

LEEDS DOMESTIC WATERUSERS ASSOCIATION----MONTHLY MEETING 15th JANUARY 1988

PRESENT: Stan Roberts, Ray Beal, Susan Savage, Russell Peine, Louise Stirling,  
and Wm. W. Schweer.

PRAYER: Ray Beal

President Stan Roberts called meeting to order at 7:40 p.m. and conducted the meeting.

MEETING WITH BUREAU OF WATER SANITATION: Stan told us briefly about a meeting he attended yesterday at Hurricane with the Bureau of Water Sanitation of Utah. They talked about water sanitation and about testing water for chemicals it may contain.

MINUTES: Ray Beal made a motion to accept the November minutes (no meeting was held in December), as written, Susan seconded and all approved.

FINANCIAL REPORT: The financial report was studied and a few of the items talked about and explained. Stan told board members that the loan from FmHA had been completely paid off, and said that our company was the first one in the state to do that.

The secretary was given a copy of a paid in full satisfaction to be taken to the county court house and have it recorded in order to clear the public record. The board was also told that our insurance bond had been canceled. Russ made a motion to accept the financial report, Susan seconded and all approved.

READJUDICATION: Palmer wrote a letter to Dallin W. Jensen, the Utah Solicitor General to try to get some response on the tentative lease agreement he had proposed in place of L.D.W.A. going municipal and he was told that Jensen and 2 or 3 other state engineers had talked over our situation and had decided to let us stay a private company and would also allow us to accumulate water, since they felt we were very close to being municipal. But, they don't want to put anything in writing or be required to sign anything to that effect. Stan asked Palmer if he had received a letter about this but found that this is only a verbal agreement. That made the board members feel a little uneasy about it, even though Palmer seems to think it will be all right.

SILVER REEF AGREEMENT ON 0.50 cfs WATER: The 0.50 cfs of water we were supposed to have obtained from Silver Reef a few years back was discussed briefly and it was determined that those parties who were supposed to follow through on the agreement had failed to do that and as a result we have lost that water. At the last meeting it was decided to have Jure Forsha come and explain all of this to the board but he has been ill and that is probably not possible at the

present time.

There has been a good deal of confusion on this issue and Bill said that there doesn't seem to be any set rules and regulations about water in our state that we can follow to help solve such problems.








ANNUAL SHAREHOLDERS MEETING: It was decided to postpone the shareholders meeting to the first of March in order that we may meet with Palmer to get our questions answered about why the state will not give us written permission to stay private. It was asked when we should do this and everyone agreed it should be done as soon as possible. Stan was to call Palmer and make an appointment.

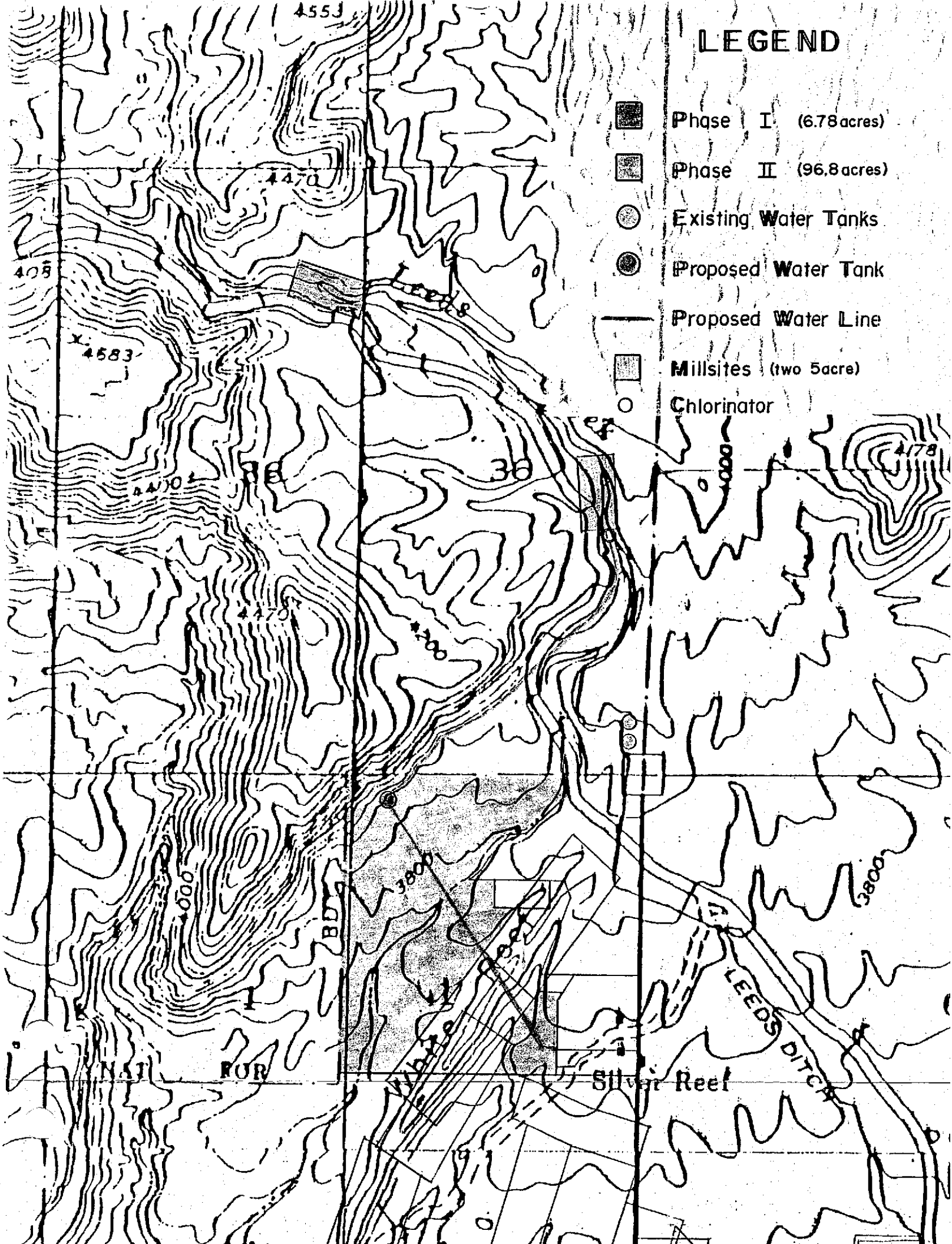
LETTERS FROM REPRESENTATIVES: Letters from Wayne Owen and James Hansen were read aloud to board members. These were answers to our letter written about the EPA testing that has been proposed.

SAND-BLASTING OF WATER TANK: One water tank needs to be repaired right away. Sand-blasting needs to be done and better paint needs to be applied. Russ, Ray and Stan agreed to go up at 1:00 p.m. tomorrow and get the tank drained. Stan asked Russ if he was interested in doing it. Russ felt that someone more qualified should do it in order that it be done right. Stan suggest Steven Johnson and Ray said it could be advertised in the paper and bids be taken. Russ said he knew of only one company in our area that does sand-blasting and that is Stout's Construcción. Susan asked if emptying the tank would affect the water pressure and was told that at this time of year with water usage at a minimum that it would not.

Russ made a motion to adjourn at 8:45 P.M., Susan seconded and all approved.

# LEGEND

-  Phase I (6.78 acres)
-  Phase II (96.8 acres)
-  Existing Water Tanks
-  Proposed Water Tank
-  Proposed Water Line
-  Millsites (two 5 acre)
-  Chlorinator



ACCOMPLISHMENTS FOR 1987:

New 6" line was run up West Center Street to where the cemetery line begins. As a result there is good pressure at the cemetery and also at the Cuffs. It is completely paid for.

Where the water line at the Reef was open has been covered and fixed so that it won't be broken again.

A check-valve was put in the line out at Frank Allen's and is working well. The Allens are much happier with their water now.

All the breathing boxes on the water line have been put in order with new locks put on. They will not be easily broken into again.

FmHA Loan has been completely paid off with a substantial savings for paying it off early.

The master meter has not yet been replaced but will be soon, along with the control valve.

MEETING WITH ATTY. PALMER AT HIS OFFICE ON 19th JANUARY 1988 AT 7:30 P.M.

PRESENT: Russell Peine, Ray Beal, LeRoy Konold, Susan Savage, Stan Roberts,  
Perry Harritt, Edell Butterfield, Louise Stirling, and Atty. Palmer.

Atty. Palmer started by saying that the purpose of the meeting was to discuss the alternatives that can take place in order that L.D.W.A. can keep all of its water to serve the town of Leeds. He talked about leasing the water to the town and the agreement he had written and sent to the State Attorney Generals office to see if they would approve that particular plan. It was not circulated through the town because he and the water board felt we should have the backing of the state before it was presented to the people. Briefly, it was a plan to convey the water rights to the city with certain conditions and with a five-man waterboard to be a recommending committee. Also in the agreement it stated that everything would revert back to L.D.W.A. if the conditions were not complied with.

The agreement was passed among the state people who all read and considered it. The people in the state engineer's office decided it was foolish to require us to do something we don't want to do and decided we should be treated as a municipal company, allowing us to retain our water rights and control of water, but said we should put in writing that L.D.W.A. is a company using all water rights for culinary use in Leeds and agreeing to not apply pressure as to time.

Palmer feels that if we submit a written agreement between L.D.W.A. and the town that is consistent with the directions and guidelines from the state and state that we are treating L.D.W.A. as a municipal culinary water system and both sign it, he thinks they would accept it.

Palmer feels this would be acceptable now and in the future. He feels that the state would like us to accomplish what we want to and will work with us to do that.

Palmer feels that we may be simply postponing a harder decision later on and feels that sooner or later the water will have to be turned to the town. He stated that if enough people feel this way the transfer should be made now.

Stan told about a meeting he had recently attended where they were told that all culinary water in the state will become chlorinated within the next 2 years; and that will cost a lot of money and would be better handled by a municipality.

Ray asked, if we can do what the state suggested, what reason do we have to go municipal?

Palmer answered by asking, "Why not?" He feels we're going to be hearing more about going municipal every year and asked, "Why support two systems?"

Susan asked for more information about the state's suggested plan. Palmer said that not much would change from what we now have and said that we are holding the water in trust for the people of the town. Palmer said it would be simple to turn municipal and the readjudication would show that the water belongs to the residents of Leeds.

LeRoy questioned about furnishing water to sub-divider developers. It was explained that at present the city ordinances state that a developer must furnish his own water. Palmer said that would remain the same.

Butterfield mentioned economics and Palmer said there would not be a lot of expense involved, possibly a thousand dollars or less.

Susan outlined the advantages of staying a private company, (1) More input from people of the town, (2) It is a non-profit company so there is less expense, and (3) the money is used only for the water expenses. Palmer said that a municipal could have the same advantages.

Russ said another big item is the shareholders have the right to vote. Palmer agreed and said the equivalent of that in a municipal would be the voting power of the city council.

Susan suggested that you never know what opinion will come from there. Palmer said they are the same people, it should be somewhat the same, but agreed that there can be some dangerous things come up but that can happen in any group.

Russ suggested that ordinances give a certain amount of protection and there's no real guarantee from any group that things will remain the same.

Palmer summarized, there are three choices that we can choose from:

- (1) Turn everything to the city--no strings
- (2) Turn to the city with the lease agreement
- (3) Make an agreement between the city and L.D.W.A. following the directions from the state.

LeRoy asked if it wouldn't be wise to have shareholders vote on which way to go. Stan said that any major decision must be voted on. Butterfield felt the board should make a recommendation and then vote and not just open it up to open discussion.

Palmer said we should have assurance that the state will sanction either plan before putting it before the people but also felt the board owes the shareholders a recommendation.

Someone asked about the disadvantages of staying private. Palmer said he couldn't think of any but that he still felt that sometime we would need to go municipal.

Butterfield asked if it is going to have to be done eventually, why not now? Palmer said that that may be only a feeling and it might only be his feeling.

Palmer then asked how we would put the three plans to a vote. Will the shareholders be given a choice or will they vote on what the water board chooses?

Palmer said if the water is turned over to the town he still felt it would be wise to have a water board to act as an advisory board to the town council concerning water matters, with 2 members on the town council, but the town council would still make final decisions. Even if the water board was completely ignored he felt they should have one.

Palmer felt that the plan chosen should be either the new plan suggested by the state or turning it completely to the town. Stan and Russ both vetoed that.

Palmer asked how the board felt about the lease agreement and how they thought it would work.

Russell said that he felt that there would be a lack of interest in serving on the water board.

Palmer admitted that a municipal would have less control of the funds than we now have, but that the lease agreement included better control. He felt that the developers agreement and the water ordinances should be good protection, but that they should be incorporated in the town if we go municipal.

Palmer asked if anyone on L.D.W.A. Board felt more comfortable with a private company than they would with a municipal. If so he felt we should think of the new agreement that the state suggested.

Board agreed that there were quite a few people who felt strongly about L.D.W.A. and suggested the new plan. Palmer said that the state has literally turned cartwheels to be obliging to our company, and suggested we put it to a vote to the shareholders and vote for plan A or plan B and go by the majority.

Palmer asked what would happen if they voted to turn it to the town with strings attached? The board felt that would be no problem.

There was a discussion concerning the balloting.

Susan made a motion to vote on one of the following plans:

- (1) Convey the water to the town with certain restrictions.
- (2) Stay as a private company under the suggested directions of the state, and in both ways retaining the water rights.

Also in the shareholders meeting there would be an election of directors and absentee ballots accepted.

LeRoy seconded the motion and the vote was unanimous.

Palmer is to draw up a short outline of proposals to be mailed out to shareholders, also a letter and a ballot.

The meeting is to be on the first Monday in March with Palmer to be present.

The meeting was adjourned.



PRESENT: Susan Savage, Stan Roberts, Ray Beal, Russell Peine and Louise Stirling

PRAYER: Susan Savage.

MINUTES: Stan asked if everyone had read the minutes, and all had. Susan discussed some points in the minutes and felt that the minutes suggested that Atty. Palmer stressed going municipal rather strongly and reminded us that he had made the statement several times that he was not trying to persuade us one way or the other. She then made a motion to approve the minutes with this correction added. Ray seconded and all approved.

PALMER'S LETTER TO SHAREHOLDERS DISCUSSED: The board members were unhappy about the letter that Palmer had written for us to send out to shareholders. They felt the shareholders should be given two choices. Someone mentioned that maybe the state would not approve a two vote-plan. The board members also felt that the letter should be a little easier to understand.

Ray stated that at the last meeting there were some strong opinions about going municipal but it was brought out that there were also some strong ones in the other direction.

It was felt that Atty. Palmer should be given a copy of the minutes and it was also felt that the agreement he had written was a little hard on the town.

Susan suggested sending him a copy of the minutes with the important parts be underlined and have him re-do the letter and agreement.

Russell felt that there didn't need to be an agreement until the people voted on what they wanted to do. He felt that the letter did not contain what we had agreed on and needed to be re-done.

Everyone on the board felt that in the lease with the town the word, "restriction" should be changed to, "qualification."

Stan is to call Palmer and see if we can meet with him tomorrow and will take along a set of minutes. The secretary cannot attend and so they will tape the meeting. The shareholders meeting notices need to be in the mail in a week.

FINANCIAL REPORT: We've been charged \$2.00 by Williamsburg Bank when a check has been returned and this was discussed and it was decided to pass that charge on to the person who's check was returned. The secretary was instructed to send out notices to this effect.

The power bill for the well was discussed. The secretary had called to inquire about that but UP&L had not yet called back about it.

Russell made a motion to accept the financial report, Susan seconded and all approved.

REPAIRING THE WATER TANKS: The board discussed the sandblasting and repair of the tanks and felt they needed to contact some companies and inquire about the cost and also about the feasibility of fixing them, wondering if maybe they should be replaced instead. Russell suggested contacting Stouts.

The secretary was asked to go back in the minutes to 5 or 6 years ago and see the cost of refurbishing the tanks the last time it was done. Russ volunteered to talk to Stouts.

Stan received a letter from the Dept. of Health about lead in our water. It was decided to let it lay for the present.

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

February 20, 1988

Dear Shareholder,

As while back you were told that if you were unable to attend this special meeting, you would receive an absentee ballot in order to vote on the enclosed important questions. On the advice of our attorney it has been decided we should not send out ballots but, should encourage the shareholders to attend the upcoming meeting if at all possible.

We apologize for giving you the wrong information and hope you will forgive us for that. We encourage you to make every effort to be in attendance.

Sincerely,

Louise Stirling  
Louise Stirling, Sec. C.D.W.A.

LEEDS DOMESTIC WATER USERS ASSOCIATION

NOTICE OF SPECIAL MEETING OF MEMBERS

TO ALL MEMBERS OF THE LEEDS DOMESTIC WATER USERS ASSOCIATION:

Notice is hereby given that a special meeting of members of the Leeds Domestic Water Users Association will be held at the Town Hall in Leeds, Utah, on Monday, March 7, 1988, beginning at the hour of 8:00 o'clock P.M.

At the last annual meeting of the shareholders, there was discussed the matter of the directive from the Utah State Engineer that beneficial use of the company's water rights must be established or the water rights might be lost. Since that time, the Board has approached the State Engineer's office to seek approval for a means by which the company could retain, manage, and control the water rights as an alternative to transferring the ownership rights, including management and control, to the Town. The State Engineer's office, through its counsel, has indicated it views the company's water rights as having been held and used for the use and benefit of the residents of Leeds. For that reason, the State Engineer's office has indicated a willingness to permit the company to retain ownership of the water rights, provided the company will agree in a writing to the State Engineer's office that the company is holding the water rights in trust for the use and benefit of the residents of Leeds. This action by the State Engineer's office creates a new alternative for consideration by the members. Therefore, the

following matters will be presented to the members for consideration and action:

1. Review and approve minutes of the last meeting.
2. Vote upon the following two questions:
  - a. "Shall the Board of Directors be authorized to enter into an agreement with the Town of Leeds acknowledging that the company is holding all water rights registered in its name in trust for the use and benefit of the residents of Leeds, Utah?"
  - b. "Shall all assets owned by the company, including all water rights, be transferred to the Town of Leeds, subject to assumption by the Town of all company debts and agreement of the Town to own and manage the culinary water system?"
3. Elect new directors (4).
4. Consider such other and further matters as may properly come before the members during the meeting.

Only members of record on March 7, 1988, may vote on any issue or matter presented to the members. Pursuant to the Articles of Incorporation of the Association, votes may not be cast by proxy.

The company attorney will be present at the meeting to explain contacts with the State Engineer's office and other matters relative to Item #2 above.

Dated and mailed to all members of the Association on February 20<sup>th</sup>, 1988.

  
STANLEY C. ROBERTS, President

P10-16

ANNUAL SHAREHOLDERS MEETING HELD ON THE 8th MARCH 1988

The meeting was called to order at 8:15 p.m. by President Stanley Roberts. The meeting was held up while waiting for Atty. Palmer to come. They finally called him, he had forgotten and said to go ahead without him, ~~and he would come as soon as he could.~~

PRAYER: Ray Beal

MINUTES: Minutes of the 1987 annual shareholders meeting were read. Wilma Beal made a motion to approve them, Don Goddard seconded and the vote to approve them was unanimous.

President Roberts asked if there were questions on the financial statement and Alene Cuff asked about the professional expenses which seemed high. It was explained that the L.D.W.A. Board had some professional help in pursuing every avenue that might save our town's domestic water. A question was asked about the "payment of faith" to the FHA and Stan explained how L.D.W.A. had completely paid the loan from them with a substantial savings and that Leeds was the first to pay off their loan. A few more corrections were made and then Don Goddard made a motion to approve them as corrected, Wilma Beal seconded and approval was unanimous.

The paper with the 1987 accomplishments was brought to the attention of the shareholders. It was explained that the master meter would be put in as soon as the sandblasting and painting of the tanks, which is now in process, is done. Also the break in the line at the Reef was explained. The shareholders were also told about the repairs that are now in process at the tanks. They are being sandblasted and painted, with vents being added and everything is being done in accordance with state requirements.

Don Goddard asked about the breathing boxes and what was done to make them more safe and that was explained.

Don Fawson asked if covering the storage tanks was being considered and Russ said that it is and the cost on the sheet was only a rough estimate and that it really needs to be done.

Roy Brewer asked if there was a simple map of our water system. Stan said there wasn't, but Bill Schweer said there had been a set of maps made up when the new system was put in and that George Foulds had a copy of them. He said he would be glad to get them for Brewer to look at.

Ray Beal brought up the breather boxes again and told the shareholders that when they go to Oak Grove they can see the breather boxes along the road and asked

the town people to kind of keep an eye on them when they go that way and report any problems they might see.

Russ then read aloud the notice sent out to the shareholders to refresh their memories about the issues being voted on, and explained the wording on the ballots.

Alene Cuff asked about number 1. She said it was her understanding that the state would not sign anything to that effect.

Mark Ludlow asked if this had been done by anyone before and Alene answered him saying that Stoker had said no one had.

Elmer Carr stated to the group that there are at least three people outside the town boundaries who have obtained water rights. Stan asked what time period this was in and Carr said in 1926 there were six and that three still exist. He had been to the county recorder's office and looked these things up and wanted to know about these shares.

Bill Schweer said he had moved here in 1968 and the water company was having problems over this at that time. There were five taps outside the city limits and the state engineer had come down and told the board that the only course of action to take was to annex these areas and the town records show that this was done.

Carr insisted that a Howell near Silver Reef had one and if this was so the water company could be sued and that if it weren't stopped then L.D.W.A. would be required to furnish water to anyone whether in the city limits or outside them. It was explained that this had been taken care of and Silver Reef furnishes water to this particular person.

Don Goddard suggested that a research be done on this and that it should be taken care of. The board agreed to do that.

Mark Ludlow requested that each board member give their opinion to the shareholders on the issues being voted on. Even though the board members thought this was an unnecessary request and maybe even out of order they agreed to do it.

Stan said he had just talked to Atty. Palmer on the phone and he had told Stan he couldn't imagine why anyone would want to change what we have when we've been given permission by the state to stay private. He said we were really very close to being municipal. Stan said he agreed with him.

Ray also felt we should stay as is as long as possible and said that if the need came to change we could do that when it became necessary.

Russ said he felt that there was nothing to be gained by going municipal.

Le Roy felt the same as the others.

Yukus Inouye, a shareholder, said he lived in Highland and they have exactly the same situation up there as the city does not control their water and they felt the same, that it can always be changed if it is needed.

Susan told the group that we had pursued every possible avenue and had talked to Stoker and other people from the state engineers office and from the things that had been learned that she felt we should stay as we are. She felt that the water should be left in the hands of the people as long as possible and that our system had many advantages over a municipal.

Alene Cuff suggested that we go municipal and asked what the advantages of staying private were. She wanted to know why, if the company was so special, we have such a problem getting people to serve on the board and pointed out that the water directors and the town council members are the same people. She complained about the water board meetings and said they should be posted along with an agenda.

Merlin Sullivan explained about some of the problems that the town went through when the water company was incorporated. He said when the water board does something the shareholders don't like, it can be changed, but when the town council does something you don't like it cannot be changed. He said that state programs are changing all the time to help the needs of the people. He suggested we stay as is.

Don Goddard said he had been taught not to give purchased things away. He does not want to give his share away and he had not heard one advantage of going municipal.

The vote was then taken. The count was: 44 votes for staying as is, 9 votes for going municipal and 1 blank ballot.

The next order of business was to elect new board members. Stan Roberts, Russ Peine and Susan Savages terms were up and LeRoy had asked to be released, so we need four directors.

Nominations were oped by Pres. Stan Roberts; *Those nominated were:*

<del>Alene Cuff</del> <del>nominated</del>	Eugene Hansen
<del>Wilma Beal</del>	Don Goddard



~~Bill Schweer~~

Russ Peine

~~Wayne Hafen~~

Stan Roberts and he declined

~~Jean Beal~~

Susan Savage

~~Joe VanSeters~~

Randall Bowler

June Schweer asked for nominations to close--motion was denied.

~~Ray Beal~~

Joe VanSeters and he declined

~~Darloha Freeman~~

Alene Cuff and she declined

~~Bill Lakner~~

Bill Schweer and he declined

~~Joe VanSeters~~

George Foulds and he declined

~~Bill Lakner~~

Fred Friese

~~Evelyn McMillin~~

Jean Beal

~~Charma Confer~~

Alberta Lee

~~Stan Roberts~~

Richard Nylund

~~Jean VanSeters~~

Darloha Freeman

~~Ellen Savage~~

Woody Fillmore

There was a motion to close nominations--it was seconded and approved.

Results of the vote were:

*The four with the highest votes were:*

Don Goddard	30
Russ Peine	30
Susan Savage	24
Eugene Hansen	22
Woodrow Fillmore	15
Alberta Lee	12
Jean Beal	11
Darloha Freeman	11
Randall Bowler	9
Fred Freise	7
Richard Nylund	4

New Board Members--It was decided that the one with the least votes would finish the one year left of Le Roy's two year term.

Meeting was adjourned at 10:02 P.M. There were 68 people present. ~~Atty~~

~~Palmer never did show up.~~

NEW BOARD met long enough to put in a new president and asked Stan to join them, which he did.

Don Goddard suggested that someone who had served on the board be president. Russ suggested Susan but she thought she should not be president but promised

to be a good helper. Ray felt he just did not have the time and Russ felt the same.

Don made a motion that Eugene Hansen be the president with Stan to be his instructor for awhile. Stan agreed to do this. Don was suggested for vice president. Ray seconded these motions and all approved.

Stan explained about the water samples and also told the board about a meeting in St. George tomorrow night and suggested they all go. All the new board except Ray, agreed to go and Stan agreed to accompany them.

Meeting was adjourned.

Proposed minute entry for special meeting  
held March 8, 1988

President Stanley Roberts pointed out to those assembled that one of the purposes of the special meeting is to vote upon the following two questions:

- a. Shall the Board of Directors be authorized to enter into an agreement with the Town of Leeds acknowledging that the company is holding all water rights registered in its name in trust for the use and benefit of the residents of Leeds, Utah?
- b. Shall all assets owned by the company, including all water rights, be transferred to the Town of Leeds, subject to assumption by the Town of all company debts and agreement of the Town to own and manage the culinary water system?

A lengthy discussion followed, during which all in attendance were given an opportunity to express their views and make comments regarding the two questions.

Following the discussion, a secret ballot vote was taken on the two questions, the results of the voting being:

As to Proposition (a)

Affirmative votes	44
Negative votes	6

As to Proposition (b)

Negative votes	44
Affirmative votes	6

President Roberts declared that Proposition (a) received the highest number of affirmative votes (44 to 6) and that said proposition carried.

P10-17b

L.D.W.A. Monthly meeting held on the 8th of April 1988.

Prayer: Don Goddard

Present: President Eugene Hansen, V. President Don Goddard, Stanley Roberts, Ray Beal, Russell Peine, Susan Savage and Louise Stirling.

Minutes; Don questioned Pete Carr's complaint of people outside town limits owning a tap share. Stan said that definitely no one did. Don said that at one time there were several taps outside city limits. Susan said that she had seen something about two people being furnished water by Silver Reef and Leeds collecting the fees. Stan said there were absolutely no shares outside the city limits.

Stan said that Palmer had suggested writing a new agreement stating L.D.W.A. is holding the water solely for the use of our town and that this should supercede anything else written in the past.

Don suggested that we continue to post our meeting time but with an agenda. Also he felt that the comments in the minutes about Atty. Palmer not showing up should be deleted. Don also suggested that the people who made the nominations for new board members do not need to be named in the minutes.

The power bill was brought up. Stan felt we should probably have it disconnected when not in use. We will either have a small monthly charge or will have to have it disconnected when not in use and reconnected when we need to have it on. He said we should have it connected and run it at least once a year just to make sure everything is in working order. He suggested that June would be a good month to turn it on each year.

Susan made a motion to approve minutes after making the suggested corrections. Russ seconded and all approved.

MASTER METER: Eugene brought up the replacing of the master meter. Stan suggested that he and Eugene would go and do that.

COVERING TANK: Russ brought up covering the tank. Eugene asked about the variations of the water temperature in the tank. No one really knew except it used to be a lot colder before it sat in the tanks.

Eugene suggested spraying the metal tanks with a fibrous material so the dirt will cling. Don felt that wasn't necessary. Ray and Russ agreed. Russ said it is difficult to estimate the amount of dirt needed to cover the tank and would like Ray to help him make an estimation of the dirt needed. Ray agreed to that.

Eugene suggested numbering the tanks for easier referral: Tank #1 will be the cement 175,000 gallon tank, Tank #2 will be the 60,000 gallon tank, and Tank #3 will be the 30,000 gallon tank.

SECOND CREEK CROSSING: The second creek crossing where the water line is ~~exposed needs fixing~~ <sup>a potential danger zone!</sup>. Ray said there is another place that is worse and also above the rack quarry there is a kink in the line that could give some problems.

TANK REPAIR: The tank repair is completed except for the chlorination. VanSters need a water meter in the Vollenline property next to them which they have purchased.

STORAGE SPACE: The door is off of L.D.W.A. storage space and needs a new door. Stan said he had a door frame that would need cutting down but could be used. Water still gets in the storage room and something needs to be done about it, but there is no place to move it to. They talked of a truck trailer that is for sale. Russ said he thought they were asking about \$1700.00 for it but, would find out for sure.

SIGNS FOR WATER LINES: The board talked about putting some signs up along the water line and by breather boxes. Someone said that Wayne Thomas is a federal representative for our area and it was thought that we could obtain some copies from him that say that damaging water lines and tanks is a federal offense. Eugene suggested putting some rubber bands around the lids of the breather boxes to keep spiders and bugs out.

Russ said he would do the coupling and meter for VanSeters and Susan is to contact Thomas.

Someone suggested that the maps be looked over and we should decide which ones to keep and copy.

AGREEMENT TO BE MADE WITH TOWN: Susan brought up the agreement we are to make with the town in order to keep the water company as is. Palmer <sup>HAS</sup> suggested we get on with it and get it done. Susan suggested we meet with Palmer and get this thing finished up. Russ suggested we just have him write it up and then get it presented to the town and to have it ready for the May town Council meeting. Susan is to contact Palmer.

C.D.CERTIFICATE: Stan suggested that it might be well for L.D.W.A. to invest in a \$10,000 C.D.Certificate and let it build for a couple of years. Ray made a motion that it be investigated, Russ seconded and all approved.

Don suggested the board give the matter some thought and that he and Eugene go down to sign some signature cards and also inquire about the C.D.'s.

SIGN ON IRRIGATION DITCH: Susan asked about a sign being put on the irrigation ditch and said she had talked to Herb Janson about it and asked if they should be higher than two feet. It was felt that they should be four or five feet tall. Susan was to check back with Herb about the signs and Stan volunteered to check on poles.

TELEPHONE FOR TOWN HALL: Ray asked if we thought a phone should be put in the town hall. Most thought it wouldn't be used enough to make it worthwhile to pay a phone bill.

GAS HEATER: Stan suggested purchasing a gas heater to hang on the town hall wall and said that Eldon Stirling had said he would check on the price of a tank.

ITEMS FOR AGENDA: The board wants an agenda made up for L.D.W.A. monthly meetings and decided that items to be included on the agenda should be in at least 72 hours before the meeting. That means if our meeting is on Friday evening, items must be in by Tues. evening.

WATER SAMPLES: Stan is to instruct board members on taking water samples tomorrow.

Don made motion to adjourn, Russ seconded and all approved.

Suggested minute entry for regular  
board meeting held 8 April 1988

The board discussed the special shareholder's meeting held March 7, 1988, and the vote taken regarding status of the company's water rights. Pursuant to the shareholder's vote, a motion was made by Russell Perrine and seconded by Susan Savage that the company attorney be instructed to prepare an agreement of understanding between the company and the Town of Leeds and acceptable to the Utah State Engineer's Office, Water Rights Division, which states the essence of the matter voted upon by the shareholders.

P10-17a

L.D.W.A. Monthly Meeting held on 13th of May 1988.

Prayer: Eugene Hansen

Present: Eugene Hansen, Don goddard, Susan Savage, Ray Beal, Russell Peine, and Louise Stirling.

Minutes: Pres. Hansen asked if there were any questions or corrections on last months minutes. A correction about the Creek Crossing was made. Then Eugene said he thought if anything was to be done about a gas heater for the town hall that should come through the town council and was not anything we should be involved in.

Out of City Limits Taps: Ray said that he had talked to June Forsha about taps outside the city limits and June said we do have taps outside the city limits. He said that in the Memorandum of Understanding between L.D.W.A. and Silver Reef, L.D.W.A. agreed to furnish Wells Fargo and Marjorie Howell and also Henry Leigh who has something to do with Western Equitey a tap and that Silver Reef collects the revenue from that. The board passed a motion to have Palmer look into it and see if there is anything illegal about that agreement and to get it straightened out so we are not violating our own rules. Susan was assigned to talk to Palmer.

Repair of Tank: Eugene said that he and Reynold Stout looked at the tank and Stout has agreed to re-do it. He gave no timetable, however. Meantime the roof of the tank is off and the tank cannot be used. Don suggested that it must be done right away as it will be needed now with hot weather here.

Disconnecting Power on Pump: Don had checked with UP&L and had talked with UP&L's Pat Brady who told him that if given two days notice they will make a connection or a disconnection at the pump free of charge. If it is a same day request, it will cost \$25.00 and if it is an after five request it will cost \$37.00.



Master Meter: Someone asked if it was necessary to wait until the tank was back in service before the master meter is re-installed and it was decided that in order to make sure no silt would get into the master meter it would be put back in after the tank was back in use.

Covering the Tank: Covering of the tank was brought up. Russ asked if we want to have it done now and if so it needs to be done right away. The tank is designed to be covered with two feet of earth and Russ estimates it will cost between \$1500.00 and \$2000.00 to cover it. Susan said she would like to see it done. The covering would keep the water at a more constant temperature.

Russ and Ray decided to go up tomorrow morning (May 14th) and take an estimate of the amount of dirt it will take to cover it.

Irrigation Ditch Signs: Susan hadn't checked on the signs yet and Russ volunteered to talk to Herb about it.

Investment Certificates: The discussion turned to investing some of our savings in E.D. or Money Market Certificates. Don felt anything put in certificates should be short term in case the money was needed. It was decided to look into it and find out about the best interest, the best time and how the interest may fluctuate. Louise was assigned to do this.

Agreement with Town: It was decided to have Palmer look at the Memorandum of Understanding and the new agreement he has just recently written for us and see if they work together or need some changing. Susan asked if there were any other questions that needed to be asked about those two papers and no one could think of any.

Salary Raise: Ray Beal made a motion to raise the secretarial salary to \$200.00 a month, effective the 1st of June. Russell seconded, and all approved.

Storage Shed: Russell checked on a truck trailer in St. George and it is too short. He said he had a friend he would talk to about another one for about \$500.00.

Irrigation Water Rental: The bill for the rental of our irrigation water is to be sent to Joe VanSeters. His bid was for \$80.00 and was the only bid to be turned in on the water.

Real Estate Sign by Spring Head: Russ and family had been to Oak Grove and he said there was a real estate "for sale" sign by our spring head house and wondered what development around there would do to our spring head house and how it would affect our water rights. Eugene said he would talk to Larry McMullin, a real estate agent, to see what the legal implications of someone building that close to our spring would be. Carlyle Stirling and his brothers are the owners of the property that's for sale.

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

ORDINANCE 08- 01

**LEEDS CULINARY WATER AUTHORITY ORDINANCE**

WHEREAS, The Town of Leeds ("Town") is a municipal corporation, body politic and political subdivision of the State of Utah.

WHEREAS, The Town is empowered pursuant to Utah Code Ann. §§ 10-7-4, 10-8-14 thru 10-8-18 to regulate and control the provision of culinary within the municipal boundaries of the Town.

WHEREAS, for decades previous to the adoption of this Ordinance, the provision of culinary water service to the residents of the Town has been delegated to a single water company known as the Leeds District Waterusers Association ("LDWA").

WHEREAS, the LDWA is a private, non-profit corporation, charged in its By-Laws with the obligation of providing culinary water service to all residents of the Town.

WHEREAS, over the years the LDWA has developed, constructed and otherwise acquired a culinary water source, storage and distribution system throughout the Town.

WHEREAS, in the early 1980's the LDWA placed all of the water rights it owned "in trust" for the Town for the purposes of obtaining quasi municipal status and to avoid the obligation and responsibility of being deemed a "public utility" pursuant to Utah Code Ann. § 54-2-1(15) and thus being regulated by the Public Service Commission of Utah.

WHEREAS, the LDWA has successfully provided culinary water service to the residents of the Town, however over the years various issues and events have arisen which have precipitated the need to have the Town intervene and assert its statutory power to regulate the provision of culinary water service within the Town.

WHEREAS, said issues and events have included, but are not limited to:

a. Revisions to the LDWA's By-Laws which require new development to physically provide "wet water" or "water in a cup" prior to the LDWA's governing board approval to any proposed development;

b. The LDWA's governing bodies refusal to approve certain proposed development on the grounds that the applicant will not agree to its "wet water" policy or other exactions or conditions that the Town deems to be unnecessary or unreasonable.

c. Recent arbitrary increases to user rates for the use of culinary water in excess of a shareholders normal water allocation;

choosing not  
d. ~~Refusal by the~~ LDWA's governing board to join in the Regional Water Supply Agreement with the Washington County Water Conservancy District and other local municipalities or make other genuine attempts to secure a long term sources of water supply for Town and its residents,

e. ~~The LDWA's refusal or inability to take any steps outlined in the previous sub-paragraph in light of a recent capital facilities plan which it commission that indicates it does not have enough water rights to service all current water connections at its current water allocation prescribed by its By-Laws.~~

f. The LDWA's failure ~~or refusal~~ to report to the Town or the Public Service Commission of Utah regarding its activities, financial affairs, condition of its system and water sources and the reasonableness of its impact fees, and user fees.

g. The LDWA's failure ~~or refusal~~ to comply with the Utah Impact Fee Act (Utah Code Ann. § 11-36-1 *et al*) in setting and administering its connection/impact fee.

h. The LDWA's general usurpation of the Town's inherent power to generally regulate the growth, development, health, safety and general welfare of the Town and its residents.

WHEREAS, based upon the above mentioned, and other reasons, the Town has initiated efforts and conceptually secured the availability of culinary water from alternate sources and intends to provide culinary water service to all areas of the Town unless the Town, in its sole discretion, determines that the provision of culinary water to a certain area is practically or financially impossible or unreasonable and would cause an undue hardship upon a property owner or owners.

WHEREAS, the Town, after careful consideration and study, have determined that revoking any rights and power it has delegated to the LDWA and asserting itself as the sole and exclusive authority for the regulation and provisioning of culinary water within the Town is in the best interests of the health, safety and general welfare of the Town and its residents.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LEEDS AS FOLLOWS:

**ORDINANCE 08-\_\_\_\_\_**

**LEEDS CULINARY WATER AUTHORITY ORDINANCE**

AN ORDINANCE DESIGNATING THE TOWN OF LEEDS AS THE SOLE AUTHORITY FOR THE PURPOSE OF REGULATING AND PROVIDING CULINARY WATER SERVICE TO ALL NEW CONSTRUCTION AND DEVELOPMENT WITHIN THE TOWN'S MUNICIPAL BOUNDARIES; ALLOWING FOR THE DELGATION OF THIS AUTHORITY TO OTHER CULINARY WATER PROVIDERS IN CERTAIN CIRCUMSTANCES AS

DETERMINED BY THE TOWN COUNCIL; PRESCRIBING FOR PENALTIES TO ANY PERSON, ENTITY, GROUP OR ASSOCIATION PROVIDING OR ACCEPTING CULINARY WATER SERVICE SOURCES OTHER THAN THE TOWN INVOLATION OF THIS ORDINANCE.

1. **DEFINITIONS:** The following definitions shall apply to this Ordinance. In the event a term is not defined herein, it shall first be given any meaning set forth in the Town's general ordinance or state law. In the event any term is not defined in any of the preceding sources it shall be given its normal, everyday meaning.

"Culinary Water Service" shall mean the provisioning of culinary water to a residence, structure or property within the municipal boundaries of the Town. Culinary Water Service shall include the acquisition, storage and distribution of the culinary water and the repair, connection and maintenance of any system of wells, tanks lines, pumps, valves, meters or other equipment and materials used in connection with the provisioning of culinary water.

"LDWA" shall mean the Leeds District Waterusers Association, a private non-profit corporation providing culinary water service with in the municipal boundaries of the Town.

"New Development" shall mean any subdivision of land or construction of any residential, commercial or industrial structure or use which would require the separate and distinct provisioning of culinary water service other then that which is already being provided within the Town's municipal boundaries by the LDWA as of the effective date of this Ordinance.

"Public Utility" shall mean that definition given it by Utah Code Ann. § 54-2-1(15).

"Town" shall mean the Town of Leeds, a municipal corporation and political subdivision of the State of Utah.

"WCWCD" shall mean the Washington County Water Conservancy District, a special service district and political subdivision of Washington County and State of Utah.

2. **DESIGNATION OF CULINARY WATER AUTHORITY.** The Town hereby designates itself to be the sole and exclusive authority to regulate and provide Culinary Water Service to all New Development within the Town's municipal boundaries. Accordingly all New Development must obtain and receive culinary water service from the Town unless the Town, in its sole discretion, determines that the provision of culinary water to a certain area or individual property is practically or financially impossible or unreasonable and would cause an undue hardship upon a property owner, owners or end user. In the event the Town makes such a finding and determination it may authorize a property owner or end user to obtain Culinary Water Service from the LDWA or other culinary water service provider.

3. **REVOCATION OF ANY CULINARY WATER AUTHORITY DELEGATED TO THE LDWA.** The Town revokes and disavows any power or authority it

*or approved  
and paid  
for prior  
to 01  
Jan, 2008*

may have delegated to the LDWA in the past, whether express or implied. Accordingly the Town officially does not recognize any "quasi-municipal" status LDWA may claim.

4. **RESERVATION OF RIGHT TO REQUIRE A FRANCHISE.** The Town reserves the right to seek an administrative ruling from the Public Service Commission of Utah or a declaratory judgment from a court of competent jurisdiction regarding whether or not the LDWA is a Public Utility. In the event it is determined that the LDWA is not a Public Utility, the Town reserves the right to require ~~the~~ LDWA to apply for and obtain a Franchise for the purpose and ability to maintain ~~its private~~ water lines and facilities within the Town's public rights-of-way or on Town property and to pay any associated franchise fee.

5. **PENALTY:** In the event any person, entity or group is found providing Culinary Water Service to any New Development within the Town's municipal boundaries that person, entity or group shall be subject to a fine of \$1,000.00 per day for each day said provisioning occurs. In addition, any person found to have provided Culinary Water Service to New Development shall be guilty of a class B misdemeanor and, upon conviction, subject to all penalties and fines associated therewith. Each day or incident of violation shall constitute a separate offense hereunder.

6. **SUPERCEDE PREVIOUS/CONFLICTING ORDINANCE:** This Ordinance supersedes or repeals the provision(s) of any ordinance(s) or resolution(s) that is (are) inconsistent with the provisions of this Ordinance.

7. **SEVERABILITY CLAUSE:** If any part of this Ordinance is held to be illegal, unconstitutional for any reason by a court of competent jurisdiction or is in conflict with Utah State Law the remainder shall not be affected thereby.


8. **EFFECTIVE DATE:** This Ordinance shall become effective immediately upon passage and posting.

PASSED AND ADOPTED by the Leeds Town Council on this 30<sup>th</sup> day of January 2008

**TOWN OF LEEDS**

  
\_\_\_\_\_  
Trudy Law, Mayor

Attest:

  
\_\_\_\_\_  
Karen Markovich, Town Clerk/Recorder