon tank. We could help Leeds get a 500,000 gallon tank.**

**We could keep our company and system intact, annex into the city, and buy about 25 gallons of water per minute to mix with the water we pump from our well. A meter could be placed at the entrance of our property. We would not need most of the 25 gallons per minute for some time. The Board of Health wants to know that the water is available.**



Meeting held with John Palmer at his office in St. George on 17 August 1987 .

Present besides Attorney John Palmer were Stan Roberts, Susan Savage, Ray Beal, Russell Peine, Bill Schweer, Fred Friese and Louise Stirling.

John Palmer started things by asking how much water we figure we stand to lose, and how much excess water do we actually have? No one could answer those questions.

Bill Schweer said that L.D.W.A. had purchased four water rights and the one that had been purchased from Silver Reef as a reserve was recently found to be much less than it was thought to be. It was supposed to be a half second foot but was found to be limited to 50 families.

There was some discussion about the standard of measurement that would be used by the state in deciding how much excess water we have and how our minimum of 40,000 gallon that is guaranteed to our people in the by-laws would fit into that. John Palmer said that anything the state says supercedes anything in the By-laws or the Articles of Incorporation.

Palmer said that somewhere it states that a town needs at least 800 gallon a day per family, but it was questionable if the State Engineer is using that standard of measurement.

He said the first thing we need to do is to find out if we actually have an excess of water. He said if as a private company we are not using all the water we have we will lose our excess but if we turn it to the town the state will turn their heads and allow the town to keep it. People not using their taps could very well lose their water but if they are turned to the town it will be kept and he said that the irrigation water comes directly under the "use it or lose it" standard.

A municipality enjoys rights that no other company or group enjoys, unfair as that may seem.

John Palmer asked if we could all agree that the first thing to do is to find if we have an excess of water and how much excess we have?

Bill Schweer said we need to know what standard of measurement is being used in order to do that. The board agreed that we do have a surplus. Palmer asked if the town uses up our water rights, if not we do have a surplus and the taps not in use would be counted as a surplus.

Stan stated that it is a known fact that the irrigation water is not being used up to the full water rights.

Stan asked if the irrigation water could be shielded by a Conservancy District. Palmer said probably.

Fred Friese stated that he felt that the State Engineer should give us some information concerning the readjudication. Palmer disagreed saying that the state was not obligated to do that.

Russ asked the question, "Do we want to go to all this trouble and then go municipal or shall we just **decide to go municipal?**"

Several felt that we need the information. Palmer said that he was sure the State Engineer would not research anything but would simply take the word of Stoker and the information that he has.

Russ explained to Palmer that we have been unable to get any specifics from Stoker and that has been very frustrating.

Susan told Palmer that the State Engineer had said that we could be put under the umbrella of Silver Reef Conservancy District in order to save our water and Palmer said we could but that he felt that would be a shaky solution. He said we might get away with it but then again we might not. He said that some have done it and gotten away with it but he felt that was not the right way to go. He stated that the State Engineer will deal exclusively with our attorney. He went on to say that we could probably do it and make it work but he does not recommend that way.

Fred felt that those people who own unused taps should be told to plant some trees or bushes or something to water and start paying a monthly fee and we could probably declare their taps in use. Palmer said that would probably work.

Palmer said he had been thinking about leasing the water to the city instead of deeding it over. He had talked to Dallon Jensen and Gerald Stoker about it and they both thought it might work, also. Palmer does not like the idea of a Conservancy District because we would lose most of the control. He felt going municipal would be better than that.

Schweer asked how we would determine if we want to go municipal or not and Palmer said that would have to be voted on.

Atty. Palmer asked the board how the lease concept appealed to them. He explained that the L. D.W.A. would keep a certain amount of control and that some kind of an agreement could be made up that would state certain things that would take place such as having a water board. He was asked if that water board could be elected and he said probably not, that they would likely be

appointed. The board would be a recommending body to the town council. The agreement could say that the water board members could not be a city councilman, but the council would have the final say and could over-ride the water board.

Schweer asked if people who own irrigation shares could sell it to someone other than the town and Palmer said they could. Schweer asked if they could sell it to a conservancy district and Palmer said they could.

On the other hand a municipal system cannot sell water out of the municipality and that would keep water in the community.

Palmer said that even though people have a deed for a share of irrigation water that that water is still owned by the irrigation company and they have the same problem as L. D.W.A. The state can take unused water from the irrigation company and that would be passed on down the line as to who uses their quantity of water and who does not.

Palmer asked the question, "How do we want to go?" Someone suggested that if we turn it to the town, we tell them they must honor the commitments that have been made to the people of the town.

Someone asked, "Since many areas have been annexed does the town have to furnish water to all those areas?" Palmer said that the town has a right to say what people will have to do about sidewalks, lights, etc. and the town could require a developer to furnish his own water.

Palmer said that if we say we're going to stay the same and we want control, then we are asking for trouble.

Russ said if we can require a developer to furnish his own water and make that stick, that would discourage those people from wanting to be within the town limits. Palmer said he thought that could be done. We could say, "bring in your own water and we'll take you in. Put in your own water line and leave us free of that expense."

Schweer said these people want to be annexed because that raises the value of their property.

Palmer asked if we thought some of these people would want to be un-annexed? Some thought that if they weren't getting water from L.D.W.A. they might back away.

Schweer said the ordinance would have to be changed and Stan said that it all

ready is for developers.

It was stated that if the water goes to the town that at least two people, a planner and an attorney, should look over all ordinances.

It was stated that a lease or a turn-over would have about the same effect on the water system. It was asked if it would be possible to revert back to a private company if going municipal did not work out. Palmer said that it might be possible.

Susan asked if there could be conditions attached to a turn-over. Palmer said he thought the state engineer would work with us and that we could probably put some controls in the agreement.

Schweer made the statement that as long as we are not disobeying any laws or doing anything illegal they will not say anything, but we must be open and above board about whatever is done.

Palmer said that if we write a contract that is acceptable to both groups, he thinks the state will accept it. He further stated that the town would have to appoint a group to care for the water and they could also act as an advisory board to the town council. A condition of the lease could state that the town council must listen to the advisory board and consider their opinions and council.

Another condition could be that the developers agreement stay in place.

It was asked if the present council could obligate a future council. Palmer was uncertain about that.

Schweer said if you want something like that it must start with the master plan and go through each ordinance to make sure they say what you want them to and then you might have a chance of keeping them that way as any change that was made would have to be posted for 30 days and so on.

Stan suggested writing an ordinance stating what we would like to keep *and that*  
*Revenue received from water would be used for water purposes only.*  
It was decided that the first thing to do is to find out how much surplus water we have. Palmer said he could do that faster than anyone else but that it would cost money. It was decided that he should do it with Schweer to be our contact.

Also Palmer is to pursue the possibility of a lease procedure to present to shareholders in which water would be deeded to town but a lease agreement would be made with the town with some built-in conditions or we could go municipal with

written in conditions which if broken would require that it all come back to L.D.W.A.

It was agreed that the irrigation company would be approached later.

Stan said we should find out about our time limit and Palmer promised to approach that problem right away.

Palmer was to work with Schweer on qauntities of water and with Stan on everything.

The meeting was adjourned.

Leeds Domestic Waterusers Association Monthly meeting for September 11-1987.

Present: Pres. Stan Roberts, Board Members: LeRoy Konold, Ray Beal and Susan Savage, and secretary, Louise Stirling. Also present were shareholders: Karen Knighton, Ronald and Alora Page, and Perry Harritt.

Prayer: Ray Beal

MINUTES: One addition was made to the August minutes and then Ray made a motion to accept them, they were seconded and all approved.

FINANCIAL REPORT: The board members were asked if they had any questions on the financial report. A question or two was asked and answered and a motion was made by LeRoy to approve them, Ray seconded and all approved.

SHAREHOLDERS ASK ABOUT READJUDICATION: Stan asked those shareholders who were present if they had any questions and they asked a few questions about the coming readjudication and the possibility of going municipal.

It was explained to them that we have Atty. John Palmer working on a letter of information and explanation to send out to the shareholders.

The Pages said they had been up to talk to Stoker and felt we should go municipal. It was explained to them that there would be a letter sent out to all shareholders along with an absentee ballot for those a long ways away and then there will be a meeting held here in Leeds where a vote will be taken from shareholders living here.

Stan said Palmer would probably be calling a meeting, maybe as soon as Monday and will have that letter ready for us to send out.

There was some discussion about the amount of water we have and how important it is to keep the water we have. Stan talked about our water rights and how we have less than we thought we had. He explained that we have a good attorney and he feels we will come through all this just fine.

THE SAFE DRINKING WATER COMMITTEE LETTER: Stan introduced a letter pertaining to the Safe Drinking Water Committee and talked about some tests that they want all water systems to take but, systems with less than 500 people and 150 taps can be exempted from taking these samples upon request and Stan suggested that we write a letter to do that.

The Pages asked what it is in our water that leaves a film that won't wash off



Speceal meeting---Tuesday the 22nd of September 1987---7:00p.m. held at the office of Attorney John Palmer in St. George.

Present: Stan Roberts, Susan Savage, Ray Beal, Louise Stirling, Russell Peine and John Palmer.

Palmer began by telling us that according to the information given him by Stoker's office, we have water to serve 443 families. Stan suggested they haven't taken into consideration the park, cemetery, fire department, church and trailer parks.

At the present time Leeds uses 108 taps with about 30 more being held. It was brought out that ~~no~~ one will give us a standard of measure that we can figure from. It was stated that the rights given us by Stoker included the irrigation water. It was figured that by Stokers numbers that 26,666 gallons of water is a rough average of usage. The state will hold us to the beneficial use of our water in their figuring.

Palmer said we need to figure we're way over the limit of water that we can put to beneficial use and we need to decide how to go to save it.

He said we had these alternatives; (1) We can continue as a private company and take our losses on the chin in which case anyone needing water would have to bring in their own or the town would have to bring in more water in which case there would be two companies, or (2) Go municipal so that the town could stock-pile unless sometime in the future the state decides to take it away from the town, but, the practice at present is to let a town stock-pile for growth. At the present, going municipal would end our immediate problems.

Stan wondered about the money that had been used to purchase water by the people of the town.

Palmer feels we're going to have to go municipal because of two things: (1) It should logically be a municipal because a town should handle its own water. He felt that that reason could be shelved but felt strongly that, (2) we cannot avoid going municipal for long if we are to keep our water in our own community.

He wanted to poll ~~the~~ group on what they want to do. If we decide to go municipal then we need to have a vote by the shareholders. He ask the board members if they want to call a formal meeting to take a vote of the board. Stan asked if we could take a vote at this meeting. Palmer said we could call this a special meeting to poll board members.

It was decided that Stoker should be at the special meeting for the shareholders to explain our present water rights.



No matter what alternative we decide on there needs to be some kind of tentative plan to vote on and it should be presented to the city council first and we should negotiate with them about a lease or the method decided on.

Russ said that it will have to be a no-money transfer and Palmer agreed.

Palmer favors a lease so that if sometime these things might be reversed, we need to have some rights intact and be able to use them even though he can't see that ever happening. Also with a lease we could impose some controls and restrictions on the town in dealing with the water.

Palmer asked board members to express why they feel L.D.W.A. should be a private company instead of a municipality.

Ray said he would not be against the town taking it over if they would really take care of the water. He feels that the water would be chlorinated much sooner than it would have to be if the town took it over and that a private company would not do that.

Russ said that one major concern is that if you have a pro-growth town council the water can be used up on one large project.

Stan said one reason against a municipal is that so many towns tack on all kinds of taxes on the water in order to make money for other projects.

Susan had similar thoughts. When people come <sup>a water</sup> to meeting to talk about water, you talk water, but a town meeting is too general when it concerns water. The water board is bound by the voice of the people where a town need not be.

Russ said these concerns are based on past performances of town councils.

Palmer asked if our shareholders felt the same way and it was felt that most do but not all, but that most would vote to not lose the water.

Susan suggested contacting LeRoy to poll his feelings.

It was asked shall we put before the members whether to go municipal or not? All approved, including LeRoy who was called from Palmer's office. It was stated that we will need a majority of shareholders votes to do anything.

The alternatives were discussed again--(1) transfer to town, no strings attached, or, (2) transfer to town but retain a water board with some restrictions. Possibly a 5 member water board which would be appointed by mayor but two must come from the water board.

Russ said he would like to see a control written into the agreement to be made that would require a developer to bring in his own water. Palmer said that a water company cannot do that but, a municipality can. He also suggested that

we should not attach too many strings.

Ray asked about outstanding debts and Palmer suggested that the town just take over the loan from the Water Resource Board and the FHA loan will be paid off. We would transfer all assets, debts, etc., and everything.

Susan asked if we could retain the 40,000 gallon minimum and also require that all revenues from the water be guaranteed to be used only for water matters. Palmer said "no" on gallonage but maybe "yes" on the revenues.

It was asked if this should be put up to the town council before it is voted on by the shareholders and Palmer said "yes". Also Palmer said he needed to approach the state and ask them if our city council approved this plan, would they? Then they will go to the shareholders and say these are the tentative things we'd like to do and ask them to approve the action that is proposed.

Palmer to go to the state and then will meet with water board again, then go to town council and from there to the stockholders.

The meeting was adjourned until we hear from Palmer.

LEEDS DOMESTIC WATERUSERS ASSOCIATION monthly meeting for 9th October 1987.

PRESENT: Stan Roberts, Ray Beal, Susan Savage, LeRoy Konold, and Louise Stirling.  
Russell Peine was away elk hunting.

Prayer: Susan Savage

LETTER TO STATE ENGINEER: Stan brought a letter written to Dallin Jensen telling us about a lease agreement that Palmer has written up for us to see if the state will approve it and then on to the L.D.W.A. shareholders to be approved by them. It was read aloud to the board so each would be aware of what is being done in our behalf.

MINUTES: LeRoy made a motion to approve the two sets of minutes, (last months regular meeting minutes and the minutes taken at the special meeting held on Sept. 22 at Palmer's office). Susan seconded and all approved.

FINANCIAL STATEMENT: Ray made a motion to accept the financial report, LeRoy seconded and all approved.

ROADS BY C. STIRLINGS AND C. SCHWEER: Stan told us that the roads by Carlyle Stirling's place has been fixed and also the place by Cynthia Schweer's where they were dug up to place water pipe. He would like to chip and seal it also and finish it up as it should be if we can get a little financial help. The road to Savages was also fixed and there is a little mulch left for our use. It was decided to use the mulch to fix some of the driveways in town. Ray said he had a hand tamper that could be used.

LARGE WATER TANK: Stan said that the large water tank is in very bad condition with loose strips of paint hanging from the top. It needs work done on it as soon as possible. Ray said it should be done before the cold weather comes.

It was thought that it would be easier to fix if a doorway was cut in the side and then welded up again after the tank was fixed. It was felt that it should be done by the end of November.

Ray suggested they empty the tank and then get in there and really examine what needed to be done. Stan thought the tank might need to be replaced if the rust is too deep.

UP-DATING THE INFO TO SHAREHOLDERS: Susan wondered if a note should be sent to those shareholders who only hold a tap certificate, as was done to those who get a usage bill right along. All of those people will be getting a letter of

information and explanation along with a ballot to vote when the above lease plan has been approved by the state and city council, but she thought it might be well to let them know what is happening. It was decided to go ahead and send notes to each of them.

WATER TO SUSAN'S CABIN: Susan asked what she needs to do when she decides to take water out to her cabin. LeRoy and Stan explained how the water line is that runs out that way and told her what to do. They told her that a 3/4" line is the required connection for a dwelling. She asked if she needs to put in a larger line and was told that there is an existing line out there now.

LeRoy felt that maybe a larger line would be needed if there is to be another dwelling out in that area and Stan thought he had better do some checking on those lines. Susan said she would check with D. Goddard and see how his pressure is and said that their own pressure hadn't been too good lately. She was given the go-ahead on the water line.

Susan also asked about another meter at their place and was told to check with Eldon Stirling.

Stan made a motion to adjourn, Ray seconded and all approved.

CONDUCTING: Stan Roberts

PRAYER: Ray Beal

PRESENT: Stan Roberts, Susan Savage, Ray Beal, Louise Stirling and two representatives from Five-M: Norm Jacobson and Jerry Glazier.

FIVE-M PROJECT: Five-M was first on the agenda and they told us that Five-M and Washington are forming a trust called, "Holding and Gaurantee Limited." They are proposing a one hundred acre development at Silver Reef to be developed in two phases. Phase I would include 6.8 acres. They are thinking of the possibility of making a tourist attraction and maybe some mining. It is possible that they may want to annex some of their property. They are also thinking of a residential section.

They own some water which can probably handle a 100 acre development but will probably need some other water as the development of their own water may be too expenseve.

They have been to the county and they like what Five-M is proposing, but cannot give total support unless some agreement concerning water is made. Five-M thinks the best thing to do would be to put their water in our lines.

Stan explained that he had asked about putting irrigation water into domestic use last summer during the dry spell but, could get no answer and the only reason the pump was not turned on was because of the Silver Reef runn off that we used.

Five-M said that a reservoir up there is still a possibility and would make as much as 13,000 acre feet of additional water available and they said that the district is not opposed to that. They would participate by building another tank or a chlorinator or whatever needs to be done in order for them to put their 80 gallons of water a minute into our lines. Five-M was asked if he had talked to the irrigation people and he said that he needed to talk to Merlin Sullivan.

It was explained to Five-M that we are to be going through a readjudication and that it looks like we may be going municipal in order to keep our water. Nothing can be done until this has been voted on and then this proposal from Five-M would also have to be taken to the people.

Five-M asked if our chances are good to get more water and Stan explained that we have more in a well and also some purchased from Allen Howard. He also explained that what L.D.W.A. intends to do is to try to put some irrigation water in the line and he said that the state engineer said that this could be done.

Five-M asked if our existing line will handle all the water that we need to supply our present taps that are in use and also the ones that are sold but, not yet in use. It was thought not.

It was asked if we had had any problems with the Forest Service. We haven't.

Five-M asked if it would be possible for they and L.D.W.A. and Unico to get together and run a new line? It was questionable. They asked if there was a chance to get together on it later.

Five-M asked what the board's feeling was concerning a reservoir.

Stan thought it would be good.

Susan stated that it had been talked about for years but that Silver Reef should be brought into it before making that decision.

Ray said it would be great but, a final decision would have a good deal to do with cost and who would pay.

Five-M explained how the cost could be spread around and how revenue could be brought in from a hydroplant. Five-M said that there was as much as 2 second feet of water at Wet Sandy and they thought that could be brought into the project. Stan asked who had Wet Sandy rights and was told that it was Dexter Young at Anderson Junction. Stan said they needed to talk to the Sullivans.

Five-M said they will need 2300 gallons of water per day for Phase I of their project. They said that B.M. is talking favorably of the reservoir. They then told us that if we come up with something positive to let them know and then they excused themselves and left. They also left a small map of their projects location.

BILLS: Stan turned in a bill for mileage, labor and telephone. The bill spread over a time period of about 6 mons. from 3/9/87 to 9/8/87. It was approved and he was given a check. He also turned in a bill from Atty. Palmer.

MINUTES: Susan made a motion to approve the minutes, Ray seconded and all approved.

LETTER FROM EPA: Stan brought a letter from the governor's office (EPA) telling us about a new ruling that is being considered that would require 5 water samples each month. Five samples would be very expensive as we have to transport the samples some 37 miles one way at \$18.00 per trip. For a small water company that could work into quite a burden.

WATER TANK: The water tank needs work done on it and needs it now. The board members agreed to go up to look at it in the morning--Nov. 14th--and they will make a decision on what will be done.

HALF-SECOND FOOT OF WATER FROM SILVER REEF: Some one asked about the half-second foot of water we were supposed to get from Silver Reef. It was suggested that June Forsha be asked to come and explain it to us.

No meeting in December unless something comes up with Palmer.

Stan made a motion to adjourn, Louise seconded and all approved.