

LEEDS DOMESTIC WATERUSERS

95 East Center
P.O. Box 460627
Leeds, Ut. 84746-0627

President	Scott Hayes	879-2457	Penny Weston	879-2170
Vice President	Bert Leany	879-2901	Scott Ricci	879-2150
Secretary/Treasurer	Sandra Browning	879-2345	Merle Gier	879-2903
Water Master	Jim Parnell	879-2854		

January 30, 2003

PLACE: Leeds Town Hall at 7 p.m.

Those Present: President Scott Hayes, Vice President Bert Leany, Scott Ricci, Penny Weston, Jim Parnell Water Master, Gloria Parnell Representative from the Town, Sandra Browning Secretary, Craig Sullivan, Jared Westhoff, and Gary Tanner. Merle Gier was excused for he was out of town on a family matter.

Welcome: Scott Hayes

Prayer: Sandra Browning

Pledge: Penny Weston

Minutes: The minutes were discussed and corrections made. Bert moved to accept the minutes as corrected and Scott Ricci seconded the motion and all approved.

Financial Statement and Check Registry: The Financial statement and check registry were discussed and some question asked of Sandra Browning, and then Scott Ricci moved to approve the financial statement and the check registry and Bert Leany seconded the motion and all approved.

Water Test: The water samples for January were taken up to SUU by Jim Parnell and they were good.

Silver Reef Special Service District: Gary Tanner of the Silver Reef S.S.D. asked to be put on the agenda to give LDWA an up date on the proposed merger. Gary said the process is going well and they are working with the town to annex. Silver Reef plans to meet with their shareholders to discuss the merger with LDWA and the annexation with the Town of Leeds on Friday the 7th of February at 7 p.m. at the Cosmopolitan Restaurant. A copy of the handout entitled "Summary of Merger Proposal With L.D.W.A. was handed out to the board members which compares the two companies, LDWA and Silver Reef, and how Silver Reef will proceed with this merger. Gary Tanner said his board met with their annexation attorney last night and the attorney is

hoping to get some kind of an informal letter from LDWA agreeing or disagreeing with the merger Silver Reef put together, before their annexation meeting a week from tonight. Basically, this proposal is the way the Silver Reef's Board understood the requirements to join LDWA. If there are any changes they need to be made known now. Scott H. asked if they need a letter or if LDWA can sign the proposal for merger as an agreement. Gary told Scott H. that it could be either way LDWA wanted to do it.

Gary explained that 51 percent of Silver Reef's residents needs to approve the annexation and 2/3 of the appraised value.

Right now Silver Reef has 12.8 acre feet of water in our well they purchased from a Mr. Hunsaker at Anderson Junction. There is a two inch line from LDWA's well to the Silver Reef development for emergency purposes. After the merger is completed the water lines will be properly connected between LDWA and Silver Reef.

Silver Reef Highlands Subdivision: Silver Reef Highlands planned to meet with LDWA, and they were put on the agenda, but were unable to attend. Scott Hayes told the board they are still interested in working with LDWA on this subdivision. Silver Reef Highlands plan to meet with us at next months meeting.

Craig Sullivan's Mini-Subdivision: Craig asked to be on the agenda to get the approval of LDWA's board concerning the next home to be built in his mini subdivision. Craig told the board that in 1999, Coy Wiley, President of LDWA at that time, signed a letter stating there was water available and approved the construction of five homes in Craig's mini-subdivision. He said he would produce the letter if the board wanted. The board remembered the letter and allowed Craig to start construction of a new home on lot #2. This is the fourth home to be built in his mini subdivision.

Jared Westhoff's Development: Jared stated he is putting together a new development on Vista of 14 homes on half acre lots. He needs to get the feasibility study done for septic tanks. The front lots did perk for 9,000 square feet. He told the board it will be zoned R1-20(W) and the CCR's are to leave the land in a natural habitat. The lots will be 20,000 square feet or .46 of an acre. Modular homes are discouraged and the height of the homes are restricted.

The amount of water he needs to bring into the development is 15.6 acre feet of water. He is in the process of buying a floater tap from Mr. Marell Walton. He asked if he could purchase one tap from LDWA and bring in 13 taps and Scott H. told him it is not possible to do it this way. Jared felt if he brought in 15.6 acre feet of water he should not have to pay an additional impact fee. He was told that the Engineering firm of Bush and Gudgel made an engineering study on the impact each home in a subdivision has on LDWA's system.

Any impact on our system is to be paid up front by the developer. Jared was told he could contact, Todd Edwards, at the engineering firm and find out what the impact fee would be for his development.

Jared Westhoff contacted Ron Thompson in regards to buying water from him and Jared was told Ron does not want to compete with water companies in the area, but would sell water to the water companies such as LDWA and then the water company could sell Ron's water to the developers. Ron is putting a water line through the Town of Leeds so it will be easier to use his water. He would like the water companies to come to him for water.

Work Orders: Penny Weston suggested any work done for LDWA should be put on a work order to insure that we know exactly what is being done and who did it. This will make a paper trail and will save problems for our company. The other board members agreed with Penny. Penny will look for a work order book that will work for LDWA.

Forest Service: The Forest Service owns the land directly behind our spring and is protected by them. Bill Hipp is the man we work through in the Forest Service.

Bert Leany moved to adjourn the meeting

Leeds Water Falls under Bill Hipp at
the Forest Service (ph) # 652-3121

The current work on the Tank does not
have a permit. The procedure to
follow is to first contact the Forest Service
before beginning the work. We need a
Special Use Permit.

The Spring is protected by the Forest Service
They cannot sell any property. The State
has a Source Protection Zone.

Forest Service is starting a new forest plan
Municipal water shed & Do we have any
thing ??? Watch the newspaper in about
2 months

1/23/03

Addendum to Minutes 1-30-02

SUMMARY OF MERGER PROPOSAL WITH LDWA
 Information about SRSSD & LDWA Water Taps

SRSSD	LDWA (PER LDWA, NOT AUDITED)
46 taps (3 commercial)	270 taps
38 taps in use	230 taps in use
8 standbys	40 standbys
SRSSD	LDWA
With our recent water acquisition, we currently own 31.7 acre-feet of water equaling .69 acre-feet of water per tap or approximately 18,736 gallons per tap per month.	LDWA has 357.8 acre-feet of water equaling 1.33 acre feet of water per tap or approximately 36,115 gallons per tap per month
Our system currently can deliver 18.9 acre feet of water to residents equaling .41 acre feet per tap or approximately 11,133 per month per tap which is below the state minimum.	(Note, due to municipal nature of LDWA taps are not finite and subject to increase.)
A solution must be found to deliver the newly acquired 12.8 acre-feet, parked in the LDWA well, to SRSSD taps. New infrastructure is required.	LDWA has the system to deliver water.
The Operations and Assessment accounts combine have a total of \$84,431 (as of Jan. 22, 2002). The outstanding balance on our loan is approximately \$65,146 leaving us a net cash position of approximately \$19,285 at present.	Net cash position is approximately \$148,000. LDWA is a non-profit private corporation

Proposed Merger

- SRSSD will merge completely into LDWA.
- Prior to merger, SRSSD will pay off its loan balance in full. All cash and hard assets (tank, water system, etc) will be transferred to LDWA.
- SRSSD will deed 31.7 acre-feet of water to LDWA (.69 acre feet per tap).
- Infrastructure costs to merge the two systems will be borne by the newly merged SRSSD / LDWA.
- Each Silver Reef Estates property owner will receive one share in the new LDWA and be subject to the LDWA Articles of Incorporation and Bylaws.
- SRSSD property owners will have the same water billing rates as all other LDWA members (see chart on Page 4).
- Connection fee for new hookups will become \$5,000. LDWA currently charges this amount to its own members. Currently, SRSSD charges a hook up fee of \$4,000 (\$3,500 assessment and additional hook-up fee of \$500).
- Estimated time to complete the merger is approximately six months.

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February 5, 2003

L.D.W.A.'S ANNUAL SHAREHOLDER'S MEETING AGENDA

PLACE : LEEDS TOWN HALL AT 7 P.M.

DISTRIBUTION OF BUDGET, PROFIT AND LOSS STATEMENT AND BALLOTS.

WELCOME: President Scott Hayes

PRAYER: Gloria Parnell

PLEDGE: Penny Weston

MINUTES OF THE LAST SHAREHOLDER'S MEETING READ

APPROVAL OF THE MINUTES BY SHAREHOLDERS

THE 2003 BUDGET AND PROFIT AND LOSS STATEMENTScott Hayes
BILLING STRUCTURE.....Scott Hayes

ACCOMPLISHMENTS OF 2002.....Bert Leany

1. June - Eldorado Hills connected with LDWA's Lines.
2. Bought 100 meters from Washington City
3. New application for water service finalized and the board accepted it 5-30-02
4. Road to well repaired. Cost (\$809.00)
5. Purchased 57 acre feet of "B" Water from Bert Leany
6. Board members visited Enterprise water System and inspected New chlorinator system.

Here
GOALS FOR 2003.....Scott Ricci

1. Emergency backup system. Hydro system.
2. Brennen Development - Silver Reef Highlands wants to work with LDWA to build a new subdivision. 18 homes in the development.
3. Chlorinator and building.
4. Put cement tank on line.
5. Security latches - secure air vacs, splitter boxes, and pressure reducing valves stations.

6. Look into putting a new tank
7. Look into drilling a new well.
8. Acquire more water
9. Merge with Silver Reef.

DROUGHTPenny Weston

Reconstructed water billing because of many overages and the drought causing water shortages and high electricity bills.

Drought overages will not be reduced until the drought is over. We feel that the big water users should pay for the additional costs.

WATER MASTER'S REPORTJim Parnell

1. Replaced meters
2. Corrected leaks
3. Reread meters
4. Over saw the repair of the road to the well
5. Worked with Russ Peine to put in new line from gate (to well) down the road to the pink tank so tanks will fill evenly.
6. Prepare well for water tests and etc.
7. Service and paint hydrants.

SHAREHOLDER'S QUESTION AND ANSWER PERIOD. TIME LIMITED TO TWO MINUTES PER COMMENT AND RESPONSE.

ELECTION OF TWO NEW BOARD MEMBERS THIS YEAR.

Scott Hayes & Bert Leany

FOUR NOMINATED

BALLOTS VOTED ON AND COLLECTED

RESULTS OF THE VOTE

MEETING ADJOURNED

BOARD TO MEET IN EXECUTIVE SESSION TO ELECT NEW OFFICERS AND TAKE THE OATH OF OFFICE.

MEETING ADJOURNED

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February 5, 2003

L.D.W.A.'S ANNUAL SHAREHOLDER'S MEETING

PLACE : LEEDS TOWN HALL AT 7 P.M.

THOSE IN ATTENDANCE: Board members: President Scott Hayes , Vice president Bert Leany, Scott Ricci, Penny Weston, Sandra Browning- Secretary, Jim Parnell –Water master, Gloria Parnell our representative from the town of Leeds. A total of 27 people were in attendance. 20 shareholders signed in and collected their voting ballots, income and expense statements for 2002 and their 2003 budget.

WELCOME: President Scott Hayes welcomed the shareholders to the meeting.

PRAYER: Gloria Parnell

PLEDGE: Penny Weston

MINUTES: Sandra Browning read the minutes from the 2001 shareholder's meeting with Bert Leany making one correction. (The eleven acre feet that LDWA bought from Glen Gunter has not yet been proved up and the minutes said that it had.) Bert Leany moved to approve the minutes as corrected and Scott Ricci seconded the motion and all approved.

THE 2003 BUDGET AND INCOME AND EXPENSE STATEMENT: Scott Hayes told the shareholders the budget for 2003 and the income and expense statement for 2002 are in the black.

BILLING STRUCTURE: Scott Hayes also explained that because of the drought we restructured our billing rates. It has been predicted that the drought could last more than five years. As long as we are in a drought; LDWA will continue to charge the same billing rate.

Residential (Drought) rates

0 to 30,000 gallons of water - \$20.00

Overages for residential rates

30,000 to 60,000 gallons will be \$2.00 per thousand gallons

over 60,000 will be \$3.00 per thousand gallons.

Commercial Rates

0 to 20,000 gallons of water \$20.00

20,000 to 60,000 gallons will cost \$2.00 per thousand gallons

over 60,000 will be \$3.00 per thousand gallons

The standby fee will remain the same at \$10.00 per month per tap.

ACCOMPLISHMENTS OF 2002.....Bert Leany

1. In June Eldorado Hills was connected to our water lines.
2. LDWA bought 100 meters from Washington City at \$10.00 per meter.
3. New application for water service finalized and the board accepted it 5-30-02. It was written up by our lawyer with board member's input.
4. Road to well repaired. The road was leveled out and gravel was put on it.
Cost (\$809.00)
5. LDWA purchased 57 acre feet of "B" Water from Bert Leany
6. Board members visited Enterprise Water System and inspected their new chlorinator system. What was especially interesting was the electronic control on their well. It will turn the well on and off and if something goes wrong it will notify the operator.
7. LDWA met with Silver Reef Special District to discuss a merger of the two companies in the near future.
8. LDWA had Russell Peine put in a 10 inch line between the green tanks and the pink tank.. (360 feet of pipe) to help equalize the water flow to the tanks.

GOALS FOR 2003.....Scott Ricci

1. Research into an emergency backup system such as a, Hydro-electric plant to reduce the cost of our pumping, which is becoming more expensive.
2. Brennen Development – Silver Reef Highlands wants to work with LDWA to build a new subdivision. There will be 18 homes in the development.
3. Chlorinator and building. No time frame from the State, but we are told that a chlorinator will be required soon. We are looking at different types of systems at this time.
4. We placed the 190,000 gallon cement water tank back in service so now we are trying to use it as supplemental storage.
5. Also we are considering putting the Eldorado Hills Water tank on line. Right now it is filled with water and is being used as an emergency backup.
6. We are continuing installation of security latches and also evaluating other security needs on the mountain.
7. Evaluating the additional storage capacity above the Brennen Development. We will

- need more water storage tanks.
- 8. Installing automatic controls on tanks and pumps in our water system. We have no automatic controls on our system and if something happens at night we have to go out and find the problem. None of our systems have automatic controls except the Eldorado Hills tank did have an alert system.
- 7. Acquire more water
- 8. Merge with Silver Reef.
- 9. Eliminate dead end lines in our system.

DROUGHTPenny Weston

LDWA reconstructed the water billing because of many overages and the drought is causing water shortages and high electricity bills.

Overages will not be reduced until the drought is over. We feel the big water users should pay for the additional costs.

WATER MASTER'S REPORTJim Parnell

Once a day Jim goes up to the tank to make sure there are no leaks. Jim goes to the spring for security and leak checks. The pipe line from the spring to the town is checked at different areas each time he goes up. Jim has:

- 1. Replaced meters
- 2. Reread meters
- 3. Prepares the well for water tests
- 4. Made a map of the valves around the tanks.
- 5. Service and paint hydrants.
- 6. Jim began to keep records of the spring flow from January to December, because of the drought. This information will come in handy in the years to come to know what to expect from the spring.

SHAREHOLDER'S QUESTION AND ANSWER PERIOD. TIME LIMITED TO TWO MINUTES PER COMMENT AND RESPONSE.

Statement: Jim Bray of Eldorado Hills. Jim explained Eldorado Hills brought in to the merge with LDWA almost one acre foot of water for each lot, so they will not be paying for more water, but only an impact fee of \$2450.00 which was the regular impact fee that Eldorado Hills was charging at the time of the merger.

LDWA froze the impact fee of \$2450.00 for existing EDH lot owners. Any person that buys a lot after the merger will pay LDWA's impact fee at that time.

Question: Terry Danielson of Eldorado Hills. The board talked about the high rate of money we pay for electricity to the well. Last year it was stated that the well, even when there was a high rate of pumping, did not have much of a draw down. Has that changed somewhat with the drought? Just what is the difference between the static water level and the draw down in the well?

Answer: Scott Hayes told Mr. Danielson our well is holding its own and only takes a short time to recover.

Jim Parnell explained the static level is about 211. The most we dropped this summer was six feet. The average is about four feet when we pump in a 24 hour time period.

Jim P. said he can hardly do the test before the water level is back up to normal.

Question: Terry Danielson said if this is the case why do we need supplement water?

Answer: Jim Parnell told Terry that we have a certain amount of water rights in the well, and can only take so much out of the well. The electricity to use the pump is very costly and also the spring's water flow is down.

Question: Don Fawson asked how is the spring doing?

Answer: Jim Parnell said that he check the spring and it is still down but the gallons per minute was 102. Two weeks ago it was 96 gallons per minute.

Question: Russell Peinc asked the high and the low of the spring.

Answer: Jim told Russ the highest he has measured the spring was 162 to 168 and the low was 68 gallons per minute.

Jim Parnell and Bert Leany did a research on the spring and did readings each month and if anyone is interested we can get you a copy.

Question: Robert Weight asked what percentage of our water needs is provided by the spring.?

Answer: Scott H. Depends upon the month of the year. In the winter the spring provides nearly all the water. In the summer the well supplements the spring.

Don Goddard said the Fall of 1991 (or close to it) the spring was down to 29 gallons per minute and as soon as the rains came the gallons per minute came up to 100 gallons. The spring is quite close to the surface.

Scott Hayes told the shareholders that if we all conserve, we should have enough water, but if not then we may have to take some drastic measures.

Question: Don Fawson asked if it was possible to put on the billings the checks that were paid so he would know if we received his checks.

Answer Sandra Browning told Mr. Fawson that it was possible.

Question: Stephanie Martini asked if the current meter reading and the last months reading could be put on the bill.

Answer: Sandra Browning told Stephanie that she usually puts both figures on the statement, but she had some problems with the old accounting system. Hopefully the new system will work better.

Question: Diane Houston asked if we had considered billing quarterly?

Answer: Scott Hayes stated we have talked about quarterly billing, but have not come to any decisions.

Answer: Sandra Browning told the shareholders that quarterly billing would be hard on big users to pay their bills and a three month billing is quite a large amount for people on a fixed income.

ELECTION OF TWO NEW BOARD MEMBERS

The two year term expires for two board members, Scott Hayes and Bert Leany.

FOUR NOMINATED: Scott Hayes, Bert Leany, Jared Westhoff, & Bailey Muir.

BALLOTS VOTED ON AND COLLECTED by Sandra Browning.

The votes were counted by shareholders Robert Weight and Diane Houston.

RESULTS OF THE VOTE: Scott Hayes and Bert Leany were elected to the board.

MEETING ADJOURNED

LDWA BOARD MET IN EXECUTIVE SESSION TO ELECT NEW OFFICERS AND TAKE THE OATH OF OFFICE. Scott Hayes was elected President and Bert Leany Vice President.

MEETING WAS ADJOURNED.

PAPER WORK FOR SANDRA
ON EH IMPACT FEE

ROE 11TH

27th

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February 18, 2003

Executive Meeting of the Board of Directors of LDWA
At the Leeds Town Hall at 7 p.m.

Those in attendance:
Welcome: Scott Hayes
Prayer:

Business to be conducted

1. Silver Reef Highlands subdivision

1. A Mr. Olds ^{FEB} 26th @ 7:00 STATE WATER BOARD. SANDRA HOUSSER
QUESTIONS FOR OLDS

2. Fifth district court date with Terry Prsbrey ^{APRIL} ~~March~~ 1st, 2003, 9 a.m.

3. Merger with Silver Reef Special Service District.

4. Alberta Lee Pace apartment complex (water received by Ron Thompson)

5. Jared Westhoff subdivison (water sold to LDWA by Ron Thompson and then LDWA sells same water to subdivision).

6. Merge with Eldorado Hills: Impact fee.

Meeting adjourned

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February 18, 2003

Executive Meeting of the Board of Directors of LDWA
At the Leeds Town Hall at 7 p.m.

Those in attendance: President Scott Hayes , Vice President Bert Leany, Merle Gier, Penny Weston, Scott Ricci, and Sandra Browning

Welcome: Scott Hayes

1. **Silver Reef Highlands subdivision:** Silver Reef Highlands were scheduled to meet with LDWA, but could not attend. They will meet with us at a later date.
2. **Fifth district court date** with Terry Prisbrey. Scheduled court date is, Tuesday, April 1st. at 9 a.m. Terry wants to look at all of our records and make copies as far back as the 50 years that the water company has been in business. We will contact our lawyer and see what he feels should be done.
3. **The Silver Reef Special Service District** is still planning to merge with LDWA and annex to the Town of Leeds. Their board is working on this project.
4. **Alberta Pace** is planning another subdivision in the near future and she would like to buy water from Ron Thompson through LDWA. The board will look into the proposal. We need to know what the impact will be on our water system. Also if the development will have to put in a sewer system.
5. **Jared Westhoff** is doing a development down by Merle Gier's home and has some water for it. He plans to build 14 homes.
6. **When Eldorado Hills** merged with LDWA there was an agreement that a impact fee would be charge when shareholders plan to build. We need to charge Waldo Marion the \$2450.00 fee for he has built the first home since LDWA took over.
7. **Bert Leany** told the board that there is a leaky valve at one of the tanks. Jim P. told Bert that Russell Peine, repacked the valve but the leak did not stop and Jim said he needs to buy a new valve. Bert asked Russell if he repacked the valve and he said that he only tried to turn it off and that a new valve isn't needed, but Jim needs to repack the leaky valve. Jim will be told to repack the valve.

8. **Penny Weston** suggested that when any work is done for the water company a work order be written up to make a paper trail. Penny will look for a work order book to meet our needs.

The meeting was adjourned. By Bert Leany

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March 5, 2003

Executive Meeting with Silver Reef Special Service District

At the Town Hall at 7 p.m.

Those in attendance: President Scott Hayes, Vice President Bert Leany, Scott Ricci, Merle Gier, Penny Weston, and Sandra Browning. Gary Tanner, and David Clements from Silver Reef.

Welcome: Scott Hayes

Scott turned the time over to the President of Silver Reef, Gary Tanner.

Gary told the board that the merger with LDWA and annexation with the Town of Leeds is progressing well. Gary told the board that 50% of the property owners need to be in favor of the annexation with Leeds Town and 2/3rds of the value of Silver Reef. Over 50% of the home owners are for the annexation. When the paper work is completed and it is okayed then there needs to be a specific date set to have everything completed. It should take about six months to get everything accomplished. At that time Silver Reef's loan will need to be paid off. The county will need to be notified that Silver Reef has sufficient water for their shareholders. And a request of dissolution will be made.

At the start Silver Reef's water rights were 13.5 acre feet and then they purchased 12.8 acre feet from a Mister Hunsaker at Anderson Junction. The water was irrigation water so instead of obtaining 24 acre feet, the State reduced the amount to the 12.8.

Gary told LDWA that Silver Reef has really tried to conserve water and in the last two years have lowered their usage by many thousands gallons per year.

On March 26th. Silver Reef will make their presentation for the new annexation with the Town of Leeds in a public hearing. Then there will be a 60 day protest period. If there are no protests in the 60 day period of time, then the annexation will completed by July.

LDWA will hold their monthly meeting March 27th at 7 p.m. in the Town Hall. At this time there will be a proposal to accept Silver Reef SSD as part of LDWA.

Bert Leany moved to adjourn the meeting.

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March 19, 2003

LDWA's Executive Meeting with the Leeds Irrigation Company

At the Town Hall at 7 p.m.

Those in attendance: President Scott Hayes, Vice President Bert Leany, Penny Weston, Merle Gier, Scott Ricci, Jim Parnell, Sandra Browning, and Jerry Browning. Those from the Leeds Water Company: David Stirling, Craig Sullivan, Don Goddard.

THE REASON FOR THE MEETING: To come to an agreement to fairly distribute the water from the spring, in time of drought, to the Irrigation Company and LDWA.

Welcome: President Scott Hayes

The Irrigation Company was told by LDWA that measuring at the partial flume was not accurate and produced a distorted figure in dividing the percentages of water to be received by LDWA and The Irrigation Company.

A more accurate measurement is the USGS electronic measurements in the tin building up on the Leeds Creek. This equipment measures the flow of the water in the Creek every 15 minutes, twenty-four hours a day. These readings can be picked up on E-mail at any time day or night. We can get the readings for the past years if needed.

The Irrigation Company was told that they have 4.79 cubic feet of water up to 1350 acre feet in a years time. (Priority date 1880). If the irrigation company used 4.79 cubic daily, they would run out of water in 170 days. When we figured the amount of water they were entitled to, LDWA figured on the 4.79 cubic feet instead of the 2.06 (averaged over a years time.) So LDWA gave the Irrigation Company over double the water entitled to them. Also there are more than the two entities in the Leeds Creek. There are eleven entitles with water rights in the creek. The Beals, Savages, Don Goddard, Leeds Water, Mrs. Schweer, the State of Utah, Silver Reef, LDWA, and more. LDWA is entitled to 61.1 gallons per minute from the spring in good times. The Irrigation Company also gets more water off of the mountain than the Spring and this should be measured.

The Irrigation company feels that the measuring should be done at the partial flume. They said that the State Engineer told them to measure there. LDWA suggested that

Leeds Creek should be measured at a place before any water is taken out. At the flume many people have taken their water out of the creek already, such Don Goddard, Susan Savages, and Ray Beal.

The Irrigation Company was told that we can not work together if we can not agree where to measure. They were told to look at the material they received from LDWA and talk with their people and get back with LDWA and then we will set up another meeting. The Irrigation Company said that they would go back to their people and get their feelings. The Irrigation Company also asked to be able to read the meter at the spring without having to go up with Jim Parnell. They want their own meter or key. No decision was made at that time.

Merle Gier told the two companies that there will be a meeting with Ron Thompson at his office in St. George at 1:30 p.m. for The Town of Leeds and those interested. A head count needed to be made.

Bert Leany moved to adjourn.

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March 27, 2003

Monthly Meeting of the Leeds Domestic Waterusers Agenda
Leeds Town Hall at 7 p.m.

Those in attendance:

Welcome: President Scott Hayes

Prayer:

Pledge:

Minutes:

Financial Statement and Check Registry:

Water Quality Report: Merle Gier

{ Ian Crow representing The Alberta Pace Development:
DICK MARTIN

Attorney Lowry Snow representing The Brennen Development

1. Update the LDWA Board on the progress on the water infrastructure to serve the Brennen Development. 196 AC STAGE 4 BRENNEN
2. Update on willingness to share cost. 100 ± HOMES

Silver Reef SSD's meeting with the Town: Annexation approved by the Town.

Irrigation meeting with Washington County Conservancy District:

Firehydrants:

Information to Show Terry Prisbrey Friday Morning: Change in time 11: 00 A.M.

Meeting adjourned.

LEEDS DOMESTIC WATERUSERS

95 East Center

P.O. Box 460627

Leeds, Ut. 84746-0627

President	Scott Hayes	879-2457	Penny Weston	879-2170
Vice President	Bert Leany	879-2901	Scott Ricci	879-2150
Secretary/Treasurer	Sandra Browning	879-2345	Merle Gier	879-2903
Water Master	Jim Parnell	879-2854		

March 27, 2003

Monthly Meeting of the Leeds Domestic Waterusers Association

Place: Leeds Town Hall

Time: 7 p.m.

Those in attendance: President Scott Hayes, Vice President Bert Leany, Merle Gier, Scott Ricci, Penny Weston, Jim Parnell and Gloria Parnell, and Sandra Browning. Lowry Snow, His father Van Snow, Dallen Gardner, Jim Raines from Bush and Gudgell. Ian Crowe and Dick Martin and Wife representing the Alberta Pace Development. Don Leavitt of the State Trust Lands.

Welcome: Scott Hayes

Prayer: Bert Leany

Pledge: Merle Gier

Minutes: The minutes were discussed and Bert Leany moved to approve the minutes and Scott Ricci seconded the motion and all approved.

Financial Statement and check registry: The Financial Statement and check registry were discuss and changes were made and then Penny Weston moved to approve the Financial Statement and check registry and Bert Leany seconded the motion and all approved.

Water Quality Report: Merle Gier told the board the water tests were taken and the tests were good.

Ian Crowe: Mr. Ian Crowe representing the Alberta Pace Development and Mr. Dick Martin and his wife, as potential home owners, were present.

Mr. Crowe told LDWA they are obtaining their water from Washington County Water Conservancy District and the Conservancy District will only sell water to them through the Town of Leeds or LDWA depending upon who decides to provide service and merge

with them. The Water Conservancy District charges a certain fee for the water and then the Town or LDWA will add on for additional costs. Mr. Crowe wanted to know if LDWA would be interested in taking over the service to the Pace Development. Scott H. told Mr. Crowe that he should come back when they have annexed into the Town of Leeds and bring their plans for the development. Mr. Crowe stated they would have to make a stipulation in the agreement to annex with the Town; that if the merger with LDWA to service their development does not materialize then the annexation will be null and void.

Scott Hayes told Ian the LDWA Board has already talked about providing services for the developments that purchase water from The Washington County Water Conservancy District.

Ian Crowe said the Water Conservancy requires a one half million gallon water tank which they will provide, but the developers will have to pay to install. He asked if they could get some type of a credit for the water tank from LDWA and Scott told Ian that the developer is responsible to have a water tank for the system and this cost can be passed on in the price of the land being sold in the project. The impact will be on LDWA's water company so a developer, according to our by-laws, has to pay for this impact. Dick Martin asked if we would decide to provide water service for the Pace Development now. And Scott H. told Mr. Martin our by-laws will not allow us to service or provide water for a subdivision that is not in the Town of Leeds. They will return when they have annexed with the Town of Leeds.

Lowry Snow: The Brennen Development: Mr. Snow told Scott H. that he wanted to come and update LDWA as to the progress being made.

About six months ago Mr. Snow and Mr. Dallin Gardner met at the home of one of our board members and Mr. Snow presented the possibility of a subdivision called Silver Reef Highlands owned by Bud Brennen. He is still working on the Silver Reef Highlands Subdivision consisting of 40 acres in the parcel which divides into 18 building lots. The development has 61.15 acre feet of water which is more than is needed. What is needed is a storage tank and water lines for the water. Jim Raines with Bush and Gudgeon previously designed a system which included a tank and delivery lines and this design was for the ELT development. When Mr. Brennen bought the ELT project Mr. Snow and Dallin Gardner went back to Jim Raines and had him look at the 40 acres and Jim H. explained to Mr. Snow that whether they development one lot or 18 lots or more, the delivery system that would be required would be a very extensive system including a 220,000 gallon water tank.

The last time Mr. Snow met with LDWA, they talked about some costs that would be involved. Some ideas were discussed as to how this could be funded. One of the ideas was to go back to the State to see if they would be willing to participate. Don Leavitt,

who represents the State Trust Lands came to our meeting and will speak as to what his plans and intentions are for the State.

Earlier LDWA asked what were Mr. Brennen's plans and if it exceeded the 40 acres and Mr. Snow said that it did not exceed the 40 acres and this is all the property Mr. Brennen owns. But Sitla does own that adjoining acreage and is interested in joining the project.

Mr. James Doyle was the owner of ELT before it was sold to Mr. Brennen and some years ago James hired Ira Hodges, who is a Land Use Planner and was asked to design a low density project which became a proposed master plan for this area. Then Mr. Snow brought out a map of the area and explained the proposed master plan. He stated that all of the area is annexed into the town except a 40 acre plot. Mr. Snow told LDWA the reason they are working with Sitla is that they are interested in development and also they are interested in the excess water of Mr. Brennen. The Brennen development is interested in combining with Sitla because they may have some money to help put in this project. Mr. Snow feels that if Sitla is still interested and the LDWA Board agrees, we may be able to work together on this project to benefit all involved.

Mr. Snow has a plan to work with Sitla to fund and construct the delivery system including the tank. The tank would be around 220,000 gallons. This would provide capacity and delivery to this development. Mr. Snow has no idea of what Sitla's time line is and that would be up to Don Leavitt. Mr. Brennen would be interested in developing his 40 acres fairly soon. Mr. Snow said he is not an engineer, but he feels the delivery system and tank storage could be of some benefit to LDWA as well. Also LDWA could enlarge the tank if there is a need.

Mr. Snow asked if there was anything in the LDWA's by-laws, that would allow the Brennen Development to recap funds. Mr. Snow stated that if they build the system and put it in; they would like to recapture their capital investment, such as connection fees, when lots are sold and connections made. He thinks there is a way but Mr. Snow is not prepared to address this possibility at the present time.

Mr. Snow has been working with Don Leavitt and Sitla and so far there is no written agreement, but he feels they are interested and would like to help move this to the next level.

Don Leavitt with the School Institutional Trust Lands, introduced himself. He said they are interested in the master plan concept that has been presented to us tonight. One of the efforts they put forth is when their developments are done they do require a tremendous amount of open space and their densities are usually pretty low, as you can see in the development in Coral Canyon and some of their other developments. There is a lot to be discussed, because we are just at the initial stage. Mr. Leavitt desires to cooperate and see if this project can be pliable and workable and still be able to meet all the objectives that Mr. Snow and his client have and the objectives that LDWA would desire. Ira

Hodges was very instrumental in laying out the Coral Canyon Development. The new development would be more like the Eldorado Hills Look.

Merle Gier asked about the size of the water tank,. Jim Raines said the tank needs to be around 220,000 gallons which would provide the fire flow and indoor and outdoor water storage requirement. And this could be enlarged very easily. Either spring water or well water can be put in the new tank. They will have to put in the 220,000 storage tank even if the development is only the 18 lot project.

Scott H. asked if we could get information about height and size of the tanks and on the cost of the different sizes from 250,000 to a million and Jim Raines said that he could.

Jim Parnell asked how they are avoiding dead end lines. Jim Raines said they were looking into loops and circulation of the water system. Two lines to the tanks will need to be put in and loops need to be used. The lines will be 8 inch.

Merle Gier asked where the water rights are placed. And he was told that part of Brennen's water is in LDWA's Well and part in the Eldorado Hills Well.

Bert Leany wanted Mr. Raines to be aware of the fact that The Leeds Irrigation Company is planning to run their water line down to Leeds in a pipe by their development. Bert was told they are aware of the ditch and will work with the Irrigation Company.

Mr. Snow said they plan to meet with the Town of Leeds some time next week to let them know what plans are being put together. LDWA does not have to give any final approval for this project now, but Mr. Snow is looking for some vote of confidence, from LDWA to go forward with the arrangements with the State and Engineering and move this to the next level where we can put some detail on these plans; especially with the arrangement with the State.

Scott Hayes asked what Mr. Snow would like to have in a letter of approval for this project.. Mr. Snow said a letter was not necessary, but just LDWA's approval for them to move ahead. Scott H. said that he is a firm believer in a paper trail and that is why he wants it in a letter form.

Penny Weston asked if the development will be in two acre parcels or will there be a green belt area. Mr. Leavitt said that the grouse density is two acres per lot, and there are 196 acres in the Sitla Development. The actual private ownership of the lots will be approximately one acre, but additionally there will be a common ground area with restrictions. The lots will be clustered to capture and preserve as much of the open space as possible. This open space is a drainage area and should be protected anyway. The open space would have restricted CCR's and could not be developed, but retained in its natural and open state.

Scott H. asked if this project would be a retirement development with tennis courts, parks, and putting greens. Scott H. was told they did not have this in mind for the development. Here again, it will be somewhat like Eldorado Hills.

Merle Gier made the statement that Leeds does not have enough parks for the size of the

area and if there is anyway a park could be included in the development for the benefit for the whole area it would really be appreciated. Scott H. said that initially when the plan was presented to us three years ago there was a park included. Mr. Snow said he could see no reason why a park could not be put in this project and plans for a park can be considered.

Motion: Bert Leany made a motion that LDWA give their support for the Silver Reef Highlands Development and the Sitla Development with the State and desire that they should proceed with the next steps of the project. Merle Gier seconded the motion and all approved.

Mr. Lowry Snow introduced his father, Van Snow, who is 85 years old and was water district manager for 70 years.

Water Testing: Scott H. gave some materials to Merle Gier for Water testing and Merle Gier told the board that the only extra test we have to do this year is the nitrate test.

Silver Reef SSD: The last time we met with Gary Tanner of Silver Reef SSD, he said that his lawyer would like some type of a written document or letter from LDWA as to their approval to merge with Silver Reef and acceptance of the document they provided as to the things LDWA requires in the merger. Scott Ricci felt there should be some type of tiering that Silver Reef should abide by, either in billing or amount of water they receive. Scott Hayes told the board we need to get something on paper as to what we require of Silver Reef. The CCR's should remain dessert landscape to help conserve water.

Scott H. explained that it is crucial for our company to merge with Silver Reef and we must be careful not to discourage them by demanding too much.

Bert Leany said that when we get this new tank in the Brennen development, there won't be a problem providing water for Silver Reef. The Brennen Development wants to start as soon as possible so Scott H. suggested that we look into the cost of a new 220,000 gallon tank and then an add on to make it a million gallon tank. We need to research a no interest or low interest loan for our part of the tank. The Brennen Development will be bringing in 1.02 acre feet of water for each of the 18 houses they will have in their project. Bert said the State is only considering 400 gallons of water per day, but we can request more.

Scott Hayes told the board if we proceed with a million gallon tank, LDWA should consider looking into becoming a Special Service District. A Special Service District has good points and some drawbacks so we should research it out. Bert Leany suggested that we get Jim Bray to research and find if this is something that we ought to do.

Penny Weston asked the board if they felt Mr. Brennen could be trusted to keep promises in this development or would he back out. Penny was told that Mr. Brennen would keep his word, especially where Lowry Snow is his representative.

Scott H. explained that we need the new tank anyway to keep up with new growth we are getting.

Bert Leany said that if we want to put in new lines from the spring to the well; we need to get an easement from the Forest Service and also the BLM. This could take a year to get approval. Scott H. assigned Bert Leany to take care of this project and he accepted if someone would assist him.

Hydrants: Scott Hayes said the Fire Department has some concerns about the fire hydrants not being visible because bushes or rocks. Jim Parnell and Scott H. will try to correct this problem.

Penny suggested that we put the blue reflectors in the street to designate where the hydrants have been placed. Scott H. said there are two hydrants that could not be turned on because they are too close to fences and this needs to be corrected.

Terry Prisbrey: Scott H. said Terry Prisbrey and his lawyer will go through our records at 11 a.m. tomorrow at Sandra's home. He changed the time from 9 to 11 a.m. Scott told him that he has one hour to go through the books because he changed the time and our board members have obligations after 12 noon. He will have to pay for any copies that he takes.

Jim Parnell: Jim told the board the spring flow is around 95 gallon per minute. Jim has painted the fire hydrants a bright yellow to make them more visible.

Merle Gier: Merle said the Town of Leeds is remodeling the town hall and since we use the building for our meeting, he feels we should pay a portion of the cost.

Motion: Merle Gier made a motion that LDWA will help pay part of the remodeling cost for the town hall. The amount should not exceed \$300.00. Bert Leany seconded the motion and all voted in the affirmative.

Bert Leany moved to adjourn

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Vice President	Bert Leany	879-2901	Scott Ricci	879-2150
Secretary/Treasurer	Sandra Browning	879-2345	Merle Gier	879-2903
Water Master	Jim Parnell	879-2854		

April 24, 2003

Monthly Meeting : Leeds Domestic Waterusers Association
The Leeds Town Hall at 7 p.m.

Those in attendance: President Scott Hayes, Vice President Bert Leany, Merle Gier, Scott Ricci, Penny Weston, Jim Parnell, Sandra Browning, Brant Jones, Lowry Snow, Dallen Gardner and Jim Raines of Bush and Gudgel.

Welcome: Scott Hayes

Prayer: Merle Gier

Pledge: Scott Ricci

Minutes: The minutes were corrected and Bert Leany moved to approve the minutes as corrected with Merle Gier seconding the motion and all approved.

Financial Statement: The financial statement and the check registry were discussed and Merle moved to approve them and Scott Ricci seconded the motion and all approved.

Water Test: Merle Gier said our water tests have been taken and were good. Merle took the water tests up to Cedar City and Sandra will write him a check for mileage. Scott Hayes asked if the irrigation company is getting the amount of water they are allotted. And if we are still getting our share. Scott Ricci said the Irrigation Company is taking less when measuring at the flume. Only 70 to 80 percent or 4.57. Scott H. said he was not interested in measuring at the flume only at the U.S. Gauging station on Leeds Creek.

It should be around the time when we will need to turn a percentage of the water out at the spring for them. Bert Leany explained that we don't owe the Irrigation Company anymore than 60 gallons per minute and they should receive only as much water as they are due. The water in Leeds Creek is being monitored and we can get the readings off the internet. Sandra Browning said she will get a copy off the internet for Scott H. Bert Leany told the board that the irrigation company has a decree of 6 acre ft of water.

Brant Jones: Brant wants to put in some storage building along the frontage road of his ranch and he was told he would need fire protection, so he met with the fire chief and was told that he did need fire protection. Then he went to get a bid for the fire protection and was told that the water line would have to run the full length of his property. Brant said they own the property clear to the wash and if they have to put in an eight inch line, he may change his mind about putting in the storage sheds for they don't need water anyway. Brant does not want the area to be zoned commercial unless it is necessary. Scott Hayes asked Brant to get the measurement where the fire hydrant needs to be placed according to the fire board and then give this measurement to LDWA, plus the measurement from the hydrant to the end of Brants property and then the board can discuss the options and see what they feel should be done.

Brant estimated the hydrant would be placed around 500 yards down the front of his property and then another 500 yards again to the end of the property. Brant will get the figures and report to LDWA.

It was decided it would be to LDWA's advantage to extend the line to the end of the property.

Motion: Bert Leany moved that we run a line to serve the commercial property of Brant Jones from the new fire hydrant to the end of Brant Jones' property on Wender Lane. Merle Gier seconded the motion and all approved. *Far Edge of Storage Unit*

Brant will run a line to the proposed fire hydrant required by the fire department.

Also there is a water line going from Mrs. Schweer's land down through Brant's hay field and Brant would like the water line moved from his field for it is buried to shallow and it is a problem for he catches it with his plow at times. The board agreed the water line needs to be removed.

Penny Weston asked (in regards to the removal of the water line coming down from Mrs. Schweers home) Wouldn't we have to reroute the water line to get to Brant's grandmother's place if we do away with the line in the field? She was told yes.

Scott H. said the old line is on the north side of where it is going to be zoned. So if we go 8 inch to that point and then went down the frontage road to service Ellen Savage (Grandmother) and Don Goddard's line this could solve the problem.

The Brennen Development:

Lowry Snow, representing The Brennen Development, told LDWA's Board at the last LDWA's monthly meeting a Mr. Don Leavitt representing the State School Institutional Trust Lands was with him. Mr. Snow said they had a good meeting with Don later and he is working on a proposal to develop a subdivision North and West of Leeds that was

discussed with LDWA. A development similar to the Coral Canyon Development. See information in the March 27th. Minutes. Lowry Snow said they are still waiting for this proposal, but so far Mr. Snow has not received it, but hopefully this will still come to pass. Mr. Snow said Mr. Leavitt mentioned there could be some budget limitations for the State's part of the development and could be postponed or put off for a indefinite period of time. If this happens Mr. Snow suggested they will have to go to an alternate plan. Plan "B". They were wondering if there was a possibility for Silver Reef Highlands to use Silver Reef's water tank. And they in turn would contribute water for this use. Mr. Raines of Bush and Gudgeon stated if Silver Reef and LDWA merge, there could be enough water for the Brennen Development of 18 lots in 5 to 8 acre parcels. Scott Hayes told Mr. Snow in times of drought which we are experiencing now that we could not provide water for another system of 18 lots. Mr. Snow asked if Mr. Brennen changed the development to five homes if it would work better. Scott H. told Mr. Snow that if the development is reduced to a five home project it would not be considered a mini subdivision and they still have to provide water. Mr. Snow asked if Mr. Raines finds a way to provide water for their project with the storage that LDWA and Silver Reef already have would LDWA at least look at the proposal. Scott R. explained that we are in a drought now and we are already low on water for the shareholders we have. A new tank would ^{Silver Reef Tank} have to be provided for a new development. Also pumping the well to Silver Reef's tank would be very costly.

Jim Raines of Bush and Gudgeon Engineering said there will be a different procedure to follow if Silver Reef merges with LDWA or if they do not merge. If Silver Reef Highlands and LDWA plan to put in a water tank together this will have to be worked out.

Scott Hayes asked if a cost analysis on the new tank could be done. From 220,000 gallon tank up to one million gallons. Also a cost estimate on each individual needs (Silver Reef Highlands and LDWA) and the cost of plumbing the lines between the two tanks.

Lowry Snow will get back to LDWA.

Special Service District: The board discussed the possibility of changing LDWA from a private water system to a special service district. The idea of using the existing structure of Silver Reef's Special Service District could be an option. We need to get legal council on becoming a special service district. It was suggested to go to Salt Lake City for council of this type. It was also suggested that we research having a special service district for water and another one for waste water. Terrell Dunn with Rural Water of Utah works with waste water and he would be glad to come down to meet with LDWA if we notify him.

To use Ian Crowe's sewer plan can be a means to recapture our waste water and not loose it if it has be piped to a treatment plan.

Ian Crowe: Penny Weston and Bert Leany met with Ian Crowe to discuss a new kind of sewer system that would produce clear gray water for irrigating yards and would not be transferred to holding ponds by pipe lines miles away and thus, causing a reduction of water rights. Penny will set up a meeting for the LDWA Board Members to hear about this new system.

Letter from Town of Leeds: Scott Hayes read to the board a letter from the Town of Leeds asking to forgive last years water overages they incurred. They feel the overall appearance of the Park and Cemetery reflects directly upon all who live here. And since they allow LDWA to meet monthly in the town hall at no charge; they should not have to pay for overages. The Town may put a franchise fee on the water users of Leeds to off set the cost of water. The clerks take phone calls and do paperwork for LDWA when new customers apply for building permits with no charge to LDWA.

In response to the letter LDWA Board members suggested that:

1. LDWA does not charge the town for a base water rate for park or cemetery which adds up to 80,000 gallons per month. The only charges are for overages that have added up to over \$2000.00 last summer.
2. LDWA pays for all of the Blue Stake charges.
3. LDWA is responsible for the increase revenue to the Town of Leeds for bringing Eldorado Hills into the township and soon Silver Reef will annex also.
4. LDWA promised to donate \$300.00 to the Town to be applied toward the refurbishing of the Town Hall.
5. The State of Utah, including Leeds, is in the fifth year of a drought. We must be able to over see conservation of our water so there will be drinking water and a reserve for fire protection. Our job is to conserve water and not beautify lawns.

LDWA suggestions for the Town of Leeds:

1. Set a standard fee for the use of the Town Hall (for everyone) and bill for the use.
2. Put to a vote a \$1.00 donation monthly to the Town for the park and cemetery. Or have the Town tax the people yearly as they mentioned in the letter.
3. Take all responsibilities away from the Town of Leeds involving LDWA and simply give Sandra Browning's phone number to any inquirers.

Jim Parnell was asked to take our written response to Gloria Parnell, our liaison with the Town, so she can present it to the Town.

Water Master's report: Jim did a bacteria test on the cement tank, but the results are not back yet. Jim told the board that he has been measuring the water in the cement tank. In 49 days the water has gone down 45 inches. This is from the top of the standpipe on the

tank. In 58 days it has gone down 52 inches, 64 days it has gone down 57 inches, 73 days it has gone down 63 inches, 80 days it has gone down 68 inches and in 91 days it has gone down 73 inches. He feels that this is a waste of the tank and suggested that we do as Bert Leany suggested and hook on to the old 4 inch line to town and use the line to help service the area below the pressure reducing valve on center street.

Motion: Bert Leany made a motion that we look into putting the old 4 inch line back into service to serve the area below the pressure reducing valve on Center St. Penny Weston seconded the motion and all approved.

Scott Ricci said that we really haven't given the cement tank a chance to work because this principle was to be used in the summer when the water is at high demand.

Scott Hayes said we could use the cement tank in the summer month in high water usage and then use the 4 inch line in the winter months.

Merle Gier asked Jim if there will be any problems with water when the post office and other business move to the Ludlow Business Center. Jim said he did not feel there would be any problems. The Center has two commercial water taps (20,000 gallons per month). It was purchased by Mr. Kerry Worthen who lives out by Casa de Oro.

The Fire Hydrants are all painted and Jim is working on numbering them and doing some corrections on the map.

Bert Leany's Irrigation Water offer to LDWA: (Bert was excused from the meeting so the board could discuss his proposal.) Bert offered LDWA 45 acre feet of water or 36 taps at \$5000.00 a tap. He would like to keep 5 taps in reserve for the land he has left. The fixed interest rate would be at 5%. One consideration we must look at is his water is irrigation water and the State could take away up to half of the water since it is not culinary water. Also we may not want to buy the water if we are unable to transfer it to the spring. When a sewer system is put in Leeds we could loose half of the water at that time also. We need to look into all of these things. It was suggested that we hire a good water lawyer to research and find out the answers to these questions. Scott H. suggested that we make a counter proposal and offer Bert \$4000.00 per water tap and any expense for lawyer or state would come out of this amount.

Bert is offering 28 gallons per minute of water to put into the spring. Silver Reef and LDWA combined have 62 gallons per minute of water from the spring. With Bert's water it would be 80 gallons per minute.

There are developers that want to buy Bert's water for the sole purpose of developing land. Bert has given us the first option.

LDWA will put together a counter proposal and get back with Bert Leany.

The meeting was adjourned.

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Water Master	Jim Parnell	879-2854		

May 6th, 2003

Executive meeting at the Town Hall at 5 p.m. where a Mr. Roger Owley explained his sewer system to the LDWA Board.

Those in attendance: President Scott Hayes, Vice President Bert Leany, Merle Gier, Scott Ricci, Jim Parnell, Sandra Browning, Ian Crowe , and Roger Owley.

Welcome: Scott Hayes

The time was turned over to Ian Crowe who introduced Mr. Roger Owley. Mr. Owley handed out information that explained his sewer system that would replace safe water back into the ground instead of being piped to a holding pond several miles away and in the process the ground water would be lost.

He had information on a unit for a one home building and then a unit that would furnish wastewater recovery for as high as 92 homes and this system will work with any amount of homes as the development is completed. Simply put, the sewage is pumped or gravity flow is used to enter the holding tank (the Dosing tank) the solids go to the bottom and will become neutralized fertilizer after several months and the liquid is pumped out by the Dosing pump to be sprayed over many screens many times until the bacterial is eliminated. This system is called clear water discharge and is 10 times better than EPA's water standards. This water can be used on the plant life or golf courses and there is no smell and it is safe. Materials about this system will be connected to the minutes for reference.

The meeting was adjourned by Bert Leany so the Town of Leeds could have their regular meeting at 7 p.m.

SPEC INDUSTRIES, INC.



AIRR 77 UNIT- Two Bedroom

AIRR 77 Unit RETAIL \$7,000 Gravity Discharge*

AIRR 77 Unit RETAIL \$7,750 Pump Discharge*

AIRR Component "KIT" for #77 UNIT \$4,000 and \$4,750 with Pump Discharge*

AIRR 714 UNIT – Four Bedroom

AIRR 714 Unit RETAIL \$8,000 Gravity Discharge*

AIRR 714 Unit RETAIL \$8,750 Pump Discharge*

AIRR Component "KIT" for #77 UNIT \$4,000 and \$4,750 with Pump Discharge*

"Kits" include the following: SPEC Controller, float switches, spray nozzles, pumps, screens, plastic piping, fittings (couplings, tee's, sleeves, crosses, etc.), valves, solvent, primers, air vents, electrical boxes, brackets, gauges, risers, riser lids.

PLUS INSTALLATION: ADD THE FOLLOWING

- SITE PREPARATION - LOCAL
- TANKS - LOCAL AND TANK INSTALLATIONS
SEPTIC TANK
DOSING TANK
RECIRCULATION TANK
DISCHARGE TANK
- DELIVERY TO THE PROJECT SITE - LOCAL
- ELECTRICAL CONNECTIONS
- LABOR - LOCAL

DEALER

* Price subject to change without notice



SPEC INDUSTRIES, INC.



AIRR LARGE FACILITIES & MODULES **Above Ground, Below Ground or Partly Exposed** **No Offensive Odor or Noise**

APPLICATIONS:

**TOWNS, VILLAGES, SUB-DIVISIONS, DEVELOPMENTS, RESORTS, HOTELS,
STRIP MALLS, COMMERCIAL AND INDUSTRIAL FACILITIES, SCHOOLS, ETC.**

MODULAR CONCEPT FOR EXPANDING FLOW DEMANDS

OPERATION AND MAINTENANCE: EXTREMELY LOW

WATER RE-USE FOR IRRIGATION, ETC.

REJUVENATION OF FAILED SEEPAGE PITS/DRAINFIELDS, ETC.

SPEC "KITS" AVAILABLE FOR LARGE FACILITIES, See other side.



**HOW, YOU TOO
CAN HAVE SAFE WATER...**



ALL TEMPERATURE CONDITIONS

Cold Temperate Desert Tropical

**THE AIRR WASTEWATER RECOVERY
PROCESS (Facilities) PRODUCES A CLEAR
WATER DISCHARGE OF HIGH QUALITY**

RECYCLE - REUSE - DISCHARGE

- **Irrigation -- Golf Courses, Lands, Crops, Green Belts . . .**
- **Drip Irrigation and Pressure Distribution**
- **Subsurface -- Very Small Disposal Area Recommended by SPEC**
- **Rejuvenation of failed Leachfields, Seepage Beds and Pits, Soakaways, etc.**
- **Waterways (Rivers, Ponds, Salt Water) -- NPDES Permitted**
- **Double Plumbing**

APPLICATIONS: Towns, Villages, Developments, Sub-Divisions, Resorts, Hotels, Strip Malls, Commercial, Schools, Single Family, Cabins (weekend), etc.

MODULAR: Additional AIRR facilities can be added to provide for additional wastewater volumes.

CONSTRUCTION COSTS: Very Competitive -- Local Labor and Materials.

O & M: Extremely Low for electricity, equipment and personnel costs.

LIFE EXPECTANCY: 100 Years (plus), *Since 1977 (1st installation) no process failures.*

CLEAR WATER DISCHARGE

**AVERAGE
QUALITY OF DISCHARGE**

BOD5	2.4 ppm
SS	2.0 ppm
FC	17.7 ppm
DO	8.3 +

- REPORTS AVAILABLE:** -- New Reports becoming available. Request your copy.
- AIRR Wastewater Recovery Process, 1993
 - Operation & Maintenance of Small and Medium Size AIRR WW Recovery Facilities, 1996
 - AIRR WW Recovery/Treatment Process and O&M of AIRR Facilities, 1999
 - Rejuvenation of Failed Drainfields by AIRR System Clear Water Discharge
 - Calculation for Subsurface Disposal Field Sizing for AIRR System Clearwater Discharge
 - Quantity Estimate Sheets -- Simplex and Duplex Systems
 - Cost Estimate Sheets -- Simplex and Duplex Systems
 - Component Kit Estimate Sheet
 - Pictures -- Simplex and Duplex Facilities
 - Leasing -- Financing Option

Website: www.specind.com 812

spec INDUSTRIES, INC.
AIRR Wastewater Recovery Systems

Local Contact

Operations/Technology Center
550 Parkson Road
Henderson, Nevada 89015

Tel: (702) 558-4444
Fax: (702) 558-4563

e-mail: SPECindustries@juno.com

4. WATER QUALITY OF AIRR RECOVERED DISCHARGED WATER:

BOD 5	2.4
SS	2.0
FC	17.7
DO	8.3 +

5. CLEAR WATER DISCHARGE METHODS

Irrigation - Crops and landscape
Ponds- Irrigation and fire storage
Rivers - NPDES since 1981
Subsurface
Well injection

6. FACILITIES WASTEWATER TREATMENT/RECOVERED VOLUMES: (Single family to 1 MG/D plus per day)

a. Single family residences	480 gpd
b. Franktown Meadows	1,500 gpd
c. LaCima Hotel	2,400 gpd
d. Chief Leshi Schools and Puyallup Indian Nation Hdq.	18,000 gpd
e. Del Monte	55,000 gpd

Note: Facilities have been overloaded and underloaded without causing a functional problem.

7. ELECTRICAL OPERATING USAGE: (calculated)

Dosing and Recirculating Pump Sizes

1. 1000 to 2000 gpd = SP 50	6.6 Kwh/day
2. 2000 to 3350 gpd = SK 75	4.9 Kwh/day
3. 3350 to 4800 gpd = SK 100	4.9 Kwh/day
4. 4800 to 6000 gpd = S3S 150	9.2 Kwh/day
5. 6000 to 7200 gpd = S3S 200	9.2 Kwh/day
6. 7200 to 18000 gpd = S4S 300	17.9 Kwh/day
7. 18000 to 25000 gpd = S4S 500	27.6 Kwh/day
8. 25000 to 27000 gpd = S4S 750	41.5 Kwh/day

___ Kwh/day x Local electrical rates = Electrical cost/day

9. BUDGETS

Electrical cost

Sampling and testing costs.

Periodic pumping of septic tanks.

Maintenance by organizations own personnel.

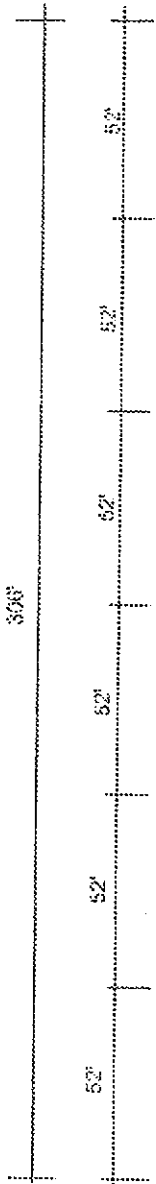
Note: Some facilities budget for O & M.

Some facilities only budget for electrical usage.

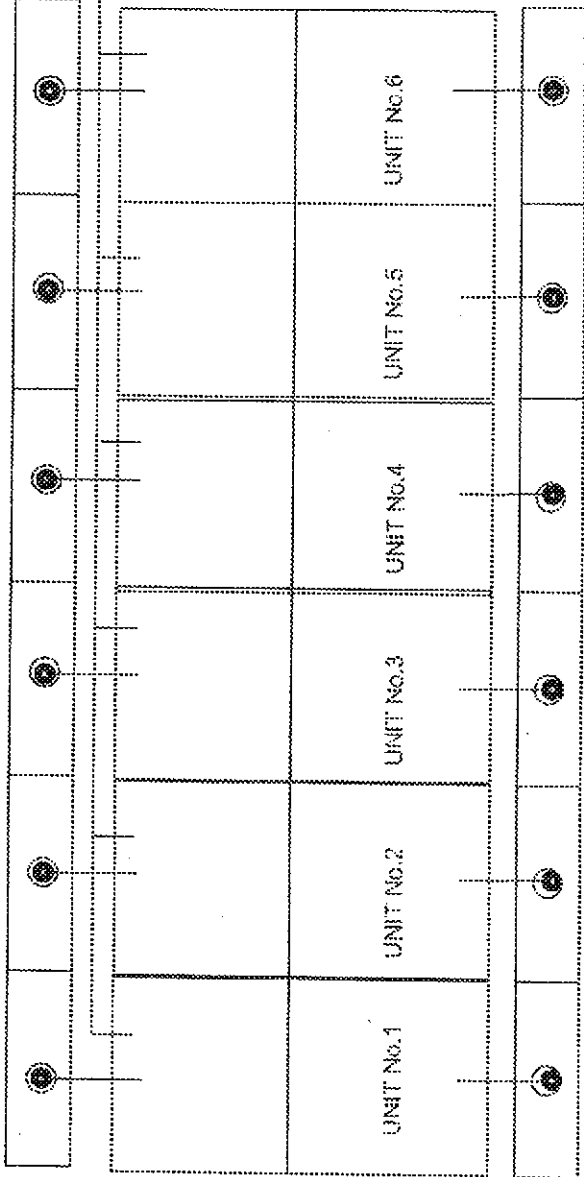
Some do not budget for O & M.

10. OPERATORS SKILLS

1. No decisions are required of the maintenance people concerning the process. No adjustments need to be made on flow volumes, mixing chambers, etc. after the facility has been activated.
2. Read the SPEC Controller/Monitor Display for operational times and error codes. If an error code indicates a pump has stopped then the pump would need to be cycled and checked for operating/pumping. The pump may need replacing. Design has taken this into account so pump replacement is easy to accomplish.
3. Basic mechanical skills are needed to service the spray nozzles, float switches and motors.
4. Basic electrical skills are needed if a float switch or pump needs to be replaced.



RECIRCULATION TANKS



DOSING TANKS

PRELIMINARY SKETCH

GALLUP, N.M

LEEDS DOMESTIC WATERUSERS

95 East Center

P.O. Box 460627

Leeds, Ut. 84746-0627

President	Scott Hayes	879-2457	Penny Weston	879-2170
Vice President	Bert Leany	879-2901	Scott Ricci	879-2150
Secretary/Treasurer	Sandra Browning	879-2345	Merle Gier	879-2903
Water Master	Jim Parnell	879-2854		

May 9, 2003

Special Executive meeting held at Sandra Browning's home at 1 p.m.

Those in attendance: President Scott Hayes, Vice President Bert Leany, Merle Gier, Scott Ricci, Penny Weston, Jim Parnell, Sandra Browning, and Darrell Nelson, Councilman from the Town of Leeds.

Welcome: Scott Hayes

The reason for this executive meeting was to discuss the feelings of the LDWA's Board Members in taking over the Ian Crowe subdivisions before he meets with the Town of Leeds on Wednesday, May 14, 2003. Also other issues that need to be addressed.

Ian Crowe's Subdivision: After some discussion the board decided they would like to take over the Ian Crowe Subdivision so we would have some say in the project. Darrell Nelson told LDWA board that the Mayor of Toquerville and councilmen came to the Leeds Town meeting and said they want the Ian Crowe subdivision and they plan to annex it in to Toquerville. It was suggested we would have all the impact of the subdivision, but no tax base if Toquerville annexed Ian's subdivision into their town. Washington County conservancy district will sell us the water and we will manage this subdivision. A sewer system will have to be put in if Ron Thompson's water is used. On May 6th. Mr. Roger Owley met with LDWA and explained how his sewer system worked and the board felt it was a good system and would work in this project.

Silver Reef merger: LDWA met with Silver Reef Special Service District about a week ago and explained to them that we can not supply the same amount of water to them as we are delivering to our other customers because there is no way that we can deliver their water that was placed into our well. We do not have the lines or ability. They were told that we are planning to put in a large water tank that would give us the storage water necessary to supply all the water customers the same amount.

Bert Leany told the board the State figures an acre foot of water to be .6100 gallons per minute.

Bert Leany said the Environmental Assessment should be one of the first things we accomplish because it takes about one year to complete. Scott H. asked Bert to take charge of this project and Bert said he would if Scott Ricci would assist him.

The board discussed the possibility of taking over Silver Reef's Special Service District. We must first retain a knowledgeable Water Lawyer that can research out the special service districts and see if this is the direction we want to travel.

Merle Gier told the board we have so many things going that we need to get organized. Darrell Nelson suggested that we make a list of things that we need to accomplish and put them in an order of importance and how we should proceed. The board all agreed. We can always adjust the list as we progress along.

Terry Prisbrey: Scott H. read a letter to the board that he received from our lawyer, Bruce Jenkins, proposing we allow Terry to purchase a new water share certificate for his current or perhaps historic uses on the property. The water share would be for garden irrigation, shop use, or similar activities. Mr. Prisbrey would have to understand and agree that if he were to change the nature of the use to residential, commercial, or otherwise, he would have to comply with all municipal and LDWA's requirements to upgrading the system to accommodate the new form of use.

Upon discussing this proposal the board agreed that we can not provide water in this manner for Mr. Prisbrey for it would not conform to our bylaws. It was suggested that Mr. Prisbrey purchase an irrigation share for this purpose. Scott H. told the board he would talk with our lawyer and get back with the board.

Bert Leany's Irrigation water: Bert made a proposal to the water board to let them purchase his irrigation water of 24 acre feet of water for \$5000.00 per share at 5% interest and 7 acres of land would be included in the package for ten dollars an acre. He would like \$75,000.00 down and he would personally finance the loan. This would cost \$210,000.00. Scott Hayes said that if we could transfer the water to the spring, it would be great. We need to find out if this is possible. Also it was suggested that we could use the land for an office and shop for LDWA. Bert L. an answer or another offer by Tuesday, June 16th. 2003

Meeting was adjourned.

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May 22, 2003

Special Meeting with the Town of Leeds Called by Mayor Norma Gier

6 p.m. at the Town Hall.

LDWA Board Members In attendance: President, Scott Hayes, Vice President Bert Leany, Merle Gier, Penny Weston, Sandra Browning, and Jim Parnell. Also The Town Council members and Mayor with the Town Planning Commission. Jim Raines from Bush and Gudgell was also present.

The reason for meeting was to hear Ian Crowe's presentation about his new subdivision.

We were welcomed by Mayor Norma Gier.

The time was turned over to Jim Raines because Mr. Ian Crowe did not show up to the meeting.

We were told the town or LDWA can take over Mr. Crowe's subdivision as far as water and sewer is concerned, but they would have to be a special service district if either one took over the sewer system. And then who ever took over the operation would have to operate, maintain, and administer, both the water and the sewer. They would be responsible for any problems. If the town became a special service district for the sewer and the water they could appoint a board for water and then another for sewer or Washington County Commissioners could appoint board members. Jim R. said the sewer system can be a money maker, but it could take quite a time for any revenue to come back to the town, however, as a special service district the town could get loans and grants for needed revenue before money starts to come in from the sewer billing.

He also reminded us that if Toquerville annexed in Ian's project and took over the water and sewer that they would get the property tax revenue and we would suffer the impact of this development because of the location. One of the impacts could be an on off ramp for the large amount of traffic from the development. A ramp could cost 5 million dollars. Jim R. also suggested that if the sewer water was piped to Ashcreek Treatment Plant to their settling ponds that we could loose part of our water because the waste water would not be returned to our aquifer. Jim R. feels the treatment sewer plant that Mr. Crowe talked to us about was a great idea to keep the water in our area. The water is clean and

the treatment plants meet the standards for clean water returned to the ground. However, the state has not taken a stand as to this water treatment plant for large amounts of homes and we would have to get their approval. A Developer needs to work with the town and is responsible to the town board and the board is responsible to the state.

Jim R. told us that new developers need to pay for themselves and not cause the town to be penalized by their projects. Then the town should have a surety or property bond on the projects homes. There are some areas that charge impact fees and permits as much as \$10,000 per home. Jim R. said the mayor needs to write a letter to the Boundary Commission and let them know the impact this new development will have on Leeds and we need help from the commission if Mr. Crowe goes with Toquerville and the commission could stop the development being put into the Toquerville's town limits. There are land usage issues and zoning, density requirement and transportation that can effect us as a town.

Jim R. told Ivins several years ago that if they put in a sewer the population would explode and it did.

We need to know all of Mr. Crowe's intentions. We need a letter of intent from Mr. Crowe for we can not come to any decisions without his plans.

Ian needs to meet all the state requirements for growth.

The amount of acres he will be working with. The number of lots, the size of these lots, and how many homes.

Jim R. said the county made a study of the rural areas of the state and said that this area can only support so many homes.

Mr. Crowe is planning to get his water from Ron Thompson and Jim R. told us that Ron does not want to take over our water companies, but he wants to sell or lease us water.

Jim R. said that Ron's goals are to Develop water resources and secure water resources.

It was suggested that the Town of Leeds needs to update their general plan. As the town grows Jim R. said the general plan may have to be updated several times a year.

The meeting was adjourned.

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Water Master	Jim Parnell	879-2854		

June 3rd, 2003

May's Monthly Meeting

Held at the town Hall

Tuesday - At 8 p.m.

Those in attendance: President Scott Hayes, Vice President Bert Leany, Merle Gier, Penny Weston, Scott Ricci, Jim Parnell, Gloria Parnell, Sandra Browning, Dallin Gardner, Lowry Snow with the Brennen Development, and Jim Raines, with Bush & Gudgell.

Welcome: Scott Hayes

Prayer: Scott Hayes

Pledge to Flag: Bert Leany

Minutes: The minutes were discussed and corrections made. Bert Leany moved to approve the corrected minutes and Penny Weston seconded the motion and all approved.

Financial Statement and Check registry: The Check registry, the profit and loss statement, and the trial balance to date were discussed and Scott Ricci moved to approve them and Merle Gier seconded the motion and all approved.

Water Samples: Merle Gier told the board that we had one bad water test in May and so four more tests were taken with good results. In June we will take five more water tests, because of the bad test in May.

Brant Jones: Brant Jones talked to Scott Hayes and he has not finished his research and paper work on the new water lines and hydrant needed to be installed if he builds storage units on the frontage area of his property, he will contact LDWA as soon as he decides if he will put in the buildings.

The Silver Reef Highlands Development update: Lowry Snow explained that Jim Raines has done some research on the Silver Reef Highland's Development and would

like to present a preliminary design plan, engineering, and cost estimates which includes some up sizing cost estimates that LDWA requested at a earlier meeting. After the presentation Silver Reef Highlands would like a preliminary commitment from LDWA in letter form that would allow them to go forward with more preliminary work and meet with the Town of Leeds Planning Commission, and the Town Council.

Jim R. handed out the preliminary draft paper for Silver Reef Highland's pre-design and cost estimates:

Option A	Water tank for Silver Reef Highlands	150,000 gallon tank	\$75,000
Option B	LDWA Upsize Tank	1,000,000 gallon tank	\$500,000

Water Lines and Controls

- A. 4" line from spring to tank
- B. 6" line from well to tank
- C. 8 inch line from tank to lot

Estimated Cost \$125,000

Option A Total \$200,000

Option B Total \$625,000

Proposed Recapture of Costs for Silver Reef Highlands.

Based on the fire flow portion of the tank (60,000 gallons) and the line costs (sized for fire flow, etc.)

40% of \$75,000 tank = \$30,000

Total line Costs = \$125,000

98 lots divided by \$155,000 = (\$1,582*) per connection

* Portion of current connection fees to be reimbursed to the developer for system costs.

Lowry Snow stated that Sitla may not be ready to proceed with their development at this time, because of shortage of funds. but Silver Reef Highlands wants to go forward as quickly as possible with their development of the 40 acres divided into 18 lots.

Several years ago the engineering firm met with BLM and picked the tank sight and sizing. Which was 100,000 to 150,000 gallon tank with 1,000 gallon per minute water flow for the fire code.

Scott Hayes wanted it noted in the minutes that LDWA will check with the Fire Service District to make sure the fire chief is in agreement with the fire flow and gallons in this new water tank.

A map was given to LDWA and Jim Raines showed the board the area this development will be placed North and West of Leeds.

LDWA was told a Mr. Ira Hodges designed the development with low water use landscaping in mind. He said the land is his first client. The homes will be in clusters with lots around 1 acre in size and that the same amount of land will be used for beautification, and the natural terrain will be preserved as much as possible. Merle Gier asked if it would be possible to include a park in the project and he was assured that it was a possibility.

Recapturing revenue from the cost of the tank and lines for the developer was discussed and it was suggested that each water connection be charged \$1500.00, limited to the next five years (no reimbursement after the five year period of time to the developer).

** Copy of Draft - at end of the Minutes*
Motion: Scott Ricci made a motion to accept this draft proposal of Silver Reef Highlands and encourage them to proceed forward by meeting with the Town of Leeds Planning Commission and the Town Council and to go forward with more engineering and designing as needed. Bert Leany seconded the motion and all voted in the affirmative.

Scott Hayes

Scott Ricci

Bert Leany

Merle Gier

Penny Weston.

A letter of approval will be sent to Silver Reef Highlands

Impact: Scott Hayes told Mr. Snow that if there is any impact on our pumps or system because of the Silver Reef Highland Development that they will be responsible for this expense.

Silver Reef S.S. District: We received a letter from Kayla Brown with the Silver Reef Special Service District expressing what issues she feels the Silver Reef Board would accept in merging with LDWA, such as:

Silver Reef will continue to be billed at the current water rate for the initial transition period which will not go beyond December, 31, 2003. After the initial period Silver Reef will be billed at the same rate as LDWA.

Kayla was careful to explain to Silver Reef's shareholders at a public hearing that the water rates discussed were rates at that time and the rates could change anytime in the future.

Kayla suggested the rates should be raised on the newly merged entity on the high water users to encourage water conservation and to ensure a long time financial health for our water company.

Kayla stated if LDWA is still interested in becoming the Silver Reef Special Service District, it would be good to know this by October 1st. 2003, because we have two vacancies to fill on the board by January 2004 and the process of public notification appointment takes some time.

Other issues to consider:

1. Do we pay off the loan as we merge or do we keep it.
2. Who is to fill the vacancies and what is the final makeup of the board.
3. We would like a written agreement again signed by both LDWA and Silver Reef SSD on the terms of the merger prior to the finalization of Silver Reef annexation to the Town of Leeds. The annexation with the Town of Leeds could be completed within 40 days so it is important this letter be agreed upon and signed soon.

Kayla also mentioned LDWA's concern about Silver Reef's high water users abusing water service. Kayla said Silver Reef shareholders felt they could conserve on water and therefore save money from their water bill to help compensate for the higher taxes they will be paying.

Penny Weston mentioned that when we started considering a merger with Silver Reef; we were under the impression that they were purchasing enough water to bring them up to LDWA's requirements. And then the State reduced the amount of water they purchased by half, causing them to be short of water.

A letter to Silver Reef Special Service District, expressing our desire to merge with them and our agreement to the terms of the merge, needs to be put together. The terms include that the water rates will remain the same in Silver Reef to the end of the year, Dec. 31, 2003 and then LDWA and Silver Reef will have the same billing rates from then on. Scott H. would like a place at the end of the letter for the signature of each company's representative. Sandra Browning and Penny Weston were assigned to put a letter together.

LDWA may adopt Silver Reef's overage rates for the high users after the two companies merge.

If LDWA decides to form a special district or take over Silver Reef's Special Service District, we need to talk with the County Commissioners, and if we do decide to expand and use the Silver Reef Special Service District we need to get a good lawyer to do the work. Bert L. said that Rick Hafen was the lawyer that did the Silver Reef Special Service District's legal work. To use Silver Reef's District would save us a lot of time and labor.

Also we need a lawyer to research the special service districts to find out if this is a good move for LDWA. We need to consider all areas, such as, the water, sewer, recreation, fire, and if we should keep Silver Reef's loan or pay it off.

Silver Reef Special Service District has a \$500.00 fee to pay to the Town of Leeds that will go to the county to continue on with the annexation with the Town and Scott H. feels we should pay this fee to show good faith to Silver Reef. We will receive this money back from Silver Reef after the merger. (If the fee is not paid then the annexation would have to start all over from the beginning.)

Motion: Scott Hayes made a motion that LDWA pay the annexation fee of \$500.00 for Silver Reef with the understanding that all financial records and monies in the company will be turned over to LDWA upon merging. Bert Leany seconded the motion and all approved. Scott Hayes, Scott Ricci, Bert Leany, Merle Gier, and Penny Weston.

Loan: Scott Hayes asked Bert Leany to see if there are any low interest loans available for LDWA to put in a new well or a new tank.

A letter to the Town of Leeds: Penny Weston was asked to write a letter to the Town of Leeds in response to their letter asking us to forgive their water overage from last year. LDWA does not feel that we can forgive their overage. Also LDWA also feels that we must charge for overages to have some control over the large water users, including the town. The town still has overages even though they receive 40,000 gallon monthly.

Tiered Billing: Scott Hayes told the board that we need to look into tiered billing, not to be used for Silver Reef, but if we lease water from Washington County Conservancy, we need to make sure that we can do this legally.

Water Master's Report: We had a bad water sample from Bert Leany's home and Jim Parnell chlorinated to kill the bacteria. Jim Parnell said the water flow from the spring is around 95 gallons per minute. We are using the pump at the well more all of the time. Jim told the board he feels that the cement tank can be better utilized by connecting the tank to a four inch line that goes down to the town to provide more water to the south side of town. A certified engineer needs to be used in this project. Ken Orton with RWUA was suggested.

Motion: Merle Gier made a motion to better utilize the cement tank by connecting from the cement tank to a four inch line that will go down to the South side of town to provide better water pressure. Scott Ricci seconded the motion and all approved.

Bert Leany Irrigation Water:

Bert Leany was excused from the meeting.

Bert Leany offered the Leeds Domestic Waterusers Association 40 acre feet of his irrigation water for \$190,000 including one half acre of land on the South end of Bert's property. He wants \$85,000 down and a yearly payment of \$7500 at 5% interest. There will be no penalties for prepayments.

Motion: Scott Hayes proposed to purchase the 40 acre feet of irrigation water (6.67 shares) for \$190,000 from, the Leany Family Trust. The Leany Family Trust will donate one half acre of land on the Southern Corner of the property. LDWA will pay \$85,000 down, before June 12, 2003, and the balance of \$105,000 at 5% interest in annual payments of \$7500. The first payment is due June 1, 2004. There will be a balloon payment of the unpaid balance due June 1, 2013.

Merle Gier seconded the motion and all approved. Those approved Scott Hayes, Merle Gier, Scott Ricci, Penny Weston.

Merle Gier moved to adjourn



BUSH & GUDGELL, INC.

Engineers • Planners • Surveyors
205 East Tabernacle - #4
St. George, Utah 84770
(435) 673-2337
(435) 673-3161 FAX

June 3, 2003

Draft
Silver Reef Highlands
Preliminary Off-Site Water System Improvements
(Pre-Design Costs – Actual Costs May Differ)

Water Tank

Option A – Silver Reef Highland Needs

150,000 gallon tank \$ 75,000

Option B – LDWA Upsize

1,000,000 gallon tank \$500,000

Water Lines and Controls

- A- 4" line from spring to tank
- B- 6" line from well to tank
- C- 8" line from tank to lots

Estimated Cost \$125,000

Option A Total \$200,000

Option B Total \$625,000

Proposed Recapture of Costs

Based on the fire flow portion of the tank (60,000 gallons) and the line costs (sized for fire flow, etc.)

40% of \$75,000 tank =	\$ 30,000
Total line Costs =	\$125,000
	\$155,000

98 lots divided by \$155,000 = $\boxed{\$1,582^*}$ per connection –

*Portion of current connection fee to be reimbursed to the developer for system costs.

JR/lg

C:\All Documents\My Docs 2003\Letters\Silver Reef off site water.doc

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June 24, 2003

Monthly Meeting of the Leeds Domestic Water Users Association

Place: Town Hall of Leeds

Tuesday at 7 p.m.

Those in attendance: President Scout Hayes, Vice President Bert Leany, Merle Gier, Scott Ricci, Penny Weston, Sandra Browning, Jim Parnell, Gloria Parnell, and Joseph Laudie. Realtor.

Welcome: President Scott Hayes

Prayer: Bert Leany

Pledge: Merle Gier

Minutes: The minutes were discussed and Bert Leany moved to approve the corrected minutes and Merle Gier seconded the motion and all approved.

Financial Statement and check registry: After a short discussion on the financial statement and check registry, Scott Ricci moved to approve them and Bert Leany seconded the motion and all approved.

Water Tests: Merle Gier told the board that he took five water samples to Cedar City to be tested and all were good tests.

Merger agreement with Silver Reef Special Service District:

Kayla Brown compiled a letter of agreement between Silver Reef Special District and LDWA for the merger of the two companies. All board members are to go over the letter agreement and then each board member's signature will be placed at the end of the letter of both companies.

Upon studying the letter, LDWA found one issue that needed to be included and Kayla Brown was contacted by cell phone and she said that she would add it to the letter (Line #9) and then return the letter for LDWA's board signatures. Then Silver Reef's board will sign the letter.

district and changes can be made. Scott Hayes explained that we will have to adopt the existing by-laws and regulations of the service district into our by-laws.

Scott H. mentioned that he has a copy of the Silver Reef Special Service District's by-laws if anyone would like to read them. Scott Ricci explained a special service district has minimum requirements on the "boiler plate" of what it is and how it has to act and all of this has to be incorporated into our by-laws, but specific things in our by-laws can stand. If there is a difference in the service district's law and LDWA's by-laws, then that part of LDWA's by-laws would have to be dissolved. As far as water handling and that type of thing, service districts do not have that type of rules, but LDWA's by-laws would cover them.

Letter to Shareholders: Merle Gier asked if the board has the right to dissolve LDWA. Scott H. said that we will write a letter to be sent out to the shareholders explaining the possibility of LDWA taking over the Silver Reef Service District. We need to let everyone know what we are planning to do. Penny Weston and Sandra Browning were asked to create a letter.

Joseph Laudie Realtor: Joseph asked to be put on the agenda to discuss the possibility of reducing the amount owed on the Robinson home that he is trying to sell.

Since the water was turned off when the Robinsons moved, the monthly fee should have been \$10.00 per month for a standby fee instead of \$20.00 a month at the regular fee. The board agreed that the bill should be cut from \$120.00 to \$60.00, but the fee to shut off the water at \$15.00 and then turn it on again at \$15.00 would have to be billed. So the total amount of the bill would be \$90.00 to date. Mr. Laudie paid the \$90.00.

Letter to Silver Reef Highlands: LDWA was asked to put together a letter approving the preliminary concepts that were presented by a representative of the Silver Reef Highlands Project at the July 3rd. monthly meeting of LDWA and also to encourage them to proceed. This letter was written and approved by the board and sent to Dallin Gardner.

Division of Water Rights: Bert Leany and Scott Ricci went to Cedar City to the Division of Water Right and told them that The Leeds Water Company would not release the irrigation water shares that LDWA bought from Bert Leany to be put in our Spring. Mr. Adams said he would put together a packet and send it to LDWA showing us the steps we have to take to transfer the water rights. They asked him about transferring the "B" water up to the spring and he will also send information to transfer the "B" water. Bert and Scott R. also received information on grants and loans that are available. When Silver Reef Highlands puts in their water tank for their subdivision, we would like to be

able to enlarge the tank enough to provide water for future growth so we need a loan or a grant for this purpose.

Leeds Irrigation Water Company: Ned Sullivan called Scott H. and asked if they could come meet with him tonight at 6 p.m. at Scott's home. So Ned Sullivan, Carlyle Stirling, and Don Goddard, came to Scott's home. They received LDWA's letter asking for their ideas on sharing the water from the spring and said that they were just waiting for LDWA to make a offer to the Irrigation Company. They would like LDWA to propose our ideas and decisions and then they will either vote to approve or reject our offer. They are definitely pushing to measure the water at the weir and said two of the irrigation members do not know where the gauging station is. They said their decree states they should measure at the Weir.

Going by the gauge station it is an exact electronic measurement and Bert Leany said that he feels we should be using that reading. Bert said that if we measure at the gauging station, it also has the acre feet used for the year.

Scott Hayes asked Scott Ricci to put together a presentation and a chart to show the Irrigation Company the amount water they have been using. They get six acre feet of water for every acre they cultivate. We should be spilling water to the Irrigation Company in good faith, even though they are using more water than they deserve, and we should take only what is allotted to us.

Scott H. told the Irrigation Company that we will turn the water from the spring down the ~~ditch~~^{creek} and they can get what comes down the ~~ditch~~^{creek}.

Don Goddard suggested the water be taken down the pipeline and LDWA could meter the amount of water that we are sending to the Irrigation Company. (A meter would have to be put above the Silver Reef Tank to measure the water for The Irrigation Company). This would save Jim P. going up to the spring and reading the meter so often. For now the board agreed to dump water into the ~~ditch~~^{creek} for the irrigation company.

Bad Debts: A list was made of people who need to pay their water bills and standby fees. These people will be sent a form letter and told that they need to pay their bills or a lien will be put on their property. And they have 15 days to pay their bills.

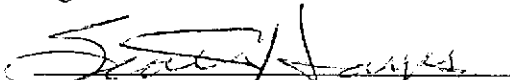
Water Master's report: Jim is chlorinating the spring once a week, because of the heat. Water tests at the cement tank were good. Water in the cement tank has gone down slowly, but a better way to utilize the cement tank is to connect to a 4 inch line by the tank and use the water to service the south end of town. Jim was told to proceed with this project.

Bert Leany moved to adjourn the meeting.

**Agreement for the merger of
Leeds Domestic Water Association (LDWA)
with the Silver Reef Special Service District (SRSSD)**


- 1) The merger will become effective upon the annexation of the Silver Reef Estates Subdivision into the Town of Leeds.
- 2) The two entities, LDWA and SRSSD, shall restructure either by:
 - (i) SRSSD's dissolution and merger into LDWA
 - OR (ii) LDWA's dissolution and merger into SRSSD
- 3) The restructuring decision will be made by October 1, 2003.
- 4) All members will be subject to the governing articles of incorporation, by-laws, and/or rules and regulations of the continuing entity.
- 5) In either case, the dissolving entity will transfer ALL existing cash, assets and water rights into the continuing entity. In the event the SRSSD is dissolved, the outstanding loan against it of approximately \$65,000 must be paid in full prior to dissolution, the SRSSD Board must adopt a resolution to dissolve the SRSSD and permission to dissolve must be granted by the Washington County Commission.
- 6) Upon the merger, all members of both LDWA and SRSSD shall enjoy the same rights, privileges and services under the newly formed entity WITH THE EXCEPTION of a transition period through December 31, 2003, in which residents within the SRSSD will be billed at their current water rates. Thereafter all members of the combined entity will be billed under the same water rates. If the SRSSD is the continuing entity new water rates may need to be adopted.
- 7) All infrastructure costs to merge the two systems will be born by the newly formed entity.
- 8) Connection fees for new water hook ups will be \$5,000.
- 9) In the event LDWA is dissolved and SRSSD becomes the continuing entity it is the intent of all parties that the SRSSD Board will ultimately be comprised of all 5 existing LDWA Board Members and one of 5 existing SRSSD Board Members, for a total of 6 Board Members.

Agreed:



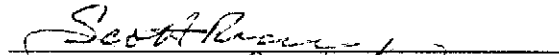
Scott Hayes, President LDWA

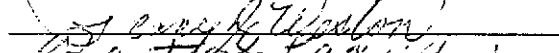
Date 9/25/03




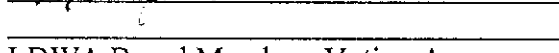
Gary Tanner, Chairman SRSSD

Date 7-12-03







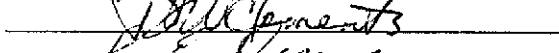


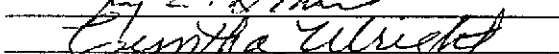


LDWA Board Members Voting Aye









SRSSD Board Members Voting Aye

LEEDS DOMESTIC WATERUSERS

95 East Center

P.O. Box 460627

Leeds, Ut. 84746-0627

President	Scott Hayes	879-2457	Penny Weston	879-2170
Vice President	Bert Leany	879-2901	Scott Ricci	879-2150
Secretary/Treasurer	Sandra Browning	879-2345	Merle Gier	879-2903
Water Master	Jim Parnell	879-2854		

July 31, 2003

Leeds Domestic Waterusers Association's monthly meeting agenda

Thursday at 7 p.m. at the Town Hall

Those in attendance:

Welcome: Scott Hayes

Prayer:

Pledge:

Minutes:

Financial Statement and check registry:

Water Tests: Merle Gier

Greg Palmer: Water overage charge - *Jake Green's name*

Approval of letters for bad debt and shareholders letter about merging with Silver Reef and take over of the special service district. —

Silver Reef update:

Silver Reef Highlands update:

Reminder: Court date with Mr. Prisbrey, September 23, 2003 at 2 p.m.

Irrigation company update:

Water master's report:

Application for permanent change of water: Bert Leany's irrigation water and "B" water.

Communication from shareholders:

Meeting adjourned;

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July 31, 2003

The Leeds Domestic Wateruser Association's monthly meeting

Place: Town Hall

Time 7 p.m.

Those in attendance: President Scott Hayes, Vice President Bert Leany, Merle Gier, Scott Ricci, Jim Parnell and Sandra Browning. Also attending was a representative from the State of Utah School trust fund, Don Leavitt. Penny Weston was excused.

Welcome: Scott Hayes

Prayer: Merle Gier

Pledge: Scott Ricci

Minutes: The minutes were discussed and Bert Leany moved to approve the minutes with the corrections made. Scott Ricci seconded the motion and all approved.

Financial Statement: The check registry and the profit and loss statement were discussed. Scott Hayes made a motion to accept the check registry and the profit and loss statement for June and Merle Gier seconded the motion and all approved.

Inventory: Bert Leany stated that we do not have all of our inventory of lines and hydrants in our financial statement. We have 68 hydrants in our system at the present time with 16 in Eldorado Hills and 52 in Leeds. With Silver Reef's merge with LDWA there will be 13 more hydrants for a total of 81 hydrants in all. The value of the hydrants is around \$1500.00 totaling \$121,000.00. We can not include Silver Reef until they are officially merged with LDWA. We will look into including the hydrants in our inventory when we merge with Silver Reef.

Water Payment: We will make our last water payment to Alene Cuff on the first of August for the water we purchased from her in 1997.

Water Test: Merle Gier took the water samples to be tested at Southern Utah University and the water tests were all good.

Greg Palmer: Greg Palmer told the board that he leased the Green home with the option to buy if he would fix it up so the bank would give him a home loan. He was charged \$120.00 for back water bills before LDWA would turn on his water. He feels that he should not have been charged for back billing and asked that LDWA credit him for this charge. He felt we were not being fair to him in making him pay this bill. Scott Hayes told Greg that the title company should have taken care of this cost when he purchased the home. Greg said the home was in a Family trust and he did not think it was in effect now, but he does have the paper work about the sale. Scott asked Greg to get the papers out and see what information he has on the sale and if he has the water certificate, and get back to Sandra Browning with what he finds. We will call Terra Title and see if they have any information about this home. Greg bought the home several years ago and the title company may not have the information we need.

School and Institutional Trust Land: A Don Leavitt with the School and Institutional Trust Land came to meet with LDWA, about their trust land that is North and West of Leeds. They have approximately 160 acres of land.

He told LDWA that working in the Leeds area is new for them. In the past the trust has not been aggressive in developing land, but they are now and they have about 17 projects going on in the area at different stages of development, from a 5 to 25 year plan of growth. Don is working with every community in the area concerning zoning ordinances and other aspects of how they can get these developments to work. One of the problems they have is that they are not like other land owners that have the land and have to get it ready to market. Some problems they have can be solved today so when they are ready to proceed they will not have to pay twice for services needed.

As for the trust lands located by Leeds, Don said they are not ready to proceed, but the concern is to put the infrastructure and tank in place and work with the entity that will be there when the State is ready to proceed.

The Brennen Development came to the State Land Trust and offered to sell them their excess water. The trust needs water and can buy water now but, the time is not right to start the development. The trust can not bank the water, but can buy water and transfer to an entity who can bank or store the water, such as LDWA.

LDWA was asked if they would consider storing the water for the trust and making it available when they need it. If so, the land trust would in turn financially help to build a water tank to store LDWA's water along with the trust's water.

There are other issues the trust will be working on such as access issues, placement of roads and water lines. Also the trust needs to work with LDWA on the water issues.

Don plans to design a ten year plan in detail which would consider the Brennen Water, size of the water tank and placement, and the infrastructure of water lines and roads. Don Leavitt asked if a meeting could be set up with Scott H. to discuss this proposal. Scott H. said the board members need to be included in the decision making for LDWA. It was suggested a special meeting be called for the 20th. of August at 7 p.m. Don asked if we had a conflict with Ron Thompson and Scott H. told Don that we do not for Ron works with the water companies in selling water and not with the individuals. Also Scott H. told Don that we have no problem with the trust buying water from Mr. Brennen for we have sufficient water at the present time. A developer, according to our by-laws, will bring in their own water when they put together a development.

Approval of letters to be sent to shareholders. Scott Hayes read a form letter to the board that will be sent to the shareholders when they have bad debts and the letter was approved. Also a letter to shareholders about merging with Silver Reef and the possibility of taking over the Special Service District was read and approved.

Meet with shareholders: Scott Hayes told the board members that he would like to meet with the shareholders to get their opinion of LDWA taking over the Silver Reef Special Service District and not being a private water company in the future. The board agreed and it was suggested that we meet with the shareholders on Tuesday, August 26th. 2003 at the Town Hall at 7 p.m. Sandra Browning was asked to put together a letter of notice of meeting and get it in the mail so we can meet the 26th of August. If LDWA decides to become a Special Service district, it was suggested that Dave Clements be asked to help put together the paper work for he did the work to help form the special service district for the Leeds Fire Department.

LDWA's Monthly meeting: LDWA's monthly meeting will still be held the last Thursday of the month at 7 p.m. at the Leeds Town Hall. (August 28th.)

Reminder to Board Members: LDWA has a court date with Mr. Prisbrey, September 23, 2003 at 7 p.m.

Water Master: The weeds are very high around the spring and Jim Parnell told the board, he needs to cut them down to avoid getting bad water. He suggested LDWA purchase a weed wacker to help cut down the weeds.

Motion: Bert Leany made a motion that LDWA purchase a weed wacker for Jim Parnell to keep the underbrush under control. Merle Gier seconded the motion and all voted in the affirmative.

Jim Parnell also told the board that he needs another cell phone for he can not receive in coming calls anymore. Jim will contact the Sprint Cellular Phone Company and see if they will repair his old phone or give him a new one.

Jim replaced the meter at Glenn Beal's place for it was very old and leaking.

It was decided to use the iron line from Beals to the town and see if it works and if not then we will dig it up and replace it with a new line.

Letter from the State Division of Water Rights in Cedar City: We received a letter from the State and a form to transfer the "B" water we purchased from Bert Leany to the spring. We wanted to transfer the irrigation water that we purchased from Bert Leany also. However, the Leeds Irrigation Company went up to Cedar City and talked with the people in the State Division of Water Rights and told them that transferring Bert's water rights to the spring was a hardship on them and they would not approve the transfer of the water. We may have to hire an attorney to handle this problem.

Bad Debt: Some of our shareholders are delinquent in paying their bills and so we plan to send out certified letters to explain that if they do not pay their water bill in 15 days that their water will be shut off or we will put a lien on their property until payment is made in full, including any additional fees and interest incurred. They will have to sign for their bill and this will be returned to LDWA to make sure they got their certified billings. We are sending out seven letters.

Resignation: Bert Leany told the LDWA board members that he needs to resign, because he sold all of this water shares. Scott Hayes said he felt badly that Bert needs to resign, because he is such a great help on the board. Bert told the board that he would be glad to be an consultant to the board when the need arises.

Bert Leany moved to adjourn.

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August 26, 2003

Special Shareholder's Meeting at the Town Hall at 7 p.m.

Welcome: Scott Hayes

Those present: President Scott Hayes, Vice President Bert Leany, Merle Gier, Scott Ricci, Jim Parnell, Sandra Browning, plus approximately 33 shareholders.

The reason for this special meeting was for the shareholder's to voice their opinions as to becoming a special service district, becoming part of the town of Leeds, become a public utility, or remaining a private non profit water company. A paper was past out to the shareholders as to the benefits of becoming a special service district and also a petition was provided for members to state their desires. Many voiced their opinions and a few signed the petition stating their desires.

Some felt if we become a special service district that we would loose our water shares in the company, Some thought we would also loose our say in the management of LDWA, and lastly, the members did not like the idea that we could be taxed by the special service district on our property taxes.

It was felt that we needed to gather more material about each option and get back to the shareholders with the needed information. For we were not accomplishing anything. A tape of the meeting is available for reference.

The meeting was adjourned.

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August 28th. 2003

The monthly meeting of Leeds Domestic Water users Association

Place: Town Hall

Time: 7 p.m.

Those in attendance: President Scott Hayes, Vice President Bert Leany, Merle Gier, Scott Ricci, Jim and Gloria Parnell, Sandra Browning, and about 35 shareholders.

Penny Weston was out of Town.

Welcome: Scott Hayes

Prayer : Sandra Browning

Pledge :Scott Hayes

Minutes: The minutes were discussed and Bert Leany moved to approve the minutes and Scott Ricci seconded the motion and all approved.

Financial: Check registry and profit and loss statement- Merle Gier moved to approve the check registry and the profit and loss statement and Bert Leany seconded the motion and all approved.

Water Tests: Merle Gier took the water samples up to SUU for testing and the results were good.

The board was reminded that our court date with Terry Prisbrey will be September 23rd. at 2 p.m. at the 5th District Court Building.

The Brennen Project: Lowry Snow explained that they plan to work with the State School Institutional Trust Land since their land borders the Brennen Project. The two entities can plan the project to serve both groups. A Mr. Ira Hodges is the planner of this project and the master plan for the whole area is to preserve the land. All of the land has been annexed into the Town of Leeds, except 40 acres of Sitla land. (State School Institutional Trust Land). Jim Raines told LDWA the reason that they have come back

now is because the Brennen Project has been enlarged from 18 lots to 27 first phase lots and instead of a 40 parcel of land it would be just under 50. The project is the same as the first time they came to LDWA with the 18 lots; only they have added 10 acres of the State Trust Land to the project.

A list was given to each of the LDWA Board Members by the Brennen People for their approval. Scott H. suggested the board look over the list.

List is to be approved by the LDWA Board

1. Preliminary plot changed from 18 lots to 27 lot.
2. Tank and water lines to meet the needs of the Brennen Project, plus fire flow which will be the same for Sitla and The Brennen Project. Brennen will pay for the size of the tank, except for any addition that LDWA or Sitla wants to add. Scott H. said the three entities need to get together and decide upon the size of the tank before next months meeting and put it on the agenda.
3. Recap monies for water lines and water tank. Mr. Brennen, of Silver Reef Highlands, would like to recapture monies for the water lines and tank he will put into the project from the sale of the lots. There will be a three to five year time limit for the recapture of the monies and after this time the recapture of funds would be expired.
4. Request approval for "zoning" of lots. Under the CCR's there are restrictions on landscaping. It will remain a natural habitat. The concepts will be water conservation and education conservation.
5. Guarantees are needed. Assurance of water availability when developer wants the water. Also a vehicle to transfer the water from LDWA's well to Brennen's development.. Need to get water rights transferred. And the amount of water 1.2, .95, or .85 decided per lot. LDWA wants 1.2 acre ft of water per lot.

Motion: Bert Leany made a motion to accept #1 and #2 on the list that Mr. Brennen presented to the LDWA Board for approval. Scott Ricci seconded the motion and all approved.

Motion: Scott Ricci made a motion to accept item three to pro-rate cost of to Sitla Land in accordance with our by-laws and to the Mr. Brennen. Bert Leany seconded the motion and all approved the motion.

Four and Five on the list: Scott H. said he felt that we should get legal council before we accept four and five so they were tabled.

Scott Ricci asked if this is a joint venture between Sitla and the Brennen Development. Lowry Snow said that the first phase may look like a partnership because there is Sitla Property involved. There is an agreement between Mr. Brennen and Stila as to how the costs are distributed and how those types of things are done. It really is not a joint venture for Mr. Brennen will pay for such items as the lines, well, and etc.

Mr. Snow asked to be put on the agenda for next month with the hope that LDWA will seek legal help on #4 and #5 issues and can accept or reject them at that time.

Mr. Brennen will develop and pay for all the infrastructure, including the water tank, water line, and the water system upgrade. How or when Sitla develops their property is yet to be determined.

Scott H. asked Jim Raines if there was a time frame for them to know the size of the water tank that LDWA wants to put in and Jim R. told Scott H. 30 to 45 days.

Fire Hydrants: Scott Hayes told Jim Parnell that each fire hydrant should be checked and flushed at least two times a year.. This must be done and recorded. Jim was told that if he could not check the hydrants that the Leeds Fire Department would do it. It takes two people to check the hydrants and it takes around an hour to check three hydrants.

Letter: LDWA has received a letter from the Leeds Water Company's lawyer explaining that we need to move our meter at the spring (or install another one) down past the "T" so there will be a correct reading of the amount coming out of the spring. Scott H. said that he had no problem with this request. The irrigation company also said that they would like to meet with LDWA and make some decisions that would work for both water companies. Scott agreed and a date was suggested and approved for Sept. 23rd. at 7 p.m.

Resignation of Board Member: Scott Hayes told the board that Bert Leany has resigned from the board for he has sold all of his water shares in LDWA. Scott H. told Bert that he has given much time, effort, and knowledge to LDWA and we will miss his help. Bert told the board that he will help in anyway if he is needed. A dinner in his honor is in the planning stages. Scott H. suggested to table the transfer of shares to Edward Leany and Penny Weston till next months meeting.

Welcome New Board Member: Scott Hayes told the board that Ray Beal has consented to fill the vacancy on the LDWA's water board. He has been on the LDWA's water board several times and will be a great asset to the board.

Delinquent water payments: Merle Gier asked what the situation was with the delinquent bills. Scott H. told Merle that Sandra Browning has sent out seven certified letters to inform the delinquent people that they need to pay their back water bills or LDWA will put a lien on their property. We have had around four pay their bills and we need to put a lien on the land of three shareholders.

Greg Palmer: Scott H. told the board that they have had time to think about what we should do for Greg Palmer's water bill when he moved into town several years age. Scott

H. said that he felt the board should consider splitting the \$120.00 water bill and billing him for \$60.00. The board all agreed to split the amount owed, because of the misunderstanding at the time he moved into Mr. Green's Home.

Scott Ricci said that we need to be fair with all our shareholders. We need to make a decision and stick with it.

Water Master's monthly Report: Jim P. told the board that he fixed a leak in the water line on Mulberry and Main Street. Jim said that it would be good to take the line out and correct the leak. He told the board that he and Russ Peine worked on the three inch water line that goes down to Main Street by Glenn Beal's home. They took out three leaky valves and replaced them with new valves. Scott H. feels that the three inch lines should be replaced in the near future. Bert Leany suggested that we wait and see if the three inch line has leaks or not, we may not have to replace it. Jim fixed a leak by Susan Savage's place and it was quite a big job.

Scott Hayes said that he would like the water line that goes through Brant Jones field to be moved and he is in hopes we can budget for the project and get this done soon.

One of the shareholders stated that his neighbor waters in the day time because there is no pressure on Vista Avenue at night when they should water. Mrs. Franks said that some times there isn't enough water pressure to flush their toilets at night. Also Ray Beal said there is air in the water lines. Some other shareholders said that they have the same problem. Scott Hayes told the shareholders to give the water master two weeks to try and correct the problem.. There is an air vac by Catfish Charlie's Place that should be serviced and may be the source of the problem.

Jim Parnell was asked if he bought a weed wacker for LDWA and he said he has not. It was suggested to get a two cycle Echo or a Robyn and that Home Depot has the best prices. Scott H. told him to get a gas can also.

Don Goddard asked Scott H. if LDWA is looking into being under the jurisdiction of the Town of Leeds which was discussed at the last special meeting of the shareholders. And if Scott H. has found out any of the particulars about this suggestion. Scott H. said that Elaine Murphy has not gotten back with him on any of the things that would be required of the Town or LDWA. The shareholder's seemed to like this idea.

Kayla Brown asked what the main reason was why the shareholders did not want to be come a special service district and are consider becoming a public utility with the Town of Leeds. Scott H. told Kayla that the people were afraid of loosing their vote and also their shares in the company. With a special service district there is always a chance of taxes being added. The board liked the idea of a special service district because there are

grants and loans available that our private water company may not be able to obtain. Going with the town we could get grants and loans. Mrs. Don Franks told Scott H. that the shareholders need to be informed of any special items to be discussed in our monthly meetings. Scott H. told Mrs. Franks that we sent out special notices to the shareholders because this issue is important. He also said that a shareholder asked to have the dates of our meeting on our billings. Alberta Pace asked if LDWA was considering combining the water companies in the area. Scott H. said that there are six water companies in the area and it would be a good move for them all to merge.

Mrs. Don Franks said they owned an irrigation share in the town they used to live in and when a pressurized water line was put in; their irrigation water share bought their water tap. Those without irrigation water had to purchase a water tap to be able to use the water. She suggested that the irrigation company do something similar to that. Don Goddard said the Irrigation Company has been working on a pressurized water system and does have some of the water lines in. The Irrigation company plans to do something similar to what Mrs. Franks suggested.

Kayla Brown asked that Silver Reef be informed as to any changes that will be occurring with LDWA for Silver Reef agreed to merge with LDWA if it would be a private water company or a special service district. Scott H. told Kayla that he would inform Silver Reef of any changes.

Bert Leany moved to adjourn the meeting.

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Water Master	Jim Parnell	879-2854	Ray Beal	879-2283

October 30, 2003

Leeds Domestic Waterusers Association's monthly meeting

Place: Leeds Town Hall

Time: 7 p.m.

Those in attendance: President Scott Hayes, Merle Gier, Scott Ricci, Penny Weston, Ray Beal, Jim & Gloria Parnell, Sandra Browning, and Mayor Norma Gier. Dave Clements and Kayla Brown representing Silver Reef Special Service District were also in attendance.

Welcome: President Scott Hayes

Prayer: Ray Beal

Pledge Merle Gier

Minutes: The minutes were discussed and no errors were found. Merle Gier moved to approved the minutes and Scott Ricci seconded the motion and all approved.

Profit and loss statement and check registry: The board discussed the profit and loss statement and the check registry; then Merle Gier moved to approve the profit and loss statement and the check registry and Scott Ricci seconded the motion and all approved. The board was also presented with a balance sheet of our finances. Balance sheets will be provided quarterly unless large purchases are made and then they will be provided monthly.

Budget: Merle Gier asked if we are within our 2003 Budget so far this year. We have two months to go in 2003. Scott H. told Merle that we do not have the budget to refer to. It was suggested to put this on the agenda for next month's meeting. This will give us time to get this information.

Water Test: Merle Gier said the water tests were completed for October and they were good.

Report from the Mayor of Leeds: Mayor Norma Gier

The Mayor of Leeds reported to LDWA that the Town met with Brent Gardner, an engineer with Alpha Engineering Company who represents Washington County Water Conservancy, to discuss the 12 inch culinary water lines that the Water Conservancy wants to install and the 8 inch irrigation water lines that the Leeds Water Company want to install through the Town of Leeds.

Brent G. said UDOT, the Utah Department of Transportation has indicated a willingness to pave to the new curb and gutter that will go through the Town of Leeds, due to the fact it would eliminate the current hazard caused by the ditch along the roadway. Since UDOT would be covering the cost of the pavement replacement, the Water Conservancy and the Leeds Water Company have each agreed to pay one third of the cost of the curb and gutter. They are requesting that the Town pay one-third of the cost as it provides an improvement to the community.

The cost of the curb and gutter will be approximately \$46,200.00 and so each entity would contribute approximately. \$15,400.00.

The Town feels the Washington County Water Conservancy District and the Leeds Water Company should pay the whole amount because it is for their benefit and not the Towns.

Mayor Norma Gier asked if a meeting could be set up with the Town, LDWA, and the Leeds Water Company. It was decided to meet at the Town Hall November 19, at 7 p.m.

Letter for Casa De Ora: Scott Hayes told the board Casa De Ora has requested a letter confirming that LDWA will provide water for them in case of an emergency shortage. They should contact Scott Hayes when the need arises and Casa de Ora will furnish a truck with a water tank to transfer the water to their system. The board approved the letter to be written and sent to Casa de Ora for their records and so they can send a copy to the State.

Letter from Judy Wilkinson, McMullin Family Trust: Judy heard that LDWA bought irrigation water from Bert Leany at a good price and would like us to make her an offer. She would like a written reply sent to her. Scott Hayes asked Penny Weston and Sandra Browning to write a letter to Judy, stating that we appreciate her letter and we are interested in the water, however, we did purchase water from Bert Leany with the desire to transfer this water to our spring source. The Leeds Water Co. will not allow us to transfer this water to our spring and we may go to court over this matter. Until this issue is resolved we are not in a situation to purchase more water. However, LDWA asked Judy to give us the first option to purchase her water when she decide to sell.

Letter from Merlin Sullivan: LDWA received a letter from Merlin Sullivan's Attorney instructing us not to put a lien on Merlin's property. Merlin has not made a payment on his floater tap he purchased from LDWA when they were in financial trouble, because he

was promised that he would not have to pay any fee for this floater service until it was actually connected to the water system. We do not plan to put a lien on Mr. Sullivan's property.

Letter from Susan Savage on floater taps: We received a letter from Susan Savage that quoted from LDWA's minutes on September 4th, 1979 on floater taps. Stating it was therefore decided that no monthly charge would be assessed against these taps until actual connection was made to the water main.

The board decided that Merlin Sullivan and Mrs. William Schweer, should not be charged for their floater tap. Mr. Sullivan did not make any payments on his floater tap. However, the board decided that Susan Savage's tap is not a floater tap any longer for her tap is connected to the water system and is now a regular standby tap. And she will have to pay a standby tap fee.

Silver Reef Merger: Kayla Brown and Dave Clements came to LDWA's monthly meeting to give us an update on the merger. Dave Clements presented a list of items that must be completed before the merger is complete and their special service district is desolved. Dave gave each board member a copy of the list.

He said Silver Reef's next meeting will be held, Saturday, November 8th, 2003, at 4:30 p.m. in Gary Tanner's office. At this meeting these items will be handed out so everyone can help with the remaining work that needs to be completed. The meeting will also be a public Hearing, allowing the Silver Reef residents to voice their feeling on the desolving of the special service district and any other concerns.

Items to be accomplished :

#1 Pay off their loan

#2 Deed park property in special service district name to county to be used as a park

#3 Turn all records over to LDWA

#4 Provide metering guide and map

#5 Make disposition of computer data/files

#6 Turn over office and filed equipment

#7 Weir information/location turnover

#8 Complete proofing of new water

#9 Water Rights Transfer

#10 Dissolution of SSD

#11 Formal Turn over of SSD operations/equipment/records/files to LDWA.

#12 Modify CC& R's, prepare voting materials, record changes with Washington County and Leeds Planning Commission.

The LDWA's board was invited to attend the November 8th.meeting.

Jim Parnell will meet with Dave Clements on the First of November at 7:30 a.m. to accompany him as he does the meter reading. Sandra Browning was invited to meet with Dave Clements on the first of November and see how Dave does the billing.

Bert Leany's water rights: Bert Leany quick claimed all of his irrigation water to LDWA which included Ed Leany and Penny Weston's shares.and now, Ed will receive 5 acre ft. of irrigation water or 4 culinary water taps from LDWA and Penny Weston will receive one of LDWA's irrigation rights from the center ditch.

Scott Ricci, Penny Weston, and Bert Leany will go to the Leeds Water Company's office and take the old water certificate and trade it for two new water certificates, one in Ed Leany's name and one in LDWA's name. Also Penny will receive a new certificate in her name from one of the old irrigation water certificates from LDWA. There will also be a charge of \$15.00 for the transfers. (Perhaps \$15.00 for each Certificate). The Irrigation Company has agreed to transfer these water rights.

Brennen Development: Lowry Snow lawyer for the Brennen Development called Scott Hayes and asked him if they could lower the amount of water per lot to .85 acre feet instead of 1.2 acre feet. Scott Hayes asked the feeling of the board about lowering the amount of water required for each building lot in the Brennen Development. The board did not feel the amount of water required for each building lot should be lowered, but should stay the same. Scott H. will tell Lowry Snow of our decision.

Budget 2004: Scott Hayes asked the Board to look at the Budget from 2003 and see if we are accomplishing the goals that we Budgeted for. Also what board member feel is needed for 2004. We need to put our 2004 budget together soon.

Update on LDWA becoming a Public Utility: We have not heard from Elaine Murphy on this matter. Scott H. said the board needs to decide if we want to proceed to look into becoming a Public Utility or stay as we are now.

Fire Hydrants: Scott H. said that since LDWA plans to do the servicing of the fire hydrants themselves, Don Fawson turned the materials over to Scott H. for that project. Scott and Jim Parnell will make an appointment with Don Fawson to go through the materials.

Water master's Report : Craig Sullivan was using his backhoe and broke our water line. And this could have caused a surge in the water line when it was being fixed. Jim

moved the meter at the spring 100 yards down the ditch. Scott H. asked Jim to adjust the meter so we only get the 62 gallons per minute which we are entitled. Jim tested the cement tank and there was no bacteria. On 235 S. Main the meter was broken and had to be changed. Jim was told to start putting in the new water lines to the town. Jim is adjusting the pressure reducing valves to reduce the pressure. Merle Gier asked Jim Parnell to check Jack Gunn's meter to see if there is a water leak.

LDWA Board reports:

Penny Weston told the LDWA Board they were all invited to attend a meeting at New Harmony Farms Water Users Association, Nov. 6th at 6 p.m.. Two of Rural Water of Utah's employees are putting on a meeting regarding water rates, impact fees, by-laws, and etc. to help a water company function better. Pizza will be served.

Merle Gier asked about putting a lien on the homes and lots of people who are not paying their bills. Scott Hayes feels that this must be done.

The Dinner Party for Bert Leany will be held November 5th at 6 p.m. at Molly's and board members and their spouses are invited to attend.

LDWA's monthly meeting for November, will be held, Tuesday, November 18 at 7 p.m. at the Leeds Town Hall.

Ray Beal moved to adjourn the meeting.

LEEDS DOMESTIC WATERUSERS

95 East Center
P.O. Box 460627
Leeds, Ut. 84746-0627

DAVE CLEMENS
879-0560

President	Scott Hayes	879-2457	Penny Weston	879-2170
Vice President			Scott Ricci	879-2150
Secretary/Treasurer	Sandra Browning	879-2345	Merle Gier	879-2903
Water Master	Jim Parnell	879-2854	Ray Beal	879-2238

November 18, 2003

LDWA's monthly meeting agenda
Place : Leeds Town Hall
Time: 7 p.m.

TO DO
SILVER REEF 12.8 AC AT FLOOR
WATER RIGHT SR TO LDWA
1:00 PM DAVE THUR.

Those in attendance:

Welcome:

Prayer:

Pledge:

Minutes:

Financial Statement:

Water Tests: GOOD

COST EST. NEED ON TANK
CITY HALL ON THURSDAY

Brennen Subdivision: Dallin Gardner

12/12 6:00 PM

Merger of LDWA with Silver Reef Special Service District: Kayla Brown

FILE

12/12 7:00 PM
GARDNER THURSDAY

Old Business: Letter written to

Casa de Ora, Judy Wilkinson, and Susan Savage, Merlin Sullivan and June Schweer.

Up Date on Bert Leany's water rights:

Update on becoming a public utility. NO TAKE WITH HIS MURPHY

Budget 2004

Scott H. and Jim Parnell to meet with Don Fawson about the fire hydrants

New Business:

LDWA Meets with the Town of Leeds and The Leeds Water Company, Nov 19, 2003 in town hall at 7 p.m.

6:30 PM

Dinner with Bert Leany very nice.

New Business:

December's monthly meeting date

12/12 8:00 BUDGET MEETING

Water master's report:

LDWA board member's reports:

Scott Hayes, Scott Ricci, Penny Weston, Merle Gier, and Ray Beal.

Meeting adjourned.

LEEDS DOMESTIC WATERUSERS

95 East Center
P.O. Box 460627
Leeds, Ut. 84746-0627

President	Scott Hayes	879-2457	Penny Weston	879-2170
Vice President			Scott Ricci	879-2150
Secretary/Treasurer	Sandra Browning	879-2345	Merle Gier	879-2903
Water Master	Jim Parnell	879-2854	Ray Beal	879-2238

November 18, 2003

Leeds Domestic Waterusers Association's Monthly Meeting

Place: Leeds Town Hall

Time: 7 p.m.

Those in attendance: President Scott Hayes, Merle Gier, Scott Ricci, Penny Weston, Ray Beal, Jim and Gloria Parnell, Sandra Browning, Kayla and Dean Brown, and Martha Ham of Silver Reef SSD, and representing the Brennen Development, Dallen Gardner and Lowry Snow (attorney).

Welcome: President Scott Hayes:

Prayer: Merle Gier

Pledge: Scott Ricci

Minutes: The minutes were discussed and corrections made and then Merle Gier moved to approve the corrected minutes and Scott Ricci seconded the motion and all approved.

Financial Statement: Profit and Loss Statement was discussed and Scott Ricci moved to approve the Profit and Loss Statement and Penny Weston seconded the motion and all approved. The Check Registry was discussed and Merle Gier moved to approve it and Penny Weston seconded the motion and all approved.

Water Test : Merle Gier told the board the water test was taken with good results.

Brennen Subdivision: Dallen Gardner told the LDWA board that the engineers are working on the tank calculations so they can decide how large the tank should be, and where to place the tank, and also the cost of tank and the water system. Mr. Brennen's part of the size of the tank will be approximately 150,000 gallons. They need to know what LDWA wants to add to the size of the water tank.

Scott Hayes explained that LDWA would like to know for sure the tank size Mr. Brennen is planning to install, before we decide what we would like to add. Scott H. asked Dallen

Gardner if he knew the size of tank for sure and Dallen Gardner said his engineer, Jim Raines, has been out of town on a family matter and was unable to attend this meeting. He is sure the engineer knows what the figures are for the Silver Reef Highland's tank. Mr. Gardner told Scott H. that he would get those figures and give him a call tomorrow. Scott H. asked Scott Ricci if he had any figures for the additional tank size for LDWA and Scott R. said we have a number of small tanks, but we have no control. We might be better off if we installed automatic controls on these tanks and the new tank to have better control so they will all work together and not to add to much to the tank. Dallen Gardner asked Scott H. if he received some information that he left at his work. Scott H. told him that he did not receive any information, but he would see if he can find it when he goes back to work. Dallen Gardner said he left an Application to Establish a new right of way for the new water lines and for the branching off to the new tank. The application needs to be filled out and signed by LDWA. Dallen showed the board the map of the area and Jim Parnell suggested that the area be enlarged so another tank could be put in if needed in the future. BLM is not concerned about the tank size, but must have the application to establish a new right of way.

The environment assessment on the new lines going to the new tank need to be worked on. The new tank will not be higher than the ridge it is built on.

Merle Gier asked if everyone will benefit from the spring water. He was told the water will be mixed, spring and well, for the use of all. Merle Gier said the road to the well needs to be improved and Dallen G. said they would look into it when the times comes.

MOTION; Scott Ricci moved to approve establishing a new right of way for the new lines and the branching off to the new tank location. Merle Gier seconded the motion and all approved.

Lowry Snow stated that LDWA needs to meet with Mr. Brennen's engineers for a short presentation and a date needs to be considered now. December 12th. was set at 6 p.m. at the Leeds Town Hall.

Silver Reef Special Service District: Kayla Brown thanked Scott Hayes for attending Silver Reef's Saturday meeting last month at Gary Tanner's Garage Office where they discussed the time line for all the items that need to be accomplished to completed the dissolution of the Silver Reef S.S.D. and the full merger into LDWA.

The loan has been paid off as of Friday, November 14th. 2003 so there is no loan balance. Also Silver Reef is in the process of merging three separate banking accounts into one so that they can do an orderly transfer over to LDWA.

Kayla has an appointment to appear in front of the county commissioner on December 2nd. at 4 p.m. There she will request two things: A dissolution of the service district and also a transfer of the open face land over there to the Washington County Commission as was discussed before. Kayla met with the county attorney, David Patterson and he was

helpful in the dissolution of Silver Reef so there should not be a problem with the process. Also Brock Belnap was a big help.

Silver Reef was charged with two things

1. No Incombrances.
2. Making sure we have adequate water service to the residents.

And these two items have been accomplished.

Kayla asked that a document given to the LDWA Board Members also be attached to the minutes of this meeting. The paper explains a problem that Silver Reef had with a board member who, after an investigation of Silver Reef finances for the calendar years of 2000 and 2001, was charged with misappropriated of \$6,251.40. in funds in that period of time.

A letter of apology and an admission of guilt was received in response to the charges. A summary letter to Brock Belnap , Deputy Co. Attorney for Washington Co. of the sequence of events leading to the resignation and restitution of \$6,251.40 paid to the SRSSD was included.

Then on Sep. 15th.and 29th. letters were received by Silver Reef. from the same ex- board member, claiming Silver Reef owed him \$4,325.00 for a refund of monies paid to Silver Reef for standby water fees on his vacant lot. Also a copy of Silver Reef's response is in the document . Kayla Brown did not want to turn over Silver Reef to LDWA without an explanation of events, so LDWA would not be surprised if this refund is pursued.

Martha Ham, a Silver Reef resident, said a refund would stimulate a lot of concern and anger if a refund is given to the customer.

All of the information about this incident is in the Silver Reef files and LDWA can review the problem ^{if} needed. If there is a lawsuit that comes from this problem, Kayla Brown said she will spearhead a counter lawsuit.

On midnight of December 31, 2003 the Silver Reef Special Service District will be dissolved.

Assignments:

Ray Beal – Know of Weir location and the point of diversion. Wet Sandy Spring has to divert water. (Ray Beal is familiar with the location of the Weir.)

Scott Ricci – Proofing up on Silver Reef's new water .

Jim Parnell – read meters in November with Dave Clements.

Sandra Browning – Work with Dave Clements on computer and billing.

Also in the future a letter is to be sent to Silver Reef residents welcoming them to LDWA and alerting them of policies and rates.

Merle Gier: To see what needs to be done to turn trash payment over to the Town of Leeds after the December 31st. dissolution.

As of December 31st. 2003, the LDWA Board decides the rates for LDWA and Silver Reef and they will be the same rates. For now things will be left as they are.

Kayla Brown has agreed to act as the SRSSD liaison to the LDWA Board until a temporary member from SRSSD could be appointed and a permanent member subsequently elected in February.

Fire Hydrants: Jim Parnell will meet with Don Fawson so he can learn from Don Fawson how to fill out the forms required by the State of Utah as he completes the hydrant tests. He will take the static, hydrant pressure test, and a residual flow test. The hydrants need to be tested twice a year and LDWA felt it would be cheaper for us to do the testing.

Public Utility: No additional information about becoming a public utility is available. Scott H. told the board that for the present we will continue as a private company and when we get to the point that we need to apply for grants or loans we will see what happens and if the need arises we will ask the Town of Leeds to let us go under their umbrella to receive the loans we need. If that is an option.

Budget for 2004: Budget needs to be compiled before the end of the year and voted on by the board members.. Merle Gier was assigned to work on the budget. Scott H. said we need to consider what wasn't accomplished this year and what we feel needs to be accomplished next year. All board members are asked to jot down items they feel should be on the budget.

LDWA to meet with Town of Leeds and the Leeds Water Company on Nov. 19th. 2003 at 7 p.m. at the town Hall.

Water Master's Report: Jim P. went with Dave Clements to read the meters at Silver Reef. He also took the water samples to Cedar City. Bought emergency patches for the 8 inch and 6 inch water lines. The patches will work on Silver Reef's lines. Jim fixed an air vac at the quarry that was damaged. He also did a draw down on the well and the recovery was good, about 60 seconds of recovery time. Ken Orton of Rural Water Association of Utah came down and helped Jim adjust the pressure on the PRV's in the middle of town. Jim checked the Eldorado Tank. He did a water test of the cement tank and it was good too. He chlorated the cement tank.

LDWA Board Member's reports:

Penny Weston suggested all of our records should be indexed and put on some type of a micro fiche computer program. We will look for a program that we can accomplish this project.

Scott Ricci: Scott R. attended the meeting at New Harmony, put on by Rural Water Association of Utah. He said they talked about impact fees. Impact fees are charged for water rights, sources of storage and distribution. and you can't over charge for them. You have to have the charges broken down so everyone pays the same amount. A study needs to be done on it to determine the fee. The impact fee money needs to be put in a separate account from the rest of your income. If you over charge your customer then you have to refund the money.

Also they suggested that all tanks and pumps should be used, such as , Eldorado Hills and they should not remain idle. They recommend using the tanks and pumps at least once a year, even if it is pumped on the ground. They should be ready for use if an emergency occurs and the chlorine should be checked periodically. The State is leaning toward taking away water if we are not using it. This could happen in the future if we do not maintain and use our equipment.

Merle Gier asked Gloria Parnell when the Christmas Party is to be held. She will look into it and get back to LDWA. It will be at Molly's Restaurant.

Ray Beal said there was a water leak at Carl Hall's Home. Jim Parnell said that he saw it and thought it was a leak, but it dried out so it way not be a leak after all. He will keep his eye on it.

December's 12th. Monthly Meetings

- 1. LDWA will have an executive meeting at 5 p.m. at the Town Hall**
- 2. Meet with the Silver Reef Highlands engineers at the Town Hall at 6 p.m.**
- 3. Meet with Silver Reef Special District at 7 p.m.**
3. LDWA's monthly meeting at the Town Hall at 8 p.m.

Meter Readers : Scott H. suggested that yearly the meter reading job be advertised and LDWA accept application for this job. A notice could be put up in the Leeds Post Office for those interested.

Ray Beal moved to adjourn

LDWA Monthly Meeting Agenda

December 12, 2003 8 p.m.

Those in Attendance:

Welcome:

Pledge:

Prayer:

Minutes:

Financial Statement:

Water Testing : Merle Gier:

Susan Savage: Standby tap

To Discuss position of Vice President:

Old Business:

Budget for 2004:

Silver Reef Highlands:

Silver Reef SSD:

Fire Hydrants: Jim Parnell

New Business:

LEEDS DOMESTIC WATERUSERS

15 South Main
P.O. Box 460627
Leeds, Ut. 84746-0627

President	Scott Hayes	879-2457	Penny Weston	879-2170
Vice President	Scott Ricci	879-2150	Ray Beal	879-2238
Secretary/Treasurer	Sandra Browning	879-2345	Merle Gier	879-2903
Water Master	Jim Parnell	879-2854		

December 12, 2003

LDWA'S Executive Meeting at the Leeds Town Hall at 5 p.m.

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Merle Gier, Ray Beal, Sandra Browning, and Jim Parnell.

Welcome: Scott Hayes

Items that were discussed at the executive meeting were:

1. Budget for 2004 was worked on.
2. Bad Debt.
3. Susan Savage – Floater tap.
4. Silver Reef Highlands – New tank location and size we would like to add to the new water tank.
5. Scott Ricci was asked to take Bert Leany's place as the vice president of LDWA and he consented to be the vice president.

The meeting was adjourned.

LDWA'S MEETING WITH SILVER REEF HIGHLANDS AT 6 P.M.

Those in attendance: President Scott Hayes, Scott Ricci, Ray Beal, Merle Gier, Jim Parnell, Sandra Browning, Jerry Browning, Attorney Lowry Snow, (for Silver Reef Highlands), and his father, Dallin Gardner, and Jim Raines.

Welcome by Scott Hayes:

The Brennen Subdivision will consist of approximately one acre lots clustered together with large areas regulated for landscaping. This will be similar to the Kayenta subdivision West of Ivins.

The Brennen Subdivision wants to provide less water for their customers than what LDWA is providing for their customers. Brennen would like to provide .85 acre foot of water for their 27 lots instead of the 1.2 acre feet of water per lot as LDWA provides. The water for the fire flow would be sufficient for the State requirements. Since LDWA can not do tiered billings, it was suggested that different zones be developed and in these zones different rates be charged.

The subdivision plans to provide a 225,000 water tank for this development. If LDWA would like to add more to the tank size; they would like to know in the near future. It was asked if Sitla planned to enlarge the size of the water tank and it was not known at the time the plans of Sitla. The right of way also needs to be determined.

President Scott Hayes told Dallen Gardner that any impact cost on LDWA's water system from the Brennen Subdivision will be paid for by the developer.

Lowmy Snow will

The meeting was adjourned.

LDWA MEETING WITH SILVER REEF SSD. AT 7 P.M.

Those in attendance: President Scott Hayes, Scott Ricci, Merle Gier, Ray Beal, Jim Parnell, and Sandra Browning. Those from the Silver Reef SSD, Kayla Brown, Kay Kent, and President Gary Tanner.

What needs to be accomplished to finish the merger of Silver Reef Special Service District with LDWA.

The official date of the merger of LDWA and Silver Reef Special Service District will be December 31, 2003 at midnight.

Things that have been accomplished.

- A. Dave Clements showed Jim Parnell the water lines, valves, master meter, and private water meters to the homes in Silver Reef and other things of importance. For two months Dave and Jim read the meters together.
- B. Dave met with Sandra Browning twice and showed her the computer program for the Water billings.
- C. Scott Hayes and Board Members met with the Silver Reef Board about the merger.

About all that needs to be completed now is to transfer Silver Reef's Water Rights over to LDWA. Since Gary Tanner will be out of town for the month of January, Jerry and

Sandra Browning were asked to get the appropriate forms for the transfer, the water right numbers and fill out the forms. A Quit Claim Deed will be required and Kayla Brown volunteered to provide the Quit Claim Deed and contact a title company to assist with the transfer. Gary Tanner will sign and date the transfer documents in front of a Notary and then a copy will be sent to the State and a copy will be sent to LDWA. It will be up to LDWA to proof up on the water rights before the expiration date.

When Gary Tanner returns from California he will turn over the files to LDWA. Kayla Brown has a key to the bulletin board in Silver Reef that she will turn over to LDWA in January. And a post office box key was given to Sandra Browning so she could get the mail.

The meeting was adjourned.

LDWA MONTHLY MEETING AT THE LEEDS TOWN HALL AT 8 P.M.

THOSE IN ATTENDANCE: President Scott Hayes, Scott Ricci, Merle Gier, Ray Beal, Jim Parnell, Sandra Browning, Don Goddard, and Susan Savage.

Welcome: Scott Hayes

Pledge: President Scott Hayes

Prayer: Sandra Browning

Minutes: The minutes were discussed and corrections made. Merle Gier moved to approve the corrected minutes with Ray Beal seconding the motion and all approved.

Check Registry and Profit and Loss Statement : Profit and Loss Statement and the check registry were discussed and Merle Gier made a motion to approve the profit and loss statement and the check registry and Scott Ricci seconded the motion and all approved.

Floater Taps: Susan Savage asked to be on the agenda to protest being charged \$10.00 per month for her floater tap.

Susan explained that she wanted to help the water company because they were having a hard time paying for the water and land that LDWA bought from Vere McMullin. So she bought a floater tap and that money was used to help get LDWA out of debt.

On January 2002, LDWA started to charge a fee of \$10.00 per month for standby and floater taps. Then the minutes were found that said the floater taps would not be billed until they were hooked up to the water system.

Susan said that although her floater tap was hooked up to the water system, that she only used the water when she asked a board member if she could use the water to check out her plumbing to her cabin or to have water available as some welding was being done by her cabin. She feels that her water tap is still a floater tap.

Ray Beal said that although her tap is hooked up to the water system that we should not always go by the letter of the law, but by the spirit of the law. The board agreed that Susan's tap will remain in the floater tap status and she will get a refund of the money that she paid on her floater tap and she will not be charged any fees until her floater tap becomes activated.

Also Scott Hayes stated that all floater taps will remain floater taps until activated.

Others that have floater taps and will be refunded are June Schweer, Merlin Sullivan, Amy Jones, and Bud & Penny Stratton.

After researching the dates and names of a floater tap for Arita Evans the board decided that her tap was not a floater tap, but a standby tap and she would not receive a refund.

MOTION: Ray Beal made a motion that we go back to our original agreement and rescind the letter sent out to Susan Savage in this situation and in the future she will not be charged any fees until such a time as her floater tap is activated. All board members voted in the affirmative to accept the motion.

Susan Savage told the board there is a water line that she is concerned about that goes through her property and it is leaking. Don Goddard said that it is on the west side of the fence. Jim Parnell was asked to check out this line and see if it needs to be repaired. Scott Hayes also mentioned that we need to replace the water line that goes through Brant Jones' field also.

Bad Debt: Several shareholder's are behind in their payments. And the board decided to send a certified letter and then put a lien on the property if there is no results.

Merle Gier said that he would get with Sandra and help put some liens on these homes and businesses.

Water Master's Report: The water tests are good for the month of December. Jim will make an appointment and meet with Don Fawson on servicing the fire hydrants and checking the static pressure and etc.

He painted the pipes in the well house that were getting rusty.

Brian Hansen called Scott Hayes and asked if he could put his fire hydrant for his new home in the ditch that LDWA is digging across from his new home and he was told that he could.

. Jim has been working on the Silver Reef Lines and extending the air vents so if they fill with water, they can be worked on. He is working on the vaults and taking apart the air vacs and checking and cleaning , painting, and putting them back together. Scott Hayes told Jim that there is a fire hydrant in Eldorado Hills that is so high they can not turn on the water and Jim needs to check it out.

Four inch Line to Town: Ray Beal said the four inch line that goes from the concrete tank down to the town is an old line and may not be dependable. And we could have trouble with it. Ray feels that we should replace it with new water pipe.

The meeting was adjourned.

CHECK REGISTRY FOR THE MONTH OF DECEMBER 2003

12/02/03	3318	Postmaster	74.00	Postage
12/02/03	3319	Ut Power	4.45	Elec. Well pump
12/02/03	3320	Jim Parnell	1238.60	Wages
12/02/03	3321	Jim Parnell	239.04	Mileage
12/02/03	3321	Jim Parnell	67.91	Parts reimbursement
12/02/03	3322	Sandra Browning	670.62	Wages
12/02/03	3323	Sandra Browning	80.64	Mileage
12/02/03	3324	Wells Fargo	361.56	Monthly Fed W.H.
12/03/03	3325	Sprint	82.45	Cell phones
12/03/03	3326	Scholzen's	792.40	Parts Kay Orgill Meter
12/09/03	3327	Molly's	161.00	Christmas Party
12/09/03	3328	Kelly Johnson	20.00	Water Payment
12/09/03	3329	Kelly Johnson	99.00	Meter reading
12/09/03	3330	Scott Ricci	15.00	Water Certificate fee (Irrig)
12/09/03	3331	Depart of Interior	57.94	Fed. Land fee
12/10/03	3332	Southern Ut. University	10.00	Water tests
12/24/03	3333	Ut. Power	250.17	Elec. Well Pump
12/27/03	3334	Staples	133.11	Toner for copier
12/29/03	3335	Ut Depart. Of Transportation	100.00	Encroachment Permit
12/29/03	3336	Wittwer Tapping Service	300.00	Outside labor
12/31/03	3337	June Schweer	210.00	Refund
12/31/03	3338	Susan Savage	210.00	Refund
12/31/03	3339	Amy Jones	240.00	Refund
12/31/03	3340	Bud Stratton	240.00	Refund
		Total	5,657.89	

Jan 26, '04

Leeds Domestic Waterusers
Balance Sheet
As of December 31, 2003

Dec 31, '03

ASSETS

Current Assets

Checking/Savings

1010 — Cash 1 47,777.07

1011 — Cash 2 2,256.78

Total Checking/Savings 50,033.85

Accounts Receivable

1200 — Accounts Receivable 11,168.55

Total Accounts Receivable 11,168.55

Other Current Assets

1030 — FS-CD-0767 13,683.15

1040 — Almost CD 51,443.92

1499 — Undeposited Funds 315.00

Total Other Current Assets 65,442.07

Total Current Assets 126,644.47

Fixed Assets

1400 — Inv-waterlines, meters- 439,329.03

1401 — 82 storage tank 81,452.07

1402 — 90 storage tank 102,220.93

1403 — Irrigation co. stock cert. 6,400.00

1420 — Hogan Springs (cuff) 117,000.00

1421 — Hogan Springs (Westhoff) 25,500.00

1422 — Hogan springs (Felt) 22,980.00

1423 — Gunter well water (Irrigation) 58,300.00

1424 — Irrigation 4,000.00

1425 — Leany Irrigation water 190,000.00

Total Fixed Assets 1,047,182.03

TOTAL ASSETS 1,173,826.50

LIABILITIES & EQUITY

Liabilities

Long Term Liabilities

2304 — Leany Irrigation water purchase 105,000.00

Total Long Term Liabilities 105,000.00

Total Liabilities 105,000.00

Equity

3600 — Retained Earnings 185,623.48

Net Income 64,846.53

3800 — Stockholder's Equity 818,356.49

Total Equity 1,068,826.50

TOTAL LIABILITIES & EQUITY 1,173,826.50

*For insurance
Company
2003*

Leeds Domestic Waterusers
Profit and Loss YTD
 January 1 through December 31 2003

Income

12 mo. Total

	Water Income transf.	\$	11,120.09
	Eldorado Hills	\$	3,754.17
	Hookup fees	\$	2,450.00
4100	Certificate sales	\$	9,000.00
4110	Cert. Transfer	\$	60.00
	4200 Resident use under 30000	\$	42,939.83
	4220 between 30000g 60000	\$	13,728.33
	4222 Resident over 60000g	\$	13,412.55
	4210 Standby	\$	2,474.25
	Standby Eldorado	\$	835.75
	4250 Late Fee	\$	915.00
	4275 Wholesale water	\$	5.00
	4300 Commercial taps	\$	7,413.79
	4205 silver Reef	\$	1,729.96

\$ 109,838.72

Gross Income

Expense

12 mo. Total

	6370 Accounting	\$	1,171.90
	6371 Bank deposit box	\$	18.00
	6030 Blue Stakes	\$	247.50
	6010 City of St. George	\$	210.00
	6351 Dues Rural Water	\$	205.00
	6353 entertainment Exp.	\$	225.98
	6800 Fed Tax	\$	3,255.07
	6390 Insurance Olympus	\$	2,170.00
	6020 Johnson Labor	\$	1,298.50
	6120 Leeds Irrigation	\$	111.40
	6361 Legal	\$	1,805.76
	6350 Mileage expense	\$	3,183.52
	6200 Office Supplies	\$	938.13
	6025 Outside Labor	\$	1,865.00
	6050 Parts	\$	3,219.75
	6300 Postmaster	\$	1,287.87
	6365 Silver Reef annexation fee	\$	500.00
	6850 State Tax	\$	352.23
	6015 Susc Water Test	\$	258.65
	6100 Telephone	\$	1,074.97
	6250 Tools & others	\$	344.21
	6810 use permit Forest Dept	\$	94.17
	6110 Utah Power	\$	3,922.65
	6420 Wages J	\$	9,937.70
	6400 Wages S	\$	7,298.89

\$ 44,996.85

tal expense

Net Income

\$ 64,841.87

Jan 28, '04

Leeds Domestic Waterusers
Profit and Loss
December 2003

	<u>Dec '03</u>
Ordinary Income/Expense	
Income	
4200 — total resident use	
4220 — between 30000g 60000g	15.39
4222 — Resident over 60000g	260.28
4200 — total resident use - Other	<u>4,573.00</u>
Total 4200 — total resident use	4,848.67
4205 — Silver Reef	1,729.96
4255 — LATE FEE [Resident]	210.00
4275 — Wholesale - Water	5.00
4300 — Commercial tap	<u>2,984.46</u>
Total Income	<u>9,778.09</u>
Gross Profit	<u>9,778.09</u>
Net Ordinary Income	<u>9,778.09</u>
Net Income	<u>9,778.09</u>

12/30/03

Leeds Domestic Waterusers

2004 Budget Propo 2004 Budget Proposal

Income

4100 Certificate sales Sales
 4200 private tap (30,000g... Sales
 Eldorado water sales
 4304 Interest (FS-CD) Income
 Standby Leeds
 Standby Eldorado
 4300 Commercial taps (20,... Sales
 4400 Outside sale Sales
 cash reserves

Expense

1420 Hogan Springs (cuff) Liability pay
 Bert Leany Water
 Interest on \$105,000.00
 6010 City of St. Geo. Water Tests
 6015 Susc Water Test
 6016 Chemtech Ford
 6020 Johnson Labor
 6025 Outside system labor
 6030 Blue Stakes
 6050 Parts exp.
 5100 Telephone
 5110 Ut. Power
 6120 Leeds Irrigation
 6200 Office Supplies
 6300 Postage
 6350 Mileage expense
 6351 Dues - Rural Water
 6352 Training fees
 6353 Entertainment
 6361 Legal - other
 6370 Accounting
 6371 Bank charges - Dep box
 6385 Pressurized water system
 6390 Insurance -Olympus
 6391 Insurance - Leavitt
 6392 Insurance - Alexander & Alex
 6400 Wages- Sandra
 6420 Wages - Jim
 6800 Fed tax
 6810 Use Permit - Forest Service
 6850 State Tax
 6852 Property tax
 6854 permits-state

Water purchase
 Building
 New water lines
 Prove up sources

		Income		Expense	
		2004		2004	
		\$ 25,000.00			
		\$ 100,000.00			
		\$ -			
		\$ 2,500.00			
		\$ 6,000.00			
		\$ -			
		\$ 8,000.00			
		\$ -			
		\$ 9,700.00			
		\$ 151,200.00			
				\$ 10,500.00	
				\$ 5,250.00	
				\$ 300.00	
				\$ 500.00	
				\$ 300.00	
				\$ 1,600.00	
				\$ 12,000.00	
				\$ 300.00	
				\$ 4,000.00	
				\$ 1,700.00	
				\$ 8,000.00	
				\$ 5,000.00	
				\$ 3,500.00	
				\$ 1,800.00	
				\$ 4,000.00	
				\$ 250.00	
				\$ 450.00	
				\$ 450.00	
				\$ 3,000.00	
				\$ 2,701.00	
				\$ 18.00	
				\$ -	
				\$ 1,000.00	
				\$ 125.00	
				\$ 1,096.00	
				\$ 10,000.00	
				\$ 11,000.00	
				\$ 4,000.00	
				\$ 100.00	
				\$ 800.00	
				\$ 400.00	
				\$ 60.00	
				\$ -	
				\$ -	
				\$ 20,000.00	
				\$ 29,000.00	
				\$ 8,000.00	
				\$ -	
		\$ 151,200.00		\$ 151,200.00	

LDWA Monthly Mtg. Agenda
Dec 12th 2003

1 Executive Meeting at 5pm

2004 Budget

Bad Debt

Standby Tap - Susan Savage.

New Vice President to take Bert Leany's Place

Decide on size of the water tap.

2 Silver Reef Highlands Mtg 6pm

With engineers to decide size of water tank.

3 Silver Reef SSD Meeting at 7pm.

4. LDWA Monthly Mtg 8pm.
Budget 2004

Silver Reef Highlands (vote)

Silver Reef SSD

Fire Hydrant - Jim Parnell

New Business
Water Master report

Board Members Report

Moved to Adjourn

LEEDS DOMESTIC WATERUSERS

15 South Main
P.O. Box 460627
Leeds, Ut. 84746-0627

President	Scott Hayes	879-2457	Penny Weston	879-2170
Vice President	Scott Ricci	879-2150	Ray Beal	879-2238
Secretary/Treasurer	Sandra Browning	879-2345	Merle Gier	879-2903
Water Master	Jim Parnell	879-2854		

December 31, 2003

Leeds Domestic Waterusers Association Special Executive Meeting

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Merle Gier, Ray Beal, and Sandra Browning.

The reason for the meeting was to complete the 2004 budget and this was accomplished. The budget was approved by the board.

Also at this meeting Merle Gier verbally gave resignation from the board of directors, stating family obligations as the reason. His resignation was accepted with reluctance.

The meeting was adjourned.